

Equitable Water Distribution Network for Sustainable Development





• PROFILE & SUSTAINABLE MANAGEMENT •





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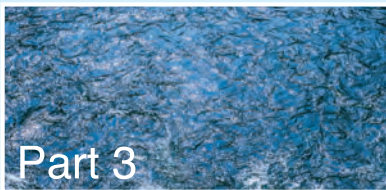
Profile & Sustainable Management



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Message from the CEO

In the past year, the biggest challenges and highest priorities that East water faced were “**water resources security**”, finding sufficient water from different areas to satisfy customer needs during the dry season. Weather fluctuations in 2014 led to a dry spell phenomenon for many months made water management significantly more complicated. East water employed its collective expertise in water management to establish a set of preventive measures to deal with water scarcity issues. A report on the progress of the implementation of these preventive measures was submitted on a weekly basis to the meetings of the Eastern Water War Room in order to build customer confidence.

The issue of shared water resources is still a major problem and the distribution of sufficient water for industrial and human consumption. Another challenge specific to communities is basic infrastructure. Meanwhile, the supply water required to the industrial sector in the production process must be sufficient and stable. East water as a company providing water management and a distribution system to the Eastern Thailand, and its focus is on its managing service to satisfy both local community and industrial requirements with a balanced and sustainable plan.

Furthermore, East water, as a listed company in the Stock Exchange of Thailand, has a duty to generate profits from its business to meet stakeholder satisfactions. At the same time, it must consider the need to support the government policies that include and account for the changes of policy, such as the provision of water law, the supervision of water quality and water price.

In 2014, East water made significant changes in order to expand its business with new customer groups. These changes encompassed a number of business areas, including community water supply and comprehensive water business sections, and also an expansion of its business to the ASEAN region, especially to Lao People's Democratic Republic and Republic of the Union of Myanmar.

Furthermore, East Water has also significantly changed in terms of its commitment to improve processes within the organization to improve its impact on communities and the environment, including biodiversity, due to the change in the quality of watersheds from source to another source in each area. Also by paying close attention to the communities along the company's pipeline routes by distributing raw water to the local community water supply system. Providing the communities with sustainable and quality water to use and improve their quality of life is the company's mission.

Mr. Wanchai Lawattanatrakul
President and CEO







Knowing East Water



In 1992, Provincial Waterworks Authority was ordered by the cabinet resolution to set up Eastern Water Resources Development and Management Public Company Limited (East Water). Its head office is located at 23rd - 26th Floors of East Water Building 1 Soi Vibhavadi-Rangsit 5, Jomphon, Jatujak Bangkok 10900.

In 1997, East Water was listed its common shares on the Stock Exchange of Thailand, named as “EASTW”. The company’s mission is to develop and monitor its 394.5 kilometers of water distribution networks, with a transferable capacity of 619 million cubic meters for water users, covering Rayong, Chonburi, and Chachoengsao provincial areas. Apart from that, East Water provides consulting services with regard to clean water production systems, and also water distribution systems in industrial estates and industrial plants. In addition, the company has a consultancy service for maintenance of water transmission pipelines, related machines and tools.

Vision

“Being leader in sustainable water management that grows in accordance with the country’s economy and expands to ASEAN region.”

Missions

To expand the investment and develop the water business as well as other relevant business for continues and sustainable growth.

To develop the competency of the staff and improve its structure to be more appropriate.

To manage the business with efficiency and transparency according to the good governance principles.

To increase the competitiveness with the right and up-to-date technology and innovation.

To be responsible for communities, societies and environment and maintain good relation with the stakeholders.



Strategies

- Increasing net earnings and current business strengths.
- Continuing to improve water-related businesses to cope with short-term, medium-term, and long-term growth.
- Having an efficient framework for money management and business investment.
- Increasing capacity of the company group and developing innovations and technologies pertaining to water businesses.
- Adhering to the principles of good governance to provide care for community, society, and environment.

(Corporate Value)

I

= Integrity

A

= Achievement

C

= Customer Focus

T

= Teamwork and Leadership

BEST AWARD 2014



Ranked as one of ESG100 securities from the assessment of listed companies with outstanding performance in environment, social, and governance by the Thaipat Institute who provides business rankings on sustainable development.



Proud accomplishments in 2014

- Ranked as one of **ESG100** securities from the assessment of listed companies with outstanding performance in environment, social, and governance by the Thaipat Institute who provides business rankings on sustainable development.
- ASEAN CG Scorecard 2014 award: receiving an assessment score in the level of 80-89 points, and ranked among top 50 of listed companies in Thailand that were assessed.
- TRIS Rating has affirmed the company credit rating of EWG at “A⁺ Stable”.
- The certificate of the important organization that supports and propels “**One company Looking After One Community Project**” as part of policies to reduce inequalities in the distribution of income organized by Thai Chamber of Commerce and Board of Trade of Thailand.

Memberships of the sustainable development network

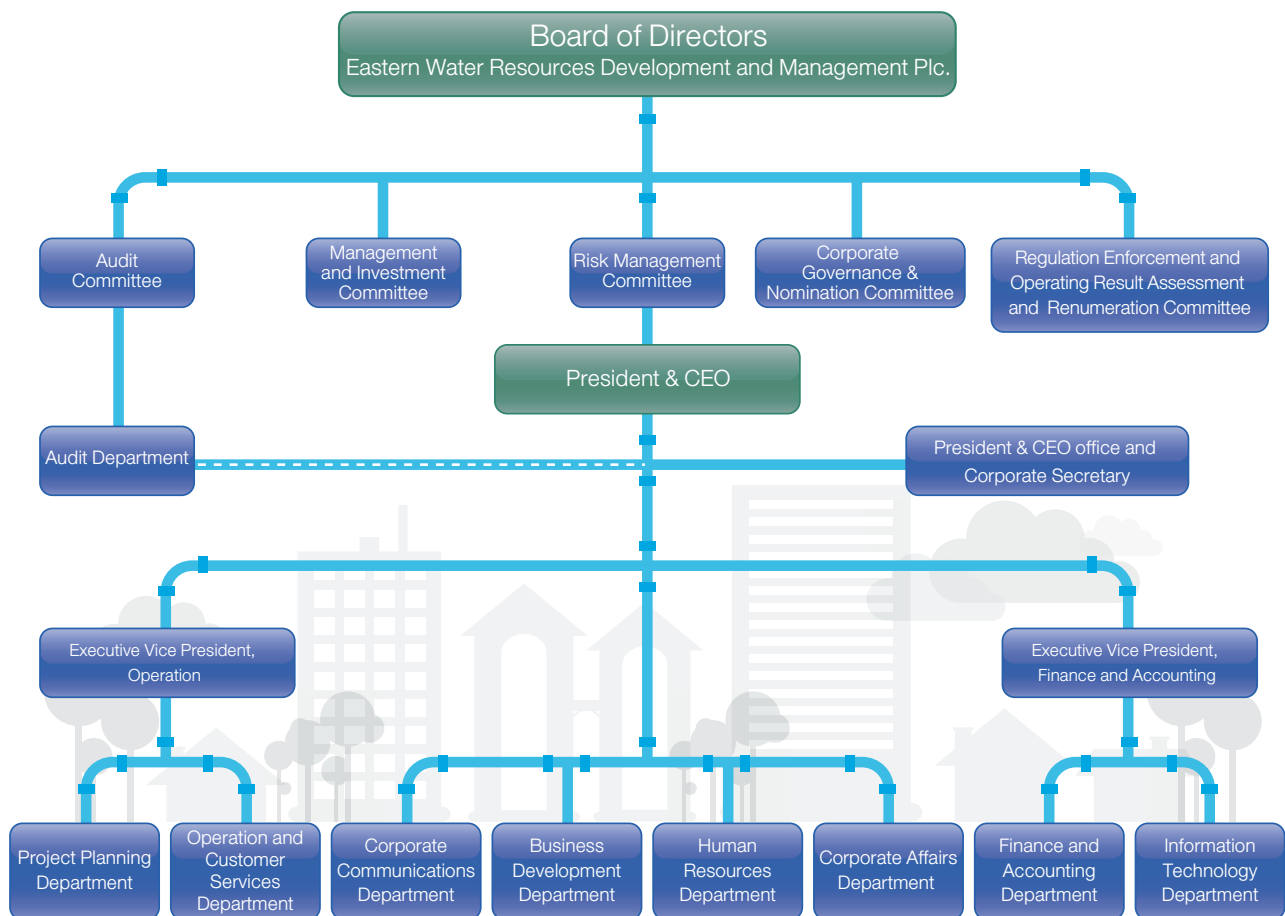


1. Joining the Collective Action Coalition Project for opposing corruption.
2. Part of the working group between government and private sectors for managing water resources in the eastern region of Thailand organized by the Federation of Thai Industries.
3. Part of the Water War Room Working Group, consisting of industrial entrepreneurs, Industrial Estate Authority of Thailand, Federation of Thai Industries, Water Institute for Sustainability, and Royal Irrigation Department.
4. CSR Club committee member of the Thai Listed Companies Association
5. Committee member and academic section of the Thai Waterwork Association
6. Committee member of the Thai Hydrologist Association
7. Advisory committee member of forest protected areas in the Eastern region of the National Park Innovation Institute, National Park Office, the Department of National Parks, Wildlife and Plant Conservation.

Organizational structure

As a listed company on the Stock Exchange of Thailand, East Water is obligated to follow the Public Limited Companies Act by forming an organizational structure in accordance with the principles of good corporate governance specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. This obligation is aimed at supporting transparency for shareholders and customers in public and private sectors, and also people receiving utmost efficient services from the company's

raw water and water supply. As illustrated in the following diagram depicting the company's organizational structure, authorizations, duties, and responsibilities of the board of directors and other sub-committees have been stated in the charter, and clearly specified in the manual of the board of directors. The board of directors comprises of at least three independent or external committee members. This is in order to obtain a balance of power between committee members with potential conflicts of interest.



Structure of East water's shareholders

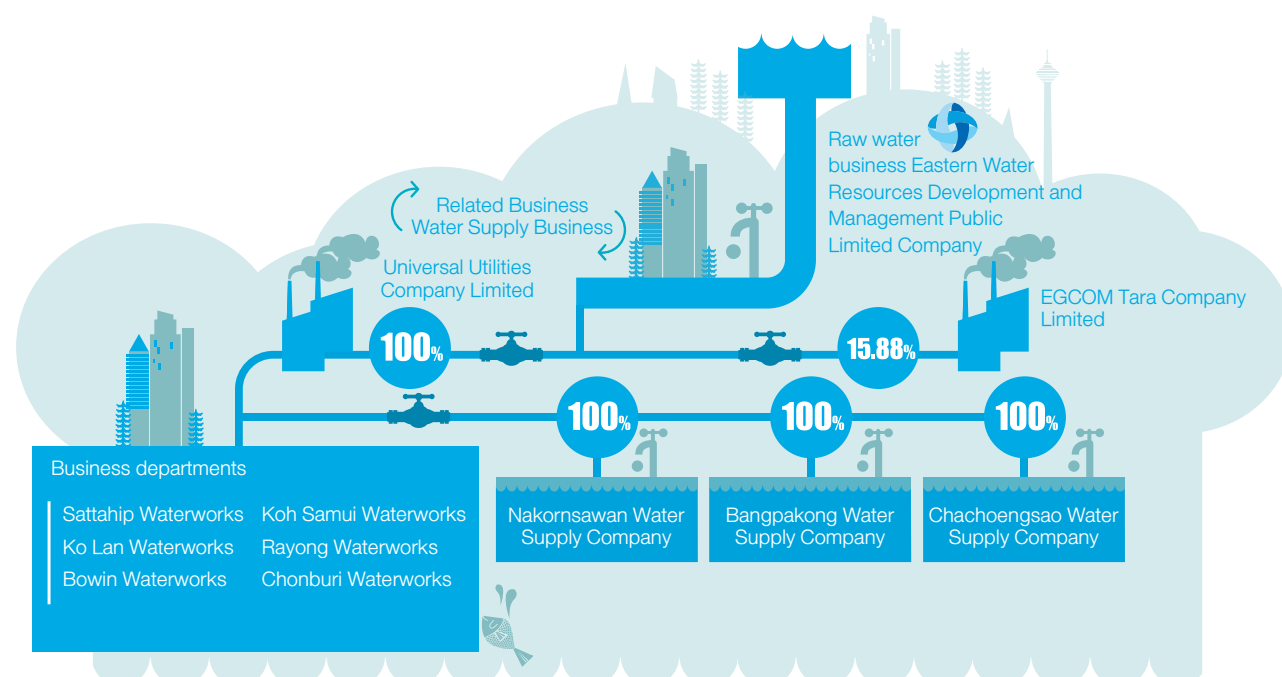
As of December 30, 2014, the top 10 major shareholders of Eastern Water Resources Development and Management Public Limited Company are as follows.

Rank	Shareholder name	Number of shares	proportion (%)
1	Provincial Waterworks Authority	668,800,000	40.20
2	Electricity Generating Public Company Limited	311,443,190	18.72
3	NORBAX INC.,13	113,963,100	6.85
4	Industrial Estate Authority of Thailand (IEAT)	76,000,000	4.57
5	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	44,592,900	2.68
6	NORTRUST NOMINEES LTD.	42,184,575	2.54
7	Thai NVDR Company Limited (Thai NVDR)	26,146,809	1.57
8	Aberdeen Long Term Equity Fund	25,459,000	1.53
9	Aberdeen Growth Fund	25,376,800	1.52
10	Aberdeen Small Cap Fund	23,398,700	1.41
	Other shareholders	306,360,075	18.41
		1,663,725,149	100.00

Source: Thailand Securities Depository Co., Ltd. (TSD)

Note: The first and the fourth major shareholders are representatives of the government. The second major shareholder is a juristic person. The aforementioned shareholders take part in setting up East Water's management policies by nominating a representative who will be appointed as a director by the shareholders at a general meeting.

Subsidiary business of East Water



Good Corporate Governance

*Referencing from the annual report Page 50

Anti – Corruptions

*Referencing from the annual report Page 54

Business Ethics

*Referencing from the annual report Page 59

Risk Assessment

*Referencing from the annual report Page 85

Purpose of this report

Objective: To show East Water’s overall operation pertaining to economy, society, and environment that is of great importance for the organization’s stakeholders and for future directions leading to the company’s sustainability and readiness to expand the business to the ASEAN region.

Reporting Standards: Following the reporting framework of the Global Reporting Initiative (GRI): G4 guidelines, Core Format.

Reporting period: The 2014 sustainability report is the forth issue, covering the information between January 1, 2014 to December 31, 2014. Since 2011, East Water has been preparing its sustainable development report on an annual basis.

Reporting Boundaries: The 2014 sustainability report uses information of the company’s overall operation pertaining to economy, social, and environment. The report covers East Water’s operational areas from its Bangkok head office to Rayong, Chonburi, and Chachoengsao provinces, but excludes its subsidiaries’ related and water supply businesses. Overall, its business operation, organizational structure, main shareholders, and reporting period have not significantly changed. Furthermore, some material issues have been increased such as conservation of biodiversity, water recycled and reused in the head office building, purchasing and hiring local labor, including the

reporting framework of the Global Reporting Initiative (GRI) in G4 guideline. The company has yet to be certified by an outside agency and is expected to apply for certification in 2016.

Selection and identified material aspects in the report: The working group for preparation of the sustainability report includes representatives from all departments of the company. This working group is appointed by the CEOs. It works jointly with external experts and holds a number of meetings to review and analyze information from internal and external stakeholders, positive and negative impacts, news of interest from mass Medias, and business information that is closely related to the company. A report is then prepared and presented to the meeting of executives. This is to order the important level of material issues that will affect the company’s sustainability. The meeting of executives is also responsible to approve the disclosure of information in the sustainability report.

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Material Aspects

Assigning important issues



East Water applies and implements the GRI's guidelines for assigning contents in a sustainable development report to select important issues for the organization. Consideration is given to expectations, interests, and both internal and external factors affecting the business operation. In other words, East Water selects content in the report based on (1) stakeholder participation process, (2) survey results of stakeholder satisfaction,

(3) news of interest to mass media, (4) important issues concerning foreign water business that closely resembles East Water's business, and (5) opinions and policies of the administrative department. Selected contents are then ordered according to their level of importance for East Water's sustainability. These contents are then used for preparing 2014 strategic plan, 2014 action plan, and their evaluation criteria as follows:

Issues that are considered important for East Water's sustainability	GRI evaluation criteria
	Environment
1. Water management	EN9 WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER
2. Finding water reserves to satisfy future needs and severe drought conditions	
3. Application of water management technologies to reduce pipeline leakage in water transmission	EN8 TOTAL WATER WITHDRAWAL BY SOURCE
4. Conservation of biodiversity	EN13 HABITATS PROTECTED OR RESTORED

Issues that are considered important for East Water's sustainability	GRI evaluation criteria
5. Weather fluctuations and releases of electric energy	EN16 ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)
6. Wastewater treatment in the head office building	EN10 PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED
	Economic
7. Expanding water supply business to communities along the pipelines	
8. Social impact investments and activities to show responsibilities for community, society, and environment	EC1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED
9. Purchasing and hiring local labor	EC9 PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION
	Social
10. Improving employees' quality of life, surrounding, occupational health, and workplace safety	LA6 TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER
11. Improving employees' skills to be ready for business expansion and growth direction determination	LA9 & LA10 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS
12. Paying attention to and preserving customer satisfaction	PR5 RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION

Stakeholder Engagement

Development and contribution, together with East Water



The workshop on strategic planning and the meeting of the working group for sustainable development reporting have joined together to analyze and provide recommendations on results of the survey on customers' opinions and satisfactions towards the company's overall operation. The final outcome is to come up with an appropriate operation plan that meets each stakeholder group's needs and expectations. This operation plan can be summarized as follows:

Stakeholders	Contribution methods	Expectations	Impact (positive/negative)
1. Current customers	<ul style="list-style-type: none"> • Joining customer relation management activities • Attending the War Room Meeting with entrepreneurs • Customer Survey • Visiting East Water's website and facebook • Visiting customers on a quarterly basis 	<ul style="list-style-type: none"> • Constant & quality services pertaining to water distribution and water pressure • Quick news information services • Prices of raw water • Maintenance services/ water meter assessment • Customer relation activities • Satisfying customer needs 	<p>Positive:</p> <ul style="list-style-type: none"> • Positively affecting satisfaction on the company's services • Building a good relationship between each other • Creating customer confidence in the company's services • Accuracy of water meters reduces water leakages and protects benefits of customers and the organization. <p>Negative:</p> <ul style="list-style-type: none"> • Customers attempt to find alternative water resources that are cheaper, negatively affecting water sales. • Changes in the quality of raw water lead to more complaints and service requests.

Stakeholders	Contribution methods	Expectations	Impact (positive/negative)
2. New customers	<ul style="list-style-type: none"> • Joining customer relation management activities • Visiting East water's website and facebook 	<ul style="list-style-type: none"> • Providing care and recommendations pertaining to engineering and investments • Reasonable prices and good service to quick response 	<p>Positive:</p> <ul style="list-style-type: none"> • Having more customers that positively affect water sales. • Creating customer confidence in the company's services <p>Negative:</p> <ul style="list-style-type: none"> • It might lose time and expenses if customers will not buy water. • Affects water sales that not meet the target.
3. Royal Irrigation Department	<ul style="list-style-type: none"> • Attending the War Room Meeting with entrepreneurs • Company Visit • Relationship building activities 	<ul style="list-style-type: none"> • Controlling water pumping and making sure that it does not exceed the allocated quota. • Providing a pro forma budget to support construction-related works/increase efficiency in water storage and other infrastructures. 	<p>Positive:</p> <ul style="list-style-type: none"> • Affecting the allocation of raw water used <p>Negative:</p> <ul style="list-style-type: none"> • Allowing others to use more water, creating limited water availability for East Water
4. State agencies such as Ministry of Interior, Ministry of Industry, Ministry of Agriculture and Cooperatives	<ul style="list-style-type: none"> • Meeting with executives from state agencies to clarify operations and acknowledge state policies • Attending the War Room Meeting with business enterprises • Community hall meeting with communities along the diversion pipeline routes and inviting community leaders to observe the diversion to create a mutual understanding the diversion that has the least negative effect on the community. • Providing support to communities along the pipeline routes so they have access to water utilities. These supports are provided by constructing an outlet to distribute water to communities along the pipeline routes. • Cooperating with the Royal Irrigation Department and industrial enterprises to provide loss prevention materials (such as big bags) to river banks along the diversion routes. 	<ul style="list-style-type: none"> • Ministry of Interior: Supporting a mission to provide sufficient access to water supply for people (must not overlap with areas that Provincial Waterworks Authority has short-term and long-term investment plans for). • Ministry of Industry: Able to sufficiently and sustainably provide and deliver raw water with sufficient volume and quality to cope with industrial growth and increasing number of power plants, without having to worry about drought situations in each year. • Ministry of Agriculture and Cooperatives: Supporting a mission to divert water from region to region in the Eastern area of Thailand to cope with drought situations, e.g., diversion of water from Prasae- Klong Yai Basin of River 	<p>Positive:</p> <ul style="list-style-type: none"> • Public sector has confidence in the company and gives the right to the company to continue managing major raw water distribution pipelines in the Eastern part of Thailand. • Industrial companies are confident in the company's management of water, and will not invest to acquire raw water by themselves. • Other parties are confident and trust the company to continue with the right to manage major raw water distribution pipelines in the Eastern part of Thailand. <p>Negative:</p> <ul style="list-style-type: none"> • Part of water pumping and diverting costs is borne by the company. This could mean that the company's target profits might not be reached.

Stakeholders	Contribution methods	Expectations	Impact (positive/negative)
5. The board of directors	<ul style="list-style-type: none"> Organizing meetings of the board of directors and other sub-committees Organizing meetings with no involvement from the executives Organizing domestic and foreign company visits. 	<ul style="list-style-type: none"> Sufficient information for efficient business decisions such as: Profits for the company Progress of important action plans (investment plan, current business plan, and related business plan) Corporate governance, e.g., risk management Efficiency of internal control system for credibility of financial information Directors with potential conflicts of interest: Protecting the interest of major shareholders Independent directors: Protecting the interest of small independent shareholders Preparing and delivering sufficient information to the board of directors within an appropriate timeframe prior to the meeting Preparing minutes of the meetings that specify important matters for decision making in a clear, complete, and unambiguous manner 	<p><u>Positive:</u></p> <ul style="list-style-type: none"> The board of directors can make business decisions in a clear manner, and can designate efficient plans to deal with problems and obstacles that prevent the overall operation from meeting its goals. Providing beneficial recommendations that will lead to a constant business growth. <p><u>Negative:</u></p> <ul style="list-style-type: none"> Incomplete information may result in wrong decisions made by the board of directors.

Stakeholders	Contribution methods	Expectations	Impact (positive/negative)
6.2 monitoring institutes: Stock Exchange of Thailand and Securities and Exchange Commission	<ul style="list-style-type: none"> Participation in activities/ training programs invited by Stock Exchange of Thailand and Securities and Exchange Commission Having a compliance unit to monitor new regulations of the Stock Exchange of Thailand and liaising with various departments to improve operations in order to be consistent with such regulations. 	<ul style="list-style-type: none"> Sending these 6 reports within an appropriate timeframe <ol style="list-style-type: none"> Quarterly financial state ments (reviewed) Periodic financial statements (audited) Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) Interim analysis and explanation provided by the administrative department when changes in earnings or net profits are greater than 20%. Summary Results of the Business Operations (Form F45) Report of Securities Holding and Report of Changes in Securities Holding (Forms 59-1 and 59-2 respectively) Consistent with the practical guidelines for information disclosures that Stock Exchange of Thailand and Securities and Exchange Commission invited listed companies to cooperate. 	<p>Positive:</p> <ul style="list-style-type: none"> Investors trust the company's overall operation. Receiving excellent ratings of corporate governance and transparency._ <p>Negative:</p> <ul style="list-style-type: none"> Delays in sending reports number 1, 2, and 5 may result in trading suspension (SP), which might jeopardize the company's image.
7.Shareholders	<ul style="list-style-type: none"> Opportunity Day Website & Facebook East Water East Water Journals AGM meetings IR meeting investors Company visit Satisfaction survey CSR Activities 	<ul style="list-style-type: none"> Small independent shareholders: Requiring a constant growth of dividends and increased stock price Institutional shareholders: Requiring information to assess the trend in the company's overall operation in order to evaluate an appropriate stock price, a constant growth of dividends that is consistent with the overall operation, and risks that may arise from internal investments 	<p>Positive:</p> <ol style="list-style-type: none"> Financing costs of fundraising activities, e.g., issuance of capital increase shares, issuance of bonds, or acquisition of bank loans are enhance because the company is well-known and gains investor confidence. The stock price reflects true value of the company Aware of and understand opinions of outsiders towards the company Investors trust the company's overall operation. <p>Negative:</p> <ol style="list-style-type: none"> The stock price does not reflect true value, even though the company can illustrate good business profits. Image of the company regarding investor information disclosures.

Stakeholders	Contribution methods	Expectations	Impact (positive/negative)
8. Communities	<ul style="list-style-type: none"> • Satisfaction surveys • CSR Activities • Project public relations • Joining activities with local institutes, schools, state agencies, and others. 	<ul style="list-style-type: none"> • Access to water supply for consumption • Portioning out water along the company's pipelines routes to nearby communities • Providing water supports during drought situations • Provide CSR projects with the communities involve. 	<p>Positive:</p> <ul style="list-style-type: none"> • Seeing the company as a water expert, who is able to solve the problem of water scarcity for communities. <p>Negative:</p> <ul style="list-style-type: none"> • Obstructions or protests might occur, which disrupt the company's business.
9. Mass medias (local and central sector)	<ul style="list-style-type: none"> • Visiting mass media on special occasions. • Media-relation activities • East Water's website and facebook • East Water Journals • CSR Activities 	<ul style="list-style-type: none"> • Providing accurate, quick, and well-referenced information • Accurate, update, and constant distribution of the company's activity news • Providing care and constant encounters during on special occasions • Providing a liaison to management • Providing friendly contact, and communication for problem solving 	<p>Positive:</p> <ul style="list-style-type: none"> • Having opportunities for PR and building good public image <p>Negative:</p> <ul style="list-style-type: none"> • Manipulated information may affect the company's image and cause misunderstandings to the company's operations.
10. Employees	<ul style="list-style-type: none"> • East Water's website and facebook • Satisfaction surveys • East Water Journals • Line Group • Wire broadcasting • Staff-relation activities • Intranet • CEO Mail Box • Opinion box • Workplace Welfare Committee • CSR Activities 	<ul style="list-style-type: none"> • Receiving accurate & quick news, easy & convenient access to information from wherever they are and whenever they need it • Having quick access to the company database with accurate information disclosures • Organizing activities that build a good rapport between employees • Career growth • Reducing steps for flexible and convenient working 	<p>Positive:</p> <ul style="list-style-type: none"> • Operations that are consistent with the organization's policies and meet the organization's goals. • Employees understand the organization's goals and directions and are ready to be contributors. • Employees are satisfied with their work and have organizational commitments.

Stakeholders	Contribution methods	Expectations	Impact (positive/negative)
		<ul style="list-style-type: none"> Using technologies and software programs for maximum efficiency Increasing flexibility in welfare disbursement according to individual needs 	<p>Negative:</p> <ul style="list-style-type: none"> Incomprehension, misunderstandings, and rumors arise, which could mean that works performed might not be consistent with the organization's policies. Resignation/turnover rate of quality employees rises. Internal rumors arise.
11. Suppliers	<ul style="list-style-type: none"> East Water's website and facebook Visit Suppliers Relation activities Satisfaction surveys 	<ul style="list-style-type: none"> Supplier requirement conditions and timely payments Transparent selection 	<p>Positive:</p> <ul style="list-style-type: none"> Leading to success and effectiveness in work performed, which also means that the organization's goals are reached. <p>Negative:</p> <ul style="list-style-type: none"> Jeopardize the company's operations, leading to delays
12. Tenants	<ul style="list-style-type: none"> East Water's website and facebook Sport Relations CSR Activities 	<ul style="list-style-type: none"> Satisfaction in building management relations with regard to safety, clean, and availability in contacting staff. Requiring an access to news & information, particularly an access to news & information channels and channels to provide opinions and recommendations Participation in activities, such as make merit on important religious days and recreation activities between the company and tenant 	<p>Positive:</p> <ul style="list-style-type: none"> Constant renewal of building lease contracts <p>Negative:</p> <ul style="list-style-type: none"> Renting other buildings with better contract conditions

WATER FOR SECURITY



安全第一 SAFETY FIRST

ความแข็งแรง
CHAMBER FACILITIES

ม. 293 ลูกบาศก์เมตร
วัน 2 ถึง

Eastern Water Resources Development and Management PCL or East Water was established according by Cabinet Resolutions in 1992. The main objective was to integrate raw water from Rayong Province, Chonburi Province and Chachoengsao Province into the main water pipeline to service the Eastern Seaboard Development Plan and support the country's economic growth in it's most important industrial zone.



Water management

Water resources are vital to everyday life, the agricultural, and industrial sector. Current fluctuations in the amount of natural water due to fluctuating weather conditions affect the amount of annual rainfall and runoff. East Water realizes the importance of water management and thinks of water as security that directly leads to organizational and national sustainability, especially in the highly-populated eastern region of Thailand, that represents the area of tourism and a heavy industrial zone. Water security increases people's income, thereby making the per capita income in the Eastern region the second highest of the nation (second only to the per capita income in Bangkok and perimeter areas).

East Water has a mission and a responsibility to integrate the management of raw water for both industrial and consumption sectors through its major water distribution pipelines. East Water aims to satisfy current customer needs, and expected water needs in industrial estate areas for the next 10 years. Its services

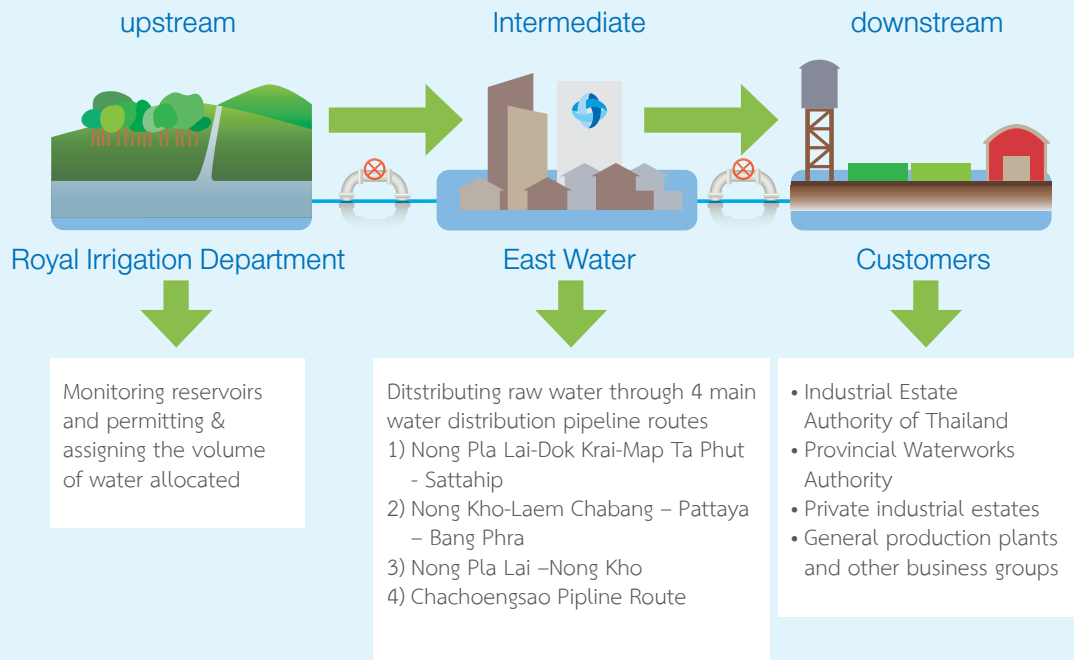
are provided in 4 regions, covering 3 provinces (Rayong, Chonburi, and Chachoengsao). These service regions include 1) Rayong area, 2) Pluak Daeng – Bowin area, 3) Chonburi area, and 4) Chachoengsao area with 378 kilometers of water transmission network, connecting important resources in the Eastern region of Thailand, and is the most modernized and complete water grid in Thailand.

Rayong Province is the company's main service area. The main reservoirs in this area include Dok Krai Reservoir, Nong Pla Lai Reservoir, Klong Yai Reservoir, and Prasae Reservoir.

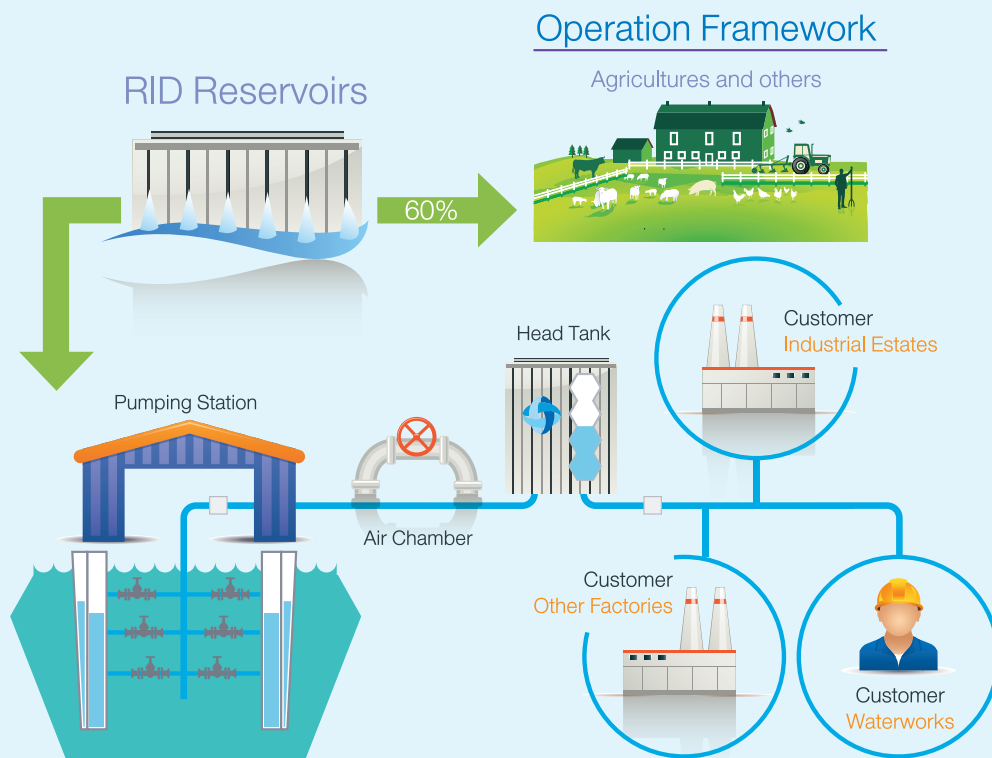
Chonburi Province's main reservoirs include Bang Phra Reservoir, and Nong Kho Reservoir. Samnak Bok Raw Water Reserve Pond is also located in Chonburi.

Chachoengsao Province has the volume of water distribution less than the two aforementioned provinces. Water is pumped from the Bang Pakong River and the Chachoengsao Raw Water Reserve Pond provides operational supports.

The following diagram depicts Eastwater's supply chain



The following diagram depicts East Water's pumping system



Water resources managed by East water

The Office of Regional Irrigation 9 of the Royal Irrigation Department is a licensor and assignor of the volume of water allocated. A meeting is scheduled and held on an annual basis between the parties for the Eastern region of Thailand. In 2014, East Water was allocated the following volume of water:

Water resource	Storage capacity of the reservoir	The volume of water allocated	The volume of water pumped	Notes
	Million cubic	Million cubic	Million cubic	
1. Dok Krai Reservoir	71.40	116	88.7	During the year, the total volume of water flowing into the reservoir is more than its storage capacity. Therefore, the volume of water pumped from the reservoir is greater than its storage capacity.
2. Nong Pla Lai Reservoir	163.75	120	154.2	Apart from the volume of water stored in the reservoir, additional volume of 20 million cubic meters is diverted from Prasae Reservoir.
3. Nong Kho Reservoir	40.10	16.7	15.3	
4. Prasae Reservoir	248.00	-	20.3	During drought periods, the Royal Irrigation Department requires the company to divert water to Klong Yai Reservoir, which is connected to Nong Pla Lai Reservoir. The company can then utilize water from Nong Pla Lai Reservoir.
5. Bang Pakong River		-	17.3	The company pumps water during the rainy season in accordance with Chachoengsao's regulations. Some volume of water is diverted to Bang Phra Reservoir and Samnak Bok Raw Water Reserve Pool. The volume of water stored in these water resources will be used during the drought season in Chachoengsao and Chonburi areas.
6. Bang Phra Reservoir	117.00	-	5.0	volume of water is specially allocated to prevent water scarcity during drought periods.
7. Private water resources	-	-	2.3	
Total		252.7	303.1	

Water resources utilized by East Water must meet the water quality standards for surface water sources according to the 8th Notification of Office of National Environment Board (B.E. 2537), issued under the Enhancement and Conservation of the National Environmental Quality Act B.E. 2535 Re: Designation of Water Quality Standards for Surface Water Sources. This notification assigns water quality standards for 5 categories of surface water sources. Surface water sources utilized by East Water must meet the standards for the 3rd category of surface water sources. The 3rd category of surface water sources includes water sources that receive wastewater from some activities, yet benefit the following activities:

- (1) Consumer water must undergo a normal process of pasteurization and a general process to improve water quality.
- (2) Agriculture

Source: The 8th Notification of Office of National Environment Board (B.E. 2537) was issued under the Enhancement and Conservation of the National Environmental Quality Act B.E. 2535 Re: Designation of Water Quality Standards for Surface Water Sources, and published in the Royal Gazette, Volume 111, Chapter 16, dated February 24, B.E. 2537.

East Water has been assessing the quality of raw water distributed to customers from various water resources. The assessment follows the criteria specified in the Enhancement and Conservation of the National Environmental Quality Act. This means that 44 parameters per sample are assessed by external bodies.

Furthermore, East Water has established the Service Level Agreement (SLA) to monitor and report on quality of raw water. The company sets up a set of SLA criteria for assessing raw water quality as follows:

Category of Water Resources	Service Level Agreement Criteria		
	Amount of Chlorides	Conductivity	Turbidity
	(mg/L)	(µS/cm)	(NTU)
Reservoir	50	250	20
River/Reserve Pond	250	1,000	200

If the amount of any indicators exceeds the appropriate amount specified by the SLA criteria, East Water will issue a warning to responsible departments and rectify a situation by either draining off the dregs from the sources or stopping the water pumping of water resources that do not meet SLA criteria and switching to use other resources in alternative areas.

Quality of water resources

The following map shows the location of 12 water quality assessment stations



Action plan for creating security of raw water resources

In 2014, the company created an action plan for creating security of raw water resources in order to create customer confidence. This action plan includes 3 projects as follows:

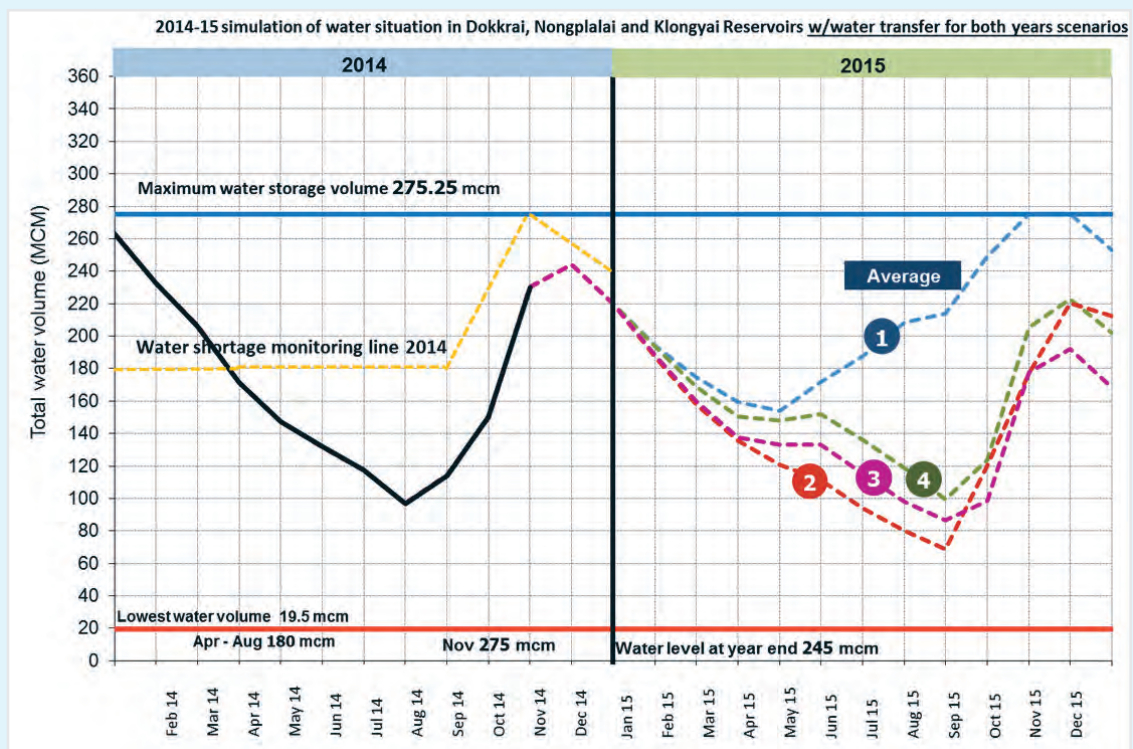
(1) A project to connect a distribution pipeline between Prasae Reservoir and Nonb Pla Lai Reservoir, which is expected to complete in September, 2016. This project will increase the company's transferable capacity by 70 million cubic meters. To increase customer confidence, the company is rushing to complete its pipeline construction by May, 2015. As of December 31, 2014, this project was 43% completed, which is approximately 35% ahead of predictable timeline specified in the action plan. After the pipeline system is completely installed, a connection between the company's pipeline system and the system owned by the Royal Irrigation Department will be done. This will allow the company to divert more water from Prasae Reservoir.

(2) A Project to develop a raw water pond in Klong Tubma, which is expected to complete in December, 2015. This pond is able to store 47 million cubic meters of raw water for reserve each year. As of December 31, 2014, this project was 58.01% completed, which is 3.81% ahead of predictable timeline specified in the action plan. The pond will begin to store rainfall in 2016.

(3) Water allocation planning in order to be consistent with current situations. This is collaboration by the Royal Irrigation Department and relevant institutes such as the Eastern Water War Room Working Group and the Department of Royal Rainmaking and Agricultural Aviation.

Action plan against water scarcity

Due to insufficient risk management pertaining to the volume of water, East Water has performed an additional operating plan systematically prevent water scarcity during 2014 - 2015. This is done via a simulation to study the scarcity in 3 main reservoirs (Dok Krai, Nong Pla Lai, and Klong Yai), as shown in the following diagram.



East Water has a plan for dealing with water scarcity as follows:


1. Coordinating with the Royal Rain Operation Center in the eastern region of Thailand through its operation center in Rayong since April, 2014.
2. Diverting water from Prasae Reservoir to Klong Yai Reservoir
3. Reversing water from Bankai Weir to Nong Pla Lai Reservoir
4. Increasing the normal allocation of water from Bang Pakong River to Bang Phra Reservoir during August-December period in 2014.
5. Reducing the distribution of water from Rayong to Chonburi, and utilizing water in Chonburi area to its full capacity.
6. Diverting water from Rayong River to support Map Ta Phut area during crises.

Application of water management technologies to reduce a pipeline leakage in water transmission

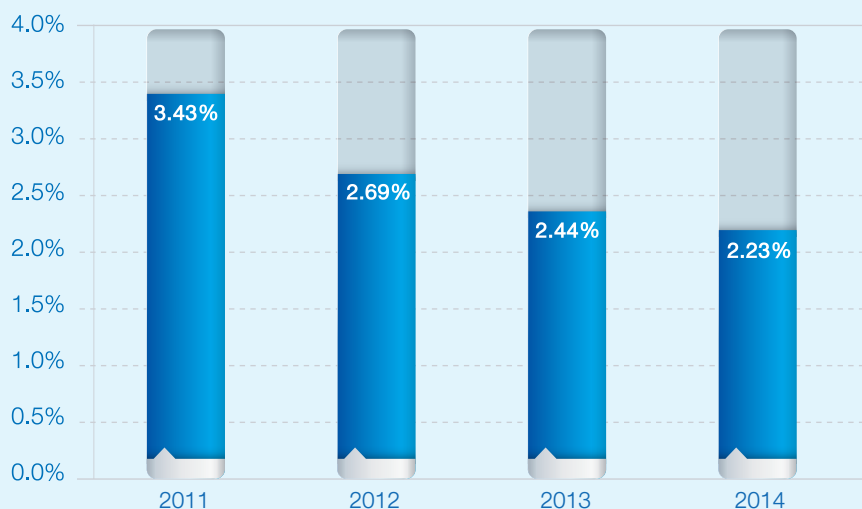
East Water has brought the modern Supervisory Control and Data Acquisition (SCADA) technology to control water distribution in 15 pumping stations, covering 3 provinces. This technology is applied through a control center system integration platform at Rayong Operation Center. The control is done in real time, which helps reduce man power and solve distribution problems in a timely manner.

Reduction of non-revenue water

East Water has a policy to control the volume of non-revenue water in the whole system. The volume of non-revenue water can be calculated using the following equation:

$$\% \text{ NRW} = \frac{(\text{volume pumped and distributed} - \text{volume used by customers} - \text{volume of water reserves})}{\text{volume pumped and distributed}} \times 100$$


East Water sets the volume of non-revenue water to be less than or equal to 2.5%. Since 2012, East Water has a better control of a pipeline leakage in water transmission. The volume of NRW has been continuously decreasing, as shown in the diagram below:



During 2011-2014, East Water changed CC-GRP pipelines in Bang Pakong-Chonburi and Bypass 2 pipelines to steel pipelines.

During the past year, East Water ran numerous projects to reduce NRW.

1. A project to change CC-GRP pipelines to steel pipelines, the long 1,500 meters of NK-Bypass 2 system.

2. Employing plumbers during emergencies, so that they are available 24 hours to fix the pipelines. This is expected to reduce the amount of water lost from pipeline leakage and broken pipelines, and duration of a water loss.

3. Planning and executing the calibration of water meters, including main water meters at water resources, water origins, and customer places. The calibration is performed constantly to increase accuracy in monitoring the amount of water lost. The company also employs Automatic Billing Water Meters in conjunction with the SCADA system to allow control room staffs to regularly monitor customers' use of water and to solve the problems instantaneously as they arise.

4. Monitoring and maintaining water distribution equipment. The maintenance follows the annual maintenance plan. This reduces the volume of NRW in the pipelines and makes the system available throughout the year.

The quality of the company's services, including water pressure, water volume as specified in the agreement, and service quality standards considered by each service area and each customer group finds that Pluak Daeng – Bowin shows a higher level of water pressure than other areas because this area represents an area of water origins that is closed to the pumping station of Nong Kho Reservoir. As a result, some customers receive considerably higher pressure, with an average water pressure of 3.0 bars throughout the pipeline route. This high pressure, however, does not affect customers' production line. The company will immediately notify the customers of changes in the level of water pressure in pipelines.

The information pertaining to the availability of the pipeline system is gathered by the Customer Service Improvement Team. This information is used to monitor pipeline and equipment systems in order to improve efficiency of operations.

East Water is also engrossed in maintaining the reliability of its pumping and distributing systems by setting a target to avoid machine damages that will disrupt the system. As a result, water distribution in the main pipeline routes is never stopped. Additionally, stopping the water distribution for maintenance is set to be no longer than 8 hours. Class A machines that are of great importance must never stop working.

Conservation of Biodiversity

Water is one of the key ecosystem components, which facilitates the life of humans and all lives. East Water efficiently utilizes water for industrial use. The river basins in the eastern region of Thailand can be divided into 4 areas, which include:

- 1) Prachinburi Basin
- 2) Bang Pakong Basin
- 3) Eastern Seaboard Basin
- 4) Tonlesab Basin



Water resources management for all benefits of the eastern region of Thailand falls under the responsibility of the Office of Regional Irrigation 9 of the Royal Irrigation Department that oversees water management in 8 provinces, including Chachoengsao, Chonburi, Rayong, Chanthaburi, Trat, Nakorn Nayok, Prachinburi, and Sakaeo, covering the total area of 11.8 million Rais.

Prachinburi and Bang Pakong basins are located in the upper part of the region. Water of these basins originates from Khao Yai National Park, which covers Nakorn Nayok and Prachinburi provincial areas. Various branches of canals are combined in this national park before they flow to the sea. In contrast, Eastern Seaboard Basin covers provincial areas that are connected to the coast. Small branches of canals originate from the mountain range that is perpendicular to the coast. All branches in this basin flow independently of each other before flowing to the sea. These water branches include Prasae River, Wangtanot River, Chanthaburi River, Trat River, and Welu River. Lastly, Tonlesab Basin covers a provincial area of Sakaeo before it flows to the Tonle Sab in Cambodia.

The eastern region of Thailand contains 5 enormous reservoirs, which fall under the responsibility of the Office of Regional Irrigation 9. These reservoirs include Bang Phra Reservoir in Chonburi, Prasae Reservoir and Nong Pla Lai Reservoir in Rayong, Klong Seeyad

Reservoir in Chachoengsao, and Khun Dan Prakan Chon Reservoir in Nakorn Nayok. The Office of Regional Irrigation 9 allocates water for different sectors according to their importance as follows:

- 1) Allocation of water for consumption, and including the tourism sector that is expanding in Chonburi and Pattaya areas.
- 2) Allocation of water for ecosystem conservation. The Royal Irrigation Department needs to release water into water resources in order to keep the water flowing throughout the year, to maintain the quality of water, and to use freshwater to prevent salt water from entering freshwater sources.
- 3) Allocation of water for the agricultural sector, which is the heart of numerous provinces in the eastern region of Thailand.
- 4) Allocation of water for the industrial sector, to Laem Chabang Industrial Estate in Chonburi, Map Ta Phut Industrial Estate in Rayong.
- 5) Allocation of water for marine transportation that continuously has fewer roles.

East Water has direct liaison with the Office of Regional Irrigation 9 to monitor statistical results pertaining to quality and quantity of water resources that represent the company's inventory of water sources in Chonburi and Rayong provinces since September, 2014.



Furthermore, East Water cooperates with a number of institutes to place greater emphasis on conserving watershed and watershed forest areas.

1. The 5 Provinces Forest Foundation (founded by the order Queen Sirikit of Thailand), Burapa Command, Rak Bang Pakong Club, public & private institutions, and people in the area organized an activity to plant 29,500 trees for conservation of natural resources and environment in the connected forest area between 5 provinces of the eastern region, including Rayong, Chonburi, Sakaeo, Prachinburi, and Chachoengsao. This forest area represents an important watershed area, comprising Bang Pakong River, Prachinburi River, Chanthaburi River, Prasae River, and Tanot Canal. These basins are directly related to the business of East Water.

2. Signing an agreement with the Network for Community Forests in 5 Provinces of the Eastern Region (CEAST5), and public & private institutions

such as Green Globe Institute, RECOFTC – The Center for People and Forests, Community Organizations Development Institute (Public Organization) to organize an activity to plant trees in community forests. East Water provide supports via drinking waters and budgets.

3. Part of the advisory board focusing on protecting the forest in the eastern region. Board members include representatives from state agencies, private sector, public sector, and other organizations. The board is responsible for giving counsel, providing recommendations, exchanging opinions, and providing budgetary supports to watch over forest groups in the eastern region, including Khao Ang Lue Nai Wildlife Sanctuary, Khao Soi Dao Wildlife Sanctuary, Klong Kruea Wai Wildlife Sanctuary, Khao Khitchakut National Park, Khao Chamao – Khao Wong National Park, Khao Sib Ha Chan National Park, Namtok Phliu National Park, and Namtok Klongkaeo National park.



Future projects for conservation of biodiversity

East Water realizes the importance of ecosystem changes caused by the diversion of water from one water resource to another such as the diversion of water from Bang Pakong River to Bang Phra Reservoir. Currently, there is limited or no information pertaining to the physical effects of such the diversion. As a consequence, East Water has allocated part of its budget for conducting the study of ecosystem changes from water diversions. Results of the study will then be used to improve the company's operations, and control the effects on biodiversity. This is in order to create customer confidence and stakeholder confidence.



Weather fluctuations and releases of electric energy

Current environmental factors, whether fluctuations, and seasonal fluctuations are partly caused by human activities, especially greenhouse gas emissions. East Water pumps water through 378 kilometers of its water distribution system, covering 3 provinces (Rayong, Chonburi, and Chachoengsao), and comprising of 15 main pumping stations. Hence, consumption of electricity represents the company's main energy consumption.

East Water realizes the importance of and pays attention to the reduction of energy consumption. The company has performed numerous works relating to energy conservation, through projects to improve its main water pumping & distributing system and projects to support management efficiency. The company's conservation of energy follows practical guidelines for legally establishing the energy management system. 5 pumping stations under East Water have been registered as a regulated factory. East Water's head office building has also been registered as a regulated building. Results from the assessment for the potential for energy conservation have been employed to set a target for reducing energy consumption at the organizational level, production, service level, and at the equipment level. A consideration has also been given to energy losses and chances for improvement.

East Water has established a working group for energy management and set up a policy to conserve energy and use it as a guideline for operations pertaining to energy conservation. To support efficient & beneficial use of energy, numerous projects have emerged to improve efficiency of energy consumptions in 2014.



1. A project to change street lamps on the bridge to Dok Krai Pumping Station, street lamps on the road to Nong Pla Lai Pumping Station, and change light bulbs at Raw Water Pumping for Boosting Pressure Stations from mercury-vapor lamps to High-bay lamps
2. A project to reduce turning on the lights during lunch breaks at Bang Pakong Pumping Station.

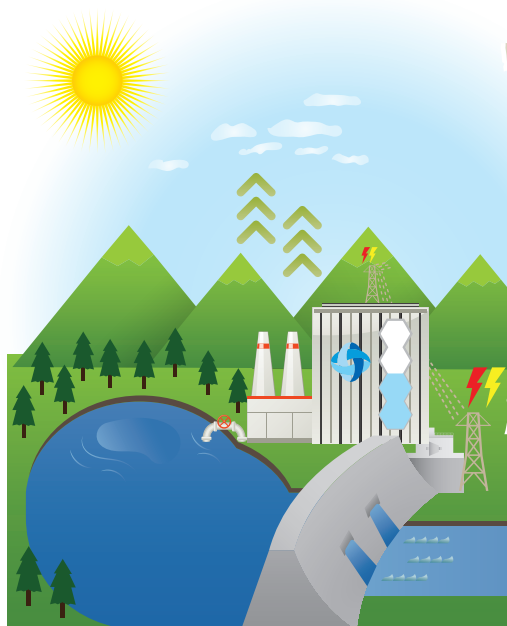
The following projects are expected to be run in 2015

1. A project to install Variable Speed Drive (VSD) equipments at pumping stations in Chonburi to control appropriate variable speed that is consistent with the volume of water used.
2. A project to install a Capacitor Bank to improve the quality of electricity and power factor to be consistent with the regulations set by the Provincial Electricity Authority.
3. A project to install booster pumps for customers at water level stations. This is intended to reduce water level in water level buckets. Before the installation, it is required to keep water level considerably high to boost pressure for delivering water to customers at origin points. The reduction of water level in water level buckets will make energy consumption in the pumping stations in Rayong province lower.



Efficiency of energy consumption

68,113 tons of carbon dioxide emissions from energy consumption in 2014



Calculation of greenhouse gas emissions

****Formula for calculating GHG emissions =**

Activity Data (kWh) X Emission Factor

Emission Factor of Electricity = 0.5813 kgCO₂e/kWh

**Eastwater's energy consumption for water pumping
+ head office in 2014**

$$\begin{aligned} \text{GHG} &= 112,908,381 \text{ kWh} + 4,266,000 \text{ kWh} \times 0.5813 \\ &\text{kgCO}_2\text{e} \\ &= 68,113,468 \text{ kgCO}_2\text{e} \\ &= 68,113 \text{ TonCO}_2\text{e} \end{aligned}$$

WATER FOR EXCELLENT



East Water places great emphasis on the use & management of wastewater. The head office use's recycled water as much as possible.



Wastewater management in the head office building

East Water places great emphasis on the use & management of wastewater. The head office use's recycled water as much as possible. The company initiated this by laying water pipes leading to recycling from the construction of a head office building, located in Bangkok in 2009. In 2014, the company assigned the Wastewater Management Authority (WMA) to conduct a study on wastewater of East Water's head office. The study found that the amount of water dumped into public aqueducts

in Bangkok was 120 - 150 million cubic meters/day on average. The amount of wastewater that could be treated and recycled was approximately 90 million cubic meters/day, equivalent to 60% of all wastewater. The wastewater system was expected to be completely installed at the beginning of 2015. The company would then be able to apply this system to toilet flushing system, urinals, watering the plant, scrubbing the floor, and adding water to the fountains. Details can be summarized in the following table.



order	Description	Volume (million cubic meters/day)	Volume of wastewater released to public aqueducts	Notes
1.	Applied to toilet bowls at 22 nd - 26 th floors	30	60	
2.	Urinals at 22 nd -26 th floors	20		
3.	Floor scrubbing	5		Once a week
4.	Watering the plant	5		
5	Adding water to the fountains	30		Twice a week

Community Water Supply Along the Pipeline Project

Apart from providing raw water distribution services to industrial customers, East Water also provides services to local administration organizations, including sub-district administration organizations (SAOs), sub-district municipalities (SMs), and state enterprises (SEs) (e.g., Provincial Waterworks Authority) along the company's pipeline routes. The services are given in various forms such as production concessions and water supply sales. Current customers include Bo Win Sub-district Municipality, Jaopraya Surasak Sub-district Municipality, and Sattahip Waterworks which is subleased by the Provincial Waterworks Authority.

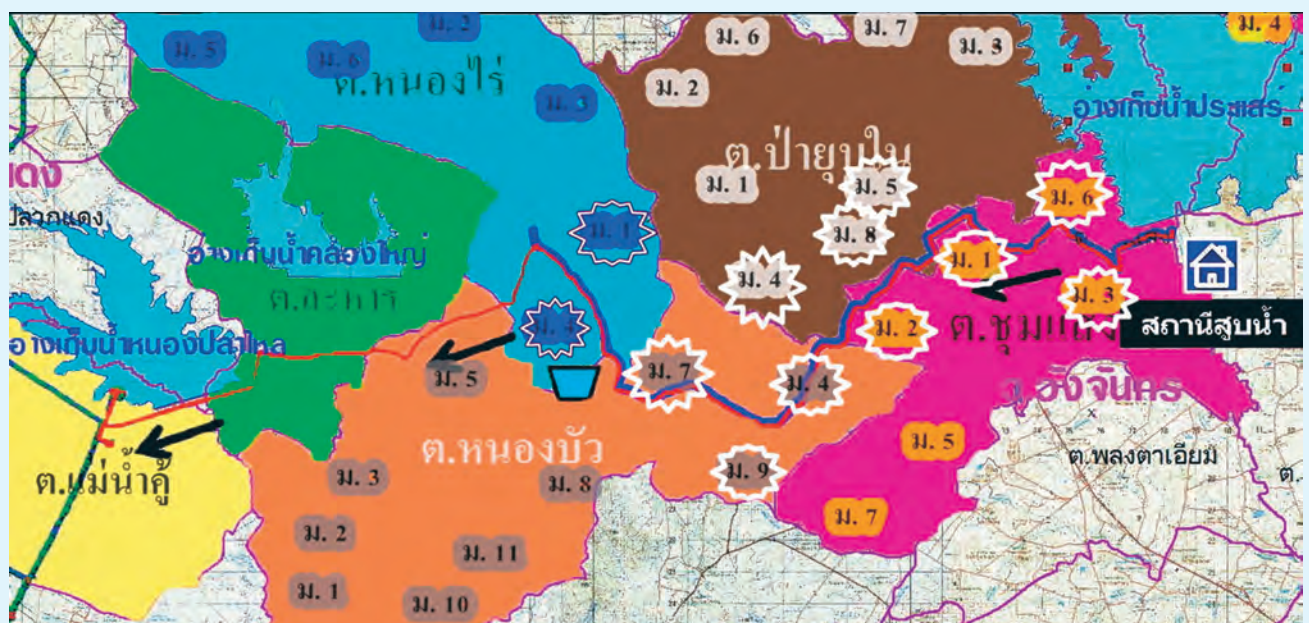
In 2013, East Water started a supported policy to provide water supply for communities along the company's pipeline routes. East Water began

to survey information pertaining to communities' use of water supply, and to develop a project to install new pipeline routes at the time when the company was preparing the construction of raw water pipelines to connect Prasae Reservoir and Nong Pla Lai Reservoir. A study was conducted on the demand for community supply in order to investigate a feasibility of new business development (Social Enterprise), and to explore methods to improve the relationship between East Water and communities along the company's pipeline routes. Data gathered included general information of water resources, water uses in the areas of interest, water supply used in villages, and water supply systems of 6 SAOs as follows.



Area (SOAs)	Water supply system	Problems	Requirements
Chum Saeng SAO (8 villages)	Water supply system already installed in every village	Insufficient raw water resources Bad quality of water supply	Water resources Improvement of water quality
Pa Yub Nai SAO (8 villages)	Water supply system already installed in every village	Villages have different water supply system Insufficient water pressure	Standard water supply systems Raw water resources for future needs
Nong Bua SAO (11 villages)	Water supply system already installed in every village	Insufficient raw water resources Incomplete water distribution system in some areas	Raw water resources Community water supply network
Nong Rai SAO (6 villages)	water supply systems not installed in 2 villages (Village Number 5 and Village Number 3)	Most of water resources are insufficient and problematic.	Connection with EW' projects Water resources for every season Standard water supply systems Water supply systems installed in villages currently without them
La Han SAO (4 villages)	Water supply systems not covered (Village Number 3)	Water supply systems do not satisfy current needs. Bad water quality of supply	Standard water supply systems Water supply systems installed in villages currently without them
Mae Nam Koo SAO (7 villages)	Water supply systems installed in every village	Raw water resources are problematic in some seasons.	Major water supply systems

A Project to construct raw water Distribution pipelines that connect Prasae Reservoir and Nong Pla Lai Reservoir



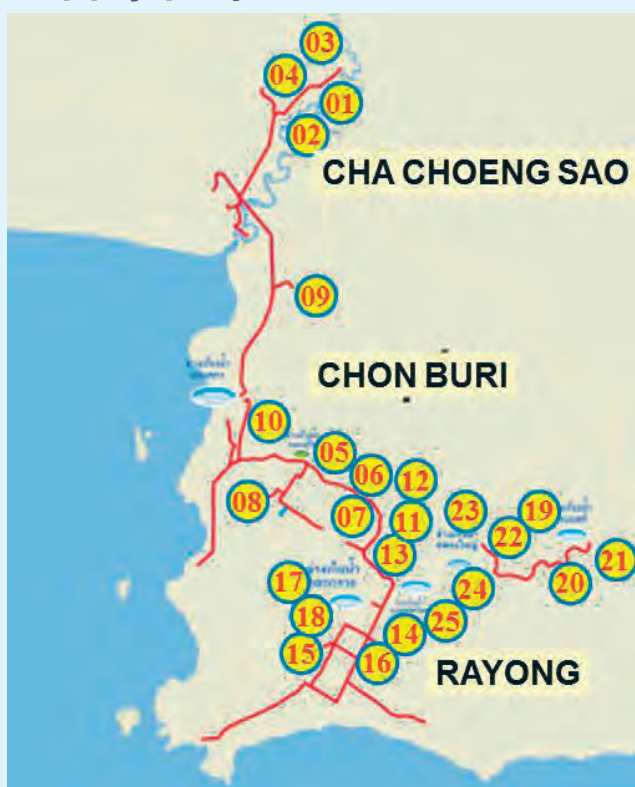
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In 2014, East Water continued its supported policy to provide water supply for communities along the company's pipeline routes. This year, the company employed a consultant to conduct a market research on water demands in the company's service areas. Part of the research gathered data of communities located along the company's pipeline routes and evaluated current and future needs for water supply. An analysis was then performed on the chance to expand service areas for communities. A set of criteria was established for the selection of communities along the company's pipeline routes that have a potential for an access to water supply services. These criteria can be stated as follows:

1. Located within 10 kilometers of the company's pipeline routes
2. Currently outside service areas of the Provincial Waterworks Authority
3. Lack of raw water for water supply production or insufficient & inaccessible water supply production/distribution systems

After selecting potential communities, a report on selection results was submitted to the board of directors and executives at the operational meeting. The meeting agreed that the project should be supported, realized and to create an operating plan for the community supply project. There were 25 target communities, covering 3 provincial areas in Chachoengsao, Chonburi, and Rayong. The board required the business development department to present a proposal to community administrators such as Chief Executive of SAOs, mayors, secretaries of SAOs, or community leaders and survey community demands for the company's water supply. This presentation was required to cover all 25 target communities. The working team would then be sent to the fields to survey, evaluate the feasibility, before submit a proposal on the provision of water supply to the communities for consideration.

The Community water supply project



Item	Organization	District	Province
1	Bang Talad SAO	Klong Kuen	Chachoengsao
2	Bang Lao SAO	Klong Kuen	Chachoengsao
3	Klong Kuen SAO	Klong Kuen	Chachoengsao
4	Kon Kaew SAO	Muang	Chachoengsao
5	Nong Kham VN. 2,4	Sri Ra Cha	Chon Buri
6	Kao Kun Song VN. 1,2,6	Sri Ra Cha	Chon Buri
7	Kao Kun Song SAO	Sri Ra Cha	Chon Buri
8	Kao Mai Kaew SAO	Bang La Mong	Chon Buri
9	Sum Nak Bok SAO	Muang	Chon Buri
10	Nong Kang Kok SAO	Muang	Chon Buri
11	Ta Sit SAO	Pluak Daeng	Rayong
12	Chom Pol SM	Pluak Daeng	Rayong
13	Pluak Daeng SAO	Pluak Daeng	Rayong
14	Nam Koo SAO	Pluak Daeng	Rayong
15	Mab Kha SM	Nikhom Pattana	Rayong
16	Nikhom Pattana SAO	Nikhom Pattana	Rayong
17	Pana Nikhom SAO	Nikhom Pattana	Rayong
18	Makham Koo SM	Nikhom Pattana	Rayong
19	Pa Yoop Nai SAO	Wang Chan	Rayong
20	Chum Saeng SAO	Wang Chan	Rayong
21	Kasae Bon SAO	Wang Chan	Rayong
22	Nong Rai SAO	Pluak Daeng	Rayong
23	La Han SAO	Pluak Daeng	Rayong
24	Nong Bua SAO	Ban Khai	Rayong
25	Nong La Lok SAO	Ban Khai	Rayong

At the end of 2014, the company had already submitted a proposal to 10 target communities (out of 25 target communities). Results on the progress of the community water supply project as of the end of 2014 can be summarized as follows.

Organization	Interest in joining the project	During the process of feasibility evaluation	Accepted/ Contract made
1. Bang Talad SAO	✓	✓	
2. Bang Lao SAO	✓	✓	
3. Klong Kuen SAO	✓	✓	
4. Kon Kaeo SAO	✗	✗	
5. Nong Kham SAO (Village Numbers 2 and 4)	✓	Feasibility already evaluated	during the process of contract making
6. Khao Kun Song SAO (Village Numbers 1,2, and 6)	✓	Feasibility already evaluated	During the process of contract making
7. Ta Sit SAO	✓	✓	Waiting for acceptance
8. Nam Koo SAO	✓	✓	
9. Nikhom Pattana SAO	✓	✓	
10. Mab Kha Subdistrict Municipality	✓	✓	

East Water sets a target to finish submitting a proposal on the community water supply project to all 25 target communities by 2015. It is expected that the company will be able to complete the project for 4 communities by that time in order to respond to the policy to provide water supply services to communities along the pipeline routes. This project is also consistent with the company's operation pertaining to social responsibility at the business level. The operation is aimed at Creating Shared Value (CSV) between communities and the company.

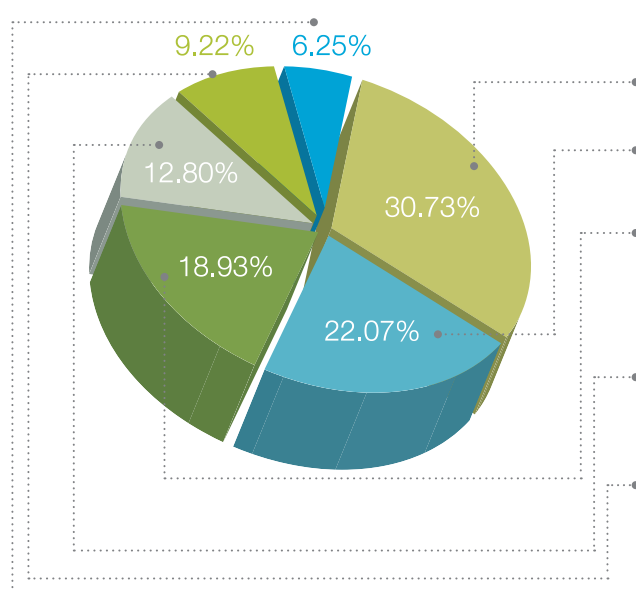


Customer care and keeping customer satisfaction

East Water's business is pumping and distributing raw water to customers with no alternative water resources or insufficient water reserves for yearly use. As a result, these customers choose to receive raw water services via the company's distribution pipelines and constantly utilize raw water supplied by the company in their production process. The working

process, which is the heart of the company's raw water distribution, is in the form of network systems that currently connect water distribution in 3 provinces (Rayong, Chonburi, and Chachoengsao). These network systems are able to pump and distribute raw water from areas with sufficient amount of water to areas with water scarcity. Security in water distribution is created for the customers as a result.

A pie chart depicting Eastwater's customers



Description of water user groups

1. IEAT: Industrial Estate Authority of Thailand
2. PWA: Provincial Waterworks Authority
3. Hemraj Industrial Estate: Industrial Estate under Hemraj Land and Development Public Company Limited
4. Private Industrial Estates: Industrial Estates Owned By Private Companies
5. Consumption: private waterworks, state agencies, and communities that lack clean water
6. Other : General factory and other

Volume of water distributed to customers, separated by service areas in 2014

Service area	Volume (million cubic meters)
1. Rayong	173,787,534
2. Pluak Daeng- Bowin	24,995,452
3. Chonburi	69,578,263
4. Chachoengsao	13,630,326
Total	281,991,575

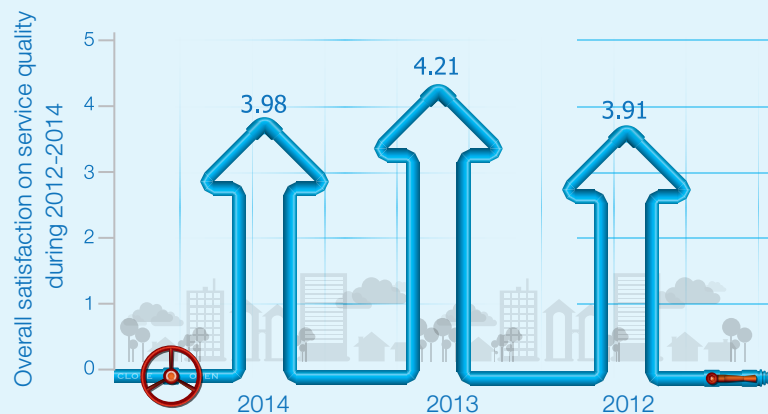
Since customers use water differently, the company divides customers into different groups, e.g., major and minor customers, in order to come up with appropriate management plans. These groups of customers include Industrial Estate Authority of Thailand (IEAT) group, Provincial Waterworks Authority group, private industrial estate group, and general factories and others. The company will consider different customer needs in accordance with their business characteristics and use the information on each group to come up with an action plan that will satisfy needs and maximize satisfaction of each customer group. Furthermore, the company also assigns appropriate work plan and frequency of Customer Relation Management (CRM) activities for each customer group.

With regard to satisfaction surveys, the company sets out to survey customer satisfaction to be informed of the level of customer satisfaction in the company's products and services. Survey results will be analyzed and incorporated into an action plan to improve products and services that efficiently meet customer satisfaction. The company is engrossed in providing sufficient water distribution services to satisfy customer needs, regarding both quantity and quality.

The company continuously monitors changes in water quality to ensure that these changes will not exceed the amount specified by the Service Level Agreement criteria. These changes and the criteria have also been incorporated into the SCADA database to monitor customers' use of water and notify customers of significant changes in advance to reduce adverse effects on customers' production system, and to solve problems in a timely manner.

Acknowledging and responding to customer needs

East Water places great emphasis on acknowledging and responding to customer needs, regarding both quantity and quality, through the customer satisfaction survey that is conducted on each customer group annually. This survey allows the company to acknowledge levels of customer satisfaction. An assessment is performed on numerous service subjects, including water distribution services, maintenance, information disclosure, and staff services.



Satisfaction score in each service subject

Subject	Satisfaction level		
	2014	2013	2012
Information disclosure	4.39	4.26	4.09
Staff services	4.35	4.35	3.94
Water distribution services	4.25	4.17	3.97
Maintenance	4.23	4.20	3.82
Responding to customer needs	3.99	4.27	3.98

Notes

2014 data was gathered by Brand Matrix Research Ltd.

2012 and 2013 data was gathered by Faculty of Management Sciences, Kasetsart University, Sriracha Campus

Results on the 2014 customer satisfaction survey shows that the overall customer satisfaction on the quality of services slightly declined but remains at the “very satisfactory” level. The subject that contributes to the reduction of the satisfaction score is “satisfying customer needs”. Hence, the company should focus on improving its service procedures and dealing with complaints to be faster and more accurate. In order to show outcomes that satisfy customers, the company has brought the outcome of the satisfaction survey of the current year to establish an action plan. This action plan sets up a self-management team to look after customers in each area. The hope is to provide customers with quicker services than those of the old control center system integration platform.

Results on the satisfaction survey will be presented to the meeting of executives for operational review on different departments, prevention of related problems, and procedural improvement of related parties.

Apart from standard operations, the company has improved the efficiency of its customer database by bringing in the Salesforce System to systematically store and standardize data that is beneficial for further business development and service provision.

Data pertaining to complaints and dealing with complaints

Looking at the statistical data on complaints during 2014 finds that most of complaints (76%) are related to the quality of raw water. In order to deal with complaints, the company will specify types of complaints and service requests in order to assign appropriate responsible teams, analyze causes of complaints, and providing solution and prevention guidelines within a designated timeframe that follows the internal control system pertaining to dealing with/preventing complaints. The company requires that a satisfaction assessment is conducted from customers every time the dealing process is completed. A report must also be submitted to the executives on a monthly basis in order to constantly improve efficiency of the process of dealing with complaints.

Complaints in 2014 can be summarized as follows

Day/month/year	Water user	Topic	Dealing with complaints	Prevention methods
27 February 2014	Map Ta Phut Industrial Estate	Customers in the industrial estate notified that there were gas bubbles in the clarifier for supporting sludge RW, causing sludge to float to the water surface	<ol style="list-style-type: none"> 1. Draining off the dregs in the pipeline system. 2. Changing water door panel's level. 3. Performing additional analysis of water quality at different water levels (water quality returns to normal on February 28, 2014.). 	<ol style="list-style-type: none"> 1. Using water from reserve pools in stead. 2. Analyzing the quality of water resources (more frequently during seasonal changes) 3. Draining off the dregs more frequently
27 February 2014	RIL 1996 Co.,Ltd	Customers in the industrial estate notified that water in the sedimentation tank contains dregs, like what happened at the beginning of 2012.	<ol style="list-style-type: none"> 1. Draining off the dregs in the pipeline system. 2. Lowering water door panel's level. 3. Performing additional analysis of water quality at different water levels (water quality returns to normal on February 28, 2014.). 	<ol style="list-style-type: none"> 1. Using water from reserve pools instead. 2. Analyzing the quality of water resources (more frequently during seasonal changes) 3. Draining off the dregs more frequently

Day/month/year	Water user	Topic	Dealing with complaints	Prevention methods
8 June 2014	Mab Kha Sub-district Municipality	Adverse effects on the amount of water distribution caused by Gate Valve repair at Nong Pla Lai Reservoir.	The company provided water to the SM to relieve problems at Dok Krai pipeline. Operations were monitored. After finishing the repair, it was found that the problem did not affect water storage of the SM.	Monitoring and verifying that construction work plans are consistent with assigned engineering standards
6 August 2014	Thai Factory Development PLC.	Raw water had a turbid yellow color.	Draining water with turbid yellow color off the distribution pipeline until the quality of water returned to normal.	Installing an additional notification measure to inform customers of changes in the distribution sources in advance (in addition to the old written notification system). This additional notification measure is in the form of a SMS, which enables a quick notification of changes in the quality to customers.

Apart from entering the field to conduct a satisfaction survey and hearing complains, the company also invite customers to regularly attend customer meetings (organized on an annual basis) in order to listen to their opinions that will be beneficial for service improvement. In 2014, the company held two customer meetings on the topic “Water Quality Seminar” to educate customers about water quality, create understandings of the collection of raw water samples and raw water meters, and creating water-user confidence in different situations.



Improving Employees' skills to be ready for business expansion and appointing the firm's growth paths

Regarding the employee development policy in 2014, the company was engrossed in constantly improving the potential of its employees so they grow together with the organization. Furthermore, the company emphasized on improving its human resource management system in various regards such as improving the organizational structure to cope with its business expansion to the ASEAN region, using different tests in the recruitment of employees. The methods used include using the coaching procedure from the manager, employee relationship activities, career growth management, salary and welfare management, and continuous planning for the succession of the employee.

Furthermore, the company began to design a succession plan, especially for positions that are important to the organization. This plan was designed

in such a way that a new job is related to relevant position of the successor. Ever since the first day that employee become a family member of East Water, the company set up development programs for creating business knowledge, adapting to working teams and company traditions to build a relationship from the beginning. After that, development programs that are appropriate for duties and responsibilities of employees at each level will be formed. These subsequent development programs focus on improving skills in working management, principles of conducting business, and leadership skills for oneself and working teams. If any changes in employees' position or working level occur, appropriate development programs will be organized to provide employees with foundations and readiness to work in a new position with new duties and responsibilities.

Approaches to employee development

With regard to approaches to employee development, the company sets a target to focus on both individual development and organizational development to yield both short-term and long-term results as described by the diagram below.



The company initiated an Individual Development Plan (IDP) since 2013. This plan is aimed to develop the individual in accordance with their professional needs. In 2014, the IDP was constantly prepared by following the method to develop employees' knowledge, skills, and capacity with the ratio of 70-20-10 (according to Michael M Lombardo and Robert W Eichinger (1996), "The Career Architect Development Planner"). The plan emphasized that the employee learn by themselves through actual operations or assigned duties (also known as "on the job training") about 70%, learn from others or knowledge passing on about 20%, and learn through an annual IDP training program (also known as formal learning) 10% as shown in the following diagram.



Employees' potential development

The employees' potential development can be done via several approaches apart from classroom training such as job assignments, job transfer, field trips, coaching, further education, and job passing on. Developing different skills requires different approach.

The company also gives precedence to other development systems and continues their process until the outcome is reached. These systems include a system to select employees with good performance to reinforce professionalism and ensure their readiness in work format adjustment or job transfer, career path management, and succession plan which prepares internal employees for executive-level positions in the future or other core positions that produce income for the organization. In 2014, the company initiated

the In-house Executive Sharing Program and assigned high-level executives to be the program lecturers. These lecturers were required to provide experience exchange and pass on knowledge pertaining to numerous work of the organization to employees with good performance.

Furthermore, the company also provides numerous training courses to cope with core organizational capacity and send employee to attend interesting training courses organized by prestigious institutes. Various courses attended by employee at different levels can be summarized as follows:

- Executive-level employees have been trained by training courses organized by, e.g., King Prajadhipok's Institute, Thailand Water Resource Association, and Thai Institute of Directors.

- Supervisor - level employees have been trained in numerous courses such as “The Manager, Productivity Excellence, Strategic Workshop”, and Knowledge for Different Positions Program.
- Operation-level employees have been trained in numerous courses such as “The Supervisor, Communication Skill, Writing Skill”, “Tax Planning and Contract Making”, “CRM & Service Excellence”, “Feasibility study report”, “Essential of pump application focus on energy saving”, SCADA system training program, “Project Management”, “Capacity Building”, ASEAN Water Management Training & Research Center (AWC) organized by College of Waterworks and Delft Institute from Netherlands, and Knowledge for Different Positions Program.



Apart from training programs that are related to their core duties, several other skills of employees such as managerial skills and foreign language proficiency (ASEAN languages in particular) are also developed. Field trips on water management are conducted in Korea, field trips on monitoring disaster and weather forecasts are conducted in Japan, and field trips on water resources management and monitoring for sustainable development are conducted in East Europe.

Since 2007, the company has urged its employees to participate in dharma practice courses at various dharma retreats. This was considered as a spiritual development that helps employees live happily. Employees can attend such courses anywhere convenient for them to go. The company considered dharma practice as a training and part of operations.

East Water is an organization about water resources. As a result, the company constantly gives precedence to conservation of energy and workplace environment. In 2014, the following 2 training programs were organized for every staff related to environment.

1. Love and Conservation of Energy (Bangkok Office)
2. Conservation of Energy (Rayong Office)



Outcomes of employee trainings in 2014

Employee level	Average hours trained/ person
Executive level	90.83
Supervisor level	41.55
Operation level	30.27

Outcomes of employee trainings separated by internal and external trainings in 2014

Type of trainings	Number of training courses
Internal	54
External	123

Outcomes of employee trainings separated by sex in 2014

Sex	Average hours trained/ person
Male	59.38
Female	64.80

Collection, dissemination, and transfer of knowledge

Due to the importance of the organization's knowledge management, the company has set up a Knowledge Management Department since 2010 to seriously create a process for managing the organization's knowledge. KM Department is responsible for compiling knowledge that is consistent with the organization's missions and core capacity, before bringing this knowledge to evaluate, order its importance, and designate the knowledge structure. This organizational knowledge management has been constantly conducted by the company. An activity for exchanging and learning construction works have been consistently organized, for example.

In 2014, the company developed a system to store information, news, and important internal & external knowledge. This system was called the "Internal Web System". The system aimed to provide employees with updated information and a convenient & quick access to information which helps employees learn,

efficiently solve the problems, and encourage a constant self-development of potential. These are important foundations that will move the company forward to achieve sustainability.

InnoWAVE Project Year 3

In 2014, Eastwater ran a project called "InnoWAVE Year 3" which was further developed from The New Wave Project (EW) and Innovation Award 2012 (UU). This project was open for all company groups, focusing on creativity, and encouraging employees to present their Process Innovation with out-of-the-box and innovative thinking.

The project aimed to:

- 1) Encourage front office and back office staffs to express their creativity pertaining to innovations;
- 2) Encourage the creation of new innovations that will benefit the company;
- 3) Extend results by using the creative idea that has been awarded the innovation prize as a platform to develop the company; and
- 4) Adopt new innovations to empower the company's business development in the future.

The project can potentially benefit the company in terms of efficiency improvement of the process, cost and operational time reduction, and product and service quality improvement that satisfies customers. Knowledge Sharing activities have also been organized to pass on and exchange knowledge pertaining to internal operation.

Moreover, employees' projects that work competed in the InnoWAVE project were registered a patent or a petty patent with the Department of Intellectual Property as follows:

2013: one project (awaiting the certificate of the petty patent)

2014: four projects (during the process of patent registration)





Outcomes of the InnoWAVE Project

Year	Number of members (persons)	Number of project that register for the competition	Number of project qualified
2013	189	46	19
2014	165	43	19

A large group of young children, mostly of Southeast Asian descent, are gathered outdoors. They are all wearing bright blue short-sleeved shirts. In the foreground, a boy on the left is waving his right hand towards the camera, while a girl next to him looks down. To their right, another boy is smiling broadly at the camera. Behind them, many other children are visible, some looking at the camera and others looking slightly away. The background shows green foliage and a white structure, suggesting an outdoor setting like a schoolyard or a community center. The overall mood is cheerful and positive.

WATER FOR LIFE

East Water always focuses on “managing water to satisfy business needs without disruption in the quality of life of people living in the surrounding communities”



Social investments and activities on responsibility toward community, society, and environment

One of East Water’s missions is to conduct its business with responsibility given toward community, society, and environment. The company therefore focuses on building a good rapport with stakeholders by setting up a set policies for improving the quality of life and environment, with 5% of its net income in funding for social activities. This policy has been implemented continuously since the founding of the company in 1995, which is consistent with the company’s 3-year CSR strategic plan that is reviewed and revised on an annual basis. Furthermore, the company establishes a set of practical guidelines for supporting public activities. These guidelines are used to direct the company’s operations so that they are in accordance with the policy to improve the quality of life and environment. East Water’s business operations are also conducted in a way that they are consistent with the principles of good corporate governance, and within the budget frame.



Economic performance and social investment

(million Bath)

Year	2010	2011	2012	2013	2014
Total revenue	4,163.75	2,775.08	3,210.79	3,286.39	3,312.16
Earnings before financial cost and tax	1,220.52	1,344.72	1,528.55	1,667.97	1,621.53
Net profit	827.45	908.70	1,146.85	1,258.56	1,239.33

Note: Eastwater's financial statement

(million Bath)

Expenses for stakeholders' income distribution					
Year	2010	2011	2012	2013	2014
Selling and administrative expenses	254.13	283.61	340.35	276.48	258.70
Financial Institution Interest	67.65	52.42	63.47	82.49	81.22
Government and local authorities taxes	353.42	383.60	318.22	326.93	300.98
Costs for enhancement of quality of life and environment	32.10	32.23	60.63	44.50	14.50
Shareholders' dividend	632.20	615.58	831.86	732.04	715.40
Wages and employee benefits	131.89	149.47	155.83	158.84	176.46

Note: Eastwater's financial statement

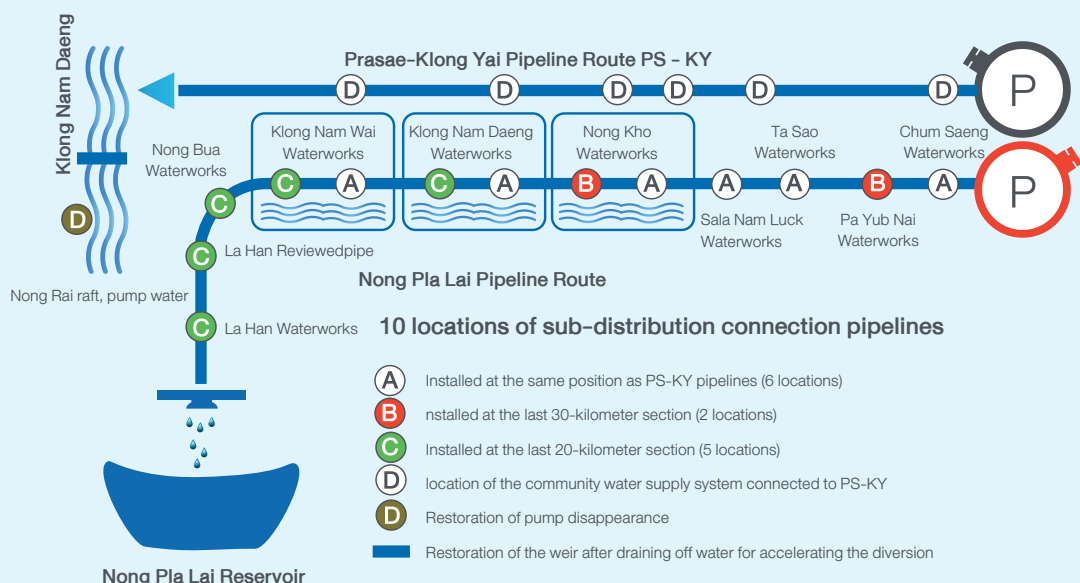
Corporate social responsibility embedded in the company's main business process

East Water realizes the importance of social responsibility embedded in the business process. As a result, high-level executives always remind all staffs to be aware of responsibility toward all related parties, especially those relating to major construction projects. The revision of the manual for operations pertaining to investment and raw water project management has been approved by the company. The manual specifies that a survey on corporate social responsibility should be conducted, so as to evaluate feasibility of the project, or to sustainably develop the project. The company intends to consistently show a careful responsibility and rationality in accordance with ethical principles and good corporate governance. Moreover, the company aims to avoid creating any negative externalities, helps recover community and social conditions, and conserve nature and environment.



In 2014, social responsibility policy started to be implemented in the project to connect raw water pipelines between Prasae Reservoir and Nong Pla Lai Reservoir. This pipeline covers a distance of 50 kilometers, and located in the area of Rayong's 6 sub-district administrative organizations (SAOs) including Chum Saeng SAO and Pa Yub Nai SAO at Wang Chan District, Nong Bua SAO at Ban Kai District, and Nong Rai SAO, La Han SAO, and Mae Nam Koo SAO at Pluak Daeng District. Information concerning the project was spread to the public, with the cooperation of contractors and officers from the Office of Regional Irrigation 9. This PR aimed to make communities and local government organizations understand, acknowledge, and enquire the project's details. The hope was to build their confidence in the company's responsibility embedded in its operation and to prevent possible negative effects.

Moreover, EastWater constructed pipelines to connect between the company's raw water distribution pipelines and communities' storage pools (11 locations in total) to share raw water with the communities, making it possible for them to produce community water supply. Some highland areas however could not receive raw water from the company's pipelines due to insufficient water pressure. The company and the Royal Irrigation Department therefore provided raw water vehicles to fill water in the community water supply system of these areas. During the drought season in 2014, 2,025 million cubic meters of raw water was distributed to the community water supply system. East Water also restored conditions of the river bank of Klong Nam Daeng that was damaged from the erosion during the diversion of water from Prasae Reservoir to Klong Yai Reservoir.



A picture depicting raw water connection points between the company and communities along the Prasae Reservoir-Klong Yai Reservoir pipeline route

The framework for developing community, society, and environment has been designated in 3 areas as follow:

Basic water infrastructure: outstanding projects include

- **Waste water treatment system in school canteens project**

East Water has a way to pass on knowledge about wastewater treatment system for schools participating in the water youth leadership project. East Water's conservation of natural resources and environment is facilitated by entering the field to survey school canteens in order to provide recommendations on the construction plan. The company provides budget support funding for installation costs of wastewater treatment systems. In 2014, the company monitored and assessed 242 schools that participated in the project. Results showed that there were 192 wastewater treatment systems that still function, while 50 others need an improvement in 2015.

- **East Water Network for Conservation of Water Project**

East Water has become a member of **Chachoengsao Conservation of Environment Club** that consists of members from public & private sectors, community leaders, and local independent organizations. Particular members of the club are from **the group of environment warriors/water detectives**, comprising young persons from 20 schools. This group has been firmly and concretely assembled and responsible for monitoring and assessing water quality in Chachoengsao Province. The group also constantly organizes activities for conservation of natural resources and environment. In Rayong area, the company cooperates with **the Center for Monitoring and Assessing Water Quality in Pluak Daeng District of Rayong Province** to monitor and assess water quality. Foreseeing the connection between these two areas and requiring them to be united regarding knowledge & experience exchange and cooperation in monitoring water quality of water resources in the areas, the company therefore has established **the East Water Network for Conservation of Water**. The network exists to instill consciousness in young people so that they love, cherish, realize value and importance of water, and look after and conserve water resources for sustainability. In 2014, a camp for the East Water Network for Conservation of Water was organized. 80 students from schools in Chachoengsao and Rayong located near East Water's

capital territory water sources joined the camp and participated in an activity to learn about water, such as surveying water resources, collecting samples and assessing water quality using test-kits, visiting Dok Krai Pumping Station. Scholarships were also given to young people who joined the camp.

- **Community Water Supply Project**

East Water has initiated Community Water Supply Projects along the pipeline by improving, training the knowledge and management of the communities water supply systems. This was done so residents would have sufficient clean water and the communities would learn to manage their own water systems. This has significantly reduced the reliance on funding from the public sector, since the company implemented the project. **"Water Supply Model"** has set an example for other communities based on the success of the program in 2014. The Company improved community water supply systems for 8 villages in Wang Chan districte, Rayong province and the public benefited in 2,829 households.

- **Clean Water for Community Project**

In 2014, East Water provided three RO mobile drinking water vehicles, drinking water packed in bottles and glasses for social activities in its operational areas and the central section. These services, equivalent to 724,299 liters of water, were free of charges. Furthermore, the company also provided five pipeline water stream service points to relieve public perils. These service points included:

1. Mab Kha Raw Water Storage Station, Mab Kha Sub-District, Nikhom Pattana District, Rayong Province
2. Dok Krai Reservoir Pumping Station, Mae Nam Koo Sub-District, Pluak Daeng District, Rayong Province
3. Pumping for Boosting Pressure Station, Mae Nam Koo Sub-District, Pluak Daeng District, Rayong Province
4. Dok Krai Reservoir Pumping Station, Mae Nam Koo Sub-District, Pluak Daeng District, Rayong Province
5. Klong Kuaen Pumping Station, Klong Kuaen Sub-District, Klong Kuaen District, Chachoengsao Province

Socio-economy for better quality of life

East Water supports economic and social development in such a way that the economy is built to be consistent with the society's basic way of living. Numerous projects have emerged to support this notion. One of the examples is **a project to visit community networks to reduce expense and increase earnings in accordance with the principles of self-sufficient economy**. This project provides career trainings to a group of housewives in Rayong, Chachoengsao, and Chonburi, such as how to produce dishwashing liquids, cloth-washing liquids, herbal inhalants, and E-san sausages. In 2014, 30 training courses were organized and joined by 1,390 housewives. Another example is **the Friends Visiting Friends Project** that organizes computer training courses for disable persons to work from home. A total of 110 disable persons from 11 districts in Chachoengsao province have passed the training courses.

Life-Long Education

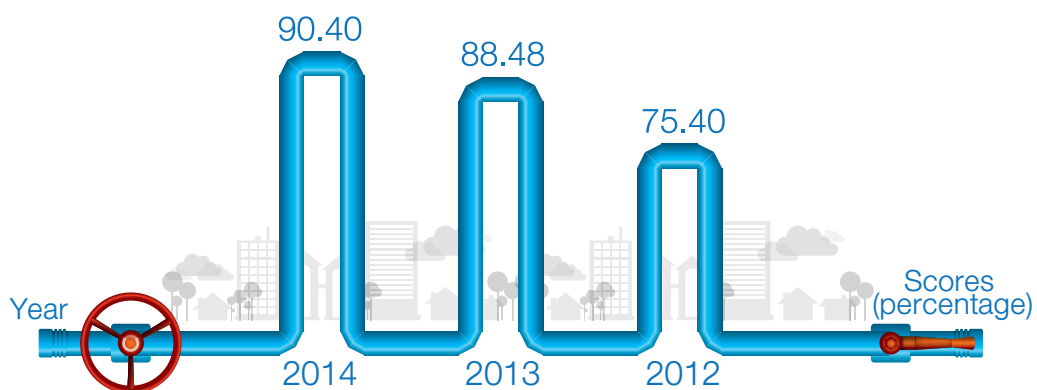
East Water supports life-long education that is a basic for changes and long-term country & community development. The supports focus on both formal and informal educations. In 2014, an important project that emerged was a project to set up an **East Water center for learning self-sufficient economy** in Klong Kuaen District of Chachoengsao province. The company provided budget support of 108,134 Baht for the center's operations. Another example was a project to set up **Rayong Knowledge Park, at Taksin**

Rayong Secondary School. This project represented the cooperation between the company, Rayong SAO, and Office of Knowledge Management and Development(Public Organization). In 2014, the company provided budget support of 1,362,560 Baht for the park's operations. Another project was **Water-Air Pump Type Aerator Project**. The water-air pump type aerator was an outcome of the 3R (reduce, reuse, and recycle) innovation of water management competition. This invention was awarded by Ubonratchathani Technical College. The water-air pump type aerator could recondition wastewater before it is released to natural water resources. In order to pass on knowledge and innovation about the water-air pump type aerator, the company expanded its innovation network to cover all operational areas in 2014. This was done by organizing a 2 day workshops for Chachoengsao Technical College. 8 participators, including teachers and students joined this workshop.

Results on the community & state agency satisfaction survey

To assess results pertaining to activities on social responsibility, the company hires an external institute to conduct a community & state agency satisfaction survey on an annual basis. The survey aims to assess satisfaction on East Water's CSR activities. The target groups are communities along the company's pipeline routes that have joined the company's activities and communities outside the company's operational areas in 3 provinces.

Satisfaction scores of communities toward Eastwater's CSR activities



Notes

2014 data was collected by Brand Matrix Research Ltd.

2012 and 2013 data was collected by Faculty of Management Sciences of Kasetsart University, Sriracha Campus

Procurement and employment of local labor

East Water's procurement policy requires that the company seeks suppliers for purchasing & service that will satisfy current and future needs. As a result, the procurement process will find credible suppliers, business enterprises, or contractors from every channel, both inside and outside the company's operational areas. The Goal is to acquire quality products and services that will satisfy needs of relevant users. The procurement process is conducted in a timely manner for the maximum benefit of the company. This process supports the organization's main business, which is the water pumping and distributing system, leading to security in the system.



In 2014, East Water employed qualified contractors to run projects or conduct activities in its operational areas in 3 provinces, including Rayong, Chachoengsao, and Chonburi. In total, 10 projects were operated by these contractors, equivalent to 2,380 million Baht or 91% of total the budget. This management style led to employment of local labor and an increase in local expenditure. Examples of local contracts made in 2014 included security work, cleaning work, hiring labor in numerous construction projects, maintenance of pipelines, office buildings, landscaping, and emergency repairs.

Furthermore, external activities in 2014 were held in operational areas in order to create income streams for local communities. These activities include customer seminars, staff trainings, meetings of the procurement committee, youth camps, etc. OTOP products were also purchased and used as souvenirs or presents for relevant persons during numerous events. This OTOP purchasing actually provided supports to local communities.

Developing Employees' quality of life

East Water realizes the importance of its human resources as they represent a the engine that moves the organization forward. As a result, the company has developed and implemented the human resources management system in order to be consistent with the company's goals and business needs. Working environment that support the employees' relationships and motivations have also been established. The objective is to motivate employee to achieve excellence that will satisfy needs of all stakeholders.

Employee remuneration policies that are consistent with short-term and long-term company performances

Employees are the company's important stakeholders since they significantly and constantly contribute to the company's growth of business profits. The boards of directors therefore have enacted a set of policies that signifies good wages as follows.

- Wages are assigned in a competitive manner, considering current labor markets and the country's economic conditions.
- Wages are consistent to operations performance assessment to incentivize staffs to constantly give good performance.
- Wages are set in such a way that will not place too much burden on the company, by considering the company's growth rate, current economic conditions, and future trends.

Wage payment is set to be correlated to employees' performance. Key Performance Indicators are used to gauge performance of employees at every level. KPIs are consistent from top to bottom, from the organizational level to department and personal levels. This is in order to have a consistent goal for all organizational levels and to be consistent with the organization's vision and missions.

Apart from equitably managing the remuneration, providing career path development, and enhancing individual knowledge and capabilities, the company also in encourage employees to love, unite, and happy. With that in mind, the company will provide health and good relationship between each other, including social activities through numerous internal projects and activities, which are part of the corporate governance activity plan. Important projects and activities held in 2014 can be summarized as follows:

1. Propagation of the principles of good corporate governance and code of staff ethics was done through direct documents and company website. Furthermore, activities to support corporate governance communications were organized, e.g., creating an understanding of “paying entertainment expenses to state agencies”, and organizing the “sharing morality, sharing happiness” project to enhance good ethics and build employee contributions. Those participating in the project were asked to send in epigrams, ideas, and video clips depicting work ethics or way of life. 56 employees joined the project and sent in 47 pieces of works. A Prize was given to a employee that created a winning piece of work, at the meeting of the corporate governance & nomination committee.

2. Morality supporting activities and religious activities were also organized. The company organized religious activities, together with employees and building tenants. In the past year, they performed meritorious deeds by giving dried food offerings to Buddhist monks on Maka Bucha & Visakha Bucha days and the day before the Buddhist Lent. Another religious activity held last year was merit making on the company’s 22nd year anniversary of its founding. This was done through a dharma narration to provide ideas about way of life, honesty and transparency in working, unity between colleagues. A video conference was also set up, allowing staffs working at provincial operation centers to participate.

3. CSR activities such as blood donations were continuously organized since 2007. The company cooperated with Phramonkutkiao Medical Center to organize three blood donation activities in 2014. 231 staffs passed the examination test and made the donation. 92,400 cubic meters were received.

Furthermore, the company cooperated with communities near its service areas to organize a CSR activity at Self-Sufficient Economy Center for Glorifying H.M. the King’s 82nd Birthday, located inside Ta Sao School in Rayong Province. This activity aimed to improve quality of schools located along the Prasae-Nong Pla Lai Pipeline. Joining with students, the company planted a number of trees during this activity, including Vetiver, Carmona retusa (Vahl) Masam, and other garden trees. Another CSR activity was organized by the company and Chachoengsao Environment Conservation Club. The objective of this activity was to plant 29 rais of Siamese Rosewoods for glorifying H.M. King Bhumibol Adulyadej at Sanam Chai Khet District in Chachoengsao province. This was expected to recover the 5 Provinces Forest and conserve watershed forests.

4. Activities relating to safety and occupational health such as annual medical examination, risk factors assessment, safety trainings, and evacuation during disasters trainings.

5. Surveying employee satisfaction and relationship is outsourced to external bodies. The survey is conducted on an annual basis. Survey results are used to improve the performance.

6. An improvement of welfare and remunerations in 2014 was done through the adjustment of operational expenditures in order to be consistent with changed economic conditions. Daily food allowance and accommodation costs were adjusted from those applied since 2007 to relieve employees’ burden.

7. Receiving complaints / amendment with the welfare committee

The company has set up numerous channels to receive recommendations, complaints, and opinions from its employees.

1. the company’s website:	www.eastwater.com
2. Email:	CEO at : CEO@eastwater.com the audit committee at : AC_EW@eastwater.com corporate secretary at : Corporate_secretary@eastwater.com
3. Mail:	The audit committee Eastern Water Resources Development and Management Public Co., Ltd. 25 th Floor - Eastwater Building 1 Soi Vibhavadi-Rangsit 5, Jomphon, Jatujak Bangkok 10900
4. Opinion box:	24 th Floor – Head Office Building, Bangkok and 1 st Floor – Map Ta Phut Operation Center, Rayong

If an employee considers that they have not received a fair treatment or sees any risks or wrongdoings that might adversely affect the company, they could file complaints via the 4 channels explained above. Filing and inquiry procedures have been explicitly specified in the 2012 employee manual. All employees must strictly acknowledge and follow the manual.

Workplace welfare committee

East Water has a system relating to employee relationship. The workplace welfare committee is elected in accordance with Labor Protect Act B.E. 2541. Employee application process, election, and vote counting procedure are transparent. Currently, the committee has 5 members, comprising of elected representatives of employees from various departments. The committee has the following responsibilities:

- 1) Consulting employers to arrange welfare for employees.
- 2) Giving advice and providing recommendations to employers on employee welfare arrangements.
- 3) Patrolling, controlling, and monitoring employee welfare arrangement.

Results of the survey on employee satisfaction and relationship

Year	Satisfaction score	Relationship score
2012	70.60	72.80
2013	72.80	76.40
2014	71.40	77.80

Number of employees, classified by sex

Sex	in person
Male	86
Female	74
Total	160

Classified by employee level	in person
Executive level	10
Supervisor level	34
Operational level	116
Total	160

- 4) Providing recommendations and guidelines on welfare arrangements that will be beneficial for employees to the labor welfare committee

In 2014, four meetings of the welfare committee were held. Considerations were given to important issues such as screening qualifications of employees who request helps on housing and vehicle loan interests, and considering steps and appropriateness of changing securities companies to manage employees' provident fund. Furthermore, if the committee received employees' other recommendations, these recommendations would be passed on to the management meeting. Employees would also be constantly informed of the meeting results.

Outcomes regarding conservation of human resources

Year	Resignation rate
2012	15.00
2013	16.00
2014	7.50

Classified by employment status

Status	in person
Permanent employee	157
Temporary employee	3
Total	160

Classified by region	in person
Central region	118
Eastern region	42
Total	160

Improvement of workplace environment, occupational health, and safety



East Water encouraged and focused on preventive health management by organizing important activities in 2014 as follows:

1. The Hearing Conservation Program was run and set as a policy for controlling sound levels in pumping stations in operational fields. This program was also used to control loudness in the machine installation area of the company's head office. This was in order to provide health and sanitation safety for operators and people entering these areas. So far, there had been no case of hearing losses. The program provided an assessment and analysis of noises, and established a Noise Contour Map to improve noise origins. Warning signs were installed in areas exposed to noise above 85 decibels (A), including Klong Kuaen Reservoir, Nong Pla Lai Reservoir 1 (pumping room), Nong Pla Lai Reservoir 2 (pumping room), and Dok Krai Reservoir (pumping station). Furthermore, the company ran a campaign to encourage employees and contractors to wear the anti-noise safety helmet during the operation at areas exposed to noise above the standard value. Hearing tests were also performed on these people to monitor their preliminary hearing losses.

2. Assessment of workplace environment and surroundings for control was outsourced to external bodies that have been registered by the Department of Industrial Works. A report on results of the assessment under realistic conditions was then submitted to the company and sent to the Department of Labor Protection and Welfare. In 2014, there were no cases relating to diseases in the workplace.

3. Monitoring of important infectious disease outbreaks such as Avian influenza, flu, etc., was done through preventive education such as encouraging staffs to wear the preventive mask to prevent flu outbreaks, teaching correct methods of hand washing. A vaccination & immunization service was also provided for employees in Bangkok offices and operational fields to prevent the outbreak of influenza type a, influenza type b, H3N2, and H7N9.



Accident statistics relating to employee injury

A table summarizing the injury frequency rate (IFR)

Employee accidents at work	Year					
	2012		2013		2014	
Number of employees involving in work accidents (persons)	male	female	male	female	male	female
	0	0	0	0	0	0
Injury Frequency Rate (persons/one million working hours)	0.00		0.00		0.00	

Notes: Combining employees working at the head office and employees in operational fields
All types of accidents are counted (minor injuries, moderate injuries, and severe injuries).

Definition:

Minor injuries means the employee can return to work or freeze for up to 3 days or property damage to an amount not exceeding 100,000 baht.

Moderate injuries means the doctors determined to

strike for more than 3 days, but not more than 30 days or property damage worth 100,000-700,000 baht.

Severe injuries means the employee has a serious injury within 30 days to stop and loss, disability or death. Or property damage worth more than 700,000 baht.

2. A table summarizing the Injury Severity Rate (ISR)

Work accidents leading to leave of absence	Year					
	2012		2013		2014	
Number of employees involving in work accidents, leading to leave of absence (persons)	male	female	male	female	male	female
	0	0	0	0	0	0
Injury Severity Rate (persons/one million working hours)	0.00		0.00		0.00	

Note: Combining employees working at the head office and employees in operational fields

Safety in construction projects

East Water gives precedence to safety in construction projects by establishing a set of regulations pertaining to contractors' safety and environment in the term of reference (TOR). Every contractor of East Water must abide by these regulations as required by the contractual agreements. For example, one part of the contractual agreements specifies that the contractor must acquire and wear individual anti-danger devices that are consistent with characteristics of works during the working hours. The contractor must install danger warning signs in front of areas exposed to dangers. Each sign must be

compatible with the risk exposure that is different from one type of works to another. Furthermore, a specific condition of the construction works specifies that the contractor must abide by safety laws and other relevant laws.

During the construction phase, it is required that the contractor makes a manual for work safety and submits to East Water for approval before the construction can begin. The company also requires that the contractor provides professional-level safety officers to write a weekly report and a monthly report on the safety of construction projects. These reports will

then be submitted to the meeting of the construction project. Professional-level safety officers are also responsible for supervising, controlling, and monitoring the construction works so that these works strictly follow the manual for work safety and related laws.

Actions for dealing with the damages occurring to the structure of the regulating well

On February 25, 2014, the regulating well of the Bang Pakong-Bang Phra-Chonburi Pipeline was damaged during the construction. East Water and the contractor immediately investigated the damages and their effects, and established a working group to examine why the accident occurred. Even though the damages did not affect East Water's distribution of water for customers, they affected people and communities that live nearby. As a consequence, the company and the contractor provided loss reimbursement of personal properties and injuries (3 persons) until all affected parties were satisfied. With regard to the adverse effects on the company's image and reputation, East Water followed the business continuity (BCP) plan to clarify and update the news within 24 hours.

Representatives from the Engineering Institute of Thailand (Under H.M. The King's Patronage) agreed with East Water's working group that the accident was caused by a detachment between steel beam and steel plate embedded in the concrete pole, leading to structural collapse. The sudden collapse of the ferro-concrete wall and the ferro-concrete was the ultimate consequence.

East Water used this event as a case study and designate a knowledge & capability development plan for operational staffs responsible for controlling the construction projects, and improve efficiency of project management and contract management to cope with safety management in the construction.

The prevention and Management of an emergency

In 2014, the company revised the 2014 emergency plan for East Water's buildings by improving the procedure relating to the preventive & suppression plan for fire perils and establishing additional emergency plans to contend with different situations as follows:

- Action plan for dealing with earthquakes
- Action plan for dealing with floods
- Practices for dealing with bomb threats

These plans were approved by the safety committee. The chairperson of the committee had signed on the approval statement, delivered details to all staffs, and announced the implementation of these plans. Fire fighting and evacuation trainings were to be organized on an annual basis using simulated emergency events to plan the trainings. Cooperation from corporate tenants, fire fighting stations, hospitals, training institutes, and nearby households was requested by the company to support the trainings. All trainings met the objectives. They were joined by 376 participants, and none of which involved accidents or injuries

Additionally, East Water also established a Business Continuity (BCP) Plan and completed the plan in 2014 for the company's head office and operational areas. The 2014 BCP training (first time) was held at the head office. The training obtained an evaluation score of 79% from the advisory team. This training was conducted in an integrated manner by employing multiple training plans and designating simulated events that were consistent and realistic. The training covered a translocation between normal offices and reserve offices, communications during crises, information technology continuity, and system recovery.

Safety trainings

East Water encourages and provides supports to enhance skills and understanding in operational safety. The company plans numerous training programs relating to safety, occupational health, and environment in 2014 by allocating part of the budget to organize these programs, and clearly designating target trainees and key performance indicators for each program. In the past year, 7 training programs were held on different subjects such as "management techniques for contractors", "how to obtain work safety", "basic safety and related work safety laws".

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• APPENDIX •

GRI Content Index for “In accordance” – Core

GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page Number (or Link) Information related to Standard Disclosures required by the ‘in accordance’ options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
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SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
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MATERIAL ASPECT: PROCUREMENT PRACTICES

G4-DMA	58				
G4-EC9	58	Percentage of product and service that suppliers used locally	The information is currently unavailable	The company is in the process of being updated and will be able to show outcomes in 2016.	

CATEGORY: ENVIRONMENTAL					
MATERIAL ASPECT: WATER					
G4-DMA	24				
G4-EN8	27				
G4-EN9	27				
G4-EN10	36	Percentage and total volume of water recycled and reused	The information is currently unavailable	The company will start using the wastewater treatment system in February, 2015, and therefore will be able to show outcome data in 2016.	
MATERIAL ASPECT: BIODIVERSITY					
G4-DMA	31				
G4-EN13	31	Habitats protected or restored	The information is currently unavailable	The company is in the process of establishing scope of the biodiversity study and will finish conducting the study by 2015.	
MATERIAL ASPECT: EMISSIONS					
G4-DMA	34				
G4-EN16	35				
CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY					
G4-DMA	61				
G4-LA6	62	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of independent contractor	The information is currently unavailable	The company will notify related parties and begin collecting the statistical data on accidents caused by contractors's operations in 2015. Therefore, the outcome data can be shown in 2016.	
G4-DMA	46				
G4-LA9	49				
G4-LA10	47-51				
SUB-CATEGORY: PRODUCT RESPONSIBILITY					
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Equitable Water Distribution Network
for Sustainable Development



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