

# SUSTAINABLE DEVELOPMENT REPORT 2014



Thai Airways International Public Company Limited





 THAI





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## MESSAGE FROM THE PRESIDENT

The performance of Thai Airways International Public Company Limited (THAI) has continued to be heavily affected by various circumstances and events during the past year, including the economic slowdown, intense competition, climate change, spread of disease, especially the Ebola virus, as well as political and social instability. THAI was therefore unable to reach its performance target. In response to this situation, every unit within THAI worked together to develop possible solutions. Different measures and strategies were introduced to tackle the problems.

The THAI Strategy and Transformation Committee was established comprising Board members and external specialists who are highly experienced in the transformation of large organizations. The Committee and THAI Management joined together to create THAI's Transformation Plan to accommodate the business structure and necessary changes as a result of the crisis situation. All of these changes are to ensure that THAI, the national flag carrier, will soon reposition itself as the pride of the nation.

Despite all the changes and crises, THAI fully recognizes the importance of corporate social responsibility which is incorporated into every process of the business operations as part of the corporate performance indicator driving THAI towards sustainable business development that is accepted at international level.

On behalf of the THAI Management I am pleased to see that THAI has produced this Sustainable Development Report this year, which provides detailed information on our social responsibility to our stakeholders. This is the first year that this report is published within the framework of GRI Standard G4 which has been developed from G3.1. I would like to thank all our stakeholders who have supported and contributed to the growth and expansion of THAI's Corporate Social Responsibility.

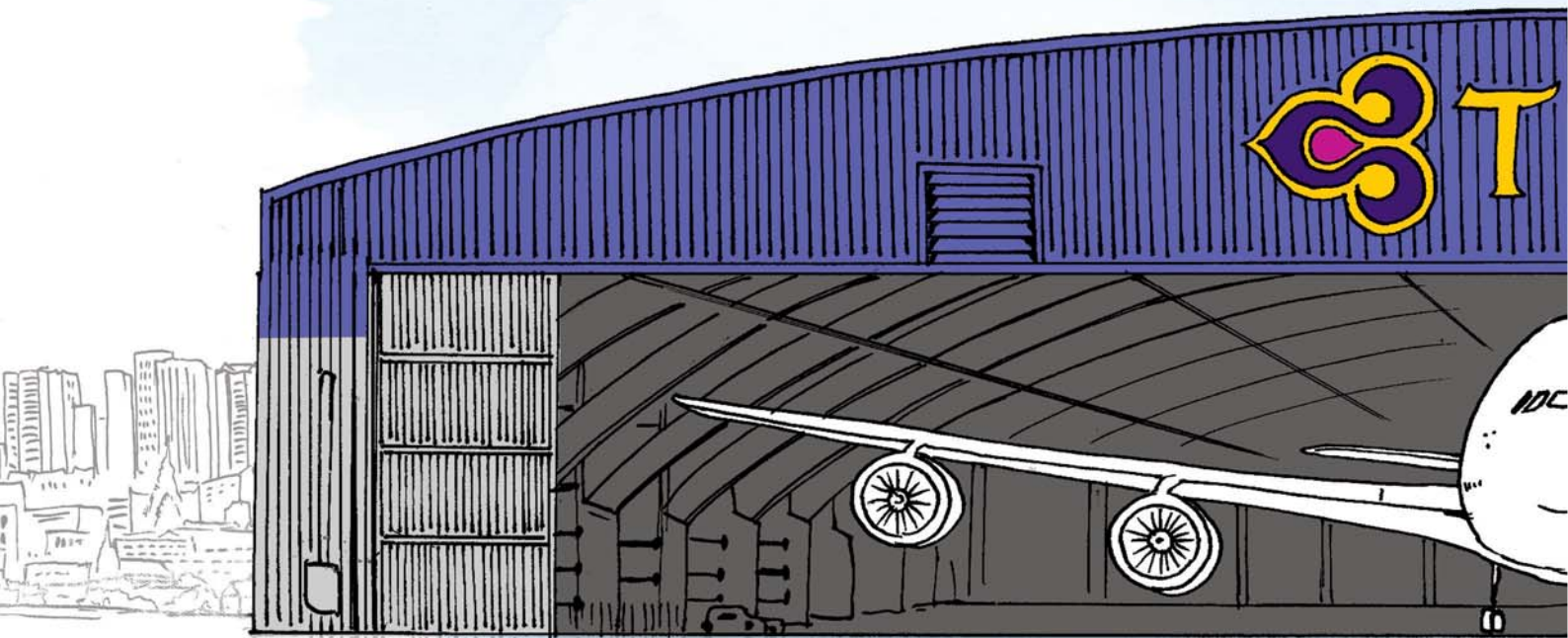
**Charamporn Jotikasthira**  
President



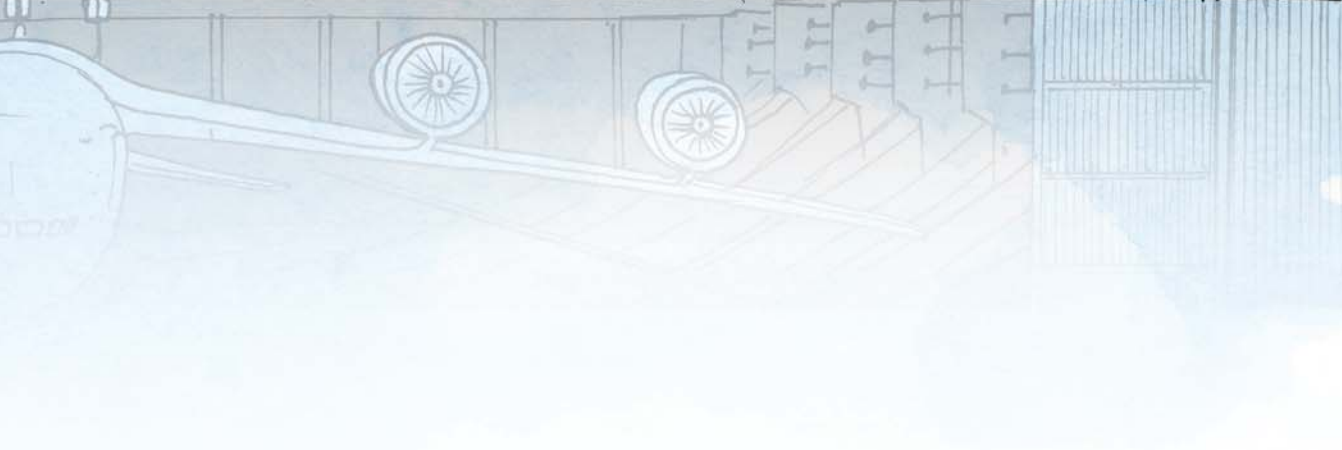
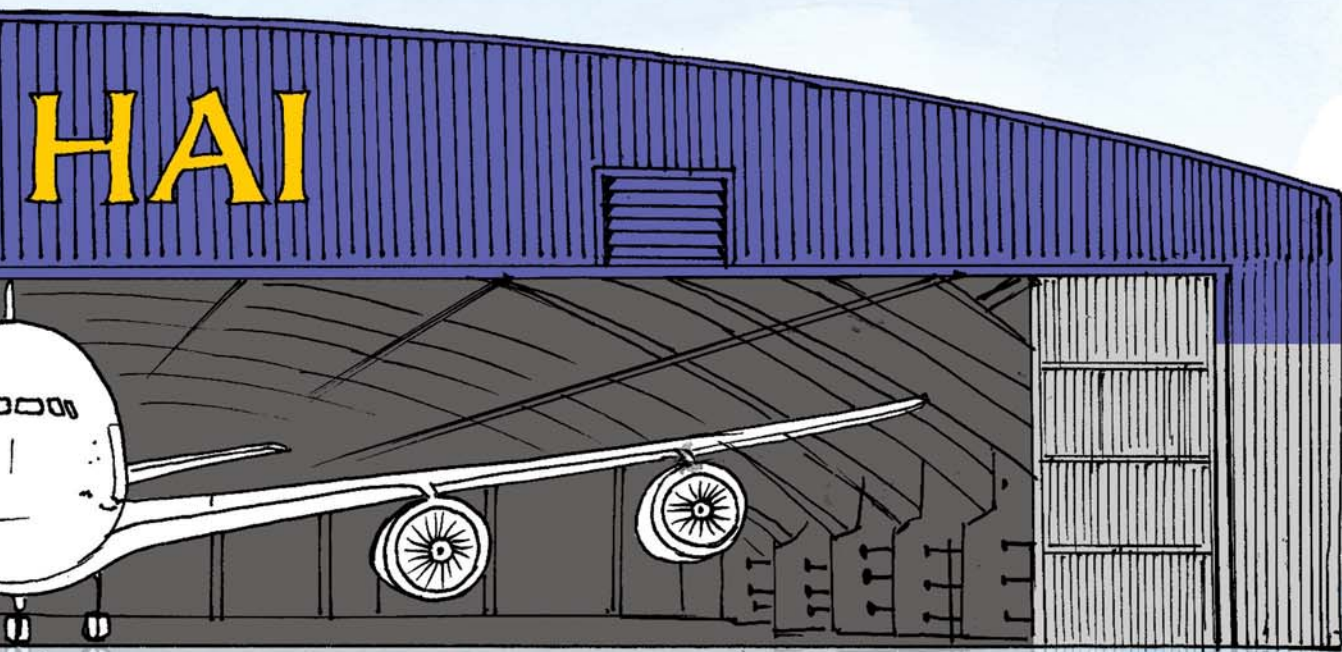


# THAI OPEN HOUSE

To assist, promote and demonstrate responsibility for society and the environment as the national flag carrier









# OPERATIONS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

Thai Airways International Public Company Limited (THAI) is the national carrier of the Kingdom of Thailand and a state enterprise under the administration of the Ministry of Transport. THAI has been a registered company in the Stock Exchange of Thailand (SET) since 1991 with the Ministry of Finance the largest shareholder, holding over 50 per cent. THAI operates both domestic and international commercial air services, offering comprehensive air transportation services comprising core business, business units and other businesses, with the home base at Suvarnabhumi International Airport as the transportation hub.

THAI's air transportation operations comprise passenger, cargo and mail transportation, while the Business units which are directly related to the air transportation are Warehouse Services, Ground Customer Services, Ground Equipment Services and Catering Services. Other businesses that support air transportation are Technical Services, Dispatch Support Services, sales on board, souvenir shop and operations of THAI's subsidiaries.

THAI is a member of Star Alliance, the largest and strongest alliance in the airline industry today, providing fast and convenient air travel while responding to customers' needs for seamless travel with high quality products and services. Star Alliance members work in close cooperation for the benefit of member carriers. Currently, there are 28 airline members in the Star Alliance with flights radiating to 1,329 airports in 194 countries, and over 1,000 Star Alliance airport lounges worldwide to serve and accommodate passengers flying with any Star carriers.





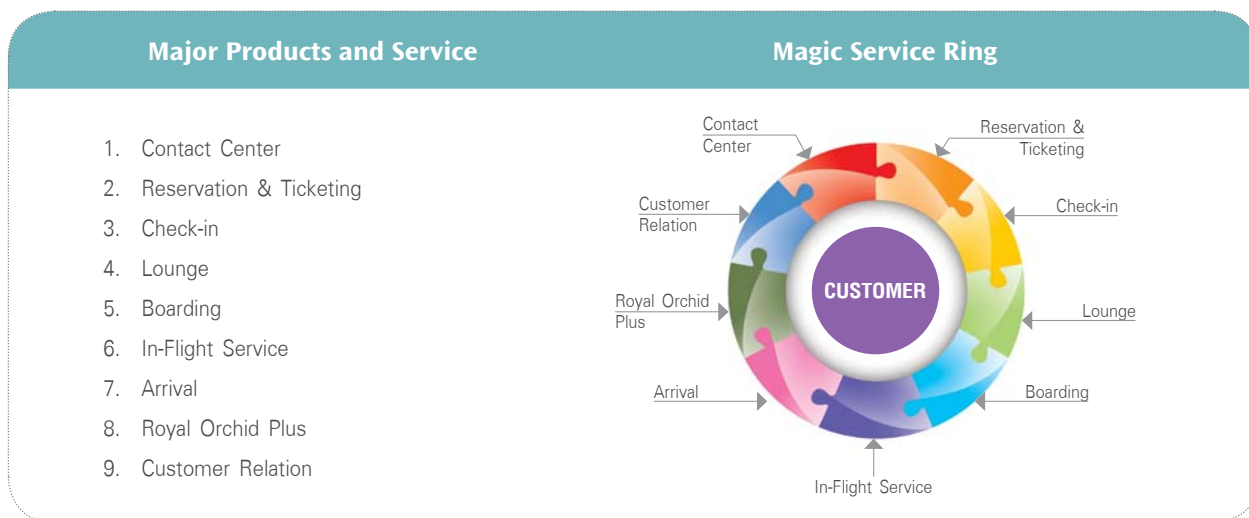


Besides the core business of offering air transportation, THAI also offers other related businesses in support of the air transport operations in the form of business units and joint ventures comprising:

- Passengers service, products service, preflight and post flight preparation
- In-flight meals and beverages service
- Aircraft maintenance service
- Flight administrator service
- Duty-free products and souvenir merchandise
- Travel and traveling support service (Joint venture)
- Flight service attendants training service (Joint venture)
- Workforce provider service (Joint venture)
- Aircraft fuel service (Joint venture)
- Seat booking and reservation service (Joint venture)



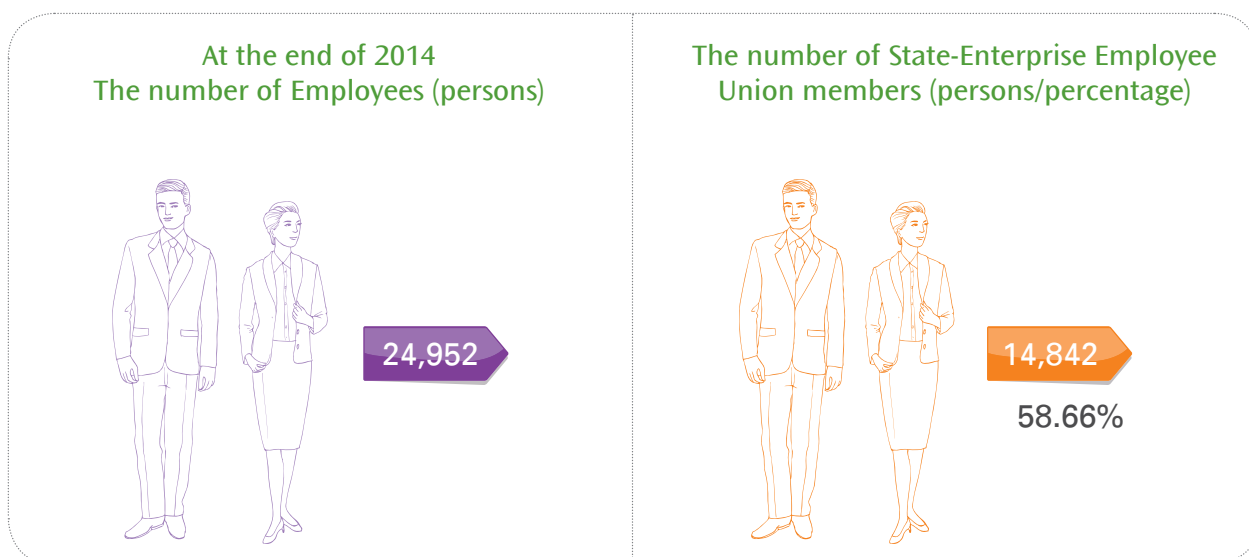
Some 95 percent of the revenue is generated from air transportation and cargo while the remaining 5 per cent is from other supporting services. THAI's major products and services in passenger transport have been carefully designed to support every process of both passenger and customer services at nine major customer touch points as follows:



THAI offers fast, convenient and on-time services according to its flight schedule for passengers, pre-flight, in-flight and post-flight, with maximum safety, on the network of both THAI and Star Alliance carriers. THAI also offers seamless services on code-share flights on other carriers through all these nine touch points.

As of 31 December 2014, THAI had a registered capital of Baht 26,989,009,500, with paid up capital of Baht 21,827,719,170. THAI's largest shareholder is the Thai Government through the Ministry of Finance in the proportion of 53.16 per cent with the remaining shares of 46.84 per cent held by institutions and private investors both in Thailand and overseas.

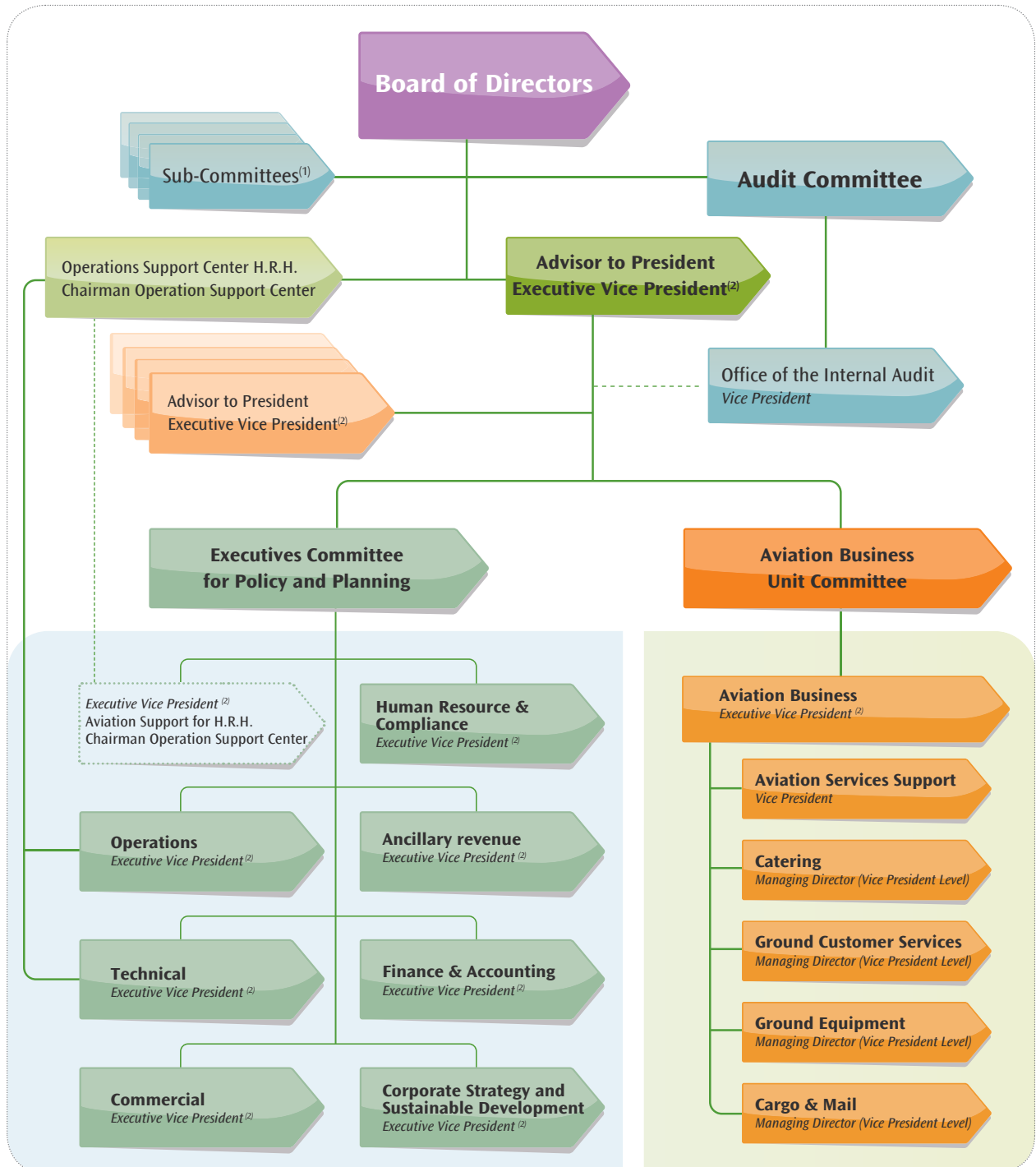
Thai Airways International Public Company Limited's Head Office is located at 89 Vibhavadi Rangsit Road, Jompol, Jatujak, Bangkok 10900, Thailand  
 Tel: 66 (0) 2545-1000, 66 (0) 2695-1000 and THAI Contact Center at Tel: 66 (0) 2356-1111, website [www.thaiairways.com](http://www.thaiairways.com)





# ADMINISTRATIVE STRUCTURE

As of 31 December 2014, THAI's Administrative structure consists of the Company's Board of Directors, sub-committees and administrative officials as shown in the following diagram:



**Remarks\***

(1) Sub-committees consist of a Good Corporate Governance Committee, an Executive Board, a Risk Management committee, a Nomination and Remuneration Committee, a Presidential Nomination Committee, a Corporate Public Relation and Corporate Social Responsibility Committee, a Legal Committee, a Relationship Management Committee, a Commission on Strategy and Reformation of Thai Airways International Public Company Limited, and a Presidential Remuneration Committee

(2) Management in accordance with the Notification of the Securities and Exchange Commission



## Vision

To become the First Choice Carrier with Touches of Thai

- THAI is determined to be the First Choice carrier for its customers by maximizing customer satisfaction, providing products and services beyond customer expectations. THAI also aims to build a sustainable relationship with its customers by providing seamless travel with touches of the unique Thai identity and consistency of service excellence at every customer contact point

## Mission

THAI's key missions comprise missions for its customers, shareholders, employees and society, as follows:

- To provide high quality domestic and international air transportation services that are safe and convenient while promoting the unique Thai identity. This is to ensure high quality and reliable products that will help create a good impression and build the relationship between THAI and its customers
- To operate in compliance with international standards to ensure sustainable development and high investment returns for THAI investors
- To build a strong and knowledge-based organization, recognizing the importance of customers, strengthening employee responsibility, skills and expertise as well as promoting employee loyalty
- To assist in the promotion of social and environmental aspects while demonstrating responsibility as the national carrier

## Corporate Culture

THAI's Corporate Culture embraces the idea of "THAI Spirit" with the word "THAI" representing concepts based on each letter, as follows:

<b>T</b> Trust	THAI employees are committed to developing and maintaining high quality service standards to create trust and confidence among customers.
<b>H</b> Hospitality	Employees fully recognize the importance of delivering warm and impressive service with care and an attentive attitude at every customer contact point throughout the journey, with a touch of the unique Thai identity.
<b>A</b> Accountability	Employees are accountable for their work to maximize customer satisfaction and confidence while striving to achieve the Company's goals and objectives.
<b>I</b> Integrity	Building good working culture by promoting three key elements for Good Corporate Governance, which are honesty, morals and ethics.

THAI is determined to create and develop a good corporate culture which has been inspired and passed down from generation to generation. This is to prepare a strong foundation for THAI's corporate values and corporate culture in the area of corporate social responsibility and to create unity and strength from within, which is an important element to ensure sustainable growth and development.





## Scope of Corporate Social Responsibility

THAI has clearly established the scope of the Company's CSR in four key areas, as follows:

- To establish clear CSR policy and guidelines to demonstrate the Company's commitment and dedication to ensuring appropriate environmental management combined with green innovation.
- To organize social contribution and conservation activities in line with the Travel Green concept.
- To organize activities to create greater awareness of social and environmental responsibility for every level of employee.
- To organize THAI's own communication and public relations activities for social and environmental awareness as well as publication of a CSR report.

## The Company's Policy

<p><b>Aviation Safety Policy</b></p>	<p>Safety is always at the heart of all THAI's operations. The standard of safety and all safety-related activities must be in compliance with international safety regulations and requirements. This also includes regular checks of the safety systems for both management and staff responsible and involved in the aviation safety-related activities.</p>
<p><b>Policy for Quality Products and Services</b></p>	<p>THAI places special emphasis on offering high quality products and services that maximize customer satisfaction and are in accordance with international standard requirements.</p>
<p><b>Policy on Occupational Safety and Health in the Workplace</b></p>	<p>THAI has continued to offer care and protection for its employees, who are its most valuable asset and resource, ensuring that they work in a safe and healthy environment in line with international requirements on Occupational Safety and Health in the Workplace.</p>
<p><b>Environmental Policy</b></p>	<p>THAI's operations are in compliance with the Environmental Management System (EMS) ISO14001 and Aviation Environment Standards adopted for practice by commercial airline businesses to reduce pollution and environmental impact from operations.</p>
<p><b>Policy against Unfair Discrimination</b></p>	<p>Employee recruitment, employment, termination of employment, employee development, promotions, job transfers and assignments must be conducted fairly without discrimination against any individual because of nationality, race, religion, age, sex, education or other reasons. There will be no unfair preference to provide services or undertake business transactions with any individual or entity from any specific country or nationality.</p>



**THAI'S**  
**“CORPORATE SOCIAL RESPONSIBILITY”**  
IN COMPLIANCE WITH THE GUIDELINES OF THE STOCK  
EXCHANGE OF THAILAND (SET)



### Fair Business Practice

THAI has continued to place special emphasis on fair and impartial business practices. Following the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), THAI's Internal Audit Control Department has adopted and applied the internal audit system with which the management and staff at every level are required to comply, as well as published Corporate Governance and Work Ethics which all employees must strictly follow.



### Fraud and Corruption Prevention

THAI's Corporate Governance is determined in parallel with plans to prevent fraud and corruption, while related training courses are organized for all levels of employees. All related regulations are exercised in full force while employees are educated in order to separate those actions which are unintentional from intentional ones. Employees have been sent on training courses with other fraud prevention organizations. A Compliance Information Center was established to raise employees' awareness of the importance of rules and regulations to create greater operational transparency.



### Fair Labor Treatment

THAI takes exceptional care of employees' welfare, ensuring that they are entitled to fair benefits and privileges as well as working in a safe, healthy and hygienic environment. Employees receive proper training to enhance their skills and experience. They also have rights to attend or carry out religious practices of their beliefs, for example Buddhist ordination and retreats, and Haj pilgrimage, during which time they will receive full salary.



### Respect for Human Rights

THAI fully recognizes the importance of respect for human rights on the basis of equality without any prejudice especially in the operations related to employee recruitment, employment, termination of employment, employee development, promotion, job transfer and assignment, all of which must be conducted fairly without discrimination against any individual because of nationality, race, religion, age, sex, education or other reasons. There will be no unfair preference to provide services or undertake business transactions with any individual or entity from any specific country or nationality.







### Responsibility for consumers

THAI recognizes the importance of service quality and maintaining the highest standards of safety especially in flight operations. In response to this, THAI has made every effort to ensure that personnel whose work relates to safety receive regular training to enhance their experience and readiness in their work, especially those responsible for safety of passengers in the cabin area. To further enhance passenger convenience, the Amadeus Altea reservation system has been implemented, replacing the Royal system. Safety related measures were introduced to safeguard passengers and customers during the Ebola virus outbreak.



### Environmental Conservation

THAI fully recognizes the importance of environmental issues and has taken an active role in alleviating environmental impact by aiming to become an environmentally friendly airline corresponding to its Travel Green concept, placing special emphasis on various operations including reduction of Green House Gases, aircraft fuel management, development of biojet fuel, improvement of waste water treatment, the use of chemicals, conservation of electrical energy, recycling and reuse of materials. THAI also supports marine conservation activities by announcing the cancellation of shark fin dishes on all of its flights.



### Community and Social Development

THAI has continued to organize community and social development activities on a regular basis while promoting employee participation through various voluntary projects, such as offering our ticket sponsorship to other organizations, construction of school buildings and donation of school stationery and educational materials, and scholarships for schools in remote areas, organizing special flights for other organizations and cash donations to the under privileged and disaster victims.



### Advanced Innovation

THAI has continued to introduce new innovations to enhance effectiveness of business operations and passenger service, such as Thai Wi-Fi service or wireless internet service on board in order to maximize customer satisfaction. THAI passengers are able to connect notebooks, computer tablets or smart phones to the internet on board via applications such as VPN, email, instant messenger and web browser. THAI also participated in the AIRBUS 1<sup>st</sup> Aviation Industry Environmental Innovation Competition. Under TG Travel Green Innovation concept, THAI invited students from educational establishments nationwide to join the competition to present their ideas on Green Aviation Innovation.



# GOOD CORPORATE GOVERNANCE

THAI has placed strong emphasis on operating business in compliance with Good Corporate Governance principles. The Board of Directors strictly adheres to the guidelines that have been improved and developed according to the standard of SET and IOD. This is to support and promote Good Corporate Governance Culture within the company while ensuring sustainable growth of the organization that is acceptable to the shareholders.

The Board of Directors has also appointed the Social Contribution Committee to supervise and administer THAI's CSR activities with a representative from the Board of Directors appointed as Chairman of the Committee with the responsibility of ensuring that THAI's CSR activities are carried out in line with the company's CSR policy.



## Internal Audit and operational evaluation process

THAI places special emphasis on internal audit and regular monitoring and evaluation of business operations in order to create greater confidence in the system, enabling THAI to operate with efficiency and in line with acceptable risk levels. THAI has completed the five components of internal audit control in accordance with Committee of Sponsoring Organization of the Tread way Commission (COSO) standards, namely:

<p><b>01</b> <b>Organization and surrounding environment</b></p>	<p>THAI uses key performance indicators to evaluate performance of its executives in order to ensure that the organization is managed with maximum efficiency. THAI's Corporate Culture of "THAI Spirit" is promoted. Regular training programs are organized to develop skills, capability and knowhow as well as good working morale and ethics.</p>
<p><b>02</b> <b>Risk Management</b></p>	<p>THAI has established clear objectives, vision and mission in its strategic plan and operational strategy. Indicators and target values are well defined as well as results of the evaluation and risk analysis where Key Risk Indicators (KRI) are implemented.</p>
<p><b>03</b> <b>Management Operations Control</b></p>	<p>THAI has clear policy stated in the operations manual and regulations for important activities which all employees must follow under the administration of their respective superiors and in accordance with the international standards set by IATA, ICAO and ISO.</p>
<p><b>04</b> <b>Informational Technology and Communication</b></p>	<p>THAI provides sufficient IT systems and communication channels for daily operations and management. Recommendations, suggestions and complaints are welcomed for further improvement and greater management efficiency.</p>
<p><b>05</b> <b>Evaluation Process</b></p>	<p>Operational evaluation is applied at every level of managerial staff. Meetings are organized among the management of each function to follow up on performance in accordance with the KPI. An Operational report must be prepared on an annual basis for future improvements.</p>

The Board of Directors assigned the Internal Audit Committee to supervise and manage the internal control and evaluation system. The Internal Audit office reports directly to the Board and is able to operate independently, fairly and transparently. This helps create confidence in the effectiveness of its operations in areas of budget and investment. Other units within THAI must operate in line with the company's policy, regulations and related legal requirements as well as ensure continual development and regular monitoring of investments in THAI's subsidiaries and joint ventures.





## International Standards Implemented at THAI

International Standard	Department or Business Unit	Valid to
<p><b>IOSA</b></p> <p>IATA Operation Safety Audit programme is an internationally recognised and accepted evaluation system designed to assess the operational management and control systems of an airline.</p>	Throughout the company	26 May 2016
<p><b>ISO 9001:2008</b></p> <p>Quality Management System</p>	<p>General Administration Department</p> <p>Personnel Development and Training Department</p> <p>Technical Department</p> <p>Cargo and Mail Commercial Department</p> <p>Ground Services and Equipment Department (at Suvarnabhumi, Chiang Mai, Phuket, and Krabi Airports)</p> <p>Ground Customer Services Department (at Suvarnabhumi, Chiang Mai, Phuket, and Krabi Airports)</p> <p>Catering Department</p>	<p>6 October 2015</p> <p>1 May 2015</p> <p>27 May 2016</p> <p>30 June 2017</p> <p>15 December 2017</p> <p>15 December 2017</p> <p>8 March 2017</p>
<p><b>ISO 14001:2004</b></p> <p>Environmental Management</p>	<p>General Administration Head Office, Laksi and Larn Luang offices, Operations Center at Suvarnabhumi Airport, Ground Customer Services at Suvarnabhumi Airport (23 April 2016)</p> <p>Technical Department</p> <p>Catering Department</p>	<p>23 April 2016</p> <p>9 June 2016</p> <p>1 September 2015</p>
<p><b>ISO 50001:2011</b></p> <p>Energy Management System</p>	General Administration (Head Office, Laksi and Larn Luang offices, Operations Center at Suvarnabhumi Airport, Ground Customer Services at Suvarnabhumi Airport)	20 June 2016
<p><b>OHSAS 18001:2007</b></p> <p>Health Safety and Hygiene Management System</p>	Catering Department	3 August 2017



International Standard	Department or Business Unit	Valid to
<b>HALAL</b> The Halal Standard	Catering Department	31 December 2014 (in the process of re-certification)
<b>HACCP</b> Hazard Analysis and Critical Control Point for control of meal production	Catering Department	8 March 2017
<b>GMP</b> Good Manufacturing Practice The management of good environment at Operations Building	Catering Department	8 March 2017
<b>FAR 145</b> FAR 145 Federal Aviation Regulations 145 FAA Repair Station Federal Aviation Administration of USA	Technical Department (Don Mueang, Suvarnabhumi Airports) (U-Tapao Airport)	31 October 2015 31 October 2015
<b>RSC 13</b> Thai DCA Repair Station 145 (Department of Civil Aviation, Thailand) DCA Thailand Maintenance unit	Technical Department (Don Mueang Airport) (Suvarnabhumi Airport) (U-Tapao Airport)	31 October 2017 25 September 2015 30 October 2015
<b>EASAPart-145</b> European Aviation Safety Agency-Approved Maintenance Organization of EU	Technical Department	23 June 2016



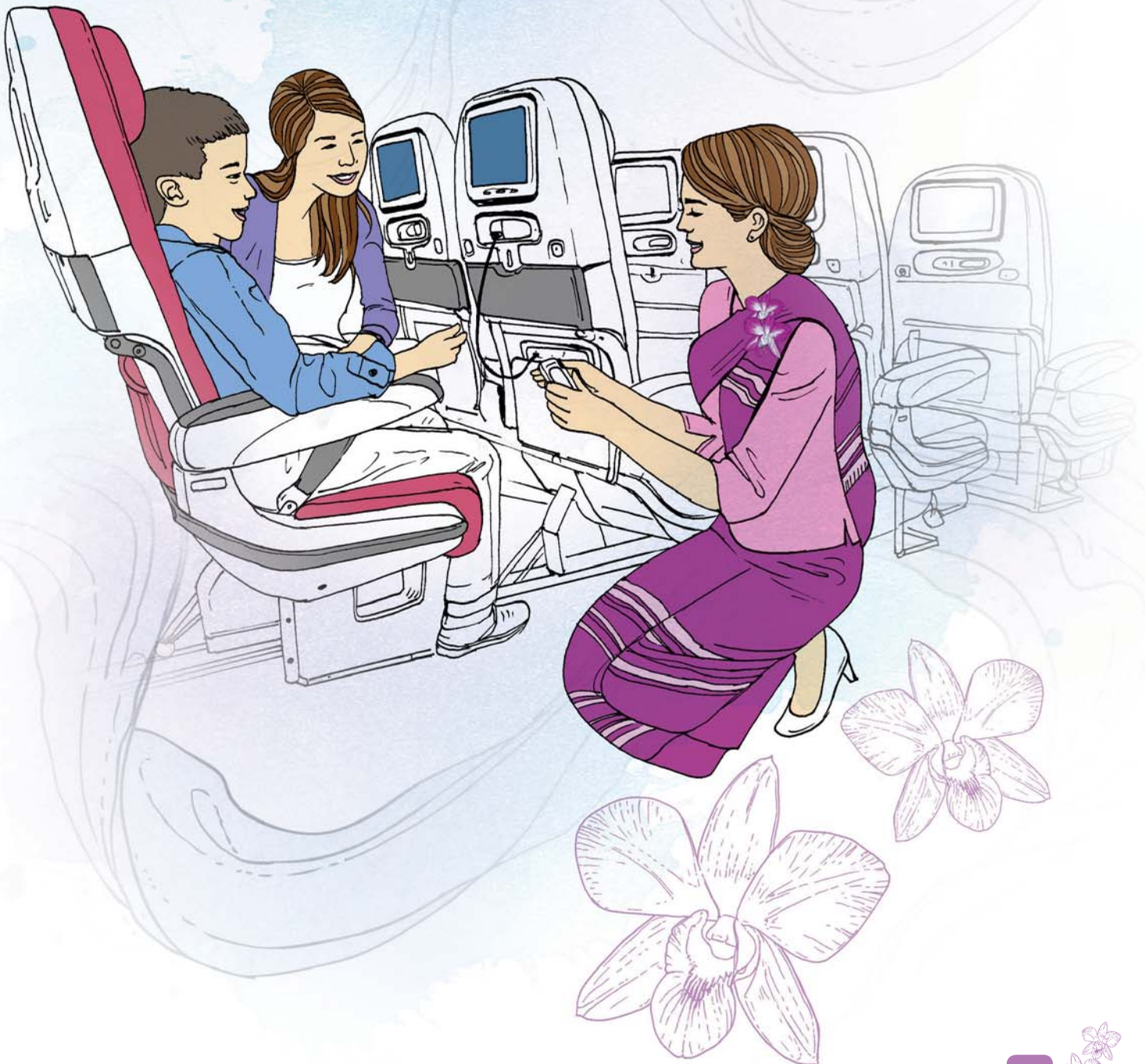


## EXPECTATIONS AND OPERATIONS FOR STAKEHOLDERS

Focus on creating recognition among stakeholders on the basis of equality and fairness, placing special emphasis on development and improvement of the organization to ensure mutual and sustainable development









# EXPECTATIONS AND OPERATIONS FOR STAKEHOLDERS

THAI is fully aware of the expectations of stakeholders in every sector, both within and outside the company, related to THAI's operations. THAI focuses on creating confidence among stakeholders and has clearly identified and prioritized their importance on the basis of equality and fairness, placing special emphasis on development and improvement of the organization in line with the needs and views of stakeholders, to ensure sustainable growth in the future.

Stakeholder	Participatory Communication Process	Needs and Expectations	Response
<b>Customer</b>	<ul style="list-style-type: none"> <li>Customer Board</li> <li>Customer Airline Satisfaction Survey (CASS)</li> <li>Feedback complaints, commendations and suggestions</li> <li>Customer visits</li> </ul>	<ul style="list-style-type: none"> <li>Received high quality service in addition to travel safety, comfort and convenience, as well as effective and productive responses to create confidence and satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Positive attitude</li> <li>Recognizing the importance of customers and service provision</li> <li>Building good customer relations on a regular basis.</li> </ul>
<b>Partners, creditors and debtors</b>	<ul style="list-style-type: none"> <li>joint meeting</li> <li>e-mail</li> <li>members' IT system</li> </ul>	<ul style="list-style-type: none"> <li>Received equal and fair treatment on the basis of business relations</li> <li>Received fair and mutual benefits while trying to avoid situations that might cause conflict of interest</li> </ul>	<ul style="list-style-type: none"> <li>Avoid accepting cash, items or any other benefits from business partners</li> <li>Avoid requesting, taking, paying or proposing payment or benefits in business transactions</li> <li>Solve problems immediately and systematically in case of fraud</li> <li>Maintain and completely follow conditions of business contracts with creditors and debtors</li> </ul>
<b>Nation</b>	<ul style="list-style-type: none"> <li>Meeting with government organizations</li> <li>Acceptance of government policy</li> <li>Minutes of meetings of the related Ministries</li> </ul>	<ul style="list-style-type: none"> <li>Maintain operational transparency</li> <li>Will not undertake any actions that will cause negative image of the nation</li> </ul>	<ul style="list-style-type: none"> <li>Take overall benefit into consideration and will not embark on any actions that will cause negative image of the nation.</li> <li>Will not assist in any illegal undertaking Will not assist in any illegal undertaking</li> </ul>



Stakeholder	Participatory Communication Process	Needs and Expectations	Response
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Conference Call</li> <li>• Company Visit (once every quarter)</li> <li>• Road show (every quarter)</li> <li>• Annual General Shareholders Meeting (once a year)</li> </ul>	<ul style="list-style-type: none"> <li>• Receive good returns consistently and equal treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out duties with loyalty, honestly and fairness</li> <li>• Manage the organization effectively for future development and stability</li> <li>• Carry out duties to the best of the ability with prudence and expertise</li> <li>• Prevent any damage or loss of company's properties</li> <li>• Disclose information completely sufficiently, regularly and promptly</li> </ul>
<b>Subordinates / Employees</b>	<ul style="list-style-type: none"> <li>• Intranet system (THAI Sphere) web board/e-mail</li> <li>• Line Group – TG Internal Network</li> <li>• Group meeting (once every quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Select personnel who are of high standard, clear and transparent</li> <li>• Continual personnel development for future career advancement opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Respect for each other and respect for individual privacy, courteous both verbally and physically</li> <li>• Become a role model with good morals without any prejudice</li> </ul>
<b>Social and community</b>	<ul style="list-style-type: none"> <li>• Letters</li> <li>• E-mail</li> <li>• Phone</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness of natural resources, the environment and common benefits by creating sense of responsibility for society and the public at large including promotion and support of social and community contribution.</li> </ul>	<ul style="list-style-type: none"> <li>• Support social development activities</li> <li>• Promote sense of social responsibility at every level</li> <li>• Politically impartial</li> </ul>

THAI operates in accordance with the Government Information Act 2540 by establishing a Public Information Center to provide information to the public, private and government organizations and stakeholders for better understanding of the Company's operations. The public is able to access the information on the basis of transparency and traceability in accordance with the "disclose is a general principle, covering up is an exception" principle

The Public Information Center collects and manages information systematically. Information can be searched effectively and according to standards in order to publicize beneficial information such as Resolutions of meetings, company structure and development, and aircraft fleet. The information can be accessed via website [www.thaiairways.com/info](http://www.thaiairways.com/info) under the heading "Public Information Center" or via e-mail [public.info@thaiairways.com](mailto:public.info@thaiairways.com)







# ABOUT THIS REPORT

The first report refers to the reporting concept of the Global Reporting Initiatives Issue G4, disclosing information at Core Level







# ABOUT THIS REPORT

The 2014 Sustainable Development Report (SD Report) of Thai Airways International Public Company Limited (for fiscal year 01 January – 31 December 2014) is the fourth published issue, and it is the first to be conducted based on the Global Reporting Initiatives G4 Framework, disclosing information in accordance with ‘Core’ criteria, with additional information from the 2013 SD Report. This includes compliance (environment), labor/management relations, diversity and equal opportunity, Anti-corruption, customer privacy and compliance (product responsibility). The report aims to provide information on the overall business operations with the exception of its subsidiaries and other related companies such as THAI-Amadeus South East Asia, Wingspan Services and THAI Smile Airways.

THAI arranged participation of a working group in determining the content of this report in accordance with GRI framework Issue G4 starting from identifying and prioritizing key issues and aspects related to organizational sustainability, and validating those issues selected for future implementation. This was carried out through the SD Report Workshop conducted at THAI's Head Office in Bangkok with the participation of 27 members of both management and staff. The result of this Workshop was in accordance with the procedure in identifying important issues and within the GRI framework issue G4 as follows:



## Important issues

Economic Dimension	Environmental dimension	Social Dimension
Economic Performance Indirect economic impacts	Energy Water Effluents and Waste Product and Services Emissions Compliance (environment)	Employment Occupational Health and Safety Training and education Diversity and equal opportunity Labor/Management Relations Local Communities Public Policy Compliance (social) Anti-Corruption Customer health and safety Product and Service Labeling Marketing Communications Customer privacy Compliance (product responsibility)









## MAJOR OPERATIONS FOR SOCIAL RESPONSIBILITY

Focusing on business operations that are socially and environmentally responsible through various levels of support both within and outside the country while being accepted by stakeholders in every sector





# SIGNIFICANT OPERATIONS IN 2014



**24,952**

Total Number of Employees page 10



**58.66%**

Percentage of Employees  
Membered in THAI Labor Union page 10



**24** hrs.  
Average Hours of  
Training  
hrs./person/yr. page 57



**88.7%**  
Percentage of customer  
satisfaction on THAI service page 65



Water Saved  
**66,640** m<sup>3</sup> page 78



**2.61%**  
Jet Fuel Consumption  
Reduced page 74



**726.442** tons **CO<sub>2</sub>**  
Thai Voluntary Carbon Offset page 69



Energy Saved  
**1,187,295** kWh. page 77







# ECONOMIC OPERATIONS

THAI, as a state enterprise and operating an airline business, has played an important role in driving the country's economic growth by transporting over 18 million passengers each year, on both domestic and international routes. Passengers originating outside Thailand accounted for more than 75% of the total number of passengers. Other activities include cargo transportation, meal production of the Catering Department and ground handling services for customer airlines. All of these activities play an important role in generating and circulating revenue, creating jobs within the country in the industrial, travel and agricultural sectors, thus promoting the country's economy. THAI has therefore placed special emphasis on activities that will help stimulate an increase in passengers and customers and encourage them to fly THAI. Income from travel is expected to generate further income of four times the gross domestic product.

During the past years THAI's performance has been heavily affected by fierce competition, political instability, disease outbreaks and climate change. Therefore, THAI was unable to reach its operational target. In 2014 THAI established business plans to tackle these problems within a specified timeframe, identifying responsible persons and clear targets.



## PLAN TO SOLVE IMMEDIATE PROBLEMS IN 2014

### 1. FINANCIAL

THAI introduced an immediate plan for cash management to ensure maintenance of sufficient cash flow levels for business operations and investment in projects that have already been committed, to ensure that they proceed smoothly. This cash management plan includes raising capital by acquiring additional loans, sale of aircraft and sale or lease of inactive property, deferred loan payments, and postponing payment of aircraft PDP to help improve the cash situation.

### 2. OPERATIONS

Strategies have been implemented to maintain and enhance quality revenue. THAI targets increasing revenue by 3,000 million baht in 2014 and to reducing expenses, excluding aircraft fuel, by 4,000 million baht in 2014 fiscal year without affecting its safety and service levels.

### 3. MANAGEMENT

THAI established plans for its corporate communications and corporate image to enhance understanding and cooperation among employees while strengthening its corporate culture and changing management to move in a unified direction with clear overview of the company's target. A management war room is set up to provide management information at THAI's Head Office to prepare information for management decision making.

### 4. PERSONNEL

THAI developed a restructuring plan by benchmarking with other airlines and organizations to achieve best practice in line with workforce management through a mutual separation plan to reduce the number of employees, taking into consideration the age range and employee efficiency.





Every function within THAI is encouraged to carry out its operational plans to achieve the desired target as well as follow up on progress regarding obstacles by organizing a weekly meeting with the Strategic Committee. In addition, the Strategic & Planning Department follow up and evaluate company performance every week after collecting data from various functions.

In 2014 THAI's Performance is translated into economic value as follows :

Economic Details	Amount (THB)
<b>Direct Economic Value Generated</b>	
● Revenues	191,166,693,352.00
<b>Direct Economic Value Distributed</b>	
● Operating Costs	174,656,204,106.00
● Employee Wages and Benefits	31,123,370,184.00
● Payments to Providers of Capital	5,426,997,322.52
● Payments to Government	130,337,136.45
● Community Investment	11,167,342
<b>Economic Value Retained</b>	-20,181,382,738.97

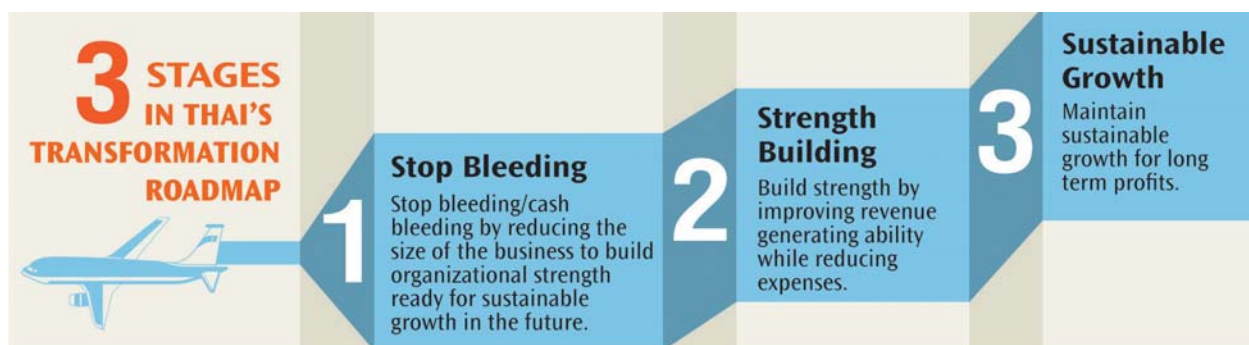
\*\* Information as of 31 December 2014





The below target performance coupled with the heightened business competition in this region has affected THAI's ability to recover from the existing situation. Therefore the Company's transformation is critical in order to sharpen THAI's competitive edge, enabling it to leap forward while building financial stability. THAI's Strategy and Transformation Committee was formed to monitor and solve immediate problems and also oversee the consistent implementation and practice of THAI Transformation plan during 2015-2016.

THAI also proposed the Transformation Plan to the Government Super Board which was approved on 26 January 2015. The essence of the Transformation Plan covers key problems identified as facing THAI, developing strategic initiatives, establishing a timeframe for achieving milestones, establishing key performance indicators, and enhancing cost control.







## Company Rating of THAI and its senior unsecured debenture: A+ with Negative Outlook by TRIS

The TRIS Rating reflects support from the government sector as THAI is the national carrier. TRIS believes that THAI will receive strong and prompt support from the government especially at this time when THAI is experiencing financial burdens and difficulties. However, THAI is facing constraints of high debt ratio as well as declining competitive strength, rising costs, sensitivity to unexpected events and fluctuation of oil prices. The “negative” outlook reflects the severe competition in the industry and the deterioration in THAI’s profitability. The ratings could be downgraded if THAI’s weak financial status persists or the government reduces its support. The outlook could be revised to “stable” if the company can revive its operating margin and improve the debt service ability.

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\*\*Information as of 15 December 2014 by TRIS Rating Company Limited



## SOCIAL OPERATIONS

When operating an aviation business, in addition to focusing on the net profit, the company needs to assess all the possible operation risks that may impact all beneficiaries especially when it comes to the compliance with all legal and business regulations which includes domestic and international law. Any activities undertaken by the company is considered to be the responsibility the company has to the society as a Corporate Citizen.

### The guidelines to the company's supervision on the subject of compliance with legal and business regulations

The company has assigned the board of directors that includes senior executives and executives who are the policymakers in order to ensure the compliance with legal and business regulations. It is done to promote, support and integrate the corporate's operations policy in all other aspects of company operations and management to complete the set policies as well as promptly catered the needs of the beneficiaries.

The Compliance unit was established and assigned to be the center for all the legal, regulatory and procedural guidelines, which are relevant to the company's business operation. The service also includes providing the knowledge and acknowledgement to comply with the organization's rules. The Compliance Unit in each of the departments are responsible in supervising and auditing the conformity to the rules and regulations as well as employees's compliance to all relevant and applicable rules in relation to their roles and responsibilities.



In 2014, the company has successfully set up a systematic compliance system, or the Corporate Compliance which consists of three aspects:

- **Regulations**

Setting the Key Performance Indicator (KPI) and the executives' compliance operation by undertaking the comprehensive compliance checklist that is annually revised according to its appropriateness.

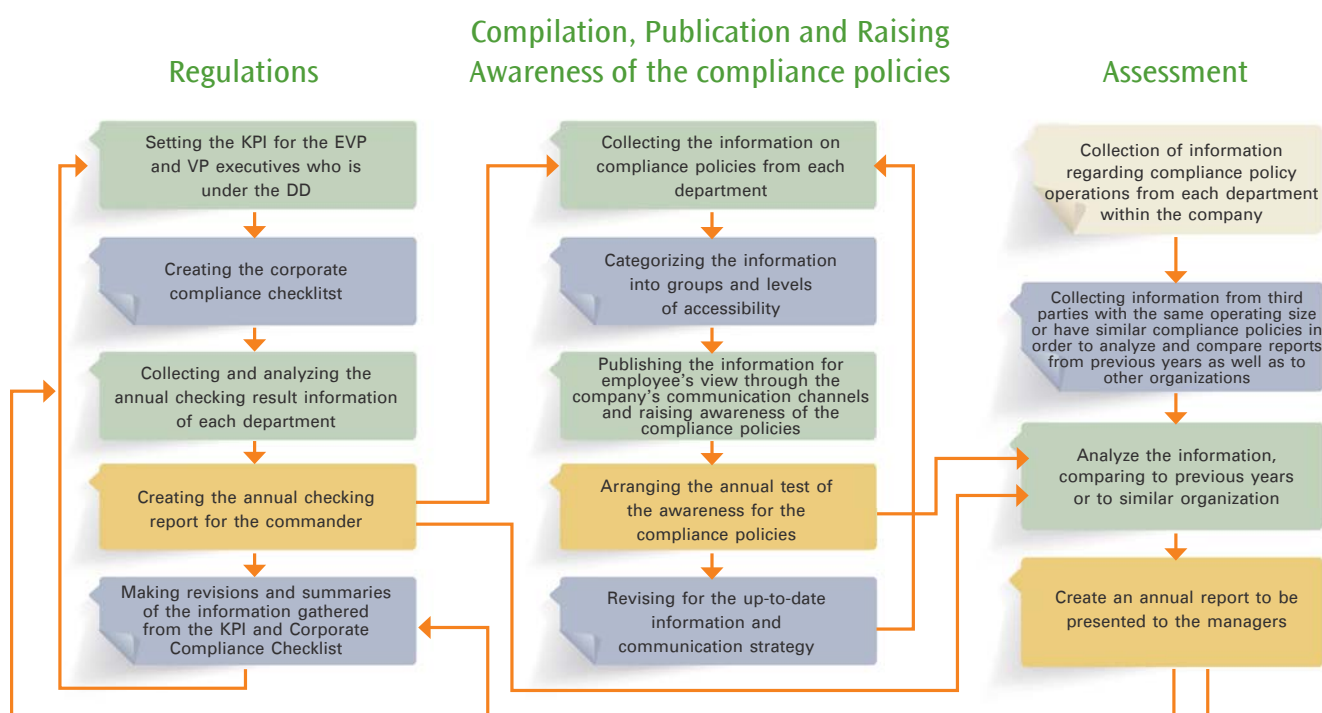
- **Compilation, Publication and Raising Awareness of the compliance policies**

Each department complies information on compliance polices and are categorized into groups and levels of accessibility; confidential information are securely stored, while other disclosed information is published for employee's view annually. It is done through the company's communication channels such as THAISphere, Email, Compliance Bulletin, and the intranet. This is to ensure that the most updated revisions are easily accessible by the employees as part of the effective communication strategy.

- **Assessment**

Gathering results from the operations that are operated under the compliance policy from each of the departments within the company is considered to be very significant towards the way the company runs its business. The information that is being gathered includes legal information regarding violation of regulations related to compliance. This information are used as reference for divisions with the same size or have acceptable compliance policy. Additionally, there are gathering and exchange of information with other accredited organizations, which is considered to be the best practice according to international standards. After the process of exchange and gathering of information, it is combined with the company's evaluation schemes and is as reference for the revision of the KPI Compliance Checklist.

## Corporate Compliance Process



The revision and modification of the company's compliance policy and guidelines is subjected to change according to the nature of its appropriateness



Besides the enforcement of the rules and regulations, the company focuses on conducting business impact analysis in all aspects of company's business operations projects as stated in the company's prospectus; for example building codes are enforced at construction sites to ensure it is appropriately used according to its purpose as different buildings have different amount of occupants allowed in the building. For the construction of restricted buildings, the wastewater treatment must be in place to remove some or all contaminants, making it fit for reuse or discharge back to the environment. In terms of design and operational process, the focus would be on assessing the possible significant negative impacts towards the environment. It is one of components within the ways of operating under the law and ethical code of conduct. There will be records on operation's policy that includes the use of public relation channels such as the media as a channel of communication. This is to ensure that the company has every intention of assisting the any affected individuals as well as solve problems. The assistance the company offer may include financial compensation, conducting a public hearing.

## Responsibilities Regarding Legal Disputes

Thai Airways International PCL has two types of legal disputes that may affect the company, which are categorized as non-antitrust related legal disputes and antitrust disputes.

### Non-antitrust related legal disputes

Currently, the company and its business affiliates do not have any legal disputes that may negatively affect the assets owned by the company or any business affiliates which is higher than five percent ratio of the stakeholder's share. There is also no legal dispute that may significantly affect the company's business operations. However, on December 31, 2014 the record shows that there are currently 61 lawsuits filed against the company. They can be classified into two types that are labor and employment disputes and civil class action. There are currently 32 labor and employment disputes and 29 civil class actions in progress.

### Antitrust Disputes

The company was accused of engaging in a conspiracy with other major international airlines of fixing the price of fuel surcharges, passenger surcharges, cargo rates and other special fees, all in violation of antitrust laws. The accusation and/or litigation consist of the antitrust class action lawsuit filed by the customers and investigations conducted by government agencies. In terms of the settlement, they come in the form of financial compensation and other types of penalties. For financial compensation, the court may subject the company to compensate the Plaintiffs as well as to government agencies.

However, these lawsuits were only filed against Thai Airways International PCL, but also to other major international airlines.





## Case Summary

On December 31, 2014, it was reported that the company was investigated and/or subjected to an antitrust class action lawsuit in five regions, which are the European Union, United States of America, New Zealand, Australia and Republic of Korea. The lawsuits filed in the five regions are similar in nature in terms of the accusations. The Plaintiffs claim that the Defendants conspired to fix prices of airfreight shipping services and/or passenger surcharges, which includes special fees between 1999-2007. For the details on the lawsuit filed in the five regions can be summarized into the following:

### 1. Thai Airways International PCL et al. v Commission

The case was brought by the Commission of the European Communities (EC) to Thai Airways International PCL along with 27 other airlines for engaging in a conspiracy to fix, raise, maintain or stabilize the prices of airfreight shipping services by coordinating surcharges such as fuel Surcharge, security surcharge, war risk surcharge, cargo fees and specific extra costs, all in violation of antitrust laws.

The trial was concluded on November 9, 2010 with the Commission of the European Communities dismissing all charges against the Defendants. The EC didn't order the company subject the company to pay a fine in this lawsuit.

### 2. Lawsuits filed in New York, United States of America

A price-fixing class action has been commenced in the Federal Court in New York City, New York, United States of America against Thai Airways PCL along with 38 other airlines on behalf of cohort of some 35 shippers alleging that carriers breached European antitrust laws as well as United States Federal antitrust laws e.g. The Sherman Antitrust Act of 1980 and The Clayton Act of 1914 by acting as part of a cartel that fixed fuel, war risk and surcharges prices against its air freight customers. During the litigation, the Plaintiffs have filed the motion for financial compensation to the court without the amount specified. To date, Thai Airways International PCL has agreed to pay USD 3.5 Million to settle its liability in the US action in which the financial compensation has been settled. However, there were some Plaintiffs who didn't participated in the settlement negotiation but according to the law, these Plaintiffs are still legally eligible to file a lawsuit against company for the settlement.

### 3. Lawsuits in Los Angeles and San Francisco, United States of America

A group of passengers filed two lawsuits against the Company in the Superior Court of Los Angeles and 17 lawsuits in the San Francisco County Superior Court, totaling 19 lawsuits, alleging that the Company and 12 other airlines had violated the Antitrust law of the United States by conspiring to fix fares and surcharges. Currently, the Judicial Panel on Multi-district Litigation has ordered combination of the cases to be considered by the court at San Francisco as a single case, however, the disputed amount of claims cannot be determined until the court makes a final decision on the Company's Companion.



At present, the Company has agreed to settle with the plaintiffs in the amount of USD 9.7 million, including expenses for delivery of notice to class action members and legal fees of the plaintiffs' lawyers. The Company can pay for the settlement amount in two installments. However, the settlement agreement has to be approved by the Federal Court of San Francisco, California, USA before the settlement can be legally enforced. The Company's lawyer expects that there will be a hearing and the Court will render a judgment as per the settlement agreement within the next 6-8 months. With respect to the payment of the settlement amount according to the settlement agreement, the payment shall be made to an Escrow account and an Escrow agent will transfer the settlement amount to the plaintiffs once the Court renders a judgment as per the settlement agreement. If the Court does not do so, the settlement amount will be transferred back to the Company.

In this regard, the Company has already paid the first installment of the settlement amount as per the settlement agreement.

#### **4. United States Department of Justice Investigation**

The United States Department of Justice (DOJ) has been investigating price-fixing in the airline and air cargo industry. The documentary evidence has been examined in order for the grand jury to decide whether to file a lawsuit against the company. To date, the company has not been contacted by the DOJ, which can possibly connotated that the DOJ has no intention to pursue legal action against the company.

However, if the DOJ decided to pursue legal action and the company was found guilty with the charges of antitrust law violation, the court may impose penalty on the company according to the law. The imposed penalty can be classified into three cases:

- The company shall be subjected to pay a fine in the amount of USD 100 Million or double the amount of profit gained from violating antitrust laws if the profit exceeds USD 100 Million.
- The court may choose to sentence the company with probation orders. These probation orders last between 1 to 5 years maximum. The nature of these probation orders may include ordering the enforcement of antitrust policies within the business practices in order to prevent future antitrust law violations.
- The court may order the company to financially compensate the Plaintiffs and other individuals affected by its unethical business practices of fixing the price of surcharges.
- In the case where an individual was found guilty in the charges of antitrust law violation, such individual may be sentence to imprisonment with the maximum of ten-year sentence and/or fine in the amount up to USD 1 Million.

With the investigation conducted by DOJ, many airlines have been subjected to legal prosecution and have criminal fines. In addition to the legal prosecution, many airline employees have been found guilty with the charges of antitrust law violation. These employees have been sentenced to pay criminal fines and/or imprisonment.

#### **5. Lawsuits in New Zealand**

The New Zealand Commerce Commission (NZCC) has filed a lawsuit against the Company and 13 other airlines in the Auckland High Court alleging that the Company, jointly with other airlines, fixed the fuel surcharge and security surcharge, constituting a violation of the Commerce Act of New Zealand, and the NZCC requested the court to impose a fine and expenses on the Company according to the law. However, this fine and expenses remained unspecified at the time of filing the lawsuit.

At present, the Company has already entered into a settlement with NZCC. On April 22, 2013, the court in New Zealand rendered a judgment as per the settlement agreed between the Company and NZCC. The Company was allowed by the court to pay the fine in the amount of NZD 2.7 million and pay the legal fees of NZCC in the amount of NZD 259,079.18, for a total amount is NZD 2,959,079.18, in four installments within 18 months. The Company has already paid the first and second installments of the fine as per the settlement agreement.



## 6. Thai Airways International PCL v Australian Competition and consumer commission (ACCC)

The case was brought by the Australian Competition and Consumer Commission (ACCC) to Thai Airways International PCL for engaging in a conspiracy with other airlines to fix, raise, maintain or stabilize the prices of fuel and security surcharges all in violation of Trade Practices Act 1974. During the litigation, the ACCC have filed the motion for financial compensation to the court without the amount specified.

To date, the company has agreed to pay the ACCC, ASD 8.0 Million, which consists of ASD 7.5 Million for the ACCC and ASD 500,000 to cover the attorney fees in order to settle the lawsuit. On December 14, 2012, the court has ordered for a settlement between the ACCC and Thai Airways International PCL in which the company is subjected to pay 7 instalments over the period of 3 years in which the first five instalments has been completed.

## 7. Lawsuits in Republic of Korea

On the subject of an investigation by the Korean Fair Trade Commission (KFTC), the Company received an official decision of the KFTC on November 30, 2010 which imposed a fine totaling KRW 2,877 million, but dropped the criminal charges against the Company and the relevant staff. The Company appealed the KFTC Commissioners' decision to the competent court, but the appeal of the Company for both ex Korea and ex Hong Kong routes was dismissed.

Now the Seoul High Court has sentenced both the routes departing from the Republic of Korea and the route from Hong Kong Special Administrative Region of the People's Republic of China to the Republic of Korea's cases. The company has been subjected to pay the fine in the amount of KRW 2.198 Million for the routes departing from the Republic of Korea and the amount of KRW 679 Million for the route from Hong Kong Special Administrative Region of the People's Republic of China to the Republic of Korea, in which the company have already paid the fines and all legal fees to KFTC.



In addition to the seven cases, the company currently have two addition antitrust disputes, which are:

- **Thai Airways International PCL v British Airways (British Airways have filed a cargo civil class action against the company in the United Kingdom for the right of recourse)**

On February 4th, 2014, British Airways' attorney served the company with legal documents notifying that British Airways have been prosecuted in a civil class action lawsuit in the United Kingdom. It was also sued for financial compensation for engaging in a conspiracy with other airlines to fix the prices of fuel and security surcharges. During 1999 to 2007, British Airways have filed a motion at court for the right of recourse on 18 other airlines that includes Thai Airways International PCL, but the company isn't the main defendant in the case. The motion was filed on November 28th, 2013. The case is currently pending in court.

- **Thai Airways International PCL et al. v LG Corporation**

On January 22, 2014 the company has been notified by the branch office in the Republic of Korea that LG Corporation comprising of LG Chemical, LG Electronics, LG Display and LG Life Science have filed a civil suit against 12 airlines including Thai Airways PLC on November 27, 2014 requesting financial compensation caused by price-fixing of fuel surcharge in airline industry between 2003 – 2007. LG Corporation have specified the amount of KRW 404 Million with interests in the amount of approximately THB 12 Million and have reserved the right to change the statement of claim and supplementary plaint under the condition that LG corporation is able to prove additional evidences to the claim. The case is currently on trial in court.

## **Anti-Corruption**

With the company's concern with the issues of corruption and unethical behavior as it can potential cause a significant damage towards the company, this made the "Whistle Blower" policy become an integral part of the company's operations. The announcements have been made regarding the revision of the policy, the use of intra-communication channels and e-mails to report tips anonymously. The wide use of these communication channels has helped decreasing complaints and the effort used for problem solving. The use of this policy will hopefully aid the effectiveness in exercising the law and regulations within the company.

The company has created a set of guidelines for the use of employees, beneficiaries and third parties regarding the complaints of corruption, legal and ethical misconducts according to the company's code of ethics and good governance (2523 B.E.). The establishment of the guidelines sheds light and creates a mutual understanding for all employee's regarding company's policy and regulations as well as the law. Additionally, it ensures transparency and good practices within the organization.

Since 2013, the company has started a mandatory internal seminar courses on the topic on corruption prevention and misconduct and field trips, which has been included in the training program for employees of all levels. In 2014, rules and guidelines were published with the effort to raise awareness within for all the executives and operating managers in various departments such as ground services, technical department and general management.

Additionally, Thaipat Institute has conducted a progress level assessment of the company's anti-corruption practices using the anti-corruption progress indicator with the sponsorship of The Securities and Exchange Commission (SEC). The company has attained level 2 on the anti-corruption progress indicator, which shows the company's commitment to join Thailand's private sector collective action coalition against corruption. This coalition is fully sponsored by the Royal Thai Government and Office of the National Anti-Corruption Commission (NACC) with the vision of promoting anti-corruption polices in Thailand's private sector.





## Corporate Social Responsibility and Development Operations

It's the company's pride to support a number of projects that improves the quality of life for the people in the society. These projects are operated under the corporate social responsibility and good governance policy that is according to the international standards:

- The concepts and criteria for each of the projects are being evaluated according to the departmental and company-wide regulations as well as any regulations that are significantly relevant to the project.
- Inter-unit cooperation is a very essential element in making sure that all criteria and operating regulations are being implemented on the selected projects according to the company's corporate social responsibility policy and the strategic plan for social development.
- Implementing the Plan-Do-Check-Act procedure into the company's concept of operations has enable the company efficiently utilize technologies and innovations for knowledge sharing within the organization.
- The revision of standards and procedures in order to strategically support activities that have the theme related to sustainable environment, economy and society.
- Conducting follow-up and additional studies of both internal and external organizations in order to improve company's operations which includes networking, participating in open dialogues and knowledge sharing shall improve the project outcome and increase the amount of participation by the people in the society.



With the involvement of the company's CSR activities includes employees of all levels, this makes the Corporate Social Responsibility committee continuously support company's CSR activities through open dialogues, submitting CSR project proposals and participating in meeting with other organizations in order to adapt ideas to be used in the organization. The results from these operations led to these of the following CSR projects conducted in 2014:

## ◀ Social Promotion in areas of Health, Hygiene, Safety and Medical

- **Miles Give Kids A Smile Project**

THAI with the cooperation of Queen Sirikit National Institute of Child Health (QSNICH) have created a fundraising project called the "Miles Give Kids A Smile" project with the aim of using donated Royal Orchid Plus miles received from THAI frequent flyer program members to be redeemed by child patients, caregivers and pediatrician on duty who are in need for travelling purposes.



- **Mobile dental unit**

THAI has allocated a budget to support the Faculty of Medicine, Ramathibodi Hospital in establishing a mobile dental unit fully equipped with dental and medical supplies to be used by the team of dentists and doctors in the mobile dental unit under the Royal Patronage. The mobile dental unit serves the people in the rural areas where there is limited access to dental care.



- **APASS Asia Pacific Aviation Safety Seminar**

THAI with the cooperation of Flight Safety Foundation and the Airport Council International (ACI) hosted the Asia-Pacific Aviation Safety Seminar (APASS) 2014. There were 140 representatives from airlines and aviation organization within the Asia-Pacific region who attended the seminar. In the seminar, the topic of operations and development of aviation including the regional developments of airline safety were discussed.



## ◀ Social Promotion in the area of Religion and Culture

- **Special Flights for Hajj Pilgrims**

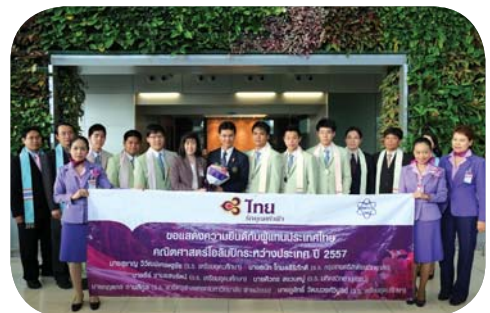
THAI in cooperation of Hajj Organizer Association Southern Thailand have made arrangements for special flights to take more than 3,000 Thai-Muslim pilgrims from the South to Mecca in Saudi Arabia for the Hajj. Specially prepared halal meals in adherence with Islamic dietary requirements from THAI's halal kitchen were served on the flights. As the national carrier, THAI was appointed by the prime minister's cabinet and the Hajj Committee of Thailand to organize special flights during the Hajj period annually.



## ◀ Social promotion in the area of education and sports

- **Provides air tickets for International Academic Olympic 2014-2016**

THAI and The Institute for the Promotion of Teaching Science and Technology (IPST) joined together to support the International Academic Olympics by providing a total of 44 air tickets to the value of 3,350,975 Baht for candidates attending the event in 2014



- **THAI Science and Math Project**

THAI and The Institute for the Promotion of Teaching Science and Technology (IPST) joined together in organizing a Science and Math Camp for school children in Pratom 5 and 6 as well as children of THAI employees. Thailand's Youth representatives were invited to share their academic knowledge and experience from past competitions.



- **THAI Supports SEA Write Awards**

THAI provides air tickets for the travel of SEA Write Awardees from 10 ASEAN countries and guest speaker to attend the award presentation at the Oriental Hotel Bangkok.





- **Activities for children in Southern Thailand**

THAI and the Ministry of Science and Technology joined together to organize a project flying 100 children from three southern provinces traveling from Hat Yai to Bangkok to attend the Science and Technology exhibition organized at Chiang Mai International Exhibition Hall.



- **“Krua Karn Bin Thai Hai Ar Cheep” Culinary Training Project**

THAI Catering Department with the cooperation of Women’s Unit of Klong Prem Central Prison, Department of Corrections have launched the “Krua Karn Bin Thai Hai Ar Cheep”, a culinary training program for female inmates.



- **1st TG Travel Green Innovation Contest**

THAI has organized its first TG Travel Green Innovation Contest to encourage Thai youth to be creative in the area of green aviation innovation based on the Travel Green Concept. In this competition, competitors have to design, analyze and create aviation innovation under three categories, which are Aviation Design Idea, Product Design and Facilitating Convenience in Aviation and Design for Service Provision Procedure in Airline Business. There were 72 project submitted for the contest in which the first place award includes a roundtrip ticket from Bangkok to Paris on THAI and a visit to Airbus aircraft manufacturing center in Toulouse, France.



- **Special Flights for Thai athletes competing in the 7<sup>th</sup> ASEAN Para Games 2014**

THAI have chartered two flights, which were TG8090 and TG8092 to transport 339 athletes, Paralympic Committee of Thailand members and related personnel from Bangkok to Naypidaw, Republic of the Union of Myanmar to participate in the 7th ASEAN Para Games 2014 held in Naypidaw, Republic of the Union of Myanmar.





- **Children’s Day donation at the Royal Thai Naval Academy**

THAI has brought donated toys collected from company’s employees to be distributed to children in need nationwide. Some of the donating sites included children at Karn Bin Thai Border Patrol School in Sa Kaew province and the Royal Thai Naval Academy in Samut Prakarn.



- **Pan Rak Jak Chaow Karn Bin Thai” Project for students at Sri Sangwan School**

THAI donated money, necessary supplies and treated children with lunch at Sri Sangwan School in Khonkaen province. Sri Sangwan School educates children with special needs through providing necessary education while simultaneously improve their skills through the use of music and sports.



- **Computer Donation to Karn Bin Thai Border Patrol School**

THAI donated 15 unused computers yet in good condition to Karn Bin Thai Border Patrol school in Sa Kaew to be used by the students at the school.



- **Tickets to support the winners of the Prince Mahidol Award**

For the past 21 years, THAI have sponsored roundtrip tickets to bring the award selection committee and award recipients as well as their spouses, to the Award's Ceremony at the Prince Mahidol Award Conference.



- **“Good Will Flight” Project**

THAI and Airbus Foundation have together donated educational supplies and necessities to General Prem Tinsulanon Statesman Foundation to be distributed to 12 recipient schools which were Sri Sawat Pityacom School, Thai Forestry Association Dedicated School, Nong Prue Pityacom School in Karnchanaburi, Submuang Wittaya School, Wangprai Wittayakom in Sa Kaew, Padeng Wittaya School in Petchburi, Rujirapat Wittayalai Technical College in Potharam, Rachaburi, Ban Kaen Suer Ten Community School, Ban Khaokhwang school, Ban Kroak Krok Fah School and Ban Lam Poang Petch school in Lopburi.



- **Airline Catering Course Project**

THAI's catering department with the cooperation with the Suan Dusit Rajabhat University created a curriculum for the Bachelor of Science in Catering Technology and Services. Youths from the vicinity area of the Suvarnabhumi International Airport are eligible to apply for the program. The aim of this curriculum is to educate and create catering staffs through a four-year education along with culinary training at THAI catering department facilities.



## ◀ Social promotion in the area of agriculture

- **Longan from the North to the three Southern Provinces**

THAI has support the transportation of the 2,000 kilograms of first-graded longan from the North to three Southern provinces as part of the HRH Queen Sirikit's project to be distributed to the soldiers, police officers and personals on duty which includes Buddhist monks residing at monasteries during lent in the three Southern provinces of Thailand.



- **The MOU to support the agricultural products from the Southern border of Thailand**

THAI with the cooperation with the People's Organization for the Peace and Sustainable Economy has signed a Memorandum of Understanding (MOU) to support the use of organic produce from farmers in the Southern border provinces to be used in the THAI kitchen to be served on board.



## ◀ Social promotion in other areas

- **THAI's participation at the Puen Pueng Pa Yarm Yak Fair, under the Thai Red Cross**

THAI participated in the Puen Pueng Pa Yarm Yak Fair, under the Thai Red Cross at Suan Kularb Mansion in the Dusit Palace by opening a booth with domestic and international merchandises as well as an activity zone which provide knowledge and career ideas in the airline and aviation industry.



- **“TG Police Support Unit” Project**

Employees from THAI volunteered to support the work of Bangsue Metropolitan Police through assisting both Thais and international tourists who were victims of a robbery, pickpocketing as well as other crimes.



- **“Pun Rak Jark Karn Bin Thai Soo Pai Nao” Blanket Donation Project**

THAI has donated 1,000 unused blankets from the aircrafts to the Center of Disaster Prevention and Mitigation, Wing 46 of the Royal Thai Air Force to be distributed to the people in need in Pitsanulok, Tak, Nan, Utaradit, Pichit and nearby areas.



- **“Pun Rak Jark Karn Bin Thai” blanket donation project to a medical center**

THAI has donated 1,000 unused blanket from the aircraftst to Somdech Phra Debaratana Medical Center.



- **“Cutting down Alcohol and Cigarettes” campaign**

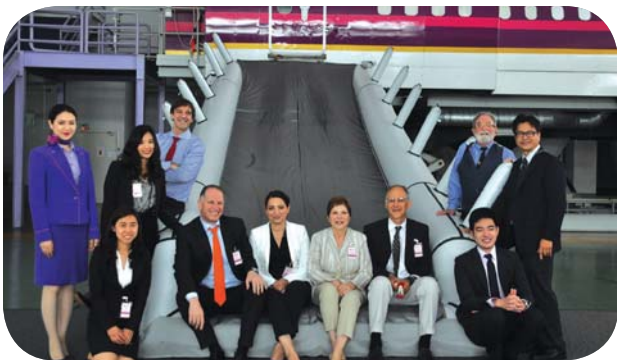
This campaign was held at THAI to promote the Department of Disease Control, Ministry of Health’s policy of creating awareness of the negative impact alcohol and cigarettes have on health. In addition to promoting the cause, regulations, measures and acts related to the distribution, consumption of alcohol and tobacco were published within the company’s facilities.







Besides the CSR after-process activities mentioned above, THAI has allowed the external organization to observe the operations within company's units. For example THAI Catering department, the Aviation Resource Development Department, Technical Department, Cargo and Mail Commercial Department, Human Resource and Compliance Department, Operation Support Department, In-flight and ground services and etc. to provide knowledge and experience to those interested. In 2014, there were 115 educational institutes and organization both public and private sectors requested for the observations through the company's center, with the total of 4,794 visitors.





## Human Resource Management

The company has improved its workforce management policy to emphasize on the company's roles and responsibilities, which includes the company's missions. The purpose of this improvement is to ensure that the company will have highly qualified personnel. It is also to create a workforce with flexibility with appropriate size, while meeting with the business operation requirement, and promptly able to compete within the competitive market.

The company has two types of employment that are permanent employees and contractors. The benefits given to the employees are considered according to their job responsibilities, while taking labor and employment law, the economy, and salaries given to employees in other companies into consideration.

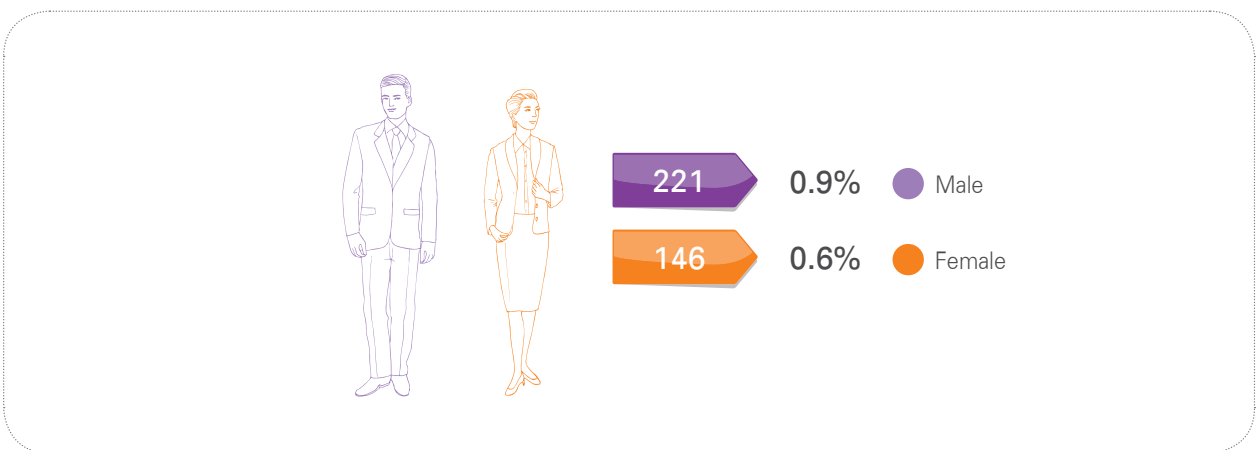
Below are examples of the employee's benefits given in the form of both monetary and non-monetary value.

Monetary	Non-Monetary
<ul style="list-style-type: none"> <li>Salary</li> </ul>	<ul style="list-style-type: none"> <li>Staff Ticket</li> </ul>
<ul style="list-style-type: none"> <li>Incentive</li> </ul>	<ul style="list-style-type: none"> <li>Cargo &amp; Mail</li> </ul>
<ul style="list-style-type: none"> <li>Bonus</li> </ul>	<ul style="list-style-type: none"> <li>Staff Uniform</li> </ul>
<ul style="list-style-type: none"> <li>Transportation Allowance</li> </ul>	<ul style="list-style-type: none"> <li>Annual Health Check-Up</li> </ul>
<ul style="list-style-type: none"> <li>Children Allowance</li> </ul>	<ul style="list-style-type: none"> <li>Insurance</li> </ul>
<ul style="list-style-type: none"> <li>Medical Expenses : Dental, OPD / IPD, Childbirth, Sterilization</li> </ul>	<ul style="list-style-type: none"> <li>Employee Bus Service</li> </ul>
<ul style="list-style-type: none"> <li>Regional /Upcountry Allowances : Acclimatization Allowance, Housing Allowance</li> </ul>	<ul style="list-style-type: none"> <li>Royal Decoration</li> <li>Long-Service Award</li> </ul>
<ul style="list-style-type: none"> <li>Retirement : Service Compensation, Pension Premium, Provident Fund</li> </ul>	<ul style="list-style-type: none"> <li>Personnel Development</li> </ul>
<ul style="list-style-type: none"> <li>Other Subsidies : Children Education Allowance, Foreign Language Lesson Allowance, Relief Fund for Victim of Disaster, Funeral Expense</li> </ul>	<ul style="list-style-type: none"> <li>THAI Airways International Club</li> <li>THAI Employees Savings @ Credit Coops Ltd.)</li> </ul>
	<ul style="list-style-type: none"> <li>THAI Funeral Fund</li> </ul>

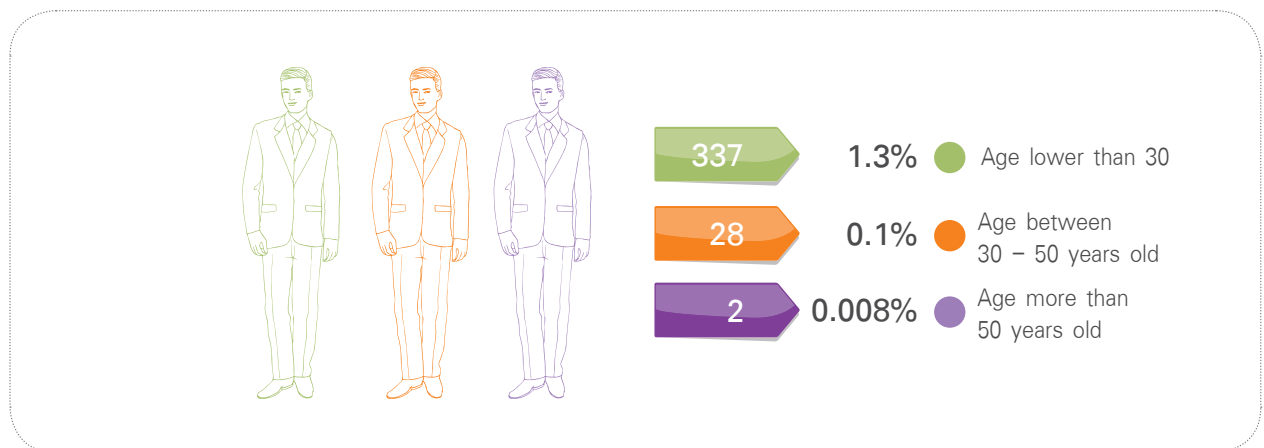




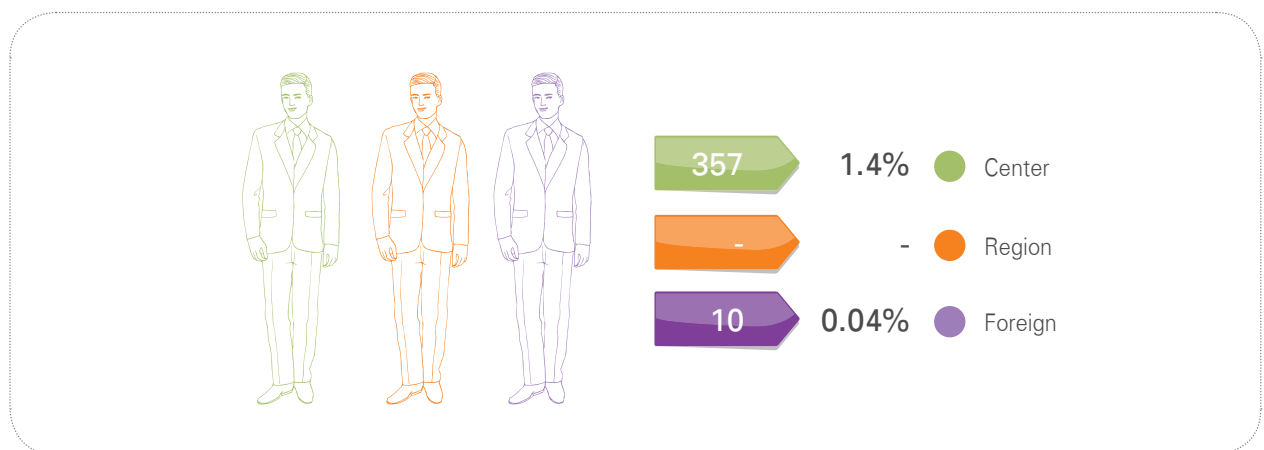
Number of newly recruited employees by sex (persons/percent) in 2014 :



## Number of newly recruited employees by age (persons/percent) in 2014 :

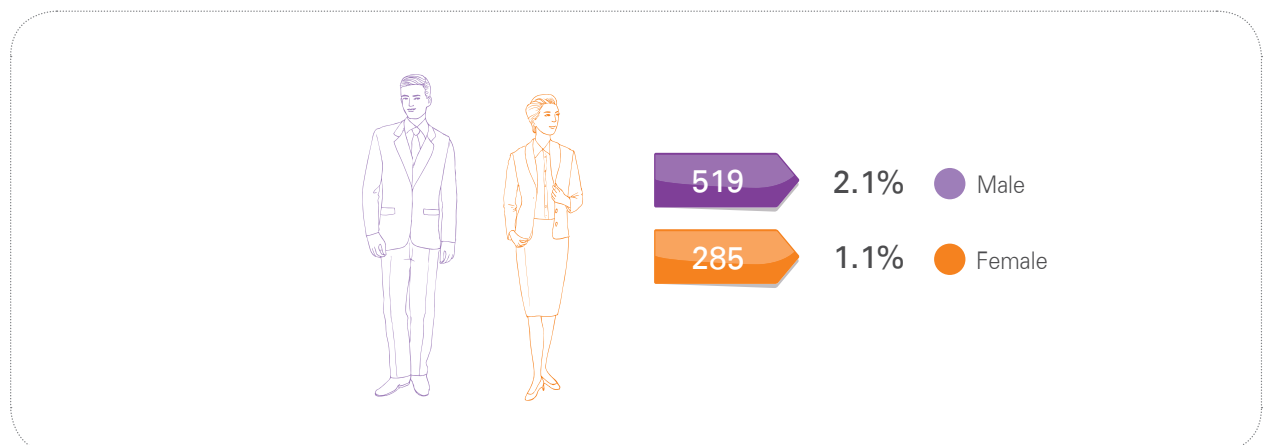


## Number of newly recruited employees by locale (persons/percent) in 2014 :

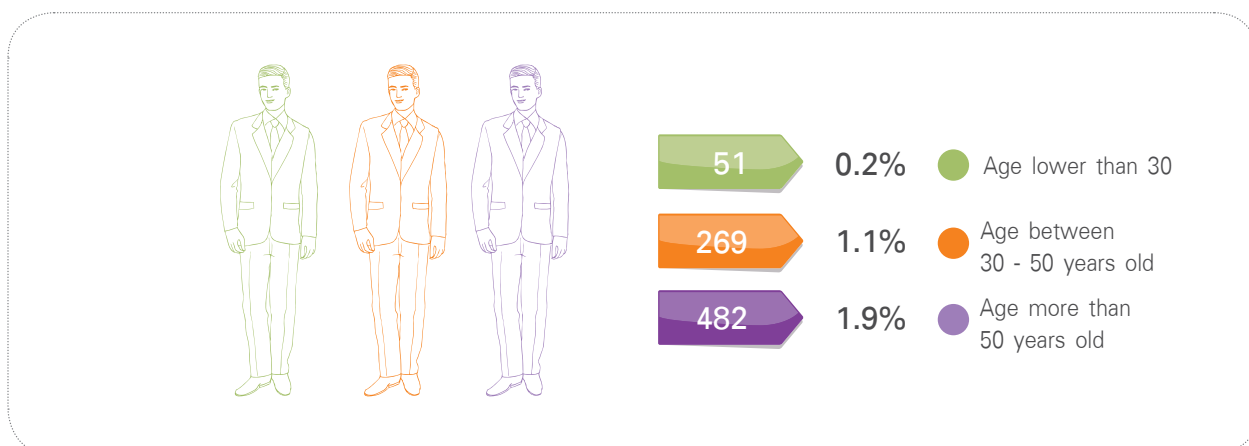


*Note: the percentage out of all the employees as of 2014 in each category.*

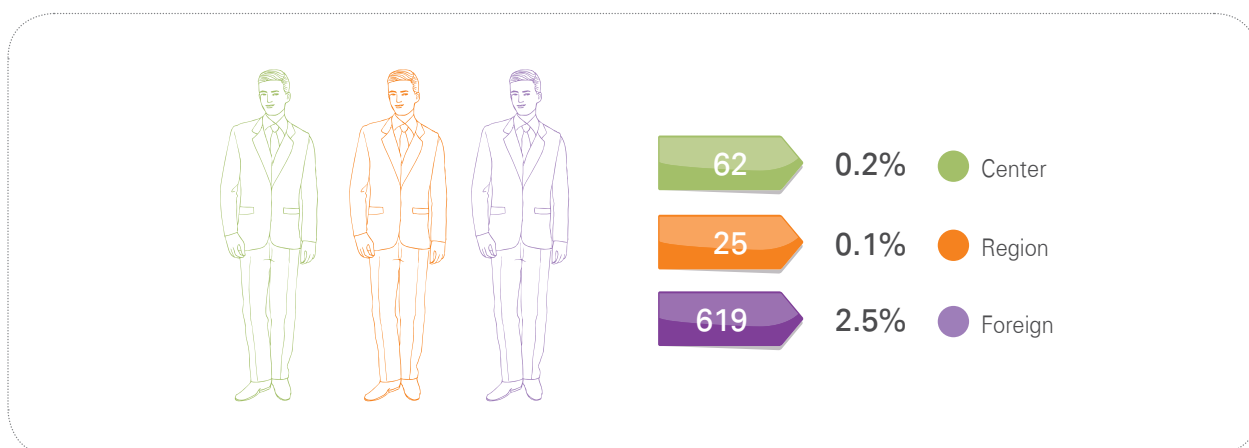
## Number of terminated employees by sex (persons/percent) in 2014 :



## Number of terminated employees by age (persons/percent) in 2014 :



## Number of terminated employees by locale (persons/percent) in 2014 :



## The rate of employees returning to work and the ratio of remaining employees after maternity leave (by sex)

Types of Leaves	Male	Female
• Number of employees who take the maternity leave	-	9,820
• Number of employees who take the child care leave	-	187
• Number of employees who return to work after the period of the child care leave	-	187
• Number of employees who return to work after the period of the child care leave, and continue working for 1 year	-	187
• Percentage and rate of the returning to work and remaining employees after the end of the leave	-	90



To manage the human resources, the company strictly complies with the Ethical Governance policy and fair treatment of all staff. The Ethical Governance Policy includes fair employee recruitment and employment, employee lay-off and termination, employee development, employee promotion, employment relocation and job assignments in which are done fairly without discrimination or prejudice.

THAI recruits staffs from all parts the Thailand and the world and taking diversity seriously. With the Equal Employment policy the company welcomes staff from every nationality, religion, age, sex, education background, cultural background, origin, and people with disabilities. The opportunities are given to employees to work in the appropriate fields as a chance to learn and develop and improve their working skills to their potential. It is considered to the company's opportunity to develop employees that will help create products and services that will cater the needs of the customers.

### The components of the management division and the ratio of the employees sorted by diversity

Types of diversity	Managing level		Executive - level 11		Operation - level 8-10		Operation - level 1-7	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
● Male	12	92.31	31	79.49	843	48.28	14,279	61.42
● Female	1	7.69	8	20.51	903	51.72	8,969	38.58
● Age lower than 30	-	-	-	-	-	0.06	1,478	6.36
● Age between 30 – 50 years old	3	23.06	3	7.69	545	31.21	16,704	71.85
● Age more than 50 years old	10	76.92	36	92.31	1,200	68.73	5,066	21.79

*Note: The age categories in the table are sorted according to the GRI report.*

*\*\* The percentage is calculated from all the employees within the unit up to the ending of the reporting period.*



## Employee's satisfaction

The company aims to promote a good relationship between the employers and employees to ensure efficient management, which is according to the State Enterprise Labor Relations Act B.E. 2543. The way the good relationship is promoted is done through Operation Relations committee meetings. The Operation Relations Committee consists of employers' and employee's representatives as well as representative from the relevant divisions. According to the act, these meetings are held at least once a month. The subject of the meeting varies from company's operation, the promotion and improvement of the workforce relations, workplace conflict resolution, revision of the company's regulation for the advantage for the employers, employees and the company, discussion on the complaints from the employees and the workforce union, to the discussion revise the employment conditions. In 2014, there were some legal grievance submitted but with negotiation. However the cases were successfully settled through the use of legal and procedural channels.

In case of the employee related issues such as annual salary increase, the company will make an announcement as soon as the it has been approved from the board of directors or the managing levels. However, there is no certain period when the announcements will be made.

The company takes the result from its annual survey on the relationship between employees and the company into consideration when guidelines of promoting good interdivisional, interdepartmental relationships as well as for the entire organization are planned. It is because when employees are happy with their jobs, they will have the best interests for the company resulting dedication and hard work, which in the end benefits the company. A good interdivisional, interdepartmental relationship is one of the main factors that will mobilize the company towards its goal.

## Training and Education

THAI has the policies to develop its human resource in every level through the employees training. It is done to better the employee's qualification in order to reach the company's standards and beyond, which is based on their abilities and appropriateness. These training programs include ways to prepare employees to become ready when promoted up to a higher-level position.

Therefore, the human resource development plan is utilized to improve the efficiency of the company's employees. It is made possible through the company's training centers that are the Central Training Unit, Training and Development Division and the Business Training unit. These units provide soft and hard skills training to develop employees to the fullest potential. Within these training centers, Information Technology methods are also used in the forms of e-Learning in order to expand the training opportunities for all employees, decrease training time and training expenses. Personal development training can be classified into these of the following categories:

### The Permanent Employees

The company focuses on the development for the permanent employees through creating training roadmaps and programs according to their competency. In 2015, the Individual Development Plan (IDP) is planned to implemented for employees in all levels using the SAP-HCM system. The system focuses on both training and non-training development in which the evaluation of progress is done through the employee's competency annual evaluation.



## Executive Position Employees

For the higher-level executives, the company focuses on the qualification improvement. The training program for company's higher-executives are created to cater individual needs, while an Individual Development Plan (IDP) is used for both the leaders and higher-level executives. The training methods comes in many forms such as external training courses, attending domestic and international inter-organization meeting and national conventions. These training methods aims to enhance the executive's ability to strategically solve challenges as well as networking and knowledge sharing between organizations.

## The high-potential employees

Thai High Flyer is a talent management project created specifically for the high-potential employees to prepare them for a promotion into a higher position, both in the fields of operations and management. The project consists of the THAI High Flyer Development Roadmap, the individual development that aims to narrow down the competency gap, or increase the individual's talents to be outstanding through internal and external training as well as non-training methods.

## Average training hours of the employees per person and per year (sorted by sex and levels)

The data of the employees training	2014
The average training hours (hours/person/year)	24
The average training hours sorted by sex (hours/person/year)	
Male	24
Female	24
The average training hours sorted by the levels (hours/person/year)	
Operation (levels between 1-7)	24
Executive – levels between 8-10	24
Executives – level 11	18



## Aviation Safety Management

As an airline business operator, safety is the key that always be taken in a serious manner for the customers, employees and stakeholders and to meet the international standards. It is one of the company's main mission of bringing passengers and cargo to their destinations comfortably, punctually while strictly complying with all international standards/regulations and continuously developing the company standards to achieve the highest level in aviation safety.

## Flight operation

THAI considers Aviation Safety as a priority. To ensure THAI compliance with the International Civil Aviation Organization (ICAO), the company has implemented Safety Management System (SMS) to prevent, control and assess potential risk factors that could cause unsafe situations. To be proactive, THAI has continuously developed and updated on new technologies related to aviation safety whenever there is any change.

In addition, the company has also implemented the Safety Reporting System to enable quick and up-to-date solutions when problem arises. The information received from the reporting system is used for effective analysis, prevention and proactive action.

Furthermore, THAI has put Aviation Security as an important issue. THAI has Aviation Security Policy, which is clearly announced and covered in all the company's activities. Additionally, the company has developed THAI security program to ensure THAI activities are in accordance with all the international standards, resulting in an effective company-wide Security Management System (SeMS).

The safety and security standards are developed and improved on a regular basis. THAI has become a member of many national and regional aviation organizations to review safety and security standards, measures and to establish the proactive prevention strategies. This assures that THAI's aviation safety and security standard are highly and internationally accepted.

THAI's operates under these safety standards:

- International Civil Aviation Organization (ICAO)
- Department of Civil Aviation, Thailand (Thai DCA)
- Joint Aviation Authorities (JAA)
- European Aviation Safety Agency (EASA)
- Federal Aviation Administration (FAA)
- IATA Operational Safety Audit (IOSA) under the International Air Transport Association (IATA)







Moreover, the company has supported and promoted the employee's training on the aviation safety and security and has raised the awareness to the company's employees through theoretical training, seminars. In a mean time, there is publicizes the information, news and knowledge on the aviation safety and security through channels for all THAI personnel. These are for a continual improvement and development of aviation safety and security.

THAI has developed the quality control system comprised of : audit, inspection, survey, testing and exercise to ensure the most effectiveness of aviation safety and security operation in accordance with the international standard.

In 2014, THAI has passed the audit/inspection/assessment and evaluation by the external aviation organizations and local authorities where THAI operates flights to. With all the endeavors and efforts that THAI has put into the aviation safety and security to meet the international standards.

THAI has been certified by the IATA Operational Safety Audit (IOSA) on the operation safety and security. Lately on May 28, 2014, the company has been successfully re-certified by IOSA for the 4th time. THAI has been well aware of the importance of the safety, security and aviation standards. The company determines to achieve an efficient improvement and effective safety and security standards and operations to ensure the safety of passengers, employees and stakeholders. It is also to build the trust within the customers and service recipients.

Moreover, the company has the insurance to cover and protect itself from the damages and loss of properties and aircrafts, the injuries or death of employees, and the legal responsibilities and reliabilities toward the passengers, their belongings, cargo and mails, the third-party and public due to the company's operation as an airline business operator.



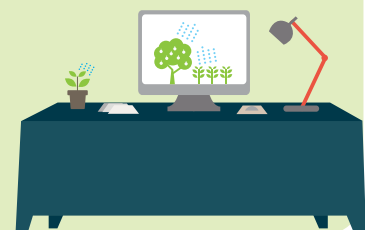
## The safety and sanitation of the employees

THAI is a big organization, which emphasizes and complies with the safety, occupational health, and working environment laws. Employees in every level are insisted to participate in safety, occupational health and working environment that is related to individual's duties and responsibilities in order to acknowledge the possible dangers and risks that comes with the job.

### OPERATION ON OCCUPATIONAL HEALTH AND SAFETY



- The president (DD) has assigned the executive vice president and the Aviation Business Unit executive to be responsible for the operations and regulations of the units under their command to comply with the safety, occupational health and working environment law.
- The Occupational Health and Safety Committee (OHSC) is appointed. It consists of representatives from the relevant divisions to set the plans, policies and operational guidelines to comply with the law. The committee has the authority to approve or agree with the new measures and regulations, set the operational goals, observes the company's safety, occupational health, and work environment operations, and the appointments of subcommittees or teams in order to operate effectively.
- The Safety Hygiene and Healthy Working Environment Committee is appointed according to the law. The committee consists of the president, representatives from the executive board or personnel in the managerial position, representatives of elected employees and a secretary. All of these committee members were trained in the safety course as required by the law. The roles and responsibilities of the committee members include the evaluation and planning of workplace safety policies which includes after work safety plans in order to prevent and decrease the rate of accidents, the possibility of entering into dangerous situations, health problems or disturbance caused by unsafe working habits as well as hazardous working conditions. It also includes reporting, presenting and revising the measures and company's policies on the safety of the employees, contractors, and subcontractors who operate their work within the company's vicinity. These regulations also applies to visitors who are visiting the company.
- The safety officers who are trained in the safety course as required by law, are appointed to responsible for the operational safety within the unit.
- The Safety Training unit has been registered to the Department of Labor Protection and Welfare, which allows the training of both company employees and non-employees. There are three courses which were approved: The Committee for Safety course, Occupational Health and Work Environment Safety, Course for Safety Officers in the Supervision Level and Course for Safety Officers in the Executive Level.



## Health Monitoring and Workplace Diseases Prevention

The company has assessed the dangers and risks that are health threatening towards employees by providing the health check-up programs. The results from these check ups are used as a reference to be used by relevant units. Also health-monitoring campaign is promoted company-wide to prevent occupational and work-related diseases. The campaign includes conducting follow-ups, monitoring, rearrangement of working conditions and environment to ensure safety within the workplace. The annual health check is conducted at least once a year for the employees at risk including the new employees and those who have just changed their duties to the ones with different risk factors.

## The first aid and the post-injury physical recovery

The company has established occupational health clinics within all of the company's business establishments to give the basic treatment for occupational and work-related diseases and injuries to employees. After the basic treatments were given, if need be they will be referred to specialized medical centers for treatment along with rehabilitation in order for them to resume their duties or to their normal life.

## The promotion for healthy and sanitation

Educational activities are always arranged to provide the knowledge on health and disease prevention. The company also provides a fully equipped sport complex for employees at the many of the company's business establishments. Moreover, the company supports activities, intramural sport clubs, entertainment and recreational activities to be able to operate according to its purpose.

### General disease Prevention and treatment measures

Disease prevention measure	Disease treatment measure
<ul style="list-style-type: none"><li>• Annual health check</li><li>• Disease screening and diagnostics such as Cervical cancer (by the pap smear), breast cancer (at Thanyarak Foundation), Hypertension, Diabetes, Kidney disease, and Glaucoma</li><li>• Vaccination services such as Influenza vaccine, Hepatitis B vaccine, and HPV vaccine</li><li>• Health awareness campaign after the annual health check, such as Glaucoma, Lifestyle Diseases, Osteoarthritis</li><li>• Complications monitoring campaign, such as the anti-tobacco, the exhibition about diseases, flyers, and nutritional tips .</li></ul>	<ul style="list-style-type: none"><li>• Recommending employees with abnormal results to seek medical attention</li><li>• Detecting the symptoms of the diseases in the early stages</li><li>• Medical consultation and treatment by doctors in the affiliated hospitals</li><li>• Making patient referrals to an external medical facility</li></ul>



## Occupational Disease Prevention Measures

Employees at risk	Preventative measures	Treatments
<p><b>01</b> Employees operating in the parking bay are at risk for the noise-induced hearing loss due to the exposure of loud noises within the workplace.</p>	<ul style="list-style-type: none"> <li>● Providing knowledge and preventative guidelines on noise-induced hearing loss</li> <li>● The supervisors have to strictly insist employees to use their personal hearing protectors.</li> </ul>	<ul style="list-style-type: none"> <li>● Noise-induced hearing loss is an incurable condition. If an employee experiences hearing loss, the use of hearing aids are advised.</li> </ul>
<p><b>02</b> Mechanics are at risk of contact dermatitis from working with heavy metals, aerosols and hazardous chemicals.</p>	<ul style="list-style-type: none"> <li>● The units have to provide the information of chemicals (MSDS) at the workplace in order to educate the employees on chemical hazards and health hazards, and protection</li> <li>● The supervisors have to strictly insist the employees to use their chemical protection Apparel and equipment</li> <li>● Check the level of chemical in the body from urine or blood samples. If the level exceeds the standard, the cause needs to be investigated to prevent the other employees from contracting contact dermatitis.</li> </ul>	<ul style="list-style-type: none"> <li>● The treatment depends on the symptoms and the type of chemicals exposed.</li> </ul>
<p><b>03</b> The employees in the cargo and mail department are at risk for the bones and muscles injuries from the wrong posture while lifting and moving the heavy materials.</p>	<ul style="list-style-type: none"> <li>● The unit has to educate their employees about the healthy postures while lift and moving objects. It is also necessary that the unit needs to provide them with the muscle supports and appropriate working equipment.</li> <li>● The unit needs to inform employees about muscle stretching routine and exercises.</li> </ul>	<ul style="list-style-type: none"> <li>● Administering muscle relaxants or the use of physical therapy when necessary</li> <li>● The change of duty is recommended if the treatment was found to be unsuccessful in relieving the injuries.</li> </ul>





## The Prevention and Control of Workplace Accidents and Dangerous Workplace Environment

The safety, occupational health and working environment measures are established and are to be used by executives, employees and related individuals. The measures cover the safety management of the unit, employees, contractors and subcontractors in order to provide the personal protective equipment and devices that meet with the safety standards. It also covers the analysis and assessments of health and safety risks at work and the optimization of risk management protocols to be in the acceptable standards.

## The Safety Monitoring and Assurance

The Safety, Occupational Health and Working Environment Committee in the business and safety unit along with security officers are responsible to check and find solutions for hazardous work conditions, which are threats to employee's health and the environment. They are also responsible for the workplace accident preparedness plan to ensure the preparedness towards any potential physical and mental risks on employees.

## Important Health and Safety Measures in 2014

### The measure to prevent the Ebola virus

In 2014, there was an Ebola virus epidemic in three West African countries which were Guinea, Sierra Leone, and Liberia. This epidemic has caused panic and anxiety. It is due to the fact Ebola is a communicable disease with the potential of becoming a pandemic like SARS pandemic which happened a few years back. However, the World Health Organization (WHO) did not recommend any travel restrictions. With a very small potential of the Ebola virus becoming air-borne but with the concern of the highest safety for the passengers and employees as well as the company's beneficiary, the company have strictly complied with all measures announced by the World Health Organization (WHO), International Air Transport Association (IATA) and Department of Disease Control, Ministry of Public Health and other organizations as well as increase the measures of preventing the Ebola virus



- Observing and screening of passengers on the ground
- Observing of passengers throughout the flight
- Deep cleaning of the aircraft interior and 36 additional touch points within the cabin
- Spray disinfecting the aircraft interior while on the ground
- Maintaining and ensuring the cleanliness, selection, and preparation of foods so there is no risk of being a carrier of the virus
- Monitoring the health of aircraft employees
- Increasing inspection of packages and goods transported in cargo, and avoiding transport of goods deemed to be of risk

### Company's Management during the Thai Political Crisis

From 2013 to 2014, Thailand was under political conflicts that have effected THAI operations in various offices. For the safety of the customers, employees and visitors, the company has increased the necessary safety measures and moved the operation base out of the political demonstration areas. Also, there were other measures in place, which includes workforce relations' policy that was implemented to ensure that all flight operations can continue operating smoothly while meeting the safety standard even in the time of crisis.



## Customers Satisfaction

The main idea of the company's product development is to develop a product that has a unique Thaianness that meets the needs and satisfactions of customers. With the use of internal and external surveys that is has been standard acceptance within the aviation industry such as IATA's research metadata and passenger demographics, products designed with accessibility by the company and produced by companies that meets the important international standards such as Amadeus Altea and Thai Wi-Fi, it is able to meet the needs and highest satisfaction of the customers.

The company used THAI Customer Satisfaction Survey to acknowledge the customer's satisfaction in all the classes and routes from the 2002 to present to evaluate the satisfaction and to learn the needs and expectation of the customer to improve the company's products, as well as to ensure a consistent service standard. The company has classified its services into 15 categories which are Reservation & Call Center, Ticketing, Web Sales & Information, Royal Orchid Plus, Lounge Room, Check-In Points, Lounge, Boarding, Cabin Crew, Seat, Inflight Entertainment, Food & Beverage, Business Center Facilities, Arrival, Baggage, and Irregularities Handling Services.

1. Reservation & Call Center
2. Ticketing
3. Web Sales & Information
4. Royal Orchid Plus
5. Check-In
6. Lounge
7. Boarding
8. Cabin Crew
9. Seat
10. Inflight Entertainment
11. Food & Beverage
12. Business Facilities
13. Arrival
14. Baggage
15. Irregularities Handling

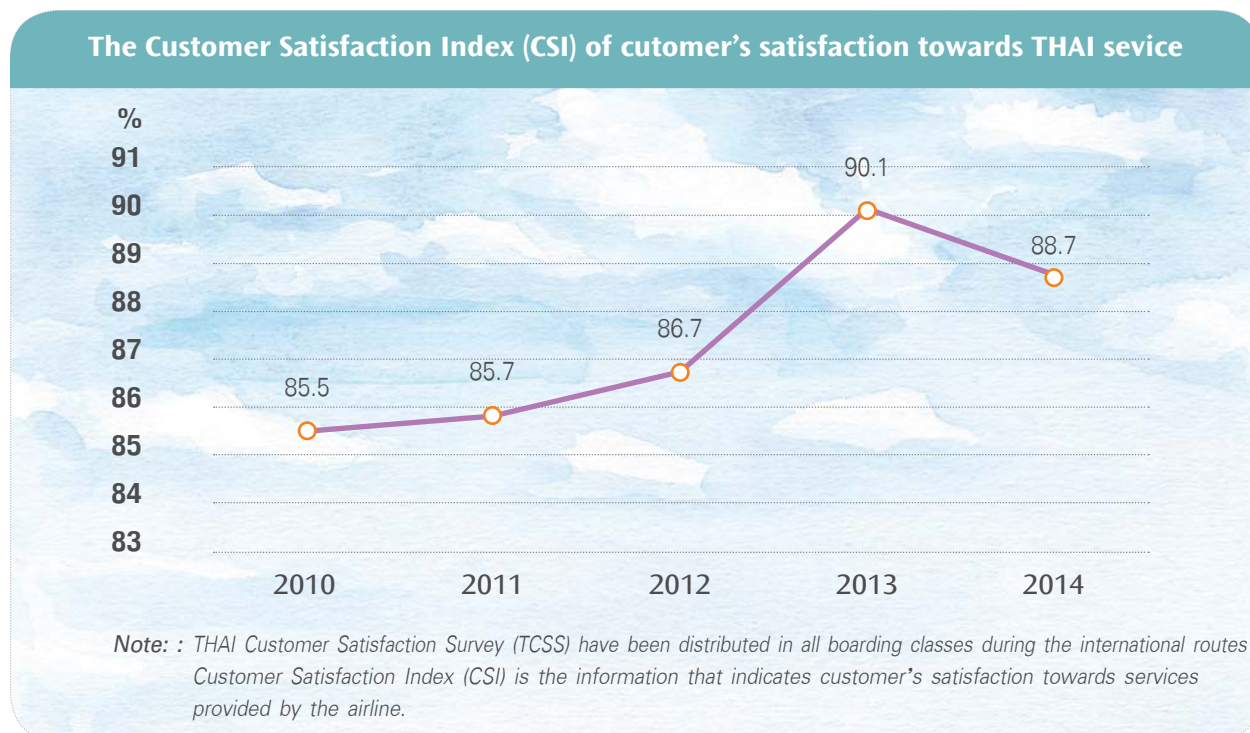


### BELOW ARE THE 5 METHODS USED TO SURVEY CUSTOMER'S SATISFACTION, NEEDS AND EXPECTATIONS:

1. Thai Customer Satisfaction Survey, distributed on board
2. e-Survey, distributed via email
3. IATA-Airs@t/International Air Transport Association survey purchased by the airline
4. Star Alliance Online Customer Satisfaction Survey
5. Customer Feedback Management System utilizing all channels such as phone calls, e-mail, fax as well as social media



The company uses the Customer Satisfaction Index (CSI) to analyze, summarize and present the information to the executives in order to be used as strategy guidelines for product and service improvement. In 2014, the CSI result has decreased from the previous year. The company, however, is determined to improve the products and services to meet the customer's need.



Besides, the company has set service standards called “Service Operation Procedure” (SOP) and “Service Delivery Standard (SDS)” in the main service points. The information on the service standard has been compiled into a service guidelines manual, which is distributed to the employees for reference when they are on duty. The results are being followed up by the use of internal audit to ensure that the customers receives a consistent standardized services by the employees on duty.

To best serve the expectation of the stakeholders, in 2014 the company has continued the use of the Amadeus Altea systems, which was used since 2013. It is because Amadeus Altea is an internationally accepted one-stop customer service system with the biggest network that used by more than 120 airlines. Amadeus Altea consists of four main systems, which are the reservation system, the ticket issue system, the reservation control system and passenger's check-in system for passengers checking in at the airport. In addition to being a one-stop customer service system, it is a system that supports employees to work for efficiently as it allows the airline to perform service and operations quality control. With the use of the system, THAI hopes to become the leading airline in the Asia-Pacific aviation industry.

In addition to the use of Amadeus Altea, the company is also concerned about the use of online communication, which has become a necessity in this era. In order to support the passenger's need to conveniently communicate while on board, the company has launched THAI Wi-Fi, a cabin Wi-Fi service on the company's six A380-800 aircraft routing to destinations such as Paris, Frankfurt, Osaka, Hong Kong, and Tokyo as well as seven A330-300 (33H) aircraft routing to destinations such as Perth, Taipei, Shanghai, Hong Kong and Osaka.



Passengers with disabilities or reduced motilities are a group of passengers that the company prioritizes. THAI gives the passengers and their caregivers a fair and fair and non-discriminatory treatment. The company has strictly complied with the Disabilities' Quality of Life Promotion Act B.E. 2555-2559 (2012-2016) that clearly states that:

- The company gives 50% discount to the passengers with disabilities, and 25% discount to the caretakers when purchasing the domestic tickets.
- The wheelchairs and staff are provided to take care of the passengers with disabilities to board first.
- The seating on board for the passengers with disabilities must be according to the safety standards
- The safety manual is compiled for the blinds, and the sign language is available in the safety video.
- Facilities accessibility management for the people with disabilities



## Marketing Communication

The company emphasizes strategic marketing communications and advertisement, which covers three main principles which are Branding, Product & Service and Network. They are done to build a clear understanding for customers. Rather than emphasizing on sales, these strategic marketing communications and advertisement emphasizes on the national pride as the national carrier for the past 50 years. In 2014, the company follows a strategically operates on logistical business plan which has two plans related to marketing communications which are the Integrated Marketing Communication Strategies (IMC) and proactive plan to publish the news continually through various media.

From the operation in 2014, there were no disputes as stated in Consumer Act B.E.2522, which has been amended into the 2nd edition in B.E. 2541. The company has been continuously modernizing its corporate image to be harmonized with the era as well as the changing consumer's behavior. The company has implemented and improved channels of communication with the hopes of creating a closer relationship between the companies while maintaining the honesty to the consumers. In addition, there are also other investments made by the company to ensure the best and fair returns all in benefit for the customers.





## Customers' Privacy

The company is aware of the issue on personal data security. All information provided by the customers is confidentially and securely kept. In 2014, the company didn't received any complaints from the customers about personal data breach and information loss due to the company's effective policy on customer's privacy which prevents all possible damages in which the guidelines are as the following:

### The Use and Storage of Personal Information

- When a customer provides their personal information such as name, addresses, email addresses and credit card information, the company will achieve the information as reference for flight reservation and marketing activities.
- The company may have to give the customer's information to THAI representative or external organizations such as ticket reservation services or credit card payment.



### The personal information disclosure

- The company will not disclose the personal information of the customers without being approved except to the legal and government units in case of the safety purpose, or for the customs and immigration purposes.



### The Changes in the Data Security Policy and Denial of Liability

- The company reserves the right to immediately change the data security policies and deny any liability at anytime. In case of changes or revision of the policy, the company will provide a notice to all customers of way to protect their personal information.



### Data Security Measures

- The company has established a data security measures as well as reinforcing the control of outsourcing unit to be certain that customer's personal information are kept confidentially.
- When the customer's to the ROP system on the website or through the Secure Server Layer (SSL), it is necessary to enter their personal information into the website in which the company cannot guarantee the password's strength or efficiency in protecting their personal information. The company reserves the right to deny any reliability caused by unauthorized access of personal information.

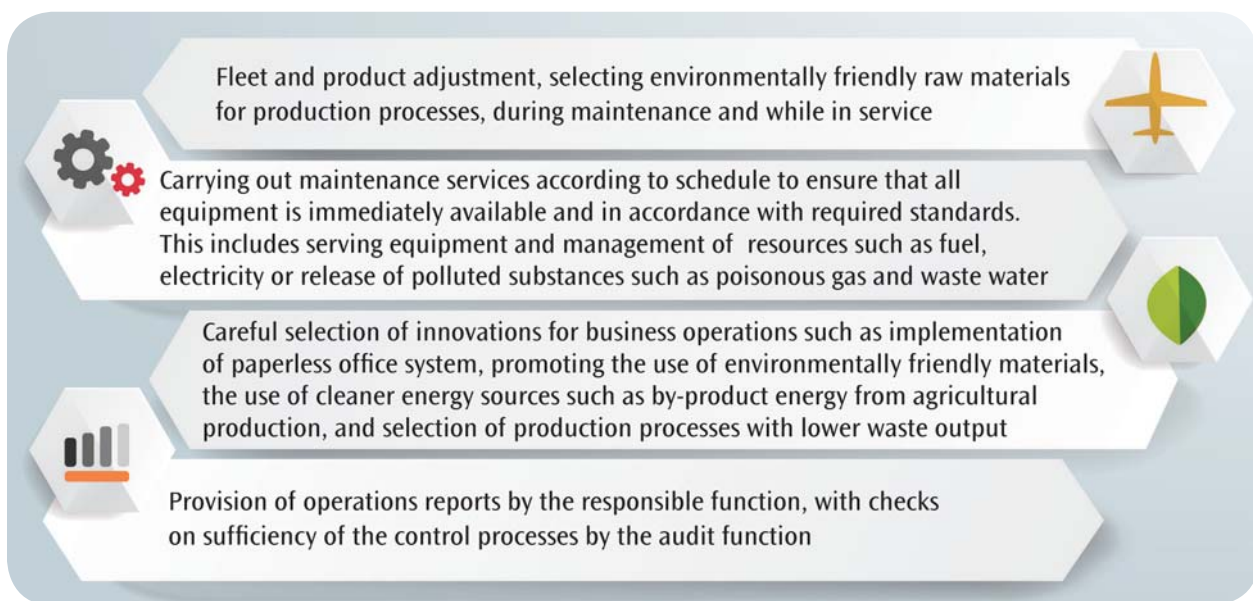




# ENVIRONMENTAL OPERATIONS

Thai Airways International Public Company Limited (THAI) as the national carrier of Thailand and one of the world's leading airlines fully recognizes its responsibility for the nation, the world community and the environment. Therefore, THAI has continued to implement appropriate measures for the management of existing environmental resources under a clear environmental management policy.

THAI places special emphasis on developing and further enhancing effectiveness of its environmental management policy, in accordance with international requirements, for every activity in order to ensure that all company activities are in compliance with related environmental laws covering every critical aspect, including aircraft pollution, noise pollution, the use of jet fuel, improvement of waste water quality, the use of chemicals, conservation of electricity, waste management, and recycled and re-used materials from different operations, such as:



THAI recognizes the existing environmental problems and therefore started to introduce and support technology and aviation related innovations such as lightweight materials for aircraft manufacture and engines, efficient flight operations and reduced fuel consumption, enhanced air traffic control, more effective trade and tax measures such as the EU greenhouse gas regulations which drive airlines to take responsibility for the reduction of GHG through the use of economic tools.

THAI has a clear environmental policy and encourages greater development of environmental management policy through a clear CSR strategy under the Travel Green concept, focusing on climate change and sustainable material management and sustainable use of resources as well as biodiversity and ecosystem services.



## Climate Change

THAI established different process management systems to help reduce emission of greenhouse gases and has continued to work in close cooperation with external organizations to reduce and resolve problems as a result of climate change, starting from increased aircraft efficiency to reduce carbon emissions, efforts to reduce emission of gases that damage the ozone layer causing climate change, and building greater awareness among its passengers and customers through participation in the Company's environmental conservation activities.

### THAI's Voluntary Carbon Offset

THAI's Voluntary Carbon Offset program was certified by the United Kingdom's Quality Assurance Standard (QAS), an independent organization for certification of carbon offset programs. QAS has developed accurate methods to calculate the release of carbon and transparency in determining carbon price information for passengers. The offset payments from passengers are used for investment in the Clean Development Mechanism (CDM) and Certified Emission Reductions (CERs) and Voluntary Emission Reductions (VERs) whereby passengers are able to take part in every destination to which THAI operates.

THAI joined with IATA to embark on this project in 2010 and in 2014 THAI was able to offset some 726,442 tons of CO<sub>2</sub>, equivalent to US\$2,649. The offset money was given to CDM projects which have been certified with CERs, for example the biodiversity project in Ratchaburi by Nong Bua Farm and Country Home Village.

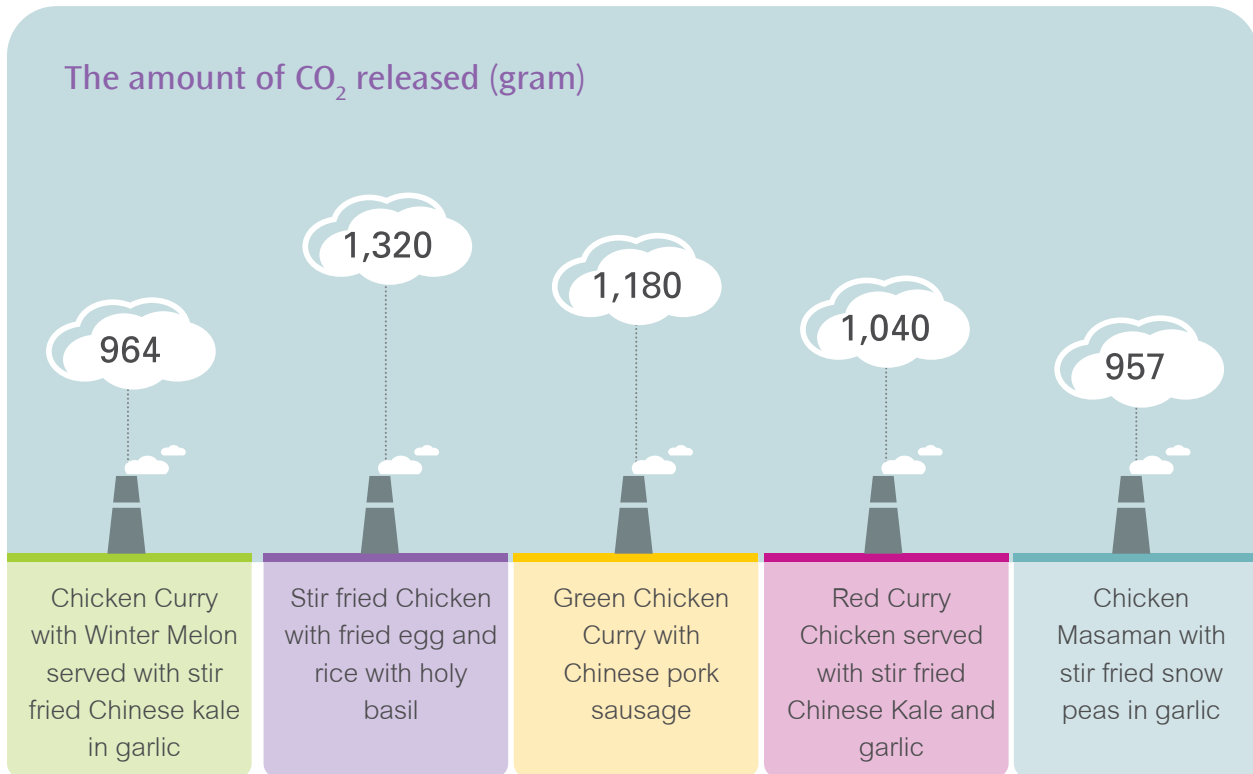
### Chemical Free Building Maintenance Project

THAI recognizes the impact from the use of chemicals which may affect the ozone layer, and therefore has continued to prohibit the use of such chemicals for building maintenance, which includes prohibiting the use of these chemicals in cleaning spray for electrical surfaces, cooling chemical R11 and R22 for air-conditioning systems and large water coolers as well as chlorine and sodium hyperchloride for the swimming pool and fountains.



## Carbon Footprint in Menu Choices

THAI was the first airline to introduce carbon footprint information for its menu on board for passengers in 2009, showing the amount of Green House Gases released in the production process starting from acquiring the raw materials, production, adding ingredients, packaging and storage as well as waste management. In 2014 THAI, together with the MTEC, introduced carbon footprint information for 30 on-board menu choices and applied for certification from the GHG Management Association in five categories as follows:



THAI will bring this concept of displaying the amount of evaluated CO<sub>2</sub> released for further improvement, starting at the point where Green House Gases (GHG) are released at the highest level in each meal production process, helping to reduce the amount released and at the same time reduce the energy consumption in the production process.

*The value of CO<sub>2</sub> released certified by the GHG Management Association*



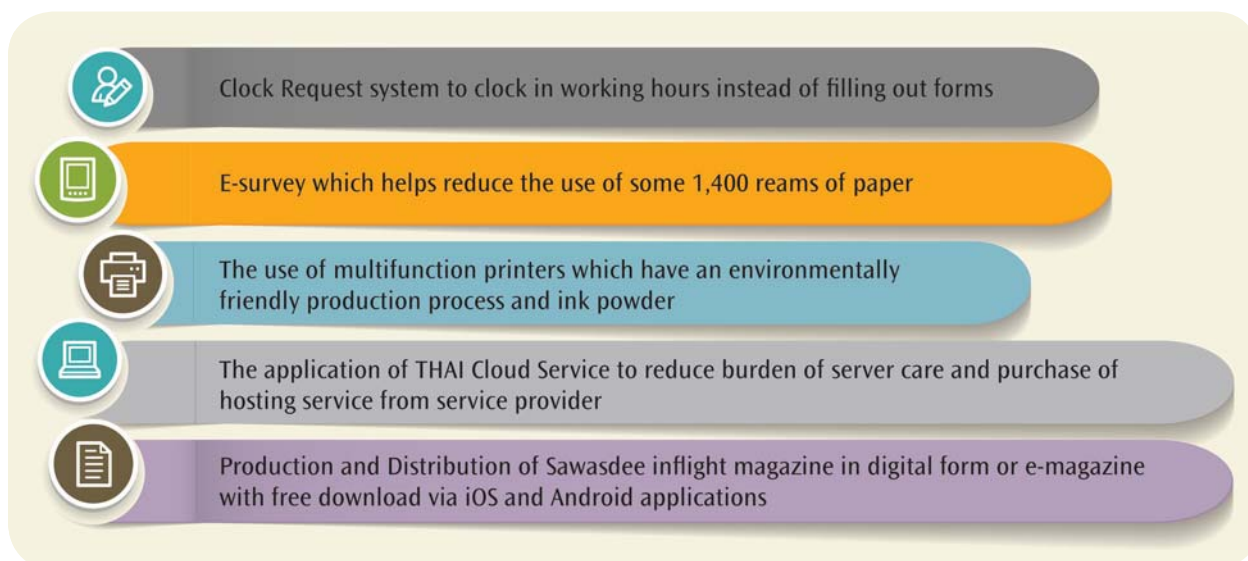







## Sustainable Material Management

Management of supplies and raw materials is implemented for production processes, service, and equipment maintenance to maximize efficiency. The quality of these materials is well supervised and maintained in order to ensure their readiness for use. Effective management is essential as it helps reduce operating costs and consumption of resources used for producing these materials.

THAI places special emphasis on reducing the use of paper and energy by reducing weight carried on board the aircraft, including introduction of the e-Meal menu where passengers are able to select their menus and drinks as well as duty free goods on board, viewing the list of food, beverages and goods via the inflight entertainment system (IFE) instead of paper menus and magazines. Adjustments are made on those materials used in the service area such as using PET plastic bottles in place of the normal glass bottle for passengers in Economy Class

Under the Green IT concept, THAI was able to improve work processes and regulations enabling THAI to reduce the use of disposable materials in various work systems such as encouraging reduction in the use of paper, and designing and developing the use of paperless systems such as paperless meetings, e-IOC and Service Request Management (SRM), combined with the printing system and environmentally friendly disposable materials. THAI also allows the use of personal communication equipment and computers in connection with the Company's network to enhance effective communication channels. In 2015, THAI expanded its Green IT concept to other areas including:



-  Clock Request system to clock in working hours instead of filling out forms
-  E-survey which helps reduce the use of some 1,400 reams of paper
-  The use of multifunction printers which have an environmentally friendly production process and ink powder
-  The application of THAI Cloud Service to reduce burden of server care and purchase of hosting service from service provider
-  Production and Distribution of Sawasdee inflight magazine in digital form or e-magazine with free download via iOS and Android applications

## Reuse of Plastic Sheets

Plastic sheets used in the transportation service of THAI Cargo and Mail Commercial for covering pallets to prevent damage from humidity carried on inbound flights to Bangkok are carefully checked and sorted. They are well stored for re-use on pallets for outbound flights. Statistics show that 1Kg less use of plastic will help reduce carbon emissions by 0.96 ton per year. In 2014, THAI was able to reduce the use of plastic sheets by 22 percent or 65,284 sheets, accounting for 61,938 kilograms of plastic during the year, reducing carbon emission by 59,460 tons in 2014.



## Sustainable Use of Resources

THAI is fully aware of the conservation of natural resources especially energy conservation. Therefore, THAI is dedicated to operating its business in parallel with energy conservation efforts with the following energy conservation policy:



Effective energy management should be part of THAI's business operations in order to ensure that all activities and operations are carried out effectively and strictly in accordance with the energy conservation standards and legal requirements as well as other related measures



Energy conservation is the responsibility of the management and staff at every level and requires cooperation from every employee in order to achieve the common objective, target and operational plan in energy conservation



Analyze, evaluate, control and reduce energy consumption to improve energy consumption on a continual basis in order to maximize energy consumption efficiency, suitable for the business environment and in line with the type of technology adopted by all functions within the Company



Energy conservation operational plan, objectives and targets must be clearly determined and its effectiveness must be regularly monitored and reviewed



THAI places special consideration on product and service design as well as procurement of machines, equipment and tools, and production-related equipment to ensure effective energy consumption



Energy consumption and related training programmes and activities will be arranged for employees to build greater awareness of energy consumption while providing support for necessary resources to ensure consistent and effective management of energy conservation



Provide support to organizations and society in the area of energy conservation as well as publicizing news and information on energy conservation to create greater understanding of the subject

THAI appointed an Energy Management Committee for each of department, including management level and technical employees. Sub-committees were also established in each function with the responsibility of ensuring that energy conservation tasks in their areas of responsibility are carried out effectively and appropriately in line with the Company's energy conservation policy.

### Optimize energy usage in flight operations

THAI operates both international and domestic air transportation services offering over 200 flights on a daily basis, utilizing more than 220 million litres of fuel, which contributes to the increase of air pollution. Therefore, THAI established a policy to help reduce the use of aircraft fuel and minimize its contribution to air pollution.

Measures and practices have been established to reduce energy consumption and related personnel are required to strictly follow them, such as take-off with calculation of actual weight of aircraft, optimize aircraft descent to appropriate level and distance and improve landing technique to help reduce fuel consumption, and use only necessary engine for taxiing. THAI was able to reduce energy consumption by more than one per cent which accounts for reduction of more than 2.2 million litres of fuel.



Other activities to help reduce fuel consumption from flight operations include:

### Retune Flight Planning to reduce fuel uplift before flight

THAI employs New THAI Automatic Flight Planning System which is known for its high standard of efficiency and safety. With this system, THAI was able to reduce the use of fuel by 3,352 tons and reduce fuel cost by 127 million Baht. This project will be carried on into 2015.

### Efficient Fleet Planning

In 2014, THAI phased out all A300-600 aircraft from its fleet while adding seven new and highly efficiency aircraft comprising three Boeing B777-300ER and four B787 aircraft. In 2015 THAI will take delivery of an additional three Boeing B777-300ER and two B787 aircraft. The average age of THAI's aircraft will be reduced to nine years which will help enhance aircraft operational efficiency and direct fuel cost from flight operations.

**DREAMLINER**  
Environmentally Friendly Flight  
and Flying Comfort

- Cleaner Air
- Spacious Design
- Larger Overhead Bins
- Dimmable Windows
- Sky-like Cabin
- Pressurized Cabin (6,000 ft)
- Reduced Noise
- Smooth Flying

Six Boeing 787-8 Dreamliner aircraft joined THAI's fleet and were put into service from July 2014. The Dreamliner was designed to be a truly environmentally friendly aircraft while offering exceptional passenger flying comfort and convenience.

The 787 Dreamliner is a medium-range aircraft which has been especially designed with lightweight structures and wings, equipped with the next-generation Rolls-Royce Trent 1000 engines with Chevron shape blades to reduce engine noise and lessen the sound of the engines over airport boundaries and airport communities.



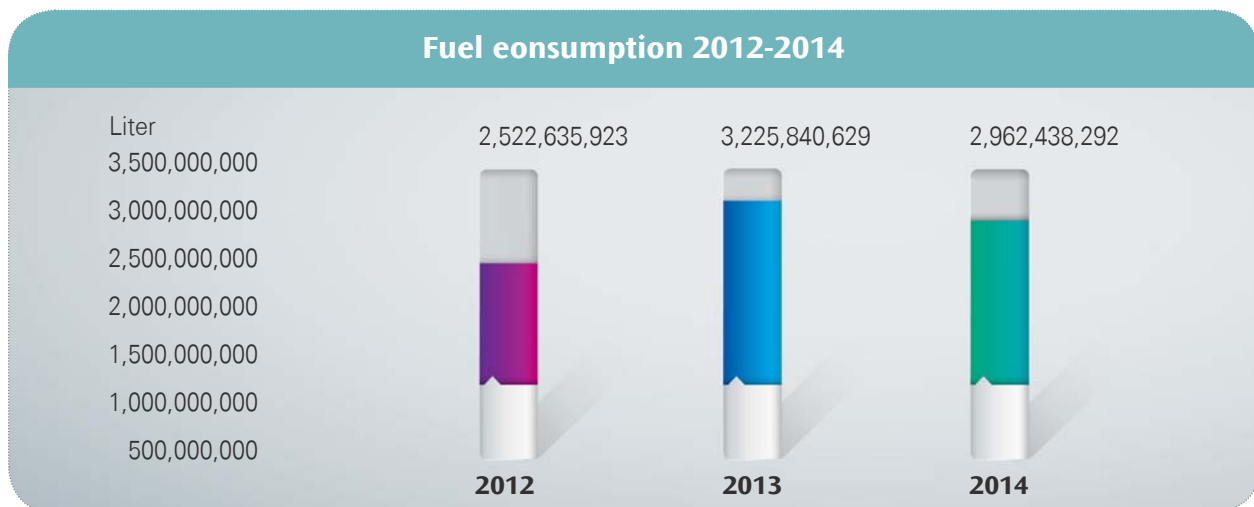
## Development of Fuel Consumption Recording System for Flight Operations


In 2014, THAI further developed its IT system to help improve the data recording process for fuel consumption to provide greater accuracy and convenience. Responsible personnel are required to input information in the ACARS (Aircraft Communication Addressing and Reporting System) installed on the aircraft. The information will be transferred directly to the server which will help support quality information for the Company's fuel management.

In 2013, THAI recorded the liter/Available Ton-Kilometer (ATK) of its fleet at 0.2565 or the 1:1 ton:kilometer ratio of fuel consumption. In 2014 the consumption value declined to 0.2456 (January-September 2014) which reflects a more modern and efficient aircraft fleet.

## Fuel consumption ratio

Bio Jet fuel is an important resource which plays a critical role in the Company's operations. THAI therefore makes every effort to reduce overall consumption and improve the use of bio jet fuel for maximum efficiency. In 2014 THAI recorded lower fuel consumption when compared to the same period in 2013, in the amount of 263,402,337 litres, equivalent to 2.61 per cent. THAI strives to develop suitable technology to elevate its efficiency in fuel consumption.





In 2014 THAI set target for overall energy consumption in the form of indicator or Specific energy consumption by comparing with meals not more than 24.50 Mj/Meal. In 2014 the specified energy consumption was recorded at 25.37 Mj/Meal which is beyond the set target. However, THAI will strive to develop its energy management system on a continual basis

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*Remarks*

- The value of specific energy consumption or SEC equals Total Energy (Mj) / Meal Total Energy (Mj) = Electricity (Active Energy KWH x 3.6 mj/KWH) + Cooking gas (Kg LPG x 50.22mj/Kg)
- "Meal" means the ready-to-serve food in a tray sold to an airline client.







### Aircraft Washing Equipment

In 2014, THAI acquired three additional units of aircraft cleaning machines and expanded its service area to include aircraft bays on the western side to accommodate more customer aircraft. In 2014, THAI was able to provide 1,247 services comprising 757 TG Full wash, 220 Customer Full wash. 532 of TG washes were half washes, with two half washes counted as one full wash.

### Biodiesel at THAI Catering

After a successful launch of its bio jet fuel flight, THAI received strong support from the Ministry of Energy encouraging the use of bio jet fuel in the aviation industry. THAI is working in close cooperation with the Petroleum Authority of Thailand (PTT) in developing bio jet fuel. This joint project is in the study phase of bio jet fuel production from used cooking oil obtained from THAI Catering. Some 4,000 litres per month of cooking oil pass through the bio hydrogenation diesel (BHD) process. It is expected that in 2014, THAI will be able to produce bio jet fuel using this process which will be tested with ground equipment powered by diesel engines.

### Light Weight Container

In 2014, THAI replaced heavyweight containers with lighter ones. The hot meal container on THAI's Intercontinental flights was changed from the heavier Porcelain Casserole to Aluminum foil served in Economy Class. THAI was able to reduce 5,000 kilograms of weight per day accounting for a saving of Baht 25 million per year.



## Clear Core™ Engine Cleaning System

THAI utilizes Clear Core™ Engine Cleaning System, a new innovation which helps increase efficiency and extends the engine life span. This system also incorporates waste water treatment by treating the water from the engine cleaning process which can later be re-used. In 2014, aircraft engines were cleaned 305 times.

## Effective Energy Conservation

THAI is committed to systematically and consistently conserving energy and other facilities within the Company in addition to improving fleet efficiency. In 2013, THAI received ISO50001 certification for THAI's Head Office, Larn Luang and Laksi facilities, OPC Building and Ground Handling for enhancing energy efficiency, reducing expenses for energy consumption and operating in accordance with international standards and requirements. THAI applies four key measures in energy conservation, as follows:



### Non-investment Energy Conservation Measures at offices (House Keeping)

- Reduced operating time for large chiller
- Turned off air conditioning at redundant areas during 12:00-13:00 hours
- Turned off light bulbs at redundant areas
- Utilized automatic building control system
- Adjusted operational function of elevators by separating into High Zone and Low Zone



### The repairment of the low efficiency machinery and the equipment to save the energy measure.

- Air conditioners were changed to a centrally-controlled system
- Installed automatic brightness lighting control system
- Replaced the T8 type of light bulbs with LED
- Installed automatic condenser cleaning ball
- Improved efficiency of the cooling tower





### Building renovation for the integrated energy saving (Green Building)

- Improved Building Automation System used for controlling energy consumption of air conditioning, electricity, sanitation and other building related systems in order to ensure maximum efficiency
- Solar cell project for outdoor lighting around the premises
- Use LED light bulbs in place of those that may be damaged or expired
- Developed Green Building focusing on minimizing environmental impact and optimizing the use of resources with environmentally friendly building and construction materials



### “A TG Citizen Courtesy Campaign”

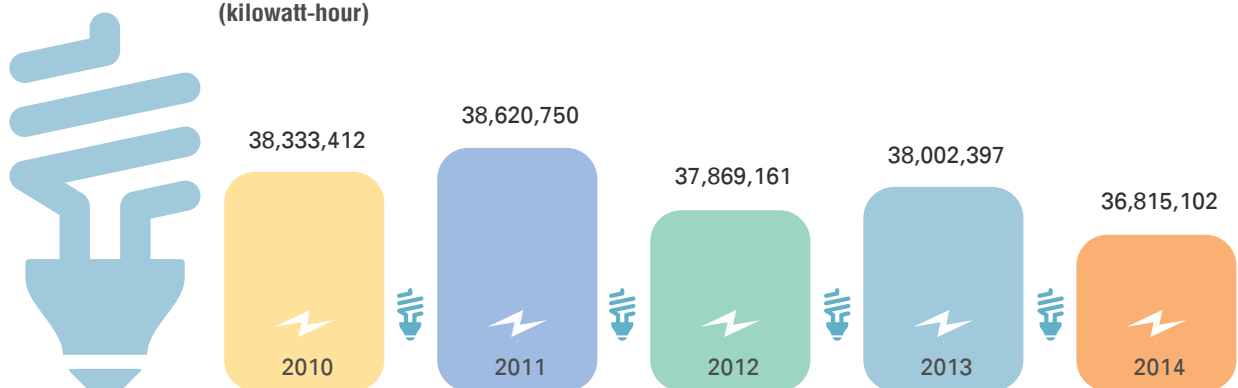
- Produced and distributed public relations materials on reducing expenses for public facilities
- Organized energy conservation activities to create greater awareness
- Established THAI energy conservation club to build awareness
- To encourage THAI’s employees to stop bringing personal electronic devices to use at the office.

As a result of on-going energy conservation efforts and activities, in 2014 THAI was able reduce expenses on electricity by 1,187,295 units when compared to the record in 2013, which accounted for a saving of more than Baht 4.9 million.

## Electricity consumption for the year 2010 – 2014

### Summary of the last 5 years.

(kilowatt-hour)

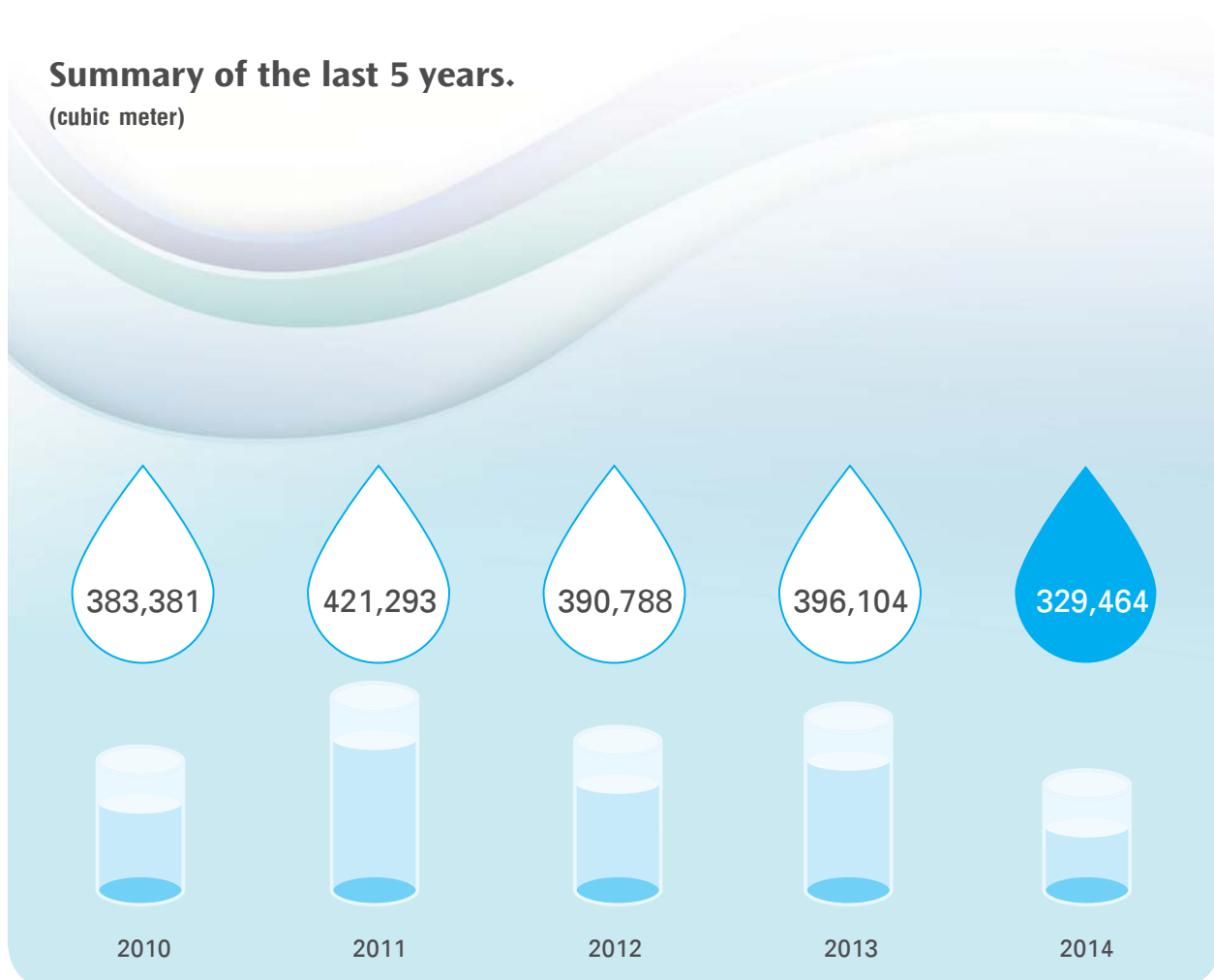


## Water Resources

Water resources are important for business operations and people's daily life. Therefore water resources must be well conserved to ensure environmental sustainability. Water use must be optimized and properly controlled in order to maintain its quality prior to discharge into the surrounding community. Waste water treatment must be regularly monitored and its quality measured to reduce risk of water contamination by dangerous or poisonous substances.

In 2014 THAI has continued to create awareness of water conservation through various media channels. This will help enhance better understanding of effective water resource consumption while recognizing its value. THAI replaced malfunctioning or damaged facilities and also procured water saving and environmentally friendly sanitation facilities. As a result, in 2014 THAI was able to reduce water consumption by 66,640 cubic centimeters compared to the amount in 2013, which was calculated at more than Baht 1.4 million Baht.

## Water consumption for the year 2010 – 2014







In 2014, THAI implemented measures to control discharge of waste water by installing the Water Recycling System at Head Office and Laksi office buildings where treated water can be reused for air conditioning systems, sanitation purposes, watering plants, cleaning aircraft parking areas, fountain spray and cooling tower. With this system, an average of 260 cubic meters of waste water can be reused per day.

THAI also implemented measures to control and assess the waste water discharge treatment system to maximize its effectiveness in accordance with legal requirements at various office buildings at THAI's Head Office, Laksi, Don Mueang, Lam Luang, Silom and Operation Center at Suvarnabhumi Airport.

In 2014, the quality of the waste water discharged passed the office building waste water discharge standard in accordance with the announcement of the Ministry of Environment and Natural Resources, which are separated into different conditions such as PH values, BOD value, Suspended solids, Sulfide, total dissolved solids, Settleable solids, Fat, oil and grease and Total Kjeldahl Nitrogen. At Laksi office building, the value of the Total Dissolved Solids was found to be above the maximum standard value. It was measured at 712 mg/L in March 2014 and 540 mg/L in September 2014. THAI implemented corrective measures by increasing working hours of Run Aerator to increase the amount of air in the effluent pump pond. Improvement of waste water discharge system is being carried out as an on-going project at Lam Luang office building.



## Water treatment at THAI's Head Office

Item	Unit	Method	Result											
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
BOD (5 day at 20C)	mg/L	5 Day BOD test, Azide Modification	7.5	2.4	6.8	5.0	14.4	11.2	9.3	2.3	13	11	2.0	7
Oil & Grease & Fat	mg/L	Partion Gravimetric	0.4	N.D	5.6	0.4	N.D.	N.D.	N.D.	0.8	<5	<5	<5	<5
pH value settleable			7.5	7.6	8.0	7.3	7.4	7.1	7.3	7.3	6.9	7.1	7.0	7.0
Solids	mL/L/hr	Electrometic	<0.1	<0.1	<0.1	0.1	<0.1	<0.1	<0.1	<0.1	<0.5	<0.5	<0.5	<0.5
Sulfide	as S2	Volumetric	2.16	0.06	0.69	N.D.	N.D.	0.1	N.D.	0.3	-	-	-	-
Total Dissolved Solids	mg/L	Dried at 103-105°C	440	522	342	230	302	454	270	239	646	486	296	344
Total Kjeldahl Nitrogen	as N	Macro-Kjeldhl	8.7	4.3	2.8	1.7	4.7	3.6	2.1	5.9	9.0	30	9.0	26
Total Suspended Solids	mg/L	Dried at 103-105°C	3.0	2.0	14.0	6.6	5.5	4.2	4.0	7.5	7.0	4.0	3.0	2.0



## Biodiversity and Ecosystem Services

The ecosystem is a community of living organisms and plants which live together interdependently. It helps maintain the balance between the environment and organisms ensuring their survival. Therefore environmental protection and restoration is crucial in order to ensure that they live together sustainably. As an environmentally friendly airline, THAI supports the use of raw materials from the Royal Projects and farmers using the Good Agricultural Practice (GAP) system to ensure that products are of high quality, safe and aligned with the needs of our consumers for production of meals on board THAI flights. THAI also places special emphasis on creating awareness among employees and society of environmental conservation through organized activities and projects including THAI Returns Life to Earth.

### • THAI Returns Orchids to the Wild

THAI, together with Mae Jo University and Chiang Mai Zoo, organized the 2nd Return Orchids to the Wild project to commemorate the auspicious occasion of Her Majesty Queen Sirikit's birthday on August 12, 2014. The project was launched in response to Her Majesty's initiative of orchid conservation and returning them to the wild. The initiative also places special emphasis on creating the people's awareness of the incalculable



value of the natural resources and the need to maintain biodiversity of the ecosystem in Thailand. The event was attended by some 1,070 participants including THAI Eung Luang customers, travel agents in Chiang Mai, teachers and students from Mae Jo University, officials from Chiang Mai Zoo, press and media. The participants joined in planting 3,000 orchid seedlings in the wild.

For over 5 decades THAI has continued to promote Thai orchids to the world by using them as the symbol of THAI's unique service on board under the name "Eung Luang Service". Over four million orchid corsages are presented each year to THAI passengers. THAI also supports the transport of orchids to overseas Thai events, exhibitions and festivals which always create an exceptional impression of Thailand with people around the world.

### • THAI Returns Life to the Earth

THAI organized a reforestation project in the brackish water in Phra Dabot project area Tambon Bang Pla, Ampur Bang Pli, Samut Prakarn province. This project was organized to mark the auspicious occasion of His Majesty the King's 87th Birthday. Some 100 THAI employees joined the activity to plant over 1,000 trees in the one rai area. The project was launched under H.M. the King's initiative of Three types of reforestation gain four benefits to increase brackish forest areas which in time will help protect the freshwater area from salt water. It also builds the natural balance of the area in line with H.M.'s wish to utilize Phra Dabot as a training and educational area in self-sufficient agriculture and herb cultivation for students and the general public.



## Cancelation of Shark Fin dishes on board THAI flights

THAI announced cancellation of shark fin dishes on board in response to its commitment for marine environmental conservation and its intention of becoming a green airline, helping to safeguard the environment for future sustainable existence. The announcement took effect from 15 July 2014.

## Management of Waste

THAI places special emphasis on increased efficiency in separating waste for recycling purposes through improved systems for waste and dangerous waste management. THAI also actively promotes employees' engagement in helping to discard their waste into the correct garbage bins labeled for general waste, recyclable, dangerous and toxic waste, prior to being sorted again by cleaning staff, who will also make a record of how the waste was discarded in accordance with the ISO14001



According to the 2014 statistics, for the area of head office, recycled waste accounted for 23.69 per cent of the total waste and also sale of waste paper and unused materials earned THAI some Baht 560,402.22





**AWARDS &  
RECOGNITION**



## AWARDS & RECOGNITION



### Service

- THAI was named Best Airline 2014 for three Skytrax awards achieving first place for Best Service Asian Carrier and Best Meals in Economy Class and third place for Ground Services at World Airline Awards 2014
- At Smart Travel Asia 2014, THAI was named for three Best Airline Awards, achieving 5th place World Best Airlines category, 4th place for Best Business Class Service and 3rd place for Best Inflight Service. The results came from the Best in Travel Poll of magazine readers
- THAI received “Today’s Traveller Awards 2014” for excellent inflight service and also in recognition of outstanding performance
- THAI Hong Kong office was voted winner of the “Best Check-in Service Award - Waiting Time in Check-in Queue - Airlines” for fast and efficient check in service provided by THAI ground staff at Hong Kong International Airport
- THAI won the “GOLD PRIZE Best Long Haul / Middle Haul Caterer Award of 2013” from All Nippon Airways for excellent efforts in maintaining food quality and standards as well as effective meal production and uplift
- Jetstar International’s Most Improved Caterer of the Year Award 2013 to THAI Catering for excellence in food uplift service
- THAI Catering was awarded Excellent Catering Service Award Gold 2013 from EVA Airways for providing excellent meal uplift services

### Performance

- THAI was ranked second for Best Southeast Asian Airline and Best Airline Business Class at TTG Travel Awards 2014
- THAI was named in “Travel and Leisure India’s Best Awards 2013” by the Travel and Leisure Magazine India and South Asia for the second consecutive year
- THAI received the ICT Best Practice Awards 2014 in recognition of THAI’s full service airline business that spans the world with a connecting system to all branches at each of the destinations and effective customer care and communication systems





- Plaque of Appreciation for Company Practice in accordance with standardization of Transparency indicator in recognition of functions joining the pilot project with outstanding transparency indicator value for fiscal year 2013-2014
- Best Asia-Pacific Airline Website award was presented to THAI in recognition of advancement and technological developments as well as readiness to accommodate modern business operations, offering fast and convenient service easily accessible by customers
- THAI was named first runner up for the Suriyasasithorn Award for 34 consecutive years in recognition of its efforts to producing the best calendars reflecting good company image in a modern and innovative design

## Social & Environmental

- THAI won the Best Green Airline 2014 at the 28th Annual Asian Freight & Supply Chain Awards, voted by operators, customers and subscribers of Cargo News Asia from Asia and around the world
- THAI received three awards for Outstanding Operations Premises 2014 in areas of health and hygiene environment from the Office of the Department of Labour Protection and Welfare at national and provincial levels as well as Certificate of Appreciation
- THAI received Outstanding Premises for Disabled 2014 award in the excellence level with Plaque and Certificate of Appreciation as well as a Baht 50,000 cash award in recognition of its efforts to effectively accommodate disabled persons
- THAI received the CSR Recognition 2014 award in the General category for SET registered company, in recognition of its commitment towards improved business operations in parallel with its social responsibility awareness
- THAI was awarded Outstanding Sustainable Report 2014 by Thailand Registered Company Association (CSR Club) for SET registered companies in recognition of its dedication and commitment to developing an effective CSR report



## General Standard Disclosures

General Standard Disclosures		SD Pages	Note
<b>Strategy and Analysis</b>			
G4-1	Statement from the most senior decision-maker of the organization.	5	
<b>Organizational Profile</b>			
G4-3	Name of the organization	8	
G4-4	Primary brands, products, and/or services.	8-10	
G4-5	Location of organization's headquarters.	10	
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	8	
G4-7	Nature of ownership and legal form.	10	
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	8,10	
G4-9	Scale of the reporting organization.	9,10,33	
G4-10	Total workforce by employment type, employment contract, and region broken down by gender.	30	
G4-11	Percentage of employees covered by collective bargaining agreements.	10	
G4-12	Describe the organization's supply chain.	10	
G4-13	Significant changes during the reporting period regarding size, structure, or ownership.	-	No significant change
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	68	
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	14-15, 18-19	
G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organization advocacy organizations.	8	



General Standard Disclosures		SD Pages	Note
<b>Identified Material Aspects and Boundaries</b>			
G4-17	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	26	
G4-18	Process for defining report content.	26	
G4-19	List all the material Aspects identified in the process for defining report content.	26	
G4-20	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	26	
G4-21	State any specific limitations on the scope or boundary of the report (see completeness Principle for explanation of scope). Basis for reporting on joint ventures.	26	
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	-	No change from previous report change
G4-23	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	-	No significant change about scope and aspect Boundaries
<b>Stakeholder Engagement</b>			
G4-24	List of stakeholder groups engaged by the organization.	22-23	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	22	
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	22-23	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	22-23	
<b>Report Profile</b>			
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided.	26	
G4-29	Date of most recent previous report (if any).	26	
G4-30	Reporting cycle (annual, biennial, etc.)	26	
G4-31	Contact point for questions.	26	
G4-32	Table identifying the location of the Standard Disclosures in the report.	10	
G4-33	Policy and current practice with regard to seeking external assurance for the report.	-	No significant change
<b>Governance</b>			
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	16-17	
<b>Ethics and Integrity</b>			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	12	



## Specific Standard Disclosures

Specific Standard Disclosures		SD Pages	Note
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Specific Standard Disclosures		SD Pages	Note
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DMA	Labor/Management Relations	56	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	56	
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