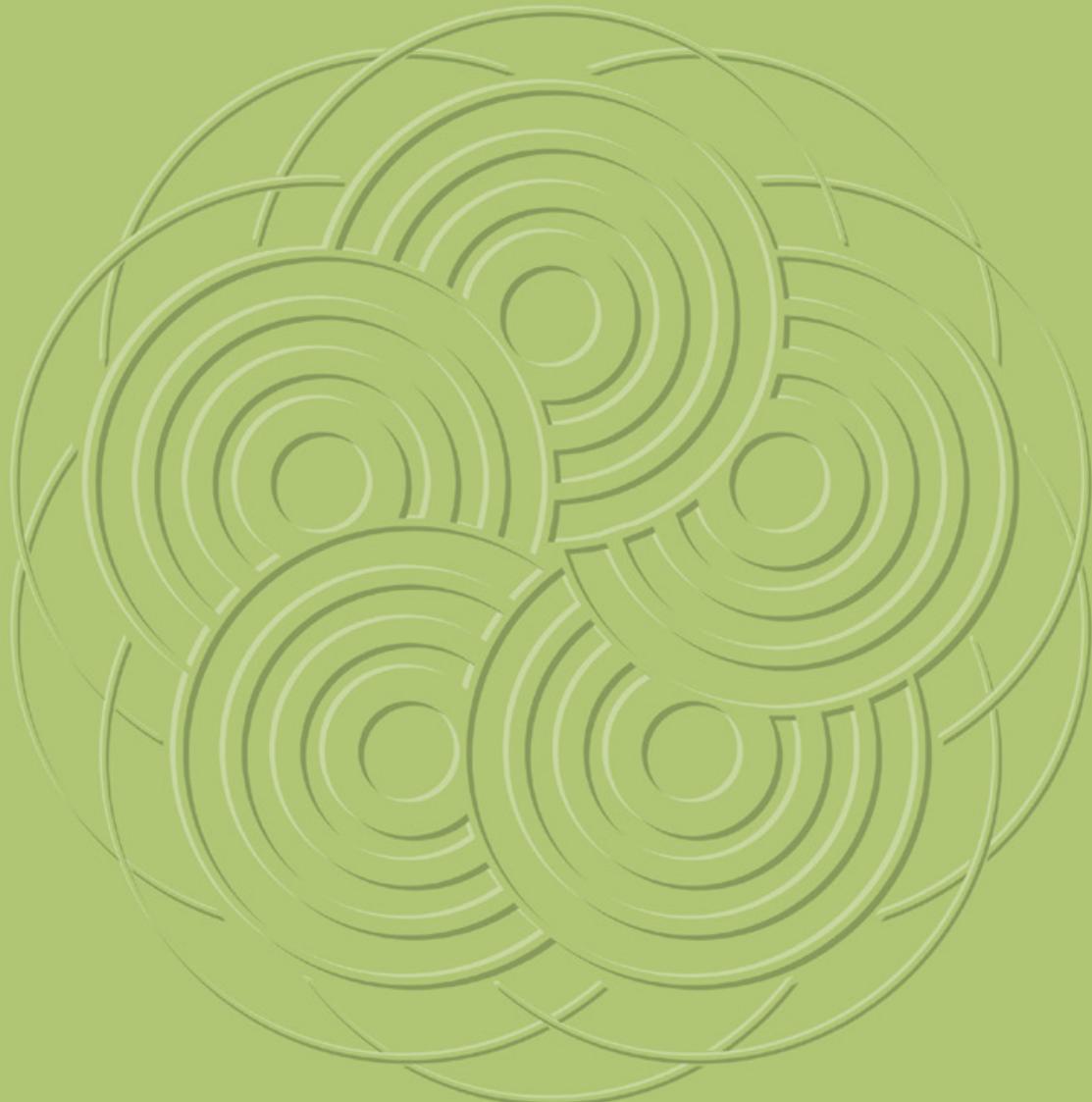




THAI BEVERAGE PUBLIC COMPANY LIMITED



ALWAYS WITH YOU
Sustainability Report 2018

15 **ThaiBev**
YEARS



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MESSAGE FROM THE PRESIDENT AND CEO



2018 was a significant year for Thai Beverage Public Company Limited ("ThaiBev"). As we marked our 15th anniversary, ThaiBev was recognized as a member of Dow Jones Sustainability Indices (DJSI) for the World Index family and Emerging Markets Index family. We achieved the highest sustainability scores on a global scale and were recognized as an industry leader, reflecting our progress towards fulfilling our goal of becoming a stable and sustainable leader in ASEAN and the world's leading beverage company.

Led by our "Vision 2020", which emphasizes the five pillars of Growth, Diversity, Brands, Reach and Professionalism, in 2018 ThaiBev also pushed ahead with its expansion in ASEAN. Two landmark moments – our acquisition of Saigon Beer – Alcohol – Beverage Corporation (Sabeco) in Vietnam and Grand Royal Group in Myanmar – will help us achieve our Vision 2020 objectives. Over the last 15 years, ThaiBev has grown to become a true ASEAN company with a wide range of products in our portfolio, diverse and professional working teams, and extensive reach throughout the ASEAN region.

This progress comes with significant and growing responsibilities. As ThaiBev moves forward, we must constantly monitor and assess our risks and impacts in order to create truly sustainable growth for the region. We must stay abreast of social and technological changes, and consider the environmental footprint of our supply chain. As our workforce grows, and our operations cross new borders, we must meet the new challenges by maintaining our values and respecting the rights of all.

At the heart of our commitment to all the communities in which we operate is our ongoing dedication to "Creating and Sharing the Value of Growth." This means ThaiBev will not only pursue growth in the name of financial bottom line, but also to promote quality of life in community, the health of the environment and the happiness of the people. For the past several years, since we established our Corporate Sustainability Development Committee, we have further instilled the sustainability ethos in the management and among the workforce, and each year, as evidenced by our improving DJSI scores, we are achieving a deeper understanding and more effective implementation by embedding sustainability practices throughout our human capital, value chain and business practices.

In Thailand, our commitment to sustainability has been highlighted not only by our internal dedication to reduce our footprint and protect the health of our workers and consumers, but also by our extensive outreach to communities through the Pracharath Rak Samakkee social enterprises initiative. This social enterprise network focuses on income-generating in the areas of agriculture, value-added products and community-based tourism. ThaiBev facilitates improvements in five areas – access to factors of production, innovations, marketing, communication and creating awareness of sustainability and management. All of our activities continue to be guided by the principles of the late King Bhumibol Adulyadej Borommanathbobitra's Sufficiency Economy Philosophy and the United Nations' 17 Sustainable Development Goals.

Also relevant to our commitment to a prosperous ASEAN is our work together with C asean, an institution which is focused on supporting start-ups, fostering connectivity, and strengthening competitiveness among all ASEAN countries. ThaiBev is inspired to preserve and showcase the unique cultural attributes of Thailand and ASEAN.

As we completed 15 years of successful operations, it is clear that great opportunities lie ahead. ThaiBev's determination to be an ASEAN business leader remains as strong as ever. Our goal is to not only maintain strong growth but to benefit all of our stakeholders and contribute to the overall social and environmental progress of the region.



Thapana Sirivadhanabhakdi
President and CEO

The ThaiBev Board (**the “Board”**) is committed to improving the sustainability of the ThaiBev Group (**the “Group”**). Sustainability considerations, including environmental, social, and governance (“**ESG**”) issues, the natural resources management, the development of human capital, organization, and corporate culture, are integral and essential matters which we take into account in our formulation of the overall strategy for the Group. We fully support all efforts by ThaiBev’s management team in this area.

Furthermore, as the Group’s long-term sustainability is a key priority for the Board and as efforts in this respect depend on the management team’s implementation and operational abilities, the Board has made it clear that our evaluation of their performance takes into account their effectiveness in delivering on the commitments made to sustainability initiatives and targets in this report.

The Board is committed to being transparent, clear and open about ThaiBev’s businesses to its shareholders and other stakeholders. The disclosures made in this report and in the Group’s annual report are in line with this commitment. In this report, we have discussed ThaiBev’s efforts to continue building on and strengthening the Group’s collaboration with business partners to drive positive economic, environmental, and social impact throughout its value chain with good governance.

The Board has assigned responsibility for overseeing ThaiBev’s sustainability initiatives and the preparation of this sustainability report to the Group’s Corporate Sustainability Development Committee (“Committee”) and working team. The Board receives regular reports and presentations from the Committee and the ThaiBev management team on their sustainability objectives, targets, initiatives, challenges, progress and achievements, as well as the management and emphasizing of the material factors relating to ESG, natural resources management (e.g. water resources), human capital and corporate culture development of relevance to the Group. In 2017, the Board extended the scope of the Risk Management Committee to govern the Group’s sustainable development strategies and renamed the committee as the Sustainability and Risk Management Committee. This change allowed the Group to effectively integrate its risk assessment and management with the Group’s sustainable development strategies and initiatives. The committee addressed key materiality topics from climate change to water stewardship to consumer health and safety, marking ThaiBev as an early mover in combining these processes. The Group has also planned to expand its sustainable development goals to cover overseas operations, allowing us to become a truly sustainable and stable total beverage leader in ASEAN.



For 15 years, ThaiBev has aimed to create and share the value from its continuous growth. ThaiBev is committed to meeting consumer needs, which have been changing with every generation and period, and for different gender and age groups, and is dedicated to bring happiness to every moment of your life through quality beverages. ThaiBev also conducts its business in accordance with a sustainability approach by taking society and the environment into consideration, as well as good business performance. This enables ThaiBev and all of its stakeholders to grow sustainably in all aspects and prepares ThaiBev to become a stable and sustainable total beverage leader in the ASEAN market.

“ThaiBev... Always with You”

ABOUT THIS REPORT

GRI 102-1,
GRI 102-10,
GRI 102-45,
GRI 102-48,
GRI 102-49,
GRI 102-50,
GRI 102-52,
GRI 102-53,
GRI 102-54,
GRI 102-56

Thai Beverage Public Company Limited, hereby ThaiBev, has published an annual sustainability report since 2011. This is the fifth report, for 2018, which has been prepared in accordance with the core criteria of the international GRI Standards framework of the Global Reporting Initiative (GRI).

Its objective is to communicate important subjects related to the company's business and sustainability practices to stakeholders. The headings and content of the report cover four core topics: economy, society, environment, and art and culture. The intention of this report is to present the strategies and methods of business operations that adhere to the principles of sustainable development and the Sufficiency Economy of His Majesty the late King Bhumibol Adulyadej, which together form the guidelines for the continuous sustainable development of ThaiBev. ThaiBev and companies in the ThaiBev Group have willingly put these principles into practice. Meanwhile, the setting of targets at ThaiBev must be consistent with the 17 UN Sustainable Development Goals (UN SDGs).



The 2018 Sustainability Report is prepared for stakeholders, to demonstrate that ThaiBev's business operations adhere to the best practices of sustainable development. This Sustainability Report received an audit based on financial operating results for 2018, through the accounting audit of the authorised auditor, KPMG Phoomchai Audit Co., Ltd. The Audit Report was shown in ThaiBev's 2018 Annual Report. As for our environmental, employee training, occupational health and safety aspects, they have been audited by Lloyd's Register International (Thailand) Limited. The statement certifying the information is shown under the heading of Independent Assurance Statement.

Scope of the Report

The information presented in this report derives from the fiscal year 2018. ThaiBev has reported the efficiency of environmental operations covering a 12-month period from October 2017 to September 2018.

- In 2014–2015, ThaiBev's reporting on its environmental operations efficiency covered a 12-month time period from January to December.
- In 2016, ThaiBev's reporting on its environmental operations efficiency was divided into two parts as follows:
 - Covering a period of nine months from January to September 2016
 - Covering a period of twelve months from October 2015 to September 2016, where the information for this part was compiled by the company, but was not audited or assessed by an external body (Independent Limited Assurance)
- In 2017, ThaiBev's reporting on its environmental operations efficiency covered a 12-month time period from October 2016 to September 2017 with the following additional scope:
 - Environmental data from the group of food businesses which was Oishi Trading Co., Ltd. (Ban Beung)
 - Environmental data from the group of non-alcoholic beverage businesses which was S.P.M Food and Beverage Co., Ltd.
 - Environmental data from the group of supply chain businesses: Thai Beverage Energy Co., Ltd. and Thai Beverage Logistics Co., Ltd.

The scope of this report covers ThaiBev and companies in the ThaiBev Group in Thailand only. It does not include companies overseas. In the environmental data part, the data has been collected from 44 production sites comprising 18 distilleries, 3 breweries and 12 factories producing non-alcoholic beverages (4 OISHI, 7 Sermsuk and 1 S.P.M Food and Beverage), as well as 11 distribution centers (6 distribution centers under Thai Beverage Logistics Co., Ltd. and 5 distribution centers under Sermsuk Public Company Limited).

ThaiBev has prepared this Sustainability Report in both Thai and English, and it has also been published on ThaiBev's website at sustainability.thaibeve.com. If you have any suggestions or inquiries, you may contact the Sustainability Development Working Team via sustainability@thaibeve.com. You may further express opinions by using the form included at the end of this report. The working team will be delighted to consider such suggestions to improve the quality of future reports.

ABOUT THAIBEV



GRI 102-2, GRI 102-3, GRI 102-4,
GRI 102-5, GRI 102-6, GRI 102-7, GRI 102-10

ThaiBev, besides being a leading producer of beverages in Thailand, is also one of the largest producers in Asia. The business is divided into four main segments: spirits, beer, non-alcoholic beverages and food. In 2018, ThaiBev was listed in the Dow Jones Sustainability Indices (DJSI) for 2018 in the beverage sector, in both the DJSI World and DJSI Emerging Markets categories. Gaining the highest score on sustainability, ThaiBev was recognized as No.1 in the World category and was selected as an Industry Leader in the beverage sector.

Vision

Our vision is to be a world-class total beverage producer and distributor, embodying commercial excellence, continuous product development and premiumization, as well as professionalism.

Mission

ThaiBev's mission is to build strong mutually beneficial relationships with all 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 renewing them.
- Contribute to society.

Strategy

- **Growth** We aim to solidify ThaiBev's position as the stable and sustainable largest beverage company in Southeast Asia, and create return to shareholders.
- **Diversity** To support and sustain ThaiBev's growth, we plan to diversify our revenue streams, increasing revenue contribution from non-alcoholic beverages and the sale of products outside of Thailand.
- **Brands** By streamlining ThaiBev's businesses into three product groups (spirits, beer, and non-alcoholic beverages) and identifying core brands within each, as well as focusing on primary and secondary markets with the greatest growth potential, we look to expand the business via a consumer and market-driven approach.
- **Reach** To realise the potential of ThaiBev's core brands, robust and efficient routes to all markets are required. Accordingly, we seek to build on our market leading business processes and supply chains to strengthen existing distribution networks, establish new ones, and also enter into partnerships with third-party distributors when appropriate.

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

Goods and Services

ThaiBev products are sold in 90 countries worldwide. ThaiBev owns 5 distilleries in Scotland, a country famed as the origin of world-class whiskey brands such as Balblair, Old Pulteney, and Speyburn. ThaiBev also owns another distillery in China, where the spirit Yulinquan is produced.

As of September 30, 2018, there were 196 companies in the ThaiBev Group, as follows:

- 97 companies in Thailand. 96 of which are subsidiaries, and 1 associated company; namely, PETFORM (Thailand) Limited.
- 99 companies abroad (76 of which are subsidiaries, 18 associated company and 5 of which are indirect partner company of subsidiaries within Sabeco.)
- There are 18 distilleries, 3 beer breweries, and 12 non-alcoholic beverage production factories, as well as an extensive distribution network covering 400,000 points all over Thailand.

Notable products include:

- Spirits: Ruang Khao, SangSom, Mekhong, Hongthong, Blend 285, Kulov, and Star Cooler.
- Beers: Chang Beer, our main product which is a widely popular beer among Thai consumers, including Chang Classic, Federbrau, Tapper and planned new products, Huntsman and Black Dragon by Oct–Nov 2018.
- Non-alcoholic beverages: ThaiBev is famous for OISHI Green Tea, est Cola, 100 Plus, Crystal Drinking Water, Chang Mineral Water and Rock Mountain Soda. Planned to release OISHI Gold premium tea by Nov–Dec 2018.
- Foods: restaurants under the names OISHI Grand, OISHI Eaterium, OISHI Buffet, Shabushi, OISHI Ramen, Nikuya, Kakashi, Hyde & Seek, Man Fu Yuan, mx cakes & bakery, SO asean Café & Restaurant, Food Street, POT Ministry, Café Chilli, and Baan Suriyasai. ThaiBev also founded The QSR of Asia Limited to operate KFC restaurant franchise in Thailand for 252 branches.

**SALES REVENUE****229,695**

MILLION BAHT

**NUMBER OF EMPLOYEES****41,551**

PERSON

**NET PROFIT****20,726**

MILLION BAHT

**DEBT-TO-EQUITY (D/E)****1.86**

TIMES

**RETURN ON EQUITY (ROE)****15.18**

PERCENT

In the past 19 Years

3,800,000

Blankets

Across 45 provinces and
578 districts have been
donated



18%

REDUCTION OF ENERGY
INTENSITY RATIO
(BEVERAGE BUSINESS)

COMPARED TO 2014 AS A BASE YEAR



16%

REDUCTION OF GREENHOUSE
GAS EMISSION INTENSITY RATIO
(BEVERAGE BUSINESS)

COMPARED TO 2014 AS A BASE YEAR



17%

REDUCTION OF WATER
INTENSITY RATIO
(BEVERAGE BUSINESS)

COMPARED TO 2014 AS A BASE YEAR



89%

REUSED AND RECYCLED WASTE
(BEVERAGE BUSINESS)

ThaiBev has initiated
social development
projects covering

100%

Or all 77 provinces
in Thailand

**2018**

Total income (annual)

232,598

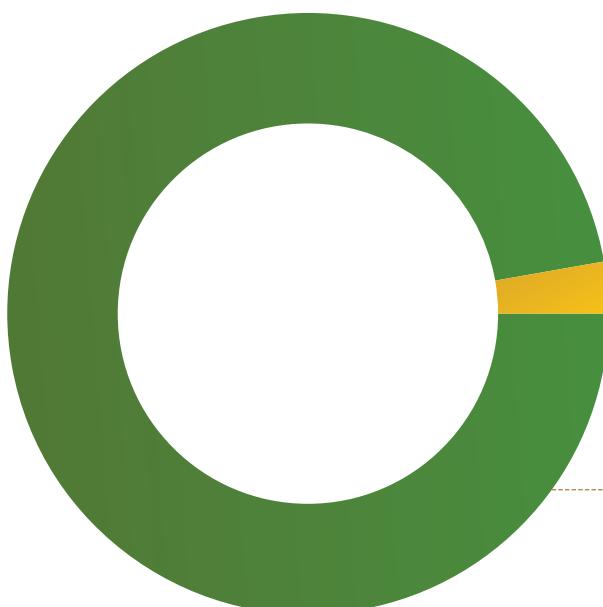
million baht

October 2017 to September 2018, period of 12 months

Foreign income proportion

25%

Domestic income proportion

75%**2017**

Total income (annual)

190,697

million baht

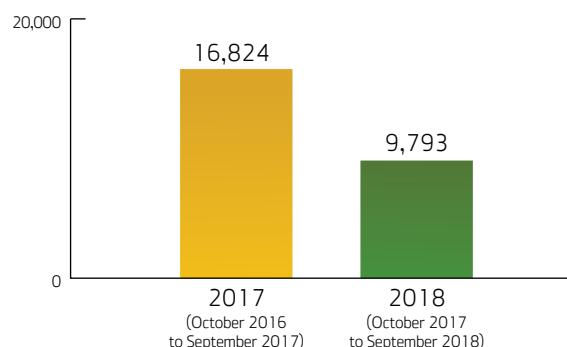
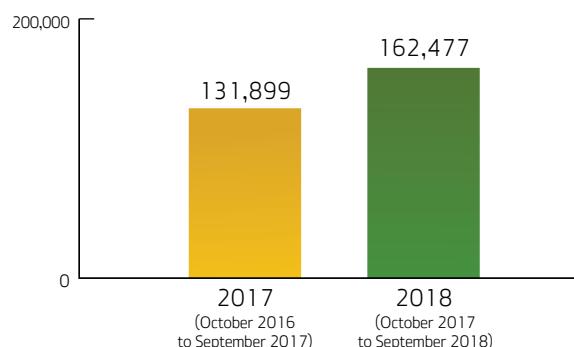
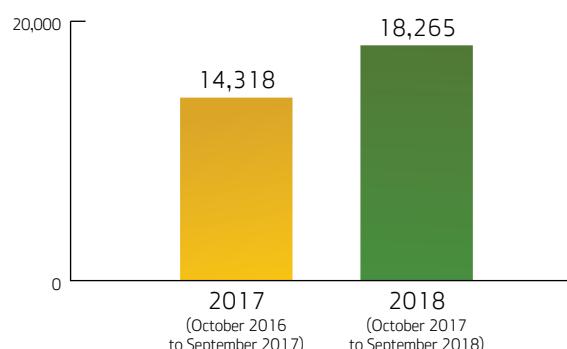
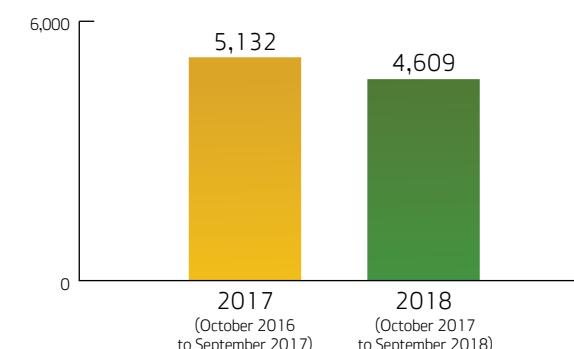
October 2016 to September 2017, period of 12 months

Foreign income proportion

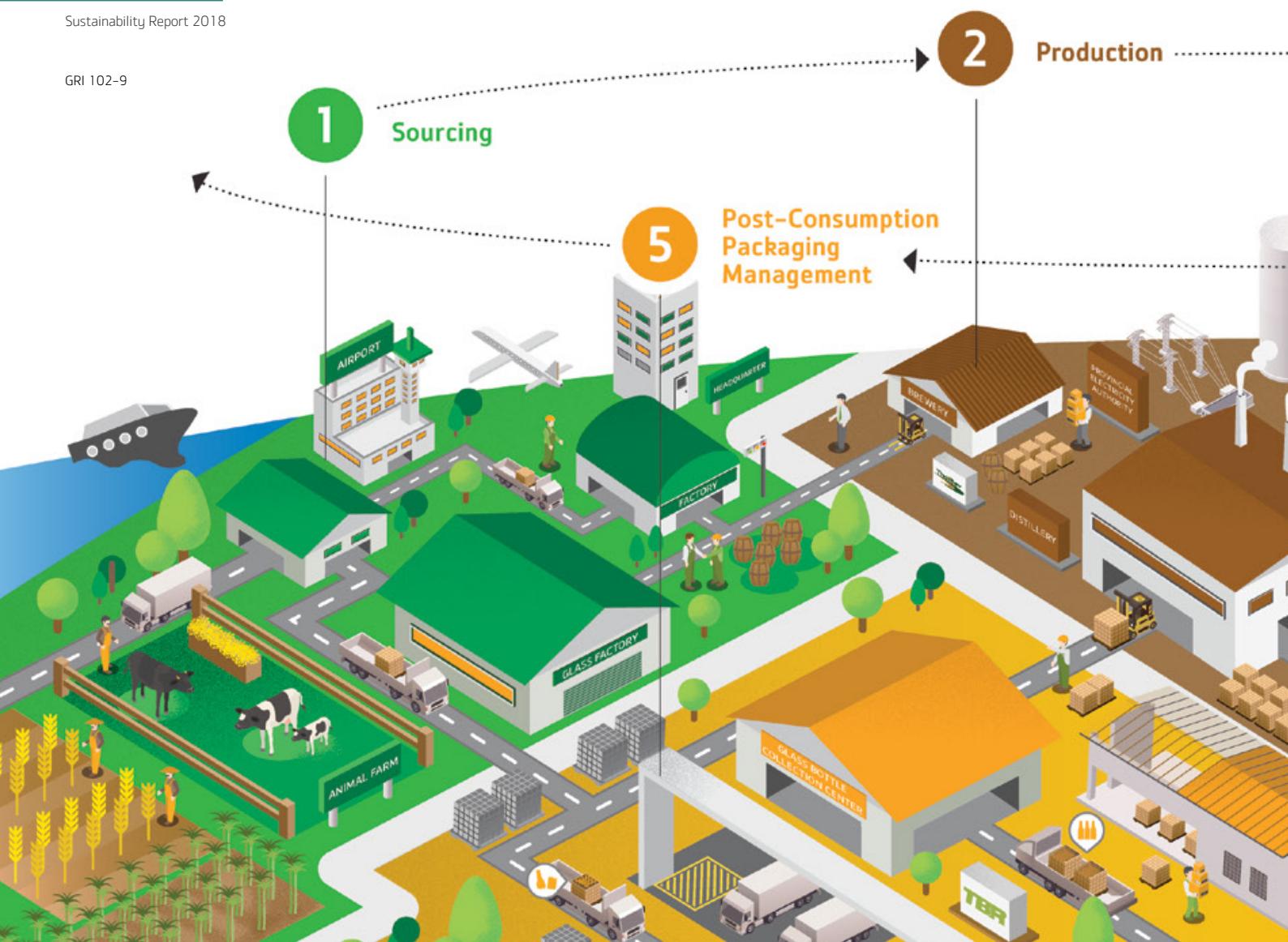
3%

Domestic income proportion

97%

Annual Dividend (million baht)**Cost of Sales (million baht)****Employee Benefit Expenses (million baht)****Income Tax Expenses (million baht)****Note**

1. Economic value generated and distributed is defined by Income (refer to GRI201-1: Revenue), Cost of Sales (refer to GRI201-1: Operating cost), Employee Benefit Expenses (refer to GRI201-1: Employee Wages and Benefits), Income Tax Expenses (refer to GRI201-1: Payments to Government), and Annual Dividend (refer to GRI201-1: Payments to Provider of Capital). The scope of this report is limited to operations in Thailand. However, the Economic performance section refers to ThaiBev and subsidiaries and is consistent with the 2018 Annual Report.
2. Employee benefit expenses, which is part of Cost of Sales, was 5,022 million baht during the period of Oct 2017–Sep 2018 and was 3,528 million baht during the period of October 2016 to September 2017. The excise tax paid to the government is also part of Cost of Sales.
3. Geographic income for the Thai Beverage Group according to ThaiBev's financial statements for the period ended 30 September 2018.
4. Annual dividend to ThaiBev's shareholder.



THAIBEV'S VALUE CHAIN

For ThaiBev, development of the Value Chain is an important strategy to deliver business success. To enhance confidence in the production of quality products and sustainable growth, the company pays attention to every procedure and process in the Value Chain as follows:

Sourcing

As a leading national beverage producer, the sourcing process must be efficient, transparent and committed to achieving results that maintain the quality of products and services, by considering the following factors:

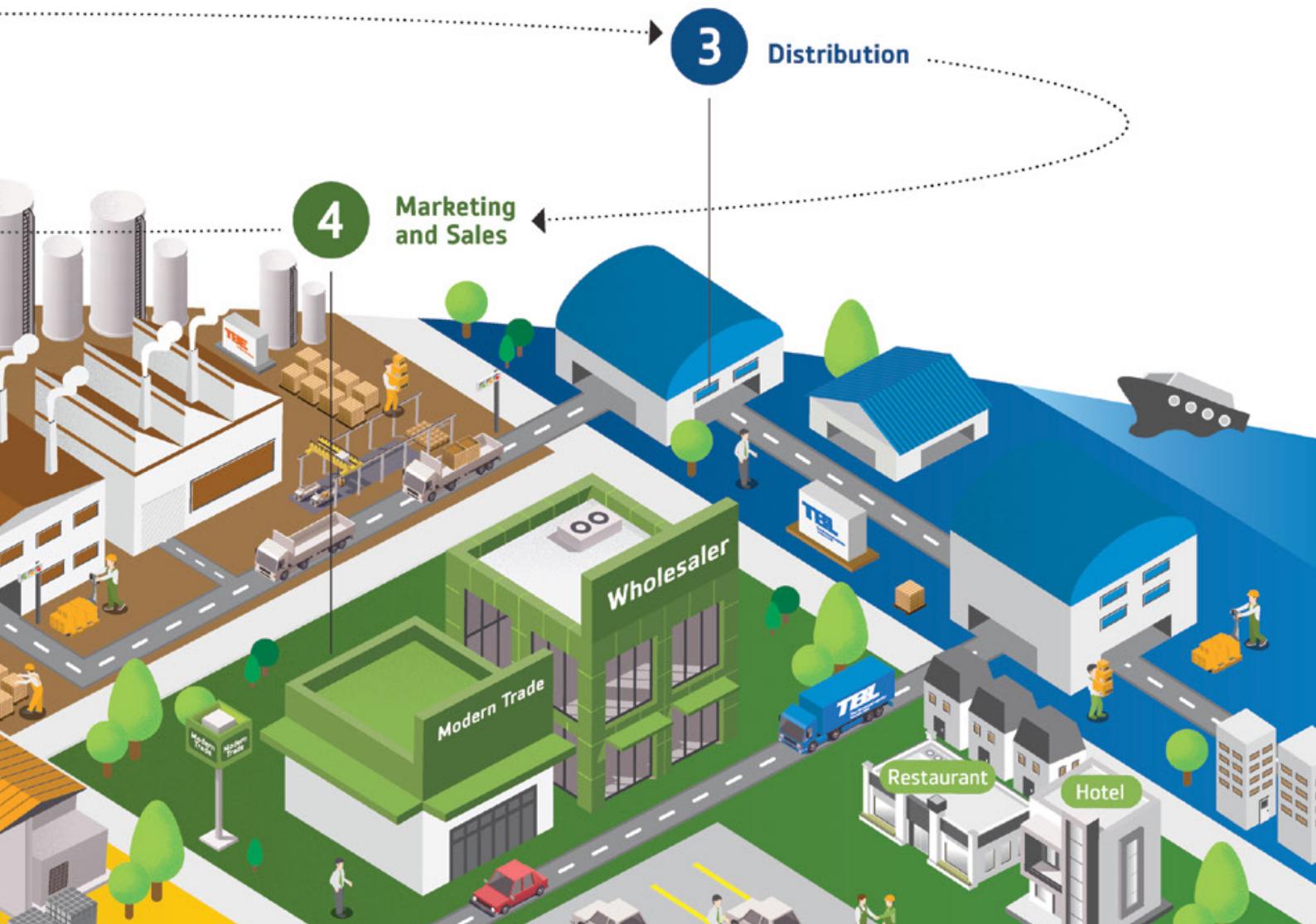
- Giving priority to developing the potential business partners or suppliers to achieve goals and mutual sustainable growth with the company. A code of practice for suppliers has been established, and risk management mechanisms have been put in place for products and services, together with managing and assessing performance to make sure that they meet appropriate standards and management processes.

- Sourcing processes to standards that consider environmental and social factors such as water management, occupational health and safety, as well as providing oversight to ensure that quality and safe products and services will reach consumers.
- Considering the impact of post-consumption such as using bioPET bottles for Chang Mineral Water, which is made from 30 percent plant-based materials.

Production

ThaiBev gives priority to every stage of production, including:

- Controlling the quality of products to be correctly in line with legal requirements and various international management standards covering the environment, safety, and consumer health, such ISO 9001, GMP, HACCP, ISO 14001, and the National Sanitation Foundation (NSF) drinking water standard.
- Production safety, which involves good hygiene management, only choosing quality raw materials which are safe and bring about the highest consumer satisfaction.
- Using various resources such as water and energy to get the greatest value and bring the most benefits without creating pollution. Alternative energy sources are used, such as steam for distilleries, anaerobic waste treatment systems installation, as well as once through boilers, while various innovations and technology continue to be developed.



Distribution

With an efficient product distribution process, alongside strong distribution channels that span across Thailand, ThaiBev is able to:

- Maintain and deliver the highest quality products to all customers; while maintaining good relationships with business partners, as well as meet the needs of distributors with professional levels of services.
- Use modern technology in managing and planning product distribution and transportation systems, such as ensuring driving discipline so that it is safe for drivers, and efficiently manage the use of fuel.
- Expand logistics services to customers in the restaurant segment in Thailand. Last year, the company took a shareholding in HAVI Logistics (Thailand) Co., Ltd, an expert in Cold Chain temperature-controlled transportation.

Marketing and Sales

ThaiBev delivers products to consumers through efficient distribution channels by:

- Creating a strong network and building good relationships with customers through a variety of projects such as The Agent "Next Gen" and marketing activities in its distribution channels, which is a strategy for efficient growth according to Vision 2020.

- Communicating and publicizing responsibility to consumers and society through the "Serve Responsibly" project and holding sales promotions that create good relationships with consumers, as well as listening to consumers' opinions through various communications channels, which are then used to develop and respond to customers' needs as much as possible.

Post-consumption Packaging Management

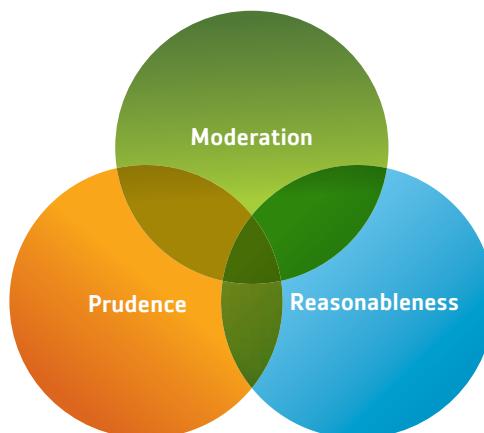
ThaiBev believes that good packaging should not only protect the product and make it look pleasing, but should also be reusable, so the company aims to:

- Reuse packaging materials such as corrugated cartons and carton box partitions, glass bottles, aluminum cans and plastic crates in the manufacturing process.
- Develop packaging from materials which can be reused and recycled in the manufacturing process to reduce post-consumption waste, as "single-use" packaging creates too much trash and wastes natural resources in the manufacturing of these materials.

SUSTAINABILITY APPROACH

ThaiBev embraces King Bhumibol Adulyadej's Sufficiency Economy Philosophy (SEP), in tandem with the United Nations Sustainable Development Goals (UN SDGs), to establish its sustainable development strategy. These principles are incorporated into guidelines to push forward business operations in a responsible manner for society and all stakeholders.

Business operations should be founded on the basis of the middle path as exemplified in the three major parts of the Sufficiency Economy Philosophy, which are:



Moderation

- Work following one's abilities and potential
- Avoid extremes
- Exercise financial discipline

Reasonableness

- Assess the reasons for every action affecting stakeholders
- Create real, authentic value

Prudence

- Manage risk
- Prepare for future impacts or changes

The conditions for these three principles to arise are the use of Knowledge and Virtues



Knowledge

- In-depth information
- Correct understanding
- The linking together of knowledge and experience



Virtues

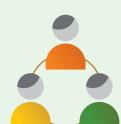
- Integrity
- Sincerity
- Diligence
- Self-awareness
- Humility

The Sufficiency Economy Philosophy consists of three principles: Moderation, Reasonableness, and Prudence. Abiding by these three principles, based on the foundations of knowledge and virtue, allows the company to remain stable and sustainable through the currents of globalization and change, leading to balanced progress in all four dimensions: Economy, Society, Environment, and Culture. At the same time, with its sustainable development strategy, ThaiBev is confident that it will be able to be self-sustaining and develop limitless opportunities for the business and society as a whole.

The two frameworks, SEP and UN SDGs, emphasize utilizing knowledge, experience, and rationale to achieve steady growth, while reducing environmental impacts and promoting human capital development. Moreover, SEP and UN SDGs are consistent with ThaiBev's Vision 2020 to become a stable and sustainable Asean leader. Hence, ThaiBev prioritizes engaging and establishing good relationships with all stakeholders so that sustainable growth can be attained for all.



Economy
Creating business value



Society
Caring and sharing



Environment
Managing impacts from business



Culture
Promoting artistic and cultural conservation

SUSTAINABLE DEVELOPMENT GOALS



1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



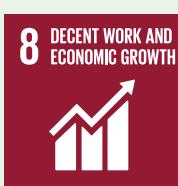
5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

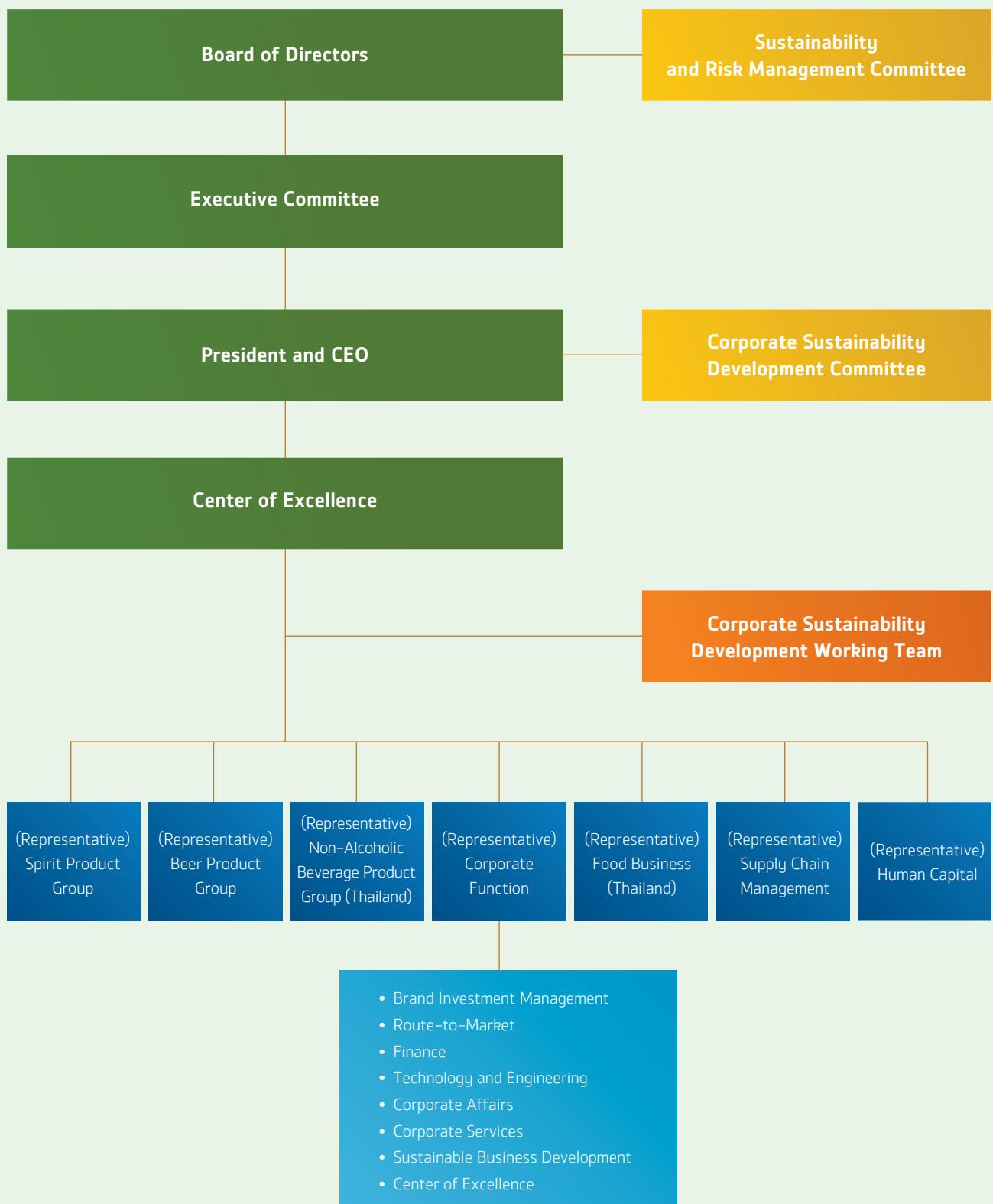


17 PARTNERSHIPS FOR THE GOALS



SUSTAINABLE DEVELOPMENT GOALS

ThaiBev's Corporate Sustainability Structure



Sustainability Management

ThaiBev's Corporate Sustainability Development (CSD) Committee is responsible for the consideration, planning, policymaking, and execution of sustainable development measures, so that they are consistent with the overall direction and strategies as determined by the Board of Directors or Executive Committee. In addition, the Corporate Sustainability Development Working Team acts as a support for the CSD Committee. The CSD Working Team consists of representatives from various units who are assigned the following tasks: determining efficiency indices in terms of the environment, safety, and occupational hygiene; support planning and monitoring in the realm of sustainability management; maintaining constant communication with the CSD Committee; and participating in the assessment process of the Company's sustainability. Within the assessment process the CSD Working Team is responsible for reviewing the resulting key issues around organizational sustainability, analyzing and presenting to the CSD Committee for approval, and subsequently to the Executive Committee for final approval of the key issues surrounding sustainability.

ThaiBev has participated in the Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment for four consecutive years, and has been listed in the DJSI World index for the second year running (2017 and 2018). The company was

recently recognized as Global Beverages Industry Leader, achieving the highest score compared to its peers in the beverages sector, and is the first Asian company to be named a sustainability leader in the beverage industry in 11 years. It is one of 60 companies from 24 industrial sectors to be ranked as an Industry Leader, and has also been listed as DJSI emerging market member, an honor received by the top 10 percent sustainability leaders in each industry, for three consecutive years. This remarkable achievement is a result of continuous effort to become a leading sustainable organization. The company's sustainability performances have developed in leaps and bounds, and it has been recognized as an Industry Mover in RobecoSAM Sustainability yearbooks 2017–2018, for two years in row.



Stakeholder Engagement

ThaiBev has established guidelines for appropriate stakeholder engagement, with an emphasis on continuously promoting creative engagement with all stakeholders through various activities and communication channels; various demands, opinions, concerns, and suggestions may be voiced. For each group of stakeholders, the frequency of communication varies according to operation plans. Therefore, the information received is useful in helping to determine the strategy, direction, planning, and guidelines for business sustainability development.



Stakeholder Engagement

Stakeholder	Engagement Channels	Issues of Stakeholder Interest and Concern	Applicable Reports
 Employees	<ul style="list-style-type: none"> Messaging (SMS) LINE Application: LINE @ "We are ThaiBev Group" Facebook fan page ThaiBev Intranet Annual Meetings (Annual Executive Meeting, Labor Practice Committee Meeting, Employee Benefits Committee Meeting, Occupational Health and Safety Committee Meeting, Trade Union Meeting, and Functional Meeting) Suggestion Box Roadshows to meet with various stakeholders, such as "Core Values Roadshow" and "Vision 2020 Roadshow" Annual Sustainability Survey Employee satisfaction and engagement survey Beverest Connect application Jam application, a messaging channel exclusively for ThaiBev employees 	<ul style="list-style-type: none"> Work safety Flexible working arrangements Employee Benefits Charities and other projects that benefit society New products developed according to consumer needs Developing employee skills News about the company Company activities and management engagement Success and awards received by the Company Internal activities Volunteering for various events and projects 	<ul style="list-style-type: none"> Limitless Opportunities Consumer Health, Safety and Well-Being Safety, Occupational Health and Work Environment Social Sustainability
 Suppliers	<ul style="list-style-type: none"> Meetings with suppliers Annual Sustainability Survey Business Partner Conference Supplier Award Program 	<ul style="list-style-type: none"> Vision of management and business practices Supplier Code of Practice Maintenance of quality standards, delivering services and sustainability in the business operations of suppliers Cooperation between the company, suppliers and their suppliers in managing risk throughout the supply chain Developing suppliers' business potential Innovation and development of packaging to reduce environmental impact 	<ul style="list-style-type: none"> Governance, Risk and Compliance Sustainable Sourcing Eco-friendly Packaging Innovation Energy and Climate Change
 Customers	<ul style="list-style-type: none"> ThaiBev EXPO 2018 Annual Customer Meeting Customer Training and Development Workshops Business Development Activities Annual Business Review Activities Annual Customer Factory Visit Agent "The next gen" Project Annual Sustainability Survey 	<ul style="list-style-type: none"> Consumer health and safety Clear business policies Transparency in business operations Responsibility to consumers Involvement in business planning Training to enhance skills and knowledge Building cooperation and networks to create value for society Flexibility in trade to meet market demands 	<ul style="list-style-type: none"> Customer Relationship Management Consumer Health, Safety and Well-Being Governance, Risk and Compliance Sustainability Approach Limitless Opportunities
 Consumers	<ul style="list-style-type: none"> Public events and marketing promotion activities via sales channels Social media channels such as Facebook fanpage, website, LINE application Annual Sustainability Survey Surveys of consumer behavior and opinions on products 	<ul style="list-style-type: none"> Product quality and safety Fair and appropriate product prices Responsible servicing and product presentation Environmental management responsibility Transparency in business operations Charities and projects that benefit society 	<ul style="list-style-type: none"> Consumer Health, Safety and Well-Being Water Stewardship Waste Management Energy and Climate Change Governance, Risk and Compliance

Stakeholder	Engagement Channels	Issues of Stakeholder Interest and Concern	Applicable Reports
 Investors	<ul style="list-style-type: none"> • Annual Shareholders Meeting • Quarterly meetings • Annual Factory Visits • Investor Roadshows • Annual Sustainability Survey 	<ul style="list-style-type: none"> • Transparency in information disclosure • Business performance • Disclosure of relevant business information to shareholders and investors • Product management and development 	<ul style="list-style-type: none"> • Governance, Risk and Compliance • Consumer Health, Safety and Well-Being
 Communities	<ul style="list-style-type: none"> • Activities with communities surrounding factories • Interviews with community representatives • Field visits and meetings with communities to follow up progress on joint projects • Monthly and quarterly meetings with community representatives • Survey of opinions with questionnaires • Annual Sustainability Survey 	<ul style="list-style-type: none"> • Creating jobs or promoting occupations in communities • Promoting public health and well-being in communities • Local economic development • Skills development in sports, music and arts • Reviving natural resources and the environment, managing and reviving water sources • Assessment of impact on communities • Promoting the environment and caring for it in communities • Educational promotion in communities • Reducing inequality in society • Safety in temples, schools and communities • Human rights, including labor rights and consumer rights 	<ul style="list-style-type: none"> • Developing Communities and Society • Pracharath Rak Samakkee Project • Education Development • Public Health Development • Athletic Development • Preserving and Promoting Art and Culture • Water Stewardship
 Regulators	<ul style="list-style-type: none"> • Hearing and giving opinions on the enforcement of laws by state agencies • Training in various courses arranged by state agencies or their certified nominees • Annual Sustainability Survey 	<ul style="list-style-type: none"> • Participating in giving opinions on various draft laws • Tax transparency • Labor welfare and safety • Human rights and legal labor practices • Legal advertising and sales • Appropriate management of society and the environment 	<ul style="list-style-type: none"> • Governance, Risk and Compliance • Consumer Health, Safety and Well-Being • Safety, Occupational Health and Work Environment • Limitless Opportunities • Customer Relationship Management • Water Stewardship
 NGOs	<ul style="list-style-type: none"> • Annual Sustainability Survey 	<ul style="list-style-type: none"> • Consumer Health and Safety • Legal business operations • Social Responsibility 	<ul style="list-style-type: none"> • Consumer Health, Safety and Well-Being • Governance, Risk and Compliance

Inputs from Stakeholders

In 2018, ThaiBev carried out an annual sustainability survey, consulting all eight stakeholder groups. A third-party expert was tasked with conducting interviews and sending surveys to a sample group of stakeholders. The results from the stakeholder engagement process were used to assess key issues in corporate sustainability development.

Insights from Sustainability Experts



M.L. Dispanadda Diskul

Chief Executive Officer, Mae Fah Luang Foundation

"When a company decides to give something back to society, it should be done in a way that is consistent with the company's established expertise and experience. For instance, an agribusiness company should allocate its personnel and laboratories to help improve the quality of agricultural products, educating farmers on how to reduce toxins in the soil, and conduct integrated farming. They could also advise on new techniques that farmers can utilize to develop and improve their produce. This could generate more income and bring about sustainability to the community. A beverage company, for instance, could use its know-how to help improve water quality, and in return utilize those water resources in the manufacturing process to produce products with even higher quality, while also contributing to the improvement of natural resources and healthier communities."

ThaiBev, as a large private company, has always played a major role in society. And its leading role in sustainable development has recently been proven after being named the beverage industry leader in the Dow Jones Sustainability Indices (DJSI). This recognition is a demonstration of the far-reaching vision of the company's executives as well as the dedication and efforts of its staff. So I hope that ThaiBev will be able to drive changes while also encouraging other companies to take responsibility and pay more attention to sustainable development."

Insights from Sustainability Experts

Brendan Edgerton

Director, Circular Economy

World Business Council for Sustainable Development (WBCSD)

"The WBCSD brings together leading companies to share best practices and collaborate to create a world in which 9 billion people live well within the means of the planet. This collaborative approach is central to integrating the Circular Economy across company value chains, a global sustainability megatrend that is highly material to Food & Beverage companies.

As such, WBCSD encourages engagement of multiple stakeholders and partnerships, such as The Consumer Goods Forum and Alliance to End Plastic Waste. Further, in order to integrate the Circular Economy more fully into its value chain, we advise on three key areas: water consumption and water regeneration, bio-economy (efficient use of agricultural goods and effective use of residuals) and packaging (exploring sustainable packaging design and effective partner in end of life management). By taking these actions, ThaiBev has the opportunity for impact at scale, and to create a legacy of sustainable leadership."

**Ani Kavookjian**

Sustainable Business and Finance, Bloomberg L.P.

"The Company's Executive Committee must have understanding of climate change issues and the transition to a low-carbon society, with its associated risks and opportunities. In this, the executive committee must manage the company's survival and growth in many climate scenarios. Besides this, ThaiBev should prioritize the presentation of information on sustainability issues in formats which investors can understand and make comparisons.

Moreover, if the company shows support for TCFD (Task Force on Climate-related Financial Disclosure), ThaiBev can attract investors who are interested in companies who prioritize long-term goals. Investors are now increasingly interested in companies from emerging/developing markets."

The Process for Assessing Key Sustainability Issues

In 2018, ThaiBev assessed key sustainability issues through comparisons with its industry peers and by considering data on sustainability trends worldwide. Surveys found that there were no significant changes from 2017.

1. Identification of Issues

ThaiBev selects sustainability issues that are consistent with business operations, based on the information gathered from executives and experts from every business unit and relevant units, and from interviews of external experts on sustainability in the context of food and beverage business sustainability. This involves learning about global trends and changes, sustainability issues of other companies in the industry, as well as a survey of stakeholders on corporate sustainability issues held this year.

2. Issue Prioritization

ThaiBev takes the identified issues and ranks them by priority, considering each issue's impact on business operations, and the opinions of all stakeholders about the possible impact on sustainability. Which issues get prioritized is determined by ThaiBev and its stakeholders.

3. Validation

The Corporate Sustainability Development Working Team cross-checks the comprehensiveness of the key corporate sustainability issues, and presents the completed list to the Corporate Sustainability Development Committee for review and approval. It then presents the issues to the executive committee for final approval and implementation.

4. Establishment of Reporting Boundary

ThaiBev determines the scope of the reporting of all 17 key issues, based on the information collected from various agencies and most relevant stakeholder groups, for the information to be comprehensive and accurate, and in order to address the issues of interest to ThaiBev's stakeholders.

5. Continuous Development

ThaiBev is committed to continuously operating under the sustainable development framework, by taking into account stakeholders' perspectives on key issues in the development of appropriate and fair sustainability practices.



Key Issues in ThaiBev's Sustainable Development



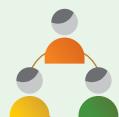
Economic

- Innovation
- Packaging
- Responsible Consumption
- Sustainable Supply Chain
- Corporate Governance & Code of Business Conduct



Environmental

- Energy Efficiency and Climate Change
- Water Management & Water Conservation
- Waste Management



Social

- Consumer Health & Safety
- OHS & Wellbeing
- Human Rights
- Corporate Citizenship & Philanthropy
- Health and Nutrition Products
- Human Capital Development and Talent Attraction and Retention
- Collaboration & Networking to Create Social Value
- Customer Relationship Management
- Product Labeling & Marketing & Communication

ThaiBev's Risk Management Criteria

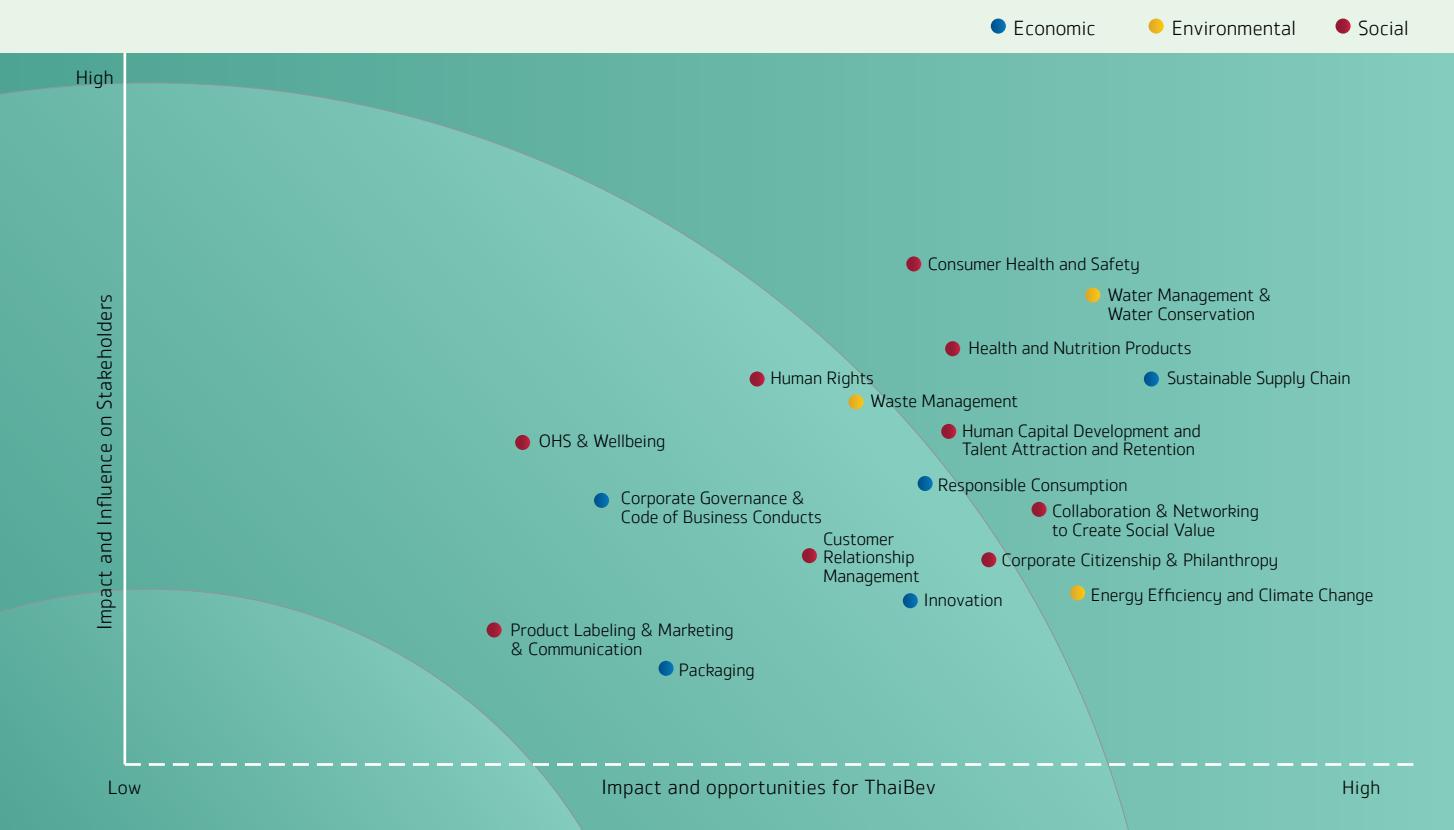
Probability / Likelihood

Consequence / Impact	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost
5 Catastrophic	H 5	H 10	H 15	E 20	E 25
4 Major	M 4	M 8	H 12	H 16	E 20
3 Moderate	M 3	M 6	H 9	H 12	H 15
2 Minor	L 2	L 4	M 6	M 8	H 10
1 Insignificant	L 1	L 2	L 3	M 4	M 5

Action required by risk exposure

Risk Exposure	Action required
Extremely High (E)	Immediate Action Required
High (H)	Senior Management Attention Needed
Moderate (M)	Management Responsibility Must Be Specified (Senior Vice President, Vice President)
Low (L)	Manage by Routine Procedures

The Sustainable Development Working Team and experts from relevant agencies held a workshop with the Corporate Sustainability Development Committee to seek endorsement on the 17 material issues of ThaiBev and its subsidiaries, which were selected from the materiality assessment process.



Summary of Key Issues in This Report

Chapter	Key Issue	Impact Boundary								
		Inside the Company				Outside of the Company				
		ThaiBev and its subsidiaries	Employees	Suppliers	Customers	Consumers	Investors	Community	Regulators	NGOs
Governance, Risk and Compliance	Corporate Governance and Code of Business Conducts	●	●	●	●	●	●	●	●	●
Innovation	Innovation	●	●			●				
Consumer Health, Safety and Wellbeing	Consumer Health and Safety	●	●	●	●	●			●	●
	Product Labeling and Marketing and Communication	●	●	●		●			●	●
	Health and Nutrition Products	●	●	●		●			●	●
Customer Relationship Management	Customer Relationship Management	●	●	●	●	●				
	Responsible Consumption	●	●	●		●			●	●
Sustainable Sourcing	Sustainable Supply Chain	●	●	●						
Limitless Opportunities	Human Rights	●	●	●		●	●	●	●	●
	Human Capital Development and Talent Attraction and Retention	●	●	●						
Safety, Occupational Health and Work Environment	OHS and Wellbeing	●	●							
Energy and Climate Change	Energy Efficiency and Climate Change	●	●	●					●	●
Eco-friendly Packaging	Packaging	●	●	●						
	Waste Management	●	●					●	●	●
Water Stewardship	Water Management and Water Conservation	●	●					●	●	●
Waste Management	Waste Management	●	●					●	●	●
Social Sustainability	Collaboration and Networking to Create Social Value	●	●					●	●	●
Preserving and Promoting Art and Culture	Corporate Citizenship and Philanthropy	●	●					●		



GRI 102-11, GRI 102-13, GRI 102-15,
GRI 102-16, GRI 102-17, GRI 201-2,
GRI 205-2, GRI 205-3, GRI 419-1, GRI 415-1

GOVERNANCE, RISK AND COMPLIANCE

ThaiBev is committed to operate its businesses with integrity, accountability, transparency and fairness, according to Code of Business Conduct of ThaiBev Group. Governance is a key factor that improves and streamlines ThaiBev's relations between board members, executives, employees, and other stakeholders. ThaiBev believes that good governance provides a foundation for the mechanisms that set business objectives and the operational methods to achieve them, as well as monitoring the results. ThaiBev emphasizes principles of good corporate governance and appropriate risk management plans that follow sustainability policy.

Good Corporate Governance is an international corporate management method, that complies with ThaiBev's Code of Business Conduct. This management system is fair and transparent, creating confidence for stakeholders and helps guide ThaiBev's business to grow sustainably.

Good Corporate Governance

ThaiBev has the intention for good corporate governance, along with a management system that's efficient, transparent, and accountability. This means ThaiBev complies with all laws and regulations, and aims to be a role model: doing business professionally, transparently and ethically, to give total confidence to shareholders, investors, employees, customers, and stakeholders.

ThaiBev also reported on good corporate governance in its Annual Report 2018, which explained the structure and method of governance disclosure. The report also disclosed financial performance, a development plan for sustainability within the organization between board members, management and shareholders to further its competitiveness, and emphasized determination and support to develop our customers' business potential for stronger and more sustainable growth, and adding value for shareholders in long term; while considering all stakeholders inside and outside the organization. ThaiBev has an annual knowledge-sharing plan on laws and regulations involving the Singapore Exchange; the Compliance Unit, Office of Corporate Secretariat, provides updates to the boards, executives, and employees. When there is any amendment of laws and regulations, the Board of Directors and the Executive Committee will be informed in the meetings or via email, as the case may be.

Furthermore, ThaiBev announced the use of Whistleblowing Policy as a way to emphasize the importance of receiving and responding to the concerns about suspected wrongdoings within the Company, which was raised from directors, executives, and employees. In 2018, there were no significant incidents of conflict found and no significant cases of grievances related to ethics which were investigated and found to be valid.

Code of Business Conduct

Business ethics are a key part of enabling business growth, stability, sustainability, and social acceptance. ThaiBev has established its Code of Business Conduct with the intention of emphasizing integrity, legal compliance, and the observance of morality and ethics. The executives, managers, and employees all have the responsibility to adhere to the Code of Business Conduct, so that ThaiBev achieves its objective of upholding ethical conduct and maintaining ethical standards.

ThaiBev has a duty to maintain transparency in its operations and protect the interests of its shareholders by considering market conditions and risk factors, both present and future. The company must act correctly towards employees, customers and all its trading partners. The company is committed that its employees truly understand the content and meaning of the Code of Business Conduct; at every level, ThaiBev personnel are bound to accept and follow the code. If every person connected with the company accepts and practices the Code of Business Conduct under the policy of good governance, the results shall be as follows:

- The company will uphold its responsibility toward society and all stakeholders
- Employees will work efficiently
- There will be fairness
- Employees will have dignity and integrity
- The company will be accepted by society
- The staff will be content

Anti-Corruption

ThaiBev recognizes the importance of transparency and morality and adheres to the principles of fairness and compliance with the Code of Business Conduct, while striving to provide maximum benefits for all stakeholders in its business operations, in Thailand and abroad. ThaiBev's anti-corruption policy has established practices to protect against corruption, and to serve as a guideline for promoting business sustainability and stability in the future.

In the case of changes to the business, regulations, standards, and the law, the President and CEO is responsible to monitor and implement an efficient anti-corruption system, report to the Chair of the Board of Directors and the Audit Committee; and review and revise policies to ensure they are up-to-date and responsive to any changes. The company has specified the roles and duties of all parties as follows:

- High-level executives are responsible for making sure that board members, supervisors and employees understand policy compliance, encouraging them to be vigilant and proactive.
- Board members and employees have the duty to maintain the highest standards when doing business.
- Employees must not turn away from, or neglect evidence of corruption.
- Employees must cooperate with investigations into the facts.

Failure to act in accordance with this policy is a severe disciplinary offence; it is a violation of the ThaiBev employment contract and a criminal offence. Furthermore, violating this policy may cause severe damage to the company's reputation and status. If corruption is discovered, it should be reported to the employee's line manager. If a person is discovered to commit an offence, they will be punished according to ThaiBev's regulations and prosecuted under the law.

Handling Complaints

ThaiBev has a policy that all employees are obligated to file a complaint if they discover an act that may be considered wrongdoing.

- If a board member has a complaint, the board member should file the complaint to the Chairman of the Board to investigate.
- If an employee has a complaint, the employee should file the complaint in writing through the recommended channels, giving their name and contact details and file it with a responsible company official.
- Every employee may report suspicious information directly to the President and CEO through the email whistleblowing@thaibev.com, or send it directly to executives.
- ThaiBev is ready to protect any employee who files a complaint with a factual basis; confidentiality will be maintained while taking strict action against wrongdoing.
- An employee filing a complaint will be free of repercussions or damage if the complaint is filed in good faith.
- Appropriate action will be taken to protect executives and employees from any harm that may arise from filing the complaint.

When an employee files a complaint, ThaiBev will decide how to proceed. If it is found afterwards that the complaint was false, corrupt, malicious, careless, or for personal benefit, this will be considered a disciplinary offence as stated in the ThaiBev Employee Handbook. Channels for filing complaints are publicized through the company's internal media.

Breaches of Regulations and the Law

ThaiBev requires that all employees must comply with its rules and regulations and the laws of countries that ThaiBev operates in. Any breach of applicable regulations in terms of ethics, organizational standards of excellence, or violations of human rights on the business premises must be stopped immediately and appropriate measures taken. In 2018, some minor cases were reported.

Breaches were categorized by the monetary value of the action. Major cases involve a monetary value of 300,000 baht or more; minor cases involve less than 300,000 baht. To prevent breaches of the regulations, ThaiBev has set the following policies to reduce corruption:

1. ThaiBev provides orientation to new employees and executives.
2. Online training courses are provided.
3. ThaiBev communicates business ethics to employees and executives and makes efforts to ensure they understand.
4. ThaiBev strives to communicate the Code of Business Conduct to employees and executives and make sure they understand they are required to follow the code.
5. If fraud is discovered, decisive action will be taken. This may involve legal action.
6. Internal audits for corruption will be conducted periodically.

Note:

Details on minor and major cases can be found at sustainability.thaibev.com

ThaiBev and Public Policy

ThaiBev operates its business in accordance with the principles of corporate governance, with efficient management systems that are transparent and under a basic framework of fairness and accountability.

ThaiBev participates with and supports, state entities for commercial benefit and production, namely the Chamber of Commerce, Board of Trade of Thailand and the Federation of Thai Industries. This is to increase the company's competitive potential and to create a strong network with other companies in the beverage sector. The company provides budgetary support and participates in the sharing of information. ThaiBev supports the activities of these entities, offering suggestions and guidelines for the common benefit of the business sector and consumers. ThaiBev has the intention of coordinating private and public policy, to support and promote industry in general, to develop and grow sustainably.

- Financial support for the Chamber of Commerce and Board of Trade of Thailand comes in the form of a membership fee. ThaiBev helps to facilitate and encourage correct practices that line up with the vision and plans determined by government policies, such as Announcements from the Office of the Prime Minister, Ministerial regulations and Excise regulations for the greatest benefit of the industry.
- Financial support is provided for the Thai Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE) through the Federation of Thai Industries, promoting the 3Rs: Reduce, Reuse, Recycle. This is to support society's dedication to conserving the environment.

- Support is given to the Federation of Thai Industries to grant research scholarships that study packaging management, in order to reduce environmental impacts and be more sustainable.

ThaiBev maintains a role in stating opinions and/or making decisions through the Board of Directors, or at the Annual General Meeting of the Chamber of Commerce and Board of Trade of Thailand. In this way, ThaiBev stays informed about changes in regulations and specifications and has the opportunity to review government draft policies and regulations. This enables ThaiBev to develop measures to mitigate any possible impacts on business, and to formulate plans to cope with changes initiated by the government, while maintaining the company's good reputation and creating the greatest benefit for the industry.

As for the Federation of Thai Industries, ThaiBev supports research and development for environmental sustainability and promotion of the 3Rs through communication channels, training, and exchanging knowledge between partners in the beverage industry. This includes cooperation with the private sector to dispose of packaging waste with integrated and sustainable solutions. This reduces environmental impacts in Thailand, and helps the state reduce waste management costs.

RISK MANAGEMENT

- Risk management is imperative for current business operations, which are undergoing continuous change, to create confidence that ThaiBev can attain both short term and long term objectives and goals. Meanwhile, risk management can reduce losses and damages to an acceptable level, or even create business opportunities for ThaiBev to increase its competitiveness and growth.
- Therefore, ThaiBev has determined a systematic framework and approach for the management of any risk that might occur throughout the organization. Understanding has been created with management and every employee about opportunities and risks which may arise. There have also been plans formulated to mitigate risk with systems of monitoring, and evaluation of risk management to discover emerging risks in the future.
- Besides risks that may occur during normal operations, ThaiBev analyzes risks which might impact ThaiBev's sustainability, and has found the following four significant changes in economic, social and environmental aspects:
 1. Changes in demographic structure and the onset of an aging society.
 2. Changes in climate.
 3. Changes in technology causing changes in business formats.
 4. Threats to the security and safety of information systems.

All of these are considered Emerging Risks which may hinder the business in reaching its goals and lead to losing business opportunities, as well as compromising the organization's reputation, stability or sustainability.

STORY

Structure of Oversight and Risk Management

Divided into the corporate level and the product group or business unit level:

At the corporate level: There is a Sustainability and Risk Management Committee¹ (SRMC) which comprises ThaiBev directors and senior executives from each product group or business unit appointed by the Board of Directors. They are tasked with determining policies to manage sustainability and risk management, and strategically supervise the business in sustainable development effectively and efficiently. They are required to specify operational frameworks for ThaiBev's risk management, including monitoring, screening, and giving ideas or suggestions in regards to the matters of concern.

At the product group or business unit level: Senior executives of each product group or business unit are tasked with controlling and monitoring risk management at their product groups or business units and reporting to the SRMC.

There are also risk coordinators of each product group or business unit who assist in supervising and monitoring risk management operations in their product groups or business units, including coordinating with the Corporate Risk Management Working Team.

In addition to the management of risks which may arise in normal operations in each product group or business unit, ThaiBev also manages risk associated with strategic planning, investment, and setting business plans which have been considered by the relevant committees, such as the Raw Material Procurement Committee, the Management Committee, the Investment Committee, or the Executive Committee. Corporate risk must be reported to the Company's Board of Directors and the Audit Committee, to be confident that every risk is managed according to the specified measures.

¹**Note**

On November 23 2017, the Company's Board of Directors Meeting No. 5/2017 approved the renaming of the "Risk Management Committee" to the "Sustainability and Risk Management Committee" and extending the scope of its responsibilities to cover the oversight of strategies to bring about efficient and effective sustainable development.

Risk Management Process

ThaiBev's risk management process is Integrated Risk Management, divided into two different kinds: **Top-down and Bottom-up Enterprise Risk Management**. For instance, senior management has a role in identifying and evaluating ThaiBev's strategic risk by analyzing the relevant internal and external factors, and considering a risk management plan alongside business plans, yearly operational plans and investment plans, with the continuous follow-up of risk management.

At the operational level, the head of a department and its staff must identify and evaluate operational risks, develop a risk management plan, implement it and report the results continuously at every level, from department and subsidiary company to product group or business unit, and at the corporate level.

Integrated Risk Management comprises the following procedures:

1. Define objectives of ThaiBev and the product groups or business units to be consistent.
2. Identify risks faced by ThaiBev or the business units, or those which are latent in operations, which may arise and have a negative impact on ThaiBev or the business achieving its goals.
3. Analyze and assess risks to find their cause; categorize and prioritize existing risks by evaluating the chances of a risk incident, and the impact or level of severity of the damage that might occur.
4. Plan risk management actions.
5. Implement the action plan.
6. Follow up, report and evaluate risk management by comparing Key Risk Indicators, specified as criteria to evaluate the results of operations for middle management upwards.



Culture of Risk Management

To engender knowledge and understanding and to instill risk management into the awareness of every employee, and develop it to be part of corporate culture in order to help ThaiBev to grow sustainably, the following measures have been taken:

- Held special trainings in risk management for the risk coordinators of each product group or business unit, as well as training activities for employees and orientation sessions for new employees. These are to understand ThaiBev's risk factors, the processes of risk management, and the management tools used to address risk consistently in both general and particular cases. This is to prepare our employees for any incident which may occur in the course of operations, whether short term, medium term, or long term.
- Encouraged and supported employees to discuss or communicate matters of risk or safety at ThaiBev, including proposing opinions about managing risk in meetings and at training sessions.
- Established internal agencies such as the Office of Legal Affairs, the Compliance Unit of the Office of Corporate Secretariat, the Corporate Risk Management Working Team, and the Office of Internal Audit to examine and monitor operations, and give advice and suggestions on improving operations for product groups, business units and other departments across the organization.
- Initiated the Ways of Work Awards (WOW Awards) project for employees to present projects which may be a concept or method of operations which supports the ThaiBev's sustainable development. Employees may enter the WOW Awards competition, which is judged by senior management. They choose work that is interesting and will benefit ThaiBev when implemented in real life contexts.

Besides this, employees can report potential risks to ThaiBev in writing to their line managers, or they can report to the Office of the President and CEO using the dedicated email account, after which the President and CEO will consider and take further actions deemed appropriate.

MOVING FORWARD



Moving Forward to Cope with Emerging Risks

1. Risks from changes in demographic structure and the onset of an aging society, which include:

- The increase of the older population in many countries including Thailand, which is bringing about a society of the elderly, in which the proportions of working age people and children are reduced.
- Changes in consumer behavior featuring a greater interest in health.
- Consumers are consuming a wide range of goods and services with an expectation of improved quality and higher standards.
- The government sector prioritizes promoting health among the elderly to reduce the burdens of care, and provides health services to the elderly, including through the amendment of various relevant regulations concerning goods and services in order to impact consumers' health and safety.

Potential business impact

- Opportunities to create innovative healthy food and beverage products or new businesses related to this trend.
- ThaiBev cannot change or adapt to consumer behavior or needs in time.
- If competitors take an opportunity before ThaiBev, this represents a lost opportunity or capability to compete and/or become the market leader.
- If ThaiBev cannot operate within new mandatory regulations concerning goods and services which have an impact on consumer health and safety, this may affect ThaiBev's reputation if punishment and fines are imposed.
- ThaiBev lacks labor and cannot take on new workers as projected as the working age population decreases.

Risk management measures

- Research and development of healthy food and beverage products according to the ThaiBev's health and nutrition policy, catering to the needs of each consumer group or age category.
- Development and investment in the food business in the form of a range of restaurants which can reach many customer groups to grow the business as a whole, and support the beverage business.
- Designing and developing labelling and packaging which communicates nutritional information and values of ThaiBev's food and beverage products.
- Communicating or giving information about products through IT systems, which is consistent with consumers' behavior and lifestyles, and which reaches the target group of consumers.
- Continuous monitoring of amendments to regulations which are relevant to goods and services, as well as consumers' rights, to specify as criteria in manufacturing goods and providing services, with communication to ensure understanding with every agency concerned.
- Developing systems bringing IT into operations, to reduce labor requirements.

**2. Risks from climate change**, including:

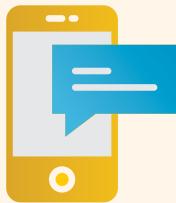
- More severe and frequent natural disasters, whether drought or floods.
- Movements to conserve the environment in various forms.
- Increasing measures by government agencies to care for the environment, or regulate the use of natural resources by issuing new laws or strengthening existing laws.

Potential business impact

- The problems of water quality and insufficient water from natural sources impacting the large volume of water supply required in the production process.
- Uncertainty and changes in volumes and prices of agricultural products, which are raw materials essential to manufacturing ThaiBev's products, which have impacts on supply chain management, whether production, sales or transportation of products.
- Business continuity after severe and sudden natural disasters.
- New environmental laws which may impact ThaiBev's future production costs.
- Damage to ThaiBev's reputation and financial losses from fines if it is found to be involved in impacting the environment and ecosystems.

Risk management measures

- Every business unit must strictly follow ThaiBev's environmental and corporate water management policies. For instance, by implementing the ISO 14001 environmental management system, adopting the principle of the 3Rs (Reduce, Reuse, Recycle), keeping adequate water in reserve for production, managing and reducing the use of water in production, joining the Water Footprint and Carbon Footprint projects at the corporate level and product level, using modern technology to save energy in the treatment of factory effluent, and using energy arising from the waste water treatment process to be an alternative energy source for factories, etc.
- Using modern, energy-saving production technology and machinery to save on resources and energy and reduce greenhouse gas emissions, which will help to reduce production costs and increase production efficiency and effectiveness.
- Applying the concept of the Circular Economy in reusing waste from the production process in the agricultural and industrial sectors, to reduce impacts on the environment.
- Promoting the development and design of environmentally-friendly packaging to reduce production costs, increase the effectiveness and efficiency of production, transportation processes and build a good image for the product brands.
- Managing according to the suppliers' code of practices for the environment and sustainable development.
- Continuous analysis of changes in prices and volumes of key raw materials as a method to manage ThaiBev's Consolidated Strategic Sourcing and Procurement. This is to cope with shortages and volatility of raw material prices which are affected by climate change, as well as promoting suppliers' efficient use of energy in logistics (GHG Emission Scope 3).



3. Risks from changes in technology causing changes in business formats, including:

- Rapid development of digital technology impacting the market and products in various industries, including food and beverages.
- Many companies, and competitors in particular, have changed business formats to deal with change and create competitive advantages by reaching new groups of customers by offering new products and services which use technologies.

Potential business impact

- ThaiBev cannot adapt to changing technological trends in time, or if competitors can create business opportunities first, can impact revenue growth, market share, brand value and brand loyalty, etc.
- Opportunities to develop innovative new products and businesses related to the trend of technological change.

Risk management measures

- Developing an IT Master Plan to sustainably cope with and manage digital technologies.
- Studying and developing work systems applying IT to operations to increase the efficiency and effectiveness of operations, as well as improving ThaiBev Group's competitiveness, such as IT systems under the supply chain cycle.



4. Risks to the security and safety of information systems, including:

- Threats of cyber security attacks, which are frequent in many companies or agencies and have severe impacts.

Potential business impact

- Leakage of important information about business operations such as business plans, sales information, operating results, and the data of customers and business partners, causing damage to brand reputation and image, and financial impacts from losing customers and business partners.
- ThaiBev IT systems are not available for business operations, causing operational delays, losses of efficiency and effectiveness, and inability to attain specified goals.

Risk management measures

- Overseeing, identifying and addressing cyber security threats and suspicious internal activities relating to computers.
- Developing plans to create digital literacy and accessibility to systems and information concerned with operations among staff of every level.
- Creating cyber security awareness among staff by regularly holding training sessions or teaching about management and safety protection of data.
- Testing disaster recovery plans and setting response and rehabilitation measures in the cyber security risk management plan.



INNOVATION

- ThaiBev's Research and Development Center welcomes new ideas and knowledge from inside and outside the organization, and aims to improve the quality of goods, services and new processes. This enhances production efficiency, as well as helping to create outstanding products.
- ThaiBev gives priority to research and development of new products to diversify the business, and to cater to the needs and lifestyles of consumers all of ages at any time.
- Innovation results in improved production capabilities and better service for customers, colleagues and consumers; adds value to resources; and makes for a safer community, society, and environment.

INSIGHT



Dr. Pisanu Vichiensanth

Director and Senior Executive Vice President,
and Chief Technology and Engineering

How important is innovation to ThaiBev growth?

Innovation is an important key to our long-term success. It enables ThaiBev to maintain our leadership in sustainability. At a time when the business situation is highly uncertain and competitive, and where consumer behaviors change rapidly, innovation is what differentiates the brand and gives choices to consumers. ThaiBev uses innovation to evolve production

processes to gain a competitive advantage, or to improve the quality of the working environment for employees. Innovation is also leveraged to reduce impacts on the environment and society.

How does ThaiBev foster a culture of innovation?

The most important factor to develop an organization is its people. So opportunities are given to employees to propose new ideas and put them into practice, as well as continuous support and training. This is the ThaiBev corporate culture and what inspired us to launch the WOW Awards 2018, to discover our colleagues' best projects and ideas in the ThaiBev group of companies around the world. The method of working with knowledge and expertise is an internal process which has been applied to create the ThaiBev Way of Work. It yields creative innovations that can be a model for mutual learning, yielding great benefits.

How are innovation and sustainability connected?

Innovation facilitates sustainability. When the availability and prices of resources fluctuate, innovation enables their efficient use, so less resources are used for greater benefit. For instance, the Less is More project showed that the use of PET resin pellets reduced the weight of plastic bottles from 15.5 grams to 13.5 grams, while an innovative design actually improved the quality of the containers. It made our people aware of continuous development, a key factor in sustainability.

STORY**BevTech**

BevTech Co., Ltd. was established by ThaiBev as a technology and engineering hub with the aim of Mechanization and Automation. A team of experienced engineers and scientists was assembled from various departments to research and develop advanced technology for production machinery and robotics. This will bring more automation and robotics to ThaiBev's factories. The intention is to boost competitiveness by increasing the efficiency and quality of production,

as well as increasing employee safety and reducing the risk of labor shortages. Most importantly, it will reduce waste and energy usage. Many kinds of machinery are currently used in production processes, such as robotic arms to sort products on pallets, automatic carton box insert machines and automatic bottle-sorting machines. Awareness is also being raised among employees about continuous development, a key factor in developing sustainable innovation.



Automatic bottle-sorting conveyor belt

BevTech Co., Ltd. cooperated with Thai Beverage Recycle Co., Ltd. a company tasked with purchasing, procuring, transporting, and adding value to packaging, to create an automatic bottle-sorting conveyor belt that uses robotic arms to replace human labor. Immediate benefits included:

- Improve employees' working conditions and safety.
- Boosting working capability by using machinery and robotics, where it was possible to reduce human labor, by 60 percent.
- Improving the quality of bottles with the ability to inspect for foreign bodies both large and small with the Vision Inspector (VI) system, a sensor to detect foreign particles in the bottle. This signals the machinery to weed out substandard bottles from the process, increasing confidence in the quality of bottles being used in the production process.

A mechanical arm has been developed that lift boxes from a pallet and packs and unpacks glass bottles in and out of the carton boxes. This project received The Winner and the Spark Inspirations awards at the WOW Awards 2018, a contest to find the best creative work and ideas from employees in the ThaiBev group of companies, from a total of 84 entries. The award is for work that boosts working efficiency. This can create intellectual property for the company, as well as improve quality of life in the workplace. It develops the technical expertise of employees and assists the upgrade from manual to skilled labor.



Rice Milk beverage product

Rice Milk is a healthy beverage made from the best rice, carefully selected from premium locations all over Thailand, including:

1. Brown jasmine rice from Thung Kula Rong Hai district Roi-Et Province, a growing region promoted as a source for export-standard jasmine rice by the Cooperatives Promotion Department. The jasmine rice from this area is more fragrant than jasmine rice from elsewhere, due to the local topology, climate, and soil nutrients that encourages fragrant oils (2AP).
2. Chan Ka Pak brand jasmine rice, the jasmine rice 105 strain produced by the Chakraband Pensiri Centre for Plant Development in Surin Province. The Chaipattana Foundation controls the quality of rice strains, and uses a meticulous production process, from preparing the paddy to harvest. It is planted by hand and must only be harvested by hand or by a clean harvesting machine to prevent contamination with other rice strains or red rice grains.

Rice milk provides energy and protein. Drinking rice milk enhances digestion. It is cholesterol-free, and a source of unsaturated vegetable oils, suitable for a healthy diet.

MOVING FORWARD

Continuous innovation has enabled ThaiBev to register intellectual property with the Department of Intellectual Property to introduce creative sustainable ideas that can be further developed and used commercially.

ThaiBev filed patents and petty patents with the Department of Intellectual Property, Ministry of Commerce.

130

applications have been filed and accumulated through 2018.





GRI 103-1,
GRI 103-2,
GRI 416-1,
GRI 417-1

CONSUMER HEALTH, SAFETY AND WELLBEING

- **Using carefully selected raw materials that meet our company's high quality standards,** ThaiBev goes an extra step to ensure that our raw materials are also traceable to the producer. By doing this, ThaiBev wants to give consumers confidence that ThaiBev's raw materials are safe and healthy as based on nutritional principles, are of high quality, and comply with the United Nations' Sustainable Development Goals (UN SDGs).
- **ThaiBev seeks to maintain high quality and safety throughout the entire supply chain – from sourcing to storage, transportation, production and eventual distribution. This is validated through our ISO 22000, NSF, BRC and GMP/HACCP certifications.**
- **ThaiBev undertakes continuous research and development to increase our range of healthier products while maintaining the nutritious benefits and good taste that consumers need.** Research shows that 80 percent of consumers approve of ThaiBev's ready to drink tea and drinking water products as healthy, clean and safe.
- **ThaiBev gives consumers complete nutritional information on the product labelling, including the amounts of sugar, fat and sodium, as required by law and as guided by nutrition regulations.**

INSIGHT



Nongnuch Buranasetkul

Senior Vice President and Chief Food Business – Thailand

Food is our product. Therefore, safety is our highest priority. In whatever business, we must be confident in what we are doing. If we offer food products to the public, we must be confident to consume them ourselves and recommend them to friends and family. This is the basic ethical duty of the food industry, not just putting out anything we have made. These days, shoppers are concerned about nutrition and food safety, and we want everyone to co-exist sustainably.

For OISHI, we have developed systems and store supervision that conform to the GMP, HACCP and ISO standards certified by a leading global company in systems verifying, SGS. We are especially proud to be the only food business to have received these verifications, not only in Thailand, but also in Asia, for all brands and stores under OISHI. It makes us proud to say to all of our employees and customers that we offer the highest quality products with confidence in our auditing processes and work systems. Being the leader isn't easy and we have had to maintain these standards continuously, which cover every aspect of quality. The world is continually changing and we have to improve our systems to keep up with each era of change. Finally, we must also evolve to match consumers' changing behaviors and lifestyles, so that we can continue to grow with our customers and society sustainably.

INSIGHT

Lester Tan Teck Chuan

Senior Vice President

and Chief Non-Alcoholic Beverages Business - Thailand

As the number of consumers grows together with us, we are fully aware of the responsibility we have to them. High quality and safe products are standard requirements that we will always guarantee to deliver.

We also want to go one step further to be a part of our consumer's healthier choices and active lifestyles. There has been a call for more products with lower sugar and more nutritional benefits. We have answered that call by launching new products with lower sugar and also reducing the amount of sugar in existing products. In the long term, we will continue to be dedicated to our customers and want to be a part of looking after customers' health and nutrition.

**STORY****Our Safety Standards and Quality**

- We are ISO 22000 certified, which gives us confidence that our food safety systems management and food safety standards reach international levels.
- All of our non-alcoholic beverage products and OISHI restaurants chain have been certified to meet the food sanitation and safety standards of GMP (Good Manufacturing Practice) and HACCP (Hazard Analysis and Critical Control Point).
- Our manufacturing processes for Chang Drinking Water, Chang Mineral Water and Crystal Drinking Water have been certified by the National Sanitation Foundation (NSF) from the USA, which certifies drinking water products to the standards of the US FDA (United States Food and Drug Administration).
- The processes of producing OISHI Green Tea in UHT packaging has been certified to the standard of the Food Safety System Certification 22000 (FSSC 22000).
- Sermsuk Co. has been certified with Food Safety Certificate Version 4.1 (FSSC 22000 version 4.1), which covers systems of managing food safety, management responsibility, resources management, planning and safe product manufacturing. This also involves confirming, reviewing, and improving food safety management systems and additional specifications to ISO 22000: 2005 Food Safety, which comprise of service management, food defense and preventing food fraud, and product labelling.
- Chang Mineral Water has received a gold medal from Monde Selection International Quality Institute, which is given to products which offer quality to consumers.



Healthy Product

Reducing sodium in products

Besides sugar, which causes obesity and diabetes, the intake of sodium also poses risks by leading to kidney disease. Currently, over 8 million people in Thailand are affected with chronic kidney disease, making it the third highest country in ASEAN. As a food producer, ThaiBev is giving priority to reducing sodium in our products. At present, examples of menus that reduce sodium or have no sodium added include salmon head in soy sauce and miso soup.

Trans Fat-free

Trans fat is a form of fat that is hazardous to health as it increases one's levels of bad cholesterol (LDL-cholesterol) which are indicators for stroke and cardio-vascular disease. In 2018, the Ministry of Public Health announced a ban on the production, importation or sale of food containing Partially Hydrogenated Oils (PHOs). All of OISHI's food products and raw materials contain no PHOs to make food safe for consumption.

OISHI Sandwich Plus tuna, mushroom and quinoa flavour

OISHI has developed multigrain bread made from four grains: wheat, barley, riceberry rice and soybeans. This is combined with tuna which gives the benefits of protein, low fat and omega-3 oils for brain health. Then there is quinoa which is full of fiber, vitamin E, vitamin B, iron and potassium, giving nutritional value and high energy.

MOVING FORWARD

By 2020

ThaiBev's target was for sales of healthy drinks to be 67% of all non-alcoholic beverages. Current sales are already at 70%.



Packaging will be improved through the addition of QR codes to show detailed nutritional information about the product.



By 2025

there is a target to certify 50% of non-alcoholic beverages in the portfolio to be "Healthier Choice" products. A total of 10 products or 40% have currently been certified by Mahidol University as "Healthier Choice" products, as follows:



Non-alcoholic beverages will have their sugar levels reduced to improve the health of consumers. Sugar will be reduced in 10 of our products, including est Play carbonated soft drinks and OISHI Green Tea.



3 GOOD HEALTH
AND WELL-BEING17 PARTNERSHIPS
FOR THE GOALSGRI 103-1,
GRI 103-2

CUSTOMER RELATIONSHIP MANAGEMENT

- Customers make up one of ThaiBev's most important stakeholder groups. Working together with customers and enabling them to grow their businesses has given ThaiBev a secure customer base with sustainable relationships for mutual growth.
- Customer Relationship Management is key to building strong ties and ensuring optimal customer satisfaction. ThaiBev has established various methods to monitor and evaluate customer satisfaction in terms of customers' needs, expectations, and business operations, as well as distribution channels.
- ThaiBev cares for its customers in the following ways:
 1. Selecting quality raw materials
 2. Developing and controlling production processes to meet international standards
 3. Research and innovation to bring new things to customers
 4. Traceable product delivery
 5. Developing customers' potential with training, and using modern technology to communicate with customers efficiently.

INSIGHT

**Ueychai Tantha-Obhas**Director and Senior Executive Vice President,
and Chief Operation Officer – Thailand

Customers are important stakeholders of our organization and are a key variable enabling us to achieve our objectives. Therefore, we must help develop the potential of customers to work with us efficiently to get our products into consumers' hands. ThaiBev will prosper if consumers are satisfied with our products; it is they who will consume our products and make repeat purchases. This is a key factor for business success. In summary, customers are important. Therefore, customer management cannot be forced. We must try to get customers to work with us happily, to be satisfied and profitable, so they will stay with us.

STORY**Managing Distribution Channels**

To manage distribution channels, ThaiBev makes the following distinctions by group:



Customers: This group brings ThaiBev's products to consumers and creates customer satisfaction with ThaiBev's products among the public to inspire loyalty. These include:

1. Traditional Trade: Selling through a system of distributors in each province and district.
2. Modern Trade: Selling through modern trade retail stores such as Makro, Tesco Lotus, Big C, 7-Eleven, Tops Supermarket, The Mall, and local modern trade retailers such as CJ (Ratchaburi, Petchaburi, Samut Songkram, and other provinces), TMK (Kanchanaburi), or Supercheap (Phuket).
3. Trading through ThaiBev's Cash Van, which travels to retail stores in each community, such as mom and pop shops, welfare stores, local restaurants, and grocery stores in government offices and hospitals.

4. Trading channels such as Hotels, Restaurants, and Catering/tourism businesses (HoReCa).

5. Trading with restaurants and licensed entertainment venues (On Trade/On Premises) such as pubs, bars, restaurants and open-air dining venues.

Consumers: To whom ThaiBev sells directly. We strive for consumer satisfaction. We want our customers to be happy and have excellent experiences so they will make repeat purchases, through the following channels:

1. Through ThaiBev's restaurants under a variety of brands, such as:

- OISHI, comprising OISHI Grand, OISHI Eaterium, OISHI Japanese Buffet, Nikuya, Shabushi, OISHI Ramen, and Kakashi*.
- Food of Asia, including So Asean Cafe' & Restaurant, Man Fu Yuan Kitchen, Baan Suriyasai, Food Street, Hyde & Seek, mx cakes & bakery, Cafe Chilli, Chilli Thai Restaurant, Eat Pot by Café Chilli, Pot Ministry, South Tiger and KFC. (only outlets managed by subsidiary companies of ThaiBev: QSA)**

2. Through online and website channels (<https://oishidelivery.com/th>), by mobile phone or computer, or OISHI Delivery 1773. These channels cater to the lifestyles of the younger generation and urbanites, emphasizing convenience and quality.

* For more information, please visit <https://www.oishifood.com/restaurant.php>

** For more information, please visit <https://www.foa.co.th/brand.php>

Measuring/evaluating Customer Satisfaction

ThaiBev has a variety of distribution channels that emphasize reaching a large number of customers and expanding service coverage. To provide customers with the most efficient service, ThaiBev has various methods to measure, monitor, and evaluate customer and consumer satisfaction according to the needs, expectations and business operations of customers and consumers in different distribution channels:

- Traditional Trade: These are distributors in each province who order in large volumes. They distribute a full range of fresh and new products, in pristine packaging. Measurement and evaluation of customer satisfaction focuses on readiness, the condition of products ordered, the ability to completely fill desired orders, and the service provided by delivery teams when the product reaches the customer.
- HoReCa channels: Customers expect and rely on the skills, advice and knowledge-sharing of sales staff, including the Serve Responsibly program, and service of sales staff to provide accurate and timely information about products sold in the customer's restaurant or hotel. This includes the provision of promotional materials for use at the point of sale. The HoReCa Management team surveys customer satisfaction with questionnaires that use Scanned QR Codes, with data sent online for transparency. This gives the customer the ability to provide feedback in their evaluations and send the results to ThaiBev.
- Consumers: Monitoring and measuring satisfaction are determined by the convenience, speed, and quality of consumer experiences across different distribution channels. For instance, when customers patronize restaurants in the ThaiBev chain, customer satisfaction surveys are used to evaluate satisfaction levels immediately through a QR Code on their receipt. The results are monitored and reported back to the customer (if they request additional information). In the case of telephone orders on OISHI Delivery 1773, customers can also call to complain and offer their opinions through this customer service line.

Enhancing Customers' Capabilities

ThaiBev places high priority on increasing customers' capabilities, skills and knowledge, so they can compete efficiently in their businesses environment. As such, the company has organized a number of training sessions, aiming at disseminating experience from ThaiBev executives, as well as outside experts, to enhance customers' competitive capabilities. Example of such sessions include:



Agent Next Generation Development (Next Gen)

This project aims to enhance the capabilities and efficiency of our Traditional Trade distributors (Agent) and their successors (Next Gen). The program has been organized over the last three consecutive years, and covered a comprehensive range of subjects, including:

- Cash Van route planning (Agents' van sales team distributing product directly to retail outlets) with a focus on optimizing route plans to ensure maximum outlet coverage, while minimizing route overlap in order to increase product availability and reach to our consumers.
- Agent sales personnel development (including Begin-of-the-day planning, Sales driver inspection, Store visit objectives, Opening/Closing sales, Merchandizing, and End-of-day review) with objectives for each sales team to clearly understand their roles, and increase their professionalism with tangible measurements.
- Daily performance review and target-setting through Morning Talk to reinforce the importance of daily sales targets, plans to achieve targets, as well as anticipated challenges and corresponding solutions to overcome such challenges to achieve sales targets.

- Field coaching through On-the-Job training with ThaiBev, which enables the transfer of experiences, the reinforcement of standard store visit procedures, and multiplication of such practices to other sales colleagues.

- Daily sales report summarizing of both daily and accumulated sales performance, as well as key learning and areas of improvement for continuous development and planning to achieve monthly sales targets.

In addition, ThaiBev invests in programs to jointly work with agents to develop their sales teams in the field. For example, ThaiBev worked closely with an agent in Sawankhalok district, Sukhothai province with the target to increase the agent's van sales by 40 percent. Through close collaboration, the program managed to increase the agent's sales by 56 percent (vis a vis the original target of 40 percent) and, more importantly, increased the agent's satisfaction and confidence in a long term stable and sustainable partnership with ThaiBev.



Chamnanwit Aphichartrakul

Agent: Aphichart Nam Thip Ltd. Part.
Sawankhalok district, Sukhothai Province

What were your feelings and what did you get from being an agent in the Next Gen project, and the cash van development project in Sawankhalok?

I am very impressed with the collaboration with ThaiBev to develop my sales team. The support from ThaiBev is by far much better than other companies we have worked with. Such collaboration exists throughout all levels. ThaiBev's front line team and their managers have a regular call plan to visit us and our customers (sub-agents) and support us to achieve our targets. In addition, there is a monthly meeting where all senior ThaiBev managers meet with us to listen to our

problems and jointly develop plans to support agents in all of their responsible regions.

Since I joined the Next Gen program, I have learned and gained new perspectives about techniques and methods to manage my business in various aspects. For instance, cash van management, market surveys, managing relationships with sub-agents and retail shops, managing inventory or monthly sales plans, all of which were adapted for use with Aphichart Nam Thip and enable us to better manage our sales areas. Rather than just being a stock keeper, we need to be more proactive and reach out to our sub-agents and retail shops to understand their needs, how to better service them and, thus, increase our competitiveness in our market.

As for the pilot program to develop our cash van sales operations in Sawankhalok, we must thank the Channel Business Development team and all other stakeholders who provided opportunities to first-hand train our sales personnel, enhance our knowledge, and increase the level of our sales team's professionalism. For instance, we started recording and making use of our sales data to drive performance thru our daily Morning Talk, promoted friendly competition among our sales teams, as well as hands-on field coaching and monthly planning to set sales targets, anticipate challenges and develop corresponding solutions to achieve our targets.

The Next Gen program and cash van pilot program have delivered a very satisfactory result. Comparing sales from January to April 2018, our April sales increases by 90 percent compared to before the program started. In particular, sales of non-alcoholic beverages jumped by 319 percent compared to last year.

Program of Training for Restaurants and Sales by HoReCa Management team

Horeca Management Co., Ltd. started the business over the past 3 years in Hotel and Premium Restaurant Channels. The emphasis is on professional service, including product quality and after service, through various activities and programs. For instance, Beer and Spirits Factory Visit, Perfect Serve Product Training and Serve Responsibly Program, which is one of our key sessions to demonstrate to customers how to serve responsibly to end consumers.





Inviting Trading Partners to Factory Tour for Product Knowledge Training

Factory tour is one of the key strategies that can widen customer perspectives on quality, cleanliness and world standard production processes. ThaiBev has invited customers to visit the brewery factory in Wang Noi, Ayutthaya (Cosmos Brewery (Thailand) Co., Ltd) and the distillery of Mekhong (Sura Bangyikhan Co., Ltd.). Knowledge is shared, such as how to keep and serve beverages in the appropriate way: for example, draught beer should not be kept more than 3 months in storage. ThaiBev also emphasizes the concept of "FEFO" (First Expired, First Out). Additionally, beer temperature should be at 4 – 8 degree Celsius to ensure best taste (Perfect Serve); and 45 degrees is the perfect angle to pour beer to create the best foam.

INSIGHT



Chulapat Charoenloet

Principal Bartender #FindThePhotoBooth

The feelings I got from the visit were good feelings, because while I work in the beverage trade, it is the first time in my life that I have seen a real distillery, how it works. Where usually I had learned from theory or just from pictures, today I saw a real distillery and listened to experts teaching us about distilling, Mekhong and ThaiBev products. This was impressive.

I enjoyed getting to know about distilling spirits. In the Gallery there was a beautiful model of the distillery and I understood the history of Mekhong, which has a long history alongside that of the Thai people.

Nitisak Laphirun

Floor manager #FindTheLockerRoom

I felt that this visit was a great experience, and I learned a lot of new things about Thai spirits.

I most liked going into the distillery to see the real thing, about which I have read a lot. I have read books about producing spirits, but today I saw the real thing and how it is really done.





Serve Responsibly

ThaiBev believes in the importance of serving alcoholic beverages responsibly. The desire exists to educate service staff and representatives of our customers to serve alcoholic drinks with awareness of consumers; for example, not serving alcohol to drinkers who are not in a physical state to drink any more, to reduce problems which might occur in society. ThaiBev thus organized practical training to give legal and medical advice, inviting experts such as doctors, police officers, and lawyers to talk about the effects on the body from consuming alcohol, including methods to serve responsibly. After completing the course, ThaiBev presented certificates to participants to certify that they had passed the training on serving alcohol responsibly. ThaiBev has organized this training on five occasions, inviting hotels and premium stores customers to participate for three sessions in Bangkok, one session in Cha-am, and one session in Pattaya, with a total of 300 participants.

Studies have found that a bartender or alcohol server provides service to an average of 20 consumers per day, or 500 per month, or 6,000 per year (calculated from 25 working days per month). Therefore, if 200 serving staff attend the training every year, ThaiBev expects these staff to warn as many as 1,200,000 drinkers every year.

This project is consistent with the third UN Sustainable Development Goal (Health and Wellbeing) with respect to drinking alcohol at dangerous levels, defined according to the country's context. After starting this project, it was found that serving staff taking the training were able to apply the knowledge in their work and stop serving customers who were in a physical state where they should not consume any more alcohol, (with social responsibility our serve reduction would be 33 percent).

Future Targets

- Expanding the program to premium hotels and restaurants at various locations around the country, emphasizing the major cities of each region such as Chiang Mai, Chiang Rai, Nakhon Ratchasima and Phuket.
- In 2019, the target is for 50–60 participants at each event, from approximately 30 hotels and restaurants. Three events will be held in 2019, with a target of 150–180 participants.
- There are plans for additional activities, including a video clip competition under the title of Serve Responsibly, which would be part of this program to use in training, to expand knowledge among people in society and instill awareness to make society safer and better.

**Yongyut Udompat**

Wine Guru, Anantara Riverside Bangkok Resort Hotel

This training gave both knowledge and enjoyment from the Workshop activities and made me understand why we must "Serve Responsibly". I will pass this knowledge on to my colleagues for them to use.



MOVING FORWARD

Although there are already methods in place to measure and evaluate customer satisfaction in each distribution channel, ThaiBev continues to develop and introduce modern technology to its customers and consumers of its products, enabling customers to communicate with ThaiBev more easily. For example, customers or restaurants in the ThaiBev

Boworn Pongsuphap

Captain, Anantara Sathorn Hotel, Bangkok

After doing this training, we had more understanding of the safety and health of consumers, whereas before, we'd just think that serving the consumers to be happy and satisfied was enough. I must thank ThaiBev very much for giving me this knowledge.

**Prapassorn Boonthongchuay**

Supervisor, Laksasubha Hua Hin Hotel

Thanks to ThaiBev for giving the opportunity to join this great program. It made me realize how to serving more responsibly. ThaiBev is not only about producing and selling, but doing things for society, so Thai society will be better.

chain can express their opinions through the QR Code.

Customers of restaurants in the Oishi Group can use the Oishi Pointo mobile app to convert their spending into points, which can be collected and used instead of cash, without the need for a membership card.



GRI 204-1,
GRI 308-1,
GRI 414-1

SUSTAINABLE SOURCING

- Procurement is the process of selecting and procuring quality raw materials for production. ThaiBev has implemented the Supplier Code of Practice as a standard for suppliers' operations in order to reduce the potential impacts on production, the environment, society and the business. It also specifies measures to suspend trading with any supplier who violates the Code of Practice, or any supplier who does not take corrective actions to address a complaint.
- Determining measures to screen suppliers and strictly inspect quality, with priority given to reducing impacts on the environment and society; and to ensure that products have high quality and are sourced through procurement processes with high standards and environmental and social responsibility.
- Supporting local suppliers with the objective to promote national economic growth and develop the capability of local suppliers to be equal to their international peers, and distribute income to local communities to help them become more self-reliant.
- Managing risk by assessing material criticality according to procurement spend and risk levels in procurement, to prioritize and mitigate risk efficiently.

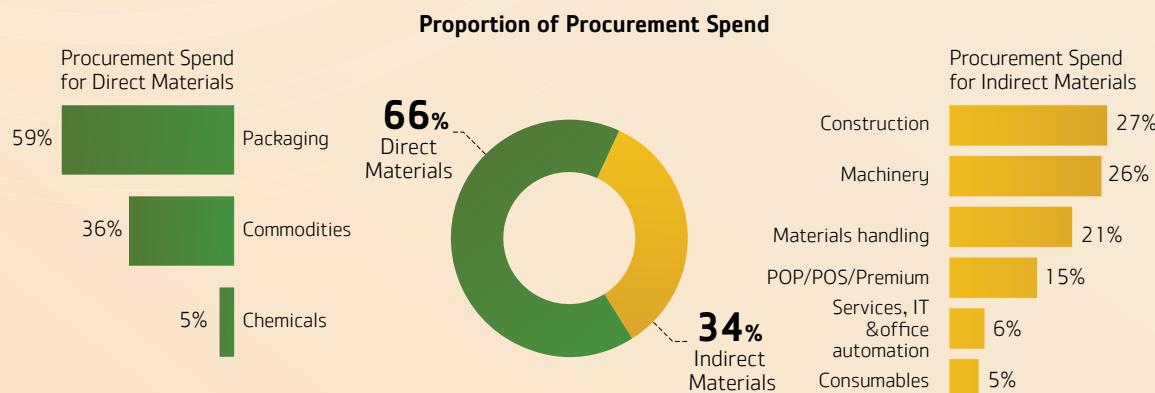
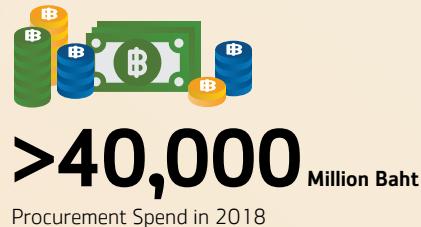
STORY**Centralized Procurement**

ThaiBev uses a Centralized Procurement approach, which specifies frameworks and control of procurement from a central department, in order to gain more bargaining power and enhance competitive advantage in cost management. And most important to this strategy is the control of quality and transparency in the procurement process, with suppliers categorized in two groups according to the merchandise they are supplying as follows:

1. Direct Materials are merchandise that are product components or used directly in the production process. They are not diverse but their procurement spend is high. They are categorized into packaging, commodities and chemicals.



2. Indirect Materials are other merchandise not under Direct Materials which ensure business continuity. Procurement spend is not high, but covers a wide range of merchandise such as machinery, spare parts and consumables, etc.

**Notes**

1. "Local supplier" means a supplier operating in a country in which ThaiBev has a production base and who directly supplies the ThaiBev group
2. Data in 2014 covered procurement of goods and services only for ThaiBev spirits and beer business groups in Thailand
3. Data in 2015 onward covered procurement of goods and services only for ThaiBev spirits, beer and non-alcoholic beverages business groups in Thailand
4. Data in 2016 covered the period from January to September 2016 as ThaiBev adjusted its fiscal year structure
5. Data in 2017 covered the period from October 2016 to September 2017

Sustainable Sourcing Policy

ThaiBev has announced the enforcement of **the Supplier Code of Practice** in order to establish a standard for suppliers' business operations besides financial aspects. The Code covers environmental and social aspects and corporate governance, and encourages suppliers to apply the Code in their business operations, and communicate it to their own suppliers.

A target has also been set, specifying that 100 percent of suppliers doing business with the company must accept and comply with the Code by 2020, to be part of disseminating a sustainable procurement practice and create a sustainable supply chain at the national level. This supply chain is also intended to be consistent with the UN Sustainable Development Goal 12 (UN SDG 12), which promotes the development of public procurement practices that are sustainable and in accordance with national policies and priorities.



Business Ethics



Human Rights

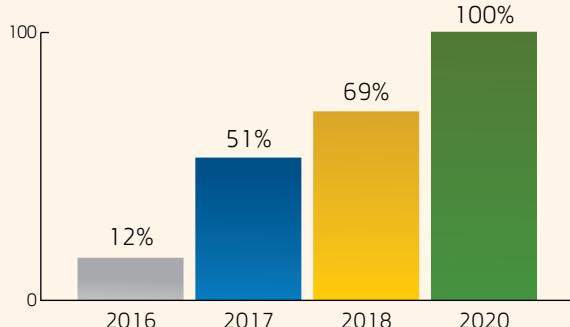


Environmental Management



Occupational Health and Safety

Ratio of Suppliers complying with Supplier Code of Practice



Enforcing the Code of Practice

ThaiBev has specified responsibility in enforcing the Supplier Code of Practice from management at the highest levels of the organization, to operational levels, to communicating with suppliers regularly through online channels. This includes sharing the vision of executives at our annual Business Partner Conference to ensure that every stage of the procurement processes is consistent with the company's strategies, policies and operating targets.

Chief Supply Chain Management

Formulate supply chain strategy and sustainability objectives

Managing Director of Procurement Unit

Establish procurement policy in alignment with the strategy and objectives

Procurement Manager

Oversee procurement operation and ensure compliance with the policy, strategy and objectives

Procurement Officer

Procure goods and services in compliance with the policy, strategy and objectives

Identifying Critical Materials and Suppliers

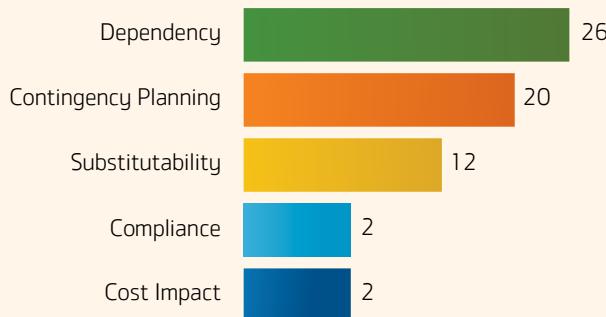
ThaiBev identifies critical materials and suppliers according to their procurement spend and level of risks to prioritize and mitigate risk efficiently by considering high spend merchandise items (materials) and suppliers, risk levels, and the impact on the company's revenues.



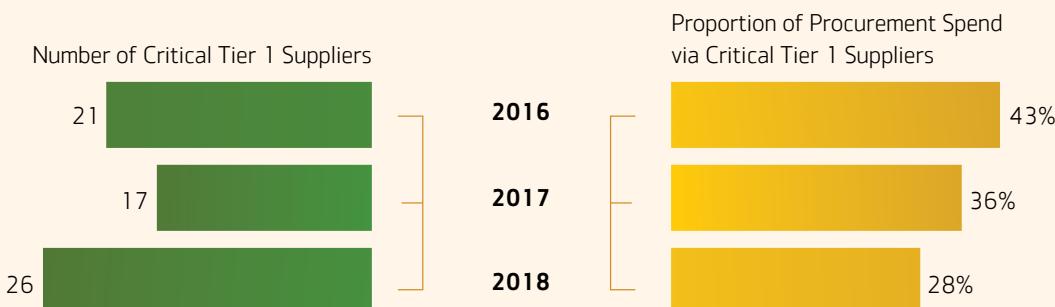
26

Critical Tier 1 suppliers

Number of Critical Tier 1 Suppliers by Risk Factors



Number and Proportion of Procurement Spend via Critical Tier 1 Suppliers



Sustainability Risk in Procurement

In ThaiBev's sustainable procurement process, the company considers risk factors covering corporate governance, the environment and society. This includes the selection of new suppliers, the screening of suppliers before trading (pre-qualification), the evaluation of supplier performance, the monitoring of results and the continuous development of suppliers to improve efficiency in the supply chain to support the growth of the business.

Registration of New Suppliers	Screening of Suppliers Prior to Purchase	Supplier Selection	Supplier Performance Evaluation	On going Monitoring and Supplier Development
New suppliers must accept and adhere to the Supplier Code of Practice.	ThaiBev has a sustainability risk assessment process for suppliers, classifying them into groups according to their risk level and capabilities.	ThaiBev includes a sustainability clause in every contract awarded to a supplier, to prevent violations or malpractice of the principles of good governance, the environment or human rights.	ThaiBev has an on-site auditing process for suppliers after purchase, and classifies suppliers into groups according to their performance evaluation results.	ThaiBev identifies issues based on supplier performance evaluation results, and determines measures for suppliers to submit corrective action plans within the predefined period.
100% of suppliers acknowledge and adhere to ThaiBev's Supplier Code of Practice	100% of new suppliers undergo sustainability risk assessments before doing business	100% of contract spending contains a sustainability clause	100% of critical suppliers undergo performance assessments after purchase at sites of operation as scheduled	100% of suppliers receiving complaints submit corrective action plans to address the complaints, following ThaiBev's requirements

Supplier Award Program

The Supplier Award Program is intended to promote supplier capacity-building, stimulate business competition, and spur innovation in the industry. The Supplier Award Committee and awarding criteria have been established to ensure that the awardees have excellent working standards and are models of sustainable business operations for other suppliers.



63%

of participants have maintained their working standards and improved quality

Long-term Roadmap

The company has set a long-term roadmap to promote continuous supplier capability-building



2016	2017	2018	2019	2020
Project started	Awards focused on quality, commercial aspect, delivery, innovation and service	Included sustainability factors among award criteria	Sustainability Award	Foster collaboration for long-term sustainable partnership

INSIGHT



Saroj Chayavivatkul
President, Thai Beverage Can Limited

ThaiBev's Supplier Award Program drives us to constantly develop ourselves so that we can compete with other suppliers in terms of costs, quality and standards. It also helps us to be aware of doing business on the basis of sustainability, with responsibility to our stakeholders. In the near future we will also introduce sustainable business practices to our own suppliers to create a sustainable beverage can supply chain locally.

STORY**Managing Non-tier 1 Suppliers**

Non-tier 1 suppliers are suppliers that do not directly supply goods and services to the company. However, ThaiBev is aware of their impacts on procurement processes. ThaiBev has established criteria for risk assessment, which identify critical non-tier 1 suppliers based on both business impact and sustainability factors; for example, dependency and market influence, their contribution to a sustainable supply chain, and the frequency of sustainability risks detected.

31

Critical Non-tier 1 suppliers

100%

Migrant labor legally hired and treated equally



The company has cooperated with logistics outsourcing company, who are encouraged to give migrant labor the rights and welfare equal to local labor, and undergo registration required as specified by the law

MOVING FORWARD**Targets**

The company has set short term and long term targets for procurement in alignment with the sustainability development practice.

Short term targets for 2020

95%
of suppliers are local suppliers



100%
of procurement spend is from suppliers complying with the Supplier Code of Practice



100%
of new suppliers undergo a sustainability assessment



100%
of critical suppliers are audited on-site



100%
of suppliers submit corrective action plans to address complaints following ThaiBev's requirements

Long term targets for 2025

100%
Tier 1 suppliers being assessed on a regular basis



LIMITLESS OPPORTUNITIES



- ThaiBev's Limitless Opportunities initiative is designed to provide employees the opportunity to build capabilities and advancement (Career Opportunities), build strong relationships and networks (Connectivity Opportunities), and to make a difference and bring benefits to society (Contribution Opportunities). ThaiBev grows with our employees and ensures that they have the opportunity to learn and develop skills and competencies that lead to mutual success.
- ThaiBev has seven strategies of human capital management to strengthen employees' development to support continuous business growth, create oneness in the organization and prepare employees for transformation.



ThaiBev Global Values are the shared values of the ThaiBev Group. These values aim to create a sense of oneness and push ThaiBev forward to become Asia's leading food and beverage company.

The Global Values consist of three key elements that ThaiBev expects employees to embrace and implement consistently.

Collaboration

We leverage the power of inherent strengths and diversity to create inclusive synergies and commit to team goals.

Creating Values

We empower our people with passion to apply new ideas and grasp opportunities to create positive impacts.

Caring for Stakeholders

We embrace our stakeholders' perspectives with good intentions and the right mindset to bring them into long term sustainability together.



Strategy 1: Clear Structure and Roles

- ThaiBev's organizational structure clearly defines the responsibilities of each employee as well as efficiently connects cross functional jobs at the individual, team, and department levels. It also serves as a mechanism to support the implementation of strategic plans for each line of work, which will lead to continuous improvement and business competitiveness.
- ThaiBev's organizational structure helps to build on strengths and meet business needs, leading ThaiBev to gain competitiveness. ThaiBev's corporate structure takes the form of a product group, strategic support group, and corporate functions group, covering entities in and outside

Thailand. Collaboration between all groups leads to our strategic imperatives of growth, diversity, brand, reach and professionalism.

- The organizational structure evolves according to business needs with an increasing number of employees and functions. Such rapid growth is partly due to mergers and acquisitions, resulting in the increased possibility of redundant administrative costs. Therefore, constantly monitoring and reviewing the organizational structure design and management roles has significant influence on reducing costs, and increasing productivity and business competitiveness, to achieve our "Vision 2020" objectives.

INSIGHT

**Panupong Petchaboon**

Office of Legal

Originally, I only saw growth opportunities within my own department; however, when I attended ThaiBev's seminar, I saw a very open organizational structure with lots of opportunities. The important thing is that I have learned from top executives, especially the CEO, Thapana Sirivadhanabhakdi, who goes to such lengths to encourage our goal-setting and to live a challenging life. Even though I am a new member of the organization, I feel inspired to learn about the opportunities within ThaiBev and strive to do my best.

STORY

In addition to meeting the fast-changing business environment, ThaiBev has continued to invest in improving structures and management roles within the organization. ThaiBev adopted a position evaluation methodology that assesses the work quality of each position in accordance with international standards. It is applied to all positions

throughout ThaiBev, resulting in internal job mobility and further opportunities for career advancement for employees. In addition, the job evaluation and job placement strategy, carried out in accordance with international standards, is an important tool for business expansion as mergers and acquisitions are effectively integrated.

Strategy 2:

Market-oriented Compensation and Benefits

To become the best employer and sustainability leader in ASEAN, ThaiBev has set up an effective compensation and benefit management system that is clear and adaptable to ThaiBev's business direction.

- ThaiBev manages compensation equitably and is competitive with other companies within the same industry. ThaiBev has worked with a leading international company to ensure methods for providing compensation and benefits are comparable to appropriate market reference, and in line with ThaiBev's business goals.

- To enhance quality of life and ensure employee wellbeing, ThaiBev provides benefits for employees, such as medical expense support, an annual health checkup, accident insurance and life insurance.
- ThaiBev has also set up a job evaluation system under the organizational structure, which is based on international standards and can be benchmarked to the market.

- To motivate determined and dedicated employees by rewarding them with suitable incentives according to their ability and individual performance, ThaiBev has created a Long Term Incentive Plan (LTIP) that provides management with the opportunity to attain ownership through company shares as a reward for their continuous dedication, which in turn helps ThaiBev retain valuable human capital over the long term.

- Group privileges are given to employees to enhance their association with ThaiBev, such as discounts at affiliated restaurants and hotels, and on medical treatments and ThaiBev products.

INSIGHT



Dr. Agapol Na Songkhla

Executive Vice President and Chief People Officer

ThaiBev aims to be an admired and sustainable organization. Therefore, the philosophy of compensation and benefits reflects our attentiveness to work in various positions, ranging from operational employees who are located throughout the country, to the new generation of employees, whose values and lifestyles reflect rapid changes in society, as well as the managers and executives who face the challenges of multinational business management. ThaiBev's compensation and benefits system has been designed to be suitably adjusted to all job levels in each company and reflects the recruitment situation in each country in which ThaiBev operates.

At the same time, ThaiBev is committed to promoting employee growth and engagement over the long run as well as strengthening business competitiveness. ThaiBev constantly strives to develop its employees, and promote career growth, enabling the expansion of the business to be based on a strong human capital foundation and increasing ThaiBev's regional competitiveness.

Strategy 3: Recognition-based Performance Management

- ThaiBev has developed guidelines for goal-setting and performance assessment in a systematic and concrete manner. To effectively manage outcomes, ThaiBev has set both financial and business goals as well as other assessment areas. These assessments include:
 - 1) Improvement of Work Processes, to ensure that employees are able to efficiently improve their performance;

- 2) Sustainability, to ensure consistency between long-term goals and business performance; 3) Personnel Development, to ensure that employees are attentive and capable of transferring knowledge and skills to others within the organization. Such arrangements are aimed at strengthening ThaiBev's high-performance culture.

- In addition to supporting the implementation of these goals, ThaiBev pays attention to corporate values and behaviors that foster a collaborative culture. When assessing employee performance, ThaiBev has integrated ThaiBev Global Values to promote oneness and create a strong corporate culture to ensure stability and sustainability.
- ThaiBev has developed Beverest, a fully integrated human capital management system, to record and manage employee data, perform human capital processes, and analyze employee data for future human capital strategy planning. It can be accessed through a mobile device for easy monitoring and follow-up between employees and their respective supervisor.
- ThaiBev uses the Balanced Scorecard as a performance management tool to measure the organization's performance and potential in four areas: Financial Perspective, Customer Perspective, Business Process and Internal Operations Perspective, and Learning and Growth Perspective. It is also used to determine the weight of each goal to cover all of ThaiBev's important goals.

INSIGHT

Noppadon Lertmongkontham

Sales Representative, Thai Drinks Co., Ltd.

After the company expanded its coverage of the performance management system, I had the opportunity to use the performance and goal management functions in the Beverest system. I admit that I was not used to the program and the interface at first. However, ThaiBev provides communications in various channels such as video tutorial for each function, and training on how to use the system by the human capital team. This has helped me to understand the system better. I need to use it quite often during the goal-setting period, so I have gradually become more familiar with the system. When I encounter any problems, I can just ask my superior or call the HC Helpdesk, which is like a call center of the human capital group, to assist me. Now that the system is available through a smartphone application it is very convenient for employees as they can use it anywhere and anytime they wish.



Kanchalikha Artvichai

Human Capital Manager, Beer Product Group



Beverest is a tool that makes it possible to access the structure of the company more clearly. The system shows us where we are in the organization. What really impresses me is that new employees can identify where they are and what team they will work with. I feel that it helps to get a clearer view of the organizational structure. It also helps us to be aware when any KPI that has been set is close to being completed. If, after the performance assessment, we realize that we did not achieve the performance goals, we have to pick ourselves up even more to achieve that goal.

STORY

WOW (Way of Work)

ThaiBev has integrated WOW (Way of Work) into each employee's individual KPI. Through performance assessments, which are conducted twice a year, employees are given the opportunity to initiate and exchange ideas with their colleagues and supervisors about how to improve

their work, how to make it easier and more efficient, and how to improve business competitiveness. The introduction of WOW received a good response from employees, which led to the establishment of the WOW Awards in 2018.

Strategy 4: Holistic High Performer Development



In 2018, the average training hours for employees was

19

hours per person per year.



In 2018, ThaiBev has spent over

155

million baht in developing the capabilities of its employees.

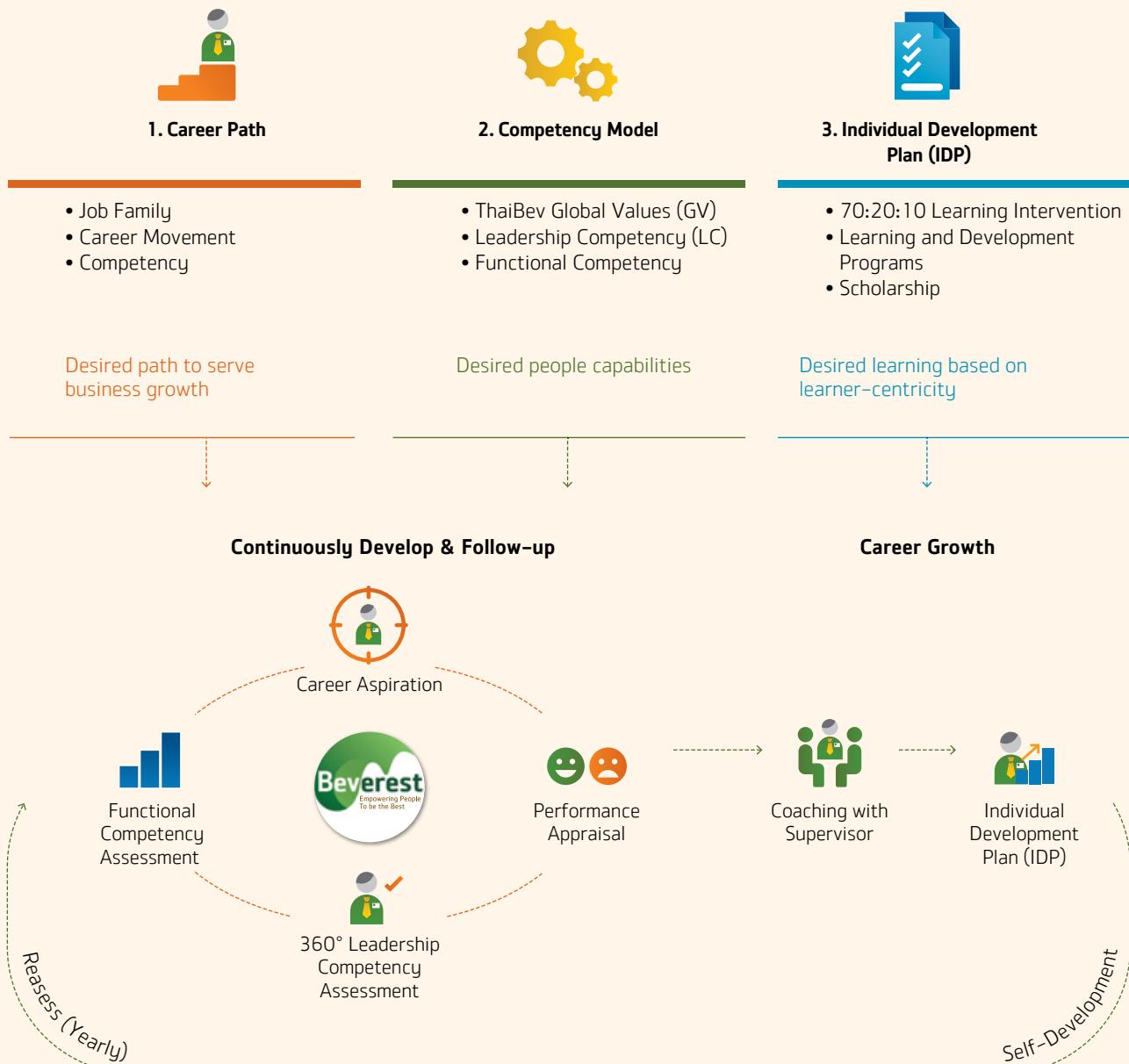
To assure its employees an opportunity for limitless growth within the organization, ThaiBev assists employees to fully develop their capabilities through the following two development platforms:

1. Career Development System
2. Talent Development Program

1. Career Development System

- ThaiBev has developed Career Path and Functional Competency to enable employees to plan their future in the organization as well as develop their potential and track progress by using the Individual Development Plan (IDP). This increases opportunities for limitless growth within the organization.
- Within the Individual Development Plan (IDP), ThaiBev uses the principle of developing employees' potential, according to the 70:20:10 formula.
 - 70 percent is learning by doing, by taking on new responsibilities, special projects and learning through real practice.
 - 20 percent is learning from others, through coaching, being taught by experts, participating in clubs, receiving advice and suggestions, and learning from the executives.
 - 10 percent is learning through formal training, by attending courses, including e-learning or short-term seminars.
- Preparation of an Individual Development Plan (IDP) for any particular job group includes the following steps:
 1. Start out with the Career Path and its corresponding Functional Competencies.
 2. Then assess the Functional Competency to identify any competency gap.
 3. Develop an Individual Development Plan (IDP) based on the results of the assessment, including the career goals identified by employees through Beverest, ThaiBev's human capital digital platform.
- Individual Development Plan (IDP) were expanded for all jobs levels in other work groups where supervisors develop the plan through Beverest for effective tracking and monitoring processes.

"Craft Your Career Journey"



INSIGHT**Somchai Somthong**

Acting Manager, Customer Management, Cash Van Management; an employee who developed his skills and experienced professional growth in the Sales job group.

I started my sales career with ThaiBev in 2011 as a Cash Van employee, at a time when there was no tablet device to assist us with the sales process. Currently, I am a Customer Management Manager. I have seen changes in ThaiBev, in competitors, and even myself. Since the first day I started working here, I was committed to the idea that “we all work for the organization, everything is possible and we will always go above and beyond the tasks given for career advancement opportunities, along with the development of our knowledge and skills in sales.” I consult with my supervisor about the expected goals by using the IDP as a tool to help prioritize what needs to be done and what I need to develop in advance as intended. I am committed to building a strong sales team and delivering success in any location, as it is an important part of achieving the sales goals set by the company.

**Ratchanan Deesean**

Human Capital Business Partner Manager, Beer Product Group, an employee who has developed her skills and experienced professional growth in the Human Capital Group, and experienced the opportunity to work abroad.

From the beginning, as an HC Assistant Manager overseeing human capital development at Modern Trade Management Co., Ltd., until now, ThaiBev has given me great opportunities, the latest being an opportunity to support human capital work at SABECO in Vietnam. This is a new type of experience, as I work in a different environment, and with people of different nationalities and cultures. I have always believed that learning by doing is what helps us grow most efficiently. I have discussed with my supervisor how to develop IDPs to fulfill my own potential, in order to prepare to advance in my career path, and to seize the opportunities that the company provides according to our capacities. Working in Vietnam is considered another learning activity through action and consultation with experienced senior staffs will help me be able to develop myself to the next level.

2. Talent Development Program

- Employees have access to a variety of development programs to increase business knowledge and promote leadership through 70:20:10 principles and action-learning projects in which ThaiBev employees are given a platform to present their ideas to help the businesses achieve the corporate vision; in this way, senior executives also have the opportunity to see the potential of their employees. It also demonstrates that learning by doing can be more effective than only classroom learning.
- The Talent Development Programs are designed with the purpose of promoting and enhancing employees' ability to advance in their career under the core principle of learner-centric principle.

- ThaiBev has developed a Leadership Competency Development Guidebook to help employees select a learning activity based on the 70:20:10 principle of capability development. At the same time, the guidebook supports the objective of IDPs.

Examples: Supervisory Development Program (SDP), Management Development Program (MDP), ASEAN Management Development (AMD), and the Senior Executive Development Program (SEDP), where senior executives are involved in overseeing and providing feedback to enhance the application of case studies into real practice.

Talent Development Program Framework

	Learning Principle	Learning By Doing	Learning From Others	Learning Through Formal Trainings
Individual Development Plan	Mobility Program (Global)	Executive Mentoring	ThaiBev Leaders Forum	
	Job Rotation (Local)	Coaching	Online Learning	
Development Program	 The Ocean 14-15	Senior Executive Development Program (SEDP)		
	 The River 13	ASEAN Management Development Program (AMD)		
		10-12 Management Development Program (MDP)		
	 The Spring & Streams 8-9	Supervisory Development Program (SDP)		
Scholarship	4-7	Rocket Development Program		
				
ThaiBev Scholarship		ThaiBev CMKL Scholarship		

**Suporn Denpaisarn**

Vice President, Marketing, Non-alcoholic Beverage Business Group

From my experience with the company over the last few years, I am very fortunate to have been given the opportunity to improve and grow, from both my supervisor and the executives, through on-the-job training, participating in development programs, goal-setting and the Individual Development Plan. I have been assigned to oversee various brands, such as Oishi, est, and 100 Plus. Most recently I have been assigned to oversee the overseas markets. These opportunities supported me to learn how to market a variety of brands and to improve my planning skills, negotiation skills, and leadership skills. In addition, I have had the opportunity to attend various development programs, such as the Senior Executive Development Program. It allowed me to learn more about the organization, and gave me the opportunity to work with management in various units. I was thrilled when Thapana Sirivadhanabhakdi, CEO of ThaiBev, devoted his time to personally listen to our Individual Development Plans and goals. This demonstrates that he highly values our development within the organization.

**Krit Palakavong Na Ayudhaya**

Assistant Export Sales Manager, International Sales – ASEAN. One of the Rocket Program participants who is currently on a scholarship to receive a master's degree at the University of Edinburgh, Scotland, in line with his career plan.

I am delighted that ThaiBev senior executives see the potential and are ready to provide support to new generation employees like me, who are committed and determined to grow within the organization and in turn use the best of our abilities to push the organization forward. I am looking forward to bringing what I have learned in my studies here together with the working experience to further contribute to the management and direction of ThaiBev.

STORY**Implementation of Initiatives from Talent Development Program**

The ThaiBev Catering Program is a direct result of a project presentation by participants in the Management Development Program (MDP) in 2017 and has impressed since then. It is a way for ThaiBev to further grow its businesses by offering food, beverage, and event-organizing as a full-service to meet the needs of customers. As part of the program,

a catering business was launched at HoReCa Asia 2017. The catering business has exceeded its sales target, earning profits within the first year of operations. The business has used the principle of “customization, budget control and convenience”, meaning that the services provided must meet customer needs and maximize comfort with the budget available. In addition, as it is a home service for the customers, the business helps promote a Drink No Drive policy and has upgraded its services to business partners by offering a full bar service at various events.



ThaiBev – NUS Global Executive Leaders Program: “Realizing Vision 2020: Strategies for Sustainable ASEAN Leadership”

ThaiBev has collaborated with the National University of Singapore, one of Asia's top academic institutions, to develop the capabilities of ThaiBev's executives in the name of the realization of ThaiBev's Vision 2020 goal to become ASEAN's stable and sustainable leader in the beverage business. In total, 25 executives throughout ThaiBev participated in this program. One of the action projects from this program that has been adapted and implemented is the Synergy Project, which is based on the concept of shared warehousing between companies within ThaiBev, enabling focus on increasing sales targets and improving service to stores, as well as reducing shipping costs of non-alcoholic products.

The Synergy Project working team selected a warehouse in Maha Sarakham province as a pilot for the sharing project, with the aim to increase sales and distribution in Maha Sarakham province to over 1000 stores, a number which ThaiBev is determined to meet. The program was initiated in August 2018, and the results from August to October show that distribution has increased by 23 percent, stores' purchase orders have grown by 16.5 percent, and Sermsuk's sales have risen by 44.5 percent.

Strategy 5: Proactive Succession and Workforce Planning



ThaiBev has been able to find successors for

93%

of the positions required in the Succession Plan.

- To maintain good corporate governance culture, ThaiBev has developed a Succession Plan that identifies successors for near-retirement senior executives, leading to seamless transitions and enabling business continuity, stability, and sustainability as committed to all stakeholders, customers, and society. Succession planning is carried out as follows:
 - (1) Identify critical positions.
 - (2) Identify the appropriate selection criteria for each position, including the leadership characteristics.
 - (3) Assess the readiness of the executive candidates by adapting the WAR Model as an assessment criteria: Willing, Able, and Ready.
 - (4) Create Individual Development Plans and monitor regularly.
- ThaiBev has been able to successfully identify candidates for 93 percent of 121 critical positions for which succession plans have been formulated.

STORY

Fostering and identifying employees that are Willing, Able and Ready to step up and take on important roles in the organization involves the following:

- Systematically process the Talent Assessment, across all job levels and business units, to search the Global Talent Pool for employees who have the potential to grow into leaders of ThaiBev in the future. This task is connected with the continuous creation of Succession Plans.
- Specify Critical Positions in order to create Succession Plans, including selection criteria to evaluate the readiness of individuals for promotion.

- Develop Individual Development Plans and follow-ups to prepare candidates to ascend to Critical Positions through Experiential Learning and the Global Mobility Platform, to enhance their learning curve, further develop their readiness and support ThaiBev's business expansion abroad.

WAR Model: Willing, Able & Ready



Applying WAR Model to assess readiness of the candidates.

Strategy 6: Strategic Talent Acquisition and Onboarding

Recruitment of personnel with the right capabilities and suitable work experience is one of the top priorities. ThaiBev has created a systematic recruitment and selection process through the various channels:

- ThaiBev receives job applications through an online career platform, which shows vacant positions both domestically and internationally, as well as through external job searching websites and other channels, such as the Job Fair, Campus Recruitment and Recruitment Road Shows, organized by public and private universities to reach a wide range of high-potential candidates.
- Utilizing the Beverest system, candidates who are interested can easily apply for positions with ThaiBev through the appropriate channels. For example, they can examine all vacant positions and apply by filing personal information and attaching a resume. In addition, an onboarding process for

new employees has been established. A welcome message, an introduction to useful links and personnel with whom the new employees will have contact and other basic tools are prepared for the newcomers on their first day.

- ThaiBev promotes opportunities for internal mobility through an Internal Recruitment Program that allows employees to apply for jobs via Beverest. A Talent Acquisition team is readily available for consultation on the open positions.

INSIGHT

**Sucholthip Tresuchon**

Senior Manager, Recruitment & Onboarding

By recruiting employees who are “Good and Talented,” ThaiBev is helping to develop the country’s human capital with knowledge, skills, expertise and insights in their profession. ThaiBev has organized a summer internship program called “Chang Junior”, to give internships to students from various educational institutions. It also promotes social responsibility by giving students the opportunity to experience real work processes, and a working culture in which they can adapt to genuine working life. In addition, the project builds good relationships between ThaiBev and educational institutions, resulting in good recruitment opportunities for potential candidates.

STORY

Career Day

ThaiBev encourages employees to grow within the organization, whether within their current line of work or changing to a different one. It also encourages supervisors to support the opportunities for employees to apply for positions within the organization. ThaiBev’s human capital group has held a Career Day to provide a truly limitless opportunity open for all ThaiBev’s employees to attend. At the event, recruitment booths from various departments provide employees an overview of job vacancies, both domestic and international. Employees are also introduced to appropriate job placement and personality tests so that they can understand the career that suits them best. Over the past year, employees have witnessed advancement in their career paths and continuously shown interest in registering for internal transfer.





Chang Junior Program

“Chang Junior”, a summer internship program, has been organized to enroll students from various educational institutions as interns at ThaiBev. This internship program has offered opportunities for students to learn about working procedures, project development and presentation, and to experience a working culture which will benefit them in adapting to real working life in the future. The program started in 2012 and has been organized every year since, gaining attention from students from leading universities. In 2018, the program entered its seventh year. In total, ThaiBev has received 523 applications and 74 trainees have been offered internships.

- Employees who serve as mentors to students get to improve their leadership skills and ability to transfer knowledge and technology. This provides potential for individual capability development and has a positive impact on ThaiBev’s image.
- Students gain professional experience in their field of study, self confidence, and communication skills. Their internship prepares them for working life. Students will also learn how to choose a suitable career path before graduation, and some may even be offered jobs before graduating.

According to a survey of Thai university students in 2018 by Universum, it was found that there are several factors that influence students’ decisions to apply for jobs with companies, such as career path, management support for employee development, corporate success, social responsibility, or overseas job opportunities. ThaiBev excelled in all areas.

MySEAN Internship Program

ThaiBev has joined the MySEAN Internship Student Program to build relationships and exchange knowledge and culture with the Malaysian government. It also promotes ThaiBev’s growing presence in the ASEAN region. This program is designed to receive international students who will be sent from Talent Corporation Malaysia Berhad (TalentCorp). In 2017, two Malaysian students joined the program and interned in the Company’s IT and Human Capital Group.



Strategy 7: Engaging Corporate Culture

- For the purpose of enhancing employees' sense of ownership and participation, ThaiBev has surveyed employee engagement to measure the factors affecting their engagement with the organization.
- ThaiBev has conducted an in-depth analysis based on the survey results, featuring the participation of company executives, to develop plans to improve operations and increase employee engagement. The main focuses are employee wellbeing in the workplace, compensation, roles and responsibilities in the organization, and recognition of employee performance.
- To promote its work culture, ThaiBev has applied the Global Values as part of its employee performance assessment.
- ThaiBev has organized corporate engagement activities by adding a variety of activities to maximize employee engagement. For example, the WOW Awards program is designed to encourage employees to adopt the WOW (Way of Work) approach to work. Successful projects were judged and given awards by ThaiBev's senior executives.

INSIGHT

Nongnuch Buranasetkul,

Senior Vice President and Chief Food Business – Thailand,
shares her views on the ThaiBev Global Values

Everyone has their own values that they hold and practice, as we come from different families. Therefore, being together in society requires a shared basis of being together so that we can have common goals. ThaiBev has grown a lot through mergers and acquisitions of businesses both domestic and international. Therefore, ThaiBev Global Values will bring everyone together. If everyone looks and walks in the same direction, we will progress faster. This allows all businesses to move together effectively.

**STORY****WOW Awards 2018**

ThaiBev encourages employees to share their ideas and the results of project implementation in accordance with the ThaiBev Global Value of Collaboration, Creating Value, and Caring for Stakeholders. Integrated with the concept of WOW (Way of Work) to improve work processes (Simplicity), enhance capability (Efficiency) and Competitiveness, ThaiBev launched the WOW Awards 2018 to motivate employees and serve as a knowledge-sharing platform within ThaiBev. The awards are divided into two categories:

- 1) "WOW Project" for projects that employees have designed and implemented with tangible results.
- 2) "WOW Idea" for principles or ideas that led to results or innovations that correspond with ThaiBev business needs.



Labor Rights

In 2018, ThaiBev established a labor relations and management team to prevent any impacts from illegal practices, such as risks that come from exposure to sub-contracted employment, hiring disabled workers and employment of foreign workers by MOU. In addition, ThaiBev has managed to ensure that employees who turn 60 years of age can receive the retirement money they are entitled to according to the law. ThaiBev has also renewed working contracts of certain retired employees as a way to respond to the government's policy on helping to employ the elderly so that they may become self reliant and make the most of their time.

MOVING FORWARD



Strategy 1: Clear structures and roles

- Monitor and review organizational structure for improvement opportunities of working processes to continuously enhance ThaiBev's capabilities.
- Expand the development of Competency, Career path to all Job Families in consistent with ThaiBev's structural design and management roles.



Strategy 2 : Market-oriented Compensation and Benefits

- Continuously analyze the management of compensation and benefits to match the pace of job markets and the needs in each age group.
- Provide additional privileges for ThaiBev employees to promote brand association of ThaiBev's products and become brand ambassadors



Strategy 5 : Proactive Succession Workforce Planning

- Enhance readiness for succession candidates of critical positions which is one of the key components of WAR model (Willing, Able, Ready).
- Expansion of succession plans coverage to include employees at other levels.



Strategy 3 : Recognition-based Performance Management

- Expand system accessibility through communication devices channels employees to use anytime, anywhere.
- Further develop coaching skills to all managerial positions to enable effective knowledge sharing culture.



Strategy 6 : Strategic Talent Acquisition and Onboarding

- Initiation of new talent acquisition programs to attract higher potential candidates and to further enhance Chang Junior Program quality by improving selection criteria.
- Increase and improve communication channels on social media to raise general public awareness of ThaiBev as an outstanding employer.



Strategy 4 : Holistic High Performer Retention and Development

- Encourage a culture of learning for Lifelong Development through 70:20:10 learning principles, supporting self-learning from various channels such as Digital Learning, Digital Library
- Further development of high potential employees with Individual Development Plans (IDP) and Mentoring Programs as well as emphasis on career path tracking.



Strategy 7 : Engaging Corporate Culture

- Promoting sense of oneness through ThaiBev Global Values for sustainable growth.
- Instill a Transformation Mindset for everyone to be ready for changes and to develop regional capabilities of all employee; sustainably moving forwards together with ThaiBev.

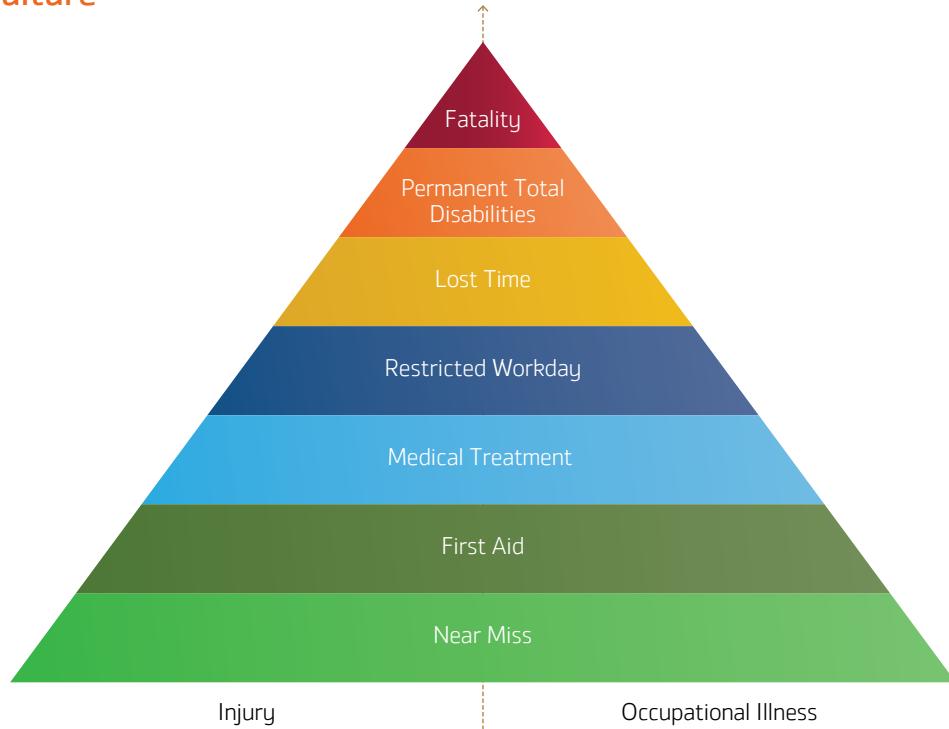
SAFETY, OCCUPATIONAL HEALTH AND WORKING ENVIRONMENT



ThaiBev is determined to be an organization that promotes the happiness of its employees. As such, the safety, occupational health, and working environment of employees and stakeholders are considered crucial factors. In order to set a good example for society, ThaiBev has continuously devoted itself to improving its policies and standards in terms of safety, occupational health and the working environment.

- ThaiBev requires that safety is maintained in all processes in accordance with the legal requirements for safety, occupational health, and the working environment, and ThaiBev ensures that it also conforms to international standards and other regulations. This ensures that employees, business partners, contractors, and other stakeholders are provided the highest level of safety and preventive measures to mitigate risks related to work, accidents, injuries, and work-related illnesses.
- For better quality of life and to promote the good health of employees, the working environment and hygienic standards have been improved to benefit employees' physical and mental health.
- To raise awareness and encourage employees of all levels to recognize the seriousness of safety, occupational health, and the working environment, ThaiBev has continuously educated its employees through training and activities, as well as various types of communication programs.

Safety Culture



STORY

Safety and Occupational Health



- ThaiBev has organized training sessions about work safety and emergency drills for employees. The training sessions have been organized annually for ThaiBev and its subsidiaries. These training sessions provide participants with a better understanding of their roles and responsibilities regarding safety, thereby equipping them with the ability to monitor performance and project planning with safety issues in mind.
- In 2018, ThaiBev organized "Smile@Safety Week" at ThaiBev headquarters. With more than 1,000 employees in attendance, the event aimed to raise awareness and promote a culture of safety. Exhibition booths promoted several aspects of safety, accident reduction, and occupational health, for instance, safety symbols in the workplace, a demonstration of life-saving by The Heart Foundation of Thailand, and knowledge of fire hazards and how to correctly operate fire extinguishers. During the event, employees also participated in various activities focused on disseminating useful knowledge on safety, occupational health, and the working environment.
- ThaiBev is determined to improve its occupational health and safety practices in accordance with the OHSAS 18001 standard. Companies within the ThaiBev Group have also been recognized as Outstanding Example in Safety, Occupational Health, and Working Environment for many consecutive years.



Employee Wellbeing

In 2018, ThaiBev established policies and activities to further enhance the wellbeing of employees within the organization to support good health and safety. The policy and activity plans cover four main components: physical health, mental health, safety, and the working environment.

- ThaiBev organizes annual health checkups for employees with tailored checkup programs based on risk factors and age groups. For example, electrocardiogram checkups for employees aged 35 years and older, and breast cancer screening for at-risk female employees. ThaiBev also provides preventive care, such as annual influenza vaccinations.
- “Preparing All-Ages-Employees for Happiness after Retirement” Campaign served to both raise awareness and educate employees in their respective age groups. ThaiBev organized the “2 Talks 2 Tones” program, with the theme of “Enjoy Work, Live the Life” for younger employees. Another program was based on the theme of “Manage the Readiness and Happiness Before Retirement” and was conducted for employees in general. The event focused primarily on topics related to saving and spending, financial planning, and other beneficial information from ThaiBev and the public sector, as well as health care and mental health management. In each event, speakers and content were selected to suit the target audience. ThaiBev initiated the event for the first time in 2018 with over 300 participants and will continue the campaign next year.
- “Day Care for ThaiBev Kids” was piloted for the first time during the school holidays in April 2018 for employees’ children (kindergarten and elementary school) to spend quality time enjoying art activities and life-skills lessons. During these activities, children are taught to respect rules, be self-reliant, and to help, share, and live harmoniously with others. The activities were led by teachers who were responsible for daily activities and recreation.

Work Environment

- ThaiBev monitors the environmental quality of the workplace in compliance with laws and regulations, including measurements of light intensity, heat, sound, dust and chemicals. Failures in any area will be fixed promptly; for example, fluorescent lamps were replaced with LED lamps in areas with poor lighting. Additionally, ThaiBev inspected office buildings for indoor air quality. ThaiBev has conducted these measurements at least once a year.
- Additional fire extinguishers were installed and plans were made to test the automatic fire extinguishers system inside buildings. ThaiBev has also upgraded fire hoses, fire hose boxes, and implemented a plan to install a fire department connection on the side of the building to get water from the fire engine in case the building's water supply system is not sufficient.

MOVING FORWARD

Lost Time Injury Frequency Rate



- ThaiBev aims to constantly improve its safety standards with the goal of achieving a Lost Time Injury Frequency Rate (LTIFR) of 1.0 by the year 2020.
- To reflect ThaiBev's goal of caring for its employees' physical and mental health, improvements are being planned to ThaiBev's safety infrastructure and to the activities that enhance employee wellbeing.
- Based on employee feedback, additional wellness activities are being planned to meet the needs of different age groups, and to have them tailored to the different work characteristics of different employee groups.
- ThaiBev will prepare employees of all ages for a life of satisfaction after retirement through lectures and activities covering various topics, including physical and mental health, financial management, and better knowledge of employee benefits. Internal public relations campaigns are conducted to increase the number of participating employees.

MANAGING ENVIRONMENTAL IMPACTS

ThaiBev is fully mindful of the impact that its expanding operations can have on the environment. As part of the Vision 2020 Strategy, ThaiBev has set an ambitious environmental target encompassing all aspects: water, energy, greenhouse gas emissions, effluents and waste, in order to limit potential impacts from its operations and achieve sustainable growth for all stakeholders.

ThaiBev has set forth a Corporate Water Management Policy, Environmental Policy, and Sustainability Policy as guidelines to be adhered to by all employees and management in ThaiBev and its subsidiaries. This ensures that ThaiBev's environmental management is aligned across the Group, and is consistent with national and international laws, regulations and standards. To ensure continuous operational excellence, ThaiBev regularly performs environmental audits of its operations according to ISO 14001 and ISO 50001 standards.

Such policies are reflective of ThaiBev's commitment to managing impacts and protecting the environment for the benefit of present and future generations. At the same time, ThaiBev strives for continuous improvement across its entire value chain by implementing new technologies to improve efficiency, manage risks from operations, and identify opportunities that can deliver mutual benefits for business growth and environmental and social value.

With this in mind, ThaiBev is furthermore fully supportive of the Thai government's commitment to the Paris Climate Agreement, COP21, and aims to be Thailand's industry leader in reducing GHG emissions – in order to do its part in combatting global climate change.





GRI 103-1, GRI 103-2,
GRI 303-1, GRI 303-3,
GRI 306-1

WATER STEWARDSHIP

- ThaiBev has created a comprehensive water management system, from the beginning to the end of the value chain, by collaborating with various agencies to organize activities in local communities around factories, and at the national level, to promote water conservation and water replenishment programs.
- ThaiBev has evaluated the water risks for each factory by conducting a Water Sustainability Assessment (WSA). These evaluations are used as guidelines in water management to reduce risks and impacts from the use of water by factories in both the short term and the long term.
- Besides using water from appropriate sources, ThaiBev uses the principle of the 3Rs by reducing water usage, reusing water, and recycling water, to maximize efficient water usage.
- ThaiBev uses ISO14001-2015 standards for environmental management, as well as treating effluent to higher standards than specified by the law, before releasing the effluent into natural water sources.



The Company, Conservation and Water Stewardship

- Hydraulic ram and check dam construction
- Reforestation
- Dredging waterways and river landscape management
- Improving public water supplies

The Company and Water Risk Management

- Water Sustainability Assessment (WSA)
- Assess Water Stress with Global Water Tool

The Company and Effluent Quality Control

- ISO 14001:2015 Environmental Management Standard
- Department of Industrial Work (DIW) Effluent Standards for Industrial Water

The Company and Water Consumption Efficiency

- Appropriate Consumption from various water sources
- Water Footprint
- 3Rs Principle

INSIGHT



Nopwarin Duangdee

Assistant Factory Manager, SangSom Co., Ltd.

SangSom Co., Ltd., a subsidiary of ThaiBev, joined the Water Footprint project with the Department of Groundwater Resources and the Federation of Thai Industries, receiving certification on August 3, 2018.

What is a water footprint?

The water footprint is a measure of water volumes used in production processes, both directly and indirectly, throughout the supply chain. The water footprint is managed for efficient usage of surface water and groundwater, to reduce production costs and increase competitiveness.

How does participating in the Water Footprint Project and ThaiBev's Good Water Stewardship benefit society and the environment?

The Water Footprint Project was organized by the Groundwater Resources Department and the Federation of Thai Industries. Water resources used in factories and throughout the supply chain are evaluated, enabling us to identify the processes that use high volumes of water. This data is used to plan appropriately to reduce water usage and create awareness of water usage. It also supports greater sustainability development and improved water stewardship throughout the supply chain, and enables ThaiBev to create greater value and deliver more sustainable returns to society and the environment.

How does ThaiBev promote sustainability and water stewardship?

Water scarcity has become a more critical issue around the world. ThaiBev is aware of the risk and the impact on communities, therefore ThaiBev implemented a water management system that focuses on both availability and quality of natural water. The aim was to minimize the impact of business operations on the environment and communities. For example:

- Reducing the impact on natural water sources for communities to have water of sufficient quality for their consumption.
- All employees are encouraged to use water efficiently and follow water conservation practices. Internal communication campaigns to promote water conservation have been implemented.
- Using technology to increase the reuse of water according to the principle of the 3Rs, such as the automation of water treatment systems to reduce water usage.
- Cooperating with communities and stakeholders in water usage and water conservation, such as the project of Volunteers to Clean-up the river bank of the Tha Chin River, a cooperative effort between ThaiBev, private companies, local government and communities in order to conserve the Tha Chin River, an important water source.

STORY**Water Stewardship**

Access to clean water is a future challenge for water users, whether producers such as ThaiBev, or communities surrounding the company's factories.

Out of concern for communities and stakeholders who may be impacted by the company's use of water, ThaiBev has implemented the following water stewardship processes:

1. Assessing water risks

ThaiBev has initiated a project to assess water risks called the Water Sustainability Assessment (WSA). The project is a collaboration between the company and experts with experience in assessing water sustainability, starting with the Sura Bangyikhan distillery in Pathum Thani. An in-depth assessment of current and possible future water-related risks covers four aspects: water availability, water quality, regulatory changes and stakeholder perceptions:

Availability and Quality

- Compiling data covering the volume of water withdrawal from various sources; volumes of water discharge; and volumes of water recharge, to analyze the water balance.
- Conducting an on-site survey, including raw water storage ponds, production systems, raw material and chemical storage tanks, and effluent treatment systems, to analyze data for risks to water quantity and quality.
- Surveying communities, nearby factories, and the environment throughout the study area (a radius of 5km around the distillery).
- Studying relevant hydrometeorological hazards concerning water in the atmosphere and natural disasters such as storms, floods, earthquakes or drought.

- Using satellite images to study the flow of streams, watersheds, slope patterns, and land use within the study area (a radius of 5km around the distillery), including land-use changes over the last 20 years.

Regulatory

Reviewing applicable water, and wastewater-related regulatory requirements, and continually monitoring the amendment of relevant laws and regulations.

Stakeholders

- Survey perceptions of the local community, villages, institutions, and local government agencies in the area.
- Study key socio-economic indicators.

Summarize and analyze data to plan for integrated water management that reduces water risks in all dimensions for the distillery, both short term and long term.

Deploy the Global Water Tool developed by the World Business Council for Sustainable Development (WBCSD) to assess Water Stress of each factory, using the location of the factories and the volumes of water used by factories.

Make a ledger of water usage volumes, water sources and water reserves, for the company's water usage to be sustainable, and not impact stakeholders or communities.

2. Increase water usage efficiency

Use the water footprint to identify volumes of water usage, starting from raw materials and the production process to finished products. The data will be applicable to an efficient and sustainable water management plan.

Improve production processes to use water efficiently, according to the principle of the 3Rs by reducing water usage, reusing water, and recycling water.

Use the Total Productive Maintenance (TPM) system to keep machinery and equipment in good working condition to reduce losses of water and energy in the production process.

3. Control effluent quality

ThaiBev has effluent treatment systems which are designed to be appropriate for each factory. Quality of effluent is controlled and monitored according to the 2017 Ministry of Industry Announcement concerning standards, and to international standards of environmental management (ISO 14001: 2015). Most importantly, the factory must treat its effluent to be of better quality than required by law before it is released back into public water sources.



Water Conservation and Water Replenishment

ThaiBev supports internal and external agencies to organize various activities and projects to promote the conservation of water and headwaters, as well as water replenishment.

- **ThaiBev Helps Build a Model District for Good Living** in Bua Yai, Nan Province. This project aims to manage headwaters in an area of organic agriculture on 1 rai of land. The target is to replenish the forested watersheds of Nan province. ThaiBev joined with the community to develop a hydraulic ram to pump water to a higher level, and then build check dams for agricultural irrigation to make the community self-reliant. A mountain water supply was also developed. The project stimulated a change from monoculture to integrated agriculture.
- **ThaiBev Engages in Forest Conservation with the Huay Hong Krai Royal Development Study Center to Improve Quality of Life** in Nam Pang, Nan Province. Check dams were constructed to conserve headwaters and protect ecosystems to conserve the watershed in Nan Province.
- **Nateechai-Kaeng Krung Relationship** – Jointly building check dams in Kaeng Krung National Park, Viphavadee district, Surat Thani Province, to conserve headwaters and protect ecosystems.

- **Love Water, Love Forest, Conserve the Land – Volunteers Plant Trees to Conserve Water:** Staff of Mongkolsamai Co., Ltd. joined a tree-planting activity with the Uttaradit Provincial Administration Organization and Pha Juk district TAO in Being Mai, Ban Dan, Mae Khaman, Lab-lae, Uttaradit Province, to help rehabilitate the forest and watershed.

- **Volunteers to Clean the Canals Connected to the Tha Chin River and Clean Canals Project:** this project is a cooperative effort between ThaiBev, private companies, local government, and communities, to clean water hyacinth and other weeds from the canals connected to Tha Chin River and Klong Chedi Bucha in Nakhon Pathom, and Klong Saen Suk in Samut Sakhon. These are important water sources for local communities around the factories. The cleanup helps water flows, and prevents damage to property and agricultural land during the rainy season, reduces stagnant water, and beautifies the canals and river.

- **Improving Water Supplies** for the communities of Ban Khok Kong and Ban Dong Yai Pao in Buriram Province. ThaiBev improved water-pumping systems, power systems, and drinking water systems, and took water samples for quality analysis, as well as giving advice to community water producers, so that water supplies for the community around the factory meets health standards.

MOVING FORWARD

As a result of efficient water management,

10.54%

of water consumed was reused
and recycled in 2018.



Reduce

- Project to reduce water leakages in the factory
- Project to reduce water usage in cleaning beer fermentation tanks
- Project to increase the efficiency of using steam in the distillation process



Reuse 5.04%

- Project of reusing condensate return as boiler feed water to reduce usage of water and heat energy
- Project of using backwash water from the water treatment process for utilities to reduce process water usage



Recycle 5.50%

- Process of recycling treated effluent for gardening in the factory



5%

Goal

Reduction of water intensity
by the year 2020

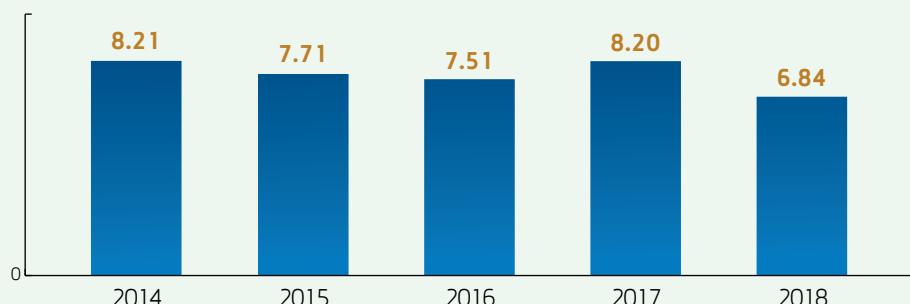
Compared to 2014
as a base year

In the beverage business, the water intensity ratio will be reduced by 1.37 hectoliters per hectoliter of finished products, or 16.72 percent compared to 2014 as a base year.

For the food business, the water intensity ratio will be reduced by 0.06 hectoliters per kilogram of finished products, or 22.86 percent compared to 2017.

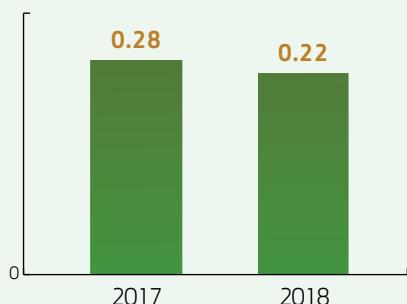
Water intensity ratio (Beverage business)

Unit: hL/hL of finished products



Water intensity ratio (Food business)

Unit: hL/kg of finished products



ThaiBev has plans to expand its Water Sustainability Assessment (WSA) to manage water risks in all dimensions for all factories. The Groundwater Sustainability Assessment (GSA) at the Beer Thip Brewery (1991) Co., Ltd. in Ayutthaya Province will be completed by November 2018. In succeeding years, it is expected that the assessments will be expanded to every factory within the spirit, beer, and non-alcoholic beverage product groups, as well as the food business.

ThaiBev is inviting its suppliers to join the Water Footprint Project, particularly sugar mills, with at least one sugar producer to be completed in 2019. There are plans to invite other key suppliers, such as bottle manufacturers, in subsequent years, for integrated water stewardship throughout the supply chain.

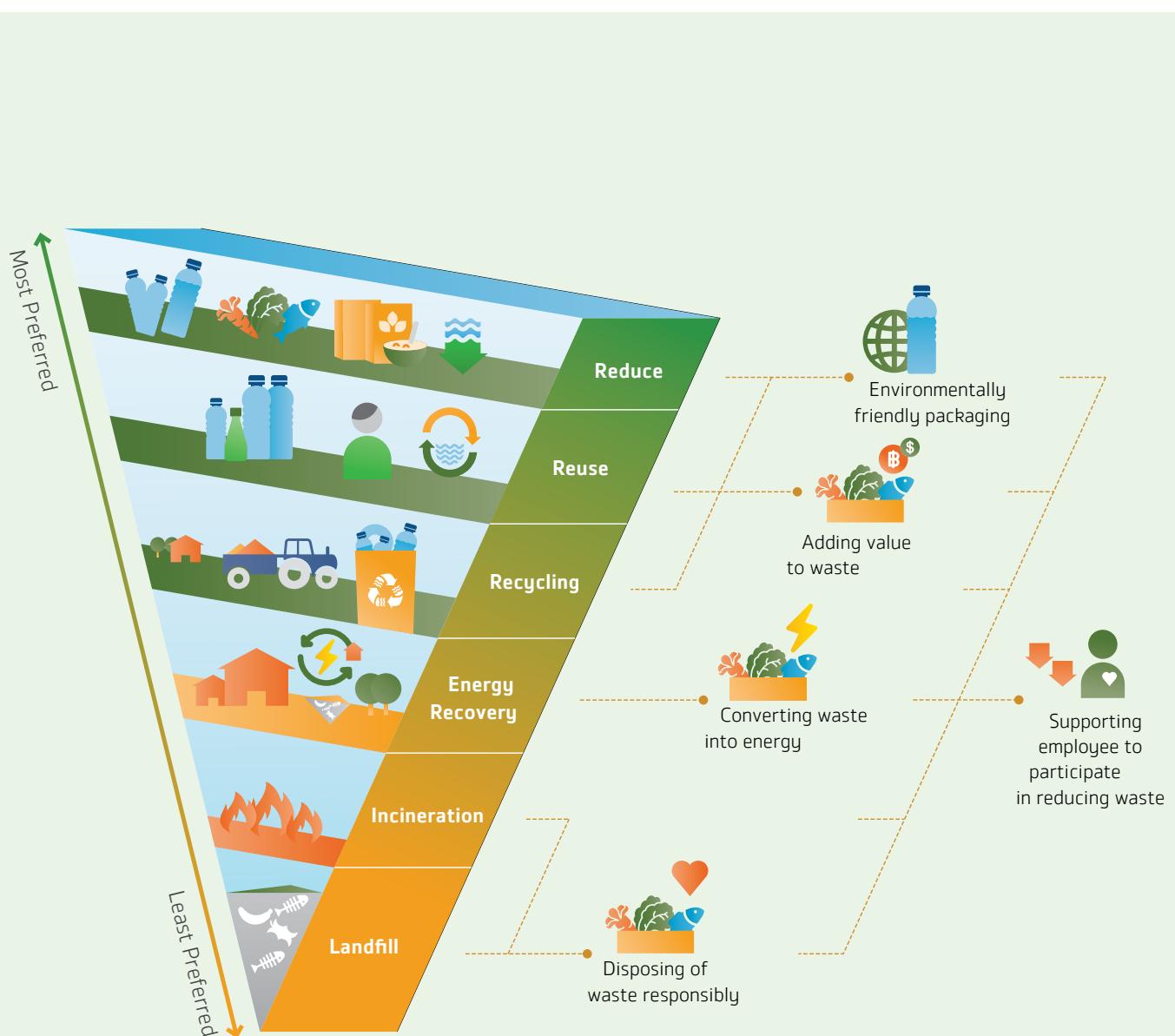


GRI 103-1,
GRI 103-2,
GRI 306-2

WASTE MANAGEMENT

ThaiBev has implemented a Waste Hierarchy system and applied the principle of the Circular Economy, emphasizing reuse and redistribution, or re-manufacturing and recycling, to prevent and mitigate impacts to the environment and communities, in the following ways:

- Designing packaging and managing post-consumption packaging to reduce the use of natural resources while retaining quality and strength. For instance, plastic bottles are designed to use less plastic, while glass bottles and corrugated carton partitions can be recycled in the beverage manufacturing process.
- Training and engaging employees to reduce and prevent waste by using the tools of Total Quality Management (TQM) and Total Productive Maintenance (TPM).
- Increasing the value of waste or by-products by using them as raw materials in the agricultural and industrial sectors to further reinforce a reduction in the use of chemicals. For example, using malt residue and grain residue from alcohol production as ingredients in livestock feed; or using effluent from the vinasse treatment process as a soil conditioner in the growing of crops such as sugarcane, rice, cassava and oil palm.
- Using beverage manufacturing waste to generate renewable energy. For instance, vinasse, a waste by-product from the distilling process, and wastewater from beer brewing, are used to produce biogas. Furthermore, vinasse has been evaporated and developed into biomass fuel, which is used to generate heat and electricity.



INSIGHT**Pramot Somchaiyanon**

Managing Director, Thai Beverage Energy Co., Ltd.

Thai Beverage Energy Co., Ltd., a subsidiary of ThaiBev PLC, has the core responsibility of using waste from alcohol production to produce energy (Waste to Energy). This has resulted in Thai Beverage Energy's Buriram branch winning an Excellence Award for Renewable Energy Co-generation Project at the Thailand Energy Awards 2018.

What is the Thailand Energy Awards?

The Thailand Energy Awards is a project established by the government and private sector to measure the success of projects focused on developing alternative sources of energy and energy efficiency, assessing them with the criteria of environmental management, social responsibility, expandability and potential implementation.

Which ThaiBev project received an award, and what is the achievement?

The vinasse renewable energy project of Thai Beverage Energy's Buriram branch won the award for excellence in renewable energy, in the category of co-generation. Biogas is produced by treating vinasse to replace fossil fuels to generate steam and electricity. It can replace fuel oil in the production of spirits, enough to generate surplus electricity that is sold to the Provincial Electricity Authority (PEA).

After winning the award, does the company have any plans to convert more waste into energy in the future?

ThaiBev has a plan to expand its renewable energy generation to every factory in order to treat waste from production, conserve the environment, and create sustainability and energy security for the company, as energy is another key indispensable factor for the industry.

Benefits of the Program

- Promotes sustainability and energy security
- Reduces the consumption of fossil fuels
- Increases the proportion of renewable energy in Thailand
- Reduces greenhouse gas emissions by more than 80,000 tons of CO₂e / year*
- Solves the problem of strong odors from vinasse by using a closed system for treatment
- Farmers can use effluent from vinasse treatment as a soil conditioner
- Increases employment opportunities for the local community

*Note Refers to T-VER project of voluntary greenhouse gas emission reduction in Thailand

STORY**Reducing Waste and the Use of Plastic in Everyday Life**

ThaiBev has ongoing initiatives to support the reduction of waste and plastic in everyday life:

- **Waste bank, waste separation, and participation in waste management campaigns** promote the reduction and separation of waste at the point of use, thus adding value to waste before it is properly disposed of. This is expected to reduce waste by 600kg/site/year.
- **Converting food waste to fertilizer** reduces waste and impacts on the environment. This project is expected to reduce waste by 1.8 tons/site/year.



- **A project to reduce and/or end the use of plastic bags and foam boxes**, offers points collection in exchange for using cloth bags, bringing one's own glass. The purpose is to stimulate a reduction in the use of single-use plastic and encourage the use of materials that are more environmentally friendly.

**Waste-to-Energy**

ThaiBev treats waste from production processes and converts it to energy in two ways:

- 1. Energy from biogas**, a by-product of beverage production. It can be used to substitute energy from fossil fuels and produce less GHG emissions. This reduces the company's fuel costs: in 2018, the company was able to replace the use of fuel oil by 19.26 million liters, equal to a savings of 306.85 million baht.
- 2. Energy from biomass**: ThaiBev has a factory that produces alternative energy from vinasse in Kanchanaburi Province. The co-generation system can produce both electricity and heat from concentrated vinasse. This project started selling electricity to the Provincial Electricity Authority (PEA) on September 11, 2018, and is expected to produce heat energy in the form of steam for use in the production of spirits at the rate of 60 tons per hour, and electricity for the PEA at a maximum rate of 7.5 MWh.

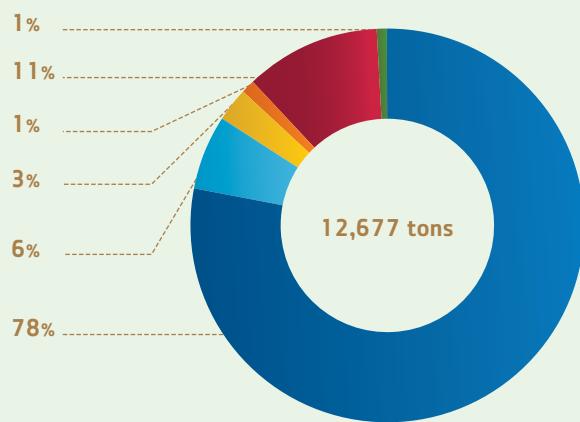
MOVING FORWARD

Despite measures to minimize the amount of waste sent to landfills, it is not possible to entirely avoid generating waste and still maintain quality and consumer safety. Therefore, to operate the business with responsibility to communities, society and the environment, ThaiBev must have waste treatment and disposal methods in compliance with laws and regulations. The following are success stories from 2018:

- Reduced the use of resources in main packaging materials by a total of 598,199 tons.
- In the beverage business, as much as 88.63 percent of all waste from the production process (12,677 tons) can be value-added (reused / recycled / energy recovered).
- In the food business, as much as 44.08 percent of all waste from the production process (796 tons) can be value-added (reused / recycled / energy recovered).

Total weight of waste and disposal method
(Beverage business)

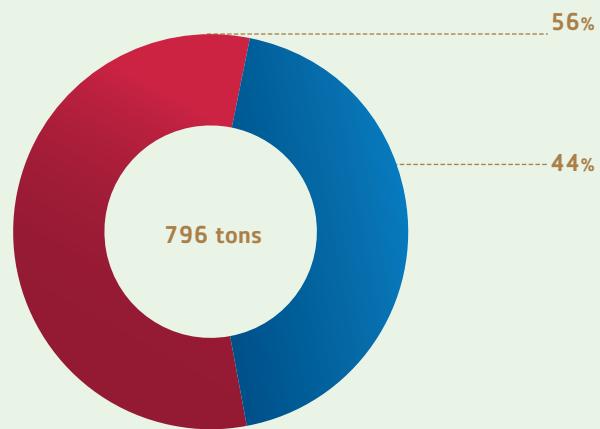
Unit: Metric tons



- Reuse
- Recycling
- Composting
- Recovery
- Incineration
- Landfill

Total weight of waste and disposal method
(Food business)

Unit: Metric tons



In 2019, ThaiBev plans to expand its waste management business as follows:

- Post-consumption packaging business**

ThaiBev has a plan to construct a recycling plant in Ayutthaya Province in 2019, to augment existing management of glass bottle packaging to become a leader

in the glass bottle recycling business. ThaiBev will expand its recycling business to recycle a wider range of packaging such as PET plastic, aluminum cans and corrugated paper.



2004-2015	2016	2017	2018	2019	2020
Start of Recycling Business Buying and retrieving used glass bottles for reusing and recycling.	Expansion of Recycling Business Buying glass cullet for production of glass bottles.	Operational Efficiency Adoption of technology, mechanization and standardization.	The First Recycling Factory Establish the first recycling factory in Ayutthaya province.	Variety of Recycling Materials Extend service line to other packaging materials: PET plastic bottles, aluminum cans, corrugated paper.	Sustainable Leader In glass bottles and recycling industry.

- Renewable energy business**

In 2019, ThaiBev will construct two more biogas plants to process vinasse at distilleries in Nong Khai and Nakhon Sawan Provinces. Public hearings have been held and risk analysis reports have been prepared for the two locations, and it is expected that both sites can produce biogas

to replace fuel oil for the distilleries in 2020. This will help reduce GHG emissions by 30,000 tons at each site every year. Also, there will be a pilot project to generate electricity from solar cells at breweries and factories producing green tea.



ECO-FRIENDLY PACKAGING

- Glass, paper, aluminium, and plastic are the main packaging materials used in producing spirits, beer, non-alcoholic beverages and food.
- When developing packaging, ThaiBev considers environmental factors by using the 3Rs principle, Reduce, Reuse and Recycle, to reduce long-term impacts on the environment and society.
- ThaiBev has collaborated with public and private sectors, as well as local communities, in many projects and activities to promote cooperation to tackle packaging waste and pollution.

INSIGHT

Sinchai Thiensiri

Director, Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE)

The various kinds of used packaging are raw materials. If we separate packaging after consumption, the packaging can be used as a raw material in production.

Both the public and private sectors must take part in encouraging consumers to be aware and take responsibility for the results of their own consumption, and to increase channels for consumers to have a role in adjusting their behavior to promote a society of sustainable consumption at the national level.



STORY**Management of the Main Packaging Materials**

ThaiBev endeavors to return post-consumption packaging to the manufacturing process and our supply chain by emphasizing cooperation and participation amongst all groups of stakeholders, including the parent company, suppliers, retailers and consumers, to reduce the environmental impact of packaging waste. ThaiBev adheres to the UN's Sustainable Development Goal No.12 (UN SDG 12) as a guiding principle in establishing sustainable production and consumption, and to reduce waste, especially for ThaiBev's main packaging materials, with an emphasis on the 3Rs principle.

Glass bottle packaging in the Circular Economy**Glass bottles**

- Reduce the weight of single-use bottles and recycle them in the production process
- Redesign the shape to be impact-resistant, in order to be reused as many times as possible
- Start a business to buy leftover glass directly from consumers so that waste can be used as raw materials in production

**Reduce**

Reduce the use of raw materials (sand) by

43,680 tons

in the bottle manufacturing process

**Recycle**

Cullet recycled in production processes totalling

108,256 tons

**Reuse**

1,490 million

glass bottles reused in the production process

Corrugated cartons

- Increase the proportion of recycled paper and use damaged cartons to make compressed paper blocks for reuse in the production of corrugated cartons
- Use technology to help reduce the amount of paper used while maintaining quality and durability
- Encourage consumers to collect used corrugated cartons in exchange for money



Reduce

Reduce the use of paper resources by an average of

7% per unit

in the production of corrugated cartons



Recycle

78%

rate of recycled content per unit

100%

of corrugated cartons used in spirits and beer businesses contain recycled paper



Reuse

Over

10 million

corrugated cartons and partitions retrieved and reused

Plastic bottles and plastic bags

- Stop using plastic bottle cap seals
- Increase the proportion of bio-based materials in mineral water bottles
- Change to biodegradable plastic bags for food



Reduce

>340 million

pieces of plastic reduced from banning cap seals, estimated at

65%

of total plastic bottles produced

Bio-Based Materials

30%

of materials used in plastic bottles is derived from plant sources

Time for biodegradable plastic bags to degrade

3 years on average

150 times less
than normal plastic bags



>340 million pieces

of plastic reduced



 **30%**

of plastic component
is derived from plants



2,400 tons

of glass retrieved

No Plastic Bottle Cap Seal

In accordance with Thailand's National Solid Waste Management Master Plan (2016–2021), ThaiBev, as a major producer of drinking water, has participated in the "No plastic bottle cap seal" project to reduce plastic waste. ThaiBev's subsidiaries, including SermSuk and Thai Drink, signed an MOU for the project on February 13, 2018 at the Department of Pollution Control, Ministry of Natural Resources and Environment. Together with other major companies, ThaiBev has agreed to stop using plastic bottle cap seals for drinking water starting April 1, 2018.

bioPET Chang Mineral Water

Realizing the shift in consumers' behavior towards environmentally friendly products, ThaiBev has been doing research on raw materials that are safer for the environment and produce less carbon dioxide during the production process and at the end of their life cycle. ThaiBev has recently introduced bioPET bottles that are partially made from Monoethylene glycol (MEG) that is derived from plant material instead of petroleum. A trial lot of bioPET Chang Mineral Water produced with bottles that are composed of 30 percent plant-based materials were served at the 2018 ThaiBev Business Partner Conference, demonstrating the company's sustainable vision to partners throughout the supply chain.

Samui Model

ThaiBev has cooperated with local government offices on Koh Samui to set up a recycling center on the island to buy used glass bottles and cullet, while also providing transportation to the mainland. Through this initiative, ThaiBev is able to support business partners and the general public, encouraging them to take part in reducing waste on the island, and at the same time generating income for local communities.



Recycling center



Transported to mainland
by trucks and vessels



Used glass bottle and
cullet collection center

Crystal Open House



60

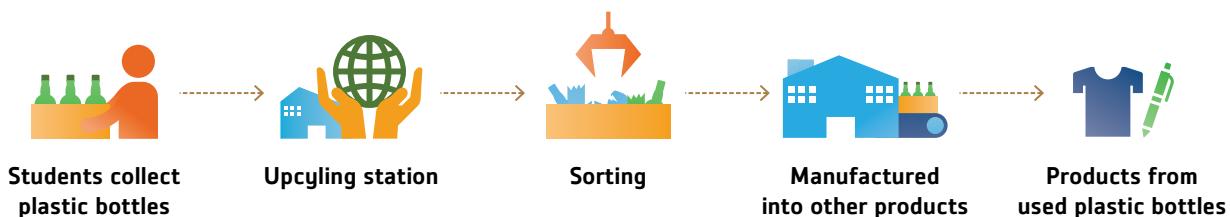
Upcycling stations



60 tons

of plastic retrieved

This project aims to create environmental awareness among youth by giving high school students opportunities to visit Crystal drinking water factories across the country. In addition, upcycling stations have been installed at schools in order to educate students about the process of recycling used plastic bottles. After being separated, plastic bottles and other components will be retrieved by ThaiBev's business partner to be used as raw materials for producing other products.



Reducing Resources Efficiently – Less is More

To bring about the maximum efficient use of resources, ThaiBev has continuously been reducing the use of raw materials used to produce plastics bottles since 2014. Up until today, the weight of PET bottles used for drinking water have been successfully reduced from 17g to 13.5g. Throughout the journey, process development and design improvement are required to maintain or even enhance the quality of packaging. Including the decision to invest in the construction of a packaging production facility, producing plastic preforms from PET resins, and molding bottles at ThaiBev's plants. The effort has enabled ThaiBev to reduce its environmental footprint and at the same time allowed for effective cost management.



MOVING FORWARD

Achievements in 2018



Reduced amount of main packaging waste by

598,199 tons



Reduced GHG emissions by

608,332 tons CO₂e



Glass

572,984 tons



Paper

25,158 tons



Plastic

57 tons

Target



80%

of main packaging materials are recycled and retrieved by 2020

ThaiBev has set a long-term target in order to achieve sustainable packaging management, considering the impact of products from design and development all the way to post-consumption management.



Developing or redesigning product

Take into account the packaging's end-of-life, including the retrieval process, whether for reuse or recycling

Sourcing packaging materials

- Incorporate environmental considerations into packaging material selection, such as the use of recycled material
- Collaborate with partners in creating packaging innovations in order to minimize long-term environmental impacts

Production



Use technology to improve packaging production in order to increase resource efficiency, for instance, reducing the amount of waste from the production process



Managing post-consumption packaging

- Establish purchasing centers in every region of Thailand to retrieve used packaging as well as scraps, including glass bottles, cullet, and corrugated cartons
- Set targets to reuse packaging in packing and production processes
- Encourage consumers and local communities to take part in post-consumption packaging management

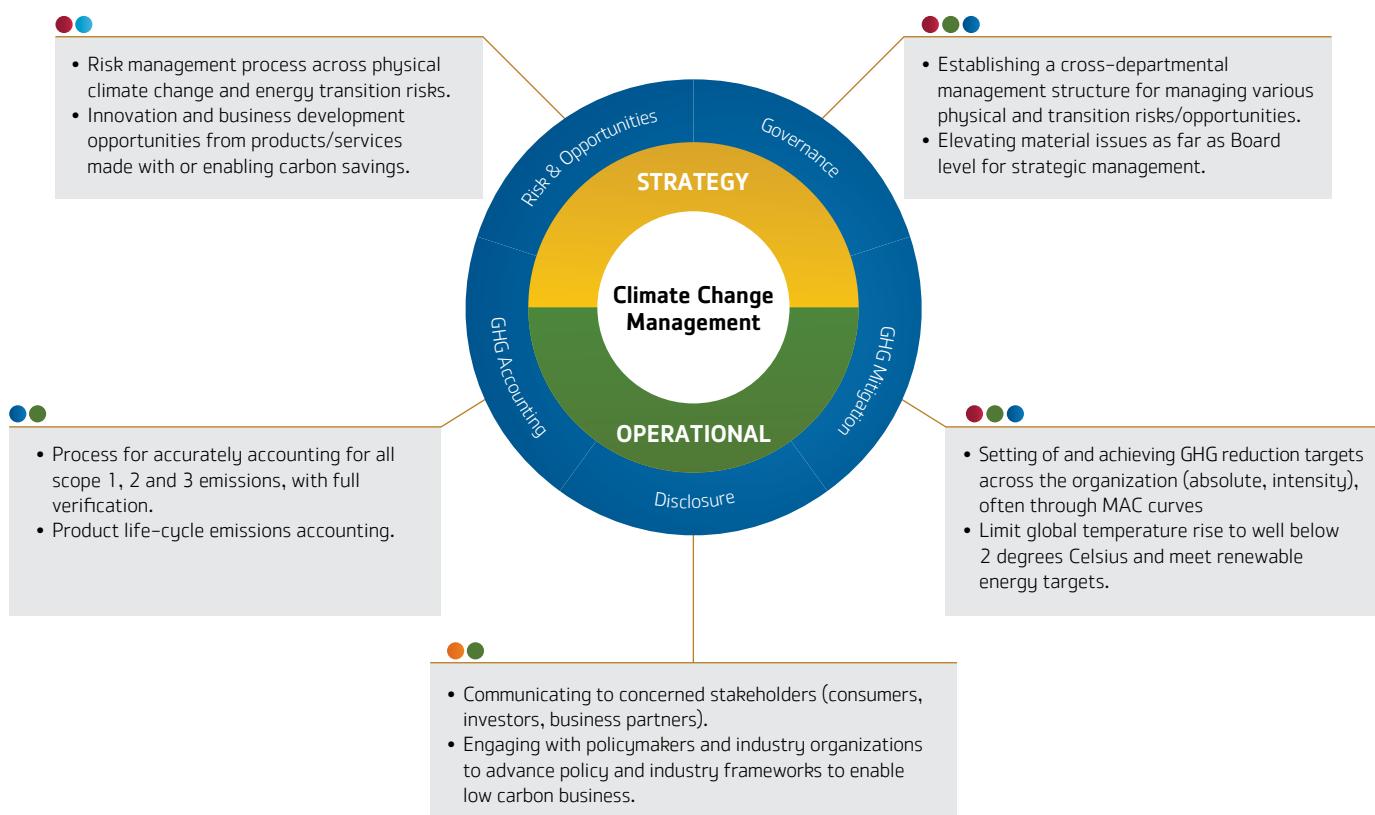


GRI 103-1, GRI 103-2, GRI 302-1,
GRI 302-3, GRI 302-4, GRI 305-1,
GRI 305-2, GRI 305-4, GRI 305-5

ENERGY AND CLIMATE CHANGE

- Reducing the impacts of climate change on ThaiBev's value chain by supporting the development of technology and renewable energy programs, promoting energy conservation, and getting the maximum value from resources.
 - Encouraging staff to increase production efficiency, cut costs, and raise awareness of social and environmental responsibilities through various projects, such as using renewable energy from solar cells and using byproducts from the production process as fuel, such as biogas from waste treatment to replace fuel oil for steam generation.
 - Implementing production processes and management policies using the principle of the 3Rs – Reduce, Reuse, Recycle – starting from product design, management of products' value chain, and promoting employee awareness in their everyday lives.

ThaiBev has set up a framework for operations to mitigate climate change efficiently.



INSIGHT**Dr. Pisanu Vichiensanth**

Director and Senior Executive Vice President,
and Chief Technology and Engineering

How important is climate change to ThaiBev?

The climate change crisis, which is becoming more intense, is causing impacts on natural resources and energy. ThaiBev is aware of the importance of climate change; as a large producer of beverages using water and agricultural products as its main raw materials, it is directly impacted. There are also energy limitations from using natural resources and future risks such as a Carbon Tax on the amount of greenhouse gas emissions from the company's operation.

How does ThaiBev evaluate the risks from climate change to avoid impacts on business operations?

ThaiBev manages risks from the environment and climate change through supervision of the company's Sustainability and Risk Management Committee. This team is comprised of directors, senior management and the company's independent directors, who are tasked with sustainability and risk policy. They monitor possible impacts to the company from climate change and plan risk management actions to mitigate those impacts.

What does the company do to reduce the impact of climate change?

ThaiBev encourages investment in development of renewable energy projects to reduce impacts from climate change, such as installing a solar rooftop, or generating steam from biogas from the waste treatment process and regularly monitoring these projects. ThaiBev joined the Thailand Greenhouse Gas Management Organization (a public organization) for greenhouse gas assessment through the Carbon Footprint of Products (CFP) and the Carbon Footprint for Organization (CFO). This organization is a center for information and operations, as well as a consultant to state and private bodies on managing greenhouse gases. ThaiBev is also engaged in a pilot project to assess its water footprint with the Department of Groundwater Resources and the Federation of Thai Industries.

STORY**Renewable Energy**

ThaiBev strives to reduce the impacts from climate change throughout the Value Chain by using alternative energy technologies, as well as promoting the following initiatives to reduce the use of energy and resources:

- Establishing a provincial distribution center which was designed to be environmentally responsible with the installation of solar rooftops. The lighting at this center is 50 percent from solar power.

- Installing solar cells at breweries at a cost of 105 million baht to generate electricity equivalent to 1.3m kw/h. Installation of solar cells for all the breweries will be implemented from 2019 to 2021.
- Installing solar tubes to make hot water in conjunction with using recovered wasted heat from the compressed air system for the purpose of increasing water temperature before feeding into the boiler system. The process can reduce fuel consumption for steam production.
- Installing biomass production facilities that use by-products of the production process, such as distillery vinasse to produce renewable thermal energy for the distillation process. Surplus energy is used to generate power that is sold to the Provincial Electricity Authority.
- Installing anaerobic waste treatment systems to reduce electrical energy usage; biogas produced from the system can be used to replace fuel oil in steam production.

Carbon Footprint

Carbon footprint means the amount of greenhouse gas emissions from the company's activities (Carbon Footprint for Organization), or the amount of greenhouse gases emitted throughout the product life-cycle – from raw material-sourcing to the production, transportation, consumption and management of post-consumption materials (Carbon Footprint of Product) with units represented in term of tons CO₂e.

ThaiBev encourages reducing greenhouse gas emissions efficiently by certifying the Carbon Footprint of Product and Carbon Footprint for Organization with the Greenhouse Gas Management Organization (a public organization). This gives ThaiBev an accurate database to measure its greenhouse gas emissions with the aim of identifying the sources of greenhouse gas emissions and initiating a carbon offsetting plan. This enables ThaiBev to mitigate climate change.

2018


15 companies

 received Carbon Footprint
for Organization certification

50 products

 received Carbon Footprint
of Product certification

16 products

 received Carbon Footprint
Reduction label

MOVING FORWARD

Energy Consumption

Targets


5%

 Reduction of Energy
Intensity by 2020
compared to 2014 as a base year

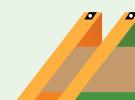
Achievement


18%

 Reduction of Energy
Intensity by 2020
compared to 2014
as a base year

204.70

MJ/hL

 Energy Intensity
of the Beverage business

37.23

MJ/hL

 Energy Intensity
of the Food business

Energy Consumption Intensity (Beverage business)

Including Renewable energy, Non-renewable energy and total energy consumption from 2014 to 2018

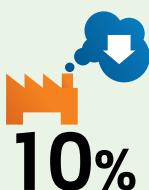
(MJ/hL FGs)



- renewable energy
- non-renewable energy
- total energy

Greenhouse Gas Emissions

Targets



Reduction of greenhouse gas emission intensity by 2020 compared to 2014 as a base year

Achievement



Reduction of greenhouse gas emission intensity by 2020 compared to 2014 as a base year



kg of CO₂e/hL
Emissions Intensity of Beverage business



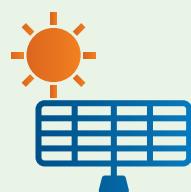
kg of CO₂e/kg
Emissions Intensity of Food business

Greenhouse Gas Emission Intensity (Beverage business)

Including Direct GHG emissions (scope 1), Indirect GHG emissions (scope 2) and total GHG emissions from 2014 to 2018



Renewable Energy Initiatives



Emission reduction from electricity produced by solar cell installation,

71.52

tons of CO₂e annually.



Emission reduction from energy saving from heating boiler feed water by solar tubes,

60.04

tons of CO₂e annually.



Electricity consumption reduction by installation of an anaerobic treatment system (UASB) instead of an aerobic treatment system and emission reduction due to replacement of fossil fuels by biogas from UASB,

12,167

tons of CO₂e annually.



Emission reduction from the usage of thermal and renewable electric energy from distillery waste,

157,261

tons of CO₂e annually.



GRI 102-12, GRI 103-1,
GRI 103-2, GRI 103-3,
GRI 413-1

SOCIAL SUSTAINABILITY

Creating and Sharing

Throughout its operations, ThaiBev considers its responsibilities to society and its obligations to create benefit for local communities. ThaiBev realizes that for its business operations to be successful it must grow in tandem with communities around its factories and with society in general. ThaiBev has therefore embraced the Sufficiency Economy Philosophy and applies this philosophy to improve the quality of life and to create employment opportunities for local communities, to promote public health, to promote education, sports and young people, and to conserve art and culture. The latter category includes support for religion and local customs.

Besides this, ThaiBev supports the 17 Sustainable Development Goals of the United Nations, which are aimed at eliminating poverty and hunger, supporting good health and wellbeing, and providing equal rights to

education, among other goals. ThaiBev has cooperated with its business partners, the government and civil society to drive community and social development under the principle of "Creating and Sharing the Value of Growth for a Sustainable Future" through initiatives and activities that contribute to society, both directly and indirectly, in every region of the country.

ThaiBev and its subsidiaries have determined policies regarding social responsibility as guidelines for its practice of creating value and in line with its determination to be a good corporate citizen that offers returns to society and all stakeholders. ThaiBev participates in programs to improve the quality of life of communities and is dedicated to create cooperation, value in society and be a sustainable corporate citizen.

ThaiBev's social contribution activities are in line with the United Nations Sustainable Development Goals, which respond to the essence of ThaiBev's sustainable materiality.

UN SDGs	Project	Measure
	ThaiBev Unites to Fight the Cold	<ul style="list-style-type: none"> Reduce the number of people affected by severe weather and natural disasters by more than 200,000 people
	ThaiBev Helps Create a Model "Sammachip Subdistrict" (Ethical Career Community)	<ul style="list-style-type: none"> Campaign to manage agriculture sustainably by helping over 50 farmers (302 households) and creating an average income of 11,356 baht/household/year
	Public health programs	<ul style="list-style-type: none"> In 2018, ThaiBev supported medical research and equipment and other basic health needs with over 50 million baht
	<ul style="list-style-type: none"> Scholarship Program Princess of Naradhiwas Rajanagarinda Teachers Project Beta Young Entrepreneur A Good Community with a Smile 	<ul style="list-style-type: none"> In 2018, ThaiBev gave 1,177 scholarships from primary to tertiary level as well as occupational training valued at over 10 million baht to students and teachers in remote areas around the country Over 2,000 children developed skills in sports, music and art Added 87 qualified teachers, especially in rural areas

UN SDGs	Project	Measure
	<ul style="list-style-type: none"> • CONNEXT ED • Beta Young Entrepreneur • Sports Development • Pracharath Rak Samakkee Project 	<ul style="list-style-type: none"> • Over 70,000 children and youth received vocational training to promote better income-earning opportunities for themselves and their families • 68 young entrepreneurs trained in the Beta Young project, with 2 becoming ThaiBev employees • Supported over 800 professional athletes • Since starting the Pracharath program, over 350 communities nationwide increased income from community tourism, with a total income value of 42 million baht
	Pracharath Rak Samakkee Project	<ul style="list-style-type: none"> • Over 60,000 poor households had their income increased to exceed the poverty line
	Seminar on C asean Sustainable Development Forum & Transforming Asia Pacific: Innovative Solutions, Circular Economy and Low Carbon Lifestyles	<ul style="list-style-type: none"> • Increased awareness and cooperation between 7 countries in the effort to find ways to reduce climate change
	<ul style="list-style-type: none"> • The project of Hearts on Forestation under the King Initiatives • Joining Forces for the Recovery of Nature in the Environment (Sirindhorn Reforestation Project) • Cooperation with Huai Hong Khrai Centre 	<ul style="list-style-type: none"> • Promoted sustainable management of all kinds of forest, reduced deforestation, revived encroached forests and reforested over 200 rai by planting 46,133 more trees (40,000 mangrove) • Joining Forces for the Recovery of Nature in the Environment (Sirindhorn Reforestation Project) planted 6,133 trees
	Pracharath Rak Samakkee Project	<ul style="list-style-type: none"> • Promoted cooperation between the state, private sector, civil society, academia and the public to establish Pracharath social enterprises in 77 provinces with an investment value of 337 million baht

Creating and Sharing for Sustainable Growth

To achieve its social responsibility policies, ThaiBev supports its directors and employees to undertake volunteer activities and public charity in all forms, and arranges many bodies or working groups to pursue various community development projects. These efforts are divided into two parts which are:

1) At Corporate Level, these comprise the department of Community Development Programs; the group of enhancing quality of life and the environment; external affairs group; Thai Talent project group; the group supporting art and culture; the group from Human Resources; and the group from Corporate Communications.

2) At Local Level, around a factory; these comprise public relations and environmental groups in each factory, which work in coordination with the corporate level. Each agency coordinates and operates projects it has initiated, or in cooperation with various groups in society.

Community development programs from both parts enable every area featuring ThaiBev operations to respond to needs and reduce various impacts which may arise in the community; ThaiBev covers its stakeholder groups 100 percent.

In initiating projects and activities to benefit local communities, society and the environment, covering all areas in which it operates, ThaiBev abides by the following operating procedures:

- It regularly assesses social and environmental impacts by creating relationships and inquiring about the opinions or needs of the target community, including those in the area around the factory, around any facility or communities close to the company's products. This is done using questionnaires, through interviews and public meetings, and by communicating with community leaders, parents' groups, school boards or through small weekly informal meetings.
- Based on the the opinions of the target community, social activities are created to cover 5 main categories: Developing communities and society; Education; Public health; Sports; or Art and Culture. The objective is to meet the needs of the community, including all genders and age groups, minorities, the under privileged and those people who live in remote areas.
- Every project must have concrete measures to assess the results; by evaluating the satisfaction of the community and stakeholders, social and environmental impacts, and follow up reports from the relevant bodies such as government agencies, universities and civil society groups.

Example of the participation process with stakeholder groups



Understanding needs

- Identify stakeholders
- Design format of participation
- Summarize needs



Conducting project management

- Design operations/scope
- Set up working party/advisory committee
- Connect relevant agencies to work together
- Find community representatives to do the work
- Manage risk and various impacts



Assessing results

- Survey stakeholder satisfaction
- Establish channel for complaints
- Assess social/environmental impacts
- Follow up on the results for the duration of operations (at least once per year)

ThaiBev has collaborated with communities and local bodies to establish an occupational health and safety committee, local community consultation committee as well as groups of personnel tasked with handling complaints and monitoring operational impacts. Such groups include public relations and teams of environmental specialists, who are required to constantly monitor and report their findings in order to ensure that ThaiBev's corporate social responsibility initiatives fulfil the needs of communities and help to create sustainable societies.

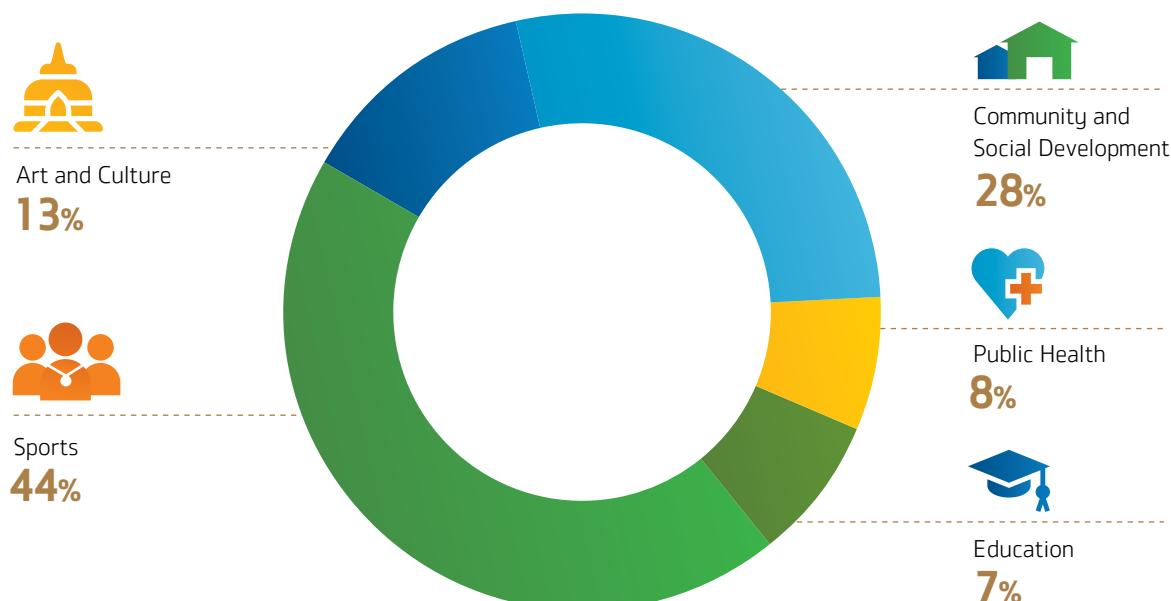
ThaiBev organizes projects to create sustainability in society in a range of platforms. In 2018, the company spent a budget of 500 million baht to operate projects covering 5 main categories as follows:

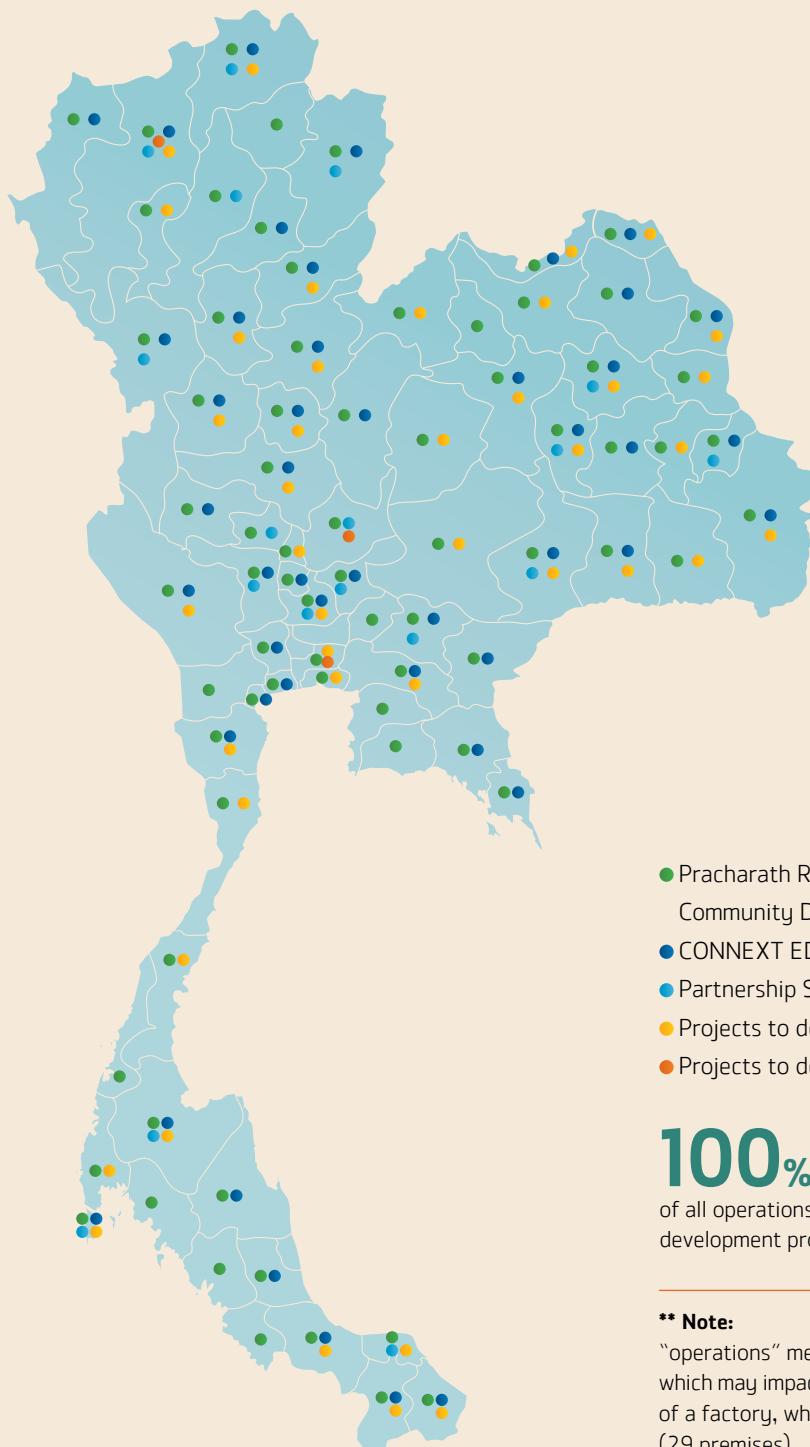
• Community and Social Development	28 %
• Education	7 %
• Public health	8 %
• Sports	44 %
• Art and culture	13 %

In 2018, the company spent a budget of

500 million baht

to operate projects covering 5 main categories as follows:





● Pracharath Rak Samakkee Project Community Developing Programs

● CONNEXT ED Projects

● Partnership School Projects

● Projects to develop sports

● Projects to develop art and culture

100%

of all operations have community development programs

**** Note:**

"operations" means those assessing projects which may impact communities in the framework of a factory, which operate all over the country (29 premises)



Number of hours spent by ThaiBev employee volunteers
Participation of

2,000

employees. Total volunteer hours

88,000

DEVELOPING COMMUNITIES AND SOCIETY

- Communities are important stakeholders for ThaiBev. ThaiBev has been continuously committed to creating security and sustainability for communities and society so that they may grow together with our business, and ThaiBev has been placing importance on developing communities and society for over 15 years.
- We have operated community development projects in many respects, with the principal goal that communities should become more self-sufficient, and then can act as a model of development for other communities.
- Youth groups are set up to encourage learning, link and extend the results to the rest of the community.
- Developing the community economy through the model Ethical Career Community model to reduce expenses and increase income, without negative impact on themselves, others or the environment.
- Managing natural resources to revive forests and water sources through the process of community engagement by visiting areas and inviting community members to jointly develop society.

INSIGHT

Tantip Sirinupong
Director of Community Development Programs

How are social activities designed so that they can create sustainability for the community?

ThaiBev believes that step-by-step business growth is not enough. Growth is only successful when the company shares value with society. For this reason, the President and CEO, Mr. Thapana Sirivadhanabhakdi, suggested establishing the department of "Community Development Programs", which is the important starting point of sustainable development. Under the project name "A Good Community with Smile", the idea is

to strengthen communities and create a local model, which offers strong mutual support between the local community and the business. The goal is to help people alleviate their expenses and increase their income, without any negative impacts on themselves, others or the environment.

How do you create participatory working formats between ThaiBev and communities?

By building strength within the communities and improving the quality of life in every aspects, leading to economic security for the community, together with building good relations between the company and the communities, by cooperating with communities in thinking and developing knowledge together. Meanwhile, all parties are encouraged to participate to work together sustainably. This leads to stronger local connections and better understanding of the company, which in turn leads to reduction or prevention of conflict between the community and the company in the future.

Results expected from Community Development Programs

We believe that building strength in this form will lead to concrete results for the community in economic, social and environmental terms, resulting in increased income for its members, the formation of groups as community enterprises, water management systems for community agriculture and green space from reviving the forest. When there is a healthy economy, the community itself can share the value of growth by extending their knowledge and methods to nearby communities. This spreads sustainability at the local level and leads to genuine development of economic systems at the national level.

STORY**ThaiBev Unites to Fight the Cold Year 19**

Giving assistance and supporting government operations to help people affected by cold weather, ThaiBev Unites to Fight the Cold Year 19 continues to bring 200,000 green blankets each year to areas affected by the cold in 15 provinces of North and Northeast Thailand. These blankets are also a symbol of warmth every year. A large number of people living in remote areas of Thailand still lack sufficient warm clothing or blankets, particularly those people living on high mountains off remote roads that are difficult to access. ThaiBev joined with the Department of Disaster Prevention and Mitigation of the Interior Ministry to compile data on populations

affected by the cold and the numbers affected in every province. Then blankets are transported to the area for distribution to the people every November before the cold actually arrives. Over the past 19 years, 3.8 million blankets have been offered to cold victims in 45 provinces, 578 districts.

Apart from blankets, other types of assistance are offered, through cooperation from partners in many sectors. This assistance includes health checkups from mobile medical teams, music, sport and art programs for the local children and the donation of educational equipment and scholarships to schools which are in need.



Thongchai Khunaprom

Administrator of Ban Sai Thai 4 Tai School, Ban Kruad, Buriram

We are extremely happy that ThaiBev held this program of offering blankets to local people in this community. I am impressed that ThaiBev sees the importance of the people in this community. I'd like to thank ThaiBev who are a part of giving to our community, and I'd like to see this kind of good program on future occasions. Thanks also to ThaiBev for giving educational equipment to the children. The kids thank you very much.

A Good Community with Smiles

This project has been running since 2012 with the objective of creating a better quality of life in every aspects for the communities surrounding company factories. There is a special emphasis on developing the knowledge and abilities of those young people in the community who lack opportunities. The project focuses on teaching skills in three areas to young people for a day.



- Sports:** Together with the Chang Mobile Football Unit, trainers are brought in to provide knowledge and training in basic skills, same as in a professional training set up. Public figures from many organizations rotate in joining these activities, such as the Volleyball Association of Thailand or famous football clubs in every province. Besides giving instruction in basic sports techniques, the sessions also teach kids about sportsmanship – useful skills that they can apply to their daily lives.
- Music:** With the cooperation of the Sukree Charoensuk Foundation, musical experts train children who are interested in the basic techniques of singing and playing musical instruments, or who wish to enhance their skills in bands and orchestras. They are taught according to international standards with the emphasis on songs used in everyday life such as the National Anthem. Besides this, youngsters that demonstrate musical talent are provided advice on how they might further develop their skills in the future.
- Art:** This activity teaches the creation of practical art through the use of leftover objects thereby encouraging creative thinking, and inspiring new creations that might even lead to income for the students and the community.

For over 7 years, “A Good Community with Smiles” has helped hone skills and provide creative inspiration for children in communities surrounding 21 of ThaiBev’s factories; covering 61 provinces of Thailand.

Nick, Saksit Sinsorn

P4 student at Neung Wat Lamai Municipal School

I already love art, so the teacher encouraged me to join this activity. It wasn't really difficult. I gained knowledge, new friends, and concentration. I like silk cocoons which are a natural product in the community. We don't have to invest much and we can make nice key rings to hang off our bags, which can even make income for me and my friends.



ThaiBev helps Create a Model Ethical Career Community, Bua Yai sub-district, Nan Province



The community of Bua Yai sub-district, Na Noi district, Nan province faces the challenge of effectively managing its water for highland agriculture. Bua Yai community has a total of 214 headwater streams, but only 4 of them flow all year, leading local farmers to focus on monoculture, which requires only a small amount of water. Over a long period, this has resulted in a chain of different negative impacts.

Through the dedication of the community and the support of the business sector and allied organizations, a solution was found. It is based on the concept of "managing headwater streams in an area of integrated agriculture, to extend and expand on 1 rai of organic agriculture, with a target of reviving the Nan watershed". This was the starting point for completely changing the way of life of the community.

However, another challenging problem was how to bring water up to the growing area which was located on a high mountain. ThaiBev joined with the community to develop a "hydraulic ram" system at a high altitude and to build check dams in three places to store water for agriculture. Alongside this, the community made rules regulating the use of the water and also the water fund. The fund was allocated for repairs in the case of damage, so the community would not be reliant on the government's budget. Besides this, they also jointly developed a water supply on the mountain that was 9,622 metres long, with a total usable area of 1,000 rai.

In solving the problem of water management for highland agriculture, the achievements can be listed as follows:

- Hydraulic ram system: 11 points, benefitting 11 rai of land
- Check dam system: 8 dams, benefitting 24 rai of land
- Water supply system: length of 9,622 metres servicing 1,000 rai of land
- Members benefitting: 35 people, with volume of water of 15 tanks (1,178.1 liters/tank), equal to a total of 17,671.5 liters (17.67 cubic meters)

In converting from monoculture to integrated agriculture, the achievements were as follows:

- 34 growers on 36 plots in an area of 146.1 rai in Bua Yai sub-district converted to organic agriculture under a system of participatory certification
- A group of organic growers was set up in Bua Yai with 163 members covering an area of 815 rai; they were encouraged to grow three new crops and get the benefit from four overall crops, thus replacing their dependence on monoculture. These crops could also be planted daily, monthly or yearly. They were encouraged to grow organic pumpkin (during the transition period) of indigenous strains Khang Khok and Khai Nao; these were grown by 50 farmers.
- Increased income for the community by increasing distribution channels for organic produce in modern trade stores, such as organic pumpkin (during the transition period), with a total income of 300,000 Baht in 2018.





Somboon Khamrom

Farmer in the Ethical Career project at Bua Yai sub-district, Nan Province

Before we made the hydraulic ram, I used to make a siphon, but failed. After we received knowledge and support from ThaiBev and learned how to bring the water up high, we tried making a hydraulic ram, and it worked really well. Now we can pump water up and store it in tanks and feed water to anywhere on the plot. Another 5 households use the water together.

The Project of Hearts on Forestation under The King Initiatives

Erosion along a 4.7-km coastline in Bangkhunthien led to the loss of over 3,000 rai of land, directly impacting the people who live there and forcing them to migrate about 1.3 km inland from the original marker. To help create a sustainable solution and return social, economic and environmental benefits to the community, ThaiBev joined the Foundation of Hearts on Forestation under The King Initiatives to support the planting of mangroves on an area of 50 rai (at a value of 12 million baht). The purchase of 40,000 mangrove saplings suitable for planting in the 50 rai area on the Bangkhunthien coastline, as well as the need for them to be tended to for a period of 3 years, has created employment for the community.

Results

- Area of mangroves increased by 50 rai of land
- An additional 40,000 trees which are of benefit to the coastal eco-system and the conservation of over 70 species of marine life
- Increased income for the communities of Bangkhunthien derived from the planting and caring for the trees for 3 years

The starting point of the project was to solve the problem of coastal erosion. Through the cooperation between various agencies and the communities of Bangkhunthien there have been additional benefits, including the development of a new eco-tourism attraction in Bangkok, which should make for an improved and sustainable local economy in the future.





Program of Cooperation between the Huai Hong Khrai Centre and ThaiBev to Revive the Forest and Improve Quality of Life in Ban Nam Poon, Nam Phang District and Ban Sri Na Pan, Reuang District, Nan Province

To help protect headwaters, preserve the forest and improve local residents' quality of life, ThaiBev collaborated with the Huai Hong Khrai Royal Development Study Centre of HRH Princess Maha Chakri Sirindhorn on the occasion of Her Royal Highness' 5th Cycle Anniversary on 2 April, 2015 bringing the proven successful strategy of Royal development implemented in Chiang Mai by the Huai Hong Khrai Royal Development Study Centre at Doi Saket as a model to be adjusted and applied to Nan province. The goal was to revive the watershed and help villagers become self-reliant with sustainable economic and environmental practices. The target areas of the program were two villages: Ban Nam Poon and Ban Sri Na Pan. The Huai Hong Khrai Centre shared sustainable development practices with the two villages; the project was intended to create a learning centre for other communities.

In 2017, 150 residents from the two target communities received training and were supplied with raw materials for rearing livestock and crops for daily consumption, in order to reduce household expenses. The idea was that livestock not needed for villagers' consumption could yield high-quality products that could be sold by farmers. In 2018, follow-up studies found that these two communities saw their incomes increase by 150–220 percent by raising livestock.





Prapoch Sabhavasu

Deputy Director of the President and CEO's Office

Local communities in the target areas live in reserved forests, where there has been massive encroachment for many generations. In its present state, the area is a bald mountain-top. Once the government took firm control, the villagers had no way to make a living. ThaiBev's urgent obligation is how to make the community self-reliant for food and protein and to survive sustainably. I took the community on a field trip to see the Huai Hong Khrai Royal Development Study Centre of HRH Princess Maha Chakri Sirindhorn in Doi Saket, Chiang Mai. They had the opportunity to tour the Centre and decided on what interested them, and what they were good at. Some wanted to raise pigs, catfish, frogs, egg-laying chickens or Bhutanese phoenix mushrooms. We were ready to support the project with supplies and fund it for a five-year period. Many community members have received further support as model growers. Soon we may have a learning centre for studying the Sufficiency Economy in this area. We are proud to give communities the opportunity to learn royally-approved methods of sustainable development, and to help them increase their income while reducing household expenses.

Khreuawan Chairien (left in the photo)

Producer of miang tea in Ban Sri Na Pan, Reuang, Nan Province;
one of the project's model growers

I've known about this project since 2015, and I am happy that anything we want to eat is there to eat, and they will provide anything that we want to raise. From the beginning, the ThaiBev team took us to the Huai Hong Khrai Centre in Doi Saket, Chiang Mai. We learned the correct ways to raise pigs, fish and egg-laying chickens. I started raising pigs the way that they had taught. Now I can breed my own pigs and get at least ten from every litter, so I can sell them for a good price. I no longer plant corn and use chemicals.



Sermsuk PCL's Occupational Training Project Taught Disabled People and their Caregivers to Raise Egg-laying Chickens, Plant Hydroponic Crops and Grow Mushrooms for Market.

From 2016 to 2018, Sermsuk PCL organized the "Occupational Training Project to raise egg-laying hens, plant hydroponic crops and grow mushrooms for market for disabled people and their caregivers." The program applied agricultural technology and knowledge in conjunction with existing local resources for disabled members of the community to make a living. The disabled and their caregivers were shown how to raise hens, build sheds and install equipment for egg production, as well as how to grow mushrooms and other hydroponic crops. The objective was for the disabled to generate an income for their families, reduce household expenses and live with greater self-esteem in their community.

More than 100 disabled people and their caregivers received training from the program. They obtained healthy livestock and supplies for household consumption and for the market. By raising egg-laying hens, the disabled villagers managed to generate an average monthly income of 2,178 baht. Hydroponic crops and mushroom cultivation generated an average monthly income of 1,830 baht.

MOVING FORWARD

In order to establish greater self-reliance and sustainability, ThaiBev supported the community with various projects and activities:

1. One Tambon One Good Occupation Project was emphasised and expanded to create model projects around the factories and other areas, with the aim of increasing communities' income by at least 10 percent by 2019
2. Good Community with Smiles Project
 - To protect the natural resources and environment, the area of the project was expanded to new areas and extended to include water management and provide more green space for the community in at least two additional locations.

- To boost the involvement of young people, the number of children and youngsters included in occupational training and life skills programs will increase by 10% in 2019.
- 3. A project with Huai Hong Khrai Center to expand royally-inspired knowledge spread out to the six Royal Development Study Centres to assist selected villagers in Petchaburi, Chachoengsao, Chantaburi, Sakon Nakhon, Chiang Mai, and Narathiwat.

OVERVIEW

Results of Connecting Projects for Sustainability



15 Projects to Develop Communities

Local Economies



Generated average income of
11,356 baht
household/year



14 products
processed
and value-added



Total land under
organic agriculture
1,447 rai

Natural Resources Management



Increased
green area by
613 rai



Planted
land trees
27,133



Planted
mangrove trees
40,000



Grass plot of
250 rai



Artificial salt lick
50

Water Management



35 households
benefited from agricultural
water projects



58 check dams



hydraulic rams benefit
11 areas



Mountain water supply
9,622 m
in length, water volumes of
10,800 liters/day

Youth Participation



6,314 students
developed various skills



66
participating schools

Relief from the Cold and Other Assistance



Donated
200,000
blankets / year



More than
3,000 people
in 11 provinces in the North
/Northeast received blankets
and were offered medical
checkups from mobile
medical units



Blankets given to victims of cold in
15
provinces



Educational equipment
and computers donated
to
15
schools



More than
20 partners
from various government bodies jointly
share ThaiBev Unites to Fight the Cold
program

PRACHARATH RAK SAMAKKEE PROJECT

- The Pracharath Working Group of Local Economic Development (E3) aims to reduce inequality and generate income for underprivileged communities.
- The establishment of Pracharath Rak Samakkee Social Enterprises in 77 provinces is a social innovation that connects the five sectors of Thai society – the public sector, the private sector, the civil society sector, the academic sector and the people.
- In three years of operations, there have been 830 projects, bringing more than 329 million baht income to 61,292 communities around the country.

INSIGHT



Tongjai Thanachanan

Managing Director,
Pracharath Rak Samakkee Social Enterprise (Thailand) Co., Ltd.

The Pracharath Rak Samakkee (PRS) Social Enterprise Network is a new space to create cooperation in Thai society that combines forces from all sectors to participate in rural community development to help reduce inequality in society. The PRS Network was established with a clear intention to nurture sustainability and cooperation.

Since the project started in 2016, more than 15 large private companies have joined the initiative to invest and work on various projects with educational institutions, state agencies, and many civil society groups. A new format of working methods is being established for the next generation. We have set up a project, "Collaboration for Our Hometowns," to find and train 150 people interested in sustainable community development in their home towns. In 2018 we selected 13 candidates, with excellent performance records, to set up and manage social enterprises at the district level.

STORY



The government's Pracharat policy aims to coordinate cooperation with all sectors, to solve problems and find ways to build a better future for Thailand. ThaiBev has become head of the Private Sector Working Group, in the Working Group of the Local Economic Development Pracharat Policy. This group has the key target of creating new income for communities in order to improve their quality of life. The work is completed through the combined efforts of five sectors, which are the government sector, the private sector, the civil society sector, the academic sector and the general public. Together, they drive local economies to develop a whole system from upstream to midstream to downstream, with the emphasis on 3 areas – Agriculture, Processing and Community-based Tourism – and they strive to build a network of PRS social enterprise companies that extends all over the country.

To drive the work efficiently and to achieve concrete results as well as long-term continuity, the Working Group has established social enterprises under the name Pracharat Rak Samakkhi or PRS in every province, and has established PRS Social Enterprise (Thailand) Co., Ltd. as a coordinating entity between the various sectors around the country. All of the 77 PRS social enterprise companies were established in 2016.

Throughout 2018, 76 PRS Social Enterprise companies developed community businesses around the country via 428 projects in 3 groups – Agriculture (29%), Processing (52%) and Community-based Tourism (19%) – creating community income for 35,346 households worth over 172 million baht.



Creatively Developing Community Products

In 2018, PRS, with the support of ThaiBev, launched projects to develop community products. The aim is to upgrade product design and quality to meet international standards and meet the needs of modern consumers.

- **Thai Handicraft Pakaoma Project** focuses on creating added value in four ways: raising awareness and interest in hand-woven "pakaoma" in both domestic and foreign markets; encouraging innovations in production and processing of hand-woven pakaoma to enable a greater range of uses; sharing knowledge between communities and experts in various fields such as the use of natural dyes and packaging; and the protection of intellectual property rights by copyrighting community designs, with trademarks and patents. In 2018 the project held three activities generating over 30 million baht for pakaoma producers nationwide:



- **A practical seminar** for more than 400 pakaoma weaving communities from across Thailand to develop production techniques and business management, enabling producers to network with each other and collaborate more effectively.

- **Empower the young generation** by stimulating interest in weaving and design. Pakaoma products have been supported by two main initiatives: "**Finding the heirs of Thai Pakaoma**," a program that trains young people from pakaoma-producing and weaving communities to carry on the trade in 15 locations around the country. Also the "**Nava-atalak**" (innovative identity) design contest, in which contestants entered 260 pieces in three contest categories: fashion, home textiles and patterns.

- **Connecting to markets** and publicizing hand-woven pakaoma community products in new markets through collaborations with leading designers, making booths and fashion catalogs, etc.

- **Sapai Sainaew Project (Local cloth for bags and straps):** Helping young people in the upper North (Chiang Mai, Chiang Rai, Phrae, Nan, Lampang, and Lamphun provinces) add value to their unique local cloth, distinct to their district. This project was supported by the Thailand Textile Institute (THTI), along with local and national designers, to design and develop "Yaam" shoulder bags with various local cloths to reflect a diverse range of ethnicities. ThaiBev helps to bring the products to new markets, by supporting various media productions and teaching villagers how to sell their products online. This project has generated income for 959 participating members of the community with a total value of 2 million baht in just five months since the start of the program.



Connecting Community Products to New Markets

PRS Social Enterprise has created new distribution channels for community products with the following projects:

- **Hospital Food Safety Project:** PRS Social Enterprise has signed an MOU with the Ministry of Public Health, Ministry of the Interior, Ministry of Commerce, Ministry of Agriculture and Cooperatives and the Community Organizations Development Institute (a public organization) to encourage the production and consumption of safe food by linking producers of safe fruits and vegetables and organic foodstuffs with hospitals nationwide under the Ministry of Public Health. The PRS social enterprises in each province will be responsible for making production plans and developing standards for community farmers, as well as coordinating the sale and delivery of produce to provincial hospitals. In 2018, communities from 20 provinces in the PRS network joined the project and earned 15 million baht.
- **Creating online sales channels:** PRS Social Enterprise has connected with leading telecommunications and online marketing companies to create outlets and develop online sales methods for local communities through the Farm Suk app and the Lazada online marketplace. Catalogs of community products are displayed on the company's online communication channels, bringing 400 SKUs of products online from 112 communities in 53 provinces around the country.

- **Cheunjai Thailand TV Program:** ThaiBev has joined PRS Social Enterprise and Amarin Television to more widely promote Community-based Tourism through the Cheunjai Thailand TV Program. The tourism documentary program, broadcast on the Amarin TV HD channel 34, first aired in 2016. The content covers 94 communities in 62 provinces. The publicity generated by the program and other activities has generated income of more than 30 million baht for local communities.

- **Making connections between provinces:** This networking initiative aims to facilitate exchanges, find outlets for overstocked goods, and solve the problem of production surpluses through cooperation between PRS social enterprises in each province. In 2018, markets were found for pineapples from Lampang, Petchabun, Ratchaburi and Prachuap Khiri Khan provinces; garlic from Mae Hong Son province, longan from Nan province; fresh chilies from Phatthalung province; and lychees from Samut Songkram province. Efforts have also been made to find shelf space for community products at modern trade stores in various provinces. Through these efforts in 2018, PRS Social Enterprise and its network found new marketing outlets that generated additional income of 30 million baht.



Disseminating Knowledge

- **“Technology Outreach to Cure Poverty” (Using Science to Help the Poor):** ThaiBev and PRS Social Enterprise have joined the Ministry of Science and Technology to distribute ready-to-use technology directly into outlying communities through various media channels such as online channels websites, and training programs. An emphasis has been placed on upgrading local products and reducing production costs on OTOP Grade C and D products in 10 lower-income provinces: Mae Hong Son, Kalasin, Buriram, Nan, Nakhon Phanom, Narathiwat, Pattani, Chainat, Tak, and Amnat Charoen.

- **Diplomatic efforts:** PRS Social Enterprise representatives attended the High-Level Political Forum on Sustainable Development in 2017 (HLPF) at the United Nations headquarters in New York, where the private sector team was led by Thapana Sirivadhanabhakdi, director of the Pracharath Local Economic Development (E3), to propose the Voluntary National Reviews for the development of local economies and PRS to promote the United Nations Sustainability Development Goals (SDGs), joining all sectors in society under the PRS umbrella, and making it better known internationally.

MOVING FORWARD

ThaiBev and PRS Social Enterprise (Thailand) Co., Ltd. will continue to support the Thai Handicraft Pakoma Project, Collaboration for Our Hometowns, or Project of safe food at hospitals, as well as other projects. To ensure seamless cooperation in rural community development between all sectors in the PRS Social Enterprise network, ThaiBev has outlined the following plans for future projects:

- To study its various projects around the country by analyzing the results, identifying factors for success, and risks, to form a foundation of knowledge to help future initiatives reach their goals and continue their outreach efforts.

- ThaiBev has established the Foundation for Developing Social Enterprises of Thailand to connect various social enterprises in the PRS network and other networks, enabling them to more effectively collaborate, as well as to share knowledge that is useful for the work of social enterprises at the national and international level.
- Establishing social enterprises in local areas where there is an interest in sustainable community development. By expanding the working space of social enterprises, a greater number of communities can receive assistance.

OVERVIEW

Pracharath: The Big Picture



Established PRS Social Enterprises in all of Thailand's **77** provinces, covering the whole country.



Thai Handicraft Pakaoma Project assisted more than **400** communities that produced young generation to handwoven pakaoma **15** communities nationwide income generated **30** million baht

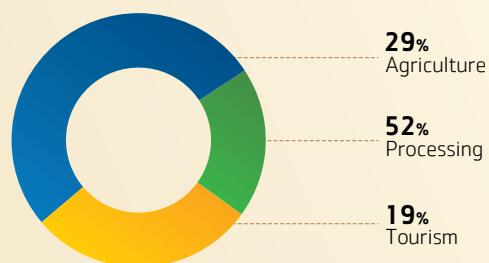


Sapai Sainaew Project (locally produced cloth for bags and straps) created income of more than **2** million baht for **959** people during **5** months period in the communities involved



Cheunjai Thailand Program publicized **94** tourism destinations for communities in **62** provinces creating income of more than **30** million baht

428 projects from 3 sectors:



Creating community income for **35,346** households worth over **172** million baht



Hospital Food Safety Project generated income of **15** million baht in **20** provinces



Making connections between provinces created income of **30** million baht for **150** communities



Committee representing **5** sectors comprising **800+** people nationwide

EDUCATION DEVELOPMENT

- **ThaiBev focuses on developing knowledge and empowering human resources.** ThaiBev has initiated programs to support and promote education for children and youth, in order to develop qualified people for the country.
- **In 2018, activities and projects were implemented to support scholarships, help create occupational opportunities, and provide work training to people in organizations, communities and schools – more than 80,000 people benefited in total. ThaiBev hopes that everyone will be able to develop their potential for themselves, the society, and the nation.**

STORY

Scholarship Fund for Children of Employees



Since 2010, ThaiBev has been managing a scholarship fund to promote and support educational advancement for children of employees who have strong academic records, as well as to help alleviate costs for their parents. From 2010 to 2018, 9,243 scholarships have been granted, a total of 57,198,000 baht.

In 2018, the children of employees received 1,075 scholarships, totalling 6,670,000 baht. The scholarships were granted in two separate programs: 1,065 scholarships for general education, and 10 special scholarships (White Elephant) were granted, from elementary school level to higher education. Among ThaiBev scholarship recipients, 23 children have received support for nine consecutive years. Since 2010, 40 students who received scholarships from the programs have joined the ThaiBev workforce.

ThaiBev continues to be committed to sponsoring the education of children of employees, so that they grow into strong and dependable adults with a solid educational foundation.

Leadership for Sustainable Education Development (Connext ED)

ThaiBev joined the Ministry of Education and 12 private sector businesses for Pracharath Policy's Basic Education and Leadership Development Project for students to experiment with business practices, so they are able to manage and realize the value of money. They are encouraged to learn about household accounting, costs and profits. This will help them understand basic business through a "child-centered" learning process.

The project has been coordinated for second years with 27 partner universities, educating 76,325 students from 292 schools in 47 provinces. Money management and basic business service skills are covered. Interested students can further develop their knowledge by further participating in the project. There are 292 business project trials under the supervision and guidance of experts from partner

universities, with the slogan of "Help the Young". ThaiBev provides initial funding for the business projects. Students are encouraged to apply their knowledge and skills to real life experiences, taking on the role of entrepreneur. In addition, the company has cooperated with the Department of Community Development to launch a scholarship competition – the 2nd OTOP JUNIOR contest has awarded more than 500,000 baht to scholarship winners.

The project promotes the knowledge needed for accounting and business, and develops leadership and teamwork skills that benefit students in their daily lives and future careers.

Suphatra Chuichai and Naranya Limcharoen

Wat Krathum School (Somprachasan), Chachoengsao Province
Business Project "Thong Muan Junior has 9 Flavors"
1st prize honor from OTOP Junior project contest

Through the project we have learned about accounting, profit and loss statements, and income. The notes we take every time after we make Thong Muan coconut crispy rolls has helped us more clearly see the profits we make. So we can save the money we earn in our own piggy bank and take it out when we want to spend some money. This helps us learn about how difficult it is for our parents to make a living, and that if we do not work on our own and make money on our own, our parents must work harder and become more tired to earn money for us. We are glad and proud to be able to make money while studying.



Phithak Chimsut

Teacher responsible for Pracharath's School Project at Ban San Pa Rai School in Tak Province.

This project has focused on the creation of vocational skills in schools so that the project can be integrated into each school's curriculum.



Students with special needs at Kawila Anukul School, Wat Ket Sub-district, Muang District, Chiang Mai Province, are making low-relief art from recycled paper.



Opportunities for Special Children

ThaiBev has supported 7 schools for children with special needs in 6 provinces, including Chiang Mai, Chiang Rai, Nakhon Sawan, Phitsanulok, Ubon Ratchathani and Songkhla, to provide education to children with intellectual disabilities and multiple disabilities. ThaiBev's working group and partner universities in the area act as consultants and project facilitators.

In addition, ThaiBev has also donated money to support the "Low-relief Art from Recycled Paper" project and has brought the pieces to distribute at cooperatives. The project aims to educate children, improve their concentration, and develop their fine motor skills. The project also helps them develop their emotions so they can focus on what they are doing for longer periods and are better able to make decisions on their own.

Mulberry Leaf Tea Project, Ban Nong Kradon School, Nakhon Pathom Province

ThaiBev has collaborated with the Faculty of Management Sciences at Nakhon Pathom Rajabhat University to make use of the leftover leaves from the mulberry juice production process to develop into mulberry leaf tea, which can be marketed as an OTOP product. The value-added project includes the following steps:

- Provide knowledge and consulting services to assist in product development, production processes, marketing, distribution and after-sales services.
- 150 students (primary grade 4 to secondary grade 3) established a club to manage the activities, and divided their roles and responsibilities clearly, so they can learn about the principles of doing business, from the calculation of cost and profit to managing the club's funds, as well as adding value to the product by using the identity of the province as a hallmark of the product design.



- Practice leadership skills and present them during the practice of business.

Currently, mulberry leaf tea products are available at the school's welfare shop and community stores. The products are packaged in boxes and a set of souvenir boxes with pictures of the province's landmarks. They also feature varied aromas. The project has become a prototype activity that pushes students to apply their knowledge so they can progress from OTOP Junior to Young OTOP, and in the future become entrepreneurs who are able to take care of both themselves and their families.

Partnership School Project

ThaiBev has joined the Ministry of Education to launch the Partnership School Project. This is the first time that the private sector, civil society, and other groups have had the opportunity to co-manage schools and develop courses tailored to the needs of local communities, while keeping a close eye on rapidly changing world contexts and dynamics. The project receives support and resources from sponsors. Together, they help schools develop curriculum and activities, manage human resources, and set guidelines to measure success. The project's goal is to equip students with the skills for a successful life and career, and to be good citizens. In the first year of this project, ThaiBev sponsored 19 schools and helped more

than 10,000 students. Various activities were organized to promote initiatives for local communities, including:

- "Big Cleaning Day" at Ko Kha Kindergarten School, Lampang Province: the activity was led by Mr. Kajorn Bhirakit, with over 70 employees from Thai Beverage Logistics Co.,Ltd. the Lampang Provincial Administration Organization, Lampang's Office of Non-Formal and Informal Education, and Ko Kha Kindergarten teachers, students, and parents, to maintain a clean and safe school environment.
- "Big Cleaning Day" at Tha Chang Wittayakan School, Surat Thani Province: the activity was led by Ms. Oraparn Yuwananon and Mr. Chanavut Narkveg, who, along with employees from several ThaiBev groups, cleaned and upgraded the hygiene of the school's drinking water pumping room. In addition, the Nathichai factory brought a tractor to help prepare land for a palm oil plantation project. Participants helped paint the school building and classroom walls, and cleaned out the gutters around the school.
- HRH Princess Srinagarindra Demonstration School, Chiang Mai, led by Mr. Prapoch Sabhavasu, sent its teachers for training at the Huai Hong Khrai Royal Development Study Centre in Chiang Mai Province. For this training program, a ThaiBev team helped offer training in male hairstyling, cooking, and art.



Princess of Naradhiwas Rajanagarinda Teachers Project

This project recognizes the sacrifices made by teachers working in remote areas. Teachers from three agencies – the Office of Non-Formal and Informal Education, the Border Police Headquarters, and the Office of the Basic Education Commission – are selected to be honored with the Princess of Naradhiwas Rajanagarinda Teacher Prize. So far, 87 teachers have been given this prestigious honor during a ten-year period. ThaiBev has sponsored the Princess of Naradhiwas Rajanagarinda Teacher Prize for the past six years with 1 million baht per year. The prizes are divided into two categories: the first is for new recipients, in the amount of 900,000 baht; and the second category is for teachers who have been recognized with the award in the past. The second award is in the amount of 100,000 baht for the continued implementation of the Quality of Life and Environment Project.

The Princess of Naradhiwas Rajanagarinda Teachers Project has initiated various activities to promote and help create self-sustaining incomes for remote communities. Activities include the Vegetable Growing Table Project as a Source of Sufficient Economic Knowledge to the Community, and the Ban Nam Puk Sufficiency Economy Learning Centre as a source of knowledge. These projects have helped the communities to learn about the sufficiency economy, created jobs in the community, have their own funds for self-reliance, and developed additional skills in agriculture, livestock and fishery management, and forest conservation, to restore traditional local knowledge.



Extra Courses for Careers with ThaiBev

ThaiBev organizes various courses to meet the needs of remote communities that are interested and well-suited for this project, which creates sustainable new ways for villagers to earn a living. It helps create a foundation for sustainability and reduces learning disparities. This project includes courses on hairstyling, sewing, cooking and baking, motorcycle maintenance, and recycling goods for use in household agriculture.



Singha Saetueung

Acting Director, HRH Princess Srinagarindra Demonstration School
Bodhivijjalaya College, Mae Chaem district, Chiang Mai Province

ThaiBev's project to provide education for career enhancement is divided into three main categories:

1. **Organic Farming:** The school teaches students and also encourages villagers to farm organically without using chemicals. The produce can be sold back to the school as a community enterprise. The students who engage in organic farming can earn income during their time in school. In addition, organic farming improves their health by reducing exposure to chemicals.
2. **Hairstyling:** The children can turn this skill into a career which can generate extra income and funding for their higher education. There is one student who is a boxer and lives in Minayothin Boxing Camp: he served as the boxing camp's barber as well. He once cut the hair of a world champion boxer.
3. **Cooking:** The students who participated in the program are able to prepare various types of food, such as stewed pork leg with rice, and chicken with rice. These are considered specialty dishes. When we have school visitors the children will cook these dishes for them. I think that the children who joined the program can definitely use these cooking skills for their future career.

Prapoch Sabhavasu

Deputy Director, Office of the President

The Princess of Naradhiwas Rajanagarindra Teacher Prize is an award given to teachers who make sacrifices to perform their duties in remote and risky areas for a long time. These teachers have done good deeds for the school and students. Their aims are to help the students grow up to be good people with knowledge and morals. The teachers also are central to community development. If I had not worked with this project, I would not believe that in our country there are teachers who are so patient and so determined. Some teachers have had malaria more than 10 times a year. We have continued to give annual awards to every teacher who has received this award in the past, to fund creative projects that they wanted to develop, or to further build other projects that they have been doing but lacked the resources for, such as the Sufficiency Economy Learning Unit for Student Lunch Program, the Integrated Agriculture Project, and the Egg-laying Chicken Project, among others.





C asean

C asean, under the management of CAC Co.,Ltd., is a social enterprise that functions as a center for networking and enhancing the potential of ASEAN countries with a focus on arts, culture, and business. The main target group is young people, an important resource for the future of the region.

Following the principle of sustainable development, C asean has organized a variety of activities, including training, seminars, conferences, and television shows, as well as the establishment of the C asean Consonant ASEAN Traditional Ensemble. It is hoped that the next generation will gain the knowledge, skills, and ideas that can foster a sustainable society that is connected in every dimension. This includes technology, arts, and culture. In 2018, C asean conducted the following activities:

- **C asean Sustainable Development Forum**

C asean, in collaboration with the United Nations Environment Program and the Business Development Institute for Society Foundation (FINSEDT), organized a Sustainable Development Forum and seminar this year in Bangkok. The event, "Transforming Asia Pacific: Innovative Solutions, Circular Economy and Low Carbon Lifestyles," was held September 17-19 at C asean Centre. The purpose of the event was

to emphasize the concept of sustainable business development by taking social and environmental impacts into account, both at the ASEAN and global level, according to the Sufficiency Economy Philosophy conceived and promoted by His Majesty King Bhumibol Adulyadej. The event aimed to prepare and encourage the private sector to conduct business with integrity and discretion, and take into account social and environmental impacts. The concept of a low-carbon-consumption lifestyle was at the core of the event, in order to mitigate climate change and build a foundation for sustainable development in ASEAN and at the global level.

- **Win-Win WAR Thailand project**

C asean launched the Win-Win WAR project to identify members of the new generation who are committed to create the business of their dreams, as well as sustainably support the environment and society. Through a competition, participants present their business plans by acting out a real situation in a reality show-type format, without any written script. This project provides a platform for aspiring business professionals to present ideas about their business, product, or service that meets the criteria of "Sustainable Business Development".

EISA: Educational Instituted Support Activities and Establishment of Simulated Business in Universities Project

ThaiBev has established Educational Instituted Support Activities (EISA) to promote sport activities at the university level and to support classroom courses so that students have real work experience to prepare themselves for life after graduation. In 2017-2018, the project set up a "Mini Mart" convenience store as "Trial company or Dummy Business" for students to practice working in a simulated business. The EISA project invited expert speakers in various fields from ThaiBev Group and the TCC Group to educate students so they can apply the knowledge gained from the simulated business experience. The simulated business project is a part of a course offered by the faculties of business administration at various universities that have participated in the project. In the past year, five stores have been opened: RBS Mart at Rangsit University, SWU Mart at Srinakharinwirot University Ongkharak Campus, RMUTR Mart at



Rajamangala University of Technology Rattanakosin Salaya Campus, Smart Market at Silpakorn University Phetchaburi Campus, and KKW Mart at Rajamangala University of Technology Rattanakosin Wang Klai Kangwon Campus. Each of these stores will serve as an experimental learning resource for business administration students. Throughout the year, 400 students will practice working at these stores (five stores, 40 students per store each semester, two semesters per year).

INSIGHT



Surapol Utintu

Director, External Coordinating Office

The EISA project supports sports activities at universities for the youth to have a career path and brighter future. Apart from sports, we see opportunities to expand cooperation through other educational activities. We started to expand the program through four main areas: Sports, Sales, Brand Recognition (to be Top of Mind), and Pracharath Activities. In this program, everyone must share their knowledge and experience by creating a simulated business at the university. ThaiBev supports the businesses with expertise in store design, account management, stock management, and public relations. However, the students will have to manage the business by themselves. This will help them learn through the practice of actual work, rather than only theoretical knowledge in the classroom.



Chanudom Kittisaret

a senior marketing student from the Faculty of Management, Silpakorn University

It's a different experience from the classroom. We learn to solve many problems and do many things that we do not usually get to do in the classroom. We learn through practice and apply problem-solving methods learned from the training provided by ThaiBev in real situations. We learn to observe the consumers to see what they want or what they want more of, and we adjust to meet their needs. That is what we need to do to have satisfied customers.

In 2020, EISA projects aim to expand its network of simulated business stores throughout various universities in Bangkok and the vicinity, as well as at universities in major provinces across the country. In addition to increasing the number of stores, the project also plans to become more efficient by promoting current shops to run on their own sustainably, for example, the CU Waste Zero project of Chulalongkorn University and the TU-Smart University project of Thammasat University. These projects can become a resource for learning and provide experiences for future generations of students.

Creating the New Generation of Social Entrepreneurs project (Beta Young Entrepreneur)

is a project based on the collaboration of three organizations: the Thai Chamber of Commerce, the University of the Thai Chamber of Commerce, and the Sirivadhanabhakdi Foundation. Together these organizations are training a new generation of university students to be entrepreneurs, with a special focus on releasing their potential and promoting strong virtues, ethics and social responsibility when doing business. The main activities are divided into two areas:

- Business Activities: The students will intern at Thai Beverage Public Company Limited or associated companies (Freshmen). They will learn about and experience a real business environment through the building of a 20,000 baht start-up business (Sophomore), simulated business (Junior) and field visits to companies in the ThaiBev group.
- Social Activities: These activities help instill morals, ethics, and social responsibility through activities provided by ThaiBev such as "ThaiBev Unites to Fight the Cold", The Water Festival and the River Festival.

The program has produced four new generations of entrepreneurs, covering 134 students overall. The graduates from this project have chosen to work in different careers; some have run their own businesses; others have continued their family businesses or worked in offices; while others have continued their studies.

Among the students who have graduated from the program and carried on in business, many started their own businesses, including a cat hotel, a bag business, concert event organizing and other event organizing companies. Some continued in their family business, such as a coffee shop, a gas station, a pig farm, a wholesale toy shop, and a children's clothing store. Some continued their work that began with their 20,000 baht start up business, such as an accessories shop, online clothing shop, and a bottle garden.

ThaiBev believes that it will be able to continuously create a new generation of good and capable entrepreneurs.

INSIGHT

Thapana Sirivadhanabhakdi

President and CEO, Thai Beverage Public Company Limited

At the 20,000 Baht Start Up Business and Simulated Business Certificate Award Ceremony on 8 March 2018.

I am glad and proud that everyone has gained knowledge and experience. What is very important is that we must try and learn to do what we believe is also useful to ourselves. With the knowledge we have gained from this project, from the university's curriculum, from the teachers who have taught and given us guidance, what important is that we have real experience for ourselves. We aim to create and develop students to be strong, committed, confident and step up to be the next generation of entrepreneurs to create a quality society for our country.

Young Entrepreneur

The entrepreneurship online competition

**Ramida Khaniwaranon**

a Beta Young #1 alumni, currently a staff of ThaiBev Thai Talent at Thotsaphak Company Limited

When we work with others, we will sometimes run into conflict. If I had not done the simulated business or other activities with my classmates while in the university, I would not be able to solve problems when I am working. For example, when I have a conflict with someone, I learned how to handle it, and how to help myself to be able to work better. All of this experience I gained from the business simulation program.

INSIGHT**Chaiwat Koisantisuk**

a Beta Young #2 alumni, currently owns a security alarm system business

Joining a UTCC Beta Dummy Business is a big plus that can definitely provide you useful experience to apply to your business. At that time, it was the beginning of the dummy business, we faced many problems and had to solve them all. Some problems we were able to solve, others we could not. Finally, when we had to manage our own business, we felt like we had faced those problems before. So, it helped set quite a stable foundation for our own business. We got to learn about all these systems, stocking, accounting, and store management, marketing, organizing various promotions, and customer service. We integrated these experiences we got from the dummy business into our own business.

Rachata Iamsongkram

a Beta Young #3 alumni, currently owns Jae's Accessories store

The skills I learned from the start-up business were related to sales and marketing. With the 20,000 baht provided by the foundation, I was able to sell products and meet customers on my own. This experience helped improve my marketing skills, which I might not have gained experience in otherwise.



OVERVIEW

Overview of ThaiBev Education Support



More than
80,000 people
benefited from the Education Development Project



1,075 scholarships
given to children
of employees



Partnership School Project
supported
19 schools



developed over
10,000 students



265 children
with special needs
benefited from the project



44 Million Baht
Education Support Fund
in 2018

PUBLIC HEALTH DEVELOPMENT

- **Bhumirajanagarindra Kidney Institute Hospital:** building a patient treatment building, supporting the purchase of medical equipment and instruments, ensuring the health and wellbeing of the people by providing useful public health programs
- **Chang Clinical Medicine Project:** a mobile clinic in Khlong Khlung District, Khampang Phet Province providing medical specialist services and medicines at cost price to employees and people nearby for more than 10 years

INSIGHT



Professor Emeritus Thirachai Chancharotsiri

M.D., Director of Bhumirajanagarindra Kidney Institute Hospital

I would like to thank Thai Beverage Public Company Limited for recognizing the importance of creating social benefit through the continuous promotion of public health and the wellbeing of members of society. In ensuring the health and wellbeing of the people, the company has provided support for and also established many useful public health projects through the Sirivadhanabhakdi Foundation, such as the Bhumirajanagarindra Kidney Institute Hospital founded on the great auspicious occasion of His Majesty the King Bhumibol Adulyadej's Diamond Jubilee in 2006. In remembrance of His Majesty King Bhumibol Adulyadej's graciousness to the people of Thailand, Khun Charoen, Khunying Wanna Sirivadhanabhakdi and the Sirivadhanabhakdi family established "Bhumirajanagarindra Kidney Institute Hospital," the first kidney hospital in Thailand. Furthermore, Her Royal Highness Princess Maha Chakri Sirindhorn is the chairperson of the Bhumirajanagarindra Kidney Institute Hospital Foundation. It aims for the hospital to become the leading specialized hospital in Asia, providing comprehensive care for patients with renal disease. In addition to the establishment of this hospital, ThaiBev continues to support other important public health initiatives on behalf of the Sirivadhanabhakdi Foundation by Khun Charoen and Khunying Wanna Sirivadhanabhakdi.

STORY**Bhumirajanagarindra Kidney Institute Hospital**

The hospital has been operating since September 2012, providing in total 279,135 outpatient services and 151,302 rounds of dialysis to patients. The hospital is expanding its dialysis services through the addition of 16 hemodialysis machines. The number of patients undergoing vascular surgery was 1,493. There were 826 cases of kidney and urinary tract and prostate surgeries, and 7 renal transplant surgeries successfully completed. The hospital has also educated people about kidney disease and self-care every three months, for a total of 16 times, reaching over 4,000 participants.

In addition, a kidney disease prevention project has been undertaken in a community in Kamphaeng Phet Province, and a research project provides patients with kidney problems with knowledge about the disease so that they can better live with the condition and improve their quality of life. A collaboration with the Ministry of Public Health provides care and kidney disease prevention in communities and in various hospitals under the Ministry of Public Health nationwide.



“Chang Clinical Medicine” Project

This mobile clinic is in Klong Khlung District, Kamphaeng Phet Province. It was founded to provide free treatment to community members in Kamphaeng Phet Province and in neighboring areas. It provides access to treatment and care by effective caregivers. The project follows the determination of Khun Charoen and Khunying Wanna Sirivadhanabhakdi, President and Vice Chairman of Thai Beverage Public Company Limited, who said since its founding that “Thai people can share with each other.”

In addition to medical assistance in the community around the factory, the Sirivadhanabhakdi Foundation and ThaiBev also have ongoing projects, such as the annual health check-up program for students and teachers of Wat Homkret School. Another project is the “Prostheses for the Handicapped and Health Examination for the Elderly” that has provided 60 prostheses to disabled persons and 100 health checkups to the elderly. It has also provided hearing aids, eyeglasses, and wood crutches for elderly people free of charge.



Other Public Health Projects:

- Established the Sirivadhanabhakdi Building 1–2 at Wat Yan Sangwararam Hospital, Chonburi Province
- Provided medical equipment to the Ministry of Public Health in order to support various projects. ThaiBev has also sponsored the Annual Non-Communicable Disease Conference (NCD Forum) in 2016 and 2017, allocating one million baht per year. In addition, it donated medical equipment to hospitals under the Ministry of Public Health, including Chao Praya Aaphai Phubet Hospital, Pattani Hospital, Phra Buddhachinraraj Hospital, Sampran Hospital in Nakhon Pathom Province, Maharaj Hospital in Nakorn Sri Thammarat Province, and Cha Uat Hospital in Nakhon Sri Thammarat Province.
- Donated money to Phromburi Hospital in Singburi Province. ThaiBev also joined the official opening of the 99th Anniversary of Phra Thammapanyabodi (Thawon Charoenphanit) building, which is to be used for activities related to patients and the public.
- Contributed 11 million baht to the “Kao Kon La Kao” project to purchase medical equipment for the Nawamin Taraphob 84 Years Building, Faculty of Medicine, Siriraj Hospital, Mahidol University.
- Donated money for public health works to Sri Sangwornsukothai Hospital, Siriraj Foundation and the Heart Foundation of Thailand.

MOVING FORWARD

ThaiBev is committed to supporting community health activities in various ways because ThaiBev believes everyone should be healthy and strong. This can act as the cornerstone of a sustainable community.

OVERVIEW

The project outcomes from the Bhumirajanagarindra Kidney Institute Hospital.

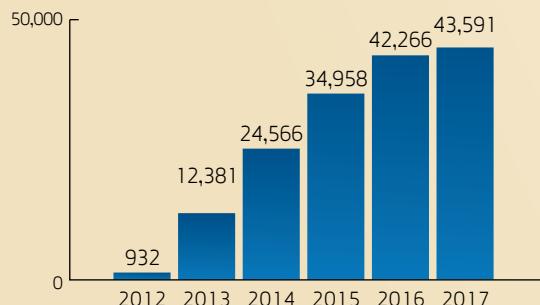


Over
50 million baht
budget support for public health development in 2018

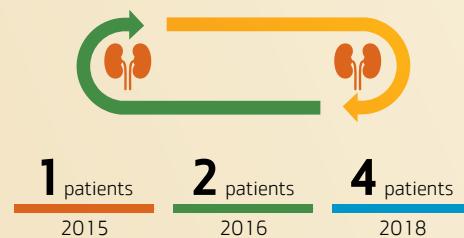
Number of patients who received medical services from September 2013 to October 2017

Outpatient	279,135	patients
Cycles of dialysis	151,302	cycles
Vascular surgery	1,493	patients
Cystoscopy	255	patients
Renal disease operation	379	patients
Coronary artery bypass surgery	238	patients
Prostate surgery	192	patients
Vascular Access For Hemodialysis as dedication to Princess Maha Chakri Sirindhorn	83	patients
Other surgery	454	patients

Number of patients undergoing kidney transplant surgery from 2012 to 2017



Number of patients undergoing kidney transplant surgery from 2015 to 2018
Seven renal transplants were successfully completed.



ATHLETIC DEVELOPMENT



ThaiBev has long been committed to supporting sports at all levels, from the youth level to the national level, believing strongly in the principle of **"Solid Foundation, Strong Cooperation, Opportunity Creation, and Development for Success."** ThaiBev has established "ThaiBev ThaiTalent" to be directly responsible for over 15 sport activities. It cooperates with more than 200 agencies nationwide, and provides opportunities for youth around the country to build the right foundation to develop their talents to become professional athletes. Currently, ThaiBev has more than 10 youth sport projects, divided into six categories: football, golf, volleyball, basketball, tennis, and long boat racing.

Information on Projects for Creating Opportunity and Developing Towards Success for the Youth in 2018

Sports for Youth Development	Projects	Operation	Duration	Number of participants/year
Football	1. Chang Junior Football Project			
	- Chang Junior Cup	- Junior Football Tournaments for under-13-years-olds	6 Years (2013-2018)	7,000
	- Chang Advanced Football Clinic	- Teach advanced football skills in accordance with international standards	13 Years (2006-2018)	200
	- Chang-AFC [C/B License] Coaching	- AFC Coaching license by AFC	6 Years (2013-2018)	24
	- Chang Junior Cup Road to England	- Building experiences and inspiration	5 Years (2014-2018)	30
	2. TBFA [Thaibev Football Academy]	- The Academy teaches basic football skills with international standards	10 Years (2009-2018)	70,000
	3. Chang Junior Football Team	- Set up and manage football youth teams, ages 12-15 years old	8 Years (2011-2018)	50
	4. Chang Mobile Football Unit	- Teach basic football skills on the regional level	6 Years (2013-2018)	10,000
	5. Chang Football Community	- Building a regional "Football Community" network	5 Years (2014-2018)	1,000
	6. Chang Soccer School	- Selection of youth for "White Elephant Football"	10 Years (2008-2018)	5,000
	7. Chang Chuan Chon... Help the Young	- Collaboration with Chonburi FC to create opportunities for the youth	2 Years (2017-2018)	1,000
	8. Assumption Thonburi Football School	- Football academy for excellence	10 Years (2009-2018)	120
	9. Assumption Thonburi United	- T4 football club to strengthen football players	8 Years (2011-2018)	30
	10. Football Development Fund	- Cooperation with the Football Association for football development (grassroots)	10 Years (2017-2018)	FA Plan
	11. Football Association of Thailand (FA)	- Cooperative project associated with youth and coach training	15 Years (2003-2018)	1,000
Golf	12. Chang Thailand Junior Golf Circuit	- Junior Golf Tournament: 8-12/13-18 years old	5 Years (2014-2018)	1,200
	13. Chang Junior Golf Clinic	- Teaching golf skills on 4 levels (Basic Level - PGA Tour Academy)	8 Years (2011-2018)	250
	14. Thai-Talent Golfer	- Support youth golfers towards becoming professional golfers	8 Years (2011-2018)	17
	15. Chang-Air Force Youth Tournament	- In cooperation with the Air Force to teach basic golf skills during the summer season	10 Years (2009-2018)	500
Tennis	16. 100 Plus training Clinic	- Teaching tennis skills in accordance with international standards	2 Years (2017-2018)	400
	17. 100 Plus Junior Championship	- Junior Tennis Tournament	10 Years (2009-2018)	1,800
	18. 100 Plus U-Team League	- University Tennis Tournament	3 Years (2016-2018)	1,200
Volleyball	19. est Cola Volleyball Your Way	- Volleyball teaching event by national team athletes in remote areas	5 Years (2014-2018)	1,500
	20. est Volleyball U16 Championship	- Women's Youth Volleyball Tournament (National Team Search)	8 Years (2011-2018)	15,000
	21. Volleyball Association of Thailand	- Youth-specific cooperation	32 Years (1986-2018)	1,000
Basketball	22. 100 Plus Basketball School Tour	- Teach international standard basketball skills (by professional basketball players)	1 Year (2018)	1,000
Thai Long Boat	23. Traditional Long Boat Racing	- Long boat racing for Thai long tail boat racing, conserving a cultural tradition	1 Year (2018)	20,000
	24. Long Boat Young Commentator	- Youth long boat racing commentator competition	5 Years (2014-2018)	150

INSIGHT

Surapol Utintu

Director of ThaiBev ThaiTalent Project

To be a professional athlete, you cannot start at 12 or 13 years old. You have to play since you are little. So it is the youth that are at the heart of sustainable sports development.

**Mantana Prapaipetch**

Manager of ThaiBev ThaiTalent Project

Sport is a tool that everyone can relate to. It can be used to create good people in society. In recognition of the importance of sport, ThaiBev's sport projects for youth were established and has been growing continuously. We can now start seeing the results.

Dr. Pakon Mungcharoenphon

President of Surin City Club

Today, football, in addition to creating harmony, can also help one build a reputation for oneself, their own family and nation. It is more than a sport. It can be a stable career.

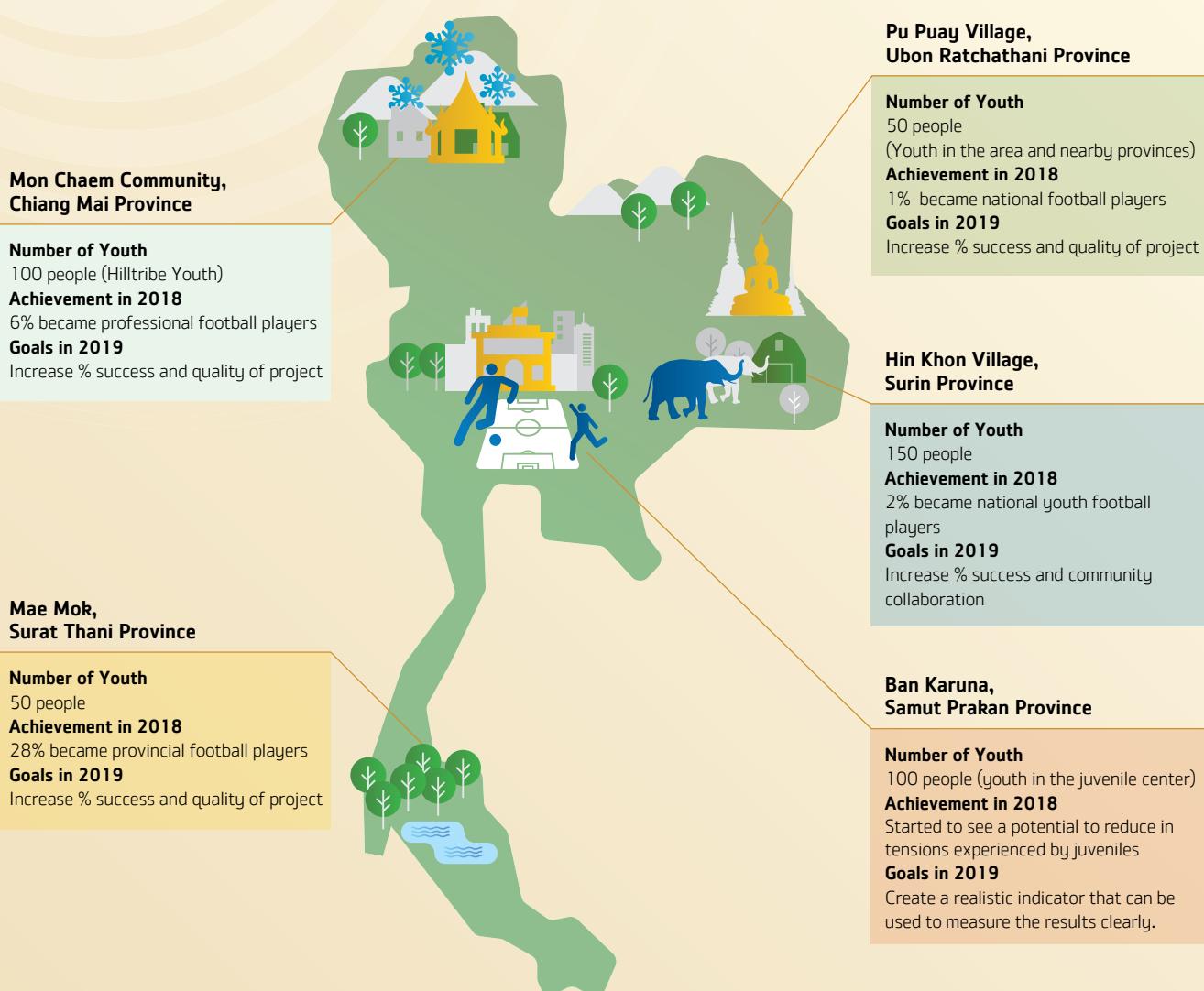
**Prasoet Dathong**

Coach at Hin Khon Academy, Surin Province

The community has emphasized youth football development with ThaiBev's help. Thanks to ThaiBev for giving confidence and opportunity to such a small community. With this opportunity for children, outsiders recognize that this small community can be developed.

STORY**Chang Football Community**

Chang Football Community is a project that was established to build a football network in local areas that otherwise lack opportunities. It aims to build five strong football communities in various regions across the country. ThaiBev hopes to establish a basis for football knowledge in accordance with international standards, as well as provide the equipment necessary for athletic programs in communities systematically. These five communities have been receiving development assistance for five years.



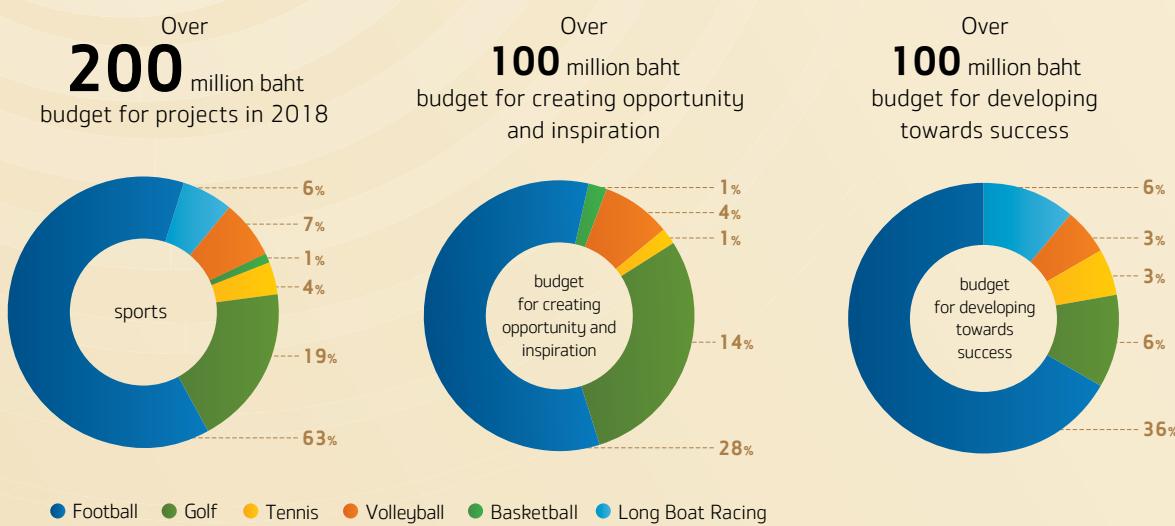
OVERVIEW

Performance of Athletic Development Projects

Budget information for projects to create opportunities and develop successful futures for the youth



Proportion of sports budget supported by ThaiBev



Strong cooperation and partnerships



ThaiBev has strong cooperation and partnerships with

200 agencies

8,000 key personnel

Government and private agencies



Key personnel



● Football ● Golf ● Bowling ● Snooker ● Volleyball ● Tennis

Create opportunities and inspiration

Over
24 projects

Over
150,000 youth participants

Over
54 provinces

types of sports
6 types



500 people entered the academy level



250 people entered the academy level



400 people received opportunities to improve their skills towards excellence



1,500 people received opportunities to improve their skills towards excellence



1,000 people received opportunities to improve their skills towards excellence



150 people received opportunities to improve their skills towards excellence

150 people entered the professional/national level

17 people became professional footballers

100 people became professionals competing in national leagues

20 people became professionals competing in national leagues/tournaments

2019 Missions

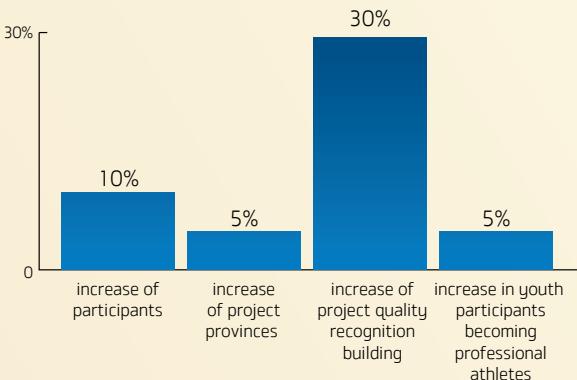
Strong cooperation and partnerships



ThaiBev has a desire to continuously support athletics, as well as to pursue partnerships to strengthen the sports industry.

Creating Opportunities and Developing Towards Success

Goals that ThaiBev aims to push forward



Note: questionnaire and data recording were used for each project as indicators.

PRESERVING AND PROMOTING ART AND CULTURE

- ThaiBev has collaborated with the government and the private sector as well as its business network to conserve, hand down and help inspire the nation's art and culture scene, including religion and Thai customs. The goal is to help society become aware of the value of art and culture and to foster patriotism and love for the country's cultural heritage. Society should be dedicated to disseminating the Thai identity in ASEAN and the wider world.
- In the art and culture sphere, ThaiBev's commitment is defined by three strategies: conservation, cooperation and creation.
- ThaiBev supports the new generation to learn and train in the various branches of art and culture beyond their regular learning through the textbook and classroom.

INSIGHT



Nitikorn Kraivixien
Director of Art and Culture Program

As ThaiBev is one of the biggest companies in Thailand, we believe that it is our duty to give back to society, over and above our normal business operations. ThaiBev is involved in a number of special programs promoting art and culture widely in Thai society. To help inspire art and culture over the last 15 years, we have established activities which are special in many aspects.

We can see that art and culture are important and are part of the nation's roots. As a representation of nationhood, they show that Thailand is an old country with a long history. Thailand has many fine arts, culture and customs, which not all countries can boast. Therefore, we should conserve the good things that we have, whether through the efforts of young or old people. This is a commitment and obligation we consistently consider.

INSIGHT

**Dusadee Banomyong**

National Artist, Classical Music 2014,
Director of SuanPlu Chorus

In the recent past, ThaiBev's role in promoting art and culture has reflected its vision of supporting the development of Thai society in all aspects, as the government sector has not been able to distribute its budgets evenly, particularly covering art and culture, which is no less important than sports or other pursuits. Through fine arts and culture, which should be conserved and handed down to younger generations, Thailand can be made more secure and equal other countries. From the perspective of the SuanPlu Chorus, this support is a strong point of ThaiBev. Besides manufacturing consumer goods, the company is regarded by the public for promoting community products, demonstrating that the company has taken part in developing the country.

Malinee Sagarik

Luang Pradit Phairoh (Sorn Silapabanleng) Foundation

The Luang Pradit Phairoh (Sorn Silapabanleng) Foundation has received continuous support from ThaiBev for the annual Sorn Daeng [Golden Arrow] Thai music competition for the Trophy of His Late Majesty King Rama IX. It has also received support for other projects such as the Thai Music Youth Camp, Friends of Music project and the establishment of the ASEAN Thai Youth Orchestra. ThaiBev has given the Foundation full freedom to organize activities with the joint goal of creating quality young people with rounded knowledge and abilities in art and culture, and also creating a support network for the future. For over five years the Foundation has received support for its musical activities; it has come to realize that ThaiBev is giving its support unconditionally and from the heart without any business conditions. The company has also suggested channels for further activities involving the cooperation of other agencies for even greater benefit.

ThaiBev is a management organization with heart, personality, variety, etiquette and vision. That affects the overall picture of the organization. Demonstrate public spirit, be willing to help others in project activities, support society, invite friends to work together: This is the foundation of a sustainable organization.



INSIGHT

Apirak Kosayodhin

Chairman, Bangkok Art and Culture Centre Foundation Committee

The Bangkok Art and Culture Centre (BACC) is an urban art gallery tasked with being an extracurricular source of knowledge about art and culture for children and young people, both in Bangkok and its environs. In the Bangkok Art and Culture Centre's 10 years of operations, ThaiBev has clearly identified itself as a private sector company which sees the value and importance of maintaining and disseminating art and culture. It was the first sponsor of various contemporary art exhibitions at BACC and has maintained its sponsorship over many years. This reflects the strong point of ThaiBev, that its management see the value and importance of passing on the heritage of modern art and culture to the new generation. It is outstanding as a modern organization because it does not stay still; this is a highly important component of developing and creating value together for society on a sustainable basis.

**Ekachai Jearakul**

Winner of GFA Guitar Foundation of America International Concert Artist Competition 2014 and a young person in the ThaiBev ThaiTalent program

ThaiBev sees the huge importance of making an effort to drive art and culture, especially music. I have had the opportunity to be sponsored by ThaiBev for a long time, including at international music competitions, which helps Thailand's classical music scene to be better known internationally. There is also the project to record the musical compositions of King Bhumibol Adulyadej, and sponsorship of many concerts. ThaiBev is an "opportunity giver", because I have been able to grow and make a contribution from the opportunities given to me by ThaiBev.

STORY

Promoting art and culture has been a key obligation of ThaiBev throughout its history. ThaiBev has joined various organizations with the goal of making both Thai and international art and culture to be esteemed, conserved, developed and supported with projects and activities to an international standard. This combines academic working methods to create value for society through development, learning and awareness. If society values its art and culture, this will foster patriotism and pride in cultural heritage. If these values are disseminated, this will create value for ThaiBev, as a company of good governance campaigning in these matters.



Honored

- On June 23, 2018, Mr. Thapana Sirivadhanabhakdi received a pin from HRH Princess Maha Chakri Sirindhorn for cultural achievement on Thai Heritage Conservation day.
- Mr. Thapana Sirivadhanabhakdi, a warden of Wat Chetupon, joined the party of a Buddhist mission for an audience with Pope Francis. They presented the Phra Malaya Scripture translated into three languages: modern Cambodian, Pali and Thai, along with other souvenirs, at Vatican City on May 16, 2018.

ThaiBev has been contributing to promoting art and culture through three approaches as follows:

- Conservation, dissemination and promotion of art and culture in society.
- Supporting cooperation with artistic and cultural organizations or projects to disseminate their work.
- Enhancing art and culture initiatives in the creative economy.





Her Royal Highness Princess Maha Chakri Sirindhorn officially opened the exhibition, "Through the Lens of His Majesty King Bhumibol Adulyadej" at Bangkok Art and Culture Centre on September 1, 2017.



Her Royal Highness Princess Maha Chakri Sirindhorn officially opened an exhibition of photographs taken by Her Royal Highness titled "Kavayaphra" at Bangkok Art and Culture Centre on December 11, 2017.



Conservation, Dissemination and Promotion of Art and Culture in Society

- His Majesty the King graciously gave permission for the Photographers' Association of Thailand under Royal Patronage to stage an exhibition of 200 photographs taken by His Majesty the late King Bhumibol Adulyadej at the Bangkok Art and Culture Centre. Permission was also granted to publish the photographs in a book supporting the exhibition, which was published by the Sirivadhanabhakdi Foundation and ThaiBev.
- An exhibition of photographs taken by HRH Princess Maha Chakri Sirindhorn has been staged continuously since 2006 at the Bangkok Art and Culture Centre. In 2017, this exhibition was titled "Kavayaphra."
- ThaiBev has supported the construction of the "Nyanasamvara Thailand-Japan Memorial" and installed the statue of His Holiness the Supreme Patriarch of Thailand, Somdet Phra Nyanasamvara Somdet Phra Sangharat Sakonlamahasangkapharinayok at Wat Pa Buddharangsee in Tokyo.
- The "Love to Dispel Coldness" event was arranged in tribute to His Majesty the King for His Majesty's sage advice for the people to cheer up and be happy, and think of traditional ways of life. Shops sold products from the "Pracharat Rak Samakkee Project." The "Chayanitikorn" Picture Studio provided a retro-photography service to visitors at the event.
- Great Songkran Ritual conducted by His Majesty the King, the Thai Legend of the Great Songkran to promote the nation's customs. The "Chayanitikorn" Picture Studio provided a retro-photography service to visitors at the event using a Songkran theme.



- Art and Culture Historical Book Projects
 - "Celebrating the National Glass Plate Negative Recognized as UNESCO Memory of the World" book jointly organized by National Archives of Thailand and Sirivadhanabhakdi Foundation, on the occasion of the registration of the ancient photographs and glass plate negatives collection "The Vajirayana Library" as UNESCO Memory of the World 2017.
 - Commemorative Book for The Royal Kathin Ceremony at Wat Kalayanamitr Woramahavihara.
 - Commemorative Book for The Royal Kathin Ceremony at Wat Phra That Choeng Chum Woramahavihara.

Supporting Cooperation with Artistic and Cultural Organization or Projects to Disseminate their work:

- "Celebrating the National Glass Plate Negatives Registered as UNESCO Memory of the World." This is a joint program of the National Archives and the Sirivadhanabhakdi Foundation on the occasion of the Vajirayan Royal Library of plate photographs being registered as a UNESCO Memory of the World in 2017.
- Exhibition on the Front Palace, part of the program to study the former Front Palace with the aid of technology by the Fine Arts Department in cooperation with the National Archives and the Phra Ratchanives Marukkataiwan Foundation.
- Budget support for the work of the Bangkok Art and Culture Centre since 2008.
- Continuous support for the Thailand Philharmonic Orchestra (TPO) since 2010.
- Scholarships for the College of Music, Mahidol University since 2010.
- Continuous support for the Sukree Charoensuk Foundation since 2010.





- Annual support for the activities of the SuanPlu Chorus group. In 2018, the group represented Thailand at the 2nd Corfu International Festival & Choir in Corfu, Greece, and achieved the highest success with maximum points from all three parts of the competition, for which they were recognized with a Gold Diploma and as the "Supreme Winner".
- Support for the research, *The Musical Genius of His Majesty the King Bhumibol Adulyadej: A Case Study of the Recording of 41 Royal Compositions with Lyrics for Choir* by Assoc Prof Dr Manasikarn Laowanit, which celebrates and disseminates the musical accomplishments of His Majesty the late King Bhumibol Adulyadej.
- Support for the Princess Galyani Vadhana Institute of Music by facilitating opportunities to perform at different events or cooperate in special projects on various occasions.
- Budget support for the operations of the Luang Pradit Phairoh (Sorn Silapabanleng) Foundation, and for the expansion of the project Friends of Music by creating a network of individuals in Thai music who can support community activities that can reach the wider world.

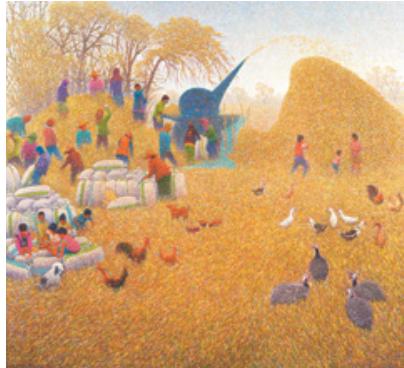


- Support for the “Friends of Music” project, starting at Wat Thang Klang School in Bang Pahun, Ayutthaya province where surveys were conducted to assess the potential to teach music to children, including in terms of musical instruments, music teachers or media such as books and multimedia. This includes designed activities for the school and community which music has the role to perform. These help children to learn music.

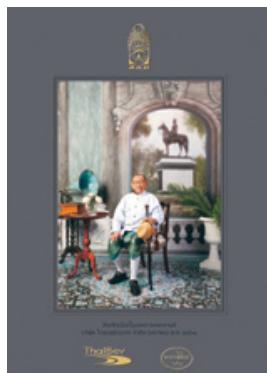
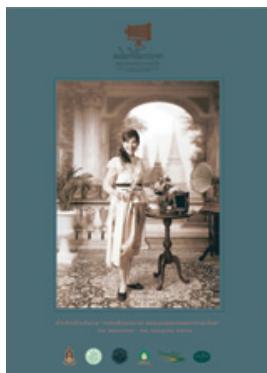
- The Friends of Music project has donated various musical equipments and provided support as follows:

1. A donation of 100 piang or flutes (with the support of volunteers) and one group of eight long drums with other assorted percussion instruments to Wat Thang Klang School to be used at cultural and performance-related events such as the Buddhist Lent Candle Procession or Mother’s Day.
2. Joint operations with partnership schools to survey and advise Wat Chulamanee School in Ayutthaya province in order to set plans for teaching Thai music at this school which lacks a Thai music teacher. Operational plans are still being prepared.
3. Expert advice on music from Bangkok at Leu Amnat kindergarden School (Ban Cheuan) in Amnat Charoen Province in the name of promoting knowledge and occupational understanding.
4. Being a central resource in organizing musical activities, providing venues, coordination and publicity, arranging exhibitions and printing souvenir programmes for the public at no expense, at the Reuan Banleng of the Luang Pradit Phairoh (Sorn Silapabanleng) Foundation.





A winner of the 7th White Elephant Fine Arts Contest titled 'Farmers' Children' by Boonnam Sa-sud under the heading, "Inspiration from Everyone for a Sustainable Community."



HRH Princess Maha Chakri Sirindhorn officially opened an exhibition of the 7th White Elephant Fine Arts Contest and presented a picture drawn by HRH's own hand, at Bangkok Art and Culture Center on June 20, 2018.



Enhancing Art and Culture Initiatives in the Creative Economy

- **White Elephant Fine Arts Contest:** To encourage realistic and figurative art and to support artists of these schools to have a dedicated stage to show these specific abilities. The top prize of the White Elephant Fine Arts Contest is 1 million baht. In 2018, the program entered Year 8 under the concept, "Enjoyment of ritual".
- **Chayanitikorn Picture Studio:** This opened for the first time at the "Love to Dispel Coldness" event in 2018. It was operated by a ThaiBev team, providing the service of retro-photography to visitors. The service was highly popular and widely discussed. After the "Love to Dispel Coldness" event, many other companies made contact for the studio to provide photography services, with all income donated for public benefit in various forms.
- **Water Festival:** To foster Thai-style tourism, for young people to experience, perpetuate and talk about the Songkran custom, part of the modern Thai identity. The essence of community lifestyles is part of this valuable cultural heritage.
- **River Festival:** For the conservation of cultural tourism which shows Thai ways of life and which makes Thai tourism outstanding in terms of art and culture, and customs which make up the Thai identity. As such, it makes Thailand well known to tourists from around the world, stimulating further visitors.



Aurele (France) 'Lost Dog' or 'Ma Long' 2018
gold leaf on fiberglass. Height: 5.90 m.
Collection of the Artist.



Yayoi Kusama (Japan) '14 Pumpkins' 2017
inflatable Pumpkins, fabric, 14 pieces
Collection of the Artist.



- **C asean Consonant:** Bringing the universal language of music to make connections and create unity in a region with people of diverse culture, language, religion and politics.

C asean Consonant presents national identities through the sound of the traditional musical instruments of each nation. From the young musicians of the 10 countries of ASEAN to the world community, the journey reflects the attractive traditional art of the ten countries, coordinated to be as one. The aim is to conserve the cultural heritage of music and disseminate it to young people. In 2018, "C asean Consonant" was invited to be part of the Bangkok Art Biennale (BAB 2018) which brought together 75 Thai and foreign artists. The group gave a performance at this event as a form of cultural exchange.

• Bangkok Art Biennale: BAB

International modern art festivals have been held for a long time in many cities all over the world. Leading global artists exhibited their modern art works under the concept Beyond Bliss. The word Biennale means "once every two years." In 2018 a biennale was held in Bangkok as it is a world-renowned global tourist city with a great diversity in religion,

ethnicity and community lifestyles. It is a city of art and culture truly reflecting the Thai identity which has been called the Venice of the Orient, which was another inspiration for organizing the Bangkok Art Biennale 2018.

This event, besides enhancing Thailand's image for cultural tourism, has made many artists and tourists pack their bags for Bangkok as another destination to view modern art. Meanwhile, the event provided opportunities to young Thai artists to show off their skills and help develop human resources in the area of creative ideas at 20 viewing sites. The first Bangkok Art Biennale 2018 was held from 19 October, 2018 to 3 February, 2019. The distinctive feature of the Biennale is to show pieces from many branches of modern art at important locations such as historical buildings, riverside locations of the Chao Phraya River, the Bangkok Art and Culture Centre and the futuristic real estate project, One Bangkok. The event featured the participation of 75 international artists from 33 countries, singly, in pairs and in groups, selected by an international team of curators, with a combined total of over 200 artworks.



Her Royal Highness Princess Maha Chakri Sirindhorn officially opened Bangkok Art Biennale 2018 at BAB BOX Art Gallery on October 30, 2018.

INSIGHT

Bangkok Art Biennale 2018 was the first of its kind in Bangkok, and came about through substantial coordination between the state and the private sector. I must thank the Ministry of Tourism and Sports, the Bangkok Metropolitan Administration, the Tourism Authority of Thailand, various foreign embassies in Thailand, and our network of partners who sponsored this world-class art event, which is to be held every two years.

For the Bangkok Art Biennale 2018, we were all committed to the same hope of making Bangkok a global center for modern art and to help stimulate the tourism industry, generating income for all, from the community of art lovers to the community economy in the areas that the Biennale was held. The Ministry of Tourism and Sports had set an income target from tourism in 2018 of 3 trillion baht. Throughout the four-month duration of the Bangkok Art Biennale, the event attracted tourists, art collectors, curators, artists and the rest of the art scene from all over the world in large numbers, representing massive economic value. We expect that the Bangkok Art Biennale will continue to be an important part of helping the tourism industry meet its revenue targets from quality tourism. It will also help to enhance the country's tourism image in every dimension, particularly by highlighting Thai art and culture to both Thai and foreign tourists, and by spreading Thainess around the world.

Besides support for tourism, there was an activity for art lovers in Thailand called "DEK BAB". This was an opportunity for volunteers such as students and members of the public to participate in the Bangkok Art Biennale, acting in the role of ambassadors, connecting the artists with their viewers, whether Thai or foreign, and putting the Biennale in the context of Bangkok. The "DEK BAB" made this Bangkok Art Biennale complete – there were over 700 volunteers. The DEK BAB themselves gained knowledge, experience and understanding of art, and shared it with others.



Professor Apinan Poshyananda
Artistic Director of Bangkok Art Biennale 2018

Statistics of Beneficiaries

Projects and activities supporting the work of teachers and youth in art and culture

Educational activities of the Bangkok Art and Culture Centre	2,200 young people
Golden Arrow Thai Music Contest and Golden Arrow Youth Camp	1,600 young people
Friends of Music Program <ul style="list-style-type: none"> • Wat Thang Klang School, Bang Pahan received a donation of 100 flutes and 8 drums and other percussion instruments for use in processions involving music. The school has used these for various activities in the school and the community. • Lue Amnat kindergarten School (Ban Cheuan), Amnat Charoen: Music experts from the Friends of Music program gave occupational advice at a special activity 	100 students, 20 teachers 170 participating students, 15 teachers
Activities of the Sukree Charoensuk Foundation. 7 activities comprise: <ol style="list-style-type: none"> 1. Music Therapy at the Child Abuse Care Center, Phetchaburi province 2. Using Music to Develop Young People Project at the Ban Pranburi Child and Youth Training Center 3. Pilot Band for Children and Youth, the Flute and Recorder Group of Wat Suwannaram School 4. Project for Giving Children A Good Background in Local Music at Wat Lad Sai School 5. Research Project in the Study of Musical Gifts 6. "A Good Communities with a Smile" Project 7. "Phalang Phan Kamlang Jai" Project of Classical Music for Society 	Participants: 30 Beneficiaries: 500 Participants: 50 Beneficiaries: 200 Participants: 80 Beneficiaries: 500 Participants: 70 Students from nearby schools: 200 Beneficiaries: 500 Participants: 120 Beneficiaries: 1,500 Participants: 500 Beneficiaries: 5,000 Participants: 250 Beneficiaries: 1,500

Performance Summary

Economic Performance

Indicators	Performance	Unit	2014	2015	2016	2017	2018
			(Jan–Sep 16)	(Oct 15–Sep 16)			
GRI 201-1	Economic performance						
	1. Total Income	Million Baht	162,790	173,419	139,887	191,205	190,697
	Thailand	Percent	95	96	96	96	97
	International	Percent	5	4	4	4	3
	2. Annual Dividend	Million Baht	15,317	15,317	15,066	16,543	16,824
	3. Cost of Sales	Million Baht	114,710	121,830	97,591	134,371	131,899
	4. Employee Expenses	Million Baht	11,638	12,653	10,389	13,731	14,318
	5. Income Tax Expenses	Million Baht	4,552	4,508	3,643	4,835	5,132
GRI 204-1	Procurement						
	Procurement from local suppliers						
	Total (number of suppliers)	Percent	98	98	97	97	96
	Total (purchase value)	Percent	91	92	87	87	91
	Alcoholic beverages (number of suppliers)	Percent	98	97	97	97	95
	Alcoholic beverages (purchase value)	Percent	87	86	80	80	92
	Non-alcoholic beverages (number of suppliers)	Percent	99	99	98	98	97
	Non-alcoholic beverages (purchase value)	Percent	98	99	98	98	91

Environmental Performance

Indicators	Material Aspects	Unit	2014 ^[1]	2015 ^[1]	2016 ^[2]	2017 ^[3]	2018 ^[3]
GRI 302-1	Energy consumption within the organization						
	Total energy consumption within the organization	MJ	6,062,992,998	6,224,230,629	6,652,654,751	6,499,783,690	6,192,775,688
	Total fuel consumption within the organization from non-renewable sources	MJ	4,063,977,026	4,153,109,374	4,368,963,332	4,168,618,353	4,070,618,040
	– Fuel oil	MJ	1,769,249,892	1,697,261,693	1,784,765,661	1,817,833,830	1,364,409,734
	– Natural gas	MJ	217,429,005	250,190,621	262,852,131	112,984,871	311,120,573
	– Ethane	MJ	100,576,544	15,220,029	787,146	0	0
	– Reused oil	MJ	0	0	0	0	64,885,721
	– Gasoline	MJ	4,233,575	4,699,564	5,126,389	4,584,687	4,303,097
	– Diesel	MJ	1,163,228,284	1,169,709,879	1,149,569,325	1,088,820,492	918,584,581
	– Bituminous Coal	MJ	741,408,977	934,377,042	1,067,712,824	1,040,995,429	1,300,044,619

Indicators	Material Aspects	Unit	2014 ^[1]	2015 ^[1]	2016 ^[2]	2017 ^[3]	2018 ^[3]
	- LPG	MJ	67,850,750	81,650,547	98,149,857	103,399,044	107,269,714
	Total fuel consumption within the organization from renewable sources	MJ	1,100,958,369	1,126,326,413	1,235,179,077	1,190,073,807	1,072,622,936
	- Biogas	MJ	433,932,481	485,895,952	587,051,682	583,460,442	565,276,866
	- Concentrated slops	MJ	640,559,063	554,759,707	579,916,771	558,402,242	451,631,413
	- Technical alcohol	MJ	26,466,826	85,670,754	68,210,624	48,211,123	55,714,657
	Electricity and steam purchased for consumption	MJ	898,057,603	951,857,912	1,074,712,602	1,172,076,339	1,085,069,893
	- Electricity consumption	MJ	892,156,206	947,529,974	1,066,652,905	1,094,353,260	991,558,614
	- Steam consumption	MJ	5,901,397	4,327,938	8,059,697	77,723,079	93,511,279
	Self-generated electricity from renewable sources	MJ	0	0	0	456	442,337
	- Solar energy	MJ	0	0	0	456	442,337
	Electricity sold	MJ	0	7,063,070	26,200,260	30,985,265	35,977,518
	- Electricity sold from renewable sources	MJ	0	7,063,070	26,200,260	30,985,265	35,977,518
	Energy intensity (Beverage)	MJ/hL	250.53	233.90	213.39	216.43	204.70
	- Energy intensity (Distillery)	MJ/hL	529.57	496.51	485.13	453.56	459.67
	- Energy intensity (Brewery)	MJ/hL	165.41	155.64	159.77	172.19	180.09
	- Energy intensity (Oishi)	MJ/hL	166.56	142.03	122.04	119.65	111.48
	- Energy intensity (Sermsuk)	MJ/hL	53.59	53.72	47.23	50.18	43.16
	Energy intensity (Food)	MJ/kg	N/A	N/A	N/A	8.86	37.23
GRI 303-1	Water withdrawal by source						
	Total volume of water withdrawn	Cubic Meter	19,975,729	20,616,340	23,516,238	24,842,270	19,883,174
	- Surface water	Cubic Meter	14,132,214	14,189,350	15,177,519	18,568,743	14,890,220
	- Ground water	Cubic Meter	3,707,780	4,224,647	5,761,146	3,892,405	3,434,864
	- Rainwater	Cubic Meter	108,900	102,850	98,645	257,807	237,776
	- Municipal water	Cubic Meter	2,026,835	2,099,492	2,478,928	2,123,315	1,320,313
	Total net fresh water consumption	Cubic Meter	19,866,829	20,513,490	23,417,593	24,584,463	19,645,398
	Water intensity (Beverage)	hL/hL	8.21	7.71	7.51	8.20	6.84
	- Water intensity (Distillery)	hL/hL	15.24	14.60	14.13	15.60	12.03
	- Water intensity (Brewery)	hL/hL	6.12	6.19	7.11	7.25	7.06
	- Water intensity (Oishi)	hL/hL	7.35	5.85	5.22	6.57	5.28
	- Water intensity (Sermsuk)	hL/hL	5.75	5.40	4.99	5.10	4.26
	Water intensity (Food)	hL/kg	N/A	N/A	N/A	0.28	0.22

Indicators	Material Aspects	Unit	2014 ^[1]	2015 ^[1]	2016 ^[2]	2017 ^[3]	2018 ^[3]
GRI 303-3	Water recycled and reused						
	Total volume of water recycled and reused by the organization	Cubic Meter	2,090,197	2,322,318	2,556,282	2,198,748	2,095,376
	- Water reused	Cubic Meter	781,917	1,000,296	1,169,814	1,103,868	1,001,266
	- Water recycled	Cubic Meter	1,308,280	1,322,022	1,386,469	1,094,880	1,094,109
	Total volume of water recycled and reused as a percentage of the total water withdrawal	%	10.46	11.26	10.87	8.85	10.54
GRI 305-1	Direct (Scope 1) GHG emissions						
	Direct (Scope 1) GHG emissions ^[4]	Metric tons CO ₂ e	604,159	699,876	654,995	603,059	596,692
	Gross direct (Scope 1) GHG emissions	Metric tons CO ₂ e	453,968	539,439	499,089	451,268	450,657
	Biogenic CO ₂ emissions	Metric tons CO ₂ e	150,191	160,437	155,907	151,791	146,035
GRI 305-2	Energy indirect (Scope 2) GHG emissions						
	Energy indirect (Scope 2) GHG emissions	Metric tons CO ₂ e	138,240	146,931	165,668	179,078	163,317
GRI 305-4	GHG emissions intensity						
	GHG emissions (Scope 1 and Scope 2)	Metric tons CO ₂ e	742,399	846,808	820,663	782,137	760,009
	GHG emissions intensity (Beverage)	kg CO ₂ e / kg	30.68	31.82	26.32	26.03	25.84
	- GHG emissions intensity (Distillery)	kg CO ₂ e / kg	61.93	61.13	59.44	55.69	59.10
	- GHG emissions intensity (Brewery)	kg CO ₂ e / kg	17.20	16.83	17.04	18.20	19.46
	- GHG emissions intensity (Oishi)	kg CO ₂ e / kg	16.05	13.77	12.39	12.31	11.99
	- GHG emissions intensity (Sermsuk)	kg CO ₂ e / kg	4.97	4.89	4.22	5.12	4.39
	GHG emissions intensity (Food)	kg CO ₂ e / kg	N/A	N/A	N/A	1.12	2.56
GRI 305-5	Reduction of GHG emissions						
	Reduction of GHG emissions	Metric tons CO ₂ e	N/A	640,054	N/A	634,782	608,332
GRI 306-1	Water discharge by quality and destination						
	Total volume of water discharges	Cubic Meter	7,136,430	8,855,786	10,635,237	11,558,767	8,169,012
	Quality of the water discharges ^[5]						
	- pH	-	8.00	8.00	7.80	7.75	7.79
	- BOD loading	Metric tons	21	64	90	123	66
	- COD loading	Metric tons	200	337	543	673	389
	- TDS loading	Metric tons	6,523	9,268	13,144	12,227	8,404
	- TSS loading	Metric tons	64	153	261	216	115

Indicators	Material Aspects	Unit	2014 ^[1]	2015 ^[1]	2016 ^[2]	2017 ^[3]	2018 ^[3]
GRI 306-2	Waste by type and disposal method						
	Total weight of waste ^{[6][7]}	Metric tons	91,125	53,117	79,468	65,645	13,473
	- General waste	Metric tons	2,502	2,217	2,053	2,936	N/A
	- Hazardous waste	Metric tons	284	216	194	261	N/A
	- By-product waste	Metric tons	59,400	35,827	64,789	46,922	N/A
	- Valuable waste	Metric tons	28,939	14,856	12,432	15,526	N/A
	Total weight of hazardous waste	Metric tons	N/A	N/A	N/A	N/A	318
	- Reuse	Metric tons	N/A	N/A	N/A	N/A	1
	- Recycling	Metric tons	N/A	N/A	N/A	N/A	173
	- Composting	Metric tons	N/A	N/A	N/A	N/A	0
	- Recovery, including energy recovery	Metric tons	N/A	N/A	N/A	N/A	31
	- Incineration (mass burn)	Metric tons	N/A	N/A	N/A	N/A	11
	- Landfill	Metric tons	N/A	N/A	N/A	N/A	102
	Total weight of non-hazardous waste	Metric tons	N/A	N/A	N/A	N/A	13,155
	- Reuse	Metric tons	N/A	N/A	N/A	N/A	121
	- Recycling	Metric tons	N/A	N/A	N/A	N/A	10,051
	- Composting	Metric tons	N/A	N/A	N/A	N/A	864
	- Recovery, including energy recovery	Metric tons	N/A	N/A	N/A	N/A	346
	- Incineration (mass burn)	Metric tons	N/A	N/A	N/A	N/A	67
	- Landfill	Metric tons	N/A	N/A	N/A	N/A	1,706
	Total waste disposed	Metric tons	2,786	2,433	2,248	3,197	1,886

Note:

N/A : Not Applicable

- Numerical data from 2014–2017 has been updated from the Sustainability Report 2017 because ThaiBev improved the conversion factors regarding energy and CO₂ emission to meet the current value. This was according to the accepted universal standard, method, and hypothesis.
- 1. In 2014 – 2015, ThaiBev reported the efficiency of its environmental performance that covers 12-month period from January to December.
- 2. In 2016, ThaiBev reported the efficiency of its environmental performance that covers 12-month period from October 2015 to September 2016.
- 3. In 2017 - 2018, the reporting of environmental performance is covering the period from October 2016 to September 2017 and October 2017 to September 2018. The scope of these year reporting is expanding as follows;
 - 3.1 The numerical data about environment in terms of food companies which is Oishi Trading Co., Ltd. (Ban Beung).
 - 3.2 Numerical data about environment in terms of non-alcoholic beverages which is S.P.M. Food and Beverage Co., Ltd.
 - 3.3 Numerical number about environment in terms of Supply Chain business unit such as Thai Beverage Energy Co., Ltd. and Thai Beverage Logistics Co., Ltd.
 - 3.4 Expanding reporting scope covers food business.
- 4. In 2014 – 2017, the emission factors of Benzene, Diesel, and LPG are not yet separated according to types of combustion (mobile and stationary); therefore, the higher values of emission factors are used for calculation.
- 5. Effluents quality reported in average values.
- 6. In 2014 – 2017, waste disposal is classified by types of waste from the manufacturing process, consisting of the following 4 types:
 - 6.1 General waste – disposed of by local authorities, such as the municipality or sub-district administration organization.
 - 6.2 Hazardous waste – disposed of by legally licensed companies.
 - 6.3 By-product waste – handled by Feed Addition Co., Ltd. one of ThaiBev's subsidiaries to generate income for the company.
 - 6.4 Valuable waste – sorted so that it can be reused and recycled.
- 7. In 2018, ThaiBev reported waste by type and disposal method following reporting requirements of GRI 306-2

Social Performance

Indicator	Material Aspects	Unit	2014		2015		2016		2017		2018													
			Male	Female																				
GRI 102-8	Total number of employees (by location)																							
ThaiBev Group																								
	Total	Persons	23,588	14,791	24,057	15,278	24,710	15,992	24,821	16,546	24,538	17,013												
	Headquarters	Persons	1,576	1,615	1,416	1,656	1,512	1,740	1,324	1,555	1,711	2,066												
	Other offices	Persons	22,012	13,176	22,641	13,622	23,198	14,252	23,497	14,991	22,827	14,947												
	Executive level	Persons	997	657	1,124	682	1,329	875	1,307	846	1,477	947												
	Employee level	Persons	22,591	14,134	22,933	14,596	23,381	15,117	23,514	15,700	23,061	16,066												
GRI 401-1	New employee hires and employee turnover																							
New employee hires																								
ThaiBev Group																								
	Total new hires	Persons	3,492	4,641	4,825	4,902	5,909	6,435	3,101	1,472	3,308	3,056												
	Under 30 years	Persons	2,353	3,857	3,010	3,934	4,079	5,517	1,904	1,080	2,075	2,497												
		Percent	67	83	62	80	69	86	61	73	63	82												
	Age 30-50 years	Persons	1,117	758	1,755	926	1,807	876	1,181	379	1,212	538												
		Percent	32	16	36	19	31	14	38	26	37	18												
	Age over 50 years	Persons	22	26	60	42	23	42	16	13	21	21												
		Percent	0.6	0.6	1.2	0.9	0.4	0.7	0.5	0.9	0.6	0.7												
Total number of employees turnover																								
ThaiBev Group																								
	Total Turnover	Persons	3,530	2,012	3,257	1,764	3,421	2,148	3,851	1,725	3,394	2,502												
	Under 30 years	Persons	1,621	1,128	1,514	1,010	1,540	1,363	1,707	931	1,558	1,696												
		Percent	46	56	46	57	45	63	44	54	46	68												
	Age 30-50 years	Persons	1,602	772	1,476	648	1,564	676	1,728	641	1,404	620												
		Percent	45	38	45	37	39	39	45	37	41	25												
	Age over 50 years	Persons	307	112	267	106	317	109	416	153	413	205												
		Percent	8.7	5.6	8.2	6.0	6.5	6.5	10.8	8.9	12.2	8.2												
	Total voluntary turnover	Persons	3,027	1,847	2,690	1,644	2,848	2,057	3,084	1,594	2,776	2,302												
GRI 404-1	Average hours of training per year per employee by gender, and by employee category																							
Total ThaiBev Group																								
	Total executive level	avr. training hour/head/yr.	N/A		28.59		41.21		33.55		51.41													
	Executive level 13-15 (by gender)	avr. training hour/head/yr.	N/A		61.74	9.50	40.45	43.02	31.80	38.25	46.42	63.39												
	Total middle management	avr. training hour/head/yr.	N/A		48.90		48.14		62.01		62.71													
	Middle management level 10-12 (by gender)	avr. training hour/head/yr.	N/A		94.04	23.92	47.69	48.90	65.99	55.79	60.12	66.87												
	Total department head/supervisor	avr. training hour/head/yr.	N/A		39.97		38.25		60.87		58.12													
	Total department head/supervisor (by gender)	avr. training hour/head/yr.	N/A		47.75	32.11	38.08	38.47	64.48	56.33	53.55	63.83												
	Total senior officers	avr. training hour/head/yr.	N/A		17.01		20.83		39.15		35.72													

Indicator	Material Aspects	Unit	2014		2015		2016		2017		2018			
			Male	Female										
	Senior officers level 4-7 (by gender)	avr. training hour/head/yr.	N/A		17.25	16.71	21.24	20.40	38.94	39.36	29.95	41.86		
	Total officers	avr. training hour/head/yr.	N/A		8.72		10.91		10.19		5.09			
	Officers level 1-3 (by gender)	avr. training hour/head/yr.	N/A		18.28	8.68	9.21	15.93	10.00	10.69	4.77	5.96		
GRI 404-3	Percentage of employees receiving regular performance and career development reviews, by gender, and by employee category													
	Total ThaiBev group													
	Total employees	Persons	29,723		29,870		30,653		31,325		31,549			
		Percent	100		100		100		100		100			
	Total employees level 15, Senior Executive	Persons	55		63		73		60		60			
		Percent	100		100		100		100		100			
	Total employees level 15, Senior Executive (by gender)	Persons	45	10	50	13	59	14	46	14	45	15		
		Percent	100	100	100	100	100	100	100	100	100	100		
	Total employees level 8-14	Persons	1,452		1,812		1,956		2,047		2,266			
		Percent	100		100		100		100		100			
	Total employees level 8-14 (by gender)	Persons	854	598	1,076	736	1,159	797	1,205	842	1,330	936		
		Percent	100	100	100	100	100	100	100	100	100	100		
	Total employees level 1-7	Persons	28,216		27,995		28,624		29,218		29,223			
		Percent	100		100		100		100		100			
	Total employees level 1-7 (by gender)	Persons	19,015	9,201	18,832	9,163	19,109	9,515	19,328	9,890	19,095	10,128		
		Percent	100	100	100	100	100	100	100	100	100	100		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs													
	Operations with local community development programs	Percent	14		81		100		100		100			
	Operations with local community engagement	Percent	90		100		100		100		100			
	Operations with impact assessments	Percent	50		81		100		100		100			

Note:

N/A: Not Applicable

- In 2014–2015, ThaiBev reported the Social Performance that covers the 12 month period from January to December.
- Starting from 2016, ThaiBev reported the Social Performance that covers 12 month period from October to September.
- The number of employees who left the company is evaluated from the employee level 1–15 in which there were various reasons such as contract, retirement, and death.
- In 2016, ThaiBev and Oishi changed their annual budget time to be from January 1 – September 30, 2016. Sermsuk Ltd still had their annual budget period from January 1 – December 31, 2016. Therefore, in GRI404-3 between January 1 – September 30, 2016 does not include the information of Sermsuk Ltd.
- Headquarters are Cyber World, TCC Surawong, Park Venture Building, Lao Peng Nguan Building 1, East Water Building, Sangsom Building at Phaholyothin, Sangsom Building at Vibhavadi and Thaipatara Complex
- In 2018, the average training hours for employees (Job Level 1–15) is 19 hours per person per year. The average training hours for employees (Job Level 1–15 and temporary staffs) is 15 hours per person per year.
- In 2014–2017, local community engagement, impact assessments, and development programs reported 1) Percentage of implemented areas/provinces 2) Percentage of areas surrounding factories 3) Percentage of sale target areas.
- In 2018, local community engagement, impact assessments, and development programs performance report refers “Operations” as ThaiBev’s operations across Thailand that have been assessed to have project(s) which may affect communities surrounding the factory (total 29 locations).

Occupational Health and Safety Summary Reporting Indicator

Year 2014 – 2018

Indicator Ref.	Name	Unit	2014	2015	2016	2017	2018
GRI INDICATORS							
GRI 403-1	Number of Health and Safety (H&S) Committee	%	3%	3%	4%	2%	2%
GRI 403-2	Fatalities						
	1. Employee						
	– Male	Person(s)	1	0	0	5	3
	– Female	Person(s)	1	0	0	1	2
	2. Contractors working on-site						
	– Male	Person(s)	0	0	0	0	0
	– Female	Person(s)	0	0	0	0	0
GRI 403-2	Injury Frequency Rate/ Injury Rate (IR)						
	1. Employee						
	– Male	Per 200,000 hrs.	1.30	1.43	1.42	0.82	0.64
	– Female	Per 200,000 hrs.	0.79	0.62	0.53	–	0.31
	2. Contractors working on-site						
	– Male	Per 200,000 hrs.	0.75	0.33	0.99	0.28	0.00
	– Female	Per 200,000 hrs.	0.68	0.00	0.36	0.60	0.00
GRI 403-2	Occupational Disease Rate (ODR)						
	1. Employee						
	– Male	Per 200,000 hrs.	0.01	0.00	0.00	0.02	0.00
	– Female	Per 200,000 hrs.	0.00	0.00	0.00	0.01	0.00
	2. Contractors working on-site						
	– Male	Per 200,000 hrs.	0.00	0.00	0.00	0.00	0.00
	– Female	Per 200,000 hrs.	0.00	0.00	0.00	0.00	0.00

Indicator Ref.	Name	Unit	2014	2015	2016	2017	2018
GRI 403-2	Lost day rate (LDR)						
	1. Employee						
	– Male	Per 200,000 hrs.	8.69	9.69	8.97	6.33	4.70
	– Female	Per 200,000 hrs.	7.44	1.58	4.28	4.24	1.53
	2. Contractors working on-site						
	– Male	Per 200,000 hrs.	1.16	0.28	0.90	1.14	0.49
	– Female	Per 200,000 hrs.	3.83	0.00	0.00	1.28	0.81
GRI 403-2	Absentee rate (AR)						
	1. Employee						
	– Male	%	1.95%	2.60%	2.48%	1.77%	2.11%
	– Female	%	2.32%	2.30%	2.22%	1.40%	2.56%
	2. Contractors working on-site						
	– Male	%	0.26%	0.46%	0.47%	0.43%	0.21%
	– Female	%	0.40%	0.48%	0.52%	0.66%	0.49%
DJSI INDICATORS							
DJSI 3.6.2	Lost Time Injury Frequency Rate (LTIFR) – Contractors working on-site	Per 1,000,000 hrs.	2.31	0.67	1.43	1.22	0.89
DJSI 3.6.3	Lost Time Injury Frequency Rate (LTIFR) – Employee	Per 1,000,000 hrs.	4.06	3.48	3.16	1.90	1.36
DJSI 3.6.4	Occupational Illness Frequency Rate (OIFR)– Employee	Per 1,000,000 hrs.	0.04	0.00	0.00	0.06	0.00
DJSI 3.6.5	Total Fatalities (Employee and Contractors)	Person(s)	2	0	0	6	5

Independent Assurance Statement



LRQA Assurance Statement

Relating to Thai Beverage Public Company Limited's Sustainability Report for the financial year 2018 (1 October 2017 – 30 September 2018)

This Assurance Statement has been prepared for Thai Beverage Public Company Limited in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Thai Beverage Public Company Limited (ThaiBev) to provide independent assurance on its Sustainability Report for the financial year 2018 ("the Report") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification approach. LRQA's verification approach is based on current best practice and uses the principles of AA1000AS (2008) - Inclusivity, Materiality, Responsiveness and Reliability of performance data and processes defined in ISAE3000.

Our assurance engagement covered ThaiBev's operations and activities in Thailand, including its subsidiary companies and specifically the following requirements:

- Looking at how ThaiBev has applied the GRI Sustainability Reporting Standards, 2016 to prepare this Report; especially whether they have followed the Universal standard for:
 - Stakeholder Inclusivness and Materiality reporting principles
 - GRI 102-18 Governance Structure.
 - Evaluating the reliability of data and information for the following topic specific standards:
 - Economic:
 - GRI 201-1 Direct economic value generated and distributed
 - Environmental :
 - GRI 302-1 Energy consumption within the organization
 - GRI 305-1 Direct (scope 1) GHG emissions
 - GRI 305-2 Energy indirect (scope 2) GHG emissions
 - GRI 303-1 Total water withdrawal by source
 - GRI 303-3 Water recycled and reused
 - GRI 306-1 Water discharge by quality and destination
 - GRI 306-2 Waste by type and disposal method
 - Social:
 - GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities*
 - GRI 404-1 Average hours of training per year per employee*
 - GRI 404-3 Percentage of employees receiving regular performance and career development reviews*
 - GRI 413-1 Operations with local community engagement, impact assessments, and development programs.
- Note : GRI 403-2, 404-1,3, cover 69 subsidiaries company

Our assurance engagement excluded the data and information of ThaiBev's operations and activities outside of Thailand.

LRQA's responsibility is only to ThaiBev. LRQA disclaims any liability or responsibility to others as explained in the end footnote. ThaiBev's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of ThaiBev.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that ThaiBev has not:

- Met the requirements above
- Disclosed reliable performance data and information for the selected topic specific standards
- Covered all the issues that are important to the stakeholders and readers of this Report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the Verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with LRQA's Report Verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Reviewing ThaiBev's approach to stakeholder engagement and determining material issues to confirm that this information had been used to prepare their Report. We did this by comparing reports written by ThaiBev's peers to establish whether the majority of sector issues were included in this Report.



- Checking whether ThaiBev had followed GRI's Universal Standard for disclosing their Governance Structure. We did this by confirming that the duty for sustainable development was part of ThaiBev's senior management's responsibility.
- Auditing ThaiBev's data management systems to confirm that there were no significant errors, omissions or misstatements in the Report. We did this by reviewing the effectiveness of data handling process, and systems. We also spoke with key people in various facilities responsible for compiling the data and information.
- Undertaking site visits to understand the data management systems, as well as sampling the data to confirm the reliability of the topic specific standards. Sites visited were:
 - Non-alcoholic beverage plant (Sermsuk, Pathum Thani)
 - Spirits plant (Sangsom Co., Ltd., Nakornphathom), and
 - Beer plant (Beer Thai (1991) Public Company Limited., Kamphangphet)

Note: LRQA did not verify the data back to its original sources, nor did it assess the accuracy and completeness of the data reported by individual locations.

Observations

Further observations and findings, made during the assurance engagement, are:

- Inclusivity:
We are not aware of any key stakeholder groups that have been excluded from ThaiBev's stakeholder engagement process. However, future engagements should embrace other stakeholders being affected by ThaiBev's operations e.g. temporary workers.
- Materiality:
ThaiBev has revalidated its material issues using its existing materiality assessment process. We have confirmed that these issues are then part of Management's sustainability strategy and vision 2020.
- Responsiveness:
ThaiBev has Group policies to address stakeholders' concerns. However, in order to achieve sustainability performance, we believe that both group and site level should further advance their implementation of these policies and strategies.
- Reliability:
ThaiBev's data management system remains unchanged. However, we would still encourage ThaiBev to adopt a QA/QC system, to internally verify its own data management systems, to improve data reliability and ensure consistent reporting methodologies across all its operations.

LRQA's competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LRQA for ThaiBev and as such does not compromise our independence or impartiality.

Signed

Dated: 26 November 2018

Nit Tanasuthisari
LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd.
Lloyd's Register International (Thailand) Limited
22th Floor, Sirinrat Building, 3388/76 Rama IV Road
Klongton, Klongtoey, Bangkok 10110 THAILAND

LRQA Reference: BGK00000251

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Glossary

Terms	Definitions
Global megatrends	Global trends that will lead to long-term changes of over 5 years.
Sustainability	An approach to corporate management that focuses on the efficient use of limited available resources to deliver highest benefits for all.
Materiality	Issues and indicators which pose significant risks and opportunities for the business in terms of economic, social, and environmental impacts, and contribute substantially to decision-making and stakeholder perceptions.
Direct GHG emissions, scope 1	Direct GHG emissions are derived from sources (physical units or processes that release GHG into the atmosphere) that are owned or controlled by the organization.
Indirect GHG emissions, scope 2	Indirect GHG emissions result from the generation of electricity, heating, cooling, and steam purchased from other parties for internal consumption.
GMO (Genetically Modified Organism)	GMOs refer to living organisms including plants, animals, bacteria, or microbes that are modified through genetic engineering. The genes from the DNA of an organism are extracted and artificially used to modify another unrelated organism (where this interaction would not have occurred naturally), to create desired qualities or characteristics.
Global Water Tool (GWT)	A tool for identifying corporate water risks and opportunities developed by the World Business Council on Sustainable Development (WBCSD).
Water Resources Review (WRR)	A tool for reviewing internal water resources risks developed by ThaiBev.
Water footprint	A process that assesses water use and contamination (or deterioration of water quality) across an entire lifecycle of a product, from raw material sourcing, manufacturing, distribution, consumption, to waste management.
3Rs (reduce, reuse, and recycle)	Reduce refers to the reduction in use or unnecessary consumption of resources in order to limit waste generation. Reuse refers to the act of using a resource more than once, and as efficiently as possible. Recycle refers to the process of collecting and processing materials that would otherwise be thrown away as trash and turning them into new products.
Circular economy	An economic system which is designed to maximize the value of waste as a resource to eliminate waste generation, where waste from one industry can serve as raw materials for another.
Innovation	The process of inventing new ideas, methods, or products, or significantly improving products or processes to ensure it is up-to-date, and delivers higher levels of effectiveness and efficiency than previously.
Mechanization	The process of changing from working largely or exclusively by hand to doing that work with machinery.
System of rice intensification	A method of rice cultivation that focuses on increasing rice productivity, which is able to reduce the amount of seedlings and water used by more than half compared to traditional rice cultivation, and delivers higher or equivalent yields.
Modern trade	A form of trade that efficiently and systematically distributes products and services through means such as: 1. Store management and design; 2. Product and Service Management; 3. Product and service control systems; and 4. Human Resources, Financial, and Marketing Management.

Terms	Definitions
NCDs (Non-communicable diseases)	A group of diseases that cannot be transmitted between individuals. These are commonly referred to as chronic (long-term) diseases which spread over a long period of time, as opposed to communicable diseases which spread much faster.
GHGs (Greenhouse Gases)	Any gas that absorbs infrared radiation in the atmosphere. GHG includes, Carbon dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur hexafluoride (SF ₆), Ozone (O ₃), and chlorofluorocarbons (CFCs).
Carbon footprint label	A label that indicates the quantity of GHG emissions released per product or service, which can provide useful information for consumers in their decision-making and product selection. The carbon footprint is expressed as the carbon dioxide equivalent per product (CO ₂ e).
Distillery slop (Vинasse)	A by-product of the alcohol distillation process, in the form of liquid.
Unit	
Watt	A unit of power that indicates the power in electric equipment or appliances.
Joule	A unit of work or energy, where one joule equals the work done by a force of one newton when its point of application moves one meter in the direction of the action of the force.
Hectoliter	A metric unit of capacity, equal to 100 liters.
Carbon dioxide equivalent (CO ₂ e)	A unit of measurement that indicates the global warming potential of a particular greenhouse gas emission, as equal to a certain amount of carbon dioxide (CO ₂).
Standard	
ISO 14001	Environmental Management Systems
ISO 14046	Water Footprint
ISO 50001	Energy Management Systems
ISO 22000	Food Safety Management Systems
NSF (National Sanitation Foundation)	An independent health and safety organization which certifies the quality of beverages according to U.S. FDA (The United States Food and Drug Administration) Standards.
GMP/ HACCP (Good Manufacturing Practice & Hazard Analysis and Critical Control Point)	Systems that ensure food safety and sanitation for consumers.
FSSC 22000 (Food Safety System Certification 22000)	A food safety certification scheme based on the existing internationally recognized standard ISO 22000 and complemented by technical standards ISO/TS 22002-1, ISO/TS 22002-4 or PAS222 covering the prerequisites.
DJSI (Dow Jones Sustainability Indices)	A family of indices that evaluates the sustainability performance of the largest listed companies globally.
GRI (Global Reporting Initiatives)	Internationally-accepted guidelines for reporting a company's economic, social, and environmental performance.
SASB (Sustainability Accounting Standards Board)	Sustainability accounting standards that were developed to help corporations disclose material and useful information to investors, available for 79 industry types in 10 industry sectors.

GRI Standards Content Index

Universal Standards

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GRI 102-5	Ownership and legal form	12-13, Please refer to ThaiBev Annual Report
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GRI 102-10	Significant changes to the organization and its supply chain	10-19
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GRI 102-28	Evaluating the highest governance body's performance	Please refer to Thaibev's Corporate Governance Report: http://www.thaibev.com/en08/aboutus.aspx?sublv1gID=139
GRI 102-30	Effectiveness of risk management processes	Please refer to Thaibev's Corporate Governance Report: http://www.thaibev.com/en08/aboutus.aspx?sublv1gID=139
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ThaiBev Sustainability Report 2018 Feedback Form

Thank you for your interest in ThaiBev's Sustainability Report 2018. Your feedback is important to us as it helps us to improve our overall sustainability performance and future reporting.

*** Mandatory fields**

Please complete the feedback form and send us your views. Email your comments to: sustainability@thaibev.com
Alternatively, mail your comments to:

Center of Excellence

14 Sangsom 1 Building
Vibhavadi Rangsit Road
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 2018 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.



Note

Note

N 13° 48' E 100° 33'



Thai Beverage Public Company Limited

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