



**Krungthai**  
กรุงไทย

# Reshaping Thailand Towards a Sustainable Future

Sustainability Report 2023



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# Message from the Chairman and CEO

In 2023, Thailand was undergoing a transition towards sustainable development while navigating through numerous challenges. These included efforts to bolster economic recovery and tackle high household debt, mainly caused by the impacts of COVID-19, geopolitical tensions, and environmental crises due to climate change and natural disasters. All these challenges demand coordinated efforts among global leaders to mitigate their intensifying effects, and it is imperative to monitor them vigilantly.

As a government-owned financial institution, Krungthai Bank has developed a short-, medium-, and long-term roadmap to navigate this landscape and be part of the mechanism that advances the development and integration of national infrastructure. To this end, we leverage digital and financial innovations to reshape Thai society towards a sustainable future, making financial services more inclusive and accessible, thereby reducing both direct and indirect impacts of the limited financial inclusion on the economy, society, and the way of life of all stakeholders. The Board of Directors and Executives have been closely monitoring the implementation of the Bank's sustainability roadmap and offering valuable feedback. They have also broadened the responsibility of relevant departments to ensure they can address newly emerging challenges effectively. We have incorporated these challenges, along with the expectations of national and international regulators, the Sustainable Development Goals (SDGs), the UN Guiding Principles on Business and Human Rights, and stakeholder feedback, to improve and maximize the efficiency of our sustainability roadmap and strategies. Moreover, we have expanded our scope by collaborating with other organizations to enhance our ability to generate positive impacts, mitigate negative ones, and strengthen risk management capabilities throughout the supply chain.

Stakeholder collaboration is crucial to amplifying our Bank's and the nation's sustainability efforts. Together with other members of the Thai Bankers' Association, we are pursuing environmental, social, and governance objectives as outlined in the Association's ESG Declaration. This includes setting environmental and climate change goals and missions that are effective and extend beyond our operations, involving customers, business partners, and other stakeholders in our collective sustainability journey. This aligns with Thailand's transition to a low-carbon economy and the country's 2065 net-zero objective. We have plans in place to reduce scope 1, 2, and 3 greenhouse gas emissions across

our operations and supply chain by increasing the proportion of renewable energy used and enhancing energy efficiency. Moreover, we collaborate with our stakeholders in developing climate transition plans, playing our role as a financial institution in pursuing the country's sustainability roadmap. Additionally, we enhance our ability to achieve the net-zero goal by developing the knowledge and capacity of our people, from the Board of Directors and Executives to the risk management team, the customer relationship management team, and industry experts who work with the Sustainability Management Committee. Beyond environmental efforts, our sustainability strategies also address social dimensions. We conduct human rights due diligence. We also promote financial inclusion by providing inclusive financial product offerings designed for diverse groups of people and partnering with social enterprises to promote digital financial literacy, thereby reducing inequality and fostering social equity. As a result of these efforts, we have made significant strides in executing our sustainability roadmap, and establishing a solid foundation for the sustainable future of our Bank and our society.



Mr. Lavaron Sangsnit  
Chairman of the Board of Directors



Mr. Payong Srivanich  
Chief Executive Officer





**Mr. Lavaron Sangsrit**  
Chairman of  
the Board of Directors

**Mr. Payong Srivanich**  
Chief Executive Officer

## Awards of Achievements



The Bank received 67 domestic and international awards from January to December 2023.

### International Awards

#### Sustainability/CSR

1. Best CSR Bank Thailand 2023 from Global Banking & Finance Review Magazine, UK
2. Best Sustainability – Linked Bond from The Asset Magazine, Hong Kong
3. Most Sustainable Bank Thailand 2023 from World Business Star Magazine, UK
4. Best CSR Bank Thailand 2023 from Global Business Review Magazine, UAE
5. Best CSR Bank – Thailand 2023 from The Global Economics Magazine, UK
6. Best Social Impact Bank – Thailand 2023 from Capital Finance International (CFI) Journal, UK
7. Most Socially Responsible Bank – Thailand 2023 from Global Business Outlook Magazine, UK
8. Best CSR Practices Bank in Thailand 2023 from Global Brand Magazine, UK
9. ESG Bond of the Year from IFR ASIA Magazine, Hong Kong
10. Best Bank for ESG Thailand 2023 from Brands and Business Magazine, Singapore

11. 2023 Asia-Pacific Sustainability Action Awards – Sustainability Action Awards from Taiwan Institute for Sustainable Energy (TAISE), Taiwan
12. 2023 Sustainability Awards – Sustainability Initiative of the Year from The Business Intelligence Group, USA
13. Global Corporate Sustainability Awards 2023 (GCSA) in the Best Practice Category – Great Practice from the Taiwan Institute for Sustainable Energy, Taiwan
14. ESG Business Awards 2023 – Waste Management Award from ESG Business magazine, Singapore
15. ESG Business Awards 2023 – Biodiversity Conservation Award from ESG Business magazine, Singapore

#### CEO

16. Banking CEO of the Year Thailand 2023 from Global Banking & Finance Review Magazine, UK
17. Banking CEO of the Year Thailand 2023 from World Business Star Magazine, UK
18. Banking CEO of the Year Thailand 2023 from Global Business & Finance Magazine, USA
19. Best Banking CEO – Mr. Payong Srivanich – Thailand from International Finance Magazine, UK

20. Best Banking CEO of the Year Thailand 2023 from International Business Magazine, UAE
21. Best Banking CEO Thailand 2023 – Mr. Payong Srivanich from World Economic Magazine, USA

#### Digital Banking

22. Top Publisher Awards 2023 – Top 20 Thailand Headquartered Finance Publisher Category from Data.ai, USA

#### Human Resource

23. Best HR Banking Application Thailand 2023 (ONE Krungthai Application - Work Place on Your Hand) from World Business Outlook Magazine, Singapore
24. Best Banking HR Management App Thailand 2023 from World Economic Magazine, USA
25. Investment in People at Asia Responsible Enterprise Awards (AREA) 2023, Malaysia
26. Human Resources Excellence Awards 2023 – Excellence in the Use of HR Tech from Human Resources Online, Singapore

#### Marketing & Branding

27. International Innovation Awards (IIA) 2023 – Service & Solution from Enterprise Asia, Singapore

#### Product & Service

28. Excellence in Customer Service (Banking) – Thailand 2003 from The Global Economics Magazine, UK
29. Best Customer Service Initiative – Thailand from International Finance Magazine, UK
30. Thailand Service Experience of the Year – Banking from Asian Business Review Magazine, Singapore





## Domestic Awards

### Sustainability/CSR

- 2022 Sustainability Disclosure Community (SDC) from ThaiPat Institute
- Corporate Governance Report of Thai Listed Companies Awards 2022 – Excellent Level from the Institute of Directors (IOD)
- Good Governance Award 2023 for Outstanding Consumer Treatment from the Bank of Thailand, together with the Puay Ungphakorn Institute, the Institute for Small and Medium Enterprises Development, and the Bankers' Association
- Real Impact Award 2022 – Social Development for Krungthai Go-Local, Grow-Local Initiative from Real Smart Co., Ltd.
- Real Impact Award 2022 – Governance from Real Smart Co., Ltd.
- "AAA" SET ESG Ratings 2023 from the Stock Exchange of Thailand (SET)
- Good Disability Employer Award 2023 – CEO from the Ministry of Social Development and Human Security

### CEO

- People Management Award 2022 – The Best of CEO People Leader from the Personnel Management Association of Thailand (PMAT)
- THAILAND TOP CEO OF THE YEAR 2023 – Banking Industry from Business+ magazine
- IAA Awards for Listed Companies 2022 – Outstanding CEO from the Investment Analysts Association (IAA)

- IAA Awards for Listed Companies 2022 – Outstanding CFO from the Investment Analysts Association (IAA)
- Quality Persons of the Year 2023 – Mr. Payong Srivanich, an exemplar of finance and banking professionals from the Foundation of Science and Technology Council of Thailand

### Corporate

- Human Rights Model Organization Awards 2023 in the category of large business organizations – Good Level from the Rights and Liberties Protection Department, Ministry of Justice
- Corporate Governance Report of Thai Listed Companies Awards 2023 – Excellent Level from the Institute of Directors (IOD)
- Bank of the Year 2023 from Dokbia Turakij magazine and newspaper

### Digital Banking

- Digital Organization of the Year Award at the Prime Minister's Digital Award 2022 under the DIGITAL INFINITY project from the Digital Economy Promotion Agency (DEPA)
- CHIEF INNOVATION OFFICER (CIO) Award from the National Innovation Agency
- Compliance Award from the Office of the National Digital Economy and Society (ONDE)

- Excellence in Data-Driven Marketing – Gold Level from Marketing-Interactive

### Human Resource

- People Management Award 2022 – The Best Learning and Development from the Personnel Management Association of Thailand (PMAT)
- People Management Award 2022 – The Best Performance Management from the Personnel Management Association of Thailand (PMAT)
- People Management Award 2022 – The Best Talent Management from the Personnel Management Association of Thailand (PMAT)

### Marketing & Branding

- Finalist Best Brand Performance on Social Media – Bank at Social Award by Wisersight (Thailand) Co., Ltd.
- LINE Thailand Awards 2022 – Best Official Account in Finance & Insurance from LINE Thailand
- Best Beautiful Booth Award from Money & Banking Magazine
- Marketing Team of the Year Award – Gold Level from Marketing-Interactive
- Excellence in Marketing to a Specific Audience Award – Silver Level from Marketing-Interactive

- Excellence in Performance Marketing Award – Silver Level from Marketing-Interactive
- Excellence in Consumer Insights/Market Research Award – Bronze Level from Marketing-Interactive
- Excellence in COVID-19 Related Campaigns Award – Bronze Level from Marketing-Interactive
- Excellence in Search Marketing Award – Bronze Level from Marketing-Interactive
- Marketing Award of Thailand 2023 – Bronze Level in the Category of Sustainable Marketing from the Marketing Association of Thailand

### Product & Service

- TAB Digital Inclusive Awards 2023 from Thailand Association of the Blind
- ISMED Top MSMEs Achievement Awards 2023 – SMEs with Sustainable Growth from the Institute for Small and Medium Enterprises Development
- Excellence in Customer Engagement Award – Silver Level from Marketing-Interactive
- SMEs Excellence Awards 2023 – Gold Level from the Thailand Management Association (TMA)
- SMEs Excellence Awards 2023 – Silver Level from the Thailand Management Association (TMA)



# Vision, Mission, and Core Values

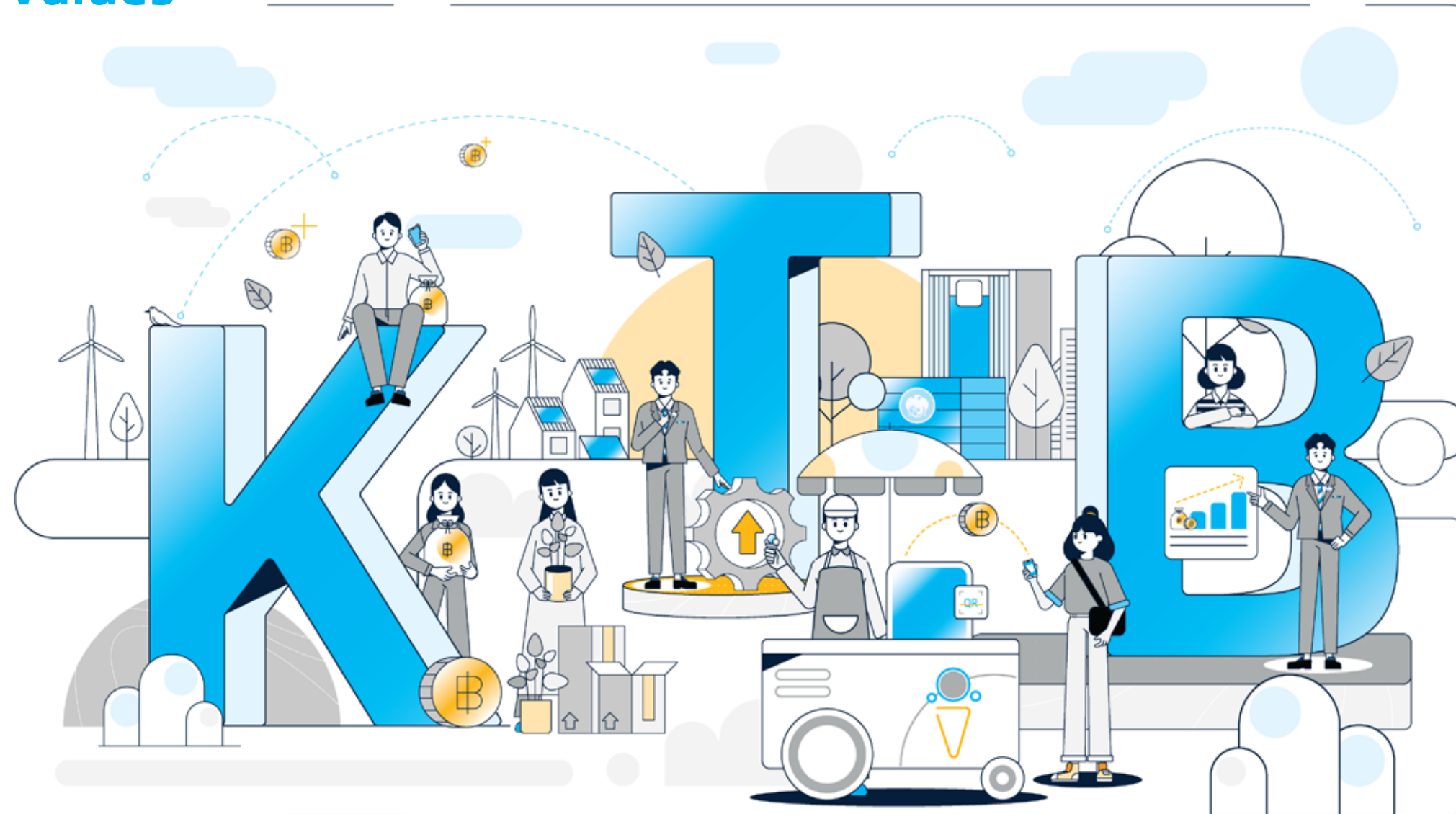
## Vision

“ Growing Together for SUSTAINABILITY ”

## Mission

“ Empower BETTER LIFE for All Thais ”

The Bank is committed to developing financial technology and innovations through Thailand's Open Digital Platform in order to improve the quality of life of people and all groups of customers and people.



## Core Values



### Breakthrough

Being creative and innovative, being assertive, thinking outside the box, focusing on improving themselves and the quality of their work, and being able to transfer knowledge, share experiences, and manage knowledge.



### Efficiency

Performing duties with full commitment, competence, and time in a careful, effective, efficient, and professional manner as well as taking into account risks and appropriate internal control while taking into consideration all groups of customers and stakeholders.



### Integrity

Performing one's work strictly in accordance with the rules and regulations under the principles of good corporate governance and the Code of Conduct, as well as combating all forms of corruption, being accountable, and not tolerating any form of corruption.



### Teamwork

Having good teamwork and a good attitude when working with others, and being open to other people's opinions. Collaborate with others both within and across departments, focusing on the organization's goals as well as cooperating to create a good atmosphere and create a bond in the organization.



### Social

Participating in activities and performing duties while taking into consideration social and environmental responsibility as well as impacts, using resources efficiently, and adhering to human rights principles so as to ensure sustainable growth.

# Sustainability Highlights



## Environment



Reduced Scope 1 and 2 greenhouse gas emissions by **1,737** tons CO<sub>2</sub>e compared to the previous year (**3%** decrease)



Total ESG loan outstanding amount of **21,060** million baht



Reduced water consumption by **20,900** cubic meters compared to the previous year (**21%** decrease)



Reduced energy consumption by **9,292** megawatt-hours compared to the previous year (**7%** decrease)



Reduced trash and waste by **483** metric tons compared to the previous year (**38%** decrease)



Increased the amount of waste recycled by **1.92** metric tons compared to the previous year (**0.1%** increase)



## Social



Paotang Application provides over **40** million Thais with access to digital and financial knowledge, investment opportunities, and governmental health services.



**100%** of the employees received Future Skills training



Employee Engagement **93%**



Overall customer satisfaction score **93.1%**



## Governance and Economy



**100%** of the employees have signed acknowledgments of the Code of Conduct.



**99.86%** of the employees in the organization received training on anti-corruption.



Certified for renewal as a member organization of Thai Private Sector Collective Action Against Corruption (CAC) for **the 3<sup>rd</sup> consecutive time**



**96.06%** of the employees participated in the training and declared their intention to comply with the Personal Data Protection Act (PDPA).

# Sustainability Overview

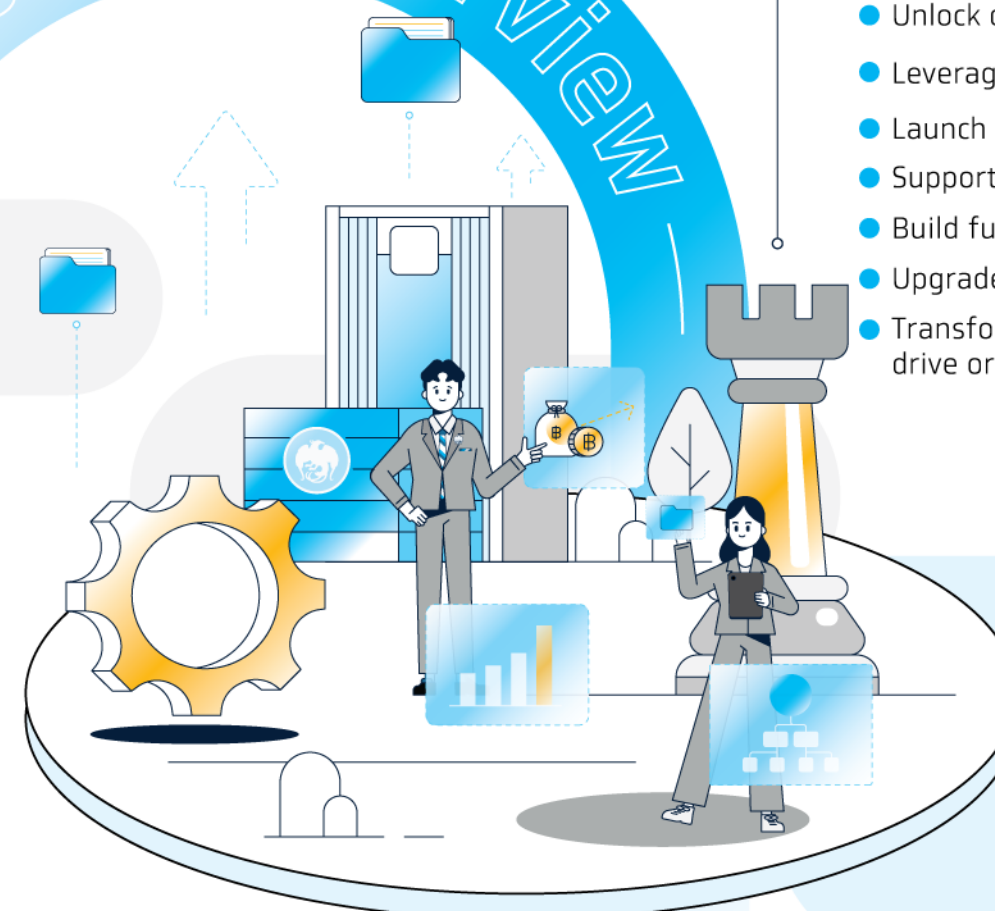
Krungthai Bank conducts its business under the guiding principle of “Accelerating Sustainable Value Creation.” This involves integrating a robust and modern foundation and business structure, accelerating growth, expanding, and venturing into new digital businesses. The Bank integrates economic, social, and environmental considerations in its operations, addressing both risks and opportunities. By doing so, it aims to become a stable pillar for Thai economy. The Bank views sustainability as not only economically beneficial but also critical for long-term societal prosperity and environmental preservation. The Bank is committed to conducting business in accordance with sustainability principles. This commitment extends beyond providing financial services to include innovations that promote equal access to financial resources and services. The sustainability framework enables the Bank to maintain business stability and thrive in a fast-changing environment. This positions Krungthai Bank well to tackle new challenges and opportunities, and it is a key driver in the transition to a more sustainable future.

## Sustainability Overview



### Commitment

- Creating a foundation of resilience
- Growing alongside Thai society
- Moving towards a low-carbon future
- Reducing inequality and promoting equality



### Strategy

The Bank propels its business through seven strategic focuses:

- Unlock disproportionate value from X2G2X.
- Leverage digital and data to drive efficiency.
- Launch new growth platforms.
- Support sustainable and inclusive growth.
- Build future ready capabilities.
- Upgrade core technology infrastructure.
- Transform culture: embed new ways of working to drive organization agility.



### Supporting Factors

- Managing risk effectively to keep the organization agile and open to growth opportunities
- Promoting good governance and responsible business practices including cultivating a positive culture and attitude



# Business and Value Chain

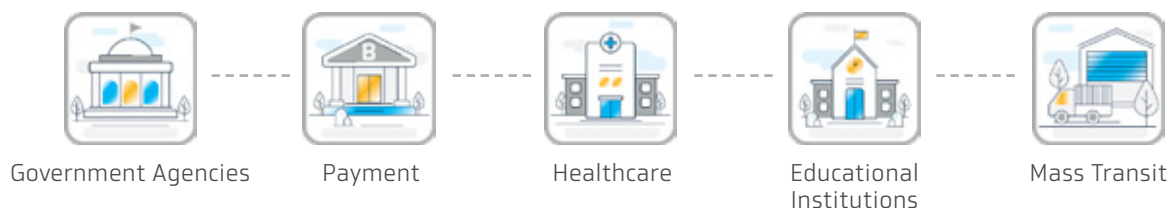
## Banking Business Strategy and Sustainable Profit Creation in 2023

In 2023, economic fluctuations and challenges emerged due to various changes impacting the banking industry. Particularly significant was the necessity for businesses to adapt amid the global transition towards a low-carbon society, a priority for many nations aiming to cultivate environmentally sustainable economic systems. Simultaneously, the global economy faced the prospect of deceleration, with several economies teetering on the brink of recession as a result of an increase in interest rates by banks worldwide to control inflation. Additionally, challenges stemming from the conflict between Russia and Ukraine contributed to rising costs across various product sectors. In response to these dynamic circumstances, the Bank undertook proactive measures to navigate changes and address emerging challenges. It committed to evolving into a “sustainable bank” by conducting business in alignment with principles of good governance and by implementing rigorous risk and asset management practices. Moreover, the Bank has prioritized collaborative efforts aimed at enhancing people’s quality of life, thereby fostering inclusive growth alongside the environmentally friendly evolution of the Thai economy.

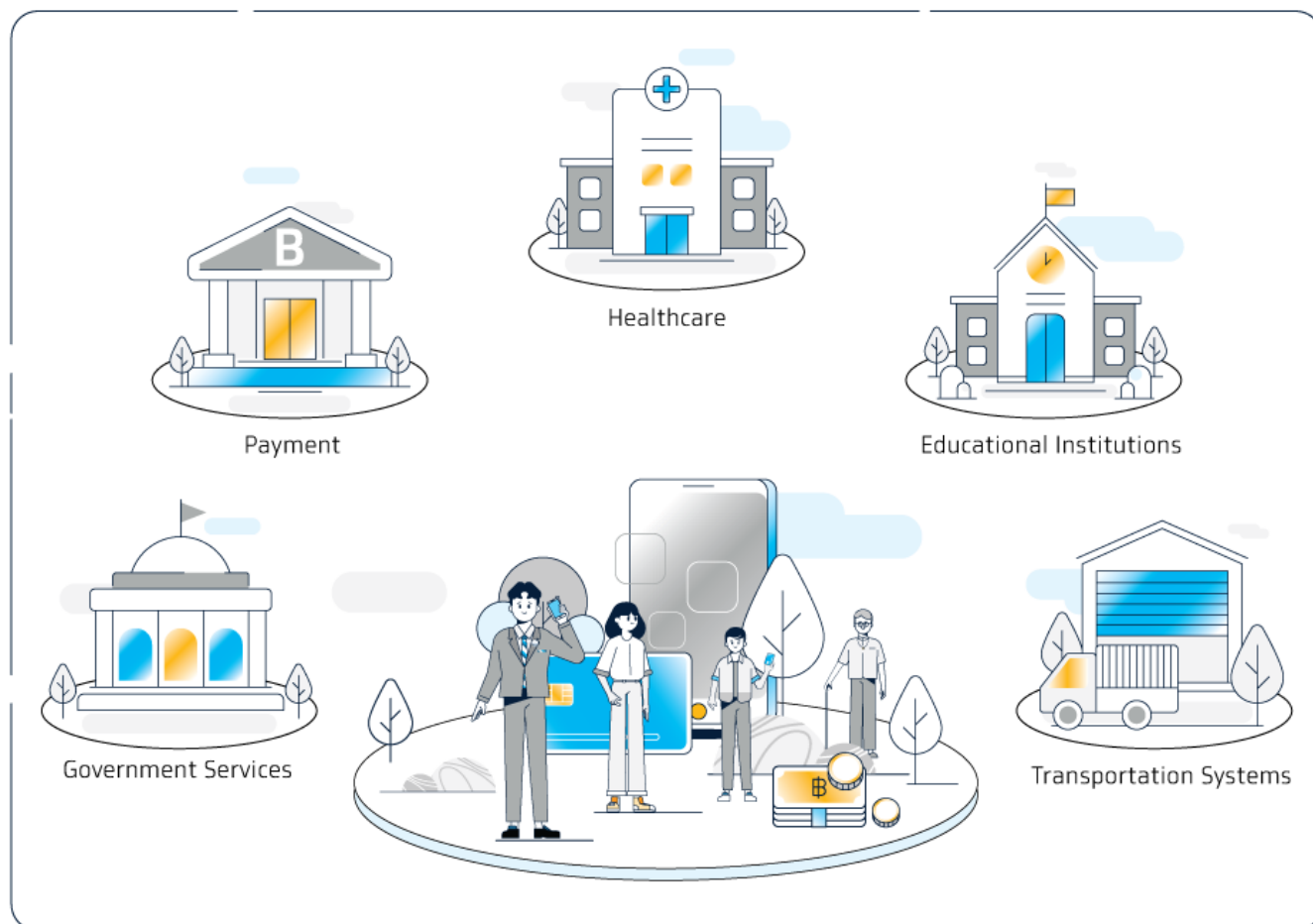
In 2023, Krungthai Bank remained committed to advancing its growth trajectory through the implementation of 2 banking models, or the carrier-speedboat strategy, along with the **7 strategic focuses**, which are as follows:

- 1 Unlock disproportionate value from X2G2X** This emphasizes a holistic approach across the entire supply chain and improving access to grassroots customers to reduce inequality while maintaining appropriate risk management.
- 2 Leverage digital and data to drive efficiency** This involves leveraging technology and data, expediting the Bank’s operations through process digitalization, and utilizing data analytics to build up on the Bank’s existing products and services across multiple channels, particularly the digital ones.
- 3 Launch new growth platforms** This involves providing inclusive access to finance and financial services that cover all activities in the New Normal era and offering services beyond banking, such as Wealth-Tech, virtual banking, and banking-as-a-service platforms.
- 4 Support sustainable and inclusive growth** In line with ESG principles, the Bank aims to reduce inequality in access to financial services and income distribution gaps, connect SME customers with the digital economy, and accelerate their adaptation to the emerging industries of the New S-Curve.
- 5 Build future ready capabilities** This involves developing strong enterprise risk management, enhancing data analytics capability, and boosting the competitiveness of affiliated companies.
- 6 Upgrade core technology infrastructure** This involves building customer trust by investing in IT infrastructure and digitalization to ensure modernity, stability, security, and reliability.
- 7 Transform culture: embed new ways of working to drive organization agility** This involves fostering agile, flexible, and efficient ways of working with the “Fail Fast, Learn Fast” concept. Furthermore, there is a focus on upskilling employees, particularly in digital literacy, and attracting and retaining high-potential talent.

Krungthai Bank is committed to improving people’s lives, reducing inequality, and closing income distribution gaps in society. This includes developing skills, knowledge, and understanding of digital technology, or digital literacy, as well as maintaining its competitiveness in a rapidly changing environment. Furthermore, Krungthai Bank prioritizes strengthening and maintaining its position as the country’s leading commercial bank. The Bank has addressed 5 key ecosystems that represent the Bank’s primary target groups, including:



The 5 ecosystems serve as the Bank's core strength. They enable connectivity with other ecosystems, allowing the Bank to effectively address customer needs and drive business growth through its financial service offerings.

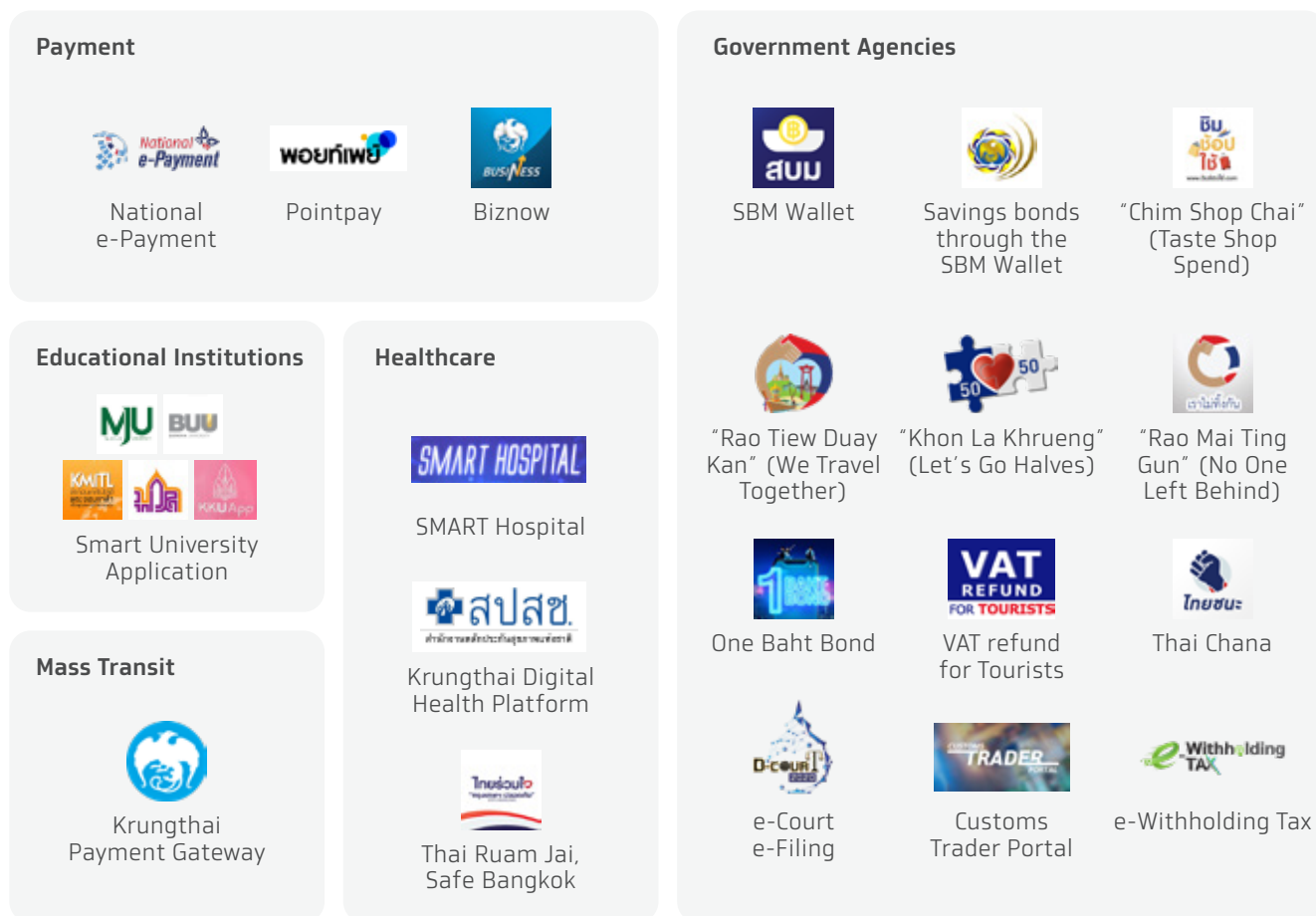


Currently, the Bank serves as the developer and service provider of main digital platforms, notably the Paotang application, or Thailand's Open Digital Platform, with over 40 million users, the Krungthai Next application, a mobile banking app with more than 18 million users, and the Tung-Ngern application for retail merchants to receive payments which currently serves over 1.7 million merchants.

With its strategies and focus on digitalization and technology, Krungthai Bank has emerged as the largest provider of digital platforms in the country, solidifying its position as a leader in digital banking. The Bank is able to expand and leverage big data to evaluate customer needs and identify opportunities for business expansion effectively.

The Bank is committed to enhancing the well-being and quality of life of people through Thailand's Open Digital Platform by promoting access to services through technology and various online channels. Additionally, it aims to increase connectivity and operational efficiency of applications to reach and serve every group of people, particularly those residing in remote areas. The Bank also plays pivotal roles in government projects and policies along with developing its services in alignment with the vision of "Growing Together for Sustainability."

## Examples of services on Thailand's Open Digital Platform for each of the Bank's main target groups:



Note: Read more details on the Bank website..



The Bank strives to provide services that precisely and comprehensively meet the needs of its customers along with developing its business operations in alignment with the 7 strategic focuses in order to become a sustainable bank in line with Thailand's transition journey towards a low-carbon economy. The Bank serves as a financial intermediary, facilitating transactions for customers and the general public. Its financial service offerings include savings, current, and fixed deposits for individuals, legal entities, government agencies, state enterprises, and financial institutions; investment; lending; various other financial transaction services facilitated through Automated Deposit Machines (ADM), Automated Teller Machines (ATMs), and Krungthai NEXT application. The Bank is also funded by interbank loans, interest from loans, and other significant equity funding sources, including issued debt instruments and borrowing, shareholders' equity, and fees from banking services, whether as brokers or agents.

The Bank manages these funds in accordance with the principles of risk management and good corporate governance, aiming to create additional value for shareholders. This management is conducted under the oversight and control of regulatory agencies such as the Bank of Thailand and the Stock Exchange of Thailand.






The Bank uses funds, such as deposits, to support its diverse range of business activities, particularly the provision of various types of loans, and generates revenue from interest, fees, and income generated through investments in debt instruments and other forms of investment.

Banking is recognized as a service-oriented industry, and Krungthai Bank places a high value on each sector and activity within its value chain. This comprehensive approach ensures that the Bank effectively addresses the needs of all stakeholders while promoting sustainability.

## Supporting Functions

- The Bank's Infrastructure (Legal, Accounting, Compliance)
- Risk Management (Audit, Risk)
- Product Team, IT
- Human Resources, Training
- Procurement
- Employees
- Regulatory agencies
- Suppliers
- Business partners

Core Functions	KTB	Subsidiary
 <b>Products &amp; Services</b>	<b>Source of funds</b> <ul style="list-style-type: none"> <li>• Deposit</li> <li>• Interbank loans</li> <li>• Other loans</li> <li>• Loan interest</li> <li>• Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Customers</li> <li>• Competitors</li> <li>• Creditors</li> <li>• Shareholders</li> <li>• Regulatory agencies</li> </ul>
	<b>Investment</b> <ul style="list-style-type: none"> <li>• Loans</li> <li>• Other investments, such as debt instruments</li> </ul>	<b>Investment</b> <ul style="list-style-type: none"> <li>• Securities/funds</li> </ul> <ul style="list-style-type: none"> <li>• Employees</li> <li>• Customers</li> <li>• Business partners</li> <li>• Competitors</li> <li>• Regulatory agencies</li> <li>• Society</li> </ul>
	<b>Services</b> <ul style="list-style-type: none"> <li>• Financial services</li> <li>• Advisory services</li> <li>• Digital finance</li> <li>• Fund management services</li> <li>• Investment banking business and debt instrument business</li> </ul>	<b>Services</b> <ul style="list-style-type: none"> <li>• Credit cards</li> <li>• Life and non-life insurances</li> <li>• Security brokerage</li> <li>• Digital platforms</li> <li>• Tech talent and resources provider</li> <li>• Money transport vehicles</li> </ul> <ul style="list-style-type: none"> <li>• Employees</li> <li>• Customers</li> <li>• Business partners</li> <li>• Competitors</li> <li>• Regulatory agencies</li> <li>• Society</li> </ul>
 <b>Sales &amp; Marketing</b>	<ul style="list-style-type: none"> <li>• Providing information regarding financial products and services</li> <li>• Financial literacy support</li> <li>• Promotion development</li> <li>• After-sales service</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Customers</li> <li>• Society</li> <li>• Competitors</li> <li>• Regulatory agencies</li> </ul>
 <b>Financial Transaction</b>	<ul style="list-style-type: none"> <li>• Payment</li> <li>• Trading</li> <li>• Deposit/withdrawal/transfer</li> <li>• Foreign currency exchange</li> <li>• Trade (Import/Export)</li> <li>• Trading in money and capital markets</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Customers</li> <li>• Business partners</li> <li>• Competitors</li> <li>• Regulatory agencies</li> </ul>

# Sustainability Governance Structure

The Bank places a high value on the sustainability agenda and actively promotes the integration of these concerns into all aspects of its business operations. The objective is to mitigate business risks and impacts while also creating opportunities to develop and improve work processes in line with international sustainability guidelines. Moreover, the Bank aims to establish a sustainability culture within the organization. To this end, the Bank has established a working group, the Sustainability Management Committee, with the primary responsibility of driving sustainability efforts and serving as an internal advisor. The Sustainability Management Committee collaborates with business units of all levels to make recommendations, develop and communicate sustainability strategies, operational frameworks, goals, and action plans. Additionally, it monitors and inspects performance to ensure efficient implementation and progress in the long term.



## About This Report

Krungthai Bank Public Company Limited has consistently issued annual Sustainability Reports since 2006 to communicate our commitment to the economy, society, environment, human rights, and governance transparency, focusing on issues affecting all stakeholders. This report covers the Bank's strategies, action plans, guidelines, goals, and outcomes. It reports the Bank's performance from January 1 to December 31, 2023, in accordance with the Global Reporting Initiative (GRI) Standards 2021.

This Sustainability Report has been prepared in accordance with the GRI Standards to ensure the quality of reporting and to outline crucial data that impacts both internal and external stakeholders. The data was internally verified and approved by the head of each department before being disclosed in the report. Additionally, the Bank is committed to continually improving data collection methods to ensure completeness, providing stakeholders and those interested in Krungthai Bank with information of high quality, transparency, and accountability in every aspect of the Bank's operations.

Furthermore, the Bank has integrated the Sustainable Development Goals (SDGs) into its practices, aligning with the United Nations Global Compact to demonstrate a committed and responsive approach to sustainable development goals.

## Reporting Scope

This Sustainability Report covers the core businesses of Krungthai Bank PCL, subsidiary companies, and associated companies. More information about the shareholding structure can be found in 56-1 One Report and on the Bank's website.

### Contact Us

The Bank welcomes your comments and suggestions regarding this report and our sustainability performance. Your input will help us enhance the disclosed information in future reports. Please send your inquiries or comments to the Sustainability Team via the channels listed below:



**Telephone:**

02-208-4461



**Email:**

sustainability.admin@krungthai.com



**Address:**

**Sustainability and CSR/CSV Team**

Krungthai Bank PCL Head Office, Building 1, 14 Floor, 35 Sukhumvit Road,  
Klong Toei Nua, Wattana, Bangkok, 10110, Thailand.



# Materiality Assessment

The Sustainability Materiality Assessment is a mechanism used for identifying economic, social, and environmental aspects that impact the Bank's operations through collecting feedback from relevant stakeholder groups.

In 2023, Krungthai Bank conducted the Sustainability Materiality Assessment in alignment with the Double Materiality Assessment Approach through the Global Reporting Initiative (GRI) Standards 2021. The framework considers the Bank's Impact Materiality, which is the impact of the Bank's operations on the economy, environment, and society, together with Financial Materiality, which is the financial implications resulting from external sustainability factors to the Bank's value. Therefore, the analysis comprehensively reveals impacting sustainability factors, risks, and opportunities. In addition, this assists in the prioritization and strategic planning of risk management and the Bank's business development to align with the sustainability principles emphasized by the Bank in the dimensions of economy, society, and environment and respond to the needs of stakeholders in accordance with human rights principles.

The Sustainability Materiality Assessment consists of 4 key steps, steps as follows:



## Materiality Identification

The identification of sustainability materiality involves a comprehensive examination of topics across the Bank's value chain. This process considers both internal and external factors, including industry sustainability trends, international standard reporting frameworks reporting frameworks, benchmarking against peer, and stakeholders' needs and expectations. A total of 13 materiality topics were identified, covering the governance, environmental, and social dimension. In addition, the Bank has identified comprehensiveness, risks, and opportunities aligning with the risks associated with each sustainability issue.



## Impact Identification

The Bank identifies impacts, risks, and opportunities regarding sustainability opinion surveys and interviews with internal and external stakeholders, including the Board of Directors and Senior Executives, regulators, shareholders, investors, suppliers, communities, customers, and employees of all levels to listen to stakeholder feedback regarding the sustainability impacts of the Bank's operations and the impact of the sustainability issues on the Bank's value. This enables the Bank to identify impacts covering all dimensions and impacts of the activities in the Bank's value chain on human rights.



## Impact Assessment

The Bank takes into consideration all feedback, sustainability context, and impact of each issue identified by stakeholders to evaluate the impact in accordance with the GRI Standard. This includes actual and potential impacts, whether they are positive or negative, whether they are short-term or long-term, whether they can be reversed, and their severity (size, scope, and potential for resolution), the likelihood of both positive and negative impacts, risks and opportunities, and financial implications in accordance with the Bank's risk management process to analyze and prioritize materially significant sustainability issues with impact on the Bank's business. The result is the Materiality Matrix with sustainability implications.



## Prioritization Analysis and Reporting

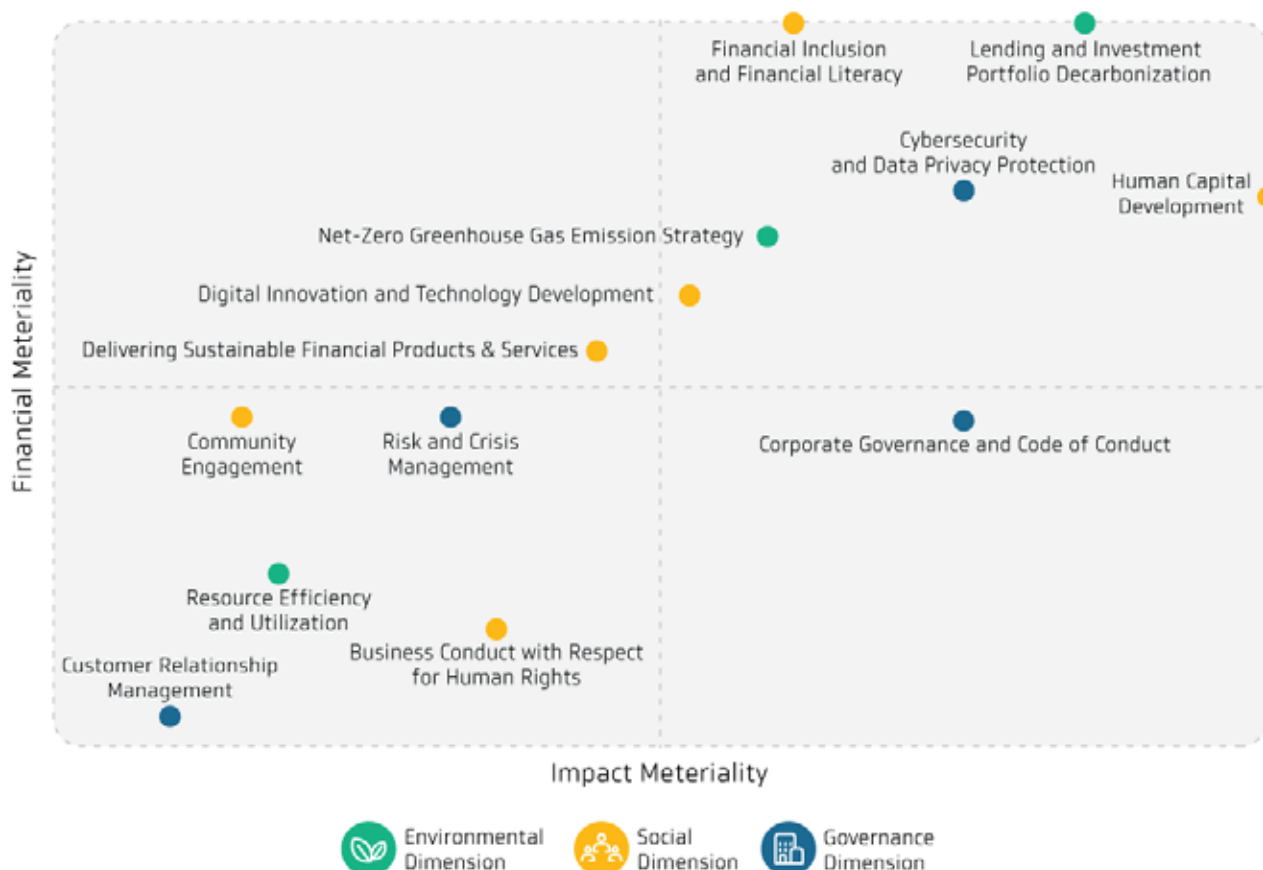
After creating the Materiality Matrix based on the Impact Assessment data, the Bank processes this data to identify material topics and has them validated by experts. The results show sustainability topics with Impact Materiality, reflecting the impact of the Bank's operations on the economy, environment, and society, as well as topics with Financial Materiality, or the impact of external sustainability factors on the Bank's finances. Subsequently, the Bank confirmed the results with relevant business units and top management to determine a strategy and operational framework, then communicated them throughout the Bank. The scope and structure of the annual sustainability disclosure covering material sustainability topics were determined.

The Bank transparently collects and discloses information regarding management, targets, and performances in accordance with stakeholder expectations, referencing external assessment guidelines such as S&P Global and THSI.

## Materiality Assessment Results

After assessing the materiality of sustainability topics by taking into consideration industry sustainability trends, international standards, peer benchmarks, and stakeholder expectations and prioritizing impacts on the economy, environment, and society as well as financial impact on the Bank, minor changes in the Bank's material topics were found. The Bank's material sustainability topics in 2023 are as follows:

- The strengthening of the Bank's operational foundation through good corporate governance and code of conduct is critical as it directly impacts the Bank's credibility, which is a key factor in attracting customers and building its reputation.
- Leveraging digital innovation and technology to streamline work processes and develop new innovations, especially in the areas of digital platforms, in the past year has led to significant growth, especially from the Paotang application, which helped promote a better understanding of technologies used for financial transactions.
- Of equal importance to digital innovation and technology is the management of cybersecurity and data privacy protection. Given the Bank's extensive customer databases, any information leak could have a significant impact on the public, potentially harming the Bank's reputation and undermining customer trust.
- The establishment a strategy for achieving net-zero greenhouse gas emissions is imperative because it must align with Thailand's targets, meet the needs of investors, and be open to capture new business opportunities.
- The Bank plays an important role in selecting investments and financing various business sectors and projects. Therefore, it is imperative for the Bank to strategically manage and set its business direction with a focus on decarbonizing its investment and lending portfolios, which is currently the Bank's biggest greenhouse gas emission scope. The allocation of funds is poised to facilitate the adaptation of government and business sectors during the transition toward a low-carbon society.
- Improving financial inclusion and financial literacy to uplift the quality of life of all groups of customers and people aligns with the Bank's vision and mission to cultivate financial equality for the Thai people. Therefore, the Bank promotes digital financial literacy to break down barriers to accessing digital banking.
- Driving the Bank's operations across the organization necessitates the knowledge and abilities of its employees. Thus, it is important to equip employees with relevant and up-to-date skills. Developing career paths, career opportunities, and new ways of working to attract talent is a factor that can help the organization achieve its goals in a sustainable manner.



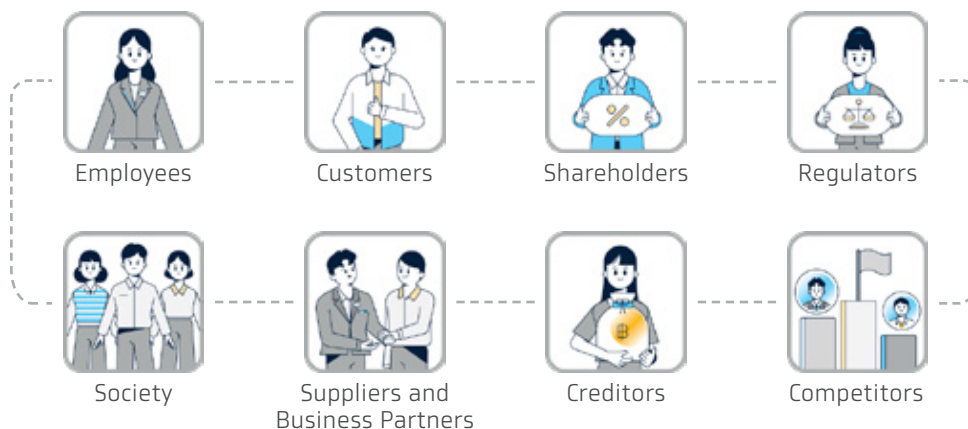
## List of Material Topics


KTB Material Topics	Corresponding GRI Standards	Key Stakeholders Impacted and Boundary		SDGs Served
Transforming services. Meet every lifestyle need.				
Corporate Governance and Ethics	2 : General disclosures 3 : Material topics 205 : Anti-corruption	<ul style="list-style-type: none"><li>Employees</li><li>Customers</li><li>Regulators</li></ul>	<ul style="list-style-type: none"><li>Suppliers</li><li>Shareholders</li></ul>	 
Digital Innovation and Technology Development	3 : Material topics	<ul style="list-style-type: none"><li>Employees</li><li>Customers</li><li>Shareholders</li><li>Regulators</li></ul>	<ul style="list-style-type: none"><li>Society</li><li>Suppliers</li><li>Competitors</li></ul>	 
Cybersecurity and Data Privacy Protection	3 : Material topics 418 : Customer privacy	<ul style="list-style-type: none"><li>Employees</li><li>Customers</li><li>Shareholders</li></ul>	<ul style="list-style-type: none"><li>Regulators</li><li>Society</li><li>Suppliers</li></ul>	
Transition to low carbon business. Lead towards NET ZERO.				
Net-Zero Greenhouse Gas Emission Strategy	3 : Material topics 201 : Market presence	<ul style="list-style-type: none"><li>Employees</li><li>Shareholders</li><li>Regulators</li></ul>	<ul style="list-style-type: none"><li>Society</li><li>Competitors</li></ul>	  
Portfolio Decarbonization	3 : Material topics	<ul style="list-style-type: none"><li>Employees</li><li>Shareholders</li><li>Regulators</li></ul>	<ul style="list-style-type: none"><li>Society</li><li>Competitors</li></ul>	  
Revitalize the economy. Enhance the quality of life.				
Financial Inclusion and Financial Literacy	3 : Material topics FS7 : Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose FI01 : Number of reach and engagement of financial literacy contents FI02 : Number of digital wallet users	<ul style="list-style-type: none"><li>Employees</li><li>Regulators</li></ul>	<ul style="list-style-type: none"><li>Society</li><li>Competitors</li></ul>	    
Human Resources Management	2 : General disclosures 3 : Material topics 401 : Employment 404 : Training and education 405 : Diversity and equal opportunity	<ul style="list-style-type: none"><li>Employees</li><li>Shareholders</li></ul>		  

# Stakeholder Engagement

The Bank recognizes the importance of all groups of stakeholders, both inside and outside the organization, who have economic, social, and environmental impacts on the operation of the Bank, both directly and indirectly. The Bank has analyzed and prioritized stakeholders and determined the engagement approaches for each group of stakeholders to ensure appropriate, efficient, and fair treatment of all stakeholders as outlined in the Bank's policy on good corporate governance and Code of Conduct. This will ensure that the Bank can grow strongly and sustainably.

## Stakeholders:



Procedures	Frequency	Stakeholder Needs	Practice Guidelines
<div>  <h2>Employees</h2> </div>			
<ul style="list-style-type: none"> <li>Listen to any suggestions, problems, and complaints from employees through 3 channels: direct e-mail to executives, HR Care e-mail, HR Hotline (02-208-8887), and ONE Krungthai application</li> <li>Employee engagement survey</li> <li>Performance appraisal</li> <li>Human resource development and training</li> <li>Meetings and seminars with employees</li> <li>Report any suspected fraud to <a href="mailto:whistle@krungthai.com">whistle@krungthai.com</a></li> </ul>	<ul style="list-style-type: none"> <li>Listen to feedback all year round</li> <li>Employee engagement survey is conducted 2 times/year.</li> <li>Performance is appraised once a year.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate remuneration, benefits, and welfare</li> <li>Inspiration for work</li> <li>Interesting and valuable work</li> <li>Work-life balance</li> <li>Opportunities to learn and grow in their career path</li> <li>Recognition and appreciation</li> <li>Environment and facilities that facilitate work</li> </ul>	<ul style="list-style-type: none"> <li>Treat employees fairly and appropriately, and respect their rights according to human rights principles.</li> <li>Create an environment where employees are encouraged to participate and make useful suggestions.</li> <li>Organize employee engagement activities.</li> <li>Promote good health and well-being of employees by providing various facilities.</li> <li>Provide training and encourage employees to grow in their career path.</li> <li>Provide a working environment that is safe, hygienic, and conducive to work.</li> </ul>



## Procedures

## Frequency

## Stakeholder Needs

## Practice Guidelines



## Customers

- |   |  |  |   |
|---|--|--|---|
| <ul style="list-style-type: none"> <li>● Satisfaction survey and corporate image survey</li> <li>● On-site interviews with customers to identify pain points, and use the pain points to develop products or improve processes</li> <li>● Customer engagement survey</li> <li>● Open a channel to receive customer complaints.</li> <li>● Meet customers to present financial products and services.</li> <li>● Communication through online channels</li> <li>● Organize seminars to educate customers about financial literacy and business knowledge.</li> </ul> | <ul style="list-style-type: none"> <li>● Conduct a satisfaction survey and corporate image survey at least once a year.</li> <li>● Visit and interview customers 1-2 times times/year.</li> <li>● Communicate via online channels when new products or services are launched.</li> <li>● Survey customer complaint service throughout the year.</li> <li>● Visit customers 2-4 times/year.</li> <li>● Send email newsletter to interest customers once a month.</li> <li>● Promote credit products throughout the year.</li> </ul> | <ul style="list-style-type: none"> <li>● Financial products and services that meet the needs of each customer sector</li> <li>● Convenient and fast services as well as appropriate credit line</li> <li>● Proper services and effective handling of complaints</li> <li>● Receive regular updates on activities, news, insights, and product information.</li> <li>● Accurate, useful information, and having their feedback heard</li> </ul> | <ul style="list-style-type: none"> <li>● Develop and offer products and services to meet the needs of each customer sector.</li> <li>● Improve various processes so that they are faster and correspond to the needs of customers.</li> <li>● Resolve complaints according to Service Level Agreement (SLA).</li> <li>● Deliver product information and news to customers via text message or emails.</li> <li>● Promote credit products to target groups through online media.</li> <li>● Allow registrations for the Bank's products from interested customers through the <a href="#">website</a></li> <li>● Provide services with enthusiasm and give accurate, up-to-date information to build customer trust, make it easy for customers to contact the Bank, and give customers the opportunity to evaluate the services.</li> </ul> |
|---|--|--|---|



## Shareholders

- |   |  |   |  |
|---|--|---|--|
| <ul style="list-style-type: none"> <li>● Organize an ordinary general meeting for shareholders to ensure they understand the Bank's policy and answer their questions at the meeting.</li> <li>● One-on-one meetings</li> <li>● Analyst and fund manager meetings</li> <li>● Meet investors in investor roadshows.</li> <li>● Disclose information to the Stock Exchange of Thailand and disclose financial information on the Bank's website.</li> </ul> | <ul style="list-style-type: none"> <li>● Organize an annual ordinary general meeting for shareholders once a year.</li> <li>● One-on-one meetings throughout the year</li> <li>● Organize investor roadshows 5 times/year.</li> <li>● Organize analyst and fund manager meetings every quarter.</li> </ul> | <ul style="list-style-type: none"> <li>● Transparency and standards for information disclosure to shareholders</li> </ul> | <ul style="list-style-type: none"> <li>● Strictly comply with the law and operate according to the principles of good corporate governance.</li> <li>● Disclose the information to the Stock Exchange of Thailand and disclose financial information regularly through various channels, such as meetings and the Bank's website.</li> </ul> |
|---|--|---|--|

## Procedures

## Frequency

## Stakeholder Needs

## Practice Guidelines



## Regulators

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>● Enactment of new regulations</li> <li>● Hold meetings and listen to policy guidelines and regulatory guidelines.</li> <li>● Be audited by regulators.</li> <li>● Disclose information, submit reports according to the specified criteria, and listen to their feedback.</li> </ul> | <ul style="list-style-type: none"> <li>● Throughout the year according to the time frame of each regulator</li> </ul> | <ul style="list-style-type: none"> <li>● The Bank's participation in hearings to offer comments on draft announcements.</li> <li>● Compliance with the newly issued regulations.</li> <li>● Ensure compliance with the law and regulations, and efficient management.</li> </ul> | <ul style="list-style-type: none"> <li>● Adhere to the Bank's evaluation principles, both in the form of self-evaluation and evaluation criteria for various awards so that the Bank can make efficient process improvements.</li> <li>● Comply with the Code of Conduct, ensuring fairness and transparency in business operation.</li> <li>● Strictly follow rules and regulations.</li> <li>● Take feedback from regulators and make adaptations and improvements accordingly to meet international standards.</li> </ul> |
|--|---|--|--|



## Society

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>● Have public hearing sessions as part of devising CSR strategies and action plans.</li> <li>● Consider the positive and negative impact on society and the environment, which is part of the Bank's performance evaluation.</li> </ul> | <ul style="list-style-type: none"> <li>● Listen to suggestions from the community every time an activity is organized throughout the year.</li> </ul> | <ul style="list-style-type: none"> <li>● Have a better quality of life through better financial management and financial literacy.</li> <li>● Have access to quality products and services.</li> </ul> | <p>The Bank has visited communities to solicit their needs by the following means:</p> <ol style="list-style-type: none"> <li>1. Training sessions</li> <li>2. Site visits</li> <li>3. Visits with experts to devise a development plan</li> <li>4. Activities for development and execution</li> <li>5. Performance evaluation</li> </ol> |
|--|---|--|--|

## Procedures

## Frequency

## Stakeholder Needs

## Practice Guidelines



## Suppliers and Business Partners

- Listen to suggestions, problems, and complaints through the merchant registry system on the Bank's website (Krungthai.com).
- Questionnaires on their opinions about the Bank
- Listen to suggestions/ complaints throughout the year.
- Issue a questionnaire once a year to collect opinions.
- Clear procurement policy from the Bank
- Cooperation and coordination to achieve mutual goals
- Fair, transparent, and accountable procurement
- Issue regulations and clear procurement policy with complete information.
- Conduct the procurement in a fair, transparent, and accountable manner.
- Comply with trade terms and contracts.
- Do not accept any gifts, gratuities, or receptions, whether privately or as a group.
- Improve the process to be more appropriate.



## Creditors

- Provide investment information, such as interest rates.
- Listen to any suggestions via telephone and email.
- Make documents containing information publicly available on the Bank's website or at the Bank's branches.
- Operate on an occasional basis throughout the year.
- On-time interest payment and debt repayment
- Compliance with contract terms
- Regular, transparent, and straightforward communication and information disclosure
- Pay interest, pay off debt, and comply with the specified conditions.
- Provide accurate and complete information regularly via communication channels and listen to their suggestions.



## Competitors

- Discuss and exchange ideas through public and semi-public forums organized by relevant organizations or associations.
- Listen to complaints through the Bank's whistleblowing channel at [whistle@krungthai.com](mailto:whistle@krungthai.com).
- Operate on an occasional basis throughout the year.
- Mutual respect and compliance with rules regulations regarding fair business competition
- Refraining from attacking competitors or doing anything that provides vague information that diminishes their credibility
- Not preventing customers from switching to other banks
- Compete honestly, transparently, and fairly.



## Transition to low carbon business. Lead towards NET ZERO.

Upgrade business operations, shift to low-carbon business practices, and progress towards net zero greenhouse gas emissions by promoting the use of clean energy and efficient resource utilization. This includes supporting products and services that foster balance, are environmentally friendly, and can advance the country towards NET ZERO.







# Strategies to Achieve Net Zero Greenhouse Gas Emissions

Climate change remains a pressing global concern, with the United Nations Framework Convention on Climate Change (Paris Agreement) aiming to limit the global average temperature rise to no more than 1.5 degrees Celsius above pre-industrial levels. This poses challenges for businesses across various sectors. Thailand has responded by establishing greenhouse gas reduction targets and crafting a comprehensive master plan to address climate change. Aligned with its Nationally Determined Contribution (NDC) and the objectives outlined at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), the country prioritizes transitioning away from fossil fuel-intensive activities. The aim is to achieve carbon neutrality by 2050 and attain net-zero greenhouse gas emissions by 2065. To achieve these challenging goals, effective collaboration among financial institutions, which play a crucial role in allocating funds, as well as the government and the private sector, is necessary to support the transformation of business models. Krungthai Bank acknowledges the significance and urgency of strengthening its adaptability, which include developing proper tools, establishing targets for greenhouse gas emissions reduction, and planning portfolio adjustments to support these efforts. Aligned with the country's objectives, the Bank can propel the nation toward carbon neutrality by 2050 and ultimately achieve net-zero greenhouse gas emissions by 2065.

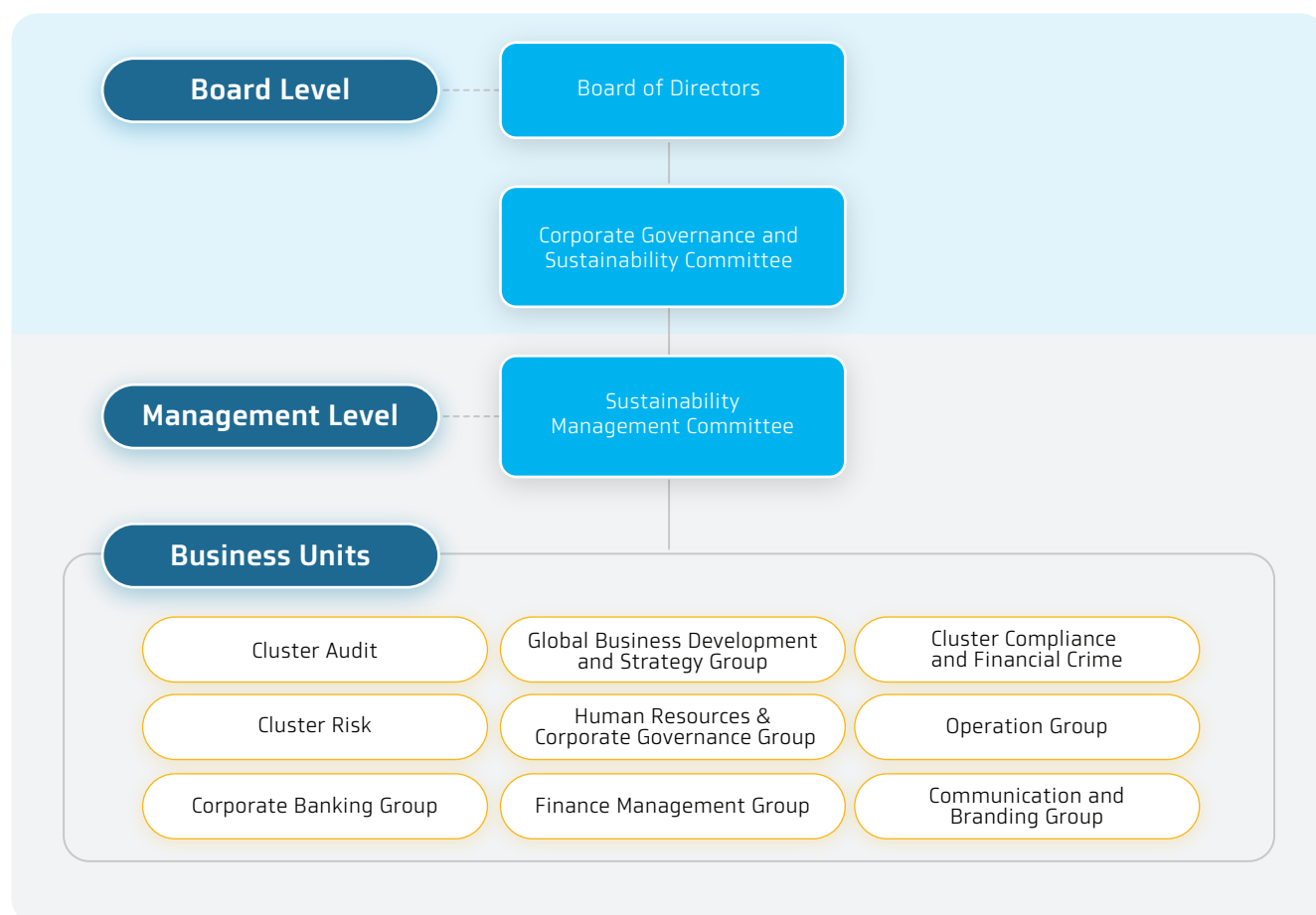
## Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

The intensification of environmental crises, stemming from climate change and natural disasters, has significantly impacted both the environment and society at large, as well as the economic system. Thailand has set a goal of achieving net-zero greenhouse gas emissions by 2065, while also developing regulations and measurements to mitigate the impacts and limit issues resulting from global warming. However, since the goals and strategies for achieving them are voluntary, the support of the financial sector in transitioning to a low-carbon society is essential. Investors are also concerned about financing environmentally unfriendly activities that lack a clear path to transitioning to sustainable operations. This issue may undermine the country's overall goal of reducing greenhouse gas emissions. Taking this into account, the Bank has launched financial products geared to support environmental and sustainability transition activities. This endeavor benefits both investors and customers looking for such products, enhancing the Bank's ability to adapt to global trends. To ensure continuous and sustainable growth, the Bank must effectively manage its business operations and meet its customers' needs.

## Policy and Management

The Bank prioritizes climate-related issues and practices that align with its vision of 'Growing Together for Sustainability.' The strategies incorporate social and environmental responsibility into organizational structures and guidelines that adhere to international standards, including the Environment, Society, and Governance (ESG) principles. Committees are formed at various levels, including the board, executive, and operational levels. Details of the different committees are as follows:

- **The Board of Directors** sets the direction for climate-related risk management, formulates strategies related to this issue, and oversees and monitors the Bank's progress against its commitments, targets, and performance indicators.
- **The Corporate Governance and Sustainability Committee** is responsible for developing and implementing climate-related policies and investment decisions. The Bank's Board of Directors oversees and strategically evaluates lending and risk management activities. The Board conducts quarterly reviews and discussions to ensure that performance is most effective.
- **The Sustainability Management Committee** oversees the implementation of sustainability policy plans across all sectors, both domestically and internationally, and reports to the Corporate Governance and Sustainability Committee. The committee then reports to the Executive Director in order to ensure compliance with established policies and goals. This includes developing appropriate practices to enhance operational efficiency across all levels.



## A Framework for Net Zero Value Chains

The Bank has committed to steering its business toward sustainable growth. Following a comprehensive analysis of risks and opportunities arising from climate change, it has developed an action plan outlining potential course of action. Moreover, the Bank has collected data and compiled a greenhouse gas inventory, ensuring the accuracy of data for Scope 1, 2, and 3 emissions. This evaluation of greenhouse gas emissions aims to establish a base year for future operational planning.

The Bank has prepared and disclosed climate-related financial information in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) for the first time in 2023, aiming to unveil its comprehensive climate change management operations. The TCFD outlines 4 key areas: **governance, strategy, risk management, and metrics and targets**. Additionally, the Bank has assessed climate-related risks and opportunities, including Physical Risks and Transition Risks and Opportunity. This assessment extends to the operations of the Bank and its customers within the Bank's portfolio.

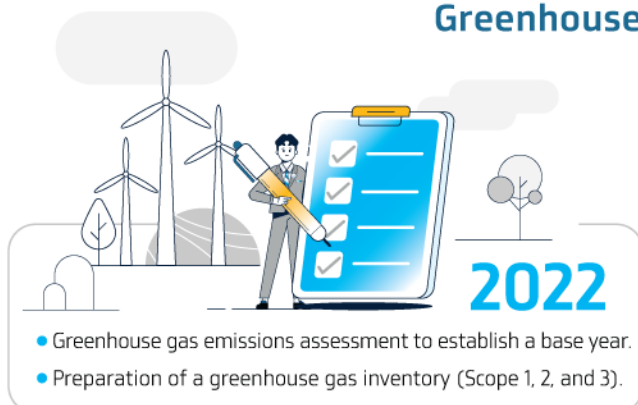
To establish greenhouse gas emission reduction targets and improve operational efficiency, the Bank prioritizes its operational planning process and implements a number of emissions-reduction projects. This entails actively engaging and collecting feedback from all stakeholders, particularly operators, with their insights gathered and presented to management for review and approval. By ensuring that plans are both practicable and effective, the Bank maintains a clear and adaptable operational strategy for a long-term.

- 1 Formation of a dedicated working group with clearly defined roles and responsibilities for the project
- 2 The steering committee is scheduled to address and summarise the action plan, with the Corporate Sustainability Department assisting as a liaison between the project's team members.
- 3 The project manager presents the project and its progress to the Sustainability Steering Committee for feedback and consideration.
- 4 Project execution according to the plan

More information on the process and results of Krungthai Bank's climate change-related financial risks and opportunities can be found in the 2023 TCFD report.

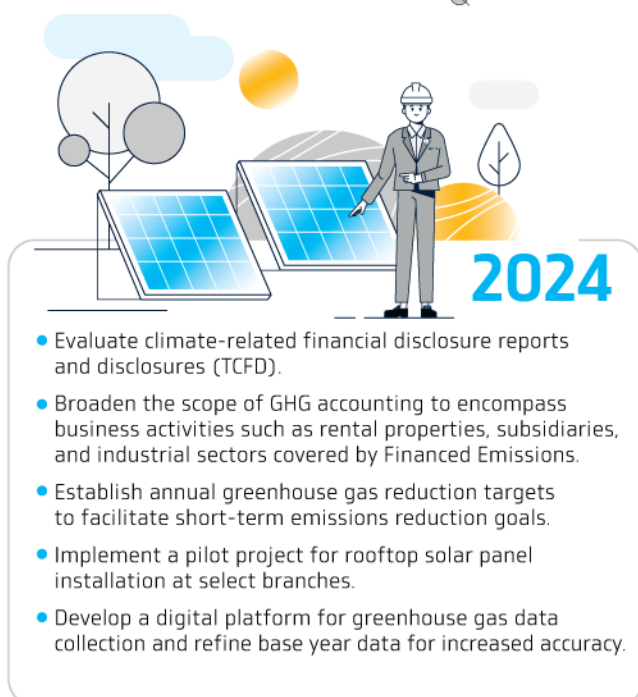


## Path to Net Zero Greenhouse Gas Emissions



### 2022

- Greenhouse gas emissions assessment to establish a base year.
- Preparation of a greenhouse gas inventory (Scope 1, 2, and 3).



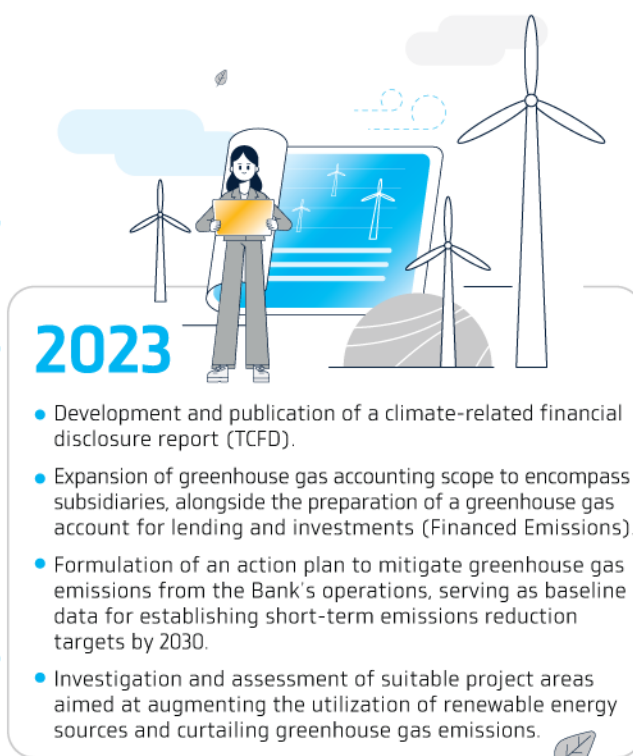
### 2024

- Evaluate climate-related financial disclosure reports and disclosures (TCFD).
- Broaden the scope of GHG accounting to encompass business activities such as rental properties, subsidiaries, and industrial sectors covered by Financed Emissions.
- Establish annual greenhouse gas reduction targets to facilitate short-term emissions reduction goals.
- Implement a pilot project for rooftop solar panel installation at select branches.
- Develop a digital platform for greenhouse gas data collection and refine base year data for increased accuracy.



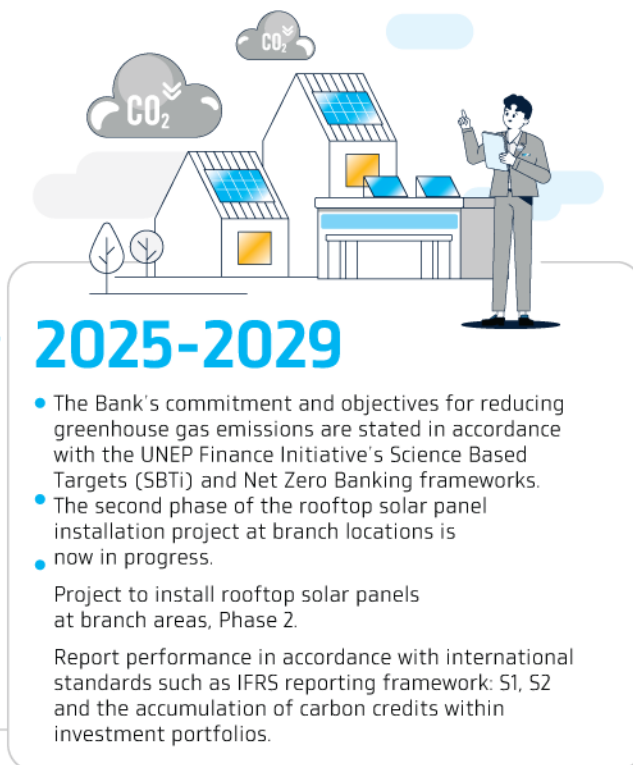
### 2030

- Implementing the target plan to achieve a 30% reduction in net greenhouse gas emissions (Scope 1 and 2) compared to the base year.



### 2023

- Development and publication of a climate-related financial disclosure report (TCFD).
- Expansion of greenhouse gas accounting scope to encompass subsidiaries, alongside the preparation of a greenhouse gas account for lending and investments (Financed Emissions).
- Formulation of an action plan to mitigate greenhouse gas emissions from the Bank's operations, serving as baseline data for establishing short-term emissions reduction targets by 2030.
- Investigation and assessment of suitable project areas aimed at augmenting the utilization of renewable energy sources and curtailing greenhouse gas emissions.



### 2025-2029

- The Bank's commitment and objectives for reducing greenhouse gas emissions are stated in accordance with the UNEP Finance Initiative's Science Based Targets (SBTi) and Net Zero Banking frameworks.
- The second phase of the rooftop solar panel installation project at branch locations is now in progress.
- Project to install rooftop solar panels at branch areas, Phase 2.
- Report performance in accordance with international standards such as IFRS reporting framework: S1, S2 and the accumulation of carbon credits within investment portfolios.

The Bank thoroughly analyses data and operations to develop greenhouse gas emission reduction targets, which are then integrated into its operational objectives. Furthermore, various related metrics, such as greenhouse gas accounting, have been developed. Enhancing the quality of Environmental, Social, and Governance (ESG) data is a key operational goal for senior executives and employees in relevant departments, ensuring that sustainability initiatives drive the organization's operations holistically.

In 2023, the Bank implemented 6 significant projects aimed at reducing greenhouse gas emissions from its business operations, which included:

1. **Green Building Project (LEED Certification)** is intended to ensure the quality of the Bank's 4 headquarters buildings: the Nana Nua Building, the Sukhumvit Building, the Khao Yai Training Center Building, and the Sri Ayutthaya Road Building. The Bank aims to achieve certifications for all buildings by 2026.
2. **Solar field light installation** at the Bank's buildings and document storage warehouses is scheduled for completion by 2024.
3. **Roof-mounted solar energy panel installation** in both office buildings and branches. The selection of branches for installation is based on investment worthiness priority. The operational plan will be developed spanning from 2023 to 2030.
4. **The air conditioner replacement project** aims to replace split-type air conditioners in office buildings with units that use R-32 refrigerant, reducing emissions of chlorofluorocarbons (CFCs) into the atmosphere and saving electricity. The plan is scheduled for completion by 2026.
5. **LED light bulbs replacement** in office buildings and branches will be carried out based on investment worthiness considerations, scheduled from 2023 to 2030.
6. **Internal rental cars will be replaced** with electric vehicles for banking activities, along with the installation of electric vehicle charging stations. This plan will be implemented from 2023 to 2030.

To support the plan to reduce greenhouse gas emissions, the Bank has outlined strategies for 2024 as follows:

- Organize training sessions to provide specialized knowledge about Environmental, Social, and Governance (ESG) principles, tailored to enhance employees' potential according to their duties and responsibilities. The training sessions are divided into 3 projects as follows:

- 1) Establishing foundational knowledge for all employees (Foundation for Everyone) to ensure a comprehensive understanding of ESG principles, including standards for categorizing economic activities with environmental considerations (Thailand Taxonomy), as well as the Bank's plans and policies regarding ESG initiatives and sustainable products.
- 2) Conducting specialized training for specific employees to improve their understanding of customer business value chains, fundamental technical issues, and carbon emission reduction strategies.
- 3) Preparing the Relationship Management teams to effectively handle advanced technical issues and utilize carbon reduction tools, while addressing challenges in communicating with customers to foster mutual understanding and collaboration in achieving sustainability goals.
  - Developing a plan to reduce greenhouse gas emissions from lending and investment activities, focusing on critical sectors such as electricity, transportation, oil and gas, and commercial real estate.
  - Providing loans to clients who have successfully obtained sustainability certifications, as well as those who have developed transition plans.
  - Joining forces with businesses throughout the customer value chain to attract new ESG-conscious clients.
  - Supporting sustainability dialogue activities conducted in collaboration with external agencies.

The Bank has prioritized its portfolio based on both greenhouse gas emissions and the value of outstanding loans. This strategic approach enables the Bank to effectively manage its resources while reducing greenhouse gas emissions, resulting in tangible operational results. This approach provides a clear case study, laying foundations for future expansion of similar initiatives across other portfolios.



## 2023 Targets

Thailand's announcement of its goal to become carbon neutral by 2050 conveys a positive message to all businesses and industries to align their activities with this target and prepare for the transition to a low-carbon economy. The Bank's goals are aligned with the country's target of achieving net-zero greenhouse gas emissions. In 2023, the Bank has expanded its data gathering efforts to include both direct and indirect greenhouse gas emissions (Scopes 1, 2, and 3), as defined by Thailand Greenhouse Gas Management Organization (TGO) and the Intergovernmental Panel on Climate Change (IPCC). The data from business entities under the Bank's supervision has been collected and is currently being accounted for indirect greenhouse gas emissions from investment and lending activities in accordance with the standards of the Partnership for Carbon Accounting Financials (PCAF). The Bank's next phase will include setting targets to reduce greenhouse gas emissions across its operations and value chain, using Science Based Targets (SBTi) as a framework. This approach reassures investors that the plan will allow the Bank to manage its greenhouse gas emissions portfolio, in line with Thailand's net-zero target by 2065.

# Reducing Greenhouse Gas Emissions Linked to Investments and Loans

Climate change has profound impacts on the environment, society, and the economy, accelerating the imperative to transition business models toward a low-carbon economy. Krungthai Bank plays a pivotal role in driving actions to mitigate these impacts. The Bank allocates funds to businesses to support the transition of their operations in alignment with greenhouse gas emissions reduction targets. Furthermore, the Bank actively supports green projects and businesses, gradually phasing out funding to sectors with high greenhouse gas emissions. This strategy reduces the Bank's physical, regulatory, and reputational risks. At the same time, this initiative promotes environmental preservation, stable economic growth, and is consistent with the international community's commitment to achieving net-zero greenhouse gas emissions by 2050.



## Target

Develop and disclose a Transition Plan, outlining goals, strategies, operational guidelines, and timeline for Priority Sector by 2024. Continuously expand adaptation plans for secondary business sectors.



## Performance



Conducted **57** climate-related training courses for executives and employees



amounting to over **15,000** training hours

## Impact, Opportunities, and Risks to the Economy, Environment, Society and Human Rights

While the Bank maintains low levels of greenhouse gas emissions from its operations, the inclusion of emissions from businesses and projects supported by the Bank through loans and investments reveals a significantly high total. This poses a challenge for the Bank in managing the risks associated with greenhouse gas emissions from lending and investing, as well as in formulating strategies and policies to mitigate these risks and meet stakeholder expectations across diverse sectors. Establishing clear direction and policy for lending and investment that aligns with the transition to a low-carbon era will empower businesses to secure capital for transitioning their operations and reducing adverse environmental impacts. However, overly strict credit and investment policies, lacking consideration for adaptability and business models in Thailand, could limit access to funding for certain customers, thereby impeding their ability to adapt and operate efficiently.

The Bank recognizes the importance of this issue and has therefore analyzed the greenhouse gas emissions resulting from financing provided to customers (Scope 3 - Financed Emissions). This assessment seeks to identify strategies for reducing greenhouse gas emissions from lending and investment activities, as well as to develop future support and

action plans that prioritize responsible lending and investment. Furthermore, it presents an opportunity to attract new groups of investors interested in sustainability, reinforcing the Bank's positive reputation, and emphasizes the importance of all economic, social, and environmental aspects of sustainability.

## Policy and Management

The Bank follows operational principles aimed at reducing environmental impacts in accordance with the United Nations Climate Change Convention (Paris Agreement). This commitment aligns with the overarching goal of restricting global average temperature rise to less than 1.5 degrees Celsius from pre-industrial levels. Furthermore, the Bank has committed to supporting Thailand's efforts to achieve carbon neutrality by 2050 and net zero greenhouse gas emissions by 2065.

The Bank places a high priority on managing and planning appropriate and practical actions to reduce indirect greenhouse gas emissions from lending and investment activities. This endeavor necessitates collaboration and joint action between the Bank and its customers, including various funds.

## Developing Transition Plan

The Bank plays an important role in allocating capital to help the business sector adapt in a timely manner. The Bank has considered the timing and speed in alignment with the country's context, emphasizing the importance of balancing progress towards common goals and mitigating potential negative consequences.

Krungthai Bank, as a member of the Thai Bankers' Association, has been collaborating with the Bank of Thailand to develop a concise and actionable transition plan for priority sectors. The goal is to complete an adaptation plan by 2024. This transition strategy is critical for both businesses and banks. It will establish targets, guidelines, and timetables for business adaptation, with the aim of achieving common greenhouse gas reduction targets. Additionally, it will enable the bank to reduce greenhouse gas emissions resulting from lending and investment activities (Scope 3 - Financed Emissions).

## The Four Criteria for Selecting Priority Sectors for Transition Plan Development



A study conducted by the Bank revealed that the power generation sector contributes the highest amount of greenhouse gas emissions from lending and investing activities (Scope 3 - Financed Emissions) when compared to the Bank's total loan portfolio. Additionally, this sector has rapidly development of technology, enabling power plants to adopt cleaner technologies or modify their processes to reduce greenhouse gas emissions.

In addition to aligning with the Bank of Thailand's requirements for Priority Sectors, the Bank has also conducted a study of other industries in relation to their greenhouse gas emissions from lending and investing activities (Scope 3 - Financed Emissions). This study aims to prepare a Transition Plan for continuous and sustainable development in the future.

In developing the Transition Plan, the Bank considers relevant national regulations and criteria, such as good or standard practices that consider the environmental impact of financial institutions, as well as standards for categorizing economic activities based on environmental sustainability (Thailand Taxonomy).

In addition, the Bank takes into consideration international regulations that may have an impact on the operations of its portfolio customers. This includes the Carbon Border Adjustment Mechanism (CBAM) standard, which serves as basis for creating adaptation plans, goals, strategies, operational guidelines, and timeframes.

## Transition Opportunities and Challenges for the Energy Sector



**Favorable regulations  
& demand for clean  
energy**



**Opportunity for  
decarbonization**



**Strong transition  
ecosystem that  
facilitates capital  
allocation and  
transition efforts**



**Precedents set  
by other banks,  
such as operational  
examples.**



**Transitional challenges,  
such as financial and  
technological barriers,  
may have an impact  
on plans.**

## Greenhouse Gas Emissions from Financial Support to Customers (Scope 3 - Financed Emissions)

The Bank prioritizes data accuracy and completeness when calculating and reporting greenhouse gas emissions in accordance with the Partnership for Carbon Accounting Financial (PCAF) standards. This approach allows the Bank to understand greenhouse gas emission patterns within each business group. Consequently, the Bank can identify business segments with environmental impacts, assess banks, and identify climate-related opportunities and risks within these segments. Additionally, the Bank can determine the climate-related impacts on borrowers' businesses and use this information to analyse and plan the Bank's future business operations.

The Bank has commenced collecting data and calculating greenhouse gas emissions resulting from financial support to customers (Scope 3 - Financed Emissions). The primary focus has been on industrial sectors with significant greenhouse gas emissions and industries with a high proportion of outstanding loans compared to the Bank's loan portfolio. The Bank intends to broaden the scope of data collection and continuously enhance data quality. This includes leveraging digital technology to develop data collection systems, thereby improving convenience and accuracy. These enhancements enable the Bank to calculate greenhouse gas emissions from providing financial support to customers (Scope 3 - Financial Emissions) more accurately and efficiently.

Additionally, the Bank has conducted studies to identify opportunities within its business operations. It recognizes potential in developing green financial products and services for sustainability, as well as opportunities to expand into markets related to carbon mechanisms, such as establishing a carbon credit trading system.

## Initiatives to Reduce Greenhouse Gas Emissions through Financial Support to Customers

The Bank has worked on an action plan to reduce greenhouse gas emissions from its lending and investment activities. The plan includes 2 major schemes, outlined as follows:



### **1 Research and develop investment and/or loan policies for specific businesses.**

The Bank is currently developing investment and lending policies for various types of sectors, including unconventional oil and gas, coal, etc. The Bank must diligently and thoroughly evaluate methods to reduce lending to businesses, considering the environmental context, the country's readiness for transition, and the potential impacts on society and the national economy since these businesses play a critical role in ensuring national energy security and serve as essential production factors for various other sectors.





## 2 Engage with Portfolio Clients.

To support the Bank's climate change strategy, the Bank has plans to arrange discussions and raise awareness with our loan customers. This includes developing work plans to ensure they understand our goals, strategies, and operations. Our objective is to assist them in adapting their business models for the transition to a low-carbon society. The Bank has a focus on industrial sectors with high greenhouse gas emissions and customers with substantial outstanding loan amounts.

Besides improving customer understanding, the Bank has also prioritized building capacity within internal teams. The Bank organizes an array of training courses for executives and related employees. These initiatives are being carried out in collaboration with the Thai Bankers' Association (TBA) and external consultants, aiming to improve knowledge, understanding, and technical skills concerning the transition. The goal is to provide employees with the necessary skills to engage in effective discussions and develop plans with loan customers.

### Related Training Courses in 2023



Fundamentals of Responsible Banking: understanding important environmental issues and related financial risks and opportunities



Setting greenhouse gas reduction targets in accordance with SBTi (Science-based target setting) standards



An overview of Thailand's key standards for classifying and categorizing environmentally sustainable economic activities (Thai taxonomy)



Managing Climate Change Risks in accordance with the Taskforce on Climate-related Financial Disclosures (TCFD)



Carbon Credits' Impact on Small and Medium-Sized Business (SME)



Internal Carbon Pricing



Measuring and aligning financial portfolios with Net Zero principles



Integrating Climate Risk into Project-level Credit Assessments



Thailand's Carbon Credit Mechanism: T-VER Principle



Management of Energy Transition and Climate Change



Calculating Greenhouse Gas Emissions from Lending and Investment, according to PCAF recommendations



Sustainable Carbon Management for Businesses



Disclosure of financial information on sustainability and climate change in accordance with IFRS S1 and S2 standards

## Resource Efficiency

Environmental issues and the degradation of natural resources are global crises that affect every country. In particular, climate change is a major concern as it leads to natural disasters and directly impacts people's quality of life and the economy. The consumption of resources and generation of waste are significant contributors to greenhouse gas emissions, which in turn contribute to climate change.

Krungthai Bank facilitates the transition to a low-carbon society by effectively managing environmental risks and impacts. The Bank has implemented environmental management guidelines that prioritize the efficient use of natural resources while reducing emissions that negatively impact the environment during business operations. This approach aims to balance responsible business practices with the pursuit of sustainable growth.

Efficiently utilizing natural resources enables the Bank to minimize operational costs, mitigate its environmental footprint, and foster stronger relationships with stakeholders. Additionally, this practice enhances the Bank's positive reputation and ensures sustainable operations.

### Long-term Targets:



Reduce greenhouse gas emissions from the operations within the Bank (Scope 1 and 2) by **30%** by 2030, compared to the base year of 2022.

Strive to achieve Net Zero greenhouse gas emissions in line with the country's target.

## Operational Eco-Efficiency

Maximizing the efficiency of natural resource use is critical for reducing environmental impacts and promoting sustainable social and economic growth. Operational processes are streamlined to reduce pollution, greenhouse gas emissions, energy consumption, and resource use. Recognizing the value of resource management, the Bank emphasizes the efficient use of natural resources to maximize benefits while also cultivating a culture of responsible resource utilization. Employees are encouraged to be aware and participate in projects and initiatives aimed at managing and preventing potential environmental impacts. The Bank has implemented specific guidelines and principles concerning resource management practices, as follows:



Efficient Energy and  
Resource Utilization



Water Resources  
Management



Reduction of  
Greenhouse  
Gas Emissions and  
Climate Change  
Risk Management



Waste Management  
aligned with the Zero  
Waste approach

Raising awareness about efficient and cost-effective utilization of energy and resources among all employees, customers, and stakeholders in the Bank's value chain.

The Bank has implemented a strategic plan to boost operational efficiency by leveraging digital innovation, including the adoption of robotic process automation (RPA) and artificial intelligence (AI) technologies. These initiatives led to increased efficiency and cost savings.

In 2023, the Bank focused on maximizing efficiency in resource utilization for optimal benefits and implementing a holistic resources management approach. The Bank aims to enhance resource utilization in its buildings to achieve LEED certification, a green building rating system standard established by the U.S. Green Building Council. The initiative began with the Head Office building, Nana Nua Building, and will expand to include the Sukhumvit Building, Krungthai Khao Yai Training Center, and the Si Ayutthaya Road Building in the future.

## Environmental Management Guidelines



### Policy

The Bank has implemented an energy conservation policy aimed at increasing employee involvement in energy management and continuously improving the efficiency of sustainable energy conservation efforts. Energy Conservation has been integrated with the Bank's operational goals.



### Performance Goals

The Bank has established operational guidelines and goals for the short, medium, and long term to ensure compliance with Thailand's strategic goals, as well as other national and international standards and legal frameworks.



### Governance

The Bank established the 'Energy Conservation and Technology Committee' to promote, oversee, and supervise energy conservation efforts. This includes implementing new technology and innovations for energy management in operations, as well as ensuring proper utilization of technology to enhance productivity. Furthermore, the Bank has established a 'Sustainability Steering Committee' to guide the Bank's sustainability initiatives in alignment with international standards. This committee is responsible for developing suitable policies and guidelines to improve operational processes and drive sustainability initiatives aimed at achieving the country's goal of Net Zero.



### Roles and Responsibilities

Executives and employees at all levels have taken on a collaborative role and responsibility for promoting and implementing policies and measures relating to resource management and the efficient use of energy and resources. The Bank has established environmental goals for executives and employees at all levels, as well as the collective goals of each department, to ensure that resource and environmental management policies and measures are executed efficiently and continuously.



### Scope of Operations

The Bank has complied with the Energy Conservation Promotion Act (No. 2) B.E. 2550 (2007) and Ministerial Regulations Prescribing Energy Management Standards B.E.2552 (2009) to control according to the Royal Decree on Designated Buildings B.E. 2538 (1995). These include Nana Nua Building, Sukhumvit Building, Sri Ayutthaya Road Building, Suan Mali Building, Pibulsongkram Computer Center, and Krungthai Khao Yai Training Center. The Bank has established a proper energy management plan for these buildings. In addition, the Bank has applied the criteria listed above to other buildings under its supervision, starting with energy efficiency and waste management in office buildings and branches across the country.

## Greenhouse Gas Management

The Bank places importance on compliance with the United Nations Framework Convention on Climate Change, Thailand's National Master Plan on Climate Change, and Nationally Determined Contributions (NDCs).

The Bank has prioritized the development of a greenhouse gas emission inventory system and data tracking. This serves as a crucial foundation for gathering comprehensive and accurate greenhouse gas emissions data, which is essential for establishing a database. It enables the setting of targets and guidelines for reducing energy consumption and greenhouse gas emissions across all operational processes.

The Bank has communicated and raised awareness among employees about behaviors and practices aimed at reducing greenhouse gas emissions and energy consumption. This has been accomplished by developing processes and systems for tracking both direct and indirect GHG emissions (Scope 1, 2, and 3), in accordance with assessment and reporting standards set by the Thailand Greenhouse Gas Management Organization (TGO) and the Intergovernmental Panel on Climate Change (IPCC).

The Bank has expanded its greenhouse gas (GHG) data collection to include companies under its supervision. In addition, the Bank is in the process of developing a greenhouse gas (GHG) emission inventory system for indirect emissions from investments. The system calculation principle is based on the Partnership for Carbon Accounting Financials (PCAF) standards.

The Bank has committed to reducing greenhouse gas (GHG) emissions in accordance with the country's goals. This is an important mechanism for accomplishing the Paris Agreement, which has set science-based carbon neutrality targets for 2050 and a net zero target by 2065.

To support the country's goals on greenhouse gas emissions, the Bank has set a target to reduce greenhouse gas emissions (Scope 1 and 2) by at least 30% by 2030, compared to the base year of 2022. The Bank is currently identifying medium- and long-term targets for all activities related to greenhouse gas offsetting, absorption, and storage. Furthermore, it works to promote sustainable finance by managing greenhouse gas emissions from investment and lending activities, as well as developing action plans to reduce greenhouse gas emissions in accordance with international standards.

In 2023, the Bank adopted the Task Force on Climate-Related Financial Disclosures (TCFD) for the first time to disclose its climate-related management in operations, covering all 4 areas recommended by the TCFD:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

The Bank has implemented process improvement and energy consumption management practices to reduce greenhouse gas emissions both directly and indirectly. Efforts include the use of electric vehicles, the installation of EV charging stations and solar rooftop.

The Bank launched the Krunghthai Transit debit card, that enables cardholders to pay for fares across all modes of public transportation, including buses, trains, and ships. This initiative encourages customers to travel less by personal vehicle, resulting in lower fuel consumption and greenhouse gas emissions. In addition, the Bank has equipped employees with knowledge and understanding of climate change. The details of each project are as follows:



### Krunghthai EV & EV Charging Station

In 2022, the Bank began transitioning its standard centrally used vehicles from conventional to electric, as well as installing charging stations and related equipment. In 2023, the Bank added 5 electric vehicles to its pool car fleet and more charging stations.



**9,000** kWh fuel consumption was reduced,



Resulting in a decrease in greenhouse gas emissions of **4.94** tCO<sub>2</sub>e per year.

The Bank has committed to its goal of replacing 100% of its pool vehicles with electric vehicles by 2030.





### Car Free Day

To promote the reduction of greenhouse gas emissions from commuting to work, the Bank organized “Car Free Day” to motivate employees to minimize their use of personal vehicles. Employees were encouraged to use public transportation or carpool with colleagues who travel the same route. Implementing this initiative resulted in employees traveling by alternative means rather than personal vehicles, covering a total distance of 956 km.



Up to **1,674** kgCO<sub>2</sub> of GHG emissions was reduced,



Equivalent to planting **177** trees.



### Installation of Solar Powered Field Light

The Bank has installed Solar Powered Field Lights to illuminate the walkways at its document storage warehouses located in Rat Burana, Ban Bueng, and Lat Bua Khao. In addition, a radar-based automation system has been installed, enabling the lights to activate and deactivate automatically in response to motion detection. Furthermore, the system can automatically adjust the brightness based on ambient conditions, effectively conserving energy and enhancing security during nighttime. This initiative not only leads to cost savings but also promotes energy efficiency.



The project has reduced GHG emissions by



**2.91** tCO<sub>2</sub>e per year.

and plans to expand its scope to cover all headquarters buildings and document warehouses by 2024.

The Bank has installed solar rooftop panels as a source of clean energy, starting with the installation at the Nana Nua Building.



This initiative can reduce GHG emissions by approximately



**128** tCO<sub>2</sub>e per year.

In addition, the Bank has considered installing solar power panels on energy-intensive premises such as the Bang Bua Thong Data Center, which houses the Bank’s network. Since 2022, improvements to the Office Zone’s air conditioning and lighting systems have been made.



This resulted in electricity savings and reductions in greenhouse gas emissions of up to



**35.31** tCO<sub>2</sub>e per year.



### Digital Bank & Virtual Bank Project

In addition to initiatives aimed at reducing GHG emissions and environmental impacts, the Bank has evolved its working methods toward digital transformation, resulting in an increase in the volume of transactions through the online banking platform. The Bank has assessed the positive impacts of lowering GHG emissions, quantifying the reduction that resulted from decreased customer travel to branches in both urban and rural areas as a result of using the Krungthai NEXT application, as well as less paper consumption.



GHG emissions were reduced by



**314,530** tCO<sub>2</sub>e.

## Energy Management

Energy is an essential aspect of the Bank's operations. The Bank has focused on process improvement and energy management by developing energy management guidelines to improve efficiency, track performance, and pursue continuous improvement.

In 2023, the Bank continually implemented energy-saving initiatives. These included projects aimed at reducing energy consumption in the Bank's operations and raising awareness about energy management practices. The details are provided below.

### Setting up guidelines and raising awareness for reducing energy consumption within the Bank



The temperature of the air conditioning system is adjusted based on the needs of the task.



The air conditioning system operates from 6:30 a.m. to 5:00 p.m.



Employees are encouraged to use stairs between floors if they are only traveling up or down one floor.



The air conditioning system should undergo monthly inspections.



Electric lighting should be activated only in areas necessary for operations and promptly turned off when not in use.



All electrical appliances should be powered off and unplugged after each use.



As part of a nationwide initiative, electric lights should be switched off for one hour on Saturdays across all branches.

### "LED Light Bulbs and Air Conditioner Replacement" Project

Fluorescent light bulbs in Nana Nua Building and Sukhumvit Building were replaced with 18,382 LED bulbs to help save electricity usage in the office and promote efficient energy use.



Electricity usage reduction of **786,434.84** kWh per year



GHG emissions reduction of **393.14** tCO<sub>2</sub>e per year

In 2024, the Bank plans to replace air conditioners by choosing energy-saving technology, including the use of environmentally friendly refrigerants. This effort will involve replacing 2,454 units covering all branches throughout Thailand.



Saving **3,724,231.59** kWh of electricity



Reducing GHG emissions by **5,890.67** tCO<sub>2</sub>e

### Transforming Workplace Areas into Open Spaces and Co-Working Spaces

The Bank has transformed workspaces in its headquarters and several large buildings into Open Spaces and Co-Working Spaces to reduce energy consumption, alleviate office congestion, promote work flexibility, and provide more space to facilitate employees.



Having open spaces and co-working spaces that can accommodate a total of **1,143** employees

## Water Management

Water is a resource that is essential for the existence of all life. Water scarcity resulting from climate change, pollution of water sources, and rising demand for consumption have compelled businesses to prioritize water management efficiency. In response to this imperative, the Bank has taken actions to improve the efficiency of water usage in its office buildings and branches’ surrounding areas. These include inspecting post-treatment water quality before it is released into water sources to ensure compliance with local regulations and governmental standards, tracking water consumption, and reporting the results to the responsible department in order to initiate plans to reduce water consumption within the organization.

In 2023, the Bank established guidelines for reducing water consumption and implemented a number of initiatives to improve water use efficiency and wastewater management in its buildings and offices. In addition, the Bank used AQUEDUCT version 4.0, an analysis tool developed by the World Resources Institute (WRI), to conduct a Water Risk Assessment regarding the global water situation based on the geographic locations of its office buildings and branches throughout Thailand.

Guidelines for Water Use Efficiency	Water Recycling or Water Circulation for Internal Reuse
Run the faucet only when needed and promptly turning it off when not in use.	At Krungthai Training Center, advanced wastewater treatment technology and a water recycling system were utilized to improve the quality of treated wastewater, allowing for its reuse. In 2023, the training center used 19,274 m <sup>3</sup> of recycled water to replace natural water for activities such as watering trees and lawns.
Regularly inspect the water supply system for any leaks.	
Provide communication materials to promote efficient water use among employees, such as via email and signages in restrooms and kitchens.	

## Waste Management

The Bank conducted waste management following the Zero Waste to Landfill approach, with the goal of managing waste generated from the Bank’s activities as efficiently as possible, in line with the principles of the circular economy and the Bank’s sustainability framework for increasing efficiency and reducing its environmental impact.

In 2023, the Bank increased its waste management efforts by participating in the Low Emission Support Scheme (LESS) arranged by the Greenhouse Gas Management Organization, which has the concept of improving operations through raising awareness about GHG emissions.

The Bank has prioritized establishing a strong foundation for waste management, starting with waste segregation. A comprehensive system for collecting and tracking data for each type of waste was implemented. Additionally, the Bank has collaborated with third-party companies to manage recycled waste and organizes training sessions to enhance employee knowledge and understanding. Various public relations campaigns were also launched to raise awareness among employees about waste management issues and their impact.

These efforts aim to encourage changes in employee behavior throughout the process, resulting in more efficient waste management within the organization as well as sustainable material circulation and reuse. The Bank has actively promoted waste management initiatives to increase engagement both internally and externally. Regular performance tracking has been implemented. As a result, the Bank received several awards for excellence in waste management, including:



**Global Corporate Sustainability Awards (GCSA)**  
Best Practice Award for the project, received in Taiwan



**ESG Business Awards 2023**  
Categories: Waste Management Award, received in Singapore



**Sustainability Initiative of the year:**  
Business Intelligence Group, received in the United States



### Waste Management Project

The Bank has implemented a waste management project, leveraging innovation and digital technology, based on the concept of “Care for the World.” The project has prioritized fostering an organizational culture geared towards waste reduction across the entire process, with the aim of achieving zero waste to landfills. This is accomplished by establishing a knowledge foundation for employees to comprehend and implement. The actions included:

- Installed separate trash cans in the main office building to separate waste into 4 categories: general waste, recyclable waste, food scraps, and electronic waste;
- Conducted training sessions to pass on knowledge and provide media and video clips to enhance understanding and emphasize proper implementation for executives, employees, and housekeepers;
- Collected waste amount data to establish a database system accessible through the GEPP application;
- Implemented proper waste management processes, such as transferring food scraps to Bangkok departments participating in the “No Mixing Wastes” project for composting or transforming them into soil through the Innowaste machine. Recyclable waste was sent to the GEPP Sa-ard digital waste management platform for recycling, while electronic waste was sent to Advanced Info Service Public Company Limited for disposal via the E-Waste+ application.

In addition to operations at the main office building, the Bank has installed a recycling waste collection system and proper waste management for all of its branches throughout the country.



**44,859.24** kilograms of recyclable waste from within the Bank’s premises was sorted.



**202,931.81** kgCO<sub>2</sub>e of GHG emissions were reduced.

Contributing to mitigating the greenhouse effect that causes global warming.



## Krunghai Loves Environment Project

Under the campaign “Krunghai RELIFE: Change, Restore, Revive Life,” we have encouraged our employees to change their behavior and recognize the value of the environment. Our goal is to restore nature to its best and revive the world’s green areas. The details are as follows:

### Installing the Relife Machines

The bank has installed 2 plastic bottle return machines, known as Relife Machines, at its headquarters and a branch at the Ministry of Finance. This technology aims to increase employee, customer, and public participation in waste separation efforts while also adding value to used plastic bottles. The plastic bottles collected are transformed into fibers that are used to make monk robes and clothing.



### Installing the Inno Waste Machine, which converts food scraps into soil

The Bank has processed food scraps from the Nana Nua Building’s cafeteria, reducing the amount of waste sent to landfills. Food scraps emit methane gas, a potent greenhouse gas that contributes to heat energy accumulation in the atmosphere, exacerbating global warming. The biotechnology transforms food scraps into soil, which is then distributed to employees, schools, and the community for tree planting and restoring ecological balance.

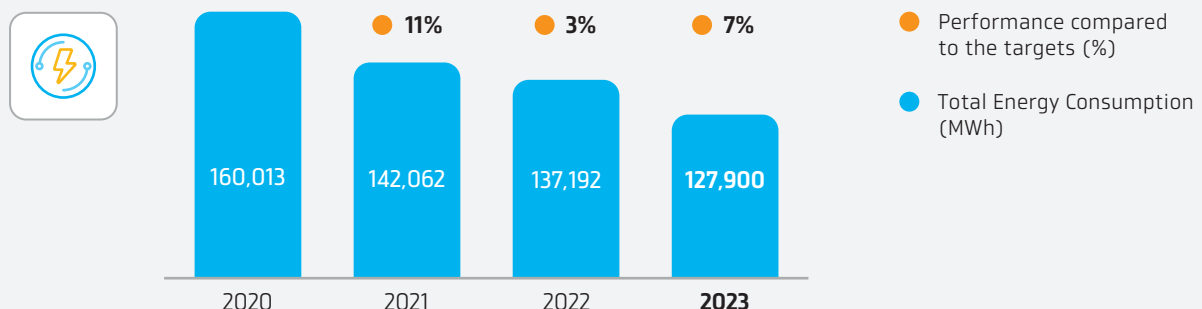


### Installing Shred Boxes to dispose of documents in an environmentally friendly manner

Recognizing the importance of reducing paper use, the Bank has primarily adopted technology to streamline work processes. It also encourages employees to print documents only as needed and use both sides of the paper. In addition, in order to ensure that used paper is recycled without incurring any data breaches, Shred Boxes have been installed, and external vendors have been hired to collect and transport the paper to be shredded in an environmentally friendly manner. The pulp from shredding is then used to make recycled paper. So far, Shred Boxes have been installed at 5 of the Bank’s main office buildings: Nana Nua Building, Sukhumvit Building, Pathumwan Building, Sri Ayutthaya Road Building, and Wong Sawang Building. This allows the disused paper to be discarded in a locked shred box to prevent data leaks before entering the recycling process.

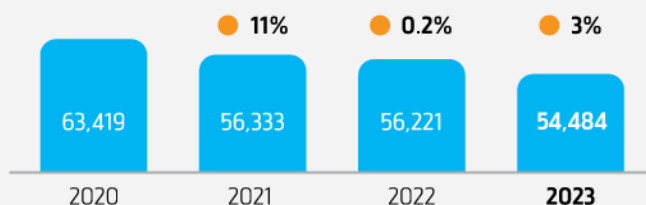


## Energy Management

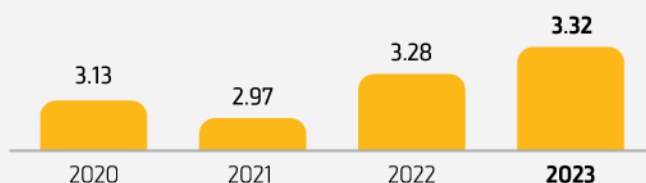




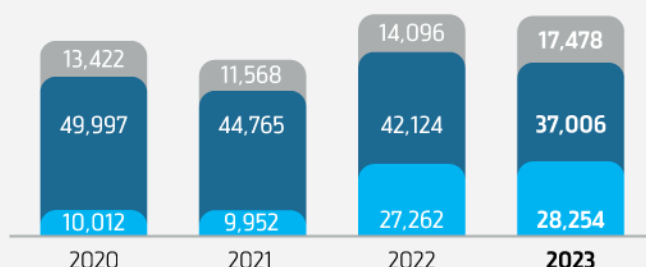
## Greenhouse Gas Emissions



- Performance compared to the previous year (%)
- Total GHG Emissions (Scope 1 and 2) (Tonne CO<sub>2</sub>e)



- Total GHG Emissions (Scope 1 and 2) (Tonne CO<sub>2</sub>e/FTE)



- Total Direct GHG Emissions (Scope 1) (Tonne CO<sub>2</sub>e)
- Total Indirect GHG Emissions (Scope 2) (Tonne CO<sub>2</sub>e)
- Total Other Indirect GHG Emissions (Scope 3) (Tonne CO<sub>2</sub>e)

## Calculation Standards for Greenhouse Gas Emissions

The Bank calculates greenhouse gas emissions under Scope 1 and 2 using the GHG Protocol calculation method and Greenhouse Gas Emission Factors (EF) according to the Thailand Greenhouse Gas Management Organization (Public Organization).

## The proportion of Other Indirect GHG Emissions (Scope 3) in 2023

Unit of Greenhouse Gas Emissions: tCO<sub>2</sub>e



**6.6%**

Purchased goods and services



**0.1%**

Fuel-and-energy-related activities  
excluding scopes 1 and 2



**1.4%**

Business travel



**1.9%**

Waste generated in operations



**68.9%**

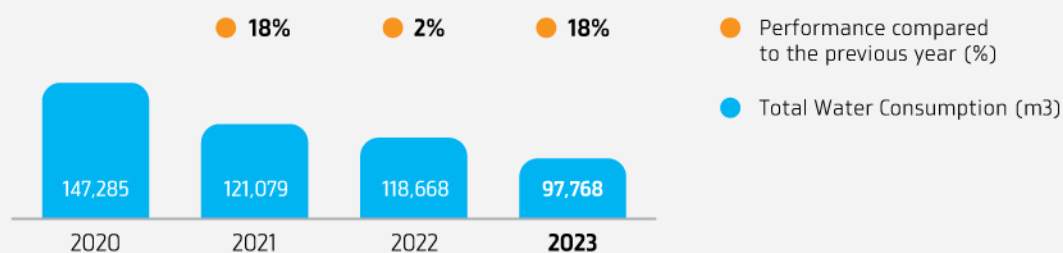
Employee commuting



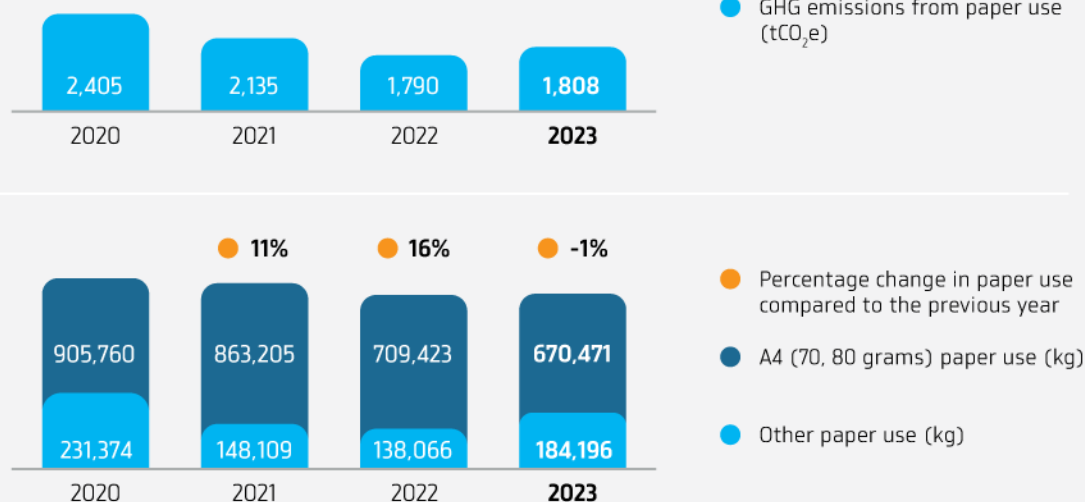
**21.2%**

Upstream leased assets

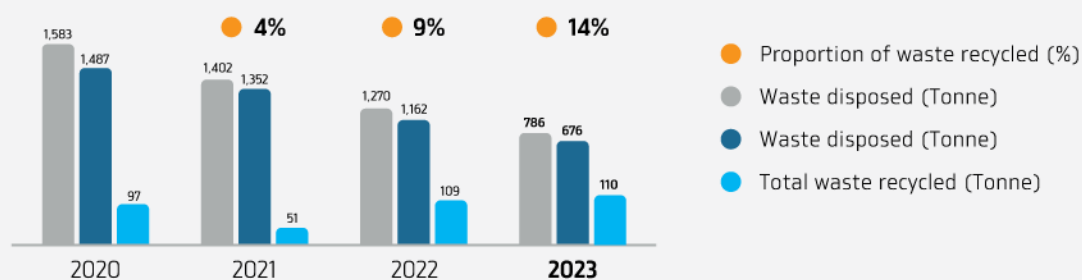
## Water Resource Management



## Paper Resource Consumption



## Waste Management and Recycling





## Revitalize the economy. Enhance the quality of life.

Elevate the quality of life of Thai people through the development of business and marketing knowledge, technology adoption, and financial literacy. This will create jobs, establish careers, generate income, build financial resilience by instilling a culture of saving, and prepare these people to be a strong and sustainable foundation of the country's economy.





# Financial Inclusion and Financial Literacy

Krungthai Bank places great importance on promoting financial inclusion and financial literacy as financial institutions are a crucial part that can promote the economy and reduce the inequality gap in society through promoting access to financial products and services to all citizens, especially vulnerable groups such as the elderly, disabled, low-income, or specific occupational groups. Financial institutions distribute opportunities to access funding sources, along with diverse, safe, convenient, and fast services, coupled with promoting good financial knowledge and financial discipline to customers. Especially now that Thailand is progressing towards an aging society, increasing knowledge and ability to use applications and online transactions are tremendously important to prevent the development of innovation and technology from being a limitation in accessing products and services for some customer groups. The Bank also commits to enhancing financial literacy in planning savings, spending, and investing to promote better living standards for the public and reduce non-performing loans. The objective is to reiterate the role and duty of financial institutions in helping to reduce inequality problems and support Thailand's economy sustainably without leaving anyone behind.

## Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

The society has become more diverse, whether in terms of occupational diversity, the diversities of people in organizations in terms of age, gender, religion, race, nationality, ethnicity, skin color, education, culture, society, disability, illness, among others. These diversities reflect different needs of each group. Krungthai Bank gives priority to in responding to the needs of every group without leaving any group behind and does not infringe on the right to access services or financial literacy of any group. The Bank studies the needs of customer groups through the participation process of relevant stakeholders. This is to continuously develop new products and services and increasing the diversity of products and services to cover all individuals as much as possible, especially vulnerable or underserved groups.<sup>1</sup>

## Policy and Management

The Bank emphasizes on sustainable development, especially operating responsibly towards society and committing to enhance the financial literacy and financial inclusion for all groups.

This supports better living standards for all sectors of the population, along with increasing skills and understanding in using digital technology (Digital Literacy). The Bank's Sustainable Development Committee provides guidance on the Bank's operations to increase access to financial products and services for all citizens. Currently, the Bank is in the process of studying, listening to opinions, and developing policies, services, and products to enhance financial access and financial literacy specifically for vulnerable groups through listening to comments, suggestions, or complaints from users, including studying trends of customers' needs through Market Research to be able to develop financial services that are most appropriate and meet the needs of user groups as much as possible. The Bank conducts such operations by focusing on the needs and limitations of vulnerable groups, and developing channels and approaches to service that respond to these limitations. The Bank also added more access to listen to comments and complaints, making the operation as easy and appropriate as possible. In addition, the Bank is committed to developing personnel to be equipped to provide information and knowledge fairly and comprehensively, without infringing on the rights of any customer group, as well as creating opportunities to extend financial access and financial literacy services, together with external organizations, both public and private sectors, to maximize benefits for Thai citizens.

Krungthai Bank has developed products and services that include customers in all age groups and vulnerable groups, such as the visually impaired, by categorizing financial products and services into the followings:

1. Products and services that support financial access for all groups
2. Digital lending products through Krungthai NEXT
3. Products and services for debt restructuring and recovery
4. Financial literacy education
5. Digital and cybersecurity literacy education

In addition, the Bank has been monitoring and measuring financial access and financial literacy by assessing from the number of active users of various financial services on an annual basis to track and assess the performance.

<sup>1</sup> Vulnerable groups refer to people who cannot access financial services due to various limitations, such as people with an income below the threshold set by the Bank to qualify for loans, those who run businesses or have freelance professions with uncertain incomes, and women, especially businesses operated by female entrepreneurs. This also includes other vulnerable groups such as the elderly, people with disabilities, minorities, migrants, or refugees, among others.





## Target

Krungthai Bank is committed to supporting financial access for various groups through the use of applications such as Krungthai NEXT and Paotang, along with expanding projects and financial literacy activities, and digital technology usage. The goal is to increase the number of participants in face-to-face training through hands-on practice to 3,000 people, and the promoting the habit of saving (Focus group) for 200 people from 10 universities across the country by 2024. This encompasses youth, vulnerable groups, small businesses, low-income groups, women, the elderly, and those in remote areas.

## Performance



### Statistics of Krungthai NEXT Users

Krungthai NEXT users: **17.6** million in 2023, with 1.73 million new users.



### Paotang Users Statistics

Paotang users: **40** million.

### Statistics on the Number of People Who Gained Financial Literacy support



Elderly employee group: **1,672** people.



Social group:

- **1,876** people (including students, collegians, and communities in remote areas).
- The number of people who obtained financial knowledge and digital technology usage through social media amounted to **35** million reach and had a deep participation of **1.8** million times (engagement).

## Expanding Opportunities for Access to Financial Products and Services

The Bank offers products and services that support financial access for all groups of people as follows:

### Krungthai NEXT

The Bank offers online banking services through a mobile application for customers who have a deposit account with the Bank, in order to increase accessibility to services for all customer groups, especially for those who live in remote areas. Without the need to travel to the bank in person, customers can carry out financial transactions just like at the bank, 24 hours a day, anywhere, anytime. This includes viewing account histories, transferring money through the application, making payments, and other financial services. The Bank adheres to international security standards and covers services including payments, investments, and international money transfers. In addition, there is support for accessibility features such as Voice Over for iOS systems or Talk Back for Android systems, allowing visually impaired customers to perform financial transactions just like everyone else. The functions also cover services for paying water and electricity bills.

The Bank conducted a survey on user satisfaction through the application and found that the majority of users are satisfied with the transaction services. Users have provided additional suggestions for service improvement. The Bank has taken these suggestions into consideration to further develop the application to effectively meet the users' needs.

In 2023, the Bank launched new services including the instant branch transaction service (Get & Go) through the Krungthai NEXT application, for making advance deposit or withdrawal transactions at branches, in order to reduce the steps and waiting time for services at the branches.



### Performance

The current number of users is 17.6 million. In 2023, there were **1.73** million new users.

The customer satisfaction score for the Krungthai NEXT application **8.95** out of a full score of 10.

### LINE Krungthai Connxt

The financial transaction notification service through the LINE Application at no cost, which includes notifications of incoming and outgoing funds from the Krungthai Travel Card, approval results, and loan payment transactions. It also includes transactions of buying, selling, exchanging, and cancelling funds, account balances for viewing, branch queue reservations, ATMs locations, and nearby branches.



#### Performance

The current number of users is approximately **22.5** million.

(Remarks : User = Number of customers who added as Friend)

▲ an increase of **9%** from 2023, which had 20.6 million users.

### Krungthai Debit Card

The Krungthai Debit Card helps drive the economy towards a cashless society and assists all customer groups in reducing the time and steps required for transactions at the Bank's branches with services for depositing, withdrawing, transferring, paying bills at ATMs, swiping-tapping to pay at EDC machines, and safe online shopping. It also offers a variety of debit card benefits and promotions that cater to the lifestyle of every customer group, where customers can choose the type of debit card that suits them, such as a debit card with accident insurance coverage, a debit card for travel in the routes including buses, subway and sky train, and expressways, a debit card for Thai citizens with state welfare benefits, a debit card for the SME group, and a Virtual debit card that is safe for online shopping.



#### Performance

Current active usage of Krungthai Debit Cards is **13.36** million cards.

### U App (University Application)

An application that consolidates content about education, lifestyle, and spending for students and university students in one place. It aims to enhance convenient services and facilitate university life for students, professors, and educational personnel. This is done through integrating the university's information system with the Bank's electronic payment system to cover all aspects of university life.



#### Performance

The Bank has developed and launched services with **21** universities nationwide.

The current number of users is **185,163** people.

### International Money Transfer Service

The international money transfer service on the Krungthai NEXT application is convenient and fast, with reduced fees. It can support up to 14 currencies and covers 150 countries worldwide. It facilitates the process of making international money transfers easy for the general public, foreign asset investors, and international business owners.



#### Performance

The current yearly number of users is about **20,000** people.

### Krungthai e-LG

The Bank has developed a service to issue electronic letters of guarantee (e-LG). This reduces the use of paper and the steps for document submission, and minimize the potential problems of losing the letters of guarantee. It also enhances the convenience of managing the letter of guarantee information, with the ability to check the status and make transactions through Krungthai Business 24 hours a day. This is for business customers who need to bid for work or enter into contracts with government agencies through the government procurement system (e-GP) and/or agencies that support the acceptance of electronic letters of guarantee. The Bank will send the letter of guarantee information directly to relevant beneficiary agencies.



#### Performance

The number of e-LG transactions through the Blockchain system is over **11,600** transactions (TXN).

### PromptBiz

A payment system for business customers that the Bank facilitates fully digital trade transactions, by submitting information according to ISO20022 standards. PromptBiz helps increase opportunities for small business owners to access funding sources on an equal footing with large businesses. This is achieved through the use of business customers' trade data and transactions with their suppliers that are connected to the Bank's Supply Chain Finance, in order to underwrite credit limit for small business owners.

The Bank is ready to serve PromptBiz through the Krungthai BUSINESS digital platform, enabling both public and private business owners to manage comprehensive trade documents, meeting all business needs in one place by converting from traditional paper trade documents to full digital trade documents, from billing, receiving bills, verifying correctness, and making payments through the platform. It also includes the preparation of electronic tax invoices and receipts, encompassing transactions for automatic deduction and remitting withholding tax without issuing Section 50 Bis forms to trading partners. The product is available for billing and receiving bills within and across banks.

In addition, business partners, especially SMEs in the Ecosystem, can conveniently access funding sources with Invoice Financing services, which will help reduce errors in sending paper information, such as partial payments, simultaneous multiple payments, and tax payments. It reduces the steps of sending documents, reduces the use of paper, reduces operational costs, and this system links customer data and business sector payments with the financial data of financial service providers and the government's tax system, resulting in the business sector, especially medium and small businesses, being able to grow sustainably.



#### Performance

Currently, the Bank has piloted the PromptBIZ service with the Digital Government Development Agency (Public Organization), or DGA, and partner companies.

### Krungthai Business

The Krungthai Business digital platform is a banking system that promotes access to services and financial innovations for business customers and small and medium-sized enterprises (SMEs) to enhance their capability to conduct business and support small business owners to grow and expand their businesses in the digital era conveniently, transparently, and quickly. The platform is usable with any device. It has international security standards to assist customers in financial management, including transactions of transferring, receiving, and paying domestically and internationally, along with credit services, bank guarantee services, and international trade transaction services.



#### Performance

Current users: over **36,000** businesses.

### PointPay

The point system (accumulated points) is a system that allows customers to pay for products instead of cash at Tung-Ngern PointPay stores nationwide. This system aims to increase revenue channels and assist small stores. Customers can use the accumulated points they have on their KTC (Krungthai Card) credit card or points from AIS and Bangchak to pay for goods instead of cash at Tung-Ngern stores.



#### Performance

**1.5** million stores nationwide.

### Automated Teller Machine (ATM)

The Bank has developed automated teller machines (ATM/RCM/3in1) with touch screens that have a voice guidance system to facilitate customers with visual impairments. There are 6,591 of the machines. And there are 1,967 non-touch screen machines that visually impaired customers can still withdraw money by pressing the buttons on the side of the screen in conjunction with the keypad. Furthermore, to increase accessibility and security for people of all nationalities, the automated teller machines also support a total of 5 languages: Thai, English, Japanese, Chinese, and Burmese.



#### Performance

The total number of automated teller machines (ATM/RCM/3in1) is **8,558** machines.

The number included the machines in front and outside the branches.

### Accident Insurance (1 Baht per day)

An accident insurance product that covers death or permanent disability due to accidents, with a maximum insurance coverage of 500,000 baht. The premium is only 1 baht per day, which aims to increase the accessibility of accident insurance for low-income groups.



#### Performance

**2,218** policies.

### Accident Insurance for Volunteer Elephant Patrol Officers

The Bank sponsors the budget for insurance for the volunteer group watching over wild elephants as part of the Patchara Kajanurak Conservation Project in the Eastern region, including Chachoengsao, Chonburi, Rayong, Chanthaburi, and Sa Kaeo provinces. The objective of the sponsorship is to boost the morale for the volunteers performing their duties.



#### Performance

The insurance coverage is issued for **710** people from 51 villages across 5 provinces.

### Multipurpose Loan for Pensioned Civil Servants

The multipurpose loan for pensioned civil servants helps retired government officials to have access to loans at low-interest rates. They can use the lump sum to reduce daily living expenses, medical treatment costs, provide fund for their children or grandchildren, or even realize their retirement dreams by starting a business for post-retirement income.



#### Performance

The total of **51,402** customers.

### Government Savings Bonds (Sor Bor Mor Wallet)

The savings bonds Oom Aunjai is available on the Sor Bor Mor Wallet in Paotang app with a minimum purchase amount of 100 baht for 100 units (1 baht per unit). There is no limit to the number of times an individual can purchase, but there is a maximum purchase limit of 20 million units. This allows the general public, especially low-income groups, to access bond purchases and serves as a tool to assist in savings, promoting inclusive, equitable, transparent, and sustainable access to savings through a digital channel.



#### Performance

One Baht Bond through the Sor Bor Mor Wallet on the Paotang app.

The bonds on Sor Bor Mor Wallet is opened for sale in the first offering, the savings bonds, Oom Aunjai with a fund size of **10** billion baht.

### Trading Digital Bonds (Digital Bond Wallet)

The bond trading wallet on the 'Paotang' app is an extension of the success of developing investment products through digital channels, which upgrades the Thai capital market and supports the continuous growth of the economy. It promotes inclusive financial and investment services to all Thais, ensuring equity and reducing inequality, in line with the Sustainable Development Goals (SDGs) of the United Nations. Digital bonds on the 'Paotang' app provide convenience to investors for trading in real-time, 24 hours a day. Investors receive the bonds immediately upon purchasing and receive money instantly upon selling, with display of bond holding details and trading prices all in one place. This meets all dimensions of savings and investment, and creating financial stability for customers and the public in a sustainable way.



#### Performance

In 2023, digital bonds offerings for 2 companies were announced:

Bangchak digital bonds were fully subscribed to the offering amount of **3** billion baht,

Sansiri digital bonds were fully subscribed to the offering amount of **2.5** billion baht.

### Krunghai Termboon (e-Donation)

E-Donations are made easier because it does not require cash, and can automatically provide tax deductions because the donation information will be directly submitted to the Revenue Department. Customers who transfer via the NEXT application can choose to receive an electronic merit-making receipt sent directly to the donor's email to keep as proof, which helps to reduce the use of paper, decrease waste, and protect the environment.



#### Performance

There are **19,515** donation recipient units associated with the bank,

with a total of **2,105,067** donation transactions,

and a total donation amount of **1,077,940,168** baht.



### Krungthai X Yuenyen X Cheevamitr

The Bank recognizes the importance of preparing for the transition into a Super Aged Society that will arise in the future. Therefore, planning in terms of physical health, mental well-being, and financial preparation for retirement and life post-retirement is essential. The Bank thus supports providing knowledge on 'Palliative Care' for the elderly, terminally ill patients, and conducts seminars on the '5 Dimensions of Life' which include medical, social, economic, spiritual, and legal dimensions. This is to impart knowledge on life planning and financial planning for retirement to employees and bank customers. Additionally, the Bank also contributes funds to bolster morale and sustain the life force of cancer patients in advanced stages, terminally ill patients, the elderly, and the disabled who are part of the project, to ensure they can spend the final stages of their lives with quality.



#### Performance

- Donated a matching fund of **5,555,000** baht from the Bank, employees, and customers within 3 months to the 'Yuenyen Social Enterprise'.
- Produced and broadcasted a VDO clip on '5 Dimensions of Life' knowledge through YouTube with approximately **200,000** views.
- Donated **350** Krungthai Care Boxes to various elderly communities during the second wave of the Covid-19 epidemic.
- The 'Yuenyen' organization saw an increase of about **200** patients receiving care.
- The project's publicity reached over **17** million views through social media.

### Digital Lending via Krungthai NEXT

Krungthai Bank has developed digital lending products for low-income earners and small business owners who have business transactions through Krungthai Bank's service channels such as Krungthai NEXT, Paotang, Tung-Ngern, or have travel restrictions, without the need to rely on traveling to the bank's branches.

#### Krungthai Jaidee Loan

For convenience and speed, the Bank has developed a revolving credit loan for those with a regular salary through Krungthai Bank accounts, starting from incomes of minimum 5,000 baht.



#### Performance

**63,446** customers  
approved for loans,

with an accumulated approved  
credit limit of **535** million baht.

#### Sib Muen Loan

The Bank has developed a term loan for small business owners who have a Tung-Ngern account, with minimum income of 10,000 baht. The loan enables flexibility for the businesses, and it is available for small stores across Thailand.



#### Performance

**1,787** customers  
approved for loans,

with an accumulated approved  
credit limit of **46** million baht.

### Krungthai Jai Pump Loan

For the customer group with a regular income and small business owners with a monthly income of minimum 15,000 baht, they can apply for a maximum emergency loan to receive up to 5 times their monthly income, maximum 1 million baht, without the need for collateral or guarantors. Applications can be made easily through the Paotang and Krungthai NEXT applications.



#### Performance

**185,417** customers  
approved for loans,

with an accumulated approved  
credit limit of **7,957** million baht.

### Krungthai Payday Loan

The Bank offers a term loan for individuals who receive their monthly salary through a Krungthai Bank account, with minimum income of 15,000 baht.



#### Performance

**14,761** customers  
approved for loans,

with an accumulated approved  
credit limit of **495** million baht.

## Products and Services for Debt Rehabilitation and Restructuring

The Bank is ready to support the government's policy and participate in solving the country's major problem of household debt that affects the living conditions of the people and the growth of the economy. Therefore, there are measures to help customers in all groups solve debt problems in order to help reduce their financial burdens. This includes measures for general customers and specific groups to help solve problems unique to their circumstances. This encompasses small businesses and individuals, especially caring for customers in vulnerable group with a high debt burden, or that their income that has not yet recovered, or the income has not recovered quickly enough to cover expenses. The measures in place ensure that these customers should have enough income for daily life, and able to cope with an economy that has not fully recovered. In the past, the Bank has continuously implemented financial measures to assist individual and business customers affected by COVID-19, according to the policies of the Ministry of Finance and the Bank of Thailand, amounting to over 380 billion baht from more than 460,000 debtor accounts, covering more than 150,000 customers.

## Financial Literacy

Enhancing knowledge, changing behavior, and financial discipline among the public are considered important issues that the Bank recognizes and focuses on supporting the enhancement of such knowledge and skills. The objective is to improve the quality of life and create financial immunity for the people through organizing training and providing diverse knowledge to different groups such as the public sector, bank employees, and society at large, especially the vulnerable groups in society, such as low-income individuals, people with disabilities, among others. This is accomplished through varied content and methodologies, whether it be financial knowledge, financial innovation, industry-specific economics, or the use of digital financial systems. This helps ensure that customers and entrepreneurs have the necessary foundational knowledge to manage their lives and businesses effectively, both now and in the future.



### Bank Employees

The Bank organizes financial literacy courses for employees aimed at increasing awareness and understanding on money management and preventing fraud. This is done in collaboration with the Stock Exchange of Thailand to drive a culture transformation through the Happy Money @Workplace project. The Bank continuously receiving support of academic courses from the SET to establish a culture of saving, systematic financial planning, and promoting a quality life for employees.

### Beneficiary

Over **16,000** employees participated in activities.



### Society

The Bank is engaged in community development in various dimensions, coupled with providing financial knowledge and skills to community members. The aim is to foster awareness in budgeting, recording transactions of income and expenditure, reducing unnecessary expenses, seeking additional income channels, saving, and debt management. Additionally, it educates on various financial risks to strengthen community members to analyze and handle financial dangers in all aspects and sustainably maintain financial discipline.

### Beneficiary

**8** communities,  
**235** households

The Bank has launched the Krungthai Smart University program to help university students understand the importance of financial planning and analyze their financial behavior. The objective is to encourage financial stability when they enter the workforce. This includes activities to learn about managing expenses, emergency funds, saving, and investing, with more than 1,562 participants. Also, a focus group of 25 people was organized to monitor saving behaviors and financial goals, along with enhancing knowledge about investments, debt prevention, insurance, and taxes. Post-project findings indicated that the focus group participants significantly improved their financial management behaviors and self-awareness in financial capability, with 96% saving more money and 92% being able to cut unnecessary expenses.

### Beneficiary

6 universities, including

- Maejo University
- Rajabhat Bansomdejchaopraya University
- Rajamangala University of Technology Isan
- Burapha University
- Walailak University
- King Mongkut's Institute of Technology, Ladkrabang.

In addition, the Bank continuously provides financial literacy to all customer groups and the general public through the bank's website [www.krungthai.com](http://www.krungthai.com) and through the Krungthai Care fan page. The content focuses on financial insights presented in an easy-to-understand infographic format to help readers understand and conveniently learn.

### Examples of published content include:



6 Ways to Quickly Eliminate Credit Card Debt



4 Steps to Plan a Stable and Successful Retirement




4 Ways to Find a Lump Sum to Pay Off Informal Debts and Unlock a Worry-Free Life




In 2023, there was a total of **371,548** views.

However, the bank is aware of the increasing popularity of using social media. The bank has expanded its financial education to encompass social media, with the following reach and engagement with the financial knowledge content:


## Financial Literacy Content 2023

 Facebook  
Krungthai Care

Reach **15,211,871**  
Engagement **888,635**

 LINE VOOOM  
@krungthaicare


Impressions **3,130,843**  
Clicks **40,009**  
Reactions **3,217**

 Instagram  
@Krungthai\_Care

Followers **46,000**

 X  
@Krungthai\_Care

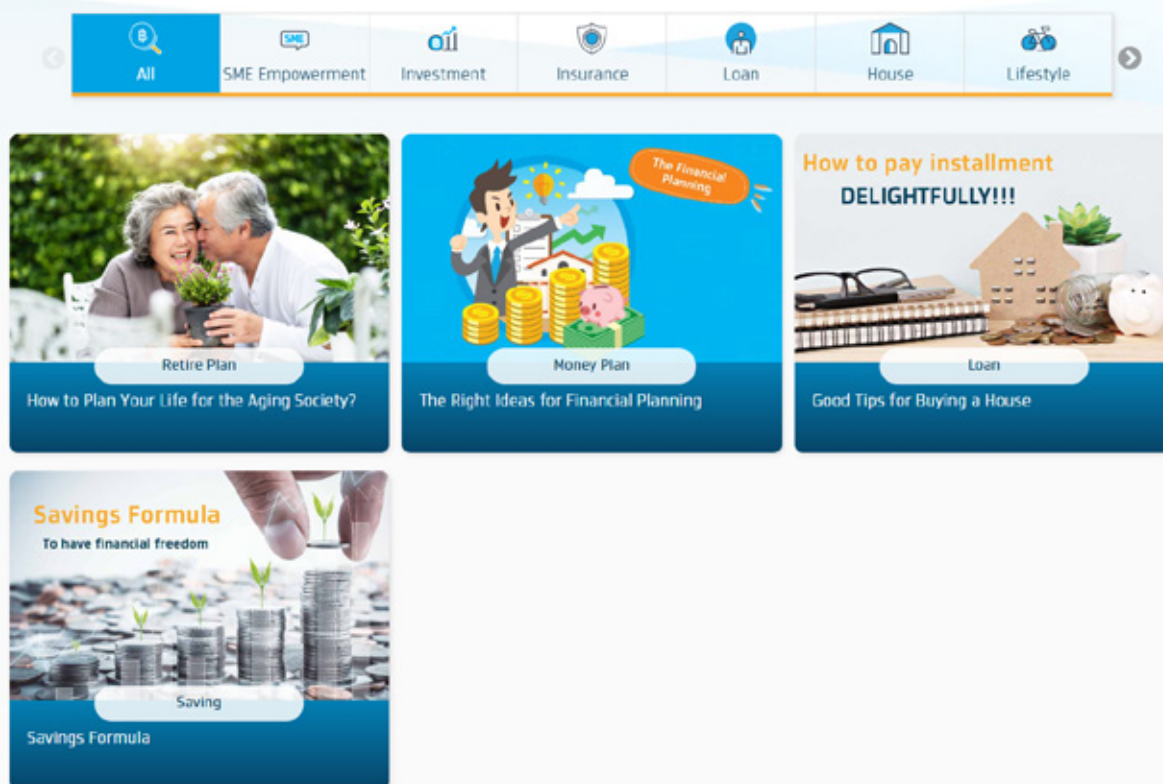
Followers **422,000**

 TikTok  
@Krungthai\_Care

Followers **1,500,000**

## Learn Financial

Improve your financial knowledge



The banner features a navigation bar with the following categories: All, SME Empowerment, Investment, Insurance, Loan, House, and Lifestyle. Below the navigation bar are five content cards:




- Retire Plan:** How to Plan Your Life for the Aging Society? (Image of an elderly couple)
- Money Plan:** The Right Ideas for Financial Planning (Image of a man with a lightbulb and coins)
- Loan:** Good Tips for Buying a House (Image of a house, piggy bank, and calculator)
- Savings Formula:** To have financial freedom (Image of hands stacking coins)
- How to pay installment DELIGHTFULLY!!!** (Image of a house and piggy bank)

## Digital Literacy

Currently, Krungthai Bank is the largest digital platform service provider in the country, with more than 40 million users across digital channels. This includes over 17.6 million users of the Krungthai NEXT application, the “Paotang” app which is the Thailand Open Digital Platform with over 40 million users, and the “Tung-Ngern” application with over 2 million merchant users. These platforms enable Thai citizens to access financial services comprehensively, strengthening the economy both at the individual and business levels. It serves as a tool for people of all ages to access financial support from the state, stimulating the economy and reducing social inequalities. To ensure that all groups of people have the knowledge, understanding, and can access these digital services safely and extensively, the Bank publishes articles and creates infographics accompanying articles to educate the general public on precautions and safety in financial transactions. The Bank prioritizes communicating and imparting knowledge on the safe use of digital platforms through websites and various social media channels. It aims to raise awareness among many individuals about cybersecurity issues. The Bank has changed its communication strategy to use modern, concise, and easy-to-understand language to be more accessible to all groups without the need for reading complex articles, aligning more with contemporary times.



Through the social media channel “Krungthai Care,” content is presented in various forms such as videos, infographics, and articles. For example, the educational video “#IfIt’sDeceptiveLetItBeKnown” aims to raise public awareness of financial scams and how to protect oneself from being a victim of fraud. Content has been created and disseminated across various platforms, resulting in the following numbers of reach and engagement with the financial knowledge content:

#IfIt’sDeceptiveLetItBeKnown					
 Facebook	Reach	2,560,419	 LINE VOOM	Impressions	1,782,607
	Engagement	75,511		Clicks	29,907
				Reactions	3,291
 TikTok	Reach	12,014,600			
	Engagement	437,602			



## Delivering Sustainable Financial Products & Services

There has been a growing awareness of the necessity to preserve, protect, and rejuvenate the environment while also advocating equality among individuals. The international community has collectively urged prompt action across all sectors to address urgent concerns such as climate change, environmental protection, and the preservation of global ecosystems. This heightened awareness remarkably influences both the Bank's and its business partners' operations directly and indirectly.

As a financial service provider responsible for allocating funds to small, medium, and large businesses, the public sector, and retail customers, Krungthai Bank recognizes its crucial role and responsibility to the business sector and Thai society. As a result, the Bank integrates environmental, social, and governance (ESG) considerations into its lending policies, financial advisory, and investment strategies. This ensures that funds are not directed toward projects with adverse impacts on the environment or local communities but towards fostering sustainable business and project practices, enhancing the Bank's competitiveness.

### Green Financing

#### Responsible Lending Policy

The Bank has developed Responsible Lending Guidelines, which integrate the assessments for social, governance, and environmental risks into the loan evaluation process. In accordance with this commitment, the Bank follows internationally recognized Equator Principles for sustainable project financing and the International Finance Corporation's (IFC) environmental and social performance standard. These frameworks are carefully applied to various types of bank loans, including project finance and corporate finance, to ensure appropriateness and alignment with best practices.

The Bank first assesses loans through the Exclusion List, which outlines loan types not supported, and the Inclusion List, detailing potential industries. Additionally, Sector-Specific Guidelines for credit assessment are applied to particular sectors and client groups deemed to be high-risk. These guidelines include provisions for offering green loans in accordance with the Green Loan Principles of the Asia Pacific Loan Market Association (ALPMA) and the Loan Market Association (LMA).

These loans undergo credit underwriting and credit risk assessment of environmental, social, and governance (ESG) risk, in addition to regular monitoring and reviews. The Bank also continuously evaluates risks and opportunities in collaboration with its customers, fostering support for and advancement of responsible and sustainable business practices and development.

#### Exclusion List

The Bank requires consideration of the loan applicant's characteristics as well as the type of business or project in which the customer is currently employed. The Bank does not intend to support the following loans:



Businesses that are illegal, against morality, or against good corporate governance



Hoarding goods for speculative purposes (Corner Market), which may have an adverse effect on economic stability, or violating announcements and regulations of related government agencies



Businesses that have destructive impacts on the environment or involve encroachment of ecosystems, culturally valuable areas, or historic sites



Manufacturing or trading weapons of war  
\*Excluding for Thai government agencies\*



Businesses involved in human rights violations or projects with social risks



Businesses that have significant environmental and social impacts



Trading wildlife and products from wildlife protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

As the Bank prioritizes aiding the country in achieving its climate change objectives, it considers refraining from supporting businesses involved in direct or indirect lobbying efforts aimed at undermining climate policies.

Furthermore, the Bank has established clear guidelines for evaluating personal loans, which include not lending to individuals identified by the National Anti-Corruption Commission as involved in illicit influence.

## Inclusion List

To drive positive change in entrepreneurs' business operations, the Bank supports lending to businesses or industries that have potential and are aligned with environmental, social, and governance goals outlined in the country's strategic plans to develop bio-, circular-, and green economy. Examples of such industries are:



Healthcare



Private hospitals



Electric vehicles  
and parts



Future food



Solar power or other  
environmentally friendly  
alternative energy sources

For other industries, the Bank may consider making additional changes to promote environmentally sustainable business practices that generate positive environmental and social impact.

Furthermore, the Bank prioritizes customers who demonstrate a commitment to conducting business with social and environmental responsibility by establishing beneficial loan evaluation criteria for these customers. The Bank evaluates the commitment based on various factors, including ESG ratings derived from internationally recognized standards, greenhouse gas emissions reduction efforts, the use of renewable energy, and operations that support the United Nations Sustainable Development Goals (SDGs).

## Sector-Specific Guidelines

The Bank provides additional guidelines for businesses or projects that may have significant impacts on the quality of the environment, natural resources, and community occupational health. To align its operations with national and international goals for transitioning to a low-carbon economy, the Bank requires risk management at both the portfolio and transactional levels. Businesses and projects seeking funding must obtain permits or complete an Environmental Impact Assessment (EIA) or Environmental Health Impact Assessment (EHIA) in accordance with established legal criteria.



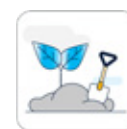
Upstream and midstream  
petroleum industry



All types of power generation  
industries, excluding solar and  
wind power plants



Industries involving hazardous  
or radioactive waste treatment



Mining industry, including  
coal mining and coal trading  
businesses



Metal production industry  
(all types of metal)



Chemical and hazardous  
substance production industry



Agricultural industry  
(cultivation)

## Credit Underwriting Process and ESG Risk Screening

The Bank has integrated ESG considerations into its loan evaluation criteria for industries in the Exclusion List, Inclusion List, and Sector-Specific Guidelines in addition to normal loan evaluation criteria for project financing and business loans. Prior to loan approval, projects or businesses are assessed to identify potential risks and ESG impacts as determined by the Bank.

First, the Bank will check that the industry or the project is not included in the Exclusion List. After that, customers who meet environmental, social, and governance (ESG) impact assessment criteria must conduct such assessments in accordance with preliminary credit approval requirements. Examples of the Bank's ESG criteria are as follows:



### Environment

- Does the business pose a risk to the environment? For example, does it emit pollution that affects biodiversity, water resources, and forests?
- The business or project has prepared an Environmental Impact Assessment (EIA) or an Environmental and Health Impact Analysis (EHIA) based on the size of the business as determined by the government.



### Social

- Is the business at risk of violating human rights, for example, by hiring illegal labor or child labor?
- Does the business negatively impact the community's way of life?



### Governance

- Does the business operate under the principles of good governance and have no history of involvement in fraud or corruption?



See Sustainable Finance



## Credit Underwriting Process for Green Loans

Green loans serve as financial instruments to support environmental initiatives aimed at reducing greenhouse gas emissions, safeguarding and restoring the environment, facilitating climate change adaptation, and transitioning to a net-zero economy. Applicants for green loans must provide evidence certifying their environmentally friendly operations and commit to transparent performance reporting to ensure proper utilization of the funds.

In 2023, the Bank established a guideline for granting green loans in accordance with the Green Loan Principle (GLP) of the Asia Pacific Loan Market Association (ALPMA) and the Loan Market Association (LMA). The guideline consists of 4 major components, as follows:

#### Use of Proceeds

Identifying the purpose of using funds for business activities that support environmental objectives.

#### Management of Proceeds

Monitoring and reporting the results of project spending regularly and transparently.

#### Process for Project Evaluation and Selection

Project evaluation and selection follow the Responsible Lending Policy. The project must have clear borrowing objectives and qualifications based on project categories and the specified Green Loan criteria.

#### Reporting

Reporting on loan use and project progress, including performance against targets for each type of funding objective.

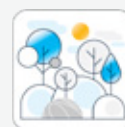
### Eligible Projects for the Bank's Green Loan Criteria



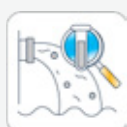
Renewable Energy



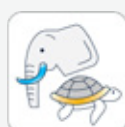
Energy Efficiency



Environmentally Sustainable Management of Living Natural Resources and Land Use



Pollution Prevention and Control



Terrestrial and Aquatic Biodiversity



Clean Transportation



Green Technologies



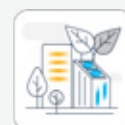
Sustainable Water and Wastewater Management



Climate Change Adaptation



Circular Economy



Green Buildings

## Sustainability-Linked Loan Practices

In 2023, the Bank began engaging in Sustainability-Linked Loans (SLL) by adopting the Sustainability-Linked Loan Principles (SLLP) established by the Asia Pacific Loan Market Association (APLMA) and the Loan Market Association (LMA). These loans provide preferential interest rates to large corporates that meet Sustainability Performance Targets, which are annual indicators linked to relevant sustainability assessment frameworks, such as the Carbon Disclosure Project (CDP) and/or Dow Jones Sustainability Indices (DJSI).

## Performance

The Bank is committed to supporting businesses, from large corporates to small and medium-sized enterprises, as well as retail customers, to realize their full potential and prepare for a low-carbon future. Collaborating with partners across diverse sectors, including the private, public, and governmental realms, the Bank has developed environmental financial products and services.

ESG Loans for Large Business Customers

The total outstanding loan amount is **20,054** million baht.

Loan Types	Total Outstanding Loan Amount (Million Baht)
Green Loans	<b>18,054</b>
Sustainability-Linked Loan (SLL)	<b>2,000</b>

Note: Information as of 31 December 2023

## Examples of Green/ESG Products for Large Business Customers



**Krungthai** and **Mitr Phol** signed a Sustainability-Linked Loan deal totaling **2,000** million baht, marking a significant step towards Net Zero and Carbon Neutrality Goals.

Krungthai Bank and Mitr Phol Group have signed an agreement to provide a 2,000-million-baht Sustainability-Linked Loan (SLL) with conditions aligned with the S&P Global Sustainability ratings. This initiative is aligned to achieve net zero greenhouse gas emissions by 2050.



**Krungthai Bank** and **Global Green Chemicals Public Company Limited** have signed an agreement for a sustainability-linked loan totaling **2,000** million baht.

The loan conditions are tied to the CDP Climate Rating and the company’s reduction in greenhouse gas emissions, which aligns with Global Green Chemicals Public Company Limited’s commitment to achieving zero greenhouse gas emissions by 2050.



**Krungthai Bank** and the **Office of the Cane and Sugar Board** held a press conference to launch a pilot project to fund the reduction of PM2.5 levels in the sugar cane and sugar industry.

The press conference was held on 25 December 2023 at the Office of the Cane and Sugar Board, the Ministry of Industry, with the Bank of Thailand attending the event. All stakeholders acknowledge the negative effects of air pollution caused by small dust particles (PM2.5), which impact public health, tourism, and the Thai economy. While the government has consistently advocated cutting fresh sugarcane rather than burning it because it produces faster and less expensive results, the lack of harvester equipment limits the capacity to do so. The financial sector recognizes the opportunity to contribute to solving this issue sustainably by providing funding for businesses and farmers to encourage them to adapt to environmental changes. Financial institutions can provide tangible support for businesses’



transition to environmental sustainability by developing transition finance products to support sugar cane and sugar business operators in purchasing efficient agricultural machinery to reduce PM2.5 emissions. These products feature special interest rates and extended repayment periods, with the principal repayable annually for up to 6 years to align with annual sugar cane earnings.

ESG Loans for Small and Medium-sized Enterprises (SMEs)

The total outstanding loan amount is **1,006** million baht

Loan Type	Total Outstanding Loan Amount (Million Baht)
Green Loans	1,006

Note: Information as of 31 December 2023



### Electric Vehicle Battery Assembly Project: Powertech Energy Solutions Company

The Bank provides loans to businesses engaged in battery assembly for electric vehicles to support the development of electric vehicle production in Thailand and to meet the growing consumer demand. This financing is designated for constructing a manufacturing facility for battery assembly, purchasing and installing solar rooftops on the premises, acquiring efficient machinery and assembly equipment, and implementing related systems.

The Bank assesses loans according to the Responsible Lending Policy, including loans for large-scale projects. Projects that meet the Environmental, Social, and Governance (ESG) criteria will undergo risk assessment, control, and monitoring.

## 34 projects in finance in 2023



Number of Project Finance Approved: **34** projects



Number of Project Finance under Consideration: **0** project



Number of Project Finance Rejected: **0** Project

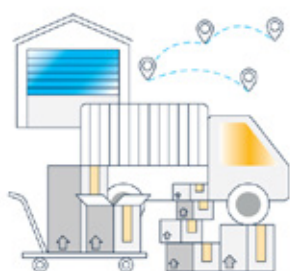


Percentage of Projects Undergoing Evaluations According to the Responsible Lending Framework and ESG Risk Assessment out of All of the Bank's Project Finance Projects

**100%**

## Examples of Project Finance under the Responsible Lending or ESG Framework

The Bank supports lending with a responsible lending approach, which encompasses large-scale projects with environmental, social, and governance objectives. Projects meeting assessment criteria, including Environmental, Social, and Governance (ESG) factors, will undergo risk assessment, control, and monitoring.



### Project to Support the Design and Construction of an Environmentally Friendly Distribution Center

The private sector is now more eager to build distribution centers that are aligned with green building standards, as building environmentally friendly buildings will enable maximum energy efficiency and reduce energy costs, greenhouse gas emissions, and impacts on the environment.

The Bank recognizes the importance of contributing to the development of a society with low greenhouse gas emissions. Therefore, it has implemented a policy to provide green loans to the private sector utilizing design and construction methods that meet environmental standards and are environmentally friendly.

Examples of environmentally friendly innovations and technologies include the use of solar panels to generate clean and renewable energy, designing environmentally conscious spaces, using sustainable building materials, and implementing smart city technologies.



### Energy-Efficient Housing Projects

Today, developers and homeowners are prioritizing energy efficiency due to the affordability and high efficiency of various technologies.

The Bank provides housing construction loans for large-scale housing projects that take energy conservation into consideration. This includes initiatives like planting large trees to reduce heat storage of concrete ground and enable better ventilation, installing EV chargers to help reduce the use of fossil fuels, and installing energy-saving equipment such as inverter air conditioning systems with environmentally friendly refrigerants, energy-saving LED light bulbs, and home automation systems for energy management.



### Highway Transportation Network Development Project

Due to the expansion of the economy and the increasing popularity of tourism in the northern region, the development of the transportation network will facilitate economic activities, promote development in the region and neighboring countries, and enhance convenience. Additionally, it can help alleviate traffic congestion and reduce the incidence of accidents.

The Bank recognizes the importance of promoting equal economic distribution across all groups of people. Therefore, the Bank has implemented a policy to support projects that are aware of their social impacts, including loans for infrastructure projects that impact the lives of a wide range of people.



### Student Dormitory and Parking Building Construction Project

Educational provisions on-site at the university area and the policy allowing students to live on campus for thorough supervision have increased. Therefore, the old and deteriorating dormitory buildings have been developed to accommodate the growing number of students. The Bank has launched a construction project for a nursing student dormitory and parking building. This project focuses on the use of environmentally friendly building materials and the installation of various energy-saving equipment. Furthermore, it implements systematic waste management practices in the student dormitory.

The Bank recognizes the benefits and importance of the project, which, once completed, will provide convenience to people in the dormitory building and be beneficial for healthcare recipients in the future. Therefore, it has provided loans to the contractors for use in project construction.

## Green/ESG Financial Products and Services Promoting the Transition to a Low-Carbon Society

### Examples of Products for Business Customers



#### Green Lending

The Bank offers loans to businesses for the installation of solar cells, solar rooftops, and EV chargers, helping them transition to clean energy and reduce their costs. The Bank offers high credit limits based on quotations of up to 5 million baht without collateral and a loan period of up to 7 years.



#### Krungthai ESG Loans

The Bank offers loans to SMEs operating environmentally related businesses, including energy conservation, renewable energy, clean energy, energy efficiency, greenhouse gas emission reduction, and waste management. The loan amount can be up to 2 times the value of the collateral with a repayment period spreading over a maximum of 10 years.



### Environmental Loans for Private Sector

Environmental loans with a low annual interest rate of 3%, fixed for 7 years, are available for businesses implementing pollution control, treatment, or elimination using waste treatment systems compliant with standards, rules, regulations, and laws.

In addition, the Bank has an action plan to support SMEs with ESG loans and other sustainability initiatives, such as:



Providing training on Thailand Taxonomy, a classification system for environmentally sustainable economic activities



Providing training on Carbon Footprint Organization (CFO)



Organizing workshops on Green Business



Educating customers on conducting the "Make Green Together" campaign with green-label entrepreneurs under the supervision of the Thai Environment Institute



Encouraging customers to participate in the Green Industry (GI) project initiated by the Department of Industrial Works to assist them in reducing greenhouse gas emissions



### Examples of Products for Retail Customers



### Green Home for Cash Loan

This loan supports the installation of energy-saving devices in households, such as

- Solar rooftop installation
- EV charger installation for electric cars
- Purchase of energy-saving electrical appliances (electricity saving label no. 5)

## Green Advisory Services

The Bank plays a crucial role in financing advancements in environmental and social sustainability, serving as an advisor and provider for the financial products as follows:




These products adhere to international standards, such as the Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), and Sustainability-Linked Bond Principles (SLBP) set by the International Capital Market Association (ICMA), and the ASEAN Green Bond Standards established by ACMF. These products are offered to investors interested in supporting social and economic development as well as promoting sustainable environmental preservation efforts.

Moreover, the Bank adheres to the framework established by the Securities and Exchange Commission for bond issuance and trading, which mandates the use of specific international standards to ensure the credibility of the issuance and information disclosure to investors that complies with the specified standards. Information for disclosure includes the details on the objectives of using the proceeds, the process for evaluating and selecting projects, proceeds management, and reporting, which the Bank will continue to develop and get certified by external auditors.



## Performance

In 2023, the Bank supported environmental, social, and governance initiatives by issuing green bonds in partnership with leading companies. The total proceeds reached 18.5 billion baht.

### Green Bonds

Company	Purpose of Bonds	Value (million baht)	Evaluated and certified by	Related Standard Framework
	<p>The proceeds would be used to repay debts owed to financial institutions and/or related companies or accrued interest on loans related to the company by November 2023. The loan is used to finance a hydroelectric power project, which is classified as a green project and eligible for the company's green bond framework.</p>	3,500	DNV Business Assurance Australia Ltd.	<ul style="list-style-type: none"> <li>● GBP (Green Bond Principles)</li> <li>● GLP (Green Loan Principles)</li> <li>● ASEAN GBS (ASEAN Green Bond Standards)</li> <li>● CBI (Climate Bonds Initiative)</li> </ul>



Company	Purpose of Bonds	Value (million baht)	Evaluated and certified by	Related Standard Framework
 <b>GULF</b>	The proceeds would be allocated for investment in new projects or repayment of existing debt and/or existing projects that are related to the company's environmental conservation efforts.	8,000	DNV Business Assurance Australia Ltd.	<ul style="list-style-type: none"> <li>● GBP (Green Bond Principles)</li> <li>● GLP (Green Loan Principles)</li> <li>● ASEAN GBS (ASEAN Green Bond Standards)</li> </ul>
 <b>EGCO GROUP</b>	The proceeds would be used for the repayment of funds for the company's and its subsidiaries' existing environmental conservation projects by 2024.	7,000	DNV Business Assurance Australia Ltd.	<ul style="list-style-type: none"> <li>● GBP (Green Bond Principles)</li> <li>● GLP (Green Loan Principles)</li> <li>● ASEAN GBS (ASEAN Green Bond Standards)</li> </ul>

Note : Information as of 31 December 2023

## ESG & Carbon Credit-Linked Derivatives

The Bank's financial derivatives for ESG economic activities are based on the aligned policies and commitments of the Bank and other companies to promote sustainable business development. To this end, the Bank provides support by offering lower risk management costs and interest rates if the company achieves the set ESG targets.

## 2023 ESG & Carbon Credits Linked Derivatives

Our Transaction in 2023



Total 6 Deals in 2023 with amount Approx. USD 1,100 mio.

Krungthai Bank has signed ESG- and carbon credit-linked derivative contracts with major corporates: PTT, PTT Exploration and Production, Singha Estate, PTT Global Chemical, Minor International, and Thaioil. Examples of such contracts include cross-currency swaps and interest rate derivatives. These partnerships strengthen the Bank's sustainability commitment by providing financial products and services that support the transition to a low-carbon society, promote sustainable finance in the country's capital markets, and enable businesses to adapt their business operations. In this way, the Bank and these companies work together to achieve net-zero greenhouse gas emissions targets.



The Bank offers **\$1.1** billion in financial products to large corporates.

## Krungthai and Singha Estate Group Joined Forces to Achieve Net Zero, Signing Thailand's First Carbon Credit Linked Interest Rate Derivatives

Krungthai Bank collaborated with Singha Estate to pioneer the first Carbon Credit-Linked Interest Rate Derivatives contract in Thailand. This innovative contract assists in managing interest rate risk during market uptrends and incentivizes ESG operations by offering carbon credits if the targets are met. This initiative reinforces Krungthai Bank's leadership in sustainable financial services, aligning with the country's net zero goal.



## Krungthai and MINT Signed a Decarbonization-Linked Cross-Currency Swap

Krungthai Bank, in collaboration with Minor International Company (MINT), signed a contract to hedge financial risks linked to ESG and carbon emissions reduction while managing exchange rate and interest rate risks for investments in the NH Hotel Group in Europe. The Bank stands ready to provide funding for greenhouse gas emissions reduction activities if MINT achieves the carbon emissions reduction targets. This deal reinforces the Bank's commitment to sustainability and supports the company in achieving its net zero target.



## Krungthai and Thaioil Signed an ESG and Decarbonization-Linked Cross-Currency Swap

Krungthai and Thaioil signed a contract to hedge financial risks linked to ESG and Decarbonization-Linked Cross-Currency Swaps. The Bank will reduce the company's hedging costs if it achieves its sustainability and greenhouse gas emissions targets, which align with the organization's net zero target.



# Human Resource Management

The New Normal era has brought changes to people's life and behavior. Employees' expectations and the transformation of work environments driven by online communication have become paramount. Therefore, attracting and retaining employees, developing personnel, creating learning opportunities that promote professional development, embracing diversity and equality, and fostering a culture of responsibility are crucial to achieving business development goals amidst the relentless competitive landscape.

Krunghthai Bank recognizes the importance of human resources, which are vital for driving sustainable business growth in the New Normal era. To adapt to rapidly changing times, the Bank continuously develops employee capabilities, improves, and manages human resources.

## Long-term Targets

- An average of at least **30** training hours per person per year is anticipated, taking into account workload, job positions, and environmental changes.
- **100%** of target employees have undergone training in future skills, covering digital competency and sustainability.
- Achieving a **15%** return on investment from training is attributed to imparting knowledge to employees, facilitating their transition to a digital work culture through upskilling and reskilling. This involves fostering courage to embrace change with creativity, nurturing innovation capabilities, providing digital knowledge, and encouraging the transformation of work processes into more digital formats. These efforts aim to drive organizational agility and enhance work processes.
- Annually host a Hackathon to cultivate a culture of innovation and make prudent selections for ideas that can be further developed.



## 2023 Target



**100%** of employees in the target group is to receive both online and offline training.

## Performance



**100%** of target employees have successfully completed training sessions, both online and offline.



Employees received an average of **68.94** training hours per person per year.

## Impacts, Opportunities, and Risks to the Economy, Environment, Society and Human Rights

The rapid changes in financial business, particularly the shift to a digital landscape and sustainable finance, alongside the demand for faster and more efficient services, accentuates the critical role of employee knowledge and skills in propelling the organization toward its objectives. Equipping personnel with relevant skills not only strengthens the Bank's competitive edge but also cultivates a skilled workforce essential for driving economic and national progress consistently. Failure to effectively manage human resources and foster the enhancement of employees' skills to adapt to changes can lead to several consequences. These include difficulty in retaining the workforce, potential violations of employees' human rights, increased rates of resignation, service delays, and reduced capacity to respond to customer needs.

Additionally, the Bank places importance on creating fair, equitable, and effective practices. The Bank believes that fair practices will lead to a pleasant work environment, where employees are fully committed, helping the Bank to achieve its business goals.

## Human Resource Management Strategy



### Culture Transformation



### Leadership Transformation



### People Skills Transformation



### HR Process Digitalization

#### Objectives

Creating a culture of innovation to drive the organization and foster agility in the way of work.

Preparing for the management of the 'Successor' employee group to keep pace with the replacement of key positions within the bank.

Enhancing the skills and knowledge of employees appropriately and in line with differing needs.

Managing human resources of the Bank through HR Process Digitization.

#### Operational Process

- Consistently organize Hackathon.
- Pilot learning and case studies from other projects to apply in the way of work.
- Manage affiliated companies in which the Bank holds 100% of shares to become One Krungthai.

Organize a 3-year succession plan for department heads and top executives level (N-1 N-2 N-3 and N-4).

- Encourage employee development through self-learning means via online channels, anytime and anywhere.
- Enhance the efficiency of the knowledge management process.
- Upskill and reskill employees according to new duties and tasks.

- Implement the new HRMS for the Bank and its subsidiaries.
- Set up a Business Service Center tailored to the size and job functions.
- Develop the ONE Krungthai application to facilitate employees.

#### Goals

Enhance operational excellence for sustainability and foster innovation and creativity in new way of work while reducing the chance for corruption.

Able to replace key positions in a timely manner and able elevate the efficiency of the Bank's operations

Employees have required skills that are sufficient and appropriate to drive the Bank's strategy

Upgrade the database to become a Single Source of Truth and improve HR processes.

## Attracting and Retaining Talented Personnel

Attracting and retaining skilled employees plays a crucial role in advancing the organization and establishing sustainable competitive advantages. The Bank recruits new competent employees to establish an environment abundant with skilled individuals and foster a positive workplace atmosphere. It enhances employees' capabilities and ensures the retention of highly skilled staff through fair and appropriate compensation, while also focusing on developing current employees to achieve higher levels of competency.

### Attracting New Competent Personnel

The Bank actively seeks competent and highly skilled personnel, both locally and internationally, by implementing initiatives to attract promising candidates domestically and expanding its recruitment efforts globally via the International Roadshows and Career Fairs held in the United States, the Republic of Finland, and the United Kingdom. Through a proactive collaboration with the government agencies and other organizations, it enables the Bank to attract highly skilled personnel from diverse educational institutions, particularly in specialized fields crucial for the transition to a digital banking environment, for example, students who received scholarships from the Development and Promotion of Science and Technology Talents (DPST) and the National Science and Technology Development Agency (NSTDA).



In 2023, a total of **247** students participated in internship programs at the Bank and its subsidiaries.

Students from various educational institutions, both domestic and international, especially those in programs related to digital technology and innovation, will be selected for internships at the Bank and companies within the Bank's financial business group, such as Infinitas by Krungthai and Arise by Infinitas. This is to foster cooperation and recruit talented personnel to join the Bank in the future.

Furthermore, the Bank has established a Management Trainee program aimed at recruiting fresh talent to join its workforce, and an Employer Branding initiative dedicated to shaping a contemporary Bank image that appeals to the younger demographic through diverse social media platforms. This effort also involves promoting information communication and organizing activities designed to attract highly skilled individuals.

### Management Trainee Programs

#### 1. Management Trainee for Credit Analyst (MTCA) Program

Proactively recruit personnel skilled in business lending and prepare such individuals for business loan operations to enhance their capabilities in the field.

#### 2. Krungthai Management Trainee Program

Recruit and prepare capable staff to be successors in areas related to Core Banking and Digital Banking to align with the Bank's strategies and policies in transitioning to the digital era.

### Employer Branding Program

The Bank has introduced an Employer Branding program aimed at attracting and hiring highly competent employees through publicity and various activities to bolster the Bank's image. Key actions undertaken include:

1. Developing promotional materials and elevating the Bank's image through innovative exhibition booth designs and interactive activities centered around the theme "Krungthai Career: Courage to Change."
2. Developing informational media to publicize the Bank's new image, modernizing the workplace, communicating to the younger generation that the Bank recruits personnel from various academic disciplines, especially technology, and promoting through the Bank's social media channels such as TikTok, Facebook, and YouTube.
3. Creating articles about working at the Bank and disseminating them through social media channels.

### Fair Compensation

The Bank analyzes and reviews compensation and benefits to ensure they are appropriate and equitable, and competitive with other organizations, on an annual basis. The Bank operates under the Performance Driven Organization (PDO) policy, focusing on driving the organization through performance. Employees receive compensation that corresponds to their own performance to motivate continual commitment. The Bank allocates special performance-based bonuses as a reward. In addition, the Bank ensures that employees receive salaries and benefits suitable for their positions, responsibilities, and at rates comparable to other commercial banks or other financial institutions. The Bank also routinely analyzes and reviews employee benefits annually, comparing with peer organizations, evaluating gender pay ratios, and preparing analytical reports and recommendations for various committees and management. This study serves to offer a range of welfare benefits that align with the diverse needs of employees, while also considering the occasional special salary adjustments throughout the year for high-potential Bank employees.



## Retaining High Potential Employees

The Bank supports and encourages high-potential employee groups through six dimensions: leadership, communication, atmosphere, total reward, opportunities, and pride, to motivate work that matches their abilities. The Bank also monitors career progress and creates opportunities for learning and adding value to work.



### Leadership

The Bank focuses on creating opportunities for high-potential employees (Talent) to participate in important work or activities with senior management, opening opportunities for these employees to learn about the work and policies directly from the executives. For example, assigning them to act as executive assistants (Job Shadowing) serves as a training ground for skills and abilities so high-potential employees can grow into future executives, inspiring them in their work and acknowledging them as the Bank's high-potential employees.



### Communication

The Bank organizes activities to stimulate two-way communication between high-potential employees and senior management, such as the Skip Level program, which provides opportunities for high-potential employees to have in-depth discussions with executives to understand the organization's vision, direction, and policies. This builds a network of high-potential employees, fosters an understanding of the Bank's key projects to create shared goals between executives and employees, and offers high-potential employees the chance to present new ideas and initiatives in a bottom-up approach. Additionally, it clarifies the scope of work and career progression pathways for these employees.



### Atmosphere

The Bank focuses on creating a cross-functional work model, which fosters an Agile Culture. A Rotation Plan is set to allow high-potential employees to have opportunities to learn and rotate through different units within the Bank, including transfers to learn about the operations of affiliated companies (Secondment) to enhance their capabilities. This helps employees develop well-rounded skills and expand their responsibilities (Job Enlargement). For example, high-potential employees are temporarily transferred to work at companies within the Krungthai Bank Subsidiaries Group, or high-potential employees are encouraged to participate in Hackathon activities to learn from the experience in brainstorming creative ideas and new innovations.



### Total Reward

The Bank reviews and adjusts the monthly and annual salary of each high-potential employee to be appropriate and consistent with the market. There is a monitoring system for career progression to ensure a suitable career path aligned with job performance.



### Opportunities

The Bank assigns challenging tasks or significant projects to high-potential employees for continuous development. A Rotation Plan is implemented to allow high-potential employees to learn and assist in various functions of the Bank. Additionally, there are short digital courses offered by leading global educational institutions to high-potential groups to enhance digital knowledge and understanding.



### Pride

The Bank promotes job enlargement and job enrichment for high-potential employees by encouraging them to compile their knowledge in the forms of podcasts and knowledge sharing content. This is to pass on experiences, new work modalities, and the culture of the organization, as well as new digital knowledge to employees at all levels. The aforementioned activities are part of efforts to facilitate organizational change. They provide opportunities for high-potential employees to demonstrate their capabilities and create a sense of pride among this group of employees, aiming to retain them to continue working with the Bank.

The Bank is committed to developing and providing opportunities for employees to express their opinions, think, and try through platforms like Hackathons with various challenges. This also pushes for business development from Hackathon projects and creates a platform for these employees to explain and share different experiences, fostering pride and courage in expressing themselves.

## Hackathon Program

The Bank emphasizes creating a culture of innovation within the organization, encouraging initiative, creativity, and the development of innovative skills. Hackathons provide an opportunity for employees and executives to participate in brainstorming, analyzing, and generating ideas to improve work processes, as well as inventing new innovations and products, including new business models. This helps to elevate the standard of operations and customer service by enhancing skills and new knowledge. Training programs like the Innovation and Business Boot Camp are integrated with Design Thinking tools and Hackathons to develop and enhance the capabilities (Upskill/Reskill) of employees. The Bank has organized the Krunghthai Hackathon, which started with Season 1 in 2020 and has continued to the current Season 3, with 550 participants. Those who join the project can present their ideas for a selection process. The chosen ideas will be developed into practice, and winners are awarded overseas business trips which include visits to Fintech events and companies such as BYD Auto and Huawei.

Examples of Hackathons that focus on improving work processes and creating products or services that meet customer needs include:

- A project for cyber threat prevention that can detect and suspend unusual transactions, including notifications for accounts at risk;
- Smart Projection project to improve loan processes;
- “Igniting Power, Giving Back to Thai Society” project that integrates donation recipient units the Paotang Application to facilitate donations for customers and organizations;
- Green Loan project for developing loan processes and promoting environmentally friendly investments.

## Creating a Happy Workplace

The Bank supports employees to have a good quality of life, addressing the diverse lifestyles of the staff, detailed as follows:

- Educational support funds for children, with a yearly review of child welfare funds to align with the economic and social conditions to ease the burden on employees, while also promoting a better quality of life for them;
- Interest-free welfare loans are underwritten based on considerations of life’s necessities, such as medical expenses, education, home repairs, marriage, relocation, and various disasters. The loan promotes the use of renewable energy and solar energy alternatives to reduce greenhouse gas emissions. This includes loans for installing solar rooftops, reducing employees’ electricity costs in line with the Bank’s strategy focused on driving the business following ESG guidelines;
- Employees’ child assistance funds;
- Employees’ natural disaster relief funds;
- Rental assistance funds;
- Funeral assistance funds;
- Paid family care leave;
- Study leave in fields related to the Bank’s operations;
- Employee welfare housing;
- Employee uniforms;
- Online meditation activities;
- Bank’s sports clubs.

In addition to creating a good living environment at work and offering comprehensive welfare benefits, the Bank also places importance on educating and assisting employees in resolving debt issues that could impact their lives and work. In this regard, the Retail Banking Sales & Distribution Group in collaboration with the the Stock Exchange of Thailand initiated the “Krunghthai Happy Money: Money Mentor” aimed at training 185 voluntary employees to serve as Money Mentors, offering financial advice to colleagues facing debt issues. These employees got a chance to be trained under the Happy Money program, improving their skills to provide financial guidance, handle debt effectively, and communicate proficiently to offer counseling support so that they can help other employees resolve debt issues sustainably.

## Retirement Planning for Employees

The Bank emphasizes the importance of the employees both during their working years and after retirement. It has initiated the Krungthai Happy Money program to prepare employees for a happy retirement. In this regard, the Bank has cooperated with the Stock Exchange of Thailand to create financial management courses tailored to different ages, preparing for a prosperous life in retirement, and the Workshop “Happy Money Young Old”. Furthermore, the Bank is committed to solving debt burden problems by creating knowledge, discipline, and providing systematic help to build financial immunity.

### Krungthai Happy Money Program

The Bank collaborates with the Stock Exchange to organize various courses such as financial management according to age, preparing a prosperous life for retirement, and financial management for those aged 50 and above, to prepare a secure life for employees who are about to retire.



#### Performance Outcomes

**978** participants aged over 50 years old joined program.

**683** participants aged over 60 years old joined program.

**11** participants attended the “Happy Money Young Old” workshop.

## Employees’ Capability Development

### Employee Performance Assessment

The Bank has a systematic performance management process, which is a continuous operation to ensure that employees achieve the goals set by the Bank, the departments, and the individuals. The process includes:

1. Planning and establishing performance indicators, goals, and evaluation criteria, which must be clear and aligned with the Bank’s strategic direction. Key Performance Indicators (KPIs) are used as a tool to set employee performance goals with mutual agreement between supervisors and employees, increasing employee involvement in this process, resulting in better understanding and improved performance. Besides individual performance indicators, the Bank also sets departmental performance indicators to align work in the same direction as the organizational goals.
2. Monitoring performance, providing job guidance, and coaching (Coaching & Feedback). Supervisors regularly follow up on their subordinates’ performance throughout the year through discussions to track work progress, understand problems, and recognize individual work-related needs such as performance expectations, career goals and paths, and skills that need further development. It also serves as an opportunity for supervisors to suggest corrective and self-development paths to their subordinates, as well as to assess progress against mutually agreed KPIs, thereby promoting better performance through coaching and providing advice to subordinates.
3. Performance evaluation based on the success of individual tasks and departmental level achievements compared to pre-defined goals, to promote teamwork and participation in their work to achieve business objectives.
4. Linking the results of performance evaluations to considerations for both monetary and non-monetary compensation for employees across the organization, aims to motivate high-performing employees to remain committed to the principle of pay for performance, thereby fostering a culture of accountability and striving towards becoming a Performance-Driven Organization.

In addition to performance evaluations based on KPIs, the Bank also requires executives to undergo performance evaluations for their contributions using Objective and Key Results (OKRs) tools to drive the Bank’s primary missions and enhance work efficiency. Objective and Key Results (OKRs) tools to drive the Bank’s primary missions or to enhance work efficiency.

## Human Resource Development Strategy

The Bank recognizes the importance of human resource development, focusing on the development of the organization's core competencies, digital competencies, leadership competencies, and functional competencies. This enables the Bank to better assess, manage, and design individual development plans (IDPs), improving the effectiveness of processes in line with the current business context and the Bank's operational policies. This results in appropriate allocation of human resources and workforce rates within the organization.

Currently, the Bank has adapted to the New Normal era by transitioning human resource development to digital learning platforms accessible through the ONE Krungthai application. This allows employees to access learning anytime and anywhere. Learning outcomes are assessed before and after the course (pre-test and post-test) on digital platforms to ensure employees understand according to the Bank's set criteria and can effectively apply the knowledge to their work at the Bank. The progress and overall performance of employees who meet goals are beneficial and enhance the Bank's competitive opportunities, leading to sustainable growth.



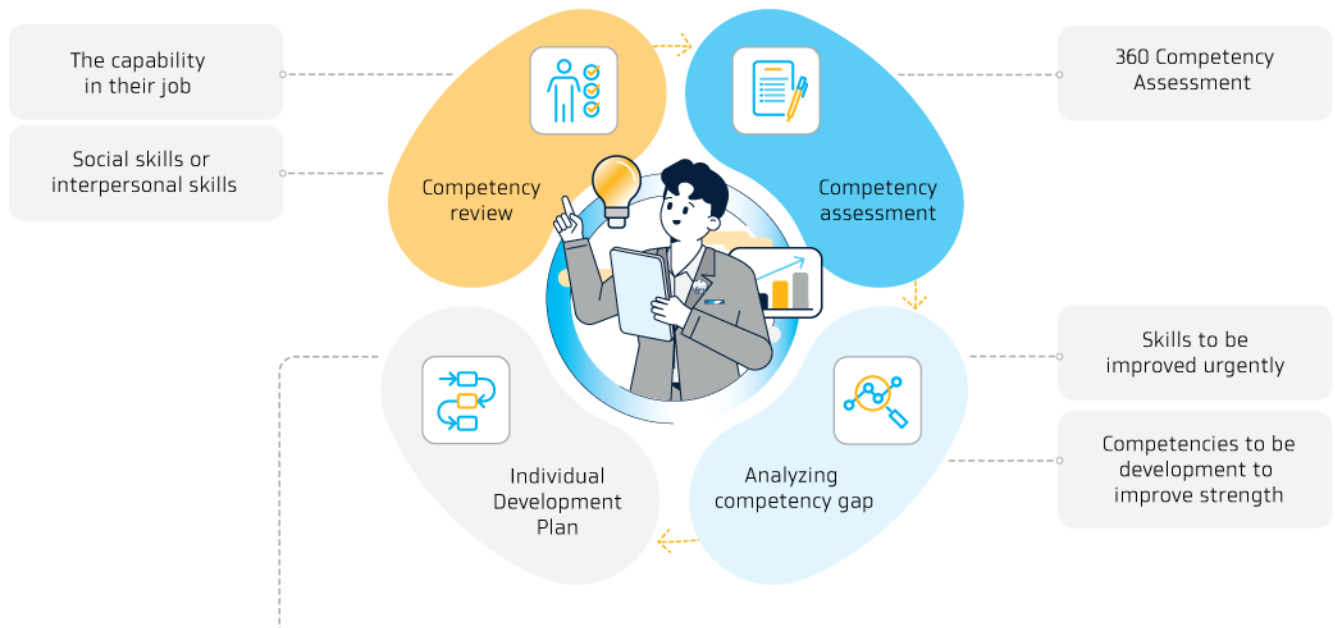
New Economy: Digital Economy



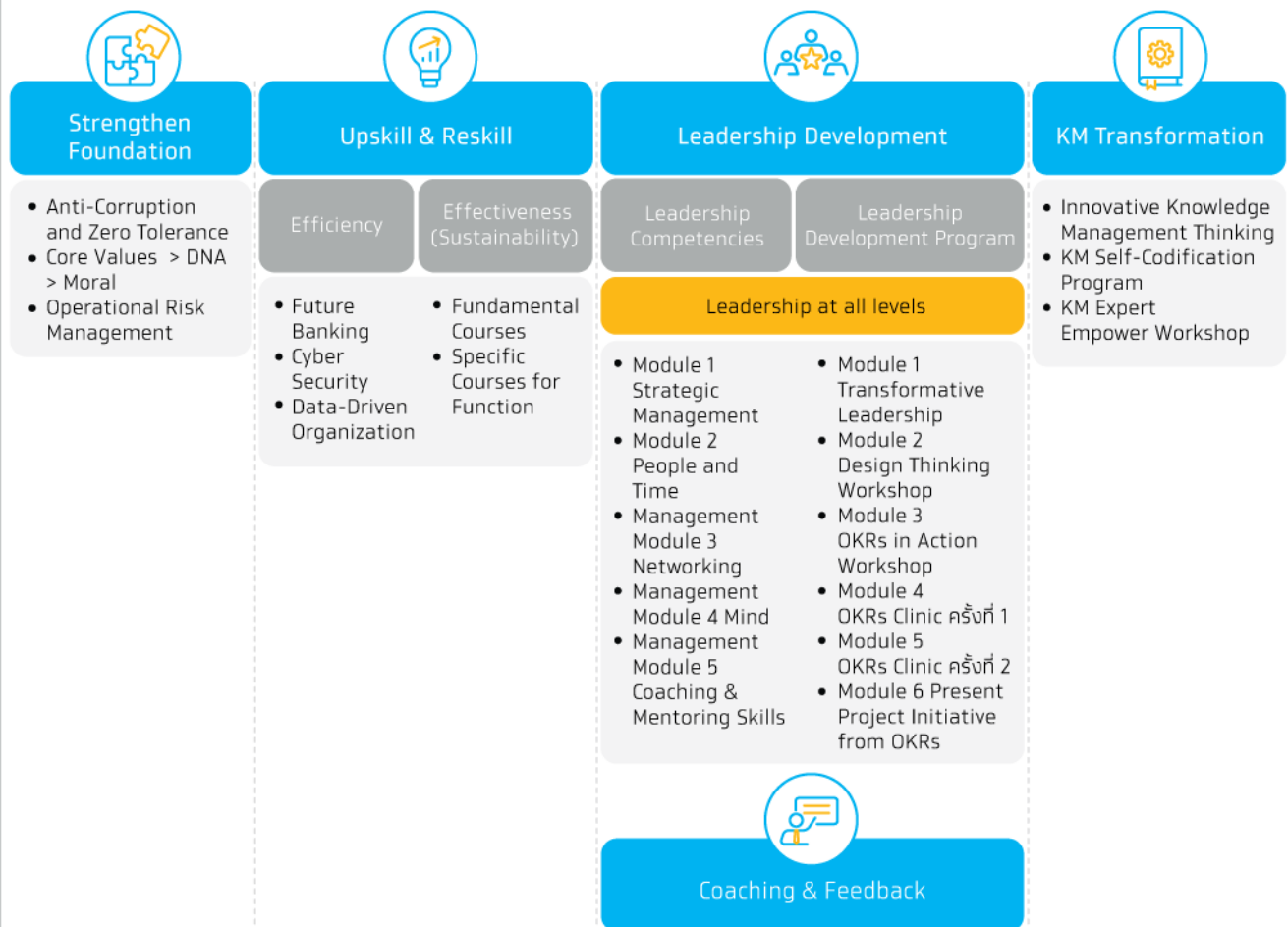
Banking Model: Carrier and Speedboat



7 Strategies: X2G2X



To enhance employees' work capabilities, the Bank offers individual skill development courses in both classroom and non-classroom formats, as part of various programs as follows:



### Learning Management System (LMS)



**Employees**

Employees can view their training history and competency gaps and choose to participate in various training courses, anytime and anywhere.



**Executives**

Executives can effectively access training information of their employees via the Dashboard.



Every year, the Bank conducts a comprehensive 360-degree appraisal of employees' competencies and performance, involving superiors, subordinates, and colleagues. The results are analyzed to identify employees' strengths and weaknesses and to inform the development of employee capability development programs. Training is organized to increase skills and knowledge in line with the necessary competencies and the needs of the employees. In 2023, the bank has arranged the following training courses:

## Krungthai Wealth Academy

To enhance skills in sales, customer needs analysis, sales processes, investment knowledge, capital market conditions, and investment planning management, as well as to develop problem-solving and communication skills, training has been provided for Financial Planner employees and those involved in selling investment products. This enables them to perform efficiently, apply knowledge in client meetings, and help clients understand investment and market conditions.



### Performance Outcome

**8.5** billion baht of increased revenue from investment products after employees received training.

**79%** of employees, totaling 544 individuals, have improved their investment knowledge and skills.

**686** financial planner employees participated in total.

## OKRs Project

The Bank is committed to becoming the future of banking and drives forward with the Speedboat Model and Carrier Model, as well as initiatives to build the capabilities of its executives and employees to meet the Bank's business needs. Plans for various operational levels include:



### Business Center Group

Acquiring New ESG Customers from Internal Supply Chain  
Expands the ESG customer base.  
Last year, the Bank experienced an increase in customers and a doubling of the proportion of new ESG loan allocations.



### Retail Banking Product and Strategy Group

Focusing on Customer Centric approach on travel debit card  
Prioritizes convenience and meeting customer needs, resulting in increased revenue for the Bank.



### Operation Group

Enhancing Operational Efficiency  
Increases work efficiency and reduces costs by over 153 million baht.

## Strategic Workforce Planning

The Bank has implemented strategic workforce planning by leveraging various People Analytics tools as key factors in helping to create an appropriate and strategically aligned human resource management plan. This is achieved by analyzing the Bank's short-term and long-term strategies in relation to the current status of the workforce and the skills of the personnel.

## Krungthai Group Synergy

The Bank offers shared services to its subsidiaries, guided by the human resources policies applicable to the Group, and provides continuous consultation. This includes sharing HR tools, such as the HRMS system and conducting various training programs through online platforms. It also involves setting up Objectives and Key Results (OKR), creating performance management manuals, and assisting in human resource management tasks.



### Achievements:

- Implemented Shared Services with subsidiaries in accordance with their policy.
- Shared HR tools.
- Collaborated to resolve pain points in human resources.

## Leadership Transformation

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The Bank has developed a 3-Year Succession Plan for executives from departmental level to high-level management (N-1, N-2, N-3, and N-4) to prepare for the replacement of key positions in line with the Bank's strategic direction and plan. This also accommodates trends and changes that enhance the efficiency of business operations.



### Achievement:

**100%** of key positions are able to be replaced immediately upon resignation or transfer.

## Culture Transformation

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The Bank has consistently organized the Hackathons to promote a culture of innovation and agile work practices. It also initiates pilot projects and case studies from the Speedboat at Carrier that combine both speed and stability in operations.



### Achievements:

- Arranged the Hackathon to generate ideas for business growth.
- Implemented internal case studies for increased operational efficiency.
- Promoted a collaborative and agile working environment.

## People Management Performance

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Employee performance is monitored in order to promote employee's capability through OKRs and to ensure continuous skill development. Training is provided to create an Outward Mindset framework as a foundation for enhancing work capacity, preparing participants for knowledge and skill development in support of the Bank's goals and strategies.



### Achievements:

- Provided performance assessment results.
- Conducted training for the Empowering Program.
- Carried out the project assessment.

## HR Process Digitalization

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The HR process digitalization strategy has been developed to streamline employee management within the human resources department and its subsidiary companies. Individual development plans have been applied using digital processes, along with methods to improve work processes and organizational structures to support the new HRMS system, creating a better user experience.



### Achievements:

- Developed the Bank's HRMS data system.
- Enhanced operations, ensuring an adequate number of suitable candidates and available positions for the Business Service Center.

## Talent Management

The development plan for high-potential employees has been created, fostering engagement to retain and cultivate the organization's future leaders.



### Achievements:

**137** high-potential employees identified as Future Leaders

**96.58%** retention rate for high-potential employees

## Employee Engagement and Participation

The Bank recognizes the importance of fostering commitment, engagement, and caring for employees in order for them to be happy at work. The Bank conducts an annual survey of employee engagement twice a year. The survey topics encompass job satisfaction, performance goals, workplace happiness, and stress from work. The survey results are used to define strategies and improve the Bank's operations to align with employee needs and expectations. The satisfaction survey results are communicated through the Bank's Intranet and disseminated in the sustainability report, ensuring that everyone is aware.

In 2023, the Bank conducted an employee engagement survey, which 98% of employees participated in. The survey found that 93% of employees are strongly engaged with the organization.

### Employee Engagement Rate (%)

2020

**91.26%**

2021

**90.80%**

2022

**91.60%**

2023

**93%**

target

**95%**

Long-term target

**95%**

The Bank is committed to retaining employees and fostering organizational commitment by implementing the following activities.

## Employee Engagement Activities in 2023

The Bank provides opportunities for each business department/unit to design and conduct various activities tailored to their needs to foster engagement among employees within their respective departments/units. It also encourages working as ONE Team, which promotes mutual learning, creativity, unity, participation, and a commitment to performance.



### Outcomes

- Employees experienced a sense of belonging within the organization and their respective business departments.
- All business departments have enhanced cross-departmental familiarity and understanding among all units.
- Every business department participated in organizing activities.



## Return on Investment in Human Resources

### Course Title

Business Service Center (BSC)  
Operation Training

### 2023 Targets

- Over **200** hours of operational time savings
- **100,000** baht in cost savings
- **100%** benefits gained from error reduction

### Performance

- **415.6** hours of reduced operational time during the 3 months (October - December 2022)
- **114,294.47** baht/person achieved for cost savings in company expenses
- **215.59%** increase in benefits from error reduction

### Course Title

Life Insurance Product Sales Training  
for Financial Planning Employees

### 2023 Targets

- **20%** average for the training success rate

### Performance

- **20%** average for the training success rate achieved
- **39.99%** return on investment from training for the life insurance sales

### Course Title

Fund Product Sales Training for  
Financial Planner and Financial  
Planner Effectiveness Employees

### 2023 Targets

- **20%** return on investment

### Performance

- **20%** average for the training success rate, applicable for participants
- **65%** return on investment from training for the fund sales

### Course Title

Training for Relationship Managers,  
Account Executives, and Account  
Officers

### 2023 Targets

- **5%** increase in sales for loan products as a result of training
- **100%** return on investment

### Performance

- **5%** increase in sales for loan products as a result of training achieved
- **1,591%** return on investment



# Occupational Health and Safety

Krungthai Bank places great importance on health, safety, and a workplace environment free from hazards and risks to ensure its employees' well-being. The Bank adheres to and complies with the requirements of the Standard for Administration and Management of Occupational Safety, Health, and Environment Act B.E. 2554 (A.D. 2011) and operates in accordance with the Occupational Health and Safety Management System standard: ISO 18001. The Bank has established a vision, mission, and policy for Occupational Health, Safety, and Workplace Environment, aiming to provide a framework for safety management, operations, and performance monitoring to foster a safety culture within the organization.



## Long-term Target

Promote a safety culture within the organization.

**0** accident



## 2023 Targets

Safety cases leading to fines or punishment from government agencies **= 0**

Recordable work-related injury rate **≤ 1.00**

Lost time injury frequency rate (LTIFR) **= 0**

The number of occupational illness cases **= 0**

## Performance



**2**  
Safety cases



**4.48**  
Overall score of satisfaction on the Bank's workplace environment at the Bank



**0.54**  
Recordable work-related injury rate



**0.54**  
Lost time injury frequency rate (LTIFR)



**0**  
Occupational illness



**36**  
Pieces of content published for safety-related

The Bank has implemented a standardized safety policy named KTB - SSHE (KTB - Safety, Security, Health, and Environment). This policy covers the headquarters, regional departments, branches, business partners, and contractors under the Bank's supervision. This is to ensure the implementation of occupational health and safety standards in the workplace, with monitoring processes in place to ensure compliance with established guidelines and a continuous improvement in safety performance. Furthermore, the Bank recognizes the importance of the safety operations of its suppliers/business partners and has, therefore, established regulations on occupational health and safety, which are included as part of the guidelines in the Supplier Code of Conduct.

The Bank has planned to enhance its occupational health and safety operations in accordance with the ISO 45001 Standard

for Occupational Health and Safety Management. The current phase includes defining the scope of work, optimizing operations, and educating relevant personnel. The aim is to achieve the standards by 2024.

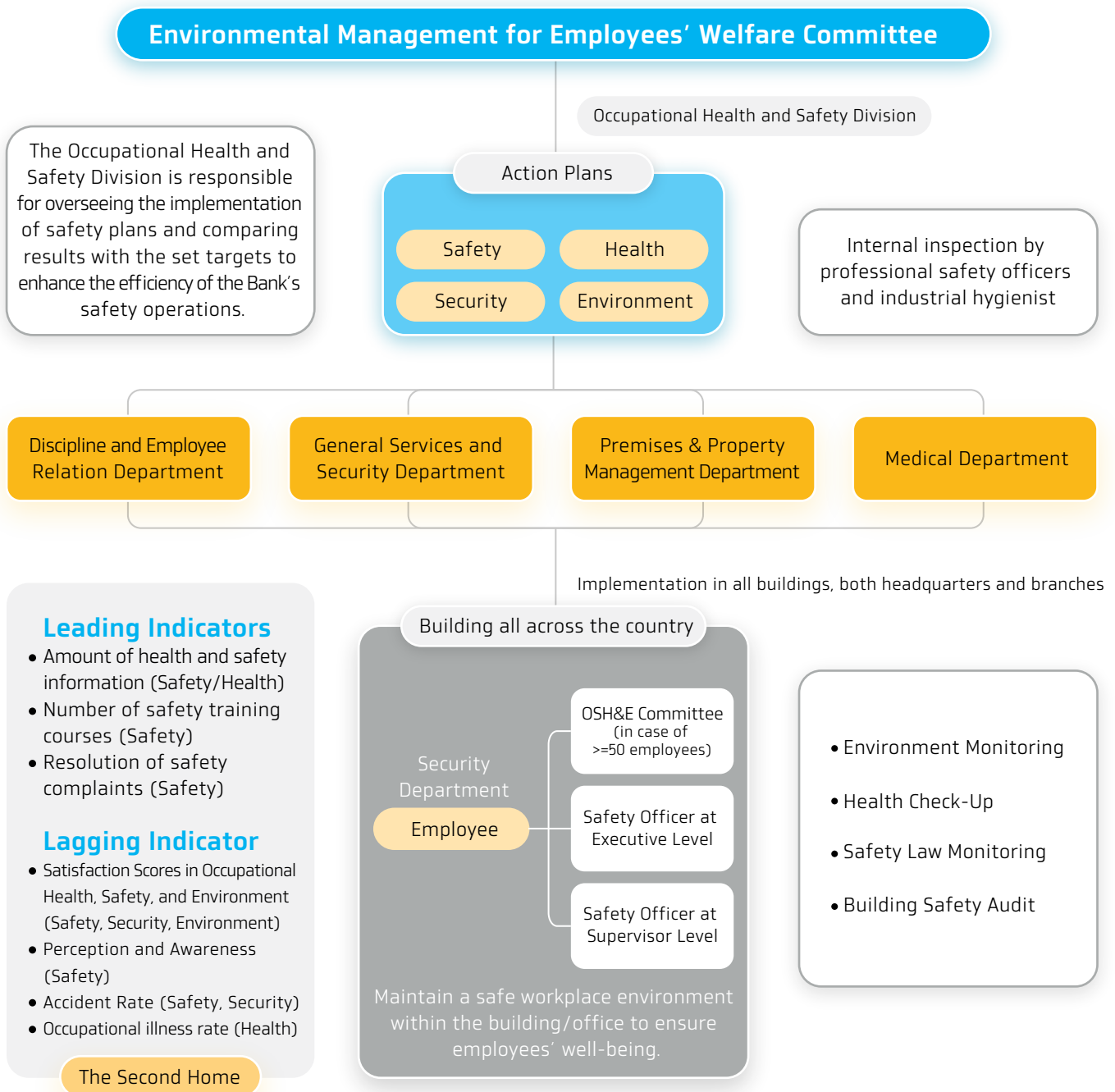
The Bank has established an emergency prevention plan for its headquarters and branches nationwide, ensuring operational effectiveness during emergencies such as fires, floods, political unrest, robbery, or epidemics.

The Bank has outlined roles and responsibilities for employees in case of emergency, including checking surroundings and monitoring news devices, reporting incidents, managing situations, performing substitute duties, backing up data and important documents, and identifying alternate work locations.

The Bank conducts tests of its emergency prevention plan to ensure that employees understand their roles and responsibilities in an emergency. The plans are regularly reviewed and updated to ensure their effectiveness and timeliness in supporting critical incidents, thereby ensuring the Bank's continuity and smooth operation.

The Environmental Management for Employees' Welfare Committee, comprising representatives from all Groups who are Department Heads or higher, is assigned to develop safety guidelines, monitor operations, and inspect the safety and operating environment to reduce employee health and safety risks.

## Occupational Health & Safety Governance Structure



## Vision

“Krungthai Bank prioritizes the health and well-being of its employees throughout the organization. The Bank aims to improve employees’ work efficiency and overall quality of life by ensuring a safe, suitable, and risk-free work environment.”

## Mission

- Educate and build awareness about workplace safety among employees throughout the organization.
- Assess and control hazards that may have an impact on the health of employees throughout the organization and visitors.
- Maintain a suitable and safe work environment.
- Enhance the overall well-being of all organization employees, including physical, mental, emotional, and social well-being.

## Values

- Krungthai Bank adheres to safety laws and standards, maintaining a spotless record without incurring any penalties or fines from government agencies.
- The Bank upholds a positive image by demonstrating a solid commitment to safety.
- Executives and employees have safety awareness.
- Executives and employees prioritize workplace safety, resulting in a record of zero accidents.



## Measures to Promote Occupational Health and Safety in the Workplace

The Bank is committed to ensuring the well-being of all employees by fostering an appropriate, safe, and risk-free workplace environment. This commitment extends to the promotion of overall well-being, including physical, mental, emotional, and social aspects. It entails educating and raising awareness about workplace safety, as well as assessing and mitigating potential health hazards for both employees and visitors.

The Bank conducts regular occupational health and safety risk assessments. The Occupational Health, Safety, and Workplace Environment Committee (OSH&E Committee) considers activities that the Bank carries out in each area and integrates the risk management approaches in operations throughout the headquarters and branches across the country to develop risk mitigation guidelines and set relevant targets, including achieving zero accidents, minimizing safety risk incidents related to practices not in compliance with the law, and identifying methods for corrective actions and closely

monitoring the results. This encompasses, for example, inspecting building strength and workplace environment, including lighting, electrical systems, air circulation systems, and office air quality per legal standards. The initiative also involves installing additional air purifiers in all cash processing centers and conducting regular testing of electrical equipment and other systems.

The Bank undergoes inspections by external agencies as required by law and plans to conduct risk audits of its electrical and lighting systems in the future.

The Bank encourages employees to actively participate in identifying occupational health and safety risks through various channels, including the “Can Fix” system and the “Safety Together” email. Relevant business units then conduct risk assessments and identify approaches to mitigate such risks. In addition, the Bank values creating awareness among employees through various means, including training,

communication via email, providing knowledge, encouraging participation via the social community in the ONE Krungthai application, and a biannual occupational health, safety, and workplace environment survey. The survey results are used to improve operations, including fire detection and prevention systems, security systems, and the workplace environment.

In response to monitoring the spread of COVID-19, the Bank has rigorously adhered to government measures and official announcements. Temperature measuring stations have been installed at the entrances to the Bank's headquarters and branches across the country. Alcohol gels are placed at various high-risk locations to control germs. Social distancing measures have been observed by shifting to online meetings. Furthermore, the bank provides counseling services to employees, educating them on preventive measures and assisting those infected.

The Bank places great importance on the safety of personnel and assets in its affiliated company's provision of property transportation services. The Occupational Health, Safety, and Workplace Environment Committee of Cash Management Operation Centers was established to devise guidelines for preventing and reducing accidents, as well as monitoring operations. Technology is employed to ensure safe and efficient asset transportation, enabling prompt and accurate inspection and monitoring. The Bank also provides training courses to improve employee driving skills for the safety of people and property.

In 2023, the Bank conducted 6 courses on occupational health and workplace environment for employees.

### Training Courses on Safety



Safety Officer at Executive Level



Basic Firefighting



Safety Officer at Supervisor Level



Occupational health, safety, and workplace environment for new hires and existing employees



Safety Committee



Basic life support training, including CPR and the use of an automated external defibrillator (AED)

### Incident Reporting Process and Investigation

The Bank has established an incident reporting process to ensure compliance with occupational health, safety, and workplace environment laws and collect data and statistics on the occurring and near miss incidents to analyze and determine preventive plans and corrective actions. Following an incident, the Occupational Health and Safety Division will conduct a preliminary examination of the data, investigate, and analyze the root causes of hazards in operations as well as setting guidelines for corrective action to prevent the incident from recurring in the future.

## Incident Report Procedure

- ✗ Incidents occurring before, during a break, or after work
- ✗ Incidents occurring while commuting to work

- ✓ Incidents occurring during overtime hours.
- ✓ Incidents occurring during working hours but not work-related

- ✓ Incidents occurring in the workplace and caused by an unsafe environment
- ✓ Work-related incidents occurring outside the workplace

- ✓ Incidents occurring during non-working hours but caused by work, for example, occurring while doing tasks that are due that day



1

### Collect basic information, including:

- Are there any injuries?
- Has any property been damaged?



2

### Report to the supervisor.

(In the event of an injury or death, report within two hours of the incident.)



3

### Provide an incident report.

If the employee involved in the incident is unable to write the report, a colleague or supervisor can do so on their behalf.

Within 24 hours (after the incident)



### Channels for reporting on behalf of someone else

- KTB Intranet
- One Krungthai

The Bank reports the performance of its occupational health and safety operations to the Environmental Management for Employees' Welfare Committee, authorized by the CEO, at least once a year. The Head of the Discipline and Employee Relation Department is responsible for ensuring that occupational health and safety operations achieve their success indicators. Examples are as follows:

## Fire Drills



**100%** of the buildings that are required to have a fire prevention and suppression plan have established such plan.



**100%** of the business units scheduled to conduct fire drills according to the 2023 plan conducted a fire drill.

## Workplace Environment and Employees' Quality of Life



The overall satisfaction score with the Bank's workplace environment was excellent, surpassing the target of 4 points with a score of **4.49**



Knowledge, activities, and projects aimed at improving employees' health and their quality of life were promoted.

## Promoting Employee Health and Quality of Life

The Bank recognizes the importance of promoting employee health and ensuring workplace safety. Therefore, it has implemented health-related welfare programs, including annual health examinations and additional benefits. These initiatives encompass a dedicated medical room staffed by full-time medical professionals, offering general health consultations, treatment, dental care, and physical therapy services to employees, their spouses, and retired employees. Additionally, general medicine cabinets are installed at each branch. In the unfortunate event of a workplace accident, the Bank provides compensation for disability and death. Furthermore, the Bank has established sports clubs to encourage employees to engage in physical exercise. The initiatives also include educating employees on health and nutrition, fostering mental well-being, and promoting ergonomic work practices. Highlight activities in 2023 include:



## Activities/Projects



### Flexible Working

- The Bank has implemented flexible working practices, enabling employees to work from home or coworking spaces as needed.
- The Bank has embraced the “New Normal” way of working by leveraging technology for tasks such as receiving and sending work, conducting virtual meetings, and hosting seminars through video conferencing applications like Hangouts and Meet.



### Flexible Hours

The Bank offers employees the flexibility to choose their working hours from 3 periods:

🕒 7:45 a.m. - 4:45 p.m. 🕒 8:00 a.m. - 5:00 p.m. 🕒 8:30 a.m. - 5:30 p.m.

Furthermore, employees are restricted to working a maximum of 48 hours per week.



### Open Workspace

The Bank has enhanced the head office area by adopting an open-space work environment, thereby reducing employee density per unit area.



### Sports Clubs and Fitness Center

The Bank encourages the formation of sports clubs and has a fitness center, providing employees with access to exercise equipment. This facilitates participation in group activities with colleagues who share interests in sports. Examples of sports club are cycling, shooting, football, and badminton clubs.



### Health Tips: “Fit from Home” and “Health Tips & Tricks”

To educate employees about health, the Bank creates video clips with information on healthcare, exercise, first aid, and office syndrome prevention. The aim is to promote a correct understanding of health and encourage behavioral changes to avoid injuries and diseases.



### Support for Employees in High-Risk Areas

The Bank has installed additional air purifiers in areas prone to PM2.5 and provided employees with N95 masks as a benefit. Additionally, specialized health check-ups for the ear, nose, and throat are offered to employees working in Cash Management Operation Centers across the country, addressing the risks associated with dust and noise from operational activities.



### Employee Welfare Cafeteria

Nutritious, satisfying, clean, and affordable food is served to employees. The Bank has also installed a drinking water system for employees' convenience and safety.



### Online Meditation

The Bank offered employees the opportunity to participate in the online meditation course “Mind Retreat Program,” which was arranged in 2 batches during January to October 2023.



### Guidelines for Working from Home with Proper Ergonomics

Lessons on proper ergonomics and workplace safety are included in the new employee orientation program.



### Annual Leave

Employees who have completed one year of continuous service, beginning on their first day of work, are entitled to 15 working days of annual leave per year.



### Ordination Leave for Religious Observance or Practices, Including Ordination and Vipassana Meditation Programs

Employees with 3 or more years of service at the Bank, who have not previously taken ordination leave or participated in the Hajj ceremony, are eligible for full-pay leave. The durations are provided below.

- Leave for ordination or general religious practice is permitted for 90 days (including holidays during the leave).
- Leave for full ordination during the Buddhist Lent days or for the Hajj ceremony in Mecca, Saudi Arabia, is limited to 120 days (including holidays during the leave).
- Employees can take up to 10 working days off per year for Vipassana meditation.



### Maternity Leave

- The Bank allows up to 98 days of maternity leave for prenatal checkups (including holidays during the leave). The leave can start on the day of birth, before, or after childbirth.
- Male employees are eligible for paternity leave to support their legal wives after childbirth. This leave can be taken once within 90 days of the delivery for up to 15 consecutive workdays to take care of both the child and the wife.



### Training to prepare employees nearing retirement.

The Bank organizes training to provide a training course called “Happy Retirement,” which prepares employees for financial planning, physical and mental health care, and coping with changes after retirement, enabling them to live happily post-retirement.

## Krungthai Safety Together Project

The Bank is dedicated to fostering a safety culture within the organization through the Krungthai Safety Together Project. This initiative has been established to address tasks related to legal compliance, knowledge management, and workplace safety. With the goal of creating a safe working environment, the project encompasses 4 main missions as follows:



Enhance safety awareness and knowledge among employees through internal training programs.



Ensure a safe, suitable, and ergonomic work environment.



Employees collaboratively identify safety risks and workplace environment issues by using the “Can Fix” system and Safety Together email. Employees and stakeholders are communicated about incidents that may pose dangers to them so that they can prevent and control accidents that can potentially occur in the workplace.



Support the physical and mental health of employees and provide training courses on ergonomics.

# Business Conduct with Respect for Human Rights



## Long-term Targets

- The Bank operates in accordance with international standards on human rights.
- The human rights inspection process within the value chain is enhanced in alignment with international standards and extends to the Bank's affiliated companies.



## 2023 Targets

- Review human rights processes, including compliance and grievance mechanisms.
- Responsibility for human rights and the advancement of understanding are constantly promoted and cultivated.

## Performance



- Human rights violations: **0** case
- Hiring of child or youth labor for dangerous work and forced labor anywhere in the Bank's value chain: **0** case



- **11,089** members of the Krungthai Bank Labor Union
- **5,110** members of the Krungthai Bank Network Labor Union
- **100%** of employees under the care of the Welfare Committee
- Labor disputes: **0** case

Human rights issues have received global attention, particularly in businesses involving “humans.” Every person is born with fundamental rights that should be universally equal. This is critical for fostering peaceful coexistence regardless of differences, in accordance with the United Nations Guiding Principles on Business and Human Rights. Human rights issues can have a significant impact on the operations of businesses. There are concerns that if an organization has a limited understanding of human rights, it may fail to manage human rights risks effectively. This includes, for example, the impact on employee retention and the potential for risks related to labor practices in the value chain, which could result in lower competitiveness.

Both the public and private sectors prioritize business operations that respect human rights. The government sector has developed a National Action Plan for Business and Human Rights as a comprehensive policy framework. This framework establishes guidelines across various sectors with the goal of safeguarding individuals and communities from human rights violations. It also addresses, mitigates, and resolves problems and negative impacts resulting from business operations while also promoting responsible business practices and human rights across the value chain. In addition, the Minimum Social Safeguards (MSS) are among the criteria for Thailand Taxonomy, or the categorization of economic activities based on

their environmental impact in Thailand. This evaluation centers on human rights issues, specifically respect and compliance with labor laws. As a crucial intermediary, the Bank plays a vital role in Human Rights Due Diligence within our customers' business activities. We integrate human rights considerations throughout the lending process to foster social responsibility in operations, ensuring mutual respect, compliance with practices, and adherence to standards.

The Bank is steadfast in its commitment to conducting business ethically and fairly, reducing inequality, and promoting equality for its employees, customers, and business partners throughout the value chain. This commitment aligns with the Bank's good corporate governance principles and Code of Conduct. In 2023, the Bank conducted Human Rights Due Diligence for the first time, aiming to provide an understanding of human rights risk management. This process includes risk and impact assessments and determining appropriate risk management measures. Furthermore, it integrates human rights considerations into all aspects of the Bank's operations and provides guidelines for employees, partners, customers, and other stakeholders involved in various financial and investment services. The goal is to address potential involvement in businesses that may violate human rights, either directly or indirectly.

## Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

The Bank's failure to address human rights violations or follow the relevant laws, regulations, or principles may have a negative impact on the Bank's image and credibility. These issues may cause internal and external disputes and conflicts, jeopardizing business continuity and the Bank's ability to attract investors. In addition, human rights violations may result in unfair employment practices, child labor, or forced labor.

## Policy and Management

The Bank officially supports human rights principles and believes that everyone has equal fundamental rights. The Bank prioritizes equal treatment for all people, regardless of race, skin color, gender, age, language, religion, physical status, or health, without discrimination, restraint, or restriction of rights. The bank also takes steps to protect whistleblowers. The Bank adheres to the UN Guiding Principles on Business and Human Rights (UNGPs) and the Ruggie Framework, which focuses on protecting and respecting human rights as well as mitigating the effects of human rights violations. The practices apply to both internal and external aspects of the organization, including the Bank's operations, employees, customers, and suppliers. The Bank inspects and evaluates human rights performance in its regular business operations in compliance with the Code of Conduct. These guidelines address the prevention of human

trafficking, forced labor, and child labor, as well as the protection of employees' freedom of association, assembly, and collective bargaining, and the prevention of discrimination. The Bank's human rights performance is publicly disclosed in the Human Rights Performance Report, Sustainability Report, and Annual Report.

The Bank conducts regular reviews of human rights operations and assesses risks and impacts associated with human rights by agencies affiliated with various stakeholder groups. The human rights risk assessment findings are used to enhance the Bank's operations and benefit its stakeholders.

The Bank encourages all employees to express their opinions by calling the HR HOTLINE at 02-208-8887. The Bank will use the feedback to make improvements and enhance the efficiency of its operations. Furthermore, the Bank pays close attention to the concerns raised by the labor unions, which are representatives of employees. The Bank's management and employee representatives engage in joint discussions at the monthly Labor Relations Committee meetings to develop problem solutions, improve work processes, and enhance employee quality of life. Moreover, Employee Committee meetings and Welfare Committee meetings are held every 3 months.

Read the Bank's Human Rights Policy



## Human Rights Due Diligence

The human rights risk assessment assesses the potential impact of business operations on individuals or stakeholders. This includes developing a human rights policy, identifying and assessing risks, planning mitigation strategies, preventing repeat violations, tracking performances, and providing remedies to those impacted.



Details on Human Rights Due Diligence and Assessment Results



The Bank places importance on potential human rights issues that may arise from lending or being a medium allocating funds to organizations that violate human rights. To prevent such issues, the Bank has mitigation measures in place to ensure that the Bank's business practices do not unintentionally promote human rights violations through lending and financial transactions. The details of the measures are as follows:

## 1 Policy on Transactions in Each Country

The Bank exercises caution in conducting transactions. Apart from considering setting appropriate credit limit based on customers' ability to repay, one of the important criteria used in loan decision is the sanction status of the customer and the country before setting and reviewing bank limit and country limit in the case that they are included in the sanction list.

As for international transactions in countries with high human rights violation risks, the Bank have a strict procedure and specific criteria. In addition to checking customers' sanction status, the Bank limits the types of transactions to only normal transactions, has an additional approval procedure for using the bank limit, and reviews the country limit on a yearly basis. The Bank focuses on providing services for normal transactions, excluding lending and investment.

## 2 International Transactions

The Bank has established Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CTPF) regulations and a transaction screening framework manual for international money transfers and trade finance, which outlines practices complying with laws and regulations set by domestic and international regulatory agencies.

For international transactions in countries with a high risk of money laundering and terrorist financing, the Bank employs intensive fact-checking measures. This includes verifying transaction by transaction, monitoring, and reporting. The Bank hasn't identified any irregularities in international transactions in the past year.

## Salient Human Rights Issues

The Bank evaluates and prioritizes human rights risk issues, encompassing activities within the organization and across the value chain. The assessment identified 3 key human rights risks, which are outlined below:

### 1. Corporate Customers: Labor Rights and Modern Slavery

The Bank might be indirectly involved by lending or investing in customers who violate their employees' human rights in relation to an inappropriate work environment, workers' safety and health through illegal labor such as child labor and forced labor, and occupational health and safety issues at the workplace.



#### Impacted Rightsholders

Employees and workers of companies to which the Bank provides loans or investments, including pregnant women, LGBTQI+ people, people with disabilities, foreign workers, children, the elderly, etc.



#### Related Human Rights Articles

- 1) Right to Life (UDHR3, ICCPR6)
- 20) Right to Freedom of Peaceful Assembly (UDHR20, ICCPR21)
- 21) Right to Freedom of Association (UDHR20, ICCPR22)
- 25) Right to Rest and Leisure (UDHR23 and 24, ICESCR7)



#### Mitigation Measures

Responsible Lending Guidelines, ESG assessments, and reporting on human rights in the loan approval process.

- Note:
- 1) Universal Declaration of Human Rights (UDHR)
  - 2) International Covenant on Civil and Political Rights (ICCPR)
  - 3) International Covenant on Economic, Social, and Cultural Rights (ICESCR)



## 2. Corporate Customers: Community Rights

The Bank may become involved in human rights violations within the community through lending or investment projects.



### Impacted Rightsholders

Surrounding communities of factories, companies, or projects for which banks grant loans or investments, including vulnerable groups such as women, pregnant women, LGBTQI+, people with disabilities, foreign workers, children, and the elderly.



### Related Human Rights Articles

- 1) Right to Life (UDHR3, ICCPR6)
- 27) Right to an Adequate Standard of Living (UDHR25, ICESCR11 and 24)
- 28) Right to Health (UDHR25, ICESCR12)



### Mitigation Measures

The Responsible Lending Guidelines, ESG assessment, and reporting on human rights measures in the credit underwriting process. The Bank is currently developing additional lending guidelines to align with the Thailand Taxonomy.

- Note:
- 1) Universal Declaration of Human Rights (UDHR)
  - 2) International Covenant on Civil and Political Rights (ICCPR)
  - 3) International Covenant on Economic, Social, and Cultural Rights (ICESCR)

## 3. Suppliers: Labor Rights and Modern Slavery

The Bank might be indirectly involved in labor rights violations and modern slavery through business operations with suppliers who violate their employees' human rights. This could include poor working conditions, employee safety and health concerns, illegal labor practices such as child labor and forced labor, and occupational health and safety issues at the workplace.



### Impacted Rightsholders

Employees and laborers of the Bank's suppliers, including women, pregnant women, LGBTQI+ people, people with disabilities, foreign workers, children, the elderly, etc.



### Related Human Rights Articles

- 1) Right to Life (UDHR3, ICCPR6)
- 20) Right to Freedom of Peaceful Assembly (UDHR20, ICCPR21)
- 21) Right to Freedom of Association (UDHR20, ICCPR22)
- 25) Right to Rest and Leisure (UDHR23 and 24, ICESCR7)



### Mitigation Measures

Mitigation measures include the Supplier Code of Conduct, supplier evaluation criteria, the identification of human rights criteria in employment contracts or employment conditions, and the identification of penalties in the event of human rights violations. In addition, the Bank plans to enhance procurement practices in alignment with the Sustainable Procurement Guidance - ISO 20400. Detailed studies to improve operational procedures will be conducted, and the Bank will start implementing sustainable procurement practices in accordance with ISO 20400 standards by the end of 2024.

- Note:
- 1) Universal Declaration of Human Rights (UDHR)
  - 2) International Covenant on Civil and Political Rights (ICCPR)
  - 3) International Covenant on Economic, Social, and Cultural Rights (ICESCR)

## Complaints and Investigation Procedure

The Bank recognizes the importance of a good quality of life for its employees and, therefore, focuses on providing a pleasant working environment free of worries. The Bank has established various channels for gathering opinions and receiving complaints from employees, which are as follows:


**E-mail:**

Whistle@krungthai.com  
HR.care@krungthai.com

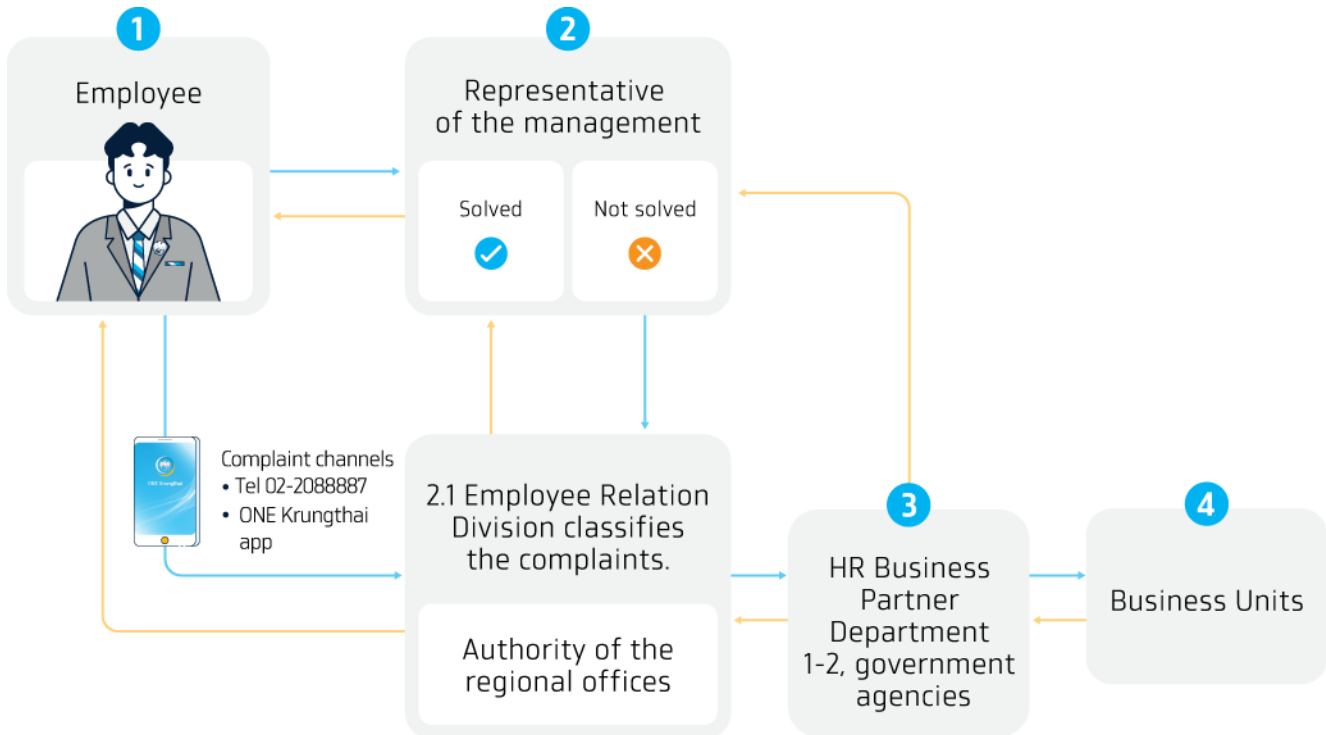

**Hotline:**

02-208-8887  
hr\_hotline@krungthai.com


**Application:**

ONE Krungthai

The Discipline and Employee Relation Department is responsible for receiving suggestions and complaints, providing consultations and recommendations, and coordinating with other pertinent agencies to foster positive relations between the Bank and its employees. The flow of the Bank's complaint handling process is outlined below.



Furthermore, the Bank has set up a dedicated channel for receiving complaints and opinions from external stakeholders. The procedure is as follows.

### Official Channels



Telephone  
02-111-1111



Letter to the Customer Complaint Center: P.O. Box 44, Hua Lamphong, Bangkok, 10331



Email  
complaint.center@krungthai.com



Website  
<https://complaint.krungthai.com/complaint/Customer/Default.aspx>



Reporting information to branches or offices

### Unofficial Channels



Social Media  
Facebook, X, TikTok, Pantip

### External Agencies



- Bank of Thailand
- Financial Consumer Protection Center
- Complaint Center, Office of the Permanent Secretary, Office of the Prime Minister,
- The Office of the Securities and Exchange Commission
- The Office of the Insurance Commission

## Human Rights Training

The Bank offers training and education on non-discrimination through the following courses:



- 1 Workshop on “Human Rights Due Diligence” for the human rights risk assessment of the Bank



- 2 The Bank’s representatives attended a workshop on the National Action Plan on Business and Human Rights, Phase 2 (2023 - 2027).



- 3 The Bank’s representatives received provincial-level training in comprehensive human rights due diligence for Japanese companies and suppliers in Thailand.



- 4 Security training courses for security officers are mandated by law under the Security Guard Business Act. The Bank adheres to legal requirements and supplements this with additional training on operational skills, fostering awareness of corporate culture. This includes promoting respect for human rights in the workplace, covering aspects such as searches and incident suspensions.

The Bank has disseminated human rights knowledge to all employees through video clips, podcasts, communication materials, and emails. The topics include the meaning of human rights, human rights guidelines, workplace harassment, and how to prevent workplace harassment and take appropriate actions. This information is communicated across the organization through series like “Learn to Prevent,” consisting of 6 episodes, and “ESG Knowledge & Sharing,” comprising 4 episodes. The objective is to equip employees with knowledge, understanding, and awareness of the importance of respecting the human rights of others, guiding appropriate behavior, and preventing violations of others’ rights.

# Community Engagement

Establishing a strong economic foundation for the social community necessitates active involvement, coordination, and networking among community members and expert agencies across sectors. Collaborative efforts are key to unlocking potential and driving economic growth while maintaining environmental balance, starting at the local level, and extending impact nationally. As a financial resource allocator and provider of diverse financial services, the Bank supports initiatives that empower communities, promoting sustainable livelihoods and fostering community engagement for positive outcomes, including enhanced quality of life, societal well-being, and environmental quality.

## 2023 Targets



Employees contributed  
**1.1** million volunteer hours.



Communities were promoted and developed, focusing on supporting concrete activities or projects that directly benefit diverse target groups in 4 communities.

The Bank has collaborated with government organizations, the public and private sectors, international agencies, and bank networks to advance community and environmental development, as well as to support vulnerable groups.

## Performance



Total employee participation over **1.1** million volunteer hours.



Designed prototype community development plans and expansion plans.



Over **5,000** beneficiaries from community development initiatives.



Implemented 3 model community projects and are continuously developing 5 communities (Koh Pu, Bo Hin, Phon Thai, Chiang Khong, Koh Tao) under the Go Local, Grow Local project. The aim is to promote activities and projects that benefit various target groups. Collaboration with government organizations, the public sector, the private sector, international agencies, and the Bank network has been emphasized, with a focus on community development, environmental conservation, youth empowerment, and support for the underprivileged.

## Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

Krungthai Bank is the primary financial institution that provides funding for government projects. Financial services have a significant economic impact on communities. Understanding and responding to the diverse needs of communities, as well as facilitating access to financial resources, contributes to their self-sufficiency while also improving livelihoods and environmental conditions. Access to financial resources not only creates jobs and income through various business operations but also encourages spending and promotes economic flexibility within the community. Promoting financial literacy and expanding opportunities for individuals to have inclusive access to financial services are critical components of strengthening the economy at both household and community levels. Therefore, the Bank prioritizes community participation and values diverse perspectives that can address various needs and guide the direction of work and social projects benefiting the community, society, and the environment. This commitment reinforces the Bank's mission of "Growing Together for Sustainability."

## Policy and Management

The Bank's vision and mission strive to improve people's quality of life, reduce inequality, and promote prosperity in society and the environment through various initiatives. These efforts include creating stable income-generating opportunities, providing financial education, and improving financial skills and capabilities to help communities become self-sufficient. Furthermore, the Bank has established a management structure that includes a Corporate Social Responsibility (CSR) department to drive social initiatives, as well as a Corporate Governance and Sustainability Committee to oversee and establish policies for ongoing performance monitoring. The Bank has also implemented an operational framework known as the Creating Shared Value with Society (CSV Framework), which focuses on sustainable development across 4 dimensions:

### The bank set the Framework for Creating Shared Value with Society (CSV Framework).



To achieve sustainable social outcomes, the “Go Local, Grow Local” project focuses on empowering community members to overcome their own challenges. The Bank emphasizes Holistic Area-based Community Development which addresses economic, environmental, and quality-of-life issues while promoting financial literacy. The guidelines for tracking progress and expanding projects have been in place. These efforts are consistent with the Bank's strategic goal of improving social well-being and laying a solid foundation for future generations.

## Guidelines for Developing and Implementing Social Responsibility Initiatives and Creating Shared Value

### Go Local, Grow Local: Joining Forces for Social Enterprise Development

The Bank's objective is to empower communities for social enterprise operations through the establishment of the Go Local, Grow Local Project. This initiative focuses on strategic community management in business operations and provides necessary knowledge on financial management. The goal is to prepare for change, enhance the capabilities of community members, and drive development to foster positive impacts. The project provides support to communities led by capable and committed individuals, ensuring that all members have equal access to community resources and promoting transparency. This commitment is maintained through the fair management of community income and benefits.

### Building Culture of Volunteerism

The Bank has initiated volunteer activities for community, social, and environmental development, aiming to foster value creation by cultivating public awareness and instilling a culture of volunteerism among employees. Additionally, the Bank has conducted comprehensive assessments of stakeholders' concerns and community needs, collaborating with relevant organizations and agencies to implement projects. These initiatives focus on leveraging the Bank's financial knowledge, skills, expertise, and networks, including financial literacy programs and the Krungthai Loves Environment Project, to promote environmental sustainability.



### Providing Financial Literacy to Create a Sustainable Society

The Bank places a significant emphasis on enhancing financial knowledge from content, tools and processes to boost competence in financial management among its employees, society members, and participants in the Go Local, Grow Local project. This effort involves aligning financial behaviors with advancements in information, technology, and social mechanisms.

### Krungthai Loves Environment Project: Generating Positive Impact for Environmental Sustainability

Krungthai Bank collaborates with its employees, society, and the Go Local, Grow Local project to promote and support the use of financial tools, while also raising awareness of environmental conservation. This initiative aims to preserve our natural heritage, ecosystem abundance, and biodiversity for future generations.

## Charity Donations

#### By Type of Activity:

Charitable Donations	<b>24.00%</b>
Community Investments	<b>46.70%</b>
Commercial Initiatives	<b>29.30%</b>

#### By Type of Support:

Financial Support	<b>156.19</b> million baht	Administrative Expenses	<b>17.07</b> million baht
In-kind Donations	<b>65</b> million baht	Total Volunteer Hours	<b>1.1</b> million hours



In addition to promoting the development of external stakeholders, the readiness of volunteer employees, who play an important role in fostering the Bank's volunteer culture, is essential in disseminating knowledge and generating value within the community, driving the strategic plan for shared value creation. The Bank has implemented regular training sessions aimed at providing volunteer employees with essential financial knowledge, savings plans, insights into current marketing trends and awareness of modern cyber threats and relevant regulations. Furthermore, these sessions incorporate suitable practices tailored for serving vulnerable groups, with the goal of distilling valuable lessons to empower trainers within the organization using a train-the-trainer model. These initiatives enable the Bank to continuously expand its operational footprint, fostering the ongoing development of employees' competencies and knowledge. Consequently, employees are better equipped to effectively transfer contemporary knowledge to the community, thereby synergistically advancing both human resource development and the implementation of social projects.

Examples of training courses for volunteer and related employees:

- Financial Trainers Workshop: Conducted by the Bank of Thailand (BOT) as a component of the Financial Good Happy Life Project;
- Financial Planning Course: Incorporating EAST principles to instruct on savings and investment strategies, financial risk awareness, debt management, and behavioral nudges;
- Train-the-Trainer for Financial Facilitators: Improving the capabilities of financial facilitators through curriculum design, financial literacy training, teaching, presentation, and media creation skills, with oversight and support from Noburo.

## Project Success Indicators

The Bank has implemented project success indicators to ensure that its social initiatives are carried out effectively, in accordance with community requirements, and to facilitate project oversight and evaluation.



### Krungthai Loves Environment

- Increased investment in nature and the environment has long-term impacts, including preparing communities to actively care for forests, oceans, and water resources, as well as preserving living creatures.
- Collaborating with government, private organizations, people, communities, and community leaders to develop the environment requires establishing concrete environmental development indicators.
- Supporting or developing waste management within the community and collaborating with communities, private organizations, people, and community leaders to achieve effective waste management, using clearly defined indicators.



### Go Local, Grow Local

- An increase in the number of people benefiting from the project every year
- An increase in the income of community members.
- Improvement in the living conditions (hygiene) of people in the community
- Opportunities for becoming quality bank customers in the future



### Financial Literacy Program

Financial knowledge content and processes should be tailored to meet the specific requirements across various audiences, including:

- Community members
- Municipalities and community organizations
- Groups of housewives, fishing groups, gardening groups, farmer groups, etc.
- Volunteer groups (Train-the-Trainer)



### Building Culture of Volunteerism

- The number of volunteer activities organized by the Bank itself or jointly with other organizations related to financial literacy
- The number of volunteer activities organized by the Bank itself or in conjunction with other organizations related to the environment and/or waste management
- The number of employees participating in volunteer activities organized by the Bank is increasing every year

## Process Development Project in Collaboration with Communities and Sustainability Pilot Project

The Bank's community development goals include 4 key dimensions: economic development projects transforming into social enterprises, sustainable financial education, environmental conservation, and raising public awareness among employees while considering human diversity, principles of mutual support, and promoting a change mindset.

The Bank has committed to building a pilot community that reflects its identity, with a concept of developing products, services, and a holistic business method across every aspect, developing vision of the potential of community leaders. Strategic community management involves fostering discussions, building understanding, and establishing continuous communication mechanisms to ensure transparency. This ensures that communities understand the objectives and details of the project. The work process adheres to the Social Enterprise Way (SE Way), which involves developing tools, processes, and mindset changes, as well as refining business methods and community development processes. Furthermore, it improves financial management knowledge by systematically integrating existing assets. The development of pilot communities draws lessons from collaborative work with communities, developing case studies for sustainable community development. Additionally, it involves transferring work processes to cultivate knowledge in establishing sustainable community businesses, alongside other community development projects.

The Bank conducts Human Capital Management by promoting understanding and awareness of self-worth and managing community assets effectively while preserving natural resources to create a sustainable community for future generations. Under the project "Go Local, Grow Local", the following operational components are included:

## Social and Environmental Purposes

The Bank has set clear goals and social indicators that cover all dimensions, including basic quality of life factors like physical and mental health, safety, income, and the community environment.

The goals for each project are established through a community participation process in which the community determines the goals for the future (visualization). For example, a desire among the younger generation to return to the community and contribute growth.

## Transparency in Operations and Good Governance

The Bank promotes equal access to basic resources, freedom of expression, and transparent operations. This is accomplished by establishing a fund and deploying an inspection team to ensure operational transparency.

## Social and Environmental Sustainability

The Bank collaborates with specialists in natural resource management to ensure efficient management. This collaboration forms a network of support, with the goal of collectively reducing environmental impacts.

## Profit for Social Impact

The Bank is committed to generating income for the community, with profits derived from this income being allocated to community development and environmental conservation initiatives.

## Sustainable Finance

Financial management plays a crucial role in enhancing the quality of life and well-being of community members. This is achieved by reducing debt and generating sufficient income to sustain livelihoods.

The Bank has collaborated with 6 social business groups and experts from various fields to jointly develop a pilot community development process.



### Social Business Groups

1. **Social Enterprise Thailand** Thailand's central social enterprise organization, experts in social business development, and the development of the social enterprise ecosystem
2. **Science and Technology Park Chiang Mai University** Professional in project management and social businesses development
3. **Local Alike** Specializing in sustainable community eco-tourism development
4. **TP Packing Solution** Specializing in resource management and the environment, holistic sustainable waste management solutions, and in utilities and environmental development, focusing on enhancing drinking water management and implementing solar systems for electricity generation
5. **Flow Folk** Specializing in product development based on community wisdom and identity
6. **Noburo** Expert in solving debt and saving sustainably using the principles of knowledge and capital



### Specialists

1. **Ms. Pradhana Chariyavilaskul** A social brand builder and strategic process design specialist
2. **Mr. Panuwat Sujjaviriyakul** A behavioral scientist and happiness economist

## **Begin with the End in Mind Process and Coaching**

To improve the effectiveness of community development efforts, the Bank employs the “Begin with the End in Mind” method. This encourages community members to visualize shared goals and identify community values in each area. These goals are then translated into strategies, plans, and actions. Last year, the Bank created a pilot community that reflects its identity. Community culture has been nurtured through jointly developed strategies and plans, as well as evaluation and performance monitoring mechanisms. This ensures that the community understands and manages the knowledge and resources provided by the Bank. Furthermore, the Bank has applied the pilot community’s lessons learned and successes in supporting other communities develop, expanding the benefits.

## **Evaluation of the Sustainable Outcomes of the Go Local, Grow Local Projects**

The Bank creates indicators to evaluate community development projects, prioritizing 8 dimensions based on social, environmental, and economic factors. These dimensions aim to enhance community well-being by increasing income, developing skills and knowledge, instilling pride, confidence, and ownership, fostering appreciation for community identity, and preparing the community to transition into a social enterprise.

The Bank conducts an annual performance evaluation, with the CSR team in charge of surveying and monitoring project performance. Furthermore, the Bank meets with community representatives to hear suggestions for improving development and creating benefits for the community and stakeholders in future initiatives.



The 'Go Local, Grow Local' project aims to create sustainable value for communities, following the 'Sustainable Community Value Pyramid'. Throughout the implementation period, the project measures its positive impact using eight key indicators (KPIs) across the following main dimensions:

## Becoming a Social Enterprise

The community has demonstrated its readiness to become a sustainable Social Enterprise, based on the following key factors:

- A strong understanding of Social Entrepreneurship principles and practices, as well as the potential benefits of becoming a Social Enterprise;
- Sound knowledge and understanding of essential business skills such as finance, marketing, and resource management, which are critical for the success of a Social Enterprise;
- The ability to identify and leverage available resources, including social capital, in order to achieve sustainable outcomes;
- An eagerness to pursue innovative and socially responsible solutions to community challenges, and a willingness to collaborate with key stakeholders to achieve shared goals.

## Community Identity Appreciation

Members of both the local community and those from outside recognize and appreciate the value of the community's unique identity.

## Pride, Confidence, Belonging

Community members take pride in their unique community identity and are eager to showcase their products and experiences to those outside the community, fostering a sense of connectedness and unity.

## Skills & Knowledge

Community members have acquired skills and knowledge in a variety of critical areas, such as business, marketing, finance, communication, product development, experience design, and environmental management.

## Income

Community members derive their income from the local economy, which is driven by community-owned businesses and services.

## Environment

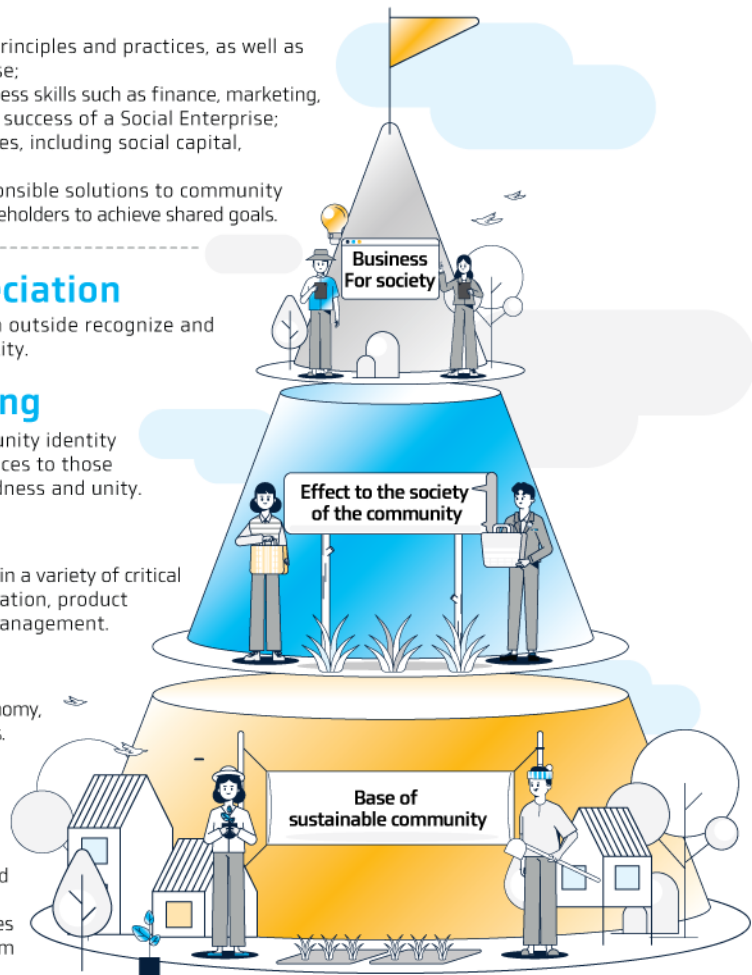
- Community members recognize the importance of the community's natural resources and environment, and the role they play in sustaining the local ecosystem.
- The community takes great pride in its natural resources and environment and works diligently to protect them from pollution and waste.

## Economy

- Through the presentation of their unique community identity and their commitment to environmental stewardship, the community has been able to establish a thriving "Community Economy".
- The community recognizes the value of a sustainable "Community Economy" that brings economic prosperity, improved well-being, and a sense of pride to its members.
- Community members have developed significant knowledge and expertise in critical areas such as business, marketing, finance, and communication to ensure the long-term sustainability of their "Community Economy".

## Society

- The community values its unique "Community Identity," which encompasses its roots, traditions, culture, wisdom, and well-being, and is recognized and appreciated by its members.
- Members of the community take pride in their "Community Identity," cherishing and wishing to preserve and expand it for future generations.
- The community is united in its efforts to creatively express and showcase its "Community Identity," using a style that best represents its essence.
- By fostering a sense of liveliness, intergenerational connection, and a desire for returning to one's roots, the community is strengthened and its "Community Identity" is perpetuated.





## Promoting and developing a potential pilot community for the “Go Local, Grow Local” initiative.

### Ban Phon Thai Community in Pho Chai District, Roi Et Province.

“ A small community lives together as a family in a village located amid rice fields, with narrow roads covering an area of about 2,000 rai. The community is made up of approximately 150 households, housing around 400-500 individuals. Wat Sawang Khongkha serves as the community’s spiritual centre, representing the collective spirit of its members. A prominent landmark in the village is an ancient “Samsa” tree, which is thought to be around 200 years old. ”



Under the “Krungthai Loves Phon Thai” project, the Bank aims to preserve the community’s way of life while laying a solid foundation for self-reliance and resilience against external challenges, including climate change and environmental issues. This involves imparting knowledge in ecotourism management and environmental sustainability, which includes:

- Implementing sustainable waste management and compost production to facilitate eco-tourism readiness;
- Managing water resources to support traditional livelihoods while mitigating climate change impacts;
- Developing ecotourism routes within the community and designing year-round tourism activities that align with the community’s way of life and seasonal variations. These activities highlight the community’s identity and pride through local harvesting and product recommendations;
- Promoting accounting practices and developing financial planning strategies tailored to the community’s requirements.

### Chiang Khong Community in Chiang Khong District , Chiang Rai Province.

“ The community is proud of its pineapple farming. Initially, pineapples were grown solely for sale, with the pineapple leaves neglected. However, through the community’s wisdom and determination, these leaves have been transformed into useful local resources. The community’s unique craftsmanship and creativity have been passed down through generations, encompassing thorough practices involving dyeing, carding, splicing, weaving, embroidery, and sewing. These techniques transform natural fibers into exquisite fabrics cherished by craft enthusiasts.

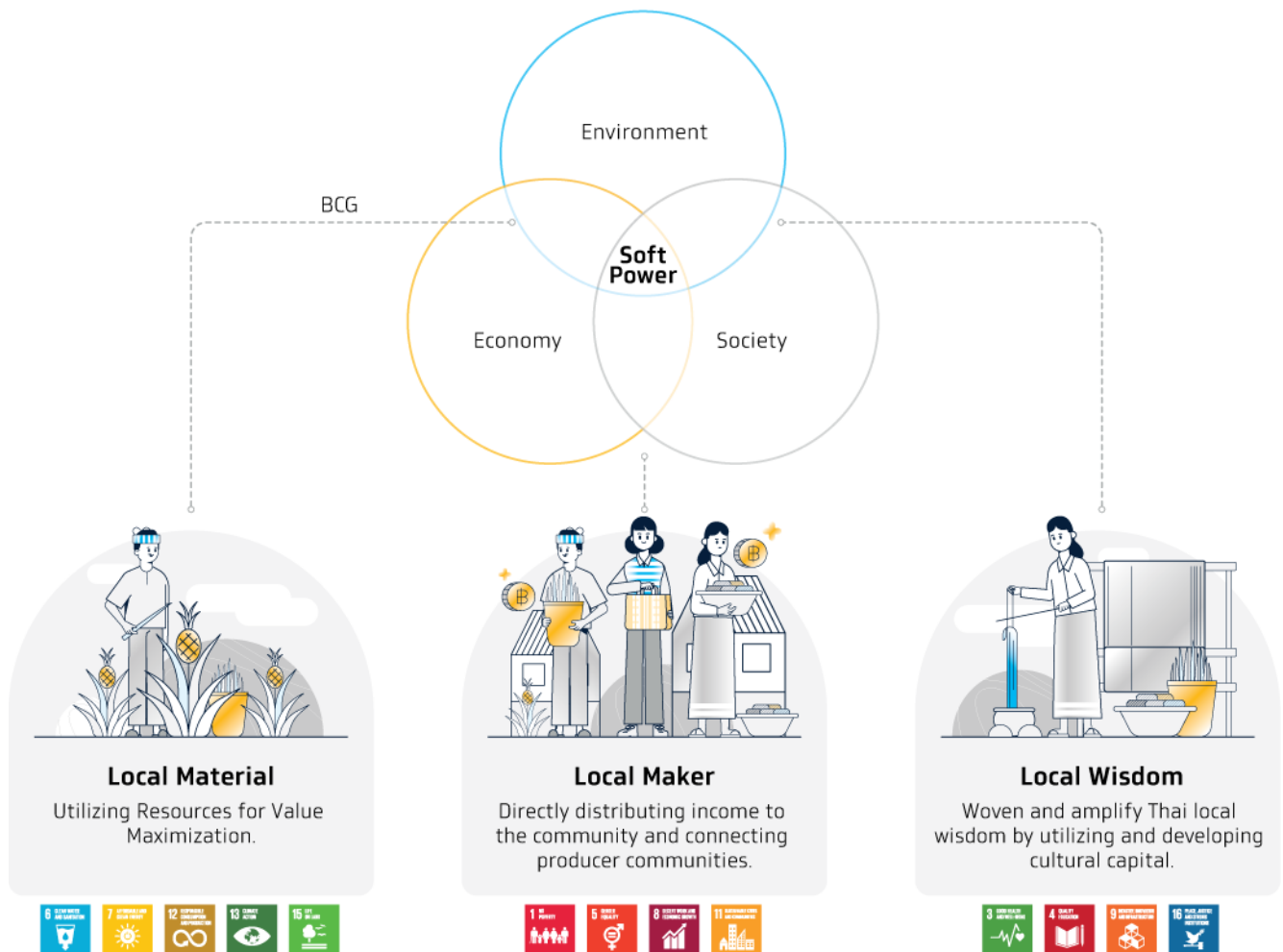
This initiative generates sustainable income and positively impacts the community's economy. Moreover, the community prioritizes environmental stewardship throughout the pineapple cultivation process, reducing waste and nurturing natural fibers with care from cultivation to the final product. ”

“Krungthai Loves Chiang Khong” The Bank has expanded its potential to generate sustainable income by transforming agricultural waste, such as pineapple leaves, into modern-designed handicrafts. The project can create value for the community's products and expand by implementing the Big Idea Marketing Storytelling business model and managing it as a community enterprise called “Yai Jai.” The project operates with transparency, and the successful results have created benefits for the community as follows:

- Promote community unity and provide opportunities for the younger generation to return home to pursue careers, thereby decreasing unemployment rates;
- Preserve traditional skills and pass down generational knowledge, including fiber preparation, dyeing, carding, splicing, weaving, embroidery, and sewing;
- Create value from agricultural waste, reduce waste in the community, and lower greenhouse gas emissions.

## “Yai Jai” Work Process

Improve Life | Impact Social | Increase Return



The Bank has employed the success model and insights learned from firsthand experience to expand the results with the Bo Hin and Koh Pu communities, with the aim of creating long-term beneficial outcomes for society.



## Partnership for Better Society and Environment

### Krungthai Loves Koh Tao Project

Since 2020, Krungthai Bank has been collaborating with the United Nations Development Programme (UNDP) Thailand, Raks Thai Foundation, and the Koh Tao Subdistrict Municipality on the “Koh Tao, Better Together” project. This initiative serves as a role model for the country, expanding its scope to integrate biodiversity and finance into its activities. The project’s primary aim is to ensure continuity in restoring, maintaining, and managing natural resources, the environment, and biodiversity, engaging all sectors and community organization groups while also stimulating community economies. Additionally, to enhance occupational stability for vulnerable groups in the Koh Tao community, the Natural Resources and Environmental Conservation Fund was established to support sustainable development in the community.

The establishment of the Community Welfare Fund aims to foster mutual support and stability within the community, encouraging participation in conserving Koh Tao’s natural resources and environment while promoting community sustainability. One example is the Fund for Local Fisheries. Members contribute to the fund annually, and the pooled resources can be utilized to assist members during emergencies, illnesses, work-related accidents, or disasters. Additionally, income generated from tourist fees is transparently allocated to environmental care initiatives on Koh Tao, ensuring simplicity and ease of auditing. These funds facilitate swift access to welfare and financial assistance for all vulnerable groups within the Koh Tao community.



## Principles for Project Implementation “Krungthai Loves Koh Tao”

The Bank has established goals and principles for collaborating with various organizations to implement the project, creating an operational framework and financial mechanism aimed at enhancing careers and generating income for the Koh Tao community. The operational framework includes the following components and operational indicators:

### Environmental Dimension

Ecosystem and biodiversity preservation in Koh Tao



#### Execution Plans

#### Community Capability Development

Analyze, plan, and develop projects aimed at protecting and preserving the natural resource base and biodiversity, in collaboration with various groups within the island, including local fishing group, small boat rental group, women group, youth group, and local volunteer network.

#### Strategy and Environmental Management Plan Development

- Develop environmental strategies and plans in collaboration with the community.
- Develop a plan to protect and restore biodiversity in the Koh Tao area, incorporating the use of technology for surveying the integrity of nature, along with initiatives to deploy artificial coral reefs in the sea.



#### Expected Outcomes

Community organizations in the Koh Tao area possess the capability to analyze, plan, and execute projects aimed at protecting the natural resource base and biodiversity.

Strategic plan for environmental management, protection, and restoration of biodiversity in the Koh Tao Subdistrict area.

### Social Dimension

Extend and develop careers to increase diversity and financial literacy for various groups



#### Execution Plans

#### Promoting Career Development and Reusing

- Support the use of waste materials and natural resources on the island to generate job opportunities and boost the community's economy, which includes local fishing group, women's group, small boat rental group, and youth group.
- Create communicating media materials to promote environmental conservation and emphasize the value of biological diversity.

#### Financial Literacy

Provide knowledge on debt management, savings, financial knowledge, investments, and promoting access to financial services tailored for various groups



#### Expected Outcomes

Provide channels for generating revenue through unique product varieties and environmental conservation tourism initiatives tailored specifically to fishing groups, which can also create additional employment opportunities.

Members of the community and various professional groups have enhanced their knowledge and skills in financial management.

Governance Dimension

Establish a financial mechanism for the preservation of the ecosystem and biodiversity in Koh Tao

Fee Collection System Development

Developing the Capabilities of Municipal Officials and Community Working Groups



Execution Plans

Develop a fee collection system and use technology and utilization mechanisms to promote environmental preservation, biodiversity protection, and restoration.

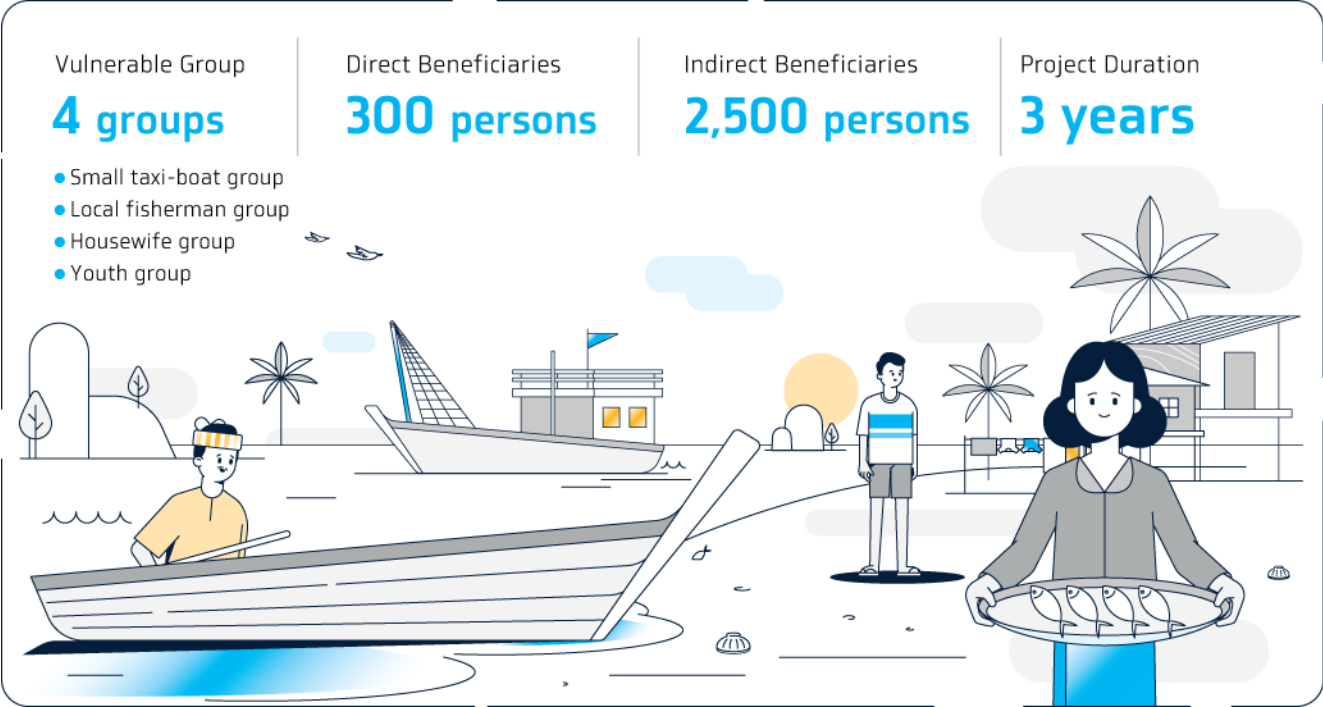
Increase the capability of municipal officials and community working groups to organize environmental management and protect and restore biodiversity.



Expected Outcomes

The fee collection and utilization mechanisms for environmental protection are transparent, straightforward, and easily audited.

Community organizations in the Koh Tao area can analyze, plan, and organize projects aimed at protecting and conserving the natural resource base and biodiversity.



The Bank prioritizes career development and stability by carefully selecting target groups that collaborate and possess an understanding of their respective lifestyles, challenges, and needs. This approach ensures that welfare funds are introduced, and opportunities are provided in alignment with the interests of the individuals involved. Furthermore, the Bank facilitates discussions and exchanges of opinions to identify key issues that can inform the establishment of community welfare funds within each group. Subsequently, regulations for the creation of a welfare fund to support project expenses will be established. The Koh Tao Subdistrict Municipality Environmental Plan Development Working Group will be involved in determining the specifics of setting up the fund. Four vulnerable groups are identified as follows:



### Local Fisherman Group

The local fishing group has built a permanent fish house and installed fish racks at 11 designated locations on Koh Tao. Furthermore, they have created an ecotourism package that allows tourists to participate in local fishing methods, such as building fish racks alongside community members. This initiative not only promotes sustainable tourism but also helps visitors learn about the island's natural environment. The Koh Tao Local Fishing Club Welfare Fund was established to help its members in the event of an emergency, illness, work-related accident, or disaster. Currently, the fund has more than 20 member households.

### Small Taxi-Boat Group

Currently, the small taxi-boat group comprises more than 28 participants, and a fund committee of 7 members has been elected to oversee fund management. The primary objective of this fund is to aid members in cases of emergencies arising from work accidents and disasters.

### Housewife Group


The Bank has assembled the women of Koh Tao Village No. 3 to discuss their product development needs, including coconuts, which are used to create unique craft local products.

### Youth Group

The Bank has organized media training for youths from Tao Noi Channel and students from Ban Koh Tao School to educate them on effective communication and to raise awareness about conservation, environmental restoration, and sustainable tourism.

In addition to encouraging the development of model communities and promoting environmental conservation through sustainable livelihoods, the Bank expanded its operational boundaries by contributing to the welfare budget of volunteers in the Bajrasudha Gajanurak Project. This initiative aims to help villagers understand, monitor, and learn about wild elephant behavior. It includes insurance coverage for volunteer groups that will be monitoring wild elephants as part of the project. These efforts have positively impacted 710 people from 51 villages in 5 eastern provinces: Chachoengsao, Chonburi, Rayong, Chanthaburi, and Sa Kaew. The primary goal is to promote coexistence between communities and elephants, boosting morale and encouraging those who continue to perform their duties with dedication and sacrifice.

 **110** employees participated in the activity.

 **1,210** hours in activity participation

The Bank coordinated volunteer activities involving executives, employee volunteers, and partners from its network, bringing together over 200 community members to help replenish mineral nutrients in the salt lick. This initiative aims to provide greater supplies of food for wild elephants and other animals, resulting in a healthier forest ecosystem. This endeavor not only enriches natural education but also raises awareness of conservation efforts among employees, communities, and society. By restoring, protecting, and preserving biodiversity, we safeguard a valuable natural resource base while promoting long-term harmony with nature.

## Results of the Bajrasudha Gajanurak Project



### Social Dimension

- **2,827** beneficiaries; **796** households.
- Volunteer insurance covers **710** people.
- Financial literacy was delivered to **160** people.
- **200** volunteers



### Environmental Dimension

- **6,150** cubic meters of water in a 90-rai area
- **1,411** rai of agricultural areas with profits
- **500** elephants in an area of 1.4 million rai in 5 border forest provinces



### Governance Dimension

- Working group to help analyze and resolve community problems in collaboration with outside agencies.
- Working together to provide treatment for the community's water sources



## Empowering Financial Literacy and Cybersecurity Resilience: A Series of Activities to instill Financial Knowledge and Discipline

### Project for Sustainable Financial Knowledge

Financial knowledge is a crucial foundation for developing lifelong management skills. The Bank acknowledges the significance of financial management and recognizes the importance of promoting basic financial skills to enhance financial literacy. Financial education initiatives, guided by the principle of 'translating awareness into practical application,' target various groups, including community members, college students, and school students. For community groups, the objective is to instill positive financial attitudes and adjust financial behaviors by imparting knowledge on income and expenses, savings, and debt management, with involvement from the National Savings Fund. The Bank monitors income and expense recording behaviors, utilizing questionnaire results to refine lesson plans and develop content for broader community utilization. Financial literacy activities, aimed at preparing individuals for life planning and entry into the workforce with stability, are organized for student groups in 6 universities participating in the Smart University project. These activities cover expense management, emergency reserves, savings, and investments, engaging over 1,562 participants. Additionally, focused group activities are conducted to track savings behaviors and financial goals. In collaboration with the Saturday Foundation, the Bank conducts school visits to provide financial knowledge to students on Saturdays, promoting the practice of recording income, expenses, and savings. Furthermore, students are educated about financial risks in the cyber world through gamification and activities.

#### Financial literacy to community members

Number of participants\*  
👥 **235** person

Learning hours  
🕒 **595** hrs

#### Financial literacy to university students

Number of participants\*  
👥 **1,562** person

Learning hours  
🕒 **4,619** hrs

#### Financial literacy to students

Number of participants\*  
👥 **79** person

Learning hours  
🕒 **237** hrs

Note: \* Double counting applies to those who participated in multiple activities.





## Krungthai Bank Volunteer Program (VVe Vayu Volunteer)

### Koh Tao

Krung Thai Bank, in collaboration with UNDP Thailand and Raks Thai Foundation, initiated the #UNDP Krung Thai Loves Koh Tao project to prepare the community for the reopening of the country to welcome both Thai and foreign tourists. The volunteer employees (We Vaya Volunteers) collaborated to visit the area and provide financial literacy and technology workshops to the Koh Tao community. These workshops included financial health checks and aimed to provide community members with practical financial knowledge for their daily lives. Furthermore, the project necessitated ongoing collaboration with local fishing organizations to strategically position fish as gathering devices and habitats for marine animals. This proactive initiative promotes long-term interdependence among living organisms, which is critical for the conservation and restoration of marine resources and ecosystems.



## Empowering Social Resilience: Initiatives to Alleviate the Impact on Vulnerable Groups During Times of Hardship

### VVe Vayu Volunteers activity “Shine a Light: Helping Blind Children Discover the Coconut Way of Life in the Ta Kian Tia community.”

“ Krungthai Bank’s volunteer employees are proud to contribute opportunities and spread goodwill throughout the community. ”

The majority of villagers in Takian Tia depend on coconut farming as their primary source of income, as coconuts are an essential economic crop in the region. However, with real estate development projects encroaching on agricultural land in Chonburi, villagers united to safeguard the Takhian Tia community’s coconut plantation, which stands as one of the last remaining coconut plantations in the eastern region. This conservation effort evolved into the establishment of a community learning centre. With the support of Krung Thai Bank through the “Krungthai Loves Takian Tia Community” project, this initiative has thriven.



The Bank organized a volunteer activity in which visually impaired children from Pattaya Redemptorist School learned about the everyday lives of coconut farmers in the Takian Tia community of Chonburi province. Participants were immersed in the atmosphere of an eco-tourism destination, where they encountered traditional culture and the local wisdom passed down through generations of coconut farmers. Engaging in activities such as processing coconuts, creating tie-dyed cloth from coconut husks, and making bags using artificial flowers facilitated experiential learning. This initiative not only fosters self-reliance among disabled individuals but also provides encouragement and helps alleviate symptoms of depression.

## Krungthai Bank Volunteer Activities: VVe Vayu Grow to Give (Growing veggies to protect the planet for kids)

Volunteer employees participate in cultivating vegetable plots, demonstrating their commitment to sustainability. They contribute to producing 400 kilograms of high-quality soil improver by composting food scraps using the Bank's Inno Waste machine. This natural planting material is both cost-effective and safe to consume, promoting food security and the principles of sufficiency economy while prioritizing environmental stewardship. Furthermore, the Bank supplied necessary materials, provided lunch, and engaged in activities to bring joy and happiness to the children of the Sanrak Foundation for Children, located in Nakhon Pathom Province, through its partnership with the Children's Foundation.



## Krungthai Loves Persons with Disabilities Project

Krungthai Bank supports equality and access to careers for people with disabilities. To further this commitment, it has partnered with network organizations such as the Chamber of Commerce and the COERR Foundation to employ individuals with disabilities. A total of 175 individuals have been hired, with employment opportunities divided into 3 categories:

### Model 1

Hiring 1 disabled person in the Bank's workplace.

### Model 2

The Bank has subcontracted services through the Thai Red Cross Society, engaging a workforce of 130 individuals to support operations across Red Cross branches, provinces, and districts nationwide. These services include administrative tasks, paperwork, office duties, and other assigned responsibilities.

### Model 3

Make a memorandum of cooperation (MOU) for the project to promote and develop the quality of life of Thai disabled people, training workshops on agriculture and animal raising for disabled people together with network partners including;

1. Thai Chamber of Commerce
2. Thai Chamber of Commerce Foundation
3. COERR Foundation, totaling 44 people, including 4 provinces: Ratchaburi, Sakon Nakhon, Sa Kaeo and Chiang Mai.

## Krungthai Survival Bag Distribution Program

The Bank provided aid to those affected by the floods in Narathiwat Province. The Bank swiftly responded to alleviate the suffering of individuals by assembling 1,000 survival bags filled with essential items such as rice and dry food. These survival bags were then distributed to those in need, providing immediate assistance to affected communities.





## Book Donation Project

The Bank aims to foster a culture of sharing and provide learning opportunities for students by initiating a book donation project. Through this project, the Bank accepts book donations from the community and redistributes them to various foundations, particularly schools in Bangkok facing shortages of textbooks. By doing so, the Bank seeks to ensure equal access to learning resources for all students across the nation since education is a key driver of progress and development.

 **3,390**  
donated books



## External Organization Support

In addition to community engagement, the Bank prioritizes building networks to enhance economic, social, and business strength at both national and international levels. The Bank has become a member of various organizations and alliances dedicated to advancing the financial institution system and promoting sustainability. By participating in these networks, the Bank can exchange experiences, develop operational systems with member organizations, and gain insights into current conditions and needs to effectively apply them within its operations.

## Industry Association & Partnerships

- **Thai Bankers' Association** Mr. Payong Srivanich serves as the Chairman of the Thai Bankers' Association, collaborating with both public and private sectors to restore the national economy and modernize the commercial banking industry to align with the digital economy framework. This initiative is expected to enhance efficiency and competitiveness, fostering steady and stable growth in the Thai economy while meeting the diverse needs of the Thai people.
- **The Bank of Thailand (BOT)** Krungthai Bank has signed a memorandum of understanding with the Bank of Thailand, the Thai Bankers' Association, and other Thai commercial banks to develop Sustainable Banking Guidelines - Responsible Lending. This initiative enables banks to develop loan approval policies and strategies that meet environmental, social, and governance (ESG) requirements. The guidelines also include processes for managing the risks and impacts associated with the bank's lending activities. This collaborative effort demonstrates the banking sector's commitment to incorporating ESG principles into its operations and promoting sustainable development in the financial industry.
- **Thailand Banking Sector CERT (TB-CERT)** The Bank has joined as a member to exchange guidelines for managing cyber threats in accordance with international standards, as well as to participate in training to improve the Bank's operations and prevent cyber threats from affecting the Bank's services or operations.
- **Thailand Blockchain Community Initiative** Krungthai Bank has facilitated the provision of letter of guaranteed services electronically through the Krungthai e-LG on Blockchain system. This system represents a collaborative effort among the banking sector, government enterprises, and large business organizations under the oversight of the Bank of Thailand, aimed at promoting the use of blockchain technology to enhance efficiency, transparency, and business competitiveness.

## National Association & Partnerships

- **Thai Listed Companies Association Club (CSR Club)** The Bank has consistently adhered to the concept and principles of Corporate Social Responsibility (CSR) in its business management, aiming to strike a balance between societal value and business performance. Operating in alignment with established CSR guidelines, the Bank not only upholds ethical business practices but also advocates for the advancement of listed Thai companies' stakeholders.
- **Thailand Business Council for Sustainable Development (TBCSD)** The Bank stands as a model member in sustainable development among over 40 country's leading businesses. These members collectively prioritize the development of sustainable business models, advocate for policies that foster fairness across all sectors to mitigate environmental impacts and cultivate a business culture that prioritizes social and environmental responsibility.
- **Anti-Corruption Organization of Thailand** as a member of this organization, the Bank remains committed to its vision of being a social force and mobilizing the Thai population to reject and actively prevent corruption.
- **Thai Private Sector Collective Action Against Corruption (CAC)** The Bank is one of the member organizations committed to combating, resolving, and preventing corruption in Thailand. The Bank has implemented a policy against all forms of corruption, including the establishment of a bribery prevention system, to maintain good corporate governance standards that are consistent with good governance and social responsibility principles.

## International Association & Partnerships

- **The Biodiversity Finance Initiative, BIOFIN**, a global partnership under the United Nations Development Programme (UNDP), collaborates with the Bank and the Raks Thai Foundation to carry out the "Koh Tao, Better Together" project. The project provides funding to help reduce coastal environmental problems, restore marine ecosystems, and improve community well-being. It also provides employment for beach cleaning and marine litter collection, as well as cost assistance for boat drivers. Small-scale tourism on Koh Tao, as well as fund management training for equipment and life-sustaining tools.
- **The Bank recognizes that collaborating to drive sustainable progress in the financial sector industry** will positively influence the development of sustainability-focused guidelines, policies, and regulations. Additionally, it will enhance the competitiveness of Thailand's banks in the global market. The Bank collaborates with banking and trade associations to make transparent donations to specific organizations in the form of membership fees. However, the Bank has a strict policy against donating money to any political organization or campaign in order to reduce risks to the Bank's credibility and trust.

### By Type of Support

Item category	Amount (Baht)			
	2020	2021	2022	2023
Lobbying, interest representation or similar activities	-	-	-	-
Local, regional or national political campaigns/ organizations/candidates	-	-	-	-
Trade association or tax-exempt group	12,433,761	10,490,778	31,515,597	<b>31,790,150</b>
Other (Support for spending related to voting or referendum)	-	-	-	-
Total	12,433,761	10,490,778	31,515,597	<b>31,790,150</b>

### Associations Supported by the Bank

Item Category	Amount (Baht)			
	2020	2021	2022	2023
The Thai Bankers' Association (TBA)	11,065,771	9,135,328	14,168,646	<b>17,311,489</b>
Securities and Exchange Commission (SEC)	-	-	13,418,904	<b>11,652,503</b>
International Swaps and Derivatives Association, Inc.	1,004,190	991,650	1,154,300	<b>1,188,590</b>
Thai Bond Market Association	310,300	310,300	1,899,146	<b>814,818</b>
Thai Financial Planners Association	53,500	53,500	874,600	<b>822,750</b>

## Customer Relationship Management

“Customers” play a crucial role in the success of the Bank. Therefore, elevating the service experience and delivering products and services that meet customer needs are key factors that can create satisfaction and maintain good relationships. It also creates a difference that makes the business stand out and gain a competitive advantage. As customers have diverse needs and higher expectations for products and services that meet their needs, the Bank needs to study and understand the needs of each customer sector to develop efficient products and services that are fast, secure, trustworthy, and fair, which will lead to sustainable business growth.

The Bank elevates the customer experience through product and service development by using innovation and modern technology, including artificial intelligence (AI), to analyze and predict the needs of each customer sector. Therefore, the bank has a database of customer needs and behavioral changes in accessing products and services. This data is used for analyses, to expand services for existing bank customers, and to acquire new ones.



### Target

#### 2026 Long-term Targets

At least

**95%**

of customer complaints are resolved within the Service Level Agreement timeframe.

Continuously develop channels for capturing customer feedback and leverage technology to streamline the process so as to effectively listen to customer concerns and suggestions in ways that align with evolving behavioral changes of the customers.

#### Performance

Issues resolved with the established Service Level Agreement timeframe:

**98.94%**

#### 2023 Target

At least

**95%**

of customer complaints are resolved within the Service Level Agreement timeframe.

Increase the percentage of customers who receive the requested product and service information via the chatbot to 50% of all customers contacting the chatbot. The aim is to increase efficiency and speed of responding to customers.

The proportion of customers who receive the requested product and service information via the chatbot to all customers contacting the chatbot:

**72.56%**

## Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

The Bank provides a diverse and comprehensive range of financial services that cover all customer needs. This includes core services such as deposits, loans, cash management, trade finance, financial and capital markets, and digital banking services, as well as services from affiliated companies. At the same time, the Bank also promotes financial literacy to ensure customers' stable and sustainable growth. The Bank aims to address all customer segments, from individual customers, small and medium-sized enterprises, and large corporations to government entities. Therefore, the Bank emphasizes the importance of understanding the needs of each sector in order to establish operational strategies, maintain existing customer bases, and expand new customer bases while maintaining good customer relationships by treating customers fairly and providing equal service to all.

## Policy and Management

The Bank is well aware that the needs for financial products and services vary from sector to sector. Therefore, it employs different relationship management approaches suitable for each sector to ensure that it can efficiently meet each sector's needs.

## Customer Relationship Strategy

- **Customer segmentation:** The Bank segments its customers into individual customers, small, medium, and large businesses, and government entities. The Bank analyzes the behavior and needs of each segment to develop a roadmap for operations that enables it to develop products and services that effectively meet customer needs.
- **Customer insight:** The Bank surveys customer needs using a variety of methods that are suitable for each group, including market research, asking directly, feedback surveys, and other means. The data of each sector is analyzed to identify their needs. In-depth research is conducted with a focus on developing products and services that address the needs of each sector, then using the insight to fulfill customer expectations, for example, by providing a package specifically for government officials, offering industry-specific financial solutions, developing UX/UI and process of financial solutions to elevate the entire service offering, customizing benefits to meet customer needs, developing services for wealth customers, developing the Business Queue system to reduce business customers' waiting time at the branch, and organizing seminars on various topics, including investment, sustainable business practices for business owners, wealth management, conducting business in 4.0 economy, and more.
- **Establishing strategies and channels for managing customer relationships and communication:** The Bank has devised strategies to elevate its services and foster good relationships with customers. The Bank uses two-way communication channels to enhance customer engagement. Currently, the Bank uses both traditional channels, or branches, and digital channels to offer products to retail customers. The Bank also communicates with customers via Relationship Managers (RM). It opts for communication channels suitable for each customer segment and target audience to understand their needs better.
- **Evaluation and improvement:** The Bank monitors and evaluates customer satisfaction to develop and improve its products and services. The Bank conducts an annual customer satisfaction survey and constantly surveys customer satisfaction regarding its products, services, and mobile applications. The Bank uses these results to improve its products and services so that it can address customer needs better.



Branch customer  
satisfaction score:  
**8.88** out of 10



### Corporate Customers

The Bank supports industries with potential that are aligned with environmental, social, and governance goals (Inclusion List) and the country's direction towards a bio-circular-green economy (BCG Model). Examples include industries such as health care, private hospitals, electric vehicles and parts, future food, solar power plants, and other environmentally friendly alternative energies. Relationship managers listen to customers' needs, understand their situation, and use this information to develop products and services that fulfill customers' needs, solve their problems, and help them grow their businesses.



### SME Customers

Relationship managers work with relevant departments to understand customer needs and develop account plans. These plans outline the most appropriate way to solve customer problems. Together with affiliated companies, the Bank develops products that meet customer needs. The Bank also provides information to customers through various channels, such as Krungthai SME LINE OA, Krungthai SME magazine, and e-newsletters.



### Government Entities

The Bank develops key account plans in collaboration with relevant entities to offer products and services that meet customer needs. The Bank also monitors government policies and uses this information to develop products and services. An example is the X2G2X strategy which starts from G or the government. As the Bank has been playing an important role in supporting the government's policies, it can use the big data acquired to expand further and support the business in the future. The Bank values the importance of data and analyzes customer behavior and needs to develop products that truly meet their needs.



### Individual Customers

The Bank has developed various products and services to provide customers with convenient and quick access to financial services, such as savings deposits, fixed deposits, housing loans, and personal loans.



The Bank has established a Customer Insights Team (Customer Complaint Handling Division) to receive customer complaints through various channels designated by the bank, including bank branches, internal business units, and external agencies. The matters received from customers will be considered and grouped according to the regulations and work manuals, and the problems will be solved according to the complaint-handling process.

The Bank values customer feedback from all groups. It provides various reporting channels to collect feedback and solve problems according to the complaint-handling process in accordance with regulations and work manuals. This covers issues such as non-compliance with Market Conduct principles, personal data breaches (PDPA), employee fraud, problems with employee service, problems that customers experience with traditional and digital products and services, and problems that customers experience with government projects administered by the Bank.

The Bank regularly reviews and improves its complaint-handling process every year to ensure that it can effectively solve customer problems and provide timely solutions, building customer confidence in the Bank's complaint-handling process, which is up to standard, and ensuring customer satisfaction. The Bank collects complaints and feedback data and uses

data analytics to develop and improve products, services, and processes and reduce repeated complaints. The bank handles complaints in a way that takes into account the privacy of customer data, which is protected by the Personal Data Protection Act. Customers can make a request to the Bank that their identity not be disclosed.

## Social Responsibility

The bank is committed to conducting business, providing services, and delivering financial products to customers fairly and in accordance with the Code of Conduct. It has established market conduct principles, which involve providing services to customers in a fair manner and respecting their rights, as a guideline for executives and related employees. The Bank has also improved its processes and work systems to ensure compliance with the policies and regulations set by the Bank of Thailand. The Bank emphasizes the importance of providing customers with complete and accurate information about financial products and services, helping them make informed decisions. It also highlights that customers must not be forced to choose or use the Bank's products and services. The Bank organizes training sessions, ensures that employees understand the Bank's products and services as well as the process of providing information to customers, and tests them regularly. By doing so, the Bank aims to build public trust.

## Customer Complaint Handling

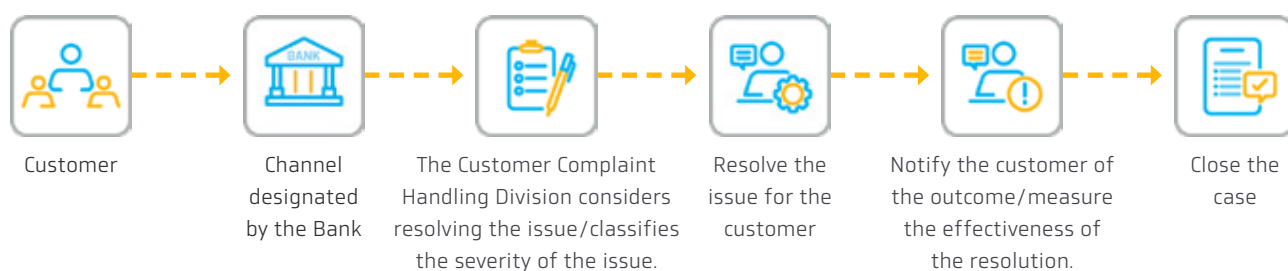
The Bank has 3 main channels for receiving customer complaints as follows:

**Official channels** include letters, emails, the website, branches, business unit offices, Line Connex, WE CARE, and the Customer Relations Center.

**Unofficial channels** include Facebook, Pantip, and X (Twitter).

**External agencies** include the Bank of Thailand, the Office of the Prime Minister, the Ministry of Finance, the Office of the Securities and Exchange Commission, the Office of the Insurance Commission, and other agencies.

The customer Insights Team (Customer Complaint Handling Division) is responsible for receiving customer complaints through various channels designated by the bank, providing assistance, and promptly resolving customer problems. In cases where further investigation is required, the team will forward the matter to the relevant department and/or the assigned department for consideration and resolution within the timeframe set by the bank. The team will provide advice to the department and follow up until a resolution is reached, ensuring alignment with the Bank's complaint-handling process. Once the Bank is able to resolve the issue, the working group will contact the customer to measure the effectiveness of the resolution and document the progress in the feedback and complaint system. Customer feedback and complaints from various channels are presented to executives and relevant department heads.

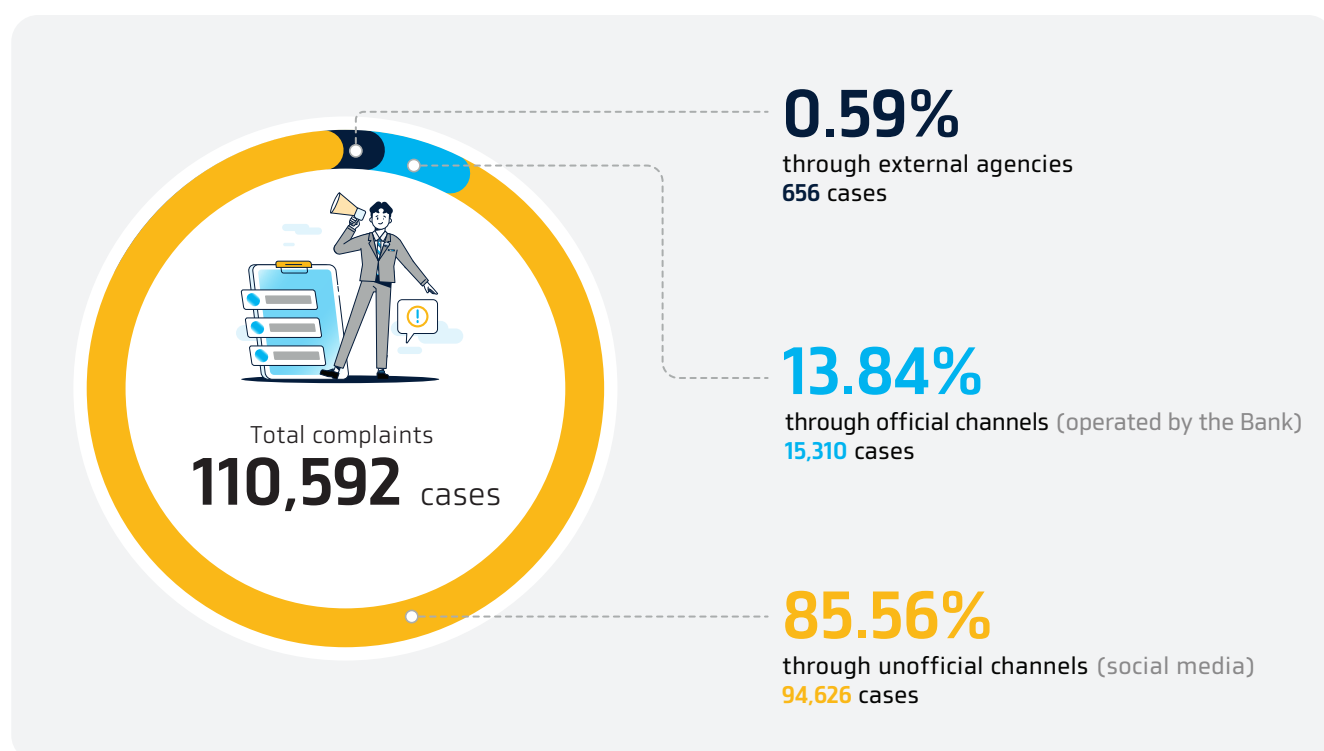


## Data Privacy Complaints

The Bank complies with the Personal Data Protection Act B.E. 2562 (2019) and uses it as a guideline for collecting, storing, using, and managing personal data to prevent the violation of customer data privacy. However, in 2023, the Bank received 42 complaints about customer data privacy violations; none were reported by the regulator (Bank of Thailand). As for complaints considered to be violations with a risk level according to the criteria set by the Personal Data Protection Committee (PDPC), the Bank notified the PDPC of a total of 19 cases. The Bank has measures and guidelines for compensating data owners who receive the damage. Disciplinary action has been taken against employees who do not comply with the Bank's regulations. There are also preventive measures through communication and training.

## Total Number of Complaints Classified by Channels in 2023

In 2023, customers filed 110,592 complaints, 94,626 (85.56%) of which were through unofficial channels, 15,310 (13.84%) were through official channels, and 656 (0.59%) were through external agencies. The details are as follows:



## Statistics of Reported Cases

Cases	Percent (%)				
	2019	2020	2021	2022	2023
Ask for help	85.04	85.60	78.93	86.91	<b>91.18</b>
Complaint	13.62	13.82	20.05	11.53	<b>6.03</b>
Suggestion	0.99	0.42	0.65	1.08	<b>1.89</b>
Compliment	0.32	0.15	0.32	0.40	<b>0.51</b>
Provide information	0.03	0.01	0.05	0.09	<b>0.39</b>

The Bank has implemented several important initiatives to improve the service in order to meet the diverse needs of customers as follows:



## WE CARE

The Bank initiated WE CARE to gather feedback from customers who visit the Bank's branches nationwide. Customers can provide feedback by scanning the QR Code on the service counter. The WE CARE initiative has improved the service, enabling the Bank to assist customers promptly. ONE Krungthai application, an application for Krungthai employees, is used as a medium for communicating with branches. The branch manager and assistant managers use the app to manage customer feedback and suggestions; they contact the customers to resolve the issue as soon as they receive a notification from the app. This resulted in a 28% reduction in the number of complaints regarding branch staff in 2022. As for compliments, the Bank has a quarterly WE CARE Champion campaign to boost employee morale.



## New Branch Model

The Bank has launched a new branch model project that gradually modernizes and standardizes branches. Modern technology is being used to improve service efficiency and reduce paper usage. For example, a new queuing system allows customers to book branch appointments in advance. Additionally, tablets are used to facilitate product and service presentations to customers. The new branch model focuses on meeting customer needs and creating a positive service experience.



## SME Customer Needs Survey

Krungthai Bank conducted an SME customer satisfaction survey to study customer pain points and needs in order to find ways to improve and solve them. In 2023, the Bank identified 3 main pain points: waiting time at the branch, knowledge and understanding of the Bank's products and services, and frequency of customer visits. After identifying the pain points, the Bank developed a plan to address them. This included developing a Business Queue system for business customers in branches with a high volume of business customers to provide faster service, providing training to increase the knowledge of relevant employees, and scheduling more frequent customer visits to meet changing customer needs.

The results of the Bank's operations, which focus on developing products and services that meet the needs of each customer segment and handling customer complaints promptly and without discrimination, have resulted in higher customer satisfaction scores. This is reflected in the results of the survey as follows:



## Overall Customer Satisfaction

	Percent
<b>2023</b>	<b>93.1</b>
2022	92.2
2021	92.5
2020	91.0
2019	93.3

■ Transforming services. Meet every lifestyle need.



## Transforming services. Meet every lifestyle need.

Develop technology, innovation, and cybersecurity to build strong confidence in the Bank's services. Adjust service models and introduce new models under the modular and wireless concept. Use technology to enhance service efficiency and reduce paper usage.







# Corporate Governance and Code of Conduct

Krungthai Bank upholds sustainable business practices, which are fundamental to the Bank's credibility, continuous growth, and resilience amidst various crises in a time of rapid change. The Bank is committed to operating transparently, adhering to the principles of good corporate governance, the Code of Conduct, and the Code of Ethics.



## Long-term Targets

- The organization upholds robust corporate governance practices in corruption prevention and suppression, which meet international standards.
- To develop risk prevention processes and proactively suppress corruption, the organization will implement the Three Lines of Defense.



## Performance

Provide knowledge about disciplinary action and serious disciplinary offenses through Extra Mission activity	»	100% of employees signed an acknowledgment of the Code of Conduct.
<ul style="list-style-type: none"> <li>• A risk assessment for all operations involving corruption</li> <li>• Assessment results regarding the risks associated with accepting or paying bribes and engaging in corrupt practices</li> </ul>	»	The remaining risks assessed showed moderate to low, with control assessments indicating adequacy.
The percentage of employees who received training on the organization's anti-corruption policy and procedures	»	99.86%
The percentage of suppliers to whom the organization's anti-corruption policies and procedures were communicated	»	71%

## Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

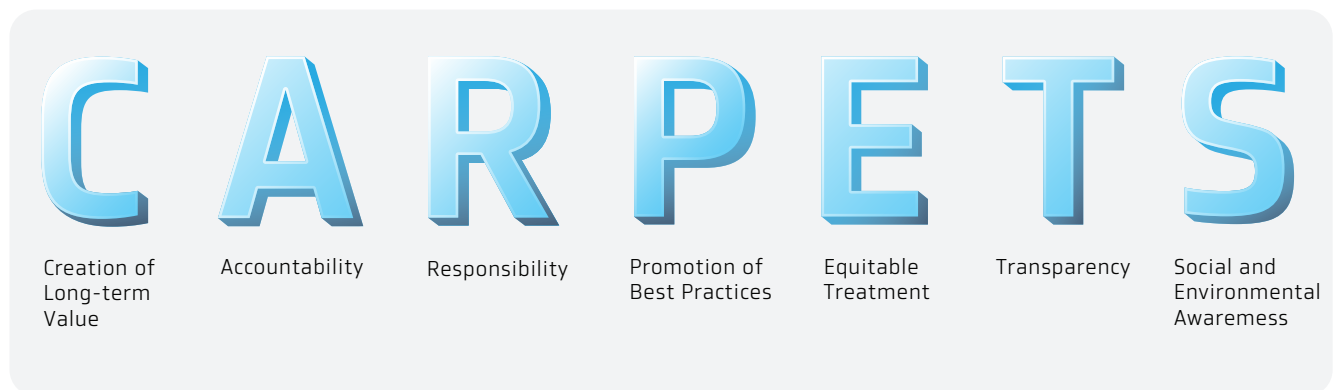
Krungthai Bank, a long-standing Thai financial institution with over 50 years of presence in Thai society and ongoing contributions to the country's economic advancement, understands the importance of good corporate governance, a code of conduct, and a code of ethics in today's dynamic global business landscape. The absence of strong corporate governance practices can undermine the Bank's credibility and have an impact on management effectiveness, competitiveness, and customer service standards. As a result, Krungthai Bank prioritizes good corporate governance, the Code of Conduct, and the Code of Ethics as critical frameworks for increasing transparency and implementing effective risk management practices. These mechanisms allow the Bank to operate responsibly and in full compliance with all applicable laws and regulations. The Bank's business management approach is based on strict corporate governance principles, which are aligned with both national and international regulatory standards. This commitment ensures that the Bank prioritizes the well-being of its employees, customers, and all stakeholders, thereby fostering sustainable development and collective economic growth.

## Policy and Management

The Bank is committed to maintaining good corporate governance practices as both guidelines and integral parts of its corporate culture. These practices are utilized throughout its operations to facilitate the development of a proper risk management framework. Moreover, the Bank ensures zero tolerance and compliance with market conduct while upholding ESG principles encompassing environmental, social, and governance aspects. Furthermore, the Bank has been dedicated to maintaining its credibility while generating positive impacts on stakeholders, thereby fostering the Bank's solid and sustainable growth along with all sectors of society.

The Bank's Board of Directors places significant importance on strictly adhering to good corporate governance guidelines, which include integrating the sustainability dimension into the Bank's culture and business operations to ensure systematic, efficient,

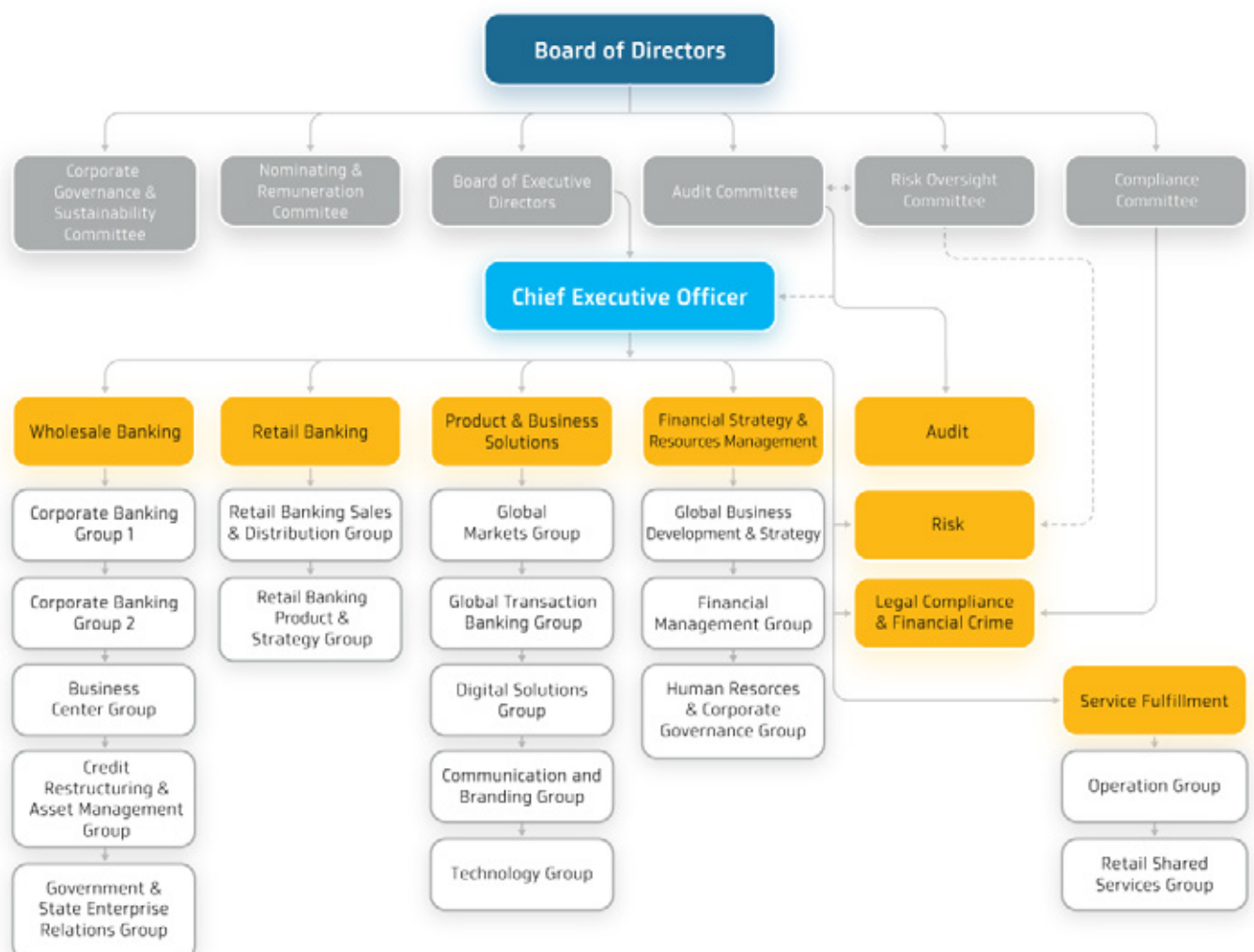
transparent, and trustworthy management. The Board of Directors, executives, and employees of all levels are encouraged to strictly adhere to the good corporate governance policy, in accordance with the CARPETS principles of corporate governance. This commitment fosters a positive culture and elevates the Bank's business governance standards to meet international benchmarks.



## Organization Structure

The Bank's Board of Directors plays a pivotal role in supervising the management of directors and executives, ensuring their adherence to responsibility, diligence, honesty, and strict compliance with relevant laws and regulations. They oversee the Bank's business operations to ensure alignment with the Bank's objectives and regulations, determining the vision, mission, purpose, and 2023 Target for business operations, which are reviewed annually. Moreover, they ensure compliance with market conduct, appropriate risk management processes. The Charter of the Board of Directors mandates an annual review of its duties and responsibilities.\*

\*This mandate has been in effect since November 21, 2018. The Charter has been amended 3 times in 2019, 2021, and 2023.



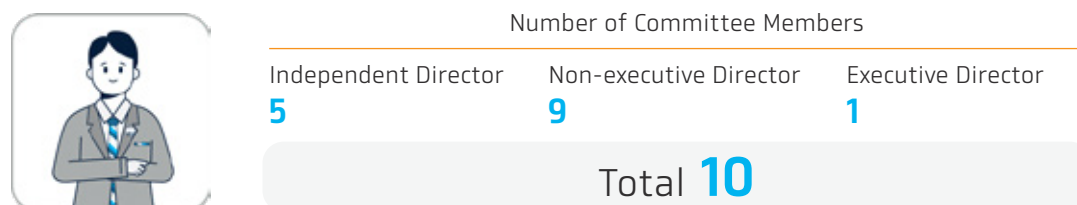
The Bank's Board of Directors comprises individuals who have undergone a selection process by the Nomination and Remuneration Committee, in compliance with law and good corporate governance principles. During the director selection process, the individuals are sourced from reputable sources, including the Director Pool database, which helps with identifying individuals with expertise aligned with the skill matrix which specifies the competency required for the execution of the Bank's mission, strategy, and sustainable development plan. As a result, the Board of Directors comprises individuals with qualifications, skills, abilities, and experiences that are advantageous to the Bank's future endeavors. They are empowered to make decisions freely, without discrimination or the use of personal differences such as gender, race, nationality, or religion as limiting factors.

As of December 31, 2023, the Bank has a total of 10 directors, comprising 5 independent directors, 9 non-executive directors, and 1 executive director. The number of independent directors, constituting 50% of all directors, exceeds that required by the Securities and Exchange Commission (SEC), which mandates at least 1 in 3 directors to be independent. Mr. Lavaron Sangsnit serves as the Chairman of the Board of Directors, holding a non-executive director position, while Mr. Payong Srivanich is the Executive Director. The roles of the Chairman of the Board of Directors and Executive Director are distinctly separated. A robust management and oversight system is in place to ensure transparency, independence, and the absence of conflicts of interest in the Bank's operations. This system aims to optimize efficiency while prioritizing the interests of all stakeholders.

List of Directors	Board of Directors	Independent Director	Non-executive Director	Executive Director	Male	Female	Work Experience in Relevant Business Sectors *	Years of Being Director
1. Mr. Lavaron Sangsnit	✓		✓		✓		✓	3 years
2. Mr. Krairit Euchukanonchai	✓		✓		✓		✓	8 years 2 months
3. Mr. Vichai Assarasakorn	✓	✓	✓		✓		✓	6 years 1 month
4. Mr. Thanwa Laohasiriwong	✓	✓	✓		✓		✓	7 years 11 months
5. Prof. Dr. Kittipong Kittayarak	✓		✓		✓		✓	9 years 5 months
6. Mr. Teerapong Wongsiwawila	✓	✓	✓		✓		✓	3 years
7. Ms. Jiraphon Kawswat	✓	✓	✓			✓	✓	1 year 2 months
8. Mr. Attapol Attaworadej	✓		✓		✓		✓	8 months
9. Mr. Virasak Sutanthavibul	✓	✓	✓		✓		✓	8 months
10. Mr. Payong Srivanich	✓			✓	✓		✓	7 years 1 month
<b>Total (person)</b>	<b>10</b>	<b>5</b>	<b>9</b>	<b>1</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>Average 4.71 years</b>
<b>%</b>	<b>100</b>	<b>50</b>	<b>90</b>	<b>10</b>	<b>90</b>	<b>10</b>	<b>100</b>	

\* According to GICS Level 1 classification, related business sectors include banking, financial services, and insurance.

## Types of Committees



The Bank's Board of Directors has established subcommittees at the oversight level, including the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Governance and Sustainability Committee, Risk Oversight Committee, Compliance Committee, and Independent Committee. These subcommittees support the Board of Directors in exploring and scrutinizing matters as necessary, closely supervise operations in their respective areas, and effectively oversee and track the Bank's operations, in accordance with policies and strategies consistent with legal requirements and good corporate governance principles. They report findings and recommendations to the Directors, enabling the Board of Directors to monitor and supervise operations promptly.

## Management of Impact

The Bank has established a clear policy based on good corporate governance principles that guides its actions in accordance with roles and responsibilities outlined in the Bank's plans and activities, as well as activities with other organization, public sector, and communities to advance sound business management with a focus on the economy, society, and the environment in order to achieve organizational sustainability. The Board of Directors has delegated authority to the Corporate Governance and Sustainability Committee, which is comprised of all Bank Directors, to act as the primary steward. This committee oversees developing operational policies and guidelines, evaluating, and scrutinizing the sustainability budget and related issues for submission to the Board of Directors, as well as supervising and monitoring sustainability operations. The impact management process is a continuous mechanism for evaluating sustainability material issues in collaboration with stakeholders throughout the value chain. Through this process, impacts affecting the organization, society, and the environment are identified. The Bank then prepares guidelines for mitigation and drive initiatives to improve or address these issues. By integrating sustainability into its business strategies and 2023 target, the Bank ensures continuous growth while also contributing to the stability of the Thai economy.

To maximize efficiency of sustainability operations, the Bank promotes sustainability knowledge among employees of all levels, including senior executives. Training and communication on corporate governance, environmental, and social issues include:

Training	Objectives
<b>ESG Training for KTB Sustainability Management Committee</b>	This course is designed for the Sustainability Management Committee and representatives from targeted business units. Its key topics include Sustainability in Action: Managing ESG for the Financial Sector, ESG Strategy and Materiality, Climate Agenda and Management Sustainable Finance, and New Era of Sustainability Disclosure.
<b>International CSR &amp; Sustainability Summit</b>	To enable organizations to develop strategies that prioritize sustainability and emphasize both economic growth and responsible social and environmental practices, thereby driving the business towards sustainability.
<b>Driving the Organization Towards Sustainability</b>	To explore sustainability knowledge and guidelines to raise awareness and understanding throughout the organization, in accordance with the Bank's strategy of laying the structural foundation for sustainable growth and driving business according to ESG guidelines, ensuring understanding among all stakeholder groups.

Training	Objectives
<b>Energy Transition &amp; Climate Change Management (ETC)</b>	To enhance the knowledge, comprehension, and abilities of those involved in energy policy and national development plans in all aspects, with the goal of preparing for adaptation and strategy development in response to the global transition of energy regulations. This effort also includes encouraging exchanges of ideas between the public and private sectors to boost the country's competitiveness and organizational strength while cultivating positive relationships among participants.
<b>Executive Briefing: Sustainability &amp; Risks Impacts</b>	To explore the trend of sustainable practices that include people, the environment, and profit, which have become regulatory requirements for business operations. Failure to comply with these regulations may result in serious consequences. Therefore, effective sustainability risk management is critical for sustainable businesses.
<b>ESG Risk Management Framework for Thai Organizations</b>	To comprehend the definition of ESG (Environmental, Social, and Governance) and associated sustainability practices, as well as the principles of Enterprise Risk Management (ERM), Governance, Risk, and Compliance (GRC), and the operational principles of risk management's 5 elements. This includes understanding ESG risks related to ESG disclosure and their impacts on financial reports. Sustainable business operations entail addressing environmental, social, and governance aspects to meet stakeholders' expectations.

See additional details about corporate governance in 56-1 One Report.

## Anti-corruption

The Bank values responsible business practices, transparency, and compliance with applicable laws and regulations, and it has a zero-tolerance policy towards all forms of corruption. The Bank has implemented a policy against receiving and giving bribes and corruption, which serves as a guiding principle for all employees of the Bank, affiliated companies, and individuals with business ties to the Bank or acting on its behalf. The policy is integral to the Bank's Code of Conduct and the Supplier Code of Conduct, both of which have been integrated into its operational framework. The Bank strictly prohibits involvement in the receipt or provision of bribes and corruption, whether directly or indirectly. This includes compliance with anti-bribery and corruption laws in Thailand and all other countries where the Bank operates. The Bank adheres to regulations such as the Organic Act on the Prevention and Suppression of Corruption, B.E. 2561 (2018), and the guidelines outlined by the National Anti-Corruption Commission (NACC) regarding appropriate internal control measures for legal entities in preventing the granting of assets or other benefits to government officials. Additionally, it abides by the announcement of criteria for receiving property or any other benefits through the ethics of government officials and conducts business with social responsibility, based on transparency and strict compliance with laws and regulations.

Money laundering is indeed another form of corruption that poses significant risks. Criminals often utilize financial institutions to launder illicit funds, thereby posing serious threats to the economic system, society, and national security. The Bank has established an anti-money laundering policy to prevent the issues and prohibits any financial support that may contribute to terrorism or the proliferation of weapons of mass destruction. This critical issue has global implications, necessitating cooperation to develop solutions that can break the cycle of criminal activity and prevent it from being used as a channel for money laundering. The Bank's policy encompasses the significance and implementation of laws pertaining to Anti-Money Laundering (AML) and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (CTPF) under the guidance of the Financial Action Task Force (FATF), an international organization. The AML/CTF measures are based on the Forty Recommendations of FATF, which serve as guiding principles for countries enacting national laws.



The Bank has been recertified as a member of [Collective Action Against Corruption \(CAC\)](#) for the third consecutive time.



The Bank has established core AML/CTPF requirements and procedures, such as the following:

- Conducting internal self-assessments for the risk of money laundering, terrorism financing, and weapons of mass destruction and developing strategies for preventing and mitigating AML/CTPF risk
- Checking the sanction lists to identify individuals at risk
- Performing Know Your Customer (KYC) checks
- Conducting Customer Due Diligence (CDD) to verify customer information
- Identifying politically exposed persons (PEPs) as high-risk individuals
- Monitoring and tracking customer financial transactions
- Reporting suspicious transactions to relevant authorities
- Maintaining data records for customer verification purposes
- Suspend suspicious accounts in accordance with the Emergency Decree on Measures for the Prevention and Suppression of Technological Crimes B.E. 2566 (2023)
- Providing a channel for immediate account freeze in case of suspected fraud or victimization
- Participating in a Central Fraud Registry among banks to detect unusual financial activities
- Conducting independent internal audits of AML/CTF processes.
- Providing AML/CTF training for executives and employees, with regular reviews

## Guidelines for Preventing Corruption: Three Lines of Defense Framework

The Bank has formed a Three Lines of Defense working group to jointly develop stringent guidelines for preventing corruption within the organization. This includes reprocessing branch work, developing systems, and ensuring that all operational processes are compliant with current regulations. The measures are divided into 3 levels of implementation.



### 1. Operational Level

Raising awareness of the roles and responsibilities of employees and executives at all levels has been achieved through the “Retail Market Conduct Communication” project, as well as initiatives such as “Learn to Prevent,” and “Reduce Risks, Avoid Fraud.” These efforts are communicated through various channels, including work instructions, media, infographics, emails, and the ONE Krungthai app. Additionally, each branch conducts weekly huddle meetings to ensure that all employees are informed and cautious regarding corruption issues and policies. Control and review processes are implemented within departments, and “Lesson Learned” sessions were conducted to provide understanding from previous incidents where penalties were also enforced for individuals involved in corrupt activities.



### 2. Process/Operational Regulations Level

The Bank has reviewed its operational regulations to ensure they are in line with changing economic, social, environmental, and financial technology conditions. This ensures that regulations and solutions are tailored to the specific operational environment.



### 3. System Operation Level

The Bank has continually enhanced and refined its systems by collaborating with relevant agencies to comprehend and address potential risks. These proactive measures aim to safeguard the system against fraud, including practices such as implementing bi-monthly password changes and utilizing OTP authentication instead of traditional codes.

Additionally, the Bank has adopted digital technology to address challenges and strategize risk management in alignment with its fraud prevention system. This includes leveraging Robotic Process Automation (RPA) technology to scrutinize branch transactions and identify potentially fraudulent activities.

## Developing an Anti-Corruption Culture

The Bank has instituted a zero-tolerance policy towards all forms of corruption through the implementation of the “Sustainable Krungthai” project. This initiative aims to foster a positive organizational culture among employees, promoting adherence to rules, regulations, standards, and laws governing various transactions, as stipulated by relevant regulatory agencies. Furthermore, the Bank has developed compliance risk management guidelines to identify and assess risks arising from impacts or changes in various events within the Bank’s business operations. These guidelines serve as a framework for supervising and managing risk compliance in a more efficient and effective manner. Additionally, the Bank has implemented a preventive action plan and a monitoring and testing plan, along with oversight of compliance in other crucial areas, to prevent or mitigate cases in which the Bank may fail to meet regulatory requirements. In 2023, the Bank assessed the risks associated with receiving and giving bribes, as well as corruption. Guidelines were established for evaluating these risks based on their underlying causes including:

1. **Buying convenience** involves offering bribes to speed up or streamline various services, thereby reducing processing time or steps. Associated risks could include:
  - Reduce processing steps, speed up the legal enforcement process, request copies, and copy documents from government agencies.
  - Offering money or benefits to Land Office officials to facilitate document searches or inspections.
  - Customers are forming close relationships with long-serving bank employees, hoping for preferential treatment in service delivery.
  - Customers providing various benefits to accelerate the credit limit setting process or loan disbursement, or to set or relax conditions in favor of the customers.
2. **Buying guilt** involves bribing individuals to avoid wrongdoing or turn wrongful actions into rightful ones. Associated risks could include:
  - Negotiating to keep evidence of guilt from investigation committees.
  - Contractors deliver substandard work in violation of the contract and terms of reference (TOR), then bribe inspection committees to ensure regular wage disbursement.
  - Delays in court proceedings or debt restructuring processes.
3. **Buying work** involves bribing to gain a competitive advantage or ensure selection as a contractor. Related risk issues involve:
  - Offering gifts or other compensation to persuade customers or their agencies to use the Bank’s products and services.
  - The customer offers money or other benefits in exchange for a higher property valuation than the market price.
  - Receiving additional advantages during the procurement process.
4. **Claiming benefits** involves bank employees demanding payments, which creates risks such as:
  - Requesting money for personal gain in exchange for disclosing data of the Bank’s customers to third parties.
  - Employees arranging loan collateral insurance with the insurance company that they get direct benefit from.
  - Employees seeking benefits to expedite debt restructuring approval and delay debtors’ legal proceedings.
  - Requesting financial or other benefits related to the procurement process.

The Bank has implemented all 4 types of controls to mitigate risks as follows:



### Operational Control

consists of Standard Operating Procedures (SOPs), guidelines, circulars, or work procedures aimed at reducing or preventing risks.



### Financial Control

refers to the implementation of risk-mitigation measures related to finance.



### Environmental Control

includes measures to manage various environmental factors.



### Monitoring Control

includes measures pertaining to internal auditing, monitoring results, and/or random auditing.

The Bank has organized a roadshow to disseminate knowledge about newly announced regulations and correct practices, such as the Personal Data Protection Act B.E. 2562 (2019), password protection techniques, tools for detecting suspicious transactions, and the Emergency Decree on Measures for the Prevention and Suppression of Technological Crime, B.E. 2566 (2023). This decree criminalizes mule account owners and individuals engaged in the acquisition of mule accounts, empowering financial institutions to suspend transactions and freeze accounts promptly to mitigate immediate losses. Additionally, the Bank utilizes a system for exchanging fraud information between banks, known as the Central Fraud Registry, with support from the Ministry of Digital Economy and Society and the Bank of Thailand. This initiative aims to facilitate the exchange of information on suspicious and mule accounts between banks to prevent potential damage.

The Bank has developed various media and disseminated them via emails and ONE Krungthai application. Examples include, Market Conduct scoop, Extra Mission activity in which employees can learn about disciplinary actions and serious disciplinary misconduct as well as signing the acknowledgment of the discipline in ONE Krungthai application, and “Learn to Prevent” column which serves as guidelines for all Krungthai employees to observe market conduct.

The training emphasizes employee discipline, including a review of the disciplinary process and the consideration of appropriate punishments in accordance with current regulations. These measures are implemented to ensure that employees carry out their duties correctly and mitigate risks that may arise from operations. Additionally, training courses are constantly organized to address corruption, risk management, and corporate governance for employees.

In 2023, the Bank organized a total of 78 training courses for employees, covering content such as:

- Third-party risk management
- Auditing guidelines, for example, general IT controls and controls related to Digital ID
- Fraud audit and ethical audit
- Improving the efficiency of internal audit processes, disciplinary action consideration, and appeal process
- Knowledge, comprehension, and investigation of financial crimes, as well as financial and banking investigations
- Preventing errors and misconduct from third parties, as well as preventing the receipt of assets or other benefits that could be considered corruption
- Preparing a report on the results of the readiness assessment for providing digital identity verification and authentication services
- Internal assessment of information security management systems and basic information security for internal auditors
- Internal IT security management system audit and basic IT security for internal auditors
- Implementing your sustainable business risk management strategy (Fundamentals of responsible banking : M3)
- The Emergency Decree on Measures for the Prevention and Suppression of Technological Crimes, B.E. 2566 (2023) and best practices
- COSO and COSO ERM integrated internal control frameworks for internal auditors
- Information security risk management according to ISO/IEC 27005
- Policy guidelines for dealing with financial transaction fraud
- Risk management for modern financial institutions
- Good digital technology governance with COBIT and audit guidelines according to COBI standard procedures
- Commercial banking compliance officer
- Counter-terrorism and proliferation of weapon of mass destruction financing (AML/CTPF)
- PDPA for internal audit

Moreover, the Bank has assigned a legal and compliance team to provide advice, answer inquiries, and communicate rules, policies, and regulations to employees in the organization, as well as evaluating their understanding to ensure that they can appropriately apply the Code of Conduct. Individual employees are also assessed using standard indicators, which may affect their compensation, depending on the severity of each case. Employees who engage in a violation of the Code of Conduct or law will face disciplinary action in accordance with the regulations. Salary reductions, suspension of salary increases, and salary cuts are among the 6 compensation-related disciplinary measures.

In 2023, there were 8 cases where the employees who committed fraud were expelled. These cases involve embezzlement, false transfers, and illegal withdrawals, which are common forms of corruption that are detected each year. When an employee is found to have violated the Code of Ethics or the Code of Conduct, the Bank will initiate an investigation to verify facts and determine appropriate punishment. The Bank will also investigate to find the root cause of the violation and find ways to prevent similar offenses from occurring in the future. The information obtained from the investigation will be used to make improvements and resolve issues causing the risk.

## Types of Corruption and Number of Cases in 2023



The Bank has a Whistleblower Policy, in place. It allows all stakeholders to report any suspected wrongdoings of directors, executives, and employees of the Bank as well as the affiliated companies'. This includes fraudulent or illegal activity, as well as violations of the Bank or regulatory agency policies. There are multiple channels for reporting wrongdoings.

## Channels for Reporting Suspected Wrongdoings



### Chairman of the Board of Directors:

Email: [whistletruth@krungthai.com](mailto:whistletruth@krungthai.com)



### Whistle Blowing Team:

[whistle@krungthai.com](mailto:whistle@krungthai.com)



### Telephone:

0-2208-4120

(Monday to Friday from 08.00-17.00)



### Letter:

Whistle Blowing Team, CEO Office

Krungthai Bank PCL

35 Sukhumvit Road, Klong Toey Nua Subdistrict,

Wattana District Bangkok 10110



### Fax:

02-256-8778

Furthermore, employees can report their suspicions or make suggestions to the Board of Directors and executives via the following channels:



**Email:**

Hr\_hotline@krungthai.com



**Hotline Number:**

02-208-8887



**Email:**

hr.care@krungthai.com, which is overseen by the Head of Human Resources and Corporate Governance Group, the Head of Welfare & Employee Relation Sector, and the Head of Discipline and Employee Relation Department.



**ONE Krungthai Application**

Go to “Complaint” menu in the application.

If a case is considered complex, the relevant teams will forward the matters to Internal Audit Group for immediate investigation, then to the Discipline and Employee Relation Department for consideration of disciplinary actions.



# Risk and Crisis Management

Economic fluctuations, social dynamics, advanced technology, and environmental crises are all interconnected and have a significant impact on an organization's direction. Therefore, the Bank prioritizes risk assessment and management in order to prevent risks that may have an impact on the Bank while also exploring opportunities to serve customers in a stable and socially responsible manner.



## Target

**100%** of employees and senior executives received basic risk management training.



## Performance

**100%** of employees and senior executives received basic risk management training.

## Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

The Bank has implemented comprehensive risk management across the organization by integrating processes into strategic plans and adhering to set standards for controlling, monitoring, and reporting risks. This ensures that operations are consistently aligned and that the Bank is prepared to prevent and adapt to various risks, or mitigate them to an acceptable level. The Bank places importance on cyber security risk management and online transactions to prevent such issues from causing business disruptions and slowing down the development of digital technology. Furthermore, the Bank has incorporated environmental and social considerations into the evaluation of loans and investments to mitigate indirect impacts stemming from its business operations. This aligns with the trend towards sustainable finance, ensuring that the Bank can allocate funds to facilitate the transition and generate maximum benefits for Thai society.

Effective risk management enhances business opportunities. The Bank takes into account the adequacy of the risk

management system and its effectiveness. Regular reviews are conducted to assess appropriateness, evaluating both internal and external factors, by relevant committees. At the same time, the Bank aims to create a risk management culture within the organization so that its risk management system is in line with good international practices.

## Policy and Management

Risk management and control are the Bank's primary priorities. The Bank has clearly defined a risk management framework, organizational risk management policy and guideline manuals for enterprise risk management in accordance with the requirements of the Bank of Thailand (BOT), the Committee of Sponsoring Organizations of the Treadway Commission (COSO) direction, COSO ERM Risk Management Framework and risks arising from the significant activities of the Bank.

In addition to the main enterprise policy management, the Bank has established specific risk management policies correspond to comprehensive risk management, including:



Strategic Risk Management Policy



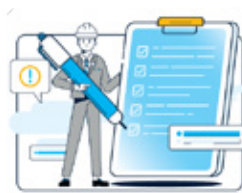
Credit Risk Management Policy



Market Risk Management Policy



Liquidity Risk Management Policy



Operational Risk Management Policy

The Bank places importance on environmental, social, and governance factors (ESG) and climate change. Such factors have been integrated into the Bank's credit risk management and credit portfolio assessment processes, as well as evaluating and finding ways to manage emerging risks in order to build readiness to cope with changes that may occur in the future. The Bank has incorporated risk management processes into its annual business plan to ensure consistency in risk management across all organizational dimensions. This integration encompasses establishing measures to control, monitor, and report risks to prevent, control, or mitigate risks to an acceptable level within the internal and external environments impacting the Bank during each period. The adequacy of the risk management system is regularly reviewed by relevant committees, concurrently with fostering of a risk management culture within the organization to align with international best practices. This preparation ensures the organization's readiness to prevent and adapt to risks while also effectively seeking business opportunities from such risks.

Furthermore, the Bank's risk management includes stress testing for financial risks to ensure capital adequacy both in normal and crisis situations. The risk appetite or risk tolerance, along with a risk matrix, assesses the likelihood of risks and their key consequences. Key Risk Indicators (KRIs) and risk mitigation measures are also implemented, in addition to system monitoring and evaluation. The risk dashboard is regularly presented to the Risk Oversight Committee to ensure that risks are managed and maintain within acceptable levels. Internal in-process investigations are carried out to ensure accountability. In addition, the Bank regularly reviews risk factors once a year and considers emergency risk factors throughout the year, particularly during political crises and international conflicts. This ensures timely risk management, control, monitoring, and reporting, reducing potential business impacts on the Bank.

### The COSO Internal Control Guidelines

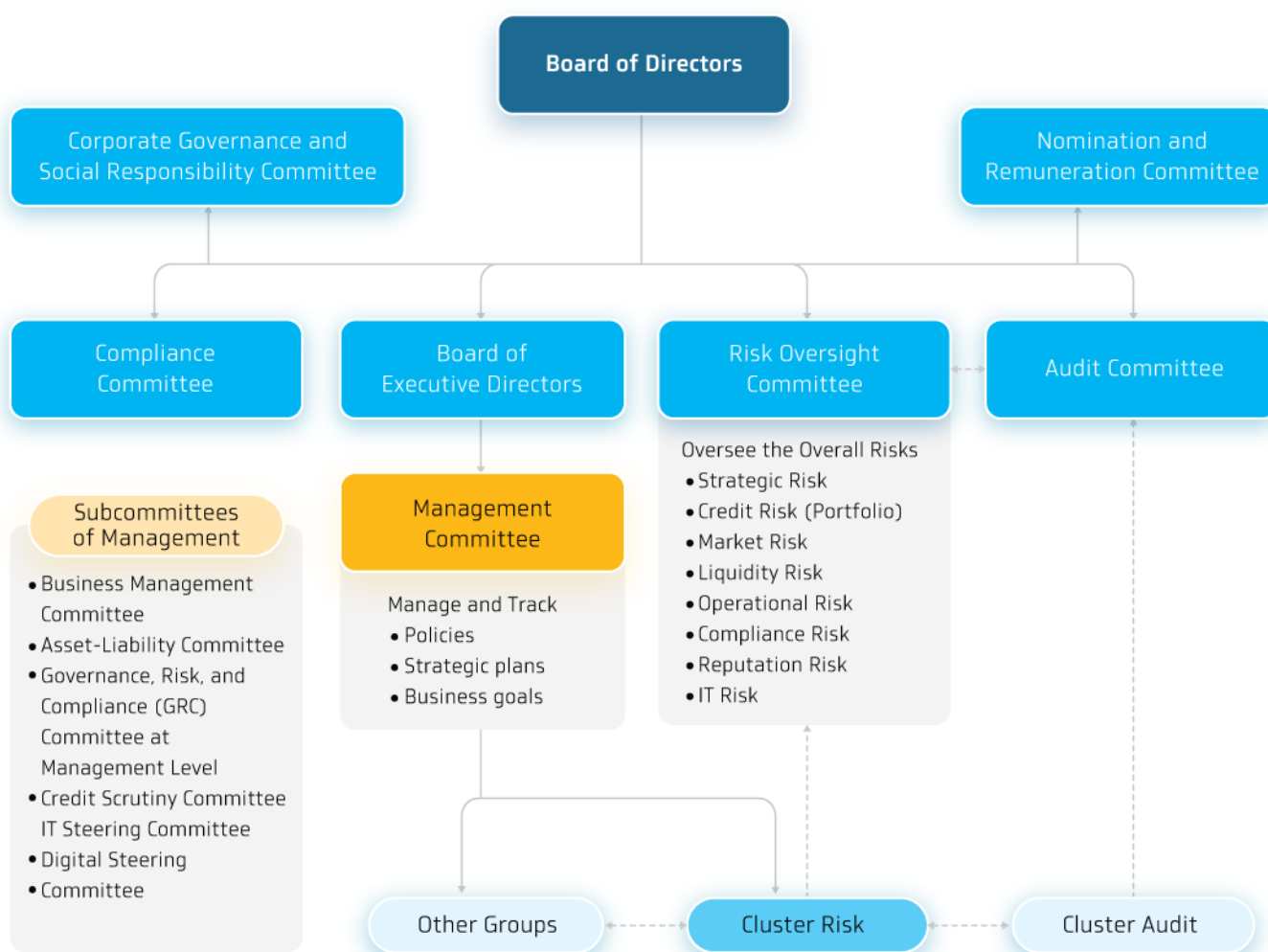


## Risk Management Governance Structure

The Bank has developed an organizational structure and implemented effective risk management in accordance with principles of good corporate governance. Cluster Risk reports to the Risk Oversight Committee to ensure its independence. Also, the Cluster Risk reports the performance details of the Bank's risk management governance to both the Management Committee and Audit Committee.

Roles and responsibilities for each business unit are clearly defined. The Bank's risk management governance structure comprises high-level committees which are sub-committees of the Board of Directors. These committees include the Board of Executive Directors, Risk Oversight Committee, Compliance Committee, and Audit Committee. Additionally, management-level committees, consisting of the CEO and Senior Executives, are tasked with managing and monitoring risks. These management-level committees include the Management Committee, Asset and Liability Management Committee, Governance, Risk, and Compliance Committee-Management Level, and Credit Scrutiny Committee, etc.

An overview of the Bank's risk management governance structure is provided below:



Mr. Ekachai Techawiriyakul, Chief Risk Officer, is primarily responsible for overseeing risk management in accordance with the Bank's policies and strategies. His responsibilities include managing capital, liquidity, and various risks to ensure they remain within the Bank's acceptable risk level. Monthly reports on risk status, management effectiveness, and compliance with organizational culture are submitted to the Risk Oversight Committee, while quarterly reports are presented to the Bank's Board of Directors.

Mr. Panabhand Hankijjakul, the Chief Audit Officer, is primarily responsible for monitoring and reviewing the performance of strategic, credit, market, liquidity, and operational risk management. Performance reports are submitted to the Audit Committee, a board-level subcommittee. It is a requirement that the individual in this role must not simultaneously hold the CEO position. Additionally, the risk management unit must maintain structural independence from business-related Groups.

In 2023, the Bank continuously managed risks by considering Environmental, Social, and Governance factors (ESG Risk). The ESG Risk Task Force prioritizes both existing and emerging ESG risks, ensuring alignment with the prevailing economic context. Monthly reports are submitted to the Chief Risk Officer, while regular updates are provided to the Risk Oversight Committee and Management Committee. The ESG Risk Task Force also identifies risk management approaches to mitigate the impact of foreseeable risks.

## Developing a Risk Culture

The Bank prioritizes cultivating organizational culture and risk management throughout the organization by dividing risk management duties and responsibilities into Three Lines of Defense, which include the following: the First Line of Defense comprises leaders and all employees working collaboratively to monitor and uphold organizational integrity, honesty, and efficient work processes that generate value while adhering to the Code of Ethics. The Second Line of Defense includes the regulatory and legal risk management unit, while the Third Line of Defense comprises internal and external audit units.

The Bank has formed a Compliance Committee and an Audit Committee to provide additional oversight, enhancing trust and rigor. Within the supervision framework, the Risk Oversight Committee (ROC) is critical in driving risk management and governing risks to ensure compliance with policies and acceptable risk levels. This is achieved by adhering to international risk management frameworks such as COSO and Prudential Banking guidelines, which is reflected in the organizational structure.

Furthermore, to foster a positive work environment and communication among all levels of employees, the Bank has developed a risk culture, which is summarized as follows:

1. Establish a clear Risk Policy Management and Framework.
2. Delegate authority to approve risk limits for acceptable risk levels and define the level of risk that can be tolerated.
3. Create an environment that promotes clear risk management by fostering a risk culture and communicating with employees of all levels through action plans. The details are as follows:
  - 3.1. Declare intent and follow guidelines based on the 5 core values, which take into consideration appropriate risk management and internal control procedures.
  - 3.2. Promote the moral identity of 5 core values through activities and programs designed to instill a risk culture throughout the organization. These initiatives aim to raise awareness and understanding of appropriate behavior while encouraging participation from all levels, from bank directors to every employee.
  - 3.3. Assign a committee to oversee risk management. This subcommittee is responsible for driving and supervising risk management efforts to ensure compliance with policy and adherence to the Bank's acceptable risk level.
  - 3.4. Establish the Sustainable Krungthai Initiative to increase transparency in business operations. This initiative includes adhering to the Code of Conduct, fostering a zero-tolerance culture for corruption, and enforcing anti-bribery and corruption policies that are verifiable and free of conflicts of interest.
  - 3.5. Offer a Whistleblowing Policy and establish a Governance, Risk, and Compliance Committee (GRC) at both management and operational levels to address reported incidents and ensure their effective and speedy resolution. These measures underscore a dedication to risk supervision and enhance credibility.
4. Provide robust tools to facilitate effective risk management and conduct periodic testing of risk assessment tools to verify the accuracy of risk assessments.
5. Conduct stress tests to ensure that the Bank maintains sufficient capital to withstand both normal and crisis situations.
6. Implement a system to monitor risks and report them through the Risk Dashboard on a monthly basis to the relevant committees, ensuring that risks are managed to be within the acceptable level.
7. Incorporate Key Risk Indicators into performance evaluations and employee compensation to raise awareness about risks among executives and employees of all levels and prevent potential risks.
8. Integrate risk criteria into the product development or approval processes to ensure compliance with the Bank's policies and strategic plans.
9. Prioritize risk management training across the organization to enhance the knowledge and understanding of employees and executives within business units under the Risk Management Group.





## Emerging Risk

The Bank conducts regular risk assessments to identify risks to its business or its group, including both current and emerging risks anticipated over the next 3-5 years. These assessments evaluate the potential impact of these risks, which could impede the business's ability to achieve its objectives. Furthermore, the Bank has established mitigation standards to prevent and minimize impacts on both the Bank's business operations and its customers.

### Transition Risk

The issues and impacts of climate change are currently worsening, as evidenced by extreme events such as heatwaves, rainstorms, floods, droughts, and wildfires that are more severe and frequent than in the past. Countries around the world, including Thailand, have agreed to establish directions, goals, and criteria aimed at limiting the global temperature rise to no more than 1.5 degrees Celsius compared to pre-Industrial Revolution levels. These changes may prompt shifts in laws, regulations, and consumer preferences. The Bank must adapt to effectively navigate and manage the risks associated with the transition to a low-carbon society, including:

- Risks associated with changes in laws or regulations, such as the Emission Trading Scheme (ETS) and the European Union's Carbon Border Adjustment Mechanism (CBAM) are expected to impact various industries, including cement, electricity, fertilizer, iron and steel, aluminium, and hydrogen. Additional risks within the industrial sector, particularly under the EU Emissions Trading System (EU ETS), as well as potential adjustments affecting other sectors, such as basic organic substances for plastics and polymers, should also be considered. Furthermore, there is the possibility of implementing measures such as a Polluter Import Fee on U.S. polluters and a carbon tax on the energy, transportation, and industrial sectors. Thailand is currently in the process of developing a carbon tax structure.
- Risks arising from shifts in customer behaviour and investment policies driven by growing interest in environmentally friendly products and services, including Green and Sustainable Finance. At the same time, investors are recognizing the potential impacts of climate change on future business financial losses.



### Impacts

The risk of law or regulatory changes associated with the transition to a low-carbon society, coupled with changing customer behaviour, has the potential to significantly impact the business operations of both the Bank and its customers.

- The Bank's customers are facing increasing expenses due to regulatory and legal changes, including carbon emissions taxes, CBAM, and ETS. Large businesses are particularly affected due to their potential for emitting high levels of greenhouse gases that exceed the government's established minimum tax threshold. The Bank estimates that the sectors to be affected are cement, electricity, fertilizer, iron and steel, aluminium, and hydrogen, collectively representing 1-2% of the Bank's total loans. Increased costs in these industries may impact customers' ability to repay debt and influence investment decisions regarding expansion.
- In severe cases, the risks associated with the CBAM carbon emissions tax may affect customers in specific industrial sectors, influencing their business decisions. These decisions could involve reducing production capacity and employment, shifting to alternative export outlets, adjusting product prices to manage rising costs, and potentially impacting SMEs and retail customers. Such effects could have repercussions on liquidity and increase the risk of bad debt due to default.
- If the government implements carbon tax measures in 2024, the Bank may experience increased operating costs, potentially leading to a slight rise in expenses during the initial 5 years. Additionally, the Bank may face penalties imposed by financial institution regulators.



### Mitigation Measures

The Bank has conducted thorough studies, assessments, and implemented a risk management strategy integrating ESG risk evaluations to mitigate risks and facilitate the transition to a low-carbon society. Measures have been implemented to mitigate the impact on both operational processes and loan portfolio management.

- Assess climate risks through the Task Force on Climate-related Financial Disclosures (TCFD) to analyze potential impacts across diverse scenarios. This includes identifying opportunities and approaches for coping with climate-related risks.

- Establish strategies and guidelines to reduce greenhouse gas (GHG) emissions, including short- and long-term targets for Scope 1 and 2 emissions from the Bank's business operations and assets, as well as Scope 3 emissions associated with its customers' greenhouse gas emissions, all in line with the overarching goal of achieving net-zero greenhouse gas emissions.
- Enhance knowledge and understanding of ESG principles among relevant employees. This includes providing training on carbon credits and Scope 3 greenhouse gas emissions. Additionally, the Bank has developed e-learning modules covering 3 dimensions: ESG awareness, ESG knowledge, and ESG activities.
- Establish an ESG working group and define an ESG Risk Infrastructure action plan to devise a transition plan that is in line with the guidelines of the Bank of Thailand (BOT) to help the business sector adapt and achieve concrete results. The Bank has an operational framework and strategies, as well as support plan for each industry according to the Thailand Taxonomy criteria.
- Develop and establish Responsible Lending Guidelines. Loan applicants are required to evaluate environmental, social, and governance impacts using an ESG Checklist. The Bank maintains an Exclusion List, which outlines loan applicants or activities not supported by the Bank, and an Inclusion List, which identifies industries those in the Inclusion List are loans for energy conservation, loan for entrepreneurs with good corporate governance, loans that will create jobs, develop the quality of life, or have positive impact on the country's overall economy.
- The Bank consistently monitors market conditions and assesses risks associated with adjustments for affected customers. This evaluation occurs at regional, industry, and individual customer levels, enabling the consideration of appropriate corrective measures to aid customers in need.
- The Bank develops transition plans for customers within industries anticipated to be affected, as well as those within the supply chain, to facilitate their transition. Continuous monitoring of the impact is conducted so that the Bank can promptly minimize the proportion of affected industries in the Bank's portfolio.

### Risks Emerging from Sustainable Finance Landscape

As the business landscape shifts towards social and environmental awareness, financial institutions play an important role in addressing this challenge by allocating capital to businesses to facilitate their adaptation to the transition and further support Thailand's greenhouse gas emissions targets. At present, the allocation of funds for the transition falls significantly short of the demand, posing a challenge for the international community, including Thailand, to adjust in a timely manner. According to a report by the International Energy Agency (IEA), investments in such transitions represent only 30% of the demand. Other countries are making changes to policies and principles, as well as developing more sustainable finance products.

Sustainable finance in Thailand is still in its infancy, representing a very small proportion. Regulators are beginning to develop principles, criteria, and tools to promote the expansion of sustainable finance. Furthermore, investors prioritize conducting business with environmental, social, and governance (ESG) considerations in mind, emphasizing the importance of adapting to the transition. They expect banks to develop sustainable finance products to align with global standards, meeting both international requirements and customer demands.

Krungthai Bank is a state-owned commercial bank and a leading financial institution in the country, renowned for its high level of competitiveness in developing financial products and services. In addition to serving its customers, the Bank offers financial services to people across the country through its open digital platforms. With this extensive reach and influence, the Bank is expected to lead the development of sustainable financial products. This proactive approach ensures readiness to adopt new tools and practices as they emerge in the future.

The changes may have an impact on the Bank as follows:

- Developing sustainable financial products is crucial for meeting customer needs. Failure to do so in a timely or comprehensive manner may jeopardize the Bank's competitiveness.
- Definitions and criteria for considering ESG loans must be clear, appropriate, and based on credible principles that support and account for environmental, social, and human rights impacts. The Bank may face risks in determining the definitions and criteria for considering ESG loans due to the novelty and ongoing evolution of the issue. Currently, definitions and criteria for green activities are available only for the energy and transportation sectors (Ref: Thailand Taxonomy Phase I).
- The Bank may encounter difficulties in accurately identifying, evaluating, or monitoring customers' credit usage for green loan purposes. There are currently no mechanisms for suspending loans in the event that it is found that a loan no longer meets the criteria for green loans.



### Impacts

As Krungthai Bank is a state-owned commercial bank that prioritizes the development of products and services to meet the needs of not only its customers but also the general public that use the open digital platforms. Therefore, the Bank focuses on developing sustainable finance products to promptly and properly comply with relevant regulations.

The Bank's definitions and criteria must be reliable and aligned with international standards to ensure that funds are directed towards customers or projects with genuine environmental and social objectives. The Bank must also avoid unintentional greenwashing that could negatively impact the Bank's image and reputation. Furthermore, the Bank must comply with government-enforced criteria to avoid fines for negligence in financing to green activities and avoid missing opportunities to support projects or activities that genuinely have positive impacts on society and the environment.



### Mitigation Measures

The Bank explored international standards for sustainable finance product by employed new tools such as the Thailand Taxonomy and green loans criteria to respond to stakeholder expectations. The Bank has taken the following actions:

- The Bank has studied and developed various products and services tailored to meet the diverse needs of customers across all business sizes. These include ESG-linked derivatives catering to large businesses, loans aimed at enhancing production efficiency and reducing greenhouse gas emissions, and Krungthai Sustainability Loans designed for small and medium-sized enterprises (SMEs). Furthermore, the Bank has established a clear product and service development plan in alignment with the principles set by the Bank of Thailand. Currently, it is in the process of developing several products, such as Sustainability-Linked Loans and Green Loans, to support customers seeking funding for environmentally friendly and sustainable projects.
- Piloting products for funding, such as green deposits, green bonds, or derivatives to finance green loans.

The Bank is currently developing Green Loan and Green Financing Frameworks. External evaluators will review and certify these to ensure their compliance with international standards. The details are as follows:

- The Bank has a plan to develop a Green Loan Framework, which includes indicators that align with international standards, such as the Green Loan Principles of the Asia Pacific Loan Market Association (APLMA) and the Loan Market Association (LMA), and green transition activities according to the Thailand Taxonomy Framework, which will assist in defining the Criteria for industries or projects that the Bank will support with green loans. These criteria will help filter the intensity of business activities or projects and facilitating the phase-out or transition of certain activities. The Green Loan Framework must have main components: 1) use of fund, 2) process for project evaluation and selection, 3) management of funds, and 4) reporting to ensure clear green loan qualifications in order to support the Green Financing Framework.
- The Bank has a plan to develop a Green Financing Framework that will establish a clear structure and process for issuing products that meet international standards, such as such as the International Capital Market Association's Green Bond Principles. The Green Financing Framework consists of 4 main components: 1) the use of proceeds, 2) process for project evaluation and selection, 3) management of proceeds, and 4) reporting to ensure that depositors or investors have confidence in the Bank's commitment to a solid capital management process for green loans in accordance with standard criteria.

- The Bank has a plan to put forth a policy to reduce lending to specific industries (phase out) as a guideline for mitigating the impact of greenhouse gas emissions from specific sectors. The effort is intended to help the Bank meet its greenhouse gas emissions reduction targets.
- The Bank mandates verification from external agencies when granting green loans in accordance with the Green Loan Framework and Green Financing Framework. The Bank also acquires a second-party opinion to ensure that green loans meet specified criteria and are deemed appropriate.

### Central Bank Digital Currency Risk

The Bank of Thailand (BOT) is currently in the process of developing a Central Bank Digital Currency (CBDC) designed to be equivalent to the baht, maintain a stable value, and be legally used to repay debt. Initially, the BOT has planned for CBDCs to be distributed through financial institutions, but they will not accrue interest on CBDC deposits and will impose limits on holdings.

CBDCs may present various risks to the Bank, including:

- In the event of a significant increase in market demand for CBDC, there could be potential impacts on the adequacy of CBDC supply of both the Bank's and the market, as well as on Banks' liquidity for CBDC.
- The Bank has yet to estimate the costs of developing a system to support CBDC intermediation, access to the technology required, and managing the increased cybersecurity risks that may arise as a result of the use of digital currency.



#### Impacts on the Bank and Customers

Digital currency risks can cause crises that affect the Bank's finances as follows:

- In the event of CBDC liquidity crisis, the Bank may need to acquire additional funds and re-allocate them as CBDCs to avoid disruptions to its business operations. This could lead to increased cost of funds.
- Researching and developing a system to support CBDC intermediation incurs significant expenses. Nevertheless, the Bank must prioritize the timely development of such systems to retain CBDC and deposit customers.



#### Mitigation Measures

The Bank conducts comprehensive digital financial risk assessments to prevent risks and seek measures to mitigate the impact.

- The relevant departments within the Bank closely monitor the project's progress, assess its feasibility, and analyze its potential impacts on the Bank. They develop operational plans to address these changes, for example, exploring and acquiring technology to develop the Bank's system.
- The Bank has designated specific departments to monitor CBDC liquidity once it is used in the Thai financial system. It has established ceilings or indicators (triggers) to manage liquidity risk effectively, ensuring it remains at an acceptable level. Additionally, the Bank reports its liquidity position regularly.
- The Bank has added stress test scenarios to assess liquidity risk under stressful conditions and understand their potential impact. The Bank has developed measures to address scenarios where deposit mobilization may not reach the expected level. This includes the development of a liquidity contingency plan, aimed at managing crises and mitigating negative impacts from potential liquidity issues promptly and cost-effectively.
- The Bank is actively seeking partners to collaborate on jointly enhancing the capabilities to develop new technologies or business models.

## Geopolitical Risk

Geopolitical risks from the spread of wars in certain regions of the world, which are likely to intensify, affect the Bank's business operations in those regions. The Bank is unable to plan investments efficiently. In addition, demonstrations and protests may damage or cause delays in the Bank's operations.



### Impacts on the Bank and Customers

The Bank has branches in China, Singapore, Cambodia, Laos, Myanmar, and England. While these countries are not currently directly affected by geopolitical issues, escalating situations could disrupt the Bank's operations in regions where these challenges arise, and the Bank's assets may suffer damage from protests. Employees will be unable to work efficiently or carry out business as planned, resulting in decreased revenue and profits as well as potential losses due to the damage.



### Mitigation Measures

The Bank regularly monitors conditions, assesses risks, conducts ESG, and Human Rights Due Diligence. These measures can help the Bank address various risk factors and provide guidance to customers impacted by these changes.

## Polycrisis Risk

The various crises currently emerging have the potential to set off a chain reaction, posing challenges for the Bank to prepare for and adapt to. These include the climate change crisis, emerging epidemics, natural resource scarcity crises, political issues, and human rights violations.

These crises stimulate significant risks of rapid inflation and have wide-ranging impacts, leading to debt crises at all levels, including households, private organizations, financial institutions, and national public debt. The issues may arise from an inability to quickly adapt to the new economy, characterized by a dynamic economic model driven by innovation, technology, and creativity. This model prioritizes both social and environmental sustainability, as well as regional connectivity, which involves digital transformation or rapid changes resulting from driving the economy with digital technology. The economy in the new era is changing.



### Impacts

The Bank has been impacted by the crisis in various dimensions, affecting the quality of the Bank's customers both domestically and overseas. The customer groups are classified as follows:

- Corporate customers have been impacted by geopolitical crises, for example, the lack of income from exports to sanctioned countries has led to a lack of liquidity and the inability to repay debts to the Bank on time. Furthermore, import controls have resulted in higher raw material prices and lower profits, limiting the ability to repay debts to the Bank and the failure to promptly adapt to the new economy and regional connectivity, thereby deteriorating their ability to repay debts.
- Retail customers have been affected by the crisis of higher living costs, resulting in decreasing ability to repay debts.





## Mitigation Measures

These crises are difficult to predict and affect the entire world. Preparing for them in advance is necessary. The Bank prepares to deal with risks from multidimensional crises through a strict credit risk management process that is prudent, up-to-date, and in accordance with good governance. Details of the measures can be classified as follows:

- **Loan Approval:** The Bank strictly adheres to policies, guidelines, and credit approval authority, taking into account environmental factors, climate change, conducting business with respect for human rights, and relevance to current situations such as war, sanctions, and various rules and regulations that the Bank's customers are affected by.
- **Monitoring Loan Quality:** The Bank proactively manages credit quality by forecasting credit quality on a weekly basis and presenting it to the Management to consider guidelines for prevention before NPL occurs, such as proposing debt restructuring to suit debt repayment ability and providing advice to customers before a lack of liquidity shortage occurs.
- **Classification and Provisioning:** The Bank assesses and sets additional reserves for vulnerable customer groups and individuals showing signs of deteriorating credit quality. These measures receive monthly approval from the Override and Overlay Management Committee, ensuring the Bank maintains sufficient reserves to mitigate future risks effectively.
- **Regular Stress Testing:** To evaluate potential risks, the Bank considers all significant risk factors, including environmental, social, and governance factors, to manage capital funds appropriately under normal economic conditions and during severe changes in the economic environment.
- **The Bank cooperates with all groups of business partners, both public and private agencies, through "Total Solutions"** to develop products and services that encompass all aspects of customers' lives, meeting their needs comprehensively and directly.
- **The Bank continues to monitor emerging challenges and adjusts assessment guidelines to align with the changing global context, encompassing the new economy and regional connectivity.** This enables the Bank to assess and evaluate potential impacts resulting from changes in societal behavior and structures.

## Development in Digital Innovation and Technology

Krungthai Bank is one of the leading digital providers, with over 40 million users of the 'Paotang' application. This application serves as Thailand's Open Digital Platform, offering beyond banking services that meet various customer needs and support the country's economic policies and plans.

Leveraging digital and data to drive efficiency is one of the Bank's strategic focuses. It is committed to advancing digital innovation and technology to develop its financial products and services, ensuring security, accuracy, and modernity. The Bank also aims to provide a platform that enables easy access to digital services to Thai people. This platform serves as a crucial tool to connect services, particularly the services within the 5 ecosystems, which are the Bank's main target groups, including government agencies, payment, healthcare, educational institutions, and transportation systems. Furthermore, the Bank has focused on leveraging technology to improve and digitize work processes by incorporating more Robotic Process Automation (RPA) and AI technology into its operations. The Bank also utilizes data analytics to further enhance and expand products and services.

### Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

The development of digital innovation and technology not only provides a higher level of convenience to customers and employees but also enhances the security and stability of the digital platforms. It enhances access to financial products and services, supports the Bank's business operations, reduces human error, increases transparency and accountability, and reduces resource usage through the implementation of innovation and technologies. Although these improvements help build credibility and attract investors, rapid development of innovation and technology in a short period of time might lead to limited capabilities, which could potentially lead to system errors, the risk of financial data breach, or customers being deceived due to their limited digital literacy. Moreover, these innovation and technologies may prevent certain groups of people from accessing services, such as the elderly, those with disabilities, and those located in areas with limited internet signal.

### Policy and Management

Krungthai Bank prioritizes providing access to and facilitating the use of innovation and technology for all groups of people. This is accomplished by leveraging digital and data to drive efficiency. The Bank is committed to enhancing innovation and technology, particularly through the development of

a national digital platform that goes beyond banking. The purpose is to provide digital service platforms for the 5 Ecosystems, which include government agencies, payment, healthcare, educational institutions, and transportation systems, enabling them to link data and develop services efficiently without the need to invest in digital technology themselves. The development of digital platforms through the main application enhances accessibility to services and knowledge. This also helps improve service efficiency and reduce costs. Such enhancements cater to the diverse needs of people of all ages. Furthermore, the integration of services from all 5 ecosystems into a single application streamlines data management and risk mitigation for various entities, including the Bank. Plus, one-stop applications like Paotang and Krungthai BUSINESS eliminate the need for individuals to juggle multiple applications, simplifying processes and reducing complexity.

The Bank's innovation and technology development process is based on surveys of customer needs and pain points of customers and target groups, along with thorough market research, to comprehend and chart development directions. This approach guarantees the development of products tailored to genuine needs of users. The Bank has also leveraged AI and big data to analyze and develop innovations.

The main objective of developing applications and innovations is to develop an innovation that enables customers to have easier and more convenient access to services, a superior user experience exceeding their expectation, and services that meet the needs of each customer sector. Moreover, the Bank places emphasis on implementing measures to mitigate potential risks and errors. It consistently monitors and enhances its services, particularly during the initial launch of a system and during peak usage times when there is a need to support a high number of users.

Recognizing the significance of developing employees' digital literacy, the Bank focuses on equipping them with knowledge and training. Additionally, to foster digital innovation champions, the 'Krungthai Hackathon' project was initiated. This project is aimed at discovering novel concepts and unlocking digital capabilities.

In 2023, the Bank collaborated with government and private sector agencies to develop innovative solutions aimed at connecting services, enhancing convenience, and improving access to online financial products and services. The goal is to bolster competitiveness of various industries, stimulate economic growth, and contribute to efforts towards achieving a low-carbon society. These initiatives are aligned with the 5 target ecosystems, including government agencies, payment, healthcare, educational institutions, and transportation systems.



**Government Agencies**



**Payment**



**Healthcare**



**Educational Institutions**



**Transportation Systems**

## Targets

- Expand financial services to all demographic groups comprehensively and inclusively.
- Facilitate seamless connections and service provision between government agencies and the public.
- Ensure transparent inspection of business operations at every stage to maintain integrity and prevent corruption.

## Performance

### Innovations Supporting Government Operations

Krungthai Bank has bolstered government operations by expanding its capacity to support the public and facilitate the rapid and convenient use of government services. The system is seamlessly integrated with the government databases, thereby reducing document preparation steps when using government services or contacting government agencies via the digital platforms. This allows them to save time and costs. Furthermore, the development of digital technology for government agencies can help increase operational efficiency, streamline work processes, and improving speed, accuracy, and transparency, all of which contribute to reducing the potential for corruption.

#### Examples of Developed Digital Platforms:



#### Electronic Complaint Filing System (e-Filing)

This platform increases the number of channels for filing complaints and improve accessibility to the justice.

Click to login to the e-Filing system.



#### Customs Trader Portal

The online registration system facilitates the registration of importers and importers as well as customs broker renewal for juristic persons that have registered with the Department of Business Development and uses electronic identity verification (e-KYC). This is an upgrade to the Customs Trader Portal that enables importers, exporters, and customs clearance operators to register, renew, or adjust details in their licenses conveniently and quickly. Documents validity and the juristic person information can be verified without the physical registration certificate. This saves time and money, reduces document preparation steps, and ensures better personal data security.



#### e-GP Transformation for Thailand's Future

The project is aimed at enhancing efficiency in government procurement processes by leveraging blockchain technology and smart contracts, to increase transparency and safety of the storage of bidding data, ultimately improving system efficiency and security.



#### VAT Refund for Tourist (VRT App)

This initiative is aimed at enhancing merchant flexibility, eliminating the issuance of tax refund documents, and minimizing errors in tax invoices. It enables tourists' purchase data to be transmitted directly to the Revenue Department using blockchain technology, streamlining processes, enhancing convenience for tourists, and ensuring fast, accurate VAT refund. This will encourage tourists to purchase more goods and services.



### Treasury e-Auction

The digital property auction platform enables users to conveniently search for and bid on desired properties online in real-time, ensuring both speed and transparency.



## Innovations Supporting Healthcare Services

Access to health and medical care services, benefits, and welfare is critical for people of all ages and socioeconomic backgrounds, particularly vulnerable groups. Recognizing medical treatment as a fundamental right for all citizens, Krungthai Bank has launched the Health Wallet in the Paotang app. This initiative seeks to improve people's access to universal healthcare services by providing an additional access without extra charge. The Health Wallet provides access to 3 types of universal healthcare: civil servant, social security, and Gold Card. Additionally, it offers benefits for preventive and basic healthcare for Thai citizens, focusing on promoting good health and disease prevention across different age groups. These benefits include developmental examinations for children, cancer screenings and treatments for women, as well as age-specific physical examinations. Moreover, the application facilitates appointment scheduling and confirmation, reducing waiting times for examinations.

## Innovations Supporting Payment

In addition to facilitating the connection and development of applications for government agencies, the Bank is a leader in the development of digital technology and payment applications, which serve as critical infrastructure for driving the country's economy.

The Bank has developed the Krungthai BUSINESS application to provide cash management service to business customers. This application facilitates various payments and transactions, including bulk payroll payments through an online platform, international money transfers, and check management, etc. The electronic withholding tax deduction and remittance services provide greater agility for businesses. Customers can also link their credit accounts to the app and request a letter of guarantee.

PromptBiz feature is integrated into Krungthai BUSINESS app in order to facilitate business customers to proceed payments through mobile devices at anywhere anytime without them investing in developing their own app with data management system. They can also manage their own cyber risks.

In addition to digitizing trade transactions and payments through PromptBiz, business customers can also manage e-tax invoices both within the Bank and across banks, utilizing eIPP Closed Loop and Open Loop systems. The platform offers tax calculations for VAT or withholding taxes and facilitates data submission to relevant government agencies. This streamlines processes for business customers, enhances tax calculation accuracy, and reduces paper usage and procedural complexities when interacting with government agencies. The system is designed to address the evolving needs of businesses throughout their operational workflows.

The Bank has also created the 'Tung-Ngern' application, which allows shops to accept cashless QR code payments. This gives shops more payment options and increases their sales revenue. The app also displays daily and monthly sales.

The list of shops utilizing the Tung-Ngern application can be found on Krungthai website.



## Innovations Supporting Educational Institutions

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The development of applications tailored for educational settings is essential for educational institutions to manage teaching, registration, and payments in the university. However, developing a university-owned application is costly and potentially risky when it comes to managing student data. Therefore, Krungthai Bank has developed an application specifically for educational institutions, benefiting students, teachers, and universities. Krungthai Bank has collaborated with 21 universities across the country to develop U App, which enables students and teachers to access university news, view class schedules, and conduct online transactions. The integration of finance and university services improves efficiency, particularly in the student registration department. Connecting the universities' registry systems to the Bank facilitates payment transactions such as tuition fees and document issuance fees, promoting a cashless society and assisting universities in managing their operations more transparently. Each university has the flexibility to adjust and select application features based on the different needs. The U App currently has more than 100,000 users.

## Innovations Supporting Transportation Systems

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Krungthai Bank promotes and supports access to public transportation by facilitating payment for public transportation services using the EMV Contactless system, allowing commuters to pay fares with both Krungthai Bank debit cards and any credit cards with Visa or Mastercard logos on more than 2,500 BMTA buses and train stations nationwide. This service also covers main electric train lines such as the Blue Line (MRT), Red Line (SRT), Purple Line (MRTA), Yellow Line, and Pink Line, as well as expressways including the Uttaraphimuk Elevated Expressway (Don Mueang Tollway), Sri Rat-Prachin Ratthaya, Udon Ratthaya, Chalerm Mahanakorn, Burapha Withi, and Chalong Rat (in the future), facilitating travel in Bangkok and surrounding areas.

The Bank has been entrusted as the first bank to lay the network foundation and collaborate with public transport

providers in developing a centralized clearing house (CCH) system. This project serves as a hub for Thailand's public transportation system data, ensuring stability, safety, and compliance with standards and precisely meeting the needs of users. This initiative is also in line with the common ticket system management policy, which encourages the use of public transportation by offering discounts for traveling on multiple lines. This contributes to a reduction in greenhouse gas emissions from travel.

In addition to developing digital technology for the 5 ecosystems the Bank prioritizes the development of digital technology to facilitate its internal operations to enhance employee efficiency.



## ONE Krungthai, a Super App for Krungthai Employees

This app is designed for internal communication and employee engagement activities, as well as to foster organization culture with the 5 core values: Integrity, Breakthrough, Efficiency, Social, and Teamwork. The application incorporates the following features:



### 1. Communication

The app enables the delivery of specific information and content to targeted groups.



### 2. Engagement

It provides a platform for employees to recognize their colleagues, including those who have received awards and those who exemplify the Bank's core values, thereby fostering a positive work culture.



### 3. Personal Improvement

The app features a portal to e-Training platforms, allowing employees to enhance their skills and capabilities. The app also displays the analysis of the required competencies for each employee so that they can select relevant training courses. Supervisors have access to the employee training dashboard which they can use to make informed decisions about their team's learning and development.



### 4. Employee Self-Service

The app allows employees to use the application for a variety of purposes, including medical reimbursement, requesting leave, clocking in and out instead of using physical employee ID card, and obtaining certificates.



### 5. Daily Work Tools

It offers access to essential tools such as electronic business cards and ECO-Workspace booking.

## BizNow

BizNow is designed to streamline the process for branch staff and bank employees to facilitate customers in juristic account opening and cash management service application, including Krungthai Business, using tablet devices. This development has significantly reduced the time required for document preparation and minimized paper usage as it is connected to the government database, enabling a paperless document verification and identity authentication.

## WE CARE

WE CARE allows customers to share their feedback on the services provided at branches. QR codes have been installed in front of service counters at all branches across the country, enabling customers to submit feedback and suggestions for service improvement. Customer feedback received is integrated into the ONE Krungthai system, notifying branch managers immediately. This enables branch managers and staff to promptly assist and respond to customer needs. Last year, over 500,000 customers shared their opinions, 99.7% of which were satisfied with the service. Additionally, the Bank successfully reduced complaints by over 28%.

The Bank has constantly upgrade the functionality of its applications in order to further improve efficiency and security. Notifications about system improvements are sent through social media channels, the application itself, and the Official LINE Account "Krungthai Connex."

Before launching an application, the Bank tests and develops relevant digital platforms to minimize errors. It also allows the Bank to learn and be prepared for going live, ensuring smooth service deliver. Additionally, the Bank maintains a consistent monitoring and evaluation process for its digital platforms, assessing the frequency and duration of errors or transaction failures within the application. These performance results serve as a basis for continuous improvement efforts.

## Cybersecurity and Data Privacy Protection

Today's technological advancements enable a variety of activities via the Internet, resulting in increased convenience. For the banking business, technology has significantly boosted operational efficiency, providing increased convenience and speed in service delivery. This includes online financial transactions such as money transfers, cashless payments, identity verification, and accessing other banking services electronically, eliminating the need for paper. Moreover, technology serves as an intermediary, connecting various government agency services and expanding customer access to 5 key ecosystems prioritized by the Bank, including government agencies, payment services, healthcare, educational institutions, and transportation systems. However, the adoption of technology and digital services introduces cybersecurity risks, potential misuse of personal data, and other new security threats to customers. Recognizing the critical importance of cybersecurity and data privacy protection, the Bank is committed to leveraging technology and innovation to prevent and respond to cyber threats and data breaches. The Bank also prioritizes employee skill development to ensure effective handling of cybersecurity and data privacy protection risks.

### Targets



Incidents are reported to the the relevant regulator within **72** hours, and **100%** of complaints are resolved.



The Bank aims to improve the efficiency of its internal cybersecurity audit and ensure that **100%** of the system is audited.

### Performance

In 2023, the Bank conducted regular training sessions on cyber security and data privacy protection for its employees.

## Impacts, Opportunities, and Risks to the Economy, Environment, Society, and Human Rights

Krungthai Bank recognizes the critical importance of ensuring the safety and security of technology use, particularly in light of the growing risk of cyber threats. As one of leading digital finance providers with a large database of over 40 million 'Paotang' application users, safeguarding customers' personal data privacy is a top priority. The Bank places a strong emphasis on protecting its customers' personal information. Implementing robust cybersecurity management and data privacy protection measures, as well as maintaining reliable, transparent, and accountable systems, is necessary for increasing customer confidence and fostering opportunities for future transactions with the Bank. Addressing these critical issues not only prevents the Bank from potential fines and legal repercussions in the event of a data breach but also mitigates the risk of operational disruptions stemming from such incidents. These disruptions could result in the suspension of certain functions and incur costs associated with data recovery. Furthermore, cyberattacks and data leaks can precipitate consequences beyond the immediate impact on data owners. The misuse of data has the potential to undermine the Bank's credibility and reputation, eroding trust among customers, investors, and stakeholders.

## Policy and Management

The Bank implements information security policies and procedures to uphold data confidentiality, data integrity, and data availability. These policies extend to employees, companies the Bank provides services to or receives services from, as well as external individuals and organizations accessing the Bank's systems or information. Moreover, the Bank places a high priority on cybersecurity management and data privacy protection, facilitated through the following committees:

### Cybersecurity Management



#### **Risk Oversight Committee:**

The Bank's Board of Directors has tasked the Risk Oversight Committee, comprising all members of the Board, with the ultimate responsibility of overseeing the Bank's overall risks in accordance with best practices and official regulations. This committee is chaired by Mr. Krairit Euchukanonchai and includes Mr. Thanwa Laohasiriwong, a Director with experience in the field and has previously held a position directly responsible for cybersecurity.



#### **IT Steering Committee:**

The committee meticulously evaluates and scrutinizes the information technology and operational plans of various projects to guarantee accurate and consistent delivery of services to both customers and the public. Additionally, it conducts assessments to identify potential channels of corruption through the information system and establishes guidelines for mitigating future threats that could impact the Bank's business operations and its reputation and credibility.



#### **IT Steering Sub-Committee - Operation:**

The committee supervises the Bank's operations to ensure compliance with the Electronic Transactions Act. It reviews and provides suggestions on information security policies and procedures regarding the Bank's electronic banking services and the Bank's policy on information technology operations. Furthermore, it holds authority, control, and command in case of an information technology emergency.

### Data Privacy Protection



#### **Data Committee:**

The Data Committee is responsible for establishing goals, scope, direction, and strategy for the use of data within the Bank. It also reviews and approves policies, data standards, and data management practices and ensures comprehensive data governance throughout the Bank to comply with relevant laws, regulations, and government announcements.

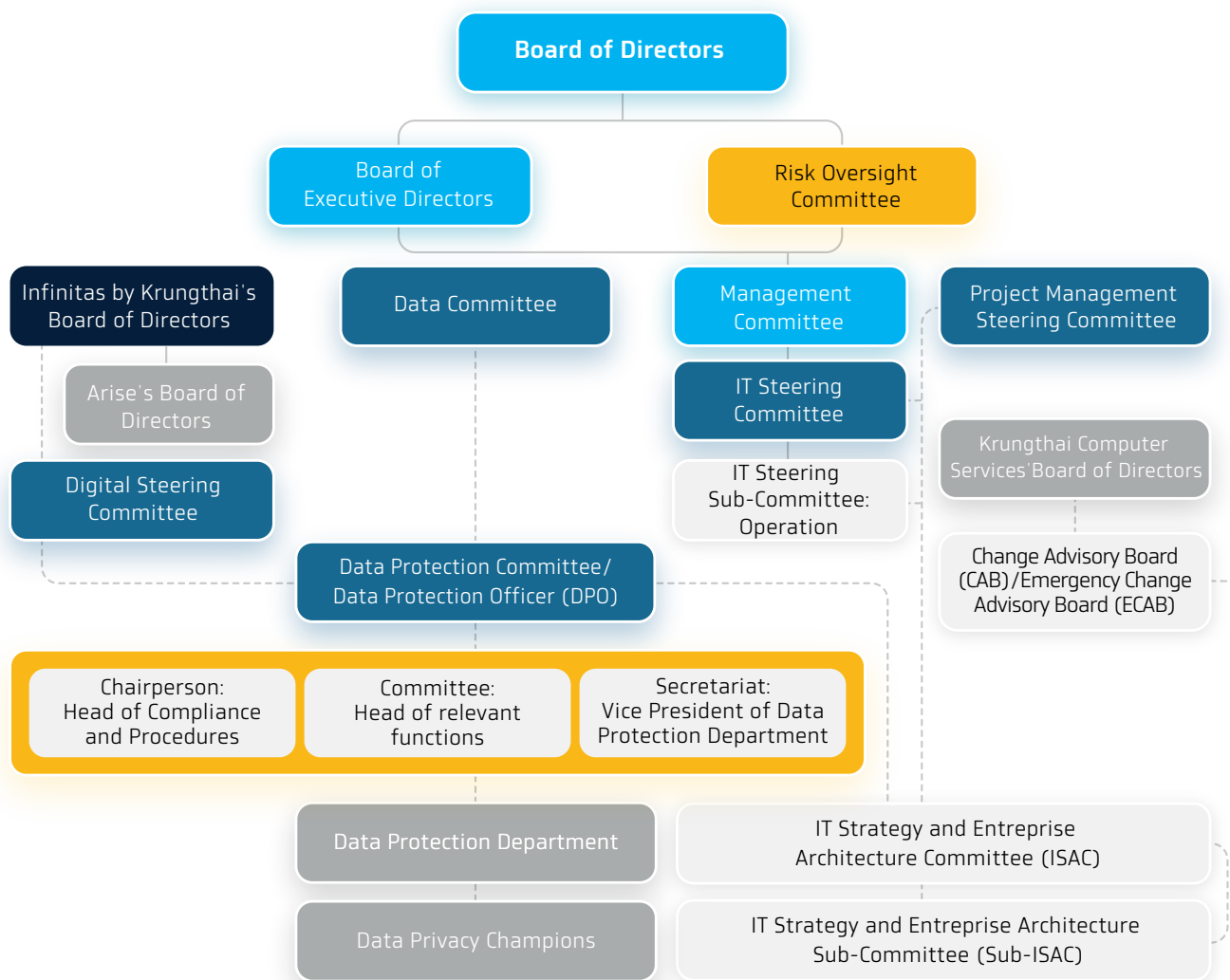


#### **Data Protection Committee:**

The committee members are the Bank's data protection officers (DPO). Their responsibilities include considering, approving, establishing guidelines, providing advice, and inspecting the operations of various departments to ensure compliance with the Personal Data Protection Act. The committee also develops handling procedures for data breaches and establishes procedures for managing personal data breaches and establishing guidelines for facilitating requests related to the exercise of data subject rights.

**The Bank appointed Mr. Cherdasak Nana as its Chief Information Security Officer (CISO)** responsible for cybersecurity risk management. His duties include the development, execution, measurement, and monitoring of the Bank's cybersecurity strategies and programs. The CISO is also responsible for providing the committee with regular updates on the progress of the development of capabilities to detect and prevent cyber threats, reporting the results of the Bank's cybersecurity assessment, and presenting an annual plan for cybersecurity enhancement.

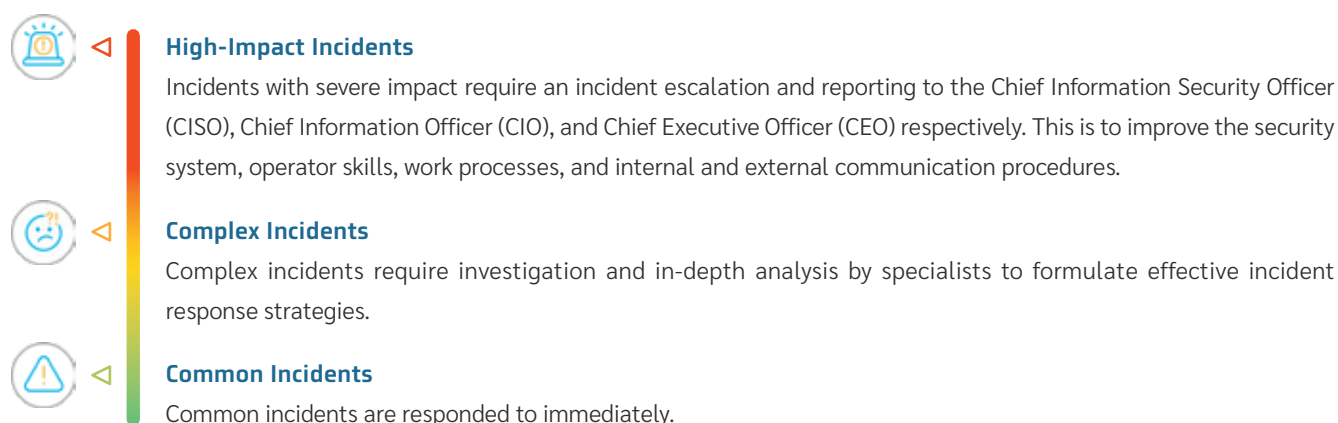
## Information Technology and Data Privacy Governance Structure



## Cybersecurity Management Approaches

The Bank has taken proactive measures to prepare for cyber threats and data theft, with the goal of establishing a solid foundation and improving the Bank's cybersecurity framework. The Bank's cybersecurity framework is based on international cybersecurity frameworks and guidelines, as well as cybersecurity and data privacy regulations and practices. Furthermore, it evaluates and improves its defenses against cyber threats regularly. It is constantly improving its defenses against cyber threats, utilizing the Bank's established information security standards. The information security standards that the Bank has established as guidelines for its employees for ensuring appropriate operations and security are consistent with international standards such as Swift CSCF, PCI DSS, NIST, and ISO/IEC 27001:2022 for information security management systems (ISMS). These standards are used for various services, for example, trade finance, electronic trade finance platform (Trade Online), money transfers via BAHTNET, Image Cheque Clearing and Archive System (ICAS), data centers, and CSA-certified cloud systems. The Bank's standard is also consistent with the law the of Thailand's regulations.

The security standards are reviewed and updated at least once a year. Furthermore, the Bank has conducted incident response tests, in which incidents are categorized into 3 levels as follows:



The Bank has conducted collaborative cyber-threat response exercises with external agencies, including Thailand Banking Sector Computer Emergency Response Team (TB-CERT), financial regulators (the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, the Office of Insurance Commission), and the National Cyber Security Agency.

To ensure compliance with international standards, the Bank has established the Hybrid Cyber Security Operation Center (Hybrid CSOC) to monitor potential external threats. Additionally, the Bank is a member of the Financial Services Information Sharing and Analysis Center (FS-ISAC), enabling the Bank to monitor and acquire intelligence regarding cyber threats and the shared analyses of the nature of attacks on financial institutions globally. This intelligence is used to monitor and safeguard the Bank's systems.

The Bank places a high priority on fostering a corporate culture of data privacy, raising awareness, and promoting strict compliance among all employees. This is accomplished through training, activities, and communication via a variety of channels, including emails and the ONE Krungthai application.

## Guidelines on Handling Personal Data Breaches

The Bank has established guidelines for employees regarding customer data privacy in alignment with the Personal Data Protection Act B.E. 2562 (2019). The comprehensive privacy policy includes guidelines for data collection, types of collected data, scope and purposes, international data transfers, data retention period, data subject rights, and guidelines for operations with juristic person customers in compliance with the Personal Data Protection Act, B.E. 2562 (2019). This Privacy Policy extends to encompass suppliers and business partners with whom the Bank engages, as well as the internal operations involving the Bank's employees.

To ensure effective personal data management, the Bank requests consent from data subjects to use their personal data for marketing and customer data analytics purposes. Currently, the Bank does not disclose any customer personal data to any external agencies.

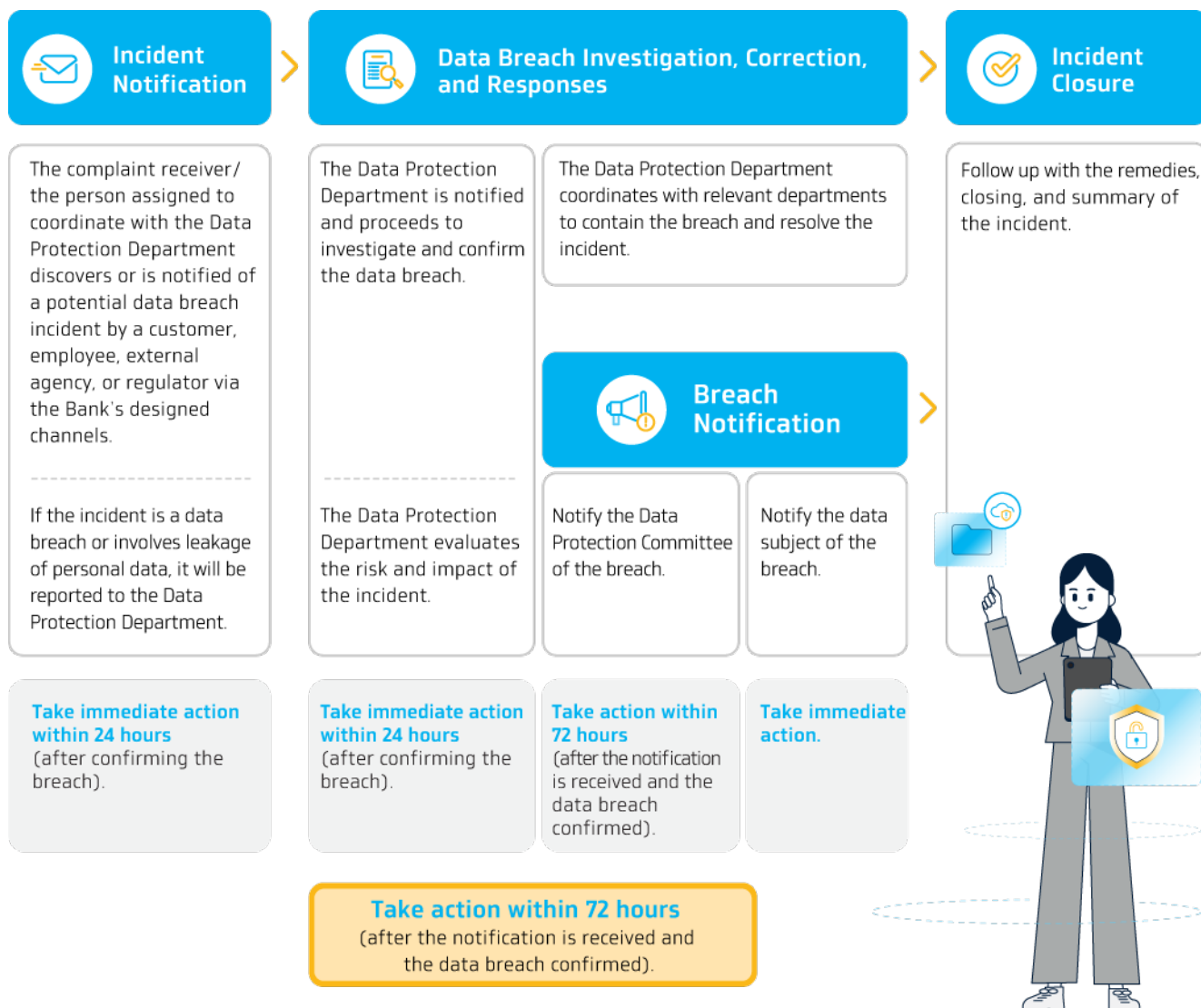
The Bank has established guidelines, procedures, and protocols for managing incidents concerning personal data breaches or leaks (Personal Data Breach Procedure). These procedures include response protocols, communication guidelines, remedies, and mediation to help the Bank cope and manage such incidents more effectively.

The Privacy Policy is available on the Bank's website.





## Personal Data Breach Procedure



The Bank has conducted a Data Privacy Impact Assessment (DPIA) in compliance with the Personal Data Protection Act. This assessment is a crucial privacy risk assessment methodology helping the Bank scrutinize and mitigate risks related to personal data processing. The assessment also enhances the Bank's operational efficiency as follows:

- It enables the Bank to be aware of the personal data risks and impacts associated with projects or operational processes.
- It enables the Bank to devise plans or measures to address, manage, or mitigate personal data risks associated with the operational processes of relevant departments, thereby enhancing the efficiency of the Bank's operation.



Additionally, the Bank prioritizes organizing training as well as raising awareness and enhancing understanding of cyber technology and data privacy protection among employees across the organization, utilizing various communication channels including online platforms such as emails, websites, and various applications. These channels are utilized to disseminate news and useful information regularly and to provide details on how to report anomalous information security incidents. Furthermore, the Bank conducts security testing of banking systems, and websites. The Bank also tests employee awareness, for example, by using the biannual cyber drill or phishing email simulation testing to test employees and executives' knowledge and responses to phishing emails.

## Cybersecurity and Data Privacy Protection Training



Conduct training sessions to raise awareness of cybersecurity, reinforcing the Bank's commitment to being a secure organization in the realm of technology. These sessions will provide insights into the current cyber threat landscape and offer guidance on how to protect against cyber threats, ensuring the security of the Bank's operations.



Organize cyber security training for employees and executives by inviting experts to give lecture about cybersecurity, and prevention guidelines for cyber threats according to the Bank's information security standards. In terms of cyber security, guidelines on appropriate methods of protection against cyber threats, based on the Bank's information security standards.



Implement e-learning programs for the Bank's employees to enhance and test their cybersecurity knowledge.



Establish communication channels within the Bank to disseminate emails containing relevant knowledge and news updates aimed at enhancing security awareness related to potential impacts on operations or daily life, in alignment with the Bank's information security standards. Additionally, the Information Security Division's Google Site provides all updates and announcements regarding cyber threats. This ensures employees are well-informed about security awareness and familiar with security policies and procedures.



Cyber drill is a simulation of a cyberattack designed to ensure that employees or those involved can respond correctly to cyber threats by familiarizing them with cyberattacks that may occur in real life and equipping them with the necessary skills to effectively deal with such threats.



Interactive gamification e-learning titled "PDPA Challenge: Play2Learn" an online training course focused on case studies of personal data breaches. The course also includes the declaration of intent to comply with PDPA.



**96.06%** of employees participated in the training and declared their intent to comply.



Data Protection Champion Program is aimed at building personal data protection representatives who have the awareness and take the responsible for monitoring and coordinating data protection matters within the Bank.



Currently, the Bank has **214** Data Protection Champions.



The Privacy & Market Conduct Day is designed for employees who closely interact with customers, ensuring their ability to work in accordance with the laws and the Bank's work regulations without compromising customer service.



Over **400** employees participated in the training.

The Bank prioritizes raising awareness of personal data protection in accordance with Thailand's Personal Data Protection Act, B.E. 2562 (2019). It aims to raise awareness about customer data privacy and ensure that the Bank's operations are in compliance with the law. This effort extends beyond the Bank's employees and includes various groups of stakeholders. Relevant training sessions include the following.

#### Training/Activities for Stakeholders

- Activities were conducted to raise awareness among data protection officers (DPOs) of affiliated companies within Krungthai Bank Group. The objective was to strengthen and share information on personal data protection practices. Representatives from the 15 companies within the Group participated in the activities.
- Personal data protection awareness activities were organized for medium-sized business loan customers, contractual suppliers, and students from the Faculty of Law.
- Legal quiz competition focused on the topic of personal data protection for higher education students (PDPA Challenge 2023 by Krungthai x PDPC).

#### Collaboration with Regulator

- The Bank, in collaboration with the Office of the Personal Data Protection Commission (PDPC), signed a memorandum of understanding (MOU) on July 4, 2023, for an educational and innovation development project focused on personal data protection.

## Number of Complaints and Data Breaches

	2020	2021	2022	2023
Number of security complaints regarding personal data breaches	-	-	16	<b>42</b>
● Complaints from individuals outside the organization	-	-	16	<b>42</b>
● Complaints from regulatory agencies	-	-	-	-
Number of incidents related to data breaches, data theft, or loss of customer data.	0	0	0	<b>0</b>

The Bank is committed to ensuring that all employees adhere to the cyber security and data privacy protection policy. Any violation or noncompliance with the policy will result in disciplinary action, probation, salary reduction, absence of a raise, or termination of employment. Additionally, the Bank of Thailand conducts annual inspections to assess the Bank's data operations, data rights, and approaches to data breaches in accordance with the Personal Data Protection Act (PDPA). The Bank also has an internal audit team that conducts annual inspections of the Bank's data governance and data privacy protection, PDPA readiness, and data processing associated with opening a new bank account.

# Sustainable Supply Chain Management

Krungthai Bank places great importance on sustainable procurement and is committed to supply chain management by integrating environmental, social, and governance (ESG) issues into the process. The sustainable supply chain management strategy aligns with the corporate strategy to support equitable, inclusive, and sustainable economic growth, ensuring that the Bank is aware of and manages ESG risks throughout the supply chain. The Bank consistently and transparently communicates with its suppliers regarding guidelines, including the Anti-Bribery and Corruption Policy. Moreover, the Bank has developed a “Supplier Code of Conduct,” which serves as a guideline for its suppliers, and “Guidelines for Sustainable Procurement with the Bank.”

## Supply Chain Management Process

Krungthai Bank adheres to measures aimed at promoting transparency in procurement, as mandated by the Bank of Thailand. This ensures that the guidelines align with the criteria outlined in the Government Procurement and Supplies Management Act, B.E. 2560 (2017), and related regulations, thereby complying with principles of good governance, including transparency, fair competition, and accountability. Emphasis is placed on procurement through electronic methods to minimize corruption loopholes.

Krungthai Bank maintains a transparent supplier registration process facilitated through the registration system available on the Bank’s website, adhering to the guidelines outlined in the registration manual. The Bank thoroughly evaluates qualifications and required documents based on predetermined evaluation criteria, encompassing the selection of both New Approved Vendors and Current Approved Vendors. Additionally, the Bank aims to integrate environmental, social, and governance (ESG) issues and criteria, such as human rights, intellectual property, welfare for employee and labor, as well as compliance with environmental regulations and performance standards, into the selection criteria for partners. This comprehensive approach ensures coverage of all dimensions of sustainability issues aligned with the operations of its business partners. Moreover, the Bank has established ESG scoring guidelines for evaluating and selecting potential business partners.

The Bank has established guidelines for evaluating its business partners in accordance with Supplier Relationship Management practices. There are five standard supplier evaluation forms, namely the Purchasing Evaluation Form, the Procurement

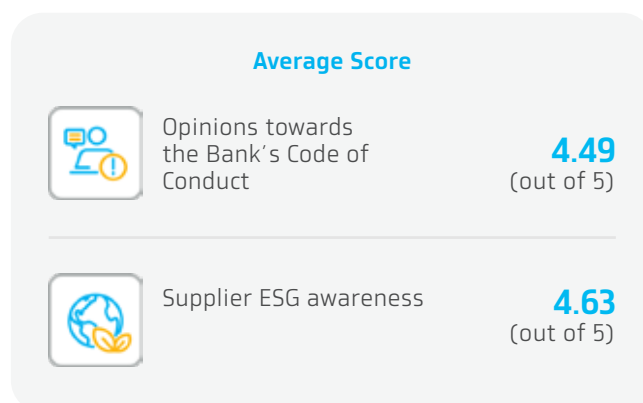
Evaluation Form, the Construction Work Evaluation Form, the Inspector Evaluation Form, and the Construction Contractor Evaluation Form.

## ESG Risk Assessment

The Bank incorporates ESG principles into the procurement policy and evaluation criteria, thereby aligning them with the Bank’s strategy to promote inclusive, equitable, and sustainable economic growth. The Bank has established processes for evaluating suppliers/contractors and listening to their feedback as follows:

1. The Bank evaluates its satisfaction with suppliers to review and evaluate performance and encourage them to improve their operations in accordance with the Guidelines for Sustainable Procurement with the Bank.
2. The Bank listens to supplier feedback, providing opportunities for them to express their suggestions for collaborative process improvement and evaluate their satisfaction with the Bank. Furthermore, the Bank encourages suppliers to engage in ESG operations by asking them to assess their own economic, social, and governance performance. This is an assessment of their readiness, and the Bank can use the assessment results in the planning of its sustainable procurement.

## 2023 Annual Supplier Feedback Survey Results



Note: The Bank surveys supplier feedback on a yearly basis.

3. The Bank identifies Critical Suppliers and the associated risks that impact services, customers, and sustainable operations in order to manage risks and relationships effectively.

### A Critical Supplier must meet all of the 3 following criteria.



Be a supplier that provides critical supplies valued at over 10 million baht.



Be an outsourcing supplier according to the criteria of the Bank of Thailand.



Be a supplier that has supplied for the Bank within the past year.



Tier 1 Critical Suppliers represent **1.12%** of the total **801** suppliers in 2023.



Non-Tier 1 Critical Suppliers constitute **98%** of the total **801** suppliers in 2023.

- The Bank manages risk by actively communicating with its suppliers, including Critical Suppliers, to ensure their awareness of the Supplier Code of Conduct. It has defined issues and criteria related to environmental, social, and governance (ESG) considerations, including human rights, intellectual property, employee and labor welfare, and compliance with environmental regulations. Importantly, the Bank ensures that these criteria are applied uniformly across all suppliers without any preferential treatment for specific groups. The Bank utilizes a variety of communication channels, including instructional videos and advisory calls, to educate suppliers on important topics such as data privacy protection and anti-corruption measures. Furthermore, the Bank is currently undergoing a risk assessment process and integrating ESG principles into the procurement process in alignment with the ISO 20400:2017 - Sustainable Procurement Standard.

### Supplier Code of Conduct Communication

The Bank upholds the principle of establishing equitable payment terms for its trading partners to ensure their financial liquidity and smooth business operations. Transparent credit terms are communicated to partners, with payment periods typically ranging from 30 to 60 days. The Bank diligently monitors these payment timelines to ensure adherence to the specified terms.

The Bank promotes transparency and fairness across its supply chain management through digital operations, enhancing accountability, accuracy, and time efficiency. Moreover, these efforts contribute to resource conservation, for example, by minimizing paper usage and reducing the need to travel to the office for conducting transactions.



#### Targets

**100%** of new suppliers in the procurement process will have completed the ESG risk assessments by 2024.

**70%** of business partners will have signed an acknowledgment the Supplier Code of Conduct by 2023.



#### Performance

- In 2023, Krungthai Bank engaged with **140** suppliers, with orders exceeding 2 million baht. Among them, 99 suppliers, or **71%**, have signed an acknowledgment of the Supplier Code of Conduct.
- The Bank evaluates supplier performance based on contracting terms, which include adherence to relevant ESG issues.



## Operations

### PDPA awareness training workshops for the Bank's and contractual partners

The Bank organizes meetings with suppliers and relevant employees to communicate joint operation guidelines, Supplier Code of Conduct and knowledge to enable the application of data protection laws. This creates awareness among suppliers to reduce operational risks and ensure compliance with the law regarding the appropriate disclosure of personal information. Additionally, the Bank prepares personal information processing agreements and personal information sharing agreements, outlining the liabilities of contractors according to the Personal Data Protection Act. The Bank also establishes guidelines for preparing personal information processing and sharing agreements.


**229**

people participated in the training.



Average score of the post-training understanding assessment


**3.7** out of 5

### ISO 20400:2017-Sustainable Procurement Training Program for Employees

The training program is aimed at educating employees about business frameworks, business structure analysis, and sustainability risks in accordance with ISO 20400:2017-Sustainable procurement standards. Employees are equipped with the necessary skills to enhance efficiency and collaborate effectively with suppliers to uphold sustainable procurement practices aligned with ISO 20400 standards. The training also covers other standards, including ISO 26000 and ISO 14001, emphasizing their application in the Bank's operations.



**39** employees participated in the training.



The Bank conducted an evaluation to assess the training outcomes. Participants' knowledge and understanding increased from **6.02** before the training



to **9.46** after the training (out of 10).

### ESG Awareness Training Program for Employees

The training aims to enhance employees' knowledge and understanding of business frameworks, analyze business structures, and identify sustainability risks related to environmental, social, and governance (ESG) issues so that they can apply the knowledge and techniques learned during the training to work more effectively.



**38** employees participated in the training.



The Bank conducted an evaluation to assess the training outcomes. Participants' knowledge and understanding increased from **5.47** before the training



to **8.90** after the training (out of 10).

# Sustainability Performance

## Economic Performance Krungthai Bank Public Company Limited

GRI Standards	Requirements (Bank only)	Unit	2020	2021	2022	2023
<b>Direct economic value generated and distributed</b>						
GRI 201-1	Revenues	Million Baht	129,644.39	123,250.18	133,175.64	170,830.76
	Operating costs	Million Baht	64,062.32	53,758.00	49,009.92	66,699.26
	Employee wages and benefits	Million Baht	23,061.50	21,898.13	20,149.17	20,044.74
	Payments to providers of capital	Million Baht	22,995.81	20,103.43	21,759.68	36,947.40
	<b>Payments to government</b>	Million Baht	<b>6,082.09</b>	<b>7,742.82</b>	<b>10,434.05</b>	<b>12,302.22</b>
	<b>Community investments</b>	Million Baht	<b>150.68</b>	<b>310.68</b>	<b>140.88</b>	<b>156.19</b>
	• Charitable Donations	Million Baht	68.23	165.42	51.43	37.58
	• Community Investments	Million Baht	37.51	112.92	52.77	72.92
	• Commercial Initiatives	Million Baht	44.94	32.34	36.68	45.69
	<b>Economic value retained</b>	Million Baht	<b>13,292.01</b>	<b>19,437.15</b>	<b>31,681.94</b>	<b>34,681.05</b>

### Remark(s):

- The Bank adopted Thai Accounting Standard (TAS) No. 12 (Income Tax) and No. 19 (Employee Benefits) from 2013 onwards.
- The data in this table aligns with the Bank's separate financial statements.
- Payments to government(s) means Tax Expenses
- Economic value retained = Revenues - (Operating costs + employee wages and benefits + payments to providers of capital + payments to governments + community investments)

## Social and Environmental Performance Disclosure Boundaries

Type of Business	Name of Company	Company Abbreviation	Environmental Performance (Energy Water Waste and Greenhouse gas)				Social Performance (Employee and Safety)			
			2020	2021	2022	2023	2020	2021	2022	2023
Finance	Krungthai Bank Public Company Limited	KTB	✓	✓	✓	✓	✓	✓	✓	✓
Support Business	KTG General Services and Security Co., Ltd.	KTGS				✓				✓
	KTG Computer Services Co., Ltd.	KTCS				✓				✓
	KTG Law Co., Ltd.	KTALW				✓				
	Infinitas By Krungthai Co., Ltd.	INFINITAS				✓				✓
	Arise by Infinitas Co., Ltd.	ARISE				✓				✓
Securities and Investment Business	Krungthai Asset Management Pcl.	KTAM				✓				✓
	Krungthai XSpring Securities Co., LTD	KTX				✓				✓
Credit Related Business	Krungthai Mizuho Leasing Co., Ltd.	KTMIZUHO				✓				✓
	Krungthai Card Pcl.	KTC				✓				✓
	KTG Leasing Co., Ltd.	KTBL				✓				✓
Insurance Business	Krungthai-AXA Life Insurance Pcl.	KTAXA				✓				✓
	Krungthai Panich Insurance Pcl.	KPI				✓				✓

### Remark(s):

The Bank reports its sustainability performance in 2 tables: 1) Performance of Krungthai Bank Public Company Limited and 2) Performance of Krungthai Bank Public Company Limited and the Bank's affiliated companies and The Bank's financial business group

## Environmental Performance Krungthai Bank Public Company Limited

GRI Standards	Requirements	Unit	2020	2021	2022	2023
<b>Energy consumption</b>						
	Total energy consumption	GJ	576,046.38	511,423.70	493,890.96	460,438.28
		MWh	160,013.27	142,062.45	137,192.26	127,899.86
GRI 302-1(e)	Total energy consumption within the organization	GJ	531,586.54	463,765.62	449,178.43	417,344.43
		MWh	147,663.31	128,824.10	124,772.11	115,929.34
GRI 302-1(a)	Total non-renewable energy consumption	GJ	531,586.54	463,765.62	449,178.43	417,326.49
		MWh	147,663.31	128,824.10	124,772.11	115,924.36
	● Stationary combustion	GJ	387.51	316.75	544.44	67.81
		MWh	107.64	87.99	151.23	18.84
	● Mobile combustion	GJ	171,316.61	141,187.10	145,372.06	150,856.93
		MWh	47,588.33	39,218.95	40,381.45	41,905.04
GRI 302-1(c)	● Total electricity consumption	GJ	359,882.43	322,261.77	303,261.93	266,401.74
		MWh	99,967.34	89,517.16	84,239.43	74,000.48
GRI 302-1(b)	Total renewable energy consumption	GJ	0.00	0.00	0.00	17.95
		MWh	0.00	0.00	0.00	4.98
GRI 302-2(a)	Total energy consumption outside of the organization	GJ	44,459.84	47,658.08	44,712.53	43,093.85
		MWh	12,349.96	13,238.36	12,420.15	11,970.51
GRI 302-3(a)	Energy intensity	GJ/FTE	28.43	27.01	28.79	28.04
<b>Water consumption</b>						
GRI 303-3(a)	Total water withdrawal	m³	484,520.00	420,445.00	400,942.00	378,167.96
GRI 303-3(b)	Total water withdrawal from water stress	m³	345,950.00	274,254.00	271,038.00	299,609.96
GRI 303-4(a)	Total water discharge	m³	337,235.20	299,366.40	282,274.00	280,399.81
GRI 303-4(c)	Total water discharge to all areas with water stress	m³	226,379.20	182,413.60	178,350.80	217,553.41
GRI 303-5(a)	Total water consumption	m³	147,284.80	121,078.60	118,668.00	97,768.15
GRI 303-5(b)	Total water consumption from all areas with water stress	m³	119,570.80	91,840.40	92,687.20	82,056.55
<b>Waste management</b>						
GRI 306-3(a)	Total weight of waste generated	tonne	1,583.13	1,402.48	1,270.57	786.49
GRI 306-4(a)	Total waste diverted from disposal	tonne	96.56	50.54	108.80	110.07
GRI 306-4(b)	● Hazardous waste (Preparation for reuse)	tonne	96.56	50.54	84.34	39.79
GRI 306-4(c)	● Non-hazardous waste (Recycling)	tonne	NA	NA	24.46	70.29
GRI 306-5(a)	Total weight of waste directed to disposal	tonne	1,486.57	1,351.94	1,161.77	676.42
GRI 306-5(b)	● Hazardous waste (Incineration without energy recovery)	tonne	0.09	0.04	0.10	0.14
	● Hazardous waste (Landfilling)	tonne	NA	NA	NA	0.13
GRI 306-5(c)	● Non-hazardous waste (Landfilling)	tonne	1,486.47	1,351.90	1,161.67	676.15
	Percentage of waste diverted from disposal	Percent	6.10	3.60	8.56	14.00
<b>Greenhouse gas emission</b>						
	Total GHG emission (Scope1 and Scope2)	tonneCO <sub>2</sub> e	63,419.05	56,333.07	56,220.55	54,483.78
GRI 305-1(a)	Direct (Scope1) GHG emission	tonneCO <sub>2</sub> e	13,422.03	11,567.75	14,096.19	17,478.13
	● Stationary combustion	tonneCO <sub>2</sub> e	25.93	21.90	37.65	4.69
	● Mobile combustion	tonneCO <sub>2</sub> e	10,968.29	9,039.29	9,594.42	9,799.35
	● Biogenic combustion	tonneCO <sub>2</sub> e	545.27	449.11	572.06	502.29
	● Fugitive	tonneCO <sub>2</sub> e	1,882.54	2,057.44	3,892.07	7,171.80
GRI 305-2(a)	Energy indirect (Scope2) GHG emission (Location-Based)	tonneCO <sub>2</sub> e	49,997.02	44,765.32	42,124.35	37,005.66

GRI Standards	Requirements	Unit	2020	2021	2022	2023
GRI 305-3(a)	Other (Scope3) GHG emission	tonneCO <sub>2</sub> e	10,011.51	9,951.81	27,261.66	28,254.18
	● Purchased goods and services	tonneCO <sub>2</sub> e	2,510.37	2,219.70	1,873.96	1,875.86
	● Fuel- and energy-related activities	tonneCO <sub>2</sub> e	43.54	24.56	20.27	17.38
	● Waste generated in operations (Landfill)	tonneCO <sub>2</sub> e	1,179.22	1,072.46	921.55	536.49
	● Business travel	tonneCO <sub>2</sub> e	104.64	17.23	186.63	384.86
	● Employee commuting	tonneCO <sub>2</sub> e	0.00	0.00	18,050.42	19,455.52
	● Leased assets	tonneCO <sub>2</sub> e	6,173.74	6,617.85	6,208.83	5,984.06
GRI 305-4(a)	GHG emission intensity (Scope1 and Scope2)	tonneCO <sub>2</sub> e/FTE	3.13	2.97	3.28	3.32

**Remark(s):**

- Total energy consumption covers total energy consumption within and outside of the organization.
- Total energy consumption within the organization covers Total non-renewable energy consumption, Total renewable energy consumption and electricity consumption use the method of converting energy to gigajoule (GJ) according to the Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy.
- Stationary combustion comprises of Diesel B7 for Generator and Fire pump of the Head Office.
- Mobile combustion comprises of Diesel B7, Gasohal 91, Gasohal 95, Gasohal E20 and Gasohal E85 for the vehicles of the organization.
- Total electricity consumption covers the electricity usage of the Head Office and all the branches nationwide but does not include the rental space.
- Total Energy consumption outside of the organization is the use of electricity in the leased area for service of electronic devices used outside the organization such as automatic teller machine, cash deposit machine and passbook update machine including other electronic devices for these devices.
- Energy intensity is the proportion of total energy consumption per full time equivalent (FTE).
- Total water withdrawal from the amount of water purchased from Third-party water (freshwater from surface water source) but does not include the rental space.
- Identify and evaluate water stress by using the equipment of Aqueduct version 4.0 of World Resources Institute at the level high and extremely high.
- Total water discharge has been treated by an internal aeration process before releasing into the treatment system of the Bangkok Metropolitan Administration and Public wastewater treatment system in each area where the Company operates. The effluent quality of the building was total dissolved solids contents (TDS) less than 1,000 mg/L.
- Total weight of waste generated covers total waste diverted from disposal and total weight of waste directed to disposal which all waste is managed outside the organization.
- Non-hazardous waste (Preparation for reuse) covers electronic waste and office equipment.
- Non-hazardous waste (Recycling) covers recycled paper and plastic waste from Head Office and all the branches nationwide (Start collecting data in June 2023).
- Hazardous waste (Incineration without energy recovery) covers infectious waste from the Bank's medical center and disposal by a certified third-party company.
- Hazardous waste (Landfilling) covers light bulb waste (Start collecting data in June 2023).
- Non-hazardous waste (Landfilling) covers general waste with a calculation method based on the number of employees working in the Head Office and branches nationwide.
- The amount of greenhouse gas emissions analyzed according to the GHG Protocol covers greenhouse gas emissions in scope 1, 2, and 3.
- The amount of greenhouse gas emissions is calculated from the amount of activities (Activity Data) that cause the greenhouse gases multiplied by the Emission Factor, referring to the Thailand Greenhouse Gas Management Organization (Public Organization) and IPCC Sixth Assessment Report.
- Direct (Scope1) GHG emission covers stationary combustion, mobile combustion, biogenic combustion and fugitive emission activities.
- Fugitive emission covers refrigerant leaks, extinguishing from fire drills and fire evacuation drills and septic tank by calculated from the number of employees working in the area.
- Energy indirect (Scope2) GHG emission calculated from the activity of electricity purchased.
- Purchased goods and services calculated from the water consumption and paper used within the organization.
- Fuel- and energy-related activities calculated from electricity and liquid petroleum gas which sold to the restaurant in the Nana Nua Building.
- Waste generated in operations calculated from waste to landfill only.
- Business travel calculated from the activities of employees traveling by passenger aircraft for business purposes.
- Employee commuting calculated from travel activities of employees to work in the area. The data was started collecting in 2022.
- Leased assets calculated from electricity consumption activities in the leased area for service of electronic devices used outside the organization, such as Automatic teller machine, Cash deposit machine and Passbook Update Machine, including other electronic devices for these devices but does not include the power from the regulator in the leased area.
- GHG emission intensity is the ratio of greenhouse gas emissions (Scope1 and Scope2) to full-time equivalent (FTE), by using 2022 as the base year.

## Environmental Performance Krungthai Bank Public Company Limited and the Bank's Affiliated Companies and The Bank's Financial Business Group

GRI Standards	Requirements	Unit	2023
	Total energy consumption	GJ	678,551.11
		MWh	188,547.52
GRI 302-1(e)	Total energy consumption within the organization	GJ	635,457.26
		MWh	176,577.00
GRI 302-1(a)	Total non-renewable energy consumption	GJ	635,030.21
		MWh	176,458.38
	• Stationary combustion	GJ	614.85
		MWh	170.79
	• Mobile combustion	GJ	266,070.81
		MWh	73,909.15
GRI 302-1(c)	• Total electricity consumption	GJ	368,344.55
		MWh	102,378.43
GRI 302-1(b)	Total renewable energy consumption	GJ	427.05
		MWh	118.63
GRI 302-2(a)	Total energy consumption outside of the organization	GJ	43,093.85
GRI 302-3(a)	Energy intensity	GJ/FTE	22.31
GRI 303-3(a)	Total water withdrawal	m <sup>3</sup>	464,213.00
GRI 303-3(b)	Total water withdrawal from water stress	m <sup>3</sup>	385,475.46
GRI 303-4(a)	Total water discharge	m <sup>3</sup>	342,591.34
GRI 303-4(c)	Total water discharge to all areas with water stress	m <sup>3</sup>	279,601.30
GRI 303-5(a)	Total water consumption	m <sup>3</sup>	121,621.66
GRI 303-5(b)	Total water consumption from all areas with water stress	m <sup>3</sup>	105,874.15
GRI 306-3(a)	Total weight of waste generated	tonne	1,286.79
GRI 306-4(a)	Total waste diverted from disposal	tonne	326.78
GRI 306-4(b)	• Hazardous waste (Preparation for reuse)	tonne	217.33
	• Hazardous waste (Recycling)	tonne	9.83
GRI 306-4(c)	• Non-hazardous waste (Preparation for reuse)	tonne	0.34
	• Non-hazardous waste (Recycling)	tonne	99.27
GRI 306-5(a)	Total weight of waste directed to disposal	tonne	960.01
GRI 306-5(b)	• Hazardous waste (Incineration with energy recovery)	tonne	0.03
	• Hazardous waste (Incineration without energy recovery)	tonne	105.16
	• Hazardous waste (Landfilling)	tonne	0.40
GRI 306-5(c)	• Non-hazardous waste (Landfilling)	tonne	854.41
	Percentage of waste diverted from disposal	Percent	0.25
	Total GHG emission (Scope1 and Scope2)	tonneCO <sub>2</sub> e	79,207.83
GRI 305-1(a)	Direct (Scope1) GHG emission	tonneCO <sub>2</sub> e	28,016.04
	• Stationary combustion	tonneCO <sub>2</sub> e	42.51
	• Mobile combustion	tonneCO <sub>2</sub> e	17,603.61
	• Biogenic combustion	tonneCO <sub>2</sub> e	867.48
	• Fugitive	tonneCO <sub>2</sub> e	9,502.44
GRI 305-2(a)	Energy indirect (Scope2) GHG emission (Location-Based)	tonneCO <sub>2</sub> e	51,191.79



GRI Standards	Requirements	Unit	2023
GRI 305-3(a)	Other (Scope3) GHG emission	tonneCO <sub>2</sub> e	44,644.89
	• Purchased goods and services	tonneCO <sub>2</sub> e	2,438.52
	• Fuel- and energy-related activities	tonneCO <sub>2</sub> e	17.38
	• Waste generated in operations (Landfill)	tonneCO <sub>2</sub> e	678.12
	• Business travel	tonneCO <sub>2</sub> e	551.85
	• Employee commuting	tonneCO <sub>2</sub> e	34,974.96
	• Leased assets	tonneCO <sub>2</sub> e	5,984.06
GRI 305-4(a)	GHG emission intensity (Scope1 and Scope2)	tonneCO <sub>2</sub> e/FTE	2.60

**Remark(s):**

- The Bank's financial business group and the Bank's affiliated companies started reporting the data in 2023 and using conversion factors in alignment with the Bank.
- The consolidated performance is allocated by equity shares of each entity.
- Total energy consumption covers all affiliates. Total renewable energy consumption sources from KTB and KTCS.
- Total energy consumption outside of the organization covers KTB only.
- Water management excluded KTX and KTMIZUHO as per data unavailability of landlords.
- Waste management covers KTB, KTGS, KTAM, KTAXA, KTCS, and KTC.
- Fugitive emission covers 1) refrigerants consumption of KTB, KTGS, KTAM, and KTCS, 2) fire extinguisher usage of KTB, and KTcs, and 3) Septic tank of all affiliates.
- GHG emission from paper consumption covers KTB, KTGS, KTX, KTAM, KTBL, KTAXA, KTMIZUHO, KTCS, and KTC.
- Business travel (Airplane) covers KTB, KTAM, KTBL, KTAXA, and KTMIZUHO.
- Employee commuting covers KTB, KTGS, KTBL, and KTC.
- GHG emission intensity is the ratio of greenhouse gas emissions (scope1 and scope2) to full-time equivalent (FTE).

## Social Performance Krungthai Bank Public Company Limited

### Diversity and Equal Opportunity

GRI Standards	Requirements	2020		2021		2022		2023	
		Person	%	Person	%	Person	%	Person	%
GRI 2-7	<b>Employee</b>								
	Total number of employee	20,262	100	18,937	100	17,157	100	16,421	100
	<b>By gender</b>								
	• Male	6,024	29.73	5,545	29.28	4,926	28.71	4,677	28.48
	• Female	14,238	70.27	13,392	70.72	12,231	71.29	11,744	71.52
	<b>By age group</b>								
	• < 30 years old	1,386	6.84	588	3.11	373	2.17	317	1.93
	• 30-50 years old	13,702	67.62	13,707	72.38	12,866	74.99	12,292	74.86
	• > 50 years old	5,174	25.54	4,642	24.51	3,918	22.84	3,812	23.21
	<b>By nationality</b>								
	• Thais	20,262	100	18,937	100	17,157	100	16,420	99.99
	• Foreigners	0	0.00	0	0.00	0	0.00	1	0.01
	<b>By type of employment</b>								
	• Full-time	20,110	99.25	18,805	99.3	17,034	99.28	16,316	99.36
	• Contract	152	0.75	132	0.7	123	0.72	105	0.64

GRI Standards	Requirements	2020		2021		2022		2023	
		Person	%	Person	%	Person	%	Person	%
GRI 405-1	<b>By level</b>								
	<b>Top management</b>	92	100	86	100	84	100	84	100
	• Male	59	64.13	54	62.79	51	60.71	47	55.95
	• Female	33	35.87	32	37.21	33	39.29	37	44.05
	<b>Junior-middle management</b>	3,084	100	2,883	100	2,773	100	2,815	100
	• Male	1,427	46.27	1,316	45.65	1,227	44.25	1,191	42.31
	• Female	1,657	53.73	1,567	54.35	1,546	55.75	1,624	57.69
	<b>Non-management</b>	16,934	100	15,836	100	14,177	100	13,417	100
	• Male	4,439	26.21	4,083	25.78	3,562	25.13	3,362	25.06
	• Female	12,495	73.79	11,753	74.22	10,615	74.87	10,055	74.94
	<b>Contract employees</b>	152	100	132	100	123	100	105	100
	• Male	99	65.13	92	69.7	86	69.92	77	73.33
	• Female	53	34.87	40	30.3	37	30.08	28	26.67

## Gender Pay

GRI Standards	Requirements	Unit	2020	2021	2022	2023
GRI 405-2	<b>Average compensation ratio between female and male employees</b>					
	Executive level (base salary only)	Ratio	NA	NA	0.92	0.90
	Executive level (base salary and other cash incentives)	Ratio	NA	NA	0.91	0.84
	Management level (base salary only)	Ratio	NA	NA	0.92	0.92
	Management level (base salary and other cash incentives)	Ratio	NA	NA	0.92	0.93
	Non-management level (base salary only)	Ratio	NA	NA	0.86	0.85

### Remark(s):

- The Bank started collecting average compensation ratio between female and male employees' data in 2022.
- Average compensation ratio = average female employee compensation/average male employee compensation

## Human Capital Development

GRI Standards	Requirements	Unit	2020	2021	2022	2023
GRI 404-1(a)	<b>Total number of training hours</b>	Hours	2,322,766	2,102,850	1,350,849	1,132,068
	<b>Average hours of training</b>	Hours per FTE	109.81	105.46	72.18	68.94
	<b>By Gender</b>					
	• Male	Hours per FTE	94.38	78.61	61.84	60.87
	• Female	Hours per FTE	116.49	116.65	76.40	72.15
	<b>By age group</b>					
	• < 30 years old	Hours per FTE	NA	NA	NA	70.48
	• 30-50 years old	Hours per FTE	NA	NA	NA	70.68
	• > 50 years old	Hours per FTE	NA	NA	NA	63.22

GRI Standards	Requirements	Unit	2020	2021	2022	2023
	By level					
	● Top management	Hours per FTE	104.76	107.00	81.41	96.35
	● Junior-middle management	Hours per FTE			83.64	78.74
	● Non-management	Hours per FTE	136.68	97.96	69.94	66.73
	Total amount spent on training and development	THB	146,740,000	115,670,000	150,280,000	243,404,177
	Average amount spent per FTE on training and development	THB	7,241.88	6,107.89	8,752.38	14,520.32
GRI 404-3	Percentage of employees receiving regular performance reviews	%	100	100	100	100
	Percentage of employees receiving career development reviews	%	100	100	100	100

**Remark(s):**

- The Bank started reporting the category by age group in 2023.

## Talent Attraction & Retention

GRI Standards	Requirements	2020		2021		2022		2023	
		Person	%	Person	%	Person	%	Person	%
GRI 401-1(a)	Total number of new employee hires	243	100	401	100	345	100	439	100
	By gender								
	● Male	128	52.67	202	50.37	170	49.28	206	46.92
	● Female	115	47.33	199	49.63	175	50.72	233	53.08
	By age group								
	● < 30 years old	45	18.52	110	27.43	86	24.93	160	36.44
	● 30-50 years old	191	78.60	278	69.33	254	73.62	272	61.96
	● > 50 years old	7	2.88	13	3.24	5	1.45	7	1.59
	By nationality								
	● Thais	243	100	401	100	345	100.00	438	99.77
	● Foreigners	0	0.00	0	0.00	0	0.00	1	0.23
	By level								
	● Top management	3	1.23	4	1.00	6	1.74	3	0.68
	● Junior-middle management	61	25.10	77	19.20	69	20.00	70	15.95
	● Non-management	165	67.90	317	79.05	270	78.26	366	83.37
	● Contract employees	14	5.76	3	0.75	0	0.00	0	0.00
	Total number of open positions	4,813		4,588		3,261		3,053	
	Number of open positions filled by internal candidates	4,570		4,187		2,916		2,614	
	Percentage of open positions filled by internal candidates	94.95		91.26		89.42		85.62	
	Average hiring cost/FTE (THB)	6,918		2,734		4,256		12,525	
GRI 401-1(b)	Total employee turnover rate	1,113	5.49	1,725	9.11	2,125	12.39	1,175	7.15
	By gender								
	● Male	482	43.31	680	39.42	789	37.13	454	36.64
	● Female	631	56.69	1,045	60.58	1,336	62.87	721	61.36
	By age group								
	● < 30 years old	73	6.56	128	7.42	75	3.53	33	2.81
	● 30-50 years old	383	34.41	623	36.12	1,111	52.28	658	56.00
	● > 50 years old	657	59.03	974	56.46	939	44.19	484	41.19

GRI Standards	Requirements	2020		2021		2022		2023	
		Person	%	Person	%	Person	%	Person	%
	<b>By nationality</b>								
	• Thais	1,113	100	1,725	100	2,125	100	1,175	100.00
	• Foreigners	0	0.00	0	0.00	0	0.00	0	0.00
	<b>By level</b>								
	• Top management	14	1.26	10	0.58	8	0.38	9	0.77
	• Junior-middle management	178	15.99	291	16.87	328	15.44	219	18.64
	• Non-management	909	81.67	1,401	81.22	1,780	83.76	929	79.06
	• Contract employees	12	1.08	23	1.33	9	0.42	18	1.53
	<b>Voluntary employee turnover rate*</b>	1,044	5.15	1,685	8.9	1,874	10.92	1,139	6.94
	<b>By gender</b>								
	• Male	454	43.49	663	39.35	678	36.18	441	38.72
	• Female	590	56.51	1,022	60.65	1,196	63.82	698	61.28
	<b>By age group</b>								
	• < 30 years old	70	6.70	126	7.48	68	3.63	32	2.81
	• 30-50 years old	335	32.09	964	57.21	884	47.17	633	55.58
	• > 50 years old	639	61.21	595	35.31	922	49.20	474	41.61
	<b>By nationality</b>								
	• Thais	1,044	100	1,685	100	1,874	100	1,139	100.00
	• Foreigners	0	0.00	0	0.00	0	0.00	0	0.00
	<b>By level</b>								
	• Top management	14	1.34	10	0.59	6	0.32	9	0.79
	• Junior-middle management	172	16.48	228	13.53	258	13.77	210	18.44
	• Non-management	847	81.13	1,364	80.95	1,603	85.54	903	79.28
	• Contract employees	11	1.05	83	4.93	7	0.37	17	1.49

\* Voluntary employee turnover includes employees who choose to leave an organization (such as resignation, retirement, early retirement, etc.)

GRI Standards	Requirements	Unit	2020		2021		2022		2023	
			Male	Female	Male	Female	Male	Female	Male	Female
GRI 401-3	Parental leave									
	Number of employees entitled to parental leave	Person	6,024	14,238	5,545	13,392	4,926	12,231	4,677	11,744
			20,262		18,937		17,157		16,421	
	Number of employees that took parental leave	Person	68	23	56	19	55	17	55	8
			91		75		72		63	
	Number of employees returning to work after the period of parental leave	Person	67	21	55	17	55	15	54	3
			88		72		70		57	
	Percentage of employees returning to work and remaining at work after the period of parental leave	%	98.53	91.3	98.21	89.47	100	88.24	98.18	37.5
96.7			96.00		97.22		90.47			
-	Employee engagement									
	Employee engagement score	%	91.26		90.80		91.60		93.00	
	Percentage of total employees	%	97.73		98.96		98.67		98.03	

## Absentee Rate of Employees

GRI Standards	Requirements	Unit	2020		2021		2022		2023	
			Male	Female	Male	Female	Male	Female	Male	Female
GRI 403-9(a)	Total unscheduled personal leaves taken for undisclosed reasons	Day	0	0	0	0	0	0	0	0
	Total sick leaves	Day	12,251	29,457	9,168	26,545	12,288	37,646	10,057	29,722
			41,708		35,713		49,935		39,779	
	Absentee Rate	%	0.77		0.79		1.31		1.07	

**Remark(s):**

- Absentee Rate = (number of absentee days/total days scheduled to be worked) x 100
- Total days scheduled to be worked in 2023 is 3,734,032 days.

## Occupational Health and Safety

GRI Standards	Requirements	Unit	2020	2021	2022	2023
GRI 403-9(a)	<b>Work-related injuries of employees</b>					
	Number of fatality resulted from work-related injury	Case	0	0	0	1
	Number of high-consequence work-related injury	Case	0	0	0	0
	Number of lost time injury	Case	1	0	0	16
		Day	1	0	0	256
	Number of recordable work-related injury	Case	1	0	0	16
	Fatality rate	Case per 1 million man-hours	0	0	0	0.03
	High-consequence work-related injury rate	Case per 1 million man-hours	0	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	Case per 1 million man-hours	0.02	0	0	0.54
	Lost Day Injury Rate (LDIR)	Day per 1 million man-hours	0	0	0	8.66
	Recordable work-related injury rate	Case per 1 million man-hours	0.02	0	0	0.54
GRI 403-9(b)	<b>Work-related injuries of contractors</b>					
	Number of fatality resulted from work-related injury	Case	NA	NA	1	0
	Number of high-consequence work-related injury	Case	NA	NA	0	0
	Number of Lost Time Injury	Day	NA	NA	91	0
	Number of recordable work-related injury	Case	NA	NA	12	0
	Fatality rate	Case per 1 million man-hours	NA	NA	0.08	0
	High-consequence work-related injury rate	Case per 1 million man-hours	NA	NA	0	0
	Lost Time Injury Frequency Rate (LTIFR)	Case per 1 million man-hours	NA	NA	6.94	0
	Recordable work-related injury rate	Case per 1 million man-hours	NA	NA	0.91	0

**Remark(s):**

- Total number of hours worked by employees in 2023 is 29,554,028 hours.
- Total number of hours worked by contractors in 2023 is 327,073 hours.
- The Bank started collecting work-related injuries of contractor data in 2022.



## Freedom of Association and Collective Bargaining

GRI Standards	Requirements	2020		2021		2022 *		2023 *	
		Person	%	Person	%	Person	%	Person	%
GRI 407-1	Employees represented by the independent trade union(s)	17,158	84.68	17,567	92.77	12,124	70.67	11,089	67.53
						4,490	26.71	5,110	32.12
	Employees covered by collective bargaining agreements	20,262	100	18,937	100	17,157	100	16,421	100

\* A new trade union has been established since, 2022. The numbers are representing the Krungthai Bank Labour Union and the Krungthai Bank Network Labour Union respectively.

## Labor Practice Grievances

GRI Standards	Requirements	Unit	2020	2021	2022	2023
-	Total number of grievances about Labor Practices filed through the formal grievance mechanism	Case	45	44	61	46
	Total number of grievances about Labor Practices resolved during the reporting period	Case	45	44	61	46
	Number of grievances about Labor Practices pending to be resolved at the end of the reporting period	Case	0	0	0	0

## Financial Inclusion

GRI Standards	Requirements	Unit	2020	2021	2022	2023
FS7	Monetary value of products and services designed to deliver a specific social benefit	Million THB	NA	NA	>5,000	>9,000
	Number of individuals who have access to products and services	Million People	NA	NA	3.90	0.25

### Remark(s):

- Products and services refer to Krungthai Smart Money Loans, including Krungthai Jaidee Loan, Sib Muen Loan, Krungthai Jai Pump Loan, and Krungthai Payday Loan, all of which can be accessed by low-income customers through Krungthai NEXT application.

## Social Performance Krungthai Bank Public Company Limited and the Bank's Affiliated Companies and The Bank's Financial Business Group

### Diversity and Equal Opportunity

GRI Standards	Requirements	2023	
		Person	%
GRI 2-7	<b>Employee</b>		
	Total number of employee	30,240	100
	<b>By gender</b>		
	• Male	11,996	39.67
	• Female	18,244	60.33
	<b>By age group</b>		
	• < 30 years old	2,579	8.53
	• 30-50 years old	21,843	72.23
	• > 50 years old	5,818	19.24
	<b>By nationality</b>		
	• Thais	30,205	99.88
	• Foreigners	35	0.12
	<b>By type of employment</b>		
	• Full-time	28,274	93.50
	• Contract	1,966	6.50

GRI Standards	Requirements	2023	
		Person	%
GRI 405-1	<b>By level</b>		
	<b>Top management</b>	249	100
	• Male	133	53.41
	• Female	116	46.59
	<b>Junior-middle management</b>	5,105	100
	• Male	2,279	44.64
	• Female	2,826	55.36
	<b>Non-management</b>	24,781	100
	• Male	9,507	38.36
	• Female	15,274	61.64
	<b>Contract employees</b>	105	100
	• Male	77	73.33
	• Female	28	0.17

**Remark(s):**

- Total number of employee is covered KTB, KTGS, KTCS, INFINITAS, ARISE, KTAM, KTX, KTMIZUHO, KTC, KTBL, KTAXA and KPI

## Gender Pay

GRI Standards	Requirements	Unit	2023
GRI 405-2	<b>Average compensation ratio between female and male employees</b>		
	Executive level (base salary only)	Ratio	0.92
	Executive level (base salary + other cash incentives)	Ratio	0.87
	Management level (base salary only)	Ratio	0.92
	Management level (base salary + other cash incentives)	Ratio	0.94
	Non-management level (base salary only)	Ratio	1.24

**Remark(s):**

- The Bank started collecting average compensation ratio between female and male employees' data in 2023.
- Average compensation ratio = Average female employee compensation / Average male employee compensation
- Average compensation ratio is covered KTB, KTGS, KTCS, KTAM, KTX, KTMIZUHO, KTBL, and KTLAW

## Human Capital Development

GRI Standards	Requirements	Unit	2023
GRI 404-1(a)	<b>Total number of training hours</b>	Hours	1,257,580
	<b>Average hours of training</b>	Hours per FTE	44.45
	<b>By gender</b>		
	• Male	Hours per FTE	30.91
	• Female	Hours per FTE	53.44
	<b>By age group</b>		
	• < 30 years old	Hours per FTE	24.25
	• 30-50 years old	Hours per FTE	46.40
	• > 50 years old	Hours per FTE	45.18

GRI Standards	Requirements	Unit	2023
	<b>By level</b>		
	• Top management	Hours per FTE	43.19
	• Junior-middle management	Hours per FTE	60.70
	• Non-management	Hours per FTE	41.68
	<b>Total amount spent on training and development</b>	THB	272,035,891
	<b>Average amount spent per FTE on training and development</b>	THB	9,615.97
GRI 404-3	Percentage of employees receiving regular performance reviews	%	84.8
	Percentage of employees receiving career development reviews	%	57.5

**Remark(s):**

- Employee training data is covered KTB, KTGS, KTCS, INFINITAS, ARISE, KTAM, KTX, KTMIZUHO, KTBL, KTAXA and KPI.

## Talent Attraction & Retention

GRI Standards	Requirements	2023	
		Person	%
GRI 401-1(a)	<b>Total number of new employee hires</b>	3,660	100
	<b>By gender</b>		
	• Male	1,696	46.34
	• Female	1,964	53.66
	<b>By age group</b>		
	• < 30 years old	1,504	36.44
	• 30-50 years old	1,945	61.96
	• > 50 years old	211	1.59
	<b>By nationality</b>		
	• Thais	3,651	99.75
	• Foreigners	9	0.25
	<b>By level</b>		
	• Top management	15	0.41
	• Junior-middle management	243	6.64
	• Non-management	3,402	92.95
	<b>Total number of open positions</b>	<b>4,590</b>	
	<b>Number of open positions filled by internal candidates</b>	<b>2,778</b>	
	<b>Percentage of open positions filled by internal candidates</b>	<b>60.52</b>	
	<b>Average hiring cost/FTE (THB)</b>	<b>7,094</b>	
GRI 401-1(b)	<b>Total employee turnover rate</b>	3,592	11.88
	<b>By gender</b>		
	• Male	1,586	44.15
	• Female	2,006	55.85
	<b>By age group</b>		
	• < 30 years old	764	21.27
	• 30-50 years old	2,063	57.43
	• > 50 years old	765	21.30
	<b>By nationality</b>		
	• Thais	3,588	99.89
	• Foreigners	4	0.11

GRI Standards	Requirements	2023	
		Person	%
	<b>By level</b>		
	• Top management	17	0.47
	• Junior - middle management	402	11.20
	• Non-management	3,155	87.83
	• Contract employees	18	0.50
	<b>Voluntary employee turnover rate*</b>	3,328	11.01
	<b>By gender</b>		
	• Male	1,435	43.12
	• Female	1,893	56.88
	<b>By age group</b>		
	• < 30 years old	716	21.51
	• 30-50 years old	1,888	56.73
	• > 50 years old	724	21.76
	<b>By nationality</b>		
	• Thais	3,324	99.88
	• Foreigners	4	0.12
	<b>By level</b>		
	• Top management	15	0.45
	• Junior-middle management	376	11.30
	• Non-management	2,920	87.74
	• Contract employees	17	0.51

**Remark(s):**

\* Voluntary employee turnover includes employees who choose to leave an organization (such as resignation, retirement, early retirement, etc.)

GRI Standards	Requirements	Unit	2023	
			Male	Female
GRI 401-3	<b>Parental leave</b>			
	Number of employees entitled to parental leave	Person	5,407	15,125
			20,532	
	Number of employees that took parental leave	Person	60	50
			110	
	Number of employees returning to work after the period of parental leave	Person	59	42
			101	
-	Percentage of employees returning to work and remaining at work after the period of parental leave	%	98.33	84.00
			91.81	
	<b>Employee Engagement</b>			
	Employee engagement score	%	93.00	
	Percentage of total employees	%	98.03	

## Absentee Rate of Employees

GRI Standards	Requirements	Unit	2023	
			Male	Female
GRI 403-9(a)	Total unscheduled personal leaves taken for undisclosed reasons	Day	80	7
	Total sick leaves	Day	27,129	46,994
	Absentee rate	%	74,123	
			1.00	

### Remark(s):

- Absentee rate = (number of absentee days / total days scheduled to be worked) x 100
- Total days scheduled to be worked in 2023 is 7,450,384 days.
- Absentee data is covered KTB, KTGS, KTCS, INFINITAS, ARISE, KTAM, KTX, KTMIZUHO, KTC, KTBL, KTAXA and KPI

## Occupational Health and Safety

GRI Standards	Requirements	Unit	2023
GRI 403-9(a)	<b>Work-related injuries of employees</b>		
	Number of fatality resulted from work-related injury	Case	1
	Number of high-consequence work-related injury	Case	0
	Number of Lost Time Injury	Case	23
		Day	428
	Number of recordable work-related injury	Case	33
	Fatality rate	Case per 1 million man-hours	0.02
	High-consequence work-related injury rate	Case per 1 million man-hours	0
	Lost Time Injury Frequency Rate (LTIFR)	Case per 1 million man-hours	0.40
	Lost Day Injury Rate (LDIR)	Day per 1 million man-hours	7.38
	Recordable work-related injury rate	Case per 1 million man-hours	0.57
GRI 403-9(b)	<b>Work-related injuries of contractors</b>		
	Number of fatality resulted from work-related injury	Case	0
	Number of high-consequence work-related injury	Case	0
	Number of Lost Time Injury	Day	0
	Number of recordable work-related injury	Case	0
	Fatality rate	Case per 1 million man-hours	0
	High-consequence work-related injury rate	Case per 1 million man-hours	0
	Lost Time Injury Frequency Rate (LTIFR)	Case per 1 million man-hours	0
	Recordable work-related injury rate	Case per 1 million man-hours	0

### Remark(s):

- Total number of hours worked by employees in 2023 is 58,008,124 hours.
- Total number of hours worked by contractors in 2023 is 1,251,381 hours.
- The Bank started collecting work-related injuries of contractor data in 2023.
- Occupational health and safety data is covered KTB, KTGS, KTCS, INFINITAS, ARISE, KTAM, KTX, KTMIZUHO, KTC, KTBL, KTAXA and KPI.

## Labor Practice Grievances



GRI Standards	Requirements	Unit	2023
-	Total number of grievances about Labor Practices filed through the formal grievance mechanism	Case	56
	Total number of grievances about Labor Practices resolved during the reporting period	Case	50
	Number of grievances about Labor Practices pending to be resolved at the end of the reporting period	Case	6



GRI Content Index

Disclosure			Chapter Note: This column will not be included in the GRI content index	Location		Omission		Mapped to UN SDGs	Assurance by Third-Party
				Annual Report	Sustainability Report	Reason	Explanation		
General Disclosure									
GRI 2: General Disclosures 2021	2-1	Organizational details	About this Report		16	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2	Entities included in the organization’s sustainability reporting	About this Report		16				
	2-3	Reporting period, frequency, and contact point	About this Report		16				
	2-4	Restatements of information	About this Report		16				
	2-5	External assurance	Assurance Statement		173-174				
	2-6	Activities, value chain, and other business relationships	Business and Value Chain		11-12				
	2-7	Employees	Social Performance		155-156, 160-161				
	2-8	Workers who are not employees				Not applicable	KTB does not have any workers who are not employees.		
	2-9	Governance structure and composition	Corporate Governance and Business Ethics		118-119				
	2-10	Nomination and selection of the highest governance body	Corporate Governance and Business Ethics		118				
	2-11	Chair of the highest governance body	Corporate Governance and Business Ethics		118				
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance and Business Ethics		120				
	2-13	Delegation of responsibility for managing impacts	Corporate Governance and Business Ethics		120				
	2-14	Role of the highest governance body in sustainability reporting	Materiality Assessment		17				
	2-15	Conflicts of interest	Corporate Governance and Business Ethics		117				
	2-16	Communication of critical concerns	Corporate Governance and Business Ethics		112-114, 120				
	2-17	Collective knowledge of the highest governance body	Corporate Governance and Business Ethics		120				
	2-18	Evaluation of the performance of the highest governance body			/				
	2-19	Remuneration policies			/				
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	2-21	Annual total compensation ratio	Social Performance		156, 161				
	2-22	Statement on sustainable development strategy	Message from the Chairman and CEO		4				
	2-23	Policy commitments	Corporate Governance and Business Ethics, Business Conduct with Respect for Human Rights		87-88, 117, 120-125				
	2-24	Embedding policy commitments	Corporate Governance and Business Ethics		122-125				
	2-25	Processes to remediate negative impacts	Corporate Governance and Business Ethics, Customer Relationship Management		110-115, 125				
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance and Business Ethics, Customer Relationship Management		110-115, 125				
	2-27	Compliance with laws and regulations	Corporate Governance and Business Ethics		125				
	2-28	Membership associations	Community Engagement		107-108				
	2-29	Approach to stakeholder engagement	Stakeholder Engagement		20-23				
	2-30	Collective bargaining agreements	Business Conduct with Respect for Human Rights, Social Performance		86-91, 160				

Disclosure			Chapter Note: This column will not be included in the GRI content index	Location		Omission		Mapped to UN SDGs	Assurance by Third-Party
				Annual Report	Sustainability Report	Reason	Explanation		
Material Topics									
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment		17-19	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2	List of material topics	Materiality Assessment		17-19				
Governance									
Corporate Governance and Business Ethics									
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance and Business Ethics		117-125			5, 8, 11	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Corporate Governance and Business Ethics		120-125				
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance and Business Ethics		120-125				
	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance and Business Ethics		125				
Development in Digital Innovation and Technology									
GRI 3: Material Topics 2021	3-3	Management of material topics	Development in Digital Innovation and Technology		136-140			8, 9, 10	
Cybersecurity and Privacy Protection									
GRI 3: Material Topics 2021	3-3	Management of material topics	Cybersecurity and Privacy Protection		141-147			4	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Privacy Protection		147				
Environment									
Strategies to Achieve Net Zero Greenhouse Gas Emissions									
GRI 3: Material Topics 2021	3-3	Management of material topics	Strategies to Achieve Net Zero Greenhouse Gas Emissions		26-29			7, 12, 13	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Strategies to Achieve Net Zero Greenhouse Gas Emissions	To be covered in TCFD report					
Reducing Greenhouse Gas Emissions Linked to Investments and Loans									
GRI 3: Material Topics 2021	3-3	Management of material topics	Reducing Greenhouse Gas Emissions Linked to Investments and Loans		30-33			7, 12, 13	
Social									
Financial Inclusion and Financial Literacy									
GRI 3: Material Topics 2021	3-3	Management of material topics	Financial Inclusion and Financial Literacy		46-55			1, 2, 4, 5, 16	
FS7: Monetary Value of Products and Services Designed to Deliver a Specific Social Benefit for Each Business Line Broken Down by Purpose	FS7	Monetary value of products and services that designed to deliver a specific social benefit for each business line broken down by purpose	Financial Inclusion and Financial Literacy		46-53				
Company Specific Indicator	FI01	Number of reach and engagement of financial literacy contents	Financial Inclusion and Financial Literacy		53-55				
Company Specific Indicator	FI02	Number of user of digital wallet	Financial Inclusion and Financial Literacy		47				
Human Resource Management									
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Resource Management		68-79			3, 4, 5, 8	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social Performance		157-158, 162-163				
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Resource Management		69-71				
	401-3	Parental leave	Social Performance		158, 163				

Disclosure			Chapter Note: This column will not be included in the GRI content index	Location		Omission		Mapped to UN SDGs	Assurance by Third-Party
				Annual Report	Sustainability Report	Reason	Explanation		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Social Performance		156-157, 161-162	Information unavailable/ incomplete	Average hours of training per year per employee is not covered data for KTLAW and KTC. It is under the process of data collection and expect to complete by 2024.		
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Management		73-79				
	404-3	Percentage of employees receiving regular performance and career development reviews	Social Performance		157-162				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Social Performance		156, 161				
	405-2	Ratio of basic salary and remuneration of women to men	Social Performance		156, 161				

Other ESG Topics

Disclosure			Chapter Note: This column will not be included in the GRI content index	Location		Omission		Mapped to UN SDGs	Assurance by Third-Party	
				Annual Report	Sustainability Report	Reason	Explanation			
Governance										
Risk and Crisis Management										
GRI 3: Material Topics 2021	3-3	Management of material topics	Risk and Crisis Management		126-135			8, 9, 10		
Delivering Sustainable Financial Products & Services										
GRI 3: Material Topics 2021	3-3	Management of material topics	Delivering Sustainable Financial Products & Services		56-67			1, 2, 4, 5		
Environment										
Resource Efficiency										
GRI 3: Material Topics 2021	3-3	Management of material topics	Resource Efficiency		34-43			6, 7, 12, 13		
GRI 302: Energy	302-1	Energy consumption within the organization	Environmental Performannc		152, 154				✔	
	302-2	Energy consumption outside of the organization	Environmental Performannc		152, 154				✔	
	302-3	Energy intensity	Resource Efficiency, Environment Performannc		152, 154				✔	
	302-4	Reduction of energy consumption	Resource Efficiency		38					
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	Resource Efficiency		39					
	303-2	Management of water-discharge-related impacts	Resource Efficiency		39					
	303-3	Water withdrawal	Environmental Performannc		152, 154				✔	
	303-4	Water discharge	Environmental Performannc		152, 154				✔	
	303-5	Water consumption	Environmental Performannc		152, 154				✔	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Environmental Performannc		152, 154				✔	
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performannc		152, 154				✔	
	305-3	Other indirect (Scope 3) GHG emissions	Environmental Performannc		153, 155				✔	
	305-4	GHG emissions intensity	Environmental Performannc		153, 155				✔	
	305-5	Reduction of GHG emissions	Resource Efficiency		36-37					
GRI 306: Waste	306-1	Waste generation and significant waste-related impact	Resource Efficiency		39-40					
	306-2	management of significant waste-related impacts	Resource Efficiency		39-40					
	306-3	Waste generated	Environmental Performannc		152, 154				✔	
	306-4	Waste diverted from disposal	Environmental Performannc		152, 154				✔	
	306-5	Waste directed to disposal	Environmental Performannc		152, 154				✔	
Social										
Community Engagement										
GRI 3: Material Topics 2021	3-3	Management of material topics	Community Engagement		92-109			1, 3, 4, 8, 10, 17		
Customer Relationship Management										
GRI 3: Material Topics 2021	3-3	Management of material topics	Customer Relationship Management		110-114			16		

Disclosure			Chapter Note: This column will not be included in the GRI content index	Location		Omission		Mapped to UN SDGs	Assurance by Third-Party
				Annual Report	Sustainability Report	Reason	Explanation		
Business Conduct with Respect for Human Rights									
GRI 3: Material Topics 2021	3-3	Management of material topics	Business Conduct with Respect for Human Rights		86-91			5, 10, 16	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Business Conduct with Respect for Human Rights		86				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Business Conduct with Respect for Human Rights, Social Performance		86-91, 159				
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Business Conduct with Respect for Human Rights		86-91				
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Conduct with Respect for Human Rights		86-91				
Occupational Health and Safety									
GRI 3: Material Topics 2021	3-3	Management of material topics	Occupational Health and Safety						
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Health and Safety		80-85				
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety		83-84				
	403-3	Occupational health services	Occupational Health and Safety		84-85				
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety		81				
	403-5	Worker training on occupational health and safety	Occupational Health and Safety		82-84				
	403-6	Promotion of worker health	Occupational Health and Safety		84-85				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety		82-85				
	403-9	Work-related injuries	Social Performance		159, 164				
	403-9	Absenteeism rate	Social Performance		159, 164				✔



UNGC CoP Content Index

Principle		GRI Mapping	Chapter	Location		Note
				Annual Report	Sustainability Report	
Governance						
G1	Role of board/senior executive	GRI 2: 2-12, 2-14, 2-22 (2021)	Message from the Chairman and CEO, Sustainability Governance Structure, Materiality Assessment, Corporate Governance and Code of Conduct, Risk and Crisis Management		4, 15, 17, 127-132, 135	
G2	Publicly stated commitment	GRI 2: 2-23 (2021)	Resource Efficiency, Corporate Governance and Code of Conduct, Business Conduct with Respect for Human Rights , Human Resource Management		35-44, 70-74, 90-95, 127-132	
G3	Code of conduct	GRI 2: 2-23 (2021)	Resource Efficiency, Corporate Governance and Code of Conduct, Business Conduct with Respect for Human Rights , Human Resource Management		35-44, 70-74, 90-95, 127-132	
G4	Individual or group responsible	GRI 2: 2-13 (2021)	Sustainability Governance Structure, Corporate Governance and Code of Conduct		15, 26-27, 36, 124	
G5	Formal structure	GRI 2: 2-9, 2-13 (2021)	Sustainability Governance Structure, Corporate Governance and Code of Conduct		15, 26-27, 124	
G6, G6.1	Risk assessment processes	GRI 205: 205-1 (2016)	Risk and Crisis Management, Sustainable Supply Chain Management		27, 37-40, 90-95, 131-143, 156	KTB is now in the process of conducting corruption related risk operation assessment
G7, G7.1	Due diligence processes	GRI 2: 2-12, 2-23-a-ii, GRI 3: 3-1, 3-3-d (2021)	Corporate Governance and Code of Conduct, Business Conduct with Respect for Human Rights		90-95, 127-132, 156-157	
G8, G8.1	Raising concerns processes	GRI 2: 2-26 (2021)	Corporate Governance and Code of Conduct, Customer Relationship Management, Sustainable Supply Chain Management		94, 118, 132	
G9	Capture lesson methods	GRI 3: 3-3-e (2021)	Resource Efficiency, Corporate Governance and Code of Conduct, Business Conduct with Respect for Human Rights, Human Resource Management		35-44, 70-74, 90-95, 127-132	
G10	Executive pay linked to sustainability performance	GRI 2: 2-19 (2021)		/		
G11	Board composition	GRI 2: 2-9 (2021), GRI 405: 405-1 (2016)	Corporate Governance and Code of Conduct		124-125	
G12	Sustainability reporting	-	About This Report		16	
G13	Information assurance	GRI 2: 2-5 (2021)	Assurance Statement		181-182	
Human Rights						
HR1	Material topics identification	GRI 3: 3-2 (2021)	Materiality Assessment		17-19, 90-95	
HR2, HR2.1	Policy commitment	GRI 2: 2-23-a-iv, 2-23-b, 2-23-c, 2-23-d, 2-23-e (2021) GRI3: 3-3-c (2021)	Business Conduct with Respect for Human Rights		91-92	
HR3	Stakeholder engagement	GRI 3: 3-1-b, 3-3-f (2021)	Business Conduct with Respect for Human Rights		91-93	
HR4	Prevention/mitigation risks and impacts	GRI 3: 3-3-d (2021)	Business Conduct with Respect for Human Rights		91-95	
HR5	Training for human rights topic	GRI 3: 3-3-d (2021)	Business Conduct with Respect for Human Rights		95	
HR6	Prevention/mitigation progress assessment	GRI 3: 3-3-e (2021)	Business Conduct with Respect for Human Rights		90-95	
HR7	Remedy	GRI 3: 3-3-d (2021)	Business Conduct with Respect for Human Rights		92-94	
HR8	Practical actions	GRI 3: 3-3-c, 3-3-d (2021)	Business Conduct with Respect for Human Rights		92-94	
Labour						
L1, L1.1	Policy commitment	GRI 3: 3-3-c (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Business Conduct with Respect for Human Rights, Human Resource Management		70-75, 91-92	
L1.2	Freedom of association and collective bargaining	GRI 2: 2-30 (2021)	Business Conduct with Respect for Human Rights		91	
L2	Stakeholder engagement	GRI 3: 3-1-b and 3-3-f (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Stakeholder Engagement		20, 71-77, 80, 84-89	
L3	Prevention/mitigation risks and impacts	GRI 3: 3-3-d (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Human Resource Management		71-75, 83-89	
L4	Training for labour topic	GRI 3: 3-3-d (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Human Resource Management		82, 86	

Principle		GRI Mapping	Chapter	Location		Note	
				Annual Report	Sustainability Report		
L5	Prevention/mitigation progress assessment	GRI 3: 3-3-e (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Human Resource Management		75-81, 84-85		
L6	Collective bargaining agreements	-	Occupational Health and Safety		88-89		
L7	Women in managerial positions	-	Performance Data		168		
L8	Pay equity	GRI 4: 405-2 (2016)	Performance Data		169		
L9	Injury frequency	GRI 4: 403-9 (2018)	Performance Data		172		
L10	Incident rate	GRI 4: 403-9 (2018)	Performance Data		172		
L11	Remedy	GRI 3: 3-3-d-ii (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Occupational Health and Safety		86-87		
L12	Practical actions	GRI 3: 3-3-c and 3-3-d (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Occupational Health and Safety		86-87		
Environment							
E1, E1.1	Policy commitment	GRI 3: 3-3-c (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016)	Resource Efficiency		35-36		
E2	Stakeholder engagement	GRI 3: 3-1-b and 3-3-f (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201: 201-2-a-iv (2016)	Resource Efficiency		32, 35-43		
E3	Prevention/mitigation risks and impacts	GRI 3: 3-3-d (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201: 201-2-iv (2016)	Resource Efficiency		35-43		
E4	Prevention/mitigation progress assessment	GRI 3: 3-3-e (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201: 201-2-a-iv (2016)	Resource Efficiency		35-44		
E4.1	Goals and targets	GRI 3: 3-3-e (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201: 201-2-a-iv (2016)	Resource Efficiency, Strategies to Achieve Net Zero Greenhouse Gas Emissions		28-30, 35-44		
E4.2	Measuring progress against targets	GRI 3: 3-3-e (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201: 201-2-a-iv (2016)	Resource Efficiency, Strategies to Achieve Net Zero Greenhouse Gas Emissions		28-30, 35-44		
E5	Remedy	GRI 3: 3-3-d-ii (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201: 201-2-a-iv (2016)	Resource Efficiency, Strategies to Achieve Net Zero Greenhouse Gas Emissions		35-44		
E6	Greenhouse gas emissions	GRI 305: 305-1, 305-2	Resource Efficiency, Performance Data		42-43, 160-161		
E7, E7.1	Scope 3 emissions	GRI 305: 305-3 (2016)	Resource Efficiency, Performance Data		42-43, 160-161		
E8	R&D investment in low-carbon products and services	(% of revenue)	Delivering Sustainable Financial Products & Services		-		
E9	Climate adaptation	GRI 201: 201-2-a-iv (2016)	Strategies to Achieve Net Zero Greenhouse Gas Emissions		26-30		
E10	Renewable energy consumption	GRI 302: 302-1 (2016)	Resource Efficiency		39		
E11	Low-carbon products/services	(% of revenue)	Delivering Sustainable Financial Products & Services		-		
E12	Material topics identification	GRI 2: 2-6-a (2021)	Materiality Assessment, Sustainable Supply Chain Management		17-19		
E13	Water withdrawal and consumption in own operation	GRI 303: 303-1, 303-3, 303-5 (2018)	Resource Efficiency, Performance Data		40, 160-161		
E14	Water intensity of products	-				Not applicable	
E15	The company is in or adjacent to protected areas and/or key biodiversity areas (KBA)	GRI 304: 304-1 (2016)				Not applicable	
E16	The area of natural ecosystems	GRI 304: 304-1 (2016)				Not applicable	
E17	Ecosystem restoration and protection	GRI 304: 304-3 (2016)				Not applicable	

Principle		GRI Mapping	Chapter	Location		Note
				Annual Report	Sustainability Report	
E18	Pollutants	GRI 305: 305-7 (2016)				Not applicable
E19	Waste generated	GRI 306: 306-3 (2020)	Resource Efficiency, Performance Data		40-44, 160	
E20	Hazardous waste	GRI 306: 306-4, 306-5 (2020)	Resource Efficiency, Performance Data		40-44, 160	
E21	Consumption of single-use plastic	-				Not applicable
E22	Practical actions	GRI 3: 3-3-c and 3-3-d (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016)	Resource Efficiency		26-44	
Anti-Corruption						
AC1	Compliance program	GRI 3: 3-3-c (2021) for the topic GRI 205 (2016)	Corporate Governance and Code of Conduct		126-128	
AC1.1	Year of programme reviewed	-	Corporate Governance and Code of Conduct		126-128	
AC2	Policies in situations that may represent a conflict of interest	-	Corporate Governance and Code of Conduct		127-130	
AC3	Training for anti-corruption and integrity	GRI 205: 205-2 (2016)	Corporate Governance and Code of Conduct		130	
AC3.1	Training frequency	-	Corporate Governance and Code of Conduct		130	
AC4	Compliance monitoring	GRI 3: 3-3-e (2021) for the topic GRI 205 (2016)	Corporate Governance and Code of Conduct		129-132	
AC5	Incidents of corruption	GRI 205: 205-3 (2016)	Corporate Governance and Code of Conduct		131	
AC6, A6.1	Measures to address suspected incidents of corruption	GRI 3: 3-3-d (2021) for the topic GRI 205 (2016)	Corporate Governance and Code of Conduct		127-132	
AC7	Collective action against corruption	GRI 3: 3-3-d (2021) for the topic GRI 205 (2016)	Corporate Governance and Code of Conduct		127-128	
AC8	Practical actions	GRI 3: 3-3-c and 3-3-d (2021) for the topic GRI 205 (2016)	Corporate Governance and Code of Conduct		126-132	



# LRQA Independent Assurance Statement

## Relating to Krungthai Bank Public Company Limited's Sustainability Report for the calendar year 2023 (1<sup>st</sup> January 2023 – 31<sup>st</sup> December 2023)

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

### Terms of engagement

LRQA was commissioned by Krungthai Bank Public Company Limited (KTB) to provide independent assurance on its Sustainability Report 2023 ("the report") against the assurance criteria below to a moderate level of assurance and materiality of the professional judgement of the verifier using Accountability's AA1000AS v3 for type 2 assurance.

Note: The exception is for both direct and energy indirect GHG emissions data where a high level of assurance at 5% materiality has been applied.

Our assurance engagement covered KTB's operations and activities only in Thailand and specifically the following requirements:

- Evaluating the nature and extent of KTB's adherence to Accountability's AA1000 Principles (2018):
  - Inclusivity, Materiality, Responsiveness and Impact.
- Confirming that the Report is in accordance with:
  - GRI Standards 2021, and
  - GRI 3-1: Process to determine material topics.
- Evaluating the reliability of data and information for only the selected environmental and social indicators listed below:
  - 302-1 Energy consumption within the organization
  - 302-2 Energy consumption outside of the organization
  - 302-3 Energy Intensity
  - 303-3 Water withdrawal
  - 303-4 Water discharge
  - 303-5 Water consumption
  - 306-3 Waste generated
  - 306-4 Waste diverted from disposal
  - 306-5 Waste directed to disposal
  - 305-1 Direct (Scope 1) GHG emissions
  - 305-2 Energy indirect (Scope 2) GHG emissions
  - 305-3 Other indirect (scope 3) GHG emission (Category 1 – Purchased goods and services (paper and water), Category 3 – Fuel- and energy-related activities, Category 5 – Waste generated in operations (organic waste to landfill), Category 6 – Business travel, Category 7 – Employee Commuting, Category 8 – Leased assets)
  - 305-4 GHG Emission Intensity
  - 403-9: Work-related injuries (absenteeism rate only)
  - 404-1 Average hours of training per year per employee
  - 405-2 Ratio of Basic Salary and Remuneration of Women to Men.

Our assurance engagement excluded the data and information of KTB's operations and activities outside Thailand, as well as suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to KTB. LRQA disclaims any liability or responsibility to others as explained in the end footnote. KTB's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of KTB.

### LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that KTB has not:

- Met the requirements above
- Disclosed reliable performance data and information as no errors or omissions were detected, and that the direct and energy indirect GHG emissions data disclosed in the report are materially correct.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier; with the exception of direct and energy indirect GHG emissions data where a high level of assurance at 5% materiality has been applied.

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

<sup>1</sup> <https://www.globalreporting.org>

<sup>2</sup> GHG quantification is subject to inherent uncertainty.



### LRQA's approach

LRQA's assurance engagements are carried out using Accountability's AA1000AS v3 and our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing KTB's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through interviews with external stakeholders and reviewing documents and associated records.
- Reviewing KTB's process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by KTB 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 KTB makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing KTB's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Verifying data and information remotely via ICT application by sampling evidence to confirm the reliability of the selected indicators.

### Observations

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

- Stakeholder inclusivity: We are not aware of any key stakeholder groups that have been excluded from KTB's stakeholder engagement process. KTB has open dialogue with all its stakeholders, though the frequency of engagement with trade unions would benefit from more regular scheduling.
- Materiality: We are not aware of any material issues concerning KTB's sustainability performance that have been excluded from the report. It should be noted that KTB has established extensive criteria for determining which issue is material and that these criteria are not biased to the company's management.
- Impact: KTB has established and implemented processes for responding to the concerns of various stakeholder groups especially in relation to GHG emissions. For example: KTB has announced its Net Zero commitment program.
- Responsiveness: KTB has established and implemented processes for responding to the concerns of various stakeholder groups especially in relation to reporting performance of the GRI disclosures associated with the key materiality topics. However, we believe that KTB's future reports should extend:
  - GRI disclosures to include all business units, and
  - GHG emissions data and disclosure to include fugitive emissions from branch operations and energy imported by tenants.
- Reliability: Data management systems are properly defined for the selected environmental and social indicators. However, KTB should consider reviewing data collection and reporting tools related to the number of contractor's working hours as this will further improve the accuracy of this data in future reports.

### LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only works undertaken by LRQA for Krungthai Bank Public Company Limited and as such does not compromise our independence or impartiality.

*Kamiga S.*

Kamiga Sukkeaw  
LRQA Lead Verifier

Dated: 7 March 2024

On behalf of LRQA (Thailand) Ltd.  
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