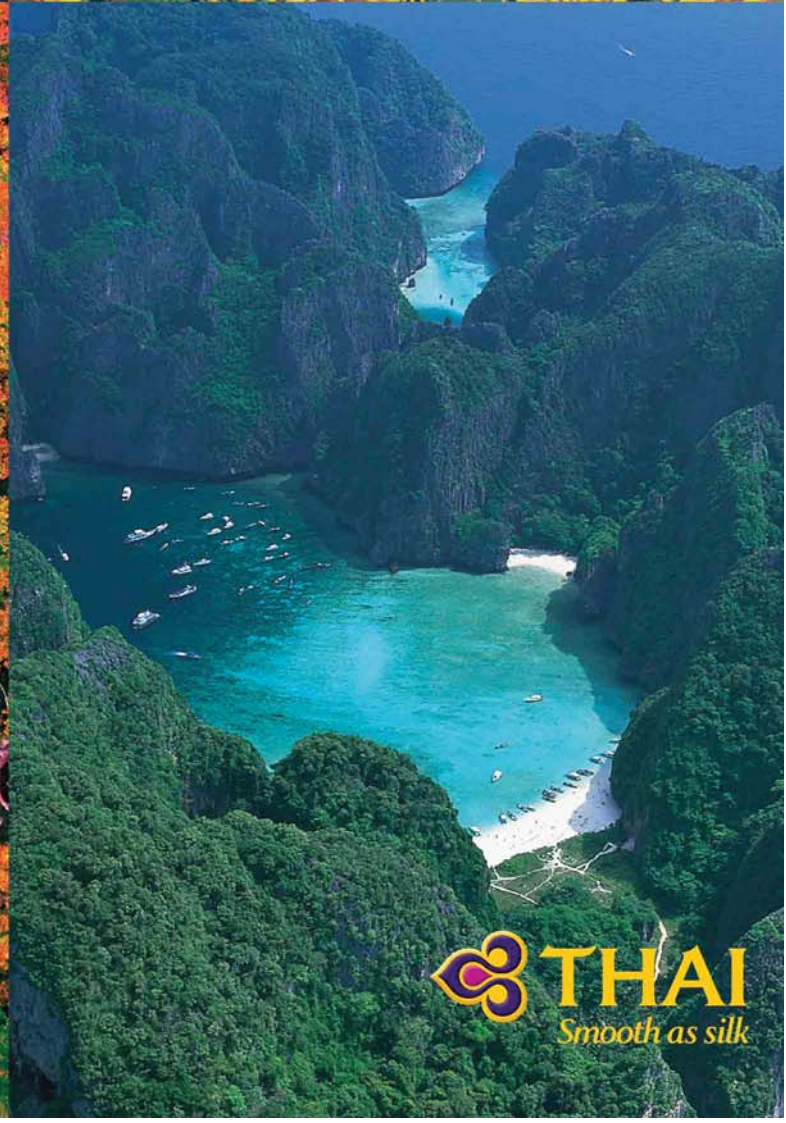
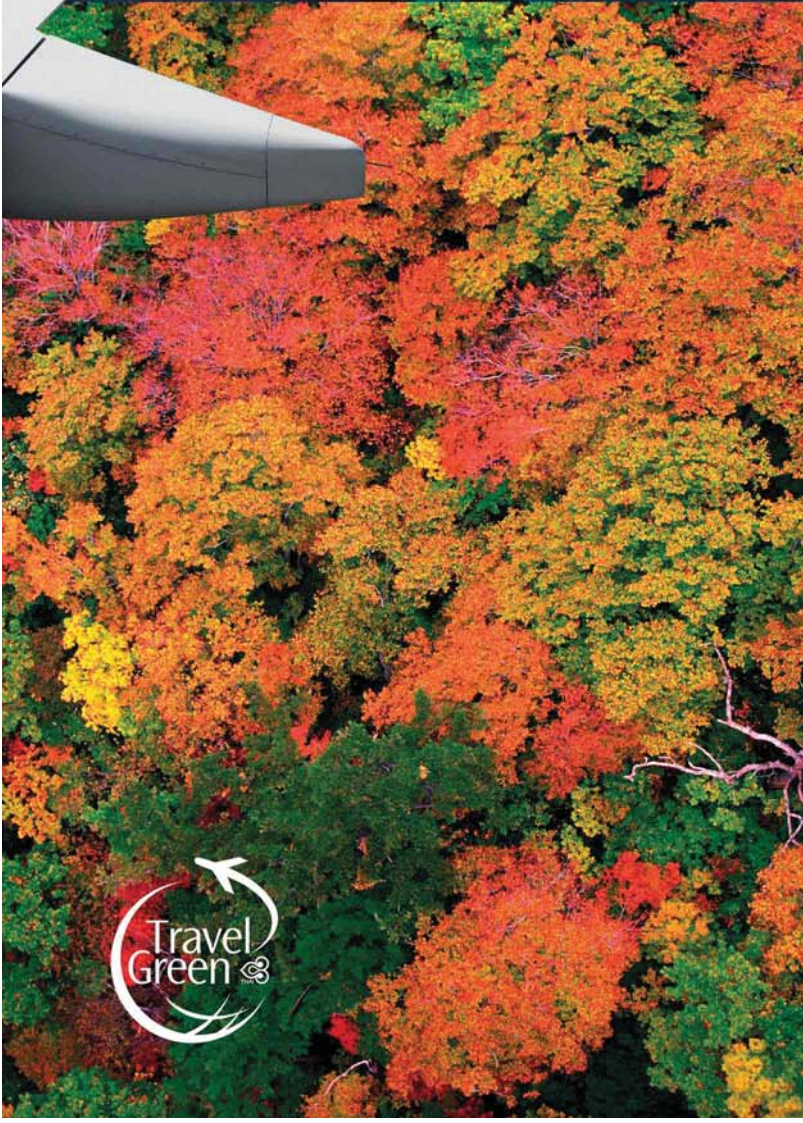




Sustainable Development Report 2011

Thai Airways International Public Company Limited





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“...We at THAI focus on being an environmentally friendly aviation business through advocating the use of biofuel, and developing ‘Green Airline’ programs and processes, as well as reducing greenhouse gas emissions, which is an important cause of the global climate change through more efficient fuel management...”

Message from the Chairman

At Thai Airways International Public Company Limited (THAI), as the national airline, we place importance on competitiveness and quality of service, functioning as a significant mechanism of economic flow. At the same time, it is also our mission to promote the uniqueness of Thai culture and share with the global community the honor and reputation of Thailand, as well as conduct efficient social development.

As Chairman of THAI's Board of Directors, I realize the need for development of strength in the business operation. In the previous year, despite a great amount of volatility and unforeseen circumstances, Thai Airways International managed to overcome the obstacles thanks to the dedication of all employees and the competence of the organization and personnel administration. Apart from effective strategic operation, Thai Airways International also conducts business responsibly in consideration of the impact and benefits on society at large through our corporate social responsibility endeavors. We at THAI focus on being an environmentally friendly aviation business through advocating the use of biofuel, and developing "Green Airline" programs and processes, as well as reducing greenhouse gas emissions, which is an important cause of the global climate change through more efficient fuel management.

The engagement of employees on all levels, the cultivation of CSR-in-Process for employees, and the adjustment toward agility, competitive potential and better services are crucial for THAI to achieve successful business operation and an effective role in improving the quality of life for people in our society, conserving the environment and contributing to society. At the same time, CSR-after-Process, discernible through continuous engagement in social responsibility is an integral part in driving the organization and society toward sustainability.

Currently, THAI presenting its first Sustainable Development Report according to the GRI (Global Reporting Initiative) reporting framework for the year 2011 for the purpose of both internal and external communication. This report will also provide guidelines for clear and concrete CSR operation, leading to the most productive and efficient practices in accordance with the organization's commitment and increase the organization's value for developing toward sustainability.

On behalf of the Thai Airways International Public Company Limited administrative committee, I am delighted to help promote and support our CSR operation. I would also like to encourage all employees to devote themselves, stay disciplined, and bear in mind the value of managing the organization for concrete sustainable benefits to society and our environment. More information on our 2011 CSR operation can be found in this Sustainable Development Report.



(Mr. Ampon Kittiampon)
Chairman



“...The main principles in attaining sustainability through CSR are enthusiasm and pleasure, with which the Company runs its operation, continuity, and noticeable results. Moreover, THAI will not engage in false or temporary one-time efforts or follow social trends without concrete continuation of the work, but will emphasize on real value creation and establishment of social benefit...”

Message from the Chairman of the Corporate Social Responsibility Committee

We at Thai Airways International Public Company Limited (THAI) are determined to instill and create an organizational culture for the employees to abide by and to follow. This is to lay the foundation for employees to be skilled and virtuous, which are important bases upon which THAI can strongly thrive and have competitive advantage on the international stage, developing into a sustainable company and in cooperation with Thai society.

THAI organized activities that focus on social and environmental responsibilities that engage employees at all levels. The main principles in attaining sustainability through CSR are enthusiasm and pleasure, with which the Company runs its operation, continuity, and noticeable results. Moreover, THAI will not engage in false or temporary one-time efforts or follow social trends without concrete continuation of the work but will emphasize on real value creation and establishment of social benefit. There has to be communication and publication to make stakeholders and the general public understand the Company's devotion to its CSR practices. The Company also will be taking a proactive role to attain results of value creation and good brand creation, in both social and environmental aspects. We will be eliciting feedback from stakeholders of the Company to create cooperation in social development and reduce negative effects to the environment.

As a representative of THAI's CSR Committee, I am pleased that the Company has conducted this Sustainable Development Report as guidelines for CSR development and as a way to let the public know the Company's further CSR practices. I am proud to be a part of an organization that encourage its employees to develop and help society, and to conserve the environment through business administration and volunteer spirit. I wish to thank every employee for the full commitment and for support to the Company.



(Mr. Apiporn Pasawat)
Chairman of the Corporate Social
Responsibility Committee



“...THAI also puts strong emphasis on conserving the environment by reducing pollution and maximizing the use of available resources. Our environmental measures involve the reduction of greenhouse gas emissions, reduction or elimination of the use of ozone-depleting chemicals or Chlorofluorocarbons (CFCs), a decrease in waste products and the pioneering use of aircraft biofuel in aviation - all of which are part of THAI's the concept to 'Travel Green' initiative...”

Message from the THAI President

Thai Airways International Public Company Limited (THAI) realizes the importance of the corporate social responsibility in business operations focusing on integrity and transparency as stated in “Good Governance” guidelines, as well as engagement in social development and environmental conservation.

In addition to maintaining the highest standards of safety, THAI has continued to maintain and further develop our standard of products and services to become a leading carrier in Asia and the world while ensuring maximum comfort for passengers throughout their journey. THAI also looks into every possible opportunity to enhance service efficiency and expand route network in order to respond to both existing and further customer demand.

In addition to the company’s “Mission TG100” focusing on becoming a more customer-oriented, competitive and highly dynamic organization, THAI also puts strong emphasis on conserving the environment by reducing pollution and maximizing the use of available resources. Our environmental measures involve the reduction of greenhouse gas emissions, reduction or elimination of the use of ozone-depleting chemicals or Chlorofluorocarbons (CFCs), a decrease in waste products and the pioneering use of aircraft biofuel in aviation - all of which are part of THAI’s the concept to “Travel Green” initiative.

I am pleased to announce that THAI was the first airline in the Asia-Pacific region to sign an agreement with the International Air Transport Association (IATA) to explore ways to compensate for carbon dioxide emissions, or

carbon offset. THAI was also the first airline in Asia to initiate the inclusion of carbon labeling in some of the menu items served on board to demonstrate the amount of greenhouse gas emitted throughout the life cycle of the food item. This initiative is part of our effort to bring greater awareness among traveling passengers on how they can help reduce the effect of global warming.

I hope that the success of THAI’s corporate social responsibility initiatives will bring greater collaboration, determination and dedication among employees throughout the organization as well as all stakeholders. As the national carrier of the Kingdom of Thailand, these initiatives mark an important milestone in our operations as we are committed to creating higher corporate value to ensure sustainable development and growth of the Thai society and nation.



(Mr. Piyasvasti Amranand)
President



Reporting Methodology





Reporting Methodology

The Sustainability Development Report: SD Report 2011 of Thai Airways International Public Company Limited (for the fiscal year of January 1 - December 31, 2011) is the first corporate sustainability report that covers the Company's operations at the Head Office and at Suvarnabhumi Airport.

This Sustainability Development Report was created to communicate the impact of corporate social responsibility practices to the general public and the various stakeholders as well as the organization's determination to develop business that both corresponds to society's expectations and the benefits of stakeholders.

THAI considers both the significance and rights of internal and external stakeholders with regards to the Company's operations while improving and developing the organization to correspond with the needs and opinions stemming from the engagement of important stakeholders as follows:

Shareholders

- There are policies or operations to protect and maintain the basic rights owed to the shareholders such as rights to purchase and transfer their assets, the rights to have a share in profits and provision of adequate information about the corporation in a timely manner, the right to authorizing proxies, voting, voicing opinions and questions posed at shareholders' meetings.
- All shareholders are treated fairly, equally and lawfully.
- THAI conducts business with honesty, transparency and fairness, with consideration to the highest benefits of shareholders and stakeholders, continuously and sustainably yielding good returns to shareholders such as preventing company asset from losing value or going to waste, disclosing factual, complete and timely information and media, both financial and non-financial, related to the organization's business and profits.

Employees

- The process of employee selection and recruitment at THAI is according to standards that are clear and transparent. All employees are treated equally and are ensured a quality professional life, appropriate and just returns and fringe benefits.
- There is constant development of employees' knowledge to create opportunities for advancement, increase the potential of employees and the organization, and a system of retaining skilled workers within the organization.
- There is a mechanism for complaints with clear operating steps according to the Whistle Blower Policy about corruption or non-compliance with the law, rules, regulations, company orders, good governance and organizational morals.
- THAI places importance on ensuring that the employees' occupational health and safety, as well as work environment in all company-run establishments meet the standards and laws.

Customers

- THAI offers quality air transportation to both domestic and international destinations that is safe, convenient and comfortable.
- THAI has a positive attitude and places importance on its customers and services. Customers are treated with helpfulness, enthusiasm, good spirit, generosity, humility, and gentleness. The customer information will not be used without permission for personal gain or benefits to others. All customers will receive equal respect and treatment, with no discrimination against any particular individual.
- Employees will study and come to an understanding of customer needs in detail and accuracy, in order to correctly respond to customers' needs and expectation. Employees constantly seek new knowledge to increase work efficiency and create new services for customers.
- THAI continuously and consistently nurtures good relationships with customers, allowing customers to engage in creating services, arrange a system and process to receive customer complaints and quickly respond to complaints to maintain satisfactory results.

Business Partners, Creditors and Debtors

- THAI treats business partners and/or creditors or debtors fairly with consideration to obtain the greatest Company benefits and on the basis of just returns for both parties. All situations that may cause a conflict of interest are to be avoided. THAI also complies with the contracts or agreements, gives factual and accurate information and reports, and negotiates problems and seeks solutions on the business foundations.

Business Opponents

- THAI treats its competitors in accordance with international practices and within the laws regarding business competition practices, does not violate or covet financial secrets through corrupt means and has established guidelines such as behaving within the boundary of good competition, not discrediting business opponents with adverse or groundless accusations, and not accessing opponents' secret media by dishonest means or other inappropriate means.

Society and the General Public

- THAI's activities benefit society and the Company does not take any actions that might cause negative impact on the country's reputation, natural resources, environment and public benefits.
- Activities that contribute to society are supported.
- Employees at all levels are encouraged and nurtured to have a social responsibility conscience.
- THAI does not assist, support or act non-compliant with the laws.
- The Company's political position is strictly neutral with no political support or inclination.

The Environment

- THAI is determined to conduct an environmentally friendly aviation business with clear policies on environmental administration, as well as continuous campaigns that are conscious-raising and train employees for effective environmental management that maintain airline competitiveness.
- THAI has developed a system to manage a good environment for operations in all sectors, economically manage resources for the highest efficiency while remaining environmentally innovative, reducing negative environmental impact by implementing aircraft fuel management, biofuel study and greenhouse gas emission reduction.



THAI takes priority of stakeholders' benefits with equal and appropriate treatment. THAI realizes that in order for the organization to progress solidly and sustainably, the Company must recognize stakeholders' behaviors; therefore, with this report, THAI has created a mechanism to encourage employee engagement to determine the report's scope.

This report also features complete representation of the Company's performance in terms of the economy, society, and environment. A workshop entitled "Sustainable Development Report" was held on January 18, 2012, at the Thai Airways International Public Company Limited Head Office for 17 participants, which consists of executives and employees, with staff from the Thaipat Institute as lecturers and consultants on how to conduct a report according to the reporting scope of GRI (Global Reporting Initiative). At this workshop,



participants studied reporting principles and processes, identified the content to be reported, and selected the aspects and indicators. These indicators will undergo a Materiality Test according to the GRI reporting framework to identify significant indicators and their relevance to the organization. Indicators chosen at the workshop that are included in the report are on the Economy, Environment and Society as follows:

Economic Category

For Economy, participants emphasized economic potential by considering the economic value, service potential, risk of climate change, and protection of employees' rights after employment termination.

Environmental Category

For Environment, participants emphasized importance of reducing greenhouse gases, saving energy, improving proficiency of each process and alleviating negative impact on the environment.

Social Category

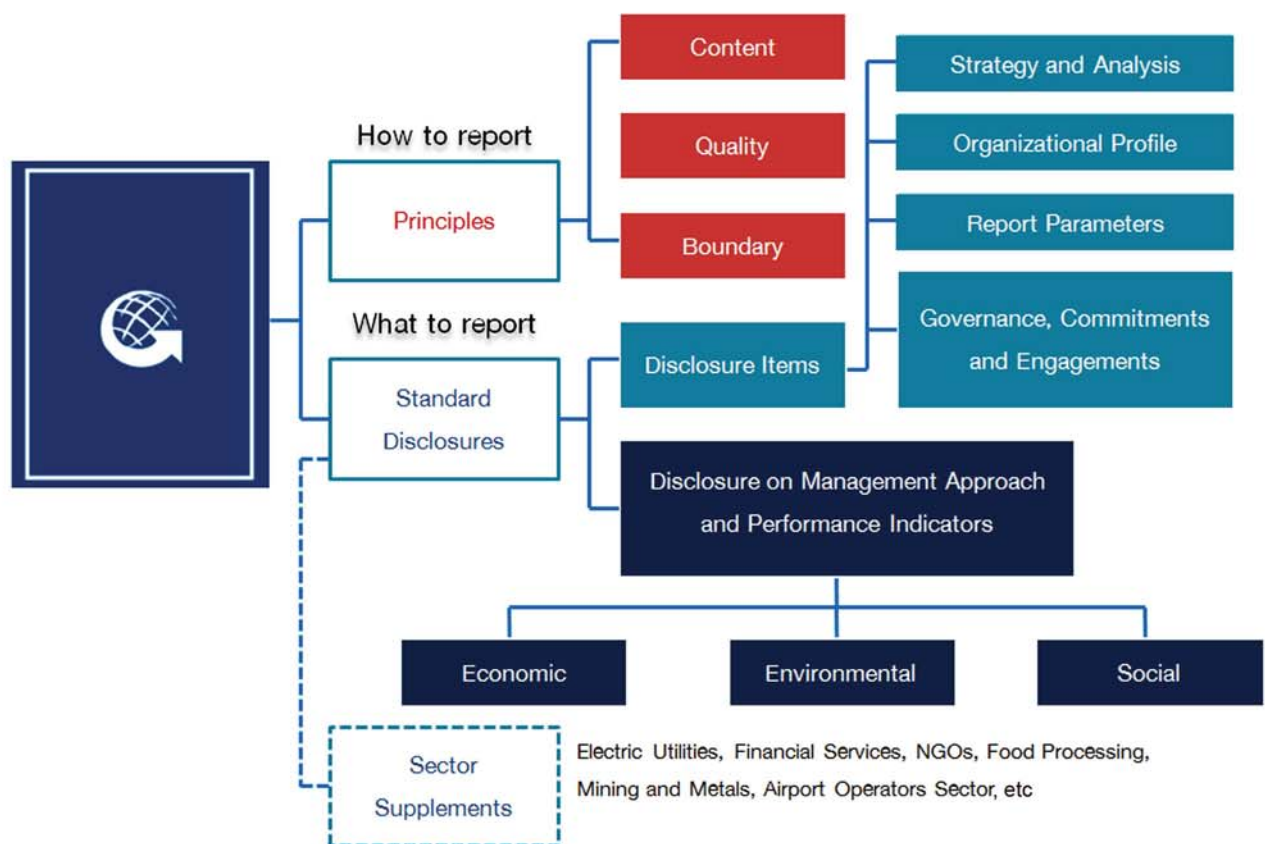
For Society, participants emphasized occupational health and safety, compliance with the law, regulations regarding products and services, and prevention and alleviation of significant negative impact on the community.

THAI adheres to the reporting framework of GRI in reporting the organization's performance to the general public and to be used in future improvement of the operation. Important information is gathered from various functions within the Company through methods of recording and collecting data from agencies and departments directly responsible, for example, information on carbon offset and carbon footprint are collected from the Department of Environmental Strategies and Carbon Trading and information on

wastewater management is collected from the Department of Aircraft Maintenance. The information is then stored in the central database for further organization development.

This Sustainability Development Report will continually be improved and conducted in the following years. The details on the aspects in each indicator included in the report can be found in the index on GRI Reporting Framework.

GRI Reporting Framework



Reference : GRI G3 Guidelines



Operations of THAI



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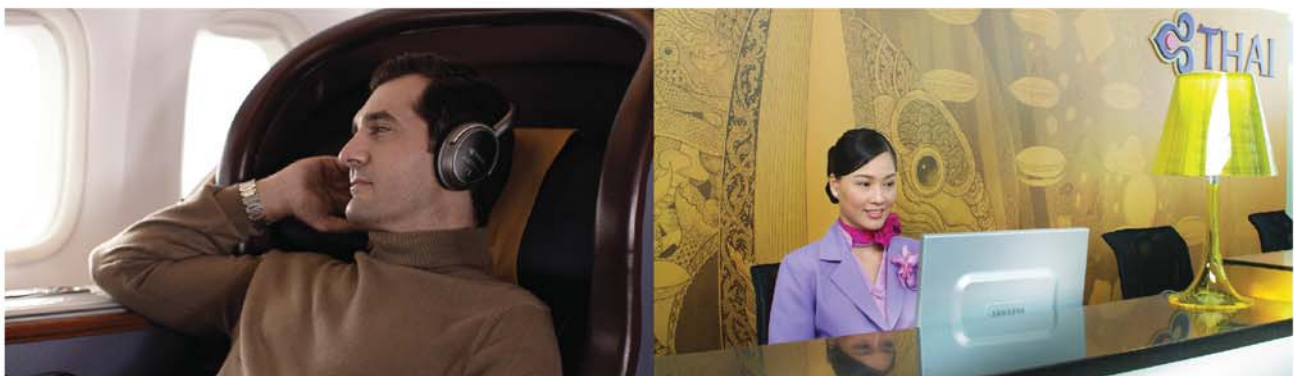
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Operations of THAI

Thai Airways International Public Company Limited (THAI) was registered in the Stock Exchange of Thailand on July 19, 1991 with the registration no. PCL. 0107537001757. THAI operates as the national airline responsible for commercial flights both on international and domestic routes. Its administration is divided into the main business, which is the Aviation Business, and Business Units related to air transport, as follows:

Aviation Business

Aviation Business includes passenger, cargo and mail transportation. THAI offers regularly scheduled and chartered flights to both international and domestic destinations.



Operations of Business Units Related to Air Transport

Operations of Business Units related to air transport include ground services, cargo and mail commercial, catering services, and technical services.

Moreover, THAI conducts activities in support of transportation including aviation facilitation, inflight duty-free sales, and souvenir sales.

As the national carrier, THAI operates as Thailand's representative in maintaining and increasing aviation rights, supports the tourism industry, seeks and maximizes income both in Thai and foreign currencies, according to the Government's tourism and air transport policies. Moreover, THAI encourages its employees to develop skills and careers at international standards, as well as supports the development of technology in commercial aviation. The Company aims to continuously promote Thailand's culture, traditions and uniqueness to the world.

At present, the majority of THAI's shares are held by the Ministry of Finance and the Government Savings Bank Fund (M-GSB), at 53.42% total stocks, which makes THAI a state enterprise. Remaining shares are held by institutions and general investors. The Company has 26,989,009,500 baht of registered capital and 2,698,900,950 ordinary shares worth 10 baht each, with 2,182,771,917 paid-up share capital. The Head Office is situated at 89 Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok 10900, Thailand. Telephone number: 0-2545-1000 or 0-2695-1000. Website: www.thaiairways.com. THAI has 25,944 employees and workers.



The Profit of THAI

The profits of THAI comes from 2 important branches of operation which are profits from passengers and excess baggage and profits from services.

Passengers and Excess Baggage Revenues are collected from regional, intercontinental, domestic and non-scheduled flights, including insurance and fuel surcharge collected from passengers.

Revenue from Services is collected from freight, mail, other activities and operating revenue from subsidiaries and affiliates.

THAI invests in 13 affiliates and related joint ventures in total. Amongst these, 8 are subsidiaries and affiliates in which THAI holds over 10% of shares and 5 are related joint ventures in which THAI holds no more than 10% of shares, as follows:

List of Subsidiaries and Affiliates		
Company Name	Type of Business	Shares of Stock (%)
Thai-Amadeus Southeast Asia Co., Ltd.	Offers system of electronic sales and reservation for airlines and other services related to tourism and travel agencies	55.00
Nok Air Co., Ltd.	Operates a domestic low-cost airline	49.00
Wingspan Services Co., Ltd.	Services specific human resources for Thai Airways International PCL.	49.00
THAI Flight Training Academy (TFTA)	Provides educational service on aviation and flight training program	49.00
Tour Eurng Luang Co., Ltd.	Provides tourism services and other tourism activities	49.00
Don Mueang International Airport Hotel Co., Ltd.	Offers services on hotel and restaurant	40.00
Phuket Air Catering Co., Ltd.	Caters inflight meals	30.00
Royal Orchid Hotel (Thailand) Public Co., Ltd.	Offers services on hotel and restaurant	24.00
Bangkok Aviation Fuel Services Public Co., Ltd.	Stores and refills aircraft fuel	22.59
Suvarnabhumi Airport Hotel Co., Ltd.	Offers services on hotel and restaurant	30.00

List of Related Joint-Ventures		
Company Name	Type of Business	Shares of Stock (%)
Aeronautical Radio of Thailand Co., Ltd.	Operates as a non-profit organization managing air traffic control at several airports in Thailand	2.3
Fuel Pipeline Transportation Co., Ltd.	Stores and transports aviation fuels through underground fuel tunnels	8.4
Trade Siam Co., Ltd.	Operates as the center for electronics information exchange	3.5
The Syndicate of Thai Hotels and Tourists Enterprises Ltd.	Owns the land rented for development by Grand Hyatt Erawan Hotel in Bangkok	1.3
Star Alliance Services GmbH	Develops the air passenger transportation system including different services for airlines belonging to the Star Alliance Group	5.7



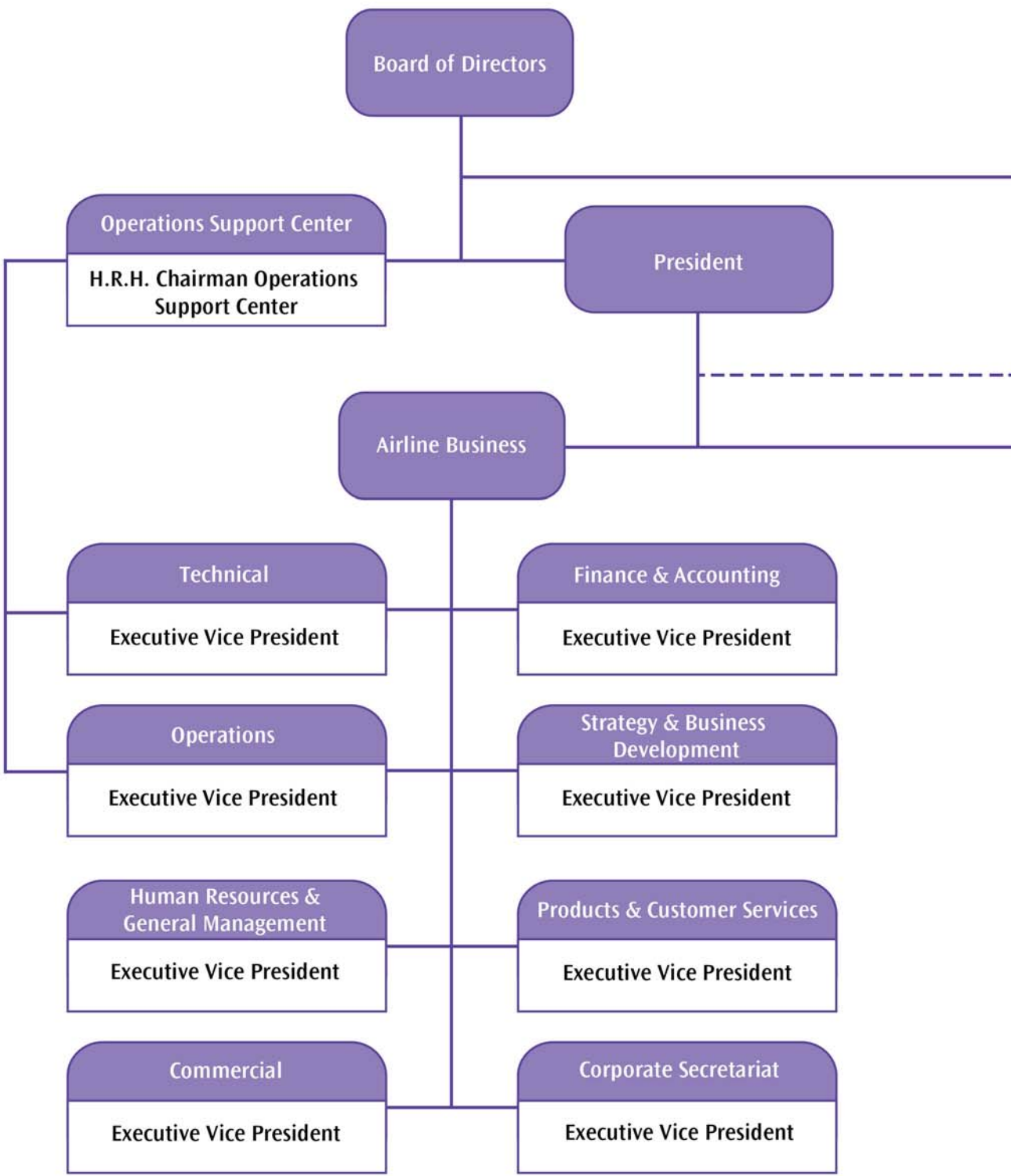


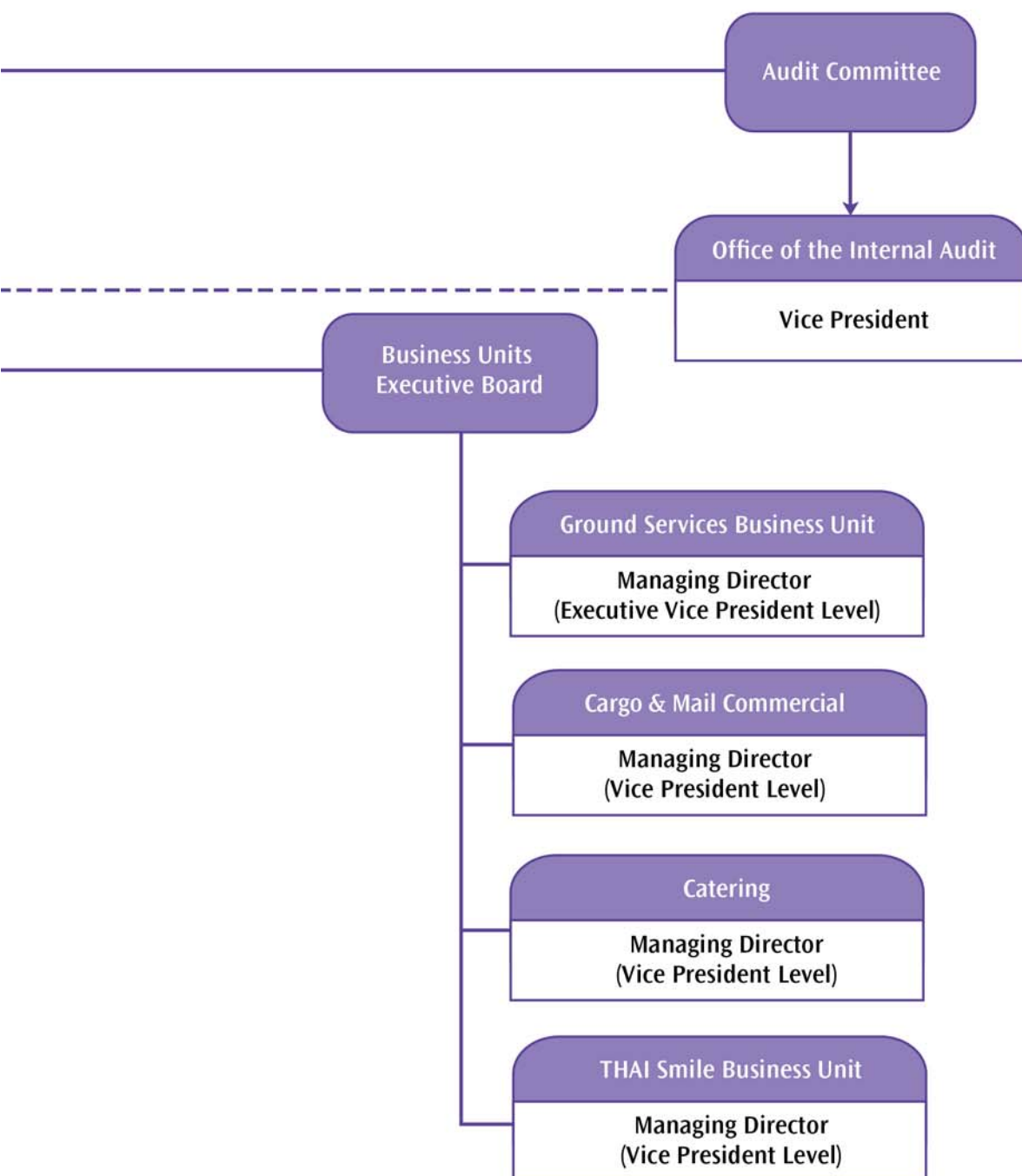
Administrative Structure



Administrative Structure

THAI's administrative structure consists of the Company's Board of Directors, Sub-Committees, administrative branches, departments or business units, and administrative officials, as shown in the following diagram:





THAI's Board of Directors holds the highest responsibility in the Company's administrative structure with terms and obligations that stipulate there be no fewer than 5 but no more than 15 members on the board, in the shareholders' discretion, and no less than half of the members of the board must reside in the kingdom.

In each annual ordinary meeting, one third of the members of the board have to leave office at the end of their term, and their positions will be filled by either newly elected or re-elected members. Information concerning THAI's Board of Directors as of December 31, 2011 is as follows:

Board of Directors	Year 2011
Number of board members	15
Number of board members by gender	
<ul style="list-style-type: none"> • Male • Female 	15 -
Number of board members by position	
<ul style="list-style-type: none"> • Chairman • Vice Chairpersons • Board Members • Independent Board Members* 	1 2 7 6

NOTE: * 1 Chairperson and 1 Vice Chairperson are also an Independent Board Member

The Company's members of the board are to perform their duties abiding by the Company's laws, purposes and obligations, as well as the shareholders' resolutions. The board is entrusted with the authority to appoint individuals to operate the Company under the board's supervision or authorize such individuals for actions as the board sees fit, and the board may cancel, revoke, alter or edit such authority. The board can also name the members to sign and bind the Company and the Sub-Committees for specific administrations.



With regard to its CSR efforts, specific departments have been appointed to monitor, gather information and function as the central coordination center, operating its social responsibility through various

administrative branches, both in terms of performance and monitoring. All administration is focused on the benefits of relative stakeholders.





Good Corporate Governance



Good Corporate Governance

Thai Airways International Public Company Limited is aware of the importance of following good corporate governance in business management, and administration in a concrete and continuous manner. The Company's Board of Directors has set up a Good Corporate Governance Committee and Sub-Committee, under the Corporate Secretariat, Investor Relations and Risk Management Departments, as well as policies regarding business regulation and monitoring, in order to build good corporate governance culture and increase the Company's value in the long run. The Company has based its policies on the Good Corporate Governance Guidelines of 2006 prepared by the Stock Exchange of Thailand.

The Company has set up a code of good corporate governance and ethics to provide guidelines for the committee, executives and employees to abide by, showing THAI's commitment to follow the principles of good corporate governance and ethics in business administration.

This practice is to ensure the stakeholders' trust in regulating and monitoring of the organization in accordance with the Constitution of the Kingdom of Thailand, B.E.2550, implemented on 28th September 2010, which stipulates that ethical evaluation be administered in order to determine the ethical standards for committees, executives, and employees in state enterprises. This also promotes THAI as a well-managed company with good morals, transparency, accountability, efficiency and productiveness, and eliminates a conflict of interest between the individuals and the Company. This is the basis on which the continual growth of the Company is built on, which is also the framework in making policies, business administration, performance and co-existence of employees of every level in THAI.

“This also promotes THAI as a well-managed company with good morals, transparency, accountability, efficiency and productiveness, and eliminates a conflict of interest between the individuals and the Company.”

Mechanisms for Stakeholders to Give Beneficial Suggestions to the Organization

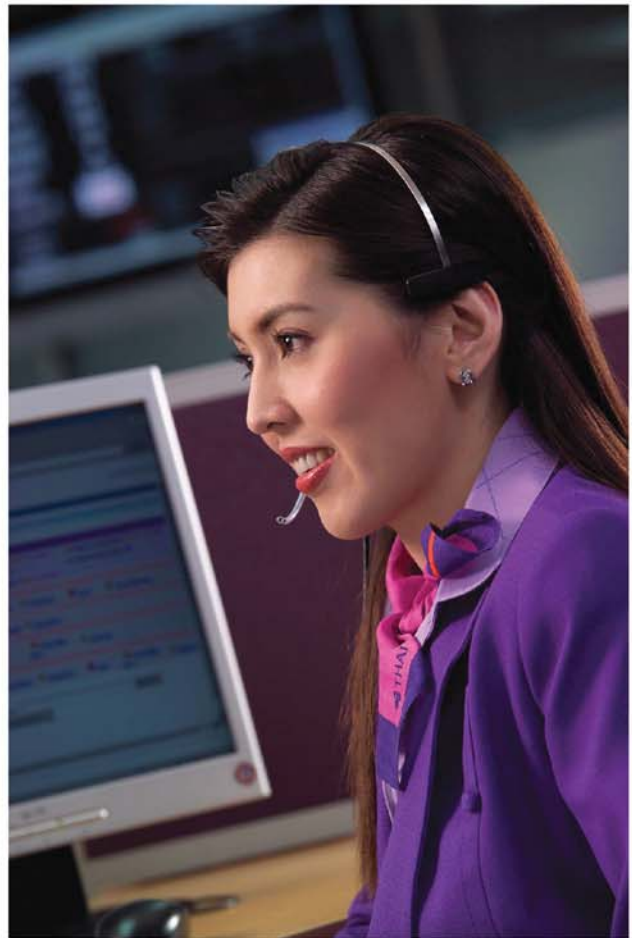
In information exchange, stakeholders can leave comments and suggestions for the Company through a number of options such as leaving comments on the Company's website www.thaiairways.com under the "Contact Us" menu. In addition, the Company is open to opinions and criticisms on breaches of the law, rules and regulations, company procedures and policies, good corporate governance and ethics through oral or written complaints by e-mail and post to the Company's authorized complaint correspondents, in keeping with the Whistle Blower Policy. This is another method in which employees, stakeholders and any witness of the aforementioned breach could file a complaint directly to the authorized complaint correspondents who are: the Chairman, Directors, President, Corporate Secretary or Executive Vice President, Chief Executive Officer and the Director supervising the related field of the complaint.

THAI has an Investor Relations Department responsible for publicizing news and answering queries that reflect the value and the administration of the organization. This Department is also responsible for disclosing correct, complete, up-to-date and transparent information regularly to main recipients who are shareholders, investors, stock analysts, fund managers, employees and stakeholders. Moreover, the Department offers basic information and news through financial reports and other relevant reports on the website www.thaiair.com, following the rules of Stock Exchange of Thailand. The relevant activities throughout the 2011 fiscal year are as follows:

- Road Shows
 - Local 6 times/year
 - Abroad 10 times/year
- Meetings and teleconferences with executives 74 times/year
- Inquiry and information responses by phone and e-mail 3-5 times/day
- Quarterly Report 4 times/year
- Company Visits 4 times/year
- Other Special Activities 2 times/year

Additionally, the Company arranges meetings between chief executives, stock analysts, investors, shareholders and stakeholders to give executives the opportunity to clarify policies and visions to gain stakeholders' trust. Regular updates are available on THAI's Investor Relations website (www.thaiairways.com/about-thai/investor-relations/en/investor.html), making it up-to-date and easier to navigate and search for information. Investors or interested parties may request information directly from THAI's investor relations office, in addition to making suggestions and recommendations concerning investor relations activities as follows:

- Telephone: 0-2545-1000, 0-2545-2113, 0-2545-4053
- Fax: 0-2545-3971
- E-mail: irtg@thaiairways.com
- Post: Investor Relations Department Thai Airways International Public Company Limited, 89 Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand



Procedures for Performance Monitoring and Assessment

THAI places importance on its internal control system in business administration, and regularly assesses its operation through an internal audit system structured according to the standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which has 5 main elements:

1. Organization and Environment

THAI determines indicators to set operational goals for executives from the president level and higher to manage the Company productively. The Company assigns and authorizes duties to employees in written form, and all positions have a job description. Promotion, salary level and transfer of positions depend mainly on performance assessments that are conducted every six months.

2. Risk Management

The Company has set strategic plan (Enterprise Plan) objectives, vision and obligation and established organization action plans. Indicators and target settings, assessment results and analysis of risks both from internal and external factors were also determined. Key Risk Indicators (KRI) have been integrated as an early warning system by making a report on the progress of risk management at the organizational level,

which is to be presented to the Policy Management Department, risk management committee, Board of Directors. The risk management committee is responsible for sanctioning policies, supervising and continuously monitoring the progress and result of risk management.

3. Management Control Activities

The Company provides written manuals for policies, operations and practices for important activities such as regulations concerning financial control, personnel management and inventory. Important duties and operations are divided. Valuable assets are kept safe by being checked annually with the Comptroller General's Department. The Company abides by international standards such as IATA, ICAO, ISO and the Department of Civil Aviation. Monitoring and inspection duties and performances are conducted by the Office of Internal Audit and other related sectors.

4. Information and Communications

THAI has set up information system and data communications adequate for duty operations and management. It is open to recommendations and suggestions as well as complaints from internal and external stakeholders in order to adapt, adjust and improve the quality of the administration and management of the organization such as THAISphere, an Intranet system for intra-organizational communication, SAP, a system for improving operations to adhere to the strategic plans, as well as the internal and external communication for usage in meetings, announcements, issuing orders and to acknowledge complaints from customers, business partners or shareholders.

5. Monitoring and Evaluation

THAI stipulates that executives at all levels must submit to monitoring and assessing their performance through internal meetings of the executives, performance monitoring operations to ensure the Key Performance Indicators (KPIs) is reached, and making reports that show the results of the operation in comparison with the predetermined targets or budget to be submitted to the executives. A Control Self-Assessment (CSA) is implemented in accordance with rule 6 of the State Audit Commission Regulation on Internal Control B.E. 2544, requiring the executives of every department and division to undertake the CSA and prepare a report to the State Audit Commission, the Company's Board of Directors, and the Company's Audit Committee annually. THAI has also established the Office of Internal Audit which is under the supervision of the Board of Directors. The audit committee is assigned by the Board of Directors to supervise and facilitate the Office of Internal Audit in order to ensure independent and impartial operation. The Office of Internal Audit will report the assessment to the supervising executives, President and the examination committee quarterly. In the event that an inconsistency that may be significant to the administration of the Company is found or suspected, the head of the Office of Internal Audit has to immediately report to the President and the State Audit Commission.





Organizational Vision, Commitments, and Culture



Organizational Vision, Commitments, and Culture

Vision

The First Choice Carrier with **Touches of Thai**



Company Commitments

- To offer domestic and international air travel and related services that are safe, convenient, and of quality to ensure customer satisfaction and trust.
- To be committed to international standards of management efficiency, transparency, and integrity, and to achieve satisfactory operating results in order to maximize benefits for our shareholders.
- To create a suitable working environment and offer appropriate salaries and wages as an incentive for staff to learn and work to the fullest of their potential and to take pride in their contribution to the company's success.
- To be socially responsible as the national airline.

Moreover, THAI has established a clear commitment in its business operation: “to develop THAI toward being a corporation with high proficiency, transparency and accountability, and a focus on creating the highest benefits to the shareholders, with consideration to other groups of stakeholders.” This becomes the policy which is strictly adhered to by all THAI employees.

Policy on Aviation Safety

THAI will cause the Officers to adhere to the safety as the key by mean of specifying the safety standard and aviation activity to be in compliance with law and international standard including to provide continuous inspection and maintenance of system and safety report to be known by the Executives including the Employees having the duty and responsibility, provided that, the report of error of operation affecting the safety will not result in the disciplinary punishment.

Policy on Quality of Product and Service

THAI will cause the Officers to work by focusing upon the quality of products and services to meet the customers' satisfaction and to impress the customers and to be in compliance with the aviation business international standard.

Policy on Safety, Occupational Hygiene and Working Environment

THAI will emphasize the importance of the protection and to take care of the Officers who are the most importance and valuable to work safely, to have good health, to be in appropriate working atmosphere under the management system, safety, occupational hygiene and working environment having accepted standard.

Policy on Environment

THAI will operate its business to be in line with the Environment Management System/EMS: ISO14001 and Aviation Environment which is the commercial aviation circle's practice in order to minimize the pollution and effect as a result of business operation and aviation practice.

Policy against Unfair Non-Discrimination

THAI's operation in terms of personnel recruitment, employment, employment termination, Employees improvement, promotion, transfer, assignment, must be fair without any discrimination against any person due to the difference of race, nationality, religion, sex, age, educational background or any other reasons. In addition, there must not be an unfair discrimination in providing services or doing business with juristic person or person from some countries or nationalities.

Policy on Corporate Governance and Ethics

THAI will operate its business by adhering to the basis of Good Corporate Governance principle by causing the Officers to simultaneously comply with this Good Corporate Governance and Ethics Code including laws, rules, regulations and other orders strictly.

Organizational Culture

THAI's organizational culture incorporates the ideal of "THAI SPIRIT," with the word "THAI" representing the concepts based on each letter as follows:

T=Teamwork & Trust

Teamwork means the employees have positive attitude in working with team for helping support and promote the operation and for increasing competitive competency of the organization which is the important foundation to cause THAI to be the firm organization having the competitive advantage.

Trust means the Employees have reliability and trust each others, respect the right of each others and have freedom to express creative opinion which will help the working to be efficient and responsive to the change of every situation. As a result, it will create credit and trust in the products and services of THAI.

H = Happiness & Hospitality

Happiness means the Employees have good health and good attitude, love their organization and have happiness to work for the organization. Accordingly, it will increase the efficiency of working and it will result in the good service.

Hospitality means the Employees have the consciousness and to be ready for rendering the excellent service with the politeness, gentleness, generosity, cheerfulness according to Thai culture which will result in the customers' impression. Additionally, the paying of attention to the desire and expectation of the customers by mean of focusing upon the forwarding of good experience for the customer's maximum satisfaction.

A = Awakening & Accountability

Awakening means the Employees have the alert and enthusiasm in working including to be ready to learn new things, always being desirous to improve everything, as a consequence, it will enable the Employees to continuously improve themselves and organization to be better, it will help the organization to have more potential of business competition and to cause THAI to be able to improve its working process and service and the endless creation of innovation.

Accountability means the Employees have the responsibility for working including for the result of the assigned work and the work which they assign the others to do. The Employees must be able to explain both cause and effect and to keep their promise and not throw the blame on others. Accordingly, this will result in the increase of working efficiency.

I = Inspiration & Integrity

Inspiration Inspiration means the Employees have the inspiration in working which results from the feeling that they are the part of organization, being long for success and being desirous to take part in the organization's advancement. It is a factor to awaken them to love their work and to have an earnestness and devotion for THAI to have more and more success.

Integrity means the Employees have the honesty, morality, virtue and ethics, work with transparency, protect the interest and have responsibility for the organization's stakeholders including to manage the organization by adhering to the Good Corporate Governance principle.

THAI's culture of organization will unite the executives and all Employees to have values and behavior in the same direction of working and to push forward the strategy and to cause the organization to meet the set target. THAI aims to create a benevolent culture within the organization that is passed on from generation to generation in order to lay the strong foundation on organizational values and culture in terms of corporate social responsibility both in-process and after-process, from the inside out. THAI regards this as a significant key to the corporate organization's stable, balanced and sustainable development.



Towards Professional Excellence

Teamwork
rust

Happiness
ospitality

Awakening
ccountability

Inspiration
ntegrity



Corporate Social Responsibility Declaration



Corporate Social Responsibility Declaration

Vision for Social Responsibility

To be a socially and environmentally responsible airline



Declaration on Adhering to the International Practices Regarding Social and Environmental Responsibility

Thai Airways International Public Company Limited is determined to becoming the leader in the conservation of energy and environment both domestically and internationally. The corporation supports the proficient consumption of local resources and intends to showcase its social responsibility as the national airline. It is also THAI's goal to raise awareness in engagement in social responsibility of all sectors including the Company's stakeholders, customers, employees, business partners, the community and the general public.



Scope of the Corporate Social Responsibility Practices

Compliance with the Securities and Exchange Commission Thailand (SEC)'s Guidelines for Corporate Social Responsibility

THAI gives importance to the Corporate Social Responsibility (CSR) Guidelines and its implementation pathways prepared by the SEC's CSR Working Group. The guidelines, which conform with the CSR policy of the State Enterprise Policy Office (SEPO), are integrally adapted and are divided into 8 categories:

1. Good Supervision in Business Operations

The Company has established an administrative system, which operates based on responsibility, efficiency, impartiality, transparency and accountability, giving priority to safety and quality of products and services. Good governance will build trustworthiness and confidence among shareholders, investors, stakeholders and all persons involved, leading to the continuous growth and economic stability of the business, as mentioned in detail on the topic of Good Governance.

2. Fair Business Practices

The Company emphasizes an internal auditing system in agreement with executives and employees of every level, with compliance considered part of their duty. Complying with the principles of COSO (Committee of Sponsoring Organizations of the Treadway Commission), the Company has set up an internal control system or CSA (Control Self Assessment). In every field and department, an internal control office is organized to supervise, prevent asset loss, improve duty performances, reduce and eliminate risks that might occur, monitor and evaluate business projects and ventures. It also combines company governance and ethics into a clearly written guideline for personnel to follow.

3. Respecting Human Rights and Fair Labor Practices

Realizing the importance of its employees, which are an indispensable asset of the organization, the Company is regularly improving and training personnel to enhance their quality, standards, efficiency, as well as skill set in order to accomplish their duties. Furthermore, the Company does not discriminate against any employees in the process of recruitment, promotion, change of positions and assignment of work, and ensures that employees receive the privileges, safety, occupational health and working environment that provide them a better quality of life.



4. Responsibility towards Consumers

The Company offers quality service, continually refining its aviation business toward efficiency and productivity, with a focus on service quality and safety. Such developments include strict training for employees to develop the skills and competence for work and safety regimens in the cabin. THAI has also improved its IT system for quicker and more efficient handling of passengers' needs such as the Ticket Sales Service System, a Credit Card Payment System which supports 24 currencies from 34 countries and various Mobile Services.



5. Social and Community Development

The Company has not only undertaken community and social development projects but also instills social responsibility awareness through various activities such as donations to flood and mudslide victims in the villages in the south, and flood victims in various provinces in Thailand, establishment of flood relief

centers, distribution of food and rations and arrangement of special flights from Pitsanulok to Bangkok and vice versa for flood victims, an alternative to land transport as several roads were cut-off. The Company has also supported the budget for the "Wheel Chair for the Disabled Project" of the Ministry of Social Development and Human Security.

6. Environment Conservation

The Company is aware that natural resources are a public domain and climate change is a responsibility that the whole world must shoulder. It is THAI's objective to be an environmentally friendly airline by maximizing the natural resources at hand and reducing the emission of greenhouse gases by utilizing waste water treatment, saving energy in processes, fuel management, implementing carbon footprint in the inflight menu and increasing the implementation of information systems as support for intra-organizational processes to reduce paper usage.



7. Innovation and Corporate Social Responsibility

The Company has improved its Cabin Attendant Pre-Flight Study and Briefing System, designed and developed by employees using state-of-the-art information technology and innovations to connect various databases. This system enables information to be pulled from different systems and be analyzed and evaluated, which is convenient and user-friendly. Moreover, the Company also continues the development of environmental innovations by studying “Biofuel” as an alternative energy source.

8. CSR Report

The Company prepared its first Sustainable Development Report according to the GRI Reporting Framework for the purpose of information disclosure and reflection on the Company’s CSR practices in economy, society and environment. It also provides guidelines to further improve the Company’s CSR practice in the future.



Framework of THAI’s Corporate Social Responsibility Practices

Apart from placing importance on complying with SEC’s CSR guidelines, THAI has drawn up a clear scope on its CSR practice which consists of 4 rules as follows:

1. Determine a clear social responsibility policy and guideline to show the Company’s determination and commitment to environmental matters integrated with new ideas and “Green Innovation”.
2. Undertake social and environmental projects based on the “Travel Green” initiative, inviting stakeholders, passengers, business partners, employees and other people involved, to continuously participate in the projects.
3. Hold activities that create and nurture environmental and social awareness in employees at every level and contribute to public benefits and public charity.
4. Publicize and advertize the Company’s social and environmental activities of the Company and prepare a report on its social responsibility aspects, abiding with international reporting guidelines and emphasize accurate, unabridged and prompt disclosure of CSR information.



THAI's Environmental Initiatives



THAI's Environmental Initiatives

The aviation industry is rapidly and continuously growing. The airline industry produces approximately 2% of the total greenhouse gas emissions by industry, which is relatively less than other industries, while its adverse effect relatively impacts the environment, the adverse impact of the aviation industry on the environment is relatively significant. Furthermore, the byproduct is hazardous as carbon dioxide which contributes greatly to global warming, and nitrogen oxide that causes more greenhouse effects than carbon dioxide. Moreover, the particles and vapor resulting from aviation absorb sunlight and obstruct sun rays. which causes the earth's temperature to rise.

As the leading national carrier, THAI realizes its responsibility to the country and the world with regards to environmental conservation and positive management of natural resources; therefore, THAI established the following environmental policies:

Environmental Policies

1. To develop environmental management systems to meet international standards in order to ensure that all initiatives and operations are in accordance with set standards and related environmental rules and regulations.
2. To develop and promote environmental management systems that will be applied throughout the Company's operations in order to continually reduce pollution and the resulting environmental impact on a continual basis, with clear objectives, action plans and evaluation procedures.
3. To incorporate environmental impact considerations in every process of all THAI operations, starting from design, purchase, production to service delivery. Resources should be used effectively to provide the highest benefit to the Company and society in general.
4. To increase environmental awareness amongst employees through training programs, in order to ensure that the Company's environmental policies are effectively implemented.
5. To provide support to environmental preservation and conservation programs, including news and information to the public and private sectors in order to promote a better understanding of the Company's efforts towards environmental management.



THAI has prepared itself for the continually changing conditions of our planet, including economic crises, unstable political situations and continually rising fuel prices, all of which affect the increase in aviation expenses. THAI has begun to focus on efficient fuel management in all its operations to further reduce expenses. Due to the European Union Emission Trading Scheme (EU ETS), the Company is paying closer attention to reducing greenhouse gas emissions caused by aviation fuels through use of providing environmentally impact-free washing equipment for aircraft engines and fuselage

to decrease fuel consumption, opting for light weight containers and passenger service equipment, and seeking alternatives for aviation documents to decrease paper use in aviation documentation. To enhance the competency of fuel management and respond to the EU ETS, THAI is also implementing a more efficient new flight planning system, improving Boeing aircraft wings for greater fuel efficiency, providing new fuel-saving aircraft, and developing the Company's internal information storage and data processing system.

THAI's Move Towards "Travel Green"

The aviation industry is aware of its impact on the environment and encourages technological and innovative developments to control greenhouse gas emissions, such as: (1) Aircraft and engines more efficient in flight and economical in fuel (2) Decreasing the amount of time an aircraft spends taxiing, decreasing the limitations of landing and departures, shortening flight routes, and developing communication technologies to make the journey most efficient in energy use through management of air traffic from the flight to the arrival at the destination airport (3) Replacement of fossil fuels with alternative biofuels, developed to match aircraft fuel in terms of quality, and already used on certain commercial flights, and (4) Implementation of stricter trade and tariff barriers such as those established by the EU ETS that aims to require airlines to take responsibility for greenhouse gas emissions by forcing airlines using more energy to pay more compensation.

THAI, with its determined focus on environmental conservation, will conduct its operations concerning environmental conservation as part of the four pronged "Travel Green" approach: Awareness of Climate Change, Sustainable Material Management, Sustainable Use of Resources, and Biodiversity and Ecosystem Services.



Awareness of Climate Change

THAI has been working on reducing corporate greenhouse gas emissions and is cooperating with external agencies in concerted efforts to reduce the airline's impact on climate change. The initiatives range from improving efficacy to reduce carbon dioxide emissions from aircraft, minimizing the emission of gases that destroy the atmosphere and cause the change in climate, and raising corporate and public awareness, through initiatives that include passengers participations in conserving the environment.

THAI joined the **Asia and South Pacific Initiative to Reduce Emissions (ASPIRE)**, a joint project with organizations and international aviation service providers, to improve competency in reducing the amount of carbon dioxide emitted from aircraft.

The main purpose of the program is to develop collaboration among countries in the Asia-Pacific region for improvement and implementation of technologies and best practices in aviation, demonstration and exchange of information and methods to appraise the results of pollution reduction, and persuading the public and all sectors to engage in conserving the environment



The current members of ASPIRE include five leading aviation service providers in related regions which are the US Federal Aviation Administration (FAA), Australia's Air Services Australia, New Zealand's Airways New Zealand, Japan's Japan Civil Aviation Bureau (JCAB), and Singapore's Civil Aviation Authority of Singapore

(CAAS). All of these agencies have agreed to operate ASPIRE flights, managed by the national airline of that country, and have been continuously engaged in pursuing its goals.

THAI and Aeronautical Radio of Thailand Co., Ltd. hosted the THAI ASPIRE flight, which was the 6th ASPIRE flight in the world, on the route from Bangkok to Auckland, New Zealand, on May 5, 2011. This flight was more special than the previous five flights as it was the first round trip flight in the world that was dubbed the "Perfect Flight" due to its reduced fuel consumption. The factors considered in this project included:

- Air traffic management in the cooperation with the aeronautical radio organization of each country for each flight
- Appropriate route arrangement according to existing weather patterns, thereby increasing inflight fuel efficiency
- Aviation operation using the best inflight energy management, as well as during take-off and landing, and maintaining straight and level flight
- Consistent provision of flight service equipment with appropriate passenger numbers

The result of this success in the best practice implementation was 3.15 tons of carbon offsets and a significant contribution to determine necessary aviation measures for most efficient fuel use and reduction of greenhouse gas emissions.

“The result of this success in the best practice implementation was 3.15 tons of carbon offsets”

THAI initiated a concept to encourage passengers to engage in social and environmental responsibility with **Carbon Footprint of Signature Dishes**. This project was created to inform passengers of the amount of carbon dioxide emissions present in inflight menus as a result of used raw materials, transportation, production, packaging, and waste management to create the dish. The project began in January 2011 on flights to Europe with the first Thai dish consisting of Chicken Massaman and Green Curry Chicken. The project expanded to include 30 menus on other routes by 2012.

While this project does not directly reduce carbon dioxide emissions, the expectations for this project are to increase passenger awareness of the amount of carbon dioxide emitted as part of the food production processes and engaging passengers to be environmentally responsible.



For the THAI Voluntary Carbon Offset project, passengers can show their environmental awareness and responsibility by 'offsetting' carbon emissions on all routes. THAI donates all contributions from participating passengers both nationally and internationally for projects such as the Clean Development Mechanism (CDM), Certified Emission Reductions (CERs) and Voluntary Emission Reduction (VERs).

The Company joined a project in collaboration with IATA in October 2010 this project allowing passengers to make their carbon offsets through THAI's website. The total carbon offset has so far amounted to 2,400 tons per year. The money received from this project was donated to two CDM projects, namely Thailand's Korat Waste to Energy and Brazil's Braco Norte IV Small Hydro, earning CERs carbon credit. Another project which is being developed and expected to operate in the third quarter of 2012 is making carbon offset available at the Domestic Ticket Counter, and which can support all routes worldwide.

The emissions of other gases destroying the atmosphere are additionally detrimental causes of global warming. Halon, one of the main gases with severely destructive impact on the atmosphere, is used in aircraft fire extinguishing maintenance equipment such as the Engine Fire Extinguisher, APU Fire Extinguisher or Cargo Fire Extinguisher, as well as office and building fire extinguishers.



THAI initiated the **Relieve Global Warming with Reduction in Halon Emissions project**, aiming to reduce the amount of Halon emitted during aircraft maintenance process by improving storage and recycling processes of the gas. This also includes researching appropriate alternatives to replace Halon. The endeavor to relieve global warming has already resulted in the reduction of Halon emissions, amounting to approximately 723 kilograms per year and the reduction of carbon dioxide emissions, amounting to 1.98 tons per year.

Since September 1999, THAI has been running the **Reduction/Cease of Chlorofluorocarbon (CFC) Use project** in the Chemical Process Cleaning division, the Engine and Aircraft Part Repair department, the Engine Part Repair office, the Aircraft Engine Main Repair department, and Don Mueang Mechanics department. Trichloroethane, which is a CFC that destroys the ozone layers and directly impacts anyone who comes into contact with it, is still used in repairing of aircraft

engines. The World Bank is cooperating with THAI by sending officers for deliberation and observation, using the CFC-free Light Alkaline Solution in operation, and giving financial support in the amount of USD 406,578 to transform equipment, working processes, tools and machinery to cease the use of chemicals with CFC. Consequently, this project can reduce 6,000 liters of chemicals that can destroy the ozone layer and 16.44 tons of carbon dioxide per year.

Furthermore, the THAI's Catering Department at Suvarnabhumi has started the Hydroponics Farm project, and is planting vegetables without soil on the roof of the Catering Department. Not only does this project aid in absorbing carbon dioxide in the air, but the vegetables can also be used in the preparation for passenger meals, thus decreasing the cost of raw materials for passenger meal preparation, and thereby reducing its carbon footprint.



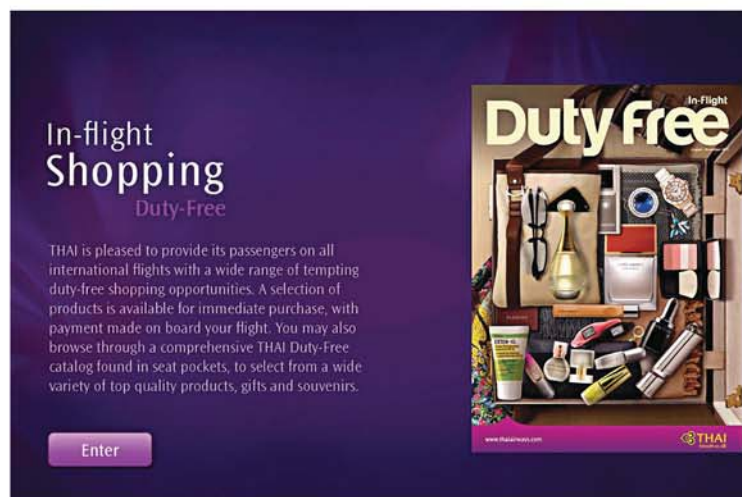
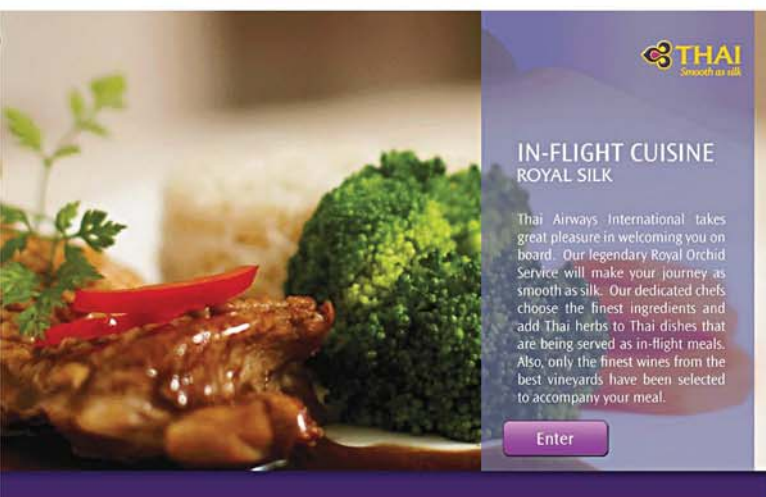
Sustainable Material Management

To maintain the highest level of efficiency and equipment readiness in its operation, THAI carefully manages the materials and necessary raw materials involved in the production process, service, and equipment maintenance. THAI believes that noise control can have a positive impact on operating cost and evaluates all resources needed for manufacturing and servicing any materials.

In continuation of the “Travel Green” concept with emphasis on the reduction of weight in paper and fuel, THAI initiated [the e-Meal Menu and the e-Duty Free Magazine projects](#). Passengers can view food and drink menus, as well as inflight duty free merchandise along with pictures, descriptions and prices, on the Inflight Entertainment (IFE) screen instead of the paper menus and Duty Free Magazine. This change reduces the cabin weight by approximately 0.5 kilogram per seat. At this point, the eX2 operating system on the IFE screen has been completed and a trial run

has been in progress on the A330-300 (A33H) aircraft since January 2012, with installation in other fleets in process.

Another way to reduce the use of paper is the utilization of electronic devices through the technological information system, which can save cost, increase efficiency and reduce global warming. THAI has introduced information technology in operation within the organization such as for pilot recruitment, payment via the website and a number of in-process systems such as the e-Meeting System, aiding executives in quickly locating meeting documents, minutes and references directly from their laptops and tablets. The e-IOC (e-Inter Office Communication) system is used in inter-divisional communication within the organization, as well as the e-Document system, storing electronic documents such as research documents, aviation logs, pilot profiles, etc.



A simple initiative of reusing plastic sheets is the origin of **the Reused Plastic Sheets project**. This endeavor reuses plastic sheets used on pallets to prevent cargo on arriving flights at Bangkok airports from humidity, and reuses them to cover cargo to be exported to other countries. This method reduces the use of plastic sheets by 10% or approximately 4,000 plastic sheets per year, amounting to 56,000 kilograms per year, and reduces the amount of carbon dioxide by 54,000 tons per year.



THAI also recycles passengers' Invitation and Fast Track Cards to reduce the use of paper and cost in **the Reused Invitation Card project**. With this project, the Company has been able to reduce 100 kilograms of paper per year, amounting to a reduction of 19.20 tons of carbon dioxide per year. Used paper from this project, amounting to 26.31 tons per year is also sold to recycling factories in the Paper Against Global Warming project.



“A simple initiative of reusing plastic sheets can reduce the amount of carbon dioxide by 54,000 tons per year”

Sustainable Use of Resources

The aviation industry relies on natural resources for operation, especially fuel, water, and electricity, to name a few. THAI realizes that these are natural resources, thus requiring the most economical, sustainable and worthwhile use.

Under the sustainable use of its alternative energy development plan, THAI initiated the **Bio Jet Fuel project**, with the objective to utilize biofuels for commercial flights in the future. THAI aims to be the leading user of biofuels in Southeast Asia, and has support from biofuel vendors, manufacturers, research and educational institutions as well government agencies related to air transportation, as well as aircraft and aircraft engine manufacturers, which

have participated in developing biofuel for the Thai aviation industry. THAI launched two pioneer biofuel flights on domestic routes in December 2011. On December 21, 2011, THAI conducted flight TG8421 on a Boeing 777-200. Passengers included media and representatives of the project's sponsors such as PTT PCL., Bangkok Aviation Fuel Services PCL., Aeronautical Radio of Thailand PCL., Airports of Thailand PCL., the Department of Civil Aviation, Sky NRG Co., Ltd., Rolls Royce Co., Ltd., and Boeing Co., Ltd. This flight was considered the "THAI's First Flight with Biofuels."

The second flight was a commercial flight TG104, launched on December 22, 2011, on the route from Bangkok to Chiang Mai and was considered the "First



Passenger Biofuel Flight in Asia,” whereby 25% of the total fuel used in flight was biofuel. Profits from ticket fees were donated to organizations developing alternative energy in Thailand. On this occasion, 100 students and teachers were invited on board as part of “The Sky is the Limit” or “Pa-Nong-Tong-Fa” project to educate the public about environmental conservation.

Every process in making this environmentally friendly flight a reality involved environmental in conservation through utilizing e-Services on the Internet for seat booking and issuance of e-Tickets. e-Check-In was performed with the 2D Barcode on all issuance smart phones. Products made from biodegradable materials such as bio-plastic coated paper cups were used inflight, including food containers made from recycled paper, and food prepared with carbon footprint labels demonstrating the carbon dioxide emission at a lower level than on regular menus. These steps were taken to ensure that this flight truly was a “Travel Green.”

Considering the sustainable use of resources in relation to the factors affecting the organization’s operation in the long run, the continuously rising price of aircraft fuels is a major cost factor directly impacting aviation business. Therefore, THAI is conducting the **Boeing 777 Performance Improvement Program (PIP)** project to improve efficiency of its Boeing 777 aircraft, 20 of which are in service. The investment capital is approximately 200 million baht, with three improvement focal points:

- Wing Vortex Generator
- High Speed Aileron Droop
- Ram Air Exit/Inlet Door



The goals of this project were to reduce use of fuel and to discount the amount of fuel reduced from the carbon credit which THAI has to pay to other countries. The result of the project showed 1% of oil reduced or approximately 69,000 gallons and approximately 112.64 tons of carbon dioxide reduced per year. The Boeing 777 PIP has been in operation since January 2010 and is expected to be fully completed within 2012.

Paying attention to detail in other business operations such as aircraft cleaning, efficient aircraft engine

maintenance, decrease in cargo weight, and a good flight plan can also result in reduced in fuel use.

Not only is cleaning the exterior of the aircraft integral to keeping the airplane beautiful, thereby creating a positive image to passengers, but evidence also shows that cleaning the aircraft exterior can help reduce friction force while in flight, which result in a 0.4% reduction in fuel consumption.



In 2009, THAI implemented a policy to clean planes once a month or 90 planes per month. However, at that point in time, the Company only had the ability to clean two planes per day, or 60 planes per month. Moreover, on some days aircraft cleaning was not possible due to flight schedules or inclement weather. The total number of planes cleaned was approximately 30 per month, resulting in accumulated dirt on the aircraft.

Thus, in 2011, THAI started **Aircraft Cleaning with Aircraft Washing Equipment**, for which THAI purchased three units of Aircraft Washing Equipment worth 95 million baht to reach the desired number of aircraft cleaned. This equipment has a stable scrubbing force, providing more ease in cleaning areas which are high and hard to reach, and can increase the capacity of cleaning to six planes per day. At the same time, the amount of water

used in aircraft cleaning was decreased by 9,000 liters per aircraft. Moreover, the reduction in friction force results in the reduced of fuel consumption by 0.4% (55,392 gallons) and reduced carbon dioxide emissions by 34,560 tons per year.

In order for aircraft engines to remain in consistently superior condition, regular maintenance must be scheduled, including cleaning, which was done with normal temperature water sprayed directly into the front of the engine from a water bus, or sprayed with a Water-Wash Probe for certain engine models. At that point, flow rate and water temperature of the water could not be controlled, making the cleaning not thorough, so the aircraft had to be cleaned more frequently and required a greater amount of water, wasting both time and cost in parking aircraft for maintenance.



The Aircraft Engine Cleaning with Engine Water-Wash Cart project was then implemented with the purchase of Engine Gas Path Cleaning equipment to increase efficiency in cleaning, amounting to 8.4 million baht of investment value. The goal of this project was to clean as many as four engines per day or over 1,440 engines per year.

Moreover, research from the efficient fuel management project found that continual cleaning of engines can increase the competency of the engine (Exhaust gas temperature margin is reduced by approximately 10°C) and decrease the inflight fuel use rate by 0.5% (69,240 gallons).

Based on the concept that light freight can save fuel use, THAI CARGO started the “Light Weight Container” project to reduce aircraft cargo weight by substituting heavier LD3 containers with LD3 Light Weight Containers. The goal is to replace 1,600 containers in five years (2011-2016). In 2011, THAI has so far been able to save approximately 633 gallons of fuel and reduce emission of 103.42 tons of carbon dioxide per year.

As sound flight planning can decrease the distance flown and the fuel use, THAI improved its auto pilot planning toward higher competency by purchasing the New Thai Automatic Flight Planning System (TAFS), giving more efficiency and better flight planning in the Retune Flight Planning to Reduce Fuel Uplift Before Flight project. This automatic flight planning system has the accepted standards of quality and safety, and can also reduce the use of fuel resources and greenhouse gas emissions. Fuel reduction from this project amounts to 2% or 276,960 gallons and the reduction of carbon dioxide emissions amounts to 45,214 tons per year.



Other projects include **the Sustainable Fuel Management project**, which manages aircraft fuel use by decreasing aircraft weight and maintenance for highest efficiency, which can reduce fuel use to no more than 1% error in actual operation.

Thailand's electricity generation emits approximately 0.625 kilograms of carbon dioxide per 1 kilowatt per hour (EGAT, 2009). THAI realizes that the electricity generating processes require heat energy from fuels, which could be fossil fuels, biomass fuels, biofuels or other renewable energies, and that the combustion of all types of fuels creates carbon dioxide. Therefore, reduction in electricity use can help reduce carbon dioxide emissions. In 2011-2012, THAI plans to change 1,300 light bulbs in the cargo warehouse from 400 watts to 100 watts, as part of **the Save the Cargo Warehouse Electricity project**. This project reduced 300 kilowatts of electricity per hour, amounting to 1,363,932 kilowatts per year and 852.46 tons of carbon dioxide emission per year.

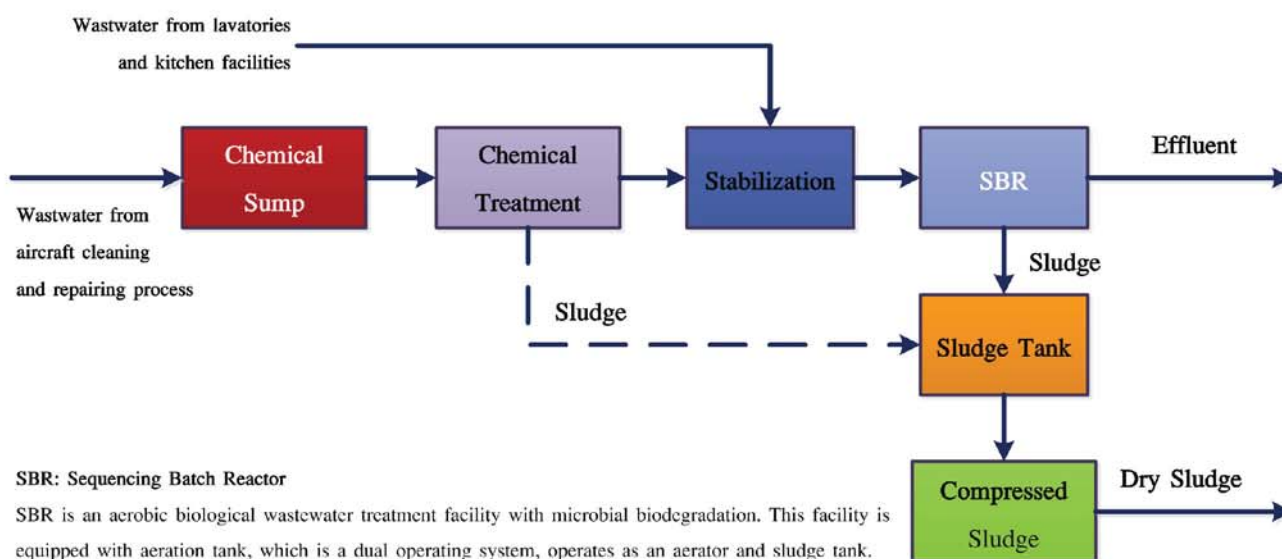


Apart from fuel and electricity, water is one of life's most important natural resources, and therefore needs to be conserved for a sustainable environment. Therefore, water use must be well-managed, as well as properly controlled and adjusted to be of good quality before being released to the community for other uses. A constant wastewater treatment system is needed, and water quality must be evaluated frequently to prevent risk of releasing contaminated water into the environment.

With this regard, the Aircraft Maintenance Center at Suvarnabhumi Airport has conducted the Wastewater Treatment Management of Suvarnabhumi Mechanics Office project, which uses treated water from the Sequencing Batch Reactor (SBR). This water comes from the aircraft repair, aircraft cleaning and kitchen area including an area of over 190 rais, with almost 2,000

employees, amounting to 50 cubic meters of wastewater from repair and cleaning per day and 260 cubic meters of domestic waste per day. Untreated wastewater from aircraft cleaning and repair contains grease, suspended solids and heavy metals, which must undergo chemical treatment and SBR treatment along with untreated wastewater from lavatories and kitchen facilities.

According to the standard quality set by the Department of Industrial Works as shown in the table of water quality assessment report by the ALS Laboratory Group (Thailand) Co., Ltd., treated water can be reused in watering trees in the football field and garden in front of the Suvarnabhumi Mechanics Office and the garden in front of the Thai Airways International Operation Center (OPC). recycled of wastewater can reduce water use by 80 cubic meters per day and save approximately 580,000 baht per year.



Water Quality Assessment Report 2011

Wastewater Treatment Management of Suvarnabhumi Mechanics Office

Location: Effluent Chemical (Suvarnabhumi)

Analyte	Unit	LOD	Guideline Limit	JAN., 2011	FEB., 2011	MAR., 2011	
Metals Testing							
Cadmium	mg/L	0.006	≤0.03	Not Detected	Not Detected	Not Detected	
Water Testing							
BOD (5 days at 20 degree C)*	mg/L	2	≤20	14	11	10	
COD	mg/L	1.5	≤120	96	66	84	
Oil & Grease & Fat*	mg/L	3	≤5	4	<3	<3	
pH (at 25 degree C)		-	5.5-9.0	7.9	7.6	7.7	
Phenol*	mg/L	0.001	≤1	0.006	0.003	0.003	
Total Dissolved Solids (Dried at 103-105 degree C)	mg/L	5	≤3,000	1,350	970	900	
Total Suspended Solids (Dried at 103-105 degree C)	mg/L	5	≤50	<5	5	<5	

Location: Effluent Domestic (Suvarnabhumi)

Water Testing							
BOD (5 days at 20 degree C)*	mg/L	2	≤20	3	4	8	
COD	mg/L	1.5	≤120	29	29	30	
Oil & Grease & Fat*	mg/L	1	≤5	3	<3	<3	
pH (at 25 degree C)		-	5.5-9.0	7.4	7.4	7.3	
Sulfide* (as H ₂ S)	mg/L	-	≤1	<0.5	<0.5	<0.5	
Total Dissolved Solids (Dried at 103-105 degree C)	mg/L	2	≤3,000	715	860	470	
Total Kjeldahl Nitrogen (as N)	mg/L	0.15	≤100	Not Detected	0.9	24.7	
Total Suspended Solids (Dried at 103-105 degree C)	mg/L	2	≤50	<5	<5	<5	

Guideline: Effluent Standard set by Notification of The Ministry of Industry, NO.2, B.E. 2539(1996)

Data from ALS LABORATORY GROUP (THAILAND) CO., LTD.

Remark: 1. LOD : Limit of Detection

2. "<" : Lower than LOQ (Limit of Quantitation)

3. Analyte(s) marked * is/are not included in scope of Accreditation.



	APR., 2011	MAY., 2011	JUN., 2011	JUL., 2011	AUG., 2011	SEP., 2011	OCT., 2012	NOV., 2013	DEC., 2014
	Not Detected	Not Detected	Not Detected	Not Detected	Not Detected	Not Detected	Not Detected	Not Detected	Not Detected
	17	28	14	5	4	8	6	4	13
	109	129	106	43	40	66	79	99	78
	<3	3	<3	<3	<3	<3	4	<3	<3
	7.3	8.0	7.5	7.1	7.7	8.7	8.0	8.7	8.8
	0.003	0.007	0.010	0.007	0.007	0.009	0.016	0.005	0.005
	1,320	1,380	1,220	1,200	1,170	870	890	1,000	1,260
	9	11	6	7	<5	14	8	11	19
	4	4	3	2	<2	<2	3	<2	3
	32	18	28	16	19	16	33	28	53
	<3	<3	<3	<3	<3	<3	<3	<3	<3
	7.2	7.7	7.3	7.2	6.8	7.1	7.7	6.6	7.2
	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5
	680	556	576	520	728	708	628	636	576
	7.9	5.2	6.5	4.5	Not Detected	Not Detected	2.0	Not Detected	Not Detected
	<5	5	<5	<5	<5	<5	<5	<5	<5



Before being released to the community, all wastewater from the Head Office buildings must meet the Ministerial Regulation on wastewater drainage controlled standard for specific building types and sizes, set by the Ministry of Natural Resources and Environment. This is to ensure that the released water does not contain any negative impact on the environment and surrounding communities. The amount of treated water from Buildings 1, 2 and 4 accounts for 200 cubic meters per day, from Building 3, 150 cubic meters per day and from Building 5, 200 cubic meters per day. The following table illustrates the quality of water after the treatment, analyzed by I.A. Chemicals Co., Ltd.





Water Quality Assessment Report 2011 Head Office

Building 1, 2, and 4

ITEM	UNIT	STD1. (Eff Building Class A)	JAN., 2011	FEB., 2011	MAR., 2011	APR., 2011	MAY., 2011	JUN., 2011	JUL., 2011	AUG., 2011	SEP., 2011	OCT., 2012	NOV., 2013	DEC., 2014
Biochemical Oxygen Demand (BOD)	mg/L	≤20	5.50	9.40	17.30	12.10	9.70	17.00	16.00	15.50	10.70	13.20	12.00	11.30
Chloride	mg/L as Cl ⁻	-	284.00	236.00	42.00	-	-	-	-	-	-	-	-	-
Chlorine (Residual)	mg/L as Cl ₂	-	-	-	-	-	-	-	-	0.06	0.03	0.16	0.10	0.05
Chlorine (Residual) at site	mg/L as Cl ₂	-	-	-	-	0.09	0.06	0.11	0.05	-	-	-	-	-
Oil & Grease	mg/L	≤20	1.30	1.00	N.D.	1.90	1.30	0.90	0.40	7.00	1.10	1.00	3.00	1.10
pH	-	5-9	7.20	7.50	7.30	7.10	7.10	7.50	7.00	7.10	7.10	7.80	7.60	7.30
Settleable Solids	ml/L	≤0.5	<0.1	0.30	0.30	<0.1	<0.1	0.30	0.10	<0.1	0.10	0.10	<0.1	<0.1
Sulfide	mg/L as S ²⁻	≤1.0	0.12	0.57	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	0.40
Total Dissolved Solid	mg/L	+500*	246.00	302.00	258.00	236.00	262.00	208.00	214.00	168.00	176.00	208.00	244.00	276.00
Total Kjeldahl Nitrogen	mg/L as N	≤35	4.60	5.90	16.40	3.70	3.40	14.30	1.80	5.10	2.70	10.50	5.70	14.20
Suspended Solids	mg/L	≤30	1.00	19.50	21.00	10.50	22.00	9.50	16.00	8.00	18.00	20.00	6.00	21.00

Building 3

Biochemical Oxygen Demand (BOD)	mg/L	≤20	4.00	3.50	13.00	10.00	19.50	8.50	14.20	10.00	9.00	18.80	15.50	4.90
Chloride	mg/L as Cl ⁻	-	89.00	83.00	42.00	-	-	-	-	-	-	-	-	-
Chlorine (Residual)	mg/L as Cl ₂	-	-	-	-	-	-	-	-	0.03	0.04	0.06	0.05	0.02
Chlorine (Residual) at site	mg/L as Cl ₂	-	-	-	-	0.00	0.01	0.01	0.03	-	-	-	-	-
Oil & Grease	mg/L	≤20	0.80	0.30	N.D.	1.40	0.90	1.20	1.00	2.00	1.70	1.90	5.30	1.00
pH	-	5-9	7.00	7.10	7.20	6.20	7.20	7.30	6.20	7.40	5.40	7.40	7.30	7.30
Settleable Solids	ml/L	≤0.5	<0.1	<0.1	0.10	<0.1	<0.1	0.30	<0.1	<0.1	0.10	<0.1	<0.1	<0.1
Sulfide	mg/L as S ²⁻	≤1.0	0.25	N.D.	0.08	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	0.37	N.D.
Total Dissolved Solid	mg/L	+500*	220.00	322.00	218.00	294.00	207.00	156.00	246.00	226.00	294.00	160.00	272.00	276.00
Total Kjeldahl Nitrogen	mg/L as N	≤35	4.20	5.40	22.30	2.40	2.80	7.30	0.20	21.80	2.00	11.10	19.40	24.40
Suspended Solids	mg/L	≤30	4.00	4.80	9.50	27.00	2.50	<1	28.00	7.00	16.00	6.70	7.20	4.50

Building 5

Biochemical Oxygen Demand (BOD)	mg/L	≤20	19.00	13.50	15.80	16.90	13.20	10.20	14.60	12.60	8.50	12.50	17.50	18.50
Chloride	mg/L as Cl ⁻	-	81.00	72.00	89.00	-	-	-	-	-	-	-	-	-
Chlorine (Residual)	mg/L as Cl ₂	-	-	-	-	-	-	-	-	0.03	0.03	0.04	0.02	0.06
Chlorine (Residual) at site	mg/L as Cl ₂	-	-	-	-	0.68	0.05	0.08	0.06	-	-	-	-	-
Oil & Grease	mg/L	≤20	0.80	N.D.	N.D.	0.80	1.00	0.90	4.90	2.40	2.50	2.90	6.40	1.20
pH	-	5-9	7.10	7.20	6.90	7.10	7.20	7.60	6.80	7.30	6.80	7.10	7.20	6.20
Settleable Solids	ml/L	≤0.5	<0.1	0.10	<0.1	<0.1	<0.1	0.30	<0.1	<0.1	<0.1	<0.1	<0.1	0.10
Sulfide	mg/L as S ²⁻	≤1.0	0.90	N.D.	0.40	N.D.	0.08	0.31	N.D.	N.D.	N.D.	0.88	N.D.	N.D.
Total Dissolved Solid	mg/L	+500*	466.00	412.00	444.00	384.00	370.00	346.00	380.00	312.00	374.00	324.00	376.00	400.00
Total Kjeldahl Nitrogen	mg/L as N	≤35	1.00	4.20	7.10	20.80	18.60	24.00	11.10	10.40	3.40	14.50	16.50	5.10
Suspended Solids	mg/L	≤30	6.00	16.50	7.00	9.00	13.00	11.00	20.50	6.50	10.00	20.00	8.50	24.00

Guideline: Effluent Standard for Building Class A by Notification of The Ministry of Natural Resources and Environment, November 7, B.E. 2548 (2005)

Data from I. A. CHEMICALS CO., LTD.

Remark: N.D.= Not Detectable, NOB = Not Observable, *= Additional value from water usage

THAI's commitment as an organization dedicated to conserving the environment, conservation of fuels, electricity and water resources, led the Company to renovate its buildings to be energy-efficient. The Green Building Management to Save Energy project has raised personnel awareness regarding economical use of resources and environmental conservation. The project resulted in a reduction of water use by 200 cubic meters per day and 1,080,000 baht worth of water cost per year.

THAI created the initiative called Biofuel Production from Food Waste to recycle waste to reduce the use of resources. This project includes the installation of food waste disposals from THAI flights and the production of eight tons of biogas per day. It is expected that THAI can produce 1,200 cubic meters of biogas per day, which will then be used in the production process at THAI Catering. Currently, this project is in the trial process with a waste amount of 1,000 kilograms per day.



Biodiversity and Ecosystem Services

The ecosystem is a network of relationships with an interdependence between organisms and their surroundings, and balance in the environment is key to these organisms' survival. Similarly, as humans rely on nature for survival, we must make protecting and conserving the environment a priority to coexist sustainably.

THAI aims to educate its employees, as well as society, to develop conscientiousness in taking care of the environment through activities and projects such as the Green Tour on Royal Orchid Holiday Program, offering Ecotourism services to travelers. The program cooperates

with global hotel partners in environmental conservation. At the same time, THAI supports the use of raw materials from the Royal Project and from farmers who follow Good Agricultural Practice (GAP), thereby promoting agriculturists who emphasize safety for growers, consumers and the environment. GAP is the agricultural practice that controls the planting area, plant care, harvest, and after-harvest care to ensure that produce have the quality, desired characteristics and necessary safety for consumption. THAI also hosts a reforestation project at Huay Sai Royal Development Study Center in Cha-Am, Petchaburi.

The evaluation and examination of energy savings and greenhouse gas emissions originate from a verification report of carbon dioxide emission reduction of THAI's activities conducted by the College of Environment, Kasetsart University, on January 17, 2012.



Practices for Energy and Environmental Conservation

The Conservation of energy and the environment is an important commitment, requiring compliance with set energy and environmental standards and laws. THAI executives are closely involved in furthering all endeavors regarding energy conservation, clean energy support and reduction of environmental impact to correspond with environmental policies. The standards for such operations are as follows:

1. Continuously conduct energy saving in buildings by implementing energy conservation measures with and without cost, as follows:
 - No Cost Energy Conservation Measures within Buildings (House Keeping)

The no cost energy management methods implemented by THAI concern saving energy used in air conditioned

environments, such as reducing the chiller operating time by one hour per day, turning off the Air Handling Unit (AHU), reducing the operating rate of 140 big coolers during lunch break, and calculating the appropriate amount of fresh air into the building to reduce the electricity use of air conditioners. As for electrical system energy saving, methods include turning off the lights in areas with no operation, and improving lighting control systems by using the Building Automation System (BAS). Lastly, methods within the sanitation system include checking for leakage in water valves, adjusting the amount of water in flush toilets and reducing the amount of water in 562 washbasins in the restrooms.

- Replacing Outdated Machines with the Highest Energy Saving Models (Minor Change)



THAI continuously monitors, and if necessary, changes equipment and machines to improve efficiency and save energy of 600-ton chillers, 39 air conditioners operating during specific hours, 300-ton chillers, cooling towers and chilled water pumps. THAI also installs water heaters from air conditioning, replaces elevators with the highest energy saving models and installs BAS.

- Building Improvement for Integrative Energy Conservation (Green Building)

THAI improves its buildings and surroundings such as controlling the OTTV and RTTV around the buildings to not exceed 50 watts and 15 watts per square meter respectively, by replacing glass with Insulation Glass, painting the walls with Nano Ceramic paint or installing Aluminum siding, changing light bulbs to energy saving bulbs, installing solar cells and recycling treated water.



2. Design of new buildings to be environmentally friendly by designing the energy-saving OPC building which was awarded the Thailand Energy Award 2011. The Department of Alternative Energy Development and Efficiency, Ministry of Energy, hosted the event and THAI won the award in the category of “creative building for energy conservation” or “Green Building”, along with being named the best team for controlling building energy.

3. Manage garbage and wastewater to reduce greenhouse gas emissions such as the biowater or EM project, recycling scraps of vegetables and fruit skins from THAI restaurants and employee canteens at the OPC, through fermentation to produce biowater. This biowater can help dissolve garbage and thus reduce the amount of garbage and reduce the use of chemicals. Moreover, EM water can rid the garbage of smell and improve the quality of the soil without destroying the ecosystem.



THAI also manages its garbage and discarded materials by having the Ground and Properties Division control waste segregation to ensure that each type of waste is disposed of properly and according to ISO 14001.

4. Raise awareness in energy conservation such as hosting the energy week exhibition named “THAI Clever Energy” and the “TG CLEAN for GREEN” project to motivate employees to save energy and the environment, and by establishing the “THAI Energy Conservation Club”, encouraging members to realize the importance of energy and reduction of energy use. THAI also collaborates with the Department of Alternative Energy Development and Efficiency, Ministry of Energy, in building an energy conservation network. From this partnership, THAI was given the opportunity to demonstrate leadership in thought among similar

business groups and encourage other corporate members to take responsibility for society, leading to a concrete and sustainable reduction in energy use.

THAI believes that business development coupled with a conscientious use of resources and environmental conservation will help create the balance necessary for sustainable business growth and a better world.





Corporate Social Responsibility Practices of THAI



Corporate Social Responsibility Practices of THAI

In the aviation industry, apart from having an impact on the environment, an organization needs to consider its impact on employees, passengers and other related agencies or persons, which THAI considers its top priorities. THAI places great importance on the safety, well-being, potential development, appropriate fringe benefits, engagement in community and social development, and support for legal matters of employees, through the measures described below.

Safety Management

In the aviation industry, safety is the highest consideration in all operations and planning. Aviation safety relies on three main operation areas: aviation operations, aircraft maintenance and ground operations. THAI has always conducted its business with focus on safety for employees and passengers, under its mission to deliver passengers and cargo to destinations in comfort, in punctuality and under the highest international safety standards. THAI adheres to safety standards administered by the following:

- 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) of International Air Transport Association (IATA)

THAI's focus on safety measures are shown in the recruitment process of aviation personnel, requiring all employees to have proper skills and thorough training. Modern flight simulators are introduced to train pilots. THAI encourages its personnel to conduct learning and development in aviation skills in keeping with modern aviation technology through the use of e-Learning. THAI also pursues the concept of Knowledge Management (KM) by promoting knowledge exchange among employees.

For cabin safety maintenance, THAI holds training programs that emphasis service mindedness to passengers who may retain a strong sense of safety and confidence while flying THAI, coupled with positive impression of superior service found on board Thai Airways International. The operations in all company departments and business units are structured to meet international standards. THAI has received recognition from international standard organisations as follows:

“THAI is a socially responsible organization as we are the national carrier.”

International Standards	Department or Business Unit	Expiration Date
ISO 9001:2008 (Quality Management System)	Cargo & Mail Commercial Department (BKK, CNX, HDY, HKT) Ground Equipment Services Department Ground Customer Services Department Technical Department General Administration Department Personnel Development & Training Department Information Technology Services Department Catering Department	June 30, 2014 2015 September 12, 2011 May 27, 2013 October 6, 2012 May 1, 2012 October 12, 2011 December 16, 2013
ISO 14001:2004 (Environmental Management System)	Head Office, Laksi Office, Lan Luang Office Operation Center and Ground Passenger Service Unit at Suvarnabhumi Airport Department of Mechanics Catering Department	April 23, 2013 April 23, 2013 June 9, 2013 September 1, 2012
OHSAS 18001:2007 (Occupational Health and Safety Audit Standards)	Catering Department	August 3, 2011
IATA Operation Safety Audit (IOSA)	Corporate Certification	May 28, 2012
FAR Part 145 (FAA Repair Station)	Department of Mechanics (Suvarnabhumi Airport, Don Mueang Airport and U-Tapao Airport)	October 31, 2012
European Aviation Safety Agency (EASA) Part 145 Approved Maintenance Organization	Department of Mechanics	January 10, 2011 (Date of Revision)
HALAL HACCP GMP	Catering Department Catering Department Catering Department	December 31, 2011 March 8, 2014 March 8, 2014

In addition, THAI has established the Emergency and Crisis Response Planning Department to handle situations related to crisis and emergencies such as terrorism, accidents, or incidents occurring in Thailand

or abroad. THAI has established the Crisis Management Operation Center (CMOC) for the proper administration and command during such times.

Responsibilities for Employee's Health and Safety

Human resource is an important factor to an organization's growth and expected goals and overall success. Therefore, maintaining employee safety, along with physical and emotional well-being, are also key points for THAI. The Company has established the Occupational Health & Safety Policy Statement which adheres to good governance principles and gives priority to employee benefits. The main tenet of this policy follows:

1. THAI protects and maintains employees' safety and health by providing a safe and hygienic work environment at all times.
2. THAI develops its security, occupational health and working environment management system to meet international standards and strictly comply with related laws, regulations, announcements, standards and other principles regarding safety, occupational health and the working environment.
3. THAI determines the purpose and goals regarding safety, occupational health and the working environment for departments or related persons to follow in improving and preventing any occupational hazards.

4. Executives on all levels have the duty and responsibility to promote, support and oversee operations to ensure the safety, occupational health and working environment of the department and ensure that all operations meet the policy and goals set by the Company.

5. THAI encourages employee engagement in improving and developing operations involving safety, occupational health and working environment, as well as promote compliance with the regulations and standards set by the Company for all employees.

6. THAI supports and provides appropriate resources in terms of personnel, funding and training to ensure efficient operations.

THAI promotes safety and occupational health in the working environment by hosting regular health and fitness sessions to educate employees on healthcare and disease prevention issues. The Company also provides exercise facilities for employees at corporate establishments, and facilitates employee sports, entertainment and recreational clubs and activities.




THAI has appointed a Safety, Occupational Health and Working Environment Committee, as well as security officers, to monitor and work out problems which may be hazardous or which may impact negatively the health and hygiene of employees. The Company is continually in preparation mode in case of accidents that may be life-threatening, or cause physical or emotional harm.

In order to control the operational safety and reduce the loss and injury rates of employees, THAI established measures on the safety, occupational health and working environment to act as practical guidelines for executives, employees and related persons to follow. These measures cover the safety management of departments, workers, contractors or subcontractors to ensure the provision of standard tools, supplies, and equipment for personal safety and the evaluation of any risk to health and safety in the workplace, as well as the creation of risk control measures meet acceptable levels.

THAI evaluates potential dangers and risks which may affect the health of employees, monitors health issues, and maintains medical records of employees working in close proximity to risk areas, to be used as reference to further prevent the spread of occupational diseases. THAI also monitors, controls and keeps track of working conditions and environment are safe at all times. THAI regularly schedules health check-up services for employees, including new employees and newly transferred employees.

The availability and readiness of a fully stocked infirmary is important for the immediate treatment of patient care. THAI provides first aid and post-injury recovery medical services at its infirmaries located at each establishment for immediate treatment to injured or sick employees. The infirmaries are also equipped to deliver patients to specialized medical facilities for further treatment and recovery.

Educating employees in workplace safety is another way the Company helps its employees prepare for uncertain situations. THAI schedules regularly required training on safety and occupational health to increase awareness of the dangers and risks that may arise in the workplace. THAI also holds training for executives and department heads, and appoints security officers on the executive and managerial levels. The Safety, Occupational Health and Working Environment Committees at each unit also receive training to ensure efficiency.



“Safety for employees, passengers and other related persons is always THAI’s prime responsibilities”

Human Resource and Employee Information Management

Personnel is considered a valuable and important resource for the organization. THAI gives priority to taking care of its employees both during and after their employment, as well as provides fair treatment according to the State Enterprise Labour Relations Act B.E. 2543 (2000), which stipulates that the protection of labor and labor relations in the state enterprise sector involves the rights and privileges no less than the lowest standards of the labor protection laws. This is to ensure that there is no forced labor, no child labor

and no obstruction to employee assembly or collective bargaining. The Company's operational plan for 2011-2012 clearly states that consideration to human and labor rights is part of the Company's social responsibility and the scope has been set to design an employee manual on social responsibility in the next phase.

Currently, the number of THAI employees and workers working at the Head Office and Suvarnabhumi Airport Units are 22,631 and 7 respectively.

Breakdown of Employees by Gender, Age Group, Employee Level and Area

Employee Information	Year 2011
Total number of employees	22,631
Number of Employees by Gender	
• Male	13,823
• Female	8,808
Number of Employees by Age Group	
• Less than 30 years	2,848
• Between 30 – 50 years	15,993
• Over 50 years	3,790
Number of Employees by Employee Level	
• Executives (Above Level D)	46
• Executives (Level C - D)	1,834
• Operations (Level A - B)	18,243
• Operations (Below Level A)	2,508
Number of Employees by Area	
• Head Office	3,108
• Suvarnabhumi Airport Units	9,523

NOTE: Level A = Operations 1-3, Level B = Operations 4-7 including pilots and crews, Level C = Executives 8-10, and Level D = Executives 11

Breakdown of Workers* by Gender, Age Group, Worker Level and Area

Worker Information	Year 2011
Total number of workers	7
Number of Workers by Gender	
<ul style="list-style-type: none"> • Male • Female 	7 -
Number of Workers by Age Group	
<ul style="list-style-type: none"> • Less than 30 years • Between 30 - 50 years • Over 50 years 	- 3 4
Number of Workers by Area	
<ul style="list-style-type: none"> • Head Office • Suvarnabhumi Airport Unit 	1 6

NOTE: * "Worker" means a person on a temporary employment contract by the company with designated period of time and daily or monthly wages as determined by the Company.

THAI has a total of 530 new employees (2.34% of total employees) and 389 employees whose employment has been terminated due to resignation or retirement (1.72% of total employees). These employees can be detailed by age group, gender and operations area as follows:

Number and Proportion of New Employees and Terminated Employees by Age Group, Gender and Area

New Employee Information	Year 2011
Number of New Employees by Gender	
<ul style="list-style-type: none"> • Male • Female 	251 (1.11%) 279 (1.23%)
Number of New Employees by Age Group	
<ul style="list-style-type: none"> • Less than 30 years • Between 30 – 50 years • Over 50 years 	517 (2.28%) 13 (0.06%) -
Number of New Employees by Area	
<ul style="list-style-type: none"> • Head Office • Suvarnabhumi Airport Unit 	2 (0.01%) 528 (2.33%)

Breakdown of Number and Ratio of Terminated Employees by Gender, Age Group, and Area

Terminated Employees (Resigned and Retired) Information, Excluding Other Cases of Termination		Year 2011
Number of Terminated Employees by Gender		
• Male		252 (1.11%)
• Female		137 (0.61%)
Number of Terminated Employees by Age Group		
• Less than 30 years		73 (0.32%)
• Between 30 – 50 years		103 (0.46%)
• Over 50 years		212 (0.94%)
Number of Terminated Employees by Area		
• Head Office		74 (0.33%)
• Suvarnabhumi Unit		315 (1.39%)

Characteristics and Proportions of Employees by Type

Characteristics	Board	Executives (Above Level D)	Executives (Level C - D)	Operations (Level A - B)	Operations (Below Level A)
• Male	15 (100%)	35 (76.09%)	950 (51.80%)	10,745 (58.90%)	2,093 (83.45%)
• Female	-	11 (23.91%)	884 (48.20%)	7,498 (41.10%)	415 (16.55%)
• Less than 30 years	-	-	1 (0.05%)	2,646 (14.50%)	201 (8.01%)
• Between 30 - 50 years	-	7 (15.22%)	822 (44.82%)	13,094 (71.78%)	2,070 (82.54%)
• Over 50 years	15 (100%)	39 (84.78%)	1,011 (55.13%)	2,503 (13.72%)	237 (9.45%)

NOTE: Level A = Operations 1-3, Level B = Operations 4-7 including pilots and crews, Level C = Executives 8-10, and Level D = Executives 11

Personnel Reinstatement and Remaining Rate after Maternity Leave

Cause of Leave	Male	Female
• Number of employees eligible for parental leave by gender	-	8,808
• Number of employees taking parental leave by gender	-	157
• Number of employees reinstated after parental leave	-	157
• Number of employees reinstated and remaining in office 1 year after parental leave	-	157
• Reinstatement and remaining rate of employees after leave	-	96%

Differences of Salary and Base Returns between Male and Female by Employee Type and Area

Employee Type		Difference in Salary and Base Returns between Male and Female
Head Office	<ul style="list-style-type: none"> • Executives (Above Level D) • Executives (Level C - D) • Operations (Level A - B) • Operations (Below Level A) 	No difference between male and female
Suvarnabhumi Airport Unit	<ul style="list-style-type: none"> • Executives (Above Level D) • Executives (Level C - D) • Operations (Level A - B) • Operations (Below Level A) 	No difference between male and female

NOTE: Level A = Operations 1-3, Level B = Operations 4-7 including pilots and crews, Level C = Executives 8-10, and Level D = Executives 11



On June 26, 1992, THAI created and registered a provident fund for employees. For employees with employment up to 20 years, THAI contributes 9% of the employee's salary into the provident fund. For employees with more than 20 years, the contribution is 10% of the employee's salary. Employees contribute no less than 2% of their salary, but no more than In 2011, the Company's contribution. The Company reserved 1,115.55 million baht for the employee provident fund.

THAI also has a premium fund for employees to which the Company contributes 10% of the salary. The fund gives profits in terms of interest, which comes from investment. In the case that the balance in the fund is below the obligations, THAI will even the balance at the end of the accounting period. The employees in the premium fund must have no fewer than 3 years of employment to receive the premium of their employment duration after resignation, retirement or death. Employees joining the Company after 1992 can only join the provident fund and not the premium fund. As a result, the premium fund has not gained any new members since the provident fund was established. In 2011, THAI had reserved 581.56 million baht for the premium fund.

Personnel development and training not only helps to realize the true potential of employees in preparation for changes from both internal and external factors impacting the organization, but also increases the competitive advantages of the Company. THAI believes this is one of the strategies leading to long-term success while maintaining the Company's stability.



Therefore, THAI has established the Human Capital and Organization Effectiveness Strategy by identifying and creating think tanks within its administration, creating systematic knowledge management, and promoting a community of practitioners to encourage a sustainable learning culture throughout the organization. THAI aims to achieve the status of a Learning Organization through training and to create a performance-based business culture. In the operational plan for 2011-2012, THAI plans to examine and analyze related knowledge as well as include such knowledge in KM, then complete the design of the TG-KM Software Solution to increase the most productive outcome of employee training.

Succession planning is important to the continuity and stability of an operation and of the Company. THAI has devised policies and procedures for Talent Manage-

ment such as compiling the Talent Pool List and implementing an Individual Development Plan (IDP), as well as designing an evaluation method for potential candidates. THAI completed the determination of required competencies for important positions in the previous year as part of an effort to create the next generation of corporate leaders.

However, the development and identification of employee potential cannot occur without integrative cooperation throughout the organization. Therefore, in 2011, THAI established the description of tasks requiring cooperation to support Cross-Functional operation, as stated in the organizational strategies, so that employees can exchange their learning systematically, improve their potential and build a true Learning Organization.

“ The development and identification of employee potential cannot occur without integrative cooperation throughout the organization ”



The operation to manage personnel and increase administrative efficiency applies to all aspects of the Company including commerce, cargo transportation, station and apron services, quality, occupational health and safety, and language and culture. It also includes management and behavioral science, organizational culture and morals, ethics and values involving employees both in the executive as well as operating levels such as the Management and Behavioral

Science Program, Executive Program, training and workshops for high-level executives, the THAI SPIRIT Training Program for all employees, Workplace Security Program, and basic fire drills in collaboration with external agencies and training for the Safety, Occupational Health and Working Environment Committee. The average training hours by gender and employee level are as follows:

Employee Training Hours Information

Employee Training Information*	Year 2011
Average number of training hours (hrs./person/year) (Only employees at Head Office and Suvarnabhumi Airport Unit)	36
Average number of training hours by gender (hrs./person/year)	
• Male	36
• Female	36
Average number of training hours by employee level (hrs./person/year)	
• Executives (Above Level D)	18
• Executives (Level C - D)	36
• Operations (Level A - B)	36
• Operations (Below Level A)	36

NOTE: Level A = Operating 1-3, Level B = Operating 4-7 including pilots and crews, Level C = Executives 8-10, and Level D = Executives 11

*The number covers only the training conducted by the Personnel Development and Training Department (D9) excluding training conducted by internal departments of Mechanics, IT Personnel, Aviation and Crew

Furthermore, information technology has been introduced to improve the training and learning processes in the form of e-Learning, expanding the

opportunity for training of employees and reducing the limitations of employee transportation to training sites, as well as decreasing the actual cost of training.

Community Engagement and Social Development

For over 50 years, THAI has shown its responsibility to society by organizing various initiatives not only in the form of helping/aiding and encouraging environmental conservation but also in the form of instilling social conscience and education pertaining to social responsibility. The various endeavors organized by THAI give the employees an opportunity to contribute to social causes in order to restore, ease and improve people's quality of life and to help maintain balance in the environment. Participation motivates and instills a sense of responsibility toward society at large, and is considered an important mechanism in building a firm foundation and forging a benevolent organizational culture. Throughout the 2011 calendar year, THAI organized numerous and diverse community and social development activities.

Throughout 2011, several grave natural disasters afflicted not only Thailand but also other countries. THAI, as the national flag carrier, has utilized its resources in aiding and facilitating the delivery of rations to areas in Japan affected by the earthquake and tsunami, and to areas in Thailand affected by the floods. The Company collaborated with the Japanese government in transporting 5,000 blankets and 3,024 one and a half-liter bottles of water to earthquake and tsunami victims in Sendai, Japan and jointly donated with the Office of the Permanent Secretary, Ministry of Transport, the sum of baht 100,000.

THAI sponsored air tickets to Japan for the Friends in Need ("Pa") Volunteer Foundation in the wake of the disaster. THAI delivered body bags for the casualties

Aid for Natural Disaster Victims

In natural disaster cases, it is often difficult to initially assess the damage and gauge the distress levels of victims; therefore, aid and relief in such times must be immediate.

"Participation motivates and instills a sense of responsibility toward society at large, and is considered an important mechanism in building a firm foundation and forging a benevolent organizational culture"



in the Tohoku earthquake and tsunami in Japan. The Company exempted excess baggage surcharges to the two Royal representatives as they flew to Japan to give 100 kilograms of royal relief supply kits. THAI also sponsored air tickets to Japan for the Thai-Japan Education Development Foundation to donate relief supply totaling 50 kilograms in weight to the evacuation center in Sendai.

In 2011, Thailand faced the worst flooding in history, as well as mudslides, that affected numerous regions with a record-breaking amount of water and affected victims. THAI donated one million baht to flood victims in the South through Prime Minister Abhisit Vejjajiva and another one million baht through the fund-raising program “Joint State-Private Efforts for Flood Relief” (Rat-Rut Ruam Jai Chuay Pai Nam Tuam) to help flood and mudslide victims in the southern provinces. Moreover, THAI has donated 500,000 baht through the Ministry of Finance.

THAI helped flood victims in many other ways. The Company supported the construction of the disaster relief center in Mahachulalongkornrajavidyalaya University in Wang Noi, Ayutthaya, for the Chaipattana Foundation with Her Royal Highness Princess Maha Chakri Sirindhorn presiding over the Royal opening. THAI Catering was in charge of preparing 1,000 lunch boxes per day for the victims, while employee volunteers from many agencies helped in

distributing food daily from October 11 to 31, 2011. Furthermore, THAI, in collaboration with the government, participated in activities to aid the Thai public by donating one million baht to the flood victims through Prime Minister Yingluck Shinawatra at the Government House and handing out 500 pieces of Puff & Pie daily to the Flood Relief Operation Center through the Ministry of Transport. THAI Catering prepared and delivered 1,750 lunch boxes for the sand-bag-filling-volunteers at Siriraj Hospital.

THAI organized initiatives in collaboration with the Ministry of Transport and its affiliated agencies. Executives and representatives of employees, together with the Minister of Transport, delivered consumables to residents of the affected areas in Ayutthaya and Lopburi. In addition, THAI donated 5,000 bottles of Royal Orchid bottled water to the Director of the Office of Transport and Traffic Policy and Planning for flood victims.

THAI Cargo transported four water pumps from Switzerland, 536 boats from China, disaster relief equipment from Japan, medicine, as well as diapers and baby supplements from Malaysia to aid flood victims. THAI supported the transportation effort by not charging for shipping and transporting of donated goods from citizens, and blood and medical equipment from the Thai Red Cross to Pitsanulok, which was then relayed to Nakhon Sawan province.



THAI transported relief equipment, medicines and clothes weighing over 12 tons donated by Airbus Corporate Foundation and Luftfahrt Ohne Grenzen by Airbus A330 in the Ferry Flight TG8925 called “Friendship Christmas Flight from Frankfurt.” The Company then delivered the supplies to the Thai Red Cross to give to flood victims.

The Commercial Department arranged special flights to aid flood victims in the Bangkok-Pitsanulok route, acting as an option for travel as many roads were impassable because of the water. The Company also sponsored air tickets for the Electricity Generating Public Company Limited (EGCO), to transport 1,000 disaster relief packages to the flood victims in the South.

Community and Social Contributions

Other than helping in times of disaster, raising funds to help the community and society is one of THAI’s responsibilities as a corporate citizenship. Such help

includes supporting religious activities, glorifying the monarchy, supporting children and youth, helping the differently abled, exempting luggage surcharge, and sponsoring air ticket when possible. Projects mentioned in this sustainability report are only part of the projects organized in 2011.

THAI provided souvenirs for children at Chatuchak Youth Center and schools in three southernmost provinces of Thailand on Children’s Day 2011. THAI employees bought greeting cards from the Books for Children Foundation, the proceeds of which will be used to further support the foundation.

THAI sponsored the “Disney on Ice: World of Fantasy” and invited students and teachers from Kan Bin Thai Border Patrol Police School in Srakaew province, Sethasathian School and Sosa School to watch the international performance at the Exhibition and Convention Center, IMPACT Arena, Muang Thong Thani.

“ Other than helping in times of disaster, raising funds to help the community and society is one of THAI’s responsibilities as a corporate citizenship ”



THAI made monetary donations to the Royal Thai Air Force Wives Association to provide for the purchase of poppies on Veteran's Day. Furthermore, the Company provided funds for the "Wheelchair for the Disabled Project" under the Ministry of Social Development and Human Security, for 100 wheelchairs for His Majesty the King's Royal charity.

The company sponsored air tickets for the following organizations:

- The Association of Thai Deaf Children & Women Network Federation - THAI sponsored the flight of deaf delegates and sign language interpreters to join the World Deaf Summit 2011 held in South Africa
- Department of National Parks, Wildlife and Plant Conservation - for travel to join the workshop on "Guidelines on National Park Management and Development toward International Standards" held in Khao Yai National Park in Thailand
- Ramathibodi Hospital - THAI sponsored the charitable medical operations program for 150 patients with optical diseases at hospitals in Roi Et province in Thailand
- National Science and Technology Development Agency (NSTDA), Ministry of Science and Technology - following the Royal intentions of Princess Maha Chakri Sirindhorn to give students the opportunity to attend the Lindau Nobel Laureate Meeting in Lindau, Switzerland. THAI provided eight roundtrip tickets from Bangkok to Zurich

The Company exempted excess baggage surcharge for various groups as follows:

- The Raktham Foundation - for prayer books weighing 30 kilograms to Wat Thai Saranat

- The Oriental Copper Co. - for worship offerings and restoration equipment weighing 800 kilograms to Wat Thai Kusinara Chalermraj
- Wat Thai Bhod Gaya - for documents weighing 300 kilograms to the seminar of Buddhist ambassadors
- Dr. John and Nina Cassils and their group in their trip to Myanmar to give medication and medical care to the poor with medicines and equipment weighing 70 kilograms
- "CHURCH OF OUR LADY, QUEEN OF APOSTLES" - for goods to the poor in Vietnam weighing 25 kilograms

Through THAI's frequent flyer program, passengers can donate their collected miles to support various social projects. THAI has received more than 20 million miles in donation to be used to support the construction project of the Siammintra Building, Siriraj Hospital.

THAI organized a fund-raising campaign "Thai Hearts for the King" in which proceeds go toward the construction of the Siammintrathiraj Institute at Siriraj Hospital (in the area of Thonburi Station, Chao Phraya riverside) for the Auspicious Occasion of His Majesty the King's 7th Cycle Birthday Anniversary. This campaign gives employees and citizens an opportunity to show their loyalty and contribute to the benefit of patients, medical students and nurses.

The Company donated money to the Ministry of Social Development and Human Security to purchase wheelchairs for His Majesty the King's royal charity in commemoration of the Celebration on the Auspicious Occasion of His Majesty the King's 84th Birthday Anniversary for the differently-abled who are in need,

in order to improve their life, reduce reliance on others and raise the quality of life. Moreover, the differently-abled will be able to participate in various social activities.

THAI sponsored the “Walk-Run in Glorification of the King on Chakri Day” and “Bangkok Triathlon” at the Bhumibol Bridge. Proceeds from the events go toward the Rajprachasamasai Foundation under the Royal Patronage of His Majesty the King and other foundations to help the underprivileged.

Community Volunteering

THAI has organized a reforestation project in Huay Sai Royal Development Study Center in Cha-Am, Phetchaburi province which has been in operation since 1996, following the royal words of His Majesty the King, about reforestation, “Do not simply put the trees in the hole, but try to plant a tree inside people’s heart. If you just plant it in a hole and leave, you will not get anything. You have to put in your feelings, your love and conscience.”¹ It is THAI’s resolve to campaign for forest and environment conservation, to instill in Thai people and young generation the value and importance of natural resources. This resolution has been realized with the involvement of the THAI executives and employees. For over 15 years, the Company has replanted more than 222,400

square meters of forest, planting 39 types of young plants and more than 22,400 trees, resulting in the improvement and reforestation of the Huay Sai Royal Development Study Center area, a once barren and desert-like territory that is now flourishing with an abundance of flora and fauna.

THAI gave 50 mother-child pairs the opportunity to participate in a relationship-building trip by traveling and learning about the natural environment, visiting the Wildlife Breeding and Raising Station Huay Sai under the activity “THAI Loves Moms and Saves Forest and Water”, in Commemoration of the Celebration of the Auspicious Occasion of Her Majesty the Queen’s Birthday Anniversary on the 12th August 2011.

¹ Dr.sumet tantivejkul, the Secretary General of the Chaipattana Foundation, respectfully transmitted His Majesty the King’s speech to THAI employees on the 16th June 2007



This activity was to reciprocate the Royal intention of Her Majesty in maintaining and restoring the human resources at Huay Sai Royal Development Study Center, Cha-Am, Phetchaburi province.

THAI selected 84 students from schools around Suvarnabhumi Airport and brought them on an educational tour of Chiang Mai province in the activity called "The Sky is the Limit", on a historical flight of THAI. It was the first commercial flight in Asia using biofuels and was in Celebration of His Majesty the King's 7th Cycle Birthday Anniversary.

Employee Volunteer Activities

Raising awareness on responsibility to society and the environment is another point of pride for THAI, with the realization that nurturing employees to have ethics and morals that benefit society at large. 2011 was a year of natural disasters in Thailand and abroad. THAI employees organized a concert "Our Heart with You ... Japan" to offer support in the form of music and raise funds to aid the victims of the tsunami. The employees raised 508,089 baht which was given to the Japanese Ambassador to Thailand.

For Southern Thailand, employees also organized a concert to raise funds for flood victims. A donation of 200,000 baht was given to Her Royal Highness Princess Soamsawali for the Friends in Need (of "Pa") Volunteers Foundation.

THAI employees gathered to send moral support to Thai flood victims in the form of music in the project called "THAI Love...to Flood Victims" to raise funds in aid of the victims and set up donation points at the Head Office and OPC building at Suvarnabhumi Airport. The money received from employees donation amounted to approximately 200,000 baht. Donation points for money and consumer goods were set up at all THAI Offices.



THAI donated money from the “Rak-Khun-Tao-Fah” fund and from employee donation to help the victims through:

- The 1st Army for purchasing ingredients to make 800 lunch boxes for victims. Employee volunteers participated in the cooking, packing and distributing of food to the people and in giving moral support to the those impacted at Intharam Temple, Bang Ban, Ayutthaya province
- The Public Disaster Relief Center of the 2nd Army and the Austrian Embassy for 300 bags of relief supply kits and floating toilets for Phasi Charoen District, Bangkok
- “Channel 3 News Family for Flood Victims” for 1,000 lunch boxes, 10 floating toilets and flood relief supply kits at Channel 3 Station
- The making of 2,000 relief supply kits by employee volunteers participating in loading the kits with consumer goods, medicines, water and necessary items to donate to victims in Singhaburi, Lopburi, Ayutthaya, Ang Thong province and the affected districts in Bangkok
- The purchase of consumer goods, medicines, lunch boxes, relief supply kits, and 25 floating toilets by employees from several departments of the Company to donate to the affected communities in Ayutthaya, Lopburi, Pathum-thani, Pracheenburi, Ang Thong, Nakhon Sawan provinces and affected districts in Bangkok
- The purchase of necessary items including 100 t-shirts, 420 pairs of socks, and 600 pieces of male underwear, for soldiers assigned on immediate missions to serve the victims in Bangkok and surrounding areas who had not brought their personal items. The donation took place at the 11th Infantry Regiment, Bang Khen

THAI arranged for pilots and flight attendants who hold medical licenses and over 100 volunteers to give basic treatment to the communities in the affected areas in Don Mueang, near THAI Head Office, this project was called “Pilot Doctors and Angel Nurses” to care for flood victims of over 600 households for the Auspicious Occasion of His Majesty the King’s 7th Cycle Birthday Anniversary. Also, THAI employees produced 1,000 bottles of biowater for donate to the victims in Bang Bua Thong, Nonthaburi province, to restore their residences after the flood.



Moreover, other activities in social assistance and social service have been continuously in progress. Flight attendants who are passionate in 4-wheel-drive vehicles, are members of the club called “DOG TAG” have been driving to underprivileged areas since 1994 at the Khao Lhaem National Park, Petchaburi province, on the Tenasserim Range, to dig irrigation canals and large wells, plant mulberry plants at the special arts and craft center, buy rice mills, and build a medium-sized school with a canteen, with donations raised by THAI cabin crew. The fund-raising project took three years. Since then, there have been continuous donations for the construction of school buildings and campaigning for public benefits. In 2011, 500,000 baht in donations was given to the Japanese Embassy to help the victims of the tsunami in Japan. Another mission was to scout out locations for building new schools in underprivileged areas in a project under the royal intention of Her Royal Highness Princess Maha Chakri Sirindhorn.

Another employee group effort inspired by the realization of the differences between children in rural and urban areas is the Cham Pee Sri Nakorn group, which organized the “Souvenirs from Nakorn” project which has started since 2000. The group asks for monetary donations and items from THAI employees, takes donations through donation boxes, Internet and e-mails, and sells t-shirts to raise money and donate them to schools in underprivileged areas. The schools that receive the donations are selected by the urgency of their needs. The donations include water filters, computers, satellite educational kits, sports equipment, clothes, shoes, uniforms, medicine, lunch funds and scholarships. The collaboration also helps building unity and cooperation among the Flight Simulator employees. On December 14, 2011, the group made a donation to the Frontier Police School in Suan Phueng, Ratchaburi, that included 40 student desks, lawn mower, slippers,

electrical maintenance tools, and fertilizer to boost learning for children. Such projects aid in improving society and highlighting the already positive reputation of THAI that corresponds with the concept “What you give is happiness, what children get is a future.” The group’s activities also received the “Heavenly Blessing in Father’s Footsteps” award in 2007.

THAI mechanics have created the “Cham Pee Lhek” for hill tribe children which has been organizing the “Fulfill Dreams and Share Opportunities with Children of the Mountains” since 2004. It’s purpose is to construct 7m x 19m (or 133 square meter) wooden school building according to the Mae Fah Luang design. The selected school is chosen from those registered by the Ministry of Education and located in an underprivileged area and does not receive assistance from any other organizations. The school



building was officially handed over to the school on December 8-13, 2011, in Chiang Mai, in cooperation with the Royal Project and Siam City Cement PCL.

The Smiley Station or “TG Police Support unit”, operating since 2007 by volunteer flight attendants, has been assisting foreign visitors facing problems while residing in Thailand. This unit receives requests for assistance from the Bang Sue Police Station, which requires experts in foreign languages to facilitate foreign tourists such as interpreting, guiding them to contact the embassy for issuing a temporary travel document for their return journey in case of lost or stolen travel documents, and being an interpreter in reporting to

police, together with translating notices into the English language. The service point is at Chatuchak weekend market where there is also an infirmary for tourists in need. THAI employees regularly participate in the program after their work hours.

THAI aims to decrease the impact from social and environmental problems, as well as mitigate the distress arising from natural disasters through donations to help the community and society, volunteering for community development and aiding victims of natural disasters. The engagement of THAI employees in these operations is the key to effect better changes in society as a whole.



The economic value from THAI's business and CSR practices, both CSR-in-Process and CSR-after-Process, through projects and activities in 2011 can be summarized as follows:

Economic Details	Amount (Baht)
Direct economic value generated	
• Revenues	194,213,197,061
Direct economic value distributed	
• Operating Costs	161,600,607,956
• Employee Wages and Benefits	30,964,018,415
• Payments to Providers of Capital	8,385,086,193
• Payments to Government	241,814,214
• Community Investment	7,552,289
Economic value retained	(7,025,882,006)

NOTE: Data as of February 28, 2012

Responsible Marketing Communication

Consumers are important stakeholders to whom THAI has been giving high priority for more than 50 years. THAI emphasizes raising the value of the Company for customers through various operations such as better product design in harmony with new services, corresponding with the strategic plans of the organization and in accordance with the needs of customers, namely product differentiation and service to customers with “Touches of Thai.” This also includes quality and a high standard of product and service management.

Marketing communication is one of the most important linking mechanisms informing the consumers of the Company’s determination and serves as a pledge to the consumers. In 2011, THAI undertook tasks following the Company’s commercial strategy as follows:

- Form a better understanding of the general market and the customers in each market, in order to be able to present the products and services that fulfill the customer needs and expectations and operate its marketing strategies and communication with customers with more efficiency
- Improve its distribution channel and increase direct marketing proportion through up-to-date channels which are conveniently and quickly accessible to customers
- Introduce new marketing strategies, advertisements and marketing communications through e-Services making it more convenient for customers to access information about THAI, which accommodates modern lifestyle of people

The operational plan of 2011-2012 includes (1) Developing and improving services for ROP members (ROP Mobile Service Enhancement Phase III) through mobile phones which includes Special Award Redemption

(such as Magazine Award Redemption), Mileage Distance Query and ROP General Information and Promotion (2) Developing and improving Miles Redemption Service via the Internet for ROP members (ROP Air Award for World-wide Departure via Website) enabling ROP members to redeem THAI tickets on every route except outbound from Bangkok by using their Frequent Flyer Miles and proceeding through THAI’s website 24 hours a day, seven days a week. The implementation of this operation has already started with Phase I, for outbound routes from countries using the Euro currency, implemented since the end of January 2011. Phase II/III and IV are for other routes. (3) Updating and improving the Company’s website, making it user-friendly, faster loading and convenient to users. The Company has hired KBS in designing the layout of the website and enhancing the functions to make the website more user-friendly and convenient (4) Improving the Company’s Online Service for complete and encompassing services by introducing Travel Insurance sales, Hotel room booking, Car rental service, Duty Free Shopping, and (5) Improving Ticket Booking Service and payment through mobile phones for domestic flights.

The aforementioned operation complies with the Consumer Protection Act B.E. 2522 (1979) revised in (2nd edition) in 1998, concerning consumer rights, stating that advertisements or depictions on labels should reflect the real content of the service or product



and do not harm the consumer. Furthermore, consumers have the right to acknowledge correct and adequate information about the product or services so that the consumer will not be misled into buying said product or service.

This shows the intention and determination of THAI in its operation which emphasizes consumer rights for fair benefits.

Responsibility to Legal Disputes

Legal disputes may affect the integrity of the Company. These legal disputes are divided into two categories which are non-antitrust legal disputes and antitrust legal disputes, with details as follows:

Non-Antitrust Litigations

THAI and our subsidiaries do not have any legal disputes that may adversely affect more than 5% of the shareholders' assets and that may affect the significant administration of the Company. Notwithstanding, as of December 31, 2011, THAI was involved in legal disputes as a defendant, which can be divided into two categories: 23 labor cases and 28 civil cases, both of which are still in the legal process.

Antitrust Litigations

THAI was accused in connection with other airlines of inflating fuel surcharges, fees and airfreight surcharges collected from customers, which is in violation of antitrust laws. The accusations and/or law suits are comprised of lawsuits filed by customers and/or accusations/investigations carried out by state agencies in other countries, with due compensations both in monetary and non-monetary manners, including paying compensation for damages to customers, paying governmental fines etc. The class-action lawsuit filed was not only against THAI but is also against other airlines such as Lufthansa, British Airways, Qantas Airways, Korean Air, Japan Airlines, Cathay Pacific, Singapore Airlines, and Air France etc. The details of the litigations as of December 31, 2011, in each country are summarized as follows:

1. Legal Dispute in New York, the United States of America

A class-action lawsuit was filed against THAI by 35 airfreight shipping service purchasers at the civil court in New York, the United States of America, which alleges THAI and 37 other airlines of price-fixing and inflating the Fuel Surcharge, the War Risk Surcharge and other surcharges, which is in violation of the Sherman Antitrust Act of 1890, Clayton Antitrust Act of 1914 and EU Law, thus bringing in damages and loss to the plaintiffs. The plaintiffs have demanded that the airline compensate for the damages inflicted upon them. On the submission of the lawsuit, the plaintiffs have not specified the total damages to be compensated.

² The majority of the aforementioned labor disputes have a capital of less than 100 million baht per case. Only 3 of those cases have a capital of more than 100 million baht per case. The case with the highest demand of capital is approximately 550 million baht.

³ The majority of the aforementioned civil cases have the capital of less than 100 million baht per case. Only in 3 cases is there the capital of more than 100 million baht per case. The civil case which has the highest amount of capital is 1.16 million baht.

At present, THAI has agreed a settlement on the litigation, paying the plaintiffs USD 3.5 million to resolve the claim against the Company. However, some of the plaintiffs have not agreed with the settlement and have the lawful right to file a lawsuit against the Company directly. The court has ruled a judgment according to the settlement on the litigation.

2. Legal Dispute in Los Angeles and San Francisco, the United States of America

Two lawsuits were filed in the U.S. District Court in Los Angeles and 17 lawsuits in the U.S. District Court in San Francisco, for a total of 19 cases, against THAI by a group of plaintiffs accusing the Company of engaging with 11 other airlines in price-fixing of passenger fares and other surcharges for the Trans-Pacific route which is in violation of the US Unfair Competition Prevention Law, causing damages and loss to the passengers involved. At present, the 19 separate lawsuits have been merged into one case by the court in San Francisco. The total cost for damages has not yet been specified. THAI has joined the Joint Defense Group with 9 other airlines for the litigation. The court has ordered an investigation. Regarding the total of damages in legal disputes in 1 and 2 during the filing of the suit, the plaintiffs have not specified the total cost of damages and will notify the court once an amount has been agreed upon. No amount in dispute will be specified until the court has found the Company to be guilty of the charges. In the event that the court has found THAI guilty, the court will specify the amount to be paid for damages, which will be triple of the amount of damages that the plaintiffs can verify.

3. Legal Dispute in New Zealand

New Zealand Commerce Commission (NZCC) filed a lawsuit against THAI and 13 other airlines at the District Court in Oakland accusing the Company of engaging in price-fixing of fuel surcharge and security surcharge, which is in violation of New Zealand's Commerce Act, in which the plaintiff demands that the Company pay the fine and legal expenses. At the time of the submission of the lawsuit, the NZCC has not yet specified the

exact amount of the fine and of the expenses, therefore remaining for the court to make further judgment. For this litigation, the Company has joined the Airline Defense Group (ADG) with seven (7) other airlines. At present, the hearing is still ongoing. In the event that the court has found the Company guilty of the charges, the court will specify the amount to be paid which will be NZD 10 million or triple the amount the Company has gained from this violation or 10% of the Group Turnover which was gained from dealings made in New Zealand whichever has the highest amount.

4. Prosecution of the Company by the Department of Justice, the United State of America

The Department of Justice (DOJ) of the United States of America has conducted an investigation on documental evidence and various information regarding THAI's airfreight cargo business and commercial flight business for the Grand Jury to decide whether to file a lawsuit against the Company. It is at the moment in the process of investigation and information gathering. There is still uncertainty whether there will be a notification of the accusations against the Company and when it will occur. In the event that the court finds the Company guilty, the court will determine the amount of the fine. The law has stated on the punishment which will be handed out as follows:

- A fine of USD 100 million or twice the amount gained from the violation (whichever amount is higher)
- The court may issue a Probation Order with a minimum of one (1) year but not more than five (5) years such as requiring the company to stipulate Antitrust Preventive Measures etc.
- The court may issue an order for compensation of the victims of the violation
- The court may hand out prison sentences of not over 10 years and/or a fine of one million US dollar to individuals if the violation is made in personal interest

A number of airlines have been charged and fined after

this kind of investigation. Moreover, employees of some airlines have been charged, fined and/or sentenced to imprisonment.

5. Legal Dispute in Australia

The Australian Competition and Consumer Commission (ACCC) has filed a lawsuit against THAI accusing the Company of engaging in price-fixing of fuel surcharge and security surcharge with other airlines which is in violation of Trade Practices Act 1974. At the time of the submission of the lawsuit, the ACCC has not yet specified the exact amount of the fine and of the expenses that they will demand. At present, the case is in the process of discovery. In the event that the court finds the Company guilty of all charges, the court will determine the amount of the compensation for damages which the law has stipulated on the punishment that will be handed out: AUD 10 million or triple the amount gained from the violation (whichever amount is higher). If the court cannot determine the exact amount, the Company will have to pay an amount equivalent to 10% of its annual global turnover in 12 months ending on the month the violation was first conducted.

6. Legal Dispute in South Korea

THAI was investigated by Korea Fair Trade Commission (KFTC) on October 29, 2009. The Company received the result of the investigation accusing the Company and the Cargo Sales and Operational Manager for South Korea for having violated the Antitrust law. In the report by the investigator proposed to the KFTC Commissioners to consider penalizing and prosecuting the Company and the employees involved as accomplices in price-fixing special surcharges in airfreight cargo shipping which violates the Trade Competition Act in two flight routes which are (1) All outbound flight routes from South Korea and (2) Hong Kong-South Korea flight route. The Company has hired an expert attorney in South Korea for this case and has issued a statement and contributed to the investigation of the KFTC.

On November 30, 2010, THAI received the verdict from KFTC, penalizing the Company of KRW 2,877 billion but no criminal charges were filed against the Company and its employees. THAI has filed an appeal on the KFTC verdict to the court and is in the process of consideration from the court.

On July 16, 2009, the Company's Board of Directors has assigned a committee to operate on the interrogation, accusation and lawsuits regarding violations of trade competition laws, which comprises of the THAI President, related executives and representatives from the Ministry of Transportation, Ministry of Foreign Affairs, Ministry of Commerce and Office of the Attorney General Etc. Their duty, which was to begin in 2010 onwards, is to examine the principles in reserving the cost of damages and fine and the accounting methods of reserving to certify that the calculation of the debts is as close to the real number and best suits the current situation of the Company. THAI will consider improving the reservation of fines and damages of Antitrust to coincide with the verdict in each circumstance to assure the shareholders that the Company has set aside an adequate and suitable reserve fund for fines and damage compensation in the antitrust issue and that the shareholders will not be affected significantly in the event that other verdicts from other regions should arise.

THAI is determined to implement the aforementioned which consists of safety management, care of employees' health and safety, human resource management and contribution to the community and societal development, continually taking its stakeholders into consideration. THAI is also committed to improving the quality of its operation in order to minimize negative outcomes. THAI believes that the executive management, taking into account the factors which affect the economy, society and the environment, will lead the organization and society to a sustainable and bright future.



Rewards for Success





Rewards for Success

THAI has continuously developed its business potential in the aviation industry by constantly enhancing its products, occupational safety and service standards to greater heights. As a testimony of THAI's zeal and determination, the following are awards that the Company received throughout 2011, both at national and international levels through the dedication and engagement of the executives and employees:

- THAI placed 5th Worldwide in [Skytrax's World Airlines Awards 2011](#). Furthermore, THAI received the award for Best Airline Economy Class Onboard Catering and Best Airline Economy Class Seat
- In the coveted [Business Traveller Poll Asia-Pacific Awards 2011](#), THAI placed 2nd in two categories: Best Airline and Best Asia-Pacific Airline, and was awarded the 2nd Best Frequent Flyer Program for "Royal Orchid Plus". THAI placed 3rd in three categories: Best Business Class, Best Economy Class and Best Airline Lounge in Asia-Pacific
- THAI was voted the 4th Best Airline, 2nd Best Cabin Service and 6th Best Business Class in the [Smart Travel Asia Best in Travel Poll 2011](#)
- THAI received award for the "Best Intercontinental Airline" in the [Norwegian Grand Travel Award 2011](#) for the 7th consecutive year

- Piyasvasti Amranand, THAI President was recognized as the “Best Executive 2010 Thailand” by **Asiamoney Award** in Hong Kong. This award is granted due to Mr. Amranand’s leadership and comprehensive restructuring of the Company over the past year in office
- THAI was awarded “Asia’s Best Employer Brand” at the 2nd **Chief Marketing Officer (CMO) Best Brand Award** held in Singapore, in recognition for its leadership in building the brand combined with consistent innovation and strategic marketing
- THAI received of the prestigious **PATA Gold Award 2011** in Marketing Campaign / Marketing - Carrier Category for its THAI 50th Anniversary Projects
- THAI received the “**Outstanding State Enterprise Award 2011 for Excellent Organization Development**” from the Ministry of Finance in recognition for the Company’s success in turning around its 20 billion baht loss in 2009 into a profit of 15 billion baht in 2010
- THAI’s Cargo and Mail Commercial Department and Catering Department were named the best venues for “**Occupational Health and Safety and Working Environment 2011**” by the Department of Labour Protection and Welfare during the 2nd National Occupational Safety Week
- The Thai Public Relations Association awarded THAI the **Suriyasasithon Award 2011** for “Best Wall Calendar 2011” and “Best Diary 2011” for THAI’s “The World Beyond Your Eyes” Calendar 2011
- THAI received awards for the “**Best South-East Asian Airline**” and “**Best Airline Business Class**” at the 22nd Annual TTG Travel Awards 2011
- THAI won the “**Airline of the Year to the Far East**” for the second consecutive year in the 2011 Travel Agents Choice Awards at the World Travel Market in Excel, London
- THAI received the “**Best Airline of the Year 2011 in Southeast Asia**” Award from Global Traveler Magazine’s 2011 GT Tested Awards
- THAI won the “**Excellence Creative Building for Energy Conservation Award**” or “**Green Building**” (for the THAI OPC Building) and the “**Best Team for Controlling Building**” at Thailand Energy Award 2011, organized by the Department of Alternative Energy Development and Efficiency, Ministry of Energy

In addition to improving its products and services and various aspects of management, THAI is determined to be an efficient organization, maintaining its positioning as a national airline that contributes to the country’s development and progress.



Engagement of THAI Administrative Committee in Corporate Social Responsibility Activities



Engagement of THAI Administrative Committee in Corporate Social Responsibility Activities

THAI's Board of Directors appointed the Corporate Social Responsibility Committee on May 2, 2011, and assigned the following duties:

1. Establish clear policies and directions regarding THAI's corporate social responsibility strategy, reflecting the Company's determination and dedication to green initiatives as part of environmental management
2. Host projects for social and environmental purposes in accordance with the "Travel Green" concept and continuously engage stakeholders, shareholders, passengers, business partners and employees
3. Raise employee consciousness and awareness on all levels regarding society and environment, and grant authorization for activities that are beneficial to the public and support charity
4. Communicate and promote the Company's activities for society and environment, as well as prepare a regular CSR Report for the general public
5. Proceed with other operations as assigned by the Board

The Company's Board of Directors also emphasizes its CSR practices by allowing employees to participate in opinion exchange and CSR activity development, and by attending seminars for knowledge-sharing and exchange with other organizations for further adjustment with the Company. THAI demonstrates its firm CSR stance through following activities:



Executive Management Workshop 2011

Mr. Piyasvasti Amranand, THAI President, officially opened the Executive Management Workshop 2011, which was attended by the Company's Executive Management Team. This team included the Executive Vice President of the Technical Department, Executive Vice President of Finance and Accounting Department, Executive Vice President of the Corporate Secretariat, Executive Vice President of Products and Customer Services, Executive Vice President of Strategy and Business Development Department, Executive Vice President of Commercial Department, Executive Vice President of Operations Department, and Executive Vice President of Human Resources. The aim of the workshop was to develop strategic plans for the Company focusing on product and service development that maximizes competitiveness and responds to customer needs.



Greener Skies, the 4th Aviation and Environment

Mr. Piyasvasti Amranand, THAI President, participated on the CEO Panel entitled "Aviation and the Environment: the View from the CEO's Desk" at the Greener Skies 4th Aviation and Environment Summit, organized by Orient Aviation Media on September 27, 2011. Other conference participants included Mr. Andrew Stevens, CNN news reporter and anchorman, Mr. Ivan Chu, President of Cathay Pacific, and Mr. Tony Tyler, Director General and CEO of International Air Transport Association - IATA. The conference was held at Island Shangri-la Hotel in Hong Kong. At this conference, THAI announced its continuous efforts to reduce use of fuels through financial support to activities within the past 10 years in order to decrease fuel consumption that contributes to greenhouse gases. THAI was able to save 12% on fuel consumption by operating with

fuel-saving aircraft instead of older aircraft, which are being decommissioned.



THAI Pioneer in Flying with Biofuels for Travel Green Initiatives

Mr. Apiporn Pasawat, Member of the THAI Board of Directors, and Mr. Piyasvasti Amranand, THAI President, attended the “THAI First Flight with Biofuels” (Special Flight TG8421 on December 21, 2011, and TG104 on December 22, 2011). The event was held based on the alternative energy sustainable development plan that aims to encourage South East Asian carriers to consider using biofuels for aircraft in order to reduce fossil fuel usage in the future. THAI aims to create support and development of aviation biofuels in the aviation industry both in Thailand and the South East Asian region. Collaborative plans are underway with a number of organizations set to produce aviation biofuels for Thailand’s aviation industry such as oil companies, research institutions, educational institutions, and related government and private agencies in Thailand, as well as aircraft manufacturers in foreign countries.

The Company’s Board of Directors also engaged in flood relief efforts during the country’s great flood of 2011 through the following important activities:



Mobile Toilet Donation with Channel 3 News Family

Mr. Apiporn Pasawat, THAI Member of the Board of Directors, represented THAI along with the Corporate Communications Department in donating 10 mobile toilets through the campaign “Channel 3 News Family Helps Flood Victims 2011” of M.C.O.T. Channel 3 television in order to help flood victims in Thailand. The donations were received by Mr. Sorayut Suthasanajinda and Miss Pitchayatan Chanput at Maleenont Tower, Rama IV Road, on October 19, 2011.



The Establishment of Flood Victims Assistance Center by the Chaipattana Foundation

THAI supported initiatives by providing food prepared by THAI Catering Department for flood victims at Mahachulalongkornrajavidyalaya University in Wang Noi, Phra Nakhon Si Ayutthaya. The food was distributed by THAI Corporate Communications employees during October 11-31, 2011. Her Royal Highness Princess Maha Chakri Sirindhorn visited the center on October 11, 2011 and was welcomed by Mr. Apiporn Pasawat, THAI Member of the Board of Directors, THAI's Vice President of Corporate Communications and THAI's Vice President of Catering.



Observation of Head Office on Vibhavadi Rangsit

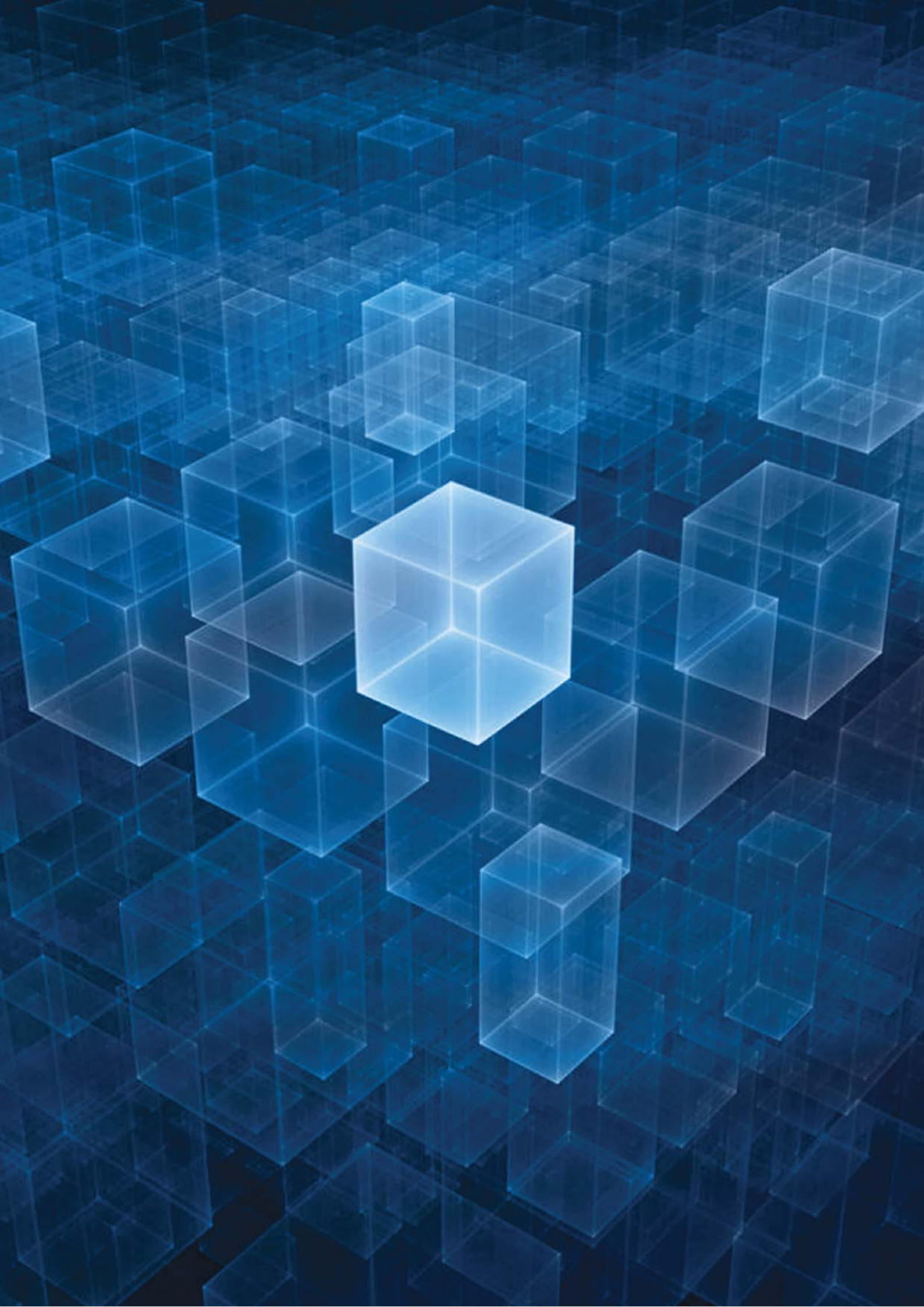
Mr. Apiporn Pasawat, THAI Member of the Board of Directors, observed and supported THAI's employees at the Head Office on November 2, 2011, after the Company was affected by the flood. The team paid most attention to the areas at risk of leaking in order to prevent damage within the building, such as Buildings 5 and 8, where water levels reached almost 40 centimeters.

THAI's Board of Directors places importance on maintaining a profitable business, reducing environmental impact, using resources economically, and engaging in social assistance and development, being fully aware that maintaining the spirit of social and environmental responsibility in business administration is the key to THAI's sustainable growth in Thai society.





Index of GRI Reporting Framework



Index of GRI Reporting Framework

THAI Sustainable Development Report 2011 is complied with Application Level B of the GRI Reporting Framework. All indicators on standard disclosure are referenced from the GRI G3.1 Guidelines.

Profile Disclosure			Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
1.	Strategy and Analysis						
	1.1	Statement from the most senior decision-maker of the organization.		✓		4-9	
	1.2	Description of key impacts, risks, and opportunities	✓		56-59		
2.	Organizational Profile						
	2.1	Name of the organization.		✓		20	
	2.2	Primary brands, products, and/or services.		✓	12-14	20-23, 118	
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		✓	62, 63	26, 27	
	2.4	Location of organization's headquarters.		✓		21	
	2.5	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.		✓		20	
	2.6	Nature of ownership and legal form.		✓		20	
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		✓	12-14, 18-22	20-23	
	2.8	Scale of the reporting organization.		✓	11, 15 50-52, 60 178, 179	20-23	
	2.9	Significant changes during the reporting period regarding size, structure, or ownership		✓	16	22, 23	
	2.10	Awards received in the reporting period.		✓		100, 101	
3.	Report Parameters						
	Report Profile						
	3.1	Reporting period (e.g., fiscal/calendar year) for information provided		✓		12	
	3.2	Date of most recent previous report (if any).		✓		12	First Report
	3.3	Reporting cycle (annual, biennial, etc.)		✓		16	Annually
	3.4	Contact point for questions regarding the report or its contents.		✓		120	
	Scope and Boundary						
	3.5	Process for defining report content.		✓		15-17	
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.		✓		12	

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Profile Disclosure			Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
Scope and Boundary							
	3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).		✓		110, 115	
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		✓		16	
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.		✓		64-66, 69	
	3.10	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).		✓		12	First Report
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		✓		12	First Report
GRI Content Index							
	3.12	Table identifying the location of the Standard Disclosures in the report.		✓		110-115	
Assurance							
	3.13	Policy and current practice with regard to seeking external assurance for the report.		✓		NA	No external assurance for this report
Governance, Commitments and Engagement							
Governance							
	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	✓		64-75	26-29	
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		✓	64	28	
	4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.		✓	64	28	
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		✓		33, 34	
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives.		✓	76, 77		

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Profile Disclosure			Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.		✓	88-90	32, 33, 35	
	4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.		✓	73-75		
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.		✓		38-41	
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	✓		56-59		
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		✓	90	34, 35	
Commitments to External Initiatives							
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.		✓	30	75	ISO 14001: 2004
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.		✓	30	74, 75	
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.		✓	96	52, 53	
Stakeholder Engagement							
	4.14	List of stakeholder groups engaged by the organization.		✓		13, 15	
	4.15	Basis for identification and selection of stakeholders with whom to engage.	✓			15	
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	✓		94	33, 34	
	4.17	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.		✓	56-59		

Disclosures on Management Approach (DMAs)			Page No. in AR	Page No. in SD	Note
DMA EC	Disclosure on Management Approach EC				
	Economic performance		125, 126	21, 82	
DMA EN	Disclosure on Management Approach EN				
	Energy			44, 50, 51, 69-71	
	Emissions, effluents and waste			39, 50, 51, 71	
	Products and services			39, 50, 51, 71	

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Disclosures on Management Approach (DMAs)		Page No. in AR	Page No. in SD	Note
DMA LA	Disclosure on Management Approach LA			
	Employment		39	
	Occupational health and safety		39, 74, 76	
	Training and education		74, 76	
	Diversity and equal opportunity		39	
	Equal remuneration for women and men		39	
DMA HR	Disclosure on Management Approach HR			
	Child labor		78	
DMA SO	Disclosure on Management Approach SO			
	Local communities		50, 63, 71	
	Public policy		21	
	Compliance		95-97	
DMA PR	Disclosure on Management Approach PR			
	Marketing communications		94	

Economic			Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
	Economic Performance						
	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		✓	133-171	93	
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.		✓	57, 58		
	EC3	Coverage of the organization's defined benefit plan obligations.		✓		82	

Environmental			Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
	Energy						
	EN5	Energy saved due to conservation and efficiency improvements.		✓		52, 55, 57-62	
	Emissions, effluents and waste						
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.		✓		54, 56, 68	
	EN21	Total water discharge by quality and destination.		✓		63-67	
	Products and services						
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		✓		53, 57, 58, 68	

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Labor Practices and Decent Work			Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
Employment							
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.			✓		78, 79	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.			✓		79, 80	
LA15	Return to work and retention rates after parental leave, by gender.			✓		81	
Occupational health and safety							
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.			✓		76	
Training and education							
LA10	Average hours of training per year per employee by gender, and by employee category.			✓		84	
Diversity and equal opportunity							
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.			✓		80	
Equal remuneration for women and men							
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.			✓		81	

Human Rights			Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
Child labor							
HR6	Total number of incidents of discrimination and actions taken.			✓		78	

Society			Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
Local communities							
S09	Operations with significant potential or actual negative impacts on local communities.			✓		63	
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.			✓		63-67, 71	




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Society		Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
Public policy						
S05	Public policy positions and participation in public policy development and lobbying.		✓		21	
Compliance						
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		✓	170, 171	95-97	

Product Responsibility		Partially Reported	Fully Reported	Page No. in AR	Page No. in SD	Note
Marketing communications						
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		✓		94	

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Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	Profile Disclosures 	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	Disclosures on Management Approach 	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators 	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

* Sector supplement in final version

** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

Reference: GRI G3.1 Guidelines - Application Level Section pp. 1-2







