krungsri
กรุงศรี

A member of MUFG
a global financial group

SUSTAINABILITY REPORT 2023

# RACE to NET ZERO

SHAPING SUSTAINABILITY FUTURE

# 'RACE TO NET ZERO'

Krungsri is now in full swing of gearing toward
the Race to Net Zero for both our own operations and financial services.
We determinedly support customers and all stakeholder groups
in the transition of Thailand to a low-carbon economy, taking into account
diversity and inclusion, while maintaining an upright balance of
the socio-environmental aspects.

Race to Net Zero, the new chapter of
our **'Banking with Purpose'** guiding principle

# ACCELERATE
# THE GREEN TRANSITION

Resource efficiency refers to mitigating emissions, adjusting energy and resource consumption behaviors appropriately through correct and safe resource management.



# FAST-TRACK THE AUTOMOTIVE ENERGY TRANSITION

Reduction of air pollutants refers to mitigating emissions of the Bank and subsidiaries, while supporting the use of electric and low-carbon vehicles at both the industrial and household levels.



# EXPEDITE SYSTEMIC DIGITAL TRANSFORMATION

Reduction of non-renewable resource consumption refers to mitigating emissions by delivering financial innovations that provide an excellent customer experience through convenient and secure digitalized processes.

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## MISSION

To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth

## VISION

Highly-qualified team of professionals providing innovative products and services, dedicated to becoming our customers' number one preferred financial group

## CORE VALUES

**Customer Centricity**
We put our customers first, understanding and anticipating their needs and expectations and responding with best solutions.

**Integrity**
We are fair and professional, inspiring trust and work with transparency, legalism, and ethics.

**Team Spirit**
We work together as a team for the benefit of our customers and Krungsri with open hearts and open minds to reach our goals.

**Passion for Excellence**
We are committed to instill in ourselves the expectation of excellence in delivering our work and services.

**Making Innovative Changes**
We start by changing ourselves and intend to improve every day by creating changes for the better that will positively benefit our customers along with Krungsri.

**Global Awareness**
We challenge ourselves as a valued member of a global financial group, supporting the growth of our customers both within and outside Thailand.

# MESSAGE FROM THE CHAIRMAN, THE VICE CHAIRMAN, AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



The year 2023 saw substantial environmental degradation—natural disasters, threatened ecosystems, resource depletion, and pollution—an ever-growing challenge with widespread impacts on the environment, biodiversity, economic development, and human security, not to mention the other global complications of post-COVID recovery, monetary tightening, and geopolitical tensions.

As we navigated through the aforementioned issues, the magnitude of our endeavors was still made manifest in how we empowered green transitions for both our customers and ourselves, thanks to Krungsri's guiding light in the climate-positive journey, our third Medium-Term Business Plan (MTBP) spanning 2021-2023. Among our sustainable banking achievements under this MTBP, one milestone was that by the end of 2023, the size of our social and sustainable finance (SSF) portfolio had increased by 71 billion baht from the base year 2021, more than halfway to surpassing our bold target of 100 billion baht by 2030.

Transcending such quantitative success, our incorporation of ESG elements into operations and adherence to sustainable banking principles earned us the highest rating of AAA from the Stock Exchange of Thailand's 'SET ESG Ratings 2023', which provides meaningful insights into our best practices pertaining to ESG excellence in governance, risk management, and disclosure, among others.

Aligning our actions with the ambitious goal outlined by the Krungsri Carbon Neutrality Vision to decarbonize our owned business operations by 2030, one of our key environmental endeavors in 2023 entailed the 'Krungsri Race to Net Zero' initiative. This call for innovative action consists of waste minimization and energy efficiency enhancement competitions, cementing a net-zero culture across Krungsri Group.

Equally important, another key milestone under the Krungsri Carbon Neutrality Vision is to decarbonize our financial services by 2050. Achieving such an ambitious target calls for making collaborative impacts with our customers; we cannot decarbonize our financial portfolio without our customers decarbonizing their business operations.

The year 2023 marked a year of substantial progress in our efforts to translate climate commitments into concrete actions to help the real sector transition toward a greener future with a wide array of climate finance. Reinforcing our commitment to 'Be the most sustainable commercial bank in Thailand', we have continued to not only maintain our prominent leadership position in the domestic capital and credit markets, but also introduced many ESG financial instrument 'firsts' to the market. In 2023, our notable trailblazing products included the issuance of Thailand's first 'green and blue' bond at a total amount of USD 400 million (14,236 million baht) under a private placement to the International Finance Corporation (IFC).

The key objectives of this issuance are to further scale up our green financing portfolio while accelerating blue financing transactions for both Krungsri and Thailand at large. Having accumulated more than 30 ESG Thai baht bond and loan mandates from 2020-2023, we secured a position at the forefront of ESG bond underwriting with total bonds issuance of 78,551 million baht.

In excelling at our duties and accountability as a Domestic Systemically Important Bank (D-SIB), Krungsri strives to contribute to the establishment of a common standard for the country's climate and environmental financial landscape. As one of the Thai Bankers' Association's Co-CEO Sponsor banks for sustainability, we co-led the development of Thailand's Industry Handbook for financial institutions issued in 2023, which lays the foundation for commercial banks to incorporate environmental and climate change aspects in banking operations.

As robust governance expedites environmental and social responsibility, Krungsri formulated the Policy for Sustainability Lending during the year, to serve as the basic framework for commercial lending with emphasis on ESG risks, aiming to promote sustainability in the lending business and create positive societal impacts. The policy defines the nature and categories of transactions in credit underwriting as Prohibited Transactions, High-Caution Transactions, Closely Monitored Transactions, and Sustainable Finance, in order to formulate account strategies suiting the transactions' respective ESG risk profiles.

In addition to environmental agendas, social imperatives are equally pressing. Krungsri Group has stipulated our complete Human Rights Due Diligence process by which human rights are integrated into the Bank's risk assessment system and control mechanisms, as well as protecting human rights throughout our supply chain, in conformity with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Also on the social front, although COVID-19 has ebbed, and the percentage of loans under our customer relief programs has decreased from 29 percent in 2020 to 6 percent at the end of 2023 as many debtors have already exited the programs, we are aware that some customers, particularly individuals and SMEs, require more time and resources to return to normality. Therefore, we have continued providing financial aid for such customers to ensure that they have access to appropriate and timely assistance while engaged in their recovery, thus leaving no one behind in the post-pandemic economy.

Our ESG synergies are not limited to within the financial ecosystem. In collaboration with the Mae Fah Luang Foundation, we planted 1,000 *rai* of community forests in the northern region under the guidelines prescribed by the Thailand Voluntary Emission Reduction Program (T-VER) of the Thailand Greenhouse Gas Management Organization (Public Organization). Carbon capture under the program will qualify as credits offsetting our organizational carbon footprint.





The year 2024 is the first year of our new MTBP covering 2024-2026. For this fourth MTBP, Krungsri has set our aspiration to 'Be the leading sustainable and regional bank' supported by leadership positions in ESG-linked businesses. To fulfill this aspiration, we have established sustainable growth, productivity and efficiency, and corporate transformation as our strategic pillars. Bearing sustainable growth in mind, we will promote the sustainable business model, creating value not only for our business, but also for our customers, employees, and shareholders, while committing to the betterment of the community and the environment.

Of particular note, Krungsri is articulating our Transition Plan to mitigate environmental and climate change risks in our portfolios, especially risks arising from the carbon-intensive energy sector. We will first focus on analyzing our portfolio of power generation businesses, then extend to other industries such as the transportation sector. Our Transition Plan aligns with the Thailand Taxonomy Phase 1 in which business activities are categorized into green, amber, and red, differentiating economic activities according to the intensity of their respective emissions.

By broadening our ESG offerings, exploring more ESG partnerships in 2024, and integrating environmental and climate change aspects into our business according to the Standard Practice of the Bank of Thailand, we are determined to deliver positive outcomes for our customer base, supply chain, and every other stakeholder group to reaffirm our spirit of 'banking with purpose'.

The net-zero clock is ticking. We need to help accelerate our customers' transitions hand-in-hand with ours in order to reach the sustainability goals together in time, ultimately facilitating Thailand's steady shift into a low-carbon economy.



**Noriaki Goto**
Chairman



**Jamlong Atikul**
Vice Chairman



**Kenichi Yamato**
President and
Chief Executive Officer

# OPERATING RESULTS AND KEY DEVELOPMENTS

| Topic | Medium/ long term target | 2023 Target | 2023 performance |
|---|---|---|---|
| **Economic and governance dimension** | | | |
| Sustainable banking | • To receive the highest rating of AAA (total score of 90-100) in the SET ESG Ratings | • To receive the highest rating of AAA (total score of 90-100) in the SET ESG Ratings | • Recognized for the 8th consecutive year with the highest SET ESG Ratings of AAA |
| Governance | • To earn the 'Excellent' level of corporate governance recognition from leading organizations | • To earn the 'Excellent' level of recognition from the Corporate Governance Report of Thai Listed Companies (CGR) project by Thai Institute of Directors | • Earned the 'Excellent' level of recognition from the Corporate Governance Report of Thai Listed Companies (CGR) project by Thai Institute of Directors |
| Anti-corruption | • To be certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) | - | • Certified by CAC (Certified Period: March 31, 2023 - March 31, 2026) |
| Strategic direction and business plans per the third Medium-Term Business Plan (2021-2023) | • ASEAN expansion | - | • Successfully acquired Capital Nomura Securities in Thailand (CNS) in March, rebranding it as Krungsri Capital Securities Public Company Limited (KCS), and SHBank Finance Company Limited (SHB Finance) in Vietnam in May, as well as Home Credit in the Philippines and Indonesia in June and October, respectively. This business expansion underscores the Bank's commitment to strengthening competitiveness and growing businesses in the ASEAN region. |
| **Social dimension** | | | |
| Responsible lending and ESG considerations | • To increase the social and sustainable finance portfolio by 100 billion baht within 2030 (from the baseline year 2021) | - | • As of December 31, 2023, the social and sustainable finance portfolio increased by 71 billion baht. |





| Topic | Medium/ long term target | 2023 Target | 2023 performance |
|---|---|---|---|
| **Social dimension** | | | |
| Promoting women's potential and gender equality | • To have senior female executives (of the Level 9 or higher) representing more than 40 percent of the total senior executives | • To have senior female executives (of the Level 9 or higher) representing more than 40 percent of the total senior executives | • Senior female executives (of the Level 9 or higher) represented 52.71 percent of the total senior executives |
| Employee engagement in Corporate Social Responsibility (CSR) activities | • To have at least 15 percent of total Krungsri Group's employees (permanent employees) participate in CSR activities as Krungsri Group volunteers | - | • Recorded 3,937 Krungsri Group volunteers, accounting for 7.55 percent of the total Krungsri Group's permanent employees<br>• Recorded 10,053 Krungsri volunteer hours |
| Human resource development | • To have an average of 36 training hours per employee per year | • To have an average of 36 training hours per employee per year | • Recorded an average of 57.10 training hours per employee per year |
| **Environmental dimension** | | | |
| Reduction of carbon emissions from the Bank's business operations/ activities (Scope 1 and 2) | • To decarbonize Krungsri Group's own operations/ activities by 2030 | • To decarbonize Krungsri Group's business operations/activities by 5 percent annually | • Krungsri Group's carbon emissions from business operations/activities increased by 11.55 percent due to the expansion of the scope of organizational carbon footprint calculations, whereby subsidiaries (new company) were included. |
| Arrangement of activities that help absorb carbon dioxide from the atmosphere | • To implement forest carbon credit projects in collaboration with business partners and related networks | - | • Partnered with the Mae Fah Luang Foundation under Royal Patronage on a carbon credit project in forests for sustainable development to sequester carbon in 1,000 rai of community forests in northern part of Thailand. It is estimated that the project can generate 0.9 - 1.5 tons of carbon credits equivalent per rai.<br>• Collaborated with the Department of Marine and Coastal Resources on a mangrove reforestation project for carbon credits. Krungsri has been allocated 44.35 rai of area to undertake a mangrove reforestation project to sequester carbon and rehabilitate mangrove forest ecosystems in Trang province. The mangrove reforestation project in the allocated area will commence in 2024. |

# ABOUT KRUNGSRI

## General Information

Established on April 1, 1945 and listed on the Stock Exchange of Thailand on September 26, 1977, Bank of Ayudhya Public Company Limited (Krungsri) has ingrained good corporate governance in our business, while setting the tone that supports moral righteousness, transparency, and fairness. We adhere to the highest principles of ethical conduct transcending all statutory prerequisites in taking our business to the next level as we committed to responding to expectations of stakeholders, communities, and society.

Krungsri is ranked Thailand's fifth largest commercial bank in terms of assets, loans, and deposits. We are a strategic member of MUFG Bank, Ltd. (MUFG Bank), a wholly-owned subsidiary of Mitsubishi UFJ Financial Group (MUFG) – Japan's largest financial group and one of the world's largest financial groups. In addition, the Bank has been recognized by the Bank of Thailand as one of the Domestic Systemically Important Banks (D-SIBs) that play a crucial role in driving Thailand's economy and financial system*.

Krungsri has undertaken its business in strict compliance with the Financial Institutions Businesses Act, B.E. 2551 (A.D. 2008), the Securities and Exchange Act, B.E. 2535 (1992), and notifications and regulations of the Office of the Securities and Exchange Commission and the Bank of Thailand (BOT), as well as other related regulatory requirements. Krungsri conducts the fundamental commercial banking business, including accepting deposits, offering loans, foreign exchange trading services, financial instruments trading services, loan guarantees, payment and funds transfer services, risk hedging products, e.g. interest rate and FX derivatives, etc. The Bank's other businesses approved by the BOT include businesses of insurance-related services, securities-related services, financial derivatives, e-banking, and other financial and non-financial services.

As of the end of 2023, Krungsri has 29 subsidiaries, joint ventures, and associate while our 591 branches[1/] are in well diversified locations throughout the country and in Lao PDR, with a total of 52,146 employees[2/]. The Bank's registered capital is 75,741 million baht, while our paid-up capital stands at 73,558 million baht.

**Name of Company:** Bank of Ayudhya Public Company Limited

**Type of Company:** Listed on the Stock Exchange of Thailand

**SET Symbol:** BAY

**Registration number:** 0107536001079

**Business type:** Commercial bank

**Brand name:** Krungsri

**Business group name:** Financial Business Group (Krungsri Group)

**Area of operation:** Seven countries consisting of
- Thailand
- Lao PDR
- Myanmar
- Cambodia
- Vietnam
- The Philippines
- Indonesia

**Head office address:**
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

**Contact channels:**
- Head Office:
  - Telephone 0-2296-2000
  - Facsimile 0-2683-1304
- Krungsri Call Center: 1572
- Online channels: www.krungsri.com

Krungsri Simple

**Total workforce:** 56,884 people
(Permanent and temporary employees of the Bank, subsidiaries, joint ventures and associate)

**Fees and service income:** 29,212 million baht

**Total operating income[3/]:** 138,948 million baht

Remarks:
* Refer to Notification of the Bank of Thailand No. FPG. 17/2560 Re: The list of Domestic Systemically Important Banks
1/ Including the Head Office and one overseas branch
2/ Number of permanent employees of the Bank, subsidiaries, joint ventures, and associate
3/ Total operating income: Net interest income + Net fees and service income + Other operating income



Sustainability Report 2023
Bank of Ayudhya Public Company Limited

## Shareholder Structure

### The list of shareholders with over 0.5 percent of the total issued shares

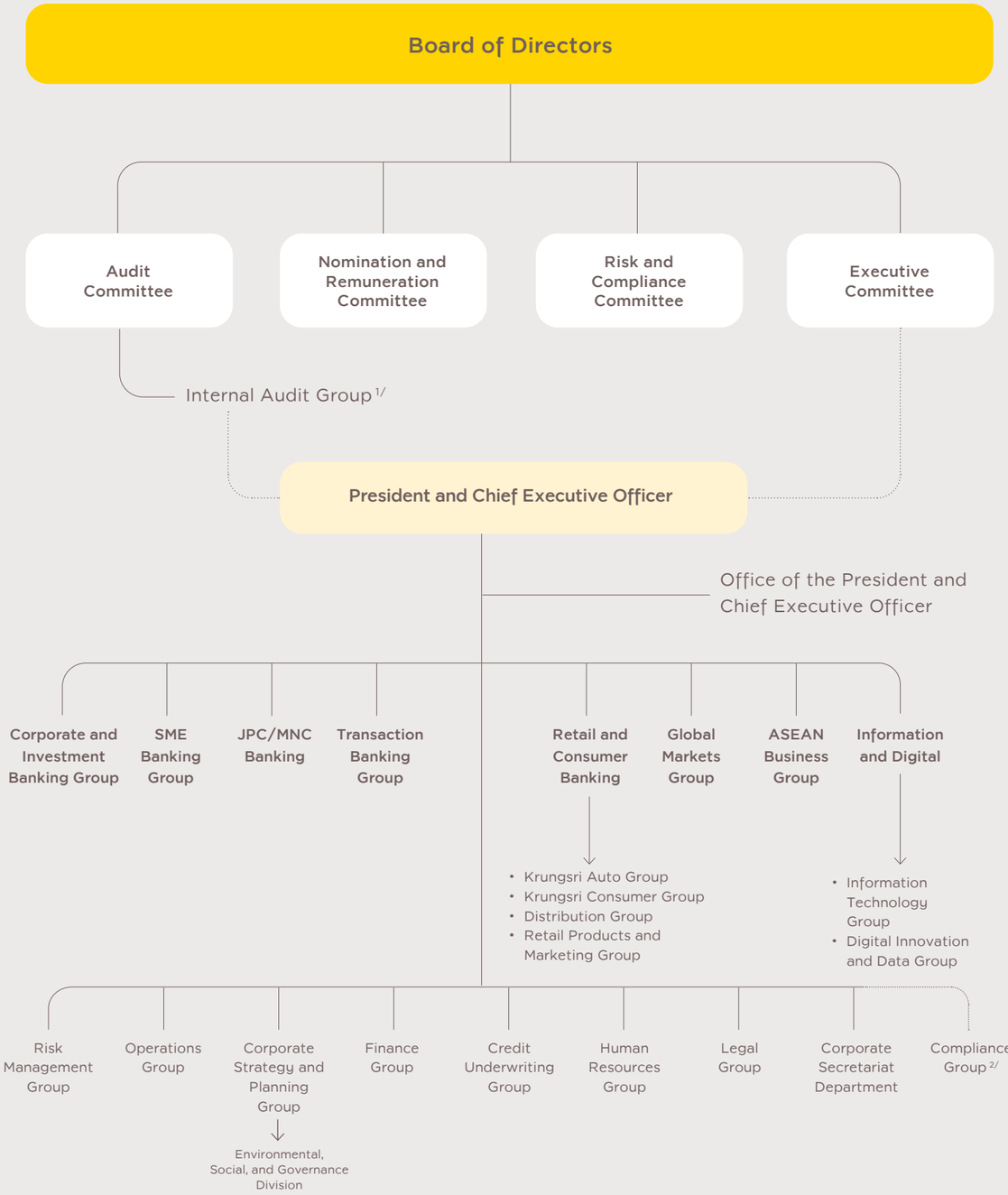
As of September 7, 2023 (Latest Record Date)
(7,355,761,773 issued and paid-up ordinary shares at a par value of 10 baht per share)

| Item | Shareholder Name | Number of Shares | % of Total Shares |
|---|---|---|---|
| 1 | MUFG BANK, LTD. | 5,655,332,146 | 76.88* |
| 2 | Stronghold Assets Company Limited | 166,536,980 | 2.26 |
| 3 | The Great Luck Equity Company Limited | 166,478,940 | 2.26 |
| 4 | GL Asset Company Limited | 166,414,640 | 2.26 |
| 5 | BBTV Satelvision Company Limited | 166,151,114 | 2.26 |
| 6 | BBTV Asset Management Company Limited | 163,112,900 | 2.22 |
| 7 | Bangkok Broadcasting & T.V. Company Limited | 160,789,220 | 2.19 |
| 8 | Mahakij Holdings Company Limited | 158,726,810 | 2.16 |
| 9 | Tun Rung Rueng Company Limited | 157,889,440 | 2.15 |
| 10 | Super Assets Company Limited | 51,421,714 | 0.70 |
| 11 | C.K.R Company Limited | 48,528,834 | 0.66 |
| | Other Shareholders | 294,379,035 | 4.00 |
| | TOTAL | 7,355,761,773 | 100.00 |

Remark:
* In compliance with the permission from the Ministry of Finance, the shares held by foreign shareholders are total 76.90 percent.

# Organization Structure

As of January 1, 2024

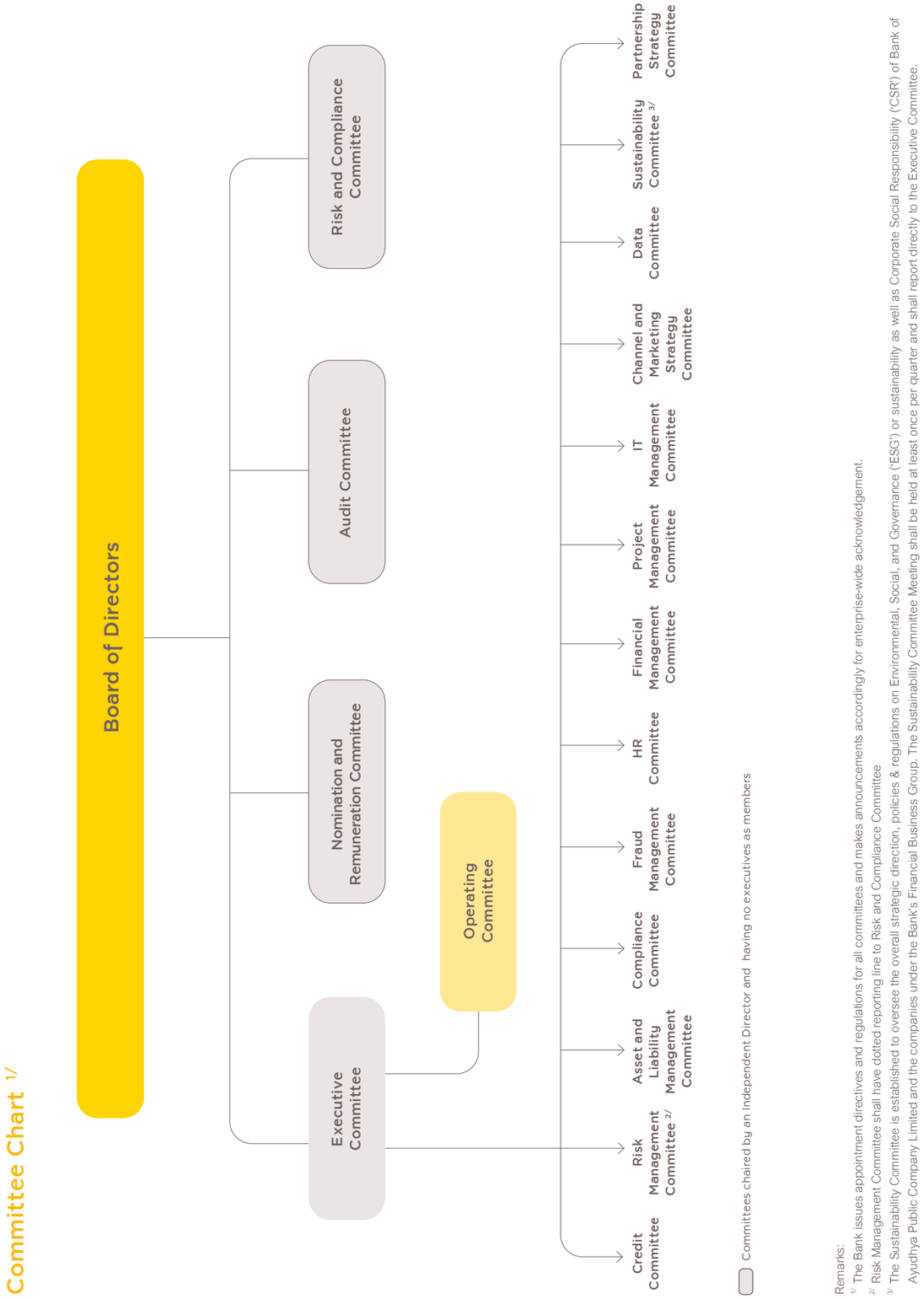



Remarks:
1/ Internal Audit Group shall report directly to Audit Committee
2/ Compliance Group shall report directly to Risk and Compliance Committee

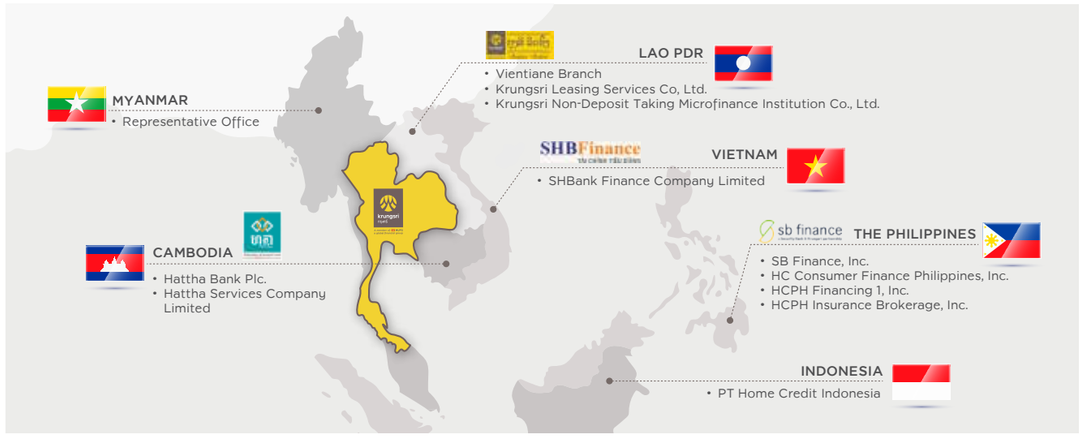




## Committee Chart 1/




Remarks:
1/ The Bank issues appointment directives and regulations for all committees and makes announcements accordingly for enterprise-wide acknowledgement.
2/ Risk Management Committee shall have dotted reporting line to Risk and Compliance Committee
3/ The Sustainability Committee is established to oversee the overall strategic direction, policies & regulations on Environmental, Social, and Governance ('ESG') or sustainability as well as Corporate Social Responsibility ('CSR') of Bank of Ayudhya Public Company Limited and the companies under the Bank's Financial Business Group. The Sustainability Committee Meeting shall be held at least once per quarter and shall report directly to the Executive Committee.




## Products and Services

### Deposit products

- Current accounts
- Savings accounts
- Time deposit accounts
- Foreign currency deposit accounts

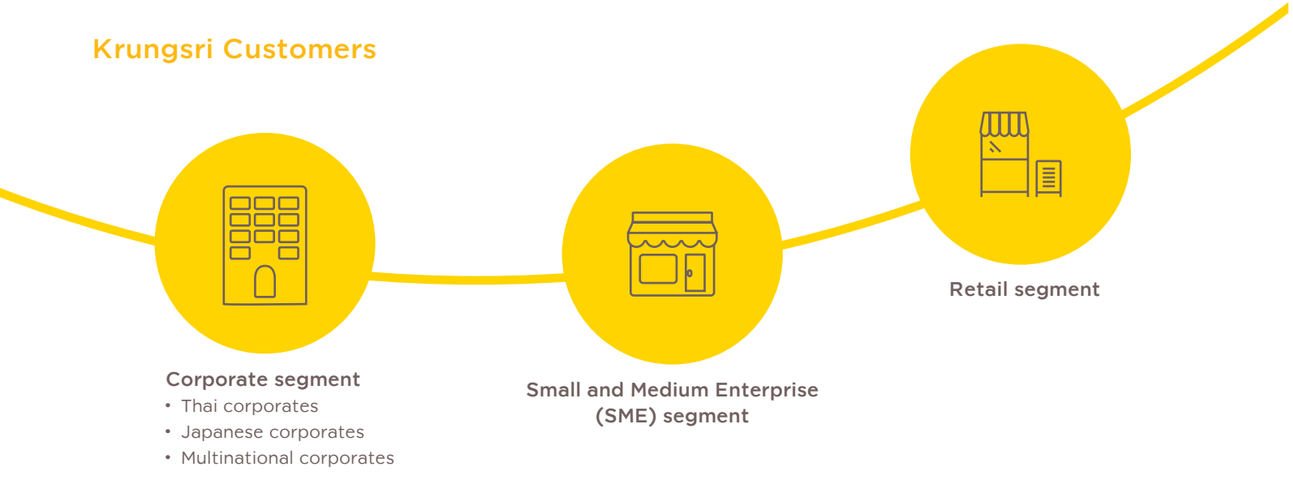
### Loan products

- Overdraft (O/D)
- Promissory notes and term loans for corporate customers
- Housing loans and personal loans for retail customers
- Foreign currency loans
- Trade finance credit
- Other loan services, such as aval and acceptance, letter of guarantee and bank guarantee, letter of credit, and financial status certification, etc.

### Other Services

- e-banking services
- Domestic money transfer
- Foreign exchange and international money transfer
- Krungsri Tradelink
- Direct debit and direct credit
- Bancassurance
- Investment banking
- Securities services
- Cash management
- Transaction banking
- Foreign exchange forwards, and foreign exchange and interest rate derivatives products
- Trade finance services
- Government bonds, treasury bills and state enterprise bonds

## Krungsri Customers








## Value Chain

### Primary Activities

| Funding sources | Operations | Marketing and sales | Access to financial innovations and products | Financial transactions | After-sales services |
|---|---|---|---|---|---|
| • Financial access | • Financial product development appropriate for target groups, in consideration of ESG dimensions<br>• Credit underwriting based on ESG dimensions<br>• Digital transformation to cut waste and emissions<br>• Business continuity | • Market conduct<br>• Accurate and complete disclosure of financial product data<br>• Fair competition<br>• Advertising and public relations that promote brand image | • Convenient, fast, and secure financial services<br>• Inclusive and extensive centers/ offices/ branches<br>• Financial inclusion and equity | • Cybersecurity<br>• Personal data security<br>• Financial crime prevention | • Customer relationship management<br>• Complaint case management<br>• Communication channels appropriate for target groups |

**Consider and connect with socio-economic and environmental impacts**

### Support Activities

| Risk management | Procurement management | Human resources management | Digital innovation and technology management | Other infrastructures, e.g., accounting and finance system, business administration, legal tasks, compliance tasks, etc. |
|---|---|---|---|---|

## Subsidiaries, Joint Ventures, and Associate

Krungsri holds shares of 24 subsidiaries, four joint ventures, and an associate as defined in a relevant notification of the Office of the Securities and Exchange Commission. The information as of December 31, 2023, is as follows:

| Company Name | Type of Business | Krungsri's shareholding (Percentage) |
|---|---|---|
| **Subsidiaries** | | |
| 1. Ayudhya Development Leasing Company Limited | Leasing and hire-purchase | 99.99 |
| 2. Ayudhya Capital Auto Lease Public Company Limited | Auto hire-purchase, leasing service, and refinancing to individual and corporate customers | 100.00 |
| 3. Ayudhya Capital Services Company Limited | Credit cards and personal loans | 100.00 |
| 4. General Card Services Limited | Credit cards and personal loans | 100.00 |
| 5. Krungsriayudhya Card Company Limited | Credit cards and personal loans | 100.00 |
| 6. Siam Realty and Services Security Company Limited | Car rental services and personnel services | 100.00 |
| 7. Total Services Solutions Public Company Limited | Collection services | 100.00 |
| 8. Krungsri Asset Management Company Limited | Mutual funds and private fund management | 86.86 |
| 9. Krungsri Ayudhya AMC Limited | Develop, manage, and sell non-performing assets and other assets transferred from financial institutions | 100.00 |
| 10. Krungsri Securities Public Company Limited | Securities business | 99.84 |
| 11. Krungsri Nimble Company Limited | Factoring and information technology services | 100.00 |
| 12. Krungsri Genesis Company Limited [1/] | Life insurance broker | 100.00 |
| 13. Krungsri General Insurance Broker Limited [2/] | Life assurance broker and general insurance broker | 100.00 |
| 14. Krungsri Finnovate Company Limited | Venture capital | 100.00 |
| 15. Krungsri Leasing Services Company Limited [3/] | Hire-purchase, leasing, and sales finance in Lao People's Democratic Republic | 100.00 |
| 16. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. [4/] | Non-deposit taking microfinance in Lao People's Democratic Republic | 99.99 |
| 17. Hattha Bank Plc. | Banking business in Cambodia | 100.00 |
| 18. Hattha Services Company Limited [5/] | Lease real estate in Cambodia | 100.00 |
| 19. Krungsri Capital Securities Public Company Limited | Securities business | 99.35 |
| 20. SHBank Finance Company Limited [6/] | Personal loans in Vietnam | 50.00 |
| 21. HC Consumer Finance Philippines, Inc. | Personal loans and credit cards in the Philippines | 75.00 |
| 22. HCPH Financing 1, Inc. | Asset management in the Philippines | 100.00 |
| 23. HCPH Insurance Brokerage, Inc. | General insurance broker in the Philippines | 100.00 |
| 24. PT Home Credit Indonesia | Personal loans in Indonesia | 75.00 |
| **Joint Ventures** | | |
| 25. Lotus's Money Services Limited [7/] | Credit cards and personal loans | 50.00 |
| 26. Lotus's Life Assurance Broker Limited [8/] | Life insurance broker | 50.00 |
| 27. Lotus's General Insurance Broker Limited [8/] | General insurance broker | 50.00 |
| 28. SB Finance, Inc. [9/] | Personal loans in the Philippines | 50.00 |
| **Associate** | | |
| 29. Ngern Tid Lor Public Company Limited | Loans and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly | 30.00 |

Remarks:
[1/] Formerly Krungsri Life Assurance Broker Limited which is 99.99 percent owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary
[2/] 99.99 percent owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary
[3/] Owned by Ayudhya Capital Auto Lease Public Company Limited and Ayudhya Capital Services Company Limited, the Bank's subsidiaries, of 75 percent and 25 percent respectively
[4/] 99.99 percent owned by Krungsri Leasing Services Company Limited, the Bank's subsidiary
[5/] 49 percent owned by Hattha Bank Plc., the Bank's subsidiary. However, the Bank has power to participate in management and control over Hattha Services Company Limited. therefore, the voting power held by the Bank is 100 percent.
[6/] 50 percent of charter capital owned by the Bank. However, the Bank has power to participate in management and control over the company, therefore, it was classified as the Bank's subsidiary.
[7/] 49.99 percent owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary
[8/] 99.99 percent owned by Lotus's Money Services Limited, the Bank's joint venture
[9/] Formerly SB Finance Company, Inc.

## Strategies and business plans

Krungsri has set an aspiration to 'Be a leading regional financial institution with global reach' through sustainable banking, social responsibility and responding to customer needs, while this ambition has been clearly reflected in our **Medium-Term Business Plan (MTBP)** spanning three-year periods—encompassing goals, strategies, and action plans of the Bank. These efforts do not only align with the vision and mission of the Bank, but also build confidence in the continuity of business success amidst the ever-changing economic and social environment.

As one of the Domestic Systemically Important Banks (D-SIBs), Krungsri is committed to conducting business in line with responsible banking principle. We will relentlessly continue to create and build upon financial innovations with concepts that generate economic value in tandem with social and environmental aspects. Under our Carbon Neutrality Vision Declaration, the Bank remains determined to synergize with MUFG to drive sustainable economic growth by assisting corporate and retail customers in transitioning toward operations that focus on creating positive environmental, social and governance (ESG) impacts.

### The third Medium-Term Business Plan (2021-2023)

For our operation in 2023 under the third MTBP (2021-2023), we have set our aspiration to **'Be the preferred Thai bank connecting customers' needs across ASEAN'** and identified five strategic directions and three key enablers as follows:

**5**
**Strategic Directions**

1. One Retail Transformation
2. Commercial Business Enhancement
3. Ecosystem and Partnership
4. ASEAN Expansion
5. New Revenue Streams

**3**
**Key Enablers**

1. Productivity and Efficiency
2. IT, Digital, and Analytics
3. People and Organization








### Key challenges and opportunities

2023 was the final year of our third Medium-Term Business Plan, covering 2021-2023. This MTBP was formulated through an evaluation of significant successes and challenges from the prior two plans (the first and the second plan) as well as taking into consideration changes in the economic, social, and environmental landscapes, including domestic and regional market trends.

In 2023, the Thai economy encounters formidable challenges. Although tourism and domestic consumption are on a path of recovery, the pace of Thai exports remains sluggish. Furthermore, the presence of political uncertainties, coupled with delays in establishing a new government, has diminished both public and private investment. On a global dimension, persistent weaker growth is prevalent, driven by high interest rates, vulnerabilities in China's property sector, the economic clashes between the US and China, and ongoing geopolitical tensions.

Amidst the uncertain economic outlook and intense competition, Krungsri has identified opportunities to generate new revenue streams from investments domestically and internationally to drive more sustainable growth, including:

- **ASEAN expansion:** In 2023, Krungsri successfully extended our business presence into key ASEAN countries, including Indonesia, the Philippines, and Vietnam, driven by their substantial economic growth potential. This expansion solidifies our position as a regional bank. Looking ahead to 2024, our objective is to continue advancing beyond ASEAN boundaries. By synergizing Krungsri's strengths with MUFG's extensive global network, we aim to unlock fresh business opportunities and seamlessly address customer needs across the ASEAN region.

- **Sustainable finance:** Krungsri has set an ambitious target to decarbonize our portfolio to achieve Net Zero Emissions by 2050. Hence, we are determined to support our customers in transitioning to more ESG-focused practices through financing impactful social and sustainability projects, such as green loans, renewable energy financing, social financing, sustainability-linked loans, and more. This proactive approach will facilitate the gradual transition of Thai businesses and society toward a low-carbon society.

- **Ecosystem and partnership:** The Bank has consistently focused on cultivating robust ecosystems in various business sectors such as mobility, living, and commerce ecosystems. Our commitment to expanding this ecosystem and fostering business alliances remains unwavering. We aim to broaden our network by connecting with MUFG's extensive network and partner banks in ASEAN, both domestically and internationally. This strategic approach will contribute to the sustainable and resilient growth of Krungsri and businesses of our customers.

In 2024, we embark on the inaugural year of our new fourth Medium-Term Business Plan, spanning 2024-2026. Krungsri is dedicated to the objective of emerging as '**The Leading Sustainable and Regional Bank.**' To realize this vision, we are formulating business and management strategies that will effectively propel us toward achieving our aspiration. Particularly, the strategy of '**Positioning ESG-Linked Business and Net Zero Commitment 2050**' stands out as a cornerstone within the Bank's core strategies under the fourth Medium-Term Business Plan. This strategy aligns seamlessly with our 'banking with purpose' paradigm, demonstrating a steadfast commitment to delivering positive outcomes for the society and environment.



# DRIVING BUSINESS FOR SUSTAINABILITY

## Sustainable Banking

With the tenet of 'banking with purpose' and the accountability of a Domestic Systemically Important Bank (D-SIB), Krungsri strives to operate in accordance with good corporate governance based on the **sustainable banking** guidelines by incorporating ESG dimensions in the Bank's processes that go hand in hand with prudent and rigorous ESG risk management. At the same time, we explore opportunities ideal for operating as a responsible financial service provider, taking into account the positive social and environmental impact, which is consistent with the **responsible lending** guidelines in the best interests of all groups of stakeholders, while also enhancing our capabilities to address the Sustainable Development Goals (SDGs) both at the national and international levels.

**Sustainability Vision:**
To be the most sustainable commercial bank in Thailand

Integrating ESG Consideration into Processes

### Environmental Aspect

- Climate Change Management
- Environmental Management and Resource Efficiency

### Social Aspect

- Fair Labor Practices and Respect for Human Rights
- Promotion of Financial Literacy
- Occupational Health, Safety, and Working Environment
- Financial Inclusion
- Responsible Lending and ESG Consideration
- Human Resources Development
- Stakeholder Engagement
- Community Participation and Social Engagement

### Economic and Governance Aspect

- Financial Crime Prevention
- Cybersecurity
- Good Governance and Anti-Corruption
- Data Governance and Personal Data Protection
- Risk and Crisis Management
- Customer Experience and Market Conduct
- Innovation and Digital Transformation
- Supply Chain Management





## UN Principles for Responsible Banking

Krungsri leveraged operations by becoming **a member of the United Nation Environment Programme Finance Initiative (UNEP FI)** and becoming an official signatory of **the UN Principles for Responsible Banking** in 2023, which were major steps for Krungsri in following the sustainable banking guidelines.

The Principles for Responsible Banking are the global framework developed through a partnership between banks worldwide and the UNEP FI. Krungsri's signing of the Principles for Responsible Banking reflects our determination to conduct business following the sustainable banking guidelines, enabling the Bank to establish strategies and practices in line with the vision society has set out to achieve the UN SDGs and the Paris Agreement which, in turn, will help hone Krungsri's competitive edge in developing social and sustainable finance facilities.

Furthermore, adoption of the Principles elevates the operating standards of Thai financial institutions to the international level for greater stability and conformity with the UN SDGs.

**Principles for Responsible Banking (PRB)**

There are **6** principles as follows:

**1 Alignment:**
Alignment of business strategies with the Sustainable Development Goals (SDGs), the Paris Agreement, and other relevant national and regional frameworks

**2 Impact & Target Setting:**
**Impact & Target Setting:** Setting and publishing the Bank's targets that increase positive impact and significantly reduce negative impact

**3 Clients & Customers:**
Working responsibly with clients to encourage sustainable practices and enable economic activities

**4 Stakeholders:**
Proactive engagement and partnership with stakeholders to achieve society's goals

**5 Governance & Culture:**
Governance and promotion of an organizational culture that aligns with the Principles

**6 Transparency & Accountability:**
Review and disclosure of implementation of the Principles

## ESG Declaration

Krungsri reaffirmed our commitment to sustainable banking by collectively launching the **ESG Declaration** with 14 member banks under the Thai Bankers' Association to drive change in financial institution business operations with transparency and flexibility. The ESG Declaration sets the banking industry's clear common direction under a 'comply or explain' principle by proactively addressing key ESG issues, e.g. climate change, diversity and human rights, financial inclusion, and reduced inequalities, while also advocating sustainability awareness among stakeholders and supporting Thailand's smooth transition to achieving the UN SDGs and the Paris Agreement.

ESG Declaration There are six shared action priorities as follows:

**Governance:**
Ensure good corporate governance and effective oversight at the board level, with clear accountability and responsibility at the management level regarding the ESG agenda

**Strategy:**
Integrate ESG into business strategies and define frameworks for sustainable finance

**ESG Risk Management:**
Incorporate ESG issues, including climate change, into risk management processes

**Financial Products:**
Utilize digital technology to increase financial accessibility; help customers achieve net zero emissions and sustainable growth

**Communication:**
Communicate and collaborate with all stakeholders in raising public awareness of ESG issues

**Disclosure:**
Develop monitoring and reporting systems in line with Thailand's regulatory frameworks and global sustainability disclosure standards

## Thailand's Industry Handbook

2023 was an important step for Krungsri and other Thai commercial banks under the Thai Bankers' Association in jointly developing Thailand's Industry Handbook for the financial sector, which reflects the commercial banks' determination to place emphasis on environmental and climate change management as an urgent national and international agenda as well as a core mission of the banking sector as financial intermediaries that help drive the real sector's green transition.

Developed in conformity with the Directional Paper on Financial Landscape (Directional Paper) and the Policy Statement: Internalizing the Environmental and Climate Change Aspects into Financial Institution Business (Standard Practice) of the Bank of Thailand, the Industry Handbook aims to assist commercial banks in the Thai banking sector, including foreign commercial banks' branches or subsidiaries in Thailand, to embody environmental and climate change matters in business operations, and appropriately adopt the key actions stipulated in the Industry Handbook, which is aligned with the Bank of Thailand's Standard Practice and according to the expectations of regulators.

The Industry Handbook serves as an important mechanism that would not only help commercial banks and companies in Krungsri's Financial Business Group understand and manage environmental and climate change risks efficiently, but also help the banking sector improve its systems, processes, data, and employee capabilities appropriate to the organization's context. Moreover, the Industry Handbook can be used to develop financial products and services that aid the transition of the business sector while also promoting positive environmental impact, thus propelling Thailand's shift to a low-carbon economy as stipulated in the aforesaid ESG Declaration.





## Sustainability Governance and Management

To achieve our sustainability development aspiration, Krungsri appointed the '**Sustainability Committee**' to oversee the strategies, directions, policies, and regulations for operations relating to ESG or sustainability as well as corporate social responsibility of the Bank and the companies in the Financial Business Group (Krungsri Group).

The Sustainability Committee is responsible for determining the policies, directions, and scope of Krungsri Group's ESG operations and corporate social responsibility in accordance with the sustainable banking principles, the guidelines and expectations of regulators, including the UN SDGs to be proposed to the Executive Committee for approval. In addition to overseeing material ESG issues. This includes risks and opportunities in relation to climate change which might affect the Bank's business and stakeholders.

In addition, The Sustainability Committee also ensures that the management and disclosure of information about Krungsri's sustainability matters, opportunities, progress, and performance comply with leading best practices. In this regard, the Sustainability Committee shall hold meetings no less than once per quarter and shall report directly to the Executive Committee.

**Board of Directors**

↓

**Executive Committee**

↓

**Sustainability Committee**

↓

**Environmental, Social, and Governance Division**




Composition of the Sustainability Committee[1/]:

1.1 President and Chief Executive Officer (Chairman)[2/]
1.2 Chief Strategy Officer (Vice Chairman)
1.3 Head of JPC/MNC Banking (Member)
1.4 Head of Retail and Consumer Banking (Member)
1.5 Chief Information and Digital Officer (Member)
1.6 Chief Financial Officer (Member)
1.7 Chief Risk Officer (Member)
1.8 Chief Human Resources Officer (Member)
1.9 Chief Compliance Officer (Member)
1.10 Head of Global Markets Group (Member)
1.11 Head of Corporate and Investment Banking Group (Member)
1.12 Head of SME Banking Group (Member)
1.13 Head of ASEAN Business Group (Member)

Remark:
[1/] The Head of Environmental, Social and Governance Division acts as the Secretary of the Sustainability Committee.
[2/] Member of Board of Directors (Executive Directors)

## Guidelines, Standards, and Initiatives for Sustainable Development

Krungsri, as a responsible financial provider, undertakes business by taking into account environmental, social, and governance dimensions, while being compliant with related standards, guidelines, and initiatives as follows:

| No. | Guidelines, Standards, and Initiatives | Organizations | Implementation Status |
|---|---|---|---|
| 1 | Sustainable Development Goals (SDGs) | The United Nations | Adopted as an operational guideline for establishment of strategies, targets, and sustainable operations |
| 2 | The Principles for Responsible Banking (PRB) | United Nations Environment Programme Finance Initiative (UNEP FI) | Adopted as an operational guideline |
| 3 | The Principles for Responsible Investment (PRI) | United Nations Environment Programme Finance Initiative (UNEP FI) and UN Global Compact | Adopted as an operational guideline |
| 4 | ASEAN Corporate Governance Scorecard (ACGS) | ASEAN Capital Markets Forum (ACMF) | Adopted as an operational guideline for good corporate governance practices |
| 5 | Directional Paper on Transitioning Towards Environmental Sustainability under the New Thai Financial Landscape | The Bank of Thailand (BOT) | Adopted as an operational guideline and framework |
| 6 | Policy Statement of the Bank of Thailand on Internalizing Environmental and Climate Change Aspects into Financial Institution Business | The Bank of Thailand (BOT) | Adopted as an operational guideline and framework |
| 7 | Thailand Taxonomy Phase I | The Bank of Thailand (BOT) and The Securities and Exchange Commission, Thailand | Adopted as an operational guideline and framework |
| 8 | The Green Bond Principles (GBP) | International Capital Market Association (ICMA) | Adopted as an operational guideline |
| 9 | The Social Bond Principles (SBP) | International Capital Market Association (ICMA) | Adopted as an operational guideline |
| 10 | The Sustainability Bond Guidelines (SBG) | International Capital Market Association (ICMA) | Adopted as an operational guideline |
| 11 | The Sustainability-Linked Bond Principles (SLBP) | International Capital Market Association (ICMA) | Adopted as an operational guideline |
| 12 | ASEAN Green Bond Standards (ASEAN GBS) | ASEAN Capital Market Forum (ACMF) | Adopted as an operational guideline |
| 13 | ASEAN Social Bond Standards (ASEAN SBS) | ASEAN Capital Market Forum (ACMF) | Adopted as an operational guideline |
| 14 | ASEAN Sustainability Bond Standards (ASEAN SUS) | ASEAN Capital Market Forum (ACMF) | Adopted as an operational guideline |
| 15 | GRI Standards | The Global Reporting Initiative (GRI) | Adopted as an operational guideline for sustainability reporting |
| 16 | International Financial Standard 9 (IFRS 9) | International Accounting Standards Board | Adopted as an operational guideline |
| 17 | Basel III Framework | The Basel Committee on Banking Supervision and Bank of Thailand | Adopted as an operational guideline |
| 18 | The Women's Empowerment Principles (WEPs) | UN Women and UN Global Compact | Adopted as an operational guideline for women's empowerment |
| 19 | Commercial banks' code of ethics | The Thai Bankers' Association (TBA) | - MOU among commercial banks<br>- Adopted as an operational guideline |
| 20 | The memorandum of understanding on Sustainable Banking Guidelines – Responsible Lending | The Thai Bankers' Association (TBA) | - MOU among commercial banks<br>- Adopted as an operational guideline |
| 21 | ESG Declaration | The Thai Bankers' Association (TBA) | Adopted as an operational guideline and framework |
| 22 | Industry Handbook for Internalizing Environmental and Climate Change Aspect into Financial Institution Business | The Thai Bankers' Association (TBA) | Adopted as an operational guideline and framework |
| 23 | ISO 20022 Universal Financial Industry Message Scheme | International Organization for Standardization (ISO) | Adopted as an operational guideline |
| 24 | ISO/IEC27001 - Information Security Management (BAHTNET and ICAS) | International Organization for Standardization (ISO) and International Electrotechnical Commission | Adopted as an operational guideline |
| 25 | ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals | International Organization for Standardization (ISO) | Adopted as an operational guideline for reporting the Carbon Footprint of Organization (CFO) and GHG reduction |
| 26 | The Carbon Footprint Organization (CFO) | Thailand Greenhouse Gas Management Organization (TGO) | Adopted as an operational guideline for implementation of the organization's carbon footprint and greenhouse gas reduction |

## Membership of Associations

Krungsri operates under good corporate governance and places great emphasis on becoming a member of and building up networks with external organizations, from which synergy is particularly vital – enabling the Bank to drive and strengthen its business toward sustainability. Due to the fact that each organization has unique potential, strengths and expertise collaboration with these parties is regarded as a pathway to bring the best out of each organization in an effort to improve society and environment for sustainable growth. Additionally, this coalition will effectively drive the domestic economy and broaden positive impacts on society and environment at home and in the ASEAN region. In addition, the mentioned partnership and networks also align with the SDGs No.17 Partnership for The Goals.

**United Nations Environment Programme Finance Initiative (UNEP FI)**

Collaboration Status
**Member**

**The Association of International Banks (AIB)**

Collaboration Status
**Member**

**The Thai-Japanese Association (TJA)**

Collaboration Status
**Member**

**The Thai Institute of Directors Association (IOD)**

Collaboration Status
**Member**

**The Thai Bankers' Association (TBA) and its clubs**

Collaboration Status
**Advisor/ Member/ Club President/ Taskforce**

**Thailand Private Sector Collective Action Against Corruption (CAC)**

Collaboration Status
**Certified member**

**The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB)**

Collaboration Status
**A representative of the Thai Bankers' Association to attend business council meetings, including meetings of the Australia - Thailand Business Council, and the New Zealand – Thailand Business Council, as well as monthly meetings of the Joint Standing Committee on Commerce, Industry and Banking**

**Carbon Markets Club (CMC)**

Collaboration Status
**Founding member**

**Thai Renewable Energy Association (RE100)**

Collaboration Status
**Member**

**Thailand Carbon Neutral Network (TCNN)**

Collaboration Status
**Member (Climate Action Leading Organization), as well as TCNN's Climate Finance Sub-committee member**





## Sustainability Awards and Achievements



- **The Asset ESG Corporate Awards 2023** (Platinum Award) from The Asset (4th consecutive year)




- **Asia's Best CSR Award** from Corporate Governance Asia (6th consecutive year)
- **Best Investor Relations Professional Award (Thailand)** from Corporat Governance Asia (5th consecutive year)
- **Best Investor Relations Company Award (Thailand)** from Corporate Governance Asia (10th consecutive year)
- **Best Environmental Responsibility (Thailand)** from Corporate Governance Asia
- **Best Bank for CSR Award** from Asiamoney (4th consecutive year)
- **Best Bank for Diversity and Inclusion in Thailand** from Asiamoney
- **SET ESG Ratings at the highest AAA and being selected in Thailand Sustainability Investment** by the Stock Exchange of Thailand (8th consecutive year)
- **Certificate of ESG100** from Thaipat Institute (8th consecutive year)
- **Corporate Governance Report of Thai Listed Companies (CGR) at the 'Excellent' level by the Thai** Institute of Directors (IOD)
- **Sustainability Disclosure Award** from Thaipat Institute
- **Climate Action Leading Organization (CALO) for 2023** from Thailand Greenhouse Gas Management Organization (Public Organization)
- **Low Emission Support Scheme (LESS)** for the Waste Management category from Thailand Greenhouse Gas Management Organization (Public Organization)



- **HR Asia Best Companies to Work for in Asia 2023** Award for outstanding organization that is among the best places to work in Asia
- **HR Asia Most Caring Company Award 2023** for being the organization that cares most about taking care of its employees, from HR Asia Best Companies to Work for in Asia 2023.

# REPORTING METHODOLOGY

Krungsri has annually published Sustainability Report with an aim to disclose information on Krungsri Group's sustainability performance in the economic, environmental, social, and governance dimensions.

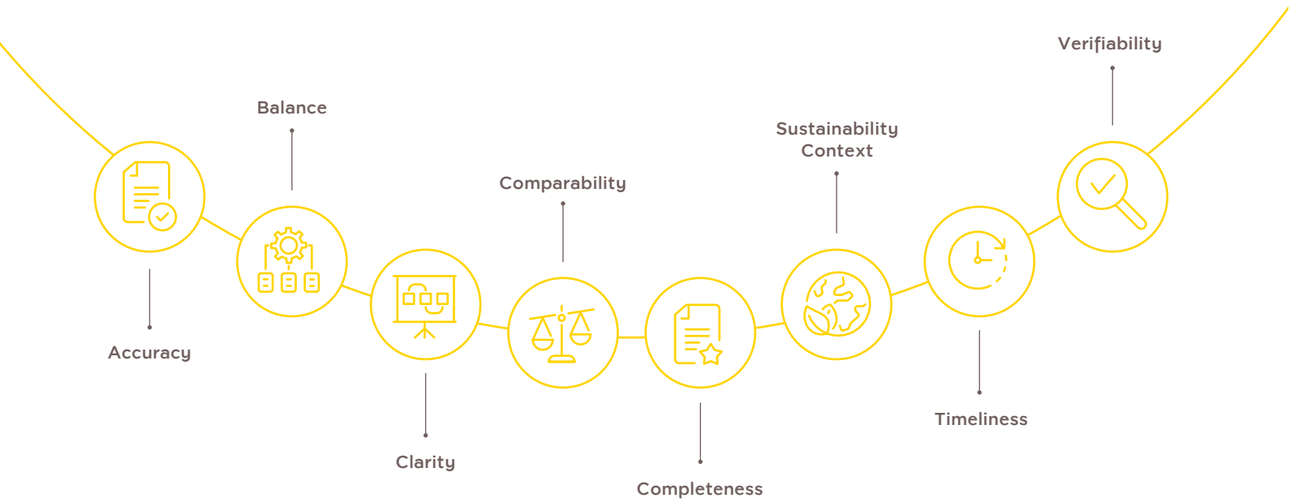
The ESG disclosure reflects not only the Bank's responsibility toward our stakeholders, but also our transparency and effective communications on ESG materiality in alignment with Krungsri's strategic direction and goals. Our ESG performance is analyzed and utilized for further operational efficiency enhancement based on international best practices for sustainable growth.

This 2023 report is the Bank's 10th Sustainability Report (after the previous one was published on Krungsri's website on March 27, 2023, apart from its hard copies), marking the first to be published in soft copies only, in an effort to reduce the use of resources as well as greenhouse gases emitted from the hardcopy production process. The online publications are also in line with consumer behaviors in the current digital era.

## Defining Report Content and Boundaries

Covering the period from January 1 to December 31, 2023, Krungsri's 2023 Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards (with reference to the GRI Standards). In addition, connection between the organization's operational directions and the United Nations Sustainable Development Goals (SDGs) was also portrayed in the report, in order to highlight our commitment in response to not only the international sustainable development goals, but also expectations of all stakeholders, including employees, customers, suppliers, shareholders, regulators, communities, society, etc.

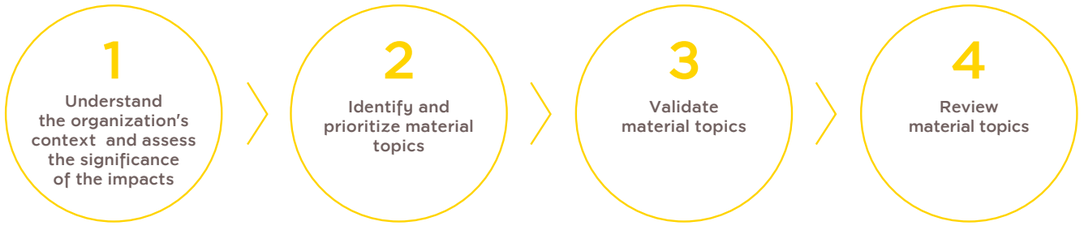
Krungsri defines content and boundaries of the report based on context of our organization, internal and external factors related to business operations, material topics significant for the organization and stakeholders, as well as the content's essence and benefits, as per the eight standards of the GRI Sustainability Reporting Guidelines as follows:








## Materiality Identification Process




### Step 1: Understand the organization's context and assess the significance of the impacts

The Sustainability Report Working Team, under the supervision of the Sustainability Committee, in collaboration with multiple business units, including the Corporate Strategy and Planning Group, Risk Management Group, Compliance Group, etc., identifies Krungsri Group's business activities, and ESG materiality related to the sustainability context and development, including issues related to being a financial service provider and also identified sustainability topics significant for stakeholders. In this regard, the identification of organization's context and the assessment of the significant impacts are in alignment with the **Double Materiality** concept that take into account the balance between the organization's '**financial materiality**' and the '**impact materiality**' throughout the entire value chain, including the public urgent social and environmental agenda and goals, at the domestic and international levels. Details are as follows:

1) Significance of Economic, Environmental, and Social Impacts:
   - 1.1) Identify the relevance of sustainability materiality to the organization, such as
     - Philosophy, visions, and core values
     - Business direction, strategies, policies, and business practices
     - Enterprise-wide risks (degree of relevance)
     - Reputational and image aspect
     - Legal, regulations, or business practices
     - Financial impacts of climate change, etc.
   - 1.2) Identify the nature of impacts on profitability and business growth, such as
     - Financial aspect
     - Operational aspect
     - Strategy aspect
   - 1.3) Identify impacts on the general public and the environment (impact materiality)

2) Influence on Stakeholder Assessment and Decisions:
   - Issues in stakeholders' attention and expectations
   - Issues influencing stakeholders' decision making
   - Issues that may impact the environment in proximity of the Bank's offices and in remote areas, etc.

   Krungsri has identified material topics regarding economic, social, and environmental aspects that could be either advantages or disadvantages for Krungsri Group's stakeholders, through stakeholder engagement in diverse forms, e.g., meetings, in-person conversations, seminars, interviews, opinion surveys on Krungsri Group's sustainability performance, etc. Views and recommendations received are used for the materiality assessment process.

3) Identify sustainability materiality in alignment with domestic and international standards

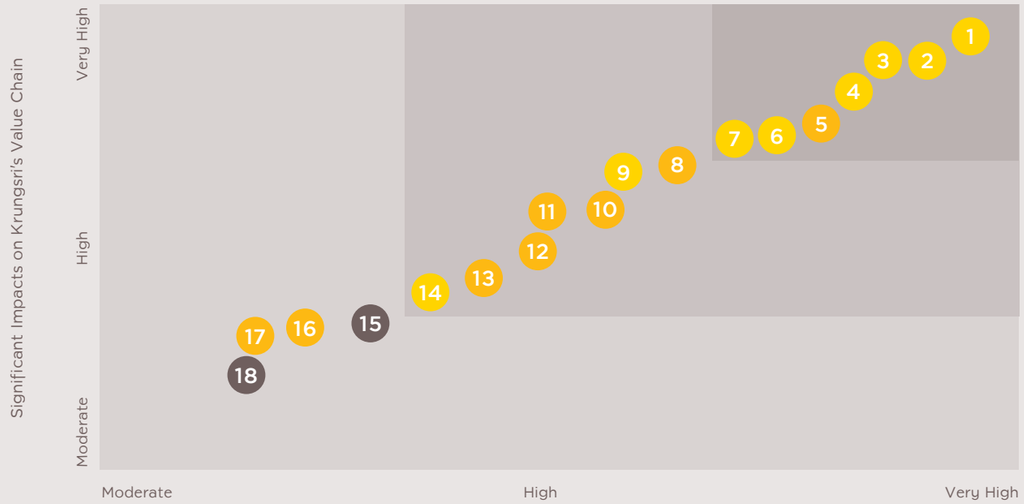
   Krungsri also takes into account material topics completed and reported in the previous year for reconsideration, along with sustainability best practices, indices and assessments of diverse national and international organizations, such as:
   - The SET ESG Rating by the Stock Exchange of Thailand (SET)

- The Bank of Thailand (BOT)'s monitoring and assessment of commercial banks in alignment of the sustainable banking principles
- Guidelines based on the Corporate Governance Report of Thai Listed Companies carried out by the Thai Institute of Directors (IOD)
- The S&P Global Corporate Sustainability Assessment (CSA)
- International sustainability indices, e.g., Dow Jones Sustainability Indices (DJSI)
- The Sustainable Banking Assessment (SUSBA) Report of the World Wide Fund for Nature (WWF)
- The Policy Assessments of Thai commercial banks by Fair Finance Thailand

### Step 2: Identify and prioritize material topics

The Sustainability Report Working Group, under the supervision of the Sustainability Committee, identifies ESG material topics related to and significant for Krungsri Group's businesses and stakeholders. Then, the material topics will be prioritized by striking a balance between the financial materiality and the impact materiality as specified in the Step 1. Then, the Double Materiality Matrix will be prepared.

**Double Materiality Matrix**




**Economic and Governance Aspects**

1 Financial Crime Prevention
2 Cybersecurity
3 Good Governance and Anti-Corruption
4 Data Governance and Personal Data Protection
6 Risk and Crisis Management
7 Customer Experience and Market Conduct
9 Innovation and Digital Transformation
14 Supply Chain Management

**Social Aspects**

5 Fair Labor Practices and Respect for Human Rights
8 Promotion of Financial Literacy
10 Occupational Health, Safety, and Working Environment
11 Financial Inclusion
12 Responsible Lending and ESG Consideration
13 Human Resources Development
16 Stakeholder Engagement
17 Community Participation and Social Engagement

**Environmental Aspects**

15 Climate Change Management
18 Environmental Management and Resource Efficiency





### Step 3: Validate material topics

The Sustainability Committee--comprising the President and Chief Executive Officer and senior executives from various business units of the Bank--verified and approved material topics on an annual basis to ensure relevant issues are thoroughly considered. The verified material topics were proposed to the Executive Committee for acknowledgement and consideration. The final outcome was then used as the base information for communications to all business units, so that they can stipulate sustainability action management per their priorities and urgency as well as preparation of the Sustainability Report

### Step 4: Review material topics

Krungsri establishes the process for reviewing material topics after the dissemination of the Sustainability Report each year, by providing channels to get feedback and recommendations from all stakeholder groups, namely our website, www.krungsri.com, a questionnaire form (attached herewith), or other channels. Therefore, the feedback will be used to set the Bank's directions for sustainability practices and operations, as well as disclosure in the next Sustainability Report.

## Key Amendments in the Sustainability Report

Considering, analyzing, and reviewing Krungsri's material topics, the Sustainability Report Working Team was of the view that material topics of 2023 continue to be relevant and significant for all stakeholder groups, while being aligned with the expectations of regulators and sustainability organizations, domestic and international.

Although the material topics of 2023 have no difference from those of 2022, the change in the sequence of material topics also reflects Krungsri's current strategies, direction, and prioritization in integrating environmental, social, and governance considerations into business operations toward the sustainable banking goal.

## External Assurance Report

To ensure the credibility of Krungsri's Sustainability Report, the Bank requested an assurance review by an external entity in accordance with the GRI Standards (with reference to the GRI Standards). See page 182-183, Topic 'External Assurance Report' for additional details.

## Report Dissemination Channels and Contact Information

- Website krungsri.com
  - Menu 'Sustainability Development' > Item 'Disclosure' > Sub-topic 'Sustainability Report'
  - Menu 'Investor Relations' > Item 'Annual Report' > Tab 'Sustainability Report'

- Scan the QR Code for Krungsri Sustainability Report

**Thai version** **English version**

- For more information on the Sustainability Report, please contact:
  Environmental, Social and Governance Division
  Bank of Ayudhya Public Company Limited
  (Head Office), 17th Floor
  1222, Rama III Road, Bang Phongphang,Yan Nawa, Bangkok, 10120
  Tel.: 0-2296-2000 Ext. 83009, 83778, 84026
  Email: KrungsriESG@krungsri.com

# Impacts of Materiality

| Materiality | GRI Standards | Scope of Internal Impacts | Scope of External Impacts | SDGs |
|---|---|---|---|---|
| **Economic and Governance Aspects** | | | | |
| Financial Crime Prevention | GRI 2-24<br>GRI 3-3 | Executives and staff of all business units | Customers, Shareholders, Vendors/ Suppliers, Investors/ Analysts, Regulators, Creditors, Financial institutions, Communities and society | Target: 16.5, 16.6<br>Target: 17.14 |
| Cybersecurity | GRI 2-12, 2-24, 2-26, 2-27<br>GRI 3-3 | Executives and staff of all business units | Customers, Shareholders, Vendors/ Suppliers, Investors/ Analysts, Regulators, Creditors, Financial institutions | Target: 16.4, 16.a |
| Good Governance and Anti-Corruption | GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-16, 2-17, 2-18, 2-23, 2-24, 2-25, 2-26, 2-27<br>GRI 3-3 | Executives and staff of all business units | Customers, Shareholders, vendors/suppliers, Investors/ Analysts, Regulators, Creditors, Financial institutions, Communities and society | Target: 16.5, 16.6 |
| Data Governance and Personal Data Protection | GRI 2-24, 2-27<br>GRI 3-3<br>GRI 418-1 | Executives and staff of all business units | Customers, Shareholders, Vendors/ Suppliers, Investors/ Analysts, Creditors | Target: 16.6, 16.10, 16.a, 16.b |
| Risk and Crisis Management | GRI 2-12, 2-16, 2-24, 2-25<br>GRI 3-3 | Executives and staff of all business units | Customers, Shareholders, Vendors/ Suppliers, Investors/ Analysts, Creditors | Target: 11.5<br>Target: 16.7 |
| Customer Experience and Market Conduct | GRI 2-23, 2-24, 2-25, 2-26, 2-27<br>GRI 3-3<br>GRI 417-1, 417-2, 417-3<br>GRI 418-1 | Executives and staff of all business units | Customers, Regulators | Target: 8.3<br>Target: 9.2, 9.3<br>Target: 10.2, 10.5<br>Target: 16.6 |
| Innovation and Digital Transformation | GRI 3-3<br>GRI 203-1, 203-2 | Executives and staff of all business units | Customers, Shareholders, Vendors/ Suppliers, Investors/ Analysts, Regulators, Creditors | Target: 8.2<br>Target: 9.2, 9.4<br>Target: 17.7, 17.8 |
| Supply Chain Management | GRI 2-6, 2-24<br>GRI 3-3<br>GRI 308-1<br>GRI 414-1 | Executives and staff of all business units | Customers, Vendors/ Suppliers | Target: 8.2<br>Target: 12.2 |
| **Social Aspect** | | | | |
| Fair Labor Practices and Respect for Human Rights | GRI 2-19, 2-20, 2-23, 2-24, 2-25, 2-26, 2-30<br>GRI 3-3<br>GRI 401-1, 401-2, 401-3<br>GRI 405-1<br>GRI 406-1 | Executives and staff of all business units | Customers, Vendors/ Suppliers, Regulators | Target: 3.8<br>Target: 4.4<br>Target: 5.1, 5.5<br>Target: 8.3, 8.5<br>Target: 10.2<br>Target: 16.7 |
| Promotion of Financial Literacy | GRI 2-6<br>GRI 3-3<br>GRI 201-1<br>GRI 203-1, 203-2 | Executives and staff of all business units | Customers, Regulators, Communities and society | Target: 4.4, 4.5, 4.7<br>Target: 9.1<br>Target: 10.2 |
| Occupational Health, Safety and Working Environment | GRI 2-8, 2-23, 2-24, 2-26<br>GRI 3-3<br>GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10 | Executives and staff of all business units | Vendors/ Suppliers, Regulators, Communities and society | Target: 3.8.1<br>Target: 6.1, 6.2 |



Sustainability Report 2023
Bank of Ayudhya Public Company Limited

| Materiality | GRI Standards | Scope of Internal Impacts | Scope of External Impacts | SDGs |
|---|---|---|---|---|
| Financial Inclusion | GRI 2-6, 2-23, 2-24<br>GRI 3-3<br>GRI 201-1,<br>GRI 203-1, 203-2<br>GRI 417-1 | Executives and staff of all business units | Customers,<br>Regulators,<br>Communities and society | Target: 1.4, 1.5<br>Target: 5.a<br>Target: 8.3, 8.10<br>Target: 9.1, 9.3, 9.a<br>Target: 10.2<br>Target: 17.1, 17.3, 17.16, 17.17 |
| Responsible Lending and ESG Consideration | GRI 2-6, 2-23, 2-24<br>GRI 3-3<br>GRI 201-1<br>GRI 203-1, 203-2<br>GRI 417-1 | Executives and staff of all business units | Customers,<br>Shareholders,<br>Investors/ Analysts,<br>Regulators,<br>Communities and society | Target: 7.2, 7.a, 7.b<br>Target: 8.1, 8.2<br>Target: 9.2, 9.3, 9.4<br>Target: 10.2, 10.5<br>Target: 11.1, 11.3<br>Target: 13.1<br>Target: 14.6<br>Target: 16.6, 16.7<br>Target: 17.1, 17.16, 17.17 |





| Materiality | GRI Standards | Scope of Internal Impacts | Scope of External Impacts | SDGs |
|---|---|---|---|---|
| Human Resources Development | GRI 2-17<br>GRI 3-3<br>GRI 404-1, 404-2 | Executives and staff of all business units | Customers,<br>Vendors/ Suppliers,<br>Regulators | Target: 4.3, 4.4, 4.7<br>Target: 12.8<br>Target: 13.3 |
| Stakeholder Engagement | GRI 2-25, 2-26, 2-29, 2-30<br>GRI 3-3<br>GRI 201-1 | Executives and staff of all business units | Customers,<br>Shareholders,<br>Vendors/ Suppliers,<br>Investors/ Analysts,<br>Regulators,<br>Creditors,<br>Financial institutions,<br>Communities and society | Target: 16.6<br>Target: 17.17 |
| Community Participation and Social Engagement | GRI 3-3 | Executives and staff of all business units | Customers,<br>Vendors/ Suppliers,<br>Communities and society | Target: 1.4, 1.5<br>Target: 3.7, 3.8<br>Target: 4.1, 4.3, 4.4, 4.5, 4.7, 4.a, 4.b<br>Target: 6.1, 6.6<br>Target: 10.2<br>Target: 11.4<br>Target: 12.3, 12.4, 12.5<br>Target: 13.2, 13.3<br>Target: 14.2<br>Target: 15.2, 15.4, 15.a, 15.b<br>Target: 17.16, 17.17 |

| Materiality | GRI Standards | Scope of Internal Impacts | Scope of External Impacts | SDGs |
|---|---|---|---|---|
| **Environmental Aspect** | | | | |
| Climate Change Management | GRI 2-23, 2-24<br>GRI 3-3<br>GRI 203-1<br>GRI 301-1<br>GRI 302-1, 302-4<br>GRI 305-1, 305-2, 305-3, 305-4 | Executives and staff of all business units | Customers, Vendors/ Suppliers, Investors/ Analysts, Communities and society | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Target: 12.2<br>13 CLIMATE ACTION — Target: 13.2, 13.3<br>17 PARTNERSHIPS FOR THE GOALS — Target: 17.16, 17.17 |
| Environmental Management and Resource Efficiency | GRI 2-24, 2-26<br>GRI 3-3<br>GRI 301-1<br>GRI 302-1, 302-4<br>GRI 303-2<br>GRI 306-1, 306-2, 306-3 | Executives and staff of all business units | Customers, Vendors/ Suppliers, Communities and society | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Target: 12.2, 12.3, 12.4, 12.5<br>13 CLIMATE ACTION — Target: 13.2, 13.3<br>17 PARTNERSHIPS FOR THE GOALS — Target: 17.16, 17.17 |



# 1

# ECONOMIC AND GOVERNANCE ASPECTS



## FINANCIAL CRIME PREVENTION

Krungsri recognizes the significance and far-reaching consequences of diverse forms of financial crime. These include impersonation of influential figures or government officials to make customers transfer money, theft of personal information for online transactions or the creation of mule bank accounts, inviting individuals to invest with promises of high returns, misleading customers into taking loans through Line and other loan applications, and involvement in pyramid schemes, among others. These financial threats pose risks to both economic and social stability. Furthermore, the victims of financial crimes have been steadily increasing, in tandem with advancements in digital technology and communication, and the 24-hour accessibility of digital banking services.

Aware of the importance and consequences of such problems, Krungsri has integrated the expertise from relevant internal functions and coordinated with external agencies such as the Bank of Thailand, the Thai Bankers' Association (TBA), telecommunication service providers, the Royal Thai Police, and the Anti-Money Laundering Office. This collaboration aims to establish preventive measures, notifications, and assistance for affected customers. Additionally, it seeks to respond to and cooperate in addressing financial crimes by providing financial information and documentation to end criminal activities and facilitate the prosecution of offenders in accordance with the law.




### Management Approaches

- Establish policies, procedures, and manuals in conformity and compliance with the guidelines and approaches of regulators.

- Establish the customer onboarding workflow consisting of customer identification and authentication including customer due diligence to screen the people who intend to make financial transactions such as account opening, funds transfer, and funds withdrawal with the Bank in compliance with the regulatory guidelines and approaches.

- Detect suspicious transactions by using efficient technology to check customers' transactions regularly. For instance, detection of irregular account movements regarding the number of transactions or the transaction values not congruent with the income. Once the system detects such incongruities, the officer will conduct an in-depth data analysis to consider approving the reporting of the suspicious transactions to the Anti-Money Laundering Office (AMLO).

- Develop and improve service systems so they are up to date and accord with the regulatory requirements, both in terms of hardware and technology systems. For example, opening an account online requires complete and correct KYC/CDD and it must be verified that the applicant is not an imposter by using the National Digital ID (NDID).

- Establish the system and the handling of customers whose names are on the transaction prohibition watch list and customers in the high-risk group which is required an intensive verification. Such watch lists are regularly updated.

- Cooperate the government agencies such as the Bank of Thailand, the Anti-Money Laundering Office (AMLO), the Royal Thai Police, and the member banks of the Thai Bankers' Association (TBA) to swiftly establish measures and practices in alignment with current situations to alleviate customers' concerns about financial crimes involving their accounts, e.g., jointly determining the method to temporarily suspend an account upon an incident before the victim files a polices report, which would help freeze the account in time and keep asset damages to a minimum.

- Organize training and communication for executives and employees so they comprehend the risk of financial crimes including the common types of scams on a regular basis through meetings, seminars, and online training sessions, e.g., educating branch employees countrywide and the Compliance Champions of all divisions via MS Teams

- Inform and warn customers of financial fraud continuously through various channels such as branch employees, Krungsri Call Center 1572, announcements affixed at Krungsri branches, SMS, Krungsri Mobile Application (KMA), ATM screens, krungsri.com, and the 'Krungsri Simple' Facebook page and Line account.

- Implement Robotic Process Automation (RPA) technology for generating legal forms and extracting data from various systems. This technology not only aids in providing financial information to the Royal Thai Police for accelerating legal proceedings related to financial crimes but also reduces the operating time of the Financial Crimes Compliance Correspondence Department, aligning with legal requirements of Thailand.








# CYBERSECURITY

Nowadays, advanced cyberthreats target various IT infrastructures, network devices, and systems or programs, consequently creating adverse impact and damage at the individual, organizational, and national levels.

Therefore, Krungsri as a responsible financial provider places importance on cybersecurity and personal data protection. The Bank's stringent cybersecurity risk management ensures the provision of efficient and secure financial services for customers.

Moreover, Krungsri is mindful of adopting IT and digital innovations to our work processes to enhance the prevention of financial data theft, the prevention of personal data leakage, as well as keeping a good balance between the ease and the security of system access, particularly access to the organization's systems while employees work off-premises under the hybrid work conditions.

Reinforcing cybersecurity and maintaining data confidentiality are the key mechanisms to boost confidence and cultivate trust among all stakeholders so customers can be assured of the Bank's financial services. The effort brings about opportunities, competitive edges, sustainable business growth, and also mitigates risks and possible damages from unauthorized access to data, e.g. financial risk, image and reputational risk, and risks related to the violation of laws, regulations, and regulatory requirements.

## Management Approaches

- Establish the '**IT Security Division**' responsible for managing and monitoring the Bank's IT security to ensure that the IT control level is maintained in compliance with the Policy for Enterprise Information Security. The division supervises the following departments:
  - The **IT Access Control Management Department** is responsible for supervising the user account management process in compliance with the Bank's related policies and regulators' requirements.
  - The **IT Controllership Department manages** the Policy for Enterprise Information Security and supervises the Bank's IT, acting as the ISMS Coordinator as well as the Document Controller which manages internal documents within the scope of IT security management.
  - The **Cyber Security Department** is responsible for IT supervision, design, and testing in accordance with IT security guidelines, including cyberthreat detection and monitoring

- Establish the '**Policy for Enterprise Information Security**' as a guideline to manage and protect the Bank's IT data and communicate with the Bank's employees and other stakeholders such as counterparties, temporary employees, vendors, and other third parties who need to use the Bank's data to ensure that they acknowledge the said policy and abide by the legal requirements and regulations related to this policy. Actions regarding systems and data are taken under three key principles as follows:
  (1) **Confidentiality**
  (2) **Integrity**
  (3) **Availability**
  This includes the stipulation of the **IT Disaster Recovery Plan**. The Policy for Enterprise Information Security applies to the Bank and the subsidiaries. Subsidiaries are required to use this policy as a common guideline for forming their own equivalent policy. Moreover, the policy contents are to be reviewed and updated at least once a year in line with the risk landscape and future trends that could impact the Bank's IT security.

- **Control enterprise-wide IT security**, starting from employment, transfer of position, or resignation procedures and inform the IT security system administrator in case of transfer of employees or computer resources

- **Classify information**, maintain and erase data according to their class, manage cryptography and key management throughout the lifetime of encrypted keys which are reliable and meet international standards

- **Determine access rights management and user authentication according to their respective access rights, level** of necessity, and risk level to prevent access to and alteration of systems or data by unauthorized persons

- **Maintain security of the data center and the areas used for key IT operations** to prevent damage caused by intruders or natural disasters

- Establish '**Information Technology Security Measures**' to cope with various situations in line with ISO/ IEC 27001 Information Security Management and the Bank's Policy for Enterprise Information Security

- Establish '**Guidelines for Cybersecurity Incident Response**' to increase the Bank's capability to maintain maximum cybersecurity to prevent cyberthreats and support IT advancements, e.g. phishing simulation exercise, cyber tabletop exercise. Incidents in which the Bank is under cyberattack are simulated wherein officers from the relevant functions are required to participate in the exercise to ensure their understanding and familiarity with the cyberthreat response process, thus efficiently handle cyberthreats.

- **Adopt domestic and international industry standards and apply best practices for cyber and IT security management in the organization's processes**, e.g.:
  - Use of the advanced persistent threat detection tool and the cyberthreat intelligence tool from reliable sources to enhance capabilities to detect incidents, which is part of the cyberthreat monitoring process performed by the Security Operations Center (SOC)
  - Compliance with the Customer Security Controls Framework of the Society for Worldwide Interbank Financial Telecommunications (SWIFT)
  - Compliance with processes that meet the ISO/IEC 27001 (ISO 27001 Certification) for the Information Security Management System (ISMS) in two different systems, namely the Bank of Thailand Automated High-value Transfer Network (BAHTNET) for large-sized funds transfer transactions and the Imaged Cheque Clearing and Archive System (ICAS) according to the Bank of Thailand's requirements
  - Other relevant actions to strengthen cybersecurity

- **Establish procedures for email management, the use of the Internet, the use and administration of personal computers, the use of services on mobile devices, remote access, and the use of social networks** as guidelines for using various services in facilitating business operations while taking into account IT security and compliance with the Bank's Policy for Enterprise Information Security and other related policies

- **Provide a channel for employees to report problems** such as receiving phishing emails, emails with malware or virus, and other irregularities caused by cyberattacks to the **Cyber Security Department** at the email address CSIRT@krungsri.com




## Performance

### Cybersecurity incident management

Target:
Make preparations for safeguarding the Bank's data and IT systems to reduce risks and adverse impact arising from cyberthreats. The IT system security plan is formed based on cyberthreat incidents in the recent year, international practices, and relevant regulatory requirements.

Performance:
In 2023, the Cybersecurity Incident Response Plan was formed and implemented. We did not find any incident regarding leakage, theft, or loss of customers' sensitive data owing to cyberthreats.

### Communication regarding cybersecurity fundamentals

Target:
Communicate cybersecurity fundamentals to Krungsri executives and staff at least once per month through the appropriate channels, e.g. guidelines on online social media access, use of the Internet, password setup and use, including the handling of phishing emails, for secure use and access to IT systems

Performance:
In 2023, cybersecurity fundamentals and phishing email prevention tips were regularly communicated through 'IT Update' emails, totaling 23 times.

### 2023 IT backup system test plan

Target:
Stipulate the IT backup system test plan to build confidence for the Bank of Thailand as well as the Bank's customers and counterparties in the event of emergencies regarding the Bank's main data center. The plan aims to reduce the impact caused by business interruptions and ensure that the Bank can restore systems to normalcy as soon as possible, mitigating the risk of negative impact to the Bank.

Performance:
Krungsri communicated the IT backup system test plan to all stakeholders before testing, and 15 tests were carried out according to plan in December 2023.

### 2023 Vulnerability management

Target:
Manage vulnerabilities by assessing the vulnerabilities of all critical systems at least twice per year and upon significant IT system changes. This is to identify IT vulnerabilities and prevent threats in time.

Performance:
In 2023, the Bank tested all critical systems for any vulnerabilities according to plan as follows:
- First test was conducted from January – June 2023.
- Second test was conducted from July – December 2023.

### 2023 Penetration test

Target:
Have independent internal or external experts conduct penetration tests, especially on Internet-facing applications and network, at least once per year and upon any significant changes. Furthermore, the Bank arranges for penetration tests in conformity with the Intelligence- led (iPentest) guideline designed by the Bank of Thailand.

Performance:
In 2023, the Bank conducted one penetration test during the period from June – November 2023.

### Organization of cybersecurity training courses for Krungsri executives and staff in collaboration with the Human Resources Learning and Development Division

Target:
Organize annual cybersecurity training courses for executives and staff together with the Human Resources Learning and Development Division

Performance:
In 2023, Krungsri organized cybersecurity training courses for Krungsri executives and staff to build up their awareness, knowledge, and immunity from cyberthreats according to the provisions in the Bank's Policy for Enterprise Information Security. We held three training courses online as follows:
1. Security and Privacy Awareness Training
2. Secure Coding for IT Developers
3. Don't Wait until It's Too Late! (Tips for Internet Safety)

Total number of executives and staff who joined these courses is 253 employees, accounting for 723 training hours.

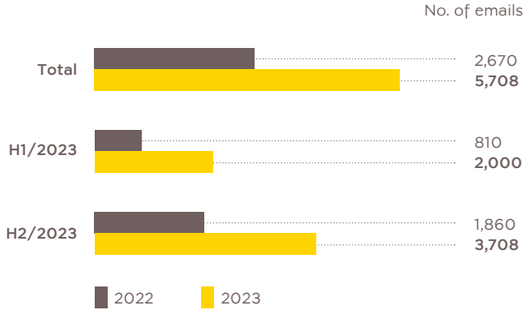
### Tightening of proactive prevention of phishing emails

Target:
Enhance employees' understanding and capability to cope with cyberthreats, especially the prevention of phishing emails. Employee are encouraged to report suspicion emails by clicking the Report Phishing button in Microsoft Outlook so that the Cyber Security Incident Response Team (CSIRT) can take proactive preventive actions.

Performance:
In 2023, 5,708 phishing emails sent through Outlook were reported by employees, a significant increase of 90.19 percent from 2022. This reflects employees' heightened awareness and caution of phishing emails.



**Reporting of phishing emails via Microsoft Outlook**




### Phishing simulation exercise

Target:
Perform phishing simulation exercises at least four times per year to enhance employees' cyberthreat knowledge and immunity by sending them simulated phishing emails to check their level of understanding of avoiding and handling phishing emails

Performance:
In 2023, the Bank performed four phishing simulation exercises to test whether employees would click the links in the phishing emails or fill in forms on fake websites.

### Participation in critical cyberthreat incident plan testing and training

Target:
Provide cooperation in and support the critical cyberthreat incident plan testing and training with the relevant agencies such as the Thai Bankers' Association and the National Cyber Security Agency (NCSA) to create understanding of cyberthreat incidents and prepare for cyberattacks by carrying out scenarios to help participants gain the knowledge and understanding of their roles and duties as well as the cyberthreat response process for appropriate implementation in actual operations. This is also to boost the banking sector's overall cyberthreat analysis efficiency for the country's economic security.

Performance:
- Krungsri, as one of the country's Critical Information Infrastructure (CII), joined the Thailand National Cyber Exercise 2023 organized by the NCSA from August 17 – 18, 2023.
- Krungsri joined the annual cyberthreat response training held on November 15, 2023 by the Thailand Banking Sector Computer Emergency Response Team (TB-CERT). The training scenario was 'Disinformation and Fraudulent in Banking Service' wherein there was a cyberattack on a vulnerability, thus affecting critical systems that store customer data. Another scenario was demanding ransom in the incident of customer data leakage, thus affecting people's trust in financial institutions.





# GOOD GOVERNANCE AND ANTI-CORRUPTION

The Bank and companies in the Financial Business Group (Krungsri Group) aspire to continuously strengthen good governance throughout our entire organization and supply chain, both at the policy and operational levels, and to instill in our staff the sense of duly complying with the Good Corporate Governance Principles. We also promote the organization culture of zero tolerance toward any form of corruption, direct or indirect.

Good governance, anti-bribery, and anti-corruption are key factors that drive business in an efficient, transparent, and auditable manner. All this helps bolster the confidence and trust of all stakeholders such as shareholders, investors, customers, employees, and add value and worth to the business in the long term, while also promoting the organization's good reputation, trustworthiness, and strong growth to become a sustainable bank.

## Management Approaches

Krungsri Group emphasizes conducting business based on the Good Corporate Governance Principles and combating all forms of corruption with the following management approaches.

- Stipulate the '**Good Corporate Governance Principles**' in writing. The Board approved these principles as guidelines for performing operations and meeting international business standards. In addition to serving as best practices to which all Krungsri directors, executives, and staff must strictly adhere, they are also guidelines for companies in the Financial Business Group to adopt or establish their own corporate governance principles suitable to the nature of each company's business. The content covers shareholders' rights and equitable treatment; information disclosure and transparency; composition and qualifications of the Board of Directors; roles and responsibilities of the Chairman and the Board including the subcommittees reporting to it; roles and responsibilities of the President and Chief Executive Officer and other executives; internal control system and internal audit system; Krungsri Group's business philosophy and roles toward stakeholders; Krungsri's mission, vision, and core values; the Code of Conduct; and ethical standards.
- Stipulate that **Krungsri Group's operations be reviewed based on the Good Corporate Governance Principles every year or without delay upon any significant change** to ensure that Krungsri Group's Good Corporate Governance Principles are appropriate to the changed situation, environment, including organizational structure in the compliance environment of Krungsri Group, while also conforming with the expectations of Krungsri Group's stakeholders and complying with the good governance guidelines of regulators that supervise banks and listed companies such as the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, the Bank of Thailand, and the Thai Institute of Directors Association. The principles also align with the Banking Industry Code of Conduct as well as international standards like the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).
- Stipulate '**The Spirit and The Letter (S&L)**' which is a code of conduct regarding integrity within the framework of laws and good governance. This serves as practices for all directors, executives, and all employees to comply with. The S&L specifies in writing the matters for acknowledgement, compliance, caution, and punishment in case of violation to create continuous awareness of the practices. Krungsri Group stipulates that all employees must regularly sign to acknowledge and give consent to comply with the S&L every year.



Sustainability Report 2023
Bank of Ayudhya Public Company Limited

### The Spirit and The Letter (S&L)

**Section 1**

**Regulatory excellence**
- Regulatory excellence

**Section 2**

**Working with customers and suppliers**
- Improper payments
- Supplier relationships
- International trade controls
- Anti-money laundering
- Privacy and personal data protection

**Section 3**

**Government business**
- Working with government agencies

**Section 4**

**Competing globally**
- Complying with competition laws

**Section 5**

**In the Krungsri community**
- Fair employment practices
- Environment, health, and safety
- Security and crisis management

**Section 6**

**Protecting Krungsri assets**
- Intellectual property
- Controllership
- Conflicts of interest
- Insider trading and stock tipping

- Adhere to the 'Banking Industry Code of Conduct' which was jointly established by the member banks of the Thai Bankers' Association (TBA) to uphold the standards and code of ethics for Thai commercial banks, bolster customer confidence in the banking industry, and raise the banking standards so they are clearer and more practical for effective implementation. Business is run based on three main principles: integrity, fairness, and accountability to stakeholders. The code covers practices regarding 1) Code of Conduct; 2) Roles of Directors and Executives; 3) Service Standard; 4) Employees and Working Environment; 5) Commitment to Customers; 6) Conflict of Interest; 7) Information Management; 8) Overall Compliance; and 9) Trade Competition and Dispute Resolution.

- Appoint the 'Compliance Champions' of each group under the Bank and appoint the 'Compliance Representatives' of companies in the Financial Business Group to liaise with the Compliance Group in communicating, promoting, and overseeing compliance with regulatory requirements and procedures, including the Bank's corporate compliance requirements which the employees of such business group must acknowledge and comply with.

- Communicate and disclose the 'Good Corporate Governance Principles' and 'The S&L' to all stakeholder groups through the Bank's website (krungsri.com) and other suitable channels such as email and the Bank's intranet.

Good Corporate Governance Principles

The Spirit & The Letter

- Establish the 'Fraud Management Committee' which has the duties to formulate and propose policies to the Executive Committee and review the adequacy of anti-corruption policies, guidelines, management systems, as well as the efficiency of such systems and compliance with such policies on a continuous basis. The aim is to improve the overall anti-corruption mechanisms of Krungsri Group to enhance prudence, strictness, and efficiency.

- Stipulate the 'Policy and Program for Anti-Bribery and Corruption' as a guideline for operating business with honesty, integrity, good governance, and ethics. The Bank has zero tolerance toward any form of direct or indirect corruption. All entities under Krungsri Group must refer to this policy when formulating their policies, guidelines, and workflows unless theirs are stricter. The policy is revised every two years or upon any significant change and must be approved by the Board through the Risk and Compliance Committee and the Executive Committee.

- Stipulate the 'Anti-Bribery and Corruption Program' as the anti-bribery and anti-corruption guideline for reiterating the roles, duties, and responsibilities of all relevant business units to ensure compliance with the Bank's corporate governance principles, to which executives and staff at all levels must strictly adhere. The program also promotes good organization culture and shows our standpoint of zero tolerance toward any form of bribery and corruption.

- Stipulate the 'Procedure for Gift and Entertainment' so that executives and staff understand the scopes, criteria, and proper practices to give or receive gifts and entertainment including the relevant practices. The aim is to promote compliance with good corporate governance and ethics, and to reduce bribery and corruption risks due to gifts and entertainment. The policy covers giving or receiving gifts and entertainment with counterparties or businesses related to the Bank such as customers, advisors, agents, government officials, foreign government officials, international organization officers, and any other person or entity dealing with the Bank.

- Stipulate the 'No Gift Policy' to which employees shall adhere by not accepting gifts from the Bank's customers or suppliers. The policy is communicated to stakeholders and external parties through the Bank's various channels such as the Bank's website (krungsri.com), the 'Krungsri Simple' Facebook fanpage, ATM screens, and the 'Krungsri Simple' Line Official Account to show our intention to counter all forms of bribery and corruption under the principles of Thailand's Private Sector Collective Action against Corruption (CAC) and good governance principles.

- Stipulate that employees at all levels must study six compulsory programs promoting good governance, ethics, and anti-corruption (e-learning programs) in the Krungsri Learning Companion (KLC) system as follows:

### Compulsory Programs Promoting Good Governance, Ethics, and Anti-Corruption

(Average number of employee training hours* **is 5.8 hours.**)

**Good Corporate Governance: CG**

**The Spirit & The Letter: S&L**

**Anti-Money Laundering and Combating the Financing of Terrorism: AML/CFT**

**Anti-Bribery and Corruption**

**COSO Internal Control Framework**

**Related Party Transaction: RPT**

Remark:
* The average number of training hours is calculated with the sum of the training hours of all programs in 2023 divided by the headcount.




- Be recertified as a member of 'Thailand's Private Sector Collective Action against Corruption (CAC)', reflecting Krungsri Group's determination to prioritize countering all forms of bribery and corruption under our written policies and procedures which serve as guidelines for measurable corporate sustainability. All Krungsri Group directors, executives, and staff must sign a binding agreement to adhere to the Policy and Program for Anti-Bribery and Corruption with disciplinary punishments for violators.

- Communicate and promote the Bank's good corporate governance and ethics to ensure prudent operations and operational risk mitigation. Informative materials regarding such matters like the 'Compliance Message' emails are regularly communicated.

- Lay down the fundamental principles for whistleblowing and protecting whistleblowers. Through Krungsri's easily accessible whistleblowing channels, any employee or person can report employees' violation of a law, policy, procedure, or code of conduct and rest assured that they will not suffer any repercussion afterward. Complaints shall be processed without delay and investigated justly. We also have rectification, preventive, and reporting measures, as well as processes for updating the whistleblower (if the whistleblower's identity is known) and reporting to the relevant committee for acknowledgement.

### Whistleblowing Process

Report a lead or file a complaint about a possible violation of a rule, policy, procedure, or code of conduct through the designated channels or business units.

Follow up and investigate the facts.

Determine the rectification and report it to the whistleblower as well as the relevant committees.

### Whistleblowing Channels

1. **Supervisor or second-line supervisor trusted by the whistleblower**

2. **Compliance Group**
   (Head of Corporate Compliance Department)

3. **Ombudsperson**
   - Tel.: For Head Office 85588, For branches 02-296-2000 ext. 85588
   - Address: P.O. Box 169 Yan Nawa, Bangkok 10120
   - Intranet: Krungsri Portal > Compliance > Ombuds Corner > Ombudsperson

4. **Branch Operational Risk Management Department**
   - Tel. 0-2296-2000 ext. 83456 followed by 1 then 2

5. **Human Resources Group**
   - HR Hotline Tel. 0-2296-2000 ext. 85577

6. **Audit Committee**
   - Address: Audit Committee
     Bank of Ayudhya PCL, Head Office
     1222 Rama III Road, Bang Phongphang, Yan Nawa,
     Bangkok 10120
   - Email address: audit.committee@krungsri.com

7. **MUFG Channel** (for leads or complaints in English or Japanese only)
   - **Nishimura & Asahi Law Firm**
     Address: Otemo Tower, 1-1-2 Otemachi, Chiyoda-ku, Tokyo 100-8124, Japan
     Email address: mufgwhistleblow@nishimura.com
   - **MUFG Audit Committee**
     Address: JP-Tower. 2-7-2, Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
     Email address: mufg-group-helpline_kansaiinkai_PF@mufg.jp





## Performance

### Good Corporate Governance Principles

Target:
The Good Corporate Governance Principles shall be revised every year or without delay upon any significant change.

Performance:
In 2023, the Board conducted the annual revision of the principles. Wordings related to the duties and responsibilities in other entities were added in line with the Notification of the Bank of Thailand No. SorNorSor. 3/2566 Re: Roles, Responsibilities, and Compositions of the Board of Directors of Financial Institutions and Companies within Financial Business Groups. Furthermore, the contents and statements were updated in line with the relevant guidelines and policies to ensure clarity.

### Corporate Governance Report of Thai Listed Companies (CGR) project by Thai Institute of Directors

Target:
Receive an assessment of compliance with the Good Corporate Governance Principles at a level comparable to other listed companies in the same industry.

Performance:
In 2023, the Bank has been evaluated according to the Good Corporate Governance Principles of listed companies (Corporate Governance Report – CGR) based on the documents disclosed to the public. Krungsri earned the 'Excellent' level of recognition. The evaluation was conducted by the Thai Institute of Directors with support from the Stock Exchange of Thailand.

### Compliance Champion / Representative Meetings

Target:
Organize training sessions about compliance with banking regulatory requirements for the Compliance Champions of all groups as well as the Compliance Representatives of companies in Krungsri's Financial Business Group on an annual basis.

Performance:
In 2023, these training programs were held:
- The first training program (online) held on March 11, 2023, was attended by 83 compliance champions.
- The second training program (online) held on June 19, 2023, was attended by 115 compliance champions.
- The third training program (on-site) held on September 15, 2023, was attended by 169 compliance champions.

### 2023 International Anti-Corruption Day event in Thailand

Target:
Participate in the International Anti-Corruption Day event in Thailand to demonstrate the Bank's stance and determination to oppose bribery and corruption in all forms.

Performance:
In 2023, the Compliance Group represented Krungsri Group to participate in the International Anti-Corruption Day event (Thailand) under the theme, 'Zero Tolerance. Thai people do not tolerate corruption.' BREAK THE CORRUPTION 'Don't do it, don't tolerate it, don't ignore it. Unite Thailand against corruption' on December 8, 2023 at Hall 4, IMPACT Forum, Muang Thong Thani organized by the Anti-Money Laundering Office (AMLO), the Office The National Anti-Corruption Commission (ONACC), Anti-Corruption Organization of Thailand, and partners from all sectors to express collective determination to continuously tackle corruption issues, as well as foster awareness of the society to stand against the corruption, with the objective to improve Thailand's Corruption Perceptions Index (CPI) score. In this regard, Krungsri invited employees including the Compliance Champions of all groups and the Compliance Representatives of companies in the Financial Business Group to watch the event via the Facebook fanpage of the Office of the National Anti-Corruption Commission to support and adhere to anti-bribery and anti-corruption policies under our commitment to operating business in an honest, transparent, and auditable manner.



# DATA GOVERNANCE AND PERSONAL DATA PROTECTION

Krungsri emphasizes implementing the highest level of personal data protection, retention, and safeguarding as well as complies with relevant laws, particularly the Personal Data Protection Act B.E. 2562 (2019). We believe personal data is considered sensitive information. The data being leaked, misused, or disclosed without a lawful basis or the consent of a data subject, would cause damage and impact on the Bank and stakeholders. For example, customers will lose confidence and trust, the Bank may suffer financial damage due to fines and penalties for non-compliance with relevant laws and regulations, while our reputation and credibility could be tarnished.

## Management Approaches

- Establish the '**Data Governance Committee**' responsible for stipulating policies and measures for handling various sets of information of the Bank and companies in the Financial Business Group. The committee consists of at least 12 executives from the relevant departments

- Establish the '**Data Governance Department**' responsible for communicating the policies and the data management measures to the executives, employees, and relevant stakeholders as well as exercising control to ensure that they strictly comply with the Data Management Governance Policy

- Establish the '**Data Management Governance Policy**' adopted as a guideline for managing significant data (including personal data) starting from data input, management, analysis, and report insurance to ensure correctness and completeness. The said policy shall be applicable to the Bank, directors, executives, employees, individuals, and juristic persons performing tasks on behalf of the Bank such as outsourced staff whereby all these groups of stakeholders shall strictly comply with the said policy. In this connection, the policy shall be updated every two years or upon any significant change.

- **Establish a clear data classification approach** to manage the data in the most efficient manner—especially the '**Key Data Elements' (KDEs)** deemed as key data for customer services, risk, and financial reports, and reports submitted to the relevant regulatory authorities by focusing on five principles consisting of accuracy, correctness, and completeness, compliance with relevant standards, alignment, and non-redundancy

- Establish the '**procedure for the use of biometric technology**' to control and report the use of biometric data to related regulators, including the Bank of Thailand, etc.

- Establish the roles and responsibilities of relevant persons regarding data management under the concept of '**Three Lines of Defense**' to ensure that the Bank has systematic data management throughout the organization.

### Three Lines of Defense

**First Line of Defense**

refers to business and supporting functions.

**Second Line of Defense**

refers to the Data Governance Committee and functions assigned by the Data Governance Committee, the Risk Management Group, and the Compliance Group

**Third Line of Defense**

refers to the Internal Audit Group.







- Establish the '**Policy for Personal Data Protection**' and '**Personal Data Protection Common Procedure and Procedure for Requesting the Consent for Collection, Usage or Disclosure of Data**' according to the following objectives:
  - To develop frameworks and/or guidelines for relevant departments of the Bank and stipulate the governance measures regarding 'personal data' protection of data subject, retail customers, vendors/suppliers being individuals, personnel of the customers and the Bank's vendors/suppliers being juristic persons, employees, contact staff, and directors of the Bank as required by laws
  - To provide relevant functions with knowledge sources, references, and operating guidelines regarding the collection, usage, disclosure, submission, and transfer of personal data as well as storage and disposal of personal data when no longer needed as required by laws

- Appropriately stipulate and review security measures through the **Data Protection Impact Assessment** of personal data processing activities in diverse dimensions, while specifying potential risks and impacts, as well as risk mitigation guidelines for such data processing activities to prevent personal data loss, and unauthorized or unlawful personal data access, use, change, revision or disclose.

- Prepare the '**Privacy Notice**' to explain details of the personal data processing to the data subject and boost confidence among the Bank's customers, executives, and staff that the Bank collects, uses, and discloses the personal data transparently and responsibly in compliance with the Personal Data Protection Act B.E. 2562 (2019). The Privacy Notice will be reviewed twice a year in line with the personal data processing activities according to changing business, economic and social conditions. This included the communication of the Privacy Notice through various channels of the Bank, both in hard-copy and soft-copy formats, such as financial products and services application forms, financial statements, branches, the Bank's website (www.krungsri.com), social media, and Krungsri Mobile Application (KMA).

**Summary of Privacy Notice**

## Performance:

### Update of procedures of the Bank related to personal data protection

Target:
To update procedures of the Bank related to personal data protection within the stipulated timeline.

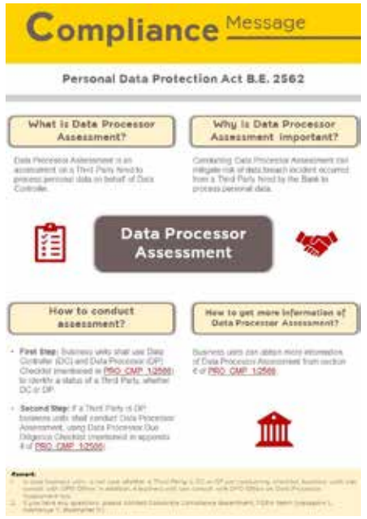
Performance:
In 2023, Krungsri updated the Personal Data Protection Common Procedure for greater coverage and clearer content, as follows:

- Update the message in the Privacy Notice
- Add details regarding activities that require regular personal data or system examination
- Revise details of operating steps in case the data subject would like to exercise the data subject right
- Add examples of assessing the risk of personal data breach

### Communication with employees through e-mail: 'Compliance Message'

Target:
To communicate about data governance and personal data protection to executives and all employees through 'Compliance Message' emails, aiming to raise awareness and promote understanding of the practices in line with the Personal Data Protection Act B.E. 2562 (2019).

Performance:
In 2023, compliance messages, covering seven topics, were communicated, namely 1) prevention of PDPA noncompliance, 2) a guideline for management of sensitive data on the national ID card, 3) prohibition of sending Krungsri Group's Privacy Notice link via SMS and/or email, 4) consequences of PDPA noncompliance, 5) proper reporting of a personal data breach, 6) assessment of third parties conducting the personal data processing on behalf of the personal data controller, and 7) Record of Processing (ROP).




### Organization of training sessions on the Personal Data Protection Act B.E. 2562 (2019) (Compulsory)

Target:
To organize a compulsory training session on the Personal Data Protection Act B.E. 2562 (2019) to enhance knowledge and understanding among executives and staff members through online training programs.

Performance:
In 2023, all executives and staff members completed the programs, accounting for 80 percent (including the employees under special conditions*). In addition, extra training sessions on PDPA were also organized as follows:

- In April 2023, the refresher training session entitled 'Operating Guideline for Customer Care Staff' was organized, so that staff members have an understanding of PDPA and could respond to customer queries on personal data protection.
- In August 2023, the training session entitled 'PDPA, More Relevant than Ever' was organized for general interested staff members to build their capacity regarding PDPA.

Remark:
* Employees under special conditions refer to employees identified by supervisory business units that they could not attend compulsory programs, such as those who suffer from a terminal illness.





### Record of processing

Target:
In case the Bank is the data controller and/or the party conducting data processing, relevant business units update and review the record of data processing on an annual basis or upon changes in work processes related to personal data, so that each business unit can establish proper control mechanism for appropriate personal data processing.

Performance:
In 2023, relevant business units responsible for collecting, use, or disclosing personal data completely prepared, reviewed, and safeguarded the Record of Processing activities (namely collecting, use, disclosing, and destroying personal data).



### Management of customer data breach incidents

Target:
To appropriately and effectively manage customer data breach incidents

Performance:
In 2023, the Bank established a mechanism for reporting a data breach incident and reporting channels as well as required that investigation and rectification be promptly undertaken once the incident occurs. Furthermore, thorough and comprehensive guidelines for data governance and personal data protection were stipulated to prevent the recurrence of such incidents. In this regard, the Bank developed an application for reporting data breach incidents, enabling employees from various departments to timely report the incident. Furthermore, internal training programs were provided to the executives and employees, and the methods for correctly reporting the data breach incidents were communicated through 'Compliance Message' emails. In this regard, upon any data breach incident, related business unit must immediately report the incident in the stipulated system, so that the business units responsible for personal data protection can consider and notify the Office of the Personal Data Protection Commission within 72 hours from the time of acknowledging the incident on a best-effort basis, unless such incident has no potential to affect the right and liberty of the data subject. In 2023, the Bank found no incident of significant personal data breach.

# RISK AND CRISIS MANAGEMENT

Krungsri is acutely aware that today's business operations face volatility and uncertainty from internal and external factors alike, particularly the latter which are beyond the organization's control such as domestic and global economic conditions, geopolitical conflicts, shifting demographics, extreme weather, natural disasters, changes to laws and regulatory requirements, emergencies, and emerging infectious diseases. All these factors have either positive or negative impacts, direct or indirect, on Krungsri's operations and stakeholders.

We therefore place great importance on prudent risk and crisis management, believing that ESG risk management is proactive preparation for dealing with future changes and helps systematically and efficiently manage potential emergencies in diverse forms. In addition, it helps mitigate risks arising from disruptions on business operations, especially those on critical business functions (CBF) which could cause damage to our business and customers. Not only does risk and crisis management help reduce other risks such as financial risk and reputational risk, it also helps build the trust of all customer and stakeholder groups, including creating business opportunities to generate returns and add value to the Bank for steady growth in the long run.

## Risk Management

### Management Approaches

- Appoint the '**Risk and Compliance Committee**' to advise the Board of Directors on risk management strategies, policies, frameworks, and overall business governance; to determine the duties, responsibilities, and scope of work of the Compliance Group and the Risk Management Group in line with the complexity of the Bank's businesses as well as the Charter; and to oversee that the Senior Management Team and the heads of risk management units ensure compliance with the policies on risk management strategies and risk appetites.

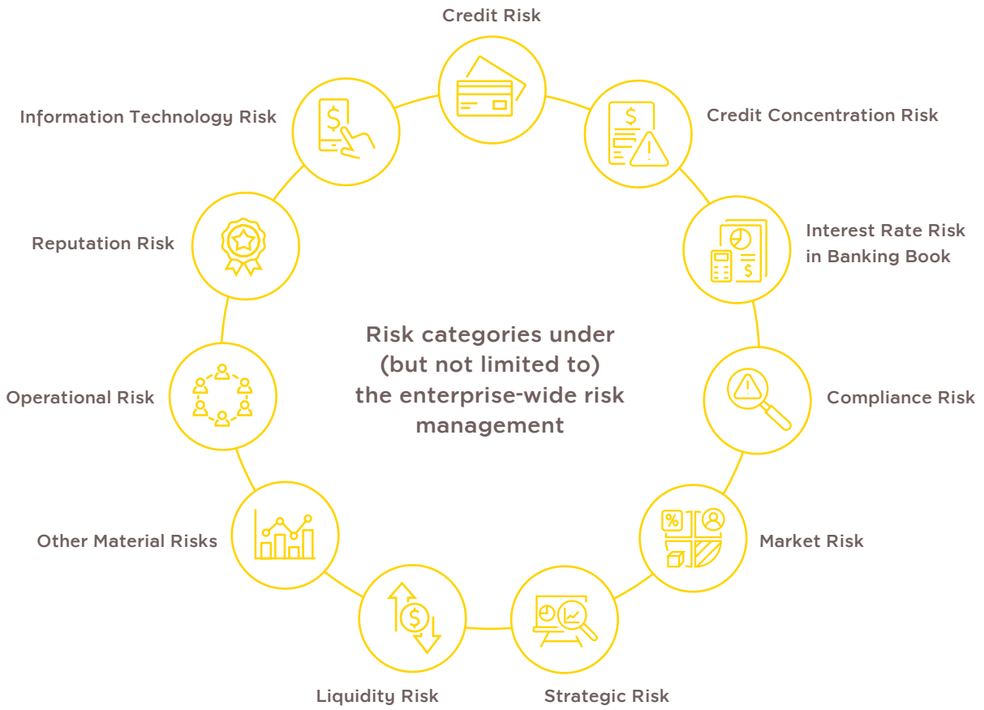
  In addition, it is the Risk and Compliance Committee's duty to supervise and follow up the results of strategies regarding capital and liquidity management, as well as corporate governance policies, in order to handle key risks, namely credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk (including cyber risk), reputational risk, and corporate governance risk. Moreover, the committee reviews and examines the sufficiency and effectiveness of overall risk policies, strategies, management systems, including the annual compliance report and risk appetites at least once per year or upon significant changes. Another duty of the committee is to regularly report risk status, risk management efficiency, and the status of compliance with the organizational culture with risk considerations, including significant factors, issues, and areas of improvement in accordance with the Bank's risk management and corporate compliance policies and strategies to the Board of Directors for acknowledgement. The committee shall report any non-compliance with regulatory requirements to the Audit Committee as well. (Please see the Form 56-1 One Report for more details.)

- Appoint the '**Risk Management Committee**' to review and assess the integrated risk management policy and procedures then propose them to the Executive Committee in a timely manner. Recommendations on strategic risk, credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk which includes cyber risk, and other risks affecting the reputation of the Bank and companies in the Financial Business Group (Krungsri Group) should be in line with the Bank of Thailand's risk-based approach for commercial banks.

  In addition, the committee oversees risk management to ensure that Krungsri Group's business operations comply with the stipulated policies and procedures. Its duties also include determining the Bank's risk appetite and devising strategies in accordance with the Bank's overall risk management policy so that the volume of the Bank's risks is assessed, monitored, and kept at appropriate levels. Another duty is to supervise the Bank's overall risk management according to the Bank's good corporate governance principles. The committee shall report its performance directly to the Executive Committee as well as the Risk and Compliance Committee. (Please see the Form 56-1 One Report for more details.)

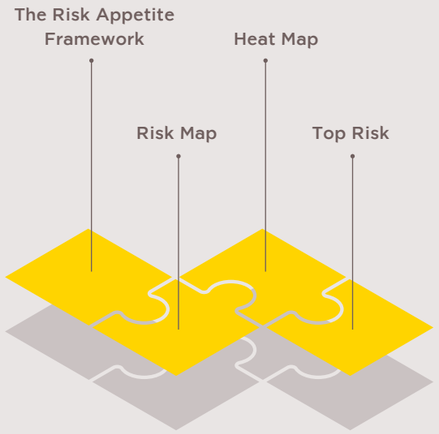
- Establish the '**Risk Management Group**' which sets the risk management policies and the proper methods for each type of risk in alignment with the risk appetite as approved by the Risk Management Committee. Other duties are to monitor and report portfolio quality and key risks to the Board of Directors and other relevant committees, including developing strategies to manage potential portfolio and account risks.

- Establish the '**Policy for Enterprise-wide Risk Management**' as the fundamental risk management framework for Krungsri Group to ensure systematic risk management that is consistent with the Enterprise-wide Risk Appetite Statement (RAS), which is the supportive document for this policy specifying the risk strategies and risk appetite types for Krungsri Group.




Remark: Please see the Form 56-1 One Report for more details about risk management and guidelines.

- Establish appropriate '**enterprise-wide risk management tools**' to ensure that all material risks are identified, assessed, and managed to remain within the Bank's acceptable limits. The enterprise-wide risk management framework is implemented by using the following tools.




**The Risk Appetite Framework**
is an overall risk governance framework consisting of policies, processes, controls, and systems through which risk appetite is established and communicated. The framework ensures that Krungsri Group has clear and appropriate guidelines on risks levels which correspond with the Bank's risk thresholds and Krungsri Group's business strategies.

**Risk Map**
is developed to identify risks that could significantly impact Krungsri Group's business.

**Heat Map**
is for measuring and monitoring the current status of each significant risk by utilizing key risk indicators.

**Top Risk**
refer to material risks identified with the Heat Map, the Risk Map, as well as material risks as per the opinions of the management. Also, a plan must be stipulated to manage the risk within the appropriate timeframe to prevent and mitigate such risk.

- Set up risk management measures and controls by using the '**Three Lines of Defense**' in segregating structures, roles, duties, responsibilities, and decision-making authority to meet the governance and risk management requirements and to achieve organizational stability as follows:

## Three Lines of Defense

**First Line of Defense**

Business units are responsible for managing risks from daily operations to ensure that risks are considered and mitigated efficiently.

**Second Line of Defense**

The Risk Management Group have the duties to oversee, check, and control risk management processes.

**Third Line of Defense**

Internal audit units provide independent assurance by assessing policies and workflows to ensure effective implementation as determined.








- An integrated approach is used to manage four main types of risk, namely credit risk, market risk, liquidity risk, and operational risk.

## Four main types of risk

**1. Credit Risk**
- Assign two business units responsible for monitoring credit risk management, i.e. the unit that monitors corporate credit risk and the unit that monitors consumer credit risk
- Stipulate credit risk management policies and action plans, i.e. credit policy, credit risk management policy, and credit risk rating policy

**2. Market Risk**
- Stipulate market risk and liquidity risk management policies
- Monitor market risk closely to respond promptly upon changes in the business environment by employing risk assessment tools, e.g. Value-at-Risk (VaR) for risk in the trading book and net interest income (NII), Economic Value of Equity (EVE) for risk in the banking book, and the backtesting process for model accuracy evaluation. Furthermore, flash reports are sent to alert the relevant business units, senior management, and committees of market risk that may affect the Bank in case of significant changes, and there is stress testing to estimate losses due to stress scenarios.

**3. Liquidity Risk**
- Stipulate liquidity risk management policies
- Monitor liquidity risk closely to respond promptly. Flash reports are sent instantly for monitoring and assessing the Bank's liquidity by using risk assessment tools, e.g. Liquidity Coverage Ratio (LCR) in scenarios that might affect the Bank's liquidity
- Form the contingency plan for managing liquidity in crises. The plan determines the roles and duties of the relevant executives and business units, complete with early warning indicators and action plans for the Bank to swiftly tackle the crisis and fully recover to its normal state.

**4. Operational Risk**
- Stipulate the Policy for Operational Risk Management
- Establish the operational risk management process which comprises risk identification, risk assessment, risk monitoring and mitigation, and risk reporting



- Identify possible '**emerging risks**': Krungsri performs the following processes under the Enterprise-wide Risk Management Framework.
  1.) The risk owner develops a Risk Map to identify risks that might affect the Bank's business operations and the risk profiles over the next three to five years, namely economic risk, political risk, natural disaster risk, operating platform risk, and regulatory risks. Through the Enterprise-wide Risk Management Framework, the Bank monitors the risk arising from extreme weather. In 2023, Krungsri conducted a preliminary assessment and tracking of '**Climate-related risk in case of drought**' which might affect the Bank's key risk through the framework in comparison with past incidents, and also calculated the expected credit loss (ECL) compared with the provisions of the Bank. The drought risk would affect portfolio quality through two channels as follows:
     1) Direct impact caused by the drop in income of individuals and SMEs in the agriculture sector
     2) Indirect impact on the overall economy because of declining purchasing power and weakening labor market

     In addition, the Bank has appointed the Sustainable Committee and related committees to set up related credit management frameworks as well as criteria for considering other risks as well.
  2.) The risk owner analyzes the risk's potential for any significant impact on the lending portfolio or business operations. In case the risk is material, it would be identified as a top risk and an action plan would be proposed accordingly.

- Identify '**material risks**', both risks identified by regulators and other material risks arising from internal and external factors. We have established a risk monitoring and control process to ensure that such risks are effectively managed within the Bank's risk appetites. The material risks identified for 2023 are as follows:

| Risk Category | Material Risk |
|---|---|
| Pillar 1 | • Credit Risk<br>• Market Risk<br>• Operational Risk |
| Pillar 2 | • Credit Concentration Risk<br>• Interest Rate Risk in the Banking Book<br>• Liquidity Risk<br>• Reputation Risk<br>• Strategic Risk<br>• Information Technology Risk<br>• Compliance Risk |
| Other Material Risks | • Fraud Risk<br>• Capital Adequacy Risk<br>• Model Risk |

- Develop a '**Recovery Plan**' as part of the Enterprise-wide Risk Management Framework with the recovery trigger and the restoration trigger commensurate with the ceiling of the Bank's risk appetite framework. In this regard, the Recovery Plan will be activated as per the Recovery Plan Document which consists of procedures and communication plans for:
  1) Executing liquidity recovery option, Liquidity Contingency Plan (LCP), and procedures under the Policy for Market Risk and Liquidity Risk Management: Consolidated Supervision
  2) Executing capital recovery option, Capital Contingency Plan (CCP), and procedures under the Policy for Internal Capital Adequacy Assessment Process (ICAAP)

- Raise risk awareness among executives and staff through learning and training in '**the Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s Internal Control – Integrated Framework**' which consists of five components as follows:
  1) Control Environment
  2) Risk Assessment
  3) Control Activities
  4) Information and Communication
  5) Monitoring

  The COSO program is one of the Bank's compulsory programs in which executives and staff must study, take a test, and pass the minimum requirement.

- Establish **the Risk and Control Self-Assessment (RCSA)** and **Key Risk Indicators (KRI)** as tools and methods that Krungsri uses for closely monitoring and assessing various aspects of all business units' risks. In this regard, 'fraud' is another matter that must be assessed and checked. All business units must assign a **Risk Liaison Officer (RLO)** whose role is vital in the implementation of operational risk management policies and methods in their respective business units, including other duties related to operational risk management, e.g. reviewing the RCSA tool on a yearly basis and reporting KRIs on a monthly basis through the Bank's Operational Risk Management System (ORMS) for reporting to the Operational Risk Management Division. This monthly reporting makes up one of the RLO's KPIs for the sake of timely risk reports and extra carefulness in the organization's operations. Moreover, **control testing** must be conducted for risks identified in the RCSA Report to ensure that key controls are designed and complied with on a regular basis, appropriately reflecting the risk status.

### Duties of Risk Liaison Officer (RLO)

**RCSA & Control Testing:** Review the Risk and Control Self-Assessment (RCSA) on an annual basis, and conduct control testing on key controls

**Incident Report:** Report operational risk incidents upon finding them

**BCP & Call Tree:** Prepare the Business Impact Analysis (BIA), the Business Continuity Plan (BCP), and have employees update their mobile phone numbers and install the KarE application for the annual call tree test

**Business Partner Activity:** Report business partners' new business activities according to the reporting cycle

**Key Risk Indicator (KRI) Report:** Report monthly KRIs

- Communicate content regarding operational risk management to executives and staff within the organization via e-mail, e.g. tools for operational risk management, third party risk management, process of reviewing the usage of business partner services

## Crisis Management

### Management Approaches

- Stipulate the '**Policy for Operational Risk: Business Continuity Management**' as a guideline for mitigating the impact of disruptions on operations, finance, legal matters, reputation, and other material impacts as much as possible, especially disruptions on key operations. The policy also serves as a guideline for communicating to relevant parties the structures, roles, duties and responsibilities, operating frameworks, and processes regarding Krungsri's business continuity management to ensure efficient readiness and achievement of the Bank's specified objectives and strategies upon crises that severely affect the Bank.

- Develop the '**Bank-wide Business Continuity Plan' (BBCP)** as a guideline for stipulating bank-wide policies, standards, and processes to ensure that in case an incident disrupts operations, the specified critical business functions' operations would still carry on continuously or resume within an appropriate time frame to minimize the effects from the disruption, ranging from impacts on financial status, legal matters, reputation, to other significant impacts such as catastrophes. The pillars of business continuity management are as follows:



- Develop the '**Business Continuity Plan' (BCP)** in writing by specifying the necessary workflows and applications for business continuity or recovery after operational disruptions. Business units or supportive functions related to critical business functions (CBFs) must develop and maintain their respective BCP, while those running non-critical or supportive business functions without any critical functions shall comply with the Bank's Procedure Re: Bank-wide Business Continuity Plan (BBCP).

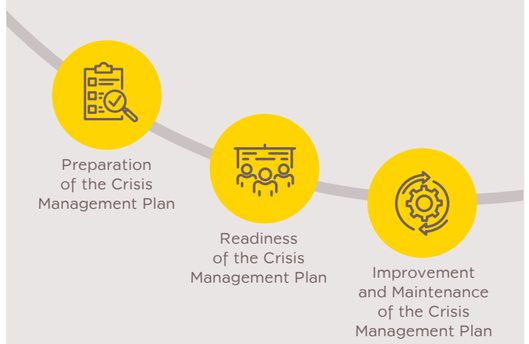
- Develop the '**Disaster Recovery Plan' (DRP)** in preparation for any crisis that could disrupt the Bank's IT systems in order to mitigate the impact while restoring the Bank's IT systems to normal within an appropriate time frame. The plan comprises four key steps as follows:
  1) Pre-crisis preparation
  2) DRP activation and announcement
  3) IT system restoration
  4) Returning to normalcy and announcing the DRP deactivation

  Details are as per the procedure regarding the disaster recovery plan, which was developed by the Information Technology Group.

- Develop the '**Crisis Management Framework**' and the 'Crisis Management Plan (CMP) for stipulating crisis management strategies and approaches for employees, the crisis management team, and other relevant parties in order to carry on operations upon crises that affect normal operations




**Crisis Management Framework**




**Preparation of the Crisis Management Plan**
- Crisis Management Plan
- Crisis Communication Plan
- Premise Plan

**Readiness of the Crisis Management Plan**
The effectiveness and readiness of the crisis management plan is assessed at least once per year.

**Improvement and Maintenance of the Crisis Management Plan**
The relevant divisions must review and improve their crisis management plan at least once per year or upon significant changes.

- Designate '**alternate sites**' which are defined as operating sites ready to be used in emergencies in which it is necessary for the Bank's businesses to continue operating. This includes preparation of spatial and technological requirements for operating.

- Stipulate that during a crisis, employees must '**work from home (WFH)**', meaning they have to work from their residence by using the proper WFH devices and technologies for the Bank's business continuity





## Performance

### Risk and Control Self-Assessment (RCSA)

Target:
All business units review their RCSA annually and report key risk indicators (KRI) monthly to monitor the likelihood of material risks.

Performance:
In 2023, all business units (100 percent) reviewed their RCSA annually and reported KRIs monthly.

### Call Tree Testing

Target:
Perform call tree testing at least once per year

Performance:
In 2023, digital technology was adopted to enhance call tree testing via the KarE application in alignment with the hybrid work model of executives and staff, which made the call tree notification speedier and more efficient. The call tree testing was conducted via the KarE application once.

### Business Continuity Management

Target:
Continually review critical business functions and test BCPs to ensure that all critical business functions can be performed to serve customers continuously

Performance:
In 2023, all critical business functions were reviewed and all BCPs were tested continually. Also, a tabletop exercise for the Crisis Management Plan was carried out to prepare for and reduce impact in case of a crisis.



# CUSTOMER EXPERIENCE AND MARKET CONDUCT

Krungsri Group adheres to our core value of '**Customer Centricity**' as it goes without saying that customers are a primary stakeholder group that plays a vital role in the organization's success. Krungsri therefore focuses on in-depth analysis to understand customers' needs, expectations, and pain points, while also listening to their feedback and suggestions through contact channels suiting different customer segments, enabling us to enhance our services and deliver the best customer experience. Also, our financial products and service innovations can be tailored to the demands of each customer segment, namely corporate, SME, and retail customers. Customer experiences are connected across our online channels for a smooth journey in accessing Krungsri's products and services, anywhere, anytime.

It is Krungsri's belief that treating customers fairly based on the principles for non-discrimination will help boost their satisfaction, loyalty, and engagement with the Krungsri brand. At the same time, Krungsri will be able to maintain and expand our customer base in the long term while mitigating reputational risks and risks of non-compliance.

## Management Approaches

- Establish the core value of '**Customer Centricity**' as part of the organization's culture as well as the heart of our business operations to become customers' most preferred financial institution

- **Strictly adhere to the market conduct regulations of the Bank of Thailand (BOT)** to mitigate the risks of non-compliance with BOT regulations, suspension of services, fines or penalties, and reputational risk

- Formulate the '**Policy for Market Conduct**' for controlling market conduct management according to regulatory requirements, serving as a guideline on providing fair services to customers. Both the Bank and companies in the Financial Business Group (Krungsri Group) must refer to this policy when formulating their own comparable policies unless there are more stringent or more comprehensive policies or regulatory requirements imposed on the company. Moreover, the policy must be reviewed at least once per year or upon significant changes. The framework based on minimum standards stipulated by regulators such as the BOT is as follows:

  - It is the duty of the Bank's Board of Directors, relevant committees, and senior management to be responsible for promoting and overseeing market conduct in a concrete and effective way and making it part of the organizational culture.
  - The Bank's products must be appropriately developed in accordance with each target customer segment, which includes product development or selection, distribution channels, staff's sales skills, applications, and control measures.
  - Remuneration and penalty measures must be established by taking service quality into account, and must be strictly complied with and appropriate for staff at all levels whose duties are related to customer service administration and provision, including the supervising executives, in order to ensure market conduct.
  - Sales-related processes must be appropriately stipulated in a way that would not breach customer privacy. The information provided must be complete, not overclaiming, not distorted, and sufficient for decision-making with the correct understanding so customers can decide what to buy or use. This includes complete and appropriate information provision and after-sales services.
  - Training and communication must be provided to staff at all levels related to customer service to ensure that they realize the importance of market conduct.
  - Customers' personal data must be kept confidential with personal data security measures to prevent data loss and unauthorized or wrongful data access, use, change, or disclosure.
  - The settlement of complaints and indemnities for customers must be performed in a clear, timely, independent, efficient, and fair manner. Relevant actions must be taken to prevent repeating problems. The reporting to the senior management and the executives in the relevant functions must be conducted regularly, while significant matters, overall complaints made, and the progress or timeline of problem solving must be reported to the Board of Directors so that the related policies and strategic plans can be reviewed. The reports must be prepared in accordance with the forms and guidelines determined by the BOT.
  - Operations must be controlled, supervised, and audited by taking market conduct and prudence into consideration, while potential risks, irregularities, and conflicts of interest must be detected to efficiently prevent loss.
  - Business operations must be managed under operating systems, risk management, as well as action and contingency plans to ensure continuous and fair customer services.

- Stipulate the '**Procedure for Service Quality Assurance**' as the guideline on assessing the performance of the Services Quality Assurance Section, Customer Care Department, regarding the service quality evaluation of staff and officers providing customer service via phone or customer visits to ensure that operations are conducted under the same standards without any breach of relevant laws. Service quality is assessed by checking conversation sound clips or customer satisfaction surveys, the results of which will be analyzed and used for setting strategic plans toward ultimate efficiency. The results are also used to evaluate the performance of the relevant staff or business units.

- Establish the process of auditing staff's sales quality by stipulating the '**Procedure for Sales Quality Checking (Call Back)**' to control, supervise, and audit sales operations in compliance with the Policy for Market Conduct by randomly calling customers to survey their satisfaction of the staff's service quality. The survey results will be analyzed and used for the Bank's service enhancement.

- Promote, communicate, and set standards so that all functions within Krungsri Group realize and understand the '**Customer Complaint Resolution Process (CCRP)**' which covers not only the main contact channel '**Krungsri Call Center 1572**', but also other channels such as the Bank's branches, website (krungsri.com), email, and facsimile. With this employee guideline for handling customers' complaints, compliments, and suggestions, all relevant business units must resolve any complaint within the time limit as per the Service Level Agreement (SLA) counting from the day that the complaint was received from each channel.

- Manage and expand the scope of customer services via the live chat channel to facilitate and speed up customer services by establishing the 'Digi-Care Contact Center' in addition to the existing customer service channels in order to accommodate customers who contact through the Bank's social media channels such as the 'Krungsri Simple' page in Facebook and X (Twitter), website (krungsri.com), email, or other online media such as the Pantip Webboard (pantip.com) to ensure that customer service and assistance are provided swiftly

- Disclose reports of product and service quality, as well as statistics of IT disruption that impacted service provision through significant channels, e.g. Krungsri Mobile Application (KMA), Internet banking, automated teller machine (ATM), cash deposit machine (CDM), and the Bank's branches. The reports are posted on Krungsri's website (krungsri.com) on a quarterly basis.

- Establish the annual customer satisfaction survey process by using the '**Net Promoter Score**' (NPS) tool so that the feedback will be used for improving the Bank's products and services to perfectly satisfy customer expectations and demands

- Establish the '**Customer Experience Management Division**' responsible for collecting and analyzing customer feedback and suggestions given via multiple channels, e.g. product and service satisfaction surveys, customer suggestions given to the frontline staff, including feedback from customers and the public via social media channels.

  In addition, channels for receiving staff feedback are available as they also play a vital role in enhancing customer experience, while meetings to promote internal cooperation are arranged to improve operational and service processes for greater efficiency and effectiveness. Feedback from both customers and staff

is crucial for in-depth analysis and product and service development planning. In this regard, the customer feedback analysis and planning information would be proposed to the 'Customer Experience Council' (CXC) of which the chairman is the Bank's senior executive, so that the council would select suitable solutions for product and service development as well as delivering the best customer experience.

- Establish the 'Branch Service Quality Section' under the supervision of the Branch Communication and Service Quality Department. The section's duties are to control, supervise, and improve the Bank's branch service quality to ensure that the services of each branch meet customer demand and deliver excellent customer experience. Consequently, customers get a good impression and prefer our financial products and services, further engaging with the Krungsri brand which, in turn, promotes the Bank's good image and reputation in the long term.

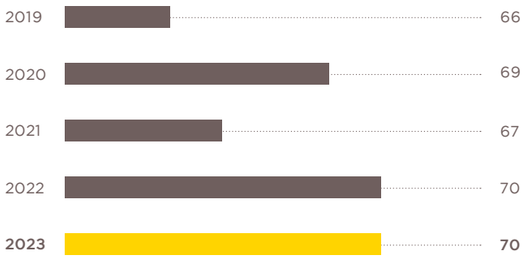
## Performance

### Customer satisfaction toward Krungsri's branches

Target:
Regularly survey customers' satisfaction toward Krungsri branch services every year with the Net Promotor Score (NPS) set at 66 percent



**Net Promoter Score: NPS**




Performance:
In 2023, Krungsri surveyed the opinions of customers who used the services of Krungsri branches countrywide and used the survey results to enhance and improve our branch services, e.g. branch staff services and manners, knowledge enhancement for the staff responsible for financial products and services, staff training in the relevant regulatory requirements, including improving processes for greater efficiency. Our NPS was high at 70 percent.

**Using the information obtained from customer satisfaction surveys toward the Bank's branches to enhance and improve the processes and services of the Bank's branches, such as:**

- The Digital Banking Champion activity provides branch staff representatives digital and banking knowledge for further communication within Krungsri branches through various channels so other branch officers can correctly advise and assist customers in using our digital banking services, thus reducing customer complaints.

- Coaching Call is an activity to communicate related problems to branch staff such as customer service etiquette issues and inaccurate advice in order to prevent repeat customer complaints.

- Interesting and easy-to-understand communication media regarding digital banking such as VDO clips or infographics are disseminated internally through the 'Digital Banking the Series' and 'Did You Know? The Series' programs, of which the content is related to customers' digital banking pain points and digital banking tips for staff to enable them to provide customer advice.

- The e-learning sessions are organized through the Krungsri Learning Companion (KLC) system's 'Digital Banking for Branch' and 'Branch Service Excellence' programs providing knowledge related to digital banking trends and products and the Bank's branch service excellence.

- Random audit of branch staff's services through mystery shopping and CCTV footage to ensure that their service quality meets the Bank's standards

- Regular communication regarding financial crimes to branch staff via the email, Krungsri Morning Talk, and the Line application channels, i.e. receiving cases where the customer has transferred funds into a mule account, the guideline for receiving cases through the branch where a customer was tricked by a fraudster into transferring funds, the guideline for preventing and curbing cybercrimes

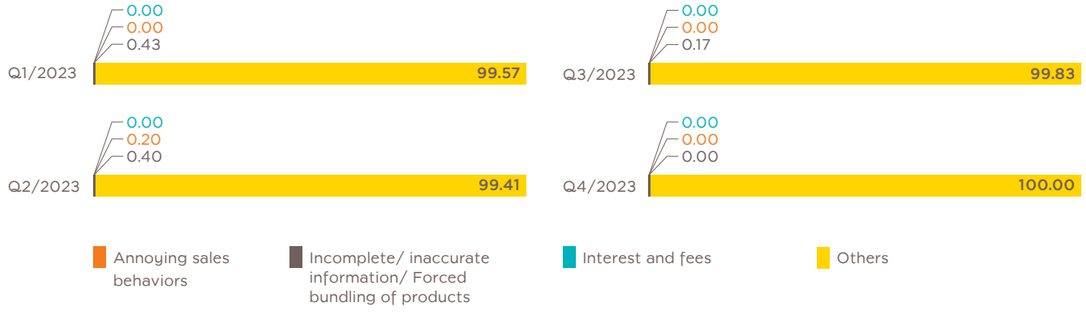




### Data about complaints by issue



**Proportion of customer complaints**

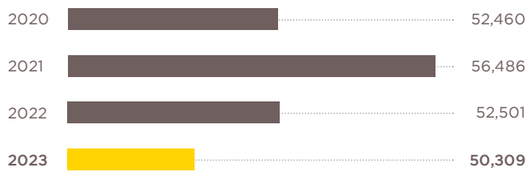



### Data about complaints, compliments, and suggestions

Krungsri set time limits for complaint resolution as per the Service Level Agreement (SLA) counting from the day of receiving the complaint from each channel. Upon receiving customer complaints, compliments, and suggestions via diverse channels, the customer experience management team will coordinate with the relevant business units so they can use the customer feedback to further improve the Bank's financial products and services through the relevant processes in parallel with ultimate personal data protection.



**Number of complaints, compliments, and suggestions via CCRP system (items/year)**



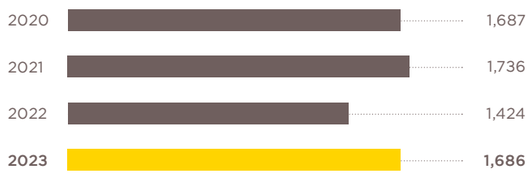



**Number of complaints received via CCRP system and resolved within 15 days (percent)**



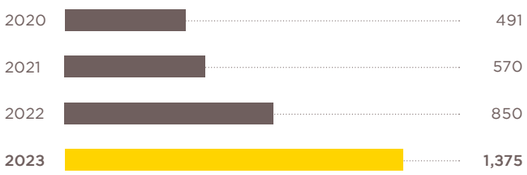



**Number of customer complaints (items/year)**






**Number of customer compliments (items/year)**



### Customer experience enhancement

To deliver on our promise to '**Be the preferred Thai bank connecting customers' needs across ASEAN**' in conformity with our core value of 'Customer Centricity', Krungsri places importance on delivering good customer experience (CX) for we are cognizant of this key factor as the driver in Krungsri's achievement of goals.

In 2023, the **Customer Experience Management** Division continued to carry out the customer experience strategies in alignment with Krungsri's Medium-Term Business Plan under the under the $E^3$ concept consisting of Exploit, Explore, and Enhance as follows:

- **Exploit:** The Customer Experience Management Division in collaboration with various business units continued to develop financial products and services continuously, using the design thinking and product design concepts in the process, starting from the value proposition process so that Krungsri's products and services meet customer demand or help fix pain points, including designing the customer journey, the user experience, and the user interface to better ease customers' access to financial products and services, especially through the top digital channel channels.

  In 2023, Krungsri continued to develop products and services continuously. For example, we were the first to introduce the collateral redemption service for home loan customers, aiming to facilitate collateral redemption. By offering this service to customers who have completed their debt payment, Krungsri provides convenience and good customer experience so they do not need to redeem collateral by themselves.

- **Explore:** Krungsri places emphasis on 'Human-Centric Design', regarded as a key building block for driving new business opportunities. Therefore, Krungsri established 'Stellar' or 'Krungsri Innovation Center' as a stage where employees can propose new business ideas not limited to financial services in seeking customer value proposition, such as:

  - Develop and offer the Solar Rooftop Total Solution Package by studying the habits of the SME customer segment to gain an in-depth understanding of their needs and pain points regarding the adoption of solar cell systems to their operations. This includes collaboration with business partners in developing and offering total solar rooftop installation services to customers.
  - Develop energy storage system solutions jointly with business partners in search of opportunities for developing energy storage solutions for the household sector through customer insights to study the awareness and the needs of retail customers
  - Create value and financial literacy for Thai youths: Stellar by Krungsri studied the financial habits of target groups comprising both parents and children, then leveraged that information to develop an application for personal financial planning and management. The application is being developed and tested with the target groups.

- **Enhance:** We continue the customer experience enhancement project to maintain the Bank's existing customer base and promote more customer referrals, from which customer feedback in all dimensions will be gathered, e.g. products and services through diverse channels, and access to the Bank's services. The project management will be based on each customer segment's characteristics and needs, starting from the retail customer segment whose behavior changes are substantial owing to digital technology advancements as well as impacts of the COVID-19 pandemic. The commercial segment is under the process of customer studies, with customer experiences being further enhanced.

  In 2023, the Bank established the '**Krungsri Commercial Banking Contact Center**' (previously called the Krungsri Commercial Banking Call Center). Commercial customers can contact Krungsri officers at the telephone number 0-2626-2626 to inquire comprehensive total products and services for commercial customers, namely:

  - Deposit and loan services
  - Foreign remittance services
  - Cooperative services
  - Merchant care
  - Global market services
  - Digital solutions and Internet banking
  - Cheque clearing inquiries
  - Inquiry of products, promotions, and marketing campaigns





# INNOVATION AND DIGITAL TRANSFORMATION

Krungsri is aware that the development of digital technology and innovation plays a very important role in today's business models and is a key driver for organizational success. This is especially true in the financial and banking industry which has made great strides in developing financial innovations and adopting digital technology into work processes to stay competitive, while creating good customer experiences that cater to customers' digital-savvy lifestyles and behaviors.

In light of this, Krungsri aspires to fully morph into a digital organization by supporting environmentally friendly digital operations. This aims at increasing work efficiency, creating new business opportunities, and promoting a competitive advantage, while also helping to minimize the use of wasteful resources and operating costs. At the same time, we are focused on encouraging our employees to embrace digital technology to create innovative financial products and services in line with customer needs. This effort is to enhance the quality of life and create a positive experience for customers, as well as broadly create added value for the economy and a positive impact on the society and environment.

## Management Approaches

Krungsri supports the development of innovation and digitization based on management approaches as follows:

- Instill the organization's culture and core value of '**Making Innovative Changes**' by encouraging employees to exchange ideas in search of new viewpoints. Employees are also encouraged to think out of the box for better changes, test their ideas, and learn under proper impact mitigating mechanisms. They should also readily adapt to changes, particularly those regarding innovation and digitization which play a role in the current ways of working and operating business.

- Establish the '**Digital Innovation and Data Group**' under the Information and Digital. The Division is tasked with the development and management of IT and digital system projects, digital solutions, digital banking and innovations to deliver products and services with ultimate efficiency and an uplift of operational efficiency. Also, the Division will seek investment opportunities in startups both in Thailand and overseas through Krungsri Finnovate.

  In addition, various sub-units have been established to facilitate innovation development and digital way of work, such as:
  - Establish a '**Digital Transformation Delivery Department**' under the **Digital Innovation and Data Group**, with the objective of transforming work processes through digital innovation, which plays an important role in reducing greenhouse gas emissions from various work processes.

- Establish the '**Stellar**' (Krungsri Innovaton Center), under the Digital Innovation and Data Group, with the objective to increase opportunities for tangible and sustainable innovation creation and development. The function is operated under the concept of providing opportunities and space for nurturing ideas from both employees and external partners. 'Stellar' plays a key role in integrating collaboration between Krungsri units such as the IT Digital team and Krungsri Finnovate. In addition, Krungsri Nimble established the 'Krungsri AI' unit as a central function responsible for driving innovation between various units within Krungsri. The function is responsible for overseeing the usage of artificial intelligence across the organization, including building organizational capabilities, designing innovative work processes, and setting standards for related technologies.

- Establish the '**Project Management Committee**' **(PMC)** responsible for considering and managing the investment in significant projects initiated by the employees and supporting functions in line with the strategic business plan, the IT strategic plan covering IT and Non-IT projects, the testing of the business innovation project, and new technology implementation

project to serve customers or to improve internal operations. The Project Management Committee is responsible for directly reporting the operating result to the executive committees.

Moreover, the 'Digital Innovation Subcommittee' is established and in charge of following up on and assessing the progress of approved projects, reviewing business testing, and providing recommendations on whether to proceed with or halt a particular project according to the strategic framework. Also, the 'Digital Innovation Subcommittee' shall directly report to the 'Project Management Committee' (PMC) each month.

- Communicate and encourage employees to keep abreast of innovations and digital technologies such as:
  - Develop the 'Around Krungsri CX' channel to communicate about modern technologies and interesting innovations through email, such as digital work models of leading companies, tips for using digital technology to increase work efficiency, and examples of successful innovations in various organizations etc.
  - Promote and develop digital technology skills to improve employees' potential, while gaining expertise in innovation and modern technology to increase competitiveness and support new ways of work. In so doing, various internal training courses are organized such as design thinking for sustainable success, thinking techniques for creativity and innovation, unlocking creativity for organizational innovation, and unleashing potential to drive an innovation culture. This also includes software training sessions whereby employees are encouraged to use business intelligence (BI) technology to analyze and process the data for data management, utilization, planning and presentation purposes. This is to reduce duplicated work and improve decision-making efficiency, for example, data analytics bootcamp. Furthermore, the standards for data usage and processing as well as technology security are established.
  - Activities to promote knowledge about innovation and digital technology skills in collaboration with business partners, such as:
    - Collaboration with startups or business partners to promote knowledge about innovation and digital technology through various activities, such as Krungsri Accelerator seminars, TDPK Talk x Krungsri Accelerator, etc.
    - Collaboration with leading universities to develop digital technology skills and apply innovation knowledge, such as King Mongkut's Institute of Technology Ladkrabang and Faculty of Information and Communication Technology, Mahidol University, etc.



- Promote the organizational culture of innovation and digitization through projects and/or activities such as
  - Krungsri Innovation Talent Program which promotes an innovation culture within the organization, comprising various activities such as Innovation Idea Hackathon and Innovation Bootcamp
  - Krungsri Tech Day 2023:Together Now and Next, which was organized in collaboration with various internal business units namely the Information and Digital, Corporate and Investment Banking Group, JPC/MNC Banking, and SME Banking Group and Commercial Marketing Division. The event featured tech business partners, startups, and leading digital and technology experts invited to share perspectives through Tech Talk, as well as exhibit future technologies and innovations for more advanced digital business operations.








  - Supporting digital work to accommodate the organization's hybrid work model by preparing information technology infrastructure and security for remote access to data systems. This practice reduces employee travel time and wasteful resource usage, thereby decreasing greenhouse gas emissions from the Bank's operations.

- Invest in the development of and adopt innovations and digital technologies in our operational process and customer services to continually create a good experience for employees, customers, and relevant stakeholders, such as:
  - Central Application Programming Interface (API) system, Krungsri aims to develop a central API management system to increase efficiency, reduce costs, and enhance business competitiveness. This also aims to elevate business sectors to be able to completely execute digital transactions, enabling them to connect to the Bank's systems for various benefits such as digital payment, etc.
  - Improvement of security of various systems, Krungsri focuses on developing security systems in line with international standards. For example, verification of applications that are not downloaded from official and trusted stores to prevent malware from infiltrating mobile devices. This includes having customers verify their identity using biometric technology or facial scanning, etc.
  - Applying cloud technology and business intelligence (BI), Krungsri utilizes advanced cloud technology to enhance operational efficiency and customer experience. Business intelligence (BI) solutions, such as Tableau Server, are implemented to facilitate decision making with the use of data visualization, etc.
  - Deployment of machine learning (ML) and artificial intelligence (AI), Krungsri utilizes machine learning and artificial intelligence to better understand and respond to customer needs and behaviors, leading to enhanced customer experience. The Bank's cutting-edge technology included 'AI Manow' and the robo-advisor named 'Bella Chatbot' in the form of a banking virtual agents, designed to help answer customers' inquiries and provide preliminary information about the Bank's various products through online channels.
  - Supporting social and environmental innovation projects, Krungsri provides support in digital technology and diverse platforms for the social and environmental business projects. It utilizes expertise in applying technology, creating innovations, and applications to solve social and environmental issues. For example, various innovations were developed using virtual reality (VR) technology for medical use, in collaboration with the Faculty of Medicine, Mahidol University, etc.

## Performance

In 2023, Krungsri not only launched innovative products and services but also developed the existing innovations to better serve customers. Furthermore, the Bank improved a digital work system to enhance flexibility, convenience, swiftness, and efficiency where standout innovations and technologies of the Bank could be summarized as follows:

### Retail Central Bank Digital Currency (rCBDC) issued by the Bank of Thailand

Krungsri is selected by the Bank of Thailand as one of the financial institutions to jointly develop and pilot the rCBDC project from February to August 2023. The objectives are to develop innovations for Thailand's digital financial infrastructure system, as well as raise awareness and understanding of the importance of digital currency among the public. In addition to solidify the foundation for a robust digital currency infrastructure which leads to business growth, the initiative also aims to provide more convenience and enhance payment security for retail customers. The development and testing results will serve as a prototype for the Bank of Thailand to further develop the Thai Baht CBDC system.



Target:
Jointly develop and test the rCBDC project within the timeframe as specified by the Bank of Thailand

Performance:
Krungsri developed a rCBDC mobile application as a channel for trial usage. The pilot testing of the CBDC baht system was commenced within the Bank of Thailand's premises in February 2023. Later, in May 2023, the testing was expanded to cover various Krungsri's locations including the Head Office, Krungsri Ploenchit Office (KSPO), and almost 100 merchants located nearby. Over 2,000 Krungsri employees participated in the testing phase.

Additionally, in August 2023, Krungsri collaborated with leading partners in Thailand to test CBDC payment acceptance for the purchase of products and services. The objective is to expand the testing and increase the varieties of the transactions to cover both small and big retailers such as:

- Tops Supermarket and Eathai food court at Central Embassy
- Café DoiTung at the Head Office and Krungsri Ploenchit Office (KSPO)
- Bangchak petrol station on Rama 3 Road
- Inthanin Coffee Shop at the Head Office







## Krungsri Innovation Talent Program

Target:
Organize activities to discover financial innovations under ESG concepts

Performance:
In 2023, Stellar (Krungsri Innovation Center) collaborated with the Human Resources Learning and Development Division to organize the 'Krungsri Innovation Talent Program'. This project offers opportunities to employees to create ideas and enhance their capabilities in financial innovation development. Over the period of three months (July - September 2023), more than 200 Krungsri employees participated in the following activities:

1. 'Innovation Inspired Talks' by leading innovators at the national level covering various topics such as:
   - 'Leadership Change and Innovation' by Khun Ken Nakarin Wanakijpaibul, CEO and Editor-in-Chief of The Standard
   - 'Innovation Trend' by Khun Pongsuk Hiranprueck, a well-known TV host and executive of Beartai
   - 'Driving innovation: from Ideas to Business Impacts in the Startup Journey' by Khun Moo Natavudh Pungcharoenpong, Founder of Ookbee
   - 'Innovation Culture: Empowering Organization Success'. By Khun June Jareeporn Jarukornsakul, Chairman and CEO of WHA Group
2. 'Innovation Idea Hackathon': The program encompasses learning sessions to create innovation whereby the participants, divided into small groups, are tasked to come up with 15 financial products and services, eight of which were selected to participate in the Innovation Bootcamp.














3. 'Innovation Bootcamp': The session emphasizes hands-on idea nurturing in which the participants undergo an intensive innovation process namely generating ideas, creating prototypes, and designing concrete business plans. Highlights include lectures by Y Combinator Startup School and mentoring sessions from experts in various fields, along with project sponsors to help actualize the ideas.
4. 'Mini Competition': This aims to build an understanding of the design thinking process. The participants will be encouraged to generate creative ideas, create tangible results from these ideas, and develop solutions to further improve work processes.
5. 'The Final Pitching Round': The final eight teams from Bootcamp rounds are to be on stage and pitch their new business ideas under the topic 'innovations to strengthen the banking ecosystem or solve sustainability issues from an ESG perspective.' The committee will screen and select the best three ideas for future development.

## Business Innovation Program for Society and the Environment

Krungsri Group recognizes and promotes the importance of innovation development for the maximum benefit of all stakeholders through collaboration with relevant parties, while creating positive outcomes for society and the environment. 'Krungsri Nimble', as the IT solutions hub, has become a part of developing business innovations for society and the environment. For example, there was a collaboration with the National Institute for Emergency Medicine (NIEM) to conceptualize and develop the EMS (Emergency Medical System) Profile mobile application for medical professionals. Additionally, there was a collaboration with the SATI Foundation to create the 'SATI' mobile application, which has been continually developed on the Line application.

Target:
Supervise and develop mobile applications for individuals as well as online applications for businesses, including fostering connections with external IT developers to implement innovations and technologies to facilitate the operations of Krungsri Group.

Performance:
In 2023, the systems were developed and connected with seven external IT developers with plans to connect such systems with other companies in Southeast Asia in the future. In addition, virtual reality (VR) technology was deployed for the medical benefits. Through collaboration with the Department of Psychiatry, Faculty of Medicine Siriraj Hospital, Mahidol University, the VR Mental Therapy project was launched as a tool to reduce anxiety in patients with physical and mental challenges, such as acrophobia or claustrophobia. This is conducted by simulating environments through VR goggles. The initiative emphasizes Krungsri Nimble's expertise in developing technology that is beneficial for the medical and social dimensions. Furthermore, VR technology has been used in other areas to accommodate the new normal lifestyle, in alignment with ESG concepts. This includes the development of the VR virtual workplace system as an interactive online tool to support the work-from-anywhere initiative through virtual activities, divided into several zones, such as the Working Zone for meeting and conversation, and the Activity Zone for joining other activities, etc.

## 'Krungsri UPcelerator' Startup Incubator Program

Krungsri Group promotes and supports the development of innovations for sustainable business growth. 'Krungsri Finnovate', one of our subsidiaries focusing on supporting and promoting the development of startups and various businesses related to the technology ecosystem in Thailand and other countries worldwide, has collaborated with the Science and Technology Park, Chiang Mai University to establish a project to nurture and enhance the potential of Thai startups under the 'Krungsri UPcelerator' project. It emphasizes hands-on activities to transform ideas into rapidly growing startups through the business development programs in both mentoring and workshop formats. The program aims to develop, support, and encourage those interested, whether students, researchers, lecturers or entrepreneurs, to be able to create business models. Eventually, it will be transformed to a real business that can be commercialized in the future through the support of Krungsri Finnovate and Stellar by Krungsri (Krungsri Innovation Center)—emphasizing on the businesses that promote economic and industrial systems related to smart city, ESG tech, AI robotics, aging society, traveltech, or healthtech.

Target:
Support and expand opportunities for startups through financial support and training programs by experts

Performance:
In 2023, the Krungsri UPcelerator project received tremendous interest from startups in their early stage, especially the startups from the northern region of Thailand and in other provinces looking to expand their business into the northern market. More than 100 startups participated in the project, while 12 of them were selected by the committee to join two-month intensive bootcamp program. Then, they must present their business plans to the committee on Demo Day. Eventually, the best five teams were selected to work with Stellar (Krungsri Innovation Center) for further develop their ideas into actual business model.

## Implementation of Robotic Process Automation (RPA) for financial crime reporting

Krungsri is required to prepare data related to financial crimes in case there are requests from regulatory and government agencies, according to regulations and laws in Thailand. Therefore, the Financial Crimes Compliance Correspondence Department must prepare complete legal paperwork as required, which involves accessing data from various systems of the Bank. Also, the information is to be gathered from various sources such as deposit accounts, financial transactions, online transactions, etc. for submitting them to the authorities. Previously, this workflow was time-consuming and involved several personnels to extract data and prepare the relevant documents. Therefore, to simplify this process, the Bank deployed RPA to help generate legal forms and extract data from various systems to be filed out in the forms. Hence, the use of RPA saves significant amount of time up to 5,800 hours annually—without the need to add more headcounts to cope with the substantial increase in workload each year.



# SUPPLY CHAIN MANAGEMENT

Krungsri Group places importance on managing the relationships between the Bank and/or companies in the Financial Business Group, and vendors of goods and/or services, or 'suppliers', including sustainable supply chain management through establishment of the common standards of fair treatment of suppliers, including service providers, intermediaries, and agents for equality, fairness, and non-discrimination. All suppliers are managed and encouraged to adopt their corporate governance guidelines, while strictly complying with regulatory requirements related to self-governance and responsibly undertaking business by taking social and environmental issues into account.

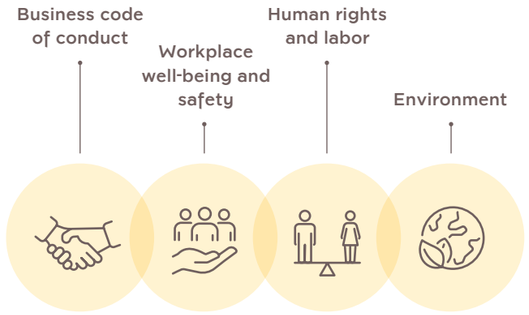
Sustainable supply chain management promotes business continuity of Krungsri Group toward our set goals. It does not only reduce the risk of business interruption due to economic, social, and environmental impacts but also enhance cost management efficiency. In addition, the cooperation between Krungsri Group and vendors or suppliers in the development and creation of innovative financial products and services helps promote the flexibility of the domestic economy and finance system as well as transparency, thoroughness, and equality—eventually lead to sustainable supply chain management.

## Management Approaches

- Establish the '**Supplier Code of Conduct**' as a guideline to encourage all suppliers to adopt corporate governance guidelines and code of conduct standards in the same fashion as Krungsri Group did, particularly regulatory requirements related to their respective corporate governance guidelines, such as laws regarding countering all forms of direct and indirect bribery and corruption, and laws regarding human rights and labor, workplace well-being and safety. They are also encouraged to undertake their business responsibly taking into account impacts on social and environmental aspects. Therefore, Krungsri and companies in the Financial Business Group, as well as suppliers, can sustainably thrive together.

  In this regard, the Bank communicated with all suppliers about the 'Supplier Code of Conduct' through our website (krungsri.com), including notifying them about the statements and The Spirit and The Letter, Environmental Disclosure Statement, and Human Rights Disclosure Statement, as well as social and environment responsibility with active vendors through e-mail for their compliance. This is to encourage all suppliers to adhere to the same practices, in a similar manner to Krungsri Group.

### The Supplier Code of Conduct covers four main aspects, namely:




- Establish the '**Supplier Relationship Policy**' as a guideline to promote governance and ensure that they are treated and managed in a prudent manner and not against laws, other internal policies and procedures. The Policy helps foster relationship between Krungsri Group and vendors or suppliers so that the business activities can be carried out in an efficient and fair manner. Krungsri Group expects that the vendors or suppliers acknowledge and comply with the Policy as well.

- **Formulate supply chain management strategies**, with sub-strategies including increasing productivity and efficiency strategies to align with the Bank's Medium-Term Business Plan. The supply chain management strategies consist of:
  1. **Supplier management:** To ensure fairness and transparency and reduce risks arising from procurement activities.
  2. **Cost management:** Manage limited or multiple vendors in the market, outsourcing services, and centralized procurement.
  3. **Use of technology for procurement activities:** Develop tools or software to support procurement activities such as e-bidding software, developing AI systems for supplier identity verification etc.





- Stipulate '**a fair supplier selection process**' with a focus on conducting procurement activities with honesty, transparency, fairness, and accountability, in accordance with good corporate governance principles and best practices, by promoting and providing equal opportunities to all partners in conducting businesses with Krungsri Group. This also included small enterprises, those of the underprivileged, minority groups, females, disable veterans, etc., who are business owners to compete in offering products and/or services in order to gain a share of the Bank's purchase volume and take into account environmentally responsible procurement to enhance business operations in parity with related standards and reduce adverse social and environmental impacts.

### Supplier selection process

**Step 1**
Consider the appropriate bidding method to ensure transparency such as bidding through electronic systems (e-Auction)

**Step 2**
Establish a taskforce comprising representatives from related business units, and experts or specialists to select service providers

**Step 3**
Consider the verification results of suppliers' information before engaging in transactions with them, such as Know Your Customer (KYC), transactions that may have conflicts of interest, and other relevant factors of all suppliers

**Step 4**
Evaluate suppliers by the functions using such service after the service is completely delivered by filing out the Supplier Performance Evaluation Form

**Step 5**
Provide whistleblowing channels for suppliers

- Establish appropriate '**credit terms**' for suppliers, with an average of 45 days, depending on the agreements between the Bank and the suppliers. This also includes establishing practices to stipulate payment terms to suppliers, categorized by the characteristics of products and/or services provided, as follows:
  - Utility and government agency suppliers: Payment within 15 days
  - Tourism and commission-based suppliers: Payment within 15 days
  - Other suppliers: Payment within 45 days

  The payment period is counted from the date the vendor submits a complete and accurate invoice that meets Krungsri Group's conditions.

- Established the procedure on '**Know Your Customer and Customer Due Diligence of the Third Party**', requiring that all vendors be verified to prevent making transactions involving conflicts of interest. Criteria have been clearly defined such as Related Party Transactions (RPT), Supplier Risk Assessment, or criteria for certain outsourced vendors that could impact business continuity, as well as compliance with the Bank's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) policy and Anti-Bribery and Anti-Corruption policy and measures.

- **Require that risk assessments be conducted on suppliers, both new and existing, in terms of their economic situation as well as environmental, social and governance (ESG) risks**, according to specified evaluation or review criteria and through various channels such as ESG Questionnaire, business status verification, and supplier evaluations.

- **Formulate agreements to uphold and safeguard the confidentiality and proprietary information of Krungsri Group while Krungsri Group** is also obliged to protect suppliers' information as stipulated in confidentiality agreements. Furthermore, notifications regarding personal data protection have been disseminated through email and the website (krungsri.com) to active vendors, seeking their acknowledgment and compliance with the Personal Data Protection Act B.E. 2562 (PDPA).

- Conduct '**Supplier Classification**' to ensure that Krungsri Group can continually deliver customer services by grouping suppliers as follows:
  - **Critical vendors** refer to vendors or suppliers that are highly crucial to Krungsri Group's operations. There may be one or a limited number of critical vendors or suppliers. Their inability to provide services to the Bank could result in significant harm to the Bank's business.
  - **Significant vendors** refer to vendors or suppliers involved with specialized products and/or services. The nature of work is complex, and while it is possible to find replacement partners, it may take time to procure them. Therefore, this could impact business operations.
  - **General vendors** refer to common vendors or suppliers. If they are unable to offer services to the Bank, it will not result in any harm to the Bank's business.

- Communicate to suppliers about the **Anti-Bribery and Corruption Program, covering all forms of bribery and corruption, both directly or indirectly, and become members of the Thai Private Sector Collective Action Against Corruption (CAC Recertification)**, as well as invite vendors or suppliers to join such anti-corruption organization. The Bank also specified and communicated about **the Procedure for Gift and Entertainment**.

## Performance

### E-Auction

Target:
Increase vendor selection through the electronic system by 10 percent from 2022

Performance:
In 2023, Krungsri selected 70 vendors and suppliers through e-auction, a 19 percent increase from 59 suppliers. This shows the Bank's commitment to encouraging vendors and suppliers to continually submit bids through the electronic system, promoting equality and transparency in the presentation of their work to Krungsri Group.

### Promoting sustainability values among suppliers

Target:
Conduct training sessions for suppliers at least twice a year and disseminate comprehensive information on sustainable procurement practices within Krungsri Group to reach 100 percent of suppliers

Performance:
- Organized three online seminars on 'Sustainable Procurement at Krungsri Group'. The seminar covered the topics such as operating practices related to environmental, social, and governance (ESG), supplier code of conduct, green procurement, and anti-corruption policies. This effort was to encourage the adoption of this knowledge for the sustainable growth of suppliers. In 2023, a total of 267 suppliers participated in the seminars.
- Communicated to all active vendors, including new suppliers, on essential topics such as the Gift and Entertainment policy, principles of good corporate governance, supplier code of conduct, Privacy Notice, and the Bank's membership in Thailand's Private Sector Collective Action Coalition Against Corruption. The messages were disseminated via email, to ensure that 100 percent of suppliers, both existing and new, were communicated.

### Supplier classification

Target:
Assess supplier classification of Krungsri Group on an annual basis

Performance:
In 2023, Krungsri Group's supplier classification was reviewed, focusing on 1,356 awarded vendor list between 2021 and 2023. The categorization is detailed as follows:
- Critical vendors: These suppliers are divided into two subgroups based on the characteristics of their products and/or services as follows:
  - Direct sellers of products/services without intermediaries (Critical Tier 1): No suppliers fell into this category.
  - Indirect sellers of products/service via intermediaries (Critical Non-Tier 1): One supplier identified, representing 100 percent of critical vendors and accounting for 0.07 percent of total suppliers.
- Significant vendors: a total of 27 suppliers were identified, accounting for 1.99 percent of the total suppliers.
- General vendors: a total of 1,328 suppliers were identified, accounting for 97.94 percent of the total suppliers.

### Procurement of environmentally friendly products and services

Target:
Procure a minimum of 40 percent of environmentally friendly products and services, adhering to the criteria outlined by Thailand's Green Office project from the Ministry of Natural Resources and Environment. Additionally, organize training programs for suppliers at least twice a year.

Performance:
In 2023, the Bank procured 88 percent of qualified products meeting environmental standards. This included the procurement of ENERGY STAR-certified computers (100 percent) and 100 percent recycled toilet paper. Accommodations with environmental certifications, such as Green Hotels, and other environmentally friendly products and services were also selected. This was to encourage employees to select eco-friendly goods and services, promoting choices with minimal environmental impact. Also, there was communication and three online training sessions under the topic 'Sustainable Procurement at Krungsri Group' were organized to enhance suppliers' knowledge related to the green procurement.



### Assessment of economic situation of suppliers

Target:
Conduct the assessment or review of economic risk of suppliers who meet the assessment criteria totaling 100 percent.

Performance:
In 2023, 137 suppliers who meet the assessment criteria were assessed in terms of product and service quality, business status, and reliance on limited suppliers. The assessment revealed that 100 percent of the suppliers had no economic risk issues.

### Evaluation of suppliers on the environmental, social, and governance (ESG) aspects

Target:
Conduct supplier identity verification and review totaling 100 percent of suppliers

Performance:
In 2023, 454 new and existing suppliers underwent the verification and review process. The assessment revealed that 100 percent of the suppliers had no ESG risk issues.

### Complaints related to corruption and human rights violations

Target:
Communicate policies and foster awareness among suppliers to ensure that they realized the anti-corruption and human rights violations on an annual basis.

Performance:
In 2023, the Bank communicated policies and disseminate knowledge on such issues to new and existing suppliers. There were no complaints related to the reception of gifts and entertainment during festive seasons from suppliers and no human rights violation incident was reported.

### Payments to suppliers

Target:
Make payments to suppliers and vendors according to specified timelines

Performance:
Krungsri Group stipulated that the payment be made to suppliers within 45 days depending on agreements. In 2023, average actual payment period was 25 days from date that the correct and complete invoices were received, reflecting commitment to comply with supplier payment terms.

# 2
# SOCIAL ASPECT







## FAIR LABOR PRACTICES AND RESPECT FOR HUMAN RIGHTS

Krungsri is fully cognizant of our key role to uphold fair labor practices and respect for human rights. Also, we engage multiple stakeholder groups, including employees, customers, suppliers or vendors, etc. Should there is any inappropriate conduct regarding this issue, it could incur reputation risks and impacts on the operations, as well as breach of related regulations.

Therefore, Krungsri Group adheres to and places emphasis on human rights and fair treatment of employees taking into account individual equality and non-discrimination, while appropriately managing these issues in accordance and compliance with international regulatory requirements and principles regarding labor and human rights. This covers issues of employment, fair remuneration, appropriate labor welfare, respect for diversity whether that be gender, race, religion, and disability, the promotion of freedom of association and collective bargaining, and employee engagement. Upon any breach of human rights, remedies and guidelines for appropriate prevention and handling should be established. In addition, the same expectations and promotion should be set for stakeholders, e.g., suppliers or vendors, and customers, so that they would refrain from violating human and labor rights in a similar manner to Krungsri Group.

Fair labor practices and respect for human rights not only help promote employee well-being and bonding, but also enable Krungsri Group and stakeholders in the entire supply chain to further drive the organization toward sustainable growth.

### Human Rights

#### Management Approaches

- Promulgate the '**Human Rights Disclosure Statement**' that reads 'Krungsri recognizes respect for human rights as an important issue to be addressed in our business management to realize our Corporate Mission as a member of the world's most trusted financial group in serving society through sustainable growth. We aim to fulfill our responsibility to respect human rights across all of our operations'. This disclosure statement reaffirms the Bank's commitment to meeting the international sustainable issues and targets.
- The '**Human Rights Policy**' was established to serve as a basic framework for the respect of human rights that covers all stakeholder groups. Guidelines are as follows:
  - Ensure treatment of all stakeholder groups, including customers, suppliers or vendors, business partners, etc., in accordance with the human rights principles at the domestic and international levels based on equality and non-discrimination.
  - Refrain from any actions that violate human rights through human rights risk management, well-rounded human rights due diligence, and remedies and reparation upon human rights violations.
  - Support and encourage the protection of and respect for human rights through communication and dissemination of knowledge, and stipulate guidelines for monitoring and providing support to stakeholders in the business value chain.
- Establish a '**Human Rights Due Diligence (HRDD)**' process in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) to provide a systematic approach to managing human rights through the integration of human rights into Krungsri Group's business processes and activities, while avoiding adverse human rights impacts across the value chain. Furthermore, it is also required that the HRDD be systematically verified every two years to identify, assess, safeguard, and mitigate the risk related to human rights for throughout business value chain.




Remark: Details about Human Rights Due Diligence Report 2023 are available on krungsri.com

## Employment and Employees' Diversity

### Management Approaches

- Establish the '**Human Resources Committee (HR Committee)**' to give advice concerning the Human Resource Policy and any significant changes regarding human resource matters of Krungsri Group, including employee policies, projects, plans, benefit plans, etc. Krungsri's compliance with the Human Resource Policy is also monitored to ensure human resource activities are effectively and efficiently organized. The committee also reviews and evaluates the key strategies, policies, and projects or action plans related to human resources operations of Krungsri Group to ensure the strategies, policies, and projects or action plans are competitive and comparable with that of industry peers, while complying with relevant laws and regulatory requirements.

- Stipulate the '**Human Resource Policy**' as a framework for establishing a guideline for communicating our human resource management and development process, as well as related roles and responsibilities, applicable to Krungsri Group. This policy comprises four elements as follows:

1) **Recruitment:** Cover consideration in internal and external recruitment based on the basic foundation of fair hiring practices, prevention of conflicts of interest, respect for differences and diversity, and employee engagement
2) **Workplace environment:** Focus on promoting and supporting diversity in the workplace at home and abroad for positive working environment, while preventing unwelcome employee behavior, discrimination and division, conflicts of interest, and any harassment that could lead to disrespect for employee rights
3) **Performance and compensation management:** Focus on fairness, transparency, verifiability, and non-conflicts of interest, with clear, fair, and nondiscriminatory guidelines and procedures for employee compensation and benefits
4) **Employee development and career management:** Focus on employee development and performance enhancement for both employees and the Bank in accordance with the Bank's business targets and strategies, while also responding to customers' demands and equipping employees with competency enhancement to support a sustainable business growth





- Establish the '**Procedures for Recruitment and Hiring**', so that the Bank's recruitment and hiring guidelines and steps are clear and common, as well as being compliance with related regulations and policies. This procedure covers the procurement of permanent employees, short-term employees, advisors, outsourced staff, and interns taking into account fair recruitment and hiring, while being strictly compliant with labor laws and regulatory requirements. Job applicants' qualifications and job descriptions are considered without discrimination, while emphasis and value are placed on diversity, including ethnicity, gender, age, religious belief, or faith. In addition, the Bank focuses on the employee and applicant privacy best practice, while taking into account data security and respect for the rights of employees and applicants.

- **Focus on compliance with international legal requirements and frameworks of each country in which the Bank is operating its business** such as Lao PDR, Vietnam, Cambodia, Indonesia, and the Philippines.

- Formulate a '**termination guideline**', based on fairness and compliance with labor laws, where 'terminated' employees are notified by the Human Resources Group upon or before their payday for that month so that the effective date of termination falls on the payday of the following month. In addition, severance and special severance is paid to such employees in compliance with regulatory requirements, and the Bank's hiring rules, regulations, and requirements.

## Appropriate remuneration and benefits

### Management Approaches

- Establish the '**Nomination and Remuneration Committee**' by the Bank's Board of Directors. The Committee consists of no less than three independent directors or non-executive directors. The Chairman of the Committee shall be the Bank's independent director. The Committee is responsible for determining policy for remuneration and benefits that reflect objectives, duties and responsibilities, as well as the risks associated with the Bank and/or the companies in the Bank's Financial Business Group by adhering to clear and transparent regulations. The said remuneration and benefits should be considered competitive when compared to industry peers. Furthermore, the Committee is required to organize at least one meeting per quarter as deemed appropriate to ensure that the operation is efficient and obliged to report it performance to the Bank's Board of Directors.

- Establish the '**Incentive Subcommittee**' by the Human Resource Committee to revise, supervise, and approve principles, guidelines, plans, and other issues related to incentive and/or reward prizes as well as the payment of incentives and/or rewards prizes of the Bank and companies in the Financial Business Group. This is aimed to ensure accuracy, transparency, and fairness for the best interest of the Bank and companies in the Financial Business Group, and compliance with related regulations. The Subcommittee is required to organize at least one meeting per year.

- Perform **a survey and review the remuneration payment and provision of employees' benefits on a regular basis** to improve criteria or remuneration structures in line with the current labor market trends as well as to ensure the Bank's remuneration and benefits are competitive and corresponding to industry peers. In this connection, differences and diversity, including gender, age, ethnicity, religion, etc., will not be taken into consideration when determining remunerations, benefits, and promotions of the employees.

- Establish an '**Employee Benefits Committee**' for Krungsri Head Office and Krungsri Ploenchit Office each, of which some members are elected from staff representatives (operational level) to provide advice and views on employee benefits.

- Provide **appropriate benefits to support employees** and their family and/or reduce their cost of living and ease their financial concerns that will lead to their well-being and good operating performance. The benefits can be categorized into seven programs as follows:
  1. **Health and life insurance packages** comprise:
     - Group health insurance, life insurance, total permanent disability insurance, and personal accident insurance

- Annual check-up and additional health packages for employees who may be exposed to health risks arising from work, such as employees under the Collateral Valuation Department and the Domestic Cheque Operations Department
- Influenza vaccination program offered to the Bank's employees and their family members at a special price.
- Establish Krungsri Clinic with medical doctors and nurses stationed at the Head Office (19th floor) and Krungsri Ploenchit Office (12th floor) to provide on-site first aid care and health advice and to help employees save traveling expense as well as enhance convenience. The service hours are from 8.30 to 16.30 hrs. on business days.
- Establish Happy Heart Center at Krungsri Head Office to offer an opportunity to the Bank's employees to share their family, personal, and work problems with and receive advice from psychologists from Chulalongkorn University, available once a week. The information of the employees will be treated as confidential, and their issues would not be reported to the Human Resources Operations Department. In this regard, the employees can access the Happy Heart Center service through the hotline channel, individual counseling, MS Teams or Zoom for which the appointment can be made via mobile phone or the Line application. The service is available on every business day from 10.00 to 17.00 hrs.

2. **Financial benefits** such as a home rental allowance; an extra allowance for employees at the branches in high living cost areas, an extra allowance for the officers at the branches that are open six or seven days a week for service, a child education allowance, a special allowance, financial support in case of workplace relocation, financial relief in case of disaster, financial support in case of death or the death of a spouse or parents, a mobile phone allowance, etc.
3. **Employee loans** such as a housing loan, a family loan, a car or motorcycle loan, a disaster relief loan
4. **Provident funds** with the objective to give benefits to employees after their retirement or resignation, motivate them to perform efficiently, as well as foster savings habits to ensure that employees can have a happy retirement.
5. **Social security benefits** with the objective to give benefits and life security to the employees in case of illness, childbirth, disability, death, children's allowances, aging, and unemployment to ensure that the Bank's employees access medical treatments and have a secondary financial support. This benefit is an addition to the Bank's health benefit packages.
6. **Compensation funds** with the objective to give benefits and life security to the employees in case of accidents, illness, or death because of a work-related cause. This benefit is an addition to the Bank's health benefit packages.
7. **Funeral Assistance Association of the Bank of Ayudhaya Public Company (Limited)** established to help cover the expenses for the funeral of the members, as well as the members who are former Krungsri employees.

- Communicate about employee benefits through the Bank's employee manuals and online channels such as email (Around HR), 'Krungsri Portal SharePoint' (Intranet), Krungsri Employee Mobile Application (KarE), etc.

- Provide flexible working hours by changing working hours in line with each individual employee's working conditions, tasks, personal needs, without any impacts on customer services or the Bank's operations. Ranges of working hours (including one-hour break) available for selection are 07.30-16.30 hrs., 08.00-17.00 hrs., 09.00-18.00 hrs., and 9.30-18.30 hrs.

- Provide other facilities in the office to promote employees' well-being namely:
  - Facility for religious activities such as prayer rooms for Buddhists and Muslims
  - Facilities for wellness and occupational health, such as:
    - Krungsri canteens on the 8th and 9th floors of Head Office, and 12th floor of Krungsri Ploenchit Office
    - Krungsri Fitness Center on the 10th floor of Head Office with trainers available for giving advice of fitness equipment safety and closely monitoring employees using the equipment, and opening hours of 6.30 - 20.00 hrs.
    - The Oasis corner on the 8th floor of Head Office
    - Krungsri D-Space on the 9th floor of Head Office
    - A lactation room where working mothers can safely express their breastmilk.
    - Small gardens and walking or running trails around the Krungsri Riverside Office and the Head Office, etc.

- Launch the employee's **performance management system and formulate the operating manual to determine the annual performance target** to be communicated to all employees. In this regard, the performance of executives and employees at all levels shall be evaluated as follows:
  - **Employee's performance per key performance indicators (KPIs)** containing both financial and non-financial dimensions which include ESG integration into the KPIs of both executive and employees levels
  - Employee's performance per **Krungsri Core Values** criteria covering six aspects, namely Customer Centricity, Integrity, Team Spirit, Passion for Excellence, Making Innovative Changes, and Global Awareness.
  - Formulation of individual development plan
  - Audit, compliance and disciplinary issues

The said results will be used to summarize the overall performance of each employee. Furthermore, the performance shall be calculated and analyzed before making a bonus payment, salary increase, and promotion to promote the culture of a High-Performance Organization and retain the employees with outstanding performance and good conduct in line with the Bank's core values.

**Structure for determining operational targets**

| Score | Indicators | Definition of indicators |
|---|---|---|
| 100% | **Financial KPIs** | |
| | Financial KPI | The Financial KPI consists of results of internal management or the employee's roles and responsibilities reflecting in profit and loss, balance sheet, OPEX, etc. |
| | **Non-Financial KPIs** | |
| | Customer & Society KPI | The indicator refers to services offered to both internal and external customers such as marketing process, customer base expansion, customer satisfaction, responsible lending and ESG considerations, and collective efforts to develop and participate in CSR activities. |
| | Internal Process KPI | The indicator refers to the operating process that indicates the strategy and operational excellence, as well as ESG integration across various business units such as ESG strategies, development of work process to mitigate ESG risks, development of innovation and products that integrate ESG aspects |
| | Human Capital KPI | The indicator refers to a strategy to manage, develop, and retain human workforce in the organization such as employee improvement (e.g., knowledge development, individual development plan), retention of employees, and the level of employee engagement. |

# Promotion of Employee Engagement

## Management Approaches

- Conduct **an employee opinion survey (Voice of Krungsri)** by an external party. Employees' feedback would be taken into consideration to develop the human resource operation as well as enhance efficiency and engagement of the employees. The frequency of the survey depends on appropriateness and consideration of related committees.

- Organize **activities to foster engagement of employees** such as the retirement and service recognition ceremony, activities in important occasions namely a merit-making ceremony on Krungsri's establishment anniversary, the Employee Purchase Program where the Bank joins hands with suppliers in providing inexpensive products for employees, Pay Day, Play Day with a quiz game relating to the Bank's basic information and activities of the Human Resources Group. Furthermore, Krungsri also communicated with employees through 'KarE Channel' to present news in video format through two programs: 'Insight Krungsri' to foster organizational pride, and 'Hello Yellow' to build employee engagement, etc.







- Establish the **Krungsri Club** to encourage employees from different business units to get to know each other and participate in beneficial activities and hobbies together during free time to strengthen unity and harmony. The employees can choose to be members of clubs of their interests such as the music club, running club, bike club, football club, shooting club, photography club, and the Volunteer Club.






### Listening to Employee Voice

- Enable employees to voice their concerns through various channels to help solve their problems according to the Bank's regulations as follows:

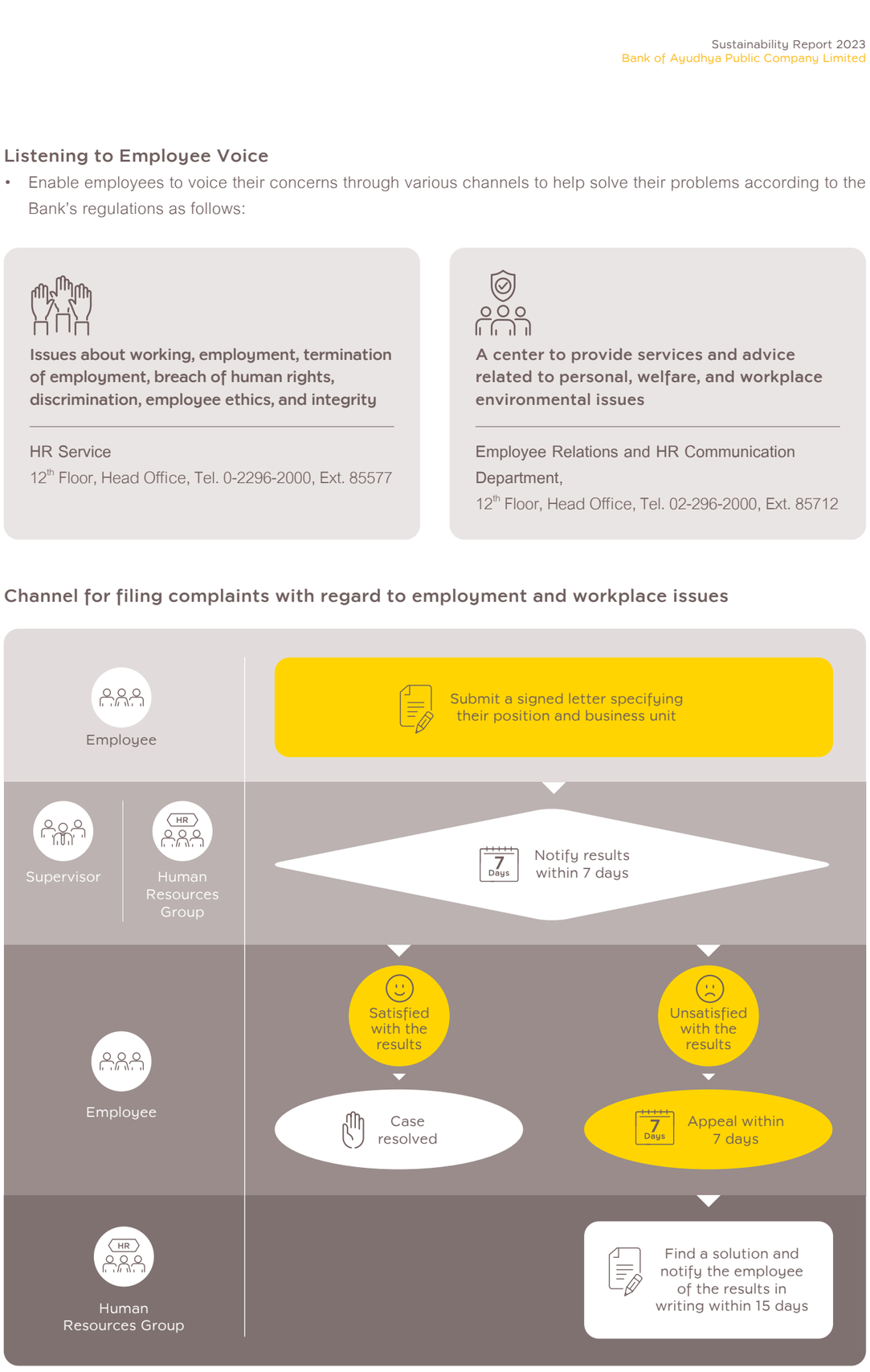
**Issues about working, employment, termination of employment, breach of human rights, discrimination, employee ethics, and integrity**

HR Service
12th Floor, Head Office, Tel. 0-2296-2000, Ext. 85577

**A center to provide services and advice related to personal, welfare, and workplace environmental issues**

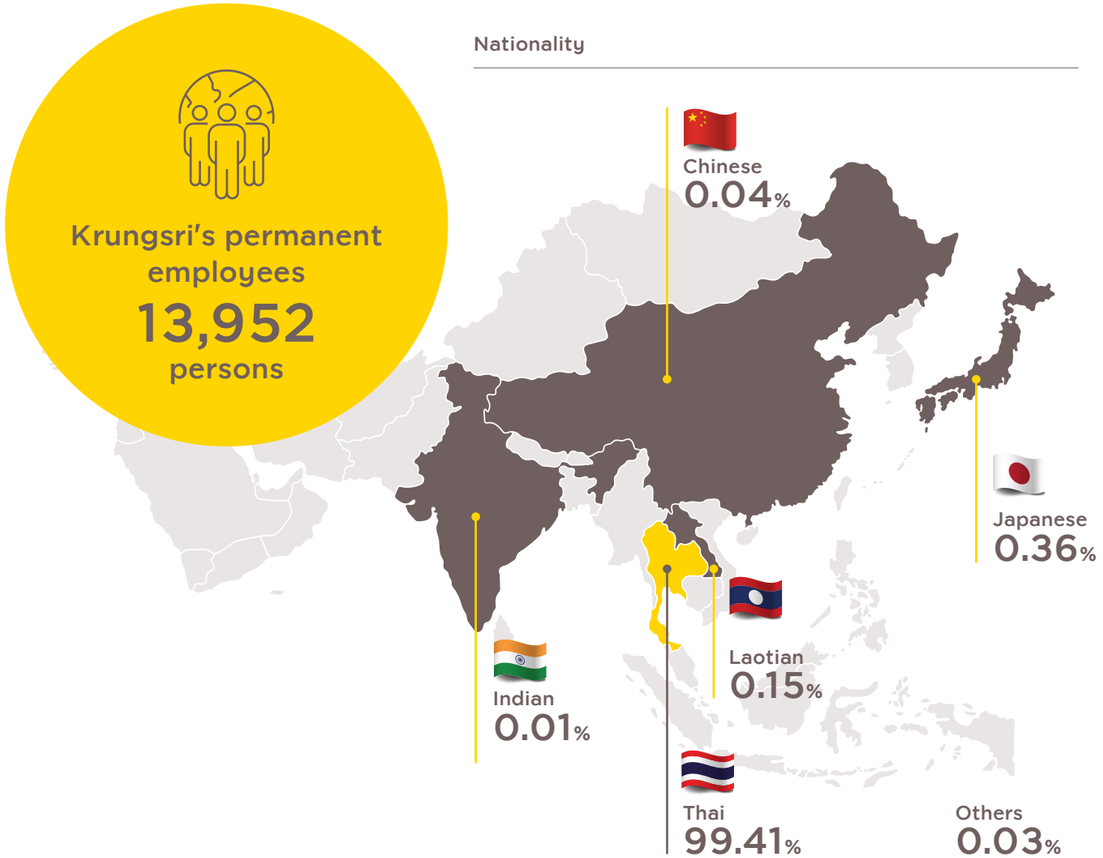
Employee Relations and HR Communication Department,
12th Floor, Head Office, Tel. 02-296-2000, Ext. 85712

### Channel for filing complaints with regard to employment and workplace issues



# Performance

## Diversity of Krungsri's Employees




| Age range | Employees at the Operational Level | | Employees at the Executive Level | | Senior Executives | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| Less than 30 years | 285 | 680 | 1 | 2 | - | - |
| 30-50 years | 1,882 | 5,719 | 633 | 912 | 219 | 269 |
| More than 50 years | 663 | 1,074 | 423 | 646 | 269 | 275 |
| Total | 2,830 | 7,473 | 1,057 | 1,560 | 488 | 544 |





### Meeting of the Nomination and Remuneration Committee

Target:
Organize the Nomination and Remuneration Committee meeting at least once a month

Performance:
In 2023, 16 meetings were held, exceeding the specified target.

### Meeting of the Human Resources Committee

Target:
Organize the Human Resources Committee meeting at least once a month

Performance:
In 2023, 23 meetings were held, exceeding the specified target.

### Meeting of the Incentive Subcommittee

Target:
Organize the Incentive Subcommittee meeting at least once a year.

Performance:
In 2023, four meetings were held, exceeding the specified target.

### Freedom of Association and Collective Bargaining

Target:
Krungsri places a great emphasis on freedom of association and collective bargaining, while promoting and offering an opportunity for employees to join in union and negotiate for employees' interest, and to establish and become members of Krungsri Labor Union according to the Labor Relations Act B.E. 2518 (1975). This encourages employees to exchange opinions with the Bank and creates good labor practice in the organization. A meeting between the Krungsri Labor Union Committee and the Human Resources Group was organized at least once to discuss about problems related to environment, compensation and employee benefits as well as provide recommendations beneficial to the Bank's employees.

Performance:
In 2023, the Krungsri Labor Union Committee met once and had members representing 16.88 percent of total employees.*

Remark:
* Krungsri's permanent employees only

### Provident fund

Target:
Consistently communicate diverse provident fund matters to members via the 'Around HR' email, including the notification of contribution ratio change via the e-Provident Fund system, the election of employee members of the provident fund committee, monthly market updates and outlook, etc.

Performance:
The Bank also organized the annual general meeting to report the provident fund's annual operating results to members. In 2023, employees who were members of the provident fund represented 93 percent of the total employees.

### Group health insurance plans

Target:
Provide 100 percent of eligible employees group health insurance plans

Performance:
In 2023, the Bank provided 100 percent of eligible employees with health insurance plans as per the target. Furthermore, the Bank also provided the 'Flexible Group Health Insurance Plan' to enable them to choose the insurance plan that best suits their needs consisting of:

- Plan 1 (Officer 1 - Officer 6): A total of seven plans were provided.
- Plan 2 (Officer 7-8): A total of seven plans were provided.

## Influenza vaccination service

Target:
Conduct a survey on needs of employees at Krungsri's Head Office, Krungsri Ploenchit Office (KSPO), Ploenchit Tower, and Bangkok Insurance Building, as well as branch employees, to provide on-site influenza vaccinations for the Bank's employees and their family as requested.

Performance:
In 2023, the four-strain influenza vaccine that helps provide protection against four flu virus strains as recommended by the World Health Organization (WHO) were provided to the Bank's employees and their family during July 12, 2023 and August 31, 2023.

## Annual health check-up

Target:
Communicate and provide annual health check-up packages for both employees and vulnerable employees at least once a year.

Performance:
In 2023, Krungsri communicated about annual health check-up packages via email (Around HR), and the 'KarE' Application as well as provide annual health check-up packages to employees from July 1 to December 31, 2023, based on the age range of employees as stipulated by the Bank's criteria. Furthermore, additional health examination packages were provided to vulnerable employees, who may be expose to the risks arising from work, to promote their health and wellness. The annual health check-up results of 100 percent of vulnerable employees revealed no health issues about irregular respiratory system, hearing problem, and the lead level in the blood circulation system.

## Krungsri Fitness Center

Target:
Open Krungsri Fitness Center from 6.30 - 20.00 hrs. with the set target of 12,000 usage times per year

Performance:
In 2023, Krungsri Fitness Center welcomed 2,136 users, converted to 11,015 times of facility usage. The figures are less than the specified target because the Bank has the hybrid work policy, contributing to the decrease in the number of users.

## Krungsri Club

Target:
Promote health and wellness, as well as good relations among Krungsri colleagues from various business units through the establishment of Krungsri Club

Performance:
In 2023, a total of 10 clubs were established namely the bike club, football club, photography club, Krungsri running club, badminton club, music club, volunteer club, shooting club, table tennis club, and people-who-love-to-share club. 1,385 employees applied for memberships of these clubs.

## The Voice of Krungsri (VOK)

Krungsri believes that every employee is a valuable resource and a key driver in propelling the organization towards growth and success. When employees are engaged with the organization, it fosters a sense of responsibility and commitment to deliver results for the organization while working happily. Krungsri thus places importance on the Voice of Krungsri (VOK), which is employee engagement survey program, considering it a crucial part of human capital management. The survey helps executives and the organization understand employees' level of engagement with the organization, as well as their experiences working together. This is reflected through survey feedback to improve the work environment, create good experiences for employees, and build a corporate culture that makes the organization an attractive workplace.



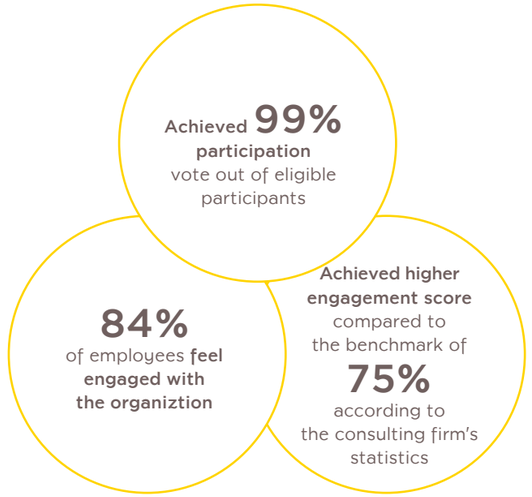







Target:
Conduct an employee engagement survey to provide opportunities for employees to freely express their opinions and suggestions from various perspectives.

Performance:
In 2023, we received great participation from both executives and employees in taking part in the survey. The overall organizational results were presented to top management across all business groups.




After the employee engagement survey, Krungsri utilized the results report to further develop employee engagement and experiences. A communication plan for 2023 can be summarized as follows:

- Arrangement of activities and communications to foster understanding about the building of employee engagement among all levels of employees—comprehensively covering before, during, and after the survey.
- Provision of guidelines to study the data from the survey to the employees, the representatives or VOK champions, and executives to ensure they can read report correctly and provision of recommendation to prepare the operating plan and the sample of activities to foster employee engagement.
- Presentation of plan and progress that builds engagement at the Group Level by the VOK champion to the senior executives to ensure they realize the progress in a tangible manner.
- Communication with employees at all levels to listen to their opinions and arrangement of other activities to foster engagement with employees on a regular basis.

## Listening to employee voices

Target:
No complaint about human rights, breach of the right to personal liberty of employees, discrimination, and inappropriate treatment

Performance:
In 2023, the Bank received a complaint from an employee regarding communication behavior of their direct manager, such as using inappropriate conversation, leading to be believed that the manager criticized the person about eating habits and exercise. The matter was examined, and the direct manager was admonished to take cautious approach when having conversation with their subordinates. In this regard, the Bank has stipulated channels through which employees can file complaints without the knowing of their respective direct managers for any unfair treatments, e.g., HR Service Tel. 0-2296-2000, ext.85577, or ombudspersons which have been announced publicly.

# PROMOTION OF FINANCIAL LITERACY

Promotion of financial literacy is another cause that Krungsri continues to champion, for we are cognizant of how knowledge about personal finance planning and management form the bedrock of the path to financial stability and good quality of life. In addition to preventing Thais from falling into heavy household debts—a serious structural problem hindering the country's socioeconomic development.

Furthermore, financial literacy assists customers and people in general with planning and selecting financial products and services that best suit their liabilities. At the same time, the Bank gains business opportunities, and cuts down financial risk as well as credit risk caused by bad debts.

## Management Approaches

- Initiate projects or activities that promote financial literacy in various forms such as online learning activities and game-based learning program that befit each target group, e.g., students, customers, employees, and the public, to instill saving habits and promote efficient personal finance planning and management

- Encourage executives and staff members to take part in projects or activities that promote financial literacy, e.g., joining as volunteers in activity-based and game-based learning or as speakers

- Conduct a survey on the target group's satisfaction with the said projects or activities through various channels to use the results to improve and further develop these projects or activities to better meet the needs of the target group and for their best interest.

## Performance

### Happy Money Project: Life Coach Series: The Money Coach's Guide

'Happy Money Project: Life Coach Series: The Money Coach's Guide is a collaborative project between Krungsri and the Stock Exchange of Thailand (SET) aiming to provide Krungsri employees with financial planning and management knowledge, including encouraging them to become financial mentors and further share their financial knowledge to the subsidiaries. To become a financial mentor under the Life Coach Series: The Money Coach's Guide, participants must complete four training sessions namely 1) Kick-off session; 2) Plan Your Money 3) The Money Coach's Guide; and 4) Group Mentoring. These four sessions, run by speakers who were experts from SET.

Performance:
In 2023, the fourth session, Group Mentoring, was conducted online on March 29, 2023. Under the 'Happy Money Project: Life Coach Series: The Money Coach's Guide', there were nine Krungsri Group staff members who completed all four training sessions and became certified financial mentors—endorsed by the Stock Exchange of Thailand.

In this connection, Krungsri has further expanded the success of the 'Happy Money Project: Life Coach Series: The Money Coach's Guide' by initiating the 'Krungsri Money Coach' project in collaboration between the Environmental Social and Governance Division and the Human Resources Learning and Development Division. The objectives are for financial mentors, who have been trained and certified by the Stock Exchange of Thailand, to provide advice to colleagues who are facing financial management issues and help them break free from the debt traps.








### Krungsri The COACH 'Making Financial Matters Simple'

As a leading financial institution that is responsible and has the spirit of banking with purpose, Krungsri moves forward with its mission to enhance financial literacy while serving as a financial advisor to customers and the public. We perceive that financial planning and saving habits are a major factor that helps drive and bolster the Thai economy's sustainable growth, especially in the past few years in which the business sectors and the people faced economic hardships and liquidity problems due to both domestic and international factors.

With this in mind, Krungsri has continued the 'Krungsri The COACH' since 2022. The project serves as a source of financial know-how in all dimensions based on the concept of 'Making Financial Matters Simple' by making financial management knowledge easy to understand and practical through digital platforms, both social media such as Facebook and YouTube, and the Bank's website (www.krungsri.com). In addition, there are weekly internal communication to encourage the employees to follow, watch, and support the programs that are broadcasted to the public.

The highlight of Krungsri The COACH is that it combines the expertise from various business units under the Bank's Retail and Consumer Banking to broaden the financial know-how of customers and the public. Each episode is also aiming to inspire them to manage their finance in every aspect, ranging from fundamentals of finance, daily money management, debt management, loans, insurance, retirement planning, to investment. Matters of interest or daily occurrences are discussed and linked with financial matters. This also included the sharing of knowledge and cautions about fraudulent schemes and scams that have a significant impact on the society, such as EP.85 'Expensive Electricity Bills, Is It Worth Taking Out a Solar Roof Loan?', EP.91 'Credit Cards for People in Each Age Gap', EP.111 'Exposing Fraud - Scams That Drain Your Money in Credit Card', EP.122 'What To Do If Blacklisted', and EP.125 'Can I Get a Home Loan Without Credit?', etc.

Target:
Present interesting and appropriate financial knowledge for a wide range of target audiences through various programs of Krungsri The COACH.







Performance:
The programs and contents of Krungsri The COACH 'Making Financial Matters Simple' broadcasted in 2023 consist of:

- Krungsri The COACH 'Can't Figure It out? We'll Answer.' – This program is hosted by seasoned experts from Krungsri while there will be a discussion of trendy topics and provision of useful financial management knowledge for daily life (new episode on every Friday).
- Double Espresso by Krungsri The COACH 'Every Shot of Investment' – This is a live streaming with comprehensive financial content focusing on identifying trends before the stock market opens, targeting investors who want to keep their finger on the pulse of the stock market. (The program runs every Monday to Friday, except public holidays, from 8:00 a.m. onward.)
- Krungsri The COACH x Krungsri Exclusive 'Delve Deeper into Investments' – This is a weekly live streaming that delves deep into all investments, macroeconomic outlooks, as well as global financial trends that affect Thailand's financial and investment markets. The program is hosted by Krungsri Group's financial experts Khun Win Phromphaet, Executive Vice President, Head of High Net-Worth Division, Bank of Ayudhya PCL; and Khun Aekkarat Srisupavichakit, Senior Vice President, Head of Wealth Management

Department, Krungsri Securities Plc. Krungsri The COACH x Krungsri Exclusive Unlocking Wealth' is streamed every Tuesday from 7:30 p.m. onward.

- **Krungsri The COACH online content hub** – An aggregation of content and easy-to-digest financial articles about loan and credit card planning, life and investment planning, as well as tax planning. The contents are presented through the website www.krungsri.com.

'**Krungsri The COACH**' has been well received by the target audiences. In 2023, 338 episodes were streamed via the YouTube and Facebook channel with over 22.4 million views, an increase of up to 14 percent of YouTube subscribers, and more than 2.8 million views of the articles on www.krungsri.com.










### 'Money Matters' Project by Krungsri Consumer

- Initiated in 2017, '**Money Matters**' by Krungsri Consumer aims to promote financial literacy among employees and the public. Realizing that effective financial management leads to stability and better quality of life, the project encompasses various activities and communications, such as 'Money Matters' articles by Krungsri Consumer on its Facebook fanpage 'Krungsri Consumer'. These articles provide wisdom on personal financial management, as well as interesting, up-to-date, and practical money-saving tips. In 2023, the articles reached over four million people.

- The '**More Money Talk by the Savings Club**' activity presents interesting financial knowledge by inviting financial experts to share knowledge and answer employees' questions about money management, such as 'How to Survive in the Current Economic Situation?'. This allows employees to be prepared to cope with unexpected events or crises. The activity raises employees' awareness and ability to carefully plan their budget, while emphasizing the importance of emergency fund.

- **Financial literacy activities through live streaming for employees** in alignment with the hybrid work model.










### 'Life Rolls Forward' Project by Ngern Tid Lor

'Ngern Tid Lor' aims to create shared value (CSV) by launching the 'Life Rolls Forward' project, through which basic financial knowledge is provided to low-income communities, merchants, industrial workers, as well as Ngern Tid Lor's own employees.

Performance:
In 2023, Ngern Tid Lor continued the 'Life Rolls Forward' Project in five target communities namely: 1) Ban Pak Kabat, Uthai Thani province, 2) Ban Wang Yao, Phetchabun province, 3) Ban Nong Samrong, Lopburi province, 4) Ban San Kao Kom, Tak province, and 5) Ban Bang Riang, Phang Nga province. There were 185 villagers from the above communities participating in the activities. The three-month follow-up after the activities revealed that the trained villagers were more aware of their spending—24 percent of them increased their personal savings, with approximately 2,234 baht on average.

In addition, Ngern Tid Lor created a pilot model community which was Ban Sai Ngam community in Prachantakham District, Prachinburi Province, with 11 months of continuous monitoring, feedback, and recommendations to develop financial discipline. Based on the follow-up of 10 project participants, it was found that they gained knowledge in debt management, savings disciplines, as well as incomes and expenses recording. In so doing, they are able to save money for debt repayment, while their debt continuously decreased. The total debt of villagers participated in the project decreased by 106,691 baht (as of July 10, 2023, compared to initial amount in September 2022).

Furthermore, Ngern Tid Lor also helped facilitate the cooperation between the Vehicle Title Loan Trade Association (VTLA) and the Bank of Thailand (BOT) under the '**Fun Finance for Sustainable Happiness**' project. The objective is to enhance financial literacy of communities lacking basic financial knowledge. The members of the VTLA are currently learning and establishing their own teams. Ngern Tid Lor's working team will continuously report progress to the BOT while it is expected that more than two VTLA members will be able to conduct activities independently in the first quarter of 2024.

In addition, Ngern Tid Lor expanded the 'Life Rolls Forward' project by providing financial knowledge to various target groups through collaboration with external agencies. For example, there was dissemination of basic financial knowledge to 43 high school students who are about to graduate from Dhammajarinee Witthaya School, Ratchaburi province, to prepare them for university life. The objectives were to ensure that the students can prepare themselves financially which will lead to a good quality of life.

### Kamlangjai Project, Financial Literacy for Career Development, by Ngern Tid Lor

Realizing the importance of personal finance and investment management to support one's profession, Ngern Tid Lor initiated a financial literacy project to share knowledge with inmates who are set to be released under **the Kamlangjai Project under the Royal Initiative of HRH Princess Bajrakitiyabha** (kamlangjai means 'inspire') to prepare and give them opportunities in the Thai society. The project is undertaken under the concept, 'Everyone in society can live together peacefully only when they know how to maintain their rights without infringing upon others. The justice process



is one part that will help everyone respect each other's rights. However, when the justice process is fully completed, all parties involved in society should have the opportunity to live together peacefully once again.'

Performance:
2023 was the fifth year in which Ngern Tid Lor organized this project to share financial knowledge with 410 people who made a mistake in life across eight prisons, as well as five prison officers so that they understand the content in the e-Learning video clips and can use it to organize financial literacy activities for inmates by themselves. In 2023, there were two prisons participated in the project in order for the officers to transfer knowledge to inmates, including Doi Hang Prison in Chiang Rai province and Khao Phlong Prison in Chaiyaphum province. A total of 100 persons who have committed mistakes in life participated in this program.

### The Money Coach Project by Ngern Tid Lor

The Money Coach Project, with the support from the Stock Exchange of Thailand, aims to train internal financial mentors so as to offer guidance to their fellow employees facing financial difficulties.

Performance:
In 2023, Ngern Tid Lor saw 22 employees graduate from the third batch of the Money Coach Project. These mentors utilized their knowledge to offer advice, provide recommendations, and oversee the financial well-being of 15 employees. Within the initial four-month period, a remarkable amount of debt amounting to 1.07 million baht was reduced among these project participants. They also have adequate cash flow to cover their living expenses after debt repayments. Specifically, the average debt-to-income ratio dropped from 77 percent to 47 percent. These achievements are attributed to disciplined savings, altered spending habits, and successful negotiations with creditors for debt restructuring.

Ngern Tid Lor has extended the 'Money Coach Project' initiative to enhance financial literacy among employees seeking solutions to debt-related challenges. This is conducted through the collaborative effort under the activity 'Converting Bad Debts into Good Debts' in partnership with the By SAM Debt Clinic. The objective is to empower employees with skills in personal financial management and strategies for addressing credit card, cash card, and personal loan debts. A total of 81 employees actively engaged in this program.







### Stop Gambling Foundation Network by Ngern Tid Lor

The Stop Gambling Foundation Network project is created to empower community representatives and local volunteers with fundamental financial knowledge regarding debt relief. This enables them to offer basic financial guidance to community members who lack financial literacy skills.

Performance:
In 2023, Ngern Tid Lor facilitated the transfer of financial expertise to members of the Stop Gambling Foundation. The members are now equipped to disseminate knowledge about debt relief to local representatives and volunteers across a network in nine provinces, namely Lampang, Phayao, Nan, Ubon Ratchathani, Surin, Kalasin, Loei, Saraburi, and Phatthalung. A total of 450 individuals participated in these activities.





# OCCUPATIONAL HEALTH, SAFETY, AND WORKING ENVIRONMENT

Krungsri Group realized that occupational health, safety, and working environment are among key factors that facilitate employee efficiency and achievements in accordance with the organization's goals.

With this in mind, Krungsri Group is committed to promoting safe working conditions that are free from incidents—including accidents that may occur in the workplace, near-miss incident, as well as the prevention of work-related illnesses. Safety at work in this context refers not only to Krungsri Group executives and employees who are performing their duties, but also to all relevant parties that work in areas under Krungsri Group's supervision. This includes the safety of external outsourced service providers, business partners, external employers, suppliers of products and services, etc.

Having proper occupational health, safety, and working environment in place helps reduce the risk of accidents and minimize losses in the workplace, including direct losses incurred to those directly affected by accidents, such as bodily injury, loss of limbs, disabilities, medical expenses, etc., as well as indirect losses associated with accidents, such as loss of working time, work, opportunities and reduced operational effectiveness, damages to property, reputation and corporate image, medical and compensation costs, fines or penalties for non-compliance with laws and regulations related to occupational health and safety in the workplace, etc. This also helps minimize the impact on the livelihoods of employees' families and other relevant parties.

## Management Approaches

- Establish the '**Safety, Occupational Health and Environment Committee**' comprising 11 employer and employee representatives with a term of two years each. Meeting once a month, the committee has a duty to consider policies, action plans, and compliance with regulatory requirements related to safety, occupational health, and environment, such as the Ministerial Regulation on the Provision of Occupational Safety Officers, personnel, agencies or groups of persons to carry out safety operations in the workplace B.E. 2565
- Appoint the '**Occupational Safety Officer**' whose duties are to oversee, promote, support and comply with laws related to safety, occupational health and work environment, such as the Ministerial Regulation on the Provision of Occupational Safety Officers, personnel, agencies or groups of persons to carry out safety operations in the workplace B.E. 2565, which consists of:

**Safety Officer: Management Level**

| Head Office (Persons) | Krungsri Ploenchit Office (Persons) |
|---|---|
| 58 | 30 |

**Safety Officer: Supervisory Level**

| Head Office (Persons) | Krungsri Ploenchit Office (Persons) |
|---|---|
| 175 | 94 |

- Stipulate the '**Policy for Environment, Well-being, and Safety**' as a guideline in establishing measures for workplace well-being and safety, as well as resource efficiency. The policy is applicable to the Bank and the companies in the Financial Business Group of which 50 percent of shares are held by the Bank (subsidiaries). The subsidiaries may approve or apply this policy as a guideline for preparing their respective comparable policies.

- Encourage employees at all levels to attend training courses on safety, occupational health, and working environment, as well as organizing activities and communication via diverse channels to consistently raise staff awareness regarding safety and employee engagement, e.g., fire drills and evacuation, the CPR/AED Champion Project, notifying staff via email to switch off and unplug electrical appliances after use and during long holidays, etc.

- Set targets of reducing accidents in the workplace toward zero percent, while related committees stipulate preventive measures and guidelines to mitigate potential risks. Control and assess workplace environment, and file information about employees' and related parties' work-related injuries, accidents, and illness of employees and relevant persons.

- Regularly assess health risk of high-risk employees, such as employees carried out document collection tasks under the Domestic Cheque Operations Department, etc., to seek preventive and risk mitigation solutions

- Safekeeping personal data regarding employees' and related parties' work-related health and illness confidential, taking into account their privacy and human rights

- Provide Krungsri Clinic at the Head Office (19th floor) and Krungsri Ploenchit Office (12th floor) with physicians and nurses available for initial treatments

- Establish fire prevention and suppression plans, ensure that there are no materials or working conditions that could trigger fire, organize annual fire evacuation drills in compliance with related laws

- Establish contingency plans, including needed equipment and resources to be well prepared for emergencies such as disasters and the Emerging Infectious Diseases (EID)

- Regularly conduct air quality assessment in the Bank's buildings to be at par with the standards, assess current and future environmental conditions as well as air quality in the areas of the Bank's operations, and notify employees accordingly, e.g., the PM 2.5 situation or the use of pesticides in the buildings, etc.

- Examine and ensure that lighting in the workplace is adequate and appropriate for operations in compliance with related regulatory requirements

- Stipulate that there must be controls of noise pollution in the workplace and provide a guideline for managing noise caused by construction or renovation in the building, e.g., communication or warning signs, providing temporary operational sites for employees

- Appropriately provide green areas at office, internal and external, e.g., small gardens, or trees that could absorb carbon dioxide emissions in the workplace, to create recreation areas for staff

- Provide channels for workplace well-being, safety, and environment complaints as employees can make complaints through Krungsri's website (krungsri.com), Krungsri Call Center 1572, or directly inform the Safety, Occupational Health and Environment Committee via the email committee.Safety@krungsri.com, or the LINE application 'Security Center BAY'

## Performance

It is Krungsri's commitment to achieving a zero-accident and injury-free workplace, enabled by efficient occupational health, safety, and working environment management. Employees as well as those working under the supervision of the Bank are encouraged to be aware of work safety, thereby continually reducing the severity of injuries and the number of accidents.





| Occupational Health and Safety Data* | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Occupational fatality (persons) | 0.00 | 0.00 | 0.00 | 0.00 |
| Occupational Disease Rate (ODR) [1/] | 0.00 | 0.00 | 0.00 | 0.00 |
| Lost Time Injury Rate (LTIR) [2/] | 0.01 | 0.01 | 0.02 | 0.01 |
| Lost Day Injury Rate (LDIR) [3/] | 0.43 | 0.15 | 0.08 | 0.47 [4/] |

Remarks:
* The above data is for permanent employees only, and does not include outsourced employees and external contractors, as the standard for reporting data is being established.
1/ Occupational Disease Rate (ODR) = Number of persons with occupational diseases * 200,000 hours worked) / total employees' hours worked
2/ Lost Time Injury Rate (LTIR) = Number of injured persons who need days off * 200,000 hours worked) / total employees' hours worked
3/ Lost Day Injury Rate (LDIR) = Number of days off due to injuries * 200,000 hours worked) / total employees' hours worked
4/ The Lost Day Injury Rate in 2023 increased because two branch employees tripped and fell while working, resulting in extended work leave due to the incident. The safety officer at management level, the safety officer at supervisory level, and relevant departments such as the Safety and Crisis Management Section, Benefits Management Section, etc. investigated the causes and established preventive measures, as well as provided proper care and treatment for the injured employees.

## Data of Occupational Health, Safety, and Working Environment

| Topic | Target | 2023 Performance |
|---|---|---|
| Occupational health, safety, and working environment complaints | Zero occupational health, safety, and working environment complaint | No complaints regarding occupational health, safety, and working environment were made |
| The Meetings of the Safety, Occupational Health and Environment Committee | Hold a meeting at least once a month in compliance with the appointment directive and regulation of the Safety, Occupational Health and Environment Committee | Organized the meetings of the Safety, Occupational Health and Environment Committee<br>• 12 meetings were held at the Head Office, Rama III Road<br>• 12 meetings were held at the Krungsri Ploenchit Office. |
| Health risk assessment among high-risk employees | Provide annual health check-ups for high-risk employees once a year | Employees of document collection functions, under the Domestic Cheque Operations Department, and the Collateral Valuation Department are among the employees who are at high risk of developing respiratory diseases and hearing disorders due to their exposure to toxic substances of paper pulp. Health check-up results of the employees showed that all of them are normally healthy. |

| Topic | Target | 2023 Performance |
|---|---|---|
| Air quality | • Stipulate a ceiling exposure limit of carbon dioxide ($CO_2$) levels of 1,000 PPM*<br>• Regularly clean air conditioners every three months<br>(Remark: * PPM (Parts Per Million) which is the number of toxic gas units per million units of air.) | • The indoor air quality at the office buildings was measured and controlled on a real-time basis for 24 hours/day, using air quality monitoring instruments on all floors through the Building Automation System (BAS). The monitoring which covered the Head Office and Krungsri Ploenchit Office revealed that the indoor carbon dioxide ($CO_2$) levels were under 1,000 PPM*.<br>• Air conditioners were cleaned every three months as scheduled, where the office temperature was controlled between 24-25°C, which is suitable for working. |
| Noise levels | • Set the 8-hour average noise level standard at no more than 85 decibels A, according to the Department of Labor Protection and Welfare's notification regarding the average standard noise levels permitted for employees over the work day, and the Ministerial Regulation on the Prescribing of Standard for the Administration and Management of Occupational Safety, Health, and Environment in Relation to Heat, Light, and Noise B.E. 2559 (2016)<br>• Randomly measure noise levels at least once a year | • Random measurements of noise levels at the Head Office and Krungsri Ploenchit Office for 2023 revealed that noise levels in all these office buildings remained lower than the stipulated ceiling limit of 85 decibels A. |
| Luminous intensity of lighting | • The levels of luminous intensity of lighting are in compliance with the Notification of the Department of Labour Protection and Welfare, Re: Standard of Light Intensity, B.E.2561 (2018) with the average of no less than the specified level of 400-500 lux.<br>• Conduct random measurements of luminous intensity of lighting at least once a year | • Based on the random measurements of luminous intensity of lighting for 2023 revealed the following results:<br>◦ Head Office: the average luminous intensity of lighting was 450-550 lux in compliance with the stipulated regulation.<br>◦ Krungsri Ploenchit Office: the average luminous intensity of lighting was 400-500 lux in compliance with the stipulated regulation. |
| Drinking water quality | • Regularly examine the water quality every three months. The drinking water quality is in compliance with the Notification of the Department of Health on Criteria for Recommendation of Drinking Water Quality Surveillance, B.E.2563 (2020).<br>• Replace filters according to specified timeframe, depending on filter type<br>• Replace UV germicidal lamps annually | • The quarterly random examinations found that the drinking water quality of 100 percent of drinking water dispensers at the main office (Head Office and Krungsri Ploenchit Office) was in compliance with the stipulated regulation.<br>◦ Replaced all types of filters as scheduled.<br>◦ Replaced UV germicidal lamps as scheduled. |





| Topic | Target | 2023 Performance |
|---|---|---|
| Wastewater quality | • Improve wastewater quality of the Head Office and Krungsri Ploenchit Office to comply with standards of the Ministry of Natural Resources and Environment and submit reports to relevant regulatory authorities on a monthly basis. | • Wastewater quality tests from the Head Office and Krungsri Ploenchit Office was found to be in alignment with the standards of the Ministry of Natural Resources and Environment, with monthly wastewater quality reports submitted to the Yan Nawa District Office and the Pathumwan District Office |
| Training on occupational health, safety, and working environment for outsourced service providers, both existing and newly hired.[1/] | • Provide training for 100 percent of suppliers or outsourced service providers and their newly hired employees | • The training sessions on occupational health, safety, and working environment were organized for all existing and newly hired outsourced service providers. The Bank notified 100 percent of outsourced service providers who worked at the Bank's office buildings of regulations for working at the office buildings. |
| Handgun shooting drills | • Organize handgun shooting drills for branch security guards and conduct the drills as per stipulated plan | • Handgun shooting drills were organized for 496 branch security guards nationwide according to the specified plan. |
| Fire evacuation drills | • Stipulate a plan for fire evacuation drills<br>• Conduct the fire evacuation drill at least once a year, in compliance with the Ministerial Regulation: Standards for administration, management, and operation of safety, occupational health, and working environment regarding fire prevention and suppression, (No.2), B.E. 2561 (2018) | • The planned fire evacuation drills were carried out as follows:<br>◦ Tonson Tower on November 23, 2023<br>◦ Bangna Towers on November 24 , 2023<br>◦ Krungsri Ploenchit Office on December 25, 2023<br>◦ Krungsri's Head Office (Rama III Road) on December 27, 2023<br>◦ Krungsri Riverside Office on December 27, 2023 |

Remarks:
[1/] In 2023, the Bank and its subsidiaries hired 1,755 outsourced personnels for security services, office cleaning, building management, and IT services.





# FINANCIAL INCLUSION

Krungsri as a Domestic Systemically Important Bank (DSIB) has been well aware that it is important to promote comprehensive and equitable access to basic services, particularly financial services, for our customers and the general public, namely corporate, SME, and retail customers, including low-income earners, the disadvantaged, and the vulnerable group who have less access to financial services than other groups.

The Bank, therefore, offers financial products and service innovations appropriate for each customer group, empowering them all to access funding sources for enhancement of well-being, business operation, development of innovations and technologies, promotion of job creation, and other positive impacts through investments.

Promoting financial inclusion also reduces dependency on informal loans, a major cause of household debt which threatens economic stability, and opens up business opportunities for the Bank in tandem with promoting the sustainable growth of the country and ASEAN in conformity with the UN SDGs No. 1: No Poverty; No. 8: Decent Work and Economic Growth; No. 9: Industry, Innovation, and Infrastructure; No. 10: Reduced Inequalities; and No. 17: Partnerships for the Goals.

## Management Approaches

- **Develop financial products and services that meet the needs of each customer segment** based on the Krungsri core value of '**Customer Centricity**'

- **Manage our lending portfolio prudently with balance** based on the **Sustainable Banking Guidelines – Responsible Lending**

- **Leverage synergies with MUFG, a financial group with a global network**, to respond to all financial needs of businesses at home and in ASEAN such as the CLMV countries (Cambodia, Lao PDR, Myanmar, and Vietnam) and the ASEAN Economic Community (AEC), while helping boost the business potential of Krungsri and customers to the global arena
- **Develop inclusive and suitable financial access channels for each target segment** through the implementation of digital innovations and technologies to enhance financial access anywhere, anytime

## Performance

### Balanced Portfolio Management

Target:
Maintain well-balanced portfolios by diversifying into corporate, SME, and retail loans.

Performance:
As of December 31, 2023, the **total outstanding loans stood at 2,017,204 million baht**, a year-on-year increase of 67,795 million baht or 3.5 percent in line with the gradual recovery of the economy and domestic demand. Details of the loans are as follows:

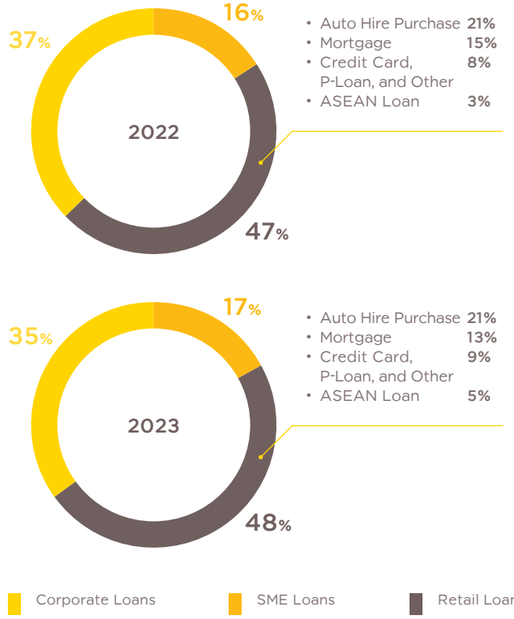
- **Corporate loans**: 702,207 million baht (35 percent) comprising:
  - 460,727 million baht of Thai Corporates
  - 241,480 million baht of JPC/MNC
- **SME loans**: 339,527 million baht (17 percent)
- **Retail loans**: 975,470 million baht (48 percent) comprising:
  - 429,991 million baht of auto hire-purchase loans
  - 269,070 million baht of mortgages
  - 171,115 million baht of credit cards, personal loans, and other loans
  - 105,294 million baht of ASEAN loans*

Remark:
* ASEAN loans include those of Hattha Bank Plc (Cambodia), Krungsri Leasing Services Co., Ltd. (Lao PDR), SHBank Finance Company Limited (Vietnam), Home Credit in the Philippines and Home Credit in Indonesia.





### Lending Portfolio




### Examples of Financial Products and Services of Krungsri Group

#### Krungsri Mobile Application (KMA)

KMA digital banking is the Bank's key service channel facilitating all customer segments at 12 years of age or older in financial access anytime, anywhere. With KMA, customers can conduct all transactions on their own without visiting the Bank's branch, while their personal data remain safe in compliance with related laws and international standards. KMA's key focus is to create the best customer experience by taking the financial service to the next level, in order to 'Make Life Simple' through convenient and speedy features, including funds transfer, utility bill payments, cardless ATM withdrawal, debt instrument/equity trading service, debenture subscription, online savings account opening, etc.

Target:
Continue to enhance KMA features to create excellent customer experiences, while supporting more users and transactions

Performance:

| KMA | KMA Users (Million Users) | KMA Transactions (Million Transactions) |
|---|---|---|
| 2019 | 2.7 | 1,404 |
| 2020 | 3.5 | 1,962 |
| 2021 | 4.3 | 2,985 |
| 2022 | 5.2 | 3,815 |
| **2023** | **5.7** | **4,841** |




In 2023, KMA products and services were enhanced to improve customer experiences as follows:

- The capacity was increased to be able to identify suspicious applications not downloaded from trusted official stores in order to upgrade transaction security along with ultimately efficient cyberthreat management. Upon detecting a suspicious application, the system will deny access to KMA and promptly alert the user.




- Security measures were enhanced to prevent financial frauds by incorporating biometric face scanning capabilities. Customers are now required to scan their face for specific transactions as follows:
  - Transferring from 50,000 baht per transaction
  - Cumulative daily transfer transactions from 200,000 baht
  - Adjusting transfer limits from 50,000 baht
  - Registering for payment services

Additionally, the Bank encourages customers without a registered photo to visit one of our branches nationwide to complete the registration in order to record their photos for customer authentication through face scanning. In this regard, the use of biometric authentication technology resulted in Krungsri winning the '**Advances in the Use of Biometrics in Security**' award in the Retail Banker International Asia Trailblazer Awards 2023 organized by the Retail International Banker as it boosted customer confidence in the Bank's KMA in preventing frauds from both registration and financial transaction processes.

- A mobile phone security awareness assessment is implemented when accessing KMA, and regular evaluations are conducted every six months. The Bank actively engages in communication initiatives to strengthen defenses against emerging forms of fraud through various digital channels, aiming to enhance financial literacy in the digital era.
- Digital identity verification capabilities were introduced for corporate accounts to support the approval process for account opening and other key online services through KMA. This improvement allows corporate customers to receive services swiftly, minimize complexity, and enhance convenience.
- International financial options were broadened through strategic partnerships with leading payment partners covering all customer needs. KMA facilitates seamless money transfers abroad via the SWIFT network, Western Union international money transfer, Krungsri International PromptPay for instant transactions between Thailand and Singapore, and NIUM—a global provider of digital cross-border money transfers, the latest collaboration to enhance real-time transfers to new countries. With a selection of 15 major currencies and access to more than 220 countries worldwide, customers can enjoy a seamless and effortless cross-border transaction experience.
- The QR Cross-border Payment service was expanded to facilitate easy, convenient, and secure cross-border transactions around the clock in real-time. This solution was extended to include Hong Kong, in addition to the six countries where it was initially launched: Japan, Cambodia, Indonesia, Malaysia, Singapore, and Vietnam. This advancement provides a real-time competitive exchange rate, allowing tourists and business travelers to avoid carrying large amounts of cash. In this regard, this KMA feature earned Krungsri the '**Mobile Banking & Payment Initiative of the Year – Thailand**' from the Asian Banking & Finance Retail Banking Awards 2023, denoting Krungsri's cross-border payment leadership.
- Customers were enabled to withdraw cash using Click4Cash from personal loan revolving credit lines, allowing 24/7 cash transfers to savings accounts through KMA. This service leverages modern innovation to enhance flexibility in addressing unexpected financial needs.




### 'Kept by krungsri' digital savings account

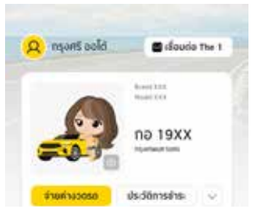
Target:
To promote savings via the Kept by krungsri application and financial disciplines and security among the new generation based on the 'small change for BIG FUTURE' concept, making savings an easy, fun, and practical exercise. The Kept by krungsri application is a savings deposit service for Thai nationals who are 15 to 70 years old and not a blocked person. Customers can make financial transactions by themselves, e.g., open a savings deposit account, transfer or receive funds or make payments online, make payments with QR codes, set up alerts, and summarize account movements. Kept by krungsri does not charge any transaction fee or account maintenance fee for inactive accounts.

Performance:
As of the end of December 2023, 450,000 accounts have been opened. Apart from the digital savings account service, the 'Kept Invest' feature which is a mutual fund account is also available combining investment formulas selected by Finnomena Mutual Fund Brokerage & Co., providing more chances for achieving investment and savings goals.




### GO by Krungsri Auto Application

GO by Krungsri Auto Application is designed for car users complete online services for both car and loan information, bill details, installment payments, application for car loans, purchase of general insurance policies, enjoying privileges from leading brands, as well as other services perfectly respond to car users' needs to make their life simple. As of the end of 2023, the application was downloaded by more than 3 million car users.




### UCHOOSE by Krungsri Consumer

UCHOOSE is the application for credit card and personal loan management introduced by Krungsri Consumer to offer a simple and convenient customer experience in conducting online credit card and personal loan transactions, including details of account balance, latest payment amount, minimum payment amount, accumulated spending for promotions registered by the customer, etc. Other transactions which can be conducted through the application include card payments, transfer of loans to deposit accounts, setting monthly installment amounts, applications for credit card and loans, temporary credit limit increases, temporary card suspension, application for e-Billing, registration for a variety of promotions with reward points, making QR payments, etc. In addition, Krungsri Consumer continued to upgrade security standards of UCHOOSE by taking into account the ultimate security of customers' personal data. As of the end of 2023, the total number of UCHOOSE users reached 7.3 million accounts.



### 'Krungsri iFIN'

'Krungsri iFIN' is a personal loan offered for convenience of customers having deposit accounts with the Bank to apply for online loans via KMA faster. The loan applicant's information and credibility can be verified immediately via the online channel without submitting more documents, reducing the use of disposable resources as well as service turnaround time, for greater customer experience. As a result, the Bank won the '**Outstanding CX in Digital Sales Strategy**' award in the Digital CX Awards 2023 organized by The Digital Banker. Krungsri continued to extend these capabilities for other products in order to respond to customer needs in a greater area.

### Basic Banking Account

Target:
To encourage Thai citizens aged 65 or over or state welfare cardholders to open a basic banking account for receiving state welfare free of charge and for accessing financial services more conveniently. Examples of benefits from opening this account are 1) No debit card issuing fee and annual fee; 2) No account maintenance fee; and 3) No minimum opening balance.

Performance:
To date, 838 basic banking accounts have been opened, consisting of 501 accounts of low-income earners under the state welfare card scheme and 337 accounts of those aged 65 or above (data as at December 31, 2023).

### Savings Account for People with Physical Disabilities

Target:
To promotes savings deposit account services for physically disabled people for equitable access to financial products and services

Performance:
Stipulated the procedure regarding providing the service of Savings Account for People with Physical Disabilities as the guideline for a common service provision standard for customers with physical disabilities as well as promoting equitable access to financial services for all customer segments. People with physical disabilities refer to 1) Blind people, meaning people who are visually impaired; 2) People with physical or health impairments, meaning people with mobility limitations, i.e., seniors, disabled people, and pregnant women unable to visit branch counters, such as that of standalone branches locating on the second floor or with a high staircase, without the slope for wheelchair ramps, etc.

### Microfinance and Nanofinance

Target:
To improve financial access for the low-income group as a reliable source of funds, readying them for expenses that are unexpected or exceed their debt-servicing capacity by providing financial services in the form of microfinance and nanofinance both domestically and internationally through our subsidiary and joint venture that provide these particular services.

Performance:
In 2023, Krungsri provided financial access for the low-income group as follows:

**Ngern Tid Lor Public Company Limited**

Number of customers:
**1,335,015** customers

Total loans:
**97,457** million baht

Number of branches:
**1,678** branches

**Hattha Bank Plc.** (Cambodia)

Number of credit accounts:
**188,245** accounts

Total loans: USD:
**1,546** billion

Number of branches:
**171** branches





### Banking Agents

Krungsri added the channel for providing financial services through banking agents to facilitate customers' financial transactions and cover more areas, especially areas remote from our branches. Our banking agent service points are Thailand Post, Boonterm Top-up Machine, Counter Service in 7-Eleven, Max Mart in PT Gas Station, Bank for Agriculture and Agricultural Cooperatives, Big C Supercenter, and TermsabuyPlus kiosks.

As at the end of December 2023, Krungsri has 161,010 banking agent service points.




### Financial Distribution Channels

To enable customers to access the Bank's products and services conveniently and speedily anywhere, anytime throughout Bangkok, its vicinity, other provinces, including overseas branches and offices, Krungsri adjusted its process of offering financial products and services through both online and offline financial service channels. This reinforces Krungsri's 'Make Life Simple' concept in response to customers' changing demands and behaviors by adopting technology that assists all customer groups with inclusive and equitable financial access. At the same time, Krungsri continues to place importance on our **branch network** by expanding or adjusting the branch model for greater modernity and customer convenience, while branch employees' capabilities and skills are boosted to take the role of financial advisors who can provide comprehensive advice.

(Remark: See more details in the topic of Channels of Financial Access, page 180)



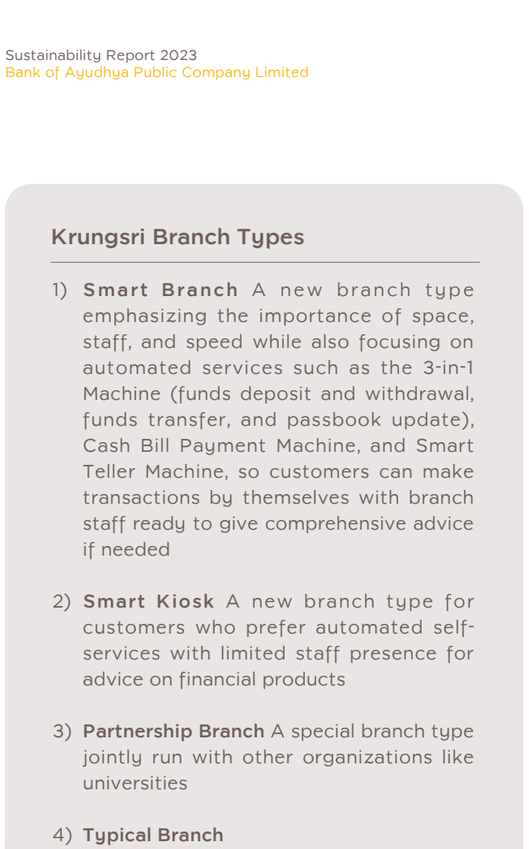
### Krungsri Branch Types

1) **Smart Branch** A new branch type emphasizing the importance of space, staff, and speed while also focusing on automated services such as the 3-in-1 Machine (funds deposit and withdrawal, funds transfer, and passbook update), Cash Bill Payment Machine, and Smart Teller Machine, so customers can make transactions by themselves with branch staff ready to give comprehensive advice if needed

2) **Smart Kiosk** A new branch type for customers who prefer automated self-services with limited staff presence for advice on financial products

3) **Partnership Branch** A special branch type jointly run with other organizations like universities

4) **Typical Branch**




### ASEAN loans

Given that the ASEAN expansion is one of the strategic directions of Krungsri under the third Medium-Term Business Plan (2021-2023), Krungsri successfully completed the Bank's acquisitions of Home Credit in the Philippines and Indonesia in June and October 2023, respectively. The Bank aims to respond to diverse financial needs of consumers in the Philippines and Indonesia with full-fledged **innovative consumer credit products and services**, along with Krungsri's consumer credit expertise and risk management for network expansion and new partnerships in order to drive our customers' growth and continual financial product development.

This achievement reinforces Krungsri's growth as a regional bank with presence in six ASEAN countries outside Thailand, in alignment with Krungsri's aspiration under MTBP to 'Be the preferred Thai bank connecting customers' needs across ASEAN'.








# RESPONSIBLE LENDING AND ESG CONSIDERATIONS

As one of Thailand's Domestic Systemically Important Banks (D-SIB), Krungsri is well aware that commercial banks are crucial financial intermediaries in fundraising and financial resource allocation for supporting commercial and retail customers, including the country's socio-economic system, the undertakings of which may create both positive and negative impacts, either direct and indirect, on society and the environment.

With this in mind, Krungsri established a lending framework that takes account of ESG dimensions in parallel with the economic dimension. This includes placing importance on offering financial products and services in alignment with **Sustainable Lending** principles, focusing on supporting businesses or transactions that have positive impact and reduce negative impact to create value for and benefit society and the environment in the long run. Examples of what we support are investment in the country's critical infrastructure development projects, investment to boost employment and income generation, development of innovations and digital technology, including promoting alternative energy and supporting environmentally friendly businesses on the path to a low-carbon society and economy.

In addition, adhering to responsible lending principles with ESG considerations not only helps prevent financial, operational, reputational, and regulatory risks, but also supports businesses and society toward sustainable development and growth.




## Management Approaches

- Become an official signatory of the **Principles for Responsible Banking (PRB)** of the United Nations Environment Programme Finance Initiative (UNEP FI), reflecting Krungsri's unwavering determination to follow sustainable banking guidelines

- Adhere to **Sustainable Banking** principles by focusing on **Responsible Lending** guidelines, under which credit underwriting takes ESG dimensions along with the economic dimension into consideration.

- Established the '**ESG Center of Excellence**' under the Corporate and Investment Banking Group. Responsible for addressing customer needs in ESG finance, the business unit's operations strategy is as follows:
  - Leverage MUFG's expertise and network to share knowledge and offer ESG expertise, which is Krungsri's and MUFG's forte
  - Encourage customer engagement from the start to raise financial awareness in ESG-related dimensions and help customers kickstart their sustainability transition
  - Communicate the advantages of access to ESG funds compared with other types of funding by pointing out the necessity and benefits of sustainable finance
  - Underline Krungsri's standpoint in offering total financing and hedging solutions with comprehensive components encompassing ESG considerations, ranging from ESG lending, bonds, to debentures, including aligned hedging strategies

## Responsible Lending



**1**
**Equal treatment**
All customers shall be treated equally regardless of gender, age, ethnicity, nationality, belief, religion, social status, background, and disability.

**2**
**Verification of customer information**
Customers' credit information shall be verified according to the Bank's processes to ensure KYC and CDD compliance.

**3**
**Customer confidentiality**
Customers' sensitive financial information such as credit facilities or credit conditions shall be treated with absolute confidentiality to prevent access from irrelevant persons and employees.

**4**
**Prevention of authority abuse or unfair negotiation**
All customers shall not be forced or pressurized to make a transaction due to the abuse of the Bank's authority.

**5**
**Creditor's responsibility**
The Bank's officers should be fully confident in the debtors, and the Bank as the creditor should not question the debtors about their debt servicing ability and responsibility.

**6**
**Environmental preservation**
Credit underwriting shall take account of the environmental aspect to create social sustainability, which is a part of the Bank's social responsibility commitments.

- Comply with the 'Know Your Customer' (KYC) and 'Customer Due Diligence' (CDD) principles to ensure that the Bank's funds are not used to support, promote, or engage in any misconduct or create any negative impact on society nor the environment

- Establish the 'Credit Examination Division' responsible for reviewing the credit underwriting process of the Bank and its subsidiaries and ensuring that the internal control, risk management, and governance processes are sufficient, effective, and in accordance with the policies, regulatory requirements, and relevant laws. The Credit Examination Division is clearly segregated from the frontline functions and the Credit Underwriting Group to prevent any conflict of interest and to promote effective credit review. The Bank arranges reviews of credit quality and risks on an annual basis.

- Establish 'the Policy and the Procedure for Credit Risk Management' which serve as the criteria and guidelines for managing credit risks. This covers loans, investments, contingent liabilities, credit-like transactions, hedging against foreign exchange risk and interest rate risk, and financial derivatives for all customer segments. The policy is communicated to the relevant officers for acknowledgement and full compliance and for encouraging participation in maintaining the standards on credit risk underwriting and management. Also, emphasis is placed on raising awareness of ESG risks in the credit underwriting process. In this regard, the Bank reviews the policy annually or upon any significant change to ensure that the Bank's credit underwriting is in line with the ever-changing business environment.

- Establish the 'Policy for Sustainability Lending' which serves as the guideline for granting loans while giving attention to ESG risks and aspiring to create positive outcomes for society and the environment. In addition, employees of all related business units must adhere to this policy and consider ESG risks for prudent credit underwriting. The policy determines the nature and types of transactions in credit underwriting as follows:
  1) Prohibited Transactions: The Bank shall refrain from financing transactions that pose material ESG risks as follows:

### Nature of restricted transactions

**Illegal transactions or transactions for illegal purposes**
Transactions that are directly or indirectly against the laws

**Transactions that violate cultural or moral values**
Transactions that conform with laws and regulations yet may violate moral values or social norms, thus posing reputational risk and default risk

**Transactions that negatively impact wetlands designated under the Ramsar Convention**
Wetlands designated under the Ramsar Convention, including wetlands of international importance managed by RAMSAR

**Transactions that negatively impact UNESCO World Heritage Sites**
World heritage sites designated by UNESCO and managed by the World Heritage Convention, both cultural and natural heritages, judged as being important to the collective interests of humanity

**Transactions violating the Convention on Inter-national Trade in Endangered Species of Wild Fauna and Flora (CITES)**
The Convention on International Trade in Endangered Species of Wild Fauna and Flora (the Washington Convention or CITES) is an international agreement adopted in March 1973 with the aim of protecting endangered plants and wild animals. The Convention regulates the worldwide commercial trade in wild animals and plants (including items from such plants and animals).

**Transactions involving child labor or forced labor**
- Forced labor is defined as work or service that is involuntary, coerced, or under threat of a penalty
- Harmful child labor is defined as employment of children that is economic exploitative, or likely to be dangerous, or interferes with their education, or harmful to their body, mental health, belief, moral standards, and social development

### Types of restricted transactions

- Production or trade in radioactive materials, weapons or munitions able to cause substantial damage to human and animal lives
- Unabated coal-fired power generation
- Forestry industry in the part of farming and hunting in nature reserves
- Coal-related activities, e.g. coal mining, coal transportation, or infrastructure services exclusively dedicated to support these activities



2) High Caution Transactions: Financing transactions with material ESG risks is discouraged and must be carried out with high caution. Loans should be selectively granted to customers who have appropriate ESG measures. The frontline should conduct due diligence or have experts in the field make a due diligence report as appropriate. If the customer's EGS risk management approach is deemed insufficient for mitigating potential risks and impact, financing should be avoided.

### Nature of high caution transactions

**Transactions that impact the well-being or the way of life of indigenous communities or societies, e.g. construction of dams**

Indigenous people are defined as an ethnic group that resolves to maintain their traditional systems regarding land, territory, and natural resources. The terms for indigenous people may vary from country to country, e.g. Aboriginals, Scheduled Tribes, or First Nations.

**Land survey or development that consequently cause pollution or involuntary resettlement**

Large-scale projects that require expropriation resulting in the types of resettlements listed below, including affecting individuals or communities without the right to oppose the expropriation. Such resettlement can be divided follows:

1) Physical displacement (meaning relocation or loss of home)
2) Economic displacement (meaning loss of access to jobs, income sources, or means of livelihood)

**Transactions that impact high conservation value areas**

Areas with high conservation value, which mainly refer to national parks as listed under the relevant laws

### Types of high caution transactions

- Construction of dams or reservoirs
- Manufacturing of hazardous chemicals
- Mining industry (mine owners, mining concessionaires, mining contractors)
- Palm oil industry (palm growers and palm oil manufacturers)
- Oil and gas industry



3) Closely Monitored Transactions: Certain industries are regarded as posing material ESG risks because of their commonly inappropriate ESG practices. Generally, such ESG risks could be significantly mitigated with appropriate business management. In this regard, the relevant parties such as relationship managers, credit analyst officers, the Credit Underwriting Group, and other functions should be careful in considering customers' businesses and bearing ESG risks in mind during the credit underwriting process. Moreover, borrowers in these industries should be continuously monitored to ensure that their business operation has appropriate ESG risk management.

### Examples of industries identified as closely monitored transactions

- Agriculture (plantation, aquaculture, and livestock farming)
- Manufacturing of non-hazardous chemicals
- Transportation and storage of chemicals
- Pipeline transportation
- Disposal of waste or wastewater

Nevertheless, the relevant parties are free to determine additional industries including specific borrowers or transactions as appropriate.

4) Sustainable Finance: Lending to promote a sustainable environment and society, climate transition financing, lending within internationally acclaimed standards, or lending to businesses and types of industries that the Board of Directors view as sustainable finance based on the following underwriting frameworks.

4.1 Environmental area
- Businesses contributing to the adaptation to and the moderation of climate change, including climate transition financing

4.2 Social area
- Businesses contributing to the development of startups, job creation, and poverty alleviation
- Businesses contributing to the energizing of local communities and regional revitalization
- Business infrastructure services, including infrastructure construction and essential services such as hospitals and schools

4.3 Financing for green or blue projects, social projects or businesses, or sustainability-linked bonds within the principles established by the ICMA (International Capital Market Association)
- Underwriting based on use of proceeds, i.e. transactions aligned with green loan, social loan, or sustainability bond principles; financing for green or blue projects, social projects, and sustainability-linked bonds
- Financing for general corporate purposes aligned with Sustainability-Linked Loan (SLL) principles, which are a system for setting Sustainability Performance Targets (SPT) in accordance with a company's ESG strategy and borrowing conditions, e.g. interest rate reduction depending on the achievement of the SPT, or tighter borrowing conditions might be set in case of failure to achieve the SPT.

### Types of Sustainable Finance

- Renewable energy industry (excluding hydropower plants)
- Financing for regional development
- Infrastructure, e.g. water supply, electricity or essential services such as hospitals, schools, universities and transportation (excluding industries relating to internal combustion engine vehicles)



## Performance

By facilitating the issuance of green, sustainability, and sustainability-linked bonds to the Thai capital market, Krungsri is promoting and enhancing bonds as one of Thailand's main financial assets. At the same time, the support of sustainability-linked loans and green loans mirrors the Bank's commitment to ESG considerations and support for customers' green transitions. This also highlights the Bank's determination to achieve the UN SDGs, namely SDG No.8: Decent Work and Economic Growth; SDG No.9: Industry, Innovation, and Infrastructure; SDG No.13: Climate Action; and SDG No.17: Partnerships for the Goals.

## Krungsri's Social and Sustainable Finance (SSF) Portfolio

**Target:**
Krungsri commits
to growing our SSF portfolio
**by 100,000 million baht**
by 2030 (from the baseline year 2021)

**Performance:**
As at the end of 2023,
Krungsri's **SSF portfolio** increased
from 2021 (baseline year)
**by 70,890 million baht.**

| Category [3/] | | Outstanding Balance [2/] (Unit: million baht) | | |
|---|---|---|---|---|
| | | 31 Dec 2021 | 31 Dec 2022 | 31 Dec 2023 |
| Environment | Underwriting: Green Bond [1/] | 7,450 | 14,044 | 19,891 |
| | Underwriting: Green Bond [1/] (Self-Issuance) | - | - | 14,236 |
| | Green Loan | 1,000 | 3,000 | 3,335 |
| | Loan to Renewable Energy Business | 9,210 | 9,150 | 11,880 |
| | Other Loans | - | 4 | 234 |
| Society | Underwriting: Social Bond | - | - | - |
| | Underwriting: Green Bond [1/] (Self-Issuance) | 7,040 | 7,040 | 7,040 |
| | Loan from WSME Bond | 21,033 | 19,866 | 23,138 |
| | Social Loan | 20,246 | 23,763 | 21,230 |
| | Loan to Regional Development Projects | 5,061 | 9,023 | 5,589 |
| Sustainability | Underwriting: Sustainability Bond [1/] | 20,567 | 44,427 | 47,659 |
| | Underwriting: Sustainability-Linked Bond [1/] | 11,000 | 11,000 | 11,000 |
| | Sustainability Loan | - | 3,151 | 2,496 |
| | Sustainability-Linked Loan | 6,953 | 6,946 | 9,232 |
| | Investment | 830 | 3,145 | 4,320 |
| | Total | 110,390 | 154,559 | 181,280 |

Remarks:
1/ Accumulated amount of bond underwriting is from 2019 onwards.
2/ Loans constitute commercial lending only.
3/ Definition of Social and Sustainable Finance: The term 'Social and Sustainable Finance' (SSF) refers to the provision of finance through following financial products and services (including loans, underwriting of bonds, and investment) in compliance with relevant external standards (i.e., the Green Loan Principles, Green Bond Principles, and Social Bond Principles) and in alignment with Mitsubishi UFJ Financial Group Inc. (MUFG)'s Carbon Neutrality Declaration.
There are three types of areas in financial products and services as follows:
Environmental area
Financial products and services contributing to the adaptation to and the moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings (i.e., arrangement of loans and project finance for renewable energy projects, other loans (Solar Roof Lending Program, underwriting and distribution of green bonds).
Social area
- Financial products and services contributing to fundamental service businesses, including those involved in public infrastructure such as hospitals, water supply , and schools (i.e., arrangement of loans and project finance for public infrastructure, underwriting and distribution of social bonds)
- Financial products and services contributing to the development of startups, job creation, and poverty alleviation (i.e., WMSE bond)
- Financial products and services contributing to the energizing of local communities and regional revitalization (i.e., loan to the Eastern Economic Corridor (EEC) area which covers three eastern provinces of Thailand ¬- Chonburi, Rayong, and Chachoengsao).

Sustainability area
- Financial products and services contributing to both green and social projects based on the customer's sustainability objectives and performance (i.e., sustainability loan, sustainability-linked loan, underwriting and distribution of sustainability bond and sustainability-linked bond)
- Investments in ESG bonds.





## Details of Support for Environmentally Friendly Businesses by Type

1) As at the end of 2023, Krungsri extended **loans to renewable energy businesses**, e.g. plants using solar power, wind power, hydropower, biomass and biogas power, industrial waste power, for a total of 11,880 million baht. In this regard, loans extended to businesses using renewable energy can help mitigate greenhouse gas emissions by 1,294,352.78 kilograms of carbon dioxide equivalent (calculated in comparison with general electricity use).




| Type of renewable energy | Data as at end of 2023 | | |
|---|---|---|---|
| | Percentage of renewable energy loans | Maximum electricity generation capacity (megawatt) [1/] | Equivalent to reduced carbon dioxide ($kgCO_2$ e) [2/] |
| Hydropower | 39.32 | 1,219.00 | 729,693.40 |
| Biogas power | 1.15 | 25.10.00 | 15,024.86 |
| Wind power | 8.19 | 97.50 | 58,363.50 |
| Waste power | 1.53 | 9.90 | 5,926.14 |
| Biomass power | 11.60 | 77.50 | 46,391.50 |
| Solar power | 38.21 | 733.30 | 438,953.38 |
| Total | 100.00 | 2,162.30 | 1,294,352.78 |

Remarks:
1/ 1 megawatt (MW) is equivalent to 1,000 kilowatts (kW).
2/ The reduced greenhouse gas amount was calculated based on the emission factor by the types of industries stipulated by the Thailand Greenhouse Gas Management Organization (TGO) (updated July 2023). In this regard, one kilowatt hour of electricity (grid mix) has the emission factor of 0.5986 $kgCO_2e$.

2) A Green Bond issued by the Export-Import Bank of Thailand (EXIM Bank) at the totaling offering amount of 3,500 million baht as a source of funds for financing SMEs' environmental conservation projects. This is EXIM's second fundraising through green bonds following the first in 2023.
3) Green Bonds
   - A green bond issued by Gulf Energy Development Public Company Limited at the total offering amount of 8,000 million baht to make a repayment of its investment in the wind power plant project in Germany and to expand its clean energy business. This is Gulf's first bond issuance.
   - A green bond issued by Electricity Generating Public Company Limited (EGCO) at the total offering amount of 7,000 million baht to make a repayment of its investment in the existing renewable energy projects of the company and its subsidiaries, i.e. hydropower plant project, solar power project, and wind power project. This is the EGCO's first bond issuance.
   - A green bond issued by WHA Utilities and Power Public Company Limited at the total offering amount of 500 million baht to invest in the solar power plant project in Thailand. This is the company's second fundraising through green bonds to expand investment in clean energy.
4) A Sustainability Debenture issued by Bangkok Expressway and Metro Public Company Limited (BEM) at the total offering amount of 6,500 million baht to refinance existing debt or invest in the MRT Blue Line project. This cooperation capitalizes on the success in issuing sustainability debentures consecutively for the third year.
5) Green Loans
   - Krungsri served as the Green Structuring Advisor and the Sole Lender of a green loan totaling 3,000 million baht to SCG Packaging Public Company Limited (SCGP), which was SCGP's first green bond for investment in green projects meeting the Technical Screening Criteria of the ASEAN Taxonomy and the Thailand Taxonomy.
   - A green loan to Central Pattana Public Company Limited for green project investment totaling 500 million baht




6) Sustainability-Linked Loan (SLL). Krungsri, as the Mandated Lead Arranger and Bookrunner (MLAB) and the Sustainability Coordinator, extended 11,485 million baht of SLL to Thai Union Group Public Company Limited, marking the start of phase two of Thai Union's Blue Finance program (financing for ocean conservation). This is considered Thailand's first-ever SLL with key performance indicators (KPIs) and sustainability performance targets (SPTs) linked to Scope 1, 2, and 3 carbon emissions, which is in alignment with the Science-Based Targets Initiative (SBTi) to prevent the global temperature from rising more than 1.5 degrees Celsius and to reach the net zero target by 2050.
7) A Green and Blue Bond was issued for the first time in Thailand by Bank of Ayudhya Public Company Limited to support climate action, totaling USD 400 million or 14,236 million baht.





# HUMAN RESOURCES DEVELOPMENT

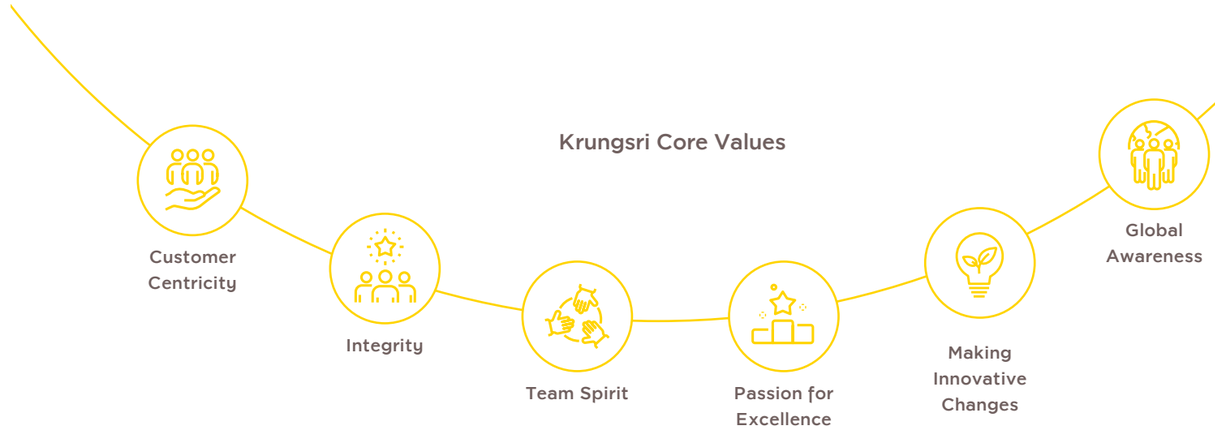
Krungsri Group has been aware and places great importance on continual human resource development toward 'People Excellence' as employees are considered an invaluable resource that plays a very crucial role in the organization's productivity on various aspects toward a low-carbon economy.

Therefore, Krungsri Group is committed to preparing employees at all levels to adapt to the changing landscape of the financial sector and improve their productivities. The objectives are to encourage employees to grow and advance in their career amidst business challenges and rapid changes triggered by digital technology and the new paradigm of Generative AI, while enhancing competitiveness and creating optimal value for the organization. This is also to drive the business transition in alignment with the principles of sustainable banking and build on strong foundation to achieve growth at the regional level.

Encouraging employees to develop their potential and learn through various training channels, by providing equal opportunities for self-development, do not only enhance employees' skills and competence in response to customers' requirements, but also help the organization maintain and foster good relationship with employees, thereby reducing operational risk and business disruption because of workforce shortage.

## Management Approaches

- Stipulate 'Krungsri Core Values' covering six aspects to boost professionalism and promote good citizenship among employees where there are required to adhere and behave in accordance with these core values.



- Appoint the '**Human Resources Committee**' to review and assess major strategies, policies, projects and plans concerning human resource management of Krungsri Group and companies in the financial business group to ensure they are competitive, comparable with the industry, and designed to attract and retain talents, while complying with applicable regulatory requirements

- Stipulate and review the '**Policy for Human Resource**' as a framework used to establish our human resource management and development process, as well as related roles and responsibilities, applicable to the Bank and companies in the Financial Business Group in which the Bank holds more than 50 percent of shares ('Subsidiaries'). The subsidiaries must apply the Human Resource Policy to establish the comparable policy of their own.

- Stipulate the '**Procedure Regarding Human Resource Development**' to ensure that management and staff members understand the human resource learning and development, and that it is used as their framework for operations and communication about their roles and responsibilities toward human resource learning and development for clarity and common operational standards, while complying with related laws, regulations, and policies.

- Stipulate '**Four Pillars toward People Excellence**' and '**Six Strategies to Achieve Success**', serving as frameworks and guidelines for human resources development.



**4**

**pillars toward People Excellence**

1. **Adherence to and demonstration of Krungsri core value**
2. **Leadership development**
3. **Professionalism improvement**
4. **Good corporate citizenship**

**6**

**strategies to achieve success**

1. **Enhancing the performance of the organization and personnel**
2. **Continually developing talents and leaders**
3. **Increasing employee engagement**
4. **Fostering a self-improvement culture**
5. **Enhancing efficiency with cutting-edge technology**
6. **Creating a knowledge-sharing network under MUFG and Krungsri Group**





- Provide '**Krungsri Learning Center**' that promotes learning and manage learning courses via the '**Krungsri Learning Companion (KLC)**' to boost staff efficiency and promote organization-wide knowledge sharing

- Design and develop **learning programs using a 'learner-centric approach'** as follows:
  1) **Design upskill and reskill** training solutions mainly taking into account benefits of learners, responding to challenges at work, and boosting the productivity of staff and the organization. The training helps enhance current knowledge and capabilities, as well as getting ready for challenges expected to come in the future, comprising following six key programs:
     - Achieving Everyday Success Program
     - Striving Beyond Your Best Program
     - Getting Ready for Future Program
     - Winning Business Challenges Program
     - Growing Expertise Program
     - Leading to the NEXT Level Program
  2) **Encourage employee personal development through multiple learning types** in accordance with their personal preferences and differences, while using digital platforms to attract the new generation so that they can pursue their learning anywhere, anytime responding to changing lifestyles. This also aims to provide comprehensive knowledge covering every dimension of life or the wholeness of being.
  3) **Maximize learning potential and cooperation through the '70-20-10' concept** to yield achievements worth investment and learning effectiveness comprising external learning (70 percent), formal education (20 percent), and exposure with others (10 percent)
  4) **Apply technology to comprehensively and efficiently manage high-potential employees and their successors.** As for the development of successors, individual development plans are prepared for all Krungsri Group executives. Apart from the competency-based management, Krungsri also provides a career development plan to ensure that executives can accumulate critical experiences and prepare themselves before assuming important positions within the organization.

- **Review and revise the Bank's compulsory learning courses** in accordance and compliance with laws, rules, regulations, and the Bank's policies. These courses are categorized into three modules where employees at all levels are required to attend the training courses and pass the specified criteria.



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### The Bank's compulsory courses

1) **Core Values, Organizational Culture, and People, comprising:**
   - Krungsri e-Orientation
   - Krungsri Core Values

2) **Compliance and Good Corporate Citizenship, comprising:**
   - Good Corporate Governance (CG)
   - The Spirit and The Letter (S&L)
   - Anti-Bribery and Corruption (ABC)
   - Gift and Entertainment (G&E)
   - Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) for Executives
   - Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)
   - Anti Money Laundering and Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction for newly-hired employees
   - The Personal Data Protection Act B.E. 2562 (PDPA)
   - COSO Internal Control Framework
   - Related Party Transaction (RPT)
   - Policy for Enterprise Information Security
   - Operational Risk Management Awareness

3) **Organization Transformation, comprising:**
   - ESG: The Next Big Thing of Banking
   - Ideation Techniques for Creativity & Innovation

   Branch employees are required to select two additional courses according to their respective roles and responsibilities.

- Develop and proceed with **special projects and upskill/reskill learning programs** for human resource development to **enhance the organization's performance and productivity** of personnel for creating ultimate value to the organization, boosting competitiveness, driving growth in the era of low-carbon economy, and promoting sustainable banking. They are a total of eight programs as follows:
  1) **A program designed to prepare senior management from junior and high levels, talents, and successors** namely,
     - **TRANSCEND program** under a collaboration between Krungsri, Harvard Business Publishing, and Sasin Graduate Institute of Business Administration of Chulalongkorn University
     - **Individual Development Plan (IDP)**
     - **Executive coaching program which is a short-term program provided by MUFG** to offer opportunities for Krungsri Group executives to develop their potentials in line with the core value 'Global Awareness' and prepare themselves for career advancement. The courses included the Global Leaders Forum (GLF) and the MUFG New Executive Officers (EO).

     Distinguished experts are also invited to exchange opinions and give lectures. The courses which the Bank's directors are interested in participating are such as talent management and succession planning, stakeholder engagement and management, and preparing for an uncertain future with strategic innovation, etc.
  2) **The Coaching for Xponential Organization (CXO)** with the aim to develop leadership capabilities towards becoming positive influencers to unlock team potential, while driving Krungsri to become an organization that can adapt to change efficiently for sustainable growth.
  3) **Krungsri School of Data**, under which Krungsri in collaboration with leading training institutions designed blended learning programs for driving the organization by data-based decision making and add value to the business, while enhancing staff to make them ready for future changes through upskilling and reskilling with a focus on future digital capacity and data management skills, e.g., Data Analytic Bootcamp 2023 and Personalized Data Development.
  4) **Krungsri School of Digital & Tech** by providing opportunities for employees to develop their digital capabilities through online courses from world-class organizations and universities through the role-based competency development. This is to grow their outstanding skills and prepare employees for future growth.
  5) **Krungsri School of Innovation**, in collaboration with leading training institutes, with the aim to offer employees a blended-learning programs. This project aims to develop innovators within the organization and drive an innovation culture for sustainable growth. Participants will be trained to create and develop innovation through the 'Design Thinking' processes and are encouraged to exchange perspectives with business owners and experienced executives. Furthermore, there were group projects throughout the program while they are also encouraged to pitch their creative ideas. The courses included the Innovation Idea Hackathon and Innovation Bootcamp, etc.
  6) **Productivity Improvement Series** with the objective to enhance productivity at the individual, team, and organizational levels through shaping mindsets, developing skillset, and providing necessary toolsets toward excellence. This includes courses such as Kaizen for Success and Productivity Improvement, Optimize Productivity with Lean Office, ChatGPT For Business Marketing Productivity Workshop, Productivity Improvement Pathway, etc.
  7) **Upskill/Reskill** projects for staff of all business units to continually enhance their capabilities and efficiency in accordance with business needs and heighten their digital literacy so that they can thrive and compete in new Thailand's financial landscape, as follows:
     - Learning courses under the Krungsri Upskill/Reskill for branch staff to promote positive attitude and adjustment to the ever-changing working environment, including skill enhancement toward professional financial advisors such as Building Sales Mindset for Non-Sales for branch employees who wish to change positions to become sales representatives, Customer Relations Strategies for Financial Services for Branch Wealth Officers (BWO) and Krungsri Executive Relationship Managers (KSERM), Principles of Investing for BWO for the branch wealth officers, the Power of Understanding Customers course for selected branch managers and assistant branch managers, and Listening Skills for Boosting Communication for regional branch managers, including KSERM team leaders.
     - Learning courses exclusively developed for leaders in specific groups, such as, Super RM Pathway for staff members of Corporate and Investment Banking Group, SME Superhero Program Pathway for staff members of SME Banking Group, CUW Leadership Pathway 2023 for employees of Credit Underwriting Group, GMG Upskill & Reskill Pathway for staff members of Global Markets Group, etc.
     - Learning courses that accommodate the business goal of regional expansion such as a three-month short-term intensive program in Japan to provide opportunities for high potential employees to learn and exchange work experience and cultural diversity in Tokyo, Japan—allowing employees to work with the colleagues from different countries. This also includes the initiation and design of the ASEAN Development Program to provide opportunities for high-potential employees to learn and gain working experience in countries such as Lao PDR, Vietnam, Cambodia, the Philippines, etc. as well as MUFG Global Talent Exchange Program which is a collaboration between Krungsri Group and MUFG network.
  8) **The Sustainability and ESG project** to drive the sustainability mission for the Bank's directors, executives and employees at all levels. This includes courses such as ESG: The Next Big Thing of Banking, Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand, New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure), Transition Finance & MUFG/APAC Transition Whitepaper, and Thailand Taxonomy: A New Rule for Sustainable Banking.

- **Develop and add learning channels through digital technology** to boost the efficiency of human resource management to keep pace with technological

advancements and business challenges, including dynamic innovation changes—while creating comprehensive learning agility. This provides opportunities for executives and staff at all levels to enhance their capabilities through modern learning platforms, diverse learning types per different learning styles, and digital learning solutions, so that learning opportunities could be advanced anywhere and anytime, as follows:

1) **Webinars and virtual training** through diverse digital platforms, such as Microsoft Teams and WebEx with speakers from leading domestic and international training institutions
2) **Blended learning courses**, comprising multiple forms of learning such as online courses, webinar training, on-the-job training or special projects, etc.
3) **Developing Krungsri Digital Learning** to give employees an opportunity to continue their learning and self-development, in line with the needs of developing learning agility and creating participation of the new generation so that they can learn conveniently anytime, anywhere. Krungsri's online learning program is divided into two channels namely:
   - Krungsri Learning Companion (KLC): The system is developed by the Human Resources Learning and Development Division and served as Krungsri Group's internal learning platforms, allowing employees to enroll and complete e-learning courses anywhere, anytime.
   - External learning platform, which can be divided into two sub-categories as follows:
     - External online platforms for Krungsri employees, in collaboration with external institutions, offer opportunities to employees to learn and complete the courses through such platforms within a specified timeframe. The courses developed by external institutions are, for example, Superskills KS x Brighter Bee, Growing Expertise by TBAC-KS, and Growing Expertise by MUFG Global e-Learning x Intuition, etc.
     - Public learning platforms, which are online learning programs offered to the public by educational institutions, organizations, or external institutions. Employees can complete these online courses for free through specific websites, such as SET e-Learning, and DBD e-Learning, etc.
   - Online book, which is a learning channel that curates many books, to support executives and employees in self-learning. The online books are available in two platforms: e-Library by KS x Bookdose and Gale e-Library. This channel is tailored to match the needs of employees who are enthusiastic readers.

- **Provide and organize training programs on market conduct** and review other related programs to provide branch staff knowledge and understanding of best market-conduct practices for accurate, appropriate, and fair customer service provision, while complying with regulatory requirements of regulatory authorities.

- **Promote employee knowledge about well-being, workplace safety, and specialized ergonomics** to help employees become physically and mentally ready for work, as well as promoting good health and well-being. The courses aim to help employees find happiness from within and promote knowledge about ergonomics that can enhance the efficiency and effectiveness of the organization's operations, such as emotional intelligence for leaders, empathetic communication, understand your conversation partner, work-life integration, guiding your mind to be happy at work every day, revolutionize your thinking and transform your life to achieve prosperity, etc.








## Performance



**HR Asia Best Companies to Work for in Asia 2023 Award** for outstanding organization that is among the best places to work in Asia, and, **HR Asia Most Caring Company Awards 2023** for being the organization that cares most about taking care its employees, from HR Asia Best Companies to Work for in Asia 2023.




**Excellence in Business Transformation (Silver) Award and Excellence in Employer Branding (Bronze) Award** from HR Excellence Awards 2023

### Human resource development

**Target:**
Average training hours per employee of Krungsri employee is no less than
**48 hours per person per year.**

**Performance:**
Average training hours per employee
**57.10**
Training expenses/person/year
**8,476.05 baht**

**Target:**
**100** percent of Krungsri employees completed or passed a knowledge refreshment of compulsory programs

**Performance:**
Krungsri employees passed a knowledge refreshment of compulsory programs [1/] : **99.97**
(or 99.99 percent, including employees under special conditions [2/])

Remark:
[1/] Krungsri compulsory programs refer to training courses designed to support and promote social responsibility and good corporate citizenship, including business sustainability and they are mandatory for all employees.
[2/] Employees under special conditions refer to employees identified by supervisory business units that they could not attend compulsory programs, such as those who suffer terminal illness.

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## Details of 2023 compulsory courses

| Course title | Objective | Number of course [1/] | Total number of training hours of employees in 2023 |
|---|---|---|---|
| Krungsri e-Orientation | To ensure the employees know and understand about the organization's regulations, remuneration, welfare, and other benefits, including relevant policies in various aspects | 3 | 3,068.50 |
| Krungsri Core Values | To develop basic skills and strengthen core and leadership competencies by encouraging employees to deliver tasks smoothly and successfully on a daily basis | 2 | 24,172 |
| The Spirit and The Letter (S&L) | To ensure all employees realize and understand The Spirit and The Letter (S&L) of Krungsri | 2 | 14,594 |
| Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) [2/] | To provide knowledge, promote understanding, and ensure the employees realized the importance of Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT) so that they can effectively apply their knowledge and understanding in their daily tasks in accordance with the Bank's policies and operational regulations as well as the requirements, criteria, and laws | 5 | 21,714 |
| Gift and Entertainment (G&E) / Anti-Bribery and Corruption (ABC) | To ensure that the Bank's employees in all positions acknowledge and realize the importance, as well as comply with policies and practices regarding anti-bribery and corruption, acceptance and giving of gifts and entertainment. In this regard, the G&E course was changed to the ABC course starting from September 1, 2023. | 4 | 8,380 |
| Personal Data Protection (Personal Data Protection Act) (PDPA) | To ensure the employees realize the importance of the personal data protection and encourage them to learn about the key contents in the Personal Data Protection Act B.E. 2562 as well as understand the impact of personal data breach | 4 | 22,687 |
| Good Corporate Governance (CG) | To ensure the employees have knowledge and understanding about the Bank's Good Corporate Governance principles and strictly adhere to the principles as a framework for conducting their duties, leading to the sustainable growth of the organization | 2 | 7,280 |
| COSO Internal Control Framework | To provide employees with knowledge and understanding of good internal control principles in line with COSO framework | 2 | 19,444 |
| Related Party Transaction (RPT) | To ensure the employees understand rules of regulatory agencies regarding Related Party Transaction (RPT) and RPT persons, realize the relevant RPT process and taxes, and ensure that they are aware of their duties and related work systems | 2 | 9,700 |
| Policy for Enterprise Information Security | To ensure the employees understand the Bank's Policy for Enterprise Information Security and the PCI Security Standards | 3 | 28,732 |
| Operational Risk Management Awareness | To ensure the employees understand the principles of operational risk management principles where they can apply them in their operations, emphasize the roles and responsibilities of the risk owner, highlight the requirements related to risk reporting, as well as instill and promote the operational risk management awareness | 3 | 28,386 |
| ESG: The Next Big Thing of Banking | To promote comprehensive understanding about ESG and banking business, including definitions, the importance of ESG to the financial and banking sector, measurement, and reporting, as well as strategic management from case studies, including limitations and challenges in operations. | 1 | 20,830.50 |
| Ideation Techniques for Creativity & Innovation | To promote comprehensive understanding about methods and mindsets for creativity and innovation, concepts, training sessions, work processes, various techniques, and tools | 1 | 13,715 |
| Compulsory training programs of branch employees for potential enhancement towards organizational reformation [2/] | To further develop employee skills to achieve the desired business results and increase overall organization's productivity | 9 | 8,380 |

Remark:
[1/] Training courses are available in both Thai and English.
[2/] Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) consist of (1) 6-hour course for new employees (2) 3-hour course for employees who have previously completed the 6-hour course, and (3) 0.5-hour course for EVP and above.

Remark:
[1/] Training courses are available in both Thai and English.
[2/] Compulsory training programs of branch employees for potential enhancement towards organizational reformation consist of nine courses, divided by their positions and/or employees' level, and employees can choose to complete another one course.

### Succession Plan

Target:
Review and create a succession plan for positions that are important to Krungsri Group's business operations the management of each business group and Human Resources Learning and Development Division will review the established succession plans annually. This is to ensure that the successors are ready upon being assigned to perform duties when there is a vacant position to prevent risk and impact on business operations.

Performance:
In 2023, succession plans for 100 percent of key positions were created.

### Individual Development Plan (IDP)

Target:
Integrate the Individual Development Plan into the annual performance appraisal to promote and enhance employees' potential for 100 percent.

Performance:
In 2023, all employees at all levels prepared their Individual Development Plan, accounting for 100 percent, as targeted.

### Individual development for senior management, including talents and successors

Target:
Formulate individual development plan for senior management, including talents and successors for the key positions that are important for Krungsri operation to reach 100 percent.

Performance:
For 2023, these actions were taken:

- Initiate **Krungsri Talent Management System** to develop senior executives, talents, and successors, which cover two modules:
  (1) **Performance and goal module** which includes managing employee performance and competency assessments. The strengths of 80 senior executives are evaluated to gain insights on their potential and develop abilities based on competency management principles.
  (2) **Individual development plan** was created for 841 senior executives, talents, and successors, through the KLC system representing 100 percent, allowing real-time tracking of employee development. In this regard, the career path development plan was also created to provide opportunities for executives to gain critical experiences for key positions including job rotations and action learning, etc.
- Organized 307 leadership development courses, participated by 9,488 executives; talent management and succession planning, participated by 78 executives to develop high potential employees and successors; and conducted an executive coaching course for a senior executive, Coaching for Xponential Organization project participated by 61 executives, and three senior executive development and MUFG group network building courses. Additionally, competency assessments and the individual development plan for career growth or promotion, as well as various projects were conducted and initiated, while senior executives play a vital role in sharing experiences and incubate Krungsri leaders, such as The Inspirer and PersepExecutive.







### Training programs to develop and enhance capabilities of the Bank's Boards of Directors

Target:
Design and develop courses to promote knowledge and develop the capabilities of the Bank's Board of Directors on a regular basis, as well as build expertise in various areas such as good corporate governance, ESG risk management, cyber security, digital technology and financial innovation, guidelines, and frameworks for sustainable banking, etc. This is achieved through creating a competency development plan for the Board of Directors consisting of training programs, seminars, and company visits.

Performance:
In 2023, the Bank placed importance on developing and enhancing capacities of the Bank's Board of Directors as detailed below:

1) Training programs related to sustainability, namely Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand and Transition Finance & MUFG/APAC Transition Whitepaper
2) Training programs related to data disclosure according to the international standards, namely New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure)
3) Training programs related to technology and digital, namely Cyber Resilience Leadership: Mission for Embracing the Future of AI & Cybersecurity
4) Other relevant training programs, namely the Board's Role in Mergers and Acquisitions

The average training hours of the Board of Directors are accounted for 17.31 hours per person.

### Providing the compulsory AML/CTPT program, in compliance with the 'Anti-Money Laundering Board Ordinance on the Provision of Training to the Reporting Entities under Section 13 and Section 16, B.E. 2563' of the Anti-Money Laundering Office (AMLO)

Target:
Formulate and organize the AML/CTPF courses, in compliance with the 'Anti-Money Laundering Board Ordinance on the Provision of Training to the Reporting Entities under Section 13 and Section 16, B.E. 2563' of the Anti-Money Laundering Office (AMLO), while the courses were stipulated as compulsory programs for employees, covering from the newly recruited employees to Executive Vice President (EVP). The objectives of the training programs are to control the risks that may arise from the internal job transfer and enable employees, who completed the courses, to continuously perform their duties in preparing the controlling reports, transactions, customer identification process, and customer due diligence.

Performance:
Krungsri organized the AML/CTPF courses as required by laws through Krungsri Learning Companion (KLC). In 2023, 100 percent of the Bank's employees (including employees under special conditions [1/]) completed the training programs with an average of 21,714 training hours.

Remark:
[1/] Employees under special conditions refer to employees identified by supervisory business units that they could not attend compulsory programs, such as those who suffer terminal illness.

### Organized a training program related to Market Conduct as well as other relevant training programs

Target:
Develop and review various courses related to the market conduct to provide branch staff knowledge and understanding of market conduct practices, while encouraging staff to present products and services to customers with accuracy, appropriateness, and fairness, for the benefits of consumer protection that promotes sustainable banking.

Performance:
In 2023, Krungsri organized a total of 65 training courses related to Market Conduct, including Market Conduct for BM, Market Conduct for Non-Sales, Market Conduct for Sellers, Role Play for selling based on Market Conduct principles, and banking product training programs such as deposit and mutual fund products, loan products, and bancassurance products. A total of 71,682 employees completed the training programs, accounting for 14,868 training hours.

### Training programs related to 'sustainable development.'

Target:
Support learning courses and special lectures by external organizations that promote 'sustainable development' concerning three dimensions of environmental, social, and governance (ESG)

Performance:
In 2023, Krungsri developed training courses related to sustainability and ESG to drive and promote the sustainability missions among the Bank's Board of Directors, executives, and employees at all levels. These courses include the ESG: The Next Big Thing of Banking, which is a mandatory course for all employees, the Environmental, Social, and Governance (ESG) for Sustainable Growth, the Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand, the New Financial Disclosure Standard: TCFD (Task Force on Climate-related Financial Disclosure), the Transition Finance & MUFG/APAC Transition Whitepaper, Thailand Taxonomy: A New Rule for Sustainable Banking, etc. A total of 108,840 employees completed the training programs, accounting for 214,946 training hours.





### Training program related to the Personal Data Protection Act B.E. 2562

Target:
Develop training programs to equip executives and employees with knowledge and understanding of the Personal Data Protection Act (PDPA) to ensure that they can correctly analyze the impact and perform operations in line with the Personal Data Protection Act B.E. 2562

Performance:
In 2023, a total of 15 training courses were organized through both online format and special lecture sessions, two of which were compulsory courses and 13 of which were general courses, such as Personal Data Protection (Personal Data Protection Act) as well as PDPA Personal Data Protection and Personal Data Protection Act B.E.2562. A total of 11,766 employees completed the training programs, accounting for 23,740 training hours.

### Well-being and safety, and workplace ergonomics

Target:
Offer annual programs that focus on staff well-being, safety, and workplace ergonomics. These programs aim to help employees work happily and efficiently to ensure they are ready, both physically and mentally

Performance:
In 2023, 104 training courses and special lectures on the concept the 'Wholeness of Being' (Health & Fitness, Mental & Emotional, Wealthy, Work Environment, Purpose & Spiritual) and Ergonomics were organized. Employees could select to attend the courses of their interests, such as Reigniting Motivation and Passion in Times of Burnout, Stress Management Techniques and Coping Strategies, Building Relationships and Happiness in People and Organizations, Physical Wellness: e-Ergonomics and Self Therapy, Psychological Safety: The Key to Team & Organization Success, Women's Health Issues, etc. A total of 9,810 employees completed the training programs, accounting for 26,068 training hours.





# STAKEHOLDER ENGAGEMENT

Krungsri placed high value of equality and inclusion on all stakeholders, internal and external, while establishing processes that build meaningful stakeholder engagement focusing on their very own expectations and perspectives on the Bank's operations, including entire supply chain activities. In light of this, we can establish stakeholder engagement guidelines and best practices, covering the economic, social, and environmental dimensions, including issues that could spill over into the Bank's competitive capabilities.

Establishment of greater stakeholder engagement will not only enable us to make strategic business decisions, so that we would be able to thoroughly respond to expectations across all stakeholder groups, but also mitigate potential risks and adverse impacts to build better stakeholder relationships that promotes sustainable success.

## Management Approaches

- Establish the stakeholder specification, analysis, and prioritization process by considering diverse relevant factors. They include the context of relationships with stakeholders, expectations, interest, and the influence of the stakeholders in each level, as well as the connection with adding value throughout the entire supply chain, impacts of the Bank's operations on stakeholders in terms of economic, social, environmental, and governance dimensions, mutual dependency, codes of conduct, and responsibility toward stakeholders. These are the factors that are important for establishing the stakeholder engagement plan.

- The Bank's all business units are required to conduct stakeholder analysis concerning their respective operations to stipulate appropriate operating guidelines and participation. Therefore, we can efficiently respond to the interests and expectations of each stakeholder group. The stakeholder engagement should take into consideration the related laws, regulations, requirements, and guidelines of diverse regulators including the Stock Exchange of Thailand, the Bank of Thailand, the Office of the Securities and Exchange Commission, the Office of the Consumer Protection Board, National Credit Bureau Co., Ltd., the Ministry of Commerce, and the Ministry of Labour,

## Identification of stakeholders

Krungsri established the method for identifying stakeholders by considering the following characteristics:

- Stakeholders directly and/or indirectly impacted by the Bank's operations.
- Stakeholders with 'interests' and 'expectations' in the Bank's projects or activities.
- Stakeholders who are likely to influence the Bank's operations.

Based on the above considerations, Krungsri categorizes its stakeholders into nine groups as follows



# Stakeholder Engagement Process

## Executives and staff members

### Interests and Expectations

- Clear business direction and goals, including targets or performance indicators within the economic, social, environmental and governance dimensions
- Codes of conduct and employee fair treatment
- Appropriate compensation, welfare, and benefits
- Overseeing occupational health, safety, and environment of the workplace
- Job security and advancement
- Respect for labor and human rights
- Supporting and enhancing employee skills, knowledge and competencies

### Engagement and Communication Channels

- New employee e-orientation
- Town Hall Meeting held at least once a year
- Krungsri Leadership Meeting held once a year
- Meetings for discussion among executives and staff members in the same and different divisions on a regular basis
- Monthly message from the President and Chief Executive Officer
- Internal communications via diverse channels, e.g., 'Krungsri Portal Sharepoint', e-Magazine: 'Krungsri Life', e-Newsletter: 'Around Krungsri', emails of 'ESG Simple to Share' or 'ESG Flash' announcements via a public address (PA) system, etc.
- Year-round communications among the Human Resources Management Division, executives, and employees through diverse activities and/or channels, such as the 'HR Inspires' and 'Around HR' emails, the 'Humans of Krungsri' LINE account, 'KarE' Application, etc.
- The employee engagement survey (The Voice of Krungsri: VOK), enabling employees to freely express their opinions and suggestions from different perspectives
- Activities to promote organizational culture and core values, including CSR activities
- Engagement activities of the Bank, executives, and staff members in different opportunities, e.g., New Year parties, the Songkran Festival, retirement parties, and team building or engagement activities, etc.
- Employee opinion surveys
- Regular meetings with representatives of Bank of Ayudhya's labor union
- View sharing between external experts and the Bank's executives and staff members

### Approaches and Responses

- Human resource development and performance assessment
- Annual staff training and career path planning
- Overseeing workplace well-being, safety, and environment
- Fair labor practices and respect for human rights
- Engagement activities between executives and staff members
- Set annual budget for CSR activities
- Listening to employee complaints via the Bank's complaint channels, e.g., HR Service, whistleblowing channels, etc.

## Shareholders

### Interests and Expectations

- Qualifications and professionalism of the Board of Directors and executives, and the proportion of independent directors
- Impressive returns
- Disclosure of operating results in an accurate, complete, transparent, and verifiable manner
- Preventing breaches of shareholders' personal data and rights

### Engagement and Communication Channels

- Annual and/or extraordinary general meeting of shareholders (at least once a year)
- Dissemination of the Form 56-1 One Report and the Sustainability Report (once a year)
- Information dissemination through website 'krungsri.com'
- Information disclosure through the SET Portal Straight Through system of the Stock Exchange of Thailand

### Approaches and Responses

- Good corporate governance and codes of conduct
- Anti-fraud and corruption policy
- Prudent risk management
- Handling shareholders' personal data with utmost security
- Business continuity management
- Respect for shareholder rights and ensure their equality
- Delivering good performance and reasonable returns
- Developing digital innovation and operating systems
- Disclosure of operating results in an accurate, complete, transparent, and verifiable manner through multiple channels
- Provision of whistleblowing channels

## Customers (Corporate, SME, and Retail)

### Interests and Expectations

- Provision of appropriate products and services which match customer needs, and social and environmental finance
- Professional and speedy services
- Accurate and complete advice about diverse products and services
- Financial access
- Provision of advice and promotion of financial literacy
- Customers' rights and personal data protection
- Assistance measures for customers suffered from economic impacts

### Engagement and Communication Channels

- Provision of officials to facilitate customer convenience and to maintain customer relationships, including customer visits as appropriate and needed
- Annual customer satisfaction survey conducted at least once a year
- Communication about product and service information via diverse channels including website 'krungsri.com', online and social media accounts of 'Krungsri Simple', leaflets, brochures, marketing activities, etc.
- Year-round activities to build strong relationships with customers, e.g., seminars, business matching activities, etc.
- Customer visit activities on an as needed basis, including communication activities that convey information of sustainability performance, ESG trends, e.g., ESG knowledge sharing activities for JPC/MNC customers, etc.
- Krungsri Call Center, Tel. 1572
- Communication about assistance measures for customers impacted by the economic crisis via the Bank's branches, website 'krungsri.com', and social media channels.

### Approaches and Responses

- Fair treatment of customers
- Maintaining customers' personal data protection with utmost care
- Maintaining cybersecurity
- Financial crime prevention
- Provision of accurate and complete product and service information per best market-conduct practices
- Accountability to customers in terms of products and services
- Provision of impressive customer experiences through product and service innovations taking into account economic, social and environmental dimensions
- Adopting digital innovation and technology that help increase customer access to products and services, such as Krungsri Mobile Application (KMA), Kept by Krungsri Application, Krungsri Online, and Krungsri Biz Online, QR Code payment via Krungsri Mung-Mee, website 'krungsri.com', etc.
- Introducing sustainable debt resolution measures for customers suffered from the economic impact
- Providing customer convenience for financial access through banking agents
- Providing financial literacy through the online channel of 'Krungsri The Coach'
- Provision of whistleblowing channels and a customer complaint resolution process (CCRP)

## Suppliers or vendors

### Interests and Expectations

- Fair and equitable treatment of suppliers or vendors
- Accurate and adequate information, and equal access to information
- Fair supplier selection
- Transparent procurement and fair payment
- Protection of customer confidentiality
- Provision of chances to join hands with the Bank and companies in the Financial Business Group in the future

### Engagement and Communication Channels

- Regular news updates via email, e.g., Krungsri Group's The Spirit and The Letter, the Environmental, Human Rights Disclosure Statement, anti-corruption, etc.
- Meetings between the Bank and suppliers or vendors
- Disclosure of suppliers' and vendors' codes of conduct via website krungsri.com
- Communication of the Thai Private Sector Collective Action Against Corruption
- Notification of the Gift and Entertainment Policy at least once a year particularly during the New Year festival via emails
- Supplier or vendor site visits

### Approaches and Responses

- Fair and equal treatment for suppliers or vendors without discrimination
- Handling suppliers' and vendors' personal data with utmost security
- Fair trade with an explicit supplier selection guideline
- Establishment of a green procurement guideline and promoting suppliers with environmentally-friendly business operations
- Use of e-auction for transparency
- Provision of accurate and adequate key information and conditions under common standards
- Strictly honoring contracts or conditions agreed with suppliers or vendors
- Keeping information received from suppliers or vendors confidential
- Provision of whistleblowing channels

## Creditors

### Interests and Expectations

- Honoring agreed terms and conditions
- Timely debt repayment
- Managing liquidity and expectation of potential emergency incidents which could impact liquidity
- Consistent information disclosure

### Engagement and Communication Channels

- Company visits
- Holding meetings for presenting key highlights of information, view sharing, and taking advice

### Approaches and Responses

- Honoring agreed terms and conditions based on integrity, equality, and fairness
- Timely interest payment and debt repayment
- Refraining from disclosing creditors' confidential information
- Provision of accurate and adequate information and organizing activities that promote mutual understanding
- Provision of whistleblowing channels

## Regulators supervising commercial banks and listed companies

### Interests and Expectations

- Good corporate governance and business operations under the 'sustainable banking' principles
- Creating economic and social value
- Codes of conduct, as well as fraud and corruption prevention
- Compliance with laws and regulations related to the banking business and listed companies
- Transparency and disclosure
- Potential impacts caused by the Bank's operations on society and the environment
- Responsible lending and ESG considerations
- Financial crime prevention

### Engagement and Communication Channels

- Regular meetings and cooperation with, and reporting to regulators
- Meetings in important occasions for view sharing and taking advice
- Transparent performance disclosure via the Bank's channels

### Approaches and Responses

- Good corporate governance and a code of conduct
- Anti-fraud and corruption
- Anti-money laundering and countering terrorism financing
- Financial crime prevention
- Establishing the sustainable lending by considering ESG dimensions
- Prudent risk management
- Business continuity management





- Compliance with laws and regulations related to the banking business
- Cooperation and support in creating economic and social value, and compliance with the sustainable banking policy
- Provision of officials whose main duty is to cooperate with regulators supervising commercial banks and listed companies

## Investors and analysts

### Interests and Expectations

- Qualifications and professionalism of the Board of Directors and executives, and the proportion of independent directors
- Compliance with principles of good corporate governance and transparency
- Business operations that take into account economic, social, and environmental dimensions
- Efficiently managing opportunities and risks
- Disclosure of operating results useful for investors' decision making
- Operating results and business growth

### Engagement and Communication Channels

- Regular meetings with investors and analysts
- Teleconferences
- Holding year-round meetings and roadshows at home and abroad
- Holding securities analyst meetings
- Holding meetings with credit rating agencies which rate Krungsri and our subsidiaries
- Organizing company visits at Krungsri Group's subsidiaries
- Holding press conferences on performance, business expansion, and key developments
- Reporting quarterly operating and financial results through the Stock Exchange of Thailand and website 'krungsri.com'
- Notifying news about the Bank's key developments via email on a year-round basis

### Approaches and Responses

- Establishment of an investor relations unit responsible for information disclosure and contacting investors and securities analysts
- Ensuring good corporate governance and codes of conduct
- Ensuring anti-fraud and corruption
- Ensuring prudent risk management
- Ensuring business continuity management
- Delivering good performance and reasonable returns
- Developing digital innovations and operating systems
- Disclosure of Krungsri's financial and non-financial information accurately, adequately, transparently, regularly, and timely through diverse channels and media
- Provision of whistleblowing channels

## Other commercial banks or financial institutions

### Interests and Expectations

- Fair competition
- Banking and economic development
- Cooperation and building networks for sustainable development

### Engagement and Communication Channels

- Regular meetings with member banks, at least once a month, through the Thai Bankers' Association (TBA), as well as meetings with the Payment System Office (PSO), the Thailand Banking Sector Computer Emergency Response Team (TB-CERT), and the Thai Banking Academy (TBAC) under TBA's supervision
- Meetings with member banks under TBA's working groups and/or clubs
- Year-round communications among member banks through the TBA's clubs
- Regular meetings and communication among member banks of the Association of International Banks (AIB)

### Approaches and Responses

- Compliance with banking codes of conduct
- Fair competition with a level playing field and business transparency under stipulated regulatory requirements
- Provision of marketing information that would not impact competitors
- Participation in activities beneficial for the financial and banking industry to prevent negative impacts on the banking system
- Participation in and cooperation with member banks in matters on which the government agencies seek cooperation, such as assistance measures during disasters, or the government's activities, or preparation for cyberthreats, etc.
- Provision of whistleblowing channels

## Communities and society

### Interests and Expectations

- Provision of a variety of financial products and services in response to the needs of local communities particularly low-income earners, the underprivileged, etc.
- Provision of complete and accurate financial products and services
- Quality of life enhancement and promotion of income generating activities for communities through diverse forms of social activities
- Potential social and environment impacts caused by the Bank's operations
- Resource efficiency
- Listening to views and demands of communities and society

### Engagement and Communication Channels

- Provision of financial products and services that respond to community and society needs
- Organizing corporate social responsibility (CSR) activities with CSR staff joining local communities in participating in the activities
- Creating value for communities and society using the organization's expertise to organize financial literacy projects that help develop and promote the economic strength of communities and social enterprises, such as signing memorandum of understanding with the Social Enterprise Thailand Association (SE Thailand)
- Discussion and cooperation with local units to promote activities that help enhance communities' quality of life

### Approaches and Responses

- Development of financial products and services in accordance with community and society needs and enhancing appropriate channels to access products and services
- Establishment of the 'Sustainability Committee'[1/], responsible for setting strategies, directions, policies, and directives related to issues of environmental, social, and governance (ESG) or sustainability for the Bank and companies under the Financial Business Group. The committee meets at least once a quarter.
- Establishment of the Corporate Social Responsibility Department (CSR), under supervision of the Environmental, Social and Governance Division[2/] (or ESG Division). CSR operations are carried out under 'Krungsri CSR 4 Pillars' namely Building Sustainability Value, Giving Back to the Community, Preserving the Environment, and Providing Financial Support.
- Satisfactory survey conducted among those participating in CSR activities
- Listening to perspectives of the communities and society and providing whistleblowing channels
- Dissemination of the information of CSR activities via Krungsri's channels, such as website 'krungsri.com', as well as provision of the Form 56-1 One Report and the Sustainability Report

Remarks:

1/ For more information about the Sustainability Committee, please see the topic of Sustainability Governance Management on Page 31, or on the Krungsri website (www.krungsri.com/th/esg/sustainable-banking/committee)

2/ For more information about the ESG Division, please visit the Krungsri website (www.krungsri.com/th/esg/sustainable-banking/esg-division)





# COMMUNITY PARTICIPATION AND SOCIAL ENGAGEMENT

Engaging in supporting and developing communities and society to ensure people have better quality of life has become key aspects of Krungsri's mission for a continual period. This has been conducted through fostering and encouraging all internal stakeholders such as executives, employees, and other relevant parties to strictly adhere to corporate social responsibility policies and practices and cultivate the spirit of volunteering to create value for communities and society. All these are undertaken under the 'Simple to Share' concept through a wide range of projects and activities covering economic, social, and environmental dimensions.

To support communities and society, while creating positive impact required the collaboration between external agencies and alliances in the public sector, the private sector, and the civil society such as the Stock Exchange of Thailand, Thai Bankers' Association, Thai Red Cross Society, Social Enterprise Thailand Association, Department of Fine Arts, foundations and foster homes, and local communities. This is to leverage the synergy from combining each organization's expertise to further enhance existing projects and activities for a broader scope of concrete and positive impacts, ever ready to step further in operating in a way that serves society, while also promoting the country's sustainable development and growth.

## Management Approaches

- Appoint the '**Sustainability Committee**' responsible for defining strategies, directions, policies, and regulations for operations relating to ESG, sustainability, and social accountability of the Bank and the companies in the Financial Business Group (Krungsri Group) in accordance with sustainable banking principles, the guidelines and expectations of regulators, including the Sustainable Development Goals (SDGs) of the United Nations to be proposed to the Executive Committee for approval. The Sustainability Committee shall hold a meeting no less than once per quarter and shall report its performance directly to the Executive Committee.

- Form the '**Policy for Social Contribution and Project Formulation**' as the basic framework for providing




financial support and donations to the corporate social responsibility (CSR) activities of Krungsri Group. The group companies must use this policy as a guideline on forming an equivalent policy of their own.

- Stipulate that all employees comply with the '**Policy and Program for Anti-Bribery and Corruption**' of the Bank. It shall be considered that giving, donating, and supporting various activities have legitimate business objectives and do not lead to a conflict of interest, while also in accordance with the Policy for Social Contribution and Project Formulation. The implementation of and strict compliance with such policies and measures will help prevent and mitigate risks that may occur such as bribery, corruption, conflicts of interest, as well as reputation risks. On top of that, the policy and measures do not allow the Bank to undertake any political support, whether it is carried out personally or on behalf of the Bank. This is because such undertakings could exert influence on external parties which may lead the Bank to gain benefits or business advantages that are improper and unfair.

- Establish the '**Corporate Social Responsibility Department**' under the Environmental, Social and Governance Division of the Corporate Strategy and Planning Group. Its responsibility is to devise CSR strategies and determine plans, projects, or campaigns that have positive impact on society, including driving Krungsri's CSR activities in cooperation with our alliances and relevant parties, both internal and external, to carry out CSR activities in conformity with international guidelines or standards as well as the SDGs.

- Stipulate the social responsibility framework called '**Krungsri's 4 CSR Pillars**' so that our CSR activities respond to sustainable development at the national and international levels. Details are as follows:

## KRUNGSRI'S 4 CSR PILLARS




**Creating sustainability value**
Focusing on creating an understanding of social responsibility and shared value of sustainability among executives, employees, and stakeholders.

**Giving back to the community**
Focusing on creating community engagement both in the Bank's operating area and the society through various CSR activities and projects

**Preserving the environment**
Focusing on cultivating environmental conservation habits and awareness through CSR activities and projects, including promoting eco-friendly operating processes

**Providing financial support**
Focusing on promoting support for and assistance to society in various aspects such as education, public health and medical aspects, and disaster relief

## Performance

**Investments for community and social development*:**
**4 million baht**

**Donations*:**
**17.69 million baht**

**3,937**
**Krungsri Group volunteers spent**
**10,053**
**volunteer hours participating in CSR activities.**

Remark:
* Bank of Ayudhya and subsidiaries only

## Creating Sustainability Value

Krungsri realizes that one of the important strategies for implementing social responsibility is cultivating awareness and creating shared value among employees, executives, and relevant stakeholders. Therefore, Krungsri fosters the senses of sustainability through a variety of projects and activities as follows:

- Dissemination of knowledge and promotion of understanding of social responsibility and sustainability
- Integration of environmental, social, and governance (ESG) dimensions into the organization's business-as-usual processes
- Arrangement of knowledge-sharing courses to provide ESG knowledge to relevant stakeholders such as customers, suppliers, and business partners, etc.
- Provision of operational support according to the sustainable banking principle
- Provision of support to achieve the Sustainable Development Goals (SDGs)
- Survey of stakeholders' opinions on the Bank's business operations
- Cooperation with stakeholders in organizing social activities, etc.
- Performance evaluation and preparations of sustainability report as well as creation of awareness among all stakeholders through various channels such as the Form 56-1 One Report, sustainability report, and website www krungsri.com, etc.

### Provision of training program on ESG for executives and employees

Krungsri is cognizant of the importance of integrating ESG considerations into operations toward our aspiration for sustainable banking, particularly issues related to the banking business. With this in mind, the Environmental, Social and Governance Division, in collaboration with the Learning Solutions and Leadership Development Department, introduced online ESG training sessions for executives and employees at all levels. Details are as follows:

- Introduced new hires to ESG fundamentals in the e-Orientation session
- Held an online training session about 'Environmental, Social, and Governance (ESG) for Sustainable Growth' in two rounds on May 15 and October 17, 2023, attended by 138 employees with the participant's satisfaction scores of 83.20 percent.
- Organized knowledge sharing sessions on various important topics for the Board of Directors and senior executives through online channels as follows:
  - 'Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand' on August 23, 2023 (Session I) and September 27, 2023 (Session II). Both sessions are run by experts in ESG from Deloitte Touche Tohmatsu (Deloitte Thailand). A total of 70 participants, including the Bank's Board of Directors and senior executives from relevant departments, attended these sessions.
  - 'Taskforce on Nature-related Financial Disclosures' (TNFD) on August 24, 2023. The lecture was given by the experts from Ernst & Young Advisory Pte. Ltd. (EY). A total of 17 participants, including staff and executives from relevant departments, attended the sessions.
  - 'Task Force on Climate-related Financial Disclosures' (TCFD) on October 25, 2023, run by experts in ESG from Deloitte Touche Tohmatsu (Deloitte Thailand). A total of 34 participants, including the Bank's Board of Directors and senior executives from relevant departments, attended these sessions.
  - 'Transition Finance and Roles of Commercial Banks in Supporting Customers' on November 22, 2023. The lecture was given by the MUFG experts and the Environmental Social and Governance Division. A total of 35 participants, including the Bank's Board of Directors and senior executives from relevant departments, attended the session.
  - 'Transition Finance & MUFG/APAC Transition Whitepaper' on November 22, 2023. The lecture was given by the MUFG experts. A total of 35 participants, including the Bank's Board of Directors and senior executives from relevant departments, attended the session.

### Training programs on 'Sustainable Procurement with Krungsri'

Krungsri organizes online training programs under the topic of 'Sustainable Procurement with Krungsri' to communicate with suppliers and service providers to ensure they understand the practices related to the environmental, social, and governance aspects (ESG), the Supplier Code of Conduct, green procurement guidelines, and the anti-corruption measures. This aims to encourage suppliers to adopt the guidelines for their sustainable growth. The programs were organized in three sessions on May 11, August 24, and October 20, 2023, with a total of 267 participants.



### Training and educating employees and relevant parties on the topic of 'Green Office Promotion'

Krungsri raised the standards for making our offices environmentally-friendly in tandem with adjusting our employees' habits for energy and resource efficiency, and reduction of waste from the Bank's operating processes and activities, including underscoring environmentally-friendly activities to cut down the emission of greenhouse gases (GHG)—the primary cause of global warming. Krungsri held training sessions for 201 outsourced staff

regarding 'Promotion of green office and enterprise waste management' at the Head Office on July 1, 2023 and at KSPO on November 18, 2023.



### Training and educating employees on the topic of 'New Zero Waste Lifestyle'

Aware of environmental and climate change issues, Krungsri organized staff training sessions to create the correct understanding of climate change and waste problems and also to instill an environmental preservation mindset by starting with internal collaboration, leading to clearly defined waste management operations. On October 12, 2023, Krungsri held a training session about 'Zero Waste: New Zero Waste Lifestyle' which was presented by experts from Chulalongkorn University and attended by 113 employees.

## Giving Back to the Community

### 'Giving More...Receiving More' project promoting blood donation

Krungsri started the 'Giving More…Receiving More' project in 2007 in collaboration with the National Blood Centre, Thai Red Cross Society, to promote the donation of blood, organs, and eyes to aid people in need, especially in crises when the blood inventory is insufficient for patient treatments. In this connection, Krungsri organized the blood drives by considering the appropriateness of the venue and giving priority to donor safety. Details are as follows:

Target:
Collaborate with the National Blood Centre, Thai Red Cross Society to organize the blood drives and receive a total of one million cc. of blood

Performance:
A total of 732,400 cc of blood was donated through the blood drives. Details of which are as follows:

- Held four blood drives at the Head Office in March, June, September, December, where 400,800 cc of blood was donated.
- Held four blood drives at the KSPO in March, June, September, December, where 139,600 cc of blood was donated.
- Held blood drives through 15 provincial branches, namely Kalasin Branch, Si Saket Branch, Thanon Phahon Yothin Saraburi Branch, Udorndhani Branch, Nangrong Branch, Amnat Charoen Branch, Thanon Phatthanakan Khu Khwang Branch, Chainat Branch, Uthai Thani Branch, Ban Chang Branch, Nakhon Ratchasima Rajabhat University Branch, Thanon Mittraphap Khon Kaen Branch, Siyaek Sanam Bin Chiang Mai Branch, Phitsanulok Branch, and Phuket Branch. Through these activities, a total of 192,000 cc of blood was donated.



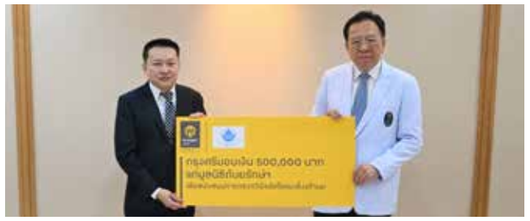
### 'Krungsri Breast Cancer Awareness' project

Krungsri started 'Krungsri Breast Cancer Awareness' project in 2010 with the support of the Breast Foundation under the Patronage of HRH the Princess Mother, aiming to support the country's public health strategies through diverse activities such as breast self-examination training by experts and free mobile mammography units providing the public with quality and standard breast examination service equivalent to examination at the Thanyarak Breast Center.

Target:
1) Organize knowledge sharing sessions on the dangers of breast cancer and breast self-examination methods to public health volunteers from four sub-district health promotion hospitals according to the plan, with no less than 80 participants
2) Organize breast diagnosis activities through mobile mammography units for underprivileged women at the Head Office, with no less than 50 participants











Performance:

- Donated funds amounting to 500,000 baht to support the breast examination activities of the Breast Foundation under the Patronage of Her Royal Highness the Princess Mother
- Organized knowledge sharing sessions on the dangers of breast cancer and breast self-examination methods to a group of public health volunteers from sub-district health promoting hospitals in Phra Pradaeng District, Samut Prakan Province, consisting of 1) public health volunteers from Bang Krasop sub-district health promoting hospital 2) public health volunteers from Bang Nam Phueng sub-district health promoting hospital 3) public health volunteers from Bang Ko Bua sub-district health promoting hospital, Village No. 2 and 4) public health volunteers from Bang Ko Bua sub-district health promoting hospital, with a total of 100 volunteers participated in these activities, while they would disseminate knowledge obtained from the programs to women in their communities. In this regard, Dr. Wiphawan Apiwat, the doctor at Thanyarak Breast Center, Siriraj Hospital, was invited to share knowledge to the participants.
- Organized breast diagnosis activities through mobile mammography units for underprivileged women at the Head Office with 50 participants. They would be informed of the diagnostic test results and treatment steps if any abnormalities are detected.

"Breast cancer self-examination, through the collaboration between the Bank of Ayudhya and the Thanyarak Foundation, is of immense value. As a representative of public health volunteers from Phra Pradaeng District being close to people in the community, I will apply the knowledge from this program and transfer it to the people in my communities as well as communicate it through social media channels such as Line, Facebook, TikTok, and news broadcasting towers. This is to educate the people and become another driving force to efficiently prevent the breast cancer."

**Ms. Patchaya Phokeaw**
Public health volunteer from Bang Nam Phueng sub-district Health Promoting Hospital



"Attending this program helped me gain knowledge about the risks of breast cancer that can affect women of all ages, which is very beneficial for myself and women in the community. I also learned how to perform a basic breast self-examination. If any abnormalities are detected, I can immediately consult with the doctor. I would like to thank Bank of Ayudhya for placing the importance on the well-being of the people."

**Ms. Kanda Sakullimp**
Public health volunteer from Bang Ko Bua sub-district Health Promoting Hospital



### 'Ayutthaya Historical Site Conservation' project

Since 2015, Krungsri has carried out heritage conservation activities in our hometown province, Phra Nakhon Si Ayutthaya—a historic city recognized as the World Heritage Site by UNESCO, in collaboration with the 3rd Regional Office of Fine Arts Department, Phra Nakhon Si Ayutthaya. The activity aims to sustain communities' cultural heritage and encourage Krungsri employees to take part in the country's cultural preservation.

Target:

1.) Carry out a total of four activities—covering the locations around Ayutthaya city island and surrounding areas to conserve and restore historical sites four times as planned.
2.) The participants' overall satisfaction score shall be no less than 80 percent.

Performance:

- The first activity was held on April 1, 2023 at Wat Wang Chai, participated by 69 Krungsri Group volunteers who spent 552 volunteer hours.
- The second activity was held on May 27, 2023 at Wat Khae (Rang), participated by 72 Krungsri Group volunteers who spent 576 volunteer hours.
- The third activity was held on August 19, 2023 at Wat Worapho, participated by 72 Krungsri Group volunteers who spent 576 volunteer hours.
- The fourth activity was held on September 23, 2023 at Wat Sika Samud, participated by 92 Krungsri Group volunteers who spent 736 volunteer hours.
- The participants' overall satisfaction score is 98 percent.





### Pan Kan: Turn Your Used Items into Scholarships project

Krungsri initiated the 'Pan Kan: Turn Your Used Items into Scholarships' project in 2016, which is now in its eighth year. The project aims to promote the spirit of sharing among Krungsri employees and help extend educational opportunities to youths by accepting donations of used items in good condition which are offered for sale at Pankan Society shops. Proceeds from the sales are allocated as scholarships for youths under the supervision of the Yuvabadhana Foundation.

Target:

Set the target to give used items in good condition to be sold at Pankan Society shops and turn the proceeds into 700 scholarships in 2023

Performance:

Throughout 2023, Krungsri Group accepted used items in good condition to be sold at Pankan Society shops. Total proceeds of 873,575 baht were received while the amount can be converted to 125 scholarships (an average of 7,000 baht each). Since beginning of the project, a total number of scholarships supported by Krungsri was 717 scholarships (2016-2023).








### Krungsri Auto Library Project

Krungsri Auto Library Project was initiated in 2010 with the objective of providing equal access to learning opportunities, while also developing the quality of education through building libraries for schools in remote areas. In addition to teachers and students, people in the community can also reap the benefits of the library to increase their knowledge.

Performance:

Krungsri Auto has successfully completed and delivered the 15th Krungsri Auto Library, together with 15 computer sets, to Ban Huai Pan School, Erawan District, Loei Province. In this regard, the employees of Krungsri Auto and local dealers in the areas joined force and participated in this activity. This achievement was made possible through the collaborative efforts of Krungsri Auto employees and local dealers in the respective areas.



## Preserving the Environment

### Care the Wild 'Plant & Protect' collaborative project with the SET

Krungsri in collaboration with the Stock Exchange of Thailand (SET) participated in the Care the Wild 'Plant & Protect' project in 2020 to express our commitment to resolving environmental issues and tackling climate change. The project's mechanisms are to raise funds to grow and protect forests together through the good governance mechanism. The growth of the trees can be monitored through the Care the Wild mobile application. Several parties such as the Royal Forest Department and the Rural Development Foundation have collaborated in the project.



Target:

Increase and restore the forest areas with the objective to organize forest restoration activities—covering 10 *rai* in the target area

Performance:

Krungsri continued the Care the Wild 'Plant & Protect' project for the fourth consecutive year by expanding the planting area in Ban Khao Hua Khon, Nampu Subdistrict, Mueang Ratchaburi District, Ratchaburi Province, for 10 *rai*. 60 Krungsri Group volunteers participated in the activity and spent 480 volunteer hours.

### 'Care the Bear' collaborative project with the SET

Krungsri has been participating in the SET's 'Care the Bear' project initiated under the concept of 'Change the Climate Change' by Eco-Event since 2019. The public and private sectors as well as social enterprises are invited to help accelerate the mitigation of global warming by reducing GHG emissions through event organization. Adhering to the 'Principle of 6 Cares', the project campaigns for commuting on electric trains or public transport, reducing the use of paper and plastics, banning foam containers, reducing power consumption, choosing decorative items made from reusable materials for organized events, and selecting only as much food as one can finish to reduce food waste.

Krungsri joined the project so that our entire organization can take part in resolving environmental issues and tackling climate change–the primary cause of global warming, through our activities.

Target:
Support and encourage various business units to reduce global warming by mitigating greenhouse gas emissions from arrangement of various events such as a press conference, marketing activities, and social activities, etc.

Performance:
Through the arrangement of low-carbon events in 2023, we reduced GHG emissions by 1,532,708.01* kg$CO_2$e, comparable to planting 170,302 trees.

Remark:
* Reference is made to the calculation information from https://climatecare.setsocialimpact.com/dashboard/carethebear



## 'Krungsri Zero Waste' project

Krungsri initiated this project in 2018 under the concept 'Let's Unite for Zero Waste', aiming to raise employee awareness of waste problems and promote efficient waste management in the organization so that the least waste is sent to landfills. The Bank organized activities to encourage 'zero waste' habits among employees and promoted internal efforts, namely waste management training sessions, campaigns for waste sorting before proper disposal, and campaigns against single-use plastics to reduce pollution and environmental problems stemming from plastic waste.

In 2023, Krungsri organized many activities toward the 'zero waste' goal for the sixth consecutive year. Details of our performance are available in the topic of 'Environmental Management and Resource Efficiency' page no. 161-171.

Krungsri ZERO WASTE

## Mangrove Reforestation Activity

Initiated in 2012, the Bank's mangrove reforestation activity aims to conserve and nurture the mangrove ecosystem and create food sources for marine lives in collaboration with government agencies and provincial administrative authorities such as the Mangrove Forest Resources Development Station 5 (Chonburi), the Mangrove Resources Administration Center Chonburi Province, the Marine and Coastal Resources Administration Office 2, and the Department of Marine and Coastal Resources.

Target:
1.) Carry out activities to plant 2,000 mangrove trees and organize mangrove ecosystem conservation activities as planned.
2.) The participants' overall satisfaction score shall be no less than 80 percent.

Performance:
- First activity: The mangrove reforestation was held on June 17, 2023 in Ang Sila Subdistrict, Mueang District, Chon Buri, participated by 77 Krungsri volunteers who spent 616 volunteer hours.
- Second activity: The mangrove reforestation was held on July 15, 2023 in Khlong Dan Subdistrict, Bang Bo District, Samut Prakan, participated by 41 Krungsri volunteers who spent 328 volunteer hours where a total of 1,000 mangroves were planted.
- Third activity: The building of 'crab condominiums' was held on May 20, 2023 in Klong Dan Subdistrict, Bang Pakong District, Chachoengsao, participated by 65 Krungsri volunteers who spent 520 volunteer hours.
- The participants' overall satisfaction score is 97.46 percent.










## Doi Tung Check Dam Construction Project

Krungsri has constructed Doi Tung check dams since 2009 to help retain the moisture and richness of forests so that they serve as wildfire barriers and natural water sources useful for the locals as well as the wildlife.

Performance:
In 2023, Krungsri executives, volunteers, employees of Krungsri Auto, Ngern Tid Lor, and business partners such as car dealers, collaborated to build 32 check dams at Ban Pha Bue in the Doi Tung Development Project (the operation area of the royal initiative) in Chiang Rai. Since 2009, Krungsri Group has constructed 302 check dams in the Doi Tung Development Project area to retain moisture in the area. In addition, the Bank and Krungsri Auto provided 1 million baht to the Mae Fah Luang Foundation to support its restoration and conservation of water resources for a sustainable ecosystem.

## 'Old desk calendars for the blind' activity

Krungsri has collected and delivered old desk calendars to the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen or other agencies since 2017 to produce Braille-printed instructional materials for the blind. This activity contributes to optimal resource utilization by means of reuse, which also helps cut down GHG.

Performance:
Krungsri collected 8,423 calendars from employees and delivered them to the said foundation.

## Mangrove planting activities under the Krungsri Consumer Race to Net Zero project

Krungsri Consumer organizes mangrove planting activities to encourage employees to learn about the importance of mangrove forests to the ecosystem, while also promoting the employee's participation in environmental conservation. Moreover, mangrove forests can capture and store carbon dioxide in the atmosphere.

Performance:
Krungsri Consumer has planted 1,500 mangrove trees, which can help reduce carbon in the atmosphere up to 13,500 kilograms of carbon dioxide equivalent.



## Providing Financial Support

Krungsri Group in collaboration with government agencies and charitable organizations provided financial support for the organizations' public benefit activities to assist communities with urgent needs in various aspects. In 2023, the total financial support provided was amounted to 17.69 million baht.

**17.69 million baht**

- Education
- Natural disaster relief
- Arts, culture, and religion
- Other public benefits
- Public health and medical purposes

















# 3 ENVIRONMENTAL ASPECT



## CLIMATE CHANGE MANAGEMENT

Environmental degradation particularly, among others, climate change, has become an ever-growing challenge, while causing adverse impacts on economic development, business operations, ecosystems, biodiversity, and human security. The same can be said for financial institutions' business operation. Thus, climate change management is an urgent national and global agenda, which needs collective efforts from all parties for risk and climate mitigation as well as adaptation toward a low-carbon economy.

Krungsri, as a financial institution that operates its business responsibly while taking into account social and environmental considerations, has realized that its business operations and activities may directly or indirectly affect the environment and contribute to climate change. As a result, Krungsri's focus is on engaging all parties, including the government and private sectors, and civil society to adapt to and mitigate the impacts caused by climate change, while establishing measures and guidelines to minimize emissions from our own operations and activities toward zero emissions. We also supported the business sector and particularly our customers in their low-carbon transitions. In addition, the climate change management is the key driver to achieve Thailand's emissions mitigation and Nationally Determined Contributions (NDCs), as well as the United Nations Sustainable Development Goals (SDGs)




### Management Approaches

- Declare **Krungsri Carbon Neutrality Vision** in conformity with the United Nations Sustainable Development Goal 13: Climate Action, low-carbon transitions in alignment with the Paris Agreement and Nationally Determined Contribution (NDC), and MUFG's Carbon Neutrality Declaration, with the following goals:
  - Decarbonizing the Bank's own operations by 2030
  - Decarbonizing the Bank's financial services by 2050
    - Phasing out our exposure to coal-fired power plants within 2030, enhancing the financial disclosure policies with an action plan to disclose our financed emissions as well as reduction targets
    - Increasing social and sustainable finance portfolio by 100 billion baht by 2030
    - Contributing to actively promote sustainable and green finance market development in Thailand
- Join forces with other members of the **Thai Bankers' Association (TBA) to launch 'ESG Declaration'**, serving as a framework and operating guideline for climate-related financial disclosures. The Bank will take actions according to the following essential guidelines:



**Strategy:** Integrate ESG into business strategies and define frameworks for sustainable finance in order to minimize negative impacts and support positive economic growth, together with sustainable social and environmental development



**ESG risk management:** Incorporate ESG and climate considerations into risk management processes, including scenario analysis and stress testing, to assess the impact on banks' operations, transactions, and portfolios



**Financial products:** Utilize digital technology to increase financial accessibility, plus green and sustainable financial innovations; help customers on their way to achieve net zero emissions and sustainable growth



**Communication:** Communicate and collaborate with all stakeholders in raising public awareness on ESG issues and contribute to the efforts to achieve sustainable development goals



**Disclosure:** Develop monitoring and reporting systems in line with Thailand's regulatory frameworks and global sustainability disclosure standards (i.e. Task Force on Climate-related Financial Disclosures: TCFD, GRI standards etc.)

- Internalize Environmental and Climate Change Aspects into Financial Institution Business in alignment of the Bank of Thailand's Standard Practice, as well as Industry Handbook initiated and developed by member banks of the Thai Bankers' Association (TBA) in collective efforts to enhance commercial banks' environmental and climate risk management standards and to support customers' transitions in a concrete manner.

- Develop Transition Plans for environmental and climate risk management, particularly high-emissions businesses in which the Bank has high exposure. Related targets and initiatives are set in alignment with Krungsri's business strategies in achieving the low-carbon transition and decarbonization of our financial services by 2050.

- Support the transitions of customers, the business sector, and the economy toward emissions mitigation and environmental sustainability in a concrete manner, through our advisory service in raising awareness as well as sustainable financial products and services. (Please see the topic of Responsible Lending and ESG Considerations on page 115-122 for more details.)

- Promote social and environmental projects through loans or financial products based on the 'responsible lending' principles, in alignment with Krungsri's Policy for Credit Risk Management and Policy for Sustainability Lending complied by all business units. The policy identifies transaction characteristics and types as criteria for credit underwriting. The Bank has no policy to finance transactions that pose significant ESG risks, particularly those causing adverse environmental impacts and increasing climate risks, including:
  - Unabated coal-fired power generation
  - Forest industry covering cultivation and hunting in conserved forest areas
  - Coal-related activities, e.g., coal mining, coal transportation, or fundamental activities especially organized to support coal-related businesses, etc.

  (Please see the topic of 'Responsible Lending and ESG Consideration' on page 115-122 for more details)

- Conduct a Carbon Footprint for Organization (CFO) to assess the amount of greenhouse gas emissions from Krungsri Group's business operations and identify significant sources of greenhouse gas emissions. This effort is to stipulate the practices to reduce the organization's greenhouse gas emissions—including preparation of various measures to achieve Krungsri Carbon Neutrality Vision. In this regard, the Bank assessed the carbon footprint for the organization according to the criteria stipulated by the Thailand Greenhouse Gas Management Organization (Public Organization) and the ISO 14064-1 standard. These are international standards and requirements for organizations in measuring and reporting the greenhouse gas emissions with an aim to uplift our certification standard of greenhouse gas emissions to the international level.

- Promote workflows and operations that help reduce emissions. Examples include digitalization that reduces the use of resources and environmental footprints, the design of KSPO that meet the Leadership in Energy and Environmental Design (LEED) standards of the US Green Building Council (USBC) with the Gold Level of certification granted, and a solar rooftop system installed at Krungsri Learning Center, VDO conference, etc.

- Become a member of various organizations to support greenhouse gas emission mitigation in line with Thailand's Nationally Determined Contribution (NDC), and the Paris Agreement, under United Nations Framework Convention on Climate Change (UNFCCC), in conformity with the United Nations Sustainable Development Goal 13: Climate Action. In this connection, Krungsri becomes a member of various networks as follows:
  - Thailand Carbon Neutral Network (TCNN) by becoming a member of the Climate Action Leading Organization (CALO), reflecting Krungsri's leadership in managing and assuming responsibilities regarding greenhouse gas emissions through the commitment to reducing greenhouse gas emissions at the organization level to achieve the carbon neutrality aspiration. The strategic goals and clear operational plans were established to reduce greenhouse gas emissions as well as help customers in their transitions to green and low-carbon operations as well as investment. Krungsri also joined the 'Climate Finance Subcommittee', whose duty is to promote access to various funding sources and support members domestically and internationally, including the dissemination of knowledge, participation in activities, listening to opinions on practices related to climate finance, and providing recommendations on climate finance measures to the government sector.
  - Thai Renewable Energy (RE100) Association to cooperate with leading organizations from various industrial sectors to address climate change issues. This is to encourage Thailand's industry sector to adopt 100 percent renewable energy and promote the transition to the New S-Curve by focusing on the use of clean energy
  - Become a founding member of the Carbon Markets Club to promote the carbon credit exchange system, the first of its kind in Thailand, in support of the country's transition toward a low-carbon society

## Performance

### Operational emissions reduction

1. **Carbon Footprint for Organization**

   Krungsri conducted a carbon footprint for the organization evaluation by collecting data on greenhouse gas emissions and absorption from Krungsri's business operations and activities, covering three following scopes:
   - Scope 1 Direct GHG emissions from organizational activities and operations calculated from combustions of various types of fuel, leakage of refrigerants, leakage of fire extinguisher solutions, leakage of methane emitted from the septic tank system and wastewater treatment tanks, etc.
   - Scope 2 Indirect GHG emissions from the generation of purchased energy consumed in the organization. In this regard, it refers to electricity purchased from the Metropolitan Electricity Authority only.
   - Scope 3 Other Indirect GHG emissions, including the use of related resources measured from volumes of tap water and A4 paper used, the acquisition of fuel and electric power, the transportation of raw materials by manufacturers, waste from the organization's activities, business trips, employee commuting, electricity consumption of standalone ATMs nationwide, transportation of customers and document delivery, etc.

Krungsri calculated the amount of greenhouse gas emissions including Carbon Dioxide ($CO_2$), Methane ($CH_4$), Nitrous Oxide ($N_2O$), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), and Sulfur hexafluoride ($SF_6$) Nitrogen Trifluoride ($NF_3$) using the requirements for calculating and reporting the carbon footprint for the organization. Such calculation method is in line with the criteria of the Thailand Greenhouse Gas Management Organization (Public Organization), 8th edition, 6th revision (July, 2022) (The Greenhouse Gas Protocol, Revised Edition October 2016) based on the Global Warming Potential (GWP) Rate from the assessment report of the Intergovernmental Panel on Climate Change (IPCC), Version No. 5 (AR5). ISO 14064-1: 2018 Carbon Footprint Management Standard for Organizations.




## GHG Emission across Krungsri Group

| GHG Emission Assessment | Unit | Total GHG Emissions* | | | |
|---|---|---|---|---|---|
| | | 2020 1/ | 2021 2/ | 2022 2/ | 2023 3/ |
| Scope 1 | tonCO2e | 10,575 | 9,792 | 8,421 | 8,601 |
| Scope 2 | tonCO2e | 43,663 | 40,429 | 37,866 | 43,032 |
| Scope 1 and 2 | tonCO2e | 54,238 | 50,221 | 46,287 | 51,633 |
| Scope 1 and 2 emission intensity | tonCO2e/ person | 2.53 | 2.44 | 2.27 | 2.43 |
| Scope 3 | tonCO2e | 1,632 | 27,611 | 19,264 | 30,120 |
| Full-time employees (FTE) | person | 21,445 | 20,612 | 20,362 | 21,283 |

Remarks:

* The year 2020 was set as the baseline year (changed from 2017) as the corporate carbon footprint calculation was extended to cover both the Bank, Bank branches, and subsidiaries, in alignment with the Krungsri Carbon Neutrality Vision and MUFG's Carbon Neutrality Declaration announced in 2021.

1/ In 2020, the greenhouse gas emissions from the Head Office, Krungsri Ploenchit Office (KSPO), branches nationwide, and 14 subsidiaries (located in Thailand) were disclosed. The information has been sent to and is pending to be certified by the Thailand Greenhouse Gas Management Organization (Public Organization).

2/ In 2021-2022, the greenhouse gas emissions from the Head Office, Krungsri Ploenchit Office (KSPO), branches nationwide, and 14 subsidiaries (located in Thailand) were disclosed.

3/ In 2023, the greenhouse gas emissions from the Head Office, Krungsri Ploenchit Office (KSPO), branches nationwide, and 15 subsidiaries (located in Thailand) were disclosed, to which the information of the new subsidiary, Krungsri Capital Securities PCL, was added. The information has been sent to and is pending to be certified by the Thailand Greenhouse Gas Management Organization (Public Organization).





**2. Energy efficiency**

In 2023, Krungsri studied and planned for energy efficiency of equipment in the Head Office, Krungsri Ploenchit Office, and the Bank's branches to mitigate emissions and environmental impacts, by taking following actions:

- Conducted a survey and made a plan to change to highly efficient chiller plants in the Head Office, expected to commence in 2024
- Conducted a survey and made a plan to change to split-type air conditioners in 20 branches per year, expected to commence in 2024
- Conducted a survey and made a plan to change to LED light bulbs in 20 branches per year, expected to commence in 2024

(Remark: Please see Environmental Management and Resource Efficiency on page 161-171 for more details)

**3. Promotion of renewable energy**

Krungsri places importance on imposing measures to reduce emissions from the organization's energy consumption which emits greenhouse gases the most among all activities. Feasibility studies were conducted for reducing electricity generated by using fossil fuels, while promoting environmentally-friendly renewable energy. In 2017, the Bank installed a solar power system that can generate 20.5 kilowatt hours (kWh) at Krungsri Talent Acquisition Center, of which lease agreement expired in September 2023. In this regard, the Bank is accelerating a feasibility study for installation of a solar power system at the Head Office, Krungsri Riverside Office, and standalone branches nationwide, expected to commence in 2024.

**4. Forest carbon credit management**

As forestation, reforestation, and forest conservation serve as the mechanism that absorbs carbon dioxide from the atmosphere while mitigating greenhouse gases, forest carbon credits can be used to reduce corporate carbon footprints. Krungsri, thus, collaborated with business partners and alliance networks in forest carbon credit management with an aim to participate in emissions reduction and carbon absorption, while driving toward Krungsri Carbon Neutrality Vision, with following details:

- **The forest carbon credit management for sustainable development:** Krungsri joined hands with the Mae Fah Luang Foundation under Royal Patronage in the carbon capture project in northern community forests with around 1,000 *rai* in total areas, which is expected to generate approximately 0.9-1.5 tons of carbon dioxide equivalent per rai over three years (2023-2025). In addition, this project's purpose is to manage natural resources and enhance the general public's quality of life in terms of socio-economic aspect, particularly boosting communities' capacity in conserving or increasing carbon captures in forest areas, as well as adding extra income from preserving forests for sustainable communities.
- **Mangrove forestation for carbon credit project:** In 2023, the Department of Marine and Coastal Resources allocated 44.35 *rai* in mangrove areas for carbon capture reforestation and mangrove ecosystem restoration to Krungsri in Trang. The Bank will start mangrove reforestation in these allocated areas in 2024.





**5. Promotion of electronic vehicles (EV)**

Krungsri participated in creating the EV ecosystem, while promoting the use of EVs in the corporate fleets, in alignment with the government's EV promotion policy to reduce carbon emissions that lead to air pollution and climate change, as well as Krungsri Carbon Neutrality Vision.

- **Transitioning of corporate vehicle fleets to EVs:** Krungsri is currently conducting a feasibility study and planning to change the Bank's corporate fleets, namely executive vehicles and general corporate vehicles for the Bank's business activities, from internal combustion engine (ICE) ones to vehicles more friendly to the environment, e.g., EVs, plug-in hybrid electric vehicles (PHEVs), etc. In this regard, for the transition, the Bank would take into account multiple factors such as the life cycle of vehicles, the EV market and demand in Thailand, after sales services, etc.

- **The use of EV bikes:** Krungsri, in collaboration with Thai Honda Co, Ltd., rented the Honda BENLY e for the Bank's internal document submission. This model of EV bike has a 78-kilometer range per charge.




**6. Krungsri Race to Net Zero**

The Krungsri Race to Net Zero project commenced in 2023 under the concept of 'Krungsri Race to Net Zero: Together, Stop the Global Boiling'. This has been an urgent and crucial agenda of Krungsri and the Bank's stakeholders, in alignment with Thailand's Nationally Determined Contribution (NDC) and the Paris Agreement, while reflecting Krungsri's Banking with Purpose guiding principles.

The project was aimed to raise the climate change awareness among executives and staff members, while also encouraging employee engagement and change of behaviors in mitigating emissions from the Bank's business operations and activities through multiple online and offline media, as well as gamified learning experiences that promote enterprise-wide engagement. Key messages communicated under this project include:

- Zero-waste organization: Promote resource efficiency to reduce waste to landfills and ensure appropriate corporate waste management;
- Green organization: Support renewable energy along with energy efficiency
- Digital organization: Create innovations and support digital workplace, while reducing the use of disposal resources, e.g., paper, fuels, etc.




Activities under the Krungsri Race to Net Zero project:

- Music and music video (MV) 'Race to Net Zero: Together, Stop the Global Boiling!'
- Internal online communication media: Line, e-mail, LED screens in staff lifts, and internal digital screens on all floors
- Internal offline communication media: Wall and lift wraps, posters in rest rooms, a large logo sculpture of 'Race to Net Zero: Together, Stop the Global Boiling' installed in front of the Head Office
- The Net Zero Dance Challenge activity
- Gamified activities, including 'Net Zero Avenger' that features the 'Stop Global Boiling' missions namely: 1. Correct ways of waste segregation to reduce waste to landfills; 2. Energy efficiency through unplugging unused devices; 3. Personal containers to reduce single-use plastics; and 4. Planting and caring for trees in absorbing carbon from the atmosphere, etc.




**7. Carbon Neutral Event**

Krungsri places high importance on decarbonization of our own emissions including carbon emitted from the Bank's business events, thereby initiating to organize carbon neutral events by selecting venues certified based on environmental standards, electronic communication media, and environmentally-friendly materials and equipment, etc.

In 2023, two carbon neutral events were organized as follows:

- **Krungsri ESG Awards Opening Day** was organized on 27 January 2023 at TK Hall, Sasin Graduate Institute of Business Administration of Chulalongkorn University, participated by 120 audience members, with a carbon offset of 2 tons of carbon dioxide equivalent. This event was certified as the Carbon neutral Event by the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO).
- **Krungsri Business Forum and Krungsri ESG Awards Celebration** was organized on 9 November 2023 at Chadra Ballroom, Siam Kempinski Hotel Bangkok, participated by 700 audience members, with a carbon offset of 9 tons of carbon dioxide equivalent. This event was certified as the Carbon neutral Event by the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO).




## Reducing our financed emissions

**1. Phasing out exposure to coal-fired power plants**

Target:
To phase out exposure to coal-fired power plants within 2030 in alignment with Krungsri Carbon Neutrality Vision

Performance:
Krungsri's outstanding financial exposure to coal-fired power plants was 2,685 million baht (as of December 31, 2023), which is expected to decrease to zero within 2030 as planned.

**2. Social and Sustainable Finance (SSF)**

Target:
To decarbonize financial services by 2050, and increase Social and Sustainable Finance by 100 billion baht by 2030

Performance:
SSF increased from 2021 by 70,890 million baht (as of December 31, 2023).

(Remark: Please see Responsible Lending and ESG Considerations, page 115-122)

**3. Transition Plan**

Target:
To prepare the Transition Plan for mitigating environmental and climate risks from Krungsri's portfolios, particularly high-emitting industries to which the Bank has high exposure. The Transition Plan preparation is in alignment with Thailand Taxonomy, Phase 1, developed by the Thailand Taxonomy working group.

Performance:
Krungsri has started preparing the Transition Plan, taking into account high-emitting industries, particularly the energy sector. At the initial stage, the focus will be on those in the power generation business, which is expected to be completed by 2025, before preparing the Transition Plan for other industries, particularly the transport sector.

## Support Thailand's participation in emissions mitigation and climate action

Held in 2023 in Dubai, the United Arab Emirates (UAE), COP28, standing for the 28th Conference of the Parties of the UN Framework Convention on Climate Change, was an annual momentous summit where governments and the private sector of around 200 countries discussed how to limit and prepare for future climate change. Thailand was one of the countries participating in this event, while advocating visions and goals toward emissions mitigation and climate action.

MUFG led by Mr. Kanetsugu Mike, Chairman of MUFG, and Krungsri led by Mr. Kenichi Yamato, Krungsri President and Chief Executive Officer, were invited to COP28 where Mr. Kanetsugu Mike shared MUFG's Asia Transition White Paper on 'Navigating the Energy Transition in Asia' at the Thailand Pavilion under the Climate Finance Agenda, focusing on actionable policy recommendations and the role of climate finance for accelerating holistic decarbonization in the region as well as supporting our clients' transition efforts.










# ENVIRONMENTAL MANAGEMENT AND RESOURCE EFFICIENCY

Environmental issues have become worsening and affect all sectors throughout the value chain. Krungsri, as a responsible financial service provider, is cognizant of the environmental problems, waste, and waste management in the organization. As the banking business is among the industries that consume considerable resources and energy, particularly electricity, paper, and fuel, etc., which results in both direct and indirect environmental impacts.

In this light, Krungsri raises and promotes awareness among our executives and staff at all levels, as well as related parties, of the importance of mitigation of ecological footprint, resource efficiency, governed by clear operating frameworks of internal environmental management, and pursuit of ways to conserve resources and reduce waste from resource consumption and operations.

Optimal environmental management and resource efficiency lead to positive environmental impacts, and not only respond to the national environmental development goals, but also conform with the United Nations Sustainable Development Goals (SDGs) (Goal 12: Responsible Consumption and Production; Goal 13: Climate Action; and Goal 17: Partnerships for the Goals) and also helps reduce expenses and financial risks from violating laws or environmental regulations as well as reputational risks from environment-related complaints.

## Management Approaches

Krungsri's environmental management and resource efficiency approaches are as follows:

- Formulate the '**Environmental Disclosure Statement**' in addressing the following global environmental issues
  - Striving to protect the environment and responding to climate change is the responsibility of all human beings.
  - Aiming to contribute to the realization of a sustainable society by protecting the global environment in alignment with the SDGs
  - Complying with applicable legislation and international agreements and responding appropriately when our operations result in environmental risks or negative impacts
  - Striving to reduce the environmental impacts of our operations, as well as actively working toward finding solutions to global environmental issues through our business activities
- Establish the '**Policy for Environment, Resource, Occupational Health, and Safety**' to promote and support environmental management and resource efficiency. The policy serves as a guideline for determining environmental protection and resource conservation measures in compliance with laws and regulations relating to the environment. Krungsri's executives and staff at all levels, as well as internal and external related parties, shall cooperate in promoting and complying with the following 11 measures regarding energy consumption, resource efficiency, and environmental conservation.

### 1. Water consumption

- Communicate and campaign for correct and efficient water consumption
- Determine the appropriate water consumption time, e.g., watering plants, cleaning areas in front of the building
- Use water-saving and environmentally friendly sanitary wares
- Stipulate measures on wastewater reuse, e.g., wastewater treatment according to standard procedures and wastewater reuse for some activities
- Log monthly water consumption

## 2. Energy consumption

- Communicate and campaign for energy saving
- Determine the appropriate energy consumption time, e.g., turning on and off lights, air conditioners, and other electrical appliances based on operational periods
- Promote utilization of renewable and environmentally friendly energy
- Use energy-saving and environmentally friendly electrical appliances and equipment
- Log monthly energy consumption

## 3. Fuel consumption

- Communicate and campaign for turning off the vehicle engine when parking for a long time
- Encourage employees to use bicycles, public transport, or carpooling to work
- Plan appropriate travel routes to save fuels, e.g., corporate shuttle van routes appropriate for each period, etc.
- Log monthly fuel consumption

## 4. Consumption of paper, printing ink, office supplies and equipment

- Communicate and raise awareness of ultimate resource efficiency for consumption of paper, printing ink, office supplies and equipment
- Determine the use of paper, printing ink, office supplies and equipment that suits operations
- Promote the use of electronic media to reduce the consumption of paper, printing ink, office supplies and equipment
- Log monthly paper consumption

## 5. Waste management

- Regularly provide knowledge and raise awareness regarding waste management in the organization, e.g., revoking the use of single-use foam or plastic containers, promoting the 3Rs (Reduce-Reuse-Recycle) concept, and reducing the use of chemical substances
- Arrange waste bins with explicit labels of waste types and campaign for waste sorting as stipulated
- Designate sufficient space for storage of waste pending collection
- Promote the reuse of items
- Log monthly amount of waste sorting

## 6. Organization of meetings, exhibitions, and events

- Determine the meeting room size appropriate to the number of attendees
- Promote online meeting or training to reduce the use of paper, printing ink, office supplies and equipment in meetings or events
- If it is necessary to organize off-premises meetings or events, the venues should meet environmentally-friendly standards based on the green procurement guideline.







## 7. Wastewater management

- Stipulate appropriate and efficient wastewater management and treatment. The treated wastewater must reach the legal standards for reuse or release to public waterways.
- Stipulate regular examination and maintenance of the wastewater management system
- Stipulate regular checks for any wastewater leaks

## 8. Occupational health and safety in the workplace

- Form a fire prevention and suppression plan, remove materials or prevent operations that could cause fire, and organize annual fire safety and evacuation drills as required by law
- Form contingency plans
- Assess workplace safety in compliance with relevant standards
- Establish enterprise safety processes according to relevant legal standards and international regulations
- Establish processes for managing external personnel operating in all of the Bank's areas
- Organize training sessions on safety, occupational health, and workplace environment for employees at all levels

## 9. Air quality in the workplace

- Form a workplace air pollution control plan
- Communicate to or notify employees or related parties upon the rise of air pollution from events
- Campaign against and prevent air pollution caused by various events
- Establish the control guideline for pollution caused by construction or renovation within the building area

## 10. Lighting and noise level in the workplace

- Examine the luminous intensity of lighting to ensure compliance with legal standards
- Examine and improve lighting in the workplace to ensure its sufficiency and appropriateness in compliance with legal standards
- Establish noise control in the office building
- Communicate to or notify employees or related parties upon the rise of noise pollution caused by events

## 11. Green Space

- Designate green spaces inside and outside the office building
- Appoint staff to take care of green spaces and determine definite periods for maintenance of green spaces inside and outside the office building

- Appoint the 'Working Committee on Environment' to support responsible business operations that take into account environmental mandates and ultimate energy efficiency and resource management. It comprises 10 business unit representatives and its performance is directly reported to the Sustainability Committee.

- Appoint the 'Energy Management Committee' which comprises nine business unit representatives in charge of alignment with the Bank's energy saving and management policy, including providing training and campaigning for appropriate energy conservation and management. Its membership is reviewed on an annual basis.

- Commit to environmental conservation, resource and energy efficiency, waste reduction, including mitigation of pollution emissions that would affect the environment, thus cutting the emission of greenhouse gasses (GHG) and minimizing the risks of climate change in order to achieve the SDGs.

- Devise and support alternative operating methods that employ digital technology and Robotic Process Automation (RPA) systems to save energy and resources, resulting in less environmental impact from our operating or service processes.

- Communicate and provide information about energy and resource efficiency as well as environmental conservation to raise awareness among employees, communities, customers, government agencies, and related parties.

- Establish appropriate environmental complaint channels via the Bank's complaint channels, e.g., the website (krungsri.com/th/esg/contactus), Krungsri Call Center 1572, or directly file complaints to the Working Committee on Environment, etc.

## Performance

### Fuel and Electricity Consumption

Krungsri promotes optimal utilization of energy and fuel, which is communicated to employees at all levels to raise awareness and adjust habits, resulting in energy conservation. In addition to saving energy and cutting the expenses of the Bank, this also helps reduce both direct and indirect GHG emissions.

#### Electricity consumption

Target:
Reduce electricity consumption by 5 percent per year compared to the previous year.

Performance:
In 2023, the electricity consumption increased by 22 percent compared to 2022 as there were more staff members worked at offices, and the data collected also expanded to cover that of a new subsidiary.

**Electricity Consumption (kilowatt-hours)**

| | |
|---|---|
| 2020[1/] | 28,383,000.00 |
| 2021[2/] | 67,447,931.75 |
| 2022[3/] | 70,353,942.95 |
| **2023[4/]** | **86,082,238.83** |

Remark:
1/ 2020: Electricity consumption of Head Office and KSPO
2/ 2021: Electricity consumption of Head Office, KSPO, and branches countrywide
3/ 2022: Electricity consumption of Head Office, KSPO, branches countrywide, and 14 subsidiaries (only those located in Thailand)
4/ 2023: Electricity consumption of Head Office, KSPO, branches countrywide, and 15 subsidiaries (only those located in Thailand)







#### Fuel consumption

Target:
Reduce fuel consumption by 5 percent per year compared to the previous year

Performance:
In 2023, fuel consumption increased by 16.7 percent per year compared to 2022 because of more staff members traveling off-site compared to the previous year, and the data collected also expanded to cover that of a new subsidiary.

**Fuel Consumption (liter)**

| | |
|---|---|
| 2020[1/] | 3,452,731.63 |
| 2021[2/] | 2,857,003.69 |
| 2022[3/] | 3,168,348.85 |
| **2023[4/]** | **3,697,892.63** |

Remark:
1/ 2020: Company vehicles and executive cars of Head Office and KSPO
2/ 2021: Company vehicles and executive cars of Head Office, KSPO, and branches countrywide
3/ 2022: Company vehicles and executive cars of Head Office, KSPO, branches countrywide, and 14 subsidiaries (only those located in Thailand)
4/ 2023: Company vehicles and executive cars of Head Office, KSPO, branches countrywide, and 15 subsidiaries (only those located in Thailand)

**Total Energy (gigajoules)**

| | | | |
|---|---|---|---|
| 2020[1/] | 110,388.84 | 102,178.80 | 212,567.64 |
| 2021[2/] | 91,284.42 | 242,812.55 | 334,096.98 |
| 2022[3/] | 103,490.73 | 253,274.19 | 356,764.92 |
| **2023[4/]** | **118,252.94** | **309,896.06** | **428,149.00** |

Fuel | Electricity | Total Energy

Remark:
1/ 2020: Total energy of Head Office and KSPO
2/ 2021: Total energy of Head Office, KSPO, and branches countrywide
3/ 2022: Total energy of Head Office, KSPO, branches countrywide, and 14 subsidiaries (only those located in Thailand)
4/ 2023: Total energy of Head Office, KSPO, branches countrywide, and 15 subsidiaries (only those located in Thailand)

In this regard, the unit conversion rates are based on data from the Department of Alternative Energy Development and Efficiency, Ministry of Energy, as follows:
- 1 liter of diesel is equivalent to 36.42 megajoules (MJ).
- 1 liter of gasoline is equivalent to 31.48 megajoules (MJ).
- 1 kilowatt-hours (kWh) equals 0.0036 gigajoule (GJ).

## Increasing energy efficiency

Krungsri has continuously conducted feasibility studies and made a plan for increasing energy efficiency and reducing electricity consumption of all electrical equipment in both Head Office and branches nationwide, while reducing GHG emissions from the Bank's operations. Details are as follows:

- The improvement of the Chiller Plant Management System in Head Office
  The Chiller Plant Management System has been used for a long time, with lower efficiency and high electricity consumption. Krungsri, therefore, conducted a study to analyze the efficiency of the Chiller Plant Management System and made a plan for changing the system. The improvement is expected to commence at Head Office in 2024 in order to increase the chiller plants in the office. It is expected that the electricity consumption will be reduced by 1,102 MWh/Year.

In 2023, the cooling water distribution in the chiller plants in Head Office was adjusted, with the connection points of the cooling water distribution between Building A and Building B were adjusted, while ceasing the operations of chiller plants of Building B. This has reduced electricity consumption by 895,272 units per year, and electricity bills by 3,769,095.12 baht, while mitigating scope 2 emissions by 447,546.47 $kgCO_2e$.

- The replacement of air conditioners in Head Office and the Bank's branches nationwide
  Krungsri is planning to replace old air conditioners covering Head Office and the Bank's branches nationwide particularly standalone branches, of which air conditioning units' efficiency has decreased per their lifespans with high electricity consumption. Krungsri planned to gradually replace them with new high efficiency and energy saving air conditioners, from 2023 to 2024, by 20 branches per year.

In 2023, the replacement of air conditioners in Head Office is as follows:

| Activity | Volume of electricity reduced (unit) | Amount of electricity costs saved (baht) | Amount of GHG emissions (Scope 2) reduced ($kgCO_2e$)* |
|---|---|---|---|
| Replaced with 10 units of highly-efficient split-type air conditioners in the UPS room | 24,615.60 | 103,631.68 | 12,305.33 |
| Replaced with two units of variable refrigerant volume (VRV) air conditioners | 29,568.00 | 124,481.28 | 14,781.04 |
| Replaced with two highly-efficient Air Handling Units for Krungsri Canteens on 8th - 9th floor, and the Krungsri Fitness Center on 10th floor | 23,633.28 | 1,079,192.07 | 11,814.27 |
| Replaced chillers with eight split-type air conditioners in the IT system control room | 259,524.00 | 1,092,596.04 | 129,736.04 |
| Total | 337,340.88 | 2,399,901.07 | 168,636.68 |

Remark:
* The calculation of greenhouse gas emissions was based on the emission factors of the Thai National LCI Database, TIISMTEC-NSTDA, AR5 (with TGO electricity 2016-2018)





- Improvement of lighting systems at the Bank's branches nationwide
  Krungsri plans to replace old regular lightbulbs with highly-efficient LED lightbulbs to save energy in the Bank's branches nationwide, by 20 branches per year, starting from 2024 onwards.

## Water Consumption

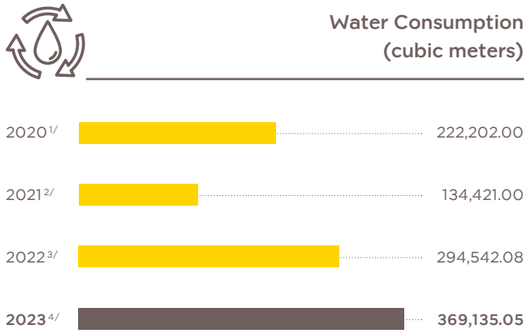
Krungsri promotes water efficiency management and planning with the least environmental impact, ranging from building design, selection of water-saving products, wastewater treatment and quality control which meets legal standards, to the wastewater reclamation process. Krungsri also prepares for and assesses water scarcity risk which might affect our business operation, focusing on water scarcity in Krungsri's building locations in Bangkok, namely the Head Office, KSPO, subsidiaries, as well as the Bank's branches throughout the country.

Target:
Reduce water consumption by 5 percent compared to the previous year

Performance:
In 2023, the water consumption increased by 35 percent compared to 2022 because of more staff members came to work at offices, while the data collected also expanded to cover that of a new subsidiary.



**Water Consumption (cubic meters)**




Remark:
1/ 2020: Water consumption of Head Office and KSPO
2/ 2021: Water consumption of Head Office, KSPO, and branches countrywide
3/ 2022: Water consumption of Head Office, KSPO, branches countrywide, and 14 subsidiaries (only those located in Thailand)
4/ 2023: Water consumption of Head Office, KSPO, branches countrywide, and 15 subsidiaries (only those located in Thailand)

## Net Water Consumption

The water used at the Head Office and KSPO is purchased from the external supplier, Metropolitan Waterworks Authority (MWA). The volume of water consumed by both buildings is measured based on the MWA's water meters. In addition, wastewater from both buildings is treated according to the standard water treatment process to ensure that the wastewater released from the Bank's areas will not cause any impact on the environment, community, or society.

| Water Volume (megaliter) 1/ | Head Office 2/ | | KSPO | |
|---|---|---|---|---|
| | 2022 | 2023 | 2022 | 2023 |
| Tap water purchased from external organizations | 84.01 | 142.12 | 44.68 | 67.89 |
| Water released with total dissolved solid less than 1,000 milligrams/liter | 68.53 | 101.60 | 32.78 | 56.30 |
| **Net water consumption** | **15.48** | **40.52** | **11.90** | **11.59** |

Remark:
1/ 1 megaliter (ML) equals 1,000 cubic meters.
2/ Head Office buildings comprise Building A, B, C, and Krungsri Riverside Office (open for use from November 2022 onward)

### Wastewater Treatment at the Head office

Krungsri has treated wastewater from the Head Office, Krungsri Riverside Office, and KSPO in accordance with the Pollution Control Department's wastewater standards by using the activated sludge process, wherein treated wastewater is examined by external experts. The results of our wastewater treatment system are reported to the Yannawa District Office and the Pathumwan District Office on a monthly basis.

Target:
No compliant regarding wastewater released from Krungsri's responsible areas was made by nearby communities or regulators.

Performance:
In 2023, the wastewater quality of Head Office buildings* and Krungsri Ploenchit Office was in line with the standard per the Notification of the Ministry of Natural Resources and Environment, without any complaints regarding the release of wastewater made by nearby communities or regulators.

Remark:
* Head Office buildings comprise Building A, B, C, and Krungsri Riverside Office)

### Wastewater Reclamation

Krungsri reuses the treated wastewater from the Head Office's cooling tower system and dripping water from the condensation coil system for efficient water consumption and mitigation of environmental impact. In 2023, about 137.99 cubic meters per month or 1,655.85 cubic meters per year of the treated wastewater from the Head Office was used to water plants, wash the ground floor parking area, and refill the fountains in front of the building, helping us save about 28,414.38 baht per year.

As for KSPO, Krungsri uses water from rainwater tanks as well as the treated wastewater from the cooling tower system and dripping water from the condensation coil system to water plants around the building. Also, about 206.09 cubic meters per month or 2,473.07 cubic meters per year of the water is reused in the cooling tower system, helping us save 42,437.88 baht per year.

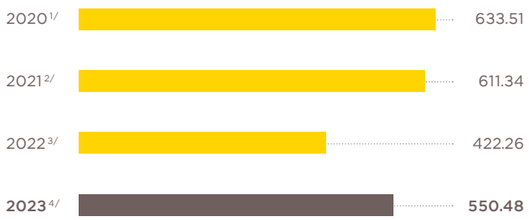
## Paper Consumption

Encouraging digitalization in all employees' processes, Krungsri aims to reduce paper and consumables consumption and waste from operations through diverse projects and activities, e.g., the 'Think Before Print' concept of editing or revising documents files before printing them out, and the use of both sides of paper. In addition, Krungsri adjusted our working model to hybrid working, meaning that employees can switch between working at the office and from home as deemed appropriate to the nature of their work at the discretion of their line manager.

Target:
Reduce paper consumption by 5 percent per year compared to the previous year

Performance:
In 2023, paper consumption increased by 30 percent compared to 2022 because of more staff members working at the offices compared to the previous year, while the data collected also expanded to cover that of a new subsidiary.

**Volume of A4 Paper Consumption (Ton)**




Remark:
1/ 2020: A4 paper consumption of Head Office and KSPO
2/ 2021: A4 paper consumption of Head Office, KSPO, and branches countrywide
3/ 2022: A4 paper consumption of Head Office, KSPO, branches countrywide, and 14 subsidiaries (only those located in Thailand)
4/ 2023: Paper consumption of Head Office, KSPO, branches countrywide, and 15 subsidiaries (only those located in Thailand)





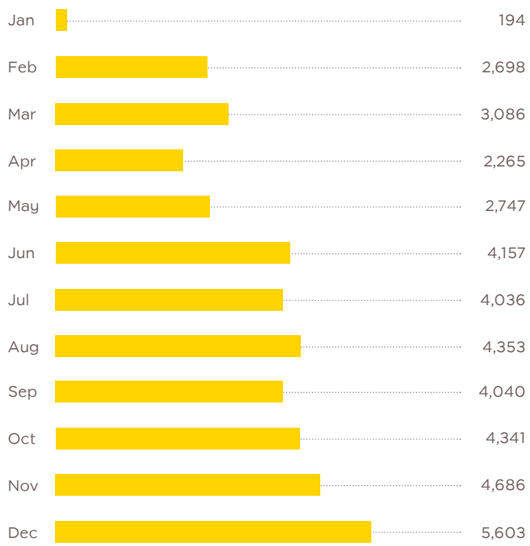
### Reduction of paper consumption in banking operations by the Operations Group

The Operations Group has continued its initiative to reduce paper consumption in banking operations which promotes a transition from traditional banking operations to the digitalized system to make internal operations faster and more efficient, while the paper consumption was reduced in a concrete manner.

Performance:
In 2023, there were seven projects proposed by employees to help reduce paper consumption in banking operations, comprising the project to reduce printing, the project to use electronic platforms, the project to develop applications and tools, etc. In this regard, from all of the aforementioned projects, A4 paper consumption was reduced by 42,206 pieces, equivalent to the reduction of greenhouse gas emissions by 1,061.90* kg$CO_2$e.

Remark:
* The calculation of GHG emissions is based on the source in this link: https://climatecare.setsocialimpact.com/dashboard/carethebear_activity

**The volume of reduced A4 paper consumption per month, as a result of the seven projects (Pieces)**




## Waste Management

Krungsri promotes enterprise-wide resource efficiency and waste management, which is conducive to workplace well-being. In addition to reducing environmental impact as well as GHG emissions, this also cuts down waste management costs and leads to positive changes and environmental impact in the long term.

### 'Krungsri Zero Waste' Project

In 2018, the 'Krungsri Zero Waste' initiative was introduced to address the SDGs, particularly Goal 12: Responsible Consumption and Production, and Goal 13: Climate Action. Krungsri launched several internal projects and activities to instill employee awareness of environmental problems and adjust waste sorting behaviors, starting by promoting resource efficiency, reduction of waste from the Bank's processes or activities, and proper waste sorting to cut down the amount waste sent to landfills – a major contributor to GHG and climate change – as follows:

- Revoke the use of foam food containers in the Bank's canteens and encourage employees to carry their own reusable straw, cup or bottle, cloth bag, eating utensils, and food container to minimize single-use plastics
- Encourage employees to properly sort trash through the 'Krungsri Right Place, Right Bin' activity
- Promote the donation of reusable cloth bags or plastic bags still in good condition to reduce the use of new plastic bags
- Discourage employees from ordering more food than they can eat and install food waste decomposers to reduce food waste from the canteens to landfills
- Organize projects and activities in collaboration with the public sector and partnership networks to reduce waste and GHG emissions, e.g., the Green Office project initiated by the Ministry of Natural Resources and Environment; and the project of proper e-Waste disposal according to international standards in partnership with Advanced Info Service Public Company Limited and Synnex (Thailand) Public Company Limited

2023 marked the sixth year of the 'Krungsri Zero Waste' project with the following performance:

- Participated in the Low Emission Support Scheme (LESS) of the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) for the category of waste management under the 'Krungsri Right Place, Right Bin' activity which covers areas of Head Office and KSPO. The Bank was awarded the Certificate of the Low Emission Support Scheme (based on waste management in 2022), under which Krungsri can reduce greenhouse gas emissions by 1,081.561 tons of carbon dioxide equivalent ($tCO_2e$).
- Supported the 'Care the Whale' project by joining hands with the SET in promoting end-to-end waste minimization and waste sorting for proper disposal, including promoting the circular economy model. Krungsri aims to reduce non-recyclable waste such as plastic bags, snack packaging, plastic eating utensils, paper cups, plastic cups, plastic straws, milk cartons, and juice cartons by sending them to be used as refuse-derived fuel (RDF) in the cement manufacturing process so that there is zero RDF to landfills. The Bank communicated and provided RDF waste bins so that employees can take concrete action in sorting waste. In 2023, 9,106.75 kilograms of RDF was collected from the Head Office, Krungsri Riverside Office and KSPO and sorted to be used in the cement manufacturing process, helping reduce GHG emissions by 7,224.38* $kgCO_2e$.
- Installing food waste decomposers to reduce waste to landfills as well as GHG, Krungsri committed to becoming a zero food waste organization.
  - Krungsri installed a food waste decomposer in 2020 at the Head Office. It uses biotechnology to turn food waste into bio-soil in alignment with the circular economy concept. In 2023, food waste from the Head Office was reduced by 16,243.47 kilograms or 41,095.98* $kgCO_2e$ and the leftovers were turned into 2,960 kilograms of bio-soil.
  - Another food waste decomposer was installed at KSPO in December 2022 and started running in early 2023. The machine helped reduce the amount of food waste sent to landfills by 4,957.61 kilograms per year or 12,542.74* $kgCO_2e$, equivalent to planting 1,393 trees.

Remark:
* Calculation of GHG emissions is based on the emission factors and the carbon footprint for organization (July 2022) of the Thailand Greenhouse Gas Management Organization (TGO).














## 2023 Waste data (Head Office, Krungsri Riverside Office, and KSPO only)

Target:
Increase waste to the recycling process by 5 percent per year compared to the previous year

Performance:
In 2023, recyclable waste increased by 138,330.21 kilograms, or an increase of 67.24 percent compared to 2022, or 1,025,063.62* $kgCO_2e$.

Remark:
* Calculation of GHG emissions is based on the emission factors and the carbon footprint for organization (July 2022) of the Thailand Greenhouse Gas Management Organization (TGO).



| Type of Recyclable Materials | 2021 | 2022 | 2023 |
|---|---|---|---|
| General waste (kilogram) | 199,831.01 | 154,808.09 | 230,753.33 |
| Hazardous waste (kilogram) | 659.18 | 3,951.98 | 1,182.25 |
| Infectious waste (kilogram) | 209.50 | 240.00 | 309.30 |
| e-Waste [1/] (piece) | 1,556.00 | 1,145.00 | 798.00 |
| Food waste | 5,000.00 | 5,810.76 | 21,201.08 |
| Refuse-Derived Fuel (RDF) [2/] | - | 5,384.65 | 9,106.75 |
| Recyclable waste (kilogram) | 415,212.20 | 205,738.00 | 344,068.21 |
| • Cardboard boxes | 10,964.00 | 10,420.00 | 17,204.00 |
| • Paper, books, magazines, journals | 9,002.00 | 9,603.00 | 9,276.00 |
| • Plastic bottles (HDPE) | 3,464.50 | 5,464.25 | 5,559.00 |
| • Glass bottles | 493.00 | 666.00 | 1,124.00 |
| • Aluminum cans | 124.00 | 68.75 | 75.50 |
| • Steel | 20.00 | 142.00 | 890.00 |
| • Polypropylene (PP) board | 177.50 | 257.00 | 362.00 |
| • Paper used on both sides (Shred2Share Project) [3/] | 390,230.00 | 177,597.00 | 308,954.71 |
| • Clear plastic bottles (PET) and opaque plastic bottles (HDPE) (PET to be PPE project) [4/] | 737.20 | 1,520.00 | 623.00 |

Remark:
[1/] Reference is made to the performance report of the 'Thais Say No to e-Waste' project by Advanced Info Service Public Company Limited.
[2/] Data about RDF was collected from the Head Office and KSPO only, starting the data collection and sorting in 2022.
[3/] The Shred2Share Project by Iron Mountain promotes the process of recycling used office documents in the Shred2Share Project: 'Keep Information Secure while Caring for the Environment' of Iron Mountain (Thailand) Company Limited. The participants in this project are Bank of Ayudhya Public Company Limited, Ayudhya Capital Auto Lease Public Company Limited, Ayudhya Capital Services Company Limited, Krungsri Asset Management Company Limited, and Krungsri Securities Public Company Limited.
[4/] In the 'PET to be PPE' project commenced in 2021, clear plastic bottles (PET) and opaque plastic bottles (HDPE) are sorted and sent to Wat Chak Daeng, Samut Prakan, for upcycling into personal protective equipment (PPE), monk robes, and blankets.

# NUMERICAL DATA ON SUSTAINABILITY PERFORMANCE

## Economic Performance and Impacts

| Items | Unit | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Total operating income [1/] | Million baht | 113,987 | 122,906 | 116,416 | 138,948 |
| Operating cost [2/] | Million baht | 20,633 | 20,020 | 21,385 | 26,059 |
| Employee expenses [3/] | Million baht | 25,297 | 26,717 | 27,143 | 32,152 |
| Payment to providers of capital [4/] | Million baht | 30,068 | 27,341 | 27,902 | 46,113 |
| Tax payment to government [5/] | Million baht | 6,516 | 8,010 | 7,466 | 9,290 |
| Cash donation [6/] | Million baht | 39.15 | 23.70 | 15.01 | 17.69 |
| Economic value retained | Million baht | 66,456 | 69,537 | 61,074 | 74,484 |
| Total assets | Million baht | 2,609,374 | 2,499,109 | 2,636,951 | 2,768,295 |
| Total liabilities | Million baht | 2,320,195 | 2,180,872 | 2,295,192 | 2,396,841 |
| Shareholders' equity | Million baht | 289,179 | 318,237 | 341,759 | 371,454 |
| Workforce [7/] | Persons | 33,340 | 33,397 | 34,245 | 52,146 |
| Number of branches [8/] | Branches | 671 | 642 | 616 | 591 |

Remarks:
1/ Total operating income: Net interest income + Net fees and service income + Other operating income
2/ Operating cost (exclude expenses associated with employees) such as director's remuneration, expenses relating to buildings, premises and other equipment, and others
3/ Employee expenses means salaries, wages, overtime pay, bonuses, cost of living subsidies, employee benefits, the Bank's contribution to provident funds, welfares and other benefits e.g., health insurance, annual health checkup.
4/ Payments to providers of capital means dividends paid to shareholders and interest expenses.
5/ Tax payment to government means duty tax and income tax excluding deferred tax income/expenses.
6/ Cash donation means donation to charitable organizations, donation for education support, service activities and disaster reliefs.
7/ Permanent employees of the Bank and its subsidiaries, joint ventures, and associate companies
8/ Included Head Office and one overseas branch





## The Board of Directors Data

| Data | 2020 | | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|---|---|
| | persons | % of the total member of BOD | persons | % of the total member of BOD | persons | % of the total member of BOD | persons | % of the total member of BOD |
| The Board of Directors | 12 | | 12 | | 12 | | 12 | |
| Gender | | | | | | | | |
| Male | 7 | 58.33 | 7 | 58.33 | 9 | 75.00 | 9 | 75.00 |
| Female | 5 | 41.67 | 5 | 41.67 | 3 | 25.00 | 3 | 25.00 |
| Age Range | | | | | | | | |
| < 30 years old | 0 | 0 | 0 | 0.0 | 0 | 0.00 | 0 | 0.00 |
| 30-50 years old | 0 | 0 | 0 | 0.0 | 0 | 0.00 | 0 | 0.00 |
| > 50 years old | 12 | 100 | 12 | 100.0 | 12 | 100.00 | 12 | 100.00 |

Remark:
* The Board of Directors consist of non-exective directors, executive directors, and independent directors.

## Employee Data

| Type of Data | 2020 | | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|---|---|
| | person(s) | % of the total employees | person(s) | % of the total employees | person(s) | % of the total employees | person(s) | % of the total employees |
| No. of the Bank's employees [1/] | 14,711 | | 14,093 | | 13,760 | | 13,952 | |
| Gender | | | | | | | | |
| Male | 4,480 | 30.45 | 4,298 | 30.50 | 4,286 | 31.15 | 4,375 | 31.36 |
| Female | 10,231 | 69.55 | 9,795 | 69.50 | 9,474 | 68.85 | 9,577 | 68.64 |
| Age Range | | | | | | | | |
| < 30 years old | 1,711 | 11.63 | 1,285 | 9.12 | 1,046 | 7.60 | 968 | 6.94 |
| 30-50 years old | 9,958 | 67.69 | 9,631 | 68.34 | 9,414 | 68.42 | 9,634 | 69.05 |
| > 50 years old | 3,042 | 20.68 | 3,177 | 22.54 | 3,300 | 23.98 | 3,350 | 24.01 |
| Nationallity | | | | | | | | |
| Thai | 14,617 | 99.36 | 14,007 | 99.39 | 13,677 | 99.40 | 13,870 | 99.41 |
| Japanese | 59 | 0.40 | 53 | 0.38 | 52 | 0.38 | 50 | 0.36 |
| Laotian | - | 0.00 | 21 | 0.15 | 21 | 0.15 | 21 | 0.15 |
| Chinese | 7 | 0.05 | 7 | 0.05 | 6 | 0.04 | 6 | 0.04 |
| Indian | 2 | 0.01 | 2 | 0.01 | 1 | 0.01 | 1 | 0.01 |
| American | - | 0.00 | 1 | 0.01 | 1 | 0.01 | 1 | 0.01 |
| Vietnamese | - | 0.00 | 1 | 0.01 | 1 | 0.01 | 1 | 0.01 |
| French | - | 0.00 | 1 | 0.01 | 1 | 0.01 | 1 | 0.01 |
| Other (Singapore, Taiwan, Indonesia, etc.) | 26 | 0.18 | - | 0.00 | - | 0.00 | 1 | 0.01 |

Remark:
1/ Only full-time employees of the Bank of Ayudhya PCL, excluding the Board of Directors

| Type of Data | 2020 | | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|---|---|
| | person(s) | % of the total employees | person(s) | % of the total employees | person(s) | % of the total employees | person(s) | % of the total employees |
| Occupational Area | | | | | | | | |
| Head Office | 8,143 | 55.35 | 8,121 | 57.62 | 8,320 | 60.47 | 8,726 | 62.54 |
| Office/branch in Bangkok and vicinity | 3,034 | 20.62 | 2,775 | 19.69 | 2,499 | 18.16 | 2,408 | 17.26 |
| Office/branch in Provincial | 3,529 | 23.99 | 3,197 | 22.69 | 2,941 | 21.37 | 2,795 | 20.03 |
| Office/branch in Overseas | 5 | 0.03 | - | 0.00 | - | 0.00 | 23 | 0.16 |
| Education | | | | | | | | |
| Below Bachelor Degree | 195 | 1.33 | 165 | 1.17 | 158 | 1.15 | 147 | 1.05 |
| Bachelor Degree | 10,737 | 72.99 | 10,187 | 72.28 | 9,940 | 72.24 | 10,009 | 71.74 |
| Master Degree | 3,761 | 25.57 | 3,721 | 26.40 | 3,646 | 26.50 | 3,780 | 27.09 |
| Doctoral Degree | 18 | 0.12 | 20 | 0.14 | 16 | 0.12 | 16 | 0.11 |
| **Employee Level** | **14,711** | | **14,093** | | **13,760** | | **13,952** | |
| Executive level 10 and above | 97 | | 94 | | 93 | | 94 | |
| Male | 59 | 0.40 | 57 | 0.40 | 58 | 0.42 | 56 | 0.40 |
| < 30 years old Male | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |
| 30-50 years old Male | 18 | 0.12 | 19 | 0.13 | 16 | 0.12 | 18 | 0.13 |
| > 50 years old Male | 41 | 0.28 | 38 | 0.27 | 42 | 0.31 | 38 | 0.27 |
| Female | 38 | 0.26 | 37 | 0.26 | 35 | 0.25 | 38 | 0.27 |
| < 30 years old Female | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |
| 30-50 years old Female | 10 | 0.07 | 11 | 0.08 | 5 | 0.04 | 4 | 0.03 |
| > 50 years old Female | 28 | 0.19 | 26 | 0.18 | 30 | 0.22 | 34 | 0.24 |
| Management level 9-10 | 900 | | 880 | | 890 | | 938 | |
| Male | 435 | 2.96 | 415 | 2.94 | 414 | 3.01 | 432 | 3.10 |
| < 30 years old Male | 3 | 0.02 | - | 0.00 | - | 0.00 | - | 0.00 |
| 30-50 years old Male | 240 | 1.63 | 211 | 1.50 | 199 | 1.45 | 201 | 1.44 |
| > 50 years old Male | 192 | 1.31 | 204 | 1.45 | 215 | 1.56 | 231 | 1.66 |
| Female | 465 | 3.16 | 465 | 3.30 | 476 | 3.46 | 506 | 3.63 |
| < 30 years old Female | - | 0.00 | - | 0.00 | - | 0.00 | - | 0.00 |
| 30-50 years old Female | 270 | 1.84 | 257 | 1.82 | 258 | 1.88 | 265 | 1.90 |
| > 50 years old Female | 195 | 1.33 | 208 | 1.48 | 218 | 1.58 | 241 | 1.73 |
| Middle Management level 7-8 | 2,349 | | 2,379 | | 2,401 | | 2,617 | |
| Male | 951 | 6.46 | 966 | 6.85 | 970 | 7.05 | 1,057 | 7.58 |
| < 30 years old Male | 1 | 0.01 | 1 | 0.01 | 1 | 0.01 | 1 | 0.01 |
| 30-50 years old Male | 560 | 3.81 | 553 | 3.92 | 541 | 3.93 | 633 | 4.54 |
| > 50 years old Male | 390 | 2.65 | 412 | 2.92 | 428 | 3.11 | 423 | 3.03 |
| Female | 1,398 | 9.50 | 1,413 | 10.03 | 1,431 | 10.40 | 1,560 | 11.18 |
| < 30 years old Female | 4 | 0.03 | 1 | 0.01 | - | 0.00 | 2 | 0.01 |
| 30-50 years old Female | 837 | 5.69 | 824 | 5.85 | 824 | 5.99 | 912 | 6.54 |
| > 50 years old Female | 557 | 3.79 | 588 | 4.17 | 607 | 4.41 | 646 | 4.63 |





| Type of Data | 2020 | | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|---|---|
| | person(s) | % of the total employees | person(s) | % of the total employees | person(s) | % of the total employees | person(s) | % of the total employees |
| Officer level 4-6 | 6,599 | | 6,454 | | 6,434 | | 6,617 | |
| Male | 2,028 | 13.79 | 1,937 | 13.74 | 1,956 | 14.22 | 1,974 | 14.15 |
| < 30 years old Male | 43 | 0.29 | 46 | 0.33 | 73 | 0.53 | 68 | 0.49 |
| 30-50 years old Male | 1,360 | 9.24 | 1,255 | 8.91 | 1,255 | 9.12 | 1,304 | 9.35 |
| > 50 years old Male | 625 | 4.25 | 636 | 4.51 | 628 | 4.56 | 602 | 4.31 |
| Female | 4,571 | 31.07 | 4,517 | 32.05 | 4,478 | 32.54 | 4,643 | 33.28 |
| < 30 years old Female | 94 | 0.64 | 83 | 0.59 | 85 | 0.62 | 93 | 0.67 |
| 30-50 years old Female | 3,519 | 23.92 | 3,431 | 24.35 | 3,341 | 24.28 | 3,505 | 25.12 |
| > 50 years old Female | 958 | 6.51 | 1,003 | 7.12 | 1,052 | 7.65 | 1,045 | 7.49 |
| Officer level 1-3 | 4,766 | | 4,286 | | 3,942 | | 3,686 | |
| Male | 1,007 | 6.85 | 923 | 6.55 | 888 | 6.45 | 856 | 6.14 |
| < 30 years old Male | 323 | 2.20 | 257 | 1.82 | 215 | 1.56 | 217 | 1.56 |
| 30-50 years old Male | 641 | 4.36 | 617 | 4.38 | 613 | 4.45 | 578 | 4.14 |
| > 50 years old Male | 43 | 0.29 | 49 | 0.35 | 60 | 0.44 | 61 | 0.44 |
| Female | 3,759 | 25.55 | 3,363 | 23.86 | 3,054 | 22.19 | 2,830 | 20.28 |
| < 30 years old Female | 1,243 | 8.45 | 897 | 6.36 | 672 | 4.88 | 587 | 4.21 |
| 30-50 years old Female | 2,503 | 17.01 | 2,453 | 17.41 | 2,362 | 17.17 | 2,214 | 15.87 |
| > 50 years old Female | 13 | 0.09 | 13 | 0.09 | 20 | 0.15 | 29 | 0.21 |
| **Employees in STEM-related position [1/]** | | | | | | | **1,367** | **9.80** |
| Male | | | | | | | 740 | 5.30 |
| Female | | | | | | | 627 | 4.49 |

Remark:
[1/] The data was first disclose in 2023, and STEM (science, technology, engineering, mathematics) related functions require primary education in science, technology, engineering, and mathematics

# Employment Data

2023's Krungsri Group Headcount (persons)

| Company/Type of Contract | Full-time Employees (persons) | | | Temporary Employees* (persons) | | |
|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total |
| **Bank of Ayudhya PCL. (Krungsri)** | 4,375 | 9,577 | 13,952 | 85 | 357 | 442 |
| Subsidiaries | | | | | | |
| Ayudhya Development Leasing Company Limited | 20 | 35 | 55 | - | 1 | 1 |
| Ayudhya Capital Auto Lease Public Company Limited | 847 | 1,287 | 2,134 | 8 | 25 | 33 |
| Ayudhya Capital Services Company Limited | 692 | 1,619 | 2,311 | 19 | 39 | 58 |
| General Card Services Limited | 77 | 214 | 291 | 4 | 3 | 7 |
| Krungsriayudhya Card Company Limited | 68 | 230 | 298 | 3 | 5 | 8 |
| Siam Realty and Services Security Company Limited | 8 | 5 | 13 | 525 | 164 | 689 |
| Total Services Solutions Public Company Limited | 256 | 814 | 1,070 | 5 | 11 | 16 |
| Krungsri Asset Management Company Limited | 68 | 127 | 195 | 5 | 6 | 11 |
| Krungsri Ayudhya AMC Limited | 27 | 24 | 51 | 3 | 3 | 6 |
| Krungsri Securities Public Company Limited | 120 | 136 | 256 | 23 | 18 | 41 |
| Krungsri Nimble Company Limited | 150 | 82 | 232 | 6 | 7 | 13 |
| Krungsri Genesis Company Limited | - | 2 | 2 | - | - | - |
| Krungsri General Insurance Broker Limited | 3 | 14 | 17 | - | - | - |
| Krungsri Finnovate Company Limited | - | - | - | - | - | - |
| Krungsri Leasing Services Company Limited | 98 | 146 | 244 | 14 | 26 | 40 |
| Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. | 12 | 11 | 23 | - | - | - |
| Hattha Bank Plc. | 3,227 | 1,358 | 4,585 | 10 | 81 | 91 |
| Hattha Services Company Limited | - | 1 | 1 | - | - | - |
| Krungsri Capital Securities Public Company Limited | 172 | 234 | 406 | 25 | 31 | 56 |
| SHBank Finance Company Limited | 181 | 313 | 494 | 792 | 899 | 1,691 |
| HC Consumer Finance Philippines, Inc. | 7,014 | 7,991 | 15,005 | 73 | 9 | 82 |
| HCPH Financing 1, Inc. | - | - | - | - | - | - |
| HCPH Insurance Brokerage, Inc. | - | - | - | - | - | - |
| PT Home Credit Indonesia | 1,054 | 730 | 1,784 | 76 | 30 | 106 |
| Joint Ventures | | | | | | |
| Lotus's Money Services Limited | 103 | 772 | 875 | 2 | 7 | 9 |
| Lotus's Life Assurance Broker Limited | 2 | 3 | 5 | - | - | - |
| Lotus's General Insurance Broker Limited | 50 | 156 | 206 | - | 9 | 9 |
| SB Finance, Inc. | 269 | 296 | 565 | 107 | 54 | 161 |
| Associate | | | | | | |
| Ngern Tid Lor Public Company Limited | 1,923 | 5,153 | 7,076 | 383 | 785 | 1,168 |

Remarks:
* Outsourced staff of the Bank and the companies in the Financial Business Group who are hired from operations such as premises, security, and customer service.





# Employment Data of Disabled Employees*

| Krungsri | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| No. of disabled employees [1/] | 154 | 148 | 141 | 136 |

Remark:
[1/] The hiring was carried out in compliance with the Section 35 of the Empowerment of Persons with Disabilities Act, B.E. 2550, in collaboration with the Thai Bankers' Association (TBA) and the Thai Red Cross Society.
* Persons with disabilities refers to individuals who have limitations in their ability to conduct daily activities or to participate in society due to impairments in their sight, hearing, movement, communications, feeling and emotion, behaviors, mental capacity and learning, or other forms of impairment, as well as limitations in other areas, and require special support. (Source: Persons with Disabilities Empowerment Act, B.E. 2550).

# Average hiring cost

| Data | Baht/New Hires | | | |
|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 |
| Average hiring cost both internal and external* | 23,209.00 | 23,104.00 | 9,093.00 | 8,717.00 |

Remarks:
* Headhunter agency, advertising expenses, etc.

# Operational Change Statistics

| Data | 2020 [3/] | | 2021 [3/] | | 2022 [3/] | | 2023 | |
|---|---|---|---|---|---|---|---|---|
| | persons | % of the total employees | persons | % of the total employees | persons | % of the total employees | persons | % of the total employees |
| **New Hires [1/]** | 490 | 3.33 | 691 | 4.90 | 1,309 | 9.51 | 1,524 | 10.92 |
| Gender | | | | | | | | |
| Male | 180 | 1.22 | 276 | 1.96 | 492 | 3.58 | 508 | 3.64 |
| Female | 310 | 2.11 | 415 | 2.94 | 817 | 5.94 | 1,016 | 7.28 |
| Age Range | | | | | | | | |
| < 30 years old | 201 | 1.37 | 246 | 1.75 | 458 | 3.33 | 468 | 3.35 |
| 30-50 years old | 287 | 1.95 | 434 | 3.08 | 823 | 5.98 | 1,043 | 7.48 |
| > 50 years old | 2 | 0.01 | 11 | 0.08 | 28 | 0.20 | 13 | 0.09 |
| Operational Area | | | | | | | | |
| Head Office | 333 | 2.26 | 633 | 4.49 | 1,168 | 8.49 | 1,168 | 8.37 |
| Office/ branch in Bangkok and vicinity | 62 | 0.42 | 48 | 0.34 | 62 | 0.45 | 175 | 1.25 |
| Office/ branch in Provincial | 95 | 0.65 | 10 | 0.07 | 79 | 0.57 | 179 | 1.28 |
| Office/ branch in Overseas | - | 0.00 | - | 0.00 | - | 0.00 | 2 | 0.01 |
| **Terminated Employees [2/]** | 1,090 | 7.41 | 1,310 | 9.30 | 1,642 | 11.93 | 1,331 | 9.54 |
| Gender | | | | | | | | |
| Male | 368 | 2.50 | 458 | 3.25 | 504 | 3.66 | 419 | 3.00 |
| Voluntary Attrition | 284 | 1.93 | 358 | 2.54 | 427 | 3.10 | 328 | 2.35 |
| Involuntary Attrition | 84 | 0.57 | 100 | 0.71 | 77 | 0.56 | 91 | 0.65 |

| Data | 2020 3/ | | 2021 3/ | | 2022 3/ | | 2023 | |
|---|---|---|---|---|---|---|---|---|
| | persons | % of the total employees | persons | % of the total employees | persons | % of the total employees | persons | % of the total employees |
| Female | 722 | 4.92 | 852 | 6.05 | 1,138 | 8.27 | 912 | 6.54 |
| Voluntary Attrition | 642 | 4.36 | 766 | 5.44 | 1,033 | 7.51 | 810 | 5.81 |
| Involuntary Attrition | 80 | 0.54 | 86 | 0.61 | 105 | 0.76 | 102 | 0.73 |
| Age Range | | | | | | | | |
| < 30 years old | 260 | 1.77 | 225 | 1.60 | 279 | 2.03 | 190 | 1.36 |
| Voluntary Attrition | 253 | 1.72 | 221 | 1.57 | 278 | 2.02 | 186 | 1.33 |
| Involuntary Attrition | 7 | 0.05 | 4 | 0.03 | 1 | 0.01 | 4 | 0.03 |
| 30-50 years old | 632 | 4.30 | 801 | 5.68 | 1,069 | 7.77 | 853 | 6.11 |
| Voluntary Attrition | 584 | 3.97 | 771 | 5.47 | 1,033 | 7.51 | 822 | 5.89 |
| Involuntary Attrition | 48 | 0.33 | 30 | 0.21 | 36 | 0.26 | 31 | 0.22 |
| > 50 years old | 198 | 1.35 | 284 | 2.02 | 294 | 2.14 | 288 | 2.06 |
| Voluntary Attrition | 89 | 0.60 | 132 | 0.94 | 149 | 1.08 | 130 | 0.93 |
| Involuntary Attrition | 109 | 0.74 | 152 | 1.08 | 145 | 1.05 | 158 | 1.13 |
| Operational Area | | | | | | | | |
| Head Office | 498 | 3.39 | 666 | 4.73 | 973 | 7.07 | 744 | 5.33 |
| Office/ branch in Bangkok and vicinity | 261 | 1.78 | 301 | 2.14 | 324 | 2.35 | 252 | 1.81 |
| Office/ branch in Provincial | 330 | 2.25 | 343 | 2.43 | 345 | 2.51 | 333 | 2.39 |
| Office/ branch in Overseas | 1 | 0.01 | - | 0.00 | - | 0.00 | 2 | 0.01 |

Remark:
1/ Only full-time employees of the Bank of Ayudhya PCL.
2/ Data includes No. of employee in voluntary attrition program, a transfer program within Krungsri Group, early retirement program, involuntary attrition program as well as retirement program.
3/ The information has been updated in line with revised figures.

## Rotation Data

| Data | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Percentage of open positions filled by internal candidates* | 9.24 | 3.64 | 3.19 | 3.77 |
| Number of job openings * | 314 | 988 | 1,505 | 1,831 |
| Number of internal employee transfer * | 29 | 36 | 48 | 69 |
| Number of new hires * | 274 | 746 | 1,172 | 1,373 |

Remark:
* Refer to job requisition form





## Parental Leave Statistics

| Data | Number of Female Employees (Persons) | | | |
|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 |
| Number of employees entitled to parental leave | 10,211 | 9,776 | 9,455 | 9,557 |
| Number of employees taking parental leave | 310 | 262 | 213 | 200 |
| Number of employees returning to work after parental leave | 308 | 257 | 211 | 198 |
| Number of employees returning to work after parental leave and still retained 12 months after their return to work | 324 | 299 | 251 | 206 |
| Return-to-work Rate 1/ of employees taking parental leave | 99.35 | 98.09 | 99.06 | 99.00 |
| Retention Rate 2/ of employees taking parental leave | 98.48 | 97.08 | 97.67 | 97.63 |

Remarks:
1/ Return-to-work Rate = (Total number of employees returning to work after parental leave/ Total number of employees taking parental leave) x 100
2/ Retention Rate = (Total number of employees retained 12 months after returning to work following a period of parental leave/ Total number of employees returning to work after parental leave) x 100

## Employee Training and Development Report

| | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| Average training hours (hours/person/year) | 51.53 | 58.26 | 58.44 | 57.10 |
| Gender | | | | |
| Male | 52.09 | 54.11 | 54.34 | 53.61 |
| Female | 50.25 | 60.09 | 60.31 | 58.69 |
| Age Range | | | | |
| Less than 30 years old | 56.20 | 58.32 | 49.34 | 53.27 |
| 30-50 years old | 51.51 | 58.69 | 58.58 | 58.15 |
| 50 years and above | 48.59 | 56.95 | 61.33 | 55.20 |
| Employee level | | | | |
| Officer level 1-3 | 54.37 | 59.95 | 54.37 | 51.69 |
| Officer level 4-6 | 49.12 | 58.48 | 60.25 | 59.71 |
| Executive level 7-8 | 54.32 | 57.49 | 60.31 | 54.76 |
| Executive level 9 and above | 47.38 | 51.22 | 58.59 | 65.70 |
| - Vice President-Senior Vice President | 48.05 | 51.64 | 59.37 | 69.10 |
| - Executive Vice President and above (included Senior Management) | 41.00 | 47.20 | 50.86 | 65.37 |

## Channels of Financial Access

| Channels of Services \ Area | 2020 | | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|---|---|
| | Bangkok and vicinity | Provincial | Bangkok and vicinity | Provincial | Bangkok and vicinity | Provincial | Bangkok and vicinity | Provincial |
| Krungsri Branches | 286 | 384 | 278 | 363 | 266 | 349 | 257 | 333 |
| | 670 | | 641 | | 615 | | 590 | |
| ATMs | 2,898 | 3,602 | 2,850 | 3,400 | 2,594 | 3,106 | 2,470 | 3,180 |
| | 6,500 | | 6,250 | | 5,700 | | 5,650 | |
| Krungsri Exclusive | 32 | 12 | 33 | 12 | 32 | 12 | 32 | 12 |
| | 44 | | 45 | | 44 | | 44 | |
| The Krungsri Advisory [1/] | 5 | 1 | 5 | 1 | 5 | 1 | 5 | 1 |
| | 6 | | 6 | | 6 | | 6 | |
| Krungsri Private Banking [2/] | - | - | - | - | 1 | 0 | 1 | 0 |
| | - | | - | | 1 | | 1 | |
| Foreign Exchange Booths | 21 | 51 | 14 | 36 | 15 | 29 | 14 | 28 |
| | 72 | | 50 | | 44 | | 42 | |
| Krungsri Business Centers | 62 | | 61 | | 61 | | 61 | |
| Krungsri Auto Dealers | 2,964 | 6,300 | 2,577 | 5,476 | 2,536 | 5,916 | 2,642 | 5,880 |
| | 9,264 | | 8,053 | | 8,452 | | 8,522 | |
| First Choice Dealers | 21,946 | | 22,094 | | 21,715 | | 21,307 | |
| First Choice Branches | 112 | | 112 | | 100 | | 89 | |
| Microfinance Branches [3/] (TIDLOR) | 160 | 916 | 197 | 1089 | 241 | 1387 | 248 | 1,430 |
| | 1,076 | | 1,286 | | 1,628 | | 1,678 | |
| Overseas Commercial Bank [4/] (HTB ) | 177 | | 177 | | 177 | | 177 | |

Remark

[1/] Krungsri The Advisory is exclusively for 'Krungsri Exclusive and Krungsri Prime' customers.

[2/] Krungsri Private Banking is exclusively for 'Krungsri Private Banking' customers.

[3/] Microfinance branches of Krungsri's associate under the name 'Ngern Tid Lor Public Company Limited' or 'TIDLOR'

[4/] Krungsri's subsidiary in Cambodia which has successfully obtained regulatory approvals to operate as a commercial bank, under the name 'Hattha Bank Plc.' (HTB) with effect from August 26, 2020 onwards.



# ASSURANCE STATEMENT

# LRQA Independent Assurance Statement

## Relating to Bank of Ayudhya PCL.'s Sustainability Report for the calendar year 2023

This Assurance Statement has been prepared for Bank of Ayudhya Public Company Limited (Krungsri) in accordance with our contract but is intended for the readers of this Report.

### Terms of engagement

LRQA (Thailand) Ltd. was commissioned by Bank of Ayudhya Public Company Limited (Krungsri) to provide independent assurance on its Sustainability Report 2023 "the report" against the assurance criteria below to a moderate level of assurance and at the materiality of the professional judgement of the verifier, using AccountAbility's AA1000AS v3[1], where the scope was a Type 2 engagement.

Our assurance engagement covered Krungsri's subsidiaries in Thailand only, and specifically the following requirements:

- Evaluating Krungsri's adherence to AA1000 AccountAbility Principles (2018) of Inclusivity, Materiality, Responsiveness, and Impact.
- Confirming that the report is in accordance with:
  - GRI Standards (2021)
  - The double materiality assessment process.
- Evaluating the reliability of data and information for only the selected indicators listed below:
  - *Environmental*:
    GRI 305-1 Direct (scope 1) GHG emissions, GRI 305-2 Energy indirect (scope 2) GHG emissions, GRI 305-3 Other indirect (scope 3) GHG emissions (Fuel and energy related activities, Waste generated in operations, Upstream leased assets, and Employee commuting only).

Our assurance engagement excluded the data and information of Krungsri's subsidiaries within Thailand where it has no operational control, all operations and activities outside of Thailand and suppliers and any third parties mentioned in the report.

LRQA's responsibility is only to Krungsri. LRQA disclaims any liability or responsibility to others as explained in the end footnote.

Krungsri's responsibility is for collecting, aggregating, analysing, and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Krungsri.

### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Krungsri has not, in all material respects:

- Met the requirements above.
- Disclosed reliable performance data and information as no errors or omissions were detected.
- Covered all the issues that are important to the stakeholders and readers of this report.

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

**Note:** The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.





### LRQA's approach

LRQA's assurance engagements are carried out in accordance with AA1000AS v3. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing Krungsri's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by interviewing Krungsri's management who engage directly with stakeholder groups as well as reviewing documents and associated records.
- Reviewing Krungsri's process for identifying and determining material issues to confirm that the right issues were included in their report. We did this by benchmarking reports written by Krungsri and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether Krungsri makes informed business decisions that may create opportunities which contribute towards sustainable development.
- Collaborating information from third party assurance engagements done for Krungsri (ISO14064-1:2018). We also spoke with key people responsible for compiling the data and drafting the report.

### Observations

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

- Stakeholder inclusivity: We are not aware of any key stakeholder groups that have been excluded from Krungsri's stakeholder engagement process. Krungsri has addressed the key stakeholder group's opinion regarding their impacts.
- Materiality: We are not aware of any material issues concerning Krungsri's sustainability performance that have been excluded from the report. Krungsri has processes for identifying and determining material issues based on a set of unbiased criteria and qualitative impact valuation.
- Responsiveness: Krungsri has addressed the concerns of stakeholders in relation to impacts of climate change and financial inclusion, we believe that future report should disclose GHGs transition pathway.
- Reliability: Data management systems for GHGs reporting are well defined, enable for independent verification.
- Impact: Krungsri has addressed impacts valuation of for example Supply chain, information security as well as climate change related.

### LRQA's standards, competence, and independence

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

This verification together with report verifications for Krungsri's subsidiaries are the only works undertaken by LRQA for Krungsri and as such does not compromise our independence or impartiality.

Dated: 6 March 2024

Opart Charuratana
Lead Verifier
On behalf of LRQA (Thailand) Limited
No. 252/123 (C), Muang Thai – Phatra Complex Tower B.
26th floor, Ratchadaphisek Road., HuayKwang, Bangkok, 10310, THAILAND
LRQA reference: BGK000001044

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# GRI CONTENT INDEX

| | |
|---|---|
| **Statement of use** | Bank of Ayudhya Public Company Limited has reported the information cited in this GRI content index for the period of January 1, 2023 to December 31, 2023 with reference to the GRI Standards. |
| **GRI 1 used** | GRI 1: Foundation 2021 |

Remarks:
AR: Annual Report (56-1 One Report)
NA: Not applicable.
CC: Confidential constraints
LG: Legal Prohibition
IU: Information unavailable/ incomplete

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | | RELATION TO SDGs | EXTERNAL VERIFICATION |
|---|---|---|---|---|---|---|---|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION | | |
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| | 2-4 Restatements of information | 24-25, 156, 180 | | | | | |
| | 2-5 External assurance | 182-183 | | | | | |
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| | 2-7 Employees | 173-179 | | | | | |
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| | 2-9 Governance structure and composition | 20-21, 31, 173, AR [Topic: Board of Directors and Details Of Directors] and website [https://www.krungsri.com/en/about-krungsri/about-us/organization-chart/board-of-directors] | | | | SDG 16.5, 16.6 | |
| | 2-10 Nomination and selection of the highest governance body | 173-175, AR [Topic: Nomination and Remuneration Committee, and Details Of Directors ], and website [https://www.krungsri.com/en/about-krungsri/about-us/organization-chart/nomination-remuneration-committee] | | | | SDG 5.1, 5.5 | |
| | 2-11 Chair of the highest governance body | 20-21, AR [Topic: Management Structure, Roles and Responsibilities], and website [https://www.krungsri.com/en/about-krungsri/about-us/organization-chart/board-of-directors] | | | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 21, AR [Role and Responsibilities of the Chairman of Board], and website [https://www.krungsri.com/Krungsri2020/media/KrungsriAboutUs/cg-reports/en/cgr2023-practice1-en.pdf] | | | | | |
| | 2-13 Delegation of responsibility for managing impacts | 21, 31, and website [https://www.krungsri.com/en/esg/sustainable-banking/esg-division and https://www.krungsri.com/en/esg/sustainable-banking/committee] | | | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | 21, 31, 39 | | | | | |
| | 2-15 Conflicts of interest | 20-21, 53-57 | | | | | |
| | 2-16 Communication of critical concerns | 31, 39, 53-57, 64-65, 138 and website [https://www.krungsri.com/th/about-krungsri/about-us/overview/announce/disclosure] | | | | | |
| | 2-17 Collective knowledge of the highest governance body | 132-133, 143, AR [Topic: Directors' Development] | | | | | |
| | 2-18 Evaluation of the performance of the highest governance body | 21, AR [Topic: Evaluation of the Board of Directors and the Committees reporting to the Board of Directors] | | | | | |





| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | | RELATION TO SDGs | EXTERNAL VERIFICATION |
|---|---|---|---|---|---|---|---|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION | | |
| **GRI 2: General Disclosures 2021** | 2-19 Remuneration policies | 89-91, AR [Topic: Remuneration of Directors and Executies] | a, b | IU | During the data collection process before disclosure | | |
| | 2-20 Process to determine remuneration | 89-91, 93 AR [Topic: Nomination and Remuneration Committee] | a-ii | IU | During the data collection process before disclosure | | |
| | 2-21 Annual total compensation ratio | - | a, b, c | CC | Confidential information | | |
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| | 2-24 Embedding policy commitments | 49-50, 53-56, 47-48, 62-63, 67, 70-72, 74, 82-84, 87, 103-104, 108, 115-119, 153-155, 161-164 | | | | SDG 7.2, 7.a, 7.b, 8.3, 9.b, 10.4, 12.2, 13.1 | |
| | 2-25 Processes to remediate negative impacts | 56, 70-73, 93, 135-140, and website [www.krungsri.com/en/esg/sustainable-banking/esg/social (Policy for Human Rights)] | | | | | |
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| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | | RELATION TO SDGs | EXTERNAL VERIFICATION |
|---|---|---|---|---|---|---|---|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION | | |
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| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | | RELATION TO SDGs | EXTERNAL VERIFICATION |
|---|---|---|---|---|---|---|---|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION | | |
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| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 115-119 | | | | SDG 7.2, 7.a, 7.b, 8.1, 8.2, 9.2, 9.3, 9.4, 10.2, 10.5, 11.1, 11.3, 13.1, 14.6, 16.6, 16.7, 17.1, 17.16, 17.17 | |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | 109, 120-122, 172 | | | | SDG 1.4, 1.5, 5.a, 8.3, 8.10, 9.1, 9.3, 9.a, 10.2, 10.5 | |
| **GRI 203: Indirect Economic Impacts 2016** | 203-1 Infrastructure investments and services supported | 109, 120-122, 172 | | | | SDG 7.2, 7.a, 7.b, 8.1, 8.2, 9.2, 9.3, 9.4, 11.1, 11.3 | |
| | 203-2 Significant indirect economic impacts | 120 and website [https://www.krungsri.com/Krungsri2020/media/IR/gender-bond/Krungsri-Women-SME-Bond_Impact-Report-2023.pdf] | | | | SDG 1, 3, 7.2, 7.a, 7.b, 8.1, 8.2, 9.2, 9.3, 9.4 | |
| **Human Resources Development** | | | | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 123-128 | | | | SDG 4.3, 4.4, 4.7, 12.8, 13.3 | |
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee | 129, 179 | | | | SDG 4.3, 4.4, 4.7 | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 129-134 | | | | SDG 4.3, 4.4, 4.7, 12.8, 13.3 | |

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | | RELATION TO SDGs | EXTERNAL VERIFICATION |
|---|---|---|---|---|---|---|---|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION | | |
| **Stakeholder Engagement** | | | | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 135-140 | | | | SDG 16.6, 17.7 | |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | 172 | | | | SDG 16.6, 17.7 | |
| **Community Participation and Social Engagement** | | | | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 141-150 | | | | SDG 1.4, 1.5, 3.7, 3.8, 4.1, 4.3, 4.4, 4.5, 4.7, 4.a, 4.b, 6.1, 6.6, 10.2, 11.4, 12.3, 12.4, 12.5, 13.2, 13.3, 14.2, 15.2, 15.4, 15.a, 15.b, 17.16, 17.17 | |
| **Climate Change Management** | | | | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 153-155 | | | | SDG 12.2, 13.2, 13.3, 17.16, 17.17 | |
| **GRI 203: Indirect Economic Impacts 2016** | 203-1 Infrastructure investments and services supported | 159 | | | | | |
| **GRI 305: Emissions 2016** | 305-1 Direct (Scope 1) GHG emissions | 156 | | | | SDG 12.2, 13.2, 13.3 | Yes |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 156 | | | | SDG 12.2, 13.2, 13.3 | Yes |
| | 305-3 Other indirect (Scope 3) GHG emissions | 156 | | | | SDG 12.2, 12.3, 12.5, 13.2, 13.3 | Yes |
| | 305-4 GHG emissions intensity | 156 | | | | SDG 13.2, 13.3 | |
| | 305-5 Reduction of GHG Reduction emissions | 156 | | | | SDG 12.2, 12.3, 12.4, 12.5, 13.2, 13.3 | |
| **Environmental Management and Resource Efficiency** | | | | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | 161-164 | | | | SDG 12.2, 12.3, 12.4, 12.5, 13.2, 13.3, 17.16, 17.17 | |
| **GRI 301: Materials 2016** | 301-1 Materials used by weight or volume | 164-169 | | | | | |
| **GRI 302: Energy 2016** | 302-1 Energy consumption within the organization | 164-165 | | | | SDG 12.2, 12.3, 13.2, 13.3 | |
| | 302-3 Energy intensity | 164-165 | | | | SDG 12.2, 12.3, 13.2, 13.3 | |
| | 302-4 Reduction of energy consumption | 166-167 | | | | SDG 12.2, 12.3, 13.2, 13.3 | |
| **GRI 303: Water and Effluents 2018** | 303-1 Interactions with water as a shared resource | 167-168 | b | NA | | | |
| | 303-2 Management of water discharge-related impacts | 167-168 | | | | SDG 6.3 | |
| **GRI 306: Waste 2020** | 306-1 Waste generation and significant waste-related impacts | 169-171 | | | | SDG 12.3, 12.4, 12.5 | |
| | 306-2 Management of significant waste-related impacts | 169-171 | | | | SDG 12.3, 12.4, 12.5 | |
| | 306-3 Waste generated | 169-171 | | | | SDG 12.3, 12.4, 12.5 | |



# Questionnaire on Krungsri's Sustainability Report 2023

Please take a moment to fill in our questionnaire by scanning the QR Code
or returning this form to the Bank's address on the back cover
or via email to KrungsriESG@krungsri.com

**1. Which of the following best describes your relationship with Krungsri?**

- ◯ Employee
- ◯ Customer
- ◯ Shareholder
- ◯ Vendor/Supplier
- ◯ Investor/Analyst
- ◯ Financial Institution
- ◯ Regulator
- ◯ Government Agency
- ◯ General Public
- ◯ NGO
- ◯ Other (please specify) .....

**2. Where did you receive/ read Krungsri's Sustainability Report?**

- ◯ Annual General Meeting (by scan QR Code)
- ◯ www.krungsri.com
- ◯ Other (please specify).....

**3. Objective of reading Krungsri's Sustainability Report**

- ◯ To acknowledge and understand business operations that ensure sustainable growth
- ◯ To get information useful for investment decision making
- ◯ For study and research
- ◯ Other (please specify) .....

**4. Which of the following sustainability issues are you most interested in? (More than one issue can be selected.)**

| Environmental Aspect | Social Aspect | Economic and Governance Aspect |
|---|---|---|
| ◯ Climate Change Management | ◯ Fair Labor Practices and Respect for Human Rights | ◯ Good Governance and Anti-Corruption |
| ◯ Environmental Management and Resource Efficiency | ◯ Responsible Lending and ESG Considerations | ◯ Financial Crime Prevention |
| | ◯ Human Resources Development | ◯ Cybersecurity |
| | ◯ Occupational Health, Safety, and Working Environment | ◯ Customer Experience and Market Conduct |
| | ◯ Financial Inclusion | ◯ Risk and Crisis Management |
| | ◯ Promotion of Financial Literacy | ◯ Data Governance and Personal Data Protection |
| | ◯ Stakeholder Engagement | ◯ Innovation and Digital Transformation |
| | ◯ Community Participation and Social Engagement | ◯ Supply Chain Management |

**5. Satisfaction of Krungsri's Sustainability Report 2023**

| | | | | |
|---|---|---|---|---|
| Completeness of content | ◯ High | ◯ Moderate | ◯ Low | ◯ Need Improvement |
| Content Reliability | ◯ High | ◯ Moderate | ◯ Low | ◯ Need Improvement |
| Completeness of materiality | ◯ High | ◯ Moderate | ◯ Low | ◯ Need Improvement |
| Easy-to-understand language | ◯ High | ◯ Moderate | ◯ Low | ◯ Need Improvement |
| The overall design of the report | ◯ High | ◯ Moderate | ◯ Low | ◯ Need Improvement |

**6. Are there any other issues that should be included in Krungsri's Sustainability Report?**

.....

**7. Additional comments or other suggestions for further improvement of sustainability performance and disclosure:**

.....

Thank you for your kind cooperation.
Your feedback will contribute to further improvement of Krungsri's sustainability performance and disclosure.



Bank of Ayudhya Public Company Limited
Jointly contributes to environmental conservation and greenhouse gas emissions mitigation
by refraining from publishing hard copies of the Sustainability Report to reduce paper consumption,
deforestation, the use of printing inks, and production waste.

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