



SUSTAINABILITY REPORT 2019



KTC aims towards sustainable growth

We are determined to develop the organization to become an agile entity, to be prepared to meet market competition and changes within the business landscape through implementing Strategy, Structure, System & Technology that enable our People to deliver high quality of work. We strive to create balance in life by integrating sustainable development approaches in our Process under the spirit “Courage to Choose What is Right”. We aim to have a broad and deep understanding of economic, social and environmental dimensions to deliver value through our products, services and platforms for KTC to be a brand that is in the hearts of our stakeholders, ensuring that our stakeholders will LIVIN’ A GOOD LIFE and grow together sustainably.

Honorable Awards



Best CEO Awards



The first and only financial institution in Thailand to receive the Information Security Management Systems Certification (ISO/IEC 27001:2013)



Received 5 stars (Excellent) in the Corporate Governance Report of Thai Listed Companies 2019 from the Thai Institute of Directors for the 4th consecutive year.



Selected to be part of the list of registered companies with exceptional performance in environmental, social and governance aspects. Selected to be part of ESG 100 since 2016.



Renewed membership with “Thailand’s Private Sector Collective Action Coalition Against Corruption” from CAC Council until 2022.



Received a “100%” rating from the Annual General Meeting Quality survey

Contents

Statement from the Chairman of the Board of Directors	4
Krungthai Card Public Company Limited	6
Business Strategic Direction	10
KTC and Sustainable Development	12

Economic Dimension

Brand & Customer Trust and Digitalization	25
Risk and Crisis Management	31
Economic Performance	35
Corporate Governance	36
ESG Products & Services	38
Supply Chain Management	40

Social Dimension

Financial Inclusion and Financial Literacy	43
Anti-Corruption	47
Human Capital Development	50
Occupational Health and Safety	55
Collaboration with Partners for Sustainability	57

Environmental Dimension

Environmental Management and Climate Strategy	60
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About this Report	64
Additional Information	65
Sustainability Performance	66
GRI Content Index	70

Statement from the Chairman of the Board of Directors



KTC is proud to be part of the driving mechanism for the national economy and to be part of the initiative to develop the country towards a cashless society that is in accordance with government policies, as well as developing Thai society to grow and continuously reducing negative impacts towards the environment in a sustainable fashion

KTC is determined to develop the organization for the business to grow with stability and sustainability as well as being prepared to meet the changes in technology, customer behavior, challenges from market competition and changes in climate and environmental conditions. KTC places significance on 5 core components for organizational development which are People, Process, System & Technology, Structure and Strategy by combining thought processes for sustainable development in economic, social and environmental dimensions to become an integrated part of the Company's policies and strategic plans. With the eminence of being a Membership Company, KTC is proud to be part of the driving mechanism for the national economy and to be part of the initiative to develop the country towards a cashless society that is in accordance with government policies, as well as developing Thai society to grow and continuously reducing negative impacts towards the environment in a sustainable fashion.

In the economic dimension, KTC focuses on conducting business with transparency, good governance, good business practices and appropriate risk management by collaborating with business partners and alliances to develop and present products, services and platforms. This is presented alongside with privileges that have unique characteristics, equal and broad accessibility such as using technologies to improve the mobile application for customers to have ease of access and convenience in receiving promotions, in checking credit balances and paying for the credit card or personal loan. We adhere to safety, swiftness and stability while endlessly innovating to continuously deliver value, create satisfaction and good experience to our customers and members whenever they use our services because KTC wants to be a brand that is in the heart of our members and remain the right choice for customers when they carefully select products and services. In the year 2019, our loan portfolio and the credit card spending increased with our credit card receivables business achieving the highest growth rate in the past 3 years. The Company made a net profit of 5,524 million baht, achieving a new high for the 7th consecutive year.

In the social dimension, KTC places significance in developing personnel because we believe in "continuous learning through attentiveness" as a basis for our quality personnel to understand the behavior of our members or all stakeholder groups to create value that is coherent and consistent with their needs. Other than this, KTC gives importance in respecting diversity and providing equal treatment thoroughly under the foundation of human rights. In this year, the Company received approval from the Bank of Thailand to expand our services to cover car title loan under personal loans and have collaborated with Krung Thai Bank to establish new financial subsidiaries under the bank to conduct Pico Finance business under

Pico Plus and Nano Finance business. This is to expand the personal loan market coverage towards individuals with need for financial services and to customer groups that previously lacked access to formal financial services by increasing opportunities for borrowers to use approved capital to support a good quality of life and to alleviate hardships from informal lending practices. Moreover, we provide financial literacy to reinforce financial discipline and sensible financial planning to prevent unnecessary household debt as well as to increase financial accessibility and provide financial and social stability.

In the environmental dimension, KTC supports our employees to comprehend and take part in environmental preservation practices. Starting from changing their behavior in day to day activities such as reducing the use of single-use plastics and reducing energy consumption. Apart from this, KTC campaigns and invites employees and stakeholders to collectively reduce the use of paper by using electronic communication channels such as E-mail, social media, QR code, as well as requesting transaction reports in the form of e-Statements. The Company joined the Care the Bear: Change the Climate Change by Eco Event that was hosted by the Stock Exchange of Thailand to reduce global warming by reducing green house gases from hosting activities or events.

The year 2019 has been a prominent year for the Company as the Company received notable awards at the SET Awards event including Best CEO Awards selected from Outstanding CEO Awards, Outstanding Company Performance Awards and was listed in the Thailand Sustainability Investment (THSI) for the first year. Aside from this, KTC is the first and only financial institution in Thailand to receive the Information Security Management Systems certification (ISO/IEC 27001:2013) throughout the organization.

On behalf of KTC, I would like to express our gratitude to all our stakeholders for your trust and support in our products, services and platforms to become a key part of LIVIN' A GOOD LIFE for our stakeholders. I would like to present this sustainability report under the GRI (Global Reporting Initiative) Standards that KTC has prepared in this first year to communicate our dedication in learning and developing sustainability practices to become a part of our spirit in giving back and growing alongside our stakeholders sustainably.



Mr. Parinya Patanaphakdee

Chairman of the Board of Directors
Krungthai Card Public Company Limited

Krungthai Card Public Company Limited

102-16

Vision

“ To be a **membership** company
through creating **solid foundation** for
a **sustainable growth** and becoming the Default
of **Retail Lending Platform**
and **Payment Platform** ”

Mission

- 1 Create delivery platform to “Curate Options”
- 2 Embed a common purpose and passion of being a “Members Obsession” organization
- 3 Differentiate through developing core “Insight Intelligence” skills
- 4 Become members’ “Default Choices” to nurture a sustainable long-term growth

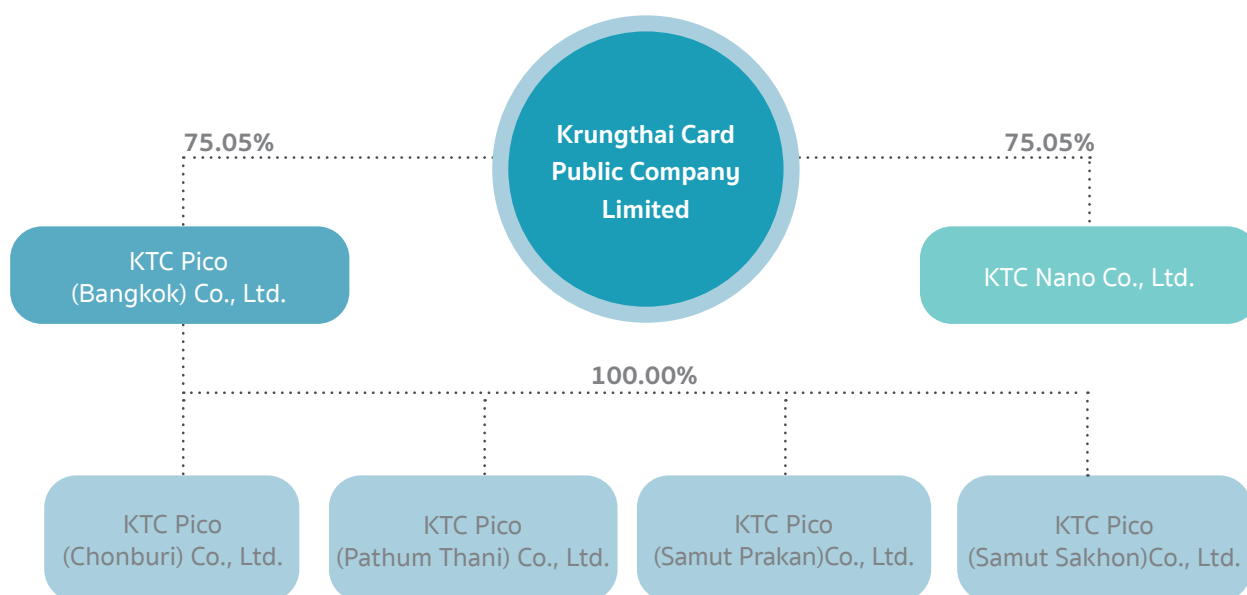
Core Values



102-1, 102-3, 102-4, 102-5, 102-6, 102-7, 102-10

Krungthai Card Public Company Limited (“KTC” or “Company”) was listed on the Stock Exchange of Thailand on October 28, 2002. The Company operates a wide range of businesses, including the credit card business, merchant acquiring business, payment service business and the personal loan business. The Company’s products and services are widely recognized by customers throughout Thailand. The Company’s head office is located at 591 United Business Centre II, 14th Floor Sukhumvit 33 Road, North Klongton Wattana, Bangkok 10110.

At the end of 2019, the Company had a total of 19 KTC TOUCH branches with 18 branches located in Bangkok and 1 branch located in Chiang Mai. The major shareholder of the Company is Krung Thai Bank Public Company Limited (“Krung Thai Bank”) with a shareholding of 49.10% of the total issued shares of the Company. In 2019, the Company collaborated with Krung Thai Bank to establish 5 subsidiaries to provide Pico Finance loans under Pico Plus to customers in Bangkok, Chonburi, Pathum Thani, Samut Sakhon, and Samut Prakan, as well as Nano Finance loans with the following shareholding structure.



102-2

Credit Card Business

The credit card business consists of two elements: card issuing business and merchant acquiring business:

The **card issuing business** begins from attracting credit card customers, granting a line of credit for cardholders, monitoring credit card spending, receiving debt payment, and collecting the debt. The Company generates revenues from transaction fee and interest.

The **merchant acquiring business** involves merchants that accept credit card payment for goods and services. The company selects merchants and installs EDC machines at merchants' premises to facilitate cardholders' payment for goods and services. The Company earns fee incomes as a source of revenue.

Personal Loan Business

The personal loan business provides unsecured loans which are multi-purpose loans (KTC CASH) and ready-to-use loans (KTC PROUD Cash Card). The Company's sources of revenue from the two types of personal loans is the interest, which is calculated from amortization. The Company sets the interest rate adopting the Risk-Based Pricing Model, which is within 28% capped by the Bank of Thailand. Moreover, the Company conducts data processing and analysis using the Credit Scoring System.

Multi-purpose loans (KTC CASH) is suited for individuals whose income is over THB 15,000. It is a non-revolving loan that offers cash and is to be repaid in equal installments. Applicants will receive cash in his/her bank account within two days after approval. Installments range from 12 to 60 payments depending on the loan amount.

Ready-to-use loans (KTC PROUD Cash Card) is suited for individuals whose income is over THB 12,000. It is a revolving loan that is ready for use in case of emergencies. This loan has a 2-in-1 feature with cash withdrawal and installment services. The applicant will receive the first portion of the loan in the requested bank account and can

withdraw the remaining portion of the loan through any channel without incurring cash advance fees. Moreover, the applicant can use KTC PROUD Cash Card through installment payment with KTC card for up to 36 installment payments with 0% interest rate or special interest rates at participating stores throughout Thailand. Customers can transfer installment payments via the KTC Mobile application with special interest rates and divide the payments into 6 to 36 installment payments. Customers can also choose between 3% minimum repayment or THB 300, depending on which amount is larger, and the credit will be renewed immediately when payment is made at any Krung Thai Bank or any branches of Counter Service.

New Businesses in 2019

The Company received approval from the Bank of Thailand to expand the coverage of loan services to Car Title loans. The Company also collaborated with Krung Thai Bank to establish subsidiaries to operate Pico Finance (Pico Plus) and Nano Finance businesses to expand the coverage of loan services to individuals with the need to access financial services, including individuals who previously did not have opportunities to access formal financial services.

Other Businesses

Apart from the Company's core businesses, credit card business and personal loan business, the Company conducts a circle loan business which is a credit loan account for Krung Thai Bank's credit cardholders that was transferred to the Company in 2002. The Company only provides this service to existing customers and does not have any policy to expand coverage of circle loan services to new applicants.

(Please refer to the "Business Nature" section in KTC's Annual Report 2019 for further details on additional businesses of the Company)



102-13

Membership of Associations

The Company is a proud member of several associations and organizations with which the Company shares experience and knowledge for the promotion of social and economic welfare. These associations and organizations include:

- Credit Card Club–The Thai Banker’s Association
- Personal Loan: PL Club
- The Federation of Thai Industries
- Thai Fintech Association
- Personnel Management Association of Thailand
- Thailand Management Association
- Thai Hire-Purchase Association
- Thai Listed Companies Association
- Collective Action Coalition against Corruption (CAC)
- Thai Institute of Directors

Business Strategic Direction

102-15, 103-1, 103-2

KTC's business direction aims to establish our growth with a new vision of becoming financial platforms that stand alongside Thai society with a user-friendly concept. Two main platforms which are 'Payment Platform' and 'Retail Lending Platform' will be introduced with 3 strengths of security, speed and excellent experience to ensure member satisfaction as well as to support the Company's new business expansion into secured retail lending, adding to its existing credit card and personal loan businesses. Meanwhile, KTC is capable of providing a diverse and one stop service consumer lending. Car title loan, Pico Plus (multi-purpose lending offered to retails at provincial level) and Nano Finance (retail lending for self-employed individuals or freelancers) have already been gradually launched for their services. In addition, to conduct our businesses to promptly and precisely meet customer demands and expectations, KTC has stepped up to be an 'agile and adaptive entity'. Starting with a new conceptual framework, business operations will be flexible and able to swiftly cope with changes. This can be done through 5 key components which are 1) Strategy – Create opportunities and utilize existing resources to add value to all stakeholders, 2) Structure – Define clear roles and responsibilities for personnel and encourage them to initiate jobs as well as to solve problems for better performance, 3) Process – Analyze incidents in the workplace, build a learning cycle and promote better decision making, as well as reduce risks and create success, 4) People – Connect talented people together, motivate personnel for a sense of corporate ownership which in turn will drive the efficiency of the organization, and 5) Technology – is a necessary part that is needed to be merged with every dimension of the organization.

For 2020, KTC has determined its strategies in each area as follows:

Credit Card Business

"Everyone, everyday, and everywhere"

With the aim for KTC credit card to be member's everyday and everywhere choice whether spending through online or through both domestic and international stores, KTC will focus not only on providing worthwhile KTC FOREVER point rewards but also on creating impressive experiences for members. Furthermore, KTC places emphasis on instilling confidence in and providing convenience and security for credit card usage, including ensuring customer satisfaction by using data analysis to understand the behavior and needs of each customer. Through this approach, KTC presents members with programs that they appreciate, including using modern technology coupled with the knowledge and expertise of KTC's marketing team to differentiate the Company's value offerings. In the meantime, KTC continues to emphasize on expanding merchant networks to thoroughly cover its members' lifestyle. The Company will also enhance the efficiency of its communication channels so that members will receive information, including promotions from KTC, that is useful and matches their needs.

Personal Loans

"Focus on Sustainable Growth"

KTC plans to increase lending, together with strengthening portfolio quality with 4 key factors which are

- 1) Acquire new members whose needs are to uplift their quality of life, plan for progress in life and possess strong financial discipline as well as increase the number of customers and partners in educational areas.

- 2) Maintain current member base and gain their long-term loyalty. Ensuring that KTC card is their first choice by alleviating debt burdens for members with good discipline in payments, through marketing campaigns that truly satisfy their needs. Such an approach will be supported by customer behavioral analysis to better match promotions with member needs.
- 3) Develop products and services that promote members' complete satisfaction. With new services, members can request for an emergency credit limit increase with self-service transaction for 24 hours a day and receive instant approval. To further ease the burden of customers, KTC developed online 24-hour cash withdrawal services through KTC Mobile application and will add KTC PROUD Cash Card to resonate with the cashless society lifestyle, allowing customers to use the card anytime and anywhere.
- 4) Promote members with good quality of life for sustainable growth by initiating their financial disciplines through organizing Financial Literacy seminars and through providing useful articles via simple medias, as well as further arranging knowledge sharing workshops for career and investment advice in order to help enhance members' future income.

Membership Base Expansion

To thoroughly satisfy retail customers, KTC offers them with diverse and one stop service lending products, including the latest one "KTC P' BERM", which is composed of car title loan, motorcycle title loan and cash loan. KTC will increasingly focus on online applications and provide good experience for members interested in registering for KTC's products. KTC's primary channels for acquiring members are through Krung Thai Bank and outsourced sales agents. Such an approach is in line with KTC's emphasis on improving sales personnel to ensure clear and correct product presentations as well as a positive experience for members.

Merchant Partner Expansion

KTC targets to expand the merchant business by providing merchant members with payment solutions that suitably address their needs in various business segments in order to build their satisfactory service experience as well as to promote sustainable growth for the Company. The Company will also focus on offering installment payment with KTC card, which possess the potential for continuous growth. In addition, KTC aims to penetrate diverse segments especially Alipay merchants (online and offline), which supports the transactions of Chinese tourists and expats in Thailand. KTC also offers new payment solutions to capture the online market with an emphasis on transaction security that is not only fast and convenient but also adhere to international standards. Such an approach supports the rapid growth of e-commerce and social commerce businesses, including the development and innovation of new payment services to encourage merchants to accept credit card payments instead of traditional cash payments, which is in line with the Thai government's policy to turn Thailand to become a cashless society. Moreover, the Company will continue to collaborate with Krung Thai Bank to further expand into new lines of business and capture new business opportunities which will generate more revenue for KTC.

KTC and Sustainable Development

Management Framework for Sustainable Development

102-18, 102-19, 102-32

The Board of Directors of the Company has an important role in making decisions for the best interests of the Company and its stakeholders. In this respect, the Board of Directors assigned the Audit Environmental Social and Governance Committee to supervise the sustainability management by approving the vision, mission, and framework. The Chief Executive Officer is determined to set the direction, lead and drive the organization accordingly. In addition, the Senior Executives have been engaged since the beginning to appreciate the importance of sustainability and pass through the support along the business line via the Sustainability team, a group of selective representatives from each department. Together, these representatives studied sustainability frameworks for business at the national and international level, as well as exchanged views among departments. Internal communications within the organization also are emphasized, which involves knowledge sharing, examples, and approaches regarding sustainability, to educate, motivate and support personnel to work towards 360-degree sustainability in the organization. Accordingly, everyone in the organization is closely involved

in driving sustainable development for the highest benefit of all stakeholders.

Stakeholder Engagement

102-40, 102-42

The Company divides stakeholders into 10 groups by their relevance to the Company's business operations, comprising of Shareholders, Customers, Creditors, Business Partners, Business Alliances, Competitors, Society and Environment, the Board of Directors and Executives, Employees and the Government Sector.

The Company supports all of its employees to empathize with stakeholders through various channels and activities to ensure that stakeholders' needs and expectations are appropriately met and acknowledged, particularly the issues prioritized by stakeholders. The Company has also provided written guidelines for stakeholder engagement in its Corporate Governance Policy and Code of Conduct disseminated on the Intranet and the Company's website. Any information obtained from stakeholder engagement will undergo analysis to specify and develop appropriate approaches for stakeholder engagement to reduce risks and create business opportunities. The details of the Company's stakeholder engagement are as follows:

102-43, 102-44

1. Shareholders

Method of Communication	Frequency	Interest and Expectation	Approach
Annual General Meeting	Once a year	<ul style="list-style-type: none"> Receive positive returns, such as dividends or capital gains 	<ul style="list-style-type: none"> The Company is transparently operating the business with positive operating results
Extraordinary General Meeting	Upon the occurrence of an event	<ul style="list-style-type: none"> Equal access to correct and complete information in a timely and concise manner 	<ul style="list-style-type: none"> The Company discloses correct and complete information in a timely manner and provides equal access to information
Disclosure of Management Discussion and Analysis and Financial Statements (Pre- and Post-Review/Audit)	8 times a year	<ul style="list-style-type: none"> Receive clear answers to questions posed 	<ul style="list-style-type: none"> The Company provides direct responses to questions posed
Opportunity Day	4 times a year		
Meetings to consider policies and approaches for group supervision prepare and submit reports, cooperate with audits undertaken by the internal audit function of KTB.	Monthly/ Quarterly/ Annually	Krung Thai Bank receives correct and complete information within the specified deadline.	The Company submits its report with correct and complete information in a timely manner for use of the information in group supervision.

2. Customers

Method of Communication	Frequency	Interest and Expectation	Approach
Customer satisfaction surveys, brand health check, product recommendation through customer interviews	Once a year	<ul style="list-style-type: none"> • Present or provide complete and correct information on products and financial services appropriate per the needs of each customer group • Receive appropriate suggestions and services in an efficient manner • Willingly resolve issues with speed and listen to suggestions 	<ul style="list-style-type: none"> • The Company develops the presentation of products and services to meet the needs of each customer group • The Company willingly provides services • The Company creates opportunities for customers to evaluate the services of KTC TOUCH and sales agents using customer satisfaction telephone surveys • The Company willingly resolves customer issues with speed and listen to customer suggestions
Customer willingness to recommend product to other customers (Net Promoter Score)	Every time a customer call is placed to the Call Center/ Once a year		
KTC TOUCH Customer Satisfaction Surveys	3 times a year		
Customer engagement in product presentation and financial services in all channels	Throughout the year		
Customer satisfaction telephone surveys to gauge the correctness of sales by sales agents	Every month		
Listening to suggestions, issues and complaints	Throughout the year		

3. Creditors

Method of Communication	Frequency	Interest and Expectation	Approach
Provide information and responses to questions, listen to and consider suggestions through several channels, including by telephone, E-mail and meetings	Throughout the year	<ul style="list-style-type: none"> • Complies with contract or terms and conditions • Receive interest and principal amount in full • Receive information as needed 	<ul style="list-style-type: none"> • The Company complies with the relevant contract or terms and conditions • The Company repays interest and principal amounts in full within the specified period • The Company engages in constant communication to ensure the information, news and knowledge creditors receive is correct and complete
Disclosure of Financial Statements and Management Discussion and Analysis (Post-Review/Audit), including letters notifying the debt to equity ratio	4 times a year	Be informed of operating results and performance per contractual provisions	The Company reports financial information, as well as performs by contractual provisions
The Sovereign i.e. provides information on activities and knowledge	4 times a year	Be informed of interesting activities	The Company sends copies of the Sovereign to bondholders in advance to organize their time for activities
Organize activities to strengthen relationships and provide knowledge in various forms	Throughout the year (around 12 to 17 times a year)	Participate in interesting activities and communicate requirements relating to activities and bonds	The Company strengthens and maintains relationships with bondholders through organizing activities to be apprised of bondholder expectations and ensure continuous engagement in the form of investment in KTC's bonds

4. Business Partners

Method of Communication	Frequency	Interest and Expectation	Approach
Listen to and consider suggestions, issues and complaints	Throughout the year	<ul style="list-style-type: none"> • Be treated in a fair, transparent and equal manner 	<ul style="list-style-type: none"> • The Company treats its business partners in a transparent and equal manner that is verifiable
Support for organizing seminars for service provider's employees within the office	Once a year	<ul style="list-style-type: none"> • Receive costs for goods and services within due dates • Be able to appropriately share knowledge and respond with quality to customer needs 	<ul style="list-style-type: none"> • The Company pays costs for goods and services within the specified period
Evaluate the efficiency of the services provided within the office	Every month	<ul style="list-style-type: none"> • Be able to provide suggestions and services in an appropriate and efficient manner 	<ul style="list-style-type: none"> • The Company constantly updates its products and related knowledge
Meetings with Krung Thai Bank and its affiliates to present and provide information related to services and sales to employees of KTB and its affiliates, including expand joint market opportunities in various aspects	Throughout the year		<ul style="list-style-type: none"> • The Company evaluates the efficiency of the offered services. In the event there is an issue with any service, the Company jointly organizes a meeting with service providers to obtain solutions and approaches to resolve the issue • The Company engages in cooperation and collaboration to ensure services are provided in an efficient manner per the targets set

5. Business Alliances

Method of Communication	Frequency	Interest and Expectation	Approach
Meetings to ensure cooperation in various marketing projects, including launching new products and organizing marketing activities	Weekly	<ul style="list-style-type: none"> • Business cooperation per good governance principles • Stimulate sales volume • Expand joint market opportunities 	<ul style="list-style-type: none"> • The Company enters into agreements with its business alliances to specify cooperation frameworks
Constant communication to pose queries and describe an overview of the market and the behavior of target customers	Weekly		<ul style="list-style-type: none"> • The Company engages in meetings and organizes marketing activities

6. Competitors

Method of Communication	Frequency	Interest and Expectation	Approach
Meetings to exchange views and cooperate on various agendas through associations or organizations	Throughout the year	Undertake business operations and compete with each other in a transparent, fair, honest and just manner, i.e. avoid unethical business tactics	The Company creates just conditions for competition and avoids unethical business tactics

7. Society and the Environment

Method of Communication	Frequency	Interest and Expectation	Approach
Provide opportunities to listen to community views through organizing various social activities	Throughout the year	<ul style="list-style-type: none"> • Customers possess a good financial position • Receive financial advice or literacy • Be able to thoroughly access financial services which match needs • Good quality of society 	<ul style="list-style-type: none"> • The Company operates its business in a responsible manner per corporate governance principles and sustainability approaches • The Company encourages its employees to support and organize activities beneficial to the society and the environment • The Company presents products and services, including financial literacy through various electronic channels, seminars and projects
Provide suggestions about financial knowledge through various activities, social and electronic channels			

8. Board of Directors and Executives

Method of Communication	Frequency	Interest and Expectation	Approach
Board of Directors' Meeting	Once a month	To specify the vision, mission or strategy of the Company, including discussing or considering the policy or business operations of the Company to instill confidence that the Company is operating towards the direction specified by the directors	<ul style="list-style-type: none"> • The Company operates in an transparent manner per corporate governance principles • The Company's operating results is positive and growing • The Company provides sufficient and complete information in a timely manner • The Company treats all stakeholder groups in a just manner
Urgent Board of Directors' Meeting	Upon the occurrence of an event		
Organize orientations for newly appointed directors	Upon the appointment of a new director	<ul style="list-style-type: none"> • Understand the scope of business operations and operating plan of the Company • Develop knowledge and capabilities related to rules and regulations, and be able to utilize the same in practice in an appropriate manner 	The Company invites new directors to join orientations and seminars related to directors' duties
Develop knowledge related to directors' duties in the form of printed material and seminars	Throughout the year		
Evaluate the performance of the board of directors	Once a year	Be informed of evaluation results for further improvement	The Company communicates the evaluation results to the Board of Directors

9. Employees

Method of Communication	Frequency	Interest and Expectation	Approach
Organize orientations for new employees	Once a month	Know the company and relevant individuals in line of work	The Company communicates the history of the Company, as well as the nature of its business operations, and introduces the directors and executives. The Company notifies the employees of its key approach and criteria
Create channels for employees to report complaints through E-mail/ executives of the Compliance or HR Department	Throughout the year	Be able to communicate needs, views, and complaints through various channels	<ul style="list-style-type: none"> • The Company makes available several communication channels for its employees • The HR department performs its duties in a non-discriminatory manner within the bounds of labor law, taking into account human rights principles and various management approaches • The Company has measures in place to protect whistleblowers
Organize meetings and communication information to employees through the organization's Intranet	Throughout the year	Be informed of policies and information regarding the Company's business operations	<ul style="list-style-type: none"> • The Company organizes town hall meetings between executives and mid-level executive employees • The Company organizes meetings within departments and between departments
Conduct employee engagement and satisfaction surveys	Once a year	Employees can communicate their needs to the Company	<ul style="list-style-type: none"> • The Company outsources a third party to conduct employee engagement towards the organization survey to bring about efficient improvements • The Company organizes activities to create a sense of belonging and engagement towards the organization among employees
Evaluate employee performance using Key Performance Indicator ("KPI") or Objectives and Key Results ("OKR")	<ul style="list-style-type: none"> • KPI -every year • OKR -when the department deems needed 	Be informed of evaluation results to further develop capabilities	The Company organizes performance appraisal in combination with use of critical incidents with 2-way feedback
Implement approaches for human resource development for employees of all levels consistent with their roles and responsibilities	Throughout the year	Develop knowledge, capabilities and competencies necessary for the completion of work per the specified purpose and standards of the work in a manner reflecting the global trend towards digitalization	The Company creates opportunities for its employees to choose a combination of learning approaches appropriate to their learning styles

Method of Communication	Frequency	Interest and Expectation	Approach
Support employees to specify development goals and engage in career planning	Throughout the year	Be able to set a plan for career development	<ul style="list-style-type: none"> • The Company teaches all employees to specify their career path to support the career development • The Company prepares individual development plans
Organize seminars and courses for human resource development and evaluate performance results after completing seminars and courses	Throughout the year	<ul style="list-style-type: none"> • Learning opportunities adaptable to use in practice, including sharing the same with others in an efficient manner • Be inspired at work 	The Company organizes seminars and courses for its employees and ensures the development of its employees, i.e. in terms of knowledge and understanding which can be put to use in practice, as well as ensures its employees possess a positive attitude towards work

10. Government Sector

Method of Communication	Frequency	Interest and Expectation	Approach
Meetings to listen to policies and regulatory approaches, including compliance trainings	Throughout the year per the timeframe of each regulator	The Company's business operations are within the bounds of the law and the Company possesses transparency as an organization and in its systems	The Company adheres to self-evaluation and other evaluation measures to ensure its processes are undertaken efficiently. The Company has in place a Code of Ethics for its business operations to be undertaken in a just and transparent manner under the law
Cooperate with audit undertaken by various regulators			
Submit reports to regulators			

Identification of Sustainability Materiality Topics

102-46

In 2019, the Company undertook surveys targeting all 10 stakeholder groups regarding their views on key sustainability topics and, using the data from the surveys, prioritized the sustainability materiality topics and specified the contents of this Sustainability Report. The details are summarized as follows:

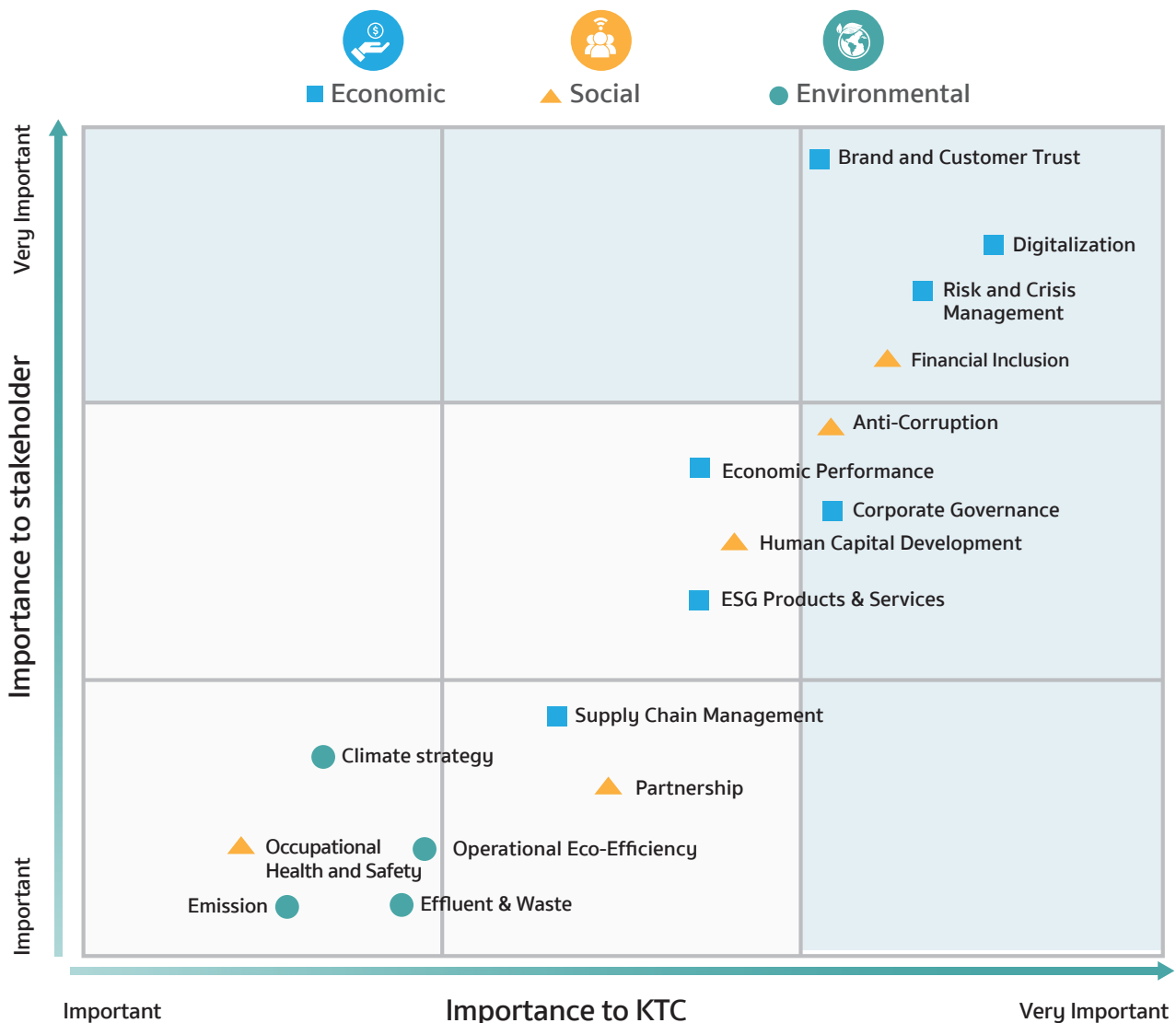
1. Identification of Key Sustainability Topics

- Consider sustainability topics at the industrial, national and international level (issue universe)
- Analyze and review sustainability topics which are material to the Company
- Present sustainability topics to senior executives for their views through interviews and meetings with senior executives of each department and the Chief Executive Officer to conclude 16 sustainability materiality topics relevant to the Company

- Submit surveys to 122 representatives representing the Company's 10 stakeholder groups for their views towards the sustainability material topics

2. Prioritization of Sustainability Materiality Topics

- Analyze and consider data from interviews and meetings with senior executives, as well as survey results received from the Company's stakeholders
- Prioritize sustainability materiality topics per their importance to the Company and the Company's stakeholders
 - o X-axis: Importance to the Company
 - o Y-axis: Importance to the Company's stakeholders
- Specify all 16 sustainability materiality topics in the Materiality Matrix as follows:





3. Consideration of Sustainability Material Topics

The Company's senior executives and the working team have considered the appropriateness of prioritization and reported the sustainability materiality issues to the Audit Environmental Social and Governance Committee, the committee assigned by the Board of Directors to consider and disclose the sustainability materiality issues in this Sustainability Report and on the Company's website.

4. Review of Sustainability Material Topics

The Company will organize reviews of the process and disclosure of information in this Sustainability Report through various channels to consolidate views and suggestions to continuously develop approaches to business operations and disclosure of information related to sustainability.

Changes in Sustainability Report

102-48, 102-49

This is the first year that the Company has prepared a Sustainability Report, which specifies sustainability materiality topics following GRI Standards: Core Options as shown in the Materiality Matrix. The Company prepared a Corporate Social Responsibility Report for the year 2018.

102-47

Sustainability topics under GRI Standards	Sustainability Materiality Topics	Internal Scope	External Scope	Reporting Topics
<p>Incidents of non-compliance concerning marketing communications (GRI 417-3)</p> <p>Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)</p>	<p>Brand and Customer Trust Launch products, services, and platforms which meet the needs and expectations of customers; Supervise quality and standards of products and services; Clear and honest communications for customer satisfaction</p> <p>Digitalization Digital development; Operationalize technologies or innovations to increase customer convenience in thoroughly accessing financial services with speed; Cyber security and customer data privacy protection</p>	All departments	<ul style="list-style-type: none"> • Customers • Business Partners • Business Alliances • Government Sector 	<p>Economic Dimension Brand & Customer Trust and Digitalization</p>
<p>Precautionary principle or approach (GRI 102-11)</p>	<p>Risk and Crisis Management Risk management structure; Encourage an organizational culture for risk and emerging risk management</p>	All departments	<ul style="list-style-type: none"> • Customers • Business Partners • Shareholders • Government Sector • Society and Environment 	<p>Economic Dimension Risk and Crisis management</p>
<p>Direct economic value generated and distributed (GRI 201-1)</p>	<p>Economic Performance Business operating results and contributions to stakeholders</p>	All departments	<ul style="list-style-type: none"> • Customers • Society and Environment 	<p>Economic Dimension Economic Performance</p>
<p>Mechanisms for advice and concerns about ethics (GRI 102-17)</p> <p>Governance structure (GRI 102-18)</p>	<p>Corporate Governance Supervision under good corporate governance principles; Specify policies and procedures for transparent supervision, the results of which can be audited to instill confidence in the Company's capability to generate sustainable returns in the long run</p>	All departments	<ul style="list-style-type: none"> • Customers • Business Partners • Business Alliances • Competitors • Shareholders • Government Sector • Society and Environment 	<p>Economic Dimension Corporate Governance</p>

102-47

Sustainability topics under GRI Standards	Sustainability Materiality Topics	Internal Scope	External Scope	Reporting Topics
Significant indirect economic impacts (GRI 203-2)	ESG Products and Services Creation of value through supporting environmental, societal and corporate governance issues through products, services, and platforms of the Company	All departments	<ul style="list-style-type: none"> • Customers • Society and Environment • Government Sector 	Economic Dimension ESG Products and Services
New suppliers that were screened using environmental criteria (GRI 308-1) New suppliers that were screened using social criteria (GRI 414-1)	Supply Chain Management Supply chain management to instill confidence that the Company's business partners, outsource having undergone a selection process, will not negatively impact the environment and society, and will operate their business following good corporate governance principles; Quality control; Knowledge sharing	All departments	<ul style="list-style-type: none"> • Customers • Business Partners • Business Alliances 	Economic Dimension Supply Chain Management
Infrastructure investments and services supported (GRI 203-1)	Financial Inclusion Responsible Lending Practices Develop products, services, and platforms to cover diverse customer groups; Provide financial knowledge and understanding; Promote financial literacy, management, and discipline	All departments	<ul style="list-style-type: none"> • Customers • Business Alliances • Society and Environment • Government Sector 	Social Dimension Financial Inclusion and Financial Literacy
Operations assessed for risks related to corruption (GRI 205-1) Communication and training about anti-corruption policies and procedures (GRI 205-2) Confirmed incidents of corruption and actions taken (GRI 205-3)	Anti-Corruption Have clear policies in preventing corruption, designating roles and work processes that are concise and transparent including a whistleblower process	All departments	<ul style="list-style-type: none"> • Customers • Business Partners • Business Alliances • Competitors • Shareholders • Government Sector • Society and Environment 	Social Dimension Anti-Corruption

102-47

Sustainability topics under GRI Standards	Sustainability Materiality Topics	Internal Scope	External Scope	Reporting Topics
<p>Defined benefit plan obligations and other retirement plans (GRI 201-3)</p> <p>Communication and training about anti-corruption policies and procedures (GRI 205-2)</p> <p>New employee hires and employee turnover (GRI 401-1)</p> <p>Average hours of training per year per employee (GRI 404-1)</p> <p>Programs for upgrading employee skills and transition assistance programs (GRI 404-2)</p>	<p>Human Capital Development</p> <p>Encourage diversity and fair labor practices; recognition of human rights; fair compensation; provide comprehension and develop the knowledge and ability of employees</p>	All departments	<ul style="list-style-type: none"> • Business Partners • Government Sector 	<p><u>Social Dimension</u></p> <p>Human Capital Development</p>
<p>Occupational health and safety management system (GRI 403-1)</p> <p>Work-related injuries (GRI 403-9)</p>	<p>Occupational Health and Safety</p> <p>Provide sanitary work conditions; oversee the safety of employees</p>	All departments	<ul style="list-style-type: none"> • Government Sector 	<p><u>Social Dimension</u></p> <p>Occupational Health and Safety</p>
<p>Significant indirect economic impacts (GRI 203-2)</p>	<p>Partnership</p> <p>Collaborate with partners to support sustainability</p>	All departments	<ul style="list-style-type: none"> • Customers • Business Partners • Business Alliances 	<p><u>Social Dimension</u></p> <p>Collaboration with Partners for Sustainability</p>
<p>Energy consumption within the organization (GRI 302-1)</p> <p>Energy consumption outside of the organization (GRI 302-2)</p> <p>Interactions with water as a shared resource (GRI 303-1)</p> <p>Energy indirect (Scope 2) GHG emissions (GRI 305-2)</p> <p>Waste by type and disposal method (GRI 306-2)</p>	<p>Climate Strategy</p> <p>Operational Eco-Efficiency</p> <p>Emissions</p> <p>Effluent & Waste</p> <p>Reduce KTC's Environmental footprint or impact; Consider climate strategy through reducing green house gas emissions</p>	All departments	<ul style="list-style-type: none"> • Customers • Society and Environment • Government Sector 	<p><u>Environmental Dimension</u></p> <p>Environmental Management and Climate Strategy</p>

Sustainable Development Framework

102-12, 102-47

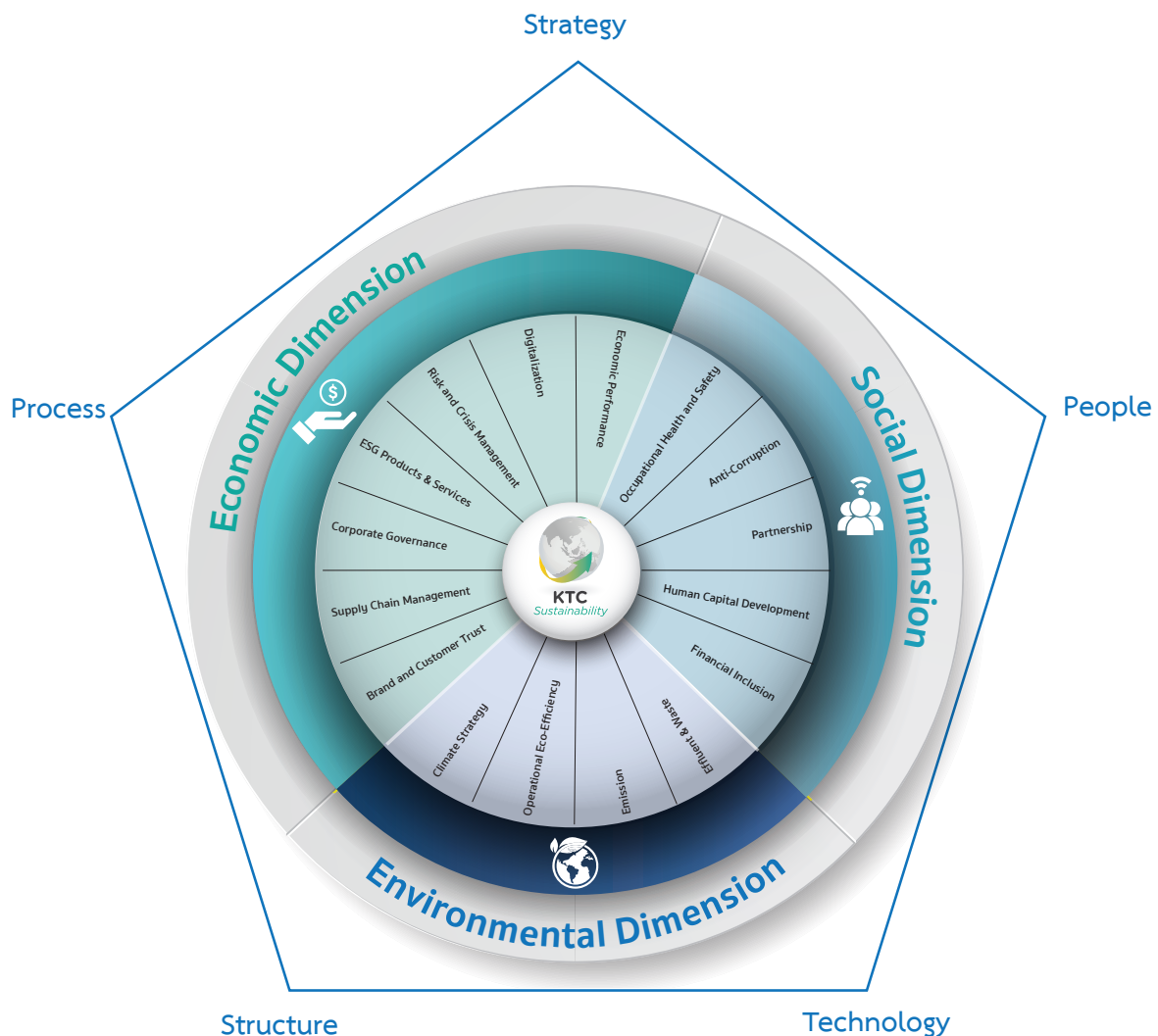
Using the results of the prioritization of sustainability material topics for the Company and the Company's stakeholders, the Company has developed a sustainable development framework covering various dimensions. The Company has also specified goals and targets related to the sustainability topics, and reviewed evaluation frameworks at a national level (Thailand Sustainability Investment-THSI) and international level (Dow Jones

Sustainability Indices-DJSI) as well as the Sustainable Development Goals. Such a review will contribute to the further development of the sustainable development framework of the Company in a manner consistent with national and international standards, which illustrates the Company's determination to partake in sustainable business operations to the Company's internal and external stakeholders.

Sustainable Development Goals (SDGs)



Framework

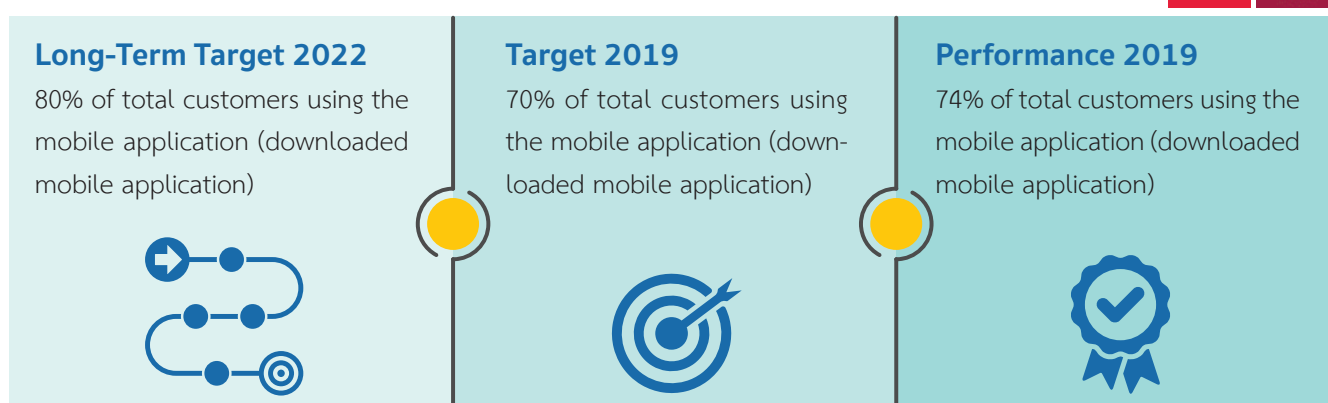
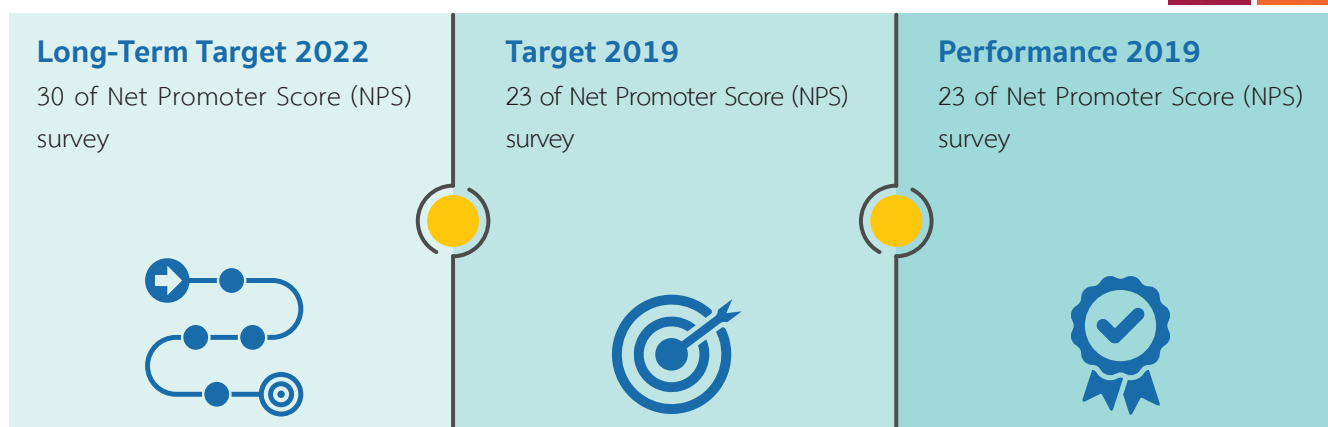




ECONOMIC DIMENSION

Brand & Customer Trust and Digitalization

103-3



103-1

Current technological changes and developments have enabled stakeholders to expect services to be provided with greater convenience, speed and safety everywhere and at any time. Other than meeting stakeholder expectations, KTC aims to meet the Thai government's policies, including the National e-Payment Master Plan, Thailand 4.0 and the vision of Thailand as a cashless society, by continuously developing customer-centric products, services and platforms which meets their needs. KTC is ready to support members in choosing the most meaningful lifestyle for themselves in order to instill confidence in the KTC customer experience and truly bring meaning to every moment of the KTC customer lifestyle through offering a range of products, services and benefits carefully selected as being value for money. Creating satisfaction and ensuring trust among members in the KTC brand is essential for the

organization's stable and sustainable growth. Accordingly, KTC adopts the following approaches to operate its business:

103-2

Quality and Standard of Products and Services

The Company ensures that credit card, merchant acquiring and personal loan businesses are operating under the rules and regulations of the Bank of Thailand such as determining the qualifications of credit cardholders for primary cardholders, supplementary cardholders, personal loan applicants and credit limit approvals, as well as interest charged. The Company has encouraged departments within the organization to comply with laws and regulations of the Bank of Thailand and of each credit card brand service provider. This also includes policies of government agencies

or other authorities such as the Office of the Consumer Protection Board, National Credit Bureau and Anti-Money Laundering Office. Their policies include disapproving credit cards or personal loan applications to minors, having clear terms and conditions in using credit cards and being fair and transparent when issuing personal loans as well as notifying customers when there are changes in the terms and conditions of the contract that may affect customer rights and processing credit card information in accordance with regulations.

The Company has set a corporate governance policy and Code of Conduct for directors, executives and employees to adhere to when carrying out their duty to be fair, transparent and responsible to all stakeholders.

The Company has an Internal Audit department which is independent and will directly report to the Audit Environmental Social and Governance Committee to assess the adequacy and efficiency of the internal control system, risk management system and corporate governance of the Company. This department has the role to report the findings of the internal control system and provide opinions to create value to these operations as well as reducing costs and risks posed to the management team and the Audit Environmental Social and Governance Committee to promote these assessments to become an important foundation for sustainable growth.

The Company has a Compliance department to provide advice and review business operations that are a part of important procedures to ensure that the Company is in line with the rules and regulations of government authorities such as the Bank of Thailand, Securities and Exchange Commission (“SEC”), Anti-Money Laundering Office and National Credit Bureau. This includes monitoring and analyzing the impacts of these regulations or announcements that are related to the company in order to distribute material content or arrange a meeting to offer understanding to various departments under the organization.

Customer Centricity

Aside from providing products and services in accordance with the specified legal framework to customers, the Company primarily considers customer experience in using the products and services provided, including benefits that directly meets the needs of customers. In this respect, the Company designs products and services to cover various customer lifestyles and behaviors, applying technology to help analyze and process customer behavior results for the Company to understand and effectively respond to customer spending habits, such as in the categories of food,

shopping, travel or health. The Company has also collaborated with its alliances in terms of sales promotion, ensuring that every spending of members is executed with value and creates value for members in choosing credit cards, as well as using personal loans of the Company. Moreover, the Company constantly develops new products and services consistent with the ever-changing needs of customers. Such approach adds to the competitive potential of the Company as well as increases the efficiency of the business operations of the Company allowing the Company to create sustainable returns in the long run.

“KTC Mobile” and “KTC Online”

In order to increase customer convenience in using KTC’s services, KTC has developed efficient online channels in the form of “KTC Mobile” application and “KTC Online” website to provide product information and act as a platform for transactions, i.e. akin to a one-stop service point covering all products. There has been improvements to the interface to make it easy and convenient to use in order to provide a good customer experience. Moreover,



the interface is designed to have a modern look with comfortable feel while using the application. These channels are highly secure from the use of biometrics, pin or dynamic keyboard for identity verification that is required for logging into the application to check personal information or perform financial transactions. Furthermore, these channels provide fast services that support the growth of large target customer groups as well as transaction services that are designed from understanding the spending behavior of members with functions that meet the needs of customers and facilitates the daily life of members. These services include having KTC card information in one place, checking reward points, showing the total amount of credit used from all cards, and showing the remaining credit balance of all cards. KTC also allows members to customize their own information settings such as setting notifications for amount and transactions made, setting notifications for future payments, canceling their credit card when it is lost, setting credit spending limits through online channels as well as applying or changing the method of receiving the statements, requesting a temporary credit line, making cash advance transactions from the credit card account and withdrawing money from KTC PROUD cash cards. KTC offers privileges from promotional activities via e-Coupon. Customers can choose to pay through Krung Thai Bank account and many other services. When the payment is processed, the credit line will be immediately reset. Furthermore, the Company plans to increase the number of banks to support future demand and to allow members to transfer money more conveniently.

The presentation of the aforementioned products and services through online channels allows equal, fast and safe access to customers, as well as reduces the use of paper, risk of loss and use of resources and time for customers as well.

At the end of 2019, there was a total of 1,667,048 KTC Mobile and KTC Online users, which accounts for approximately 74% of total customers and represents a 42% growth from 1,177,009 KTC Mobile and KTC Online users at the end of 2018.

KTC Websites

KTC has modified the website of www.ktc.co.th and www.ktc.co.th/ktcworld to create a good service experience, find information easier and respond to the changing customer behavior by focusing on the use of mobile phones

rather than computers (Mobile First). Using mobile phones to access websites accounts for more than 80% of total online traffic and is likely to increase with the speed in displaying data.

Payment of Goods and Services

The Company has developed a payment platform for the payment of goods and services via KTC QR PAY on the “KTC mobile” application, which has passed the test in the regulatory sandbox of the Bank of Thailand at the end of August 2018 for both credit card holders and merchants. Customers do not need to carry cash and can make payments by themselves through smartphones which is easy, convenient, fast and safe. Customers and merchants will be notified of the transaction results through the application. Merchants can accept payments via QR code for both credit cards and PromptPay which will allow them to reduce costs/risks in holding cash such as risks from fraudulent practices and theft. This also quickens the buying process and reduces problems when giving change.

The company is accelerating the expansion of business partners in using KTC QR PAY in order to develop a cashless society for credit card customers as well as providing a fast and convenient experience to merchants that accept cards nationwide.

Moreover, the Company has collaborated with alliances to pay for goods and services at various merchants via smart devices such as FITBIT PAY, GARMIN PAY and Samsung Pay to meet lifestyle demands without interruptions, support Cashless Society lifestyles and enhances the experience of using KTC cards. KTC is the first financial institution in Southeast Asia to roll out a tokenized e-Commerce payments solution using MasterCard Digital Enablement Services (MDES) for Merchants. This service is to make online consumer transactions more secure and to create more trust between online businesses and consumers as it utilizes token encryption instead of using account numbers for confirming transactions on merchants’ websites or applications which involves less risk. In addition, the digital token code provides another layer of protection by using cryptograms that are unique to each transaction and helps to reduce the risks of data theft while providing comfort to consumers and businesses.

At the end of the year 2019, payment of goods and services via KTC QR PAY was available in 862 merchants and grew by 72.40% from the previous year which had 500 merchants.



KTC MERCHANT

The Company has developed and improved “KTC MERCHANT” application for use with a Mobile Points of Sale (KTC mPOS) that supports both iOS and Android operating systems to be easier for use by connecting with Bluetooth. Merchants that accept cards can accept payments for products and services which supports full payments, installments and reward point redemptions. Merchants enter the KTC MERCHANT application to complete transactions. Once the transaction is completed, the system will show the transaction results on the smartphone for customers to sign in the form of e-Signatures. After that, the system will notify the customer of the transaction via E-mail or SMS as specified by the customer. The data transfer process is encrypted up to safety standards which makes it secure, convenient and accessible in places with internet connection. As a result, this instills confidence to both cardholders and merchants. The Company offers innovations from each of the leading credit card brand providers which are Visa, MasterCard, JCB and UPI to allow the department to develop services,

expand businesses and increase revenue. There are 9,596 KTC MERCHANT as at the end of the year 2019.

Notification of Results via SMS

The Company has started notifying the results of credit approvals via SMS that is consistent with the procedure of credit analysts. After considering credit card applications or loan applications, applicants need to be notified about the result therefore we have developed the SMS notification to be used instead of letter notifications. For reasons other than loan rejections that are required to be in writing, it allows applicants to know the application result quickly instead of waiting for letters that need to go through postal procedures and also reduce the use of paper. In monitoring the delivery and card activation, the Company has a team to monitor the result of these procedures as well as facilitate card activation and other privileges that customers will receive. This prevents delay or loss during card delivery which reduces costs, time and steps required for customers to activate the card.

Automatic Response System

The Company has designed an automatic response system for IVR Activation to provide security for card members and to ensure convenience and speed by reducing call wait times in the process of card activation and making inquiries or changes. Furthermore, the Company encourages customers to use an identification code during the verification process to make transactions by themselves to reduce call waiting time and more convenience.

KTC Virtual Card

The Company has issued KTC Virtual Credit cards for online use to reduce the use of paper and plastic by which card members do not have to worry about damages or loss including having the ability to set credit limits for online spending. At the year end of 2019, there was a total of 5,575 KTC Virtual Credit Card Users.

(Please refer to the “Business Nature” section of the Annual Report 2019 for further details)

Cyber Security

Information Technology Management Structure

As the Board of Directors of the Company places significant importance on the safety and confidentiality of customer data, the Board of Directors assigned the Information Technology Steering Committee (ITSC) with the responsibility to specify the Information Technology Policy, including controlling, monitoring and managing the risk at an appropriate level. Moreover, the Company has also established the Information Security Steering Committee (ISSC) to undertake the duty and responsibility to supervise and implement information security in accordance with various rules, regulations and standards, as well as budget and resource planning for the Company’s information security measures and formulation of strategies and information plans consistent with important commercial aspects. These two committees regularly organize meetings to consider various information technology matters.

Information Technology Policy

In 2019, the Company carried out policies related to information technology in order to comply with the regulations of the Bank of Thailand and relevant international standards for information technology, comprised of considering and reviewing the Information Technology Policy and Information Security Policy as follows:

Access and use of customer data: The Company only entitles employees to access customer data in accordance with their assigned rights and responsibilities. Employees must keep customer data confidential and must not reveal such data to others.

Disclosure of customer data: The Company prohibits the disclosure of data of the Company or customers to third parties, except such party is an individual or government agency with authority by law or received prior authorization from the Management (in special cases) or with a information security control process in place, such as preparing and executing non-disclosure agreements.

Moreover, the Company established an information security operation center, set up a system to detect and prevent leakages of important data such as credit card number information and personal customer data. The Company also organized internal knowledge sharing and seminars on information security to employees.

Protection of Customer Personal Data

418-1

Customer personal data is stored in the best manner possible in accordance with the criteria for data protection of the Company and information security standards consistent with ISO/IEC 27001:2013 standards. In this respect, the Company specifies risk management approaches, policies and procedures for information security, as well as practice guidelines to prevent the leakage of important information, particularly in departments which require access to confidential information of customers. The Company has ensured the physical safety of its workplace through implementing measures such as specifying controlled areas by increasing the level of control over entry and exit, installing CCTVs and prohibiting the presence of personal mobile phones in the areas.

Moreover, the Company is focused on supporting its employees to realize the importance of information security through knowledge sharing events for employees through various channels, such as providing knowledge in new employee orientations, frequently organizing seminars for employees of all levels, as well as through communications over E-mail and e-Learning system. The Company also tests the knowledge of employees to ensure that employees possess the knowledge and understanding of, as well as realizes the importance of and participates in information security.

Given the Company's approach as detailed above, the Company received the ISO/IEC 27001:2013 (ISMS: Information Security Management Systems) certification for its credit card, personal loan and merchant business on December 9, 2019. The Company is the first and the only financial institution in Thailand that has received a certification for its information security management systems under the ISO/IEC 27001:2013 standards throughout the organization. The Company will also undertake the PCI-DSS project in order to ensure that the security of its computer and database systems is consistent with international standards.

In 2019, the Company neither received complaints nor became aware of any incidents resulting a breach or leakage of customer personal data.

Clear and Fair Communication

417-3

KTC is focused on providing services in a transparent, correct and just manner, primarily placing importance on the understanding and needs of the customers. Accordingly, KTC ensures the information provided in marketing communications conducted online or through publications and broadcasting is complete, correct, straightforward and easy to understand. KTC also ensures that such information is consistent with the criteria prescribed by law, including the font size, the period of sales promotion or advertisement. Moreover, KTC is focused on providing knowledge to its sales agents, so such individuals will

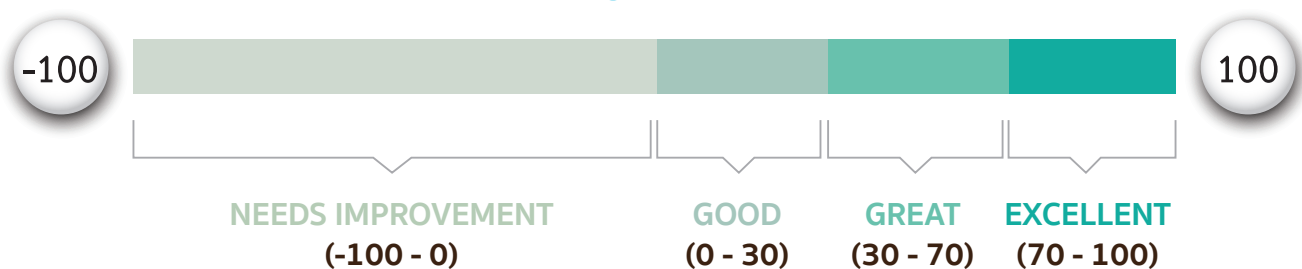
be able to provide information related to products to customers or consumers in a complete and accurate manner. In this respect, KTC has selected more than 3,000 benefit programs a year, so that members are confident in the value of the membership, which can cater and meets the needs of more than 20 different lifestyles from a diverse range of merchants throughout Thailand, covering the categories of food and beverage, travel, shopping, sports, health, beauty, as well as merchants abroad.

In 2019, the Company received no notification on breach of laws and regulations related to marketing communications from the regulatory body.

Complaint Procedure

The Company has established a center for accepting complaints, compliments and customer feedback from various channels, including telephone channels (i.e. through direct contact with KTC Contact Center 02 123 5000), regulatory body channels and social media channels. All complaints received by the Company have been taken care of, being subject to further investigation, explanation and improvement, after which the Company will notify the person making the complaint thereof as soon as possible. Subsequently, the Company utilizes the information received to improve the quality of its products and services in order to ensure its customers and other stakeholders continue to be satisfied.

What is a good NPS score?



On the basis of the above approach, in conjunction with support for creative efforts for better results, the Company creates new products and services utilizing deep and actual knowledge from developing the potential of analyzing member data and behavior in order to present meaningful products and services which accurately meet the needs of members, as well as utilizes member data for the purposes of creating the best experience. In this

respect, the Company carried out a customer satisfaction survey for all cardholder groups measuring Net Promoter Score in order to apply the survey results to improve its performance and services for the purposes of enhancing the level of customer satisfaction.

The results of the survey showed that the level of member satisfaction in KTC's products and services is 23.

Risk and Crisis Management



103-3

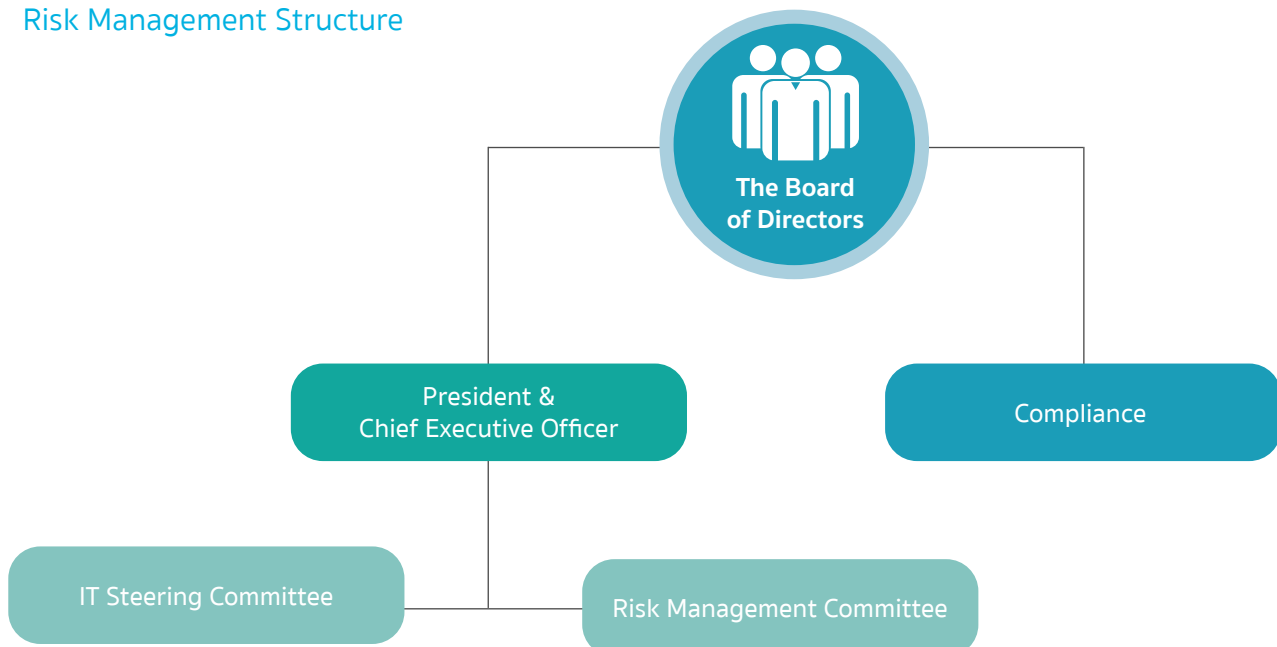


103-1

The Company places great importance in risk and crisis management, therefore we have established risk management policies and have continuously reviewed and improved work processes to be prepared to handle various risks from business operations. The management guidelines are as follows:

103-2

Risk Management Structure



Risk Management Committee is responsible for the consideration of risk management policies as well as controlling, monitoring and evaluating risk management. The Committee supervises the implementation of risk management policies to meet goals within the acceptable risk levels that are in line with the risk management of financial businesses under Krung Thai Bank and under the guidelines of the Bank of Thailand.

IT Steering Committee (ITSC) is responsible for overseeing the strategic planning and budget allocation for information technology in accordance with resources and business priorities as well as establishing policies and standards for information technology operations to be consistent with accepted practices. The Committee plans and manages projects to be transparent and effective to meet business expectations and to achieve efficiency, including supervising the information security operations of the company.

102-11

Risk Management Process



The Company risk management process begins with analyzing and evaluating the business environment by considering various related internal and external factors which covers economic, social, environment and regulatory dimensions as well as specifying the probability of events that may prevent objectives from being achieved. This includes creating a risk map, setting key risk indicators (KRI), setting risk appetite and risk tolerance that will be reviewed annually to be used as a tool for assessing risks. The Company also monitors results to be at an acceptable level in order to meet the risk management goals set by the company and report these results to the Risk Management Committee, Board of Directors and Krung Thai Bank. Moreover, the Company has rules in product or service development to comply with for risk assessment, compliance and budget before presenting for approval

from the Risk Management Committee or the regulators. This is to ensure that products and services have considered all relevant risks before introducing to the market.

Emerging Risks

The Company has analyzed emerging risks which can affect the business operations within a period of 3-5 years including risks that have occurred but still has an unclear impact in order to prepare sufficient and timely procedures to address these important risks.

1. Risks from rapid changes in technology

The advancement of technology has changed the lifestyle of consumers and business operations, therefore being aware and well prepared can reduce these risks and create business opportunities that can meet the needs of

consumers or stakeholders of the Company immediately.

Every department has the duty to monitor the changes in technology to improve the work of the department and to coordinate with the Information Technology team to plan the use of technology in improving the system and developing the work process to ensure that it is efficient, agile, continuous and safe. The Company also finds digital partners to strengthen the organization's ability to adapt to the transformation landscape in order to create products and services in accordance with the needs of customers and competitive nature of business.

2. Risks from Cyber Attacks and Violation of Customer Data Privacy

The threats from cyber security attacks and hacking into information systems is a risk that can cause damages to business operations if such an event occurs, both customers and involved parties may lose trust and confidence in the Company that will result in failure to achieve the Company's goals.

Consequently, the Company places great importance in preventing cyber attacks and protecting the personal information of customers. The Company plans and allocates people with resources to prevent these potential threats at any given time. The Company has an Information Technology policy (IT Policy) and Information Security policy (IS Policy) while having strict security measures in securing data and providing access to only authorized individuals as well as providing software to control information leakage, having data recovery process, back up computer system, disaster recovery site, and ensure physical and environmental security. The Company's data center site has passed the TIA-942 Data Center Certification and ISO/IEC 27001:2013. The communication security is ensured through the use of encryption to connect to external networks in accordance with PCI-DSS and Card Brands. The Security Operations Center (SOC) is for the surveillance of external threats (security monitoring). Furthermore, computer equipment and network systems are maintained to be ready for use and to continuously support business operations. There is IT operations security as well as contingency plans for information technology that undergoes performance tests.

3. Risks from Climate Change

Climate change from pollution and natural disasters have economic and social impacts on the livelihoods of people including business operations. For example, personnel are unable to commute to work in an event of a flood or it can negatively affect information systems and cause interruptions in work process or can result in the inability to process the customer's debt payment which can result in financial damages to the Company and to the customer's credit history.

The Company is prepared to deal with natural disasters and has procedures that are in an acceptable risk level. There is a Business Continuity Plan (BCP) and contingency plans to deal with emergencies in response to fires, earthquakes, flooding, rallies and the spread of epidemics. A part of the business continuity plan is to move disaster victims by which the Company has provided an alternate site and sufficient resources to restore operations. The Company also has contingency plans in place to support important work activities during a crisis such as events where employees of departments that are considered as critical business functions cannot come to work. In addition, the Company runs annual tests for call tree and drills to conduct BCP without prior notice as a surprise test. For the ability to process debt payments of members, KTC has evaluated, analyzed and monitored the situation as well as managing the debt before it becomes written off as bad debt. KTC has an effective debt collection system that is prepared to solve problems directly. The Company has improved the KTC Mobile application to accept payments by which customers do not need to commute to pay at service points. There are measures to provide assistance to debtors that are affected by disasters. The Company also provides training to educate employees and have campaigns to reduce waste to guide the organization to a sustainable management.

4. Risks from Government Controls

The problem of household debt is getting worse and it affects the overall economy of the country. The Bank of Thailand has issued various measures in the past 2-3 years such as setting interest rates of credit cards to an annual rate of 18% and allowing individuals to request personal loans from no more than 3 financial institutions. Other measures include regulating housing loans, car leasing loans and car title loans. Even though bad debt within the system was reduced, the overall household debt level have increased steadily. In order to effectively control the proportion of household debt, the Bank of Thailand have conducted studies on debt service ratio (DSR) to set an appropriate standard in calculating the debt service ratio which may be used as one of criteria for credit approval by financial institutions. However, if these rules come into effect, the Company is ready to provide support as it is the duty of the Company to promote responsible lending. Although, these events may affect business operations and revenue, the Company is confident in its ability to adjust its strategic plans and business operations to be in line with new changes like in the past as the Company has a flexible organization structure and effective cost management.

Promoting Risk Culture

The Company places significance in continuously shaping an organizational culture that considers and manages risks throughout the operations of the organization by requiring all departments to have Operational Risk Officer and Risk Manager in order to carry out risk management in each of their respective departments. There is Risk Control Self-Assessment of each department that involves evaluating internal controls on an annual basis as well as collecting data regarding loss data that covers all areas of risks and collecting damages according to the criteria set by the company until a remediation plan is needed in the event that damages have reached the set level. The Company monitors the progress of operations according to improvement guidelines as well as reporting these results to the Risk Management Committee on a regular basis. This is to emphasize to all executives and employees to consider the importance of risk management and comply with regulations. Therefore, the Company has many forms of communication including sending E-mails to provide knowledge, hosting seminars and training sessions, providing self-learning, conducting assessments and setting indicators to strengthen organizational risk culture and to let employee's knowledge of risk management be a part of their annual performance review.

(Please refer to the "Human Resources Development" section for further details)

Economic Performance



103-1, 103-3

KTC operates business in accordance with good corporate governance and code of conduct. Economic performance has been generated, dispersed to various stakeholder groups and retained for sustainable growth as follows:

Economic Value retained

102-7, 103-2, 201-1

Unit: Thousand Baht

Description	2017	2018	2019
Operating Income	19,178,797	20,869,413	22,303,878
Operating cost	3,669,902	3,906,774	4,075,453
Employee expenses and benefits	2,264,962	2,333,175	2,459,801
Tax payment to government	1,371,174	1,706,138	1,878,356
Payment to providers of capital ⁽¹⁾	2,659,915	2,921,878	1,566,169
Donation to public charity	2,305	3,041	1,288
Economic Value retained	9,210,539	9,998,409	12,322,811
Total assets	73,635,766	79,647,817	85,409,262
Total liabilities	61,058,609	63,296,206	65,674,218
Total equity	12,577,157	16,351,611	19,735,044
Net profit	3,304,324	5,139,589	5,523,965

⁽¹⁾ 2019 figure did not include dividend from 2019 operations

Corporate Citizenship

The Company implements a corporate citizenship plan in undertaking community and social activities. In providing support or contributions to society in various forms, the Company strives to act transparently, ensuring that the support or contributions provided will not result in a pathway for corruption. In this respect, the Company also adheres to a clear policy prohibiting support to political parties. The Company places emphasis on the transfer of knowledge from within the Company to outside the Company to support positive changes for the society and the nation.

Corporate Governance

103-3



Long-Term Target 2022	Target 2019	Performance 2019
<p>On an annual basis, the Company will conclude sustainability strategy and report to the Audit Social Environmental and Governance Committee, assigned by the Board of Directors to supervise sustainability</p> 	<p>The Company will conclude sustainability strategy and report to the Audit Social Environmental and Governance Committee, assigned by the Board of Directors to supervise sustainability</p> 	<p>On August 9, 2019, the Company concluded sustainability strategy and reported to the Audit Social Environmental and Governance Committee, assigned by the Board of Directors to supervise sustainability.</p> 

103-1

Corporate governance has extremely significant impacts not only on the stakeholders' confidence in the Company and the Company's reliability, but also on the Company's corporate image, its financial performance and its long-term sustainable growth. Therefore, the Company has continuously performed its business operations based on good corporate governance principles. The Board of Directors has taken a major role in overseeing the conduct of business operations in a certifiable, transparent and ethical manner. All stakeholders' interests are also taken into account equitably to create sustainable value for the Company.

102-17, 102-18, 102-19, 102-32, 103-2

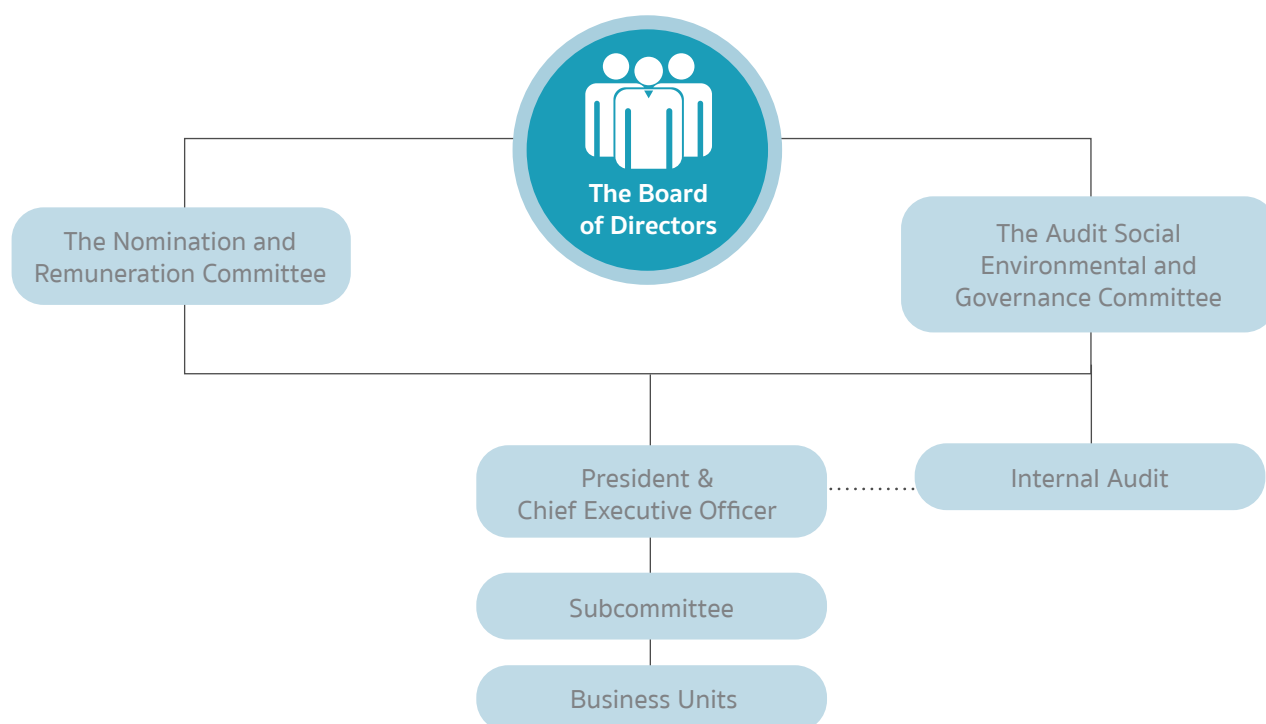
Corporate Governance

KTC adheres to good corporate governance principles in creating and maintaining confidence in its business operations. KTC does not only place importance on morality or ethics, but also considers good corporate governance as a means to ensure efficient and transparent organizational management, as well as ensure the creation of value to all stakeholders in a balanced and equitable manner.

The **Board of Directors** bears the essential role in corporate governance and management of the Company.

The Board of Directors possesses independence in making decisions for the highest benefit of the Company and its stakeholders, as well as possesses duties to consider and specify the vision, mission and core values of the Company, including the business strategies of the Company. The Board of Directors authorizes important aspects related to the direction and policy of business operations of the Company, together with the annual business plan and budget. The Board of Directors oversees the management of the Company to be effectively in compliance with the policies, strategies and business plans as well as any related laws and regulations and shareholders' resolutions. The Board of Directors, in coordination with the management, supervises the implementation of suitable internal controls and appropriate risk management procedures to ensure positive operating results and continuous and sustainable growth of the Company. In this respect, the Company conducts a full risk assessment on an annual basis and report the results to the Board of Directors for their acknowledgement.

Moreover, the Board of Directors has appointed the following sub-committees in various fields to help closely oversee, study and analyze important issues and propose their opinions to the Board of Directors of the Company.



The Nomination and Remuneration Committee is responsible for specifying the qualifications of directors and executives of the Company consistent with the size and composition specified under the law. The Nomination and Remuneration Committee also recruits, considers and selects nominated individuals for appointment to the Board of Directors under the recruitment procedure of the Company, considering the structure, size and diversity of the Board of Directors. Factors considered in the recruitment, consideration and selection include gender, sexuality, age, skills, knowledge, talents and experience, which are taken into account with the business operation strategy of the Company, legal requirements, the Company's rules and regulations as well as good corporate governance principles. To ensure independence and clarity in corporate governance, the Company has determined that the Chairman of the Board of Directors and the Chief Executive Officer must be different persons. The Nomination and Remuneration Committee is also responsible for specifying the criteria and evaluation of the performance of the Board of Directors and Chief Executive Officer of the Company, as well as for proposing criteria and policies for remuneration and other benefits. The Nomination and Remuneration Committee considers the age for retirement and early retirement, and is in charge of management succession planning to prepare a successor to take the place of a certain individual in high-ranking

management when he/she retires or becomes unable to perform his/her duties. All activities conducted by the Nomination and Remuneration Committee must be in compliance with the Charter of the Nomination and Remuneration Committee. In 2019, the Nomination and Remuneration Committee held meetings for a total of 10 times.

The Audit Social Environmental and Governance Committee is composed entirely of independent directors. The Audit Social Environmental and Governance Committee is responsible for supervising the preparation of financial reports, internal controls and audits, considering related party transactions and supervising other matters to effectively be in compliance with securities laws. The Audit Social Environmental and Governance Committee also considers and reviews policies related to corporate governance and oversees that the Company conducts its business operations following corporate governance principles, sustainable development, corporate social responsibility practices and business ethics consistent with international standards. All activities conducted by the Audit Social Environmental and Governance Committee must be in compliance with the Charter of the Audit Social Environmental and Governance Committee. In 2019, the Audit Social Environmental and Governance Committee held meetings for a total of 11 times.

(Please see further details in the "Corporate Governance" section of the 2019 Annual Report)

ESG Products and Services



103-3



103-1, 103-2, 203-2

KTC designed its products, services and platforms to have features that incorporate value to the environmental, societal and governance aspects as follows:

KTC-THAI RED CROSS NATIONAL BLOOD CENTRE Credit Card

KTC realizes the importance of the Thai Red Cross National Blood Centre, which serves as the primary agency the Thai government assigns with the responsibility to procure blood in sufficient amounts and in safe and quality manner for treatment of patients throughout Thailand. Accordingly, KTC supports the activities of the Thai Red Cross National Blood Centre in the form of the KTC-THAI RED CROSS NATIONAL BLOOD CENTRE credit card. Each purchase amounting to THB 1,000 equates to a donation of THB 5 to the Thai Red Cross National Blood Centre, with KTC contributing an additional THB 5 on top of the amount. In 2019, the donation proceeds to the Thai Red Cross National Blood Centre amounted to THB 304,009.94.

Reducing the Burden of Medical Costs in State Hospitals

KTC realizes the importance of good health, which is an important factor for sustenance and the development of a good quality of life. KTC places particular focus on state hospitals, given their role in assisting a significant number of patients to access equal treatment opportunities. In order to assist patients in maintaining good health and reduce the burden of unpredictable medical costs, the Company grants the privilege of paying in installments up to 10 months with a special interest rate of 0.69% per

month from the standard rate of 0.80% per month to its member cardholders. Such project has received positive feedback from the Company's member cardholders. In 2019, there were a total of 4,842 users, amounting to THB 66,525,421, representing a 51% growth, where KTC supported the special interest rate amounting to THB 523,856.

Use of Points in Lieu of Cash Donations

KTC places importance on societal development and realizes the existing state of social inequalities. Since 2009, the Company implemented a project using points in lieu of cash donations, developing services whereby member cardholders may exchange points to cash donations at the rate of 1000 points to a cash donation of THB 100. To add further convenience, KTC also acts as the intermediary to donate the amounts to various charities (up to 56 charities) in order to assist them with various matters related to livelihood, treatment costs, education, disabilities, animals and environment through online and offline channels. In 2019, KTC acted as an intermediary to donate a total of THB 3,300,500, converted from 33,005,000 points, to various charities.

Support Thais Reading

KTC realizes the importance of reading as a key to unlock the world of learning in all subject matters, which paves the way towards the sustainable development of human resources and the society. In line with the Thai government's policy to elevate reading as a national agenda, i.e. supporting publishers to publish and develop quality books and stimulate Thais to realize the importance of reading through tax relief measures, KTC collaborated



with leading book stores and publishers in Thailand. KTC also brought technology for use in campaigns throughout 2019, such as granting discounts at partner book stores up to 15%, using KTC points in exchange for cash-back credit up to 18% from the standard rate of 10%. For customers who purchase large quantities of books, KTC granted certain privileges to ease the burden of payment, particularly in the form of instalment payment with KTC card with an interest rate of 0.69% per month from the standard rate of 0.80% per month, up to 3 months.

E-Coupons with Merchant Partners

To reduce the use of resources, paper, energy, and printing chemicals, KTC developed an application to support the use of e-coupons in place of paper coupons, to be consistent with the electronic lifestyle, such as communication, transaction, or activities, of people today. E-coupons can be sent through “KTC Mobile”, where customers can show the e-coupon to merchant partners in exchange for benefits and privileges. At the same time, the use of e-coupons provides greater convenience to merchants in controlling and preventing fraud, building on the existing loopholes in the system. KTC has started experimenting use of the application with its first partner, SE-ED Book Center, where there was a total of 2,349,038 e-coupons sent to customers in 2019.

Moreover, KTC has collaborated with SE-EDUCATION Public Company Limited to organize activities donating books and funding lunchtime meals at Chamchan School in Wattana District, Bangkok in commemoration of Sunthorn Phu Memorial Day.

KTC U SHOP Website

KTC provided the services of KTC U SHOP Website since 2016, selecting merchants that members can choose quality products from diverse categories through online channels, with a particular focus on natural and organic products to serve individuals with the healthy lifestyle trend. KTC supports Thai SMEs and community enterprise groups by providing them with opportunities to access the online market through KTC U SHOP Website. For example, KTC has sold pillows and mattresses produced from para rubber by the Pungdaan community enterprise based in Pattalung Province. This product transforms para rubber into products with added value and reduces problems related to low prices. KTC has also sold cleaning products made from natural extracts from Pungungreen and aromatic therapy products from Chommpinn. Not only does this project expands the distribution channels for products and increases the revenue for Thai SMEs and community enterprises, the project also increases the volume of purchases through KTC credit cards in a meaningful manner, as members may choose natural products which have a positive impact on health, the environment and quality of life in the long-run. Accordingly, such purchases is a means to support the sustainable growth of communities and KTC.

In 2019, there was a total of 200 merchants and more than 6,000 products available on the KTC U SHOP Website.

Supply Chain Management

102-9, 103-1, 103-3

The Company places importance on supply chain and outsource service management. The Company supervises these functions with a view of sustainable growth for all parties. In order to prevent and reduce the risk which may impact the service quality, corporate image or business operations, the Company cooperates with its suppliers and outsourcers to raise awareness regarding supply chain management towards sustainability through the following management approaches:

103-2, 308-1, 414-1

Selection Process

The Company places importance on selecting its suppliers at the start to the end of the supply chain in order to evaluate the qualifications of suppliers in various matters, such as financial position and good governance. The Company also conducts a risk assessment of its suppliers in order to consider steps and procedures which may pose a risk to the environment, society and good governance. In this respect, the Company prioritizes the risk factors which may have an impact on KTC's business operations and implements measures reducing risks which may arise from KTC's suppliers. The Company evaluates its suppliers, keeps track of inspections, specifies plans and improves operating results, by categorizing its suppliers by the nature of the work and volume of expenses. Each of the Company's suppliers receive varying forms of quality certifications, such as card production with the high security standards from card brands (e.g. Visa, MasterCard, JCB, UPI) and measures related to performance and information management following ISO standards in various aspects. These aspects include security printing management, quality and service management, energy and environmental management and occupational health and safety management.

Stipulation of Standards

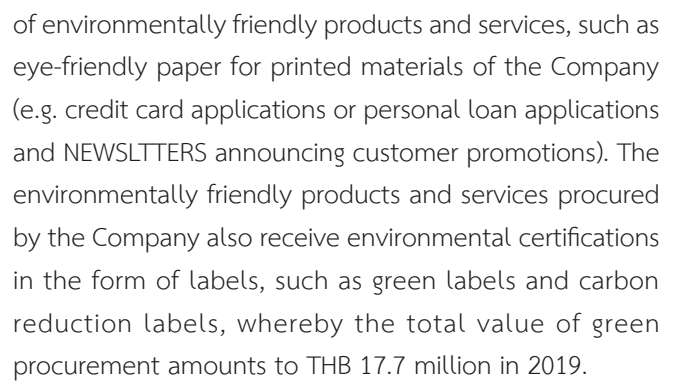
Emphasizing transparency in procurement, the Company specifies clear policies and criteria covering environmental, social and governance aspects in procurement selection. The Company's policy on procuring

services from suppliers is consistent with the group policy of Krung Thai Bank, which stipulates the criteria for selecting suppliers, the criteria for using services, as well as the roles and responsibilities of outsourced third parties, as well as supervisory measures. Any department in the Company who intends to procure the services of outsourced third parties must comply with the above policies and regulations. Moreover, the Company ensures that the same is in compliance with the Anti-Corruption Policy, stipulating the qualifications of outsources, entering into fair contracts, inspecting the receipt of goods under contracts, risk management and inspection, the procurement process review and improvement, including resolving any issues.

KTC has prepared the KTC Supplier Code of Conduct, the contents of which cover approaches to sustainable development, business ethics, human and labor rights, occupational health and safety, environmentally friendly management and legal compliance. The Code of Conduct also stipulates the scope of work per the contractual provisions of service contracts, where if any supplier violates the stipulated criteria, such supplier is notified and given a grace period to resolve the issue. In the event the supplier fails to resolve the issue, the contract is terminated and the name of the supplier is removed from the register of suppliers of the Company. In 2018, the Company prepared, as well as procured 10 of its Tier 1 suppliers to sign an acknowledgement of the Supplier Code of Conduct, representing approximately 98% of the volume of expenses of Tier 1 suppliers. In 2019, the Company procured 342 suppliers to sign an acknowledgement of the Supplier Code of Conduct, representing 100% of its Tier 1 and 2 suppliers and 52% of the volume of expenses of all of its suppliers.

Quality Control and Knowledge Sharing

The Company implements a procedure for inspections, audits and controls the quality of its outsourced third parties to instill confidence that their work is consistent with contractual provisions, and to constantly improve the procedure for the transfer of products and services. Such procedure also acts as a channel for the supplier to provide suggestions and participate in the development of





Financial Inclusion and Financial Literacy

103-3



103-1

KTC realizes the importance of the access to fairly priced financial products and education. With this principle, KTC introduces and provides access to formal financial products and services matching customer needs. Customers therefore apply KTC's loan to enhance their living, support quality of life and mitigate distress caused by predatory lending with extremely high interest rates. At the same time, KTC encourages Thai youths to strive for unlimited potential through educational opportunities, financial literacy program and application in other aspects of life.

Financial Inclusion

103-2

Easy Access to Products and Services

KTC has offered fast, accurate and transparent online marketing strategies in response to consumers' lifestyle of searching for information through online channels during all hours. Such strategies create opportunities for target customer groups to search for information or products related to the Company through the Company's website

ktc.co.th and search engines. At the same time, KTC forges online media partnerships with website platforms in order to recommend and compare various financial products such as rabbitfinance.com and masii.co.th. KTC also forges affiliated marketing partnerships with Krung Thai Bank, as well as with social media channels in order to access actual target customer groups and increase customer convenience in searching for information. In doing so, KTC is focused on providing detailed, accurate and complete information, and disseminates information for customer knowledge and understanding of financial products as well as procedures its cautious use. As a result, customers are able to conveniently access financial products. KTC thereby reduces inequality in accessing financial products and enables customer understanding of financial products in an elaborate manner, allowing customers to make appropriate decisions related to the use of financial products. In the long run, customers will be able to select financial products which are appropriate to them and will not fall prey to predatory lenders. The steps KTC undertakes are as follows:



With the Thai government's policy to enact technological and communications measures for identity proof and confirmation in electronic transactions, the Company is in the midst of developing online channels that allows the application of financial products through electronic channels. In doing so, the Company reduces the problems which arise from document forgery or deceit from electronic transactions, as well as increases the convenience and speed in providing services. Overall, the Company expects to play a role in the enhancement of electronic transactions of Thailand to become more efficient in the long run.

Education Loans

KTC realizes the importance of education and desires to provide equal education opportunities to the general public who aspire for further education, but lack the funds to do so. In order to enhance the quality of life of Thai people and enable Thai people to receive the appropriate education for the purposes of career development and financial stability, KTC mitigates and reduces the burden of expenses by providing education loans with appropriate interest rates and fees. In doing so, KTC simplifies the payment of loans and does not expose business operations to increased risks, even though the interest rates of the products provided are lower than that of regulated personal loans for general purpose. KTC expects to increase the number of customers for education loans, which is a quality customer group. In this respect, KTC has set a goal to increase the number of partnerships with a range of educational institutions in order to be able to cater to the diverse educational needs of each customer group. At the same time, KTC is focused on developing education loans to the highest level of satisfaction of customers.

KTC P'BERM Loans

In launching KTC P'BERM loans, which are composed of KTC P'BERM car title loans, KTC P'BERM motorcycle title loans and KTC P'BERM cash loans, KTC responds to customer needs in accessing loan product and desires to solves or prevents the problems which arise from predatory lending in a sustainable way. KTC considers approving loans in accordance with customer qualifications and ability to repay loans, adhering to the principle of responsible lending to the society and undertaking business operations in a transparent manner and charging fair interest rates. The above mentioned products are financial products within the scope of business operations of KTC and its subsidiaries, namely KTC Pico (Bangkok) Co., Ltd. (KTC Pico) and subsidiaries of KTC Pico in various provinces, including KTC Nano Co., Ltd. In this respect, KTC established a department specifically dedicated to the supervision of such products in order to invent new financial products appropriate to the needs of each target customer group, covering diverse groups of customers in all regions of Thailand.

Financial Literacy

103-2

Financial Literacy Seminars

KTC believes that financial literacy is a necessary tool to prompt appropriate financial management and financial discipline. The Company organized a seminar and invited Mr. Tharit Sriarunothai, Executive Vice President (Legal Department) of the National Credit Bureau of Thailand to share his knowledge and disseminate information related to the National Credit Bureau of Thailand, to 42 KTC PROUD members and general public.





Education for Self Empowerment and Sustainable Growth- Mushroom Cultivation Course

203-1

In organizing a 12-week curriculum for students in Grade 10 to Grade 12 at Setsatian School for the Deaf, KTC plays a role in preparing students to depend on themselves without their disabilities becoming an obstacle. Notably, KTC created a mushroom farm sized 12 times 6 meters and provided financial support to account for expenses and related equipment, where the accumulated expenses for the entire project totaled THB 220,000. In doing so, KTC supported the students in learning agricultural theories and applying the same to building a career, creating a source of revenue. KTC also supported to students to learn financial planning, so the students can calculate revenue and manage their expenses for a happier and sustainable life, as well as be able to share their knowledge with family and community members. The details of the project can be summarized as follows:

- A number of 97 students and teachers participated in the project showed a satisfaction rate of 90% and above
- The understanding of 50 students after the completion of the project increased by 75%
- The school was able to produce a total of 320 kilograms of organic mushrooms from the mushroom farm
- The project provided the school with an additional source of revenue totaling THB 9,520 from selling a total of 119 kilograms of fresh mushrooms to teachers, parents and general public
- The project enabled the school to reduce its expenses totaling THB 8,130 from using a total of 135 kilograms of mushrooms as raw ingredients in preparing lunchtime meals and a total of 66 kilograms of mushrooms in preparing meals and welcome observants and visitors





Education for Self Empowerment and Sustainable Growth -KTC Offer

KTC is dedicated to developing the financial knowledge of students at various universities whose major relates to finance by exchanging experiences and providing additional knowledge of financial literacy for future application to the students' personal life and work. Moreover, KTC has signed memorandums of understanding with various universities in order to create a university network intent on cooperation for the purposes of supporting the financial literacy of students, professors and personnel at universities.

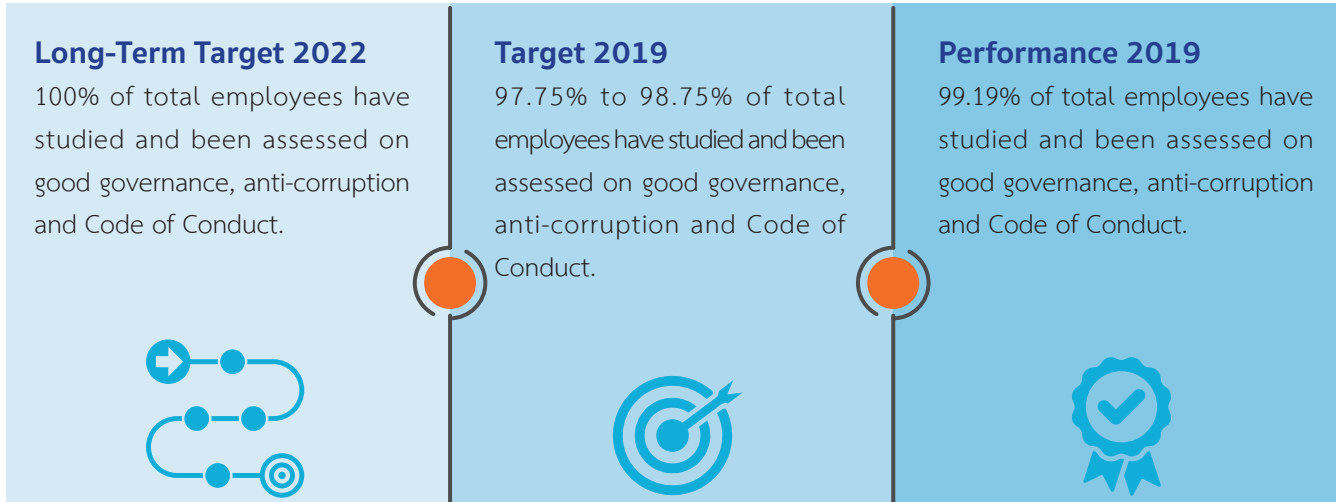
In 2019, there was a total of 120 students from the Faculty of Economics, Srinakharinwirot University (Prasarnmit Campus) who attended a lecture on the retail loan business and interest calculation.



Anti-Corruption



103-3



103-1

The Company places high importance in operating its business by adhering to moral principles and is determined to be responsible to all of its stakeholders with an approach consistent with good corporate governance principles and business ethics in order to be transparent and be rid of all forms of corruption. In this respect, the Company's membership of the Private Sector Collective Action Coalition against Corruption (CAC) Project was renewed on May 21, 2019. In connection with the foregoing, the Board of Directors of the Company approved the Anti-Corruption Policy, which is part of the Company's Corporate Governance Policy, with the aim to refrain directors, executives and employees from engaging or accepting any form of corruption for their own benefit or their friends or acquaintances, unless permissible by law, regulations, notifications, rules, local customs and traditions, or trade customs. To ensure that all executives and employees at all levels can perform their tasks accurately and properly, the Anti-Corruption Policy specifies roles, guidelines and penalties in the event of corruption, along with established procedures and channels for whistleblowers or complaints.

103-2, 205-1, 205-2, 205-3

The details of the Company's operational compliance with the Anti-Corruption Policy are as follows:

1. Reviewed the Anti-Corruption Policy, which is a part of the Company's Corporate Governance Policy, in the Audit Social Environmental and Governance Committee's Meeting No. 11/2562 and the Board of Directors' Meeting No. 1/2563. To ensure that the Board of Directors and Management realizes the importance of prevention of corruption and cultivates it as a part of corporate culture, the Company published its Anti-Corruption Policy to customers, business partners and all company employees through the Company's website (www.ktc.co.th), its intranet as well as internal learning channels.

2. Require all departments to annually perform risk control self-assessment (RCSA). Each department selects its process or procedure considered as its Core Business and then evaluate the probabilities and the impacts of risks in doing such business in order to define the risk level. After that, existing control measures are reviewed to evaluate whether it is already appropriate or should be improved to reduce the risk to suitable levels. RCSA results are annually presented to the Risk Management Committee and Krung Thai Bank. In 2019, annual RCSA results revealed that, for every process and procedure exposed to the risk of corruption, existing control measures have already been established to prevent such risks from occurring.

3. To create efficiency and be consistent with the Company's business nature and business operations, the Chief Executive Officer and Management have jointly participated in defining anti-corruption practice guidelines in accordance with the Company's specified anti-corruption measures, such as the determination of criteria, including acceptable values for giving and receiving gifts, rewards, gratuities or other benefits, as well as refraining from giving support to political parties.

4. As a practice guideline to Management and employees, the Company has established standard working procedures, along with various guidelines to be in compliance with the self-assessment regarding anti-corruption measures of the CAC project and the results of the Company's RCSA as follows:

- Establish standard procurement procedures to ensure that the Company's procurement process is transparent, has no direct or indirect involvement with corruption and concerns the Company's interest above all else
- Establish anti-corruption practice guidelines in anti-corruption measures which consists of guidelines related to prohibition of bribery, guidelines and acceptable values for giving or receiving gifts, rewards or other benefits, guidelines related to entertainment, guidelines related to political support and guidelines related to donation and charity
- To increase efficiency for anti-corruption efforts, the Company has assigned the Compliance Department to be the center in giving consultations or recommendations with regards to corruption whistleblowing and complaints. The Company has also established the policy for reporting misconducts and protective measures to protect whistleblowers. Employees and stakeholders can file reports or complaints through identified channels listed in the Corporate Governance Policy and anti-corruption measures. Their first name and last name, along with detailed information regarding the complaints or misconducts such as background, name of the person(s) involved, and timing of the incident must be identified clearly and adequately for fact-finding purposes to ensure further investigation
- The Company specifically prohibits giving or accepting bribes, as well as prohibits giving support to political

parties. In making any disbursement for donations or other forms of support, there must be documentation evidencing the disbursement.

Channels to File Reports of Corruption

Customers and the general public can submit complaints or comments to the Company through the following channels:

- Call Center: 02 123 5000, 24 Hours a Day
- Complaints Hotline: 02 123 5000
- Leave messages to KTC through website (www.ktc.co.th) or send E-mail to the following address: CService@ktc.co.th
- Fax: 02 123 5190
- Postal letter to the following address: Krungthai Card Public Company Limited, 591 United Business Center II Building, 14th Floor, Sukhumvit 33 Road, North Klongton, Wattana, Bangkok 10110

Employees can submit their complaints and comments directly to the Board of Directors and Management through E-mail. The Company will keep complaints and comments confidential and will refrain from disclosing the complainants' names, their private information or the same of those who cooperate with internal investigation. In addition, there will be no demotion, penalty or other measures having negative impact imposed on employees who refuse to participate in corruption, although such refusal would cost the Company business opportunities. The Company will also provide fairness to the individuals accused of misconduct.

The Compliance Department is responsible for conducting investigations by collecting and monitoring complaints concerning misconduct. The Compliance Department, along with related personnel or committees will review complaints based on the Corporate Governance Policy and related anti-corruption measures to yield disciplinary results according to Human Resource Management Policy. In case of complaints against the Directors, the Audit Social Environmental and Governance Committee will receive a report thereof for its consideration. The Company has also provided examples of complaints regarding corruption.

However, complaints concerning personal problems or personal conflicts, or anonymous complaints are not regarded as corruption complaints.

In 2019, the Company received a total of 7 complaints from channels filing reports of corruption or non-compliance with code of conduct related to business practices failing compliance with the manual and procedures for sales agents. After thorough investigation, all of the 7 complaints are not related to the Company's employees. It was outsourced sales agents who performed their duties dishonestly and deceived customers. The Company has accordingly imposed penalties by terminating the relevant contracts and placing the relevant parties on the blacklist, including suggesting customers who are the victims to report the incident to the authorities.

5. The Company has encouraged all of its departments to comply with Anti-Money Laundering (AML) regulations enforced by the Anti-Money Laundering Office and by each of credit card brands in order to support the government sector with anti-corruption measures.

6. The Company has a clear policy against bribery or monetary settlements during the investigation process with customers or the wrongdoers.

7. To achieve accuracy, be ready for audits and be in compliance with accounting standards, the Company has established operating manuals regarding expense reimbursement, document handling and business record keeping.

8. Provide learning tools to the Board of Directors, Management and employees to ensure their knowledge and understanding of the Company's policies and its related measures, such as the arrangement of multi-animation, the assignment of topics related to Corporate Governance Policy and Code of Conduct as well as anti-corruption measures to be part of the orientation course for newcomers. There will also be a review of such topics through trainings conducted over e-Learning and annual examinations. At the same time, newcomer directors and employees will be required to acknowledge and accept such policies on the date they sign their employment contract.

9. Send a letter requesting for cooperation from the Company's business partners or business alliances to be a member of the CAC project, including establish an evaluation of the Company's business partners, where the

Company's business partner or its business representatives must not support any forms of corruption and cooperate with the Company with their anti-corruption efforts, as well as the government and the private sectors. Establish details in service contract between the Company and its business partners or its business representatives that business operations must be conducted with integrity, transparency and be eligible for audit in accordance good corporate governance principles, as well as abide by any laws related to anti-bribery and anti-corruption.

10. To follow up and evaluate performing results related to the Anti-Corruption Policy and anti-corruption measures, the Company has, by stipulating in its annual business plan, established an internal audit department, which acts independently to audit and assess the business operations in every department according to their risk level and their risk factors for the efficiency and the adequacy of their internal controls, their risk management system, and their corporate governance. The Audit Social Environmental and Governance Committee is responsible for reviewing the financial and accounting reporting system, internal control system, internal audit system, and risk management system to be in accordance with international standards as well as to be suitable, concise, up to date and efficient. The results of this review are reported every year to the Board of Directors for their acknowledgment. The results of the 2019 review showed that there were no departments which did not act in accordance with the anti-corruption measures in place.

11. Disciplinary Actions

- To ensure all employees' commitment to adopt good governance principles as their operating guidelines, the Company requires employees at all level to sign the agreement to comply with the Corporate Governance Policy, including the Anti-Corruption Policy, Code of Conduct, and anti-corruption measures. Therefore, such policies must be strictly followed by every employee
- The Company has established disciplinary procedures for directors, executives and employees who fail to comply with the Company's anti-corruption measures. Not only will the wrongdoer be subject to the Company's disciplinary actions, but they may also be punishable by law in case of illegal activities

Human Capital Development

103-3



Human Resources Management

103-1

The Company recognizes that human capital is a valuable resource in driving the business, therefore we place significance on employees in the recruitment process, and preparation process in developing their knowledge and skills. This is to enable employees to be highly responsive to change and the Company has allocated the appropriate compensation and benefits while respecting diversity and equality in accordance to human rights. The Company has implemented employee development programs for employees to be ready to grow in their desired career path, and adhere to the concept of dignity, motivation and employee engagement while having good well-being and stability. This is to compensate employees for their dedication and rationale to consistently deliver good results to the Company.

Employee Recruitment

103-2, 404-2

The Company focuses on efficiency and maximizing value in the planning and management of human capital. The Company prioritizes internal employees to fulfill jobs and will only consider external personnel for jobs that require specific skill sets that cannot be provided by current employees, by taking into consideration their qualifications, potential and the necessary compensation that align with industry standards. The Company utilizes various

communication channels to recruit diverse and suitable employees for the organization. The Company has set standards for employment and compensation with respect to fairness, equality and human rights which is determined according to experience and scope of work. The Company provides equal opportunities for women, people with disabilities and disadvantaged groups while opposing the use of child labor and illegal aliens. In addition, all employees will receive welfare and benefits in accordance with Thai labor law. The Company's operations are environmentally friendly through innovating and designing communication systems to reduce time and loss of resources.

The Company has consecutively organized the KTC LEARN & EARN project for more than 16 years with the purpose of supporting and developing the skills of youths in various areas such as technology, innovation, creativity, communication, leadership, productivity and skills that cannot be discovered in the classroom. This is to prepare students for their career path. Moreover, students earn daily allowance alongside developing their skills to be constructive in the work place and to achieve a good quality of life.

Promoting diversity and equal labor practices

The Company conducts itself accordingly to human rights towards employees and applicants with equality, fairness, impartiality and respects diversity, regardless of gender, education, nationality, race, color, religion, sexual orientation and physical disability by evaluating employees and job applicants based on their knowledge, ability and suitability. These principles are applied in all departments and sectors alongside with compliance to labor law. In the year 2019, the proportion of female employees to male employees was 66:34.

In addition, the Company hired employees with physical disabilities to work in the IT department in order be aligned to Empowerment of Persons with Disabilities Act, B.E. 2550 (2007) that was enacted to protect the welfare of employees with physical disabilities or health disorders in which the Act outlines for state agencies and employers or business operators to employ disabled people in accordance to Section 33, or send money to the Empowerment of Persons with Disabilities Fund under Section 34, or choose to grant concessions under Section 35. Other than the above, the Company oversees employees with health difficulties by changing their scope of work and responsibilities with respect to their working capabilities in order to have the least negative impact on employee's health.

In 2019, the Company still uses the service employment framework under Section 35 as enacted by the Ministry of Labor to support the employment of disabled people among many industries. Previously, disabled people could only work at company establishments which was revised to allow employment outside company establishments such as local or community areas where they have residency or areas that supports freelance jobs. The local social welfare center has the role to coordinate with the human resources department to facilitate the employment of people with disabilities under the new framework in order to directly benefit disabled people who has complications in commuting. This is to allow disabled people to become self-reliant and the Company has employed 18 disabled people so far under this Act. Furthermore, the Company transfers wages directly to the disabled employee's account, without going through any intermediaries or foundations, therefore there are no complaints regarding the compensation of work.

For the use of outsourcing services, the Company has stipulated in the service contract to treat all employees with fairness in all cases as specified under labor law. Moreover, the Company provides consultation and coordination among employees and the outsourcing company for cases when employees have inquiries.

Compensation and Welfare Management 201-3

The Company follows the compensation based policy framework that focuses on providing fair compensation to employees that are in line with their performance and competitiveness within the labor market. The Human Resources department has the responsibility to enact and review compensation and welfare. The department collaborates with well-respected consulting firms to conduct annual reviews on compensation to be in line with industry standards and to use the information to form part of their consideration in improving policies involving compensation and welfare. The Company has clear evaluation practices that involves using Key Performance Indicators ("KPI") and a clear set Objectives and Key Results ("OKR"), for the marketing team to specify clear compensation, alongside with policies to encourage employees to achieve promotions and be allocated to a role that best fits their ability and interests. Moreover, the Company has retirement welfare programs in accordance with labor law (Please see further details in the "Notes to Financial Statements".) such as the Employee Choice Fund by which employees are able to select investment policies that are in line with their expected return with respect to their retirement goal and risk appetite. Employees can change their investment policies during their tenure among compensation and social security funds. The Company provides such welfare through channels such as the BIPO mobile application. The aforementioned is important to retain and attract talented employees by offering fair incentives in the form of monetary or non-monetary based compensation.

The Company has a welfare committee overseeing the business operations with employees as representatives in order to voice their concerns or suggest new policies that provide benefits. This allows employees to obtain rights

and better welfare to create strong employee engagement and be motivated to provide good services to customers. Subsequently, when employees have complaints or concerns about fraud, they can file a complaint through the Compliance team, Human Resources team or directly to an executive. In this regard, KTC has established a disciplinary committee to examine the facts concerning various complaints to ensure transparency and fairness.

Human Resources Development

The organization has laid out guidelines for human resources development for employees at all levels to have the knowledge, capability and competency development that is consistent with their responsibilities and will be able to conduct themselves accordingly to accomplish their scope of work that is up to specified standards. The Company supports a learning culture where employees are encouraged to set out their goals and their career development plan with their supervisor which creates the opportunity for employees to select a method that is suitable for themselves under the “Blended Learning 70:20:10” framework as outlined below:

- Experiential Learning/On the Job/Project Assignment 70%
- Learning by Others/Coaching & Feedback 20%
- Formal Learning/Classroom/e-Learning 10%

Throughout the year, the Company has hosted training seminars within the organization and have sent employees to external seminars to learn at domestic and foreign institutions. Moreover, the Company has hosted projects and learning activities to promote knowledge at an organization level (Knowledge Management). The Company supports the sharing of knowledge and learning from

activities that are overseen by peers and learning communities overseen by experts which is easily accessed by employees through various electronic channels to develop themselves with convenience. In addition, the Company classifies personnel development by competency, namely core competency, management competency and functional competency.

The Company has talent management development projects for succession planning and supporting the sustainable growth of the organization. Succession planning for executive roles and key positions of the organization is important and must be done systematically while adhering to principle and agreement to prepare key individuals to continue the mission of the organization which is to build confidence in strong management, protect the benefits of stakeholders, business alliances, and customers.

The Company places significance in fostering employee engagement by conducting employee surveys and using the information to develop, improve and manage various areas to allow employees to live a good life and be happy in the work place. This is in addition to retaining personnel who are talented, adequate, bring pride to the organization and create a strong organizational image (Employer Branding) that attracts people to come work with KTC (Employer of Choice)



Table: Employee Development Information

404-1

Information	Unit	2016*	2017	2018	2019
Average Training Hours	Hours/Persons	32.14	30.34	21.67	39.23
Average Number of Employees	Persons	1,906	1,869	1,845	1,854
Total Training Hours	Hours	61,266	56,709	39,980	72,732
Number of Employees Trained	Persons	7,091	5,951	5,197	13,818
Classified by Gender					
Male	Persons	-	1,673	1,711	4,503
Female	Persons	-	4,278	3,486	9,315
Classified by Level					
Senior Management Level	Persons	5,628	65	74	179
Management Level	Persons		1,049	1,435	2,425
General Employees	Persons		3,454	2,602	9,469
Contractors	Persons	1,320	1,298	943	1,504
LEARN & EARN Employees	Persons	143	85	143	241

Remark: The increase in average training hours per employee is due to data collection from e-Learning channels. The number of employees trained is counted repeatedly for employees who attended more than one session.

*In the year 2016, the information collected didn't have gender classification.

Table: Knowledge Test and Course Evaluation

205-2

- The knowledge test about corporate governance covers topics about anti-corruption, good governance, code of conduct, including social and environmental implications. The assessment results are as follows:

Year	Evaluation Criteria	Indicator	Results
2019	Comprehension	100 % of total employees	100%

- The knowledge test about Anti-Money Laundering Act and Anti-Terrorist Financing Act via e-learning channels for executives and employees has the following evaluation results:

Year	Evaluation Criteria		Indicator	Results
2019	Employees that must be trained in accordance to regulations	Comprehension	Number of people who scored 70% or higher is equal to 90% to 95% of required employees	100 % of this employee group
	General Employees	Comprehension	Number of people who scored 80% or higher is equal to 90% to 95% of required employees	100 % of this employee group

- The knowledge test about legal and contractual law that are essential for employees under the topic “Interesting Law for KTC people” has the following evaluation results:

Year	Evaluation Criteria	Indicator	Results
2019	Comprehension	Number of people who scored 85% or higher is equal to 85% to 90% of required employees	99.52%

- The knowledge test about Risk Awareness covers the content of risk definitions, risk factors, risk management processes, loss of data from operational risks for employees to use in their work. The evaluation results are as follows:

Year	Evaluation Criteria	Indicator	Results
2019	Comprehension	Number of people who scored 85% or higher is equal to 85% to 90% of required employees	98.51%

Remark: The number of participants in the assessment accounted for 98.95% of the total number of employees

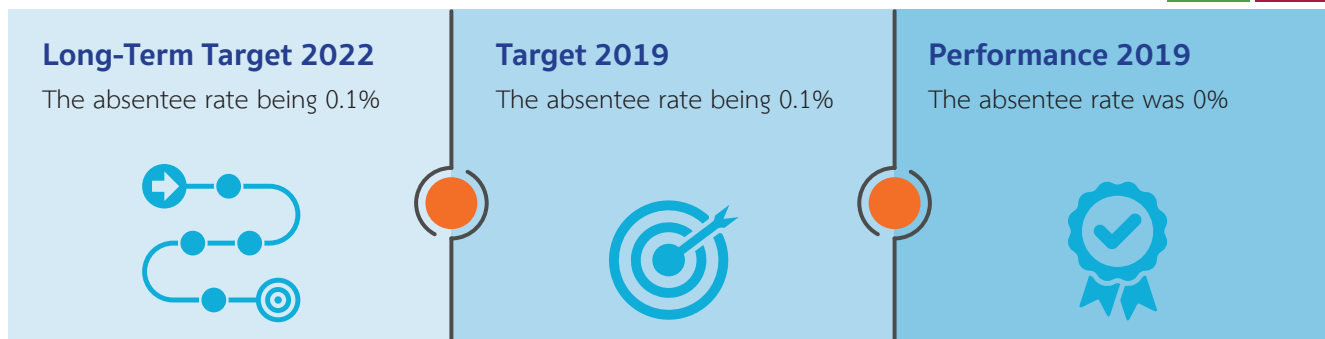
- ISO 27001:2013 to enable employees to have the knowledge and capability to work in accordance with information security standards

Year	Evaluation Criteria	Indicator	Results
2019	Comprehension	100% of total employees	100%

Occupational Health and Safety



103-3



103-1

KTC puts priority in maintaining safe and sound working conditions to promote well-being to reduce risks and concerns of employees with the following guidelines.

103-2, 403-1

Employee Healthcare

The Company provides various benefits to employees according to each category and complies with regulations. If requested, the benefits also extend to family members as follows:

- Annual health check ups including health insurance coverage for inpatients and outpatients at leading

hospitals. These benefits are also provided to the employee's family by which they can opt into for an expense coverage of 50%.

- Nursing rooms, medicine, basic medical supplies and nurses to provide standard health consultations to employees
- Vaccination against numerous diseases to employees such as influenza vaccines
- Organize lectures with doctors from leading hospitals to provide health-related information to protect and promote the well-being of employees such as nutrition and how to prevent office syndrome

Table: Providing Welfare for Employees

Welfare	Type of Employee		
	Full-time Employee	Contractor	Temporary Employee
Salary	/	/	/
Overtime Pay	/	/	/
Training/Staff Development	/	/	/
Funeral Expenses	/	/	/
Maternity Allowance	/	/	/
Medical Expenses	/	/	/
Gift Baskets	/	/	/
Financial Support for Marriage	/	/	/
Provident Funds	/	x	x
Annual Health Checkups	/	/	/

Occupational Health and Safety in the Working Environment

- Establish and comply with safety, occupational health and working environment guidelines that are in accordance with the relevant standards and laws.
- Continuous training on occupational health and safety in work environments for employees
- Follow up, monitor and make regular improvements to the work environment
- Monitor and evaluate the cleanliness of the work area in each department on a regular basis
- Follow up and record information about illnesses, especially influenza as it is a contagious disease. The Company has followed up on employees who are sick and is prepared to reduce illnesses through regularly cleaning the air system, using ozone and installing air purifiers as well as providing care for injured employees until they can return to work normally.

Table: Rate of Work-related Injuries and High-consequence Accidents

403-9

Type of Information	Unit	2016	2017	2018	2019
Rate of work-related injuries	Incidents per working hours	-	-	-	-
Rate of high-consequence work-related injuries	Incidents per working hours	-	-	-	-
Rate of fatalities as a result of work-related injuries	Incidents per working hours	-	-	-	-
Rate of high-consequence accidents	Incidents per working hours	-	-	-	-
Total number of working hours	Hours	3,521,408	3,398,432	3,455,480	3,470,656
Absenteeism rate	%	-	-	-	-
Number of Sick Leaves Taken	Days	4,153	4,224	4,256	4,736
Rate of Sick Leaves Taken	%	2.3	2.4	2.4	2.7

Remark: Employees are Permanent Employees and Contractors

Collaboration with Partners for Sustainability



103-3



103-1

KTC's determination for sustainability is reflected in its collaboration with partners in sustainability projects to strengthen the sustainable nature of business operations and expand the scope of contributions to society. In 2019, the Company collaborated with the following partners in both government and private sectors as follows:

103-2, 203-2

Electrical Generating Authority of Thailand (EGAT)

KTC collaborated with the Electrical Generating Authority of Thailand (EGAT) to raise awareness and stimulate customers to choose energy-saving and environmentally friendly products.

In 2019, the Company promoted fridge and air conditioner products certified with Label no.5. Upon purchasing such products, customers receive the privilege of paying in 0% interest installments for a period up to 18 months and cash-back privileges up to 22% as a special benefit for purchases of inverter air conditioners that had better power-saving performance. As a result, the amount of credit card installments for fridge and air conditioner products grew from 2018 by more than 50%. At the same time, 90% of customers who purchased air conditioners chose to purchase inverter air conditioners.



Siam Cement Group Public Company Limited (SCG)

KTC-SCG VISA Purchasing

KTC collaborated with SCG to organize seminars for building contractors under the KTC-SCG VISA Purchasing Project at the facilities of authorized SCG dealers. The seminar topics covered construction techniques, building renovation techniques or innovations in the construction industry. Additional time is added to the seminars for KTC to provide information regarding the benefits of credit card usage, and promoting building contractors to possess good financial discipline and credit history in order to access funding sources from various financial institutions and develop the business further for building contracts. These seminars have received positive feedback from SCG and authorized SCG dealers, and KTC intends to continue organizing these seminars in 2020.

In 2019, 153 authorized SCG dealers throughout Thailand participated in the KTC-SCG Visa Purchasing Project, 860 building contractors applied for credit cards, and credit card usage amounted to THB 178 million.



Carelicious & Q-Chang

KTC provided benefits and discounts on products and services to member cardholders and organized activities with products at special prices in order to support community products under the “Carelicious” brand. The “Carelicious” brand is determined to develop the quality of life of individuals throughout Thailand, particularly through the consumption of fresh and quality produce through direct platform interactions between SCG, farmers and customers. The Carelicious Project has assisted farmers and small businesses who produce quality products with greater access to customer groups under the Care + Delicious approach.

KTC has also supported the Q-Chang Project, which provides air conditioning cleaning services at special prices to get rid of bacteria, which reduces the workload of air conditioners. The Q-Chang Project has contributed to reducing the electricity usage of air conditioners and increasing the efficiency of the air and dust filtration function in air conditioners, as well as assisting building contractors with employment during the waiting period for a building project. At the same time, customers enjoy the services of quality repairmen, who are up to SCG standards and are able to choose the date and time which match their needs through the Q-Chang Platform.



Gunkul Engineering Public Company Limited

KTC collaborated with Gunkul Engineering Public Company Limited to launch a campaign from August to October 2019, encouraging its member cardholders to install residential solar rooftops under the brand “GRooF” in exchange for certain privileges. Such privileges include paying in 0% interest installments for up to 10 months or receiving a discount up to 12% on the condition that the full amount is paid using a KTC credit card and KTC FOREVER points are used for the full amount of the purchase. KTC PROUD customers receive the privilege of paying in 0% interest installments for up to 20 months, allowing customers to produce clean energy from their own rooftops. With the control system in the “GRooF” application, customers are able to review information on electricity production at any place and at any time, which mitigates environmental problems and reduces the burden of increasing electricity prices.

The Court of Justice and the Legal Execution Department

KTC has joined hands with Court of Justice in implementing the “Mediation of Disputes for Negotiations with Debtors” project so as to ensure that debtors get repayment conditions within the scope of their abilities. In events of errors or mistakes, proper adjustments shall be made to customers’ accounts.

Moreover, the Company collaborated with the Legal Execution Department to mediate legal disputes in trial and compound debts for debtors impacted by floods in various regions of Thailand in addition to other special projects. In

doing so, the Company eases the distress of debtors and plays a role in the resolution of household debt in Thailand.

In 2019, the Company organized the “Mediation of Disputes Exposition” project for disputes in execution in the Bangkok Metropolitan Region for a total of 61 times. A total of 2,681 debtors participated in the project. The value of debt where a compromise was reached accounted for 98.77 percent of the total debt. Furthermore, the Company organized the “Mediation of Disputes Exposition” project for disputes in trial in Bangkok and other provinces in various regions of Thailand for a total of 5 times. A total of 9,058 debtors participated in the project. The value of debt where a compromise was reached accounted for 93.45 percent of the total debt.



ENVIRONMENTAL DIMENSION

Environmental Management and Climate Strategy



103-3



103-1

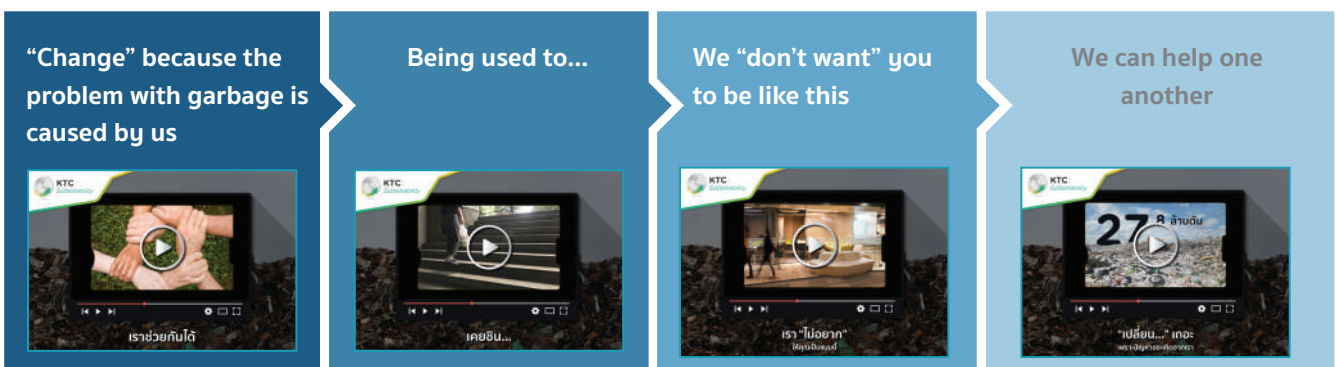
KTC is committed to conducting business in conjunction with being responsible towards the environment by specifying environmental management guidelines to reduce energy consumption, resource consumption and greenhouse gas emissions from operations. Moreover, KTC encourages employees to achieve these sustainable goals with respect to the Paris Agreement that was also signed by the Thai government in 2015. One of these goals is to reduce greenhouse gas emissions by 20-25% within 2030.

103-2

Collaboration within the Organization

The Company believes that taking care of the environment and climate can be started easily and immediately through people just paying attention to each of their daily activities. The Company has created a video to be distributed via E-mail and online channels in the organization to all employees, to inform employees about the severity and urgency of the problem in order to jointly take action on environmental and climate issues. These videos and cartoons are presented in a fashion that is easy to understand to which employees have paid great attention to. These activities will be continued and presented in new various forms in the future.

Example of Video in 2019



Reducing Paper Usage

The Company has a policy to reduce paper consumption in the work processes throughout the organization. It is one of the main concepts behind creating KTC Smart Office in which all employees are jointly responsible in reducing paper by storing important documents as electronic files to be shared with other departments, recycling of paper within each department in order to save trees, storage space and have ease in locating documents. The Company also encourages saving power consumption through improving the following work processes:

- The Company has developed a Host to Host Credit Information Search System to allow officers to retrieve the necessary documents instead of printing the documents.
- The Company has prepared data to send the original documents to the credit bureau or to use the information of members that will be analyzed to develop and improve services through storing data within computer programs and be reviewed to obtain the desired results instead of printing various reports.
- Legal proceedings which require a lot of documents in filing a case going to trial and copying statements will be printed on two sides, this will reduce paper consumption by half. Moreover, the collaboration with certain courts will reduce the amount of paper consumption and storage of documents. These documents can also be used for recycling purposes.
- The Company prepares various requests in electronic forms such as forms requesting a permanent credit limit. The customers can fill in information and attach any supporting documents through the system.
- The Company prepares documents in electronic format in place of filling out paper documents for matters related to human resources in order to increase convenience and reduce the time required in receiving and sending documents. Employees may access the documents through i-Form on the Company's intranet, which covers registering as a new employee, signing the employment contract, requesting a written certification, requesting for a new health insurance card, requesting for a new employee card, evaluating work performance, as well as resigning from the Company. Moreover, the

Company stores the information of the employees using a human resources information system in order to assist the recording of employee information to be accurate, easy to use and reduce the use of paper.

- The dissemination of quality documents of the Company in electronic format as a replacement for preparing hard copies of quality documents in paper format and creating folders of each department or operating point ensures that quality documents of the Company will be ready to use and are up-to-date. Employees are able to refer to business operations by looking at quality documents through the Company's intranet, which have been disseminated, including documents related to, for example, policies, regulations, authority and standard operating procedure. The above project will assist in the protection of the environment, reducing the use of trees to produce paper by at least 23 trees or 400 reams of paper within 1 year.

Reducing Paper Usage by e-Statement

The Company realizes the importance of global warming and is prepared to reduce the impacts on climate change by starting within the organization. Particularly, the Company organizes projects encouraging employees to change their behavior in, for example, receiving statements in paper format to statements in electronic format instead under the "Switch even better" project for a better life today and in the future, which has received positive feedback and cooperation from all of the Company's employees.

Accordingly, the Company expanded its approach by inviting KTC members to participate in registering for e-Statements through E-mail under the "Switch to e-Statement" project in order to mitigate the problem of damaged or missing statements. At the same time, this project increases convenience and speed in verifying expenses, as well as reduces the use of resources in printing statements in paper format, which contributes to the protection of the environment. The project also reduces energy consumption in disposing trash arising from discarded statements. Throughout the period of the past 1 year, the Company has raised awareness of the foregoing matter continuously through various channels as follows:

- Officers at contact centers recommended registering for the e-Statement service for all members who reported that they have not received their statements from the Company
- The Company sent an E-mail inviting KTC members to register for e-Statement under the “Change for a Green World and an Easier Life” project by making the registration of an e-Statement the equivalent of donating cash supporting Seub Nakhasathien Foundation. The Company has donated THB 20 for every customer’s registration. In the year 2019, this project had:
 - The number of KTC members who registered for an e-Statement is a total of 6,699 members
 - KTC donated money to the Foundation in the amount of THB 133,980 on 20 December 2019
 - KTC reduced the use of resources in printing statements in paper format by 13,398 sheets in order to protect the environment

As a result of both projects, the Company was able to reduce the use of paper by 250,076 sheets and the Company will continue these operations in 2020.



Using Electricity in an Efficient Manner

The Company has undertaken energy-saving measures, such as changing LED light bulbs throughout the organization, including KTC TOUCH service points throughout Thailand. The Company has also reduced energy use in unnecessary areas and made adjustments to reduce and save unnecessary energy in the office by managing the time for turning on and turning off air conditioners from 7.30 a.m. to 6.00 p.m. Moreover, the Company reduced the temperature of air conditions to an appropriate temperature and encouraged employees to help save energy.

Water Resources Management

303-1

As the Company realizes the importance of the use of water resources, the Company raised awareness among its employees to understand the importance of using water conservatively, appreciatively and for the highest benefit. The Company also frequently inspects for leakages of water taps and pipes.

Waste Management

306-2

Shred2Share Project

The Company places importance on responsibility towards the information of the Company and its customers. The Company establishes standards for the destruction of information in a safe manner in conjunction with protection of society and the environment. Accordingly, the Company participated in the “Shred2Share, Safe Information, Care about the Environment” project, where paper no longer used is destroyed in a safe manner and placed in the recycle process for reuse. Such process reduces carbon dioxide emissions from producing new paper, as well as the use of coal and water, which is the cause of global warming and climate change. The Company also donates recycled teaching equipment to schools in remote areas.

Year	2017	2018	2019
Amount of recycled documents (ton)	7.77	14.58	88.56
Reduced CO ₂ (kg)	2,019.21	3,788.70	23,026.77
Reduced coal (kg)	854.28	1,602.91	9,742.09
Reduced water (m ³)	388.31	728.60	4,428.22

Management of Plastic Cards

The Company has collaborated with companies producing plastic cards in order to recycle plastic cards that are no longer usable into plastic scraps. These materials are recycled to produce PVC chairs on electric trains and PVC pipes, rather than disposing of them causing pollution.

Management of Fuel

The Company requires all company vehicles to use eco-friendly petrol, such as E20, and to only be used to travel for business purposes.

Year	2016	2017	2018	2019
Saved cost of petrol (THB)	12,000	85,000	90,000	106,000

Care The Bear Project

The Company participated in the “Care the Bear: Change the Climate Change by Eco Event” project organized by the Stock Exchange of Thailand for the purposes of tackling global warming and climate change by reducing carbon footprints from organizing activities or events (Eco-Event) through 6 approaches. The following approaches are:

1. Encourage travel using public transportation or car pooling
2. Reduce the use of paper and plastic for various documents and containers
3. Refrain from the use of foam for containers or foam for decoration purposes
4. Reduce the use of energy from electrical equipment or use energy-saving equipment
5. Design using decorative materials which are reusable
6. Reduce food waste at events

In 2019, the Company was able to reduce its carbon footprint by 75,567.15 kg CO₂e, which is equivalent to growing 8,395 large trees.

About this Report

Report Boundaries

102-45, 102-46, 102-50, 102-51, 102-52, 102-54

KTC Group is composed of Krungthai Card Public Company Limited, and its subsidiaries; KTC Pico (Bangkok) Co., Ltd., KTC Pico (Chonburi) Co., Ltd., KTC Pico (Samut Sakhon) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd., and KTC Nano Co., Ltd.

The consolidated financial statements covers the operating results of KTC and all of its subsidiaries.

The scope of this Sustainability Report only covers the sustainable operating results of KTC, given that KTC's subsidiaries are in the process of collecting information (being incorporated in 2019 and not in operation for a full fiscal year). In any event, this Sustainability Report refers to the purposes and information of KTC's subsidiaries to illustrate KTC's intention to take part in the sustainable development of Thai society.

This marks the first year that KTC has prepared a sustainability report, which covers the period of business operations from January 1, 2019 to December 31, 2019. The Company will prepare a sustainability report for each subsequent year onwards to illustrate its sustainable business operations to stakeholders from the aspects of the economy, society, and the environment, focusing on

the issues which stakeholders place primary importance on. The report has been prepared in accordance with the GRI Standards: Core Option, while adopting an international reporting framework consistent with the approaches of the Sustainable Development Goals (SDGs).

Assurance for the Report

102-56

The information contained in this Sustainability Report related to economic operating results is based on accounting information audited by Certified Public Accountant. However, in preparing the Sustainability Report for the first year, the Company has yet to seek assurance for information related to social and environmental operating results contained in the report and has yet to engage external assurance consistent with GRI Standards for the report. In any event, seeking assurance for future sustainability reports is part of KTC's plan.

All inquiries regarding the report should be addressed to:

102-53

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591 United Business Centre II, 14th Floor,
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Bangkok 10110
Telephone: 02 828 5017, 02 828 5756
E-mail: irktc@ktc.co.th

Additional Information



Social Dimension

Employees can be separated into the following categories:

1. Full-time Employees are individuals that the Company has accepted to hire on a regular basis and has passed the probation period to achieve full employment status as recognized under the terms of employment. Full-time Employees can be divided into 3 levels which are:
 - 1.1. Senior Management Level which is Senior Vice President or higher
 - 1.2. Management Level which is Manager to Vice President
 - 1.3. General Employees which is Officer to Assistant Manager
2. Contractors are individuals that the Company has accepted to hire on an irregular basis to complete jobs that are temporary, seasonal or are part of projects by which the Company has specified a definite start and end date of hire.
3. LEARN & EARN Employees are university level interns who are part of the KTC LEARN & EARN

Revenue generating departments are Credit Card, Personal Loans and Distribution & Merchant Acquiring departments.

The percentage of total employees that work in Thailand is equal to 100%.



Environmental Dimension

Indirect Greenhouse Gas Emissions

Greenhouse gas emissions (GHG Scope 2) are emitted from activities that are related to the Company's business operations which consists of the use of electricity in the rental area at UBC II Building and Thai Summit Tower. The rate of greenhouse gas emissions is calculated at 0.5821 kWh (Source: Thailand Grid Mix Electricity LCI Database (2014))

Electricity Consumption

The Company uses electricity in the business operations and activities of the Company for lighting, office equipment, air conditioning and other electric appliances by which reports are limited to the rental area at UBC II Building and Thai Summit Tower as these are the locations that the Company can control electricity consumption. The information is taken from the invoices provided by the Company which manages the building that the Company rents.

Water Consumption

The water that is used is tap water by which reports are limited to the rental area at UBC II Building and Thai Summit Tower. The information is taken from the invoices provided by the Company which manages the building that the Company rents. Data collection began in the year 2017.

Business Travel

The petrol usage information for vehicles used for business operations was collected through recordings in fleet cards by which the amount of petrol consumed is taken from the invoices provided by fuel distributors which are PTT Public Company Limited and Bangchak Corporation Public Company Limited. Data collection began since April 2017.

Sustainability Performance

Social Dimension

Information	Unit	2016	2017	2018	2019
Full Time Employee	Persons	1,512	1,514	1,548	1,580

Remark: Full Time Employee = All permanent employees of Krungthai Card Public Company Limited

Total Number of Employees

102-2, 102-8

Information	Unit	2016			2017			2018			2019		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total employee	Persons	631	1,173	1,804	611	1,130	1,741	624	1,139	1,763	610	1,168	1,778
By Category													
Senior Management Level	Persons	19	14	33	18	14	32	17	11	28	16	11	27
X ≤ 30	Persons	-	-	-	-	-	-	-	-	-	-	-	-
30 < X ≤ 50	Persons	6	1	7	2	1	3	1	1	2	1	1	2
50 < X	Persons	13	13	26	16	13	29	16	10	26	15	10	25
Management Level	Persons	117	147	264	124	146	270	126	166	292	128	179	307
X ≤ 30	Persons	2	1	3	1	-	1	-	-	-	-	-	-
30 < X ≤ 50	Persons	97	120	217	99	112	211	96	126	222	94	125	219
50 < X	Persons	18	26	44	24	34	58	30	40	70	34	54	88
Non-management	Persons	495	1,012	1,507	469	970	1,439	481	962	1,443	466	978	1,444
General Employee	Persons	417	798	1,215	408	804	1,212	414	814	1,228	411	835	1,246
Contractor	Persons	78	214	292	61	166	227	67	148	215	55	143	198
X ≤ 30	Persons	167	397	564	138	350	488	142	323	465	131	285	416
30 < X ≤ 50	Persons	316	596	912	319	598	917	328	615	943	321	666	987
50 < X	Persons	12	19	31	12	22	34	11	24	35	14	27	41
Management Level in revenue generating functions	Persons	38	75	113	41	73	114	76	42	118	81	43	124
X ≤ 30	Persons	2	1	3	1	-	1	-	-	-	-	-	-
30 < X ≤ 50	Persons	33	52	85	34	50	84	50	35	85	47	36	83
50 < X	Persons	3	22	25	6	23	29	26	7	33	34	7	41

New Employee

401-1

Information	Unit	2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Total new employees hired	Persons	130	247	117	279	157	334	120	290
Rate of new employees hired	%	7%	14%	7%	16%	9%	19%	7%	16%
By Age									
X ≤ 30	Persons	92	190	73	228	104	261	86	205
30 < X ≤ 50	Persons	38	57	44	50	51	72	34	81
50 < X	Persons	-	-	-	1	2	1	-	4

Employee Turnover

401-1

Information	Unit	2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Total employee turnover	Persons	113	187	129	291	92	201	92	151
Employee turnover rate	%	6%	10%	7%	17%	5%	11%	5%	8%
By Age									
X ≤ 30	Persons	62	117	73	200	26	126	43	83
30 < X ≤ 50	Persons	50	65	52	85	60	67	42	65
50 < X	Persons	1	5	4	6	6	8	7	3

Remark: The number of employee turnover does not include retired employees, early retired employees, deceased employees, terminated employees, or employees that did not pass the requirements of the employment contract

Information	Unit	2016	2017	2018	2019
Number of employees who are labor union members	Persons	-	-	-	-

Remark: The Company has established a welfare committee which has employee representation

Employee Absenteeism

403-9

Information	Unit	2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Total absenteeism days (including work-related sickness and injuries leave)	Days	-	-	-	-	-	-	-	-
Absenteeism rate (including work-related sickness and injuries leave)	%	-	-	-	-	-	-	-	-

401-3

Information	Unit	2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Number of employees having the right of maternity/parental leave	Persons	-	1,173	-	1,130	-	1,139	-	1,168
Number of employees using the right of maternity/parental leave	Persons	-	29	-	24	-	28	-	25
Number of employees returning to work after maternity/parental leave	Persons	-	29	-	24	-	28	-	23
Return to work rate	%	-	100%	-	100%	-	100%	-	92%
Retention rate	%	-	79%	-	75%	-	96%	-	96%

Remark: Return to work rate = Total number of employees that did return to work after parental leave / Total number of employees due to return to work after taking parental leave * 100

Retention Rate = Total number of employees retained 12 months after returning to work following a period of parental leave / Total number of employees returning from parental leave in the prior reporting period(s) * 100

Information	Unit	2015	2016	2017	2018	2019
Employee engagement level	%	63%	-	68%	-	76%
Proportion of participants to total employees	%	73%	-	77%	-	99%
Minimum notice periods regarding changes to employee roles/responsibilities						
Notice periods	Weeks	2-4 weeks				
Employee complaints regarding labor practices						
Number of complaints regarding violations of labor standards	Incidents	-	-	-	-	-
Number of resolved complaints	Incidents	-	-	-	-	-
Number of pending compliants	Incidents	-	-	-	-	-

Environmental Dimension

Greenhouse gas emissions

305-2

Information	Unit	2016	2017	2018	2019
Amount of indirect greenhouse gas emissions (GHG Scope 2)	Metric Ton CO ₂ e	1,717	1,504	1,390	1,364

Electricity use

302-1

Information	Unit	2016	2017	2018	2019
Electricity purchased from Metropolitan Electricity Authority	MW/h	2,950	2,584	2,389	2,344
Electricity charges	Thousand Baht	17,475	15,327	14,161	13,896
Proportion of revenue	%	0.10%	0.08%	0.07%	0.06%

Water use

303-1

Information	Unit	2016	2017	2018	2019
Purchased tap water	metre ³	-	17,461	17,268	18,344

Business Travel

302-2

Information	Unit	2016	2017	2018	2019
Petrol used for travel by land transportation	Litre	-	210,528	258,197	258,085
Petrol charges	Thousand Baht	-	5,512	7,369	6,964
Proportion of revenues	%	-	0.03%	0.03%	0.03%

GRI Content Index

102-55

GRI Standards	Disclosure	Page Number(s)		Omission	External Assurance	Relation to SDGs
		Sustainability Report	Annual Report			
GENERAL DISCLOSURES						
Organizational profile						
102-1	Name of the organization	7	48			
102-2	Activities, brands, products, and services	8, 66	58-83			
102-3	Location of headquarters	7	245			
102-4	Location of operations	7	248-249			
102-5	Ownership and legal form	7	96-97			
102-6	Markets served	7				
102-7	Scale of the organization	7, 35	216-220			
102-8	Information on employees and other workers	66	113			
102-9	Supply chain	40				
102-10	Significant changes to the organization and its supply chain	7	48-53			
102-11	Precautionary principle or approach	32				
102-12	External initiatives	23				
102-13	Membership of associations	9				
Strategy						
102-14	Statement from senior decision-maker	4-5				
102-15	Key impacts, risks, and opportunities	5, 10-11	79-83			
Ethics and integrity						
102-16	Values, principles, standards, and norms of behavior	6	50			
102-17	Mechanisms for advice and concerns about ethics	36-37	117-138			
Governance						
102-18	Governance structure	12, 36-37	117-138			
102-19	Delegating authority	12, 36-37	117-138			
102-32	Highest governance body’s role in sustainability reporting	12, 36-37				

GRI Standards	Disclosure	Page Number(s)		Omission	External Assurance	Relation to SDGs
		Sustainability Report	Annual Report			
Stakeholder engagement						
102-40	List of stakeholder groups	12	120-122			
102-42	Identifying and selecting stakeholders	12	120-122			
102-43	Approach to stakeholder engagement	12-17	120-122			
102-44	Key topics and concerns raised	12-17				
Reporting practice						
102-45	Entities included in the consolidated financial statements	64	171			
102-46	Defining report content and topic boundaries	18-19, 64				
102-47	List of material topics	20-23				
102-48	Restatement of information	19				
102-49	Changes in reporting	19				
102-50	Reporting period	64				
102-51	Date of most recent report	64				
102-52	Reporting cycle	64				
102-53	Contact point for questions regarding the report	64				
102-54	Claims of reporting in accordance with the GRI Standards	64				
102-55	GRI content index	70-76				
External assurance						
102-56	External assurance	64				
TOPIC-SPECIFIC DISCLOSURES						
Economic Dimension						
Brand & Customer Trust and Digitalization					SDG1, SDG8, SDG9	
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	25				
103-2	The management approach and its components	25-30				
103-3	Evaluation of the management approach	25				

GRI Standards	Disclosure	Page Number(s)		Omission	External Assurance	Relation to SDGs
		Sustainability Report	Annual Report			
GRI 417: Marketing and Labeling 2016						
417-3	Incidents of non-compliance concerning marketing communications	30	143			
GRI 418: Customer Privacy 2016						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of consumer data	29	143			
Risk and Crisis Management						SDG 16
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	31				
103-2	The management approach and its components	31-34	84-89, 142-145			
103-3	Evaluation of the management approach	31				
Economic Performance						SDG 8, SDG 9
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	35				
103-2	The management approach and its components	35				
103-3	Evaluation of the management approach	35				
GRI 201: Economic Performance 2016						
201-1	Direct economic value generated and distributed	35				
Corporate Governance						SDG 16
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	36				
103-2	The management approach and its components	36-37	117-138			
103-3	Evaluation of the management approach	36				

GRI Standards	Disclosure	Page Number(s)		Omission	External Assurance	Relation to SDGs
		Sustainability Report	Annual Report			
ESG Products & Services						
						SDG 8, SDG 10
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	38				
103-2	The management approach and its components	38-39	60			
103-3	Evaluation of the management approach	38				
GRI 203: Indirect Economic Impacts						
203-2	Significant indirect economic impacts	38-39				
Supply Chain Management						
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	40				
103-2	The management approach and its components	40-41	121			
103-3	Evaluation of the management approach	40				
GRI 308: Supplier Environmental Assessment 2016						
308-1	New suppliers that were screened using environmental criteria	40				
GRI 414: Supplier Social Assessment 2016						
414-1	New suppliers that were screened using social criteria	40				
Social Dimension						
Financial Inclusion and Financial Literacy						SDG 1, SDG 4, SDG 5, SDG 8, SDG 9
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	43				
103-2	The management approach and its components	43-46	52-53, 69			
103-3	Evaluation of the management approach	43				

GRI Standards	Disclosure	Page Number(s)		Omission	External Assurance	Relation to SDGs
		Sustainability Report	Annual Report			
GRI 203: Indirect Economic Impacts 2016						
203-1	Infrastructure investments and services supported	45				
Anti-Corruption						SDG 16
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	47				
103-2	The management approach and its components	47-49	122			
103-3	Evaluation of the management approach	47				
GRI 205: Anti-Corruption 2016						
205-1	Operations assessed for risks related to corruption	47				
205-2	Communication and training about anti-corruption policies and procedures	47				
205-3	Confirmed incidents of corruption and actions taken	49				
Human Capital Development					SDG 4, SDG 5, SDG 8, SDG 10	
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	50				
103-2	The management approach and its components	50-54	114-115			
103-3	Evaluation of the management approach	50				
GRI 201: Economic Performance 2016						
201-3	Defined benefit plan obligations and other retirement plans	51				
GRI 205: Anti-Corruption 2016						
205-2	Communication and training about anti-corruption policies and procedures	53				

GRI Standards	Disclosure	Page Number(s)		Omission	External Assurance	Relation to SDGs
		Sustainability Report	Annual Report			
GRI 401: Employment 2016						
401-1	New employee hires and employee turnover	67				
401-3	Parental leave	68				
GRI 404: Training and Education 2016						
404-1	Average hours of training per year per employee	53	115			
404-2	Programs for upgrading employee skills and transition	50				
Occupational Health and Safety						SDG 3, SDG 8
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	55				
103-2	The management approach and its components	55-56	116			
103-3	Evaluation of the management approach	55				
GRI 403: Occupational Health and Safety 2018						
403-1	Occupational health and safety management system	55				
403-9	Work-related injuries	56, 68				
Collaboration with partners for sustainability						SDG 8
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	57				
103-2	The management approach and its components	57-58				
103-3	Evaluation of the management approach	57				
GRI 203: Indirect Economic Impacts 2016						
203-2	Significant indirect economic impacts	57				

GRI Standards	Disclosure	Page Number(s)		Omission	External Assurance	Relation to SDGs
		Sustainability Report	Annual Report			
Environmental Dimension						
Environmental Management and Climate Strategy						SDG 3,SDG 12
GRI 103: Management Approach 2016						
103-1	Explanation of the material topic and its boundary	60				
103-2	The management approach and its components	60-63				
103-3	Evaluation of the management approach	60				
GRI 302: Energy 2016						
302-1	Energy consumption within the organization	69				
302-2	Energy consumption outside of the organization	69				
GRI 303: Water and Effluents 2018						
303-1	Interactions with water as a shared resource	62, 69				
GRI 305: Emissions 2016						
305-2	Energy indirect (Scope 2) GHG emissions	69				
GRI 306: Effluents and Waste 2016						
306-2	Waste by type and disposal method	62				



Questionnaire KTC Sustainability Report 2019

**Your suggestions will be incorporated in the improvement of the future KTC Sustainability Report.
KTC highly appreciates your valuable feedback.**

Please kindly mark ☒ in ☐ and provide suggestions in the space provided.

1. Which stakeholder group(s) best describes you?

- | | | |
|--|--|--------------------------------------|
| <input type="checkbox"/> Shareholders/ Investors | <input type="checkbox"/> Customers | <input type="checkbox"/> Creditors |
| <input type="checkbox"/> Business Partners | <input type="checkbox"/> Business Alliances | <input type="checkbox"/> Competitors |
| <input type="checkbox"/> Society and Environment | <input type="checkbox"/> Board of Directors and Management | <input type="checkbox"/> Employees |
| <input type="checkbox"/> Government Sectors | <input type="checkbox"/> Others, please specify _____ | |

2. Please specify from which source have you seen the KTC Sustainability Report 2019?

- ☐ KTC website and social media
- ☐ KTC Touch
- ☐ Seminar
- ☐ Ordinary General Meeting
- ☐ Others, please specify _____

3. Which of KTC's sustainability topics are you interested in?

- ☐ Brand & Customer trust and Digitalization
- ☐ Risk and Crisis Management
- ☐ Economic Performance
- ☐ Corporate Governance
- ☐ ESG Products & Services
- ☐ Supply Chain Management
- ☐ Financial Inclusion and Financial Literacy
- ☐ Anti-Corruption
- ☐ Human Capital Development
- ☐ Occupational Health and Safety
- ☐ Collaboration with Partners for Sustainability
- ☐ Environmental Management and Climate Strategy

4. Please rate your level of satisfaction for the KTC Sustainability Report 2019

Interesting content	<input type="radio"/> High	<input type="radio"/> Medium	<input type="radio"/> Low Please recommend _____
Easy-to-understand content	<input type="radio"/> High	<input type="radio"/> Medium	<input type="radio"/> Low Please recommend _____
Completeness of content	<input type="radio"/> High	<input type="radio"/> Medium	<input type="radio"/> Low Please recommend _____
Interesting report design	<input type="radio"/> High	<input type="radio"/> Medium	<input type="radio"/> Low Please recommend _____
Overall satisfaction	<input type="radio"/> High	<input type="radio"/> Medium	<input type="radio"/> Low Please recommend _____

5. After reading this sustainability report, what are your thoughts on KTC's determination and action regarding sustainable development?

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6. Which sustainability topics would you recommend for KTC in addition to its current operations?

.....

.....

7. Please provide further recommendations (if any)

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Please address your inquiries regarding this report to:

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