



## Growing Together for Sustainability

Sustainability Report 2020

Through collaborations with **Krungthai Bank**, UNDP Thailand and Rak Thai Foundation Koh Tao, Better Together was created to raise fund to hire small, travelling boat drivers on Koh Tao - who had been affected and lost incomes to take care of their families by the COVID-19 - to clean the beach and collect marine debris to reduce environmental coast problems and revive the marine ecosystem. //



# Growing Together for Sustainability

"With **Growing Together for Sustainability** vision that Krungthai Bank wants to grow for sustainability alongside with all parts of society, the Bank integrates environmental, social and governance (ESG) practices into Sustainable Development Goals (SDGs) by aligning with business operation frameworks to reduce inequality and fraud and stimulus economy for better living in society"



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## Awards of Pride



### 4 International Awards

**1 Leadership Achievement Award for Best Managed Bank during COVID-19 in Thailand**

**2 Best CEO Response to COVID-19 in Thailand Award from The Asian Banker magazine, Singapore**

The story of the award: The Bank excelled at the administration in all aspects during COVID-19 pandemic. The Bank generated platforms to facilitate customers and the public to access the government assistance measures during COVID-19 pandemic such as the Rao Mai Ting Gun (You Will Never Be Left Behind) scheme, the Thai Chana platform and the Rao Tiew Duay Kan (We Travel Together) campaign. Moreover, the Bank developed the Krungthai NEXT mobile application and initiated 5 measures to entirely support all customer groups. The Bank also managed risks to reduce the spread of COVID-19 by allowing employees to work from home, digitalizing branches to reduce employees' exposure to cash and providing social distancing, including applying technologies to working operation.

**3 Bank of the Year 2020 in Thailand Award from the Banker magazine, England**

The story of the award: The Bank was a state-owned commercial bank with outstanding management in all dimensions. The Bank strived to innovate and develop products/digital financial services in accordance with the rapidly changing digital disruption trends and customer behaviors, as well as supporting and advocating the government policies to stimulate the nation's economy continuously amid the COVID-19 pandemic.

**4 Best Social Impact Bank -Thailand 2020 Award from the Capital Finance International (CFI) journal, England**

The story of the award: The award was presented to the Bank as a state-owned commercial bank that played an important role in steering the nation's economy as well as driving the National e-Payment and Thailand 4.0 policies of the government. The Bank also supported the government policies by developing financial innovations that reached all groups of people with the purpose of improving their quality of life such as the Chim Shop Chai (Taste, Shop, Spend) scheme, the Rao Mai Ting Gun (You Will Never Be Left Behind) scheme, the Rao Tiew Duay Kan (We Travel Together) campaign, the Khon La Khueng (Let's Go Halves) scheme and Go Local Grow Local project. The Bank received this award for four consecutive years.

### 16 National Awards

**5 Thailand Corporate Excellence Award 2020 - Human Resource Management Excellence from Thailand Management Association (TMA)**

The story of the award: The Bank was an organization with excellence in corporate management in various fields according to the survey results of the top-executives across the country.

**6 Thailand Digital Excellence Award 2020 - Thai Digital Champion for Tech Innovation & AI from Thailand Management Association (TMA)**

The story of the award: The Bank established Krungthai Innovation Lab as a center for innovation and high technology, endeavoring to lay the foundation for innovative financial services that initiated the collaboration among all sectors in all dimensions. The Bank executed the digital platforms and e-KYC technology in government schemes such as the VAT Refund for Tourist scheme, the Chim Shop Chai (Taste-Shop-Spend) scheme and the Rao Tiew Duay Kan (We Travel Together) campaign.

**7 Best Official Account of the Year Award - Krungthai Connex**

**8 Best Smart Channel in Finance & Insurance Award - Krungthai Care from LINE THAILAND**

The story of the award: The Bank provided a full range of financial services: transaction alerts of Krungthai accounts, Krungthai Travel Card and G-Wallet on the Pao Tang mobile application, the Chatbot service to answer questions about products and services, and the government schemes, including offering satisfying products and services to the target customers properly.

**9 ESCO Excellent Financial Supporting Award from the Thai ESCO Association**

The story of the award: The Bank was a leading financial institution that supported the energy management companies.

**10 Outstanding Board of Director Awards**

The story of the award: The Bank's Board of Directors has served as the representatives of government shareholders in regulating state-owned enterprise and promoted the administration of the Management to be efficient, transparent and in line with good corporate governance principles.

**11 Outstanding Corporate Management**

The story of the award: The Bank had outstanding corporate management that enables efficient operations, competitiveness and ability to add value to the state-owned enterprise, including sustainable growth.



#### **12 Outstanding COVID-19 Crisis Management Awards from The State Enterprise Policy Office (SEPO)**

The story of the award: The Bank exhibited distinctive performance in driving the organization during the COVID-19 crisis as well as being able to push forward the government policies to help people affected from the situation successfully and promptly.

#### **13 SET Awards 2020 - Thailand Sustainability Investment (THSI) Award from The Stock Exchange of Thailand**

The story of the award: The award represented an honor of the listed companies with outstanding performance on Environment, Social and Governance aspects.

#### **14 Thailand Top Company Awards 2020 – Financial Industry**

The story of the award: The Bank had excellent performance in its industrial group. The awarded companies were considered based on the honest and reliable criteria. Consequently, the awards shall be set as the honorary achievement and become the pride of the organization success, which supports the competitiveness of Thai companies to have international growth.

#### **15 Product of the Year Awards 2020 in the Financial Application category – Krungthai NEXT from the Business+ magazine**

The story of the award: The Bank was voted the best product and service of the year by the consumers via online media.

#### **16 Popular State Bank of Technology and Innovation Award from Siamrath**

The story of the award: The Bank received online voting for the outstanding performance and truly being gained popularity in social media. It was surveyed on social media by big data technology of Zanroo, which is the collaboration between Siamrath Co., Ltd. and Zanroo Company Limited.

#### **17 Financier of the Year Award 2020 from the Money and Banking magazine**

The story of the award: Regarding the complete qualifications of being a financier of the year, the President is qualified in accordance with four criteria as follows: 1. A financier with broad and modern vision 2. A professional financier who is honest to the profession 3. A financier that creates prosperity for the organization 4. A financier with social responsibility

#### **18 Sustainability Disclosure Award 2020 from Thaipat Institute**

The story of the award: The Bank was an organization that disclosed sustainability information to the public and relevant stakeholders.

#### **19 Business Person of the Year 2020 from the Bangkokbiz newspaper**

The story of the award: The Bank was voted by the editorial board of the Bangkokbiz newspaper. The criteria based on the three following aspects:

1. Participation in helping all sectors during COVID-19 pandemic and having Environmental, Social and Corporate Governance (ESG) in the business operation;
2. Continuous profitability despite encountering the economic downturn and the historical lowest interest rate;
3. Outstanding business transformation through equipping the organization with advance technology and preparing to provide services via both "open" and "closed" systems as well as supporting more services in the digital world.

#### **20 ASEAN Corporate Governance Scorecard Award 2019 - ASEAN Asset Class Publicly Listed Companies from The Securities and Exchange Commission (SEC)**

The story of the award: The Bank was a listed company in ASEAN with a publicly available corporate governance score of 97.50 or higher.

#### **21 ESG 100 (ESG: Environmental, Social and Governance) from Thaipat Institute**

The story of the award: The Bank was certified as an outstanding listed company in business operations in Environmental, Social and Governance (ESG) aspects by selecting listed companies on the Stock Exchange of Thailand.

#### **22 The Bank was ranked in the 2<sup>nd</sup> top out of twelve Thai banks through the Fair Finance Thailand's rating.**

The story of the award: The Bank was ranked in the 2<sup>nd</sup> top out of twelve Thai banks through the Fair Finance Thailand's rating, which promoted sustainable banking in the financial sector.

## Message from the Chairman and the President



1. **Mr. Krisada Chinavicharana**  
Chairman of the Board  
of Directors



2. **Mr. Payong Srivanich**  
President



To meet the current trends that are changing the face of events worldwide, accompanied by a challenging economic climate, fierce competition, rapid technology advancement, and shifting consumer behavior, Krungthai Bank was compelled to adapt and make changes in the way we conduct our business.

In 2020, the “[2 Banking Model](#)” was introduced as part of our efforts to enhance business operation efficiency. Based on this concept, the traditional banking business model, or metaphorically [an aircraft carrier](#), is carried out in tandem with the modern banking business model, or figuratively [a speed boat](#), to ensure efficient resource allocation and successful business performance.

Amid the COVID-19 pandemic, which has caused a serious impact on the economy and people’s livelihoods, Krungthai Bank plays a significant role in the implementation of various government initiatives including relief packages and economic stimulus measures, ensuring government aid is distributed fairly and transparently to the public. Customers affected by the virus outbreak were also offered supportive measures. Meanwhile, we remain committed to environmental, social, and corporate governance in our endeavor for sustainable growth and social improvement.



## Environmental

In 2020, an eco-friendly business operation continued to be one of our top priorities. In light of this, various initiatives were carried out. The “Krungthai Relife” campaign was able to reduce waste by 3,690 kg and carbon emission by 9,335.7 KG.CO<sub>2</sub> through the installation of disposal machines that could turn food waste into soil. Furthermore, technology was used to digitize our banking processes and services, such as the E-Slip & E-Signature system, available at 235 branches, and the Dip-Chip technology for identity verification. More energy-efficient LED lights and label no. 5 air-conditioning units have also been installed at 121 branches. Equally important, we were able to create indirect impacts on the environment through green loan grants worth over 18 billion Baht given to

environmentally-friendly businesses such as renewable energy (solar, biomass, and biogas) and upcycling and recycling businesses.



## Social

In the past year, Krungthai Bank played a crucial part in providing people from all walks of life access to a range of financial services including savings, relief packages, and social welfare, as well as in supporting the government’s rollout of COVID-19 economic stimulus and relief measures, ensuring government aid, basic public services, and saving options are made available for the public in an efficient, transparent, and accountable manner. As the country is transitioning to a cashless society, the open digital platform Paotang mobile application was instrumental in the implementation of a number of projects. For example, “Rao Mai Ting Kan” (We Won’t Leave Anyone Behind), a project aimed at distributing government financial aid; “Rao Tiew Duay Kan” (We Travel Together), a tourism and economic stimulus campaign; and “Kon La Krueng” (50-50), a domestic consumption stimulus campaign. Additionally, other practical and helpful services were made available on the Paotang application as well. For instance, the Krungthai Digital Health Platform, developed in collaboration with the National Health Security Office (NHSO), facilitates Gold Card subscribers’ access to healthcare services via the Health Wallet and the “Sasom Bond Mung Kung” e-wallet, developed in conjunction with the Public Debt Management Office (PDMO), marks the first time in Thailand’s history that savings bonds were sold on a digital platform.

Through our “Go-Local, Grow-Local” campaign, whose goal is the betterment of the livelihoods of people across Thailand, various communities were provided support in developing products, improving facilities, and enhancing relevant skills. Some noteworthy projects include the development of acanthus soap packaging and the renovation of oyster farms and crab banks in Baan Kok Krai Community in Phang Nga Province; the improvement of local silk craftsmanship in Baan Sanuan Nok Community in Buriram Province; the improvement of packaging for

herbal medicine and the development of tourism sites in Tha Ma-O community in Lampang Province; the study of charcoal and the development of tourism attractions in Baan Mae Kampong Community in Chiang Mai Province; the development of tourism sites and a cotton product development plan for Baan Duea Community in Nong Khai Province; and the development of product labels and the promotion of the local arts and cultures of Baan Laem Community in Suphanburi Province. All of these communities proudly meet the Department of Tourism's 2020 CBT Thailand standards. Meanwhile, our ongoing tourism site development projects include ones in Baan Suan Durian Community in Songkhla Province, Takian Tia Community in Chonburi Province, and Nang Lae Community in Chiang Rai Province and there are plans to extend the same type of project to other communities throughout the country in 2021. In addition, Krungthai, in cooperation with the United Nations Development Programme (UNDP) Thailand and Raks Thai Foundation, has hosted a crowdfunding campaign, "Koh Tao Better Together", under the Biodiversity Finance Initiative (BIOFIN) via its e-donation platform to create jobs and provide support for Koh Tao Island locals affected by the COVID-19 outbreak. The fund raised was used to hire tourist boat drivers for beach cleaning, helping to raise awareness in environmental conservation, promoting understanding of local habitats, and creating harmonious and sustainable living with nature.

With regard to human resources management, in 2020, the focus was on strengthening the six capacities - **Workforce Rationalization**, which involves a thorough review of our manpower plan to ensure its alignment with our strategic directions; **Employee Development**, where our employees are upskilled and reskilled to ensure that they are well-equipped with necessary knowledge and skills to efficiently implement the company's strategies; **Talent Management**, which places great importance on attracting, managing, and retaining talents, leading to a launch of special recruitment programs to hire top talents in the market; **Performance Driven Organization**, which includes creating a result-oriented culture to enhance the company's performance and ensuring fair and equitable employee compensation; **Krungthai Kunnatham**, which promotes a zero-tolerance culture to fraud and corruption and **ONE Krungthai**, which focuses on promoting strategic alignment between the company and its wholly-owned subsidiaries.



## Governance

As a company that is strongly committed to becoming a model ethical organization, we have been carrying out the Sustainable Krungthai Initiative or "Krungthai Kunnatham" emphasizing the three strategic principles: fostering employees' moral consciousness, preventing wrongdoings, and changing for the better, with an aim to improve corporate governance and efficiency. In addition to this, our corporate core values have been established, specifying five elements of corporate ethical identity that underpin our business conduct - "Integrity", "Breakthrough", "Efficiency", "Social" and "Teamwork." A number of frameworks were also introduced to encourage employee self-initiation. For example, through the "One Unit, One Sustainability Plan," employees and members of the management team had a chance to brainstorm and select distinctive plans to be scaled up to corporate level through a corporate hackathon. A professional Design Thinking Workshop has also been conducted to create a mindset shift, leading to improved productivity and efficiency in credit processing. The establishment of the Financial Crime Sector further attests to our resolve at preventing fraud and financial crime.

Guided by the corporate vision of "Growing Together for Sustainability" and commitment to good governance and the creation of shared value, Krungthai has earned several recognitions including Bank of the Year 2020 in Thailand from The Banker, the Asian Banker Leadership Achievement Award for The Best Managed Bank during COVID-19 in Thailand and the Best CEO Response to COVID-19 in Thailand from The Asian Banker; The 2020 SOE Awards for Outstanding Corporate Management and for Outstanding Covid-19 Crisis Management from the State Enterprise Policy Office. The company not only achieved the CG score of "Excellence" from the 2020 Corporate Governance Report of Thai Listed Companies (CGR) organized by the Thai Institute of Directors Association (IOD) but was also assigned long-term national credit ratings of AA+ by Fitch Ratings and included in 2020 Thailand Sustainability Investment (THSI) list announced by the Stock Exchange of Thailand. These successful achievements illustrate our unwavering commitment to being a pillar of the Thai economy, playing a key role in developing a digital economy and building the country's strong and sustainable economy.



009

ENVIRONMENTAL | SOCIAL | GOVERNANCE

With "Growing Together for Sustainability" vision, Krungthai Bank emphasizes on doing businesses with considering of environmental, social and governance factors or ESG to develop the national economy and increase business growth for sustainability



**E** Nvironmental

**S**ocial



**G**overnance



## Member of the Corporate Governance and Social Responsibility Committee

### 01 Prof.Dr. Kittipong Kittayarak

Chairman of the Corporate Governance and Social Responsibility Committee

### 03 Ms. Patricia Mongkhonvanit

Member of the Corporate Governance and Social Responsibility Committee

### 02 Mr. Vichai Assarasakorn

Member of the Corporate Governance and Social Responsibility Committee

### 04 Ms. Nitima Thepvanangkul

Member of the Corporate Governance and Social Responsibility Committee





# Report of the Corporate Governance and Social Responsibility Committee

Krungthai Bank realized the importance of corporate governance (CG) and social responsibility with awareness of creating shared value (CSV) in order to achieve sustainable development for all stakeholders of the Bank under the ESG - [Environment, Social and Governance](#) - principles and in accordance with the "Growing Together" vision. In this regard, the Bank's Board of Directors appointed the Corporate Governance and Social Responsibility Committee consisting of 4 Directors to determine schemes and monitor the CG and CSR operating result. In 2020, the Committee held 12 meetings in total.

[Complying with the 2017-2021 corporate governance](#) strategies of Krungthai Bank PCL, the Corporate Governance and Social Responsibility Committee determined 2020 CG strategies to execute under the Sustainable Krungthai Initiative through implementing the 3 principles - Foster, Prevent and Change. With the objective to become a moral organization, the Committee has sorted out the desirable behaviors and cultivated the moral identity of Krungthai Bank comprising 5 features - [Creativity, Achievement, Honesty, Teamwork, and Sociability](#). Henceforth, these moral identities shall be designated as the Core Value of the Bank for guiding principles on business operation.

[Attributable to the deliberate operation in 2020](#), the Bank received the awards relating to the corporate governance and social responsibility as follows:

- Outstanding State-Owned Enterprise (SOE) Awards 2020 in recognition of the Outstanding SOE Committee, the Outstanding Organization Management and the Outstanding COVID-19 Crisis Management from the State Enterprise Policy Office (SEPO), Ministry of Finance
- Bank of the Year 2020 in Thailand from the Banker magazine
- Financier of the Year 2020 from the Money & Banking Awards 2020 organized by the Money & Banking magazine
- Achieving Excellent CG score in the Corporate Governance Report of Thai Listed Companies (CGR) 2020 organized by Thai Institute of Directors Association (IOD)
- The Asian Banker Leadership Achievement Award for the Best Managed Bank during COVID-19 in Thailand and the Asian Banker Leadership Achievement Award for the Best CEO Response to COVID-19 in Thailand from the Asian Banker
- Thailand Digital Excellence Awards 2020 in category of Thai Digital Champion for Tech Innovation & AI from Thailand Management Association (TMA)
- Thailand Sustainability Investment (THSI) Award 2020 from the Stock Exchange of Thailand (SET)
- Sustainability Disclosure Award 2020 from Thaipat Institute

All the rewards and assessments the Bank received have reflected the effectiveness of good operation that the Bank has continually adhered to and we ensure to keep up to the professional standard straight on.

(Professor Dr. Kittipong Kittayarak)

Chairman of the Corporate Governance  
and Social Responsibility Committee

## Organizational Profile



At the present, the Bank's paid-up registered capital is amounted to  
**72,005,040,437.50** Baht

divided into

ordinary shares  
**13,976,061,250** shares

preferred shares  
**5,500,000** shares



totaling  
**13,981,561,250** shares



Krungthai Bank PCL was established on March 14, 1966 as a financial institution in the category of commercial bank. In 1989, the Bank became the first state enterprise to list its shares in the Stock Exchange of Thailand and registered its transformation to a public limited company in 1994.

At the present, the Bank's paid-up registered capital is 72,005,040,437.50 Baht, divided into 13,976,061,250 ordinary shares and 5,500,000 preferred shares.



### Head office address (Nana Building)

35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District,  
Bangkok 10110



### Registration Number

0107537000882 (formerly Bor.Mor. Jor.335)

The Bank registered its transformation to a public limited company on March 24, 1994.



### Tel.

0-2255-2222



### Krungthai Contact Center

0-2111-1111



### Fax.

0-2255-9391-3



### Complaint Center

complaint.center@krungthai.com



### Website

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### E-mail:

Call.Center@krungthai.com



Krungthai care



# Vision Mission and Core Value



## Vision

### GROWING TOGETHER FOR SUSTAINABILITY

"Krungthai Growing Together for Sustainability"

The Bank is determined to take care of employees and develop their competencies in order to support the growth and wealth of customers, enhance the better quality to society and environment and generate outstanding and sustainable returns to shareholders.

## Mission

**Employee** Develop capabilities of personnel and work system

**Customer** Provide customers with differentiated and value-added service and advice

**Society** Fulfill our responsibilities to society through supporting sustainable economic, social and environmental development

**Shareholder** Provide shareholders with superior and sustainable returns

## Core Values

### Breakthrough

Be creative for new things and develop further towards innovation.

Be assertive to think out of the box and focus on boosting up self-development. Enable to transfer knowledge, exchange experiences and knowledge management.

### Efficiency

Perform duties with determination based on complete competency and thoughtfulness in full time. Perform professional work effectively and efficiently to achieve the goal. Take into account the appropriate risks and internal controls as well as take into consideration the customers and all stakeholders.

### Integrity

Perform their duties strictly in accordance with the rules as well as adhere to the principles of good governance, ethics and anti-corruption in all forms. All works can be examined and all forms of corruption shall not be tolerated.

### Teamwork

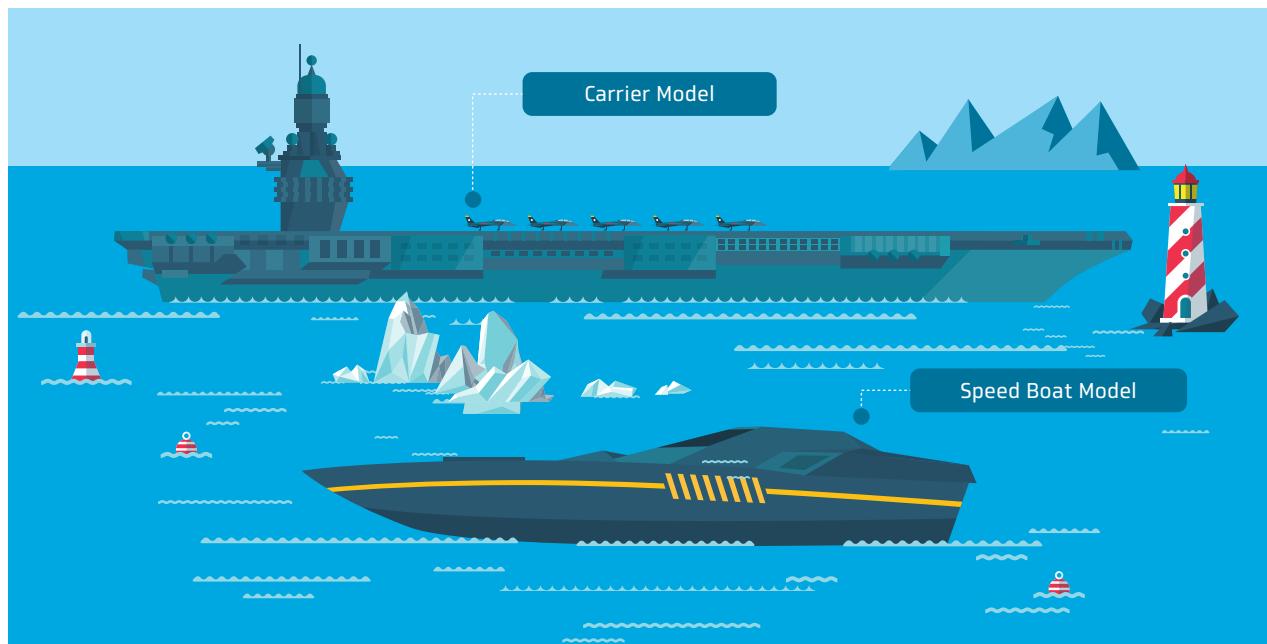
Cooperate in working as a team. Have a positive attitude in working together and open to listening to other opinions. There is coordinated work both within the department and between departments with a focus on corporate goals, including jointly creating a good atmosphere and bond in the organization.

### Social

Participate in activities/operations that take into account the responsibility and impact on society, environment, as well as the cost-effective use of resources. Comply with human rights principles for sustainable growth.

## THE BANK'S STRATEGIC PLAN

Attributable to the current competitive environment, the disruption in terms of technology, competitors, government organizations and consumer behavior, including the challenges from volatility factors such as the slowdown in the domestic and global economies, the increase of household debt, as well as the spread of the COVID-19, they have caused the Bank to adapt to keep pace with the situation and be able to respond to the needs of customers and shareholders. With the purpose to cope with the current change, the Bank has adjusted its business operations by shifting from the implementation of the "3 Summits" strategic plan in 2019 to the 2 Banking Model in 2020 as follows:



- (1) Carrier Model : Strategies that will drive the Bank's core business. i.e., loans, deposits, fees and others, including the development of Krungthai NEXT as the application that meets all customer needs.



- (2) Speed Boat Model : Strategies focusing on creating new business models and an open banking platform that can be connected to other platforms on the Pao Tang application to be an open financial system that can support multiple wallets simultaneously. Blockchain technology has also been applied: The banking platforms and applications will be supported by AI machine learning and data analytics that understand and meet customer needs completely. Examples of wallets on the Pao Tang application are G-Wallet of government schemes, e.g., the Chim-Shop-Chai (Taste-Shop-Spend) scheme and the Rao Tiew Duay Kan (We Travel Together) co-payment scheme, the Kon La Krueng co-payment scheme, Health Wallet, Wallet SBM (Sasom Bond Mung Kung e-Wallet), wallet for service features of the Student Loan Fund (SLF) via the Pao Tang app, etc.



The Bank continues to place importance to the 5 Ecosystems, which are its main target groups - Government, Payment, Health and Wellness, Education and Mass Transit. The Bank deems that 5 ecosystems are its key strengths; therefore, the Bank shall sustain and maintain, then connects them to other ecosystems in order to fulfill daily needs of the customers.

According to Krungthai Bank's ability to build a large customer base through the implementation of various financial infrastructures of the government, it will empower the Bank to expand many businesses. One of them is business expansion from customers' partners (X2G2X): It starts from the Bank's main customers (Government), then links to the business sectors of customers' partners. All of them are connected with the efficiency of technology and enter into the Bank's ecosystems. This enables the Bank to provide financial services that truly respond to all their needs. In this regard, all of these will pave the way for the establishment of the Thailand Digital Platform for Thais in the near future.

## MATERIALITY ANALYSIS

In 2020, the Bank initiated a process of defining key sustainability issues that lead to the formulation of the Bank's 2021 sustainability development policy and strategy (as shown in the diagram) through a survey of 6,800 stakeholders in terms of the impact on various factors affecting the sustainability of the Bank in different dimensions that affected the Bank's sustainability and social and environmental sustainability.

The stakeholders surveyed by the Bank consist of the Management, shareholders, regulators, supervision agency for the financial institution, employees, the Bank's subsidiaries, business partners, customers and competitors. The data obtained from the survey were analyzed and used in conducting a materiality matrix in order to define material issues of the Bank's sustainability and strategic goals.

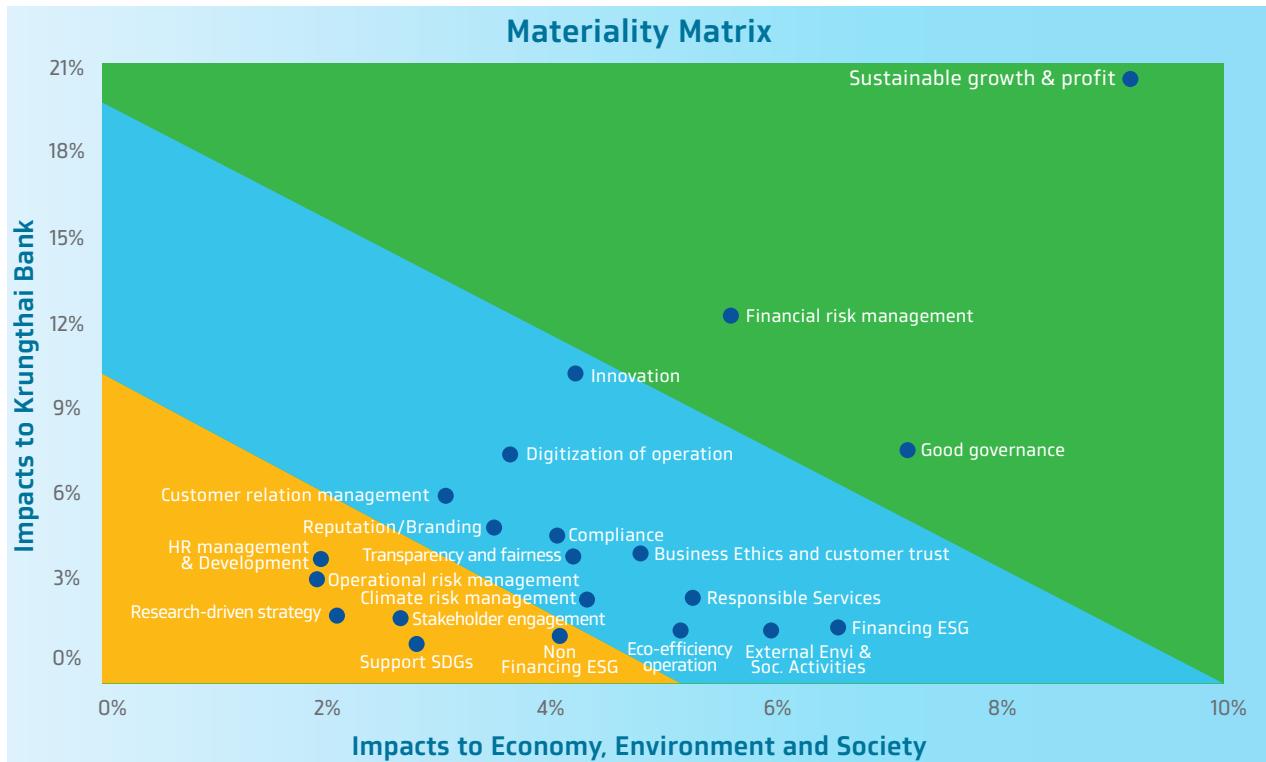
### Process of material issue identification and sustainability strategic planning



Stakeholder opinions on the impacts of each sustainability issue are classified according to the Bank's three sustainability dimensions: Performance Sustainability, Operation Sustainability and Social and Environmental Sustainability. Details are as shown in the table below.

	Impacts	Sustainability Dimensions
Internal	Bank - Operation Performance - Operation	Economic Sustainability Operational Sustainability
External	Economy Society Environment	Environmental & Social Sustainability

## The materiality order of sustainability issues of the Bank in accordance with stakeholders' opinions



The sustainability factors in high level are sustainable growth and profit, financial risk management and good governance respectively.

The sustainability factors in medium level are innovation, digitization of operation, customer relation management, business ethics/customer trust, compliance, reputation/branding, transparency and fairness, financing ESG, responsible services, climate risk management and eco-friendly operation respectively.

The sustainability factors in low level are HR management development, not financing non-ESG, operational risk management, stakeholder engagement respectively.

scattering development and prosperity of the Thai economy and society all around. The Bank endeavours to provide valuable services and advice to its customers and generate good and sustainable returns to the shareholders continually.

In 2020, the Bank has adjusted the framework for sustainable development of Krungthai Bank to better reflect the needs of the Bank's stakeholders and emphasize its identity as a sustainable financial institution (Sustainable Banking). Its goals are to have sustainable growth, adjustment and risk management and to be able to stand in the midst of change, uncertainty or resilience. Therefore, the Bank has continued to develop innovations in products and services as well as improving operational efficiency. The Bank also has Human Capital Development plan and run business by adhering to the ESG governance that consists of good governance and regulatory compliance to have efficient business operations and to maintain the trust of customers, shareholders, business partners with the Bank, including providing responsible banking services and operations.

To enable everyone in the organization to have the same aims and the same directions of action, the Bank has classified its sustainable development in three dimensions as follows:

## THE BANK'S SUSTAINABILITY DEVELOPMENT FRAMEWORK

Krungthai Bank realizes sustainable growth alongside the Thai society and acts as a mechanism to drive the economy and social development of the country, supporting sustainable social and environmental development. As the Bank provides financial services to the household, business and government sectors, we are therefore the intermediary that connects the three sectors together. The success of Krungthai Bank depends on the



1. Economic Sustainability which is important to our shareholders, customers, executives and employees consists of key issues related to sustainable growth as follows:

- Establishment of strategies for sustainable growth and profit;
- Risk management and resilience;
- Establishment of research-led strategies that lead to good operating profit and sustainable growth;
- Development of innovation to enable the Bank to respond to the needs of its customers and the ever-changing financial evolution; and
- Maintaining good customer relation and the Bank's branding and reputation so that the Bank can maintain the existing customer base and expand into new markets at the same time.

2. Operational Sustainability consists of key issues related to operations and working processes of all sectors in the Bank - executives, employees, including working with external organizations and stakeholders. The Sustainable Krungthai Initiative is the main driving force behind sustainability of this dimension as follows:

- Good Governance: It has transparent, clear and auditable decision-making processes, and uses stakeholders' opinions as a factor in determining the Bank's sustainable development.
- Regulation compliance: It gives customers and shareholders confidence to the Bank and reduces the risk of compensation payments if the Bank violates the regulations.
- Human Resource Management and Development: This increases the efficiency of the Bank's operations and promotes the development of skills to employees to have smooth operations and to adapt to changes in the business sector.

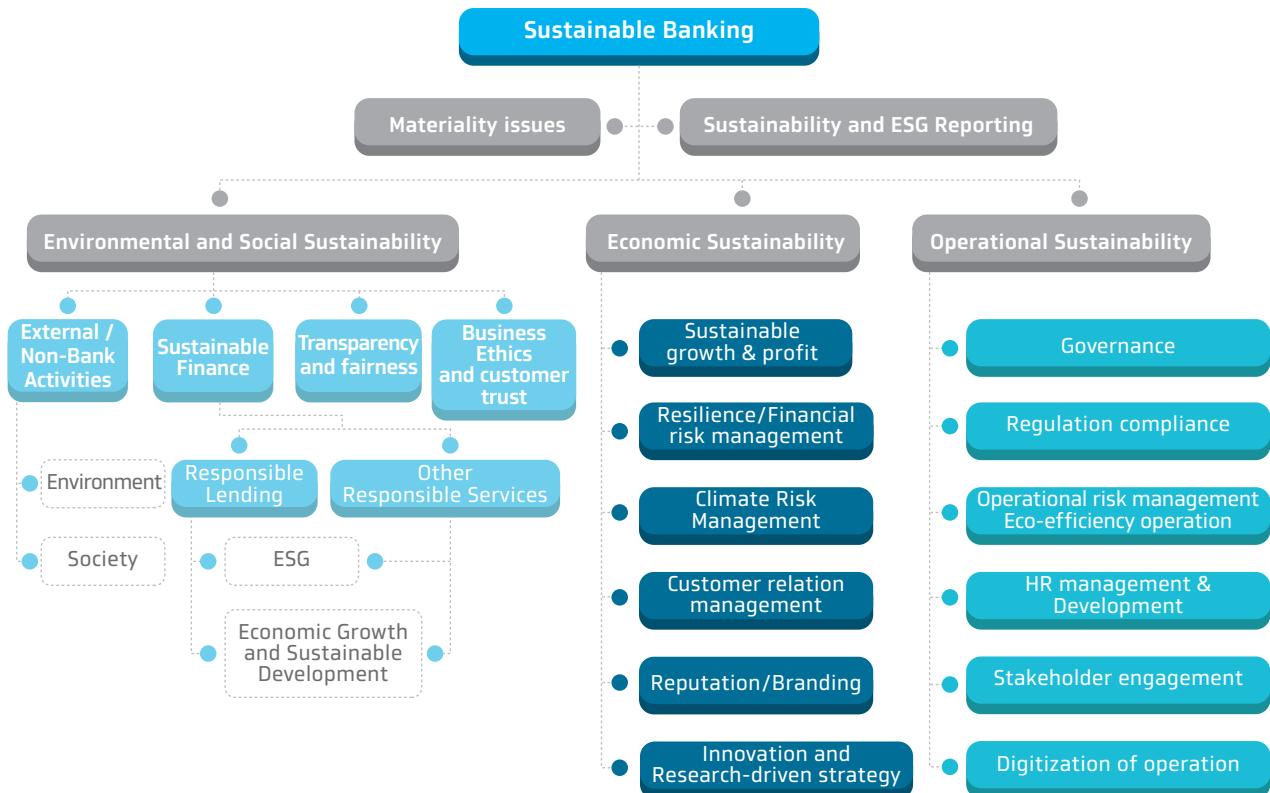
- Eco-efficient Operation and Digitization of Operation: It reduces operating costs in terms of money and time, paper usage and document storage space and is able to manage documents more efficiently.

- Stakeholder Engagement: This enables the Bank to improve its operations in line with stakeholder needs.

3. Environmental and Social Sustainability consists of key issues related to business operations within the Bank and activities outside the Bank that the Bank is involved in developing and solving or reducing problems in terms of the economic, social and environmental dimensions of the country and the world. In particular, these activities contribute to the achievement of the UN Sustainable Development Goals as follows:

- Responsible Banking Services, including transactions: They include transactions that do not generate social and environmental costs. Meanwhile, such transactions can bring environmental and social benefits.
- Transparency and Fairness: This provides accurate and honest information to customers and stakeholders - fair interests and fees. There is no corruption or wrongdoing in business ethics in order that the customers and society will gain confidence in the Bank because the banking business can survive with the confidence of the customers in receiving the Bank's services.
- Sustainable Finance: There are green lending, socially responsible investment, and financial products/services that foster sustainable development.
- Creating Shared Value activities: The Bank organizes Go Local, Grow Local project and Krungthai Relife.

## Framework of Sustainable Banking



## Management Structure of Sustainability Development

In 2020, the Bank has a committee that plays a crucial role in supporting the Bank to implement strategic policies to become a sustainable bank in all three dimensions.



Communication and Branding Group is the person who collects sustainability performance data to prepare the Bank's Sustainability Development Report.



## GUIDELINE TO OPERATE BUSINESS SUSTAINABLY ACCORDING TO THE INTERNATIONAL STANDARD

As the government has endorsed the Sustainable Development Goals (SDGs) of the United Nations and set it as part of the 12<sup>th</sup> edition of the National Economic and Social Development Plan, Krungthai Bank as the main financial institution of the country, has adopted the Sustainable Development Goals as a framework a framework of the organization in order to develop the country sustainably in the dimension of economy, society and environment. The Bank operations to support the SDGs are as follows:

Product/Services	✓	✓	✓					✓	✓	✓	✓		✓				
Payment Ecosystem: PromptPay, QR Code, EDC, Thung Ngem App, State Welfare Card	✓	✓	✓					✓	✓	✓			✓				
Government Ecosystem: Chimp-Shop-Chai (Taste-Shop-Spend) scheme, KonLaKuang co-payment scheme, Rao Tiew Duay Kan (We Travel Together) co-payment scheme, Thai Chana platform, Rao Mai Ting Kan (No one will be left behind) campaign, One Bath Bond, VAT Refund for Tourist, e-court, e-withholding tax	✓	✓	✓					✓	✓	✓			✓			✓	
Education Ecosystem: University App, Student Loan Fund (SLF)	✓			✓				✓	✓	✓				✓			
Health and Wellness Ecosystem: Smart Hospital, Health wallet			✓					✓	✓				✓				
Mass Transit Ecosystem: ticket e-payment, EDC, M-Pass, Mangmoon card								✓					✓				
X2G2X	✓							✓	✓				✓				
Green Financing						✓	✓				✓		✓		✓		
SME Loan, Blue Flag Shops, Agriculture business, Tourism business, retail business, wholesale business, Robotics	✓						✓	✓	✓								
Retails Customers	✓									✓							
NEXT App	✓						✓	✓	✓	✓	✓		✓				
Pao Tang App							✓	✓					✓				
CONNEXT App								✓					✓				
Digital branch (queen online, e-KYC, e-signature, dipdhip, atm contactless, tablet, wireless lan)							✓	✓					✓				
Initiatives/Operation	<b>Go Local Grow Local Project</b>																
- Suan Durian	✓		✓	✓				✓	✓	✓							
- Kok Krai			✓	✓	✓			✓	✓	✓			✓				
- Tha Ma-O	✓		✓	✓				✓	✓	✓							
- Baan Laem	✓		✓	✓				✓	✓	✓							
- Baan Duea	✓		✓	✓				✓	✓	✓							
- Sanuan Nok	✓		✓	✓				✓	✓	✓					✓		
- Mae Kampong	✓		✓	✓				✓	✓	✓							



Initiatives/Operation	Other CSR Projects																
	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND INCLUSIVE ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
- Financial Literacy	✓			✓			✓										
- Friends in Need (of "PA") Volunteers Foundation		✓	✓														
- Krungthai Weaving Dream for University Graduates				✓													
Krungthai Relife											✓	✓	✓				
Koh Tao, Better Together Project in collaboration with UNDP and Raks Thai Foundation	✓		✓				✓					✓					✓

**Furthermore, the Bank placed emphasis on operating business sustainably under guidelines and standards of the national and international levels. Details are as follows:**

Dimension	Issue	Operation Guideline	Standard	Topic in Sustainability Report
Human Rights 	<p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights, and</p> <p><b>Principle 2:</b> Ensure that they are not complicit in human rights abuses.</p>	<ul style="list-style-type: none"> <li>- Krungthai Bank operates business by adhering to domestic and international law as well as Universal Declaration of Human Rights or UDHR.</li> <li>- The Bank has specified the issue of Human Rights in the operation manual in the matter of hiring a staff member and appointing a position regulation.</li> </ul>		Human Resource Management
Labour 	<p><b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p><b>Principle 4:</b> The elimination of all forms of forced and compulsory labour;</p> <p><b>Principle 5:</b> The effective abolition of child labour; and</p> <p><b>Principle 6:</b> The elimination of discrimination in respect of employment and occupation.</p>	<ul style="list-style-type: none"> <li>- The Bank takes care of its employees in complying with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.</li> <li>- The Bank has formulated the non-discrimination procedure in the matter of hiring a staff member and appointing a position regulation.</li> <li>- The Bank has announced its safety policy and operational goals.</li> <li>- The State Enterprise Labour Relations Act encourages the establishment of a labour union.</li> <li>- The Standard Qualifications of Directors and State Enterprise Employees</li> <li>- Children under 18 years old are not allowed to work.</li> <li>- Compliance to the Empowerment of Persons with Disabilities Act, B.E. 2550, Section 35</li> </ul>	 <small>WTI-0100-WTF TLS 8001-2010</small>  <small>International Labour Organization</small>	Human Resource Management



Dimension	Issue	Operation Guideline	Standard	Topic in Sustainability Report
Environment 	<p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;</p> <p><b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility; and</p> <p><b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>ISO26000 standard has been implemented as an environmental guideline, for instance:</p> <ul style="list-style-type: none"> <li>- Environmental-friendly operation i.e., Green Loan</li> <li>- The Bank received a Green Meeting certificate from TBCSD, whereby the Bank was able to reduce the organization's expenses through reducing the use of resources and energy.</li> <li>- Encourage each business unit to eliminate the document safety under the Shred-2share project to reduce tree destruction</li> <li>- Initiate "Internal Digitization-Paperless Branch" project to reduce the branch's paper usage by 50% within 5 years.</li> <li>- Install Innowaste machine to process food waste into soil</li> </ul>	 	<ul style="list-style-type: none"> <li>- Financial Support to ESG Businesses</li> <li>- Managing the Impacts of Climate Change</li> <li>- Materials Management</li> </ul>
Anti-Corruption 	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> <li>- Formulate zero-tolerance policy through the 'Sustainable Krungthai' initiative, implemented throughout the organization. The Bank will not tolerate any form of corruption.</li> <li>- Announce the whistleblowing policy as a channel for reporting any wrongdoing.</li> <li>- Stipulate the policy of Anti-Money Laundering and Combating the Financing of Terrorism: AML/CFT as in compliance with the international standard i.e., Vienna Convention (1988) Financial Action Task Force (FATF).</li> <li>- The Bank jointly signed Memorandum of Understanding on National Anti-corruption Strategy Phase 3 (2017 - 2021) with the Office of the National Counter Corruption Commission, State Enterprise Policy Office (SEPO) and state enterprises.</li> </ul>	 	Corporate Governance Operations

Dimension	Issue	Operation Guideline	Standard	Topic in Sustainability Report
		<ul style="list-style-type: none"> <li>- The Bank jointly signed Memorandum of Understanding towards driving the Bank to become a model of virtuous organization with Moral Promotion Center (Public Organization) under the Sustainable Krungthai Initiative.</li> <li>- Conduct an anti-corruption handbook to prevent giving/taking of bribes and a handbook to prevent conflicts of interest in order to be guidelines for the Bank's employees and executives to adhere to.</li> </ul>		

## Membership in Organizations and Alliance Partners

The Bank has become a member of organizations and alliance partners in various economic, social and business networks, especially those related to the development of financial institutions and sustainability in order to convey the policies and practice to implement within the Bank. This shall also include the participation and sharing experiences as well as developing working systems for member organizations. Details are as follows:

### Industry Association & Partnerships

**Thai Bankers' Association** In 2020, Mr. Phayong Srivanich, the President of Krungthai Bank has been appointed as President of the Thai Bankers' Association. His mission is to cooperate with the public and private sectors in restoring the national economy, including developing a fully digital banking system to be a part of driving the country's economy to go through the economic crisis and respond to the needs of Thai people in all sectors.

**Bank of Thailand** Krungthai Bank signed a memorandum of understanding with the Bank of Thailand, the Thai Bankers' Association and other Thai commercial banks to establish a Sustainable Banking Guidelines — Responsible Lending. It takes into account environmental, social and governance (ESG) factors to consider policies and strategies for responsible lending and provides management processes of risks and impacts arising from the Bank's lending.

**Thailand Banking Sector CERT (TB-CERT)** in which Krungthai Bank is one of the 15 members. This cooperation is to exchange solutions to deal with cyber threats in accordance with international standards, including attending training to enhance the Bank's operations.

**Thailand Blockchain Community Initiative** established from the cooperation from Thai banks, state enterprises organizations and large corporations in an attempt to bring blockchain technology to enhance the efficiency and competitiveness of the nation's business. The Bank has cooperated to provide electronic guarantees through the Krungthai e-LG on Blockchain system.

### National Association & Partnerships

**CSR Club, Thai Listed Companies Association:** Main objective is to encourage members of listed companies to apply the concept and principles of corporate social responsibility (CSR) in business administration in an attempt to create a balance between monetary value and business value. Consequently, the Bank operates business in accordance with the guidelines of the association.

**Thailand Business Council for Sustainable Development (TBCSD):** The Bank joined as a member of the Thailand Business Council for Sustainable Development (TBCSD), the business council with its membership consisting of 40 leading organizations in the main business of the country, portraying outstanding sustainable development. The members focus on being a model of sustainability business, disseminate a business culture with broad social and environmental responsibility as well as push forward the policies that are fair to all sectors to reduce environmental impact.

**Anti-Corruption Organization (Thailand):** The Bank is a member of the organization, which has a vision to be a social force that drives Thai people and Thai society to not accept and come out to fight against corruption.

**Thailand's Private Sector Collective Action Coalition Against Corruption = CAC** is a gathering of large businesses to correct and prevent corruption in Thai society. The Bank is one of the members and all members are required to declare all types of anti-corruption



policies and establish a system to prevent bribery as well as supporting the creation of good corporate governance standards on the basis of corporate governance and social responsibility.

**Smart University Application:** The Bank signed an MOU with the university to link the Bank's digital transaction system with all activities in the university campus within just one app. This aims to drive a digital lifestyle of the smart university in corresponding with New Normal context. Starting at Mae Jo University, the project has expanded cooperation with Burapha University, National Institute of Development Administration, Walailak University, King Mongkut's Institute of Technology Ladkrabang and Khon Kaen University

## International Association & Partnerships

- **BIOFIN Project under the United Nations Development Program (UNDP) Thailand.** Bank in cooperation with UNDP and Raks Thai Foundation operate the "Koh Tao, Better Together" project to raise funds to help hiring boat drivers on Koh Tao, who suffered from lack of income due to the COVID-19 situation, to clean the beach and collect the debris in the sea. Additionally, this project also helps reduce coastal environmental problems and restore marine ecosystems.



# Krungthai Growing Together for Sustainability

The Bank's mission is to drive the country's economy along with creating business growth to fully move towards the digital banking era. The Bank aspires to meet all demands and lifestyles of customers in the technology disruption era on a good corporate governance basis and conduct business with social and environmental responsibility towards sustainability.

## DURING THE COVID-19 SITUATION

Krungthai Bank amended its policy and implemented various measures to prevent the spread of COVID-19 pandemic among employees as well as between employees and customers. This included measures to help the Bank run its business smoothly in the midst of the lockdown situation and while some employees worked from home.

The Bank appointed a monitoring committee and stipulated a management measure to handle the COVID-19 pandemic. The committee monitored the situation and formulated a plan to deal with problems in a timely manner. The committee's responsibilities also included impact assessment and mitigation for stakeholders in all aspects and keeping track of action plan progress with details as follows.

### 1. Employees

- Phase 1

1.1 The Bank designed the Self-Declaration Form by dividing the employees into 5 groups according to the risk for COVID-19 infection in order to prevent the spread of COVID-19 within the Bank.



1.2 The Bank allowed the employees to work remotely to reduce their COVID-19 risk during daily work commute.

- Phase 2

The Bank enacted the Business Continuity Plan (BCP), requiring all business units to divide their employees according to the following criteria:

- Business units that were responsible for the Bank's core business (Group 1, Group 2) or business units with alternate sites divided employees into three teams (A, B, and C). Team A operated at main sites. Team B operated at alternate sites. Lastly, team C worked remotely aka worked from home.
- Other business units divided their employees into Team A and Team C.



In this regard, the Bank implemented important policies/measures to handle and manage the impacts from the COVID-19 pandemic in a timely manner as follows:

- Restricting the number of employees entering the building and providing visitor screening at the entrance of the building, for example, body temperature measurement with a digital thermometer and a thermoscan infrared camera, preparing alcohol gel for cleaning hands as well as scanning the Thai Chana QR code before entering the building.
- Requiring employees with high risk of COVID-19 infection, that is being in close or direct contact with those infected with COVID-19 or travelling back from abroad, including having a history of exposure to risk groups and having symptoms of infection (fever, cough, sneezing, runny nose, tiredness, difficulty breathing) to quarantine at his/her residence and report health status daily to their affiliate unit and the Human Resources and Corporate Governance Group throughout the quarantine period. At the end of the 14-day quarantine period, the employees must undergo a physical examination to ensure that they stay in good health and must not be infected before returning to work at the office.

- Prohibiting employees from traveling or transiting through COVID-19 high-risk countries and all countries with COVID-19 outbreak reported.
- Assigning all employees/outsourced employees to fill out the Health Self-Declaration Form daily for effective management and prevention of the spread of COVID-19.

### • Current Situation

Due to the new wave of the COVID-19 outbreak in many areas with an increasing number of new infections, the Bank is concerned with the wellness and safety of its employees and customers. In this regard, the Bank elevated the close monitoring of COVID-19 situation as follows.

- Establishing risk prevention measures and guidelines for employees during the COVID-19 outbreak and emphasizing the maintenance of personal hygiene and the responsibility to society as a whole.
- Continuously communicating and publicizing news and practical guidelines in the surveillance and prevention of COVID-19 via email of Krungthai COVID-19 Alert and PR Krungthai Update continually.
- Adjusting the format and data of Health Self-Declaration Form for employees to identify risks more clearly.

## 2. Branch Customers

The Bank adjusted/reviewed many aspects in accordance with the COVID-19 situation as follows.

1. Setting a temperature screening point for branch customers before entering the building, the same method as applied to branch employees. Details for servicing customers at branch are as the following steps:

### Providing Services to Branch Customers during the COVID-19 Pandemic

1

#### Customers Screening for Risk Analysis

##### Branch employees or security guards/housekeeper

1. Take the temperature of every customer (to see if the temperature is above 37.5 °C or not)
2. Customers declare oversea travel history over the past 14 days.
3. Inquire the customers in case of performing foreign currency exchange transaction.

2

#### Providing Services

##### For Customers **Without any COVID-19 Risk**



Providing service as usual. **Cleaning the counter afterwards.**

##### For Customers **With COVID-19 Risk**



- Invite the customer to sit and wait at the designated medical zone.
- Provide a surgical mask or fabric mask for the customer.
- Inform staff to provide service to the customer.  
(In case of the North Nana branch: Tel 0-2208-4241, 4204)

**Staff provide service** to the customer with a mask on and clean their hands with alcohol **before and after** providing the services. (This duty will be assigned to specific staff day by day.)

**After** providing service, clean the counter, documents and other office supplies.

3

#### Reporting to Relevant Business Units

**STEP 1** Branch office notify their supervisors.

**STEP 2** Email to covid19.hotline@krungthai.com and notify the Occupational Health and Safety Department Tel. 0-2345-1983-85.

**STEP 3** Supervisor assesses risk and allow Work from Home.

2. Installing partitions between the employees and the customers according to the Social Distancing measure.

3. Requiring branches and business units across the country to attach Thai Chana QR Code at the entrance for employees, customers and service users to scan before entering and while leaving the building in order to restrict the number of service users to suit the area size and to align with the measures of the Centre for COVID-19 Situation Administration (CCSA).

### 3. Loan Customers

The Bank stipulated a measure to help borrowers affected by the COVID-19 pandemic, which is in line with the government policy and measures of the Bank of Thailand. The stipulated measures aimed to help both retail and corporate customers who have a loan with normal repayment status to be able to continue their business as follows.

#### Measure 1

Suspension of both principal repayments and interest payments for a period of 4 months with a reduction of the interest rate by 0.25% per annum (from the original interest rate in loan agreement) for a period of 4 months (for personal loan under supervision).

#### Measure 2

Suspension of principal repayments (pay only interest) for a period of 6 months with a reduction of the interest rate by 0.25% per annum (from the original interest rate in loan agreement) for a period of 6 months (for personal loan and housing loan).

#### Measure 3

Automatic suspension of principal repayments and interest payments for a period of 6 months (for corporate customers with a credit limit of not more than 100 million Baht).

#### Measure 4

Suspension of principal repayments for a term loan of up to 12 months or extension of the repayment period for promissory notes (P/N) and trade finance for up to 6 months (for medium-sized business customers and above).

#### Measure 5

Providing support for new soft loans to enhance liquidity with the maximum loan limit of not more than 20% of the outstanding debt as of December 31, 2019. The maximum loan term is up to 5 years with 2% interest rate per year for the first two years. Borrowers shall receive suspension of principal repayments for up to 12 years and suspension of interest payments for the first six months. (for corporate customers with a loan limit not more than 500 million Baht).

### 4. Government

The Bank assisted the Ministry of Finance in government projects since it had a manpower all over the country and was able to provide comprehensive services to the public such as

- Providing help and advice to people affected by COVID-19 on the registration process to participate in the government's 5,000-Baht compensation relief measure.

- Providing help and advice to people for the online registration via the website [www.เราไม่ทิ้งกัน.com](http://www.เราไม่ทิ้งกัน.com)

- Acting as the rights protector for the "Rao Mai Ting Kan" (No One Will Be Left Behind) scheme. The Bank's employees were sent out to help people affected by COVID-19 pandemic verify their rights. From April 23, 2020 to May 17, 2020, Thai people were able to receive assistance quickly, thoroughly and accurately due to the assistance of the employees all around the country from the Retail Banking Sales & Distribution Group.

Amid COVID-19 crisis that affected people's life, Krungthai Bank cooperated with the government to carry out various schemes in order to alleviate such troubles and stimulate the economy through the development of Pao Tang, an open platform application. Examples of the aforementioned schemes are as follows:





### "Rao Mai Ting Kan" (No One Will Be Left Behind) Scheme

The Bank developed the website for online registration to assist self-employed individuals to receive income compensation during the COVID-19 crisis. The remedies were transferred to more than 15 million eligible people through their PromptPay account and Pao Tang application.

### Thai Chana Platform

Krungthai Bank developed the Thai Chana Platform (a mobile application) as a tool to manage the number of people in each area to maintain social distancing, which in turn helped reduce the spread of the disease. A record of travel to places, such as shops, shopping malls, hospitals were kept in order to facilitate the investigation and tracking of risk groups in case an infected person travelled to such location. In this regard, the Center for COVID-19 Situation Administration (CCSA) could use the data to analyze and identify people who are likely to be infected with COVID-19.



### "Rao Tiew Duay Kan" (We Travel Together) Campaign

"Rao Tiew Duay Kan" (We Travel Together) campaign was a tourism stimulus campaign to help the tourism sector and related businesses. Krungthai Bank developed an online registration website for campaign participants as tourists, hotels, accommodations, restaurants and shops. Eligible customers/tourists were able to view promotions and use E-Vouchers sent to them via the Pao Tang application regarding the registered restaurants, shops, and hotels. The campaign had more than 10 million participants.



### "Khon La Khrueng" (Let's Go Halves) Scheme

"Khon La Khrueng" (Let's Go Halves) scheme was one of the government's economic stimulus measures that help people, small business owners, hawkers, street vendors, and other business owners. Krungthai Bank had developed a registration website for people and shop owners. Eligible participants paid only 50% of the goods price and the government would transfer the other 50% of the price to merchants. Payment and transfer of money must be made via the Pao Tang application. In the first phase of the Khon La Khrueng scheme, there were more than 15 million people registered and more than 1 million merchants participating, which generated more than 45,000-million-Baht circulating funds.



## 5. Customers who received 5,000-Baht cash subsidies and use the Bank's debit card service.

- The 300-Baht entrance and annual fees of Classic debit card is waived for those who received 5,000-Baht cash subsidy from relief measures when opening an account and applying for a debit card between April 7-16, 2020.

- The debit card annual fee due between April - June 2020 was postponed to July 2020 for customers who had been affected by COVID-19 pandemic and received 5,000 Baht from relief measures.

## 6. Society

- The Bank donated money to King Mongkut's Institute of Technology Ladkrabang (KMITL) to support an innovation that helped prevent COVID-19 infection so that medical personnel can work safely. In addition, the innovation also helped control the number of infected people and provided treatment to infected people.

- The Bank organized an activity on the 54<sup>th</sup> anniversary of Krungthai Bank by inviting the Board of Directors, the Executives, employees and subsidiaries to donate money to Bamrasnaradura Infectious Diseases Institute to purchase medical equipment and assist patients infected with COVID-19.

- The Bank raised awareness regarding importance of social distancing by designing a special logo that conveys such concept for online channel use. (Krungthai Care: Facebook, Line, Instagram, Twitter) under the campaign "Thank You for Practicing Social Distancing".

- Through the online activity via hashtag of #WeStayBesideStreetFoodRestaurants (#ร้านข้างทางต้องอยู่ข้างกัน) as part of the Go Local Grow Local Project (previously called Krungthai Loves Communities project), the Bank helped promote local merchants who were affected by COVID-19 to have alternative sales channels and be able to earn income as usual. There were 4,214,184 participants and 11,744 promoted stores in total from the activity.

- The Bank wished to support customers who are affected by the COVID-19 pandemic, thus seeing an opportunity to support SME customers in agricultural and OTOP communities. It set up an online system on which local products were sold. Following this, the sale of Buriram Organic Rice, germinated brown rice, via social media doubled. The Bank also planned to offer more products for the online sale through partners such as Thailand Post Mart and N-Square, which acted as an intermediary in managing the E-Marketplace system, like Lazada and Shopee.





## Go Local, Grow Local Project

Goals and Results of the Go Local, Grow Local Project across Thailand

### Long Term Goals in 2022

1. The average happiness indicator of all communities  $\geq 80$
2. The percentage of the average income of all communities is  $10\%$
3. The percentage of the average number of tourists in all communities increases to  $10\%$

### Operational Goals in 2020

1. The average happiness indicator of all communities  $\geq 80$
2. **40%** of products and services from the community models are distributed to a market
3. **70%** of the communities receive award & recognition in traveling

### Performance of the Year 2020

1. The average happiness indicator of all communities **83%**
2. **85.72%** of products and services from the community models are distributed to a market\*
3. **85.72%** of the communities receive award & recognition in traveling\*

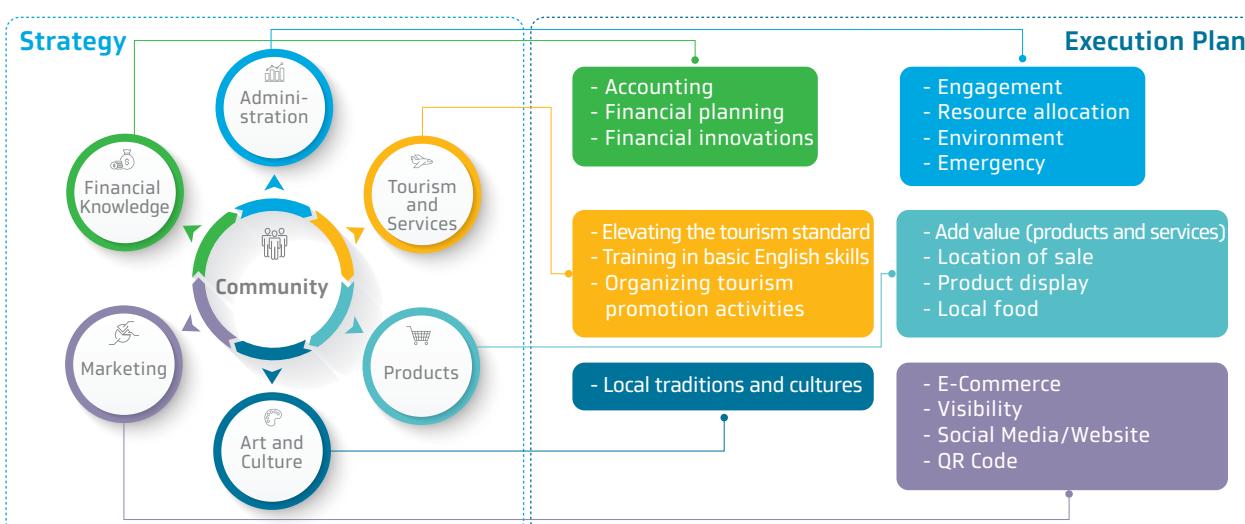
\* In 2020, the communities did not allow tourism services in certain months due to the COVID-19 situation, which affected the income of the communities and the number of tourists.

According to the Bank's vision "Growing Together for Sustainability", the Bank aspired to grow together with all sectors of society sustainably. The Bank linked the ESG (Environmental, Social and Governance) approach with Sustainable Development Goals (SDGs). It connected business frameworks to help reduce poverty, develop the economy, and make the community and society achieve a better quality of life. Correspondingly, one of the Bank's missions is to create a sustainable society or a sustainable community according to the CSR operation guidelines under the following 3 main strategies.

1. Strengthen Foundation: Strengthening a strong foundation by generating careers for the community.
2. Go Local Based Solutions: Enhancing the full-fledged solutions for products and services of various communities through effective marketing operations.
3. Grow Local: Aiming to generate sustainability for the communities by being a source of funds for them.

The Bank, therefore, initiated the Go Local, Grow Local Project (Krunthai Loves Communities) in 2019, following the aforementioned strategic plan. It put an emphasis on developing a strong community based on the self-reliance principle and reducing dependence from the outside. The communities were encouraged to mainly rely on their potential, resources, wisdom, way of life, culture and local environment. This was in line with the National Economic Development Plan in building a strong community by applying the Sufficiency Economy Philosophy to obtain balance and strength from within. In this regard, people in the communities gathered and jointly formulated community development guidelines and activities.

The Bank was able to take advantage of its strengths, both in financial knowledge and financial products and services to satisfy the needs of the communities through the operations of the branches in each area and the collaborations with partners who have expertise in various fields. The collaboration aimed to improve the quality of life in each community in terms of management, community-based tourism, local products, art, culture, marketing and financial literacy.



During 2019, the Bank initiated the Go Local Grow Local Project throughout the country. The Bank had selected the target communities from the branches' presentation of their surrounding communities across Thailand, namely Ban Suan Durian Community in Songkhla Province; Ban Laem Sub-district Community in Suphanburi Province; Ban Sanuan Nok Community in Buriram Province; Ban Mae Kampong Community in Chiang Mai Province; Ban Khok Khai Community in Phang Nga Province; Ban Duea Community in Nong Khai Province and Tha Ma-O Community in Lampang Province. In detail, the Bank went into the area to discuss with the communities and cooperatively set mutual development goals.

In 2020, the Bank continued to develop the target communities according to the development plan set in cooperation with each community. The noticeable results of the project in each area of the development plan were as follows.

## 1. Financial literacy

The Bank supported the communities in conducting household accounting, keeping income-expenses records, utilizing financial technology that meet the demands in modern society. Moreover, the Bank also encouraged the communities to participate in government projects that it had played a part in propelling, such as the "Chim-Shop-Chai" (Taste-Shop-Spend) scheme, the "Rao Tiew Duay Kan" (We Travel Together) scheme, and the "Khon La Khueng" (Let's Go Halves) scheme.



## 2. Management

The Bank assisted the communities in the allocation and the utilization of resources in each community, both natural resources and human resources, for the utmost benefit and effectiveness. It also helped the communities in waste management and prevention of COVID-19 disease.



## 3. Tourism and Services

The Bank focused on helping the communities to achieve the Community Based Tourism Standard (CBT THAILAND) of the Department of Tourism. It adopted criteria from the Community Based Tourism Standard in developing sustainable tourism in the communities in order to reach the standards. In this regard, the Bank had encouraged six communities to participate in the standard assessment and all of them passed the assessment.





#### 4. Products

The Bank helped the communities develop various products by focusing on creating value for local products. In particular, the Bank together with the community and experts had jointly analyzed and developed products to be sold and gain acceptance.



#### 5. Art and Culture

The Bank encouraged the communities to maintain their identity as well as conserve local art and culture. In addition, it also supported the communities in implementing art and local culture to add value to tourism and local products.



#### 6. Marketing

The Bank promoted understanding and recognition through Social Media marketing, including performing marketing for the communities via the Bank's public relations media to help the communities become more well-known to the public.



From the execution of the Go Local, Grow Local Project, the Bank compiled and analyzed information in order to improve the project process to be more efficient and more effective. As a promoter, the Bank adjusted the community development strategy plan to focus on local products and tourism while driving the communities towards sustainability.



## CUSTOMER PROPERTY



## PRODUCT



## TRAVEL



## SUPPORTS FINANCIAL & MARKETING



## Koh Tao, Better Together Project in collaboration with UNDP and Raks Thai Foundation



COVID-19 situation had heavily affected the people in Koh Tao since the tourists from all over the world were unable to travel there. As a result, this caused the tourism sector of Koh Tao to become significantly sluggish.

The Bank cooperated with the UNDP and Raks Thai Foundation to launch the Koh Tao, Better Together, a crowdfunding campaign. Donation can be made via E-Donation QR code of the account "Raks Thai Foundation, UNDP and Krungthai Love Koh Tao" to help the local islanders affected by COVID-19 such as the boat drivers to collect marine debris and clean the beaches on Koh Tao, together

with instilling them the awareness of environmental conservation. At present, the Big Cleaning Day activity was organized to prepare for the upcoming recovery of tourism and economy in Koh Tao.

In addition, the Bank also arranged activities to cultivate and raise awareness for the students of Baan Koh Tao School by providing financial knowledge and introducing the Bank's financial innovations such as Krungthai NEXT application and Krungthai Connex. The Bank also introduced an income-expense accounting system for students to apply in their daily life.

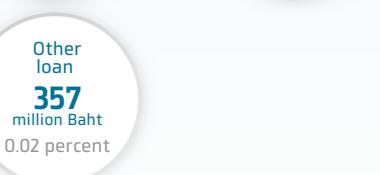
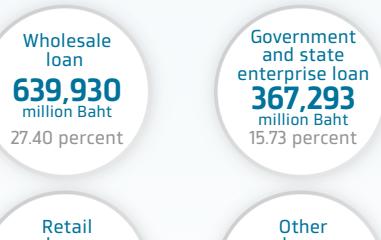
## Economic Sustainability





## SUSTAINABLE GROWTH OF ECONOMIC PERFORMANCE

### Operating result of the Bank and its subsidiaries in 2020



## Operations in the Economic Sustainability

In 2020, the Bank achieved a profit of 16,732 million Baht, decreased by 42.86 percent compared to 2019, due to being affected by the economic situation that was disrupted, as a result of the COVID-19 outbreak.

The profit of the Bank was raised due to the result from the accumulation with other sectors of the economy such as government sector, education sector, private sector. Especially in the government sector, the Bank has supported the government's policy and several schemes as well as developing a digital economy system to mitigate the effects of people from the COVID-19 outbreak, such as Rao Mai Ting Kan (No One Will Be Left Behind) campaign, Thai Chana Platform, Rao Tiew Duay Kan (We Travel Together) campaign and Khon La Khrueng (Let's Go Halves) scheme. Besides, the Bank reduced some operating costs, such as reducing paper usage by canceling transaction slips and streamlining operational processes to be conducted via online channels.

## Economic Value Generated by the Organization and Direct Distribution of Economic Value Economic Sustainability Data, Krungthai Bank, 2018-2020

Performance Data (The Bank's financial statements)	Amount (MTHB)		
	2018	2019	2020
<b>Economic Performance</b>			
Income	135,966.56	142,752.04	129,644.39
Operating cost	43,005.98	47,803.12	63,952.07
Employee expenses and benefits	24,111.44	25,903.03	23,261.75
Expenses for sources of finance	34,429.12	32,961.89	22,905.79
Tax expenses	9,092.27	9,379.84	6,082.09
Social and Environmental Expenses	227.13	378.46	150.68
- Donation to public charity/for public benefit	11.26	86.27	34.64
- Donation to educational/sport-related purpose	96.86	162.39	33.59
- Financial aid for local activities	50.23	36.47	26.54
- Financial aid for the benefits of the society	8.66	14.96	6.74
- Scholarship for outsider candidates	5.23	8.35	4.23
- Association membership fee	54.89	70.02	44.94
<b>Total Economic Value</b>	<b>25,100.62</b>	<b>26,325.70</b>	<b>13,292.01</b>

Notes :

1. Since 2013, the Bank has employed Thai Accounting Standard No. 12 (Income tax) and No. 19 (Employee Benefits)
2. Operating cost data in expenses for sources of finance has been adjusted.
3. Accumulative economic value = income - (operating cost + employee expenses and benefits + sources of capital fund + tax + social and environmental expenses)

Krungthai Bank's income derives from business operations, namely traditional banking business through lending, deposits, and new business in the form of open banking as well as creating digital platforms and innovations to meet various customer needs effectively.



## RISK MANAGEMENT

### Risk Management Process of the Bank

Rapid technological advancement including consumer behavior and daily life that increasingly rely on electronic devices and the internet, resulting in technology disruption both economically and socially. Transactions and information exchanges on the digital platform leads to easier access to sources of funds. Meanwhile, there is a growing competition in the financial sector, including new risks related to cyber systems and information. In addition, there are other economic and social changes affecting the financial and banking business, such as the future trend of aging society in Thailand, changes in the business sector to e-commerce, trend of healthy products as well as production and consumption with greater emphasis on social and environmental sustainability.

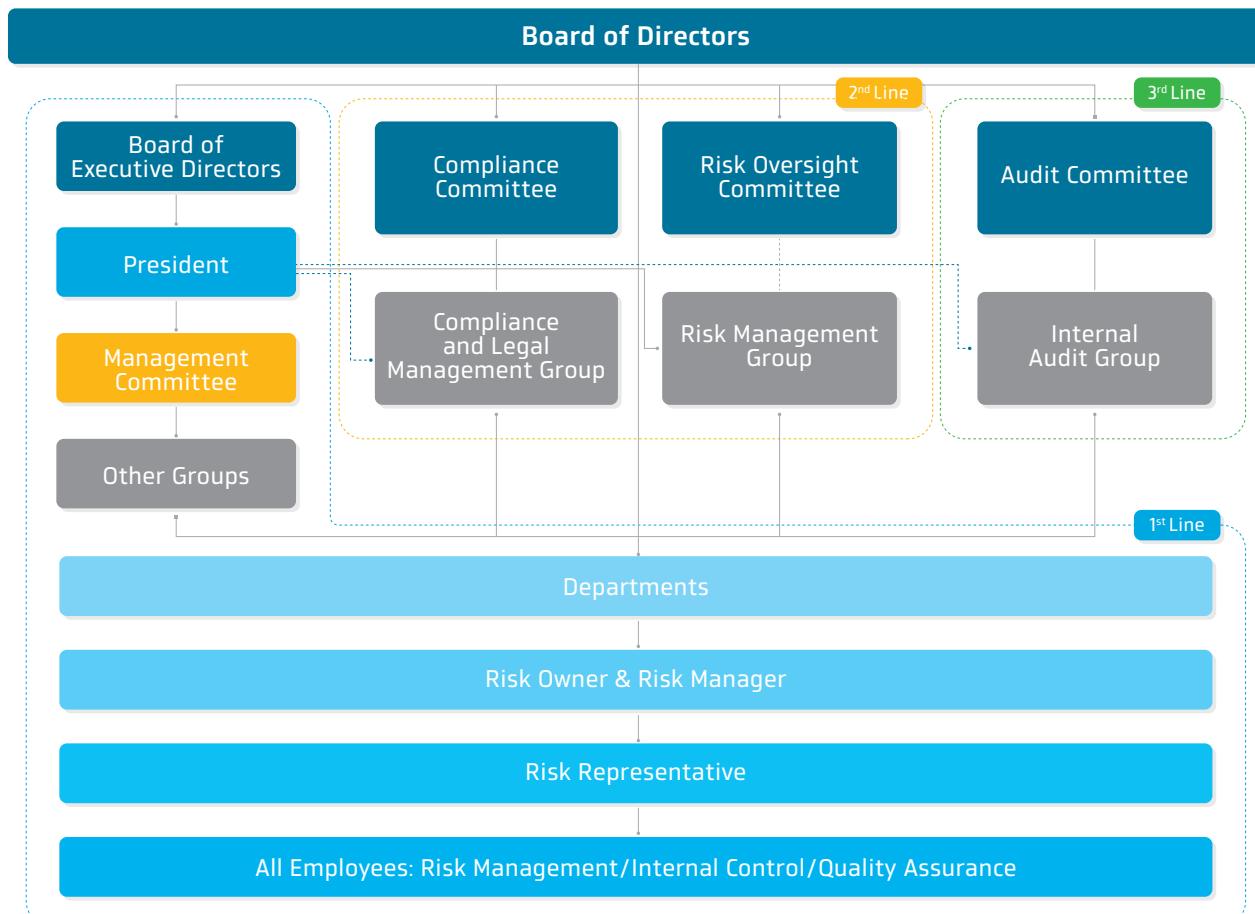
Moreover, as the COVID-19 outbreak has resulted in a reduction of economic activity and recession, the Bank's risk management is a key factor in preventing, maintaining and promoting the Bank's goal, which is the cornerstone of the Bank's stable growth.

The Bank gives emphasis to the systematic and effective risk management and control. The Bank has clearly established a framework for risk management structure, policies, as well as

guidelines for risk management, covering aspects of risk management according to the requirements of the Bank of Thailand (BOT) and State Enterprise Assessment Model. Accordingly, the Bank has also adopted the framework of Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is a framework for Enterprise Risk Management (ERM). The framework has been regarded as the structure of integrated risk management according to international standards. Its main principles are as follows:

- Connection of the risk management process with strategic planning and business opportunities of the Bank in order to help integrate the administration and manage risks for the whole organization. Additionally, Key Risk Indicators (KRIs), Risk Appetite, Risk Tolerance covering all risk factors and Risk Causes have been specified in order to control risk management within acceptable limits and in accordance with the set targets.
- Risk Management Group was empowered by the Bank to oversee, monitor, access and report risk performance to the Risk Oversight Committee, the Audit Committee, and the Board of Directors on a regular basis.

### Risk Management Structure and Responsibility



## Financial Risk Management

The Bank has been effectively managing capital funds, both for the Bank and for the conglomerate, in compliance with Basel III requirements. The three pillars of Basel III Capital Framework are as follows:

Pillar 1	Pillar 2	Pillar 3
<p>Minimum Capital Requirement: The Bank is required to set out capital requirements covering credit risk, market risk and operational risk.</p>	<p>Supervisory Review Process: The Bank is required to hold a higher level of capital than the minimum requirements in Pillar I in order to accommodate for all risks that the Bank shall face in both normal situations and stress events. The Bank is required to have good risk management by performing Internal Capital Adequacy Process (ICAAP) while concerning all its risks and conducting stress tests appropriately.</p>	<p>Market Discipline: The Bank is required to disclose information on its capital requirements, level of risks and risk management system to the public so that the outsiders and stakeholders can use such information to analyze and assess the Bank's risk. The disclosure is an essential market mechanism that forces the Bank to have an effective risk management system.</p>

The Bank has set aside provisions to cover the anticipated future losses or damage with the purpose to reflect the credit risk of the debtors (expected credit loss: "ECL" or expected loss: "EL") based on past data and expected future events (forward-looking information) that may affect the debt repayment ability of the debtor according to the classification status in compliance with the Thai Financial Reporting Standards No.9: Financial Instruments (TFRS9), as prescribed by the Bank of Thailand.

The Bank has always been operating in compliance with risk management standards and overseeing capital adequacy according to BOT's regulations and international guidelines. Stress tests covering significant risks in both normal and stressed situations have been carried out to evaluate the effect on capital adequacy. The Bank has studied the effect of Basel III for the purpose of capital planning and setting the Bank's dividend policy.

## Fostering a Culture of Risk Management

The Bank has established the Risk Governance Structure according to the 3 Lines of Defense principle, covering from the level of the Board of Directors, the management, to the level of Business Units (BUs), which consists of all employees reflecting the organizational structure. The Bank has elevated the risk management by assigning the Risk Oversight Committee (ROC) to drive and supervise the risk to be in compliance with the policy and be at the Risk Appetite level. The Bank adheres to the good and international risk management principles according to the COSO and Prudent Banking framework as well as determining the procedures, guidelines and tools for using in risk management and early warning as follows:

1. Determine the Risk Management Policy/Framework.
2. Determine approval authority/risk limit of the Risk Appetite and Risk Tolerance.

3. Create an atmosphere or environment that is conducive to clear risk management as well as communicating to all levels of employees. The Bank emphasizes Risk Culture creation through the operations as follows:

- 3.1 Assign the Risk Oversight Committee (ROC) - a subcommittee that drives and supervises the risks in accordance with the policy while being at the Risk Appetite level.
- 3.2 Establish Krungthai Sustainable Initiative (Krungthai Kunnatham), which covers the implementation of the Code of conduct, Zero Tolerance Culture and Anti-Bribery and Corruption Policy, to be as the Bank's business operation principles for transparency, reliability and without conflict of interest.
- 3.3 Stipulate Whistle Blowing Policy as well as appointing the Governance Risk and Compliance (GRC) at the management level and the Governance Risk and Compliance Team to closely follow up the result after being notified. Aside from being a declaration of earnestness and attention to risk supervision, this shall also create public trust.
- 3.4 Declare its intention to adhere to moral and identity practices as well as move towards Sustainable Krungthai. These desirable practices shall cover the operations regarding the appropriate risk management and internal control.



4. It is required to have good tools for effective risk management as well as providing periodic tests of risk assessment tools to ensure the accuracy of risk assessment.

5. It is required to provide stress testing to ensure that the Bank has sufficient capital funds in both normal situations and stress events.

6. It is required to provide the monitor system for risk assessment and report the risk via the Risk Dashboard monthly to the relevant committee as well as managing risk to be at the risk appetite level.

## EMERGING RISK MANAGEMENT APPROACHES

Regarding the COVID-19 outbreak situation in 2020, the world remains vigilant to reduce the spread of COVID-19 to a controlled level. It has taken actions such as a lockdown, the closure of international borders, social distancing, etc., resulting in a reduction of economic activities and severe economic recession around the world. Thus, it turns to be challenges as well as the credit risk and strategic risk for banking business. The Bank therefore has a credit risk management plan and a strategic risk management plan aimed at digital banking that is linked to government programs and measures. The Bank's approaches are as follows:

**01**

The Bank implemented measures and programs to provide assistance to all customer groups in accordance with government policies such as the suspension of principal and interest payments, interest rate reduction, extension of the repayment period, debt restructuring, etc. The Bank has categorized the affected customers according to their risk level in order that the Bank can monitor and assist appropriately according to the customer's risk level. In addition, the Bank has adjusted its internal processes to provide assistance to customers more conveniently and quickly.

**02**

The Bank has developed a consistent HR strategic plan to restructure the organization as well as developing employees' potential with explicit refunction and reskill plans for employees to support the direction of the Bank's business in the future.

**03**

The Bank has established a Channel Rationalization Plan to improve the Bank's service channels to be more efficient, such as branch redesign, which is a change in the branch model to suit the customer behavior in the local area, increasing the number of digital advisors for advising more customers on using digital channels, including Machine Optimization plan for managing ATMs and ADMs, etc.

**04**

The Bank improved the "Pao Tang" application to be an open banking platform to support new features and partnerships with other organizations in the future. In 2020, there were additional features that support government policies such as the Wallet SBM, Rao Tiew Duay Kan (We Travel Together) campaign and Khon La Khrueung (Let's Go Halves) scheme.

**05**

The Bank drove the 2 Banking Model, divided into the Carrier model, which is the Bank's core business operation, and the Speed Boat model, which is an operation in the form of seeking new business opportunities through innovations and technologies. The Bank established Innovation Lab in financial technology and the Infinitas by Krungthai Co., Ltd., aiming to be a company that conducts research to innovate new digital financial products and development. The company shall exploit resilient and agile functionality in flexible operation context through focusing to initiate innovation that connects with the Bank's 5 ecosystems.

## CYBER SECURITY

Presently, technology and digital systems play more roles in daily life and business operations as they deliver more convenience and effectiveness to people and the working process. On the other hand, cyber security threats also tend to increase rapidly. Such threats cause direct and indirect impacts such as computer virus threat, threat of ransom software and internet fraud threat, including threat of hacking important data.

The Bank has been aware of dangers of such cyber threats that are considered as a risk factor in sustaining the Bank's business stability and image, including maintaining the confidence in using services of customers. The Bank has adopted the framework of ISO/IEC 27001:2013 (ISMS: Information Security Management Systems) and important systems for both financial transactions and computer center to be used as a guideline for information security management system and cyber security maturity assessment according to NIST Cybersecurity Framework of the United States in order to ensure that the banking system is ready to detect cyber threats, prevent and

respond to attacks quickly according to international standards. Moreover, the Bank has used services of FS-ISAC (Financial Services - Information Sharing and Analysis Center) to receive cyber threat intelligence of attacks against global financial institutions in order to prevent the Bank's systems before being attacked. The Bank has also conducted various activities to enhance its cybersecurity, for example annual IT system audits from international experts in assessing the risks caused by vulnerabilities of information systems as well as investing in, developing and increasing capabilities of information security technology in order to ensure that the Bank's information system has efficiency and security at the international standard level.

Besides cybersecurity system development, the Bank has implemented various projects to prevent and crack down on cyber threats, which complies with the Cybersecurity Act, the Personal Data Protection Act and the regulations of the Bank of Thailand. Examples of such projects are as follows:



1

**IT Security Awareness:** To create awareness for employees through online channels and provide training on information technology security of the Bank to let employees know and be ready to deal with cyber threats in various ways such as Email, Website, Mobile. Moreover, there is awareness-raising of employees in Technology Group about the development of programs to be safe, through training by specialized experts to provide system developers with additional knowledge on how to develop systems to be more secure as well as communicating to customers about security issues such as promoting awareness of phishing email/SMS and new threats.



2

**Data Protection Assessment (DPA) and Data Loss Prevention (DLP):** To assess important data of each business unit of the Bank; employees will gain knowledge and understanding of information classification correctly, appropriately and safely and prevent leakage of important information that may have a negative effect to the Bank's reputation and customer.



3

**Network Access Control (NAC):** To prevent external computers from connecting to the internal server of the Bank in order to mitigate risks of accessing important data of the Bank without permission.

Besides, Technology Group organized Krungthai SURE 2020 (Cyber Security Awareness Day) to enhance knowledge and to make employees aware of information technology security which is important to the Bank's business operations. On that day, the Bank invited speakers from the Bank of Thailand to provide knowledge about the cyber security of banking business, patterns of data espionage via transactions with preventive measures as well as inviting scholars from educational institutions to provide knowledge on digital law in an attempt to set proactive guidelines for the Bank's operations.



## Digital and Cyber Risk Management

The Bank focuses on a supervision of Information Technology Risk. At the present, the Bank encourages the use of information technology on the Bank's business operation, causing the system or the operation of the Bank to get affected by Cyber Risk, IT Operation Risk and IT Project Delivery Risk. The Bank has assigned the IT Risk Management Department to manage IT risk as well as reviewing the IT risk management policy annually or when there is a significant change. The policy is required to be in compliance

with the Regulations on IT Risk specified by the Bank of Thailand.

The policy framework is also required to be "safe, accurate, ready for use and ready for cyber threats according to the Bank's business expansion in the role of future banking by managing existing risks to be at a low risk level".

IT Risk Management Policy of the Bank is established as guidelines for all departments to adhere to under the same framework and under 3 major principles as follows:



## Customer Privacy

The Bank is aware of the importance of keeping the customer's personal information confidential and retaining customer's privacy. The Bank shall try its best to protect customer's personal information in accordance with the Bank's regulation on maintaining confidential information. In this regard, the Bank has an information security process and policy in compliance with the rules set by Bank of Thailand, Ministry of Digital Economy and Society and ISO 27001:2013 standards in order to use as a guideline on risk management and information security.

Furthermore, the Bank has disseminated information about storage of personal information and ways to prevent cyber-attacks through various channels so that customers have recognized the importance of storage of their personal information without disclosure of ID number/ID code and password to other persons and used social media with safety. Disclosure of customers' personal data will be conducted under the laws strictly.

In the supervision of the Bank's security, the Bank has received certificate of safety which complies with the requirements of ISO 27001:2013 (ISMS: Information Security Management Systems) for trade finance, trade online, Bahtnet and ICAS systems, Information Security Policy and Procedure and the Bank's Information Security Standard which complies with the requirements of ISO 27001:2013 and PCI-DSS (Payment Card Industry Data Security Standard) as the following topics:

1. Organization of Information Security
2. Information Asset Classification and Protection
3. Personnel Security
4. Physical and Environmental Security
5. Computer Operation Management
6. Logical Rights Management
7. System Management and Development
8. Software Management
9. Computer Network Security
10. Communication Security
11. Incident Management
12. Business Continuity Plan
13. Policy Compliance

## Privacy Policy

In 2020, the Bank has established a privacy policy to reflect the Bank's transparency in connection with activities such as collection, use, disclosure and/or international transfer of customers' personal data by performing in accordance with the law on personal data protection. The privacy policy of the Bank is covered in 7 topics, namely the Bank's operations in collecting personal data, purpose of collecting usage and disclosure of personal data, disclosure of personal data, international transfer of personal data, retention period for personal data, right of data subject and operation in relation to the disclosure of corporate customers' information. The Bank's privacy policy is summarized as follows:



## The Bank's operations in collecting personal data

Personal data that the Bank collects are personal information, financial information, information that the Bank provides to customers, etc. It also covers personal information that is classified as legally sensitive personal information, namely biometrics and identifiable information such as religion, race, etc.



## Purpose of collecting, usage and disclosure of personal data

The Bank has determined the purpose for collecting, usage, disclosure and/or transfer of personal data overseas, including sensitive personal information that requires the consent of the data subject, unless the personal data protection law allows the collection, usage and disclosure of personal data without the prior consent of the data subject.



## Disclosure of personal data

The Bank may disclose or transfer personal data in accordance with the purposes under the Bank's privacy policy to third parties, namely subsidiaries, business partners of the Bank, third parties as required by law, etc.



## International transfer of personal data

The Bank has established guidelines for ensuring adequate protection of transferred personal data under the standard of protection of personal data as well as comparable to Thailand's standard.



## Retention period for personal data

The Bank shall store personal data for as long as necessary for the operation according to the purposes stated by the Bank when receiving the information. However, the Bank may have to retain the personal data for a longer time in the case that it is prescribed by law.



## Rights of data subject

Data subjects may exercise their rights under the conditions stipulated by law and the Bank's rights management process. The details are namely (1) the right to access or request a copy of the personal data collected, used, disclosed, and/or transferred overseas by the Bank; (2) the right to request rectification of personal data; (3) the right to obtain personal data in electronic form and request transfer of such personal data to another data controller; (4) the right to object to collection, usage and disclosure of personal data; (5) the right to suspend use of personal data; (6) the right to withdraw consent; (7) the right to request erasure of personal data or make that personal data anonymously and (8) the right to complain.



## Operation in relation to the disclosure of corporate customers' information

The Bank has no intention to disclose information about corporate customers or information of individuals related to corporate customers for marketing purposes. The Bank shall only collect and use such personal information within the Bank.

\* This privacy policy is a summary of the Bank's customer privacy policy, in which full details are available at <https://krungthai.com/th/content/privacy-policy>. In case that the full privacy policy is amended, changed or added, this summary of privacy policy may be amended, changed or added as well.



## RESEARCH AND INNOVATION

Krungthai Bank launched Krungthai COMPASS as a research unit - like the Bank's brain - for analyzing macroeconomic and industrial business trends, both domestically and internationally. The objectives of the unit is to improve competitiveness amid changes in the age of technology disruption as well as recommend methods or tools that can be applied to expand business and policy implementation which will be beneficial to customers, entrepreneurs, investors, and other sectors of Thai economy.

The year 2020 is the time when the global confrontation with the COVID-19 outbreak. Krungthai COMPASS played an important role in building understanding of emerging economic issues and the state of entering the new normal state for the executives, employees, entrepreneurs and the public regularly. The Bank is aiming for the benefit of adapting through in-depth analysis that is timely as well as providing economic outlook and various business analysis. In the midst of the COVID-19 situation, the Bank adopted a social distancing measure. Moreover, the Krungthai COMPASS has applied technology to organize online seminars for executives, employees and the mass media with the purpose to provide knowledge and advice on supporting government operations that assist people who are affected by COVID-19 and stimulating the nation's economy.

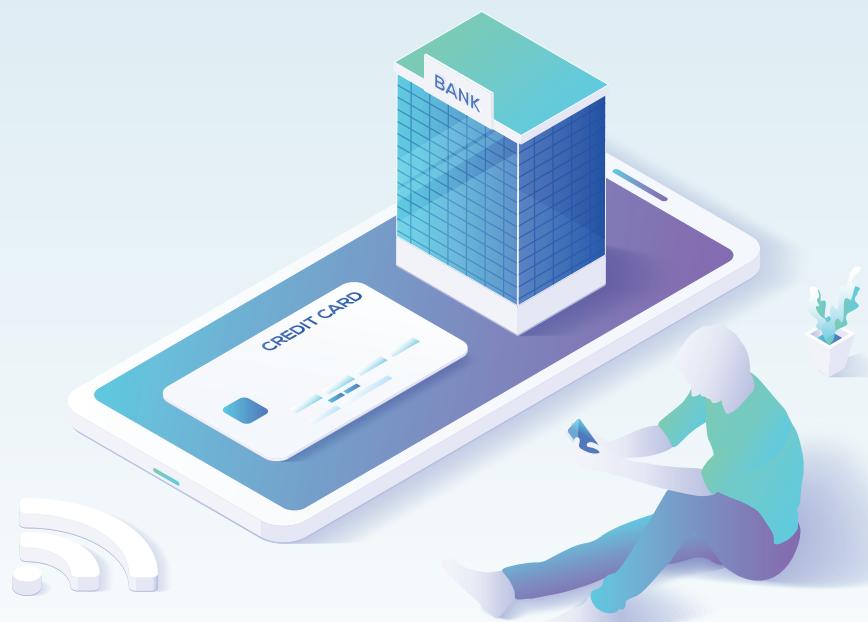
At the meantime, the Bank has developed financial innovations to offer new types of financial service with more coverage and to expand the Bank's customer base, which will create economic sustainability for the Bank. Examples of such innovations include:

### Mobile Application Thailand VRT

Krungthai Bank has cooperated with the Revenue Department, the Thai Customs and the Immigration Bureau to develop the Mobile Application Thailand VRT by applying blockchain technology for value-added tax (VAT) refund via mobile application which facilitates tourists digitally, accurately, safely, fast, as well as being verifiable. In addition, the Bank has jointly developed a web application system to enable paperless function in verifying information and confirming status of the products that have been taken out of the country as well as opening an API (Application Program Interface) for merchants to send information on purchases of goods and services of tourists into the system for VAT refunds with the Revenue Department.

### E-Filing Court

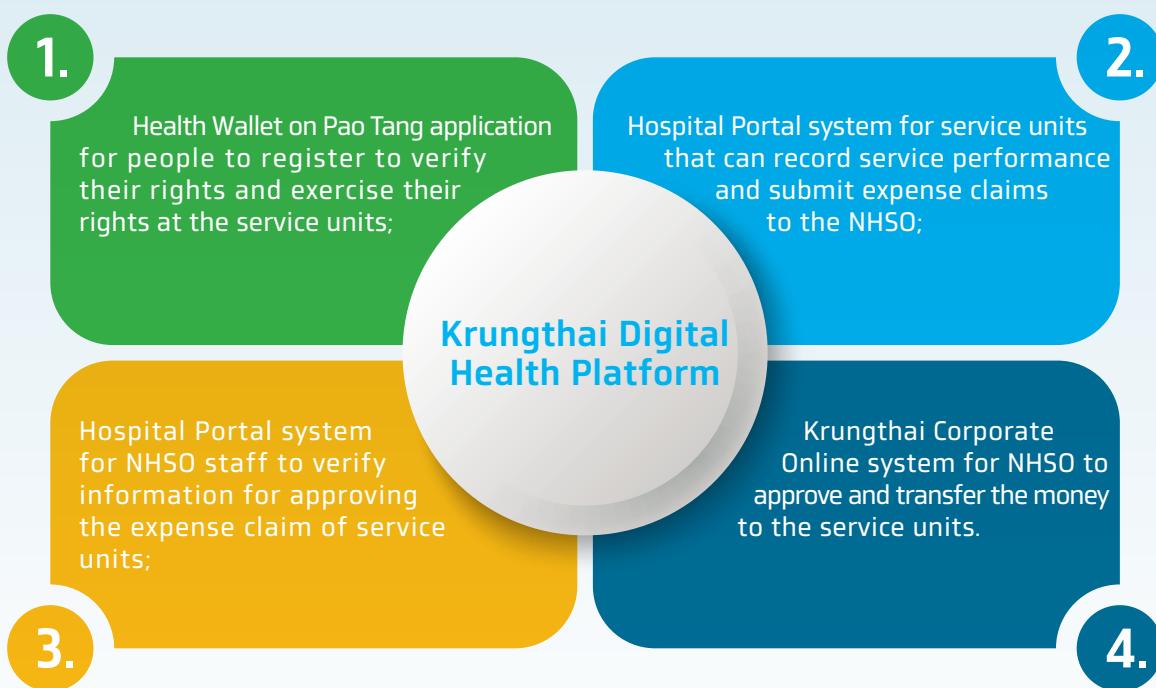
The Bank joined hands with the Office of the Court of Justice to develop the version 3 of electronic filing system (e-Filing) for facilitating the justice process. Lawyers are able to file an electronic petition through the website and appeal without going to court. Defense attorney can file an affidavit, request a photocopy and view the case documents 24 hours a day. Meanwhile, court officials can also examine petitions and appeals as well as giving opinions and submit work to the judge for imposing a lawsuit.



## Development of Krungthai Digital Health Platform

The Bank, in cooperation with the National Health Security Office (NHSO), developed the Krungthai Digital Health Platform to serve budget on the Health Promotion and Disease Prevention (PP Disruptive Model), aiming for supporting the reduction of morbidity with preventable diseases, resulting in longer life of Thai people, including reduction of the nation's health expenditures as well as facilitating the gold-card subscribers in health care scheme and

people granted with right under the Health Promotion and Disease Prevention (PP Disruptive Model) in accessing healthcare service, which is the government's medical right granted to Thai people through Health Wallet on Pao Tang application. The NHSO has allowed 15,000 reservations for influenza vaccination through the Health Wallet and provided other health promotion and prevention rights for another 16 items. Krungthai Digital Health Platform consists of 4 systems that link both data and systems together as follows:



The system can verify the identity of users and make a claim accurately as well as helping hospitals or service units to make real-time claims effectively. The duration of the process shall be less than 10 days. Additionally, the Bank has collaborated with NHSO, Social Security Office (SSO) and Department of Disease Control to provide seasonal influenza vaccination in 2021 for 6.4 million doses. Eligible persons are able to verify their identity through the Krungthai Digital Health Platform system in order to verify and prevent duplication of rights. Hospitals and service units nationwide are allowed to use the system, aiming to be a single platform in operation and to make real-time claims in 2021.

The Bank also collaborated with Samutprakarn Hospital to develop a smart hospital as a model for government hospitals by integrating technology with services, for example, self-check-in, automatic physical examination machine and intelligent AI chat bot to help screen patients by using voice control system.

In addition, Telemedicine, which is a treatment guideline consultation, is provided for patients who need to see a medical specialist through a video conference. Other examples of integration of technology and services includes HIE Blockchain service, a basic database management for exchanging patient information between medical service departments, Self-Payment system that patients can check before payment in real time on the eligibility of medical treatment right, whether from the Universal Coverage Scheme (UCS), Social Security Right and Civil Servant Medical Benefit. Besides, patients can choose to pay their medical expenses by cash, debit card, credit card or scanning a QR code via Krungthai NEXT application and other banks. This increases convenience and reduces risks and complication of hospital's cash management. The Bank collaborated with Somdech Phra Pinklao Hospital of the Royal Thai Navy to transform the Somdech Phra Pinklao Hospital into a smart hospital through the "Somdech Phra Pinklao SMART Hospital Project".



## M-PASS Application

Krungthai Bank PCL., as a provider of Electronic Toll Collection System (ETCS) to the Department of Highways, collaborated with the Inter-City Motorway Division, Department of Highways to develop and improve the M-Pass mobile application system to provide services to M-Pass card users to get more convenience. M-Pass mobile application can support various services as follows:

- Checking balance on TAG M-Pass;
- Checking the route with tolls on all motorways;
- Checking the list of used motorways in the past;
- Finding an M-Pass ticketing location;
- Viewing toll summary report or printing voucher instead of electronic receipt through email (e-statement);
- Topping-up via cross bank bill payment service with QR code/ barcode generator;
- Applying for the TAG M-Pass service.

The Bank is currently developing the M-Pass mobile application system to support the top-up with debit/credit cards.

## Digital Branch & Semi Digital Branch

Regarding the Digital Branch & Semi-Digital Branch project, the Bank has reorganized its branches to better respond to customers' behaviors that prefer to use digital channels and automated service machines. The Bank therefore has modified its branch channel service model to be in line with the changing customer behavior by designing under the concept of "Modular and Wireless", namely the furniture can be adjusted according to the needs of the business in the future as well as using notebook computers via wireless signal for more flexible service.

Besides the beautiful and modern branch design that is suitable for the digital age, the Bank also had a clear division of service areas for sales and services by increasing the number of touch-screen automatic service machines in the area in front of the branch to allow customers to perform transactions such as deposits, withdrawals, transfers, bill payments at the automatic machine with ease. Digital advisors will assist in operating the automated machine and recommend applications to customers, aiming for more convenience and faster in customers' transactions. The Bank has opened its services in 2020 in 10 branches as follows:

### 4 Digital Branches

- Software Park Building Branch
- Krungdeb Co-operative Store (Ekkamai) Branch
- Chiangmai University Branch
- Yingcharoen Park Branch

### 6 Semi- Digital Branches

- Surat Thani Citi Hall Branch
- CentralPlaza Chaengwattana Branch
- Bangna Branch
- Thapae Branch
- Mittraphap Road Branch
- Energy Complex Branch

The Bank is relentless in improving its services to meet the evolving customer needs. The Bank still plans to implement the Digital Branch & Semi-Digital Branch project to cover important strategic areas of the Bank.

## One Baht Bond

Krungthai Bank cooperated with the Public Debt Management Office (PDMO) to create the Wallet SBM (Sasom Bond Mung Kung e-Wallet) which is Thailand's first digital platform for scripless bond trading through the Pao Tang mobile application by applying blockchain technology with bond trading, resulting in efficient, transparent and fast sale as well as being able to trade in real-time, where the seller will have sales results by minute, while the buyer will see the money and bond data in the same wallet without 15-day waiting period as before. In addition, interest on holding the bond is automatically credited to the wallet and holders can trade government bonds with the secondary market through the wallet.

In 2020, the Bank and PDMO sold 2 times of the Wallet SBM, totaling 5,200 million Baht.

## In-CAR Fast & Trust Experiences

Krungthai Bank has cooperated with Bangchak Corporation Public Company Limited to develop an innovative payment system for fuel, products and services, which can collect loyalty points through the first mobile android EDC machine in Thailand that is fast, standardized and safe. Customers can tap their cards for payment immediately. The system can accept both debit and credit cards including PromptPay QR code services from any bank's application. In addition, customers can participate in the reward and redemption program via Bangchak membership card. In the future, there will be more channels to receive payment through fleet card and e-Wallet. The Bank also prepared to develop a system of payment via Krungthai Fast Pay (Payment Gateway) on the Bangchak mobile application.

## ACCESS TO FINANCIAL SERVICES



Since one of the Bank's mission is to develop economic system of the country, the Bank has developed products and services for people in all areas of the country to be able to access sources of financial funds and services.

The Bank operates a total of 1,023 branches nationwide

There are 8,493 ATMs

There are 75 business centers

There are 25 international business centers

The information as at 31 December 2020

① Northern region	② Bangkok	③ Southern region	④ Northeastern region	⑤ Central region
158 branches	215 branches	157 branches	193 branches	300 branches
1,433 ATMs	1,352 ATMs	1,310 ATMs	1,993 ATMs	2,405 គេរូ
13 centers	20 centers	12 centers	14 centers	16 centers
1 centers	15 centers	4 centers	3 centers	2 centers

There are **8** overseas branches in **7** countries and **1** representative office. The details are as follows:



\*Note: Cayman Islands Branch has been established with the purpose to emphasize transactions in the manner of collecting fund from external sources. Yangon Representative office is responsible for taking care and facilitating customers with trade and investment between Thailand and Myanmar.



## Cooperation with Thailand Post to develop financial services to cover people all over the country

Krungthai Bank appointed Thailand Post Company Limited as its official banking agent to increase access channels to financial services nationwide. With more than 1,200 Thailand Post Service points, 1,023 service points of the Bank and more than 10,000 ATMs, the Bank finally has a total of 12,000 service points nationwide, which increases convenience for customers. In addition, the Bank and Thailand Post jointly study, develop a model and expand the scope of new financial services such as money deposit services to Krungthai Bank accounts, traffic fines payment service and money withdrawal via EDC machine, as well as supporting the OTOP community merchants by adding a distribution channel on the Thailandpostmart website of Thailand Post as well. Moreover, there are other services that Krungthai Bank and Thailand Post are in joint development to continuously enhance the service, namely M-Pass card top-up service, e-KYC identity verification service, QR code withdrawal service, as well as land and building tax payment service of Bangkok Metropolitan Administrator and local government organizations.

## Contactless ATM service

The Bank has moved into full digital banking by developing contactless ATMs as the country's first bank to facilitate customers with withdrawals and balance inquiries by tapping the card instead of inserting the card. Customers can select a "Cardless cash withdrawal" button at the ATM screen, select "Tap the card for making transaction" menu and select the amount of money. Currently, the Bank has more than 3,300 contactless ATMs nationwide.

## Krungthai NEXT

Krungthai Bank has released a new version of "Krungthai NEXT" mobile application under the "Live Your Life Smarter in Just One App" concept that fully meets all lifestyles in the digital age as well as becoming full-scale digital banking that is more than just the Bank's mobile application. Regarding this version, the Bank is the first Thai financial institution that uses Cloud Native and 3S technology: Scalability - to support large amounts of simultaneous financial transactions, Stability - to support stability and smoothness of use, and Security - to provide the maximum security with world-class technology. There are also other functions as follows:

01

Artificial Intelligence (AI) creates interactions with users through smart transaction that learns and lists the most frequently used financial transactions; smart banner that will notify important items.

02

Face authentication is provided to verify the identity of a person using their face and identification card instead of using password and username.

03

Opening a bank account and online fund trading.

04

Covering services, namely money transfer, top-up and payment to be more comprehensive, such as electricity bill, water bill, mobile phone bill, internet bill, traffic ticket payment service as well as covering all lifestyles such as FoodPanda, Shopee, Lazada, Agoda and Central.

05

Applying for Krungthai Travel Card, the first and only card that let customers exchange foreign currency by themselves up to 18 special rate currencies.

06

Digital lending service that will be available in early 2021.

The score of satisfaction survey of customers using Krungthai Next service in 2020 was 8.8, which was more than the score of 2019 that was 8.6.

**in 2020**  
The score of  
satisfaction survey  
of customers using  
**Krungthai Next**

was  
**8.8**  
Point



## The development of an electronic auction system (e-Auction), the Treasury Department

The Bank cooperated with the Treasury Department to develop an auction system for assets seized by courts as state properties through the Treasury e-Auction website, namely asset registration and auction system, payment and security money refund system, notification system, post auction process system and report issuance. The auction system supports use on electronic devices in many forms, such as mobile, tablet, notebook computer, etc. The system facilitates the users to place their bids in real time from any place and any time as well as providing convenience and transparency to users. Both natural persons and juristic persons are able to participate in bidding by applying for membership and place the security deposit according to the criteria set by the Treasury Department through various e-Payment channels of the Bank. The Treasury Department is the first government agency that develop an electronic auction system for selling assets as well as focusing on selling assets in accordance with the principles of transparent competition in order

to effectively and productively manage the assets of the Treasury Department. Krungthai Bank has been involved in developing new financial products and solutions for the Treasury Department. It is considered to be the technology leader by developing the e-Auction system for government agency as the first bank, leading to the National e-Payment policy of the government.

## e-LG with the Comptroller General's Department

BCI (Thailand) Co., Ltd., under the cooperation of 6 commercial banks, namely Krungthai Bank, Bangkok Bank, Bank of Ayudhya, Kasikorn Bank, Siam Commercial Bank and TMB Bank, cooperated with the Comptroller General's Department to launch the first e-Letter of Guarantee service or e-LG through blockchain technology for e-Government Procurement (e-GP) for the first time in order to increase operational efficiency to be transparent, to be fast as well as reducing paper usage. The request process can be completed in 10 minutes from previously taking 3-7 days. BCI aims to expand its service to cover 80% of all domestic guarantees within five years.





## CUSTOMER RELATIONSHIP MANAGEMENT

### Long-term goal 2022

Focus on resolving complaints for customers in accordance with each Service Level Agreement (SLA) of each subject type as specified.

### Operational goal 2020

Complaints could be resolved in accordance with the Service Level Agreement (SLA) for not less than 95%

### Performance 2020

Problems of customers were resolved in accordance with the Service Level Agreement, equaled to 98.48%

The Bank operated Customer Relationship Management (CRM) with the aim of achieving the highest customer satisfaction in using the Bank's products and services and creating an attachment, confidence and trust in the services of the Bank. The details are as follows:

**1. Customer segmentation (Sub-segment) :** There is a clear segmentation of the customers (Sub-segment) to be able to understand behavior and needs of each group of customers clearly and profoundly.

**2. Customer Insight :** After the customer segmentation has been clearly defined, there will be a search for what customers in each sub-segment needs (Need/Pain point) in order to use such information as a strategy to respond to the value of each customer group, namely what are the expectations or needs of the entrepreneurs and what are the products or services that the Bank can develop to meet the needs of customers, etc.

**3. Determining strategies and channels for building relationships, customer care and customer communication :** The Bank has established different strategies for building relationships and communicating with customers in each group. The channels used by the Bank to build relationships, customer care and customer communication are both traditional and digital channels.

**4. Evaluation and improvement :** As customer needs can always be changed, the Bank assesses customer satisfaction by using direct inquiries from customers and collecting various feedback from Relationship Manager (RM) who serves the customer, aiming to use the information for developing products and services to meet the needs of customers.

a. Government: There is a key account plan in conjunction with the relevant departments, both the government's RM, and the CRM team to take care of government agencies in various areas as well as organizing seminars for government agencies both to provide knowledge about banking products and to create awareness in the Bank's vision and the Bank's potential in implementing various government projects, including organizing activities to promote relationship with customers and related teams.

b. Corporate customers: There is an ongoing work plan in collaboration with Relationship Manager (RM). The plan shall be categorized according to each type of industry group of customers (Industry Solution) as well as focusing on the main industries according to the Bank's X2G2X strategy, such as hotel, transportation, and the wholesale-retail sector. The jointly defined solution will be presented to the target customers on a designated timeline. Moreover, there shall be close tracking together.

c. SME customers: Account plan is established with relevant departments such as Relationship Manager (RM), Product Manager, etc. in order to better understand customers (Customer Understanding) in designing a total solution that is suitable for customers. There is an action plan for presenting to the customers and it is required to jointly set a timeline with the customer in the implementation of each action plan.

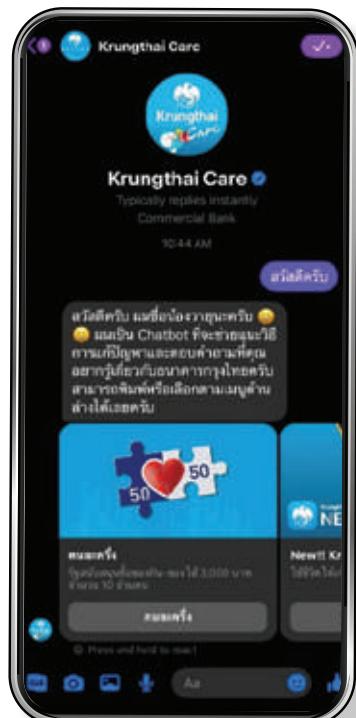
The Bank's policies are focusing on customer as well as responding to complaints management for all customer groups and covering all communication channels, in line with the digital age society where customers can access information from every channel, especially social media channels. The Bank provided a department that is responsible for social voice analytic in which analyze the information related to finance and banking of Krungthai Bank and its competitors directly and indirectly, as well as analyzing insights of consumers and competitors in the market in order be used to develop communication with target groups according to the objectives both in promoting the corporate image and marketing, along with using information to improve the Bank's services.

There is a designation of keywords related to Krungthai Bank and its competitors in the social listening tool to capture the information that consumers are talking about on social media and online world through the following channels:

- Facebook (Public Page Facebook), Twitter, Web, Instagram, Pantip's webboard
- Online News such as MGR Online, Matichon Online, Bangkok Biz News, Kom Chad Luek, Thairath, etc.
- Famous websites with content mentioning Krungthai Bank, competitors, including financial related matters such as Kapook.com, Bandage, etc.

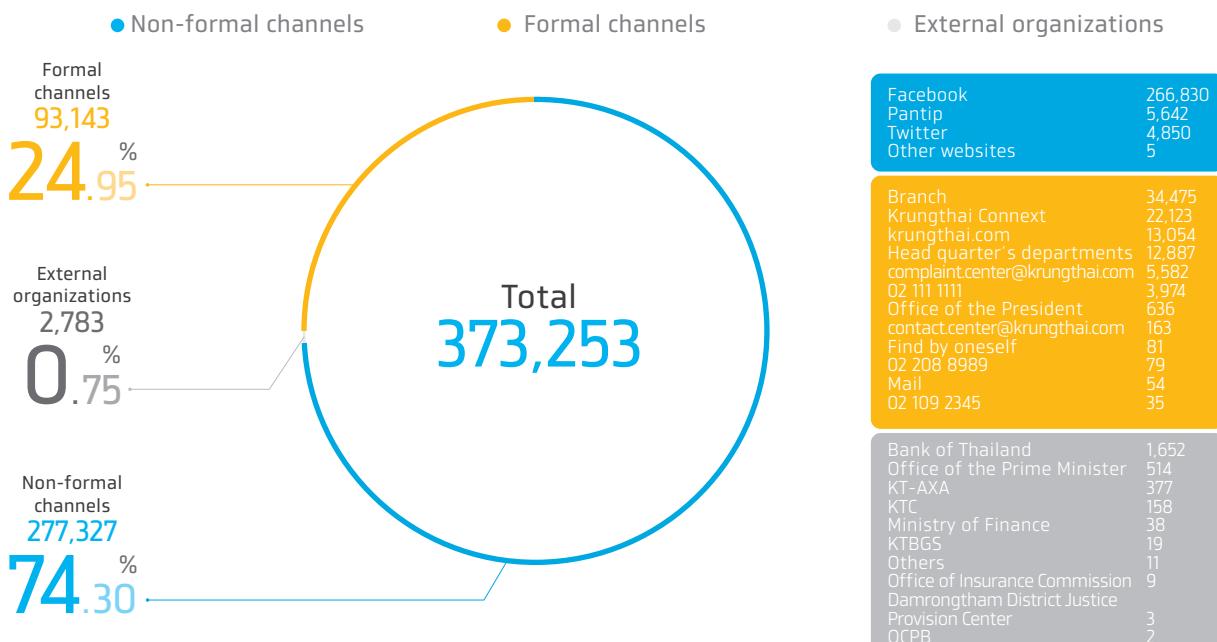


The Customer Insights Team shall manage any problems against the service including providing information and assistance to customers in various fields via social channels every day, including holidays during 07.00 a.m.-00.00 a.m., along with nonsocial channels that are open during business hours. In the fourth quarter of 2020, the Bank added chatbot to serve its customers via Facebook Messenger in order to enhance the image and meet the Bank's strategy for digital banking as well as enhancing information service and contacting the Bank via Facebook Messenger and Krungthai Care Facebook page in order to respond to customer needs in a timely manner.





In 2020, there were a total of 373,253 issues that customers notified through the recommendation and feedback system, classified into 3 channels: 277,327 issues via non-formal channels (74.30%), 93,143 issues via formal channels (24.95%), and 2,783 issues via external organizations (0.75%).



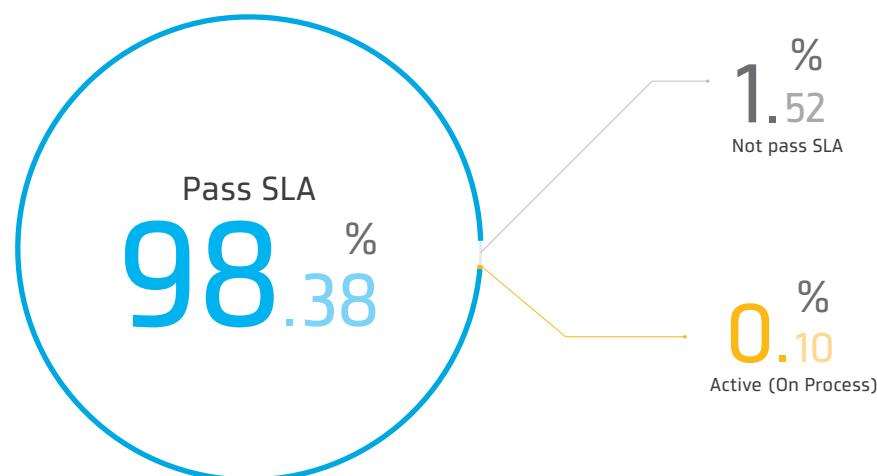
Comparison table of number of customer issues classified by categories in 2017 - 2020

Category	2017 (%)	2018 (%)	2019 (%)	2020 (%)
Request for assistance	88.25	82.38	85.04	85.60
Complaints	4.96	14.93	13.62	13.82
Suggestion	5.60	1.84	0.99	0.42
Compliment	1.16	0.80	0.32	0.15
Informing	0.03	0.05	0.03	0.01
Grand Total	100.00	100.00	100.00	100.00

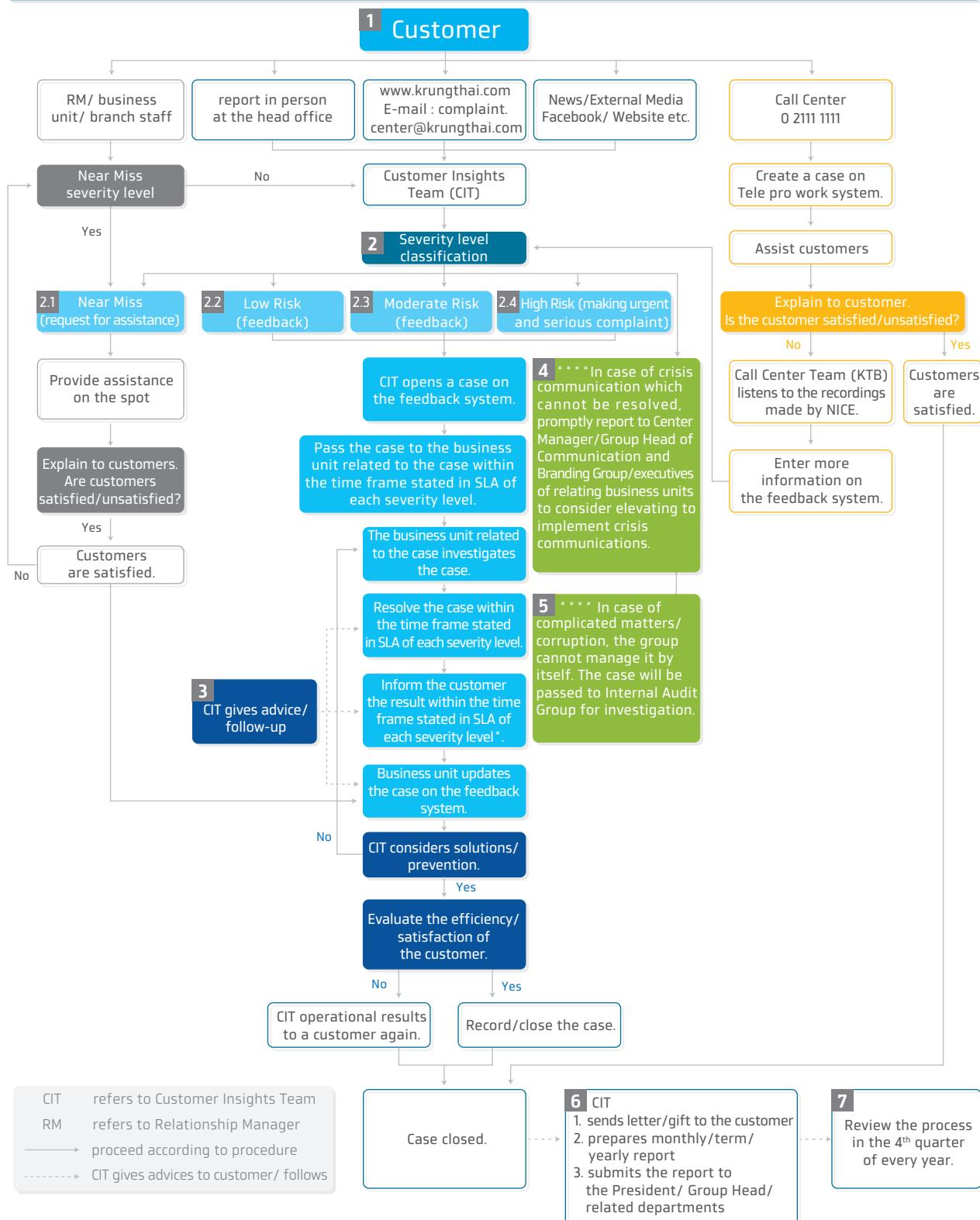
The Bank has no complaints received from outside agencies and regulators regarding the privacy of its customers.

## PROBLEM RESOLUTIONS OF THE BANK

The Bank was able to resolve problems successfully within the designated time frame, representing 98.38% of the number of customer complaints.



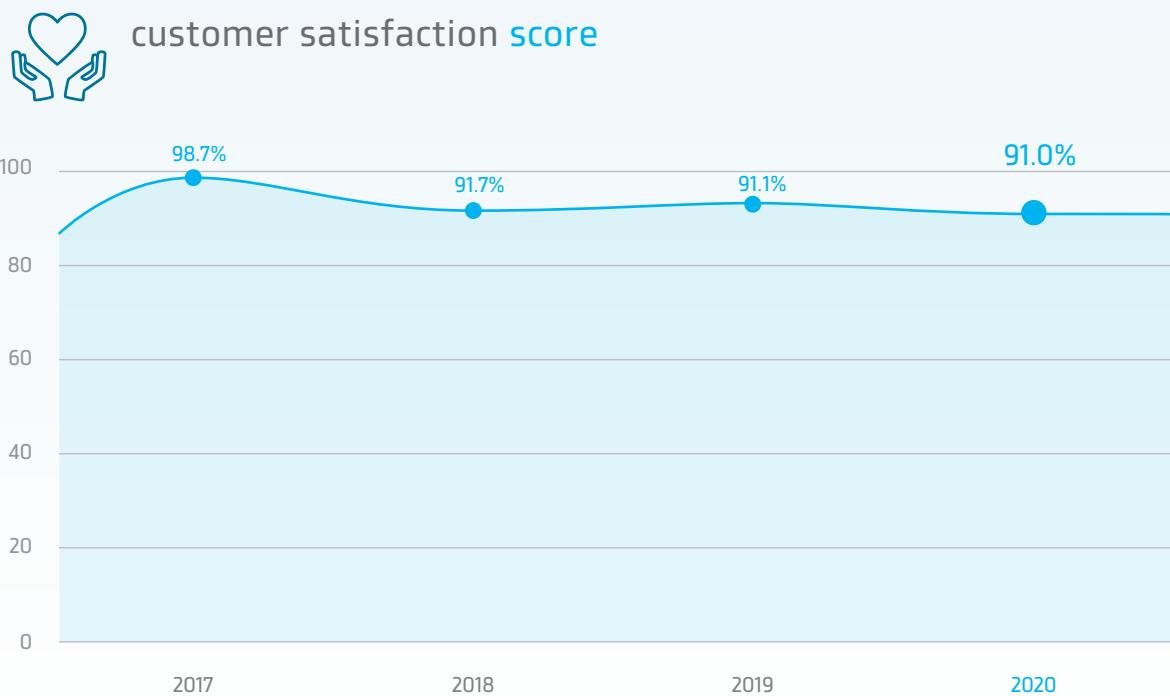
## Complaint Channels and Handling Process of Krung Thai Bank PCL.





Complaint procedure: if customers complain through RM/branch staff/business unit, a staff who receives a complaint will consider and classify it according to the fact as defined by using the abovementioned factors affecting the Bank as a criterion. If the problem solution has been completed, the staff will record information in the feedback system according to normal processes. But if it has high risk, a complaint will enter the urgent problem resolution process.

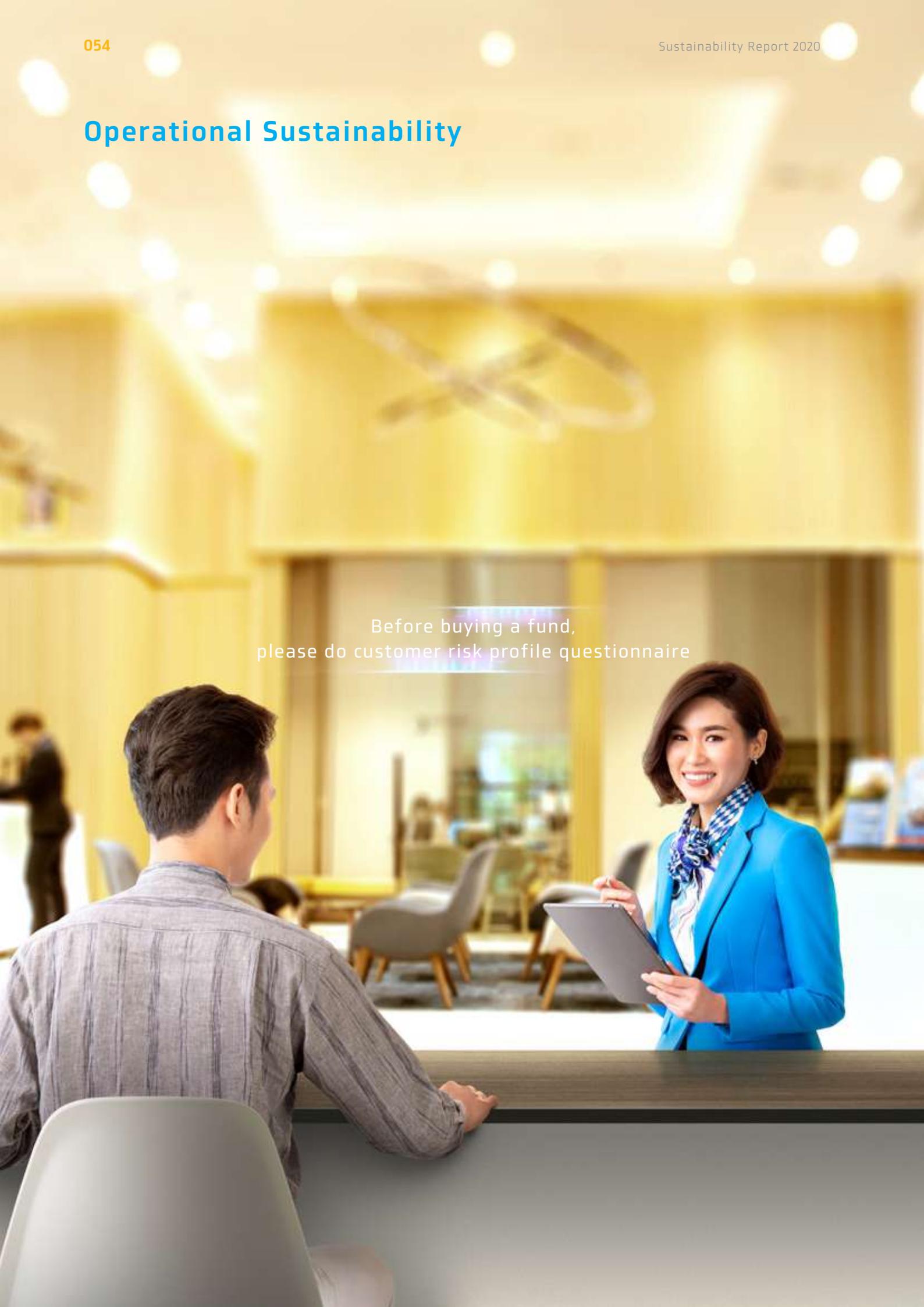
The Bank had a customer satisfaction survey after using the services at the Bank's branches. In 2020, the Bank received service quality score (SQ) of 84.82 out of 100 scores. The Bank also surveyed customer satisfaction through face-to-face interviews. In 2020, The Bank surveyed 3,153 examples of customer satisfaction survey and received 91.0% of service quality score.



## Non-Discrimination

The Bank prioritizes non-discrimination and operates according to the Human Rights Principles. The Bank treats all groups of stakeholders equally. In 2020, ten complaints about discrimination were submitted. The cases involved the management of queues in the branch. The customers misunderstood the Bank about overtaking the queue, providing services based on customer groups. In general customers' opinions, Precious Customers can get a queue without waiting, which is considered as a double-standard service and government officials and large customers who are familiar with a branch officer are often served first as well as being welcomed very well. Head of the department investigated the facts and established measures to prevent repeated complaints, such as separating queues between high counter, low counter and Precious Customers clearly and clarifying the customers if there are any misunderstandings from the large number of transactions of the government agencies that require separate transactions.

## Operational Sustainability



Before buying a fund,  
please do customer risk profile questionnaire



## OPERATIONS WITH CORPORATE GOVERNANCE

### Corporate Governance

Krungthai Bank realizes the importance of conducting business with transparency, honesty and fairness according to the principles of good corporate governance to have efficiency and excellence in business. The Bank also operates business on the basis of ethical responsibility for all groups of stakeholders. This will build confidence and benefits to the shareholders and make the Bank have sustainable and inclusive growth.

The Board of Directors has worked by strongly adhering to the principles of good corporate governance and encouraged directors, executives and employees at all levels to adhere to and comply with corporate governance policy. This will lead to a culture that creates good corporate governance within the organization and raises the Bank's corporate governance to meet international standards. The Board of Directors is aware of its duty for the utmost benefit of the Bank and shareholders. The duty and responsibility of the Board of Directors and the management have been separated obviously. The Board of Directors is responsible for formulating policy and overseeing the Bank's systems to be in accordance with law and ethics. Accordingly, the Corporate Governance Principles (CARPETS) has been established as a guideline for the Bank's executives and employees according to the guidelines of the Stock Exchange of Thailand as follows:

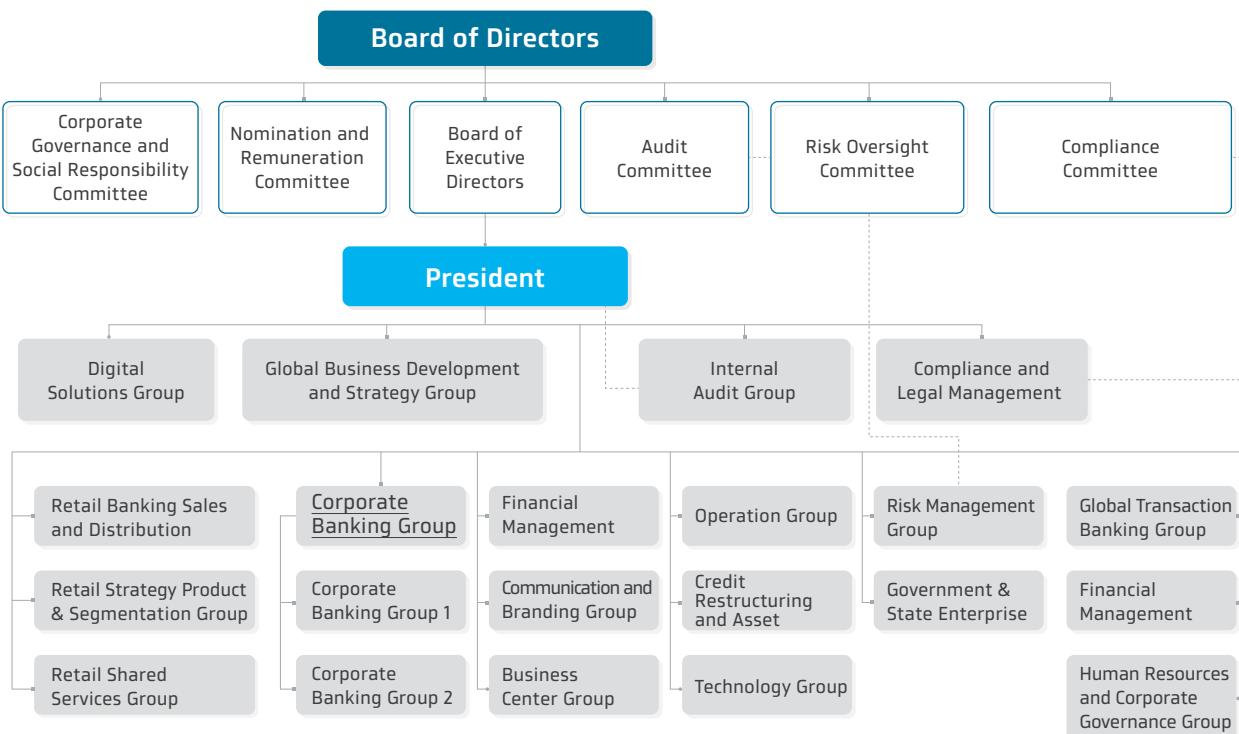


As at December 31, 2020, the Board of Directors consisted of 12 members which is suitable with the size of the organization and they can perform their duties effectively as well as behaving with appropriate balance of power. The members have gone through the recruitment process of the Nomination and Remuneration Committee in accordance with legal procedures, good corporate governance principles and director recruitment policy. Directors were considered recruiting from various sources including the director pool to acquire persons with expertise according to the specified skill matrix that is

consistent with the Bank's current and future missions and strategies. Hence, the Board of Directors consists of a group of persons with various qualifications in terms of skills, experience and talents that are beneficial to the Bank. The Board comprises at least 1 person having knowledge or working experience related to the commercial banking business, at least 1 person in accounting and finance, and at least 1 person in information technology. Personal differences in religion, culture, race, gender, etc. are not a limitation for holding office of a director of the Bank.

Name of the Board of Directors	Director	Independent Director	Non-executive Director	Executive Director	Male	Female	Relevant work experience in the business sector
1. Mr. Krisada Chinavicharana	✓	-	✓	-	✓	-	✓
2. Mr. Krairit Euchukanonchai	✓	-	✓	-	✓	-	✓
3. Mr. Vichai Assarasakorn	✓	✓	✓	-	✓	-	✓
4. Mr. Thanwa Laohasiriwong	✓	✓	✓	-	✓	-	✓
5. Prof. Dr. Kittipong Kittayarak	✓	✓	✓	-	✓	-	-
6. Mr. Teerapong Wongsiawilas	✓	✓	✓	-	✓	-	-
7. Gen. Tienchai Rubporn	✓	✓	✓	-	✓	-	-
8. Mr. Poonnis Sakuntanaga	✓	-	✓	-	✓	-	✓
9. Ms. Patricia Mongkolvanich	✓	-	✓	-	-	✓	✓
10. Ms. Nitima Thepvanangkul	✓	✓	✓	-	-	✓	✓
11. Mr. Lavaron Sangsnit	✓	-	✓	-	✓	-	✓
12. Mr. Payong Srivanich	✓	-	-	✓	✓	-	✓
Total (person)	12	6	11	1	10	2	9
%	100	50	91.67	8.33	83.33	16.67	75

## Structure of the Board of Directors and Organization



(Details of Management Structure and Sub-committees are provided in the Annual Report 2020 on page 85-112)



## CORPORATE GOVERNANCE STRATEGY

The Bank formulated the Corporate Governance Strategy of the Krungthai Bank PCL. 2017-2021 in line with the National Strategy on Anti-Corruption Phase III (2017-2021). Its objectives are to become the role model of moral organization and to create a culture of zero tolerance, implemented under the Sustainable Krungthai Project (previously called Krungthai Moral Initiative). It consists of five strategies as follows:



## ANTI-CORRUPTION OPERATION

### Operational Goal 2020

Assessment results of employees' perception, understanding and implementation of the bribery and corruption prevention > 90%

The Bank has operated its business with the principles of combating all forms of corruption. Receiving or giving a bribe and corruption is illegal. The Bank shall not tolerate any forms of corruption (Zero Tolerance), which is the principle set out in the Code of Conduct in accordance with the guidelines of relevant regulators such as the Ministry of Finance, the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Bank has established an action plan for the prevention and suppression of corruption and conducted the Bank's 2020 risk assessment to report to the Anti-Corruption Operation Center, Office of the Permanent Secretary, Ministry of Finance. Accordingly, the Bank announced the implementation of the anti-bribery and corruption policy so as to establish guidelines for the Bank's operations against bribery and corruption in line with the Organic Act on the Prevention and Suppression of Corruption B.E. 2561 (2018) and the Notification of the Anti-Corruption Cooperation Committee RE: Minimum standards of the policy and directions for anti-corruption in relation to procurement required to be put in place by the business operator in accordance with Section 19 of the Government Procurement and Supplies Management Act B.E. 2560 (2017). The guideline can be summarized as follows:

### Performance 2020

Assessment results of employees' perception, understanding and implementation of the bribery and corruption prevention = 95%



- The Bank and subsidiaries' personnel must not be involved in receiving or giving bribes and corruption both directly and indirectly. They must not solicit, provide or receive a bribe for personal gain or the Bank's benefits. They also must not promise to give bribes to government officials or other private officials to induce any action, omission or delay in acting, which is contrary to the official's duties or laws.



- The Bank's business operations and procurement processes must be transparent, honest, auditable and under the relevant laws and regulations, both before and during the bid, and after the contract of procurement. The Bank's personnel and related persons are prohibited from offering, giving, receiving a bribe, or persuading any other persons to participate in any action, both directly and indirectly, which provides benefits in bidding or bid rigging to government agencies. Such personnel must not bring some advantages and receive some benefits in the procurement process, or the performance of the contract, or to protect any other benefits that are not appropriate in accordance with business code of conduct.



- When an act of receiving or giving a bribe and corruption is found, such act must be notified to the supervisor of the relevant departments or Whistleblowing channels immediately.

In 2020, the Bank has continued to use the Code of Conduct B.E. 2562 (2019), covering various aspects of the Bank's operations: business operations, roles of directors and executives, service standard, responsibility to customers, conflict of interest, data management, overall supervision, personnel and establishments, and commercial monopoly and dispute resolution. Recently, details of the Bank's Code of Conduct have been revised to ensure that it meets international standards, equivalent to the Banking Industry Code of Conduct and suitable for the position of the CEO sponsor of the Banking Industry Code of Conduct, which is one of the TBA 5-year plan to raise the operational standard of Banking Industry Code of Conduct. In addition, the Bank in collaboration with other member banks established the Banking Industry Code of Conduct Guideline to raise the standard of business operations to be clear, concrete and able to be implemented properly. The Board of the Thai Bankers' Association had resolution to approve the said guideline which has taken effect from May 21, 2020 onwards.

### **Guideline for Culture Creation and Compliance with Rules and Regulations**

The Bank, as a financial institution conducting commercial banking business, is required to comply with the laws, rules, regulations, standards and practices applicable to various transactions both from government agencies in authority and financial institution supervisory agencies, including internal operating regulations, which tend to be more diverse and complex. This is to create a good corporate culture of compliance for the Bank's employees so they are aware of the importance and necessity of performing in accordance with applicable laws and regulations. The Bank considers compliance with the rules as a duty of all employees. Therefore, the compliance risk management plays an important role in governance to prevent the Bank from performing non-compliance that will cause the Bank to be liable as required by laws such as being prosecuted under the law and will also affect the Bank's operational status and reputation.

The Bank has established a compliance risk management guideline which identifies and assesses risks from the impact or change of events in conducting business of the Bank in accordance with the regulations of the relevant regulators. The Bank has formulated the Compliance Program as a guideline to supervise and manage the Bank's compliance risk to be more efficient and effective. The Compliance Program consists of Preventive Action plan and Monitoring & Testing plan, including supervising regulatory compliance in other important areas to prevent or mitigate the likelihood that the Bank may not comply with the regulations. This is in accordance with the guidelines of the Bank of Thailand, the compliance policy of the Bank and the Compliance Unit Charter.

Moreover, compliance communication and compliance training are part of creating a culture of compliance in the Bank. The Bank has followed up the announcement of new regulations of regulators related to the Bank's business operations in order to communicate with all departments' employees of the Bank in forms of circulars, notifications to relevant business units and short articles (CLMG Post) via employees' emails to make them understand. Furthermore, the Bank also emphasizes all employees to comply with the specified rules and regulations with prudence and take into account the damages that may arise from the non-compliance with the rules and regulations.

For training related to regulatory compliance, the Bank has continued to organize regulatory training courses for the Bank's employees by using both classroom and e-learning methods. For example, in 2020, the Bank provided "Prevention of Receiving and Giving of Assets or Any Other Benefit that Indicates an Intent of Corruption" course to the Bank and subsidiaries' employees via VIDEO-Conference to promote understanding and awareness of the importance of such matters. The Bank also provided in-house training and public training by category related to anti-corruption.

#### **Code of Conduct**



● Perception

#### **Anti-Bribery and corruption Policy**



● Application



Moreover, a survey of employees' perception and understanding of the Bank's Code of Business Conduct and anti-bribery and corruption policy was conducted to assess employees' perception, understanding and application of the said guidelines. The results can be summarized as follows:



### Examples of Training Courses in 2020

In-House Training	Public Training
Prevention of receiving and giving of assets or any other benefit that indicates an intent of corruption	Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Year 2
Regulations for Supervising Transactions with Major Shareholders or Businesses with Related Lending	Compliance Officer in the Commercial Banking Business
Know Discipline, Reduce Risk, Avoid Wrongdoing	Electronic Certificate in Public Procurement: e-CPP
Anti-Money Laundering Law (AMLO)	AML/CTPF
Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF)	Compliance Officer in the Commercial Banking Business
Personal Data Protection Act B.E. 2562 (2019): PDPA	Cybersecurity: Managing Risk in the information age
Accounting for Derivatives and Hedging Accounting (Basic Level)	PECB Certified ISO 31000 Risk Manager
TFRS 9 Financial Instruments - Hedge Accounting (Intermediate Workshop)	Cybersecurity Risks Data Leakage & Lost Protection
TFRS 9 Financial Instruments - Hedge Accounting (Advanced Workshop) TFRS 9	Knowledge of the implementation of the procurement processes in accordance with the Public Procurement and Supplies Management Act
Executives' Role in Employee Discipline	Personal Data Protection Act with Roles and Responsibilities of the Enterprise
Thai Financial Reporting Standards (TFRS 9) and Related Tax Laws	IT Compliance
Techniques for Lessons Learned: Learn and Examine	API Security
Lesson Learned for Sustainable Krungthai Initiative	Seminar Workshop for Government Procurement and Supplies Management Practices

## Implementation of Sustainable Krungthai Initiative 2020

The Bank has continued to implement the Sustainable Krungthai Initiative (previously called Krungthai Moral Initiative) to enhance the creation of a zero-tolerance corporate culture in an attempt to develop standards of moral and ethics, foster good values and consciousness, adhere to the good corporate governance policy, work with integrity and do not violate any rules and regulations. The Bank has also operated business with transparency and accountability as well as promoted the creation of its good image as a financial institution that customers can trust. This is to drive the Bank to become a model of moral organization equipped with international standards and develop into a sustainable bank with

responsibility for the environment, society and all stakeholders under the ESG principles. Under this project, the 3 strategic principles: Foster, Prevent and Change have been proceeded by using the Inside-out Blasting approach with the purpose to provide opportunities for executives and employees to jointly participate and brainstorm ideas under the concept "A problem to solve, A good deed to do". The project aims to find the true causes in raising the standards of operating processes of the Bank to be efficient and effective to reach concrete achievement of efficiency & productivity (quality with virtue) according to 4 goals: 1) Financial Growth 2) Stakeholders/Regulators Confidence 3) Transparent Process and 4) Employees Satisfaction.

In 2020, important actions have been executed as follows:

-  Upgrading the Sustainable Krungthai Initiative to reach the goal of Sustainable Krungthai: Employees must be equipped with both quality and morale. Meanwhile, the Bank also places the importance on business operations with transparency and sustainability within the framework of the ESG: Environmental, Social, and Corporate Governance. This aims to drive the Bank to become a financial institution that grows with the Thai people and be ready to provide financial services to people at all levels whereas supporting the economy to grow strongly as well as being a pillar of the national economy.
-  Determining the moral identity "Breakthrough, Efficiency, Integrity, Teamwork, and Social" and the desirable behaviors of executives and employees in accordance with moral identity: There was a campaign for all executives and employees to announce their intentions and commit to behaving with the moral identity, including encouraging participation in driving operations in all dimensions. Additionally, there is a formulation of the sustainability plan to close the gap of pain points and create a corporate culture. With the moral identity, the employees will beware of working with morality, ethics, behaving in accordance with rules, laws, official rules, including applying knowledge, skills, creativity, knowledge sharing, and technology to improve their work and products or services of the Bank. In this regard, all employees must take into account the responsibility for customers, stakeholders, society, environment and Human Rights Practices as well as giving importance to effective risk management and internal control under good corporate governance for sustainable growth.
-  The Bank has extended and developed its plans to generate thoughts, seek for new ideas, and create new things through the project Krungthai Hackathon #1: Gather the Brightest, Get the Innovation. This project is to enable all employees to be a part of jointly editing, developing, innovating and fostering the innovative and sustainable organization. It acts as a playground for employees to try new ideas, think outside the box and modify the agile working style. The employees have participated in this project through 2 channels: the QA Project "the One Unit, One Sustainable Plan", which selected the 30 outstanding projects of each Group and Network Sector, and the Open Application. The Hackathon has been launched for application under the three topics: 1) Loan process improvement, 2) new product or service design to further develop the X2G2X strategy and 3) new product or service design that is suitable for the New Normal context.
-  The Bank has put forward its sustainability plan by implementing the Loan Process Improvement project to increase productivity and efficiency through the design thinking method in order to support the adjustment of the employees' mindset in solving problems, including creating collaboration between the relevant departments.
-  E-Learning "Lesson Learned for Sustainable Krungthai Initiative" course was developed to promote knowledge, understanding and awareness regarding the importance of Code of Conduct for executives and employees by learning from case studies and examples that are important and useful to practice.
-  The Bank, in collaboration with the Krungthai State Enterprise Labour Union, organized a talk session "Executives' Role in Employee Discipline" and "Know Discipline, Reduce Risk, Avoid Wrongdoing" for all executives and employees.



## DIGITAL OPERATIONS

### Digitization and Eco-efficient Operation

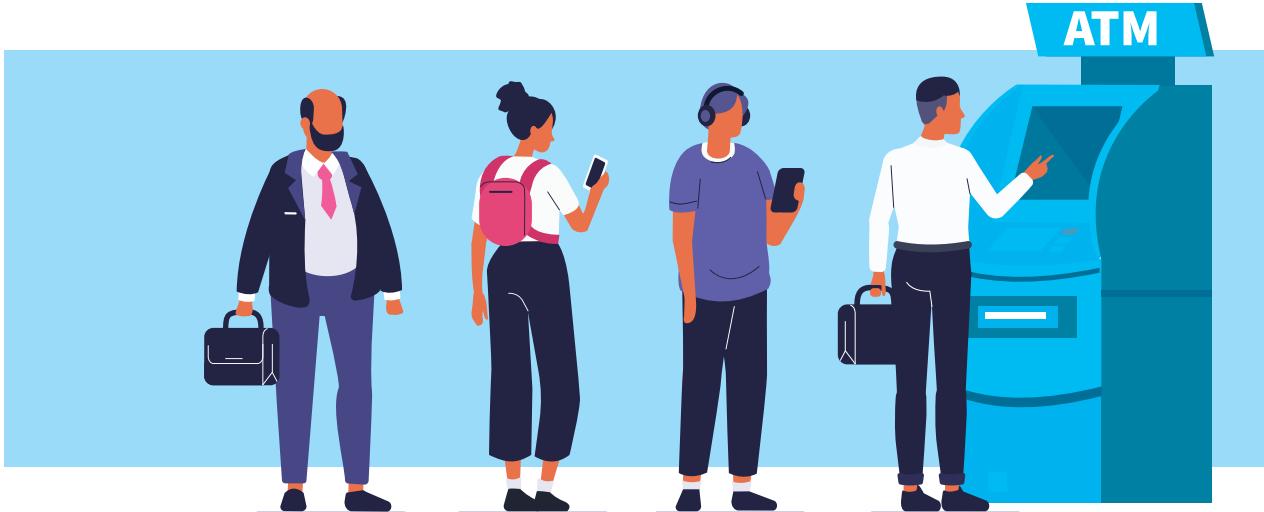
In the midst of technological changes affecting the lifestyles of people in the digital age, Krungthai Bank has developed a system of products and services to step towards the digital banking system in an attempt to create business opportunities, effectively respond to various needs and be suitable for life style, including providing full access to the public.

#### 1. New model of ATM / ATM+

Krungthai Bank has continually developed ATM / ATM + technology to support new functionality for customers. This is in line with the transformation into digital banking to respond to today's rapidly changing technology.

In 2020, new services of Krungthai ATMs and ATM+ has been upgraded to satisfy the needs of customers. The details are as follows:

- Contactless ATM: Krungthai Bank is the first bank that uses the method of touching the card on a machine instead of inserting a card for withdrawal system and inquiring about the account balance. This is to prevent customers from forgetting to take out their card from the machine, protect the data from being copied via ATM card and reduce touching points at the ATM, including increasing the convenience of customers.
- E-KYC (Identity verification with ID card at ATMs / ATM+) is a service, where customers can make online transactions on the Paotang application and verify identity at ATM / ATM+ instead of verifying identity at the branch. This is to facilitate customers and people to make transactions by themselves at an ATM / ATM+.
- Changing the experience of using an ATM for the visually impaired to be able to access financial transactions more conveniently: Krungthai Bank has designed and developed "TalkBack" by using voice guidance to communicate with customers who are visually impaired to be able to withdraw money at an ATM by themselves.



#### 2. Smart University Application

The Bank has developed a mobile application for 4 universities: Mae Jo University, Walailak University, Burapha University and National Institute of Development Administration (NIDA). They signed a MOU with the Bank on the formation of a Smart University application to facilitate students and university personnel with convenience in daily life in the university. This application has various functions to facilitate users such as academic calendar, campus news, salary payment, shop payment, virtual card, university map and unofficial transcript, etc.

### 3. The e-Solutions Project

The Bank has considered the current life insurance customer service guidelines and improved the sales process of life insurance products at the Bank's branches to run on in a better digital format. In the process, the e-Solutions is used to support the operations and services of the branches, covering the whole paperless sales process to reduce the use of documented financial transactions and use the work system to replace the old processes instead as follows:

Applicants Needs Analysis



Preparing an Insurance Proposal



Preparing an Insurance Application Form and Submitting the Application to the Company



#### Applicants Needs Analysis

helps an applicant to plan insurance for life and property coverage as well as the financial goals to be in corresponding with income, expenses, needs and priorities of the applicant and his/her family.

#### Preparing an Insurance Proposal

for customers to consider details of coverage, conditions, insurance policy benefits, insurance exclusions of coverage and benefits under the insurance policy terms and conditions, insurance premium, insurance policy period, premium payment period. Policy information is offered with approval from the insurer company.

#### Preparing an Insurance Application Form and Submitting the Application to the Company

so that customers can purchase insurance through the advice of a broker and make a secure and convenient payment through electronic methods.

### 4. Technological Implementation to Improve Services at the Branches

To respond to the new Digital Branch and Semi-Digital Branch, the Bank has developed branch systems to respond to the rapidly changing needs of customers. This is to enable employees to deliver their services more efficiently. The Bank also attaches great importance to the environment. Therefore, technology has been developed and applied in operational processes to reduce the use of paper (Paperless Initiative) in many projects, for example:

- **Online Queue** It is the development of the work system in order that customers can reserve a queue in advance for receiving service at the branch i.e., making transactions, opening a deposit account or making an appointment for a bank officer to reply back. This increases convenience for customers and customer service units to be able to manage

queues of service efficiently. It also complies with measures to prevent the spread of COVID-19, namely customers have no need to come to the branch to get a queue, and help reduce congestion in the branch. The Online Queue service in all branches has already been provided nationwide via the Line application: Krungthai Connexx.

- **E-Slip & E-Signature** The Bank has continued to place importance on environmental protection by providing e-Slip & e-Signature services for financial transactions made at the branches in Bangkok and some branches in other provinces in 2020. Customers can choose to receive the transaction evidence in electronic format, either SMS or email, that can be stored for a long term and customers do not worry about leakage of personal information on the slip. In particular, the banking system has also been developed in accordance with the requirements, rules and relevant laws. This can help reduce the amount of paper slips by more than 30% per year. The Bank has also considered plans to expand the scope of service to provincial branches nationwide in 2021.

- **Tablet for Sales Staff** Tablet has been used to offer products and services to customers such as opening a deposit account, offering insurance products and applying for a Travel Card, Krungthai NEXT Application and etc., which benefits both customers and employees for viewing product information and conditions on the tablet screen. Customers can check the information or sign documents on the tablet without printing any documents and also receive documents via email as evidence. The customers are fully informed of important information according to the Market Conduct Principles. For flexibility, tablets can also help employees provide services outside the branch area more conveniently and quickly.



- **Notebook** Based on the modular branch concept that requires flexibility in serving customers, the Bank has changed the branch computer devices from Desktop PC to notebook as well as transferred from the LAN cable connection to the online mode via wireless in order to provide flexibility in service. For example, it is convenient to move from the counter to the meeting room or to make an appointment with customers for the onsite services support, etc.
- **Wireless LAN for Customers & Staff** The Bank has installed the wireless LAN connection within the Bank branches to support

the usage of customers and employees. In the meantime, the Bank installed the security equipment according to PCI-DSS to transform branch format and services into digital banking.

- **QR Code for E-leaflet, Announcement of Interest Rates and Fees, and Other Announcements** To satisfy the needs of the Bank's branches that aim to reduce paper usage and help conserve the environment, the Bank has provided services access and information via QR Code scanning so that customers can have a fast and convenient experience, and can store information and view details every time.



## 5. Joint-Exchange Development Initiation (JEDI)

The Bank has developed the Joint-Exchange Development Initiation (JEDI) to be part of the Bank's Ecosystem that links stock trading and Thailand Futures Exchange or TFEX with the Bank's service. Anyone who has a USD/THB Futures Contract can deliver US Dollar to Krungthai Bank.

for the account opening and service application of the Bank. The innovation enables the opening of a corporate account and applying for banking services to be completed within 30 minutes. Currently, it is in the pilot phase at 20 branches and the Bank will prepare to launch such service nationwide in the future subsequently.

## 6. Biz Now

The Bank endeavored to upgrade for better services through new products and services under the concept of Digital-based Transaction Banking that can meet the needs of customers at all business sizes. In this regard, the Bank implements technology to reduce the process and time for account opening and submitting the application for various services of the corporate customers through the platform "Biznow". This platform will connect to the government sector databases in the process of verifying the qualifications of the juristic customers. Then, the innovation of e-KYC & e-Signature and facial recognition technology is introduced to facilitate and reduce the number of documents required

## 7. Digital Supply Chain Financing

To respond to the government schemes, Krungthai Bank has implemented measures to assist the merchants participating in the schemes e.g., Pracharat shops, Chirn Shop Chai scheme, Kon La Krueng" co-payment scheme etc. with the intention to strengthen these merchants and provide them the access to funding more easily without the need for collateral or financial documents in applying for a loan as previously. This gives stores the opportunity to grow and be able to expand their own business. Regarding the Digital Supply Chain Financing (DSCF) loan for especially SME and Micro-retailing enterprises, the information about the buying-selling between merchants and distributors will be considered for loan approval.

## SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The Bank has emphasized supply chain management by taking into consideration the environmental, social and governance (ESG) sustainability in order to prevent risks that may directly or indirectly affect its image and business operations. Therefore, guidelines for the procurement process have been established to serve as a common practice to deliver the best possible financial products and services to customers in line with the Bank's vision and mission. The Bank has conducted procurement with transparency, fairness and accountability and has had clear policies, regulations and criteria for procurement along with a "Supplier Code of Conduct" and "Sustainable Collaborative Procurement with the Bank" to use as a guideline for operations. Most importantly, the Bank focuses on anti-corruption and bribery: resist giving or receiving bribes in all forms, which the Bank has announced to all business partners

clearly and regularly. Meanwhile, the Bank also monitored and evaluated business partners to ensure that all partners strictly followed the guidelines, and used the assessment results as information for further improvement and development regarding the relationship management with business partners.

Currently, the Bank has a total of 658 merchants who registered with the Bank. In 2020, there are 26 new registered merchants, 99 new contractors with a procurement worth more than 2 million Baht, a total of 132 contracts assessed by inspectors. The Bank's counterparties have been acknowledged about the operating guidelines under the Banking Business Code of Conduct and Supplier Code of Conduct, which include the fight against bribery and corruption, social responsibility, caring for the environment and health, and respect for human rights. In this regard, the Bank also communicates such matters via website >> Merchant Registration system.

### In 2020



The Bank has a process for evaluating and having hearings from both business partners/counterparties as follows:

**01**

Evaluate satisfaction with business partners in order to review and evaluate performance of business partners and promote the improvement of business partners' operations in accordance with Sustainable Collaborative Procurement with the Bank.

**02**

Give business partners a chance to provide their opinions and suggestions on the joint process development.

**03**

Classify critical suppliers in order to manage risks and relationships appropriately.

**04**

Evaluate the potential of business partners whether their qualifications still meet the Bank's requirements or not.



## HUMAN RESOURCE MANAGEMENT

With the determination to drive the Bank's mission and vision of "Growing Together for Sustainability" concerning all stakeholders namely, employees, customers, government sector and shareholders, along with driving the Bank's strategy towards becoming future banking, the Bank has adjusted its human resource management policy. Particularly, aforementioned policy focuses on building future skills for employees, encouraging on agile transformation in the organization, promoting culture on corporate social responsibility while aiming to create desirable behaviors according to the Bank's moral identity and change management to achieve the set goals.

### Human Resource Management Strategy

In 2020, the Bank has driven 6 key operations:

**1. Workforce Rationalization:** Review workforce plan to match business plan, including job & organization redesign and process digitization by implementing technological tools to improve workplace productivity as well as reduce the time and work process.

**2. Employee Development:** Encourage employees to have upskill and reskill training so they are able to drive the Bank's strategic plan. In this regard, the Bank reviews employees' competencies in line with future skills; adjusts the learning methods to develop employees' knowledge and skills through focusing on non-classroom training e.g., On the Job Training, special project assignment and rotation as well as providing online training via E-learning, KM Website etc. Meanwhile, the Bank is determined to develop employee knowledge in terms of digital trends, cyber security awareness & data privacy protection. On leadership development, the Bank provides supervisors the opportunity to elevate their leadership and engagement competencies.

**3. Talent Management:** The Bank places great emphasis on attracting, managing and retaining talent personnel by developing a special project to recruit potential outsiders and provide opportunities for talent employees to participate in the Bank's major initiatives, including play a role in exchanging and sharing knowledge and experiences with other employees within the organization through the Knowledge Management project.

**4. Performance Driven Organization (PDO):** Create a performance-oriented organizational culture to enhance the Bank's performance, grant appropriate and fair compensation to employees, including continuously promoting the coaching & feedback of supervisors to employees. The Bank also introduced new tools to drive the Bank's performance such as using the OKR (Objective and Key Results) tool to execute the Bank's Initiative Project.

**5. Sustainable Krungthai:** Promote the creation of a zero-tolerance corporate culture and steer the Bank into a moral bank model under the 3 strategic principles: Foster, Prevent and Change. The initiative focuses on employees' participation in brainstorming ideas with the Inside-out Blasting approach in order to work out the work plans/innovations under the concept "A problem to solve, A good deed to do" and implement such plans with Design Thinking & Hackathon approach to promote 5 moral identities, i.e., Integrity, Breakthrough, Efficiency, Social and Teamwork. This also leads to the creation of desirable behavior of employees according to the moral identities. The Bank has also continued to promote the role of supervisors as the First Line of Defense, which helps reduce the risk of committing an offense and corruption among its employees.

**6. One Krungthai:** Encourage the subsidiaries whose stock is 100% held by the Bank to have human resources directions in line with the Bank's directions.



## Goals (Indicators) and Performance of Human Resources

Strategy	Goal	Operation
1. Workforce Management	Workforce Management is appropriate, effective and in line with business needs.	<ul style="list-style-type: none"> <li>Review workforce plan and organization structure to be in accordance with the business plan and the strategy to drive the Bank to become a future bank by considering business suitability and human right principles.</li> </ul>
2. Employee Development	Employees have sufficient and appropriate skills for driving business and the future banking strategy of the Bank.	<ul style="list-style-type: none"> <li>Determine appropriate competencies by considering both internal and external business factors, then conducting competency assessment systematically to find the needs of the individual development plan. The Bank focuses on developing both hard skills and soft skills of employees, especially enhancing digital skills to prepare them for the operations to gearing up to future banking strategy and develop executives to have leadership skills.</li> <li>Push forward greater performance and build up engagement within the organization. Give importance to upskilling and reskilling of employees affected by digital banking through focusing on developing both performance and potential to be able to acquire career growth according to their career path.</li> <li>Give importance to leadership development of leaders at all levels because they are an important factor in enhancing employees' engagement and performance. This will lead the Bank to a culture of Performance Driven Organization (PDO) that retains a smart and good employee as well as create firm and sustainable growth of the Bank further.</li> <li>Encourage employees to have life-long learning by highlighting and generating a variety of learning platforms such as E-learning and Knowledge Management (KM) Website etc.</li> </ul>
3. Talent Management	The Bank is able to attract, manage and retain talent personnel most efficiently.	<ul style="list-style-type: none"> <li>Improve external channels for potential recruitment by using online channels and carrying out special projects, including creating partnership networks.</li> <li>Focus on assigning special projects to talent employees to show their potential based on their aptitudes and interests.</li> <li>Promote the preparation of IDP for developing the Bank's successors to have career growth according to their career path.</li> </ul>
4. PDO (Performance Driven Organization)	The Bank creates PDO culture to enhance performance of the Bank and provide appropriate compensation to employees.	<ul style="list-style-type: none"> <li>Provide knowledge and understanding to all employees regarding the guidelines on performance management according to the Bank's PDO guideline.</li> <li>Encourage granting of appropriate compensation that is in line with actual performance: the harder you work, the more compensation you receive, and vice versa. This will give support to employees who fully perform their duties.</li> <li>Promote coaching &amp; feedback culture</li> </ul>
5. Sustainable Krungthai	The Bank creates a moral organization and drives the zero-tolerance culture in the organization.	<ul style="list-style-type: none"> <li>Implement the Sustainable Krungthai Initiative that is one of success factors in building a good and smart employee. This project encourages participating employees in brainstorming ideas about "a problem to solve, a good deed to do" through the Inside-out Blasting approach. The objective of this initiative is to enhance the work process to be more efficient, build up zero-tolerance culture, and drive a role model of the Bank for moral practice.</li> </ul>
6. One Krungthai	The Bank encourages the subsidiaries whose stock is 100% held by the Bank to adopt and practice in the same directions as the bank's human resources policy.	<ul style="list-style-type: none"> <li>Expedite for consistent HR operations such as Human Resource Management, Performance Driven Organization (PDO), Best Place to Work and Sustainable Krungthai Initiative.</li> </ul>



## HUMAN RESOURCES OPERATIONS

The Bank has established guidelines for human resource development based on various factors and strategic plans such as the Bank's strategies, the Groups' strategies, competencies, job description, career path, training need, training road map and future trends. For the development, employees are classified into 2 levels: executive and staff levels. The Bank has continued to develop its employees every year to meet the change requirements in terms of the strategic plans and strategic objectives of the Bank. In this regard, the employees' skills shall be developed in 3 areas: core competency, management competency and technical competency, e.g., product knowledge, sales and services, credit, leadership. In 2020, the Bank had a policy to focus on human resource development in line with the Bank's 2-Banking Model strategy, which is divided into Carrier and Speed Boat. The Carrier model focuses on improving efficiency and reducing costs of operations of the main business units, and the Speed Boat model aims to do business with agility - fast and flexible, including moving towards digital banking under the concept of "Excellent work, skillful man, proficient in technology". As a result, the Bank analyzed, reviewed and evaluated personnel competencies systematically, i.e., core competency, leadership competency and technical competency. Especially technical competency that relates to the employees' performance, the digital competency was added to be more in line with the Bank's operational policy. In addition, Technical Competency was categorized by job family to ensure that the performance is in accordance with the job categories within the organization. This makes it possible to properly assess and develop personnel working in both Carrier and Speed Boat areas, which require different skills, knowledge and qualifications.

The Bank arranges training to develop its employees through a variety of channels - classroom training in form of both in-house and public training, online classroom via video conference and E-learning courses, including dissemination of knowledge through different channels such as Email and Digital Signage. Besides the abovementioned training, to enable efficient human resource and leadership development processes, the Bank also designed curriculum and content focused on interactive learning. In particular,

the Bank integrates training content with recreational activities or simulations of various situations to make employees feel involving in learning and practice in real situations, e.g., Hackathon course, Consultative Selling Skill course that allows the participants to offer products to customers in real situations, Strategic Planning and Development course, and Coaching courses, etc.

The Bank has focused on the role of supervisors in developing employees through non-classroom training, e.g., supervisors' coaching, project assignments and on-the-job training (OJT) as well as starting to follow up results of non-classroom training. The Bank has also supported human resource development through the exchange of experiences among employees within the Bank (Experience based Training), where senior executives are involved in creating an atmosphere for continuous learning within the organization. The expertise executive shall act as an internal trainer to directly transfer knowledge to employees in an attempt to generate sustainability in human resource development. Furthermore, a coaching culture has been created, which focuses on developing professional coaching skills according to international standards in order that executives can use coaching skills to harness employees' potential and motivation in their work. To create a learning culture, the Bank also offers employees from its subsidiaries to participate in training along with the Bank' employees.

## OPERATIONAL MEASURES

Amid many challenges from advanced technology, intense competition raised by both domestic and international bank and non-bank business, and effects from disruption, the Bank has put importance on developing its employees based on their core competency, technical competency and management competency. By analyzing and specifying development areas, the result will be used to set human resource development plans to close competency gaps. Moreover, the Bank aims to achieve the goal to be digital banking in accordance with rules and regulations of regulators. Therefore, In 2020, the Talent Management and Recruitment Department has reviewed and assessed the Bank's competencies as follows:

## Competency Review

Competency Model Review: The Bank has considered various important input factors. The internal factors comprise the strategic plans, the Groups' plans, operational processes and internal risk management processes, whereas the external factors refer to the competitive environment in the financial and banking business, changes in business supervision regulations. Such factors also include the business environment affected by digital disruption and the current economic crisis from the COVID-19 pandemic. In addition, there was a benchmark for competency model among leading organizations or institutions in the financial and banking business. In 2020, the Bank improved the competency model of hard skills and soft skills.



**Hard Skill:** The Core Competencies have been revised by adding competencies related to data and digital skills so that all employees can perform work in the context of digital organization appropriately. Technical competencies have been improved by being categorized according to job families, in which the digital and data category will focus on technology and data management to drive the Speed Boat units in particular.



**Soft Skill:** The Bank aims to develop leadership competency for executives and supervisors with managerial skills to elevate performance and build up engagement among employees in the organization. Meanwhile, life balance is still emphasized by developing emotional resilience to enable employees to adapt well under all kinds of changes and crisis situations.

## Competency Assessment

The Bank conducted 360 degrees performance appraisal to obtain a multi-dimensional view. One employee will get self-appraisal and appraisals of the employee's supervisor(s), colleagues and subordinate. The assessments are conducted through the HRMS system and the results are analyzed and summarized on a regular basis each year. Moreover, in the performance appraisal process, the Bank has added a guideline on non-classroom training so that supervisors can determine subordinates' development plan along with competency appraisals.

## Competency Gap Analysis

After the annual competency appraisals, the Bank will analyze competency gaps of the individual employees. The results of the analysis are further used for preparing individual development plans and short-term and long-term training plans.

## Training and Development

Krungthai Academy as a main business unit responsible for personnel and supervisor development has considered various factors for planning training courses. To elaborate, there are the organizational needs to develop executives and employees, the Bank's strategic plan, policies of executives and Groups and individual needs together with competency, competency scope, strategic challenges and short-term and long-term action plans etc. Such factors are collected and analyzed to formulate human resource development plans that cover all necessary dimensions to the Bank's business operations amid

fierce competition as well as aiming at upskilling of employees and reskilling of rotated employees to perform their duties with sustainable effectiveness and efficiency. In 2020, the Bank has focused on the 4 following dimensions of the development:



### 1. Strengthen Foundation

The strategic objective is aimed at raising the Bank as a learning organization with morality and supporting the Bank to build a zero-tolerance corporate culture. Therefore, the Bank has determined desirable behaviors according to the specified 5 moral identities, as well as developing employees' knowledge and understanding of morality and ethics in working through training such as the "Lesson Learned for Sustainable Krungthai" course - an online learning course for all levels of employees; the "Market Conduct" course - focusing on educating employees on how to provide services to customers fairly according to the basic rights of customers and financial consumers; and the "Design Thinking Credit Process for Productivity-Efficiency" course which aims that employees will brainstorm to find the real problem in order to close the gap of findings and improve the credit process for Productivity-Efficiency to prevent fraud and damages to the Bank and enhance the creation of corporate culture for good corporate governance - free from corruption (Zero Tolerance) and building a public trust for the Bank.

In addition to knowledge and understanding of morality and ethics, the Bank has placed emphasis on knowledge development and the basic skills necessary for the job to support the changes that



have occurred. For example, The Bank provided knowledge and understanding of the Thai Financial Reporting Standards (TFRS9), which is effective in Thailand on January 1, 2020 and affects the operations of the Bank through the "Fundamentals of Financial Reporting Standards (TFRS 9)" course and "TFRS 9 Financial Instruments - Hedge Accounting" course. These courses focus on regulatory principles and guidelines, including financial and banking business analysis through financial statements, hedge accounting and account reconciliation for verification. For the Personal Data Protection Act, B.E. 2562 (2019), which came into effect in full force on May 27, 2020, the Bank organized a training course on "Personal Data Protection Act 2019: PDPA" which is an online learning platform for all levels of employees throughout the organization. It also provided executives the "Know Discipline, Reduce Risk, Avoid Wrongdoing" course to know their role in employee discipline, and strengthen the Three Lines of Defense.



## 2. Leadership

The Bank aimed to develop executive skills in creating inspiration and fostering a coaching culture, which is a key factor in enhancing employee engagement and performance, by organizing courses inside and outside the organization such as the "Storytelling", "Essential Coaching Tools for Leader" and "Effective Coaching for Leader" courses.

Moreover, due to the COVID-19 pandemic, the Bank has shifted all employees' patterns of working arrangements to become flexi-working: some employees work from home (WFH). Executives have to change methods of management and performance monitoring of the team to continue the management, engagement creation for the team, as well as driving the team to work efficiently even when not working in the same place. With this regard, the Bank has prepared a manual for performance management under flexible working, including providing a course on "Effective Team Management for Flexi-Working Environment" for executives and employees.



## 3. Up-skill & Re-skill

To develop employees' knowledge and skills to work efficiently and lead to better performance of the organization with the determination of becoming digital banking, the Bank has established the skills necessary for human resource development in accordance with the Bank's policy. They are divided into 5 areas as follows:



- **Future Banking:** The Bank has prepared employees to understand and use information and new technology to support transformation to digital banking such as the National Digital ID course and has created dissemination of digital knowledge, e.g., Blockchain, AI, Digital Supply Chain Financing and Human-centered Design etc. for employees across the Bank.

To increase knowledge and update the digital trend for employees in high potential and Speed Boat group, the Bank has organized a digital short course — a short-term course in both classroom and E-learning formats, from which employees can apply knowledge in their work immediately — for example, "Digital Enablement Program", "Artificial Intelligence: Strategies for Leading Business Transformation". Furthermore, the Bank has provided the E-learning Platform: SkillLane (TUXSA) which is an online course developed by the Bank and Thammasat University. Its contents cover data analytics, digital Business transformation, digital technology management, strategy planning, management, business operation skills and leadership building, and Platform Your Next U, which builds skills in various fields to enhance employees' knowledge to be ready for changes in the digital age.



- **Retail:** The Bank has enhanced knowledge about products, marketing and sales in line with digital banking by providing Professional Mutual Fund Sales courses: Superstar Module, KTB Financial Planner, Customer Relationship Management for HUB, ICR5Plus PRO and Digital Marketing courses.



- **Credit & Core Business:** The Bank has prepared employees for customer experience management to offer services beyond expectations and create effective engagement in the digital age. The examples of training courses are "Pre & Post Sale Knowledge (Credit Analysis)" course, "Financial Accounting for Lenders" course (FAL)", "Unreliable Financial Statement Issues in Thailand & Financial Data Validation" course, "Risk based Lending Workshop" course and "RM X2G2X Foundation Program" course.



- **Cyber Security & Privacy:** To support digital banking services and continual increase in digital banking transactions and quantity of data, the Bank has organized courses on cyber security and data privacy for related employees such as "Knowledge of Information Security Management System (ISMS) according to ISO/IEC 27001: 2013" course, "Information Security Awareness" course, "CompTIA Security+ Online" course, "PDPA for HR" course and PDPA for Internal Audit" course.



- **Data-Driven Organization:** The Bank has developed personnel of the Groups to become a data scientist with skills of information technology and data analytics that are in line with the policy of using data-driven to drive organizations. The objective is to develop employees to be able to utilize existing banking information to benefit strategies and decision-making in matters related to the Bank's business operations.



## 4. Digital Banking

The Bank has aimed to create necessary skills for becoming digital banking. Employees were trained in digital mindset & digital literacy skills and digital skills necessary to the operations, as well as having the ability to create innovations for the organization to satisfy needs of various customer groups in the digital age more, including 5 ecosystems. To be able to run the business among the

current changes, the Bank has given knowledge to employees on Agile Way of Working, together with Design Thinking in order to be able to be applied to the operations. The Bank organized the Krungthai Hackathon project in order to give employees a chance for interested employees to apply for the Open Application project. During the project, they will be consulted by nationally famous mentors. Selected prototypes will be considered for further development of the Bank's products or services. The project will stimulate and inspire creating innovation in the organization.

For digital knowledge, the Bank has organized training courses and disseminated knowledge for employees at all levels, working both in the Carrier and Speed Boat business models, as well as creating basic foundation so that employees can perform their work in line with the Bank's strategy to digital banking, e.g., the National Digital ID course, dissemination of fundamental digital knowledge through the Digital Sharing project. Moreover, the Bank has instilled cyber security awareness among employees, which will encourage the secure operation/use of technology, including preventing risks that may arise from the collection, use and disclosure of information. The examples of courses are "Phishing Mail" course - procedures for dealing with cyber threats that come in the form of phishing mail, "Ransomware 2020" course and "Personal Data Protection Act B.E. 2562: PDPA via Google Form". In addition, there were courses to develop employees in the Carrier business model to increase more value to the existing business or to seek new business opportunities such as "Preparation for CRM Positions" course (extending the value chain) as well as other courses that promote synergy between Carrier and Speed Boat model such as "RM X2G2X Foundation Program".





## Examples of Training Course via E-learning System or Online Platform in 2020

by System or Platform

No.	Course	Tool	Employee (Person)
1.	Introduction to Thai Financial Reporting Standards 9 (TFRS 9) (2020)	Google Form	20,345
2.	Workshop Risk Identification for Audit Plan 2021	Google Meet	283
3.	Non-Life Insurance Product 1	E-Training	11,109
4.	New Krungthai NEXT application	Youtube live	2,686
5.	Leadership Performance Development Online	Zoom	136
6.	Communicating with Infographics	Microsoft Team	34
7.	Skill Lane Online Platform	Platform	2,019

The results of migrating course content to E-Learning from January to December 2020 shows that 59.97% of all training courses are e-learning courses, which exceeds the target plan at 50% of the total courses.

No.	Types of training methods	Number of courses	Percent
1.	E-Learning	466	59.97%
2.	Classroom	311	40.03%
Grand Total		777	100.00%

In addition, the Bank has a policy to develop employees to be a content creator who can create and develop learning materials for the Bank's e-learning courses, and publish for internal employees to study such as "Understand G-Suite in 3 Minutes" course, "Micro Learning: Economic Direction, Banking Direction and Working in The New Normal Era."

To evaluate efficiency and effectiveness of training, the Bank evaluates and follows up development and learning effectiveness of trained employees and leaders to meet the course objectives. The result of evaluation and follow-up will be applied for need analysis and training plan development.

In 2020, trained executives and employees classified by gender and type of employees are as follows:

Employee Training Information		2018	2019	2020
Average Training Hour (hrs./person/year)		72.15	73.30	109.81
Total Training Hour (hrs.)		1,591,923	1,507,459	2,322,766
<b>Classified by Gender (hrs./person/year)</b>				
Male		56.18	77.41	94.38
Female		63.69	71.55	116.49
<b>Classified by Type of Employee (hrs./person/year)</b>				
Employee		56.18	97.38	104.76
Executive		63.69	65.36	136.69

Training for Employee	Training (Course)			Number of Batch (Batch)			Trained Employee (Person)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Internal Learning	395	399	213	1,331	1,097	485	99,674	74,479	30,635
External Learning	207	235	98	239	246	106	1,692	738	473
E-Learning	40	40	466	370	213	588	33,448	342,624	304,136

The Bank also took into account social and environmental issues as well as specified vision and mission relating to the sustainable economic, social and environmental development. Executives and employees participated in the social and environmental activities that the Bank held continuously. In 2019, the Bank initiated projects to distribute the environmental knowledge through Krungthai Conserves Environment course, in which the participants were given a lecture on the value of different environments such as planted mangrove forest and coral in Klongkone District and Dongtan Beach in Sattahip District. In this project, there were 2,256 participants. Moreover, due to the COVID-19 outbreak in 2020, the Bank has organized the "DIY

Muslin-Cotton Mask" course in order to teach employees about how to make fabric face masks so they got the muslin-cotton mask made by themselves. The Bank had also delivered fabric face masks to communities, which was considered as the optional ways for preventing the risk of infection in the communities and for safety of the Bank's employees, reducing the shortage of medical masks as well as decreasing the use of natural resources and wastes arising from the use of disposable paper masks. There were 5 batches of the course with a total of 90 participants whereas there was a video recording of the course launched for the Bank's employees to follow the instruction themselves.



## Remuneration Management

### Policy on Executives' Remuneration Management

The Nomination and Remuneration Committee has considered and proposed the appropriate remuneration for senior executives including the President to the Board of Directors for approval according to the "Performance Driven Organization" (PDO) policy.

Performance Driven Organization (PDO) is based on accuracy and fairness. Remuneration Compensation of senior executives and the President links to the Bank's short-term and long-term performance and is consistent with the performance of each executive. It is reasonably competitive with that of other companies, reflecting on being a sustainable bank. It uses the performance indicators set in the Balanced Scorecard, including the Bank's performance against the performance of companies that are at the same level

in all dimensions. This leads to long-term sustainable success under transparent criteria and the scope of responsibilities, which reflects the related risks and the Bank's competitiveness when compared with the leading financial institutions in Thailand. Executives' remuneration consists of monetary compensation and other compensation, i.e., contributions to the provident fund on the part of the Bank and other benefits and welfare according to the Bank's regulations like other employees to promote good quality of life and create motivation in work. Remuneration is improved continuously to be appropriate.

In the year 2020, the Bank paid 27 senior executives according to the definition prescribed by the SEC, consisting of the President, Senior Executive Vice President, Executive Vice President and First Executive Vice President, for 331,335,128 Baht in total.



## Employees' Remuneration

For employees' compensation, the Bank has implemented the "Performance Driven Organization" (PDO) policy. Employees will receive compensation in line with their performance. Moreover, The Bank ensures that employees' salary and benefits are appropriate to their position and responsibilities, compared to the Bank's peers. The Bank also provides various welfare that can meet employees' needs appropriately and considers increasing special adjustment during the year to high potential employees.

The Bank will pay the bonus in line with the previous year's performance of employees to encourage employees to continue their work determinedly and retain efficient employees to work with the Bank.

## Employee Performance Appraisal

The Bank has systematic and continuous performance management to encourage employees to reach goals of the Bank, department and individual as follows:

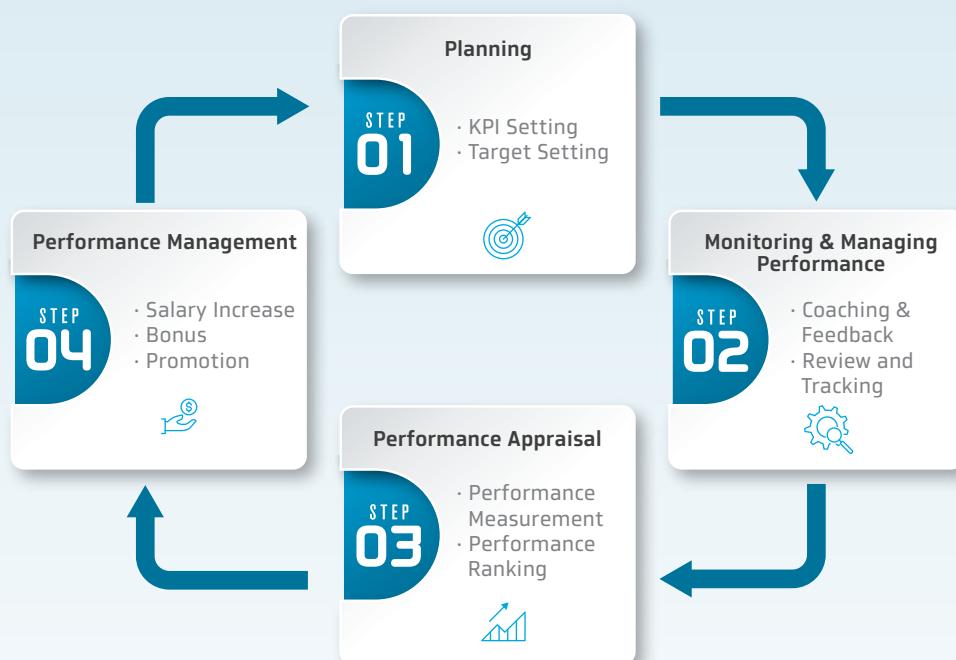
1. Planning to determine performance indicators, goals and criteria used in the evaluation must be clear and comply with

directions of the Bank's strategies. Key performance indicators (KPI) are used as a tool to set employees' work goals by having mutual agreement between supervisors and subordinates in order that employees can improve their performance.

2. Monitoring, suggestion and coaching & feedback: supervisors can monitor their subordinates' performance whether their performance progresses or subordinates reach their goal in line with KPI. Moreover, supervisors are required to develop subordinates in order to encourage subordinates to work better by providing suggestions and coaching & feedback.

3. Performance appraisal is to measure job accomplishment compared with specified goals.

4. Performance appraisal is to measure job accomplishment compared with specified goals. The link between results of the assessment has been used to consider financial and non-monetary rewards in order to motivate employees who have good performance and determination to work according to pay for performance principle to drive the organization to be a performance driven organization.



Information	Percentage of Employees*		
	2018	2019	2020
<b>Performance Appraisal</b>			
Employees received performance appraisal	100 %	100 %	100 %
<b>Classified by Gender</b>			
Male	100 %	100 %	100 %
Female	100 %	100 %	100 %
<b>Classified by Type of Employee</b>			
Employee	100 %	100 %	100 %
Executive	100 %	100 %	100 %

In 2020, Krungthai Bank had 20,262 employees in total, classified by gender, type of employment, working location and position level as follows:

Amount of Employee		2018			2019			2020				
Classified by Employment Type	Classified by Employee Level	Male (person)	Female (person)	Total	Male (person)	Female (person)	Total	Male (person)	Female (person)	Total		
Full-time Employee	Permanent Employee	Top Executive Level	50	29	79	56	27	83	59	33	92	
		First and Middle Level	1,498	1,694	3,192	1,446	1,643	3,089	1,427	1,657	3,084	
		Officer	4,938	13,397	8,335	4,774	13,025	17,799	4,439	12,495	16,934	
	Total		6,486	15,120	21,606	6,276	14,695	20,971	5,925	14,185	20,110	
	Temporary Employee	Contract for Service*	103	36	139	77	33	110	75	30	105	
		Outbound**	2	17	19	26	26	52	24	23	47	
Total			105	53	158	103	59	162	99	53	152	
Grand Total			6,591	15,173	21,764	6,379	14,754	21,133	6,024	14,238	20,262	

\*Temporary employee: all employees except Call Center receptionists

\*\*Other Employees: Employees who work as a Call Center receptionist, a field verification officer and a field collection officer





## Operations Related to Employee Engagement

The Bank has focused on building engagement and commitment between employees and the Bank earnestly and conducted the employee engagement survey twice a year via Google Form throughout the Bank. Even though they are not in the office, employees can take part in the survey anywhere, anytime via Smart Device. Through the survey, the Bank will know about work expectations and level of employee engagement. The Bank's research central department sets standardized evaluation processes and indicators to ensure that the survey results reflect the actual situation.

In 2020, to enhance its employee engagement, the Bank has appointed employee engagement agents from all Groups to use the results from the survey in enhancing the employee engagement concretely. Moreover, the Bank organized a project to raise awareness, love and pride in the Bank and create an admiration culture through various activities and media of the Bank, e.g., Love Krungthai with Blue Heart activity, Loving and Caring to Overcome Covid-19 campaign, Retirement Wishes for Retiring Employees activity, "Thank You for Not Giving Up" VDO series, Employee Engagement Handbook, etc.

Furthermore, the Bank has created a variety of communication channels to stimulate employee engagement, information exchange and feedback to connect good relations among the employees and between business units across the country.

In 2019, 97.73% of employees took part in the survey. The result of the whole Bank placed at 91.26%, in which scores between females and males in 2020 and for the past four years are not different and achieves the Bank's goals.

"Thank You for Not Giving Up" VDO series



Loving and Caring to Overcome Covid-19 campaign



### In 2019

employees took part in the survey  
**97.73%**\*

feedback to connect good relations among the employees and between business units



## Employee Welfare and Benefits

The Bank's welfare and benefits have been provided to all working locations: headquarters, business centers, regional offices and branches, including the Bank's workspaces in metropolitan and regional areas. The details of welfare are as below:

Remunerations and Welfares of Krungthai Bank's Employee Classified by Types	Permanent Employee	Contract Employee	Temporary Employee	Outbound
<b>Economic Dimension</b>				
Salary	✓	✓	✓	✓
Living expense	✓	✓	✓	✓
Overtime payment	✓	✓	-	-
Welfare borrowing	✓	✓	✓	-
Welfare loan for housing	✓	✓	✓	-
Additional loan for welfare loan for housing	✓	✓	✓	-
Welfare loan for automobile or motorcycle	✓	✓	-	-
Welfare loan for computer	✓	✓	✓	-
Special welfare loan	✓	✓	✓	-
Subsidy for employees whose working location is on island	✓	✓	-	-
<b>Life Safety and Security</b>				
Subsidy for infirmity/death from working	✓	✓	✓	✓
Compensation for injuries, illness, infirmity or death from working	✓	✓	✓	✓
Compensation for infirmity not due to work	✓	✓	✓	✓
Fund for social cremation	✓	✓	✓	✓
Cremation	✓	✓	-	-
Provident Fund	✓	✓	-	-
Subsidy for child education	✓	✓	✓	✓
Subsidy for child	✓	✓	✓	✓
Subsidy for disaster or force majeure	✓	✓	✓	✓
Friend for friend club	✓	✓	✓	✓
<b>Motivation</b>				
Car allowance	✓	✓	-	-
Business unit allowance	✓	✓	-	-
Special remuneration for gratuity	✓	✓	-	-
Special remuneration for long working tenure	✓	✓	-	-
Special remuneration for working in 3 Southern Border	✓	✓	✓	✓
Remuneration for the branch that opens 7 days a week	✓	✓	-	-
Uniform	✓	✓	-	-
<b>Health, sanitation and work environment</b>				
Medical and dental expense welfare	✓	✓	-	✓
Annual medical checkup	✓	✓	-	✓
KTB Fitness Center	✓	✓	✓	✓



Remunerations and Welfares of Krungthai Bank's Employee Classified by Types	Permanent Employee	Contract Employee	Temporary Employee	Outbound
<b>Recreations</b>				
Welfare staff house	✓	✓	✓	✓
Meditation	✓	✓	✓	✓
Sport and entertainment	✓	✓	✓	✓
<b>Other facilities</b>				
KTB Cooperative Co., Ltd.	✓	✓	✓	✓
Services e.g., service for obtaining Royal insignia address change and facilities for staff	✓	✓	✓	✓
Welfare canteen	✓	✓	✓	✓

#### Remark:

- Permanent employee means the employee who is appointed the status of the Bank's employee.
- Contract employee means the employee who has an employment contract from the Bank for a certain period of time.
- Temporary employee means the employee who is employed to work for the Bank temporarily and get welfare as in the above table.
- Outbound means the employee who works as a Call Center receptionist.

With effective human resources management, the Bank became the employees' second home. This has been reflected in 2020 that all employees returned to work after the end of leave for taking care for their children (classified by gender) as follows:

Case of Leave	Male	Female	Total
Number of employees who are eligible to take a parental leave	6,024	14,238	20,262
Number of employees who have parental leave	68	23	91
Number of employees who return to work after the parental leave	67	21	88
The return rate and retention rate of employees who return to work after the end of the leave	98.53%	91.30%	96.70%
Number of employees who return to work after the parental leave and continue working for one year (Comparing 2019 to 2020)	74*	27**	83

\* In 2019, 77 male employees took a paternity leave to help their wife look after their newborns and 74 of them returned to work until December 31, 2020 (3 of them resigned).

\*\* In 2019, 31 female employees took parental leave and 27 of them returned to work until December 31, 2020 (4 of them resigned).

#### Remarks:

- Parental leave is leave provided to care for newborns after maternity leave.
- Paternity Leave is leave provided to help wife care for their newborns.

## Talent Attraction and Retention

In present, the Bank shall recruit a new employee, if necessary, in order to support digital banking policy. The current employees are retained and reskilled to respond to current situations and have capability to work so that the Bank can achieve its goal as specified in the strategic plan.

The Bank aims to become digital banking according to the strategic plan. Therefore, it places importance on business units that drive transformation to digitalization, especially Technology Group which implements projects that drive the Bank to future banking.

The Bank will recruit employees with IT expertise, particularly in Application Programming, Mobile Application, Big Data, Blockchain, including the positions of Business Analyst / Developer / System Analyst / Programmer / Tester / Security to support the design and development of work systems.

To attract outsiders who have knowledge, outstanding ability to work in the Bank, the Bank has increased channels for recruiting outsiders with ability related digital banking: Data Scientist / Data Analytics by cooperating with government agencies to recruit potential employers from their scholarship students to work with the

Bank. The Bank participated in the Tech Career Coaching 2020 project and Expo Thailand 2020 which were organized by the Thai Bankers Association and the Ministry of Labor. This project aimed to promote the Bank's projects, job positions (especially technology) or new innovations to recruit personnel to participate in innovation development for business operations and financial services aimed at digital banking. When working with the Bank, they will be assigned project-based jobs and agile working will be applied to them. The Bank will also consider appropriate remuneration in line with skills, knowledge, ability and experience by reference to market rates as well as adjusting the organization to be more agile and suitable for operations in the current situation.

The guideline on retention of high potential employees is divided into 2 aspects: financial and non-financial. In the financial aspect, the Bank has conducted compensation review and market adjustment in order that its employees receive the remuneration in line with market rate. Meanwhile, in the non-financial aspect, the Bank has provided each employee a career path to suit their performance and potential. In addition, the Bank has made an individual development plan to prepare high potential employees to become successors.

The Bank has a guideline to attract outsiders who have knowledge, outstanding ability and high potential in Top Notch group to work with the Bank through the following projects:


**01**

Recruitment of personnel with expertise in digital by organizing the Krungthai IT Next Gen Project to the agencies supporting the aforementioned changes;


**02**

Increase in recruiting channels for external personnel: They are a leading channel that brings together people with knowledge and expertise in information technology. Especially, the Bank has focused on building cooperation with partners and organized special projects such as Krungthai CITU Digital Co-Creation Initiative. It has also improved recruitment and branding through digital channel;


**03**

Adaptation of the types of public relations for recruitment and interview to respond to the Covid-19 situation: The Bank has used technology to promote the recruitment through the Zoom program and hold an interview via Google Meet;


**04**

Employment of scholarship students of Development and Promotion of Science and Technology Talents (DPST) program and the National Science and Technology Development Agency (NSTDA) to repay the scholarships with the Bank continuously: The Bank has run this project since 2016. These personnel have skills in Data Science & Data Analytics, which are skills that the Bank needs for supporting digital banking.



Additionally, in 2020, the Bank was looking for a new channel to attract high potential personnel by providing scholarships for internal employees. The scholarships will focus on the digital banking field such as the Harbor.Space@UTCC scholarship program. In this program, employees' digital banking skills are developed to help drive the organization together with creating learning opportunities, developing capabilities, and enhancing intellectual capital.

Besides, the Bank will also consider compensation that is suitable for skills, knowledge, abilities and experience compared with the market rate. After employees come to work at the Bank, the Bank will continue to supervise and develop these potential employees through the individual development plan and the retention program.

## Talent Retention

For high potential employee retention, the Bank has studied information in Best Practice of national and international leading organizations, including analyzing internal information in order to provide a guideline to take care of those employees properly and accurately. In 2019-2020, the Bank has created a monitoring form to be a tool to control various factors that will retain employees by providing both career path and compensation. The results of the monitoring form will be communicated and discussed with business units by HR Group to find ways to retain each employee further.

The current guideline on retention of high potential employees is divided into financial and non-financial as follows:

1. Quality of Work: The Bank has assigned important challenging work or projects to high potential employees in order to constantly develop employee potential such as the Krungthai Next scheme, the State welfare Card scheme, the Chim-Shop-Chai (Taste-Shop-Spend) scheme and the Rao Tiew Duay Kan (We Travel Together) co-payment scheme etc.

2. Future Growth: The Bank has taken care of high potential employees' career path through monitoring form to monitor the career path of each employee whether they are at the right place for performance and potential or not. If not, HR Group will discuss with business units to find a solution.
3. Reward: The Bank organizes the salary and salary structure of high potential employees to be appropriate in line with the market rate.
4. Work-Life Balance: The Bank has provided welfare benefits to employees and their family (their spouse and children). The Bank has also adjusted the working environment, especially business units relating to innovation to be modern and encourage creativity for generating new products.
5. Inspiration: The Bank has focused on conducting activities that give inspiration to employees: employees' participation in important work/activities of the Bank, arranging an activity for the Bank's scholarship students to have a chance to dine with the management so that such students can get policies from the management directly. The Bank adjusted the dining activity with the management to be informal and relaxed, including creating atmosphere to encourage 2-way communication. This is an opportunity for the scholarship students to express their opinions about issues related to the Bank.

According to the attract and retain guideline as aforementioned, the Bank aims to prepare high potential employees for becoming successors, including taking care of and developing their potential continuously in order that they can be an important force of the Bank in driving towards becoming a digital banking with sustainable growth.



## Number and ratio of new and terminated employees classified by age, gender and region

Employee Information	2018		2019		2020	
	New Employee (person)	Terminated Employee (person)	New Employee (person)	Terminated Employee (person)	New Employee (person)	Terminated Employee (person)
<b>Number of Employees Classified by Gender</b>						
- Male	287	594	386	417	128	296
Percentage	4.35	9.01	6.05	6.54	2.12	4.91
- Female	367	854	456	678	115	421
Percentage	2.42	5.63	3.09	4.60	0.81	2.96
Total	654	1,448	842	1,095	243	717
<b>Number of Employees Classified by Age Range</b>						
- Age < 30	233	303	294	162	45	70
Percentage	5.35	6.95	12.17	6.71	3.25	5.05
- Age 30 - 50	415	521	532	516	191	335
Percentage	3.41	4.29	3.98	3.86	1.39	2.44
- Age > 50	6	624	16	417	7	312
Percentage	0.11	11.89	0.30	7.81	0.14	6.03
Total	654	1,448	842	1,095	243	717
<b>Number of Employees Classified by Working</b>						
- Central Branches (in Bangkok and Perimeters)	606	850	802	629	241	365
Percentage	5.47	7.67	7.28	5.71	2.26	3.43
- Domestic Branches	48	598	40	464	2	350
Percentage	0.45	5.60	0.40	4.59	0.02	3.64
- Overseas Branches	0	0	0	2	0	2
Percentage	0	0	0	13.33	0	14.26
Total	654	1,448	842	1,095	243	717
Ratio of New Employees to Terminated Employees	0.45	1.00	0.77	1.00	0.34	1.00

## Human Rights

1. In Staff Regulation on Appointment and Employment of the Bank's Employees, no criteria or conditions of employment discrimination or discrimination are specified, but equal opportunity of employment and qualifications are provided in accordance with qualifications of public enterprise employees. The Bank also has transparent recruitment by job advertisements and considers qualifications, knowledge, competencies, determination and positive attitude. In this regard, the committee is appointed to recruit and select the candidates to work with the Bank.

2. Continuous development of employees' potential encourages employees to advance their careers, including taking care of a safe working environment, providing employees the rights and welfare facilities to have a good quality of life and be able to perform work without affecting the body and mind. The Bank respects the rights and freedoms of employees to form a collective bargain and provides employees systematic channels for receiving complaints and recommendations. The complaints are managed appropriately and remedies will be equally provided in the event of human rights violations in accordance with applicable laws and regulations.



## Rights to Association and Collective Bargaining

### Operational Goal (Long term) 2022

Labour dispute is zero.

### Operational Goal 2020

Labour dispute is zero.

### Performance 2020

Labour dispute is zero.

The Bank gives rights to, freedom and collective bargaining, which are considered as basic rights to unite to improve the quality of life of employees and resolve labor disputes. There are joint meetings between the employer representatives and the employee representatives which are held on a monthly basis. Currently, there are 17,158 members from across the country, accounting for 84.68% of the total employees.

In 2020, the 12 joint meetings, totaling 45 issues were held in the form of a joint consultation meeting in order that employees acknowledge the operating guidelines of the organization, difficulties or impacts that may occur from developing and improving the operational efficiency of the organization. The meetings focused on participation and expressing opinions of employees. There were also the meetings of employees' working groups for the quality of life which were held on a regular basis. The meetings were organized to discuss various proposals that were appropriate and made the utmost benefits of the Bank and employees and to be information

for the Bank to consider and proceed with the resolution of the joint consultation meetings between the employer representatives and the employee representatives. In addition, there was a satisfaction survey on welfare of employees to acknowledge the level of satisfaction in various factors as well as finding solutions and improvements. In this regard, the Bank believes that good communication and exchange of views between the Bank and employees will lead to good relationships and achieve the goals of the organization together.

If the Bank has a net profit, allocation of benefits and rewards will be appropriate by comparing with industry norms and other reasonable factors. Accordingly, the representatives of employers and employees discussed in accordance with the applicable laws, adhering to justice and fairness, and having no discrimination against race, religion, gender and friendship. It resulted in the Bank's good labour relations, with no filing a claim from the Labour Union. The data during 2018-2020 is shown in the table below:

Negotiation with the Labour Union	2018	2019	2020
Number of negotiations	0	0	0
Number of solved negotiations	0	0	0
Number of negotiations in process	0	0	0

Furthermore, the Bank provides various channels for employees to voice their opinions as follows:

- E-mail: Whistle@krungthai.com/HR.care@krungthai.com
- Hotline: 0-2208-8887/E-Mail: hr\_hotline@krungthai.com/App krungthai >> Tools >> Hotline The Discipline and Employee Relation Department is the center in receiving suggestions and complaints, providing advice and recommendations to employees and cooperating with other units involved in the issue in order to strengthen the bond between the Bank and employees.

Moreover, the Bank has established guidelines for all employees to follow in order to prevent and resolve the problem of harassment or sexual harassment at work in order that personnel in all units regardless of their position is treated with respect and dignity and without harassment or sexual harassment at work. The Bank has provided an environment to reduce the risk of causing harassment/sexual harassment, along with raising awareness, knowledge and understanding of such issue. It has also implemented preventive measures and dealt with problems that arise and taken actions timely in case of complaint about harassment or sexual harassment.

Sexual harassment or harassment is any compulsive sexual act or behavior, use of power with unwelcome verbal conduct text, gestures, images, electronic documents, or sexually explicit materials or to do something in the same way that is likely to cause someone else to receive trouble, embarrassment or to feel insulted. This includes stalking, harassment or any act that creates a sexually unsafe atmosphere, especially creating conditions which affects hiring, recruiting, or appointment; or any other impacts on the victim in both public and private agencies, including educational institutes.

## Diversity and Equality in Employment

The Bank has a policy of fair and equitable hiring without discrimination, providing equal and transparent opportunities for persons with knowledge and competence. The guidelines are as follows:

1. In Staff Regulation on Appointment and Employment of the Bank's Employees, equal opportunity of employment and qualifications are provided in accordance with qualifications of public enterprise employees. The Bank also has transparent recruitment by job advertisements and considers qualifications, knowledge, competencies, determination and positive attitude. In this regard, the committee is appointed to recruit and select the candidates to work with the Bank.

2. For job advertisements, the Bank respects human rights and provides gender equality for job application, including providing a special job position for the disabled. The Bank also gives importance to the disabled by formulating policies and guidelines on promoting and improving life quality of the disabled such as employment, career development fund and any help, including subsidizing as prescribed by law.





## Occupational Health and Safety in Workplace

### Operational Goal (Long term) 2022

- Build safety culture in the organization
- Zero Accident
- The Bank becomes a second home

### Operational Goal 2019

- Occupational health and safety case that is punished or fined by government agencies = 0
- Total Recordable Injuries Rate (TRIR) < 1.00
- Lost Time Injuries Frequency Rate (LTIFR) = 0
- Occupational illness rate = 0

### Performance 2020

- Meet the target
- Occupational health and safety case that is punished or fined by government agencies = 0
- Total Recordable Injuries Rate (TRIR) = 0.02
- Lost Time Injuries Frequency Rate (LTIFR) = 0.02
- Occupational illness rate = 0

Krungthai Bank PCL recognized the importance of health and safety in working of the employees and related persons, including a working environment in which there is no danger and risks. Therefore, the Bank has set occupational health and safety operation goals, policy, vision and mission as the framework and guidelines for the occupational health and safety management process. The Bank has also adhered to compliance with laws and safety standards, resulting in leading to creation of "Safety culture of the organization" and making employees feel that "The Bank is the second home".

### Safety Summit

Safety Summit has 3 steps.



### Safety Culture



- The Bank complies with law and standard on safety/ not to be punished or fined by government agencies.
- Build up good image of the Bank and present that the Bank gives importance of safety.

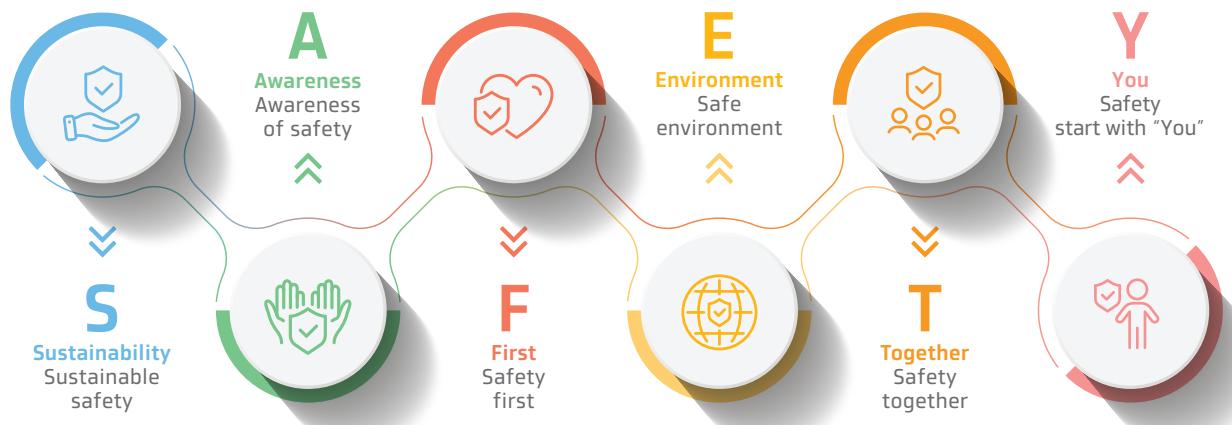


- Executives and employees have safety awareness.
- Executives and employees perform their duties with safety/ Zero Accident

### Compliance with Safety Thailand

In addition, to achieve the goal "The Bank is the second home", the Bank implemented the Krungthai Safety Together Project covering operations of 3 Summits. The scope of the operations are law, knowledge and workplace that focus on taking care of employees' health and create appropriate, safe, risk free work environments in order to enhance efficiency in working and create a good quality of life to all employees. The project has 4 missions as follows:

1. Give knowledge and build realization of safety to personnel throughout the organization;
2. Evaluate and control hazards that may affect personnel and customer's health;
3. Keep work environment safe and appropriate; and
4. Promote good personal health in physical, mental, emotional and social aspects. This project is conducted under 6 Safety Value, namely:



## Structure of the Bank's Occupational Health and Safety Management

Position/Work Team	Responsibilities
President	The President announces and delivers safety policy to all employees so that they all perform safety operations together. The President also ensures that agencies in the private and public sector acknowledge that the executives have strong determination to care and uplift the quality of life of employees, especially to care for a working environment that is safe and appropriate for working. Additionally, the President aims to present a positive image and become the leader in safety in the workplace of the Bank.
21 Members of the Environmental Management for Employees' Welfare Committee (0.1%)	The Environmental Management for Employees' Welfare Committee consists of executives from all Groups assigned to perform duty in reviewing the Bank's occupational health and safety management system and communicating safety operations to all employees in every Group.
SSHE (Safety, Security, Health and Environment)	KTB - SSHE (KTB - Safety, Security, Health and Environment) is the work group for overseeing safety, security, health and environment of the whole Bank, in which each department is in charge of their respective operations. The work group consists of the Discipline and Employee Relation Department, Premises & Property Management Department, General Services and Security Department and Medical Department. KTB-SSHE has been operated based on providing equal occupational health and safety treatment to all staff with the same standards throughout the organization.
Occupational Safety, Health, and Environment Committee (OSH&E)	The Bank appointed the Occupational Safety, Health, and Environment Committee for each building. The committees consist of the representatives of employers being the Bank's staff in the management level, and representatives of employees being the Bank's staff in the operational level. The ratio of them and number of members comply with applicable laws, so that employees' safety and sanitation in each building nationwide is under control and supervision. (The meetings of the committee were held on a monthly basis.)
Safety Officers from the Management and Supervisor Level	In 2017-2020, the Bank provided training courses and assigned the safety officers in the management level and supervisor level to encourage, promote and monitor safety operation in compliance with KTB-SSHE plan as well as supervising employees to follow the safety regulation and guideline. The Bank also promoted and supported safety activities.



Position/Work Team	Responsibilities
Employee	Employees have a duty to participate in safety, occupational health and work environment activities, and give opinions on improving a safe work environment to reach the goal of the Bank's operation on safety, occupational health and environment.

\*Note: There are 20,262 Employees of Krungthai Bank PCL. in December.

For the safety of employees' health and public health, to provide knowledge on occupational health and work environment, the Bank organized training courses: the "Committee of Occupational Safety, Health and Work Environment of the Workplace" course, the "Occupational Safety Officer at Supervisor and Executive Level" course and the "Basic Fire Fighting" course in 2020, totaling 6 batches in which there were 220 participants.

## Implementation of Guidelines on Occupational Safety throughout the Bank



## Agreement on Health and Safety Covering Labour Union Agreement

The Bank's health and safety operation has followed the Occupational Safety, Health and Environment ACT B.E. 2554 (2011). The Bank formulated health and safety benefits, for example, organizing annual health checkup and compensation for disability/death as a result of a work-related injury or diseases, making the workplace a safe environment, etc.

In 2020, the Bank has promoted the transfer of policies to the implementation of various departments. The system is standardized across the organization: headquarters, regional offices and branches through KTB-SSHE (KTB - Safety, Security, Health and Environment). Different actions are taken according to the risks that may arise in each workplace or working environment to create a suitable, safe and risk-free working environment.

### SSHE



#### Throughout the organization

- Operations according to Health and Safety Laws
- Fire Prevention and Control Equipment Audit
- Electrical Safety Audit
- Online/Classroom Training on Safety
- Emergency Plans and Testing
- OSH&E committee, Safety Officers from the Management and Supervisor Level



#### Head Offices

- Fire Prevention and Control Equipment for Large Buildings
- Building Safety Audit



#### Branches

- Branch Standard
- BCP for Robbery



#### 3 Southern Border Provinces

- BCP for Civil Unrest



#### Throughout the organization

- CCTV System
- Providing security guards at each building



#### Head Offices

- Access Control System & Control Room
- Visitor Management Process
- Hand-held and Walk-Through Metal Detector



#### Branches

- Alarm system with a direct connection to the police
- Providing security guards/the police at each building 24/7



#### 3 Southern Border Provinces

- Remote Control Door System
- Car Safety Equipment: Bullet-Proof Film, Safety Glass, Safety Bags, Safety Backrest



#### Throughout the organization

- Annual Health Checking Program
- Hospitalization at public and private hospitals
- Flu vaccine
- Online Health Knowledge
- Equipment or medical supplies to prevent the COVID-19



#### Throughout the organization

- Environment Monitoring
- 5 S/QA
- Flexible Hours
- Working Space Management / Physical Distancing Office / Hot Seat / Common Space / Co-working Space to Respond to the New Normal



#### Head Offices

- The Bank's Clinic
- Fitness Center
- Thermo Scan



#### Branches

- Measurement of body temperature to prevent the COVID-19
- Wearing a medical mask/face shield when providing customers services
- Providing alcohol gel for employees and customers



#### Throughout the organization

- Environment Monitoring
- 5 S/QA
- Flexible Hours
- Working Space Management / Physical Distancing Office / Hot Seat / Common Space / Co-working Space to Respond to the New Normal



#### Head Offices

- WFH / Flexible Working / Screening Point for External Persons



#### Branches

- New Normal Service Style, e.g., social distancing / partition installing / limiting the number of customers / Thai Chana application
- Spraying disinfectant to prevent the COVID-19
- Purchasing UV Sterilizers for foreign banknotes to use at the branches with foreign exchange service



#### Cash Inventory Management Center

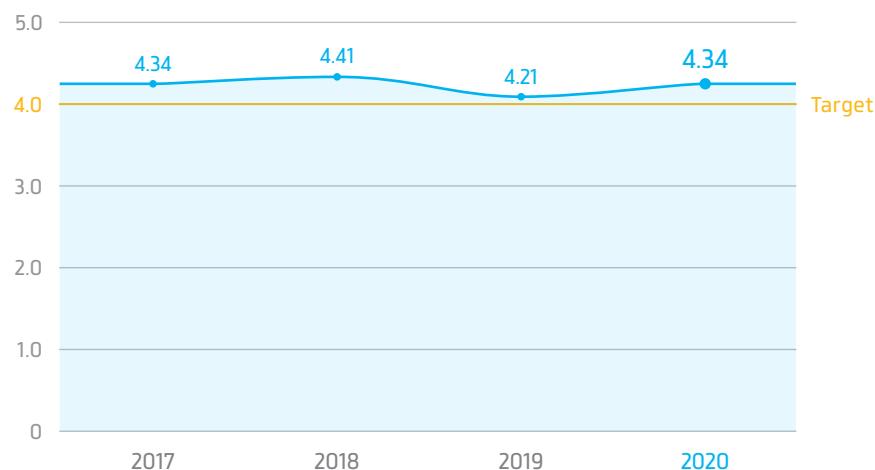
- Spraying disinfectant to prevent the COVID-19



## Overall satisfaction score in 2020



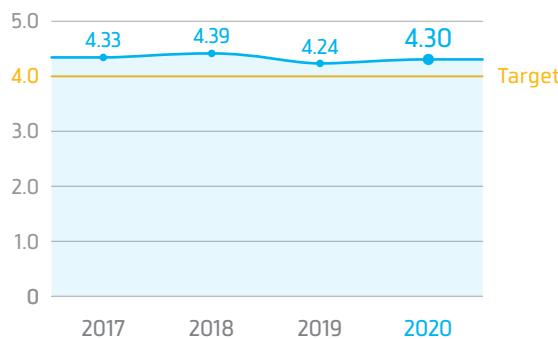
Overall Satisfaction Score  
for Work Environment of  
the Bank



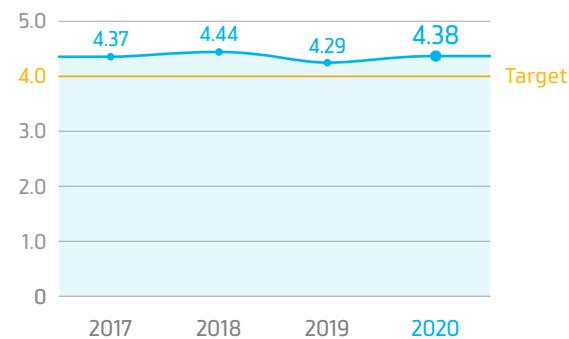
## SAFETY



Satisfaction score  
for occupational health  
and safety



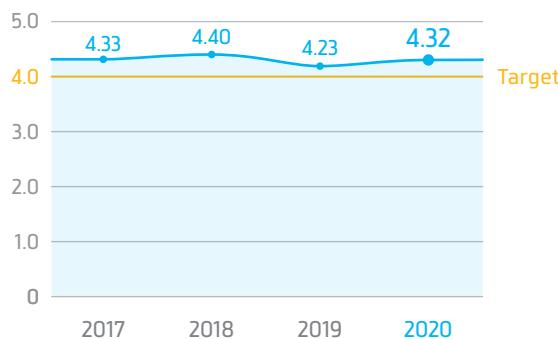
Satisfaction score  
for standard in fire alarm system



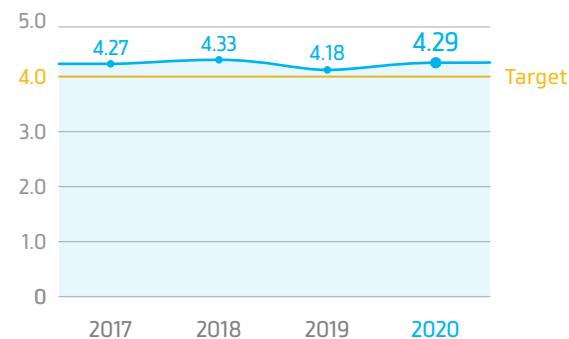
## SECURITY



Satisfaction score  
for safety standard



Satisfaction score  
for work environment



## ENVIRONMENT

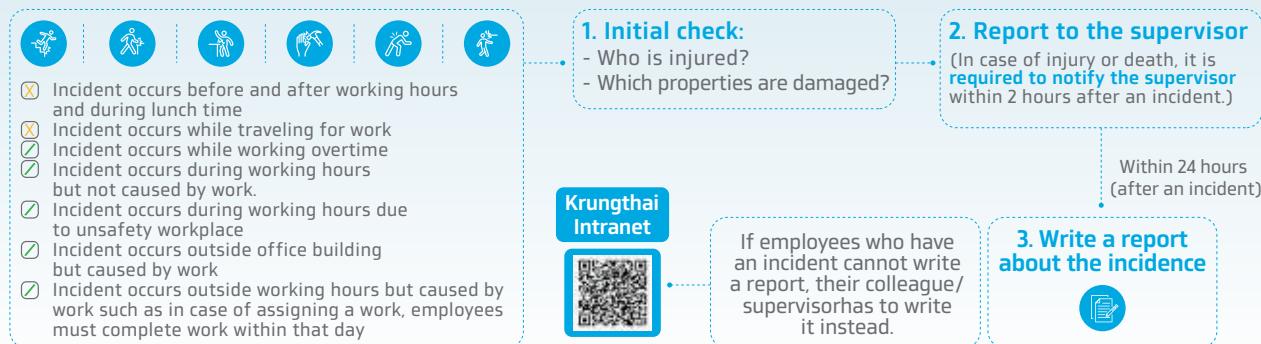
## Numbers and ratio of accidents at work in 2020 classified by location and gender

Total Recordable Injuries Rate covering work-related first aid and injuries resulting in death

Indicator	Headquarters (departments, business offices, regional offices)			Nationwide Branches			Cash Inventory Management, Centers Mint Inventory Management Centers			Three Southern Border Provinces and adjacent areas			Total		
	F	M	Total	F	M	Total	F	M	Total	F	M	Total	F	M	Total
1. Number of persons injured at work (person)	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1
2. Number of accidents resulting in working day lost (person)	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1
3. Total Recordable Injuries Rate: TRIR: 1,000,000 working hours	0.02	0	0.02	0	0	0	0	0	0	0	0	0.02	0	0	0.02
4. Lost Time Injuries Frequency Rate: LTIFR: 1,000,000 working hours	0.02	0	0.02	0	0	0	0	0	0	0	0	0.02	0	0	0.02

The Bank used criteria for data record, accident statistics report and guideline according to applicable law.

### Process of Reporting an Incident



### Performance 2020

Indicator	2017	2018	2019	2020
Occupational health and safety case that is punished or fined	0	0	0	0
Total Recordable Injuries Rate: TRIR: 1,000,000 working hours	0.11	0.07	0.09	0.02
Lost Time Injuries Frequency Rate: LTIFR: 1,000,000 working hours	0	0	0	0.02
Occupational illness rate	0	0	0	0
Number of safety media (issue)	35	35	38	54
Number of health media (issue)	44	44	44	42
Number of safety training courses (batch)	37	22	25	6
Results of Indoor Air Quality (IAQ) measurement	Passed the standard			

Absentee Rate	2017	2018	2019	2020
Goal	2.00	2.00	2.00	2.00
Performance	1.02	1.24	1.05	0.77



## STAKEHOLDER ENGAGEMENT

The Bank has realized the importance of various groups of stakeholders, both inside and outside the organization that directly and indirectly affects the operations of the Bank both in terms of economy, society and environment. Based on primary information and secondary information, the Bank aims to ensure the appropriate, fair, and effective treatment to shareholders, customers, employees, regulatory agencies, society and trade partners. Stakeholder treatment has been specified as a part of its good corporate governance policy and the Bank's code of business conduct, which were disclosed to the public through various media. The Bank believes that the sustainable growth must come from creating mutual benefits in accordance with expectations of all groups of stakeholders. In the past, the Bank has operated as follows:

Process	Frequency	Need	Guideline
 Employees			
<ul style="list-style-type: none"> <li>- Open to suggestions, problems and complaints from employees through three channels; direct email to the executives, HR Care and HR Hotline</li> <li>- Employee engagement survey</li> <li>- Performance appraisal</li> <li>- Employee trainings and development</li> <li>- Seminars with employees</li> <li>- Fraud report through Whistleblowing</li> </ul>	<ul style="list-style-type: none"> <li>- Open for suggestions throughout the year</li> <li>- Employee engagement survey twice a year</li> <li>- Performance appraisal once a year</li> </ul>	<ul style="list-style-type: none"> <li>- Income, benefits, and welfares</li> <li>- Inspiration for working</li> <li>- Interesting and valuable work</li> <li>- Work-life balance</li> <li>- Opportunity to learn and career advancement</li> <li>- Recognition</li> <li>- Environment and work facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Treat employees fairly and appropriately</li> <li>- Create an environment for employees to participate in offering useful feedback</li> <li>- Provide engagement activities for employees</li> <li>- Encourage good health and well-being of the employees by providing facilities and activities</li> <li>- Provide training plans for employees and develop their career path</li> <li>- Ensure safe and hygienic work environment for employees</li> </ul>
 Customers			
<ul style="list-style-type: none"> <li>- On-site visits to interview customers to find pain points or opportunities to develop products or improve processes.</li> <li>- Customer engagement survey</li> <li>- Meet with customers to offer financial products and services</li> <li>- Arrange seminars to provide knowledge about finance and business for customers</li> <li>- Provide channels for customer complaints</li> <li>- Communicate via online media</li> <li>- Satisfaction and organization image survey</li> </ul>	<ul style="list-style-type: none"> <li>- Satisfaction and organization image survey twice a year</li> <li>- Customer engagement survey by visiting customers throughout the year</li> <li>- Customer complaint service survey throughout the year</li> <li>- Customer interview once or twice a year</li> <li>- Communicate new products or services to the public via online media</li> </ul>	<ul style="list-style-type: none"> <li>- Customer confidentiality</li> <li>- Financial products and services which meet the needs of each customer group</li> <li>- Receive proper services and handle complaints effectively</li> <li>- Needs to join activities or receive news about both knowledge and products of the Bank regularly</li> <li>- Effectively handle customer complaints</li> <li>- Communicate with customers to get correct and beneficial information, including hearing suggestions</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and offer products and services that meet the needs of each customer group</li> <li>- Provide services with willingness and give customers the opportunity to evaluate the service provided by employees</li> <li>- Improve procedures to be fast and meet the needs of customers</li> <li>- Handle complaints as specified by SLA</li> <li>- Deliver news and product information to customers via SMS/e-mail</li> <li>- Publicize loan products via online advertisement to target groups</li> <li>- Register for those interested in the products on the SME.KRUNGTHAI.COM website</li> </ul>

Process	Frequency	Need	Guideline
 Society			
Open to opinions from communities through various social activities conducted by the Bank, including performance evaluation	Open to suggestions from communities in every activity throughout the year	Create the better society in which the communities have management, financial literacy and quality products and services that meets the standards	<p>The Bank has conducted on-site visits to communities to find out the needs as follows:</p> <ol style="list-style-type: none"> <li>1. Training</li> <li>2. Study visit</li> <li>3. On-site visits with specialist to establish a development plan</li> <li>4. Organize activities for development and practical experience</li> <li>5. Performance Assessment</li> </ol>
 Shareholders			
<ul style="list-style-type: none"> <li>- Arrange the Annual Generating Meeting</li> <li>- Arrange shareholder road show</li> </ul>	<ul style="list-style-type: none"> <li>- Once a year</li> <li>- Once a year by taking into account the situations and suitability</li> </ul>	<ul style="list-style-type: none"> <li>- To provide shareholders who are the owners of the Bank to be informed of the report of the Board of Directors and the Bank's performance over the past year</li> <li>- To have a chance to meet the Board of Directors and the Bank's Management and be informed of information and clarification to understand the Bank's policies by them directly</li> </ul>	Strictly conduct business in accordance with the laws and regulations of the regulatory authorities as well as principles of good corporate governance
 Partners			
<ul style="list-style-type: none"> <li>- Arrange meetings, training, seminars, and other activities to build relationships</li> <li>- Open to suggestions, problems and complaints throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>- Join as a lecturer in KTBGS training one time.</li> </ul>	<ul style="list-style-type: none"> <li>- A clear procurement policy of the Bank</li> <li>- Cooperation and coordination to achieve goals</li> <li>- Fair, transparent, and auditable procurement</li> </ul>	<ul style="list-style-type: none"> <li>- Stipulate clear procurement regulations and policy which gives complete information</li> <li>- Process a fair, transparent and auditable procurement</li> <li>- Perform in accordance with trade conditions and agreement</li> <li>- No acceptance of any gift, present, private or group invitation for which the partner is financially responsible</li> </ul>



Process	Frequency	Need	Guideline
 Regulatory agencies			
<ul style="list-style-type: none"><li>- Meeting to acknowledge policies and regulatory guidelines</li><li>- Receiving audit from regulatory agencies</li><li>- Conduct a report to submit to regulatory agencies, and get feedback</li></ul>	Throughout the year according to time frame of each business unit	<ul style="list-style-type: none"><li>- Conduct business in compliance with laws, regulations, and manage the operations efficiently</li><li>- Security of the Bank's work system</li><li>- Transparency of the organization and its work system</li><li>- Provide services to customers fairly</li></ul>	<ul style="list-style-type: none"><li>- Adhere to assessment principles of the Bank, both in the form of self-assessment and award criteria in various fields to improve the process to be efficient</li><li>- Code of conduct for fair and transparent business operations</li><li>- Strictly comply to the Bank's regulations</li><li>- Propose suggestions, observations and feedback from regulatory agencies to handle and improve work process to align with international standard</li></ul>

## Environmental and Social Sustainability





## FINANCIAL SUPPORT FOR ESG BUSINESSES

The Bank places importance on environmental and social issues, including concerning human rights and responding to challenges from climate change. The Bank had elevated and clarified the level of guidelines for sustainable finance, especially on responsible lending and green lending in order to manage risks and reduce social and environmental impacts that may arise from providing loans. The framework for lending with consideration to environmental risk factors was established as follows:



- 01**  
ASSESS THE IMPACTS OF  
INDUSTRIES, BUSINESSES  
AND/OR PROJECTS  
APPLYING FOR FINANCIAL  
SUPPORT



- 02**  
IMPROVE LOAN  
OPERATIONAL PROCESSES  
BY CONSIDERING ESG RISK  
FACTORS



- 03**  
PERFORM POST ESG  
MONITORING IN LOAN  
TRACKING PROCESS AFTER  
APPROVAL

## ESG (ENVIRONMENTAL, SOCIAL & GOVERNANCE) RISK MANAGEMENT CONSISTS OF THE FOLLOWING:

1. Responsible Lending Strategy policy: Establishing a guideline on managing credit portfolios with ESG risks by adhering to analyzing both positive and negative impacts or the impacts on stakeholders that will arise from the lending or from the Bank's customers. All aspects of ESG issues must be considered, including the aspects beyond those required by the law as there are some issues that are not applicable by any legal measures. In addition, the Bank shall specify certain industries to focus on or provide support to with the purpose of encouraging ESG operation.

2. Compliance: Strictly complying with Responsible Lending Strategy, credit policy, and lending process.

3. Information Disclosure: The Bank has disclosed information regarding the commitment of the Board of Directors and the President to support implementation of Sustainable Banking Guidelines in the Annual Report, Sustainability Report or on the Bank's website. Other key information to be disclosed include information related to loan policy and process regarding ESG criteria. In addition, the Bank shall communicate the Responsible Lending Strategy to both internal and external stakeholders. However, the internal communication will mainly focus on providing knowledge to both executives and employees relating to ESG concepts in a wide range to ensure practicality.

### Guidelines on Responsible Lending for Environment and Society and Good Governance

Regarding lending to projects or businesses that are related to or having impacts on the environment, such as chemicals production business and waste management business, the Bank has required the business to have management system on the hazardous substance and waste that exceeds the standards and the regulations of relevant government agencies and/or the business must have certifying documents of passing environmental standard audits done by inspectors with expertise in environment.

In this regard, auditors with environmental expertise must have the following qualifications:

1. Have experience in projects that are similar to those consulted.
2. Have a stable financial status with credibility and is recognized by professional standards.
3. Not related to loan applicants or project owners, in order to reduce potential conflicts between personal interests and professional interests.

## **Exclusion list of businesses that may have negative impacts on the environment and society or businesses lacking good governance which the Bank will not lend or provide financial support**

The Bank attaches great importance to environmental and social issues. Accordingly, the Bank is cautious in providing financial support to businesses that can cause significant environmental and social impacts. The Bank will not provide financial services to the following businesses in the exclusion list.

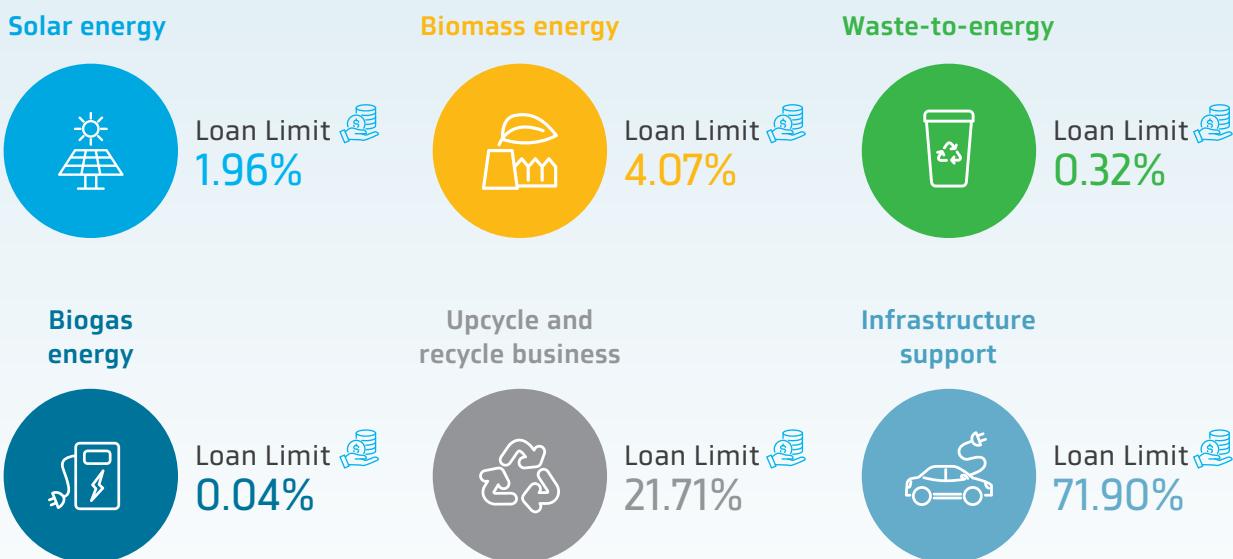
1. Businesses that are at risk of damaging the environment and natural resources, including projects that invade, destroy or change the condition of mangrove areas.
2. Businesses that are at risk of causing social impacts, namely:
  - Illegal businesses or businesses that are contrary to morals or good customs, such as gambling/casino businesses or pornography businesses.

- Hoarding businesses or businesses behaving in the way of hoarding products to corner the market.
- Arms and armaments businesses or business related to weapons of war (except for Thai government agencies or for distribution to Thai government agencies)

## **Environmental Loans**

Krungthai Bank realized the importance of sustainable development by not providing funds to businesses that create negative environmental impacts while granting loans for environmentally friendly businesses. In 2020, the Bank contributed more than 18 billion Baht to all carbon-reducing businesses. The total credit limit has been categorized by the Business types as follows:

### **The granting loans for environmentally friendly businesses**





## Solar Energy

The Bank provided financial support to entrepreneurs that produced and utilized solar energy, which is considered clean and renewable energy, such as a 5 MW solar plant, as well as installing a solar rooftop to generate electricity and reduce the business cost.

## Biomass Energy

The Bank has supported the biomass energy businesses such as factories producing ethanol from molasses with a production capacity of 270,000 liters/day, a power plant using bagasse with 55 MW generation capacity, and a business of energy production from plants, such as tapioca starch and palm.

## Upcycle and Recycle Business

The Bank provides support for businesses that manufacture goods and offer services from recycling, or reusing, which is part of the circular economy, such as wastewater treatment, recycled plastic granules factory, factory producing oleochemical from natural raw materials.

The Bank also provides financial support for the country's infrastructure development so as to reduce fuel consumption, such as high-speed rail, LNG receiving terminal construction projects, etc.

In this regard, the Bank provides support for environmentally friendly businesses, namely the corporate customers, SME businesses and retail customers, with loans and other special projects made in collaboration with external agencies. Details are as follows:

01

**Environmental Loan Program for Private Sector:** As the manager of the Environmental Fund, the Bank carried out the Environmental Loan for Private Sector in collaboration with the Environmental Fund of the Ministry of Natural Resources and Environment. The loan offered a low interest rate at 2-3 percent per annum in order to encourage private sector entrepreneurs whose business produces waste to have or improve their waste treatment system in an attempt to meet the standard. In this regard, a budget of 19 million Baht was approved for this loan in 2020.



02

**Energy Efficiency Revolving Fund Loan by Financial Institutions for Private Sector Entrepreneurs:** The Bank and Department of Alternative Energy Development and Efficiency, Ministry of Energy aimed to encourage investment in energy conservation by offering loans to entrepreneurs who can sustainably conserve energy within their organization.



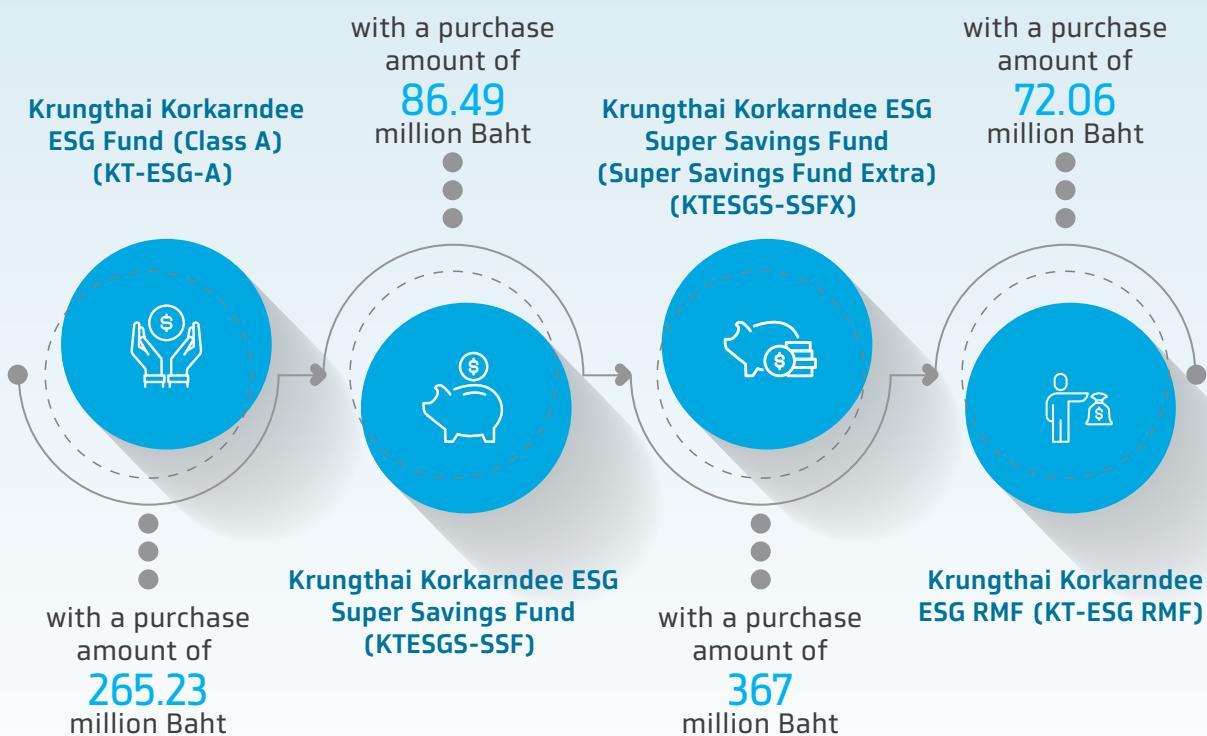
## OTHER ESG PRODUCTS

In 2020, Krungthai Bank provided other financial services that promote ESG operations for PTT Public Company Limited, which is a DJSI World member. The company had appointed Krungthai Bank as one of the four distributors of Green Bonds.

In this regard, the Bank signed a derivative to hedge financial risks with PTT and PTT Exploration and Production (PTTEP), referring to the ESG operation results. It was the first time that a derivative that supports ESG business activities had been signed. ESG-linked derivatives are innovations of the money market and capital market that were designed and developed by the Bank to meet the needs of PTT Group's financial risk

management. Customers will receive lower risk management cost if they achieve ESG operational goals.

Furthermore, Krungthai Asset Management Public Company Limited issued funds that have an equity investment policy of listed companies on the Stock Exchange of Thailand and/or the Market for Alternative Investment (MAI) and/or other secondary markets of the Stock Exchange of Thailand or any other securities or assets that are a component of the Thaipat ESG Index (TR). The funds will invest in securities with outstanding ESG operations. Presently, there are 4 funds in total (mutual fund purchase amount of 790.78 million Baht) as follows:





## ENVIRONMENTAL AND SOCIAL PROJECTS

### Krungthai Relife

Krunthai Bank recognizes the environmental problems and attaches the importance to operations to decreasing impacts on the environment. In this regard, the Bank has initiated the "Krungthai RELIFE" in order to change the behavior of employees to realize the value of the environment, return the best to nature, help restore green space to the world, and add more oxygen to all entities in the planet.

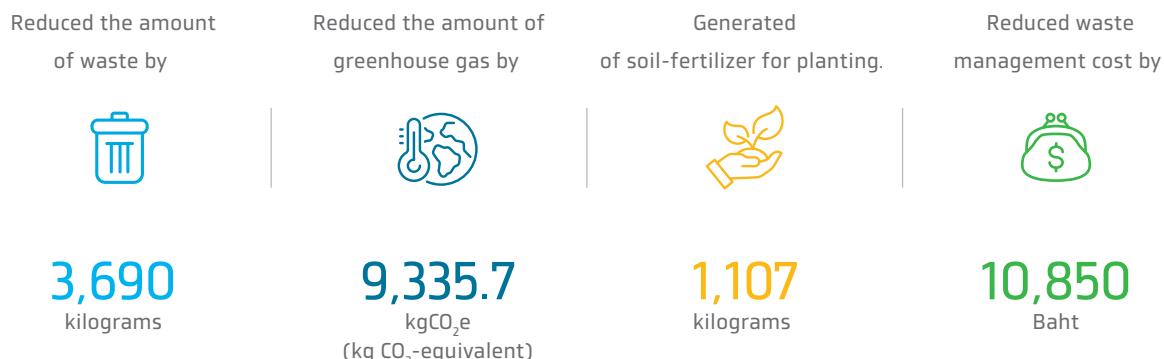
In this project, Inno Waste machine and Relife Machine were used to recycle waste. This helped reduce the amount of waste in the organization, including encouraging the employees to be aware of the environmental impact.



## OPERATIONAL OBJECTIVES

Development Approach	Operation	Indicator	Target Result	
			2020	2023
1. Eliminate food waste in the Bank's cafeteria	InnoWaste machine, a food waste processing machine from InnoWaste (Thailand) Co., Ltd. that won the "Social Start-up" innovation in the Krungthai Young Enterprise Awards 2017, was used in turning food waste from the Bank's cafeteria into soil by a scientific method. The soil then was used for gardening and growing trees, such as flowering plants, ornamental plants, fruit plants or vegetable gardens.	Amount of food waste from Vayupak Room that has been processed into soil.	Eliminate 100% of food waste in the building	
2. Instill environmental awareness for the employees	1. The Relife Machine was used in recycling of bottles automatically. This is to encourage the employees to see the importance of waste sorting. In addition, transparent PET plastic bottles or cans can be dropped into the machine and processed into robes, shirts or fabric bags.	Installing the Relife Machine.	Installing the machines in two buildings	
	2. Encouraging the employees in the organization to be aware of environment conservation.	The number of activities to raise awareness both within the organization and outside the organization.		

## OPERATIONAL RESULT IN 2020



In addition, the Bank also participated in the Shred2Share Project, together with over 64 partners. This project encourages employees to safely shred and recycle disposed documents using methods that meet international standards in order to reduce the amount of carbon dioxide (CO<sub>2</sub>).

### Krungthai Loves Education Project: To support the scholarships in the Krungthai Weaving Dream for University Graduates Project

Under the Krungthai Weaving Dream Schools: Good School near Home Project, the Bank provided scholarships for students, who were well-behaved, had the highest GPA during high school and could pass the entrance examination to study at the leading state universities as specified by the Bank. The Bank provided scholarships for such students until they graduated with a bachelor's degree (normal program). Each school received 1 scholarship with 50,000-Baht per year. In 2020, the Bank provided 157 scholarships, totaling to 7,850,000 Baht.

### The Support to Friends in Need (of "PA") Volunteers Foundation of Thai Red Cross Society

Krungthai Bank supported the operations of the Friends in Need (of "PA") Volunteers foundation in many aspects, for example, providing survival bags, organizing Big Cleaning volunteer work in Nakhon Ratchasima Province, and other

activities of the foundation. In 2020, about 100 Krungthai employees volunteered to participate in aforementioned activities. Furthermore, the Bank also opened for donations and helped publicize activities of the foundation through the Bank's channels.





## FINANCIAL LITERACY

### Operational Goal 2020

The Bank provided financial literacy to students in 6 universities.

### Result 2020

The Bank met the goal.

As the Bank is aware of the ongoing financial problems that people are experiencing, having financial literacy skills will help them be able to manage their income and expenses better. In addition, financial literacy can help reduce household debt of the country and prevent financial threats that may arise. In this regard, the Bank has carried out the Krungthai Loves Smart University to provide financial literacy to the general public and the Bank's employees. The project also focuses on encouraging the youth who are the future of the country to realize the importance of savings and financial discipline. As a result, this shall have a positive impact on the overall development of the country.

The Bank has run Krungthai Loves Smart University since 2018 according to the financial literacy plan, which is one of the 5-year strategy plan of the Bank. The project's objective is to provide financial literacy to the new generations through various activities with the purpose to create awareness and understanding as well as leading to change in financial behavior. As the ultimate goal, the Bank has aimed for good financial management of Thai people and a financially stable society.

In 2020, the Bank continuously transferred financial literacy knowledge to the new generations for a stable society. It emphasized sharing knowledge to students in universities both in Bangkok and other provinces in order to cultivate and lay a foundation of knowledge and understanding of financial management and planning for the first-jobbers. The Bank provided financial literacy to a total of 1,718 students in 6 sessions. The 1<sup>st</sup> to 3<sup>rd</sup> sessions were held at Walailak University and Nakhon Pathom Rajabhat University. In the 4<sup>th</sup> to 6<sup>th</sup> session, the Bank had cooperated with the Thai Bankers Association to transfer knowledge through Learning by Gaming activities on a virtual training system to be corresponding with the New Normal era.

#### Providing financial literacy on the financial management and planning for the first-jobbers Providing financial literacy to university students in 6 sessions

##### The 1<sup>st</sup> to 3<sup>rd</sup> sessions



Bank provided financial literacy  
**6** sessions



total  
**1,718** students

##### The 4<sup>th</sup> to 6<sup>th</sup> session



The Bank held the activities at Walailak University and Nakhon Pathom Rajabhat University.

The Bank had cooperated with the Thai Bankers Association to transfer knowledge through Learning by Gaming activities on a virtual training system to be corresponding with the New Normal era.

## Training and Seminar on Financial Literacy for Customers

In 2020, there were 64 financial seminars and financial product presentations, organized in the seminar rooms, event booths and online formats with more than 80,000 participants.

### Examples of Financial Seminars

Course/Seminar Name	Objectives	Participant (person)
1.Krungthai booth at "iTAX2020", a tax deduction festival organized by iTax Incorporation Company Limited (TBS1, TBS3)	To offer a range of products and services for tax deductions, tax management tools, and/or the Bank's deposit products that meet target customers. This is to reinforce the Bank's leadership in e-Tax solutions.	200
2.Krungthai-Revenue Department booth at the 2020 Symposium on "Easy Tax Transforms Your Life" (TBS1, TBS2, TBS3)	To offer tax products in order to create awareness and understanding of electronic taxation for 2 target groups, natural persons and corporate entities. The Bank presents Krungthai e-Tax Solution products such as VRT, e-Tax Invoice, e-Withholding, Tax Plus, Vat Payment, tax payment via the Bank's channels and Cash Package 888.	400
3.KTB Economic Outlook 2020 at Hyatt Regency Hotel	To inform and equip customers with information about economic effects from the COVID-19 situation and recommendations.	150
4.Virtual Wealth Forum Chapter 1: Next is Now	1.To organize online activities for the first time for target customers in the new economic era. 2.To organize webinars to build confidence in investing with the Bank in the COVID-19 era. 3.To build and maintain a good relationship with Krungthai Precious Plus and Krungthai Precious customers in Bangkok and other provinces. This will develop customers loyalty to the Bank and maintain a high-asset customer base in order to expand investment in various fields with the Bank in the future.	400 participants on Zoom, 5k. participants on Krungthai Care Youtube, 45k. participants on Krungthai Care Facebook

In addition, the Bank provides financial literacy on its website ([www.krungthai.com](http://www.krungthai.com)) in the Financial Partner column in the form of infographics, which is easy to understand. It is divided into various categories: lifestyles, savings, house, insurance, loans, financial planning and retirement planning, tax knowledge. The Bank also publishes financial literacy contents through the Krungthai Care Facebook fan page constantly.





## ENERGY MANAGEMENT

The Bank has a policy of conducting its business with environmental responsibility by preventing and controlling its effects on the environment, along with promoting and providing environmental knowledge to employees at all levels in the organization. Regarding the policy, it shall also serve as a guideline for developing products and services that consider the environment. In addition, the Bank is committed to making its environmental conservation operations more effective by appointing the Energy and Technology Conservation Committee. The committee is responsible for promoting, controlling and overseeing the implementation of energy conservation. In this regard, new technology or innovation shall be introduced and managed for proper and efficient use with utmost benefits.

The Bank enforced environmental measures for every designated building in accordance with the Royal Decree on Designating Building B.E. 2538, which must comply with Energy Conservation Promotion Act (No. 2), B.E. 2550 on the implementation of building energy management systems in organizations. The designated buildings are:

- Nana Nua building
- Sukhumvit building
- Sri-Ayutthaya Road building
- Suan Mali Branch building
- Piboonsongkram Computer Center
- Krungthai Bank Training Center at Khao Yai

Furthermore, the Bank carried out projects concerning various aspects of the environment. In 2020, the Bank has organized energy conservation projects as follows:

### 1. "Krungthai Think Green+" Energy Conservation Project

The project encouraged employee's participation in energy conservation. Besides instilling employees' awareness to realize the importance of energy conservation and exhibit responsibility towards

society and the environment, the project helps adjust in the culture of efficient and sustainable use of energy.

### 2. Energy Saving ATM Booth Project

The Bank installed ventilation fans and improved the structure of ATM booths to allow better ventilation. This project aimed to replace indoor air conditioners and change from fluorescent light bulb to LED light bulb to save energy.

### 3. LED Light Bulbs and Air Conditioners Changing Project

This project was carried out with the purpose to reduce the Bank's impact on the environment and increase the efficiency of resource usage within the Bank.

3.1 Changing to LED Light Bulbs will increase the efficiency of resource usage. The Bank planned to replace T8 light bulbs with T5 light bulbs to reduce electricity consumption. T5 light bulb can reduce more electricity usage by 30% compared to T8 lightbulb and its luminous efficiency is higher. Therefore, it can save more electricity at the same luminous efficiency. Moreover, the T5 light bulbs have less impact on the environment due to their smaller size, less material and less mercury. T5 light bulbs have lumen maintenance of about 95% when used for 2,000 hours, which is higher than that of the T8.

3.2 The Bank installed air conditioners with EGAT Label No. 5 and R32 eco-friendly refrigerant, which cause less greenhouse gas destructions.

In the past years, the Bank changed 561 branches to use LED T5 light bulbs. In 2020 the Bank changed the light bulbs in 19 branches additionally. As a result, there are 580 branches with new energy-saving light bulbs in total. Moreover, the Bank also changed the air conditioners in 112 branches to inverter air conditioners for effective electricity usage.

### 4. 60+ Earth Hour Project (2020)

60+ Earth Hour Project was a collaboration project between Bangkok Metropolitan Administration, Foundation for Environmental Education for Sustainable Development (FEED) and WWF Thailand, along with 188 countries and over 7,000 cities around the world. The Bank's representatives attended the project's meeting to acknowledge the policy and promote the project within the Bank, asking for employees' cooperation to turn off the light for one hour on the designated date and time. In 2020, the activity schedule was set on Saturday March 28, 2020, during 20.30-21.30 hrs.

Besides, the Bank established energy control measures in alignment with the energy conservation policy. All executives and employees shall continually contribute to electricity saving in an attempt to achieve cost effectiveness and efficient use, as well as contributing to the sustainable operational of the organization. Consequently, the Bank sets the operation hours for turning on lighting and air-conditioning during the business day (between 7.30-12.00 hrs. and 13.00-17.00 hrs.).



## Overall Electricity Usage During 2018-2020

Unit	2018		2019		2020	
	KWh	GJ	KWh	GJ	KWh	GJ
Electricity Usage	103,309,494.19	371,914.17	103,310,040	391,916.14	103,755,002.40	373,518.01
GHG Emissions : Total scope 2 Co <sub>2</sub> emissions (TonCo <sub>2</sub> eq)	60,136.45		60,136.77		60,395.79	

\* Emission Factor (GtoG) 1 K=KWh = 0.5821 The calculation is based on Thailand Grid Mix Electricity LCI Database B.E. 2557 (2014) and Sustainability Reporting Guideline: standard version.

In 2020, the Bank renovated the wastewater treatment pond and drain of Nakhon Phanom City Hall as well as improving wastewater treatment system (with Media structure) in the Bank's Training Center at Khao Yai in order to prevent pollution and waste caused by business operation. Moreover, the Bank encouraged employees to use water more efficiently for utmost benefits. Example of the operation were as follows:

1. Sanitary wares were replaced by water-saving alternatives; for example, using touchless faucets to prevent unnecessary loss of water, using faucet spray heads in some areas to reduce water wasting and adjusting the water pressure of rinse spray hoses to a moderate level. These changes had been done during branch renovation.
2. Signs encouraging water saving were attached to wash basin areas and on the inner side of toilet doors and pantry doors in Nana Nua and Sukhumvit buildings as well as those in branches.
3. Wastewater management is performed in accordance with Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992) in 3 buildings, namely Nana Nua, Sukhumvit and Si Ayutthaya Road Building, as activities in the 3 buildings generated over 200 m<sup>3</sup> of wastewater from toilets, cleaning and others. The wastewater must be treated before disposing into water resources to ensure that the Bank meets the government's effluent standard.

## TAP WATER USAGE DURING 2018-2020

Unit	2018	2019	2020
Water Usage m <sup>3</sup>	113,029	116,394	487,029

From the table, it can be seen that in 2020, the water usage (m<sup>3</sup>) is higher than previous years as it is the figures of the water usage nationwide. However, the amount of water usage in 2018 and 2019 are the accumulation figures of the two head office buildings (Nana Nua Building and Sukhumvit Building).

## IMPACT OF CLIMATE CHANGE MANAGEMENT

### Greenhouse Gas Management

The Bank encourages its executives and employees to reduce electricity consumption, paper usage and continuously promote waste separation and recycle economy.

The Bank also takes into account the impact of global warming; therefore, the risks arising from climate change (Climate Change) have been managed accordingly. In particular, the Bank has used R32 eco-friendly refrigerants in all air-conditioners. In addition, the Bank established the energy conservation guideline in order to raise environmental awareness among employees when they were on duty and to drive the organization to become an environmentally friendly business sustainably. The guideline, which shall be used bank-wide, were as follows:



## Electricity

- Set the air conditioner temperature at 25-26°C.
- Reduce operation time for air conditioner at least 1 hour a day or only use air conditioner as needed for customer services and work.
- Place heat-generating appliances, e.g. water boiler, refrigerator, etc., outside air-conditioned rooms.
- Perform annual maintenance on air conditioners
- Turn on the lights only where needed and turn off the lights as soon as they are no longer needed.
- Turn off and unplug electrical devices when they are not in used, e.g. printers, photocopiers, etc
- Turn off the computer monitor when not in use. Set the display to turn off if there is no activity for 15 minutes.
- Establish an Energy Conservation Team in each business unit to oversee energy usage within the business unit.

## Elevator System

- Press either the up or down button. Do not press both buttons at once.
- Use stairs if you are going up/down one story. Encourage employees to use stairs instead of elevators.
- Consider shutting off elevators after working hours or during holidays.

## Gasoline

- Drive at a constant speed. Do not drive faster than 90 km/hr.
- Perform regular car maintenance.
- Carpool if several people are traveling the same route.

Always check the route before starting the journey.

## Plumbing System

- Use water appropriately. Completely turn off the tap after you finish using the water.
- Check for leaks.

## Miscellaneous

- Use both sides of the paper.
- Avoid using non-biodegradable packaging such as Styrofoam or plastic.
- Sort waste to reduce the process and energy required in waste disposal.

Moreover, the Bank also participated in "Shred2Share: Safety for Information, Care for Society and Environment" project together with over 64 partners for the twelfth consecutive year. This campaign encourages employees to safely shred and recycle disposed documents using methods that meet international standards.

In 2020, the Bank reduced the amount of paper use by 76.11 tons, CO<sub>2</sub> emission by 19.78 tons, coal use by 8.37 tons and water use by 3,805.64 m<sup>3</sup>. Throughout twelve years of participating in the project, the Bank reduced the total amount of paper use by 773.64 tons, CO<sub>2</sub> emission by 202.17 tons, coal use by 85.11 tons and water use by 36,771.64 m<sup>3</sup>.

The Bank will continue to conserve the environment by participating in "Shred2Share: Safety for Information, Care for Society and Environment" Project in the following years and will report the result of its contribution to executives and employees once a year.

## "Shred2Share: Safety for Information, Care for Society and Environment" Project

2020



## Accumulation of 12-years participation



## Data Sheet for Documents Destruction by Eco-Friendly Method of Krungthai Bank Head Office in the Shred2Share Project

Year	Quantity of document (ton)	CO <sub>2</sub> emission reduction (ton)	Coal use reduction (ton)	Water use reduction (m <sup>3</sup> )
2010	54.72	14.23	6.02	2,737
2011	55.86	15.34	6.12	2,793
2012	62.13	16.38	6.93	3,150
2013	62.66	16.29	6.83	3,133
2014	69.94	18.18	7.69	3,496
2015	68.44	17.79	7.53	3,422
2016	86.55	22.50	9.52	4328
2017	57.62	14.98	6.34	2,881
2018	63.27	16.45	6.96	3,163
2019	77.26	20.09	8.50	3,863
2020	76.11	19.78	8.37	3,805.64
Total	773.64	202.17	85.11	36,771.64



Attributable to the continuous participation in the Shred2Share Project, the Bank aims to incorporate in its business operation with the benefits for society and environment through the recycling of disposed documents in an eco-friendly way. Considering the Bank's document destruction together with the reduction of CO<sub>2</sub> emission, coal use and water use, it is found that the Bank has successfully reduced pollution, which is the cause of climate change. Additionally, some of the disposed papers can be reused.

Correspondingly, operations regarding the social and environmental responsibility were carried out by the Bank as follows:

- The Bank reviewed its business continuity policy to ensure that it covers environmental changes such as natural disaster (flood). It categorized the severity of the incident and divided flood response plan into 3 phases by the level of severity and impacts, in order to guarantee business continuity.
- The Bank has been participating in the TBCSD Green Meeting Project since 2007. The project is organized by Thailand Business Council for Sustainable Development and Thailand Environment Institute. As a result, Krungthai Bank applies the Green Meetings guideline to all meetings within the organization.



## MATERIALS MANAGEMENT

The Bank implemented a policy to reduce paper usage through the project as the Internal Digitization-Paperless Branch. It was one of the strategic projects in the Bank's strategic plan approved by the Board of Directors in October 2017. The Bank strived to digitize branches' work process and aimed to reduce the amount of paper consumption between 2018-2022.

### Amount of Slip Usage Between 2018-2020

Slip Usage	2018	2019	2020
Kilogram	461,302.19	300,471.57	231,374.04

From the table of paper consumption (slips) between 2018-2020, it can be seen that paper consumption (slips) tend to decrease after the implementation of the said project.

### In 2020, the use of paper (slips) was as follows:

Type	Quantity/ Unit	Weight per unit (kg)	Total material used	
			Total unit	Total weight (kg)
Deposit slip	500 slips/pack	1.44	58,746.00	84,594.24
Withdraw slip	500 slips/pack	0.64	49,432.00	31,636.48
Bill payment slip for utility and fee payment	100 slips/pack	0.25	151,620.00	37,905.00
Deposit slip for passbook	500 slips/pack	0.90	25,020.00	22,518.00
Passbook (savings account)	1 Passbook	0.0134	4,033,000.00	54,042.20
Passbook (fixed deposit account)	1 Passbook	0.0136	38,200.00	519.52
Passbook (KTB ZEROTAX)	1 Passbook	0.0122	13,000.00	158.60
Total				231,374.04

Furthermore, the Bank had continuously developed online innovative services with the purpose to move towards digital banking. With an aim to provide services efficiently; therefore, the Bank adopted technology in the development of its work process as follows.

Krungthai NEXT supports the use of financial products without a passbook, which reduces paper usage and the problem of storing transaction slips every day. Additionally, the application also increases the efficiency of service as well as the convenience and swiftness of data storage.

In 2020, the total number of transactions made by Authentication by ID Card (Dip Chip) method was 16 million, equivalent to a 34,240-kg reduction of paper usage.

### Implementation of technology to improve the Bank's work processes can reduce the amount of slip usage as follows:

Reduction in Slip Use	2014	2015	2016	2017	2018	2019	2020
In pack	1,562,665	1,522,050	1,580,922	1,661,834	1,715,325	1,124,000	3,006,000
In kilogram	1,672,050	1,628,593	1,691,586	1,778,162	1,835,398	1,202,680	3,250,660

Remark : One pack consists of 500 slips, weighting 1.07 kg.

In addition to providing customers with efficiency and speed according to international standards, the implementation of technology also helped reduce the amount of transaction slips by up to 3,250,660 kilograms in 2020.

## About This Report

Krungthai Bank provides the Sustainability Report to disclose its operation in sustainability to stakeholders annually since 2006. The latest issue in 2019, the Bank met with the standard of Global Reporting Initiative Guidelines: Standards version as a framework for disclosing its operating information in core level, covering the Bank's operation in sustainability during January 1 - December 31, 2020.

The scope of information disclosure in each aspect is specified according to affected areas (or expected-to-affect areas) as follows:

- Aspect boundary within organization consists of Krungthai Bank PCL. and its five 100%-owned subsidiaries, namely KTB Law Co., Ltd., KTB General Service Co., Ltd., Krungthai Asset Management PCL., Krungthai Computer Services Co., Ltd., and KTB Leasing Co., Ltd.
- Aspect boundary outside organization consists of customers society, shareholders, trade partners and regulatory agencies.

Sustainable Topics according to GRI Aspect	Report Aspect Boundary										Topics proposed in the report	
	Within Organization (Krungthai)					Outside Organization						
	KTBLAW	KTBGS	KTAM	KTBCS	KTBL	Shareholder	Customer	Partner	Society	Regulatory		
<b>Economic Sustainability</b>												
Sustainable growth & profit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Economic Sustainability	
Resilience/Financial risk management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Risk Management	
Customer relation management	✓	✓	✓	✓	✓	✓	✓	✓			Customer relationship management	
Innovation and Research-driven strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Research and Innovation	
<b>Operational Sustainability</b>												
Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Corporate Governance Operations	
Regulation compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Corporate Governance Operations	
Operational risk management	✓	✓	✓	✓	✓	✓	✓	✓		✓	Risk Management	
Eco-efficiency operation	✓	✓	✓	✓	✓	✓	✓		✓	✓	- Energy Management - Impacts of Climate Change Management - Materials Management	
HR management & Development	✓	✓	✓	✓	✓				✓		Human Resource Management	
Stakeholder engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	- Stakeholder Engagement - Sustainable Supply Chain Management	
Digitization of operation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Digital Operations	



Sustainable Topics according to GRI Aspect	Report Aspect Boundary										Topics proposed in the report	
	Within Organization (Krungthai)					Outside Organization						
	KTBLAW	KTBGS	KTAM	KTBCS	KTBL	Shareholder	Customer	Partner	Society	Regulatory		
<b>Environmental and Social Sustainability</b>												
External Environmental & Social Activities	✓	✓	✓	✓	✓				✓	✓	- Growing Together for Sustainability - Social and Environmental Projects - Providing Financial literacy to Society	
Sustainable Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Financial Support to ESG Businesses	
Transparency and fairness	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Corporate Governance Operation	
Business Ethics and customer trust	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Corporate Governance Operation	

## CONTACT FOR MORE INFORMATION ABOUT THE REPORT



Should you have any questions regarding this report, please contact Marketing Activation Team, (Corporate Social Responsibility), Communication and Branding Group, Krungthai Bank PCL., Head Office, Building 1, 14<sup>th</sup> floor, 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110, Thailand, Tel. 0-2208-4461-2.

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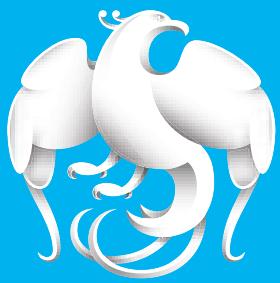
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Krungthai  
กรุงไทย

# Reader Feedback Questionnaire

1). Basic personal information

Gender  Male  Female

Age  Below 30  30-50  Over 50

Occupation  Please specify \_\_\_\_\_

2). Please state from whose point of view are you reading this report?

Customer  Employee  Co-Investor  Shareholder/Investor

Research unit  Educational institution  Government unit  Media

Others (please specify \_\_\_\_\_)

3). Please specify from which source have you seen Krung Thai Bank's Sustainability Report?

The Bank's website and social media accounts  The Bank's office/ branch

Seminar/ lecture

Annual general meeting

Others (Please specify \_\_\_\_\_)

4). What is your purpose of reading this Sustainability Report?

To familiarize yourself with the Bank

To research information for decision-making for investment purpose

To study about projects that benefit society and environment

To research or study operation in sustainability

Others (Please specify \_\_\_\_\_)

5). What is your opinion on the following:

The completeness of the report's content

High

Medium

Low

The appearance of report design

High

Medium

Low

The noteworthiness of the content

High

Medium

Low

Your level of satisfaction

High

Medium

Low

6). Which module of Sustainability Report do you think is the most useful for you?

Organizational Profile

Krungthai Growing Together for Sustainability

Operational Sustainability

Social and Environmental Sustainability

Economic Sustainability

About This Report

7). Which module of Sustainability Report do you think is the least useful for you?

Organizational Profile

Krungthai Growing Together for Sustainability

Operational Sustainability

Social and Environmental Sustainability

Economic Sustainability

About This Report

8). How do you feel about the Bank's sustainable development operations after reading this Sustainability Report?

9). Which other sustainable development operations do you think the Bank should do in addition of its current operations?

10). Do you have any opinion / recommendation for this Sustainability Report? Please specify.

Your feedback on this Sustainability Report will be taken into account when improving and adjusting future sustainability reports.

The Bank highly appreciates your cooperation.

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**Marketing Activation**

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## Growing Together for Sustainability

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