krungsri
กรุงศรี

A member of MUFG
a global financial group

REIMAGINING ESG

A New Paradigm for Sustainability



SUSTAINABILITY REPORT 2020

REIMAGINING ESG

A New Paradigm for Sustainability

Striving for responsible business conduct based on sustainable banking principles, Krungsri takes into account the interests of all stakeholder groups covering economic, social, and environmental dimensions.

Manifested by rigorously thriving business, and resilience to rapidly changing business environment as well as unprecedented challenges, reimagining sustainability is achieved through the dual mandate of business enhancement and social inclusion, thereby overcoming the crisis together.

Leveraging the synergy between Krungsri's expertise along with steadfast conviction, and MUFG's strong support, as well as business partnerships and stakeholder engagement, Krungsri stands ready to not only uphold social well-being in the new normal, but also address environmental and socio-economic stewardship toward sustainable growth.


ENVIRONMENTAL







Environmental

Promote resource efficiency and businesses that embrace operational approaches to create a positive environmental impact, while moving toward low-carbon society

SOCIAL





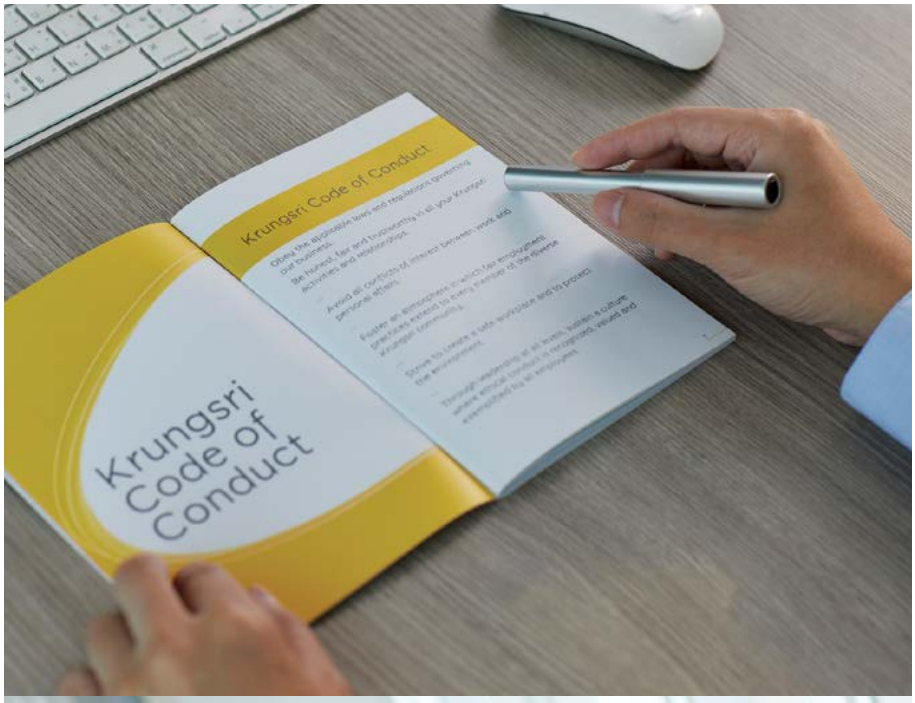


Social

Build a better and sustainable society and ensure inclusive quality education, instill financial literacy in youths nationwide, and provide an opportunity for the new normal of learning

GOVERNANCE







Governance

Make our business journey in the Thai society, while adhering to good corporate governance, transparent business undertaking, rigorous risk management, and anti-corruption best practices

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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



In 2020, Krungsri demonstrated both resiliency and adaptability in reimagining our sustainability commitments and accountability, as the COVID-19 virus precipitated a global health crisis. The crisis brought about existential threats as well as opportunities to the Thai financial sector and economy, as it not only highlighted the importance of social risk under ESG fundamentals but also offered a tremendous opportunity for businesses to accelerate their adoption of a sustainability agenda based on environmental, social, and governance foundations.

With the spirit and responsibility of a Domestic Systemically Important Bank (D-SIB), in 2020, together with our annual strategic ESG initiatives and plans, Krungsri's prioritized mandates included immediate, socially responsible support to our employees, customers, society, and the economy at large, all having been impacted by the public health emergency.

The COVID-19 pandemic has also had significant ramifications in both supply and demand for ESG financing instruments, as it has pushed impact bonds from being simply a niche, seed-stage asset class, into an interesting and viable asset class, particularly with the robust growth of green bonds and social bonds introduced to the Thai capital market in 2020.

Sovereign and corporate issuances have been enthusiastically received among international and domestic investors with the promise of impactful investments and sustainable returns, as these impact bonds direct their proceeds toward post-COVID-19 recovery and/or environmentally responsible projects with underlying long-term pledges for environmental and social benefits.

On the environmental front, incorporating climate change goals into our strategic business targets, Krungsri has been a pioneer in introducing and promoting the development of green financing instruments in Thailand, namely the inaugural green, social, and sustainability bond issuances by the Kingdom of Thailand and leading Thai conglomerates, enabling Krungsri's market share for ESG underwriting to reach a substantial 31 percent.

Equally important, leveraging our advanced digital infrastructure and financial intermediary functions, we have partnered with the Stock Exchange of Thailand in launching the 'Care the Wild' Plant & Protect project, an innovative online funds mobilization platform with transparency as one of its core components in support of reforestation projects nationwide.

Thanks to such innovative financing initiatives, together with our streamlined and digitized internal operations processes, collectively, Krungsri Group reduced greenhouse gas emissions by 8.64 million kgCO_2e (8.64 million kilograms of carbon dioxide equivalent) in 2020, surpassing the year's target of 7.5 million kgCO_2e, set to commemorate our 75th anniversary of operations in the Thai society as a responsible financial service provider.

On the social front, to alleviate the hardships experienced by business and households as well as the society at large from the COVID-19 pandemic, key assistance measures in 2020 included multiple lending rate cuts, a debt moratorium, and additional liquidity support—all aimed at lessening impacts of the economic retrenchment and reducing customers' financial burdens. Krungsri's customer relief programs embodied 1,414,340 retail customer accounts and 37,216 commercial customers.

While remaining committed to our corporate social responsibility initiatives as we battle the health crisis, in our reimagined way of response, Krungsri launched a new and agile CSR activity building on our flagship financial literacy project, which in the past five years has benefited more than 21,000 elementary schoolchildren nationwide. The country's first online animated learning tool for financial literacy was developed in partnership with the Office of Basic Education Commission (OBEC) and Equitable Education Fund (EEF), and made available to 28,000 primary schools nationwide during the period of home-schooling prompted by the pandemic. The width, breadth, and impacts of the project have far exceeded our original expectations.

Complementary to our annual philanthropic contributions, we sincerely believe that, given our societal role as a financial intermediary, we can create a greater positive impact on people's lives and well-being. And, in partnership with Thailand's leading foundations and public hospitals, we developed an innovative electronic donation platform to support funds mobilization for COVID-19-related causes and future pandemics. This has led to donation solutions and platforms for our charitable partners that are more sustainable than before.

In the corporate governance dimension, 2020 showcased the importance of communicating sufficiently specific and pertinent information to multiple stakeholders, including shareholders, investors, regulators, and the general public, regarding the organization's financial health. This reflects the crucial role that investor relations play in bolstering the confidence of the investment community, a matter of paramount concern in weathering such unforeseen circumstances. COVID-19 hastened the evolution of IR ordinances and dynamism, including the move towards digitized communication and engagement with our stakeholders.

Capitalizing on these 'new normal' investor communications, Krungsri excelled in connecting not only to domestic investors but also expanding our coverage to internationally recognized forums and regional news networks, as well as ASEAN-level dialogues. Consequently, a new record of 15 awards in recognition of the Bank's excellent investor relations and communications, corporate governance, and ESG performance was achieved in 2020.

2021 will mark the first fiscal year under Krungsri's third Medium-Term Business Plan, which will encompass 2021-2023, and one of the key strategic thrusts under the new business plan is sustainability for both Krungsri and our stakeholders under the new socioeconomic order of the post-COVID-19 landscape.

Approved by the Board of Directors in December 2020, the new environmental and social credit risk management policies and frameworks signify our aspiration to embed sustainability practices into the organization as our competitive competency in growing our businesses not only sustainably but also with impactful outcomes. The new policies dictate business strategies, executions, and processes, as well as new product development on the 'positive' and 'negative' listings, underscoring our responsibility in doing better business for society, particularly in issues related to climate change management and the transition toward a low-carbon society in response to the UN SDG on Climate Action and other goals.

With responsible lending and sustainable banking as our guiding principles—our raison d'etre, in fact—we will advocate and lead the Thai financial sector in the provision of sustainable financial products and services corresponding to social, environmental, and governance (ESG) foundations, while continuing to meet our stakeholders' expectations of both financial and economic returns in the longer term.



Karun Kittisataporn
Chairman



Noriaki Goto
Vice Chairman



Seiichiro Akita
President and Chief Executive Officer

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 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 (SEC) 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 2020, Krungsri has 23 subsidiaries and joint ventures, while our 671 branches[1/] are in well diversified locations throughout the country and in Lao PDR, with a total of 33,340 employees[2/]. The Bank's registered capital is 75,741 million baht, while our paid-up capital stands at 73,558 million baht.

Remarks:

[1/] Including the Head Office and one overseas branch

[2/] Number of permanent employees of the Bank, subsidiaries and joint ventures

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:
Five countries consist of Thailand, Lao People's Democratic Republic (a branch and a joint venture), Republic of the Union of Myanmar (Representative Office), Kingdom of Cambodia (Subsidiary) and Philippines (joint venture)

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: Telephone 1572
- Online channels: www.krungsri.com

Krungsri Simple

Total Workforce:
36,003 people (Permanent and temporary employees of the Bank, subsidiaries and joint ventures)

Fee and Service Income:
24,812 million baht

Shareholder Structure

The list of shareholders with over 0.5% of the total issued shares

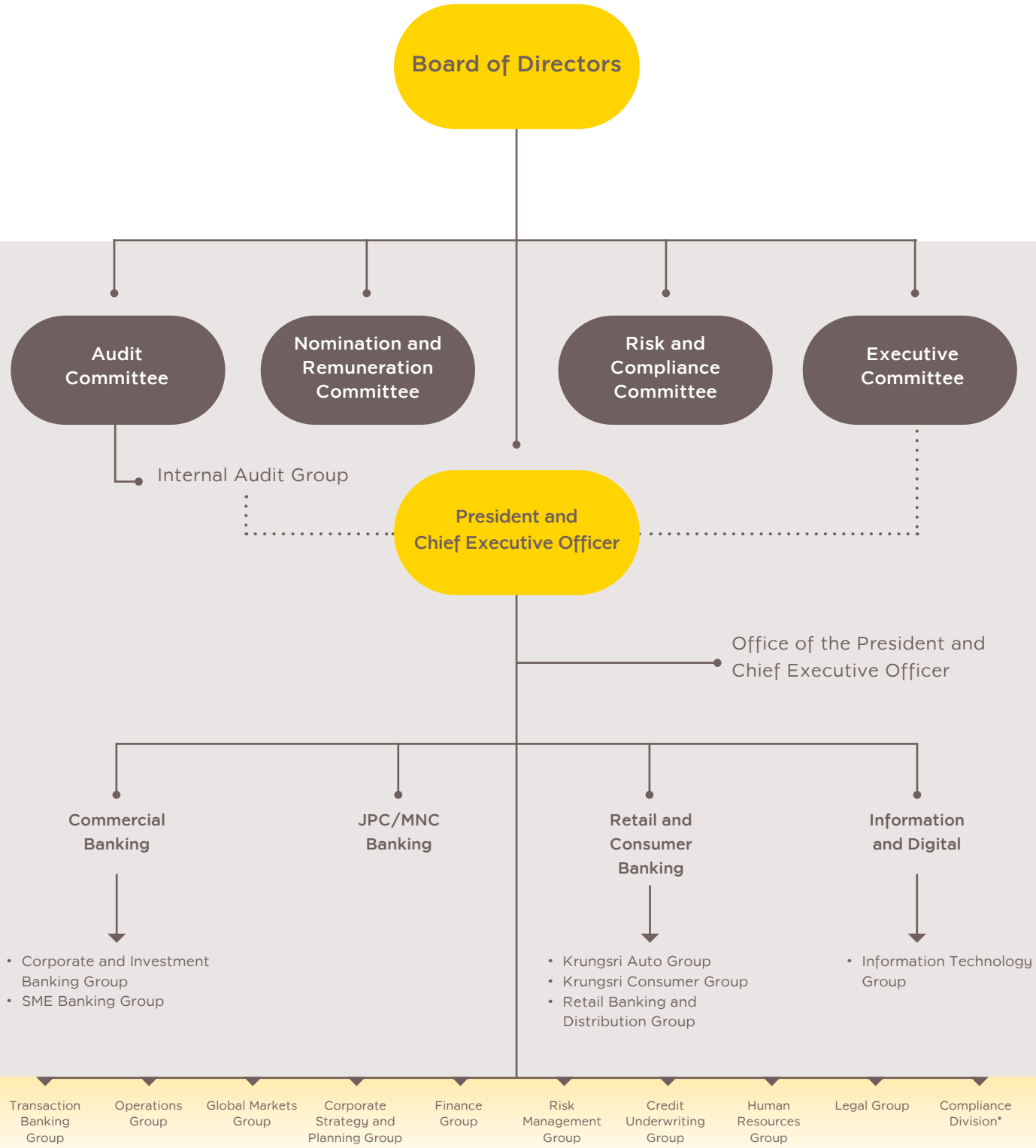
as of June 11, 2020 (Latest Record Date)
(7,355,761,773 issued and paid-up ordinary shares at a par value of 10 baht per share)

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 totally 76.90 percent.

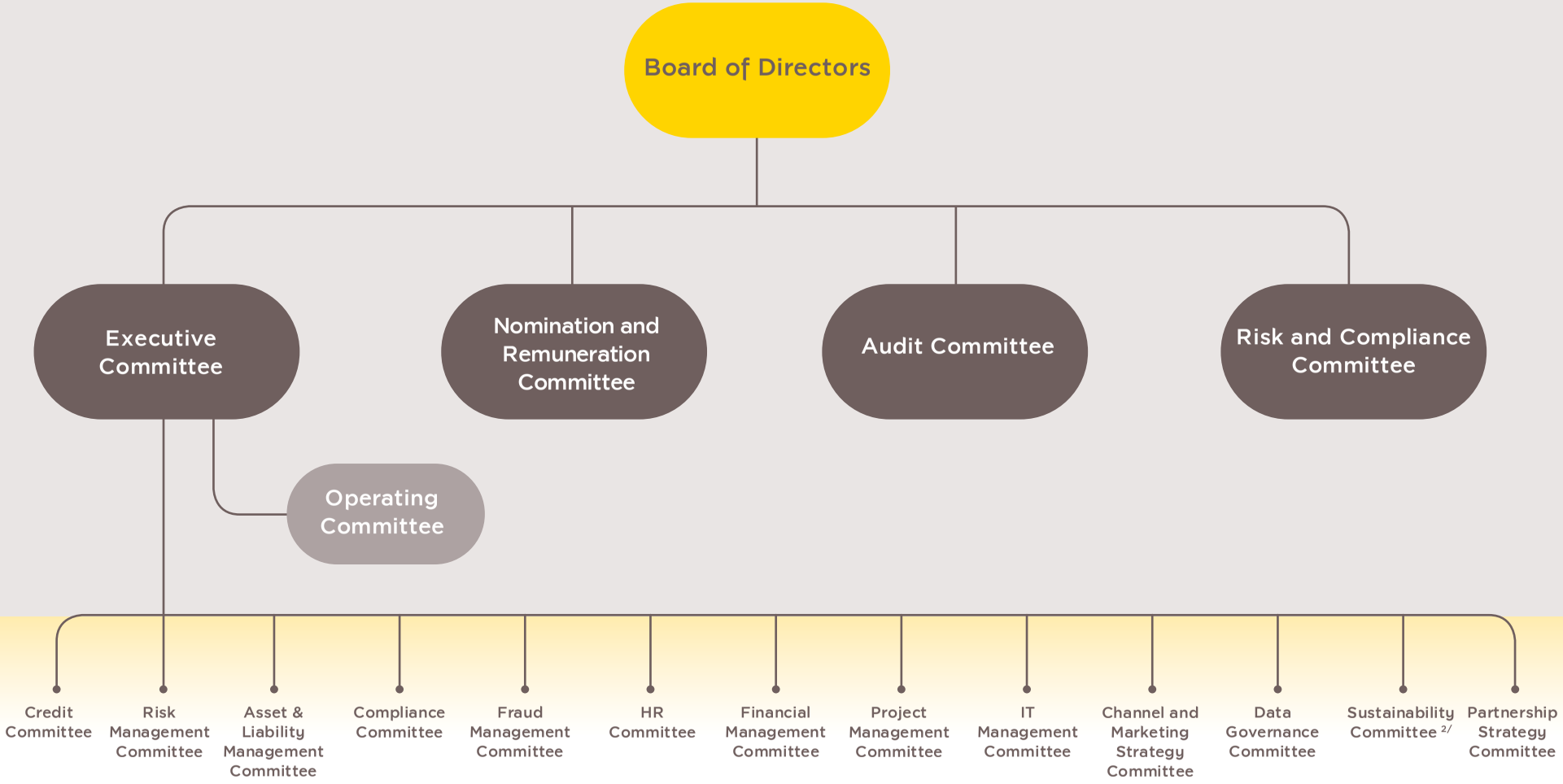
Organization Structure

As of January 1, 2021



* The Compliance Division reports directly to the 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/] The Executive Committee passed a resolution at its Meeting No. 16/2020 on May 25, 2020 to transform the Corporate Social Responsibility Committee to the Sustainability Committee. 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 ('Group Companies'). The Sustainability Committee Meeting shall be held at least once per quarter.

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

1

Corporate Segment

- Thai corporations
- Japanese corporations
- Multinational corporations



2

Small and Medium Enterprise (SME) Segment



3

Retail Segment



Subsidiaries and Joint Ventures

Krungsri holds shares of 18 subsidiaries and five joint ventures, as defined in a relevant notification of the Office of the Securities and Exchange Commission, of which the information as of December 31, 2020 is as follows:

Company Name	Type of Business	Krungsri's shareholding (Percent)
Subsidiaries		
Financial Business Group		
1. Hattha Bank Plc.[1/]	Commercial Bank in Cambodia	100.00
2. Krungsri Ayudhya AMC Ltd	Purchases or accepts impaired asset transfers (NPAs and NPLs) for management through debt restructuring or collateral for disposal, including undertaking NPA maintenance to ensure they are in good condition and ready for sale	100.00
3. Krungsri Nimble Co., Ltd.	Provides information technology services to only the Bank and all companies in Krungsri financial business group	100.00
4. Ayudhya Development Leasing Co., Ltd.	Provides financial lease and hire purchase services to enable SMEs and large corporations to acquire machinery, equipment, and all types of commercial vehicles for business use.	99.99
5. Ayudhya Capital Auto Lease PCL	Hire purchase for motorcycles and top-up loans for existing customers and inventory financing for car dealers	100.00
6. General Card Services Ltd.	Credit card and personal loan	100.00
7. Ayudhya Capital Services Co., Ltd.	Sales financing (merchandise installment financing), personal loans, credit card and nanofinance products	100.00
8. Krungsriayudhya Card Co., Ltd.	Credit card and personal loan	100.00
9. Krungsri Finnovate Co., Ltd.	Venture capital	100.00
10. Krungsri Securities PCL	Securities business	99.84
11. Krungsri Asset Management Co., Ltd.	Asset management	76.59
12. Krungsri Leasing Services Co., Ltd. [2/]	Leasing/ Hire purchase/ Sales finance in Lao People's Democratic Republic	100.00
13. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.[3/]	Microfinance institution that does not accept deposit in Lao People's Democratic Republic	99.99

Company Name	Type of Business	Krungsri's shareholding (Percent)
Supporting Business		
14. Siam Realty and Services Security Co., Ltd.	Provides car rentals and human resources service to Krungsri Group	100.00
15. Total Services Solutions PCL	Collection services	100.00
16. Krungsri Life Assurance Broker Ltd.[4/]	Life insurance broker	100.00
17. Krungsri General Insurance Broker Ltd.[4/]	Non-life insurance broker	100.00
18. Hattha Services Co., Ltd.[5/]	Supporting business in relation to property development for an operation of Hattha Bank Plc. And subsidiaries under Krungsri Financial Business Group	49.00
Joint Ventures		
19. Tesco Lotus Money Services Ltd.	Credit card and personal loan	50.00
20. Tesco Life Assurance Broker Ltd.[6/]	Provides life insurance products to customers of Tesco Card Services Ltd. and Tesco Lotus	50.00
21. Tesco General Insurance Broker Ltd.[6/]	Provides non-life insurance products to Tesco Lotus customers	50.00
22. Ngern Tid Lor Public Company Limited	Provides hire purchase and secured loan contracts to customers who already hold titles of cars and other vehicles, as well as non-life insurance brokerage services	50.00
23. SB Finance Company, Inc.[7/]	Operating consumer finance business in the Philippines	50.00

Remarks:

[1/] Krungsri's subsidiary of which the Bank directly holds 100 percent shares. Formerly Hattha kaksekaar Limited, Microfinance Deposit Taking Institution, obtained the approval from relevant regulators both in Thailand and Cambodia to expand its business to be a commercial bank on August 26, 2020.

[2/] Krungsri's subsidiary of which the Bank indirectly holds 100 percent shares via Ayudhya Capital Auto Lease PCL by 75 percent and Ayudhya Capital Services Co., Ltd. by 25 percent

[3/] Krungsri's subsidiary of which the Bank indirectly holds 99.99 percent shares via Krungsri Leasing Services Co., Ltd.

[4/] Krungsri's subsidiary of which the Bank indirectly holds 100 percent shares via Ayudhya Capital Services Co., Ltd.

[5/] Krungsri's subsidiary of which the Bank indirectly holds 49 percent shares via Hattha Bank Plc.

[6/] Subsidiary of Tesco Lotus Money Services Ltd.

[7/] Krungsri's subsidiary of which the Bank directly holds 50 percent shares

Strategies and Business Plans

To fulfill Krungsri's aspiration 'To be a leading regional financial institution with global reach' through sustainable banking, the mission of being recognized as 'a Domestic Systemically Important Bank (D-SIB)', and MUFG's vision 'to be the world's most trusted financial group'; the Bank established the **Medium-Term Business Plan (MTBP)** which is Krungsri's strategic roadmap for a three-year period. The plan will enable the Bank to ride the wave of changing business environments resulted by both domestic and international factors.

Following the success of the first MTBP (2015-2017), Krungsri launched **the second MTBP (2018-2020)** by evaluating the business environments and trends, being committed to leveraging MUFG global networks and adopting regional expansion strategy to help corporate and retail customers thrive through best product and service innovations that are suited to their needs. The second MTBP consists of three strategic themes, six core business strategies, and five management platform strategies as follows:

3 Strategic Themes

1. Lead by Innovation: Think 'Digital First'
2. Enhance Customer Experience to Become a Main Bank
3. Enhance Retail and Commercial Banking Platform, and Achieve Sustainable Growth

6 Core Business Strategies

1. Enhance Customer Experience toward Customer Engagement
2. Upgrade Advisory Capabilities and Service Quality of Retail Banking
3. Grow SME Banking through Digital and Innovation Capabilities
4. Execute Commercial Banking Transformation
5. Strengthen Product Capabilities to Offer Financial Solutions
6. Expand Collaboration within Krungsri and Synergy with MUFG and Strategic Partners

5 Management Platform Strategies

1. Enhance Business Competitiveness through HR Platform
2. Build Robust and Smart Technology to Digitize Business and Operations
3. Ensure Safety and Soundness
4. Improve Productivity and Efficiency
5. Accelerate Digital and Innovation Execution

Key challenges and opportunities

2020 was undoubtedly an eventful year overshadowed by the coronavirus pandemic. The outbreak clearly has its impacts felt around the world, while becoming the key determinant of turning points in global economic activities and certainly leaving apparent winners and losers in the business arena. To get through this pandemic crisis, Krungsri has established strategic directions by prioritizing three business strategies as followings:

- Continue to vigorously support customers
- Strictly maintain asset quality
- Efficiently manage operating expenses

To achieved aforementioned business strategies, each business unit must stipulate relevant targets and action plans in order for producing concrete results. Despite differences in the detail of their respective business context, their operations will be seamlessly connected toward the same direction as Krungsri Group.

Additionally, the Bank adopts the PDCA principle (plan-do-check-act/adjust) as a guideline to verify, improve, and assess the operating results of MTBP. All these are to ensure that the action plans in the MTBP are carried out and well-adjusted in parallel with the changing business and marketing conditions.

2020 saw the COVID-19 crisis very unprecedented. However, Krungsri continued to successfully achieve significant progress in accordance with the Bank's business strategies as well as innovative projects under the current MTBP, while managing to thrive with strong financial performance. However, Krungsri is well aware of the challenging business landscape amidst the headwinds from rapid changes of the banking industry due to technology advancements and digital innovations. We are determined in adhering to business strategies under the stipulated MTBP, while maintaining agility in adjusting our action plans in tandem with the changing business environment.

Moving forward to the third Medium-Term Business Plan (2021-2023)

Looking back to the second Medium-Term Business Plan (2018-2020), we were able to make significant progress in our planned strategies and initiatives, while continuing to robustly grow our assets with strong financial performance. Under the second MTBP (2018-2020), key achievements include realizing our inspiration 'To be a Top Tier Financial Group in Thailand' through the recognition as the Domestic Systemically Important Bank (D-SIB) with record achievements in ESG innovations and excellence.

2021 will be the first year of our new MTBP covering 2021-2023. We started planning the third MTBP (2021-2023) by considering our key achievements and challenges during the first and second MTBPs, including the pandemic and its prolonged impacts, ESG risks and opportunities as well as both global and local shifts in the market environment and outlook. For our third Medium-Term Business Plan (2021-2023), we have set our aspiration as 'Be the preferred Thai bank connecting customers' needs across ASEAN' and identified five strategic directions and three key enablers as follows:



Krungsri will strive to follow the strategic directions under the third MTBP, so that our business goals can successfully be achieved.

Operating Results and Key Developments

Adhering to business operations based on commitments and the Medium-Term Business Plan, Krungsri achieved key developments in the aspects of economic, and environmental, social and governance (ESG) as follows:

Economic and Governance Aspects

Became the first Thai commercial bank winning the 'Best Sustainable Bank' award from FinanceAsia, Asia's leading financial magazine, highlighting the Bank's sustainability mandates particularly financial inclusion

Successfully achieved regulatory approvals that earned Hattha Kaksekar Limited, the Bank's microfinance subsidiary, a status of commercial bank named 'Hattha Bank Plc.'

Completed acquiring 50 percent of issued and paid-up shares of SB Finance Company, Inc. (SBF) to provide consumer finance products in the Philippines

Initiated 'Krungsri Internet Banking Laos', an online transaction platform, making Krungsri the first Thai bank that provides the internet banking service for corporate customers in Lao PDR for their convenience in conducting financial transactions

Launched 'Krungsri-LDB Global Transfer', a service of real-time money transfers between Thailand and Lao PDR via Krungsri Biz Online (KBOL), developed in collaboration with Lao Development Bank to facilitate convenient, swift, and secure international remittance for retail customers and small enterprises

Launched 'Kept', the innovative financial management platform that makes saving easy for customers

Gained
24,812 million baht
in fees and service income





Launched the international QR code payment platform, jointly developed with NTT DATA Corporation under the name **'MyPromotQR'**, the first Thailand's platform that enhances mobile payment experience for Thai consumers in Japan

Introduced 'e-Withholding Tax', the electronic withholding tax system in response to the government's National e-Payment policy that helps drive Thailand toward a cashless society

Successfully pioneered the adoption of blockchain for international trade, Global Trade Finance Blockchain, with letter of credit (L/C) transactions between leading companies in Thailand and Japan

Developed a service of international funds transfers via Krungsri Mobile Application (KMA) in 15 foreign currencies



Established the Environmental and Social Credit Risk Policy and the Sector-specific Guideline to underline the Bank's strict adherence to the Sustainable Banking Guidelines – Responsible Lending

Recorded
1,962 million transactions
via Krungsri Mobile Application (KMA)
(an increase of 39.74 percent from 2019)

Social Aspect

Launched 'Nono finance products', jointly developed with Grab, namely 'Loan for Grab Driver-partners' and 'Loan for Grab Merchant-partners', to provide easier access to financing sources for Grab driver-partners and merchant-partners



Introduced an online financial literacy learning and sharing platform under the Krungsri Financial Literacy project titled **'Simple to Learn – Stay Safe during COVID-19'**. The edutainment animated series was developed in collaboration with the Office of the Basic Education Commission (OBEC) and the Equitable Education Fund (EEF) for students in more than

28,000
primary schools nationwide

Launched the 'Social Enterprise Market @Krungsri' event, jointly organized with Social Enterprise Thailand Association (SE Thailand), to offer market opportunities for social enterprises impacted by the COVID-19 crisis, so that they can thrive post-pandemic

Recorded **16,750**
Krungsri volunteer hours
given by
6,487 Krungsri volunteers
through all CSR activities

Won 'Thailand's Best Companies to Work for in Asia 2020' from HR Asia, a leading global HR magazine, reflecting Krungsri's reputation as an employer of choice with strengthened employee engagement

Recorded an average of
51.53 training hours per employee

Earned
69 points
of **Net Promoter Score (NPS)**
for the Krungsri brand

Earned an
8.87 percent
increase over 2019 in **customer compliments through Krungsri Call Center**

Environmental Aspect

Take climate action to help reduce corporate greenhouse gas
emissions by **8.64 million kilograms of carbon dioxide equivalent**
(targeting 7.5 million $kgCO_2e$)

Provided clean energy finance amounting to
10,941 million baht

Installed a food waste decomposer at Krungsri Head Office (running from October to December 2020)
- Reduced food waste sent to landfills by **6,000 kilograms** and turned the food waste into 970 kilograms of quality fertilizer
- Equivalent to reducing greenhouse gas emissions by **15,200 $kgCO_2e$** or comparable to planting 1,689 trees

Participated in the Care the Wild 'Plant & Protect' project, initiated by the Stock Exchange of Thailand for environmental conservation as well as sustainable climate change mitigation. Through the Care the Wild application, the project encourages participation from the business sector, the general public in reforestation, in compliance with good governance principles in terms of information disclosure to monitor, learn, and nurture



Reporting Methodology



Covering the period from January 1, to December 31, 2020, Krungsri's 2020 Sustainability Report is the seventh of the Bank's annual sustainability report, intended to continually monitor and disclose information on Krungsri Group's sustainability performance to stakeholders in the economic-governance, environmental, and social dimensions. (The most recent previous report was published on March 29, 2020)

This report has been prepared in accordance with the GRI Standards: Core option and the GRI G4 Financial Service Sector Disclosures Guideline, in tandem with Krungsri's nature of business as well as sustainability topics significant for the Bank, stakeholders namely employees, customers, business partners, shareholders, regulators, communities and society, etc. Moreover, connection between the organization's operational directions and the United Nations Sustainable Development Goals 2030 (SDGs 2030) was also portrayed in the report.

Defining Report Content and Boundaries

Krungsri defines content and boundaries of the report based on internal and external factors related to business operations as well as its essence and benefits, as per the 10 standards of the GRI Sustainability Reporting Guidelines:

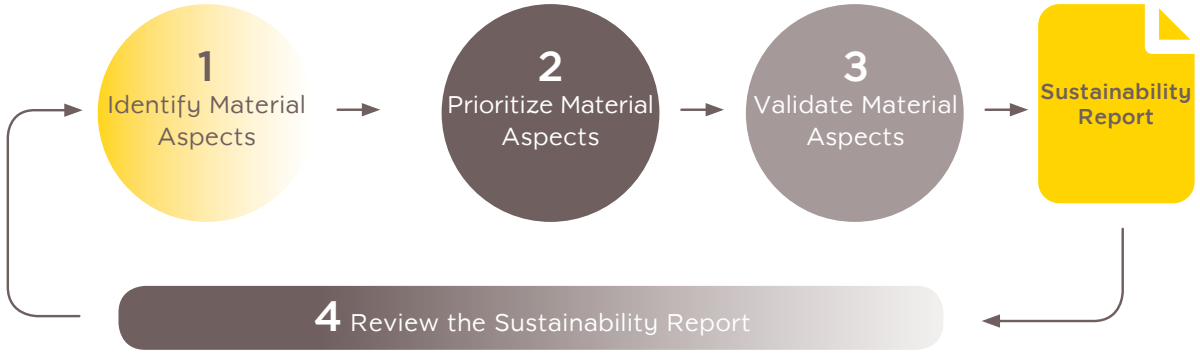
Content

- Stakeholder Inclusiveness
- Sustainability Context
- Materiality
- Completeness

Quality

- Accuracy
- Balance
- Clarity
- Comparability
- Reliability
- Timeliness

Materiality Identification Process



Step 1: Identify Material Aspects

The Sustainability Report Working Team, under the supervision of the Sustainability Committee, identified material aspects relevant to Krungsri's sustainable development and status as a financial service provider, including stakeholder expectations toward the Bank as well as the material aspects reported in the previous year. In addition, operational and assessment guidelines on sustainability established by national and international organizations were taken into account, including the Stock Exchange of Thailand's sustainability assessment questionnaires for listed companies, the corporate governance evaluation framework designed by the Thai Institute of Directors Association (Thai IOD), the Sustainable Banking Assessment (SUSBA) Report of the World Wide Fund for Nature (WWF), the Fair Finance Thailand guidelines for assessing domestic commercial banks, etc. Recommendations from stakeholders beneficial to the organization and society were also considered.

Step 2: Prioritize Material Aspects

After identifying material aspects based on stakeholder expectations and the Bank's practices in sustainability, the working team prioritized these material aspects by considering following principles:

- **Significance of economic, environmental and social impacts** based on the relation between the material aspects and the Bank's philosophy, visions, core values; or business directions, policies, operating guidelines; or risks. Characteristics of impact are considered and prioritized, including the impacts on financial aspect, operations, strategies, reputation and image, and regulatory requirements, regulations, or business practices, etc.
- **The influence on stakeholder assessments and decisions** surveyed by Krungsri to seek views and recommendations on material aspects from stakeholders, namely employees, customers, business partners, commercial banks, regulators, independent sustainability organizations, etc.

In this regard, results of above-stated consideration will be used to prioritize and prepare materiality matrix.

Step 3: Validate Material Aspects

The Sustainability Committee, comprising the President and Chief Executive Officer and senior executives from various business units of the Bank and companies in the Financial Business Group, verified material aspects based on Step 2 in order to ensure that relevant impacts and issues were thoroughly considered. The material aspects verified were proposed to the Executive Committee and the Board of Directors for acknowledgement and consideration. The final outcome was used as the base information for sustainability action planning as well as preparation of the 2020 Sustainability Report.

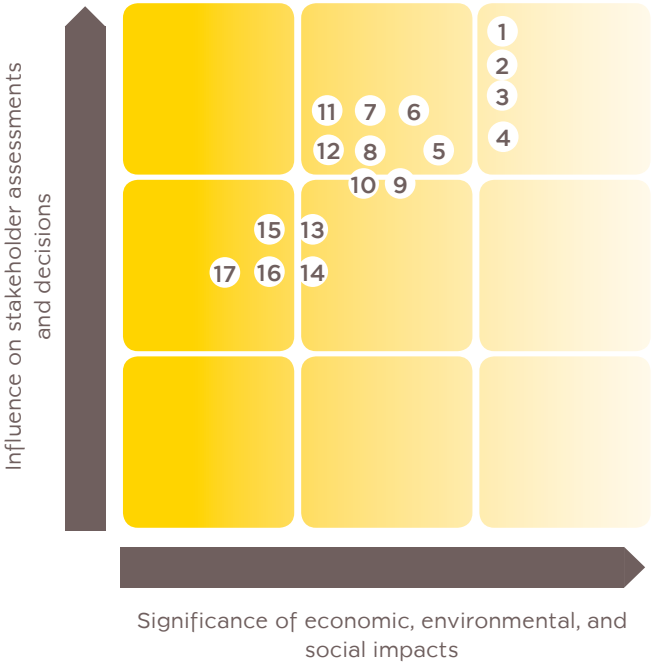
Step 4: Review the Sustainability Report

Krungsri puts in place the process for reviewing the content and aspects of sustainability as well as gathering feedback from the stakeholders after the launch and dissemination of the Sustainability Report, This allows us to further identify key areas for improvement and set directions toward sustainability in the future. Krungsri encourages its stakeholders to join in fostering a sustainable society by voicing their concerns and opinions on sustainable business undertakings through various communication channels, including a questionnaire form (attached herewith). Therefore, the Bank could achieve sustainability goals which are relevant to and significant for the organization, stakeholders, and society with ultimate efficiency.

Key Amendments in the Sustainability Report

Reviewing the materiality identified in 2019, the Sustainability Report Working Team was of the view that the 17 material aspects continue to be relevant to and significant for the organization and stakeholders, while aligning with the expectations of regulators and sustainability organizations both in Thailand and the region. The only difference from the previous year's Sustainability Report is the sequence of material aspects which has been changed in accordance with the above-stated reprioritization made. Details are as follows;

Materiality Matrix



Governance and Economic Aspects

1. Personal data protection
2. Customer experience and Market conduct
3. Cybersecurity
4. Good governance and anti-corruption
5. Innovation and digital transformation
6. Risk management and crisis management
7. Economic performance and impacts

Social Aspects

8. Responsible lending and ESG considerations
9. Fair labor practices and respect for human rights
10. Stakeholder engagement
11. Financial inclusion and promotion of financial literacy
12. Human resource development
13. Occupational health, safety, and working environment
16. Community participation and social engagement

Environmental Aspects

14. Environmental management
15. Climate change management
17. Resource efficiency

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 Reporting Guidelines. See page 136-137, Topic 'External Assurance Statement' for details.

Report Dissemination Channels and Contact Information

- Website www.krungsri.com
  - Topic 'Sustainable Development' > Sub-topic 'Sustainability Report'
  - Topic 'Investor Relations' > Sub-topic 'Annual Report' > Tab 'Sustainability Report'

- Publications: 500 hard copies each of the Thai and English versions are available

Scan the QR Code for Krungsri Sustainability Report

- 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. 83935, 84026
  Email: KrungsriESG@krungsri.com



Impacts of Materiality

Materiality	GRI Standards	Scope of Internal Impacts	Scope of External Impacts	SDGs
Governance and Economic Aspects				
Personal data protection	GRI 418-1	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Creditors	
Customer experience and market conduct	GRI 418-1	Executives and staff of all business units	Customers, Vendors/ suppliers, Regulators	
Cybersecurity	GRI 102-30	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors, Other commercial banks or financial institutions	
Good governance and anti-corruption	GRI 102-18, 102-19 GRI 205-2	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors, Other commercial banks or financial institutions, Communities and society	
Innovation and digital transformation	GRI 103-1, 103-2, 103-3	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors	
Risk and crisis management	GRI 102-11, 102-30	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Creditors	
Economic performance and impacts	GRI 201-1, 203-1	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors, Other commercial banks or financial institutions, Communities and society	
Social Aspects				
Responsible lending and ESG considerations	GRI 102-11 GRI G4: FS 8	Executives and staff of all business units	Customers, Shareholders, Investors, Regulators, Communities and society	
Fair labor practices and respect for human rights	GRI 401-1, 401-2	Executives and staff of all business units	Customers, Vendors/ suppliers, Regulators	

Materiality	GRI Standards	Scope of Internal Impacts	Scope of External Impacts	SDGs
Stakeholder engagement	GRI 102-40, 102-42, 102-43, 102-44	Executives and staff of all business units	Customers, Shareholders, Vendors/suppliers, Investors, Regulators, Creditors, Other commercial banks or financial institutions, Communities and society	
Financial inclusion and promotion of financial literacy	GRI 201-1 GRI G4: FS 13, FS 14, (former FS 16)	Executives and staff of all business units	Customers, Regulators, Communities and society	
Human resource development	GRI 404-1, 404-2	Executives and staff of all business units	Customers, Vendors/ Suppliers, Regulators	
Occupational health, safety, and working environment	GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9	Executives and staff of all business units	Vendors/suppliers, Regulators, Communities and society	
Community participation and social engagement	GRI 103-1, 103-2, 103-3	Executives and staff of all business units	Customers, Vendors/ Suppliers, Communities and society	

Environmental Aspects

Environmental management	GRI 103-1,103-2, 103-3	Executives and staff of all business units	Vendors/suppliers, Communities and society	
Climate change management	GRI 102-11 GRI 203-1 GRI 302-1, 302-2, 302-4 GRI 305-1, 305-2, 305-3, 305-4, 305-5 GRI G4: FS 11	Executives and staff of all business units	Customers, Vendors/ Suppliers, Communities and society	
Resource efficiency	GRI 301-1 GRI 302-1, 302-2, 302-4 GRI 303-1, 303-2, 303-5	Executives and staff of all business units	Customers, Vendors/ suppliers, Communities and society	

Environmental, Social, and Governance Policies toward Sustainability



Krungsri toward Sustainable Banking

As a financial service provider, Krungsri has been committed to responsibly serving as an 'intermediary' which plays a significant role in driving the economic system. In this regard, the Bank facilitates capital funding to the business sector, society, and retail customers, through the development and presentation of financial product and service innovations, in parallel with meeting economic, social, environmental requirements as well as expectations of all groups of stakeholders. Therefore, this would benefit communities and society based on sustainable development.

To achieve aforementioned commitment, Krungsri strives to operate in accordance with good corporate governance, while strictly and earnestly adhering to **sustainable banking with responsible lending.**

2019 saw the key turning point for the Thai banking industry in shifting to the sustainable development journey. Krungsri, as a Domestic Systemically Important Bank (D-SIB), joined force the Thai Bankers' Association and other 14 commercial banks to sign the memorandum of understanding on 'Sustainable Banking Guidelines – Responsible Lending'— reflecting a common goal of the country's banking sector in achieving the sustainable development aspiration. The four principles under the MOU are as follows:

1. **The commitment and tone from the top for responsible lending** to ensure the implementation of lending practices which are responsible for internal and external stakeholders
2. **Stakeholder engagement in transforming the Bank's business operations in accordance with ESG principles** and assessing direct and indirect impacts of the Bank's lending
3. **Policy establishment and internal implementation mechanisms** covering the establishing of related policies, lending process, risk management, and employee training to enhance their competency and readiness for implementation
4. **Transparency** by disclosing the information of responsible lending to the general public in reflecting the Bank's determination and putting in place the audit of the Bank's operations

In 2020, Krungsri's key developments in sustainable banking based on the above-stated MOU are as follows:

Key Developments in Sustainable Banking

Commitment
Krungsri's top management has communicated the sustainable banking guidelines for responsible lending to employees at every level through relevant activities and internal communication channels. Examples include the Town Hall Meeting, the Message from the Chairman, the Message from the President and Chief Executive Officer, emails, and other communication media, such as wall wraps, lift wraps, the Krungsri website, etc.

Stakeholder Engagement
Communication channels were provided so that the top management can listen to the voices of stakeholders, such as the Relationship Manager (RM)'s customer visits, the annual general shareholders' meeting, the analyst and fund manager briefings, etc.

Internal Implementation Mechanisms
The lending process and policies were reviewed. As a result, the Environmental and Social Credit Risk Policy and the Sector-specific Guideline, comprising restricted transactions, prohibited transactions, and the positive list, were established.

Transparency
The data disclosure was made to stakeholders, including customers, shareholders, regulators, etc., through diverse channels including the Krungsri website, the annual report, the sustainability report, etc.

Krungsri will reinforce its business undertakings in line with the 'sustainable banking' guidelines to promote the stability of the country's financial system, while also promoting stable and sustainable economic growth.

Krungsri and the SDG 2030

Krungsri aspires 'To be a leading regional financial institution with global reach' through sustainable banking, thereby striving to achieve the 'Sustainable Development Goals (SDGs)' initiated by the United Nations within a period of 15 years from 2015-2030. The Bank establishes strategies, targets, action plans, and projects that are corresponding to and in line with the SDGs as follows:

Examples of Krungsri's initiatives to promote sustainability



Promoted equity and inclusion in financial services--especially for grass-roots people such as nanofinance and microfinance



Ensured good health and access to quality health care, and promoting well-being of employees and communities, such as:

- Employees: Arrangement for the influenza vaccination program, provision of general health insurance and annual check-up, provision of a health center with physicians available for initial treatments, and provision of the COVID-19 health insurance policy
- Communities: Arrangement for mobile mammography units to offer health consultation and breast cancer examinations to female members of the public, and provision of online media to enhance knowledge of the breast self-exam through Thanyarak Foundation



Promoted quality education as well as equity and inclusion in learning opportunities through diverse initiatives and activities:

- Initiated the 'Krungsri Financial Literacy' project to share financial knowledge and improve necessary skills of students in primary schools (fourth and sixth graders). In 2020, Krungsri in collaboration with the Office of the Basic Education Commission (OBEC) and the Equitable Education Fund (EEF), introduced an online financial literacy learning and sharing platform titled 'Simple to Learn — Stay Safe During COVID-19'. The edutainment animated series was aimed to promote financial knowledge, and understanding of the new normal and other relevant COVID-19 precautionary measures among youths in 28,000 Thai schools nationwide.
- Provided knowledge and skills needed for sustainable development, e.g., the Money Smart Next-Gen Activity (3rd Year), which is a collaborative project on financial literacy training of the Thai Bankers' Association (TBA), and Ngern Tid Lor's 'Life Rolls Forward Project' which provides financial knowledge and business planning skills for retail vendors
- Promoted, built, and upgraded educational equipment and materials, and provided safe learning environment by providing educational equipment for hearing-impaired youths through Setsatian School for the Deaf and the Krungsri Auto Library project.



Promoted gender equality, as well as a greater role of female leadership and their access to financial services:

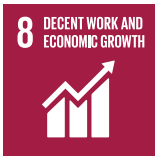
- Promoted the role of women and offer them equal treatments to assume a leadership role at every level of the organization such as the Chief Financial Officer, the Head of Internal Audit Group, the Head of SME Banking Group, etc.
- Offered equal opportunities to women to access financial services such as the gender bond issuance



Promoted sustainable water management:
- Jointly protected and restored the ecosystem of water resources, mountain, forest, wetland, river, etc., through CSR activities, such as check-damn building in many areas
- Enhanced water use efficiency in the organization to promote the most efficient usage of natural resources and reduce the risk of water scarcity, such as reusing treated wastewater



Promoted the expansion and upgrade of clean energy infrastructure and technology which help drive the economy and society, while sustainably conserving the environment:
- Provided green energy loans to increase the share of renewable energy in the global energy mix
- Facilitated the issuance of green bonds, social bonds, and sustainability bonds by both private and public sectors to promote environmental investments along with economic development



Promoted economic growth with continuity, inclusion, and sustainable development, as well as decent work for all:
- Facilitated networking and expansion of small and medium-sized enterprises (SMEs) through financial access, such as loans for SMEs and micro SMEs, etc.
- Provided financial technology and innovations to enhance economic efficiency, and to improve access to banking, insurance and financial products for people from all walks of life
- Promoted investments in businesses with gender equality in work
- Promoted and protected labor and human rights and provided safe and secure workplaces for all employees in compliance with applicable regulatory requirements



Promoted the development of inclusive and sustainable infrastructure, industries, and innovation by taking following actions:
- Promoted access to data technology and communication by donating computers to schools in remote areas
- Promoted innovative and smart working approaches by establishing the Digital Banking and Innovation Division and the Business Transformation Division
- Used innovation and technology to facilitate customer convenience in accessing products and services, such as 'Krungsri Mobile Application' (KMA), a safe and efficient mobile banking platform that makes life simple; 'Kept by krungsri', an digital savings account that simplifies savings



Promoted equal opportunity and economic inclusion, and reduced inequality by launching financial products and services to address inequality regardless of age, gender, physical disabilities, financial status, ethnicity, etc., including the issuance of gender bond and offering account opening service to visually impaired people



Promoted sustainable and resilient cities and communities through activities as follows:
- Promoted protection and restoration of national heritage sites such as the Ayutthaya Historical Site Conservation Project (Ayutthaya Historical Park and other historical sites)



Promoted sustainable production and consumption by conducting waste sorting, reduction, and reuse activities such as:

- 'Krungsri Zero Waste' project
- 'Care the Bear' project which was carried out in collaboration with the Stock Exchange of Thailand to reduce waste and emissions from events organized
- 'Thais Say No to E-Waste' project which was carried out in collaboration with Advanced Info Service (AIS) for the proper disposal of e-waste and pollution control
- The installation of food waste disposal machine at Krungsri Head Office
- 'Shred2Share' project



Participated in climate action and coped with climate change impacts through following actions:

- Raised awareness of the Bank's employees to reduce risks arising from climate change through training and activities
- Reduced climate change impacts by formulating a plan to reduce carbon footprint within the organization and establishing targets to reduce greenhouse gas emission at Krungsri Head Office and Krungsri Ploenchit Office
- Promoted resource efficiency among employees at all levels to reduce impacts on the environment



Promoted the preservation of marine ecosystems by organizing mangrove planting activities in Chon Buri and Chachoengsao



Promoted and organized tree planting activities to restore land ecosystems such as the Care the Wild 'Plant & Protect' project at the Baan Khao Hua Kon community forest, Ratchaburi, the tree planting project at Khao Mai Kaew in Chon Buri and the joint effort to develop the green area under the 'Our Khung Bangkachao' project in Samut Prakan



Promoted justice and strong institutions and society with responsible practices for sustainable development:

- Adhered to the good corporate governance and anti-corruption practices
- Declared Human Rights Policy Disclosure Statement
- Operated the business according to the sustainable banking principle by taking into consideration the environmental, social, and governance (ESG) aspects
- Promoted the policy on impartial treatments such as promotion of diversity in the organization and supply chain regardless of race, nationality, religion, gender, etc.



Promoted national and regional partnerships to achieve sustainable development at home and abroad:

- Joined the membership and promoted the establishment of sustainable development networks, such as becoming a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)
- Engaged with stakeholders, communities, and society through various activities and projects to achieve sustainable development goals

International Standards for Sustainable Development Practices

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:

Guidelines, Standards, and Initiatives	Organizations	Implementation Status
Sustainable Development Goals 2030 (SDG 2030)	The United Nations	Adopted as an operational guideline for establishment of strategies, targets, and sustainable operations
ASEAN CG Scorecard	ASEAN Capital Markets Forum (ACMF)	Adopted as an operational guideline for good corporate governance practices
Commercial banks' code of ethics	The Thai Bankers' Association	• MOU among commercial banks • Adopted as an operational guideline
The memorandum of understanding on 'Sustainable Banking Guidelines – Responsible Lending	The Thai Bankers' Association	• MOU among commercial banks • Adopted as an operational guideline
Carbon Footprint Offsetting	Thailand Greenhouse Gas Management Organization (Public Organization) (TGO)	Adopted as an operational guideline for the management of carbon footprints of the organization and reduction of the greenhouse gas
Environmental, Social and Governance (ESG) Integration	World Wide Fund for Nature (WWF) - Thailand	MOU for knowledge sharing for future ESG integration and implementation
International Financial Reporting Standard 9 (IFRS 9)	International Accounting Standard Board	Adopted as an operational guideline
Basel III Framework	The Basel Committee on Banking Supervision	Adopted as an operational guideline
ISO 20022 Universal Financial Industry Message Scheme	International Standard Organization	Adopted as an operational guideline
ISO/IEC27001: 2013 – Information Security Management (BAHTNET and ICAS)	International Standard Organization and International Electrotechnical Commission	Adopted as an operational guideline
The Social Bond Principles (SBP) and ASEAN Social Bond Standards (ASEAN SBS)	International Capital Market Association (ICMA) and ASEAN Capital Market Forum (ACMF)	Adopted as an operational guideline
The Green Bond Principles (GBP)	International Capital Market Association (ICMA)	Adopted as an operational guideline
The Sustainability-Linked Bond Principles (SLBP)	International Capital Market Association (ICMA)	Adopted as an operational guideline
GRI Standards	The Global Reporting Initiative	Adopted as an operational guideline for sustainability reporting

Membership of Association

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 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.

Organization	Collaboration Status
The Association of International Bank (AIB)	Member
The American Chamber of Commerce in Thailand (AMCHAM)	Member
Thai-Japanese Association (TJA)	Member
Thai Institute of Directors (IOD)	Member
The Thai Bankers' Association (TBA) and its clubs	Consultant/ Member/ Club President/ Taskforce
Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)	Certified member
The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB)	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

Sustainability Awards and Achievements

Governance Aspect

1 - **Asia's Best CEO Award (Investor Relations)** (6th consecutive year)
- **Asia's Best CFO Award (Investor Relations)** (6th consecutive year)
- **Investor Relations Professional Award**
- **Best Investor Relations Company Award** (Thailand) (7th consecutive year)

from Corporate Governance Asia

2 **Listed in Thailand Sustainability Investment (THSI)** (5th consecutive year)
from The Stock Exchange of Thailand (SET)

3 **Certificate of ESG100 Company** (5th consecutive year)
from Thaipat Institute

4 **Sustainability Disclosure Award**
from Thaipat Institute

5 - **ICON on Corporate Governance Award**
- **Asian Corporate Director Recognition Award**

from Corporate Governance Asia

6 **The Asset ESG Corporate Awards 2020** (Platinum Award)
from The Asset



1



2



3


SUSTAINABILITY DISCLOSURE AWARD

Presented to

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

For outstanding efforts towards
Sustainability disclosure and reporting on SDG target 12.6

Given this 22nd Day of December 2020

Mr.Vorranut Piantam
Director, Thaipat Institute

Ms.Varaya Prasyapan
Director, Sustainability Disclosure Community

4

Social Aspect

1 **Best Sustainable Bank in Thailand Award**
from FinanceAsia

2 **Thailand Corporate Excellence Award** (Product and Service Excellence Award)
from Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration

3
- **Thailand Domestic Technology & Operations Bank of the Year Award** (6th consecutive year)
- **Thailand Domestic Initiative of the Year for Supply Chain on Blockchain Award** (6th conseccutive year)

from Asian Banking and Finance (ABF)

4 **Best Blockchain Project (Asian Award)** (3rd consecutive year)
from The Asset

5 **Asia's Best CSR Award**
from Corporate Governance Asia

6 **Best Bank for CSR Award**
from Asiamoney







7 **Best Companies to Work for in Asia 2020 Award**
from HR Asia

8 **Thailand Best Employer Brand Awards 2020** (Excellence in Training and Development)
from Employer Branding Institute

9 **Thailand Gold MIKE Award 2020**
from The Institute for Knowledge and Innovation Southeast Asia (IKI-SEA), Bangkok University

10 - **The Global Most Innovative Knowledge Enterprise (MIKE) Award 2020**
- **The 5 Most Outstanding Winners of the Global MIKE Award 2020**
from Global MIKE Study Group (GMSG)

11 **Distinguished Issuer and Deal of the Year Award**
from the Thai Bond Market Association (ThaiBMA)

12 **The Risk Data and Analytics Technology Implementation of the Year Award**
from The Asian Banker

13 **Best Bank for 2020 Award**
from IDC Asia-Pacific



7



8



9 10



11

Environment Aspect

1 **BSA Building Safety Award (Gold Award) 2020** from the Building Inspector Association

2 Received **the Carbon Footprint Organization (CFO) Certificate** from Thailand Greenhouse Gas Management Organization (TGO)



1



2

Governance and Economic Aspects



Good Governance and Anti-Corruption

Krungsri and companies in the Financial Business Group (Krungsri Group) are well aware that good governance and anti-corruption are key factors that drive business in an efficient, transparent and auditable manner. Krungsri Group, therefore, aspires to continuously strengthen good governance to ensure that our entire organization, both policy and operational levels, and to instill into our employees the sense of duly complying with good governance principles. We also promote the organizational culture of zero tolerance toward all forms of corruption, both direct and indirect. All this will help bolster the confidence and trust of all stakeholders, including shareholders, investors, and customers in us and also add value and worth to the business in the long term, while also strengthening and promoting the organization's sustainable growth.

Management Approaches

Krungsri emphasizes conducting business based on good corporate governance principles and combating all forms of corruptions. Our management approaches are as follows:

- Krungsri's 'Good Corporate Governance Principles' are stipulated in writing. The contents cover shareholders' rights and equitable treatment; disclosure of information and transparency; composition and qualifications of the Board of Directors; roles and responsibilities of the Chairman and the Board of Directors 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; and the Code of Conduct and employees' compliance with it. It is stipulated that these principles must be revised every year or without delay upon any significant change to ensure that Krungsri's Good Corporate Governance Principles are appropriate to the changed situations and correspond with the relevant criteria, including the organization structure and the compliance environment of Krungsri Group.
- Monitor and supervise to ensure that Krungsri's operations are carried out in compliance with the good governance guidelines established by the Bank of Thailand, Office of the Securities and Exchange of Thailand, Stock Exchange of Thailand, and Thai Institute of Directors on a regular basis. However, the guidelines have not been applied to some of our operations as the Board of Directors is of the view that they are too complicated and do not help facilitate Krungsri's operations. In this regard, the Board of Directors assign responsible business units to study for reconsideration in the future. Therefore, other measures and guidelines have been adopted to supervise such operations instead, to ensure that overall operations are carried out in compliance with the Good Corporate Governance Principles.
- Stipulate 'The Spirit & The Letter (S&L)' as practices for all directors, executives, and employees in working with integrity under laws and good governance principles. The S&L specifies the matters for acknowledgement, compliance, caution, and punishment in case of violation in order to create continuous awareness of the practices. Krungsri stipulates that all employees must regularly affix signature as acknowledgement and consent to comply with The Spirit & The Letter every year.



The Spirit & 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
- Environment, health and safety
- Security and crisis management

Section 6 Protecting Krungsri assets
- Intellectual property
- Controllership
- Conflicts of interest
- Insider trading & stock tipping

- Adhere to the '**Banking Industry Code of Conduct**' which was jointly determined by the Thai Bankers' Association (TBA) and its member banks to uphold the standards and code of ethics for commercial banks and also to bolster customer confidence in the banking industry. Business is run based on three main principles, i.e. 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. In addition, in 2020, TBA and member banks have jointly established **the 'guidelines on code of ethics for commercial banks'** to make the above-stated nine items of best practices clearer and more practical for the efficiency of compliance.
- Stipulate that all groups must appoint a '**Compliance Champion**' to communicate, promote, and oversee compliance with regulatory requirements, policies, as well as the Bank's corporate compliance requirements for that particular group for employees' acknowledgement and compliance
- Communicate and disclose 'Good Corporate Governance Principles' and 'The Spirit & The Letter' to all stakeholder groups through the Bank's website (www.krungsri.com)
- Establish the '**Fraud Management Committee**' which has the duties to formulate and propose policies to the Executive Committee as well as reviewing the adequacy of anti-corruption policies, criteria, management system, and the efficiency of such systems and compliance with the policies on a continuous basis. The aim is to improve the overall anti-corruption mechanisms of the Bank and the companies in the Financial Business Group to ensure they are prudent, strict, and efficient.
- Stipulate the '**Policy on Anti-Corruption**' as a guideline for operating business with honesty, integrity, good governance, and ethics. The Bank has zero tolerance toward any form of corruption, both direct and indirect. The Bank, companies in the Financial Business Group, and the Bank's branches in foreign countries must all refer to this policy when formulating their policies, criteria, and workflows regarding anti-corruption unless there is a stricter or more stringent and more comprehensive policy or requirements imposed. This policy is revised every two years or upon any significant change and must be approved by the Board of Directors through the Risk and Compliance Committee.
- Stipulate the '**Anti-Corruption Program**' as the anti-corruption guideline for reiterating the roles, duties, and responsibilities of all the relevant business units to ensure compliance with the Bank's corporate governance principles, to which all levels of executives and employees must strictly adhere. The program also promotes good organization culture and shows our standpoint of zero tolerance toward corruption.
- Stipulate the '**Policy on Gift and Entertainment**' so that executives and employees understand the scope, criteria, and proper practices to give or receive gifts and entertainment including relevant practices, to promote compliance with good corporate governance and ethics, and to reduce corruption risks from giving or receiving gifts and entertainment. The policy covers giving or receiving gifts and entertainment with counterparties or partners in businesses related to the Bank such as customers, advisors, agents, Thai government officials, foreign government officials, international organization officers, and any other person or operator dealing with the Bank. The Bank, companies in the Financial Business Group, and the Bank's branches in foreign countries all must refer to this policy as a guideline when formulating their criteria, principles, and workflows regarding giving or receiving gifts and entertainment unless there is a stricter or more stringent and more comprehensive policy or requirements imposed.
- Stipulate the '**No Gift Policy**' to which Krungsri's employees shall adhere by not accepting gifts from the Bank's customers or suppliers. This policy shall be communicated to stakeholders and external parties through the Bank's many channels, including Krungsri's website (www.krungsri.com), the Facebook Fanpage 'Krungsri Simple', ATM screens, LINE Official Account 'Krungsri Simple', etc., to show our intention to comply with principles to



counter corruption of all forms, under the Thai Private Sector Collective Action against Corruption (CAC) and good governance principles.

- Stipulate that all employees must study the six compulsory programs promoting good governance and ethics (e-learning programs) regarding good governance, risk mitigation, and fraud and money laundering via the Krungsri Learning Companion (KLC) system as follows:

Compulsory Programs Promoting Good Governance and Ethics

- Good Corporate Governance Principles (CG)
- The Spirit & The Letter (S&L)
- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)
- Gift and Entertainment (G&E)
- COSO Internal Control Framework
- Related Party Transactions (RPT)

In addition, employees whose operations are related to preparing or controlling transaction reporting, KYC and CDD, are required to attend the training course of Anti-Money Laundering/Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) via the Thai Banking Academy (TBAC) under the Thai Bankers' Association.

- Be recertified as a member of 'Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)', reflecting Krungsri Group's determination to prioritize countering all forms of corruption and bribery in accordance with our written policy and procedure which serve as guidelines for measurable sustainability. All our directors, executives, and employees must sign and observe a binding agreement to adhere to the Anti-Corruption Policy and Guidelines, with disciplinary punishments for those who violate these provisions.
- Communicate and promote the Bank's good corporate governance and ethics to ensure that operations are carried out prudently and to mitigate fraud-related operational risks. Advertising materials regarding such matters are regularly publicized through the appropriate channels, e.g. the email 'Compliance Message', to ensure that information about good governance and ethics is communicated to all levels of employees.
- Lay down the fundamental principles for whistleblowing and protecting whistleblowers. By Krungsri's provision of easily accessible **whistleblowing channels**, employees or any person can rest assured that after asking for advice, suggestions, or whistleblowing through those channels, they will not suffer any repercussion. In this regard, 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 (in case the whistleblower's identity is known) and reporting to the relevant committees for acknowledgement.

Whistleblowing Process



Whistleblowing Channels

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

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

3. **Ombudsperson**
   - Tel. 0-2296-2000 ext. 85588
   - P.O. Box 169, Yan Nawa, Bangkok 10120
   - We Connect channel > Krungsri Compliance > Whistleblowing

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

7. **MUFG Channel** (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@jurists.co.jp
   - 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

Details

The Bank stipulates that the Good Corporate Governance Principles must be revised every year or without delay upon any significant change.

Performance

In 2020, the Board of Directors conducted the annual review of the Good Corporate Governance Principles. Their opinion is that the content should be revised in accordance with the current good corporate governance guidelines of the related regulators and organizations.

The Corporate Governance Report of Thai listed companies (CGR) project undertaken by the Thai Institute of Directors (IOD)

Details

Assessment of listed companies' compliance with corporate governance principles based on the documents which are disclosed to the public

Performance

The assessment result for the Bank in 2020 was 'Excellent'.

Compliance Champion Workshop

Details

The workshop on compliance with banking regulatory requirements was organized for the Compliance Champions of all divisions.

Performance

Two Compliance Champion workshops were held:

- The first workshop on February 19, 2020 was attended by 142 Compliance Champions.
- The second workshop (online) on August 21, 2020 was attended by 135 Compliance Champions.

The 'Thailand's Anti-Corruption Day 2020' event was held under the theme 'Power of Data' and the International Anti-corruption Day 2020 was held under the theme 'Zero Tolerance'

Details

The events promote and encourage all public and private sectors, education institutions, and the civil society sector to take part in whistleblowing and probing fraud in order to stamp out the country's corruption.

Performance

Krungsri regularly participates in the annual activities to show our intention of countering all forms of corruption. This year, the Bank's representatives attended both activities which were held online via the Facebook Fanpage of the Anti-Corruption Organization of Thailand on September 15, 2020 and that of NACC Thailand on December 9, 2020.

Personal Data Protection

We are living in the advanced technology era that helps facilitate and expedite the data storage and analysis — thereby enhancing the data quality. Hence, the data of stakeholders — especially the customer sensitive data — is of great value for the Bank in terms of data analysis to tailor the products and services that match customers' needs. Therefore, the Bank emphasizes the appropriate management of personal data such as general personal data, financial transaction data, and customer behavior data in terms of the use of products and services. We always realize that winning trust and earning confidence from customers and stakeholders who use our products and services are truly priceless. Also, the storage of customer and stakeholder information in a secure and appropriate manner help boost the Bank's credibility, reputation, and good image.

In this connection, the management of privacy and security of customer and stakeholder data is considered compliance with legal requirements and relevant regulations including the Personal Data Protection Act B.E. 2562 (2019) which will take full effect in 2021. Therefore, Krungsri has regularly reviewed the policies and personal data protection measures to protect the rights of data owners as required by laws.

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 about the policies and the data management measures to the executives, employees, and relevant stakeholders as well as exercising a 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 the 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, and 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 the clear data classification approach to manage the data in the most efficient manner-especially the 'Key Data Elements' (KDEs) deemed as a 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 roles and responsibilities of relevant persons regarding the data management under the concept of 'Three Lines of Defense' to ensure that the Bank has a 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, the Data Governance Department, Risk Management Group, and the Compliance Division



Third Line of Defense refers to the Internal Audit Group.

- Establish '**Privacy Policy**' with the following objectives
  - To protect privacy of individuals with particular attention on 'personal information' of customers, business partners, employees and directors of the Bank.
  - To enhance employees' understanding of the Privacy Policy with respect to acquisition, use, disclosure and storage of personal information in a responsible manner; to prevent violation of laws; to protect the Bank's reputation, credibility and image.
  - To prevent conflict of interest as a result of the acquisition, use and disclosure of personal information; in this connection, the said policy shall be applicable to the Bank, companies in the Financial Business Group, and overseas branches. Also, companies in the Financial Business Group and overseas branches shall adopt this policy as a guideline to formulate their comparable policies, criteria, and operating process except for having other stricter and more comprehensive policies and regulations. The said policy shall be reviewed every two years or upon any significant changes.
  - Establish the scope of applications and disclosure of personal data under the requirements of the Bank under the scope of legal application; usage and disclosure of information must be in line with the objectives and intention of the data owner. Moreover, the said 'Privacy Policy' must be updated once the Personal Data Protection Act B.E. 2562 has fully come into force in 2021.

Performance

Communication with employees through email: Data Governance Update

Objective

To enhance knowledge and understanding about the security of personal data and data privacy among branch executives and employees

Performance

Regularly communicated about knowledge and definition of data and guidelines on data privacy and storage of personal data to ensure security

Communication with employees through email: Compliance Message

Objective

To enhance knowledge about the Personal Data Protection Act B.E. 2562 (2019) of the management and employees

Performance

Communicated about the definition; duties of relevant persons; practice for collecting, using, disclosing the personal data, the request for consent, legal requirements, and cautions as specified in the Personal Data Protection Act B.E. 2562 (2019) on a weekly basis from April 23, 2020 to July 14, 2020

Organized online training sessions for the management and employees

Objective

To enhance knowledge about the Personal Data Protection Act B.E. 2562 (2019) of the management and employees

Performance

Organized training sessions for various functions, especially related to collection, usage, and disclosure of personal data

Record of Processing

Objective

To ensure that each function of the Bank associated with collection, usage, or disclosure of the personal data to perform the data flow analysis (starting from collection, usage, disclosure, and disposal) of the personal data. This aims at stipulating the controlling mechanism of each function and ensure the data can be processed in an appropriate manner

Performance

Relevant actions are being undertaken. The system is scheduled to be launched before the Personal Data Protection Act B.E. 2562 (2019) becomes fully effective.

Formulation of policies and procedures of the Bank related to collection, use, disclosure of personal information

Objective

To be served as a guideline to take actions related to collection, usage, or disclosure of personal information

Performance

The policy and the procedures shall be announced before the Personal Data Protection Act B.E. 2562 (2019) becomes fully effective.

Preparation of the Privacy Notice

Objective

To explain details of the personal data processing to the data owner and boost confidence among the Bank's customers, managements, and employees that the Bank collects, uses, and discloses the personal data in a transparent and responsible manner according to the Personal Data Protection Act B.E. 2562 (2019)

Performance

The draft version of the Privacy Notice in both hard-copy

and soft-copy format is already prepared, expecting to be implemented before the Personal Data Protection Act B.E. 2562 (2019) becomes fully effective.

Preparation of the letter to request consent from the data owner for collection, use, and disclosure of personal information

Objective

To use the letter to collect, use, and disclose the personal data whereby the consent shall be granted from the data owner according to the Personal Data Protection Act B.E. 2562 (2019)

Performance

The consent letter in both hard-copy and soft-copy format is already prepared, expecting to be implemented before the Personal Data Protection Act B.E. 2562 (2019) becomes fully effective.

Established the following IT systems:
1. Consent Management
2. Data Subject Rights
3. Data Breach Incident

Objective

To prepare the internal work system and stipulate contact channels to ensure the Bank can efficiently manage various operations namely:

- Consent Management
- Data Subject Right
- Data Breach Incident

Performance

Relevant actions are being undertaken. The system is scheduled to be launched before the Personal Data Protection Act B.E. 2562 (2019) becomes fully effective.

Customer personal information management

Objective

To safeguard and maintain security of the customer's personal information

Performance

In 2020, the Bank did not receive any complaint from regulators supervising the banking industry as to the significant breaching of customer privacy.

Customer Experience and Market Conduct

Viewing 'customers' as a primary stakeholder group who plays a vital role in promoting our success, Krungsri therefore focuses on optimizing customer experience through an in-depth analysis in order to understand their expectations, pain points, and needs, while also listening to their feedback and suggestions through the Bank's many customer feedback channels. As a result, our financial product and service innovations can be tailored to perfectly suit the demands of each customer group, namely corporate, SME, and retail customers. Customer experiences are connected across our omnichannel for their smooth journey in accessing our products and services, in consistent with Krungsri's culture and core value of '**Customer Centricity**', to which all employees always adhere.

It is Krungsri's belief that attaching importance to customers, treating them fairly based on the principle of non-discrimination will help advance their satisfaction, loyalty, and engagement with the Krungsri brand. As a result, Krungsri will be able to maintain and expand our customer base in the long term, thus becoming the main bank of customers who trust our services.

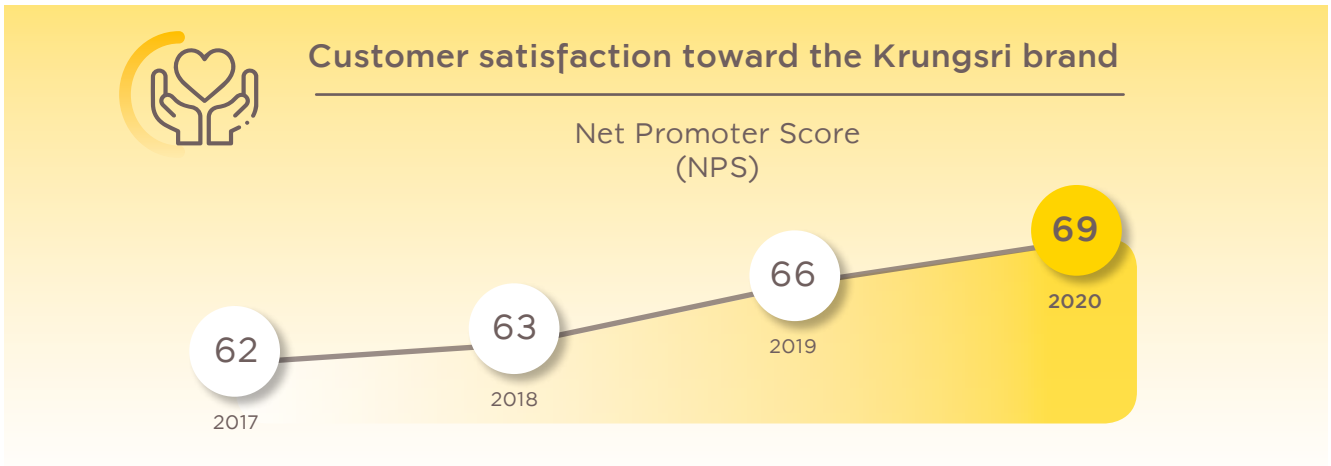
Management Approaches

- Establish the **Krungsri core value of 'Customer Centricity'** as part of the organization's culture as well as the heart of our business operations in order to become customers' most preferred financial institution
- Formulate the **'Market Conduct Policy'** for controlling market conduct management according to regulatory requirements. The policy serves as a guideline on providing fair services to customers for both the Bank and companies in the Financial Business Group, which are all obliged to comply with the policy and must refer to it as a guideline for formulating their own comparable policies unless there are more stringent legal or regulatory requirements imposed on each company. Moreover, the policy must be revised at least once a year or upon significant changes.
- Stipulate **processes relating to selling and offering in an appropriate manner** so as to not invade customers' privacy. Customers shall receive complete, sufficient, and accurate key facts about products or services for their decision-making. This includes providing complete and appropriate after-sales information and services.

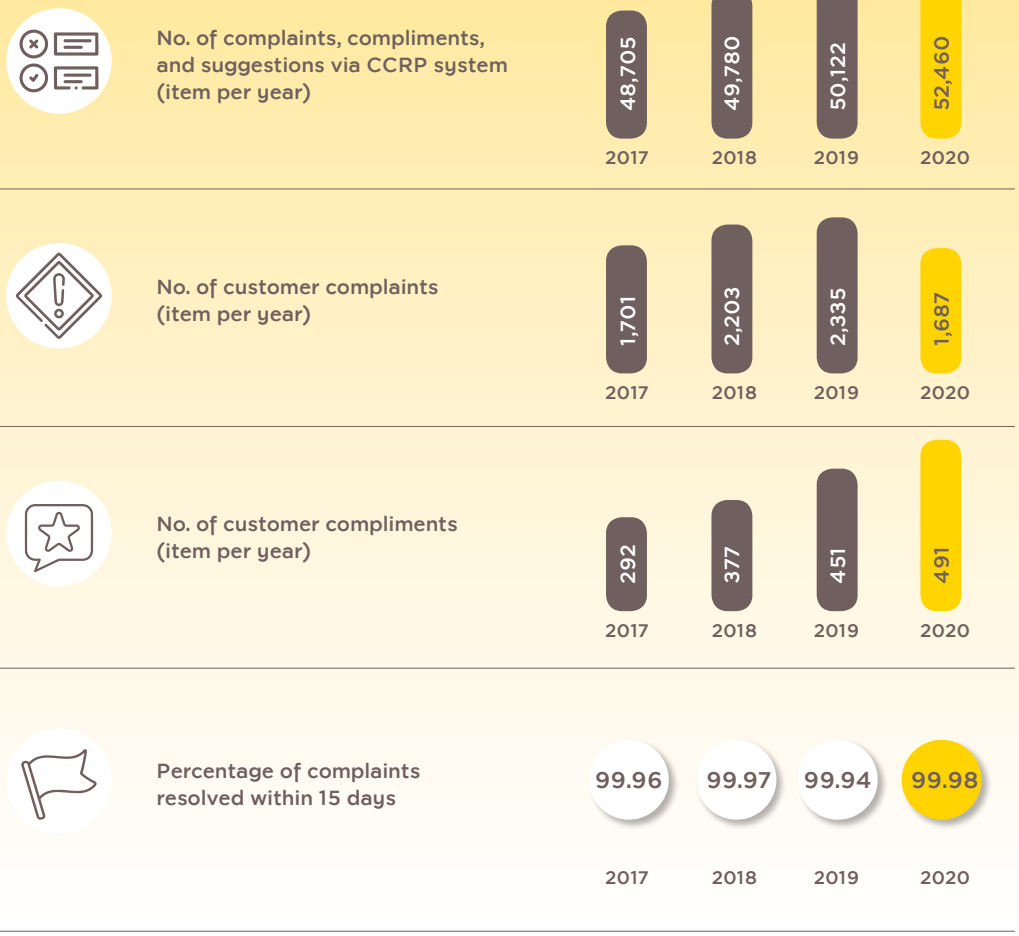
- Put in place an audit of sales staff by establishing the **procedure of callbacks** to control, supervise, and audit sales operations in compliance with the market conduct policy by randomly making telephone calls for customer satisfaction surveys. The survey results will be analyzed and used for the Bank's service enhancement.
- Safeguard customers' data by being mindful of privacy and confidentiality. In this regard, disclosure of customer data to other parties must not violate the customer's privacy, be it for marketing purposes or not (see more details under the topic: Personal Data Protection).
- Training and communicating to all levels of customer service employees the importance of providing services fairly (see more details under the topic: Human Resources Development Re: Developing and Arranging Market Conduct Courses)
- Strictly comply with the Bank of Thailand's market conduct guideline to mitigate potential risks arising from noncompliance with BOT regulations and requirements, or being suspended from service provision, penalized, blamed, as well as potential brand and reputation risks
- Promote, communicate, and set standards so that all parts of the Bank realize and understand the Bank's '**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, email, and fax. This is so that employees have a guideline to follow for handling customers' complaints, compliments, and suggestions. All relevant business units must resolve any complaint within the time limit counting from the date that the complaint was received.
- Establish the '**Digi-care Contact Center' team** to collect customers' complaints, compliments, and suggestions through the Bank's social media channels, e.g. Facebook, Twitter (Krungsri Simple), Krungsri's website (www.krungsri.com), email, or other online media such as the Pantip Webboard. At present, there is an upward trend in how customers contact us via online media. This team ensures that everyone's voice is fully acknowledged, addressed, and taken care of by the responsible business unit in Krungsri. Replies and updates are sent to customers in the most appropriate, prompt, timely, and efficient manner.
- Disclose service quality information on a quarterly basis on Krungsri's website (www.krungsri.com).
- Put in place the customer satisfaction survey process with a tool called '**Net Promoter Score (NPS)**'. Krungsri regularly measures customer satisfaction annually to keep track of interests, preferences, and opinions on the Krungsri brand. The NPS is another channel for listening to the feedback of customers, who are among the organization's most important stakeholders, in order to perfectly satisfy their expectations and demands.



Performance



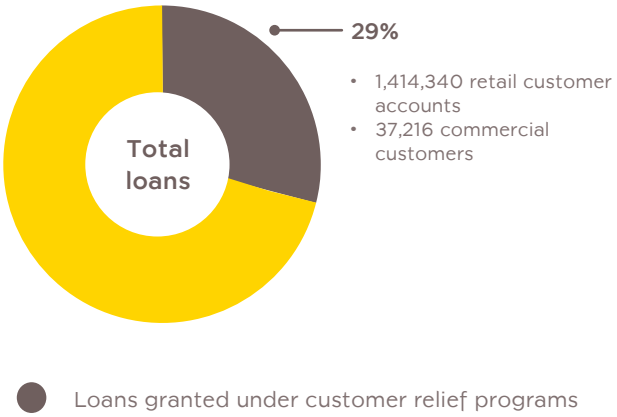
Receipt of complaints, compliments, and suggestions



Customer relief programs for customers impacted from the COVID-19 pandemic

In 2020, Krungsri continued to implement preemptive measures in alleviating financial burdens for both commercial and retail customers facing financial distress by providing liquidity support and debt restructuring.

As of December 31, 2020, total loans outstanding under Krungsri's customer relief programs accounted for approximately 29 percent of total loans outstanding, representing 1,414,340 retail customer accounts and 37,216 commercial customers. For SMEs, additional credit lines of 20,940 million baht were offered to 6,758 SME customers to boost their liquidity under the Bank of Thailand (BOT)'s and the Government Savings Bank's soft loan programs.



Cybersecurity

The dramatic advances in digital technologies hold the key in accelerating economic and social development, while playing a greater role in human daily life. Therefore, a number of leading corporates in various industries and financial service providers are putting an effort to adopt technological innovations to enhance operational efficiency, better customer access to financial products and services, and create a good customer experience. However, uninterrupted digital technology advancements come with advanced cyberthreats, be it stealing, destroying, or altering information, or even deceiving victims which consequently create adverse impacts and damages, at personal, organizational, national, and global levels.

As a responsible financial service provider, Krungsri places great importance on privacy protection and cybersecurity, as well as effective cyber risk management in order to mitigate threats related to data theft, data leakage, misuse and unauthorized use of personal data. However, the Bank strikes a good balance between maintaining cybersecurity and reasonable access rights particularly remote access. The above-stated practice is the key mechanism in building credibility among all stakeholders, while promoting the use of technology in improving work efficiency and maintaining cybersecurity.

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 Enterprise Information Security Policy, supervising following departments:
  1.) The IT Access Control Management Department responsible for supervising the user account management process in compliance with the Bank's related policies and regulators' requirements
  2.) The IT Controllership Department responsible for managing the Enterprise Information Security Policy and supervision within the Bank, acting as the ISMS Coordinator and Document Controller which manages internal documents within the scope of IT security management
  3.) The Cyber Security Department responsible for IT supervision, design, and test in accordance with IT security guidelines, as well as cyberthreat detection and monitoring
- Establish '**Enterprise Information Security Policy**' as a guideline to manage and protect IT data of the Bank and communicate with the Bank's employees and other stakeholders such as counterparties, temporary employees, suppliers and vendors, and other external parties who need to use the Bank's data to ensure that they acknowledge such policy and abide by the legal requirements and regulations related to this policy. Relevant actions are taken under three important frameworks such as maintenance of data **confidentiality**, **integrity**, and **availability** whereby the IT contingency plan was formulated. It is stipulated that the policy be applicable to the Bank and companies in the Financial Business Group ('subsidiaries') in which at least 50 percent of shares are held by the Bank, where the subsidiaries are required to adopt this policy as a common guideline to formulate their own IT security policy. Moreover, the content is 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.
- Apply efficient security control measures starting from employment, transfer of position, or resignation procedures and informed the IT security system administrator in case of transfer of employees or computers
- Prepare a complete IT asset register and maintain IT assets on a regular basis to ensure availability to support the Bank's business
- Perform information classification, maintain and destroy the data according to its class, manage the cryptography and key management throughout the encrypted key usage period which are reliable and meet international standards
- Stipulate access management and verify user identity according to their respective access rights, level of necessity, and the risk level to prevent access and system or data alteration performed by unauthorized persons
- Maintain security for the computer center and the areas used for key IT operations to prevent damage caused by invasions and natural disaster

- Manage irregular incidents and issues arising from the use of technology in an appropriate and timely manner, and also record, analyze, and report the irregularities, problems, and rectification guidelines to the IT Management Committee
- Formulated the 'IT contingency plan' to enable the Bank to handle irregular incidents that caused system interruption and damage to ensure business continuity and timely system recovery. The Bank needs to review and test the IT contingency plan at least once a year and when there are any significant IT changes.
- Establish 'Information Technology Security Management Measures' to cope with various situations in line with the 'Enterprise Information Security Policy' of the Bank, comprising 14 sub-measures as follows:

Information Technology Security Management Measures


IT security management


Communication network security


Organization-wide IT security structure


IT operation security


Personnel security


System procurement and development


IT asset management


IT incident and problem management


Data security


IT contingency plan formulation


Access control


Third-party management


Physical and environmental security


Compliance security

- Establish 'Guidelines for Cybersecurity Incident Response' to increase the Bank's capability to comprehensively maintain cybersecurity to prevent cyberthreats and support IT advancements including the phishing simulation exercise and the cyber tabletop exercise. An incident in which the Bank is under cyberattack is simulated where officers from relevant functions are required to participate in the exercise to ensure that they acknowledge and understand, and are familiar with the cyberthreat response process to ensure that they can efficiently handle cyberthreats.
- Adopt domestic and international industry standards and apply best practices for the cyber and IT security management in the organization. Examples include the advanced persistent threats tool and cyberthreat intelligence tool from reliable sources to enhance capability for detecting irregular incidents which was part of the cyberthreat monitoring process performed by the Security Operations Center (SOC); the control framework of the Society for Worldwide Interbank Financial Telecommunications (SWIFT); and the ISO 27001 Certification for the Information Security Management System (ISMS) in two different systems – which are the Bank of Thailand Automated High-value Transfer Network (BAHTNET) for large-sized funds transfer transactions and Imaged Cheque Clearing and Archive System (ICAS) according to the BOT's requirements. The Bank also takes other relevant actions to strengthen cybersecurity standards.
- Establish procedures for email management, the use of the internet, the use and administration of personal computers, the use of services on mobile devices, and the use of social networks as a guideline for uses of diverse services in facilitating business operations, while taking into account IT security and complying with the Bank's IT security and related policies
- Provide a channel - email: CSIRT@krungsri.com - for employees to report the Cyber Security Department when receiving phishing mails, emails with malware, computer virus, and other irregularities caused by cyberattacks

Performance

Communication about basic cybersecurity knowledge

Objective

To communicate with Krungsri executives and employees about the guideline for access to information on social networks, the use of the internet, and setting and using passwords

Performance

Communicated via the 'IT Update' email on a regular basis



IT Backup System Test 2020

Objective

To assure the Bank of Thailand, the Bank's customers and counterparties that the Bank has capability in mitigating impacts from business interruption and timely recovery in case of emergency incidents in the Bank's main computer center

Performance

Provided training for employees to ensure that they have correct understanding before the testing and carried out a test on September 12, 2020

Vulnerability Management 2020

Objective

To assess IT vulnerability and take actions to solve the problems and prevent possible cyberthreats in a timely basis. The IT vulnerability of key systems must be assessed at least twice a year and when there are any significant IT changes.

Performance

The IT vulnerability assessment was done twice as planned:

- First, from March 12 - April 12, 2020
- Second, from August 1-31, 2020

Penetration Test 2020

Objective

To conduct a penetration test in the application systems and internet-facing network services by independent internal or external experts at least once a year and when there are any significant changes

Performance

The test was conducted once during the period from June 1 - October 31, 2020 as planned.

Joined forces with the Human Resources Division to organize the IT security training courses for Krungsri executives and employees as follows:

Objective

To provide knowledge to employees to ensure that they understand and are aware about cyberthreats, in accordance with the Bank's IT security regulations and policies

Performance

Training courses were provided through Krungsri Learning Companion (KLC) and Microsoft Teams as follows:

1. 'Phishing email'
2. 'Toward the Culture of Security: The Pandemic of Phishing'
3. 'Cybersecurity Training to Develop Cyber Literacy'

Communication about phishing email

Objective

To communicate with Krungsri's executives and employees about prevention and coping methods for phishing emails

Performance

Regularly communicated through the 'IT Update' email

Phishing simulation exercise

Objective

- To enhance and raise employees' awareness for cybersecurity by sending a phishing email to them
- To test whether the employees click on the link or fill out their personal information in the fake website sent

Performance

Carried out the exercise and communicated with employees for the entire year to ensure that they acknowledge best practices to mitigate the risk where the employees may fail to realize such threats

Banking Cyber Drill 2020 organized by the Thailand Banking Sector CERT (TB-CERT)

Objective

To raise awareness of the cyberthreat situation and proper cyberthreat responses, while also increasing the efficiency and accuracy of banking cyberthreat analysis

Performance

On November 17, 2020, Krungsri participated in the 'Banking Cyber Drill 2020' which included the online 'Table Top Exercise' with simulation exercises.



Risk and Crisis Management

Krungsri places great importance on prudent risk and crisis management, believing that efficient proactive preparation for and adjustments to cope with future changes will help mitigate risks arising from disruptions on business operations, particularly critical business functions (CBFs) which could cause damages to our business and customers, as well as financial and reputational risks, etc. Also, efficient risk and crisis management approaches would help create business opportunities toward secure, strong, and sustainable growth.

In 2020, considering the impacts of the COVID-19 pandemic on the business sector as well as the well-being of the general population globally, Krungsri continued to take more actions despite the previous preparation of the Crisis Management Plan, and the Business Continuity Plan to cope with diverse emergency situations. The Bank assessed potential impacts on business and all stakeholders, while reviewing risk and crisis management guidelines to appropriately and thoroughly cope with the complex and unprecedented COVID-19 pandemic, so that businesses can achieve strong growth post-crisis and related stakeholders, particularly our customers, can get through this crisis together.

Management Approaches

Risk Management

- Establish the '**Risk and Compliance Committee**' to oversee overall risks, including the business management principles and practices of the Bank and the companies in the Financial Business Group. The committee stipulates and advises on risk management strategies, policies, frameworks, and overall business governance for the Board of Directors, and establishes duties and responsibilities, as well as the scope of work, of the Compliance Division and the Risk Management Group in accordance with the complexity of the Bank's businesses and the stipulated charter. The committee also ensures that the Senior Management Team as well as heads of risk management units comply with the policies on risk management strategies and risk appetites. In addition, it is the Risk and Compliance Committee's duty to supervise and monitor results of strategies regarding capital and liquidity management, as well as corporate governance policies, to cope with key risks, namely credit risk, market risk, liquidity risk, operational risk, legal risk, IT risk (including cyberthreats), reputational risk, and corporate governance risk. Its duties also include regularly reporting risk status, risk management efficiency, and the status of compliance with the organization culture in terms of risk, 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 and consideration. The committee shall report any non-compliance with the regulatory requirements to the Audit Committee as well.
- Establish the '**Risk Management Committee**'. The Executive Committee considers and appoints no less than 12 members of the Risk Management Committee required to hold a meeting at least once a month. In case of the situation where a meeting cannot be held, the Chairman must be notified accordingly to approve that the meeting is omitted. The committee also required 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 should be in line with the Bank of Thailand's risk-based approach for commercial banks. The committee determines the Bank's risk appetite and devises 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 manage and govern the Bank's overall risk management according to the Bank's good governance principles, and to establish the risk management framework to govern companies in the Financial Business Group, as well as risk capital management, in accordance with regulations of the Bank of Thailand, and the Bank's risk management policies, procedures, and manuals. The committee has the duty to report operating results to the Executive Committee as well as the Risk and Compliance Committee.

- Establish the 'Risk Management Group' which continuously sets the risk management policies and the proper methods for each type of risk in accordance with the risk appetite as approved by the Risk Management Committee. Other duties of the Risk Management Group are to monitor and report portfolio quality, key risks, including developing strategies to manage potential portfolio and account risks for the Board of Directors and other relevant committees.
- Establish the Policy for Enterprise-wide Risk Management as the fundamental risk management framework for Krungsri and companies in the Financial Business Group to ensure systematic risk management in consistent with the Enterprise-wide Risk Appetite Statement (RAS), which is the supportive document for this policy specifying risk strategies and risk appetite types for the Bank and companies in the Financial Business Group
- Adopt MUFG's policies and regulations to enhance the risk management process, namely risk identification, risk assessment, risk mitigation solutions, and monitoring and controlling risks taken within stipulated risk appetite limits
- Set up risk management measures and controls with 'Three Lines of Defense' in separating structures, roles, duties, responsibilities, and decision-making authority to meet the governance and risk management requirements and to achieve organization stability as follows:



First Line of Defense:

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



Second Line of Defense:

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



Third Line of Defense:

Internal audit units providing 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: credit risk, market risk, liquidity risk, and operational risk.

Four main types of risk



Credit risk

- Appoint two business units responsible for monitoring credit risk management, i.e. the unit that monitors the credit risk of corporate customers and the unit that monitors the credit risk of retail customers
- Develop credit risk management policies and action plans, i.e. credit policy, credit risk management policy, and credit risk rating policy



Market risk

- Develop market risk and liquidity risk management policies
- Monitor market risk closely to respond promptly upon changes in the business environment by employing Value-at-Risk (VaR) as a tool for assessing risks and backtesting in order to assess model accuracy. Furthermore, flash reports are sent to alert the relevant parties of scenarios in case of significant changes and there is stress testing to estimate losses due to stress scenarios.



Liquidity risk

- Stipulate market risk and liquidity risk management policies
- Develop 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 deal with the crisis and fully recover to its normal state.



Operational risk

- Develop the operational risk policy
- Establish the operational risk management process which is comprised of risk identification, risk assessment, risk monitoring and mitigation, and risk reporting

- As regards the **Enterprise-wide Risk Management Framework (ERM)**, tools are implemented to ensure that all material risks are identified, measured, and managed to remain within acceptable limits as follows:

The Risk Appetite Framework
is an overall risk governance framework including policies, procedures, controls, and systems through which risk appetite is established, communicated, and monitored. The framework is specified to ensure Krungsri Group has clear and appropriate guidelines to manage risks — corresponding to our risk capacity and business strategies.

Heat Map
is implemented to measure and monitor the current status of each significant risk by utilizing the key risk indicators.

Risk Map
is developed to identify potential risk events that could significantly impact Krungsri Group's business.

Top Risks
refer to material risks identified through the Heat Map, the Risk Map, as well as the significant risks as per the opinions of management. Also, it is stipulated that such risks be managed under appropriate timeframes so as to prevent and mitigate the impact of such risks in a timely manner.

Identifying **potential emerging risk**, Krungsri undertakes the procedure under the Enterprise-wide Risk Management Framework as follows:

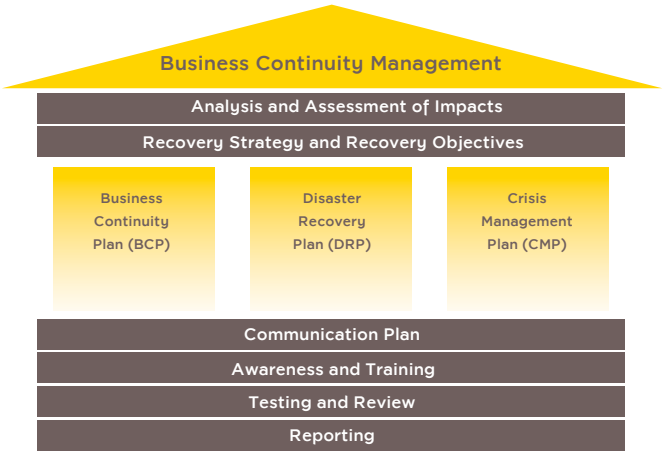
1) The risk owner develops a risk map to identify potential risks that may impact the Bank's business operations and risk profile over the next one year, namely economic risk, political risk, natural disaster risk, operating platform risk, and regulatory risk. In 2020, Krungsri took into account the risk arising from the COVID-19 pandemic as well as its consequences on our business, asset quality, and customers' debt servicing ability. In addition, the Bank is closely monitoring the situations that may impact the Bank's operations and puts in place risk management plans that cover the aforementioned risks.
2) The business unit which is the risk owner analyzes the risk's potential impact on the Bank's lending portfolio or business operations. In case the risk is material, it would be identified as a top risk and an action plan will be proposed accordingly.
   - Identify '**material risks**' - both mandatory regulatory risks and material risks arising from internal and external factors. We have established risk monitoring and control processes to ensure that such risks are effectively managed within acceptable limits, with the following important risks identified for 2020:

Risk Category	Material Risks	
Pillar 1	- Credit Risk - Operational Risk	- Market Risk
Pillar 2	- Credit Concentration Risk - Liquidity Risk - Strategic Risk	- Interest Rate Risk in Banking Book - Reputation Risk
Other material risks	- Fraud Risk - Compliance Risk	- IT Risk - Capital Adequacy Risk

- Develop a '**recovery plan**' as part of the Enterprise-wide Risk Management Framework, with the recovery and restoration triggers related to the risk appetite framework regarding risk appetite limits. The recovery plan will be activated in accordance with details specified in the Recovery Plan Document, comprising procedures, and communication plans for 1) executing liquidity recovery option, liquidity contingency plan (LCD), and procedures under the market and liquidity risk management policy for the governance of the Financial Business Group, and 2) executing capital recovery option, capital contingency plan (CCP), and procedures under the policy for risk and capital adequacy assessment.
- Determine 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 champion to send an RCSA report every month to the Operational Risk Management Division. This monthly report makes up one of champion's KPIs for the sake of timely risk reports and extra carefulness in the organization's operations.
- Provide training in the '**Internal Control – Integrated Framework based on COSO principles (The Committee of Sponsoring Organizations of the Treadway Commission)**' which consists of five key components: Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring. The COSO program is a compulsory one wherein executives and employees must study, take a test, and pass the minimum requirement.

Crisis Management

- Stipulate the '**Policy on Operational Risk: Business Continuity Management**' as a guideline for mitigating impacts of business disruptions on operations, finance, legal issues, and reputations, as well as other significant impacts, particularly on disruptions on key operations, and for communicating to relevant parties about 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 setting policies, standards, and processes for the entire organization to ensure that whenever there is an incident that halts 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 impact on financial status, legal status reputation, to other significant impact such as catastrophes. The pillars of business continuity management are as follows:



- Develop the '**Business Continuity Plan' (BCP)** in writing by specifying needed steps and workflows for business continuity or recovery after disruptions on operations. 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 significant transactions shall comply with the procedure regarding the Bank's business continuity plan.
- Develop the '**Disaster Recovery Plan' (DRP)** in preparing for any crises that could disrupt the Bank's IT system and mitigating potential impacts, while restoring the Bank's normal IT operations within a timely basis. The plan comprises four key steps as follows: 1) pre-crisis preparation; 2) disaster recovery plan activation and notification; 3) IT system restoration; and 4) returning to normalcy and cancelling the plan implementation. Details should be consistent with the procedure for disaster recovery plan developed by the Information Technology Group.

- Develop 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
- Designate 'alternate sites' which are defined as operating sites ready to be used whenever it is necessary for the Bank's businesses to continue operating. This includes spatial and technological requirements for operating.
- Establish the 'Crisis Management Framework' which is comprised of the following:

Preparation of the crisis management plan
- Crisis Management Plan
- Crisis Communication Plan
- Premises 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 the crisis management plan at least once per year or upon significant changes.



Performance

Introduced the operational risk management system (ORMS), in order to improve operational risk management efficiency and efficiently analyze the risk operational data

Performance

In 2020, the Bank implemented ORMS in the operational risk incident reporting process, the Risk and Control Self-Assessment (RCSA) approach, and key risk indicators reporting process. Therefore, business functions that are risk owners can easily access operational risk management process, report operational risk incidents, as well as review and reassess the RCSA program. Krungsri will continue to apply ORMS in other operational risk tools.

Risk and Control Self-Assessment (RCSA)

Performance

All business units (100 percent) regularly submitted their RCSA report every month.

Business Continuity Plan testing at least once per year

Performance

In 2020, the business continuity plans for critical business functions were tested once.

Updating of the names and telephone numbers of employees in each business unit every quarter to be used during the call tree test

Performance

The names and telephone numbers of employees in each business unit (100 percent) were regularly updated every six months or upon any significant changes that impact their structures or manpower.

Call Tree testing at least once per year

Performance

In 2020, the call trees were tested once.

Innovation and Digital Transformation

The ever-changing innovation and digital technology in this era significantly impact customer behavior, mindsets, and lifestyles. In response to this trend, businesses in various industries — especially the financial sector — are forced to adapt and completely alter their products and services to match their customers' needs. Bearing this in mind, Krungsri fully embraces the digital transformation platform to keep pace with the innovation and technology advancement, intense competition among peers, and customers' requirements that have been changed in line with the technological trends as well as realizes that adoption of innovation and technology will lead to new business opportunities. In this regard, the promotion of digital working styles to enhance efficiency will not only help reduce the operational cost but also diminish the IT risks caused by digital disruption

Management Approaches

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

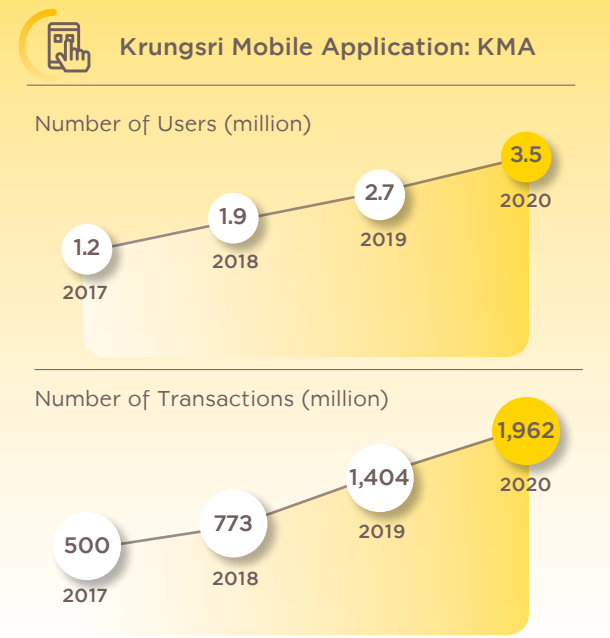
- Instill the organization culture and core value of **'Making Innovative Changes'** by encouraging employees to exchange ideas in search of new viewpoints. Employees are also encouraged to think out of the box for better changes, test their ideas, and learn under proper impact-mitigating mechanisms. 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 Banking and Innovation Division'** under the Information Technology and Operations. The division is tasked with the development of digital banking and innovations to deliver a good customer experience and uplift operational efficiency. Also, the division will seek investment opportunities in startups both in Thailand and overseas through Krungsri Finnovate.
- Emphasize and educate employees about innovation and technology in effort to elevate potential of the employees and equip them with the necessary skills in preparation for new ways of working such as learning and employing big data technology and data analytics, the agile management method and the scrum method, and design thinking for long-lasting success (please see more details under the topic: Human Resources Development).
- 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. 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) on a monthly basis.
- Promote the organization culture of innovation and digitization through projects and activities such as the **'Simple to Work'** project which encourage employees to propose ideas, working methods, and new technologies that can simplify, expedite, and facilitate processes for the best interests of employees, working teams, customers, and the organization in general.
- Communicate and encourage employees to keep abreast of innovations and digital technologies such as digital working styles of leading organizations and tips on using digital technology to enhance operational efficiency through email namely 'Around Krungsri CX', and 'Krungsri Innovation' and LINE application 'Ignite Xperience' and 'Krungsri Ignite' application
- Invest 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 artificial intelligence (AI) and robotic technology or 'Robo Advisory' named 'AI Manow' and 'Bella Chatbot' as banking virtual agents to answer customer's questions and provide unsophisticated information about various products of the Bank including electronic payments (e-wallet & QR payment) via online channels



Performance

In 2020, 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 the outstanding innovations and technologies of the Bank could be summarized as follows:

- **Krungsri Mobile Application (KMA)** is a new standard of Thai digital banking that superbly reflects our complete understanding of our customers' requirements and needs. The application enables customers from all segments to access funds anywhere, anytime. The Bank takes into account the highest security maintenance measures to safeguard customers' confidential information in line with the international standards along with creating the best experience that helps the Bank to gain customer trust. A number of features and platforms in the app can be easily and swiftly accessible such as the 'KMA Marketplace' platform, online credit card application feature, or investment advisor feature (Smart Advisor).



Most recently, in 2020, Krungsri further developed Krungsri Mobile Application by **launching the international funds transfer service through KMA** covering all destinations around the world. The service supports up to 15 major currencies, including the Japanese yen, with a special exchange rate offered with a fee of just 150 baht per transaction where a recipient receives the transferred funds in full amount until March 31, 2021. On top of that, Krungsri joined forces with Rabbit LINE Pay to launch Rabbit LINE Pay e-Wallet service for Krungsri Mobile Application users through **'Make a Pay - Pay with KMA'**. The service enables the customers to top up easily and conveniently without having to link their bank account or log in to the application. Also, there is no need to enter the reference number (Reference No.) in the Rabbit LINE Pay account



- **'Make a Pay'** – This is an innovative service that uses API technology to accept payments for products and services through online channels for SME business customers and online merchants. The service aims at providing convenience and security for buyers and users when making payments through the application of the merchants or businesses. The app will be connected to Krungsri Mobile Application (KMA) allowing merchants to close the sales and receive the payments faster. In addition, 'Make a Pay' reduces cash management and operating expenses while helping increase the account management efficiency at the same time.
- **Online savings account opening service with KMA via a digital identity verification system (National Digital ID: NDID)** – The system helps customers open an account more conveniently and easily — particularly, customers who have never had a Krungsri account. They can easily open an account without having to come to branches. The customers must give consent allowing the Bank to use the identity verification information that they give it with other commercial banks for account opening at Krungsri. Therefore, the time consumption for account opening was reduced by 83 percent compared to the account opening at a branch. The NDID system does not have any centralized data collection but it serves as an electronic pathway connected to the systems of various departments to record transactions — making them secure, transparent, and verifiable.





- **Payment system via online channels or Krungsri e-Payment** – The technology can connect the payment system from the main website of corporate customers to various partner stores. This is to meet the needs of B2B customers such as online payment systems in the construction business group — for example, the business partners of Thai Pride Cement Co., Ltd., the producer and distributor of Rajasri Cement, are now enabled to order and pay for the products of the group through newly added options where the payment can be made online. The effort is to facilitate the trading business to ensure that the payment can be easily, conveniently, and swiftly made and support the business throughout the entire business process.
- **'Personal Loan for Grab Food merchant-partners'** – Krungsri and Grab have jointly developed a new credit approval system (credit scoring) as well as integrated the customer behavior data into credit review processes. This aims to help Grab's merchants gain access to funding to strengthen their liquidity or use it to modify the business model in line with the changing consumer behavior in response to the new normal lifestyle — caused by the COVID-19 pandemic.



- **'Kept' innovative new money management platform in the form of an application** under the brand 'Kept by krungsri' - The platform is developed according to the concept of 'small change for BIG FUTURE' that makes the savings easy, fun, and real through online. 'Kept' acts like a wallet and a savings jar which is both convenient and safe, allowing customers to save money anywhere, anytime. The initiative helps instill financial discipline and stability deemed important and necessary factors in the new normal lifestyle.



- **'Krungsri Internet Banking Laos'** – This is an online banking platform for commercial customers in Lao PDR. Krungsri is the first Thai bank that provides internet banking for juristic persons in Lao PDR where the customers can perform various financial transactions through online channels anytime, anywhere without having to come to the branch. Also, the customer can transfer money to their own accounts or transfer funds to another person's account within the same bank via online and real-time as well as supports transferring funds to other persons having accounts of other banks. The service supports transactions made in three currencies: Lao kip (LAK), US dollar (USD) and Thai baht (THB). Furthermore, overseas funds transfers can be made through the SWIFT service and the customer can track their history of funds transfer transactions. The service is of great convenience for commercial customers who wish to transfer funds in multiple transactions through a function called 'Bulk Transfer', both in the form of payroll transfer and funds transfers to the accounts of their business partners. In the future, more functions are to be added to facilitate and respond to the needs of the Bank's commercial customers.
- **'MyPromptQR'** – The advanced international payment platform via QR code has the aim of providing services to Thai consumers in Japan through a collaboration between Krungsri and NTT DATA Corporation (NTT DATA), a major card payment network operator in Japan. MyPromptQR service is an international payment platform where the business operators based in Japan will scan the customer's QR Code to make a payment (Business-Scan-Consumer Cross-Border QR Code Platform) which helps create a seamless payment experience through Krungsri Mobile Application (KMA) and other apps of the Bank. The service helps increase convenience, security, and swiftness when making payments where both merchants and customers do not need to have cash in their hands in response to the cashless society. Moreover, it also reduces the risk that the banknotes may be contaminated with the COVID-19.



- **'Krungsri-LDB Global Transfer'** – This is a real-time cross-border money transfer service via Krungsri Biz Online (KBOL). Krungsri and Lao Development Bank have jointly developed 'Krungsri-LDB Global Transfer' to enable real-time international funds transfers between Thailand and Lao PDR through Krungsri Biz Online (KBOL) channel for both retail customers and small enterprises with an aim of enhancing flexibility. Thus, the customer can make money transfers in a manner that is faster, more convenient and secure. The system also supports funds transferred directly to the recipient's account in the currency being transferred without the need of currency conversion. During the first phrase, the system will support two currencies — Thai baht (THB) and US dollar (USD) and more currencies are set to be added in the future.



- **Electronic withholding tax system service (e-Withholding Tax)** – Krungsri supports the government's National e-Payment policy to drive Thailand towards a cashless society as well as emphasizes its readiness as an intermediary to perform free-of-charge tax withholding for customers using Krungsri CashLink system throughout 2021. The initiative aims at facilitating both the business sectors and taxpayers, increasing business flexibility in the 'new normal' era with international safety standards, as well as reducing the paperwork burden and document safekeeping cost. The customers can check information 24/7 and are also granted the withholding tax reduction rights until December 31, 2021.



- **Letter of Credit (L/C) service** – Krungsri succeeds in deploying the blockchain-based global trade finance platform for the Letter of Credit (L/C) transaction between leading companies in Thailand and Japan for the first time. The initiative is truly a new phenomenon that drives international trade transactions to another level and is operated in the own-sandbox under the supervision of the Bank of Thailand. The innovation has not only transformed traditional L/C transactions and surpassed the limitations of international transaction timelines. It also helps reduce the process of submitting documents back and forth between both parties with security, transparency, and traceability at every step. The service is directly beneficial to the customers who have international trading businesses and will assist them to drive the business faster in both a simple and convenient manner.

Economic Performance and Impacts

Items	Unit	2017	2018	2019	2020
Total operating income[1/]	Million baht	100,480	109,579	121,608	113,987
Operating cost [2/]	Million baht	21,167	22,665	21,649	20,633
Employee expenses[3/]	Million baht	24,438	26,287	27,648	25,297
Payment to providers of capital [4/]	Million baht	32,715	38,056	40,285	30,068
Tax payment to government [5/]	Million baht	6,088	6,458	6,957	6,516
Cash donation[6/]	Million baht	31.99	11.92	33.88	39.15
Economic value retained	Million baht	49,518	55,648	65,795	66,456
Total assets	Million baht	2,088,772	2,173,622	2,359,592	2,609,374
Total liabilities	Million baht	1,862,785	1,929,904	2,087,476	2,320,195
Shareholders' equity	Million baht	225,987	243,718	272,116	289,179
Workforce[7/]	persons	28,971	30,933	33,086	33,340
Number of branches[8/]	branches	702	705	692	671

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 and joint ventures
8/ Included Head Office and an overseas branch

Supplier Management

Krungsri Group is fully recognizant of the fact that product or service suppliers or 'vendors' or 'suppliers' play a vital role in facilitating and providing activities, services, and resources to ensure our business continuity and contribute a crucial part of our success. Through sustainable supplier management, the risk of business disruption caused by economic, social, and environmental impacts could be mitigated, while operational costs can be reduced with greater efficiency. Innovations of financial products and services could be created in order for superior customer experience in response to ever-changing market demands.

In light of this, common standards of fair treatment of suppliers, including service providers, intermediaries, and agents for equality, fairness, and non-discrimination, have been established. All vendors and suppliers are managed and encouraged to adopt their corporate governance guidelines and code of conduct standards in the same fashion as Krungsri did. They should also comply with regulatory requirements related to their respective businesses, e.g. laws regarding countering all forms of direct and indirect bribery and corruption, and laws regarding human rights and labor, workplace well-being and safety. We also promote responsible business conduct that takes into account social and environmental issues among vendors and suppliers.

Krungsri is well aware that efficient supplier management is an essential factor that helps strengthen business efficiency of the Bank and companies in the Financial Business Group, as well as that of vendors and suppliers, toward sustainable growth.

Management Approach

For ultimate supplier management efficiency, Krungsri stipulated management guidelines comprising initially screening suppliers and service providers, selection, and performance assessment, so that supplier management would be accomplished meeting mutual objectives as follows:

- Establish '**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. The Supplier Code of Conduct covers four main aspects, namely business code of conduct, human rights and labor, workplace well-being and safety, and the environment.
- Establish '**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 and vendors or suppliers so that the business activities can be carried out in an efficient and fair manner. The Bank expects that the vendors or suppliers acknowledge and comply with the Policy as well. In this regard, this Policy is applicable to the Bank and companies in the Financial Business Group, of which 50 percent share is held by the Bank (subsidiaries), which are required to apply this Policy to their equivalent policies.
- Establish regulations regarding '**Know Your Customer (KYC)**' requiring every vendor or supplier to go through the KYC process. The Bank takes cautious approaches in making transactions that possibly lead to any conflict of interest by establishing clear criteria and regulations on selection of vendors or suppliers who may have connections with the Bank's directors and senior management (Related Party Transactions: RPT); and supplier risk assessment or outsourced service provider risk assessment to verify possible impacts on business continuity. The Bank also complies with the Policy on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), the Policy on Sanctioned Countries and Blocked Persons, and the Policy on Ant-Corruption.
- **Provide the agreement in maintaining and protecting the Bank's own and confidential information**, while also protecting information confidentiality of vendors or suppliers per the confidentiality agreement
- **Provide a fair and equal opportunity for vendors or suppliers** including small enterprises of the underprivileged, minority groups, females, and disabled veterans in offering goods and services to the Bank
- **Stipulate fair vendor or supplier selection process** to give each of them a fair chance in doing business with the Bank

Fair supplier selection process



Performance

e-Auction

Objectives

Krungsri started implementing the online procurement system in December 2015 for fair and transparent vendor or supplier selection process, while helping save their valuable time

Performance

In 2020, 28 items of vendor or supplier selection were conducted via this system, a decrease of 17.65 percent compared to 2019, due to the COVID-19 outbreak.

Notification of the Gifts and Entertainment Policy during the New Year festival

Objectives

To ensure that vendors or suppliers comply with the Bank's No Gift Policy

Performance

- At the end of 2020 (New Year festival), Krungsri communicated with all vendors and suppliers (100 percent) to notify them about this policy and guideline.
- No complaints regarding gifts and entertainment offered by vendors or suppliers were made.
- No vendor or supplier complaints were made via the Bank's whistleblowing channels.

Communication about our statements regarding integrity in operations, as well as social and environmental responsibility for sustainability

Objectives

To encourage all vendors and suppliers, including service providers, intermediaries, and agents to adopt their respective code of conduct in the same fashion as Krungsri Group did and to show our commitment in compliance with related regulatory requirements on corporate governance. Examples include laws regarding countering all forms of direct and indirect bribery and corruption, and laws regarding social and environmental issues, e.g. respect for human rights.

Performance

Krungsri communicated with all vendors and suppliers (100 percent) to notify them about the statements and The Spirit and The Letter, as well as the environmental and human rights disclosure statements.

Communication with vendors and suppliers that 'Krungsri Group was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption'

Objectives

To ensure that our vendors and suppliers acknowledge our commitment in joining force for anti-corruption and determine to counter all forms of direct and indirect corruption and bribery

Performance

Krungsri communicated the matter with vendors and suppliers (100 percent).

Establishment of the Supplier Code of Conduct

Objectives

To encourage vendors and suppliers to undertake their business in compliance with good corporate governance guidelines and code of conduct standards, as well as related regulatory requirements

Performance

Krungsri notified the details of the Supplier Code of Conduct in the Bank's website (www.krungsri.com.)

Communication with vendors and suppliers about the Bank's COVID-19 precautionary measures

Objectives

To be a guideline for vendors and suppliers based on the Bank's COVID-19 precautionary measures

Performance

Krungsri communicated with all vendors and suppliers (100 percent) about the Bank's COVID-19 precautionary measures as well as the guideline for entering and exiting the Bank's compound.

Supplier classification

Objectives

To mitigate the risk in procuring products and services and to increase the business competitiveness in accordance with the best practice of sustainable supply chain management

Performance

In 2020, Krungsri started clearly classifying supplier groups. Currently, the supplier classification guideline is under drafting process and is expected to be completed by 2021.

Social Aspect



Responsible Lending and ESG Considerations

The banking industry is considered as a vital upstream of the country's economic system. The Bank serves as a financial intermediary in fundraising and financial resource allocation for supporting commercial customers, retail customers, including the civil society, the undertakings of which may create both direct and indirect impacts on society and the environment as well as pose key ESG risks to the organization.

Bearing this in mind, Krungsri Group adheres to **responsible banking** guidelines by placing importance on **responsible lending** principles. Credit underwriting takes account of ESG dimensions parallel to the economic dimension to mitigate risks arising from business undertakings, which may create social and environmental impacts, and to mitigate the Bank's risks in terms of finance, operations, reputation, and compliance with laws and requirements. In addition, the Bank aims to create positive outcomes through supporting businesses or transactions that create value and benefit for society and the environment, thus boosting employment and leading to income generation and socio-economic development, including development of innovations and technologies. We are also committed to promoting a low-carbon economy and society by supporting businesses or transactions that are environmentally-friendly and use alternative energy to foster the sustainable development and growth of the private sector and society.

Management Approaches

- Establish the **Policy for Credit Risk Management** which serves as the criteria and guidelines for managing credit risks. It is communicated to the Bank's operating officers for acknowledgement and full compliance with emphasis on raising awareness of ESG risks among the parties related to the credit underwriting process. In this regard, the policy is applicable to the Bank, its branches nationwide, and domestic and overseas representative offices. The policy shall be reviewed annually or upon any significant change to ensure that the Bank's credit underwriting is in line with the ever-changing business environment.
- Krungsri Group firmly adheres to its aspiration to be a responsible lender. Well aware that the businesses to which the Bank provides loans may cause negative ESG impacts, the Bank incorporates **ESG risks** into its credit underwriting criteria. Transactions that have negative impact are segregated into two categories as follows:

(1) '**Prohibited Transactions Category**': Krungsri Group shall refrain from providing financial support to the following transactions.

- Illegal transactions and transactions for illegal purposes
- Transactions which violate public order and good morals
- Transactions that negatively impact wetlands designated under the Ramsar Convention
- Transactions that negatively impact UNESCO designated World Heritage Sites
- Transactions violating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Transactions involving the use of child labor or forced labor

In this regard, the Bank developed a Sector-Specific Guideline for the Prohibited Transactions Category as follows;

- Production or trade in radioactive materials, weapons and munitions, e.g. businesses concerning nuclear weapons, biological weapons, chemical weapons, other weapons able to cause substantial damage to humankind, animals, plants, or the environment in the same manner as the aforesaid weapons, including distribution systems of weapons and their components or accessories, manufacturers of cluster bombs (finished products) which produce the bombs themselves or the businesses related to cluster bomb manufacturing
- Unsustainable fishing methods
- Cross-border trade in waste and waste products
- Coal-fired power generation sector

(2) '**Restricted Transactions Category**': Krungsri Group shall provide financial support to businesses that have appropriate and sufficient measures to mitigate ESG risks. Transactions in the Restricted Category are as follows:

- Transactions that impact indigenous people and communities
- Transactions that result in land expropriation leading to involuntary resettlement
- Transactions that impact high conservation value areas

In this regard, the Bank developed a Sector-Specific Guideline for the Restricted Transactions Category as follows:

- Construction of dams and reservoirs
- Hazardous chemicals
- Mining
- Forestry sector and operations
- Palm oil sector
- Oil and gas sector

Moreover, the Bank established the '**Positive List**' whereby Krungsri Group provides financial support to businesses that produce positive social and environmental outcomes, e.g. electricity generation from alternative energy such as solar, wind, biogas, biomass, and waste in order to help build a low-carbon economy, tackle climate change, and strive toward the United Nations Sustainable Development Goals (SDGs).

- 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 and the environment
- Establish the '**Credit Risk Management Procedure**' whereby the relevant officers at all levels must strictly adhere to and comply with while also realizing the shared social responsibility by providing financial support to entrepreneurs who operate businesses for the benefits of society and the environment or to businesses that do not negatively impact society and the environment. Additionally, the relevant officers must take part in upholding the standards for credit underwriting and credit risk management.
- 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.

Responsible Lending



Equal treatment

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



Verification of customer information

Customers' credit information shall be appropriately verified to ensure KYC and CDD compliance.



Safeguarding customer confidentiality

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



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.



Creditor's responsibility

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



Environmental preservation

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

Performance

Krungsri strives to develop financial products and services based on the 'Sustainable Banking Guidelines – Responsible Lending' to create financial innovations with environmental, social, and governance benefits in tandem with driving the country's economy while also promoting sustainable development in the Thai society as well as Southeast Asia. In 2020, Krungsri supported financial products with ESG considerations, e.g. being one of the lead arrangers of sustainability and green bonds as follows:

- **'Sustainability bonds'** issued by of the Ministry of Finance by the Public Debt Management Office (PDMO) jointly with Asian Development Bank, Bank for Agriculture and Agricultural Cooperatives, Mass Rapid Transit Authority of Thailand, and National Housing Authority at the issue size of 30 billion baht. The proceeds will be used to support the MRT Orange Line Project and projects specifically designed to aid those affected by the COVID-19 pandemic. This sustainability bond issuance contributed to Thailand's efforts in achieving the 17 UN SDGs such as No Poverty, Good Health and Well-Being, Quality Education, and Affordable and Clean Energy.
- **'Green bonds'** issued by PTT Public Company Limited at the issue size of 2 billion baht. PTT's green bonds obtained the world's first certification under the Forestry Criteria of the Climate Bonds Initiative (CBI), an independent international organization promoting environmentally-friendly benefits. PTT will use the proceeds to invest in projects concerning forest conservation, environment conservation, and improvement of quality of life for the betterment of society and communities.
- **'Green bonds'** issued by Global Power Synergy Public Company Limited (GPSC) at the issue size of 5 billion baht. GPSC will use the proceeds to partially or fully finance or refinance the new or existing environment preservation projects of GPSC and its subsidiaries, i.e. alternative energy projects, energy efficiency enhancement projects, and pollution prevention and control projects.
- **'Green debentures'** issued by RATCH Group Public Company Limited at the issue size of 8 billion baht. This green debenture offering conforms with the Green Financing Framework and the proceeds will be used to develop and invest in renewable energy projects, clean transportation projects, and other low-carbon projects in accordance with Ratch Group's greenhouse gas management commitments, e.g. its wind farm in Australia, the MRT Yellow Line and Pink Line projects.
- **The first tranche of sustainability bonds for debt management in the fiscal year 2021 (the second tranche of sustainability bonds)** issued by the Public Debt Management Office (PDMO) at the issue size of 20 billion baht. The proceeds will be used to expand the MRT Orange Line Project, thus supporting a clean transportation project. This tranche also meets the climate bond standards of the Climate Bonds Initiative (CBI), which will bolster the confidence of international investors and further support Thailand's efforts in achieving the 17 UN SDGs.

Supporting the public and private sectors in issuing the said bonds or debentures reinforces our corporate purposes of sustainable banking and being a good corporate citizen, including our determination to achieve the UN SDGs, especially SDG No. 8: Decent Work and Economic Growth; SDG No. 9: Industry, Innovation, and Infrastructure; SDG No. 13 Climate Action; including SDG No. 17: Partnerships for the Goals.

In addition, Krungsri focuses on supporting environmentally-friendly businesses through the provision of loans or other financial products, especially financing businesses that promote the use of alternative energy such as solar power plants, wind power plants, and biomass power plants. For more information, please refer to the Topic: Climate Change Management



Financial Inclusion and Promotion of Financial Literacy

Krungsri, as a Domestic Systemically Important (D-SIB), recognizes that it is of importance to promote comprehensive and equitable access to basic services such as financial services — including microfinance and nanofinance — for all customer segments namely corporate, SME, and retail customers, particularly low-income earners, and vulnerable groups. Therefore, Krungsri strives to promote the 'customer centricity' value through appropriate financial product and service innovations, while empowering customers to access financial services with thorough equality. We not only provide funding sources for their business operations, but also aim to help them develop innovation and technology, well-being, job creation, and other positive impacts through investments. Moreover, we promote the sustainable growth and drive the overall economy of the country and ASEAN — corresponding to the UN Sustainable Development Goals (Goal 1: No poverty, Goal 8: Decent work and Economic growth, Goal 9: Industry, Innovation, and Infrastructure, and Goal 10: Reducing inequalities)

At the same time, Krungsri is determined to promote financial literacy among employees, youths, customers, and related stakeholders by adhering to the conviction that prudent financial planning and management would lay a foundation for strong communities and society. Moreover, the endeavor would contribute to the prevention of household debt which is a major structural problem that massively impedes the country's economic and social development.

Management Approaches

- Develop financial products and services in accordance with the needs of customers in each segment
- Manage our balanced lending portfolio prudently by adhering to responsible lending guidelines
- Leverage synergies with MUFG, a financial group with a global network, to respond to all financial needs of businesses at home and abroad, e.g., customers in Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV), and those in the ASEAN Economic Community (AEC), while helping boost their potential toward the global arena
- Develop inclusive and suitable financial access channels for each segment through the implementation of innovations and technologies to promote efficiency and enhance financial access anywhere, anytime
- Promote financial literacy among youths, customers, employees, and the general public, while cultivating saving discipline, as well as efficient financial planning and personal financial management

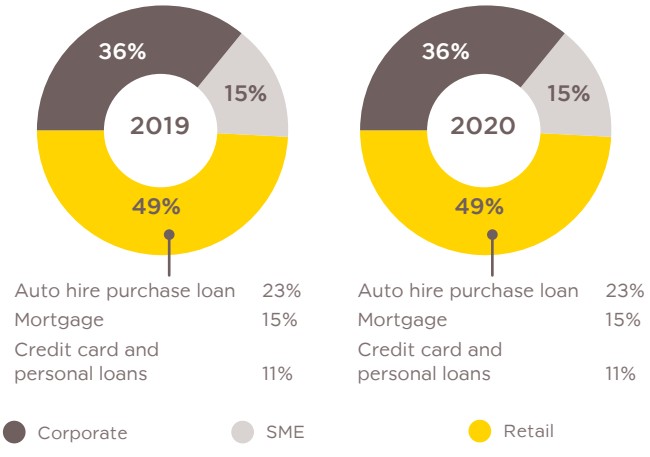
Performance

Balanced Portfolio Management

Krungsri maintained well-balanced portfolios for corporate loans, SME loans, as well as retail loans. As of December 31, 2020, **total outstanding loans stood at 1,832,935 million baht,** an increase of 15,058 million baht, or 0.80 percent from December 2019. In this connection, corporate and SME loans were accounted for 51 percent while retail loans stood at 49 percent of the total loan portfolio. The proportions remained unchanged compared to 2019 and the details of which are as follows:

- **Corporate loans were 651,254 million baht (36 percent)** comprising 405,730 million baht of loans provided to Thai corporates, and 245,524 million baht of loans given to Japanese and multi-national corporations
- **SME loans were 278,787 million baht (15 percent)**
- **Retail loans were 902,894 million baht (49 percent).** Loans provided to retail customers were consisted of 423,860 million baht in auto hire purchase loans, 284,201 million baht in mortgage loans, and 194,833 million baht in credit card and personal loans

Krungsri's Portfolio



Corporate Loans

Aiming to be a 'trusted banking partner' for corporate customers, Krungsri offered complete financial solutions focusing on the following initiatives:

- Banking services and products were structured to match customers' requirements, while credit limit utilization for each customer was reviewed and monitored to create maximum benefits for the economy, society and environment to ensure sustainable growth
- Offered inclusive financial solutions to support liquidity and risk management for corporate customers
- Focused on the adoption of digital technology in line with the needs of customers in the new normal era
- Continued to leverage the MUFG network and global expertise by working with MUFG to drive and promote the growth of corporate customers as well as help them overcome the COVID-19 crisis. For example, Krungsri has partnered with Japan Bank for International Cooperation (JBIC) and MUFG Bank, Hong Kong branch to provide cross-border financial structuring services for a Japanese vehicle rental company to enhance liquidity during the COVID-19 pandemic, etc.
- Continuously provided important services via 'Krungsri Business Empowerment' that creates added value for customers. The program was intended to share information and knowledge related to business matching negotiations and expanding business networking opportunities through the online format — allowing customers to participate in the activities anywhere. The effort assisted large corporate customers to reinforce their business potential in the long term.

Small and Medium Enterprise (SME) Loans

Krungsri focused on our goal of becoming the main bank for SME customers through collaboration with MUFG and enhancement of business opportunities by offering a complete range of financial products and solutions — including non-financial services — by placing a focus on the following initiatives:

- Developed and built value chain by creating new supply chain platforms to expand business opportunities, such as launching 'Krungsri Supply Chain' on mobile devices via Krungsri Biz Mobile App to enable SME customers and business owners to apply for loans anywhere anytime as well as introduced 'Krungsri Supply Chain on Mobile' that is easy to use, convenient, and secure — helping SME entrepreneurs and business owners to uplift their business competitiveness
- Teamed up with MUFG to support the expansion of SME customer base through efficient cross-border transactions and create interesting business matching opportunities
- We have also provided knowledge sharing, business matching and networking activities through Krungsri Business Empowerment, a value-added service designed to help our SME customers grow their business potential and create long-term strength. These activities included
  - Organized a webinar under the theme 'Business Implications from COVID-19, Now and Next Series' to provide insights for customers and prepare them for the life in the new era after the COVID-19 pandemic — featuring interesting topics about economic challenges, business strategies in the midst of uncertainty, business adaptation, and experiences sharing from real business personnel. In this regard, Krungsri was the first organization that continuously organized seminars via online platforms to share knowledge and facilitate customers and ensure that they could access information anywhere anytime.
  - Organized 'Krungsri Virtual Business Matching' event to explore domestic business opportunities for SME and commercial customers. Krungsri was the first bank that offers business matching opportunities under the COVID-19 situation where there were 79 companies participated in the event with more than 100 matches.





- Organized 'Krungsri-MUFG Virtual Business Matching Fair 2020', which was the first time for Krungsri to organize an online international business matching event. This was to create opportunities to enable the growth of Thai business owners wishing to expand their business overseas. More than 200 companies participated in the event — including companies from Thailand, Japan, and other ASEAN countries, organizations in this region, and MUFG partner banks with more than 300 pairs of business partners being matched.



- Established measures to help SME customers affected by the COVID-19 crisis by providing a special debt restructuring program to extend the repayment period, suspension of principal and interest payment, reduction of interest rates, provision of low-interest loans to SMEs customers under the soft loan program in accordance with the Bank of Thailand's assistance measures. Moreover, Krungsri participated in the Government Savings Bank's soft loan scheme and is one of the top five commercial banks in terms of financial amount and number of customers to offer support to the customers through various assistance measures. The total loan amount supported by Krungsri is equivalent to more than 20,000 million baht.

Retail Loans

Committed to responsible lending, Krungsri takes into account the appropriateness of financial products and services which are diverse in accordance with demands of retail or individual customers, namely mortgage loans, Krungsri Auto's automotive finance products, credit card and personal loans. We are well aware that customers' access to appropriate lending products would uphold their financial security, while being beneficial for the overall economy and society. With clear procedures for the approval of all loan types, Krungsri considers customers' ability to service debts. The Bank ensures sound risk management and observes any irregular repayment behaviors to prevent customers from falling into payment predicament. Recommendation for debt restructuring and management is given when necessary. These operations help the organization mitigate NPL risks, relieve customers' burden, and might lower the volume of bad and household debt in the economic system as well.

Due to the COVID-19 outbreak at the beginning of 2020 and the new wave in December 2020, Krungsri is always enthusiastic and takes into consideration the financial impact suffered by our retails customers. Therefore, the Bank initiated several assistance measures to help mortgage loan customers, auto loan customers, personal loan customers, and credit cards customer — including the suspension of principal repayment and reduction of installment amount in accordance with the Bank's conditions (please visit www.krungsri.com for more details).

Microfinance and Nanofinance

Krungsri realizes the importance of providing the grassroots level with opportunities to access financial services in the form of microfinance and nanofinance. Financial access is a factor that helps life go on more smoothly, readying the person for expenses that are unexpected or exceed their current debt servicing coverage. Moreover, people can create their financial records at trustworthy financial institutions, positively affecting their quality of life and establishing a solid foundation.

Krungsri aims to raise the standards of micro and nanofinance to ensure fairness and transparency — serving as a reliable source of funds for low-income customers. Therefore, the Bank uplifts its micro and nanofinance services both domestically and internationally through affiliates and joint ventures that provide services in this particular area namely Ngern Tid Lor Public Company Limited and Hattha Bank Plc.--Krungsri's subsidiary in the Kingdom of Cambodia.

Ngern Tid Lor PCL

- Offered financial access to more than **730,126 customers** (up 15.31 percent from 2019)
- Total loans of **51,331 million baht** (up 7.01 percent from 2019)
- **1,076 branches**

Hattha Bank Plc.

- **184,490 customer accounts** (up 9.24 percent from 2019)
- Total loans of **USD 1,323 million** (up 25.88 percent from 2019)
- **177 branches**



In 2020, Krungsri and 'Grab' have teamed up for designing 'Nano finance loan' titled 'Loan for Grab driver-partners' and 'Loan for Grab merchant-partners' to provide financial support and easier access to capital sources for Grab driver-partners and Grab merchant-partners.



Financial Distribution Channels

Krungsri consistently propels financial technology innovation by enhancing a variety of service channels to allow rapid and convenient customer access, while continuing to place importance on our branch network. Branches have been persistently changed in terms of type in response to customer needs and ever-changing behaviors by relying on technology to promote access to financial services.

Krungsri branch types

1) **Smart branch** - a new branch emphasizing the importance of 'space staff' and 'speed'—while focusing on the automated service, customers can also make transactions themselves. Moreover, the branch staff is ready to give advice about products and services upon needed. The branch is equipped with 3-in-1 Machines at which customers can make deposits, withdrawals, funds transfer, bill payments, and passbook updates, cash bill payment machine, and smart teller machine.
2) **Smart kiosk** - a kiosk with automatic machines for self-service transactions with more limited staff presence for advice
3) **Partnership branch** - a special branch jointly run with other organizations, e.g., universities
4) **Typical branch** - a normal type of branch

In 2020, Krungsri elevated its branch services and adhered to the core value of 'Customer Centricity'. We take the best care of our customers while placing paramount importance on the safety of the customers, employees, and branch visitors. In the wake of the COVID-19 pandemic, Krungsri continually launched several proactive measures to monitor and prevent the spread of the virus from the first to the new wave of outbreak. We still strictly comply with the measures to ensure safety of our customers and employees such as body temperature measurement, face mask requirement, installation of protective shields between customers and counter staff, provision of hand sanitizers at service areas, ozone treatment and disinfection at various high-touch areas.

Additionally, social distancing measures were implemented by limiting the number of visitors and keeping a safe distance between persons and arrangement of seating in waiting areas.

On top of that, Krungsri promotes financial inclusion by expanding and/or changing financial service channels to match the needs of our customers in each segment — covering different areas in Bangkok and metropolitan as well as provincial areas. This is to provide all groups of customers with wide-ranging and equitable access to financial services (Additional information on Krungsri's financial service channels is provided in the topic: Numerical data for sustainability operations). At the same time, Krungsri has also adjusted its paradigm to deliver financial products and services that seamlessly integrate online and offline channels, reinforcing Krungsri's brand promise 'Make Life Simple' and in response to the 'new normal' era. In addition, the Bank is also committed to developing the capacity and enhancing the skills of branch staff in the role of a financial advisor to provide a full range of advice to our valued customers.

Financial Literacy Promotion

Krungsri Financial Literacy: 'Simple to Learn Project'

Details

The 'Krungsri Financial Literacy: Simple to Learn' Project, the Bank's CSR flagship one, has been organized since 2015 with objective to promote basic financial knowledge and saving habits among primary school students in grades four to six throughout the country through activities namely Thinking before Buying, The Savings, Recycle, Young Book Keeper, Money Genius, and The Bank while the games are facilitated by Krungsri volunteers.

Krungsri Financial Literacy: Simple to Learn Project is now in its six years in 2020. Due to the COVID-19 pandemic, Krungsri adjusted its activities and collaborated with the Office of the Basic Education Commission (OBEC) and Equitable Education Fund (EEF) to developed online animated series called 'Simple to Learn: Stay Safe During Covid-19'. The partnership highlighted the Bank's commitment to promoting financial knowledge among youths — perceived as a rock-solid foundation for sustainable development in line with the United Nations' Sustainable Development Goals (SDGs) (No.4 Quality Education, No.10 Reduced Inequalities, and No.17 Partnerships for the Goals).

The animated edutainment series 'Simple to Learn: Stay Safe During Covid-19' is developed on the online platform while the content featured easy-to-digest and entertaining information which is suitable for the target group. The series consists of four lessons namely Thinking before Buying, The Savings, Young Book Keeper, and Recycle with the objective to educate youths about finance as well as one special episode about the COVID-19 preventive measures in schools to enhance their awareness in the new normal era.

Performance

In 2020, primary school students from more than 28,000 schools throughout the country under the supervision of the Office of the Basic Education Commission (OBEC) and Equitable Education Fund (EEF) received benefits from this project.

Scan the QR code to watch Krungsri's animated series 'Simple to Learn: Stay Safe During Covid-19'







"It is our strong conviction that basic financial literacy and discipline among youths will help strengthen their vital immune system against potential problems emerging from personal and household indebtedness – a critical foundation of sound and sustainable economic growth."

Mr. Seiichiro Akita
President and Chief Executive Officer
Bank of Ayudhya Public Company Limited



Mr. Sanit Yamgesorn
Deputy Secretary-General, Office of the Basic Education Commission (OBEC)

"Instilling the right mindset and promoting the concept of financial analysis among youths is of vital importance. This will help them to correctly manage their money — leading to a better quality of life in the future. I would like to thank Krungsri for launching this project that provides a great benefit for the children."



Ph.D. Kraiyos Patrawart
Deputy Managing Director, Equitable Education Fund (EEF)

"I would like to thank you Krungsri that joins with EEF to support children during the COVID-19 crisis. This project will create financial knowledge for the youths and help them to efficiently manage their money. Also, it will serve as a key financial immunity that helps them improve their quality of life and family so as to step out of the cycle of poverty."

'Money Smart Next-Gen Activity' 3rd Year

Details

'Money Smart Next-Gen Activity' 3rd Year is a project under the cooperation between the Thai Bankers' Association and member banks. The goal is to cultivate a financial discipline and money planning and management for university students nationwide. However, due to the COVID-19 epidemic, the Thai Bankers' Association has modified the activities and shifted the training format from face-to-face classroom to the virtual training session for the first time in Thailand. In this regard, there were volunteered guest speakers from member banks to share financial knowledge through the game 'The Money Monsters'. At the present, 'Money Smart Next-Gen Activity' 3rd Year has been extended to March 31, 2021.

Performance

Krungsri, as a member bank of the Thai Bankers' Association, co-hosted the activities under the project as per the following details:

- The first activity was organized on December 8, 2020 to share financial knowledge with 176 university students of Rajamangala University of Technology Krungthep where the event was facilitated by 15 Krungsri volunteers.

Remark:
The activity at Rajamangala University of Technology Phra Nakhon (previously scheduled on December 2020) has been postponed due to the new wave of the COVID-19.

Online content hub: Plearn Plearn by Krungsri GURU

Details

Since 2014, the **'Plearn Plearn by Krungsri GURU'** platform has been developed as an online content hub of financial, investment, business and daily lifestyle matters and it is a part of Krungsri's website (www.krungsri.com). The platform gathers the contents about finance, investment, business, innovation, and lifestyle with the aims to educate and inspire Thai people to think about financial stability. The target audiences are Krungsri customers and the general public.

Plearn Plearn by Krungsri GURU platform revolved around the contents under the concept **'Simple Finance: Read Plearn Plearn'** using plain — yet, casual — language by sharing a fun story to create good experience for all groups of readers. Featuring a fully responsive design, content shown in all devices, namely tablets, smartphones, and notebooks, is easy-to-navigate with attractive displays, anywhere anytime. Taking part of content from the website www.krungsri.com, Plearn Plearn by Krungsri Guru is designed to portray every aspect of consumer daily life comprising following four content pillars: 1) **Finance:** Matters that make life simple; 2) **Business:** Secrets to success in business; 3) **Innovation:** To stay ahead of the digital era curve;4) **Lifestyle:** Cool ideas and lifestyle trends. Currently, more than 1,000 pieces of content are available in the platform.

In 2020, Krungsri further extended the success of Plearn Plearn by Krungsri GURU by introducing 'Krungsri Plearn Plearn PODCAST' under the concept of 'Simple Finance: Listen Plearn Plearn'. This is an alternative for the target audiences to easily gain knowledge and entertainment in place of reading in response to the lifestyle of urban people whereby most of them prefer listening to the audio tracks while traveling to work and going back home (driving or using public transportation), during work-out, or their free time. The podcast is divided into two parts namely 1) Easy Finance and 2) Easy Life.

Performance

In 2020, the growth of viewers reached 70 percent compared to 2019, while the number of average page views per month was 850,000 — 69 percent of which are new visitors.

Krungsri Plan Your Money

Details

Krungsri Plan Your Money is a professional financial and investment planning consultant with a focus on providing financial knowledge such as personal finance, retirement, investment, tax, or credit planning. The main target groups are employees in private companies, university students/ students who are about to graduate to ensure that they can easily access to financial news. Also, the financial management and planning tools are available on the Bank's website (www.krungsri.com) so as to simplify the customer's life. Moreover, Krungsri Plan Your Money organizes financial seminars both on online and offline platforms — including workshops — to promote financial literacy and comprehensively cover all target groups.

Performance

In 2020, Krungsri Plan Your Money organized financial seminars as follows:

- Financial seminar titled 'Wealth Creation For White Collar' on February 4, 2020 at Smart Insure Company Limited, with a focus on sharing information about financial planning and investment through the Bank's products whereby workshops were held as guidelines to manage investment portfolios as well as increase investment planning skills for employees.
- Collaborated with the University and First Jobber segment of Krungsri to organize an online similar titled 'Financial Planning for the First Jobber' at College of Computing, Prince of Songkla University on May 15, 2020 by focusing on giving a guideline and enhancing financial management and investment skills of the university students.
- Collaborated with Japanese Corporate Banking 2 Division of Krungsri to organize a similar titled 'Saving Money Saving Your Future' on June 29, 2020 for the employees of Sumitomo Corporation Thailand Ltd. where the knowledge about personal finance and investment in mutual funds, SSF, and RMF for tax deduction benefits was given.
- Online similar titled 'Financial Planning during COVID-19 Crisis' on August 25, 2020 by focusing on efficient salary management to overcome the tough time amidst the crisis.



- Collaborated with the University and First Jobber segment of Krungsri to organize a similar titled 'Personal Finance Planning' on September 1, 2020 at the Faculty of Commerce and Accountancy, Thammasat University where the knowledge about financial planning and investment through the Bank's products were given. Workshops were also held as guidelines to manage investment portfolios as well as increase investment planning skills for the university students.
- Financial seminar titled 'Change Taxes to Savings' on October 9, 2020 for teachers and staff of Assumption College Thonburi where tax knowledge and investment in mutual funds, SSF, and RMF for tax deduction benefits was given.
- Collaborated with the Japanese Corporate Banking 6 Department of Krungsri to organize a financial similar titled 'Saving Money Saving Your Future' on November 18, 2020 for employees of Tri Petch Isuzu Sales Co., Ltd. where the knowledge about personal finance and investment in mutual funds, SSF, and RMF for tax deduction benefits was given.
- Financial similar titled 'Savings and Loan Management Guidelines for Factory Staff' for employees of JTEKT Automotive (Thailand) Co., Ltd. On November 17, and December 2, 2020 by focusing on proper savings techniques as well as debt management approaches to enhance financial liquidity for the employees.

Money Matters Project by Krungsri Consumer

Details

Krungsri Consumer initiated the 'Money Matters' project since 2017—recognizing that effective financial management will bring good quality of life and stability for now and in the future. The concept is proven crucial during the COVID-19 epidemic. The objective of the activity is to provide comprehensive financial knowledge to employees, customers, students and the general public through a variety of activities that are appropriate for each target group as per the following details:

- Employees: Krungsri Consumer established the 'Savings Club' to raise awareness among staff members on the importance of financial security and to inspire them to have financial discipline and generate additional income which does not interrupt their full-time job through diverse activities, including daily personal bookkeeping, extra income generating
- Customers and the general public: Krungsri Consumer also held financial education activities for customers and the general public regarding financial planning and personal finance management via online and social media channels, e.g., Money Matters Facebook Fan Page.

Performance

- 'Savings Club' by Krungsri Consumer: the activity has been continuously conducted for the third consecutive year. However, due to the spread of COVID-19, it adversely affects the arrangement of 'Savings Club' activities. Thus, Krungsri Consumer has adjusted the event format in 2020 to suit the situation with a focus on providing knowledge on financial management and creating a saving discipline — for example, the staff was encouraged to record their income and expense. Additionally, the Facebook live event titled 'New Normal, More Money' was organized by the digital team during the work-from-home period to educate employees of Krungsri consumer about financial management during the COVID-19 crisis as well as the guidelines on how to prepare for the unexpected. In this connection, the COVID-19 crisis is a wake-up call for the employees whereby they become more active, carefully plan their spending, and envision the importance of emergency savings. In 2020, there were 500 employees participating in the activities organized by the club.
- 'Money Matters' Facebook Fan Page: Krungsri Consumer shared knowledge on how to manage finances wisely, practical mindset changes, thought-provoking quotes, and words of encouragement through a Facebook fan page 'Money Matters' to effectively reach the target audience and create engagement.

'Money Matters'
Facebook Fan Page:
www.facebook.com/Chalardkid.Chalardchai

The number of likes for the page is **200,000 users** with more than **13 million page reach.**





In 2020, an online live streaming series under the campaign titled '**New Normal, More Money**' was introduced, featuring 10 live episodes by well-known experts from industries — including finance and business as well as online influencers who become successful in life and financial managements and took turns to come and broadcast their content. This was to disseminate financial management knowledge and enhance understanding of the general public and target group so that they can apply it in daily life. Throughout this online campaign, there were more than 521,000 views; 2,495,000 page reach; and 27,500 post engagement.

'Life Rolls Forward Project' by Ngern Tid Lor

Details

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

Performance

In 2020, basic financial knowledge activities were organized as follows:

- 135 people from three communities and 57 Ngern Tid Lor's volunteers joined the activity
- 352 people from the network of the Stop Gambling Foundation (SGF) in five communities, 43 officers from Nakhon Ratchasima Rajanagarindra Psychiatric Hospital, and 61 Ngern Tid Lor volunteers joined the activity.



'Basic Financial Literacy Workshop' by Ngern Tid Lor

Details

'Ngern Tid Lor' realizes the importance of personal finance and investment management to support their profession. Hence, a financial literacy project was organized to share knowledge with the people who made a mistake and are set to be released to live a normal life in line with the 'Inspire' Project under the Royal Initiative of Her Royal Highness Princess Bajrakitiyabha Narendiradebyavati Krom Luang Ratchasarinee Siripatchara Maha Watchara Ratchathida. This was to equip them with necessary knowledge and give them opportunity to ensure they can make a living and live on their own upon released.

Performance

2020 was the second consecutive year that Ngern Tid Lor organized a project to share knowledge to those who made a mistake in life. A total of 429 individuals from Doihang Temporary Prison in Chiang Rai Province, Khao Phlong Temporary Prison in Chainat Province, Khok Ta Bun Temporary Prison in Surin Province, Khae Noi Temporary Prison in Petchaboon Province, and Khao Prik Agriculture Industrial Institution in Nakhon Ratchasima Province, 81 Ngern Tid Lor volunteers, and 24 government officials participated in the activity.



Human Resources Development

Krungsri Group is well aware that 'employees' are the Bank's valuable assets as they play a crucial role in empowering the organization toward set missions and goals. In light of this, we place considerable importance on a continuous and ongoing process of human resource development toward 'People Excellence' to enhance employees in tandem with the changing context of economic, social, and environmental aspects. With digital transformation, we have prepared our workforce for upcoming change and competition in the 'new normal' era.

Throughout the past years, Krungsri Group has focused on equipping our staff with skills, knowledge, and expertise relevant to the organization business direction and strategy, while encouraging them to make innovative changes and uplift our competitiveness in response to customer needs.

In addition, encouraging employee development, Krungsri Group provides opportunities for staff to grow their careers amid business challenges and rapidly changing digital technology. We also place great emphasis on employee engagement, which is not only a challenge for the organization but also a key variable determining the Bank's journey and success toward sustainable growth.

Management Approaches

Krungsri strives to build people excellence while growing the organization as our manpower progress along their professional paths. Our strategic approaches for human resource management are as follows:

- Appoint the **Human Resources Committee** to review and assess major strategies, policies, projects and plans concerning human resource management of Krungsri 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 **Human Resource Policy** 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:**

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, such as creating a learning society via 'Krungsri JAM' in the form of social learning in KLC, etc.



- Design and develop **learning programs using a 'learner-centered 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. Examples include adding online channels and courses, promoting 'micro learning' namely Finance & Banking 101 #Simple to Learn which disseminates financial and banking knowledge infographics on a weekly basis, with short, concise, and simple to learn content.
  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)
- **Review and revise the Bank's compulsory learning courses in accordance and compliance with laws, rules, regulations, and the Bank's policies,** while enhancing competencies of personnel and the organization. These courses are categories into three modules as follows:
  1) Core Value, Culture, Organizational & People, comprising Krungsri Orientation and Krungsri Core Values
  2) Compliance & Good Corporate Citizenship, comprising:
     - The Spirit and The Letter (S&L)
     - Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)
     - Gift and Entertainment (G&E)
     - Good Corporate Governance (CG)
     - COSO Internal Control Framework
     - Related Party Transaction (RPT)
     - Policy for Enterprise Information Security
     - Operational Risk Management Awareness
  3) Organization Transformation, comprising Design Thinking, Digital & Innovation Management, Elective Course 1, and Elective Course 2. In addition, the Bank develops the compulsory AML/CTPF 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). The course contains detailed information for those responsible for reporting under Section 13 and Section 16, and those involved in transaction reporting and reporting control, customer identification, and customer due diligence. This training program is provided via the TBAC-KS Community of the Thai Banking Academy (TBAC), under the Thai Bankers' Association.
- **Develop and proceed with special projects and learning programs for human resource development in order to enhance the organization's performance and productivity of personnel** for creating ultimate value to the organization, boosting competitiveness, driving growth in the digital era, and promoting sustainable banking. They are following three programs:

1) A program designed to prepare senior management, talents, and successors to lead the organization to grow further to the next career level, namely, the TRANSCEND program, a collaboration between Krungsri and Harvard Business Publishing, the TRANSITION program, jointly developed with Sasin Graduate Institute of Business Administration of Chulalongkorn University, individual development plan, etc.
2) Digital Academy and Krungsri School of Data projects, under which Krungsri in collaboration with leading training institutions designed blended learning programs for upskilling and reskilling with a focus on future digital capacity and skills
3) Krungsri Tech Academy: Internship Trainee Development Program, jointly developed with leading universities to boost future skills for fourth-year university students via diverse learning activities, online and on-the-job training, with experts available to assist and give advice for the program



- **Develop and add learning channels through digital technology** to boost the efficiency of human resource management in tandem with the COVID-19 pandemic:
  - **Training registration system**, '**iJoin**', a paperless system that reduces training registration time, costs, and paperwork for training attendance registration as it accurately records employee training history and creates a good digital learning experience for employees
  - **Webinars and virtual training** through diverse digital platforms, namely Microsoft Teams, WebEx, etc., with speakers from leading domestic and international training institutions.
  - **Blended learning courses**, comprising multiple forms of learning such as online courses, webinar training, on-the-job training or special projects, etc.
  - **Developing Krungsri Digital Learning and promoting external learning platforms** to give employees an opportunity to continue their learning and self-development amid the pandemic as this learning approach helps mitigate the spread of COVID-19 in accordance with the social distancing measures, while enhancing employees' skills, knowledge, and competencies in a safe and thorough manner
- **Develop and provide market conduct programs** 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 beneficial to consumer protection which is a key factor for the Bank's sustainable business operation.
- **Develop and provide sustainable growth programs through both online and in-person training, as well as special lectures**, including: the programs of Social Banking, Personal Data Protection Act, B.E. 2562, Information Security Awareness, The Pandemic of Phishing, Regulatory Technology, Sustainable Development, covering three dimensions of environmental, social, and governance (ESG), Zero Waste, How to Invest, 4 Ways towards Wealth, etc.
- **Provide knowledge concerning well-being and safety, as well as workplace ergonomics,** such as Workplace Safety for Workplace Happiness, Managing Mental Health in the Workplace, CPR/AED Training under the CPR/AED Champion Project, a micro-learning program related to ergonomics.

Performance

Human resource development awards

- Global MIKE Award 2020 and the 5 Most Outstanding Winners of the Global MIKE Award 2020 from Global MIKE Study Group (GMSG)
- Thailand Gold MIKE Award 2020 from the Institute for Knowledge and Innovation Southeast Asia (IKI-SEA), Bangkok University
- Thailand Best Employer Brand Awards 2020 from the Employer Branding Institute

Hours of training per employee: 51.53

Krungsri employees passing compulsory programs:
100 percent (or 99.83 percent including employees under special conditions*)

Branch employees who were recruited in 2020 and passed the training and/or tests of the Market Conduct program: 100 percent

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 terminal illness and retired employees

Krungsri Orientation:

A training program about the Bank's general information, such as history, regulations, and requirements in the workplace, employee benefits, etc., which need to be attended by newly-recruited employees within 119 days starting from their first day of work

Target

100 percent of new employees can pass the program.

Performance

353 new employees (100 percent) recruited in 2020 passed the program.

Compulsory programs [1/]:

14 programs

Target:

- 100 percent of new employees [2/] can pass the programs.
- 100 percent of existing employees can pass the programs upon due dates of refresher training

Performance

- 100 percent of new employees could pass the programs.
- 100 percent of existing employees could pass the compulsory programs (or 97.05 percent including employees under special conditions [3/])
- In 2020, Krungsri added Operational Risk Management Awareness, a new program, in the Compliance & Good Corporate Citizenship module, so that employees would have common awareness and understanding of the operational risk management in accordance with the Bank of Thailand's regulations. In this regard, the Bank put in place communication and follow-up processes in order to achieve the target of 100 percent employees passing the compulsory programs

Remarks:
[1/] The compulsory program 'AML/CTPF' held by the Thai Banking Academy (TBAC) under the Thai Bankers' Association
[2/] New employees refer to employees starting their job in 2020 and passing the probationary period (119 days)
[3/] 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 and retired employees

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)

Details

The 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) was stipulated as a compulsory program for employees preparing or controlling the preparation of reports, transactions, KYC and CDD. The program is available from September 2020 to April 2021, through the TBAC-KS Community of the Thai Banking Academy (TBAC) under the Thai Bankers' Association, in accordance with the training plan approved by the AMLO.

Performance

In 2020, the program was made available in four classes, with 5,385 employees passing the program. In 2021, at least three classes of the program are expected to be organized from January to April 2021.

Achieving Everyday Success

Details

The program was designed to enhance key skills and create core values as well as leadership, so that employees would be able to deliver their daily performance smoothly and successfully.

Performance

19 courses were included in the Annual Training Calendar with 29 classes held, while there were five courses available online.

Striving Beyond Your Best

Details

The program was designed to enhance staff skills and performance by boosting their efficiency, as well as self- and team-effectiveness, and consequently business effectiveness.

Performance

22 courses were included in the Annual Training Calendar with 36 classes held, while there were 22 courses available online.

Getting Ready for Future

Details

The program was designed to prepare employees for their future work as they will be trained to level up their mindset, boost their required knowledge through upskilling and reskilling processes. Therefore, they would have more choices for future jobs. The program comprises following three sections:

- Customer Centricity: Delivering Customer Experience, Business Ecosystem, and Design Thinking
- Digital Capability: Digital Acumen, UX/UI, and Big Data & Data Science
- Agility: Agile Mindset/Thinking, and Openness to Change, Agility Leadership, Conceptual Thinking, and LEAN Start-up

Performance

19 courses were included in the Annual Training Calendar with 33 classes held, while there were 25 courses available online. In addition, five blended-learning programs were also held under the Digital Academy and Krungsri School of Data, in cooperation with leading training institutions, comprising the programs of Data Analytics Boot Camp, Data Science & Analytics for Risk Management, Productivity Improvement Pathway, Krungsri Data Learning Fest Weeks, and 10x Innovative Growth with BMC (Business Model Canvas).

Winning Business Challenges

Details

The program was designed to provide relevant insights in bracing and coping with business challenges.

Performance

Eight courses were included in the Annual Training Calendar with 9 classes held, while there were 25 courses available online.

Growing Expertise

Details

The program was designed to enhance specific areas of expertise, including professionalism and service excellence for specific groups of staff. The program objective is to promote the Bank's strategy of customer centricity and impressive customer experience. This program is separated into 17 sub-programs.

Performance

17 sub-programs were provided with a total of 211 courses* and 1,823 classes (*only planned courses, excluding additional courses provided during the year)

Succession Plan

Details

Succession planning is carried out to identify and develop successors who can replace those outgoing executives in positions essential to the Bank's operations for business continuity and appropriateness. The established succession plans are reviewed annually.

Target

100 percent succession for key positions

Performance

Succession plans for 100 percent of key positions were created.

Leading to the NEXT Level

Details

This leadership program was designed to take employees to the next level, comprising:

- TRANSCEND: A nine-month program jointly developed by the Bank and Harvard Business Publishing for Division Heads or equivalents
- TRANSITION: A four-month program jointly developed by the Bank and Sasin School of Management for Section Heads or equivalents

There are also other short programs jointly developed by the Bank and MUFG, available for senior management.

Performance

- TRANSCEND: 46 executives attending Class 2 were assigned to initiate and propose eight projects designed to improve the Bank's operations.
- TRANSITION: 38 executives attending Class 1
- Short programs for senior management developed by MUFG
- Global Executive Officer (EO) by MUFG: 1 executive
- Global Leaders Forum (LF) by MUFG: 2 executives
- Global Leadership Enterprise-wide Accelerated Development (LEAD) by MUFG: 1 executive

Individual Development for Senior Management, including Talents and Successors

Details

This is part of the succession planning to seek successors who can replace those outgoing executives in positions essential to the Bank's operations.

Performance

- Conducted 360-degree performance assessment for senior management, talents and successors, totaling 365 persons, and the assessment of strengths, totaling 421 persons
- Developed individual development plan for senior management, talents, and successors, totaling 403 persons
- Provided the Leadership Development Program, totaling 40 courses for 700 employees
- Provided the Executive Coaching program for successors
- Four management joined the program of senior management development and networking in MUFG
- Held a knowledge sharing and networking activity among Division Heads, twice

Blended Learning Solutions and Pathway

Details

To maximize learning potential and cooperation through the '70-20-10' concept to yield achievements worth investment and learning effectiveness, focusing on boosting individual productivity and work efficiency

Performance

Promoted blended-learning programs, namely Data Analytics Boot Camp, Data Science & Analytics for Risk Management, and Productivity Improvement Pathway, which helped boost individual productivity and work efficiency

e-Learning Programs

Details

These programs provide an opportunity for Krungsri staff's continuous learning and self-development, while improving their learning agility and promoting the engagement of the younger generation through digital learning. During the COVID-19 crisis, more than 1,000 online programs are available for selection through diverse learning platforms. The online training programs developed by Krungsri Group, as well as those provided by training institutions through external platforms via personal computers, smartphones, and tablets are aimed for knowledge enhancement in a convenient and boundless manner.

Performance

Online training programs in 2020 were made available through following platforms:



- 115 e-learning programs via KLC
- 168 programs via Superskill by KS x Brighterbee
- 27 programs via TBAC-KS Community
- More than 500 financial programs via Growing Expertise by MUFG Global
- Financial and investment programs through the SET e-learning system
- Gartner Corporate Leadership Council (CLC), with diverse learning approaches including articles, case studies, and webinars
- Gartner Retail Banking Leadership Council (RBLC), with diverse learning approaches including articles, case studies, and webinars
- Krungsri e-Library by GALE offering more than 5,000 e-books and e-journals
- SkillSoft, available for three months with a total of more than 10,000 programs
- DataCamp, available for one months with a total of more than 300 programs

Branch Career Program

Details

The program was initiated to support branch staff's career growth and to prepare the Bank's personnel for the future, stipulating and clearly communicating career growth and criteria for job rotation and promotions, with qualification screening process, tests, interviews, and training

Performance

Due to the COVID-19 crisis in 2020, tests were taken by 317 employees via KLC with authentication and test control through webinars using Microsoft Teams in November.

Market Conduct and other Related Programs

Details

These programs are developed and reviewed to provide branch staff knowledge and understanding of market conduct practices for consumer protection that promotes sustainable banking

Performance

Programs made available in 2020 include:

- Workshop: 9 steps for selling mutual funds (Market Conduct 2020)
- Branch Operational Risk and Market Conduct 2020
- Operational Risk Management in compliance with market conduct
- New Hire Orientation Program for BWO: Market conduct and a test
- New Hire Orientation Program for CSR: Market conduct and a test
- CSR Preparation: Market conduct
- New Hire Orientation Program for UTL: Market conduct and a test
- Orientation Program for New BM: Market conduct
- Other training courses regarding diverse products with roleplay workshops in market conduct for sales practices

In addition, other related tests for branch staff members via KLC, including the market conduct test (monthly), the Operational Risk & Market Conduct 1/2020 test, and the market conduct tests for BM, ABM, CSR, BWO, BDO.

ESG Practices toward 'Sustainable Development', and Learning and Special Lectures by External Organizations

Details

Programs that promote sustainable development concerning environmental, social and governance (ESG) aspects are developed.

Performance

Programs made available in 2020 include Sustainable Waste Management, jointly developed with GEPP Sa-Ard to provided knowledge about waste management and benefits based on the data by Thailand Responsible Business Network (TRBN); An overview of ESG and sustainable banking development (for EVPs level), jointly developed WWF; ESG and Sustainable Banking Development, including response to the COVID-19 situation; Preliminary to Corporate Sustainability; Japanese Refresh Course 2020: Customer Experience / Retail & Corporate Sustainable Growth; Sustainability Risk and Materiality Analysis; Environmental, Social, and Governance (ESG) Fundamentals; Agile Practices with Kanban for ESG; ESG & SRI Investing (Digital Learning), etc.

Online and In-Person Training Programs, and Special Lectures Regarding Cybersecurity and Personal Data Protection for Business

Details

The Bank puts a high priority on developing training programs for the Board of Directors, management, and staff particularly those who carry out IT-related operations to raise their awareness of cybersecurity at present and potential cyberthreats in the future. Knowledge about the country's IT standards and regulatory requirements is provided, while promoting best practices among related operating officers in accordance with their cybersecurity roles and responsibilities.

Performance

Provided seven online programs: 1) 2020 - Policy for Enterprise Information Security; 2) 2020 - Policy for Information Security; 3) Phishing e-mail; 4) Understand Phishing e-mail; 5) Digital ID; 6) Cybersecurity; and 7) Digital Readiness

In addition, there were also special training courses and briefings for the Board of Directors, management, and staff members, as well as employees who carry out IT-related operations, such as Information Security Awareness; The Pandemic of Phishing IT; Regulation, Compliance, and Security Management; Data Security and Governance; An Executive's Guide to Security: Understanding Security Threats, etc.

Online and In-Person Training Programs, and Special Briefings Regarding the Personal Data Protection Act

Details

The programs are developed to provide management and staff members knowledge and understanding of the Personal Data Protection Act, so that they can accurately analyze related impacts and operate in compliance with the law.

Performance

Four in-person training programs and special lectures were made available as follows: 1) PDPA for Every Work & Life; 2) PDPA Awareness Training for Management; 3) Personal Data Protection Act (PDPA); 4) PDPA for IT Management; 5) The Personal Data Protection Act B.E. 2562 (2019): Procedures and Practices (PDPA 14). In 2020, the Bank developed and stipulated the Personal Data Protection (Personal Data Protection Act: PDPA) as the compulsory e-learning program

Well-being and Safety, and Workplace Ergonomics

Details

The programs focuses on staff well-being and safety, as well as workplace ergonomics.

Performance

The programs include Workplace Safety for Workplace Happiness, Managing Mental Health in the Workplace, CPR/AED training under the CPR/AED Champion Project, as well as micro learning programs, namely the AED use guideline to increase chances of survival, warning signs of a stroke – the sooner, the better, checking symptoms of acute myocardial infarction – the sooner you treat, the safer for you and those close to you, care of an unconscious patient, and understanding the operations of CPR/AED Champions and related persons.



Fair Labor Practices and Respect for Human Rights

Krungsri 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 compliance with international regulatory requirements and principles regarding labor and human rights. This covers issues of employment, fair compensation, appropriate labor welfare, the promotion of freedom of association and collective bargaining, and employee engagement. These factors are key to maximum employee efficiency and happiness. Eventually, fair treatment of employees and respect for human rights would help drive business development in compliance with human rights principles, while also boosting competitiveness for the organization toward sustainable growth.

Management Approaches

The Bank and companies in the Financial Business Group place emphasis on fair treatment of employees and respect for human rights with following management approaches:

Human Rights, Employment, and Workplace Diversity

- Promulgate the '**Human Rights Disclosure Statement**' in 2018 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 with the international sustainable issues and targets.
- Establish the '**Human Resources Committee**' to give advice concerning the Human Resource Policy and any significant changes regarding human resource matters of the Bank and companies in the Financial Business 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 the Bank and companies in the Financial Business Group to ensure the aforementioned 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 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. 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 '**Guidelines on Fair Hiring Practices**' covering full-time employees, short-term employees, advisors, specialists, and outsourced staff taking into account fair recruitment and employment, 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 and Kingdom of Cambodia
- Formulate a termination guideline where 'terminated' employees are notified by the Human Resources Group before their payday for that month so that the effective date of termination falls on the payday of the following month. In addition, severance is paid to such employees as per legal requirements to ensure fair treatment. Any change according to the period of negotiation between the Bank and the labor union will be based on the length of the period of the relevant agreement.

Compensation and Benefits

- 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/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
- 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 good operating performance. The benefit can be categorized into seven programs as follows:
  1. Health and insurance packages comprise:
     - Group health insurance, life insurance, total permanent disability insurance, and personal accident insurance
     - Health insurance and COVID-19 life insurance for employees in 2020 and 2021
     - Annual check-up and additional health packages for employees who may be exposed to health risks arising from work, such as employees under the Domestic Cheque Operations Department
     - Influenza vaccination program offered to the Bank's employees at a special price
     - 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 08.30 to 16.30 hr. on business days.
     - 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. The information of the employees will be treated confidentially 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 or on a face-to-face meeting 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 hr. when the mental health specialists will be available to provide the service at least one day per week.

- Communicate and impose preventive measures for the COVID-19 pandemic among employees. Examples include disseminating precautionary measures and knowledge on the pandemic via the Bank's many channels; encouraging employees to work from home to reduce crowding in common areas and mitigate risk of COVID-19 transmission; providing appropriate protective devices; putting in place temperature checks for employees and customers before they enter the workplaces; providing alcohol-based hand sanitizers at diverse common areas; and carrying out ozone treatment on a regular basis. Employees suspected of COVID-19 infection are immediately required to be tested for the virus. (For more information, please refer to the topic 'Occupational Health, Safety, and Working Environment')

2. **Financial benefits** such as home rental allowances; extra allowances for employees at the branches in high living cost areas; extra allowances for the officers at the branches that are open six or seven days a week for service; child education allowances; 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; mobile phone allowances
3. **Employee loans** such as welfare loans; housing loans; family loans; computer loans; education loans; car or motorcycle loans; and other loans
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, deaths, 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 deaths as a result of a work-related cause. This benefit is an addition to 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 (HR Inspires: WE Care), One Krungsri Portal (Intranet), Krungsri People Application, WE Connect Application
- 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 hr., 08.00-17.00 hr., 09.00-18.00 hr., and 09.30-18.30 hr.
- Provide other facilities in the office to promote employees' well-being namely;
  - Facility for religious activities such as prayer rooms for Buddhists and Muslims
  - Facility for employees and children such as a maternity room and the Krungsri Child Care center
  - Facility for occupational health and wellness such as Krungsri Canteen, Krungsri Fitness Center with trainers available for giving advice of fitness equipment safety and opening hours of 06.30-21.00 hr. on Monday to Friday, the Oasis corner, and Krungsri D-Space
- 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 employees at all levels shall be evaluated using KPIs and Krungsri Core Values criteria covering six aspects namely Customer Centricity, Integrity, Team Spirit, Passion for Excellence, Making Innovative Changes, and Global Awareness. The said results will be used to summarize the overall performance of each employee. Furthermore, the aforementioned 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 target

Score	Indicators	Definition of indicators
100%	Financial KPIs	
	The Financial KPIs consist 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, 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 such as initiative, strategy, process improvement, business process innovation.
	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

- 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.
- Conduct an survey of employee satisfaction toward Krungsri as an employer of choice by the Human Resources Group, of which results will be used to improve the workplace environment, employee benefits, workplace facilities, etc.
- 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 the occasion of Krungsri's establishment anniversary, Krungsri D: Market with quality and inexpensive products sold for employees, Pay Day Play Day with a quiz game relating to the Bank's basic information, and 'One Krungsri' with a quiz game relating to Krungsri's core values.
- 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.

Freedom of Association and Collective Bargaining

- Promote and offer an opportunity to employees to join together 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); encourage employees to exchange opinions with the Bank; and create good labor practice in the organization. A meeting between the Krungsri Labor Union Committee and the Human Resources Group was organized to discuss about problems related to environment and employee benefits as well as provide recommendations beneficial to the Bank's employees.



Listening to Employee Voice

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

Issues	Channels
Issues about working, employment, termination of employment, breach of human rights, discrimination, employee ethics, and integrity	**Employee Relations and Disciplinary Procedure Department**, 12th Floor, Head Office, Tel. 0-2296-2000, Ext. 72836
A center to provide services and advice related to personal, welfare, and workplace environmental issues	**HR Service** 12th Floor, Head Office, Tel. 0-2296-2000, Ext. 85577

Channel for filing complaints with regard to employment and workplace issues



Performance

Total workforce of Krungsri Group:

36,003* persons

* This number includes permanent and temporary employees of the Bank, subsidiaries, and joint ventures



Diversity in the workplace

Krungsri's permanent employees: **14,711** persons



Gender	Age range	Race	Religion
Male 30.45 %	< 30 years 11.63 %	Thai 99.36 %	Buddhists 96.55 %
Female 69.55 %	30-50 years 67.69 %	Japanese 0.40 %	Christians 1.37 %
	> 50 years 20.68 %	Chinese 0.05 %	Muslims 1.54 %
		Indian 0.01 %	Others 0.53 %
		Others 0.18 %	

Meeting of the Nomination and Remuneration Committee

Target

At least one meeting per quarter

Performance

A total of 15 meetings were held.

Meeting of the Human Resources Committee

Target

At least one meeting per month

Performance

A total of 18 meetings were held.

Meeting of the Incentive Committee

Target

At least one meeting per year

Performance

A total of six meetings were held.

Meeting of the Krungsri Labor Union

Target

The meeting shall be organized on a regular basis.

Performance

A total of four meetings were held.

Group Health Insurance Plans

Target

Provide 100 percent of eligible employees group health insurance plans

Performance

Provided 100 percent of eligible employees group health insurance plans. In 2020, the Bank also provided the 'Flexible Group Health Insurance Plan' with six sub-plans for employees of Plan 1 (Officer 1-6) and seven sub-plans for those of Plan 2 (Officer 7-8) to enable them to choose the insurance plan that best suits their needs

Influenza Vaccination Service

Target

Survey demands of employees at Krungsri's Head Office, Krungsri Ploenchit Office (KSPO), and SSP Tower, as well as branch employees, for the on-site influenza vaccinations in the 2019 Southern Hemisphere Influenza Season according to the recommendation of the World Health Organization (WHO). Vaccination for four types of influenza namely H1N1 (2015), H3N2 (2017), B/Victoria, and B/Yamagata was given to the Bank's employees and their family as requested.

Performance

In June 2020, the Bank offered on-site influenza vaccinations to employees at the Rama III Head Office, Krungsri Ploenchit Office, and SSP Tower. For branch employees, the Bank sent local nurses to administer the vaccinations.

Annual Health Check-up

Target

- Communicate to and provide employees annual health check-up packages, as well as provide vulnerable employees, who may expose to the risks arising from work, additional health examination packages
- No health issues regarding the respiratory system, hearing levels, and the lead level in the blood circulation system are found in 100 percent of vulnerable employees.

Performance

- The Bank's employees underwent annual health check-ups, available from July 1, 2020 to February 15, 2021 as per the Bank's conditions. Due to the COVID-19 pandemic, the annual health check-up period was extended for employees' convenience and safety.
- 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.

COVID-19 Insurance

Target

Provide 100 percent of eligible employees a COVID-19 insurance plan

Performance

Provided 100 percent of eligible employees a COVID-19 insurance plan for coverage starting March 20, 2020 and running through March 19, 2021

Krungsri Fitness Center

Target

Employees use Krungsri Fitness Center services at least 40,000 times per year

Performance

In 2020, there were 960 employees using Krungsri Fitness Center services 17,996 times or an average of 118 times per day. In this regard, the number of service uses is below the target due to the COVID-19 pandemic.

Krungsri Club

Target

At least 1,500 employees apply for membership of diverse clubs.

Performance

- In 2020, there were a total of 12 clubs, namely the bike club, tennis club, soccer club, photography club, Krungsri running club, badminton club, music club, volunteer club, basketball club, shooting club, table tennis club, and people-who-love-to-share club.
- There were 1,365 employees applying for memberships of these clubs. In this regard, the number of club members was lower than expected due mainly to the COVID-19 pandemic which caused club activities to be postponed or cancelled.

Listening to Employee Voices

Target

There is no complaints related to human rights, discrimination, breach of the right to personal liberty of employees.

Performance

In 2020, there was no complaints related to human rights, discrimination, breach of the right to personal liberty of employees.

Occupational Health, Safety, and Working Environment

The occupational health, safety, and working environment management is considered crucial for every organization. Inefficient management of these issues could spell trouble for quality of life and workplace safety of employees and other related parties, such as external outsourced service providers, goods and service providers, suppliers, etc., while leading to noncompliance with related regulatory requirements and consequently being fined or punished, or business disruptions. Other impacts include reputation and image, as well as well-being of employees' family and other related parties.

Krungsri therefore maintains safe and secure workplaces for staff and related parties, namely the Head Office, Krungsri Ploenchit Office, the Bank's branches, etc., providing the workplace environment that is healthy and safe, in compliance with related laws, regulations, and requirements to mitigate potential risks and dangers.

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 for the Administration and Management of Occupational Safety, Health and Environment, B.E. 2549
- Stipulate the '**policy for Environment, Well-being, and Safety**' as a guideline in establishing workplace well-being and safety measures. 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.
- Hold consistent training sessions regarding workplace well-being and safety to mitigate risks concerning occupational health and safety, such as the CPR/AED Champion Project, etc.
- Organize projects or activities to consistently communicate with employees about workplace well-being, safety, and environment, particularly rehearsing and communicating with staff and related parties before starting projects or activities
- Control and assess workplace environment, and also file information about employees' and related parties' work-related injuries, accidents, and illness
- Keep personal data regarding employees' and related parties' work-related health and illness confidential taking into account their privacy and human rights
- 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
- Provide Krungsri Clinic at the Head Office, 19th floor, and Krungsri Ploenchit Office, 12th floor, with physicians and nurses available for initial treatments
- 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, so that they can be prepared and protect themselves when commuting to outside the buildings
- Provide channels for workplace well-being, safety, and environment complaints as employees can make complaints regarding workplace well-being, safety, and environment through the email committee.Safety@krungsri.com

2020 marked one of the most challenging years for the occupational health, safety, and working environment management amid the COVID-19 pandemic. Krungsri places great emphasis on quality of life and workplace safety of employees and related parties, therefore stipulating the '**guideline for managing risks related to operational health and workplace safety amid the COVID-19 pandemic**' as follows:

- Establish '**Crisis Management Team**' responsible for managing the situation of emerging infectious disease, comprising the Crisis Management Steering Committee, the Crisis Manager, and the Crisis Management Working Team which monitor the situation and progress of action plans and support the working team in their operations during the pandemic

- Appoint the Chief Information Officer (CIO) as the Crisis Leader of the Crisis Management Steering Committee, who needs to report directly to the President and Chief Executive Officer
- Stipulate that the 'Crisis Management Working Team' shall comprise following sub-teams:
  - The KS COVID-19 War Room Team comprises the risk management team, operation team, IT team, IT security team, and human resource team, and performs as a data center, reports suspicious infections, investigates infection cases, records and reports to the Command Leader, and also assigns working teams to take actions in solving problems and follow up on progress until completion.
  - The KS COVID-19 Communication Command Center Team comprises the Head of Information Technology and Operations, Head of Retail Banking and Distribution Group, Head of Corporate Strategy and Planning Group, and the support team which include the team responsible for communications of the Bank and companies in the Financial Business Group to centralize the process and data for communications. The Command Leader will make decisions before communicating to internal and external stakeholders, such as employees, suppliers, customers, shareholders, etc.

Performance

Occupational Health and Safety Data*	Unit	2018	2019	2020
Injury Rate (IR)	The number of persons per 200,000 hours worked	0.00	0.00	0.00
Lost Time Injury Rate (LTIR)	The number of persons per 200,000 hours worked	0.01	0.02	0.01
Lost Day Injury Rate (LDIR)	The number of lost days per 200,000 hours worked	0.31	0.44	0.43
Occupational Disease Rate (ODR)	The number of persons per 200,000 hours worked	0.00	0.00	0.00

Remarks:
Injury Rate (IR) = (Number of persons injured from all types of injuries * 200,000 hours worked) / total employees' hours worked
Lost Time Injury Rate (LTIR) = (Number of injured persons who need days off * 200,000 hours worked) / total employees' hours worked
Lost Day Injury Rate (LDIR) = (Number of days off due to injuries * 200,000 hours worked) / total employees' hours worked
Occupational Disease Rate (ODR) = (Number of persons with occupational diseases * 200,000 hours worked) / total employees' hours worked

Meeting of the Safety, Occupational Health and Environment Committee

Target

At least one meeting per month in compliance with the appointment directive and regulation of the Safety, Occupational Health and Environment Committee

Performance

11 meetings were held in 2020 (one meeting was postponed in December due to the new wave of COVID-19 pandemic) to follow up on operations of safety, occupational health, and environment of the past month, including potential risks and preventive solutions for potential incidents, and to supervise the Bank's compliance with regulatory requirements related to workplace environment, well-being, and safety.

Air Quality Assessment

Target

To assess and control air quality in the building to be at par with the ASHRAE Standard 62 (American Society of Heating Refrigerating and Air Conditioning Engineers) with CO_2 levels not exceeding the standard limit of 1,000 PPM*

Performance

Assessment was carried out during 10.00-12.00 hr. on each working day amounting to 10 floors per week at the Head Office (Rama III) and Krungsri Ploenchit Office (KSPO). The air quality assessment in the these building showed CO_2 levels at below 1,000 PPM*.

Remark:

* Part Per Million (PPM) refers to the amount of pollutant gases expressed in parts per million parts of air.

Health Risk Assessment Among High-risk Employees

Target

Employees of document collection functions, under the Domestic Cheque Operations Department, are among the employees who are at high risk of developing respiratory diseases due to their exposure to toxic substances of paper pulp. The Bank, therefore, has them undertake annual health check-ups and closely monitor impacts on their health.

Performance

In 2020, health check-up results of eight employees, comprising six males and two females, of document collection functions, under the Domestic Cheque Operations Department, showed that all of them are normally healthy.

Fire Evacuation Drills

Target

To ensure that employees learn about fire safety best practices and to comply with the Ministerial Regulations: The Standard For Service, Management, And Proceeding On Occupational Safety, Health And Environment At A Workplace For Prevention And Extinguishment Of Fire, B.E. 2555 (2012) which requires the Bank to undertake a fire evacuation drill at least once a year.

Performance

In 2020, fire evacuation drills were carried out as follows:

- Bangna Tower on October 16, 2020
- Ploenchit Tower on November 26, 2020
- Tonson Tower on November 27, 2020

The fire evacuation drills were also scheduled for the Head Office (Rama III), Krungsri Ploenchit Office (KSPO) on December 22 and 23, 2020, respectively, but could not be carried out due to the new round of COVID-19 pandemic.

Robbery Simulation Drills at Branches

Target

To ensure that branch employees learn about best practices for emergency response by organizing robbery simulation drills at least once a year at the Bank's branches

Performance

In 2020, robbery simulation drills were organized in two branches, namely Phanom Sarakham Branch, Chachoengsao, and Ayutthaya Branch, Phra Nakhon Si Ayutthaya

Handgun Shooting Drill among Branch Security Guards

Target

To ensure that branch security guards learn about accurate and safe emergency response procedures, and be able to use handguns with safety and accuracy by organizing handgun shooting drills at least once a year at the Bank's branches

Performance

In 2020, 22 handgun shooting drills were carried out for security guards overseeing branches in all regions.

CPR/AED Champion Project

This project is aimed to ensures that employees receive first-aid and emergency response training and are able to perform life-saving first aid for persons with sudden cardiac arrest, while being able to reach out for help by making emergency calls (e.g. Tel.1669) to safely help themselves or others, including colleagues, customers, the general public using our branch services, etc. Also, this project is made available in commemoration of the late Mr. Veraphan Teepsuwan, the Bank's Former Chairman.

Target

Organize the 'life-saving first aid training sessions for the general public', Class 2, under the CPR/AED Champion Project (2020) as stipulated in the plan



Performance

Four life-saving first aid training sessions were organized on November 14, 2020 (morning and afternoon sessions) and November 21, 2020 (morning and afternoon sessions), and attended by 285 persons, integrating theory and practice of giving Cardiopulmonary Resuscitation (CPR) and using the Automated External Defibrillator (AED) which are life-saving first aid for persons with sudden cardiac arrest.

Timely Response to the COVID-19 Pandemic

Monitoring developments of the COVID-19 pandemic, the Bank took care of employees' health and safety, including that of persons carrying out operations in the Bank's premises. For maximum effectiveness of precautionary measures in tandem with the current situations, the Bank imposed COVID-19 preventive measures in compliance with the COVID-19 prevention and control measures of the Department of Disease Control, Ministry of Public Health, the Communicable Disease Act B.E. 2558 (2015), and other related regulatory requirements.

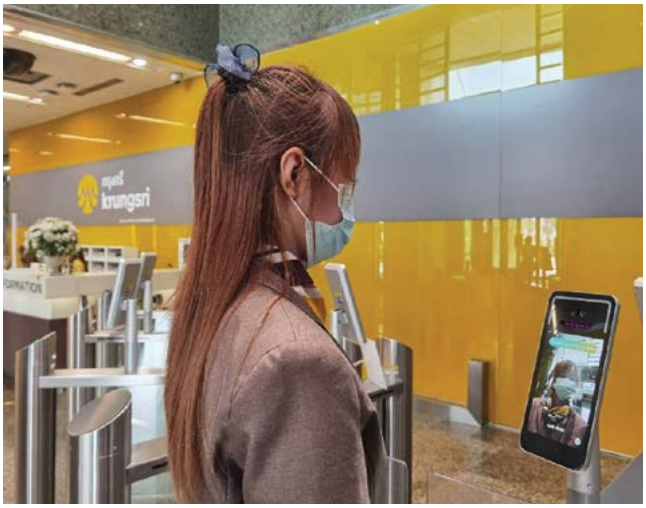
Performance

1. Human resources
    - Created understanding among employees and prepared them to cope with the newly emerging infectious disease through email titled Internal Communications (COVID-19 Today), the We Connect application, the 'Humans of Krungsri' LINE account, and announcements via Krungsri's public address system
    - Prepared protective equipment for employees sufficient for preventing infections, such as face masks, disposable gloves, alcohol-based hand sanitizers, etc.
    - Imposed a measure wherein the name list of employees traveling to and from high-risk provinces and/or countries with the spread of emerging infectious diseases must be reported
    - Imposed a measure with regulations regarding employees planning to travel to provinces and/or countries with the spread of emerging infectious diseases
    - Imposed a measure for high-risk employees, such as elderly employees, employees with illnesses, pregnant employees, etc., to prevent the spread of emerging infectious diseases
    - Imposed a measure to allow employees to work from home (WFH)
    - Imposed a measure regarding meetings among staff and related parties, such as the use of meeting rooms, the appropriate number of attendees, during the spread of emerging infectious diseases, encouraging online meetings, etc.
    - Provided a health insurance policy covering COVID-19 based on employees' current insurance plans, so that employees are confident in safety and have lower healthcare expenses (if any)
2. Premises
    - Strictly imposed a building entrance and exit security measure, including prohibiting staff or visitors having symptoms indicating illnesses to enter the Banks' buildings, while requiring them to immediately see the doctor and report physical examination results
    - Provided strict exit and entry screening by installing thermal imaging cameras supervised by officials to screen employees and visitors at exit and entry checkpoints of Krungsri's buildings

- Installed facial recognition scanners at exits and entrances of the Head Office and Krungsri Ploenchit Office (KSPO) to mitigate the risk arising from touching employee ID cards at the exits and entrances
- Changed 133 door exit buttons at each floor of the Head Office and Krungsri Ploenchit Office (KSPO) to infrared sensor no touch exit buttons to mitigate the risk arising from touching the door exit buttons



- Provided sufficient alcohol-based hand sanitizers at diverse areas, including elevator halls, reception counters, etc., and had elevator areas regularly cleaned
- Imposed social distancing measures in shared spaces of the Bank's buildings, including elevators, meeting rooms, canteens, the fitness center, other shared spaces which could be the vectors of the spread of virus in the office, as well as shutter vans between buildings, while some shared spaces were omitted from usage in accordance with the situation.
- Communicated, notified, and firmly insisted roles and duties of security and related officials who need to strictly comply with the Bank's preventive measures during the spread of COVID-19
- Provided cleaning staff training sessions regarding emerging infectious diseases



- Provided and facilitated office equipment, such as tables, chairs, for alternative sites in supporting split team arrangement and preventing crowded workplaces and the spread of emerging infectious diseases
- Prepared and supervised the installation and provision of office equipment and devices to make them available for use at the Bank's alternative sites, such as the repairmen of air conditioners, office equipment changes, etc.
- Prepared and proceeded with cleaning the floors where COVID-19 patients are detected every day until the infectious period ends

Occupational Health, Safety, and Working Environment Complaints

Target

In case of employee complaints made, the Safety, Occupational Health and Environment Committee would discuss the complaints in the meeting to seek relevant solutions. The committee targeted to see no complaints regarding workplace well-being, safety, and environment.

Performance

In 2020, no complaints regarding workplace well-being, safety, and environment were made.

Stakeholder Engagement

Stakeholder engagement and collaboration significantly define the success of an organization at any scale. Placing high fairness-based value on all stakeholders, Krungsri has established processes that build meaningful stakeholder engagement focusing on their very own expectations on the Bank's operations, on the economic, social, and environmental dimensions, including issues that could spill over into the Bank's business capabilities. The Bank takes these expectations into account while making strategic business decisions, so that we would be able to respond to expectations across all stakeholder groups, internal and external, mitigate potential risks and adverse impacts to promote sustainable success, and to create shared value for communities and society.

Management Approaches

- The Bank ensures that the stakeholder analysis and prioritization process are in place taking into account diverse relevant factors, including the context of relationships with stakeholders and 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 aspects, mutual dependency, codes of conduct, and responsibility toward stakeholders. Krungsri categorizes stakeholders into nine groups: executives and employees, customers, shareholders, suppliers and vendors, creditors, regulators supervising commercial banks and listed companies, investors, other commercial banks or financial institutions, and communities and society.



- All of the Bank's business units are required to conduct stakeholder analysis concerning their respective operations, while considering 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, to stipulate appropriate operating guidelines and participation. Therefore, we can properly respond to the interests and expectations of each stakeholder group.

Stakeholder Engagement Process

Executives and Employees

Interests and Expectations

- Clear business direction and goals
- 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

Engagement and Communication Channels

- New employee orientation
- Town Hall Meeting held once a year
- Krungsri Leadership Meeting held once a year
- Meetings for discussion among executives and employees in the same and different divisions
- Year-round communications among the Human Resources Management Division, executives and employees through diverse activities and/or channels, such as the 'HR Inspires' email, the 'Humans of Krungsri' LINE account, etc.
- Activities to promote organizational culture and core values
- Engagement activities of the Bank, executives and employees in diverse opportunities, e.g., New Year parties, the Songkran Festival, retirement parties, and team building or engagement activities.
- Employee opinion surveys
- Monthly meeting with representatives of Bank of Ayudhya's labor union
- Monthly message from the President and Chief Executive Officer
- Internal communications via diverse channels, e.g., the intranet 'One Krungsri Portal', application 'WE Connect', e-magazine 'Krungsri Life', e-newsletter 'Around Krungsri' and 'ESG Flash', and announcements via a public address (PA) system

- View sharing between external experts and the Bank's executives and employees

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, such as stipulating appropriate remuneration and benefits in accordance with economic conditions, etc.
- Listening to employee complaints via the Bank's complaint channels, e.g., HR Service, and Whistleblowing Channel.
- Engagement activities between executives and employees

Customers

(Corporate, SME, and Retail)

Interests and Expectations

- Provision of accurate and complete information of products and services
- Provision of appropriate products and services which match customer needs
- Professional and speedy services
- Advice about diverse financial service, particularly those on the online channels, websites, and in smartphone applications
- Customers' rights and personal data protection

Engagement and Communication Channels

- Provision of officials to facilitate customer convenience and to socialize with customers, including customer visits as appropriate and needed, such as relationship managers (RMs)
- Annual customer satisfaction survey conducted at least once a year
- Communication about product and service information via diverse channels including Krungsri's website (www.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.
- Krungsri Call Center, Tel. 1572

Approaches and Responses

- Fair treatment of customers
- Maintaining customers' personal data protection with utmost care
- Maintaining cybersecurity
- 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), Krungsri Online, and Krungsri Biz Online, QR Code payment via Krungsri Mung-Mee, and the website www.krungsri.com.
- Provision of a whistleblowing channel and a customer complaint resolution process (CCRP)

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 Annual Registration Statement (Form 56-1), annual report (56-2), and sustainability report (once a year)
- Information dissemination through the website www.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 via diverse channels
- Provision of a whistleblowing channel

Suppliers and Vendors

Interests and Expectations

- Fair and equitable treatment of suppliers and vendors
- Accurate and adequate information, and equal access to information
- Fair business partner 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, environmental and human rights disclosure statement
- Meetings between the Bank and suppliers and vendors
- Disclosure of suppliers' and vendors' codes of conduct via Krungsri's website (www.krungsri.com)
- Communication of the Thai Private Sector Collective Action Against Corruption (CAC) via email
- Notification of the gift and entertainment policy at least once a year particularly during the New Year festival via emails
- Supplier and vendor site visits

Approaches and Responses

- Fair and equal treatment for suppliers and vendors without discrimination
- Handling suppliers' and vendors' personal data with utmost security
- Fair trade
- 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 and vendors
- Keeping information received from suppliers and 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
- Meetings for view sharing and taking advice on diverse occasions

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,

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 relevant laws and regulations
- Transparency and disclosure
- Potential impacts caused by the Bank's operations on society and the environment

Engagement and Communication Channels

- Regular meetings and cooperation with, and reporting to regulators
- Meetings in important occasions for view sharing and taking advice
- Transparent 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
- 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
- Preparing press releases presenting Krungsri Group's financial status
- Reporting quarterly operating and financial results through the Stock Exchange of Thailand and Krungsri's website (www.krungsri.com)
- Notifying news about the Bank's key developments via email on a year-round basis

Approaches and Responses

- Establishment of an investor relation unit responsible for information disclosure and contacting investors and securities analysts
- Good corporate governance and codes of conduct
- Anti-fraud and corruption policy
- Prudent risk management
- 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, e.g., preparing quarterly management discussion and analysis (MD&A)
- Provision of whistleblowing channels

Other Commercial Banks and 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 through the TBA's clubs including the CSR Club, and Compliance Club.
- Year-round communications among member banks through the TBA's clubs
- Regular meetings and communications 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

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 (SETH)
- 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*' 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.
- 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 Krungsri's website (www.krungsri.com), as well as provision of the sustainability report

Remark:

* For more information about the Sustainability Committee, please visit the website: https://www.krungsri.com/th/esg/sustainable-banking/committee

Community Participation and Social Engagement

Improvement of communities and society for a better quality of life and overall well-being, as well as the country's sustainable development, requires the integration of expertise and collaboration from all parties, namely the public and private sectors, and society. Krungsri therefore places emphasis on promoting social and environmental responsibility among all employees, as well as the volunteerism and participation of all executives and employees to join communities and society under the 'Simple to Share' concept through a range of projects and activities that cover economic, social, and environmental dimensions toward sustainable development goals.

In addition, Krungsri also seeks cooperation from external agencies and alliances, e.g. the Stock Exchange of Thailand, Thai Bankers' Association, Thai Red Cross Society, Social Enterprise Thailand Association, Department of Fine Arts, and foster homes, to leverage the synergy of their expertise in further enhancing existing projects and activities for a broader scope of positive impacts. This has been obvious amid the COVID-19 pandemic which has brought about challenging consequences globally. In light of this, urgent assistance was required by many communities and society. Krungsri believes that community participation and social engagement promoted consistently by the Bank would be a key driver to achieve strong and sustainable society and communities.

Management Approaches

The Bank has stipulated a corporate social responsibility framework called 'Krungsri's 4 CSR Pillars' for responding 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 sustainability among employees and executives, and promoting the long-term participation of stakeholders. Sustainability reports are also prepared in order to assess our performance and create stakeholder awareness.

Giving back to the community

Emphasizing the creation of community engagement both in the Bank's operating area and nationwide via CSR activities and projects

Preserving the environment

Focusing on the cultivation of environmental conservation habits and awareness via CSR activities and projects, and promoting eco-friendly operating processes

Providing financial support

Promoting support for and assistance to society in various forms such as scholarships, disaster relief, and donations to charitable organizations

Performance

Investments for community and social development *

7.18 million baht

Providing financial support *

39.15 million baht

6,487 Krungsri Group volunteers participated in CSR activities representing **16,750** volunteer hours

* Bank of Ayudhya and Subsidiaries

Creating Sustainability Value

Provision of training for executives and employees on ESG and the finance and banking business

Details

Placing importance on integrating environmental, social, and governance (ESG) considerations into operations toward the mission of sustainable banking, particularly issues related to the finance and banking business, the Environmental, Social and Governance Division, in collaboration with the Learning Solutions and Leadership Development Department, introduced online ESG training sessions for management and employees at all levels. Moreover, newly-recruited staff were also provided basic ESG knowledge during their orientation session.

Performance

- For employees, training on basic ESG knowledge, titled 'ESG Fundamentals', was provided on September 25, 2020, and attended by 68 employees.
- Management at the Executive Vice President (EVP) level or higher was provided a training session on November 6, 2020, titled 'Introduction to Sustainable Finance', presented by experts from WWF's Asia Sustainable Finance team and attended by 43 executives.

Training and educating employees on the topic of 'zero waste'

Details

Responding to environmental and climate change issues, Krungsri organizes staff training sessions to instill an environmental preservation mindset and create a correct understanding of waste problems and global warming, ultimately leading to waste management to help combat global warming by starting with internal collaboration.

Performance

In 2020, two of the 'zero waste' training sessions presented by speakers from Chulalongkorn University were held on July 20 and September 3, attended by 36 and 35 employees, respectively.

Giving Back to the Community

Krungsri Financial Literacy: 'Simple to Learn' Project

Details

Krungsri initiated the 'Krungsri Financial Literacy' project in 2015, underlining our commitment to promote basic financial knowledge and saving habits among primary school students in grades four to six nationwide. However, due to the COVID-19 pandemic, Krungsri adjusted the project accordingly, focusing on the safety of students and Krungsri volunteers, as well as the efficiency and effectiveness of the project.

Performance

In 2020, Krungsri, in collaboration with the Office of the Basic Education Commission (OBEC) and the Equitable Education Fund (EEF), introduced an animated financial literacy series titled, 'Simple to Learn – Stay Safe during COVID-19', for the benefit of more than 28,000 schools affiliated with both OBEC and EEF. (Please refer to the Financial Inclusion and Promotion of Financial Literacy for more details.)

Scan the QR code to watch the animated financial literacy series titled, 'Simple to Learn – Stay Safe during COVID-19'

'Money Smart Next-Gen' activity in collaboration with the Thai Bankers' Association

Details

Krungsri operated the project in collaboration with the Thai Bankers' Association and other commercial banks in Thailand for the third year. The project aims to promote the concept of smart savings and financial management for 20,000 university-level students nationwide.

Performance

In 2020, the project was adjusted to become virtual training due to the pandemic. Krungsri hosted the financial literacy activity for 176 students of Rajamangala University of Technology Krungthep, with the participation of 15 Krungsri volunteers, totaling 164 volunteer hours. (Please refer to the Financial Inclusion and Promotion of Financial Literacy for more details)

'Giving More...Receiving More' project promoting blood donation with the National Blood Center, Thai Red Cross Society

Details

Krungsri started this project in 2007 to promote the donation of blood, organs, and eyes to the Thai Red Cross Society to aid people in need. Due to the COVID-19 pandemic, when blood inventory proved insufficient for patient treatments, Krungsri organized blood donation drives, accounting for donor safety in strict compliance with preventive measures.



Performance

In 2020, Krungsri organized the 'Giving More…Receiving More' project under the title 'Krungsri Unite to Donate Blood in Fighting COVID-19' complying with preventive measures, including body temperature checkpoints, social distancing in the queuing areas and blood donor beds, disinfecting the beds each time after blood collection, etc., as follows:

- Blood, organ, and eye donation activities were held four times (every quarter) at Krungsri's Head Office.
- Four blood donation drives were also held at Krungsri Ploenchit Office (every quarter).
- Blood donation sites extended to 14 provincial branches (lower than the target of 15 branches due to the COVID-19 pandemic)
- 906,000 cc of blood was donated to the Thai Red Cross Society (lower than the target of 1 million cc due mainly to the COVID-19 pandemic that leads to the adjustment of blood donation activity with less donors and donor beds, reducing the total blood amount collected.)
- 40 organ donors and 48 eye donors
- 61 Krungsri volunteers facilitated the activities, totaling 488 volunteer hours.



"The blood drive in the new normal with a new standard and uncrowded place allows me to rest assured that I was safe when donating blood."

Khun Thidarat Sethavaravichit
Corporate Secretariat Department
(37th Donation at the Head Office)



"The blood donation was quite safe with the screening process starting when we entered the building while the team was very skillful. So I think there's no risk."

Khun Sittipon Samakkeenitch
Corporate Credit Analysis and Structuring Department 3
(2nd Donation at Krungsri Ploenchit Office)

Krungsri Breast Cancer Awareness Project

Details

Krungsri started this project in 2010 with the support of the Thanyarak Foundation under the Patronage of HRH The Princess Mother, which aims to support the country's public health strategy through diverse activities, including expert training in breast self-examination, along with providing free mobile mammography units and quality breast examination similar to that of the Thanyarak Foundation, etc.

Performance

In 2020, the COVID-19 pandemic caused the project to be adjusted with a field activity to provide knowledge and mobile mammography service in supporting the Thanyarak Foundation, and an instructional video for women regarding breast self-examination provided for the Thanyarak Foundation to share with the community.

Scan the QR code to watch the VDO clip titled 'Breast Self-Examination' of the Thanyarak Foundation

Ayutthaya Historical Site Conservation Project

Details

Krungsri carried out heritage conservation activities in our hometown of Phra Nakhon Si Ayutthaya, in collaboration with the Department of Fine Arts, to sustain communities' cultural heritage and allow Krungsri people to take part in the country's cultural preservation. Therefore, in 2020, Krungsri planned to hold four activities with no more than 80 participants each (the number of participants was reduced to comply with social distancing as the COVID-19 preventive measure)

Performance

In 2020, strictly complying with COVID-19 preventive measures, Krungsri organized activities in which 278 Krungsri volunteers jointly developed and improved four heritage sites in Phra Nakhon Si Ayutthaya, namely Wat Tawet, Wat Chakrawat, Wat Chao Prab, and the Portuguese Settlement, representing a total of 2,224 volunteer hours.



In addition, Krungsri in collaboration with Gopa Channel introduced video clips for public relations to promote the Bank's corporate social responsibility activities particularly the historical and cultural site conservation, presented with the attraction of online and social media in tandem with the current lifestyles of our stakeholders. The video content is related to conservation and development of ancient buildings and sites, as well as important temples in Ayutthya, namely Wat Choeng Tha, Wat Suwandararam Ratchaworawihan, Wat Phra Sri Sanphet, old Japanese and Portuguese settlements. The video clips also help promote cultural tourism in Ayutthaya amid the COVID-19 pandemic.

Scan the QR code to watch the Gopa Channel's VDO clip titled 'Ayutthaya: City of World Heritage' (five episodes)

'Pan Kan: Turn Your Used Items into Scholarships' Project

Details

In 2016, Krungsri initiated the 'Pan Kan…Turn Your Used Items into Scholarships' project, now in its fifth year, with the aim of promoting the spirit of sharing among Krungsri employees and helping to expand educational opportunities for underprivileged youths by accepting donations of good-quality used items which are offered for sale at Pankan Society shops. Proceeds from product sales are allocated as scholarships to be presented to the youth under the supervision of the Yuvabadhana Foundation.

Performance

In 2020, Krungsri organized an activity to accept good-quality used items from Krungsri staff, and the Mobile Pan Kan Shop activity to sell used items from Pankan Society shops at Krungsri's Ploenchit Office, which raised 972,640 baht, funding 139 scholarships (7,000 baht each) for youths of the Yuvabadhana Foundation.

Collaboration with the Social Enterprise Thailand Association (SETH)

Details

Krungsri signed a memorandum of understanding with the Social Enterprise Thailand Association (SETH) in 2019 to promote widespread positive social and environmental impacts through enhancing the potential of and supporting social enterprises, while promoting integration among all related parties in driving the mechanism of conducting business and consumption in a sustainable manner.

Performance

In 2020, Krungsri supported social enterprises in overcoming the COVID-19 crisis by organizing activities for the association as follows:

1) Online seminar titled 'Mega Trends for SE Post-COVID-19' to equip social enterprises with knowledge to be prepared and adjust themselves to cope with the COVID-19 pandemic, presented by experts from Krungsri's Research Division, attended by representatives from 15 social enterprises.

2) **Selling goods and services of social enterprises in the 'D: Market' event** organized by the Krungsri Club, with the participation of 15 social enterprises, and total sales of 88,874 baht.



3) **'Social Enterprise Market @Krungsri'** was held from December 16-18, 2020 at the plaza in front of Krungsri's Head Office, with an aim of creating market opportunities for social enterprises and Krungsri's partners impacted by the COVID-19 crisis, so that they can thrive post-pandemic. The event was joined by 12 leading social enterprises, including DoiTung, Doi Kham, The SUPPORT Arts and Crafts International Centre of Thailand, a shop of the Friends in Need (of 'PA') Volunteers Foundation, Green Net, Thamturakit, etc.



Thai Chiang Rai Elephant Project (TCEP): Thai – Japan Friendship

Details

Krungsri supported the Thai Chiang Rai Elephant Project (TCEP), established by Dr. Kobchai Chitsakul, a businessman in Chiang Rai who has been inspired to carry out public benefit activities by conveying the value of contemporary Lanna art and culture to the broader public. Designed and created by local artists in Chiang Rai, 90 elephant sculptures were created and displayed in major places nationwide. The TCEP not only helps promote Chiang Rai as a province of art, but also makes the elephant sculptures a symbol of Thailand-Japan friendship representing close ties between the two countries.



Performance

Krungsri, as the project's sponsor, presented eight elephant sculptures to organizations related to Thailand-Japan collaboration namely the Thai-Nichi Institute of Technology, Japanese Association in Thailand, Thai-Japanese Association School, Bangkok, Thai-Japanese Association School, Sriracha, and Krungsri Ploenchit Office (KSPO), as well as famous landmarks in Japan, namely, the Akasaka East Residence and the National Museum of Ethnology.

Preserving the Environment

Mangrove Reforestation Activity

Details

Initiated in 2012, the Bank's mangrove reforestation activity has been organized in collaboration with government agencies and provincial administrative authorities, including the Mangrove Forest Resources Development Station 5 (Chon buri), the Mangrove Resources Administration Center Chon buri Province, the Marine and Coastal Resources



Administration Office 2, the Department of Marine and Coastal Resources, etc.

In 2020, Krungsri joined hands with the Mangrove Forest Resources Development Station 5 (Chon Buri) to plant suitable saplings for mangrove forests as a means to maintain the ecosystem, which serves as a habitat for marine creatures, by planning to organize the activity twice with no more than 40 volunteers per trip (the number of volunteers was reduced to comply with social distancing per the COVID-19 preventive measures).

Performance

Organized two activities in mangrove areas of Ang Sila Sub-district, Muang District, Chon Buri, and Thakam Sub-district, Bangpakong District, Chachoengsao, with the participation of 75 Krungsri volunteers representing 600 volunteer hours. More than 1,000 plants were grown under this activity.

Krungsri Zero Waste

Details

To address pollution and environmental problems due to plastic waste, Krungsri initiated this project in 2018 under the concept, **'Let's Unite for Zero Waste'**, intending to raise awareness of waste problems and promote efficient waste management in the organization for recycling and reducing landfill waste. Under the project, the Bank organized 'zero waste' activities to raise awareness among employees and minimize plastic pollution, namely waste management training sessions, campaigns for waste sorting, and campaigns against single-use plastics and foam containers.



Performance

In 2020, Krungsri organized many activities toward the 'zero waste' goal:

- **The 'No Plastic Bag' activity** was held in continuation from 2019 to reduce the use of plastic bags by omitting the provision of single-use plastic bags, cups, and straws at the food courts on the 8th and 9th floor at the Head Office, as well as the 12th floor of Krungsri's Ploenchit Office. The Bank also encouraged all stores to offer a special discount for staff using their own personal cups to buy drinks at the food courts. (However, this activity was cancelled during the COVID-19 pandemic.)
- **The 'Krungsri Right Place, Right Bin' activity was organized at the Bank's branches and Krungsri Auto's branches** to promote efficient garbage sorting before disposal among employees. The Bank provided garbage sorting bins to 689 branches nationwide.
- On World Environment Day (June 5, 2020), **Krungsri encouraged executives and staff members at all levels to take part in addressing the garbage problem** by changing their daily habits, particularly reducing single-use plastics. Therefore, the Bank provided a refillable bottle and cloth bag for every staff member. This not only reflects our environmental responsibility, but also our responsibility for health and well-being amid the COVID-19 pandemic.
- In July 2020, **Krungsri participated in the 'Thais Say No to e-Waste' project initiated by Advanced Info Services Public Company Limited (AIS)** to raise employee awareness on the dangers of electronic waste as well as appropriate e-waste sorting and disposal, which is safe and helps reduce the pollution caused by e-waste. An e-waste drop box is provided at the Head Office and Krungsri's Ploenchit Office, as well as six drop boxes at the Bank's subsidiaries: four at Krungsri Auto's Bangna Tower and two at Krungsri Asset Management Co., Ltd.'s office in Ploenchit Tower. Since participating in the project, Krungsri has delivered 516 pieces of e-waste for appropriate disposal, reducing GHG emissions by 5,160 kilograms of carbon dioxide equivalent*.

Remark:

* Please refer to AIS's operating results report

- Krungsri installed a food waste decomposer at the Head Office to reduce food waste from the Bank's canteens to landfills, one of the key causes of greenhouse gases and global warming. The machine uses biotechnology for aerobic conversion of food waste into high-quality organic fertilizer for application in agriculture and a balanced ecosystem. Starting in October 2020, the machine helped break down more than 6,000 kilograms of food waste, representing the reduction of GHG emissions by 15,200 kilograms of carbon dioxide equivalent, and convert it into 971 kilograms of organic fertilizer which was offered to staff participating in an activity on Thai Environment Day, and used as fertilizer for green areas surrounding the Head Office as well as other activities beneficial for society.



Care the Wild 'Plant & Protect' Project, a collaboration with the Stock Exchange of Thailand

Details

In 2020, Krungsri, in collaboration with the Stock Exchange of Thailand, participated in the Care the Wild 'Plant & Protect' project in order to express our commitment to resolving environmental issues and tackling climate change. The concepts of 'raising funds to grow forests' and 'together, we protect forests through the good governance mechanism' were promoted, and growth of the trees can be monitored through the Care the Wild application. Several parties have collaborated in the project, including the Royal Forest Department, the Foundation for Thailand Rural Reconstruction Movement (TRRM) Under Royal Patronage, and others.

Performance

In 2020, Krungsri facilitate the Care the Wild 'Plant & Protect' project as follows:

- Granted the TRRM a sponsorship to finance the development of the Care the Wild application as a fundraising channel, through which 200,000 baht in donations was raised
- Granted a sponsorship for reforestation of a 10-rai area in the Baan Khao Hua Kon community forest, Nam Phu Sub-district, Muang District, Ratchaburi, as well as 400,000 baht The sponsorship of planting 2,000 trees in this project can help reduce GHG emissions by 18,000 kilograms of carbon dioxide equivalent.
- 48 Krungsri volunteers participated in the reforestation activity planting 500 trees, representing 384 volunteer hours.



'Care the Bear' Project, in collaboration with the Stock Exchange of Thailand

Details

In 2019, Krungsri participated in SET's 'Care the Bear' project initiated under the concept, 'Change the Climate Change', by Eco-Event, wherein public and private business partners as well as social enterprises were invited to help accelerate the reduction of global warming by reducing greenhouse gas emissions through event organization. Adhering to the 'Principle of 6 Cares', the project focuses on behavior change in six dimensions: 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, in order to reduce food waste. Joining the 'Care the Bear' project, the Bank achieved the goal of having employees engage in addressing environmental issues and reducing greenhouse gas emissions which are the main cause of global warming.

Performance

The Bank reduced GHG emissions by 1,972,599* kilograms of carbon dioxide equivalent, comparable to planting 219,176 trees.

'Old Desk Calendars for The Blind' Activity

Details

Starting in 2017, the Bank collected old desk calendars and delivered to the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen or other organization to produce Braille-printed instructional materials for the blind.

Performance

In 2020, Krungsri collected a total of 5,020 old calendars from staff and delivered to the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen.



Remark:

* Referring to the project's performance calculated through its Digital Eco Calculator kit and Excel program (Eco Kit), version 2019

Providing Financial Support

'Krungsri Unites in Fighting COVID-19' project

Details

Given the impacts of the COVID-19 pandemic on global public health and well-being, Krungsri organized supportive financial and non-financial activities to aid and offer moral support for frontline medical staff, while providing medical equipment for patient treatment as well as other aid for people affected by the pandemic.

Performance

Krungsri Group provided financial support to help relief COVID-19 impacts as follows:

- Donated 8 million baht to the Office of the Prime Minister on behalf of the Thai Bankers' Association to support state-owned hospitals and health workers in COVID-19 patient treatment
- Donated 1,480,250 baht to the Thai Students' Association in Japan under Royal Patronage (TSAJ), in collaboration with Mitsubishi UFJ Financial Group (MUFG), to provide assistance to Thai students studying in Japan who were impacted by the pandemic
- Donated 174,000 baht from Krungsri Auto's 'Dai Rot Dai Boon' ('Get the Car and Make Merit') campaign, which was organized in collaboration with used car dealers in Krabi and Trang, to finance the purchase of medical equipment for the Thai Red Cross Society



Moreover, Krungsri Group offered needed supplies and other kinds of aid to a number of organizations amid the COVID-19 pandemic, as follows:

- Made available public relations channels to raise funds from our employees, suppliers, and customers for donating to diverse organizations, namely 1,012,612.55 baht to the 'Siriraj Soo Pai COVID' fund, Siriraj Foundation; 37,302,579.68 baht to the Channel 7 COVID-19 fundraising project; and 316,000 baht to Rajavithi Hospital (as of April 30, 2020)
- Donated 327 N-95 face masks to King Chulalongkorn Memorial Hospital, and the Faculty of Medicine Ramathibodi Hospital, Mahidol University
- Donated 3,000 face masks to medical staff at four state-owned hospitals in Khon Kaen, namely Khon Kaen Hospital, Fort Sripatcharin Hospital, Srinagarind Hospital, and Sirinthorn Hospital, from Krungsri Auto
- Produced and donated 7,627 face shields to hospitals nationwide, from Krungsri Asset Management Co., Ltd.
- Donated 20 (18-inch) electric fans to Bhumibol Adulyadej Hospital, the Directorate of Medical Services, Royal Thai Air Force for COVID-19 patients, from Krungsri Consumer
- Promoted the sale of quality mangoes offered by farmers who could not export their produce due to the pandemic, and offered 1,000 boxes of mangoes to medical staff at Siriraj Hospital and Rajavithi Hospital, from which mango farmers registered a total of 312,725 baht in sales



- Provided Pantries of sharing to help community members impacted by the COVID-19 pandemic, at Krungsri Auto branches nationwide



- Donated 600 survival bags under the Krungsri 'Pantries of Sharing' project for those impacted by the pandemic in a community at Rama VIII Bridge



- Donated 1,499,142.08 baht (USD49,444) from Hattha Bank Plc., for the purchase of COVID-19 vaccines, to the government of the Kingdom of Cambodia

Annual Kathin and Off-Season Robe Presentation Ceremonies by Krungsri and the Financial Business Group

Details

The annual Kathin and off-season robe presentation ceremonies are merit-making ceremonies with cooperation from executives and staff members of all companies in Krungsri Group, vendors, as well as customers in making merit to sustain Buddhism by renovating buildings and restoring damaged structures within temples, and raising funds to buy medical equipment and supplies for diverse hospitals' patients.

Performance

In 2020, donations through the Bank's annual Kathin and off-season robe presentation ceremonies amounted to 12,169,519.10 baht as per the following details:

- Jointly hosted annual Kathin robe presentation ceremonies in six temples, namely Wat Khok Kham, Samut Sakhon; Wat Na Fai (Uttaradit Thammaram), Uttaradit; Wat Chonlathan, Surat Thani; Wat Pa Choti Tham, Chon Buri; Wat Wang, Phra Nakhon Si Ayutthaya; Wat Bang Kra, Ratchaburi
- Jointly hosted off-season robe presentation ceremonies in three hospitals, namely Banphaeo Hospital (Public Organization), Samut Sakhon; Bang Sao Thong Hospital, Samut Prakan; and Lerdsin Hospital, Bangkok.

In addition, on October 3, 2020, **Than Phu Ying Sirikitiya Jensen** graciously presided over the ceremony to install an elaborately carved apex on the gable of the ordination hall of Wat Choeng Tha, Phra Nakhon Si Ayutthaya, which has been completely renovated by Krungsri under the supervision of the Fine Arts Department. She was welcomed by the Bank's Board of Directors and senior executives.



Wat Choeng Tha is an ancient temple recognized as an historical treasure dating back to the late Ayutthaya period. The Bank therefore organized a Kathin robe presentation ceremony, from which 6,442,232.40 baht in proceeds jointly donated by Krungsri, the Bank's executives, staff, and business partners, as well as the general public, was provided as financial support.

Scan the QR code to watch the VDO clip of the ceremony to install an elaborately carved apex on the gable of the ordination hall of Wat Choeng Tha, Ayutthaya

Support for Other Charitable Projects

Details

Financial support, in collaboration with government agencies and charitable organizations, to assist communities with urgent needs and/or to support activities of charitable organizations

Performance

- Provided financial support of 4,965,000 baht to Krungsri Foundation for its public benefit activities
- Granted 100,000 baht in scholarships to students via the Thai-Nichi Institute of Technology
- Purchased 100 sets of the Thai Red Cross Society raffle tickets for 2020, amounting to 100,000 baht, to support the Thai Red Cross Society's public benefit activities
- Provided financial support of 10,000 baht for the annual Kathin robe presentation ceremony in 2020 of the Department of Labour Protection and Welfare
- Provided financial support of 10,000 baht for the annual Kathin robe presentation ceremony in 2020 of the Social Security Office

Environmental Aspect



Environmental Management

The financial sector's operations and services may not have a direct impact on the environment. Still, Krungsri, as a responsible financial service provider, places great emphasis on monitoring and remedying environmental impact of our operations. We, therefore, have propelled ourselves in making a positive difference through managing and establishing a framework for the internal environment. Our support is also extended to relevant stakeholders — especially the Bank's employees — to ensure they realize the importance of environmental management where they are encouraged to participate in the Bank environmental management activities. We envision that sound environmental management will help reduce expenses and potential risks arising from the violation of legal and/or environmental requirements, enhance environmental initiatives in the organization and the country with greater efficiency, and enable us to better adopt the United Nations Sustainable Development Goals (SDGs).

Management Approaches

Krungsri establishes environmental management approaches as follows:

- Formulate the '**Environmental Disclosure Statement**' in addressing the following international environment issues:
  - Striving to protect the environment and responding to climate change is the responsibility of all human beings.
  - Contributing to the realization of sustainable society by protecting the global environment in alignment with the SDGs
  - Complying with applicable international legislation and agreements and responding appropriately when our operations result in environmental risks or negative impacts
  - Striving to reduce environmental impacts of our operations, as well as actively working toward finding solutions to global environmental issues through our business activities
- Formulate the '**Policy for Environment, Health and Safety**' to promote and support the efficient environmental management. The policy was adopted as a guideline to determine the environmental protection measures and comply with the relevant laws and regulations related to the environment. In this regard, the said policy covers the environmental management of the Bank and companies in the Financial Business Group (subsidiaries) in which the Bank holds at least 50 percent of shares. The subsidiaries shall refer to and adopt the policy as a management guideline to formulate their own equivalent policy and the said policy must be reviewed every two years or upon any significant change.
- Promote efficient waste management to reduce environmental impacts as well as the reuse and/or recycle of environmentally friendly materials for efficiency and worthiness
- Promote the reduction or prevention of the pollution caused by wastewater released from the Bank's buildings
- Responsibly communicate about environmental information to employees, communities, customers, and government agencies
- Provide appropriate channels for filing complaints about environmental issues, namely the Bank's complaint channels

Performance

Reduction and Prevention of Pollutions Caused by Wastewater Released from the Bank's Buildings

Targets

- Appropriately release wastewater in compliance with related laws and /or regulations of the Ministry of National Resources and Environment and assess the quality of treated water released from the Bank's buildings on a monthly basis
- No community complaints about the Bank's wastewater release

Performance

- Wastewater released from the Bank's buildings has been treated and controlled, while its quality is assessed on a monthly basis.
- In 2020, there was no complaints about wastewater released from the Head Office, and the Krungsri Ploenchit Office.

Water Reuse

Targets

- Reuse the wastewater which has been treated, the wastewater from the cooling tower systems, and water drops released from the evaporating units on each floor of the Head Office to promote water efficiency and mitigate impacts on the environment
- Reduce water consumption in the Head Office at least 100 cubic meters per month or 1,200 cubic meters per year

Performance

- In 2020, the wastewater was reused for watering plants and cleaning up the roads around the Head Office by approximately 1,800 cubic meters in total, or 150 cubic meters per month.

Installation of a Food Waste Decomposer *

Targets

- Reduce food waste from the Head Office's canteens by at least 90 percent per day
- Aim to reduce greenhouse gas emissions during the test run period, from October to December 2020, by approximately 400 kilograms of carbon dioxide equivalent ($kgCO_2e$)

Performance

- In 2020, the Bank could reduce food waste sent to landfills by more than 6,000 kilograms reducing greenhouse gas emissions by 15,200 kilograms of carbon dioxide equivalent ($kgCO_2e$). (The machine started running in October 2020.)

Remark:

* For more details of the food waste decomposer machine, please refer to the title 'Resource Efficiency', sub-title 'Waste Disposal'.

Resource Efficiency

Krungsri is well aware that the banking business is among the industries that consumed resources the most while operating, such as electricity, fuels, paper, etc., thereby placing importance on resource efficiency. Pursuing ways to reduce resource consumption and waste, we have raised awareness and campaigned among our management and employees at all levels to promote their engagement in corporate social responsibility, environmental conservation, and resource efficiency.

Optimal management and utilization of resources is regarded as a pivotal concern for the organization and our stakeholders and a concerted effort to work toward the Sustainable Development Goals both at the national and international levels.

Management Approaches

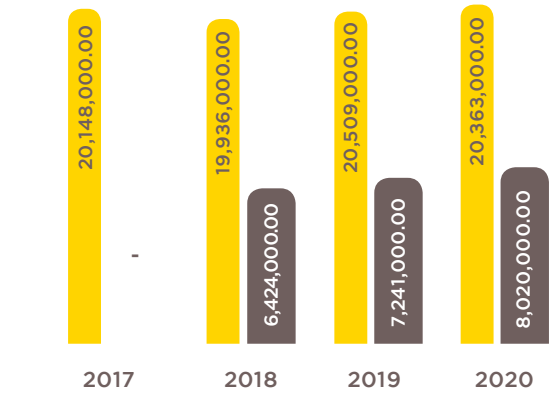
Krungsri's measures to manage and utilize resources optimally are as follows:

- Stipulate the '**Policy for Efficient Resource Utilization for Environmental Protection**' to promote and support the management of electricity and water utilization, waste management, reduction of air pollution due to the Bank's operations, management of eco-efficient and environmentally-friendly resource utilization to boost employees' involvement and awareness of resource optimization. In this regard, the policy covers the management and utilization of the resources of the Bank as well as companies in the Financial Business Group with more than 50 percent of their shares held by the Bank (subsidiaries). Subsidiaries must approve the implementation of this policy or adapt it as a measure to stipulate their own comparable policy, which must be revised every two years or upon significant changes.
- 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, of which membership will be reviewed on an annual basis
- Determine the guidelines and targets for energy, resource, and environment management in accordance with global standards, conforming to laws and international agreements as well as advocating the Sustainable Development Goals
- Strive for environment conservation, resource and energy efficiency, and waste reduction, including reduction of toxic emissions that would affect the environment, thus cutting down the emission of greenhouse gasses and mitigating the risks of climate change
- Commit ourselves to use less chemicals and establish a waste management system according to the '**Zero Waste**' concept to minimize environmental impact
- Support the purchase of green products and services, including preferred tools, furniture, office supplies, and electrical appliances comprising elements or raw materials that are eco-friendly and energy-saving, and goods produced in an eco-friendly manner
- Devise and support alternative operating methods that employ digital systems and Robotic Process Automation (RPA) systems to minimize the consumption of energy and resources, resulting in less environmental impact of our operating or service processes
- Communicate and provide information about energy and resource efficiency and optimization as well as environment conservation so that employees at all levels, customers, and related parties realize and understand the gravity of the situation
- Assign all levels of executives and employees to jointly take responsibility and take part in promoting and complying with the policies and measures regarding resource management, resource efficiency, and environment conservation

Fuel and Electricity Consumption

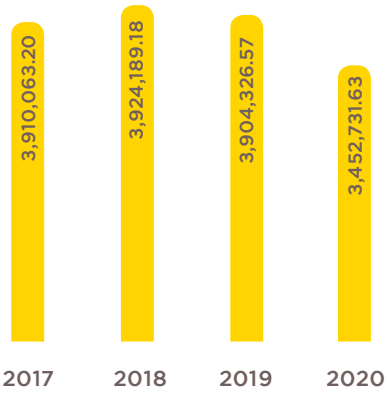
Krungsri encourages practical and efficient ways of energy efficiency focusing on consuming less power and fuels which is hoped to reduce emissions as well as the Bank's expenses.

Electricity Consumption (Kilowatt-Hour)



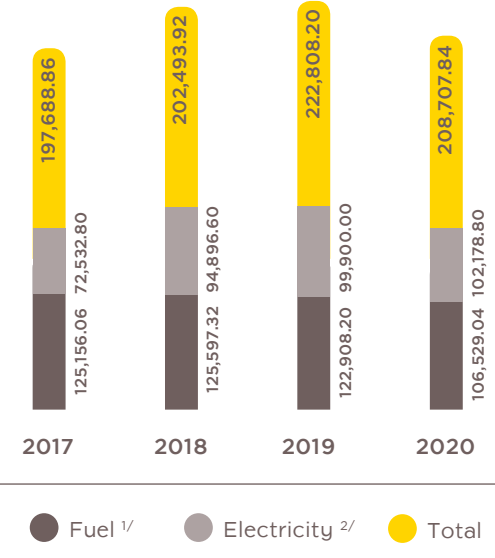
Remarks:
1/ Electricity consumption in the Head Office refers to electricity consumption of Building A, B, and C, excluding that of Krungsri Learning Center.
2/ Electricity consumption in Krungsri Ploenchit Office from March to December 2018 as the building was open for business in March 2018

Fuel Consumption* (Liter)



Remark:
* Fuel consumption of company cars of the Head Office and the Bank's branches, as well as executives' cars

Energy Consumption (Gigajoule) 1/



Remarks:
1/ Diesel is equivalent to 36.42 MJ per liter. Gasoline is equivalent to 31.48 MJ per liter.
2/ 1 kilowatt-hour equals 0.0036 GJ

Reduction of Lighting Power at the Head Office

Details

Krungsri has sought ways to reduce electricity consumption in the Head Office for resource efficiency and reduced emissions, such as turning off lighting after-hours, unplugging drinking water machines on all floors after-hours, adjusting water pumping machines' running time in diverse systems, etc.

Performance

In 2020, electricity consumption could be reduced as follows:

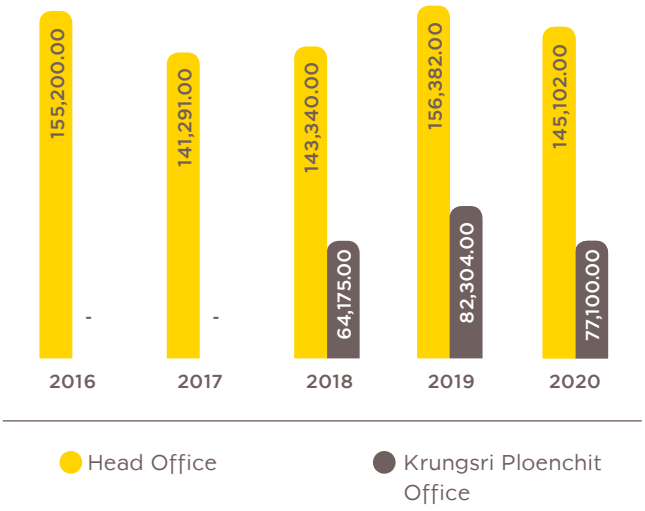
- Tested halving the electricity used for lighting on the 25th floor of the Head Office from 20.00-23.00 hr., which could save 5,702.40 units of electricity or 22,239.36 baht in electricity costs per year
- Unplugged drinking water machines on all floors of the Head Office from 22.00-06.00 hr. on every business day, which could save 50,336 units of electricity or 196,310.04 baht in electricity costs per year (starting September 1, 2020)
- Reduced the time for running the heat exchanger pump from 05.00-18.00 hr. (13 hours), which could save 1,170 units of electricity or 4,563 baht in electricity costs per year (starting December 15, 2020)
- Changed one of the plate heat exchangers in replacing the old degraded one, which could save 41,524.08 units of electricity or 161,943.91 baht in electricity costs per year (starting December 15, 2020)
- Reduced the time for running chillers for air conditioning systems, to keep the office cool before working hours, by turning them on at 06.30 hr., instead of 06.00 hr., (30 minutes delay) on every business day, which could saving 19,800 units of electricity or 77,220 baht in electricity costs per year (starting November 1, 2020)

Water Consumption

Krungsri promotes water efficiency, ranging from building designs, choosing water-saving materials, wastewater treatment and quality control in compliance with related standards, to the wastewater reclamation process, with an aim to encourage appropriate and worthwhile water consumption, leaving the least environmental impact. Krungsri also conducts water consumption risk assessment focusing on water scarcity assessment in Krungsri's building locations in Bangkok, namely those of the Head Office and the Krungsri Ploenchit Office (KSPO) which are workplaces of a number of staff consuming relatively large amount of water compared to the Bank's branches in the regional areas.



Water Consumption (Cubic Meter)



Net Water Consumption

Water consumed at the Head Office and the Krungsri Ploenchit Office (KSPO) is bought from the external producer (Metropolitan Waterworks Authority: MWA). Amount of water consumption is measured based on the MWA's standard. In addition, wastewater from both buildings has been threated per the standard water treatment process before releasing to the environment or reuse.

Water data in 2020 (megaliter)*	Head Office	Krungsri Ploenchit Office
Tap water bought	145.10	77.10
Water released from water treatment systems	113.54	58.36
Net water consumption	31.56	18.74

Remark:
* 1 megaliter (ML) equal to 1,000 cubic meters

Water Saving at the Head Office

Details

Krungsri has treated wastewater from the Head Office in accordance with the Pollution Control Department's wastewater standard using the activated sludge process, of which treated wastewater was examined by external experts on a monthly basis. In addition, the Bank complied with the ministerial regulation by submitting the wastewater treatment report to the Yan Nawa District Office on a monthly basis. In this regard, approximately 1,800 cubic meters of treated wastewater per year, instead of tap water, will be used to water plants.

Performance

The use of treated wastewater and installation of water-saving devices, the Bank could reduce water consumption at the Head Office by 1,534.71 units or 25,200 baht in water costs per year.

Water Saving at the Krungsri Ploenchit Office

Details

The Krungsri Ploenchit Office's sanitation system, sanitary wares, and devices were designed for water efficiency and environmentally friendly landscape.

Performance

The sanitary wares and faucets used in the Krungsri Ploenchit Office helped save water less than or equal to the reference amount, saving water by 40 percent of the normal amount used or 278,357 baht in water costs per year.

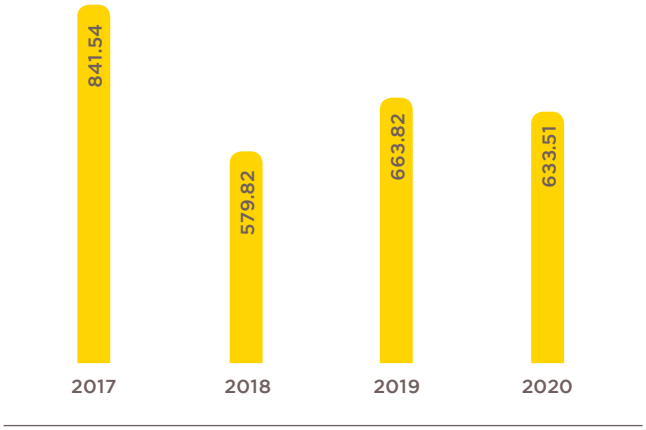
Paper Consumption

Promoting digitalization in all business units' operations, Krungsri aims to reduce paper consumption and waste through diverse projects and/or activities as follows:

- Promote the 'Think Before Print' concept that encourages editing and/or revising documents on the computer screen before printing them, and also promote staff to use both sides of paper



Paper Consumption (70-gram A4 Paper, Tons)



Remark:
* In 2020, paper consumption declined in accordance with lower transactions and more digitized operations. Moreover, during the COVID-19 pandemic, the Bank also imposed the measure that requires staff to work from home.

- Promote paper recycling in the workplaces through the Shred2Share project of the Iron Mountain

Shred2Share by Iron Mountain in 2020

Company	Paper sent to the recycling process (tons)*	CO_2 emissions reduced (kilograms)
Bank of Ayudhya PCL	234.72	61,026.70
Ayudhya Capital Auto Lease Plc.	66.57	17,307.86
Ayudhya Capital Services Co., Ltd.	142.50	37,050.83
Krungsri Asset Management Co., Ltd.	2.60	675.16
Krungsri Securities Plc.	0.44	115.15
Total	446.83	116,175.70

Remark:
* 1 ton equal to 1,000 kilograms

- The use of '**Di-Wallet**' application to make payment for food and beverages via QR codes at merchants and canteens of the Head Office and Krungsri Ploenchit Office, an innovation that helps reduce receipt slips and promotes cashless society. In 2020, payments were made through the Di-Wallet as follows:
  - A total of 150,533 payment transactions were made through Di-Wallet to pay for food and beverages at merchants and canteens of the Head Office, reducing 150,533 receipt slips, or 141.14 kilograms of carbon dioxide equivalents ($kgCo_2e$) emission [1/]
  - A total of 107,143 payment transactions were made through Di-Wallet to pay for food and beverages at merchants and canteens of the Krungsri Ploenchit Office, reducing 107,143 receipt slips, or 100.46 kilograms of carbon dioxide equivalents ($kgCo_2e$) emission [1/]

Remark:
[1/] A receipt slip weights 0.32 grams / referring to emission factor is equal to 2.93 $kgCO_2e$

Waste Management

Krungsri encourages all business units to adhere to resource efficiency, while focusing on reducing waste, a positive factor for the environment, which has translated into reduced waste management costs and been consistent with environmental solutions and climate actions.

In 2018, the '**Krungsri Zero Waste**' initiative was introduced to address the Sustainable Development Goals, particularly Goal 12: Responsible consumption and production, and Goal 13: Climate action. Krungsri also launched several internal projects to reduce the amount of waste and promote resource efficiency as follows:

- Encouraging employees to properly sort trash to facilitate the recycling process through the 'Krungsri Right Place, Right Bin' activity
- Calling for employees to carry four items, i.e. reusable straw, cup, bag, and food container to minimize single-use plastic
- Promoting the donation of reusable cloth bags or plastic bags still in good condition to reduce the need for new plastic bags
- Installing food waste decomposer at the Head Office to reduce food waste from the Bank's canteens to landfills.



Performance

Waste Sorting

Amount of materials recycled (unit; kilogram)	Cardboard boxes	General paper, books, magazines, journals	Plastic bottles, glass bottles	Polypropylene plastic boards
Head Office	13,212.50	8,880.50	5,434.50	487.50
Krungsri Ploenchit Office	5,660.00	182.00	1,496.00	101.00

'Thais Say No to e-Waste' Carried Out in Collaboration with Advanced Info Service (AIS)

Details

Krungsri participated in the 'Thais Say No to e-Waste' project to encourage Krungsri employees to take part in environmental conservation through appropriate e-waste sorting and disposal, which is safe and helps reduce pollution caused by e-waste, including old mobile phones, mobile phone batteries, power banks, chargers, and supplementary devices. An e-waste drop box is provided at the Head Office (8th floor) and the Krungsri Ploenchit Office (12th floor).

Performance

In 2020, at least 516 pieces of e-waste were sorted, reducing 5,160 kilograms of carbon dioxide equivalents emission (started e-waste sorting in July 2020).

Remark:

* Refer to Advanced Info Service PCL's Thais Say No to e-Waste report

Installation of the Food Waste Decomposer at the Head Office

Details

Krungsri installed food waste decomposer at the Head Office to reduce food waste from the Bank's canteens to landfills, one of the key causes of greenhouse gases and global warming. The machine uses biotechnology for aerobic conversion of food waste into high quality organic fertilizer for application in agriculture. The installation of the food waste decomposer is part of the Bank's mission under the Krungsri Zero Waste project in reducing greenhouse gas emissions by 7.5 million kilograms of carbon dioxide equivalents. In light of this, Krungsri places great importance on instilling a sense of environmental conservation in the face of climate change.

Performance*

The food waste decomposer was installed in September 2020 and started running in October 2020. As of December 2020, the machine helped reduce more than 6,000 kilograms of food waste and converted into 970 kilograms of organic fertilizer, reducing 15,200 kilograms of carbon dioxide equivalents emission comparable to planting 1,689 trees.

Remark:

* Refer to the report of Oklin (Thailand) Co., Ltd.

Climate Change Management

Climate change and environmental degradation, a key sustainable development goal of the United Nations, continue to pose one of the largest threats domestically and internationally. We are well aware that although our operations may not bring about significant environmental impacts, but basic knowledge suggests that all economic activities consuming electricity, fuels, paper, etc., could lead to climate change and environmental degradation. These resources can be used up and at the same time produce carbon dioxide, one of the greenhouse gases (GHGs) that contribute to climate change and impact the life of all human and some industries, including agriculture, fishery, tourism, etc.

In light of this, Krungsri highlights the importance of addressing the climate change crisis by taking part to ensure the least emissions through the Bank's business operations and activities. We set a clear emission reduction target toward the low-carbon economy, while striving to fight climate change in accordance with global goals for sustainable development.

Management Approaches

- Set a target of GHG emission reduction by 5 percent within 2020 * compared to the base year 2017
- Conduct a **Carbon Footprint for Organization (CFO)** evaluation so that greenhouse gas emissions from our headquarters can be calculated
- **Promote workflows and operations that help reduce emissions.** For example, Krungsri Ploenchit Office was designed to meet the Leadership in Energy and Environmental Design (LEED) standards of the US Green Building Council (USBC) with the Gold Level of certification granted. Other examples include a solar rooftop system installed at Krungsri Learning Center, VDO conferences, operations that help reduce emissions, etc.
- **Focus on green financing** through providing loans or other financial products based on the '**responsible lending**' guideline in accordance with the procedure regarding credit risk management applicable to all Krungsri business units

Remark:
* The target was set for the Bank's Head Office only (comprising Building A, B, C, and Krungsri Learning Center)

Performance

Carbon Footprint for Organization

In 2020, GHG emissions registered
14,588 **metric tons of carbon dioxide equivalent** [1/],
a decrease of 16.8 percent
(compared to the base year 2017)

Set a new target of GHG emission reduction by
10 percent by 2023,
compared to the base year 2017, (for the Head Office [2/])
and **5 percent by 2023,**
compared to the base year 2020,
(for Krungsri Ploenchit Office [3/])

Remarks:
[1/] Scope 1 and 2 only
[2/] The Head Office comprises Building A, B, C, and Krungsri Learning Center.
[3/] the Krungsri Ploenchit Office meets the Leadership in Energy and Environmental Design (LEED) standards with the Gold Level of certification.

Krungsri conducted the carbon footprint for organization evaluation, calculating greenhouse gas emissions and removals at our Head Office in following three scopes ** as follows:

- Scope 1: Direct GHG emissions from organizational activities such as fuel combustion, vehicles (company owned sources), chemical usage for wastewater treatment, and releases or leaks from processes or activities. For Krungsri, the quantification was based on the fuel (gasoline or diesel) consumption for executives and company cars, employee mileage reimbursement, as well as the quantity of chiller refrigerants, fire extinguisher chemicals, methane emitted from latrine use, etc.
- Scope 2: Indirect GHG emissions from the generation of purchased energy consumed in the organization. For Krungsri, the calculation was based on the consumption of purchased electricity.
- Scope 3: Other Indirect GHG emissions, such as employees commuting in vehicles not owned or controlled by the organization, business travels, and use of materials and equipment. In this regard, Krungsri calculated the consumption of paper, water supply, etc.

Krungsri quantified GHG emissions covering carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). The methodology applied was the carbon footprint for organization assessment by the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), the 4th revision (December 2018), Greenhouse Gas Protocol, October 2016 revised edition, referencing the Global Warming Potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4).

Remark:
** Thailand Greenhouse Gas Management Organization (Public Organization), 2020 and carbon footprint assessment parameter, Mahidol University

GHG Emission Assessment	Unit	Total GHG Emissions			
		2017	2018	2019 1/	2020 2/
Scope 1	TonCO_2e	5,375	2,776	2,802	2,321
Scope 2	TonCO_2e	12,159	11,982	12,342	12,267
Scope 1 and 2	TonCO_2e	17,534	14,758	15,144	14,588
Scope 1 and 2 emission intensity	TonCO_2e /person	3.45	3.00	3.43	3.03
Scope 3	TonCO_2e	1,832	1,286	1,467	523
Full-time Employees 3/	persons	5,089	4,915	4,400	4,800

Remarks:
1/ 2019 data has been changed in accordance with results certified by the Thailand Greenhouse Gas Management Organization (Public Organization).
2/ 2020 data is under the process of filing for certification from the Thailand Greenhouse Gas Management Organization (Public Organization).
3/ Employees operating at the Head Office only

Green Financing

Krungsri as one of the top-tier financial institutions that allocate financial resources to the economy realizes that granting loans to the business sector may pose risks to climate change and environmental degradation. We therefore focus on sustainable banking based on responsible lending guidelines by establishing credit risk management policy and procedures for credit underwriting. In addition, the Bank strives to support business segments in the positive list, including renewable energy business, to ensure that businesses supported by the Bank take into account social and environmental impacts for the entire operations.

At the end of 2020, Krungsri granted loans totaling **10,941 million baht** to renewable energy projects, including solar, wind, water, biogas, and biomass, and industrial waste. In this regard, loans granted to these renewable energy project could help reduce emissions by 2,929,668.12 kilograms of carbon dioxide equivalent (compared to the use of general electricity).

Renewable energy	Percent of total renewable energy loans	Energy generation capacity (Megawatt) [1/]	Emission reduction ($kgCO_2e$) [2/]
Water	49.65	2,479.00	1,483,929.40
Wind	14.98	97.50	58,363.50
Biogas	24.00	1,608.00	962,548.80
Biomass	3.20	17.40	10,415.64
Industrial waste	5.55	9.00	5,387.40
Solar	2.62	683.30	409,023.38
Total	**100**	**4,894.20**	**2,929,668.12**

Remarks:
[1/] 1 megawatt (MW) is equal to 1,000 kilowatts (kW).
[2/] Emission reduction was calculated based on the data from the Thailand Greenhouse Gas Management Organization (Public Organization), effective in the 4/2020 round (July 22, 2020). One kilowatt-hour (kWh) of electricity (grid mix) is equal to the emission factor of 0.5986 $kgCO_2e$.

Promoting workflows and activities that help reduce GHG emissions

Krungsri's 75th Anniversary: 7.5 Million $kgCO_2e$ Reduction

Details

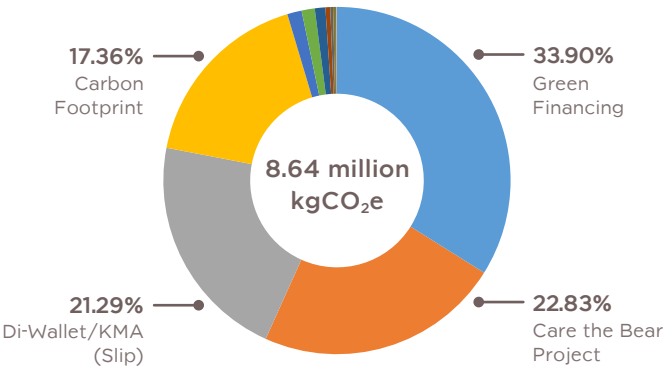
To commemorate Krungsri's 75th anniversary, the Bank aims to reduce GHG emissions by 7.5 million kilograms of carbon dioxide equivalent ($kgCO_2e$), reinforcing our mandate as a good corporate citizen and a service provider responsible for the society and environment. Taking part in addressing climate change, Krungsri places importance on encouraging all parties in the organization to help consistently and seriously mitigate GHG emissions in all operations.

Performance

Krungsri was able to reduce GHG emissions by **8.64 million kilograms of carbon dioxide equivalent** through adjusted workflows and activities of the Bank and companies in the Financial Business Group, e.g., the installation of food waste decomposer, Carbon Footprint for Organization (CFO) evaluation, participation in diverse projects, such as the Care the Bear, Care the Wild, Shred2Share, etc. This will respond to not only the Bank's GHG emission reduction goal, but also the United Nations Sustainable Development Goals 13: Climate Action.

Krungsri's 75th Anniversary: 7.5 Million $kgCO_2e$ Reduction Project

Green Financing	33.90%	Care the Bear Project	22.83%
Di-Wallet / KMA (Slip)	21.29%	Carbon Footprint	17.36%
Shred2Share Project	1.34%	VDO Conference	1.22%
Green Bond	0.98%	Waste Sorting and Recycling Project	0.45%
Solar Rooftop	0.26%	Food Waste Decomposer	0.18%
E-waste Project	0.06%	Water Consumption (KSPO)	0.05%
Plastic Reduction Activity	0.04%	Unused Desk Calendar Donation Activity	0.03%



Reduction of Paper Invoices for Merchants Accepting Credit Cards

Details

The Payment Settlement and Processing Department, under the Operations Group, initiated to reduce paper tax invoices for merchants accepting credit cards, a move expected to help reduce GHG emissions which lead to climate change. According to the previous procedure, the Bank would print paper tax invoices for merchants, with or without value-added tax (VAT) registration. However, it was found that merchants who did not register for VAT did not need to use the tax invoices and consequently did not collect a number of paper invoices printed and kept for them at the Bank's branches. Therefore, the Bank changed the procedure by printing paper invoices for VAT-registered merchants only, except when the merchants without VAT registration request for paper invoices on a case by case basis, starting May 1, 2020.

Performance

This project could help reduce A4 paper use by 483,067 pieces (from May 1 to December 31, 2020), equivalent to reducing GHG emissions by **4,366 kilograms of carbon dioxide equivalent ($kgCo_2e$), comparable to planting 485 trees.**

Installation of a Solar Rooftop System at Krungsri Learning Center

Details

Krungsri installed a solar rooftop system at the Krungsri Learning Center since 2017. The system delivers a power output of 20.5 kWp [1/] to help reduce fossil-fuel electricity consumption, while promoting environmentally-friendly renewable energy sources.

Performance

In 2020, the system helped save electricity costs by 37,645 kilowatt-hour [2/] or 159,238 baht, reducing carbon dioxide emissions from electricity consumption by 22,534 kilogram carbon dioxide equivalents [3/].

Video Conference

Details

Video conference is an initiative of the Bank's Executive Committee which approved that a meeting through video conferencing is equivalent to an in-person meeting at the same venue, taking effect for the meetings of the Executive Committee and other committees from 2020 onward. This is aimed to encourage our senior executives to take part in mitigating GHG emissions from such cases as their transportation between Krungsri's Head Office and Krungsri Ploenchit Office, or between Thailand and Japan, etc.

Performance

In 2020, Krungsri held 39 video conferencing sessions for diverse committees and senior executives, attended by 92 executives, reducing road trips by 25,123 kilometers and carbon emissions by 105,784 kilograms of carbon dioxide equivalents.

Remark:
The emission factor for 1 kilometer of traveling by car is equal to 0.127 $kgCo_2e$ (referring to the data from the European Environment Agency as of June 2019). The emission factor for a passenger-kilometer (pkm) of air travel (Business Class) is equal to 0.2419 $kgCo_2e$ (referring to the data from the Thailand Greenhouse Gas Management Organization (Public Organization) as of January 2019).



Remarks:
1/ The maximum capacity for solar panels is 20.5 kilowatt peak (kWp) per hour.
2/ The power output in kilowatt-hour is measured at the solar panels.
3/ Emission reduction was calculated based on the data from the Thailand Greenhouse Gas Management Organization (Public Organization), effective in the 4/2020 round (July 22, 2020). One kilowatt-hour of electricity (grid mix) is equal to the emission factor of 0.5986 $kgCO_2e$.

Numerical Data on Sustainability Performance

Employee Data

Type of Data	2017		2018		2019		2020	
	persons	% of total employees	persons	% of total employees	persons	% of total employees	persons	% of total employees
No. of the Bank's employees [1/]	15,019		15,134		15,280		14,711	
Gender								
Male	4,596	30.60	4,592	30.34	4,654	30.46	4,480	30.45
Female	10,423	69.40	10,542	69.66	10,626	69.54	10,231	69.55
Age Range								
< 30 years old	2,719	18.10	2,492	16.47	2,296	15.03	1,711	11.63
30-50 years old	10,056	66.96	10,109	66.80	10,193	66.71	9,958	67.69
> 50 years old	2,244	14.94	2,533	16.74	2,791	18.27	3,042	20.68
Race								
Thai	14,943	99.49	15,058	99.50	15,209	99.54	14,617	99.36
Japanese	62	0.41	63	0.42	62	0.41	59	0.40
Chinese	9	0.06	8	0.05	6	0.04	7	0.05
Indian	2	0.01	2	0.01	1	0.01	2	0.01
Other (Singaporeans, Vietnamese, Taiwanese, Indonesian, etc.)	3	0.02	3	0.02	2	0.01	26	0.18
Workplace								
Head Office	8,766	58.37	8,888	58.73	8,261	54.06	8,143	55.35
Office/ branch in Bangkok and vicinity	2,208	14.70	2,163	14.29	3,249	21.26	3,034	20.62
Provincial office/ branch	4,031	26.84	4,069	26.89	3,757	24.59	3,529	23.99
Overseas office/ branch	14	0.09	14	0.09	13	0.09	5	0.03
Religion [2/]								
Buddhism	-	-	-	-	14,832	97.07	14,204	96.55
Christianity	-	-	-	-	209	1.37	202	1.37
Islam	-	-	-	-	230	1.51	227	1.54
Other (Hinduism, Sikhism, etc.)	-	-	-	-	9	0.06	78	0.53
Education [2/]								
Below Bachelor's degree	-	-	-	-	198	1.30	195	1.33
Bachelor's degree	-	-	-	-	11,248	73.61	10,737	72.99
Master's degree	-	-	-	-	3,815	24.97	3,761	25.57
Doctoral degree	-	-	-	-	19	0.12	18	0.12

Remarks:

[1/] Only full-time employee of the Bank of Ayudhya PCL, excluding the Board of Directors

[2/] The data was first disclosed in 2019.

Type of Data	2017		2018		2019		2020	
	persons	% of total employees	persons	% of total employees	persons	% of total employees	persons	% of total employees
Employee Level	15,019		15,134		15,280		14,711	
Executive level 10 and above	87		95		94		97	
Male	55	0.37	59	0.39	55	0.36	59	0.40
Female	32	0.21	36	0.24	39	0.26	38	0.26
< 30 years old	-	-	-	-	-	-	-	-
30-50 years old	46	0.31	44	0.29	34	0.22	28	0.19
> 50 years old	41	0.27	51	0.34	60	0.39	69	0.47
Management level 9-10	809		854		895		900	
Male	412	2.74	432	2.85	443	2.90	435	2.96
Female	397	2.64	422	2.79	452	2.96	465	3.16
< 30 years old	1	0.01	2	0.01	2	0.01	3	0.02
30-50 years old	515	3.43	531	3.51	548	3.59	510	3.47
> 50 years old	293	1.95	321	2.12	345	2.26	387	2.63
Middle Management level 7-8	2,097		2,118		2,295		2,349	
Male	846	5.63	856	5.66	919	6.01	951	6.46
Female	1,251	8.33	1,262	8.34	1,376	9.01	1,398	9.50
< 30 years old	4	0.03	7	0.05	4	0.03	5	0.03
30-50 years old	1,354	9.02	1,296	8.56	1,407	9.21	1,397	9.50
> 50 years old	739	4.92	815	5.39	884	5.79	947	6.44
Officer level 4-6	6,126		6,408		6,626		6,599	
Male	2,018	13.44	2,074	13.70	2,110	13.81	2,028	13.79
Female	4,108	27.35	4,334	28.64	4,516	29.55	4,571	31.07
< 30 years old	180	1.20	167	1.10	188	1.23	137	0.93
30-50 years old	4,829	32.15	4,951	32.71	4,992	32.67	4,879	33.17
> 50 years old	1,117	7.44	1,290	8.52	1,446	9.46	1,583	10.76
Officer level 1-3	5,900		5,659		5,370		4,766	
Male	1,265	8.42	1,171	7.74	1,127	7.38	1,007	6.85
Female	4,635	30.86	4,488	29.66	4,243	27.77	3,759	25.55
< 30 years old	2,534	16.87	2,316	15.30	2,102	13.76	1,566	10.65
30-50 years old	3,312	22.05	3,287	21.72	3,212	21.02	3,144	21.37
> 50 years old	54	0.36	56	0.37	56	0.37	56	0.38

The Board of Directors

Data	2017		2018		2019		2020	
	persons	% of total members of BOD	persons	% of total members of BOD	persons	% of total members of BOD	persons	% of total members of BOD
The Board of Directors *	12		12		11		9	
Gender								
Male	9	75.00	8	66.67	7	63.64	5	55.56
Female	3	25.00	4	33.33	4	36.36	4	44.44
Age Range								
< 30 years old	-	-	-	-	-	-	-	-
30-50 years old	2	16.67	2	16.67	-	-	-	-
> 50 years old	10	83.33	10	83.33	11	100.00	9	100.00

* The Board of Directors consists of non-exective directors, executive directors, and independent directors.

Employment Data

2020's Krungsri Group Headcount (persons)

Company / Type of Contract	Full-time Employee (persons)			Temporary Employee (persons)		
	Male	Female	Total	Male	Female	Total
Bank of Ayudhya PCL.	4,480	10,231	14,711	81	354	435
Subsidiaries						
Hattha Bank Plc.[1/]	3,812	1,245	5,057	-	-	118
Krungsri Ayudhya AMC Ltd.	31	35	66	-	-	11
Krungsri Nimble Co., Ltd.[2/]	18	59	77	-	-	-
Ayudhya Development Leasing Co., Ltd.	30	43	73	-	-	8
Ayudhya Capital Auto Lease PCL.	756	1,189	1,945	-	-	20
General Card Services Limited	69	222	291	-	-	8
Ayudhya Capital Services Co., Ltd.	604	1,737	2,341	-	-	131
Krungsriayudhya Card Co., Ltd.	72	213	285	-	-	2
Krungsri Finnovate Co., Ltd.	-	-	-	-	-	-
Krungsri Asset Management Co., Ltd.	66	122	188	-	-	41
Krungsri Securities PCL.	123	146	269	-	-	31
Krungsri Leasing Services Co., Ltd.[3/]	106	136	242	-	-	66
Siam Realty and Services Co., Ltd.	10	4	14	-	-	875
Total Services Solutions PCL.	284	888	1,172	-	-	57
Krungsri Life Assurance Broker Limited[4/]	-	5	5	-	-	-
Krungsri General Insurance Broker Limited[4/]	3	5	8	-	-	-
Hattha Services Co., Ltd.[5/]	1	-	1	-	-	-
Joint Ventures						
Tesco Lotus Money Services Limited	118	781	899	-	-	1
Tesco Life Assurance Broker Limited[5/]	2	3	5	-	-	-
Tesco General Insurance Broker Limited[5/]	52	154	206	-	-	11
Ngern Tid Lor Public Company Limited	1,605	3,763	5,368	-	-	841
SB Finance Company, Inc.[7/]	38	79	117	-	-	7

Remarks:
[1/] Krungsri's subsidiary in Cambodia which has successfully obtained regulatory approvals to operate as a commercial bank, under the name "Hattha Bank Plc." with effect from August 26, 2020 onwards.
[2/] Renamed from Krungsri Factoring Company Limited on 22 July 2019 and Krungsri Nimble's operations commenced on 1 November 2019. Currently, the company has ceased providing factoring services due to the Bank's policy.
[3/] Krungsri's subsidiary of which the Bank indirectly holds 100 percent shares via Ayudhya Capital Auto Lease PCL by 75 percent and Ayudhya Capital Services Co., Ltd. by 25 percent
[4/] Krungsri's subsidiary of which the Bank indirectly holds 99.99 percent shares via Ayudhya Capital Services Co., Ltd.
[5/] Krungsri's subsidiary of which the Bank indirectly holds 49 percent shares via Hattha Bank Plc.
[6/] Subsidiary of Tesco Lotus Money Services Ltd.
[7/] Krungsri's subsidiary of which the Bank directly holds 50 percent shares

Operational Change Statistics

Data	2017		2018		2019		2020	
	persons	% of total employees	persons	% of total employees	persons	% of total employees	persons	% of total employees
New Hires [1/]	2,037	13.56	1,987	13.13	1,871	12.24	489	3.33
Gender								
Male	568	3.78	547	3.61	566	3.70	179	1.22
Female	1,469	9.78	1,440	9.51	1,305	8.54	310	2.11
Age Range								
< 30 years old	1,076	7.16	995	6.57	917	6.00	200	1.36
30-50 years old	949	6.32	980	6.48	945	6.18	287	1.95
> 50 years old	12	0.08	12	0.08	9	0.06	2	0.01
Workplace								
Head Office	900	5.99	901	5.95	1,031	6.75	332	2.26
Office/ branch in Bangkok and vicinity	594	3.95	531	3.51	434	2.84	62	0.42
Provincial office/ branch	543	3.62	549	3.63	405	2.65	95	0.65
Overseas office/ branch	-	-	6	0.04	1	0.01	-	-
Terminated Employees [2/]	1,797	11.96	1,888	12.48	1,729	11.32	1,083	7.37
Gender								
Male	565	3.76	553	3.65	508	3.32	365	2.49
Female	1,232	8.20	1,335	8.82	1,221	7.99	718	4.89
Age Range								
< 30 years old	668	4.45	619	4.09	539	3.53	257	1.75
30-50 years old	1,008	6.71	1,129	7.46	1,014	6.64	628	4.28
> 50 years old	121	0.81	140	0.93	176	1.15	198	1.35
Workplace								
Head Office	701	4.67	779	5.15	710	4.65	491	3.34
Office/ branch in Bangkok and vicinity	567	3.78	533	3.52	492	3.22	261	1.78
Provincial office/ branch	529	3.52	570	3.77	527	3.45	330	2.25
Overseas office/ branch	-	-	6	0.04	-	-	1	0.01

Remarks:
[1/] Only full-time employees of the Bank of Ayudhya PCL.
[2/] Data includes no. of employees in voluntary attrition program, a transfer program within Krungsri Group, early retirement program, involuntary attrition program as well as retirement program.

Parental Leave Statistics

Data	Number of Female Employees (Persons)			
	2017	2018	2019	2020
Number of employees entitled to parental leave	10,423	10,538	10,621	10,211
Number of employees taking parental leave	318	355	331	310
Number of employees returning to work after parental leave	318	352	329	308
Number of employees returning to work after parental leave and still retained 12 months after their return to work	303	305	348	324
Return-to-work Rate[1/] of employees after parental leave	100.00	99.15	99.40	99.35
Retention Rate[2/] of employees after parental leave	95.28	86.65	98.86	98.48

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

Employement Data of Disabled Employees

Krungsri	2016	2017	2018	2019	2020
Number of disabled employees [1/]	1 [1/]	147 [2/]	150 [2/]	151 [2/]	154 [2/]

Remarks:
[1/] The Bank subsidized the fund in compliance with the Section 34 of the Empowerment of Persons with Disabilities Act, B.E. 2550, due to a lack of appropriate positions for disabled employees.
[2/] 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.

Employee Training and Development Report

	2017	2018	2019	2020
Average training hours (hours/ person/ year)	60.66	62.44	61.59	51.53
Gender				
Male	57.96	63.17	57.70	52.09
Female	61.85	60.77	63.30	50.25
Age Range[1/]				
Less than 30 years old	-	70.01	74.73	56.20
30-50 years old	-	61.33	60.75	51.51
50 years and above	-	59.02	52.60	48.59
Employee level				
Officer level 1-3	64.87	66.19	68.27	54.37
Officer level 4-6	55.58	58.14	56.67	49.12
Executive level 7-8	64.16	67.56	61.50	54.32
Executive level 9 and above	59.41	57.82	58.39	47.38
- Vice President-Senior Vice President [2/]	-	56.43	56.93	48.05
- Executive Vice President and above (Senior Management included) [2/]	-	71.63	73.22	41.00

Remarks:
[1/] Recording of training hours broken down by age range started in 2018.
[2/] The data was first disclosed in 2018.

Channels of Financial Access

Channels of Services \ Area	2017		2018		2019		2020	
	Bangkok and vicinity	Provincial	Bangkok and vicinity	Provincial	Bangkok and vicinity	Provincial	Bangkok and vicinity	Provincial
Krungsri Branches	299	401	298	405	293	397	286	384
	700		703		690		670	
ATMs	2,914	3,638	2,966	3,736	2,981	3,769	2,898	3,602
	6,552		6,702[1/]		6,750		6,500	
Krungsri Exclusive	27	12	30	12	31	12	32	12
	39		42		43		44	
The Krungsri Advisory [2/]	-	-	2	0	4	1	5	1
	-		2		5		6	
Foreign Exchange Booths	21	71	23	67	23	60	21	51
	92		90		83		72	
Krungsri Business Centers	64		62		62		62	
Krungsri Auto Dealers	4,000	6,400	3,345	6,211	3,472	6,447	2,964	6,300
	10,400		9,556		9,919		9,264	
First Choice and Dealers	21,415		22,738		22,770		21,946	
First Choice Branches	153		150		150		112	
Microfinance Branches (Ngern Tid Lor)	190	403	139	674	153	847	160	916
	593		813		1,000		1,076	
Microfinance Branches (Hattha Bank [3/])	168		178		177		177	

Remarks:

[1/] Include Self Service Banking (SSB) and Bill Payment Machine (BPM)

[2/] Krungsri The Advisory is exclusively for 'Krungsri Exclusive and Krungsri Prime' customers.

[3/] Krungsri's subsidiary in Cambodia which has successfully obtained regulatory approvals to operate as a commercial bank, under the name 'Hattha Bank Plc.' with effect from August 26, 2020 onwards.

LR Independent Assurance Statement

Relating to Bank of Ayudhya Public Company Limited's Sustainability Report for the calendar year 2020

This Assurance Statement has been prepared for Bank of Ayudhya Public Company Limited in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Bank of Ayudhya Public Company Limited (BAY), to provide independent assurance on its Sustainability Report for the calendar year 2020 ("the report") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LR's verification procedure. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and uses the following principles of - inclusivity, materiality and responsiveness of data and information.

Our assurance engagement covered BAY's operations and activities in Thailand, including its subsidiary companies where BAY has addressed environment and social impacts and specifically the following requirements

- confirming that the report is in accordance with the GRI Standard; core option
- GRI Financial Service Sector Supplement (FSSS)

Our assurance engagement excluded the data and information of BAY's operations and activities outside of Thailand.

LR's responsibility is only to BAY. LR disclaims any liability or responsibility to others as explained in the end footnote. BAY's responsibility is for collecting, aggregating, analysing and presenting all the 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 BAY.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that BAY has not:

- Met the requirements above
- 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 limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach

LR's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing BAY's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by interviewing BAY's Management who engage directly with stakeholder groups as well as reviewing documents and associated records.
- Reviewing BAY's process for identifying and determining material issues to confirm that the right issues were included in their Report and updated overtime. We did this by benchmarking reports written by BAY 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 BAY makes informed business decisions that may create opportunities which contribute towards sustainable development.

Observations

Further observations and findings, made during the assurance engagement, are:

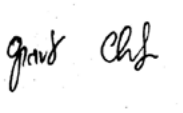
- Inclusivity:
  We are not aware of any key stakeholder groups that have been excluded from BAY's engagement process.
- Materiality:
  BAY has processes for identifying and determining material issues; the evaluation process considers factors such as stakeholder concerns, business risks and legal compliance and we are not aware of any major material issue having been excluded.
- Responsiveness:
  BAY has processes for responding to various stakeholder groups. We believe that BAY should address further on environment and social impacts, typically form or related to BAY operations and its stakeholders i.e. the clients.

LR's standards, competence and independence

LR 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 is the only work undertaken by LR for BAY and as such does not compromise our independence or impartiality.

Dated: 9 March 2021



Opart Charuratana
LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd
Lloyd's Register International (Thailand) Limited
22nd Floor, Sirinrat Building, 3388/78 Rama IV Road
Klongton, Klongtoey, Bangkok 10110 THAILAND
LR reference: BGK00000578

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krungsri



Questionnaire on Krungsri's Sustainability Report 2020

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

Scan QR code

1. Which of the following best describes your relationship with Krungsri?

- ◯ Employee
- ◯ Customer
- ◯ Shareholder
- ◯ Vendor / Supplier
- ◯ Investor
- ◯ Other financial institution
- ◯ Regulator
- ◯ Government agency
- ◯ General public
- ◯ NGO
- ◯ Other (please specify).....

2. What is your gender?

- ◯ Male
- ◯ Female
- ◯ Prefer not to disclose
- ◯ Other (please specify).....

3. Where did you receive / read Krungsri's Sustainability Report?

- ◯ Annual General Meeting (AGM)
- ◯ Bank's website
- ◯ Bank's employee
- ◯ Seminar
- ◯ Other (please specify).....

4. Objective of reading Krungsri's Sustainability Report

- ◯ To acknowledge and understand the Bank's sustainable business operations
- ◯ To get information useful for investment decision-making
- ◯ For research and study
- ◯ Other (please specify).....

5. Do you think all material sustainability issues have been covered in Krungsri's Sustainability Report?

- ◯ Yes
- ◯ No

If no, please specify the issue(s) that you think should be added to our Sustainability Report.

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6. Satisfaction of Krungsri's Sustainability Report 2020

	High	Moderate	Need improvement
Complete contents	◯	◯	◯
Interesting contents	◯	◯	◯
Easy to understand	◯	◯	◯
Attractive and modern report design	◯	◯	◯
Overall satisfaction of the report	◯	◯	◯

7. Additional comments or other suggestions for further improving our Sustainability Report

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Thank you for your kind cooperation.
Your feedback will contribute to the further improvement of Krungsri's Sustainability Report.

Bank of Ayudhya Public Company Limited protects the environment by using Echo Green paper (100% recycled) and soy-based ink for printing this eco-friendly Sustainability Report, thereby saving trees and reducing greenhouse gas emissions.

For more information, please contact:
Environmental, Social, and Governance Division
Bank of Ayudhya Public Company Limited
Tel. 0-2296-2000 Ext. 83935, 84026
E-mail: KrungsriESG@krungsri.com

Design : Graphic Station Company Limited

BANK OF AYUDHYA PUBLIC COMPANY LIMITED
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Call 1572 | www.krungsri.com | Krungsri Simple

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