



# **SUSTAINABILITY REPORT 2020**

KRUNGTHAI CARD PUBLIC COMPANY LIMITED



**KTC**  
*Sustainability*

## KTC aims towards sustainable growth

KTC determines 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 and Technology that enable our People to deliver high quality of works. 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 board and deep understanding of economic, social and environmental dimensions to deliver value through products, services and platforms for KTC to be a brand that is in the heart of our members, ensuring that our stakeholders will grow together sustainably.



## Honorable Awards



- KTC is the first and only financial institution in Thailand to receive the following certificates for its overall organization:
  - The Privacy Information Management System ISO/IEC 27701: 2019
  - The Information Security Management System ISO/IEC 27001: 2013 award for 2 consecutive years.



- KTC received the **“Thailand’s Top Corporate Brand”** award for 4 consecutive years as it possessed highest brand value in Financial Sector in 2020 amounted to Baht 57,060 million.



- KTC was selected to be on the list of Thailand Sustainability Investment (THSI) for 2 consecutive years.



- KTC received “5-star” in the Corporate Governance Report of Thai Listed Companies 2020 survey for 5 consecutive years.



- KTC was one of the registered companies with outstanding Environmental, Social and Governance Performance and selected for ESG 100 (since 2016).



- KTC’s membership of the Thai Private Sector Collective Action Coalition against Corruption (CAC) has been renewed and extended to 2022.

- The Company received the 2019 **“ASEAN CG Scorecard”** award under ASEAN Asset Class PLCs category, with an average score of 98.
- From the Annual General Meeting Quality survey (AGM), the Company scored 98 points.
- In 2020, KTC received a rating of A in the MSCI ESG Ratings assessment.



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## Message from the Chairman

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“Challenges from the crisis in 2020 have given KTC opportunities to reveal its potentials in sustainable development.

KTC is proud to be part of the driving mechanism to create values for the Thai society and will stand alongside Thai people to together overcome the crisis.”

# Message from the Chairman

The Year 2020 is one of the most challenging years with the COVID-19 pandemic impacting global economy and people's livelihoods of the entire world. As a result, this year is the year that the concept of sustainable development and KTC's business context are undeniably related. With the aim to continuously improve the organization, KTC has promptly adjusted itself to cope with such crisis, including creating opportunities to expand businesses as well as lessening the impacts to stakeholders in order to together overcome this difficult situation. KTC's sustainable development in the three dimensions are as follow:

**Economic:** KTC conducts businesses following good corporate governance principles and appropriate risk management. The Company develops varieties of products and services, and enhances digital technology as well as its safety to meet customer's changing lifestyles. KTC had broadcasted 30 video clips under the concept “#CreditCardsFor...” to convey the caring message that under any circumstances, KTC is ready to stand alongside customers by providing products, services, and benefits to improve convenience, ease burden, as well as offer good values. KTC has also been in full support of the Bank of Thailand's measures to continuously assist customers affected by the COVID-19 outbreak by adopting responsible lending concept, and preserving good quality of receivables portfolio.

**Social:** KTC has modified its business model by placing significance in car title loan and motorcycle title loan, “KTC P BERM”, to expand market for retail lending. In addition, KTC emphasizes in increasing opportunities for customers in financial access, along with providing them with financial literacy to support their careers, earnings and financial disciplines, with the anticipation that these would create solid foundation for social stability in the long run. Besides, KTC has assisted customers affected by the COVID-19 pandemic in the form of double value “added benefits”, whether it is the delivery of medical support to further aid the society or the collaboration with the Wattana District Office to hand over “Happy Bag” to Wattana communities. Furthermore, in order to reduce broader impacts on both individual and societal level, KTC not only has no policy to lay off employees but also gives importance to employee health and wellbeing as well as respect for human rights and personnel development. KTC also integrates digital technology with working process to increase employee potentials so that they can effectively cope with any situation, hence strengthening the organization which in turn will further influence social sustainability.

**Environmental:** Even though KTC's business operations do not materially impact the environment, the Company determines to efficiently develop products and services whilst conducting an environmentally friendly business. By enhancing “KTC Mobile” application with functions that meet users' demands, members can set their own codes for ATM PIN without requiring ATM PIN Mailer, thus reducing paper usage. Same can also be said for members' cooperation with their requests of e-statement which have been continually increased. Additionally, KTC encourages employees to incorporate in their daily operations, the ideas of environmental responsibility from the campaign “Every Day Say No to Plastic” to reduce single plastic use, and from the campaign “Sort Before Throw out” to sort out garbage from beginning to end to gain maximum benefits.

As a result of its determination to develop the organization in each dimension, KTC has continuously gained its success with net profits for 2020 of Baht 5,332 million, and received recognitions both domestically and internationally such as being selected for the second consecutive year in Thailand Sustainability Investment (THSI) list organized by the Stock Exchange of Thailand, received for four years running, “Thailand's Top Corporate Brand” award jointly organized by Chulalongkorn University and the Stock Exchange of Thailand. KTC in its entirety is also the first and only financial institution in Thailand to have received international standard certificates ISO/IEC 27701:2019, Privacy Information Management System, and for a second successive year, ISO/IEC 27001:2013, Information Security Management System.

On behalf of KTC, I would like to express our gratitude for your continued trust and support. Despite all future challenges, KTC is committed to perform to the best of its ability to help restore the Thai economic stability as well as to continuously instill in every employee, the concept of sustainable development in order to create values for and to simultaneously grow alongside its stakeholders.



**Mr. Parinya Patanaphakdee**  
Chairman of the Board of Directors  
Krunghthai Card Public Company Limited



## Vision

KTC is a membership company in payment and retail lending business with **sustainability** as key element.

## Mission

### Mission 1

Create delivery platform to  
“Curate Options”

### Mission 2

Embed a common purpose and passion of  
being a “Members Obsession” organization

### Mission 3

Differentiate through developing core  
“Insight Intelligence” skills

### Mission 4

Become members’ “Default Choices”  
to nurture a sustainable long-term growth

## Core Values

Courageous

Smart  
Simplicity

Meaningful



## General Information

<b>Company Name</b>	<b>Krungthai Card Public Company Limited (“KTC” or the “Company”)</b>
<b>Company History</b>	<p>4 December 1996: Registered as a juristic person</p> <p>2 July 2002: Registered transformation into a public company limited under the name of “Krungthai Card Public Company Limited”</p> <p>28 October 2002: Listed on the Stock Exchange of Thailand</p>
<b>Registered and Paid-Up Capital</b>	Baht 2,578 million
<b>Headquarter</b>	591 United Business Centre II, 14 <sup>th</sup> Floor, Sukhumvit 33 Road, North Klongton, Wattana, Bangkok 10110
<b>Purpose</b>	The Company operates the credit card business, including credit card related business, merchant acquiring business, payment service business, and personal loan business.
<b>Major Shareholder (Juristic Person)</b>	Krungthai Bank Public Company Limited (“Krungthai Bank”) with a shareholding proportion of 49.29% at the end of 2020.
<b>Relationship with Major Shareholder</b>	<p>As a listed Company, the Company is required to undertake its business with transparency and fairness towards each of its shareholders in an equal manner. Accordingly, the Company does not have obligation towards its major shareholder. Apart from being part of the financial business group of Krungthai Bank, which Krungthai Bank possesses the duty to supervise business operations in accordance with the consolidated supervision regulations specified by the Bank of Thailand, the relationship between the Company and Krungthai Bank, in its capacity as a major shareholder who is a juristic person, is that of business partners. The Company receives cooperation from Krungthai Bank to act as a channel to present its products and services through various branches of Krungthai Bank in order to reach its customers nationwide. Nevertheless, the Company possesses independence in its business operations without interference, whether in terms of policy or business management, from Krungthai Bank or the Government as the major shareholder of Krungthai Bank. The business transacted between the Company and Krungthai Bank or other companies in Krungthai Bank’s financial business group is in accordance with normal commercial terms.</p> <p>(Please refer to additional details in Form 56-1 One Report 2020 under “Corporate Governance” and “Internal Control and Related Party Transactions” topics)</p>
<b>Capital Management</b>	<p>Since the Company does not have a banking license in accordance with the Financial Institutions Businesses Act B.E. 2551 (2008), the Company is unable to accept deposits of money or accept money from the public in the same manner as a commercial bank.</p> <p>In order to support business operations and products, the Company gets loans from various sources such as financial instruments, borrowings from financial institutions, including Krungthai Bank as a major shareholder, etc. Interest rates is based on the market rate. Thus, the Company has sufficient diversified funding sources to maintain optimum balance of short-term borrowing to long-term borrowings and financial costs in accordance with market conditions.</p> <p>The Company maintains a daily cash balance for the benefits of business operations and financial costs management. With an appropriate loan proportion, the credit line from various financial institutions (available credit line as of 31 December 2020 was Baht 16,979 million), the reserved committed line for emergency, together with the liquidity stress testing on a regular basis; it can be confident that the Company will not have any liquidity problems.</p>

## Investment in Subsidiaries and Affiliate

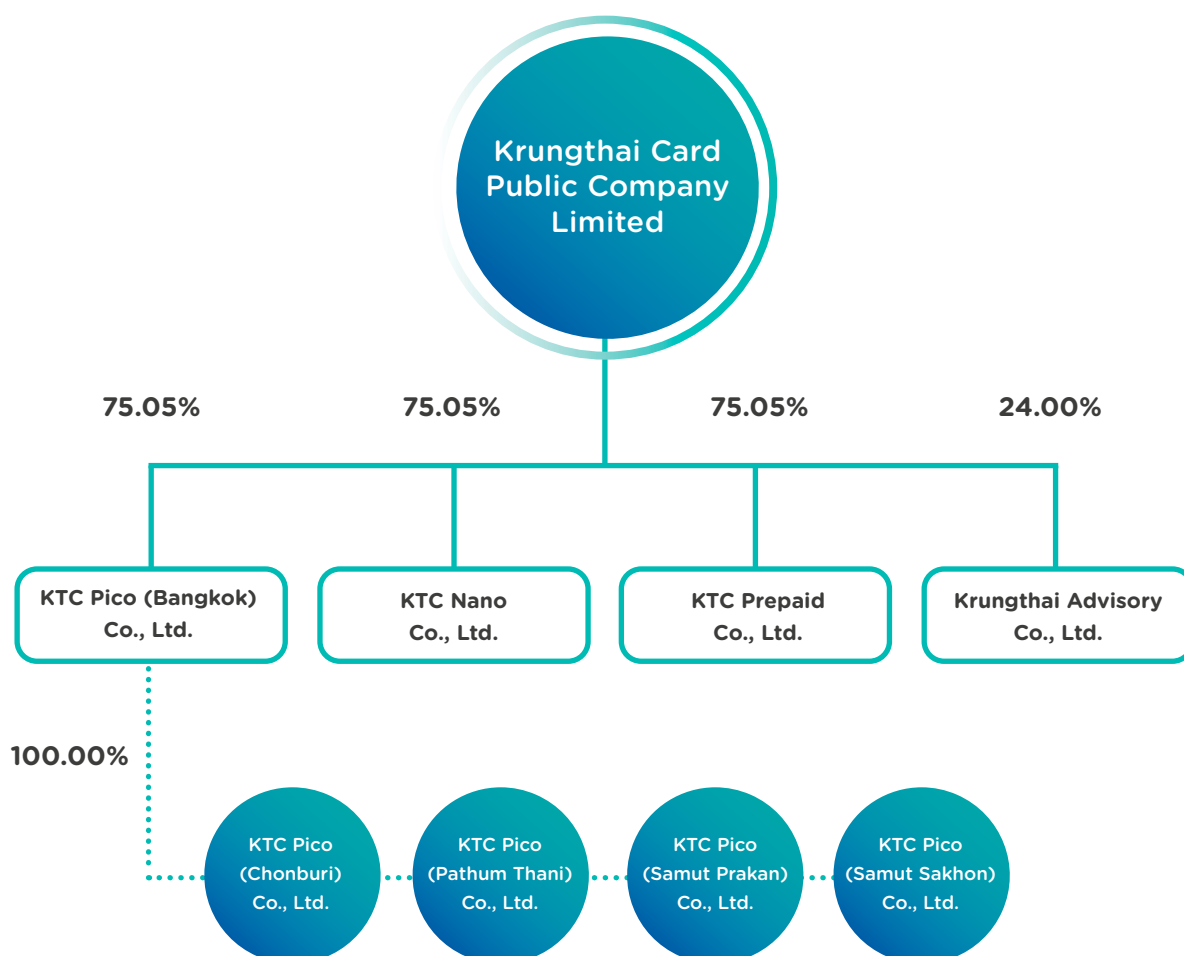
In 2019, the Company collaborated with Krungthai Bank to establish 5 subsidiaries to provide Pico Finance loans under Pico Plus in Bangkok, Chonburi, Pathum Thani, Samut Sakhon, and Samut Prakan, as well as Nano Finance loans in order to expand the coverage of loan services to individuals with the need to access financial services, including individuals who previously did not have opportunities to access formal financial services. The shareholding proportions of the Company and Krungthai Bank in KTC Pico (Bangkok) Co., Ltd. and KTC Nano Co., Ltd. is 75.05% and 24.95% respectively, while KTC Pico (Bangkok) Co., Ltd. holds 100% of the shares in KTC Pico companies in various provinces.

In 2020, the Company collaborated with Krungthai Bank to establish KTC Prepaid Co., Ltd., with a shareholding proportion of 75.05% and 24.95% respectively, in order to

undertake the e-Money business. The Company also collaborated with Krungthai Bank to acquire shares issued pursuant to a capital increase in Krungthai Advisory Co., Ltd., whereby the shareholding proportions of the Company and Krungthai Bank in Krungthai Advisory Co., Ltd. is 24% and 76% respectively. Given that the aforementioned co-investment is used for the acquisition of shares issued pursuant to a capital increase in Infinitas by Krungthai Co., Ltd. The formation of the companies in accordance with the aforementioned details will bring about benefits to the Company in its capacity as a shareholder in the future.

In any event, the Company has disclosed the details of the transactions concerning the aforementioned investments in subsidiaries and associated company to the Stock Exchange of Thailand.

### The Shareholding Structure of the Company as of 31 December 2020



## Products and Services

102-2

### Credit Card Business

The Company cooperates with VISA / MASTERCARD / JCB / UNIONPAY to respond to the needs of members in every segment, every lifestyle. The credit card business consists of 2 parts: card issuing and merchant acquiring.

#### Card Issuing Business:

The card issuing business deals with acquiring 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 fees and interest. The Company works with various partners to issue credit cards catering to lifestyles of various customer groups. Customers can freely choose credit cards suitable to their needs.



#### Merchant Acquiring Business

Merchant Acquiring Business focuses on expanding merchant partners' base where the Company acts as an acquiring Company. Merchant members will submit all transactions summary of products and services purchased at merchants' premises with electronic cards from Visa, Mastercard, JCB, UnionPay, Local Switching (TPN & ITMX) debit card, e-Wallet, and others that will be available in the future, including the Company's cards, bank's cards, or cards issued by other companies, and bill the Company. The Company pays merchants for products and services where service fees are partly deducted and kept as the Company's revenue. After that, the Company will charge for products and services with the bank or card issuer. The Company provides a wide range of payment solution channels in response to different needs of merchant members in all business segments as follows:



##### KTC EDC

###### EDC Services

Easy payment for your customers. Ensure to get money transferred with no delay.



##### KTC GATEWAY

###### Online payment services

Online transactions with 24 hours service



##### RECURRING

An automatic payment service



##### KTC QR PAY

A payment service via QR Code  
easy scanning,  
swift payment and cashless



##### KTC LINK PAY

A payment service via links  
Instant and convenient  
payment anytime,  
anywhere



##### KTC ALIPAY

A payment service via  
Alipay application  
Increase sales opportunities  
and support Chinese spenders  
with Alipay membership



## Retail Lending Business

### Personal Loan Business

Personal Loans Business is an unsecured loan with no collateral or guarantor given to individual with 2 types of services which are KTC CASH Personal Loan and KTC PROUD Cash Card. The Company recognizes revenue of these 2 types of personal loans based on effective interest rate, credit usage fee, and collection fee, etc. The Company sets interest based on the Risk Base Pricing method which depends on the rate specified by the Bank of Thailand and also uses a Credit Scoring system for processing and analyzing data.

Product Features and Details	KTC CASH Personal Loan	KTC PROUD Cash Card
<b>Overall Income</b>	Minimum income of Baht 15,000 per month	Minimum income of Baht 12,000 per month
<b>Interest Rate</b>	maximum of 25% per annum	maximum of 25% per annum
<b>Product Details</b>	<p>A lump sum loan with repayment of equal installments. It is not a revolving credit.</p> <p>Applicants receive cash through their accounts within 2 days after approval.</p>	<p>A revolving loan ready for use.</p> <p>Upon approval, the first lump sum will be credited to the bank account provided by the applicant with a cash card to be used for transactions such as</p> <ul style="list-style-type: none"> <li>• Cash withdrawal via ATM Pool machines nationwide.</li> <li>• Cash deposit into bank accounts via KTC Mobile Application and KTC Online.</li> <li>• Payment for products and services with UnionPay merchant partners nationwide.</li> <li>• Installment payment with 0% interest rate for up to 36 months for participating merchants nationwide.</li> </ul>
<b>Repayment Period</b>	12 - 60 installments, depending on the approved credit limit.	6 - 36 installments.

## KTC P BERM Business

KTC P BERM is a personal loan with car title loan and motorcycle title loan as collateral and nano finance. There are 2 main products under KTC P BERM as follows:

Product	Car Title and Motorcycle Title Loans		Cash Loan
Service Provider	<b>Krungthai Card PCL.</b>	<b>KTC Pico (Bangkok) Co., Ltd.</b>	
Maximum Credit Limit	Baht 700,000	Baht 100,000	Baht 30,000
Maximum Installment	60 months	36 months	31 months
Maximum interest rate	24% per annum	<ul style="list-style-type: none"> <li>• 36% per annum for overall credit limit of not more than Baht 50,000</li> <li>• 28% per annum for overall credit limit of more than Baht 50,000</li> </ul>	

The loans received under 'KTC P BERM' are installment loans, where the credit limit can be closed without a prepayment fee and the interest rate calculated is the amortization. In any event, the applicant only have a minimum income of Baht 8,000 per month and possess a financial position or capacity sufficient to repay the loans. All occupations are qualified to apply for loans. Applicants can apply for 'KTC P BERM' loans with evidence of their occupation through various channels, including KTC TOUCH customer service centers, Krungthai Bank branches and KTC Financial Sales Representative.

(Please refer to additional details in Form 56-1 One Report 2020 under "Business Nature" topic)

## Membership of Associations

102-13

The Company is a proud member of several associations and organizations with which the Company shares experiences, expresses opinions, or makes suggestions that are useful for development of policies or guidelines to be implemented by all members for the promotion of economic and social welfare as follows:

- Credit Card Club
- Personal Loan Club: PL Club
- The Federation of Thai Industries
- Thai Boutique Accommodation Trade Association (TBAA)
- Personnel Management Association of Thailand
- Thailand Management Association
- Thai Hire - Purchase Association
- Thai Listed Companies Association (TLCA)
- Thai Fintech Association
- Thai Institute of Directors (IOD)
- Thailand's Private Sector Collective Action Coalition Against Corruption (Thai CAC)

(Please refer to additional details regarding membership fees under "Economic Performance" topic)

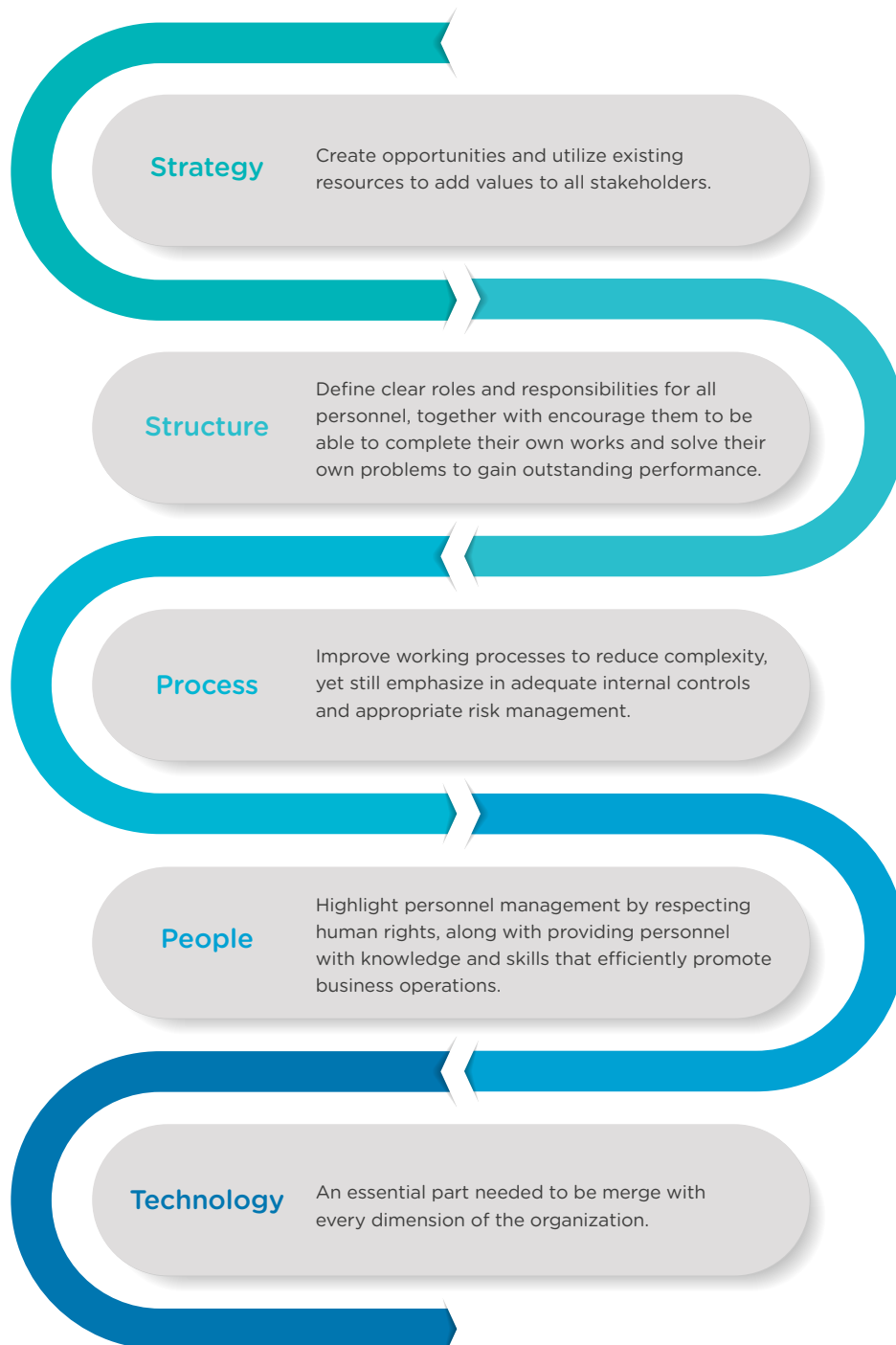
# Business Strategy

102-15, 103-1, 103-2

Under the Company's vision "KTC is a membership company in payment and retail lending business with sustainability as key element", the Company defines business strategy that is in line with its vision, creates the balance in terms of economy, society, and environment in order to meet members' and stakeholders' expectations, and sustains the growth of the Company in the midst of changes in business operations over time which can be summarized as follows:

## | To be AGILE ENTITY

In order to create solid foundation for a sustainable growth through agile concept and be ready to cope with rapid changes, this can be done through 5 key factors as follows:





## Business Plans for 2021

### Credit Card Business

To brace for competition and ongoing changes in consumer digital lifestyle as well as to aim for sustainable growth, creating competitive advantage and differentiation are key main factors. Thus, KTC determines to expand its new member base via various channels especially online platform, and also to manage sound relationship with existing members by positioning on building positive, simple with non-complicated user experiences. Moreover, the Company also utilizes digital technology in every dimension including public relation, efficient operating procedures, continuous improvement on various new services both via KTC Mobile and the Company Website ([www.ktc.co.th/online](http://www.ktc.co.th/online)). Furthermore, the Company offers products and services that include KTC's unique corporate identity and innovative privileges suiting members' various demands and differentiation in each segment; aiming at frequency and continuity of card utilization as a default

card which finally lead to KTC's brand loyalty. KTC Forever points earned from card spending and installation payment option are key promotional campaigns via both online and on the merchants' premises. The Company never stops exploring new business opportunities by expanding business partners' network and manage business partners' relationship under the concept of maximizing benefits for all related parties. The Company differentiates itself by providing travel information service via KTC World. The Company also established a website for e-Commerce business services under the name "KTC USHOP" ([www.ktc.co.th/ushop](http://www.ktc.co.th/ushop)). It is a channel or medium between merchants and credit card members where KTC and merchant partners jointly offered products and/or services privileges or sale promotional campaigns in order to connect, extend, and synchronize business operations sustainably.

### Personal Loan Business

KTC mainly emphasizes on portfolio quality by maintaining current members to be loyal to KTC and encouraging the idea of KTC as the default card when money is in need. The Company launches the debt burden alleviation and the good payment discipline campaigns such as Debt-Clearing program. The Company also focuses on expanding new customer base that need credit to improve their quality of life. With Digital Application technology, customers can apply via online channel in response to quick loan demand. The Company determines to develop products and services continuously to meet customers' behavior that shifted toward online services. The development of KTC Mobile offers various services such as 24-hour real time online cash withdrawal service up to 11 banks, 24-hour self-service emergency increasing credit line. In respond to

cashless-society lifestyle, these features offer customers contactless yet security. Customers can use card anytime and anywhere, creating positive experiences in terms of convenience and value for money with selling point of "Swipe - Transfer - Withdraw - Pay installment", all - in - one card. The Company also emphasizes on building members' quality of life for sustainable and simultaneous growth by creating financial disciplines through Financial Literacy seminar and providing useful articles via simple media formats. Furthermore, the Company provides knowledge sharing workshops under "Seminar toward Prosperity" concept for new career creating or additional income earning where costing calculation and potential income generation advices have also been arranged.

### Personal Loan Business - "KTC P BERM"

KTC offers new personal loan as an option for members who would like to fulfill their dreams, needs or in need but lack financial opportunity and access to a financial institution loan. This group of individuals has a high ratio and is dispersed across Thailand. The Company wants to be part of solving social problems and helps those who suffer from informal debt with unfair interest. As a consequence, the Company launched its loan product, "KTC P BERM", which is suitable, transparent, easy to access, and meet customer needs in every career segment with appropriate credit limit and fair interest rate. The Company utilizes Digital

Application technology for loan application with fast approval process. Customers will receive approval results and instant cash transfers into their accounts within 2 hours. So, customers can use this approved loan to make a living, to alleviate their problems, or to enhance their quality of life immediately. Moreover, KTC P BERM also partners with business alliances to continuously support projects that generate income and promote new occupation for Thai people such as Lalamove, MooTodGordKor fried pork, and Chaixi Bameekiao noodle and wonton shops.

## Merchant Networks Expansion

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KTC aims to provide appropriate payment solutions that cater to merchants' 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 mainly focuses on KTC Installment Payment and KTC Forever point redemption program. The Company expands its merchant networks by partnering with alliance bank such as Bank for Agriculture and Agricultural Cooperatives (BAAC) and other partners who focus on one stop services to facilitate merchants' business operations both in terms of payment and sales management system. The Company also focuses on the online market with an emphasis on

transaction security that is not only fast and convenient but also adheres to international standards. It also 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 into a cashless society. Moreover, the Company will continue to collaborate with Krungthai Bank to further expand into new lines of business and capture new business opportunities which will generate more revenue for KTC.

## Member Base Expansion

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KTC focuses on acquiring quality target customers and determines to expand member base with consideration to create positive experiences and offers products that meet customer needs for their benefits and utmost satisfaction from being KTC members. KTC offers products via various channels such as 1. KTC TOUCH branches in Bangkok, its vicinity and Chiangmai 2. Krungthai Bank branches nationwide 3. Outsource Sales nationwide 4. Telesales. Prospected customers who fill in online application form showing interests in the products would be contacted. KTC Financial Sales Representatives in all channels must

passed training courses and KTC's standard requirements criteria in terms of products' knowledge and understanding, presentation format, Market Conduct, and prevent offering products to customers in a disturbing way. A clear penalty must be acknowledged to KTC Financial Sales Representatives when they are not complying with products selling criteria set by KTC. Thus, products would be delivered correctly through fast, polite, and clear services that lead to customers' positive experiences and product details and conditions shall be well understood before applying according to their real needs.

## Financial Management

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It is expected that the economic outlook will be recovered due to the government stimulus to boost domestic consumption. However, there are still many uncertain factors associated with the COVID-19 pandemic which its impact must be assessed from time to time. KTC expects excess liquidity in the market with low level of interest rate. When combined with the Company's good operating performance, it will enable the Company to raise funds at low financial costs. The Company plans to increase short-term loans proportion and raise long-term loans in the

amount of up to Baht 12,000 million with shorter tenors to accommodate the debentures maturing in 2021 and the growth of the Company's receivable portfolio. The Company also emphasizes on financial costs management to be appropriate at the acceptable risk level. (At the end of December 2020, the Company's cost of funds was 2.67)

(Please refer to the details in Form 56-1 One Report 2020 under "Nature of Business" topic)

# KTC and Sustainable Development

## Sustainable Development Management Structure

102-18, 102-19, 102-32

The board of directors plays a crucial role in making decisions for the best interest of the Company and the stakeholders by approving visions, missions, and operational framework including monitoring and supervising to ensure the successful implementation of the framework set forth. The Audit, Environmental, Social Responsibilities and Corporate Governance Committee was assigned to oversee sustainability operations, covering economic, social, and environmental aspects. The Company's CEO is the leader who steers the Company with determination. Furthermore, senior executives partake since the beginning in order to understand the importance of sustainability in business

operation, as well as to provide support through the sustainability working teams, who were selected representatives from each line of work. These representatives jointly studied both national and international sustainability framework, exchanged views among departments, and emphasized on internal communication—including to educate and give examples of sustainability guidelines, to promote awareness and understanding for personnel not only to put into practice but to also implement and carry out a 360-degree sustainability operations. Everyone in the organization is involved in driving sustainability development to best benefit all interested parties.

## Impact Management on Stakeholders in the Business Value Chain

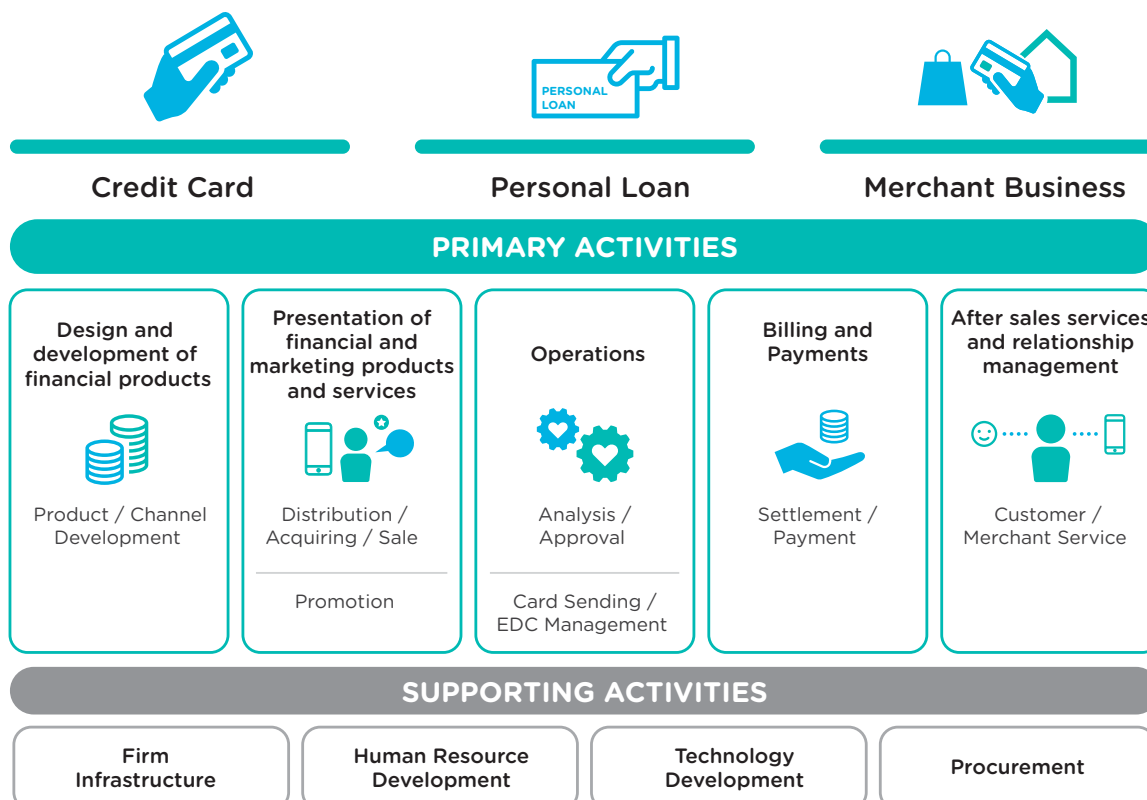
102-42

The Company commits and promotes business operation in accordance with good corporate governance principles, relevant laws and regulations on social and environmental responsibility by analyzing activities or work processes throughout the business value chain from upstream to downstream. By doing so, enables resource management

and impact linkage to enhance organizational capability as well as to create value through products and services for good outcome and relationships, including meeting the expectations of stakeholders in the business value chain as follows:

### Business Value Chain

Credit Card, Personal Loan and Merchant Business



## Stakeholder Analysis and Engagement in the Business Value Chain

102-40, 102-42, 102-43, 102-44

The Company divides stakeholders into 10 groups according to their relevance to the Company's business processes, which are:



The Company encourages all employees to pay attention to and empathize with stakeholders to be able to understand and engage their needs, expectations, and areas that stakeholders value or inquire a response from the Company through different channels and activities. Such information will be used for analyzing, defining, and developing appropriate guidelines between the Company and the

stakeholders. The guidelines for Treatment of Stakeholders are clearly written in the Company's Corporate Governance Policy and Code of Conduct, which are published on the intranet and the Company's website (<https://www.ktc.co.th/en/sustainability-development/corporate-governance>) to reduce risks, while creating business opportunities that meet the customers' needs. The details are as follows:





## Shareholders

Method of Communication	Interest and Expectation	Approach
Annual General Meeting of Shareholders.	<ul style="list-style-type: none"> <li>The Company has good corporate governance and risk management.</li> <li>Receive positive returns, such as dividends or capital gain.</li> <li>Equal access to correct and complete information in a timely and concise manner.</li> <li>Receive clear answers to questions posed.</li> </ul>	<ul style="list-style-type: none"> <li>The Company is transparently operating the business with positive operating results under proper corporate governance and risk management.</li> <li>The Company discloses correct and complete information in a timely manner and provides equal access to information through various channels.</li> <li>Provide answers in a straightforward manner by inviting shareholders to attend meetings and express their opinions.</li> <li>Due to COVID-19 crisis, the majority of appointments and meetings were held online in 2020.</li> </ul>
Extraordinary General Meeting of Shareholders (upon the occurrence of an event).		
Disclosure of Financial Statements, Management Discussion and Analysis (pre/post review/audit) on both quarterly and annually basis.		
Hosting an Opportunity Day quarterly.		
Providing Company Visit opportunities and offering other IR KTC channels such as telephone and E-mail: irktc@ktc.co.th.		
Organizing Roadshows for information disclosure domestically and internationally.		
Meeting for group policy and guideline updates, prepare and submit reports, cooperate with audits undertaken by internal audit function of Krungthai Bank.	Krungthai 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.

Method of Communication	Interest and Expectation	Approach
A survey on KTC's effectiveness and Brand Health Monitoring was conducted through customer interviews.	<ul style="list-style-type: none"> <li>To present or provide complete and correct information on products and financial services appropriate per the needs of each customer group.</li> </ul>	<ul style="list-style-type: none"> <li>Develop products, services, and privileges responsive to each customer segment.</li> </ul>
A survey on Net Promoter Score.	<ul style="list-style-type: none"> <li>To receive appropriate suggestions and services.</li> </ul>	<ul style="list-style-type: none"> <li>Have service mind when giving suggestions and services appropriate to customers' needs.</li> </ul>
KTC TOUCH Customer Satisfaction Surveys.	<ul style="list-style-type: none"> <li>To resolve issues, compensate, and listen to suggestions with willingness, fairness, and quickness.</li> </ul>	<ul style="list-style-type: none"> <li>Create opportunities for customers to evaluate the services of KTC TOUCH and KTC Financial Sales Representatives using customer satisfaction telephone surveys.</li> </ul>
Meeting with customers to present financial products and services across all channels to foster good relationships.	<ul style="list-style-type: none"> <li>To elevate sales and services to be accepted and appreciated by customers, including those applying for products, according to the Market Conduct principles.</li> </ul>	<ul style="list-style-type: none"> <li>Accept customer complaints via Customer Feedback Center (CFC), in which teams will investigate and resolve issues within the time frame of the Service Legal Agreement (SLA).</li> </ul>
Customer satisfaction telephone surveys to gauge the correctness of sales by KTC Financial Sales Representatives or sales agents (Mystery shopping).	<ul style="list-style-type: none"> <li>To improve the quality of sales and services of KTC Financial Sales Representatives to be in line with Market Conduct principles.</li> </ul>	
Listening to suggestions, issues, and complaints throughout the year.		



## Creditors

Method of Communication	Interest and Expectation	Approach
Providing information, answer questions, receive suggestions through telephone, E-mail, and meetings throughout the year.	<ul style="list-style-type: none"> <li>• To comply with contract or terms and conditions.</li> <li>• To receive interest and principal in full and on schedule.</li> <li>• To receive accurate and complete information.</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with relevant contract or terms and conditions.</li> <li>• Interest and principal are paid in full and on schedule.</li> <li>• Engage in constant communication to ensure the information, news, and knowledge creditors receive is correct and complete.</li> </ul>
Disclosure of Financial Statements, Management Discussion and Analysis (post review/audit), including letters notifying the debt-to-equity ratio on both quarterly and annually basis.	Be informed of operating results and performance per contractual provisions.	Present accurate and proper reports of financial information, as well as perform by contractual provisions.
Preparing quarterly documents to communicate about various activities to debentureholders, with an aim to create long-term relationships.	Be informed of interesting activities.	Deliver documents before the start of each quarter in order to allow debentureholders time to organize activities. Such activities should appeal to the holders to foster long-term relationships.
Organizing activities to strengthen relationships on a regular basis.	Participate in interesting activities and communicate requirements relating to activities and debenture.	Strengthen and maintain good relationships with debentureholders through different activities to be apprised of debentureholder expectations and ensure continuous engagement in the form of investment in KTC's debentures.



## Business Partners

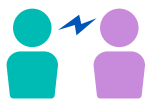
Method of Communication	Interest and Expectation	Approach
Selection process and evaluation of business partners.	<ul style="list-style-type: none"> <li>• Transparent, auditable, and fair procurement.</li> <li>• Develop business partners to grow sustainably together.</li> <li>• Fair competition or contract.</li> </ul>	<ul style="list-style-type: none"> <li>• Business Partners acknowledge the compliance with anti-corruption measures, and the Supplier Code of Conduct.</li> <li>• Constantly update products and relevant knowledge in order to satisfy customers' needs, as well as achieving mutual needs.</li> <li>• Build good relationships with partners.</li> <li>• Jointly evaluate and solve problems with partners.</li> <li>• Follow and comply with service contract.</li> </ul>
Informing the Company's sustainability expectations to partners through the Supplier Code of Conduct.		
Channels for suggestions, problems, and complaints.		
Organizing meetings, trainings, and visits in order to exchange knowledge, information, and suggestion with business partners.		
Meeting with personnel of Krungthai Bank and its financial business group to present and provide relevant information regarding sales and services to Krungthai Bank staff and its business financial group, as well as expanding new market opportunities together in various aspects.		



## Business Alliances

Method of Communication	Interest and Expectation	Approach
Meetings to stimulate cooperation in numerous marketing activities, including launching new products and organizing marketing activities.	<ul style="list-style-type: none"> <li>• Business cooperation adheres to the principles of good governance.</li> <li>• To stimulate sales.</li> <li>• To jointly expand market opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Make a joint agreement in defining a framework for cooperation with business alliances.</li> <li>• Consult and create promotional marketing activities to stimulate sales and to expand on sustainable joint marketing opportunities.</li> </ul>
Constant communication to pose queries and describe an overview of the market and the behavior of target customers.		





## Competitors

Method of Communication	Interest and Expectation	Approach
Meeting to discuss, exchange ideas and cooperate on various agendas through clubs or associations.	To conduct business and compete with transparency, fairness, and honesty-without slanders, accusations, or distortions of truth.	Create a fair and honest competition-without slanders, accusations, or distortions of truth.



## Society and Environment

Method of Communication	Interest and Expectation	Approach
Providing opportunities to listen to society through social events and social network, or various electronic channels.	<ul style="list-style-type: none"> <li>To receive financial advice or knowledge, which enables appropriate financial planning and future savings.</li> </ul>	<ul style="list-style-type: none"> <li>Operate business responsibly and in accordance with corporate governance and sustainability.</li> </ul>
Other communication channels and accepting complaints throughout the year.	<ul style="list-style-type: none"> <li>To thoroughly access financial services which match their needs.</li> <li>Have a good financial and social status.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage employees to support community services, social involvement and activities beneficial to the environment.</li> </ul>
Knowledge sharing in various topics.	<ul style="list-style-type: none"> <li>Able to help the community when in need.</li> <li>Mitigation management on social and environmental aspects that may arise from the Company's operation.</li> <li>Business operation with concerns for the environment.</li> </ul>	<ul style="list-style-type: none"> <li>Offer products and services, including financial literacy, through training of various projects via social network and electronic channels such as KTC P BERM Fanpage or KTC SD Club Facebook page <small>(In 2021, KTC SD Club has changed its name to KTC Journey).</small></li> <li>Provide channels for complaints and suggestions.</li> </ul>



## Board of Directors and Management

Method of Communication	Interest and Expectation	Approach
Board of Directors' meeting on a monthly basis.	To define the Company's visions, missions, or strategies, including discussing or considering policies or operations, to ensure that the Company operates according to the guidelines set by the Board of Directors.	<ul style="list-style-type: none"> <li>• Operate with transparency adhere to good governance principles.</li> <li>• Good performance with continuous, steady growth.</li> <li>• Provide sufficient, complete information in a timely manner.</li> <li>• Treat every stakeholder with fairness.</li> </ul>
Urgent Board of Directors' meeting upon the occurrence of an event.		
Organizing orientations for newly appointed directors.	To understand the scope of business, policies or laws related to the Company's operation plan.	Invitation to attend an orientation presenting KTC Story, legal duties of the directors, and various company policies such as corporate governance, risk management etc.
Knowledge development related to performances of directors, both in the form of printed materials and seminars are organized throughout the year.	To improve knowledge and competency related to rules, and in implementing them properly.	Support seminars on courses related to duties of directors.
Annual evaluation of the Board of Directors performance.	To be informed of evaluation result for further improvement.	Communicate the evaluation results to the Board of Directors for further improvement.



## Employees

Method of Communication	Interest and Expectation	Approach
Organizing orientations for new employees.	To know the Company, relevant individuals and operating procedures.	Communicating the history of the Company, the nature of its business operations, the directors and executives introduction, laws, guidelines, rules and regulations.
Creating channels for the employees to report complaints through E-mail/executives of the compliance or HR departments.	Be able to communicate needs, views, and complaints through various channels.	<ul style="list-style-type: none"> <li>• Provide variety communication channels for its employees.</li> <li>• The HR department performs its duties within the bounds of labor law, taking into account human rights, non-discriminatory principles regardless of sex, gender, religion, or race.</li> <li>• Has measures in place to protect whistleblowers.</li> </ul>
Organizing meeting and communicating information to employees through the E-mail organization's intranet throughout the year.	Be informed of policies and information regarding the Company's business operations.	<ul style="list-style-type: none"> <li>• Organize CEO Live Talk between CEO and employees.</li> <li>• Organize Town Hall meetings between executives and mid-level executive.</li> <li>• Organize meetings within departments and between departments.</li> </ul>
Annual Employee Engagement and Satisfaction Survey.	Employees are able to convey their needs to the Company.	<ul style="list-style-type: none"> <li>• Perform an Employee Engagement Survey conducted by a third party for improving effectiveness.</li> <li>• Organize Employee Engagement Activities by Human Resources department and People Champions, representatives from different departments.</li> </ul>

Method of Communication	Interest and Expectation	Approach
Performance appraisal based on Key Performance Indicator ("KPI").	Employees acknowledge their assessment results in order to develop and improve their capabilities.	Conduct performance Appraisal consists of 2 parts: KPI (divided into Corporate KPI and Individual KPI) and behavior assessment (divided into core values and competency), using a 360-degree assessment to give feedback.
Set guidelines for human resource development for employees at all levels throughout the year.	To develop required knowledge, skills, or competency (Competency Development) which facilitate operation in achieving objectives and standards of the specified work, as well as being in line with the constant changes of the digital age.	<ul style="list-style-type: none"> <li>• Give employees the opportunity to choose combined learning method suitable for themselves.</li> <li>• Provide learning culture that allows employees the freedom to choose according to one's interest.</li> </ul>
Encourage employees to set development goals and career advancement (Career Planning).	Be able to plan career paths and advancement.	<ul style="list-style-type: none"> <li>• Educate employees to set a career path in order to promote their career successes.</li> <li>• Conduct an Individual Development Plan.</li> </ul>



## Government Sectors

Method of Communication	Interest and Expectation	Approach
Meetings to listen to policies and regulatory approaches, including compliance trainings.	The Company's business operations are within the bounds of the law and the Company possesses transparency as an organization and in its systems.	Adhere to laws, rule and regulations and improve operations to be in line with observations from inspections (if any).
Cooperating with audit undertaken by various regulators.		
Submitting reports to regulators.		



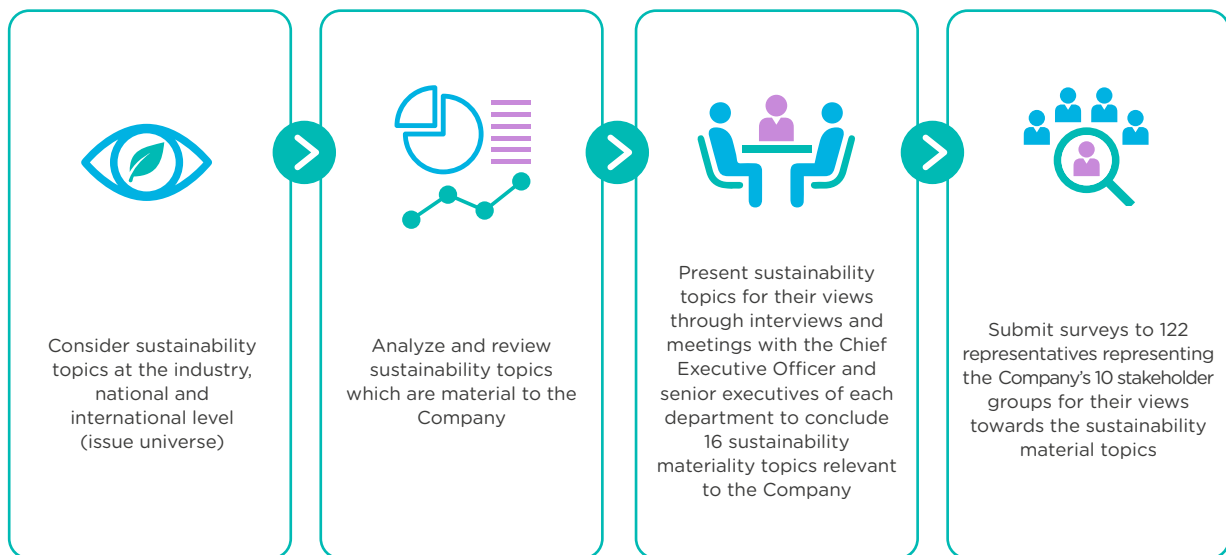
## Identification of Sustainability Materiality Topics

102-46, 102-47

The Company undertook surveys targeting all 10 stakeholder groups regarding their views on key sustainability topics in 2019 and, using the data from the surveys, prioritized the sustainability materiality topics and specify the 3 years action plans and the contents of this Sustainability Report. The details are summarized as follows:

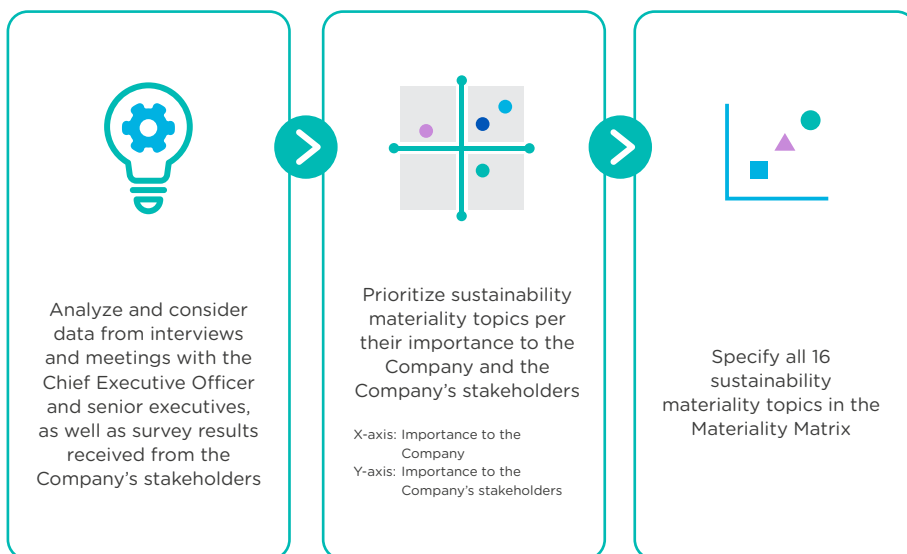
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### Identification of Key Sustainability Topics

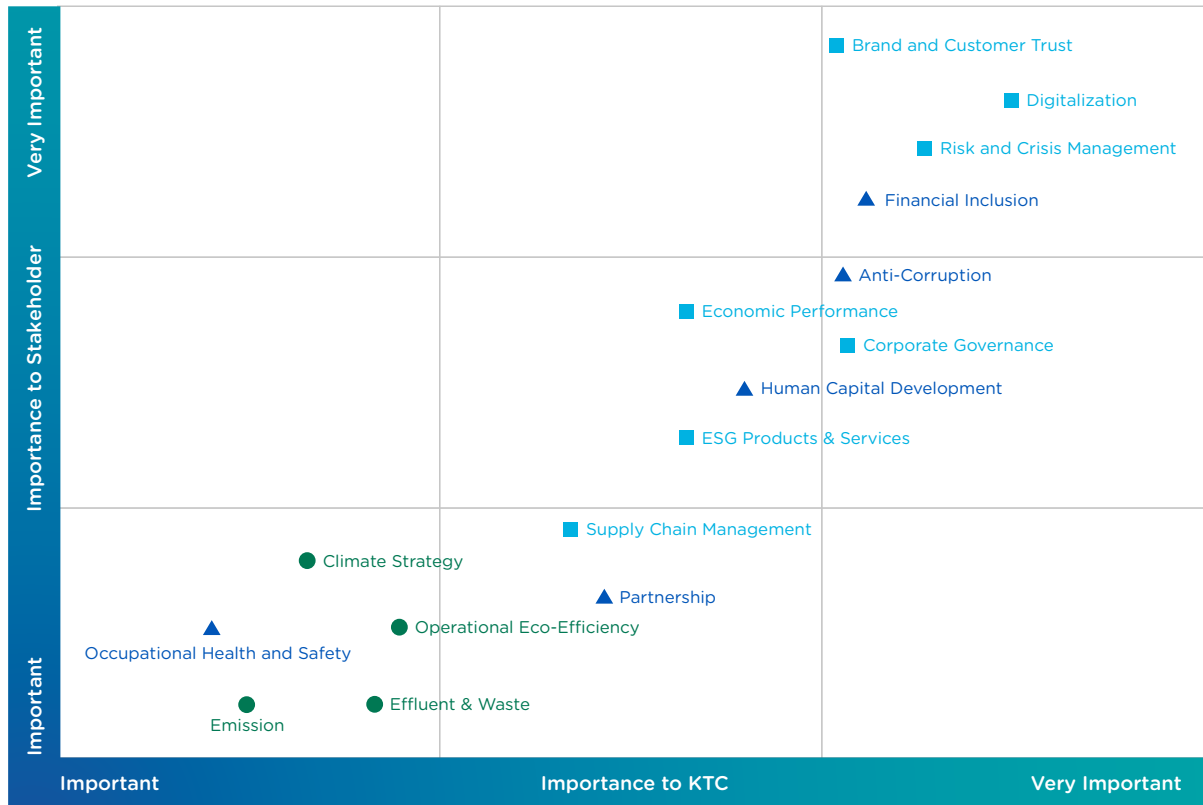


2

### Prioritization of Sustainability Materiality Topics



## 16 sustainability materiality topics in the Materiality Matrix



Economic



Social



Environmental

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 Responsibilities, and Corporate 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.

## Key Sustainability Reporting Changes

102-49









This Sustainability Report outlines the key sustainability issues under the GRI Standards: Core Options as depicted in the Materiality Matrix. In 2020, the Company added the operations of the KTC Pico (Bangkok) and subsidiary of KTC Pico (Bangkok) as part of its sustainability operations. Due to the COVID-19 pandemic, the Company added additional information disclosures on the COVID-19 Crisis Management topic, as well as presented the topic of Digitalization separately from Brand and Customer Trust topic in order to provide clarity in the role of the aforementioned materiality topics.

102-47

GRI Standards	Materiality Topics	Scope of Impacts										Reporting Topics	Sustainability Development Goals (SDGs)
		Internal Scope		External Scope									
		Employees	Board of Directors	Shareholders	Customers	Creditors	Business Partners	Business Alliances	Competitors	Society & Environment	Government Sector		
<ul style="list-style-type: none"><li>Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)</li></ul>	<b>Digitalization</b> Developing digital technologies to facilitate access to financial services in a manner that is quick, inclusive, and consistent with customer needs. Ensuring cybersecurity and personal data security.	✓	✓		✓		✓	✓			✓	Economic Dimension Digitalization	<div></div> <div></div> <div></div>
<ul style="list-style-type: none"><li>Incidents of non-compliance concerning marketing communications (GRI 417-3)</li></ul>	<b>Brand and Customer Trust</b> Responsible business operations; Developing and maintaining the quality of products and services; Communicating clearly and fairly to build customer satisfaction and create a great customer experience in order to gain customer trust.	✓	✓		✓		✓	✓			✓	Economic Dimension Brand and Customer Trust	<div></div>
<ul style="list-style-type: none"><li>Precautionary Principle or approach (GRI 102-11)</li><li>Governance Structure (GRI 102-18)</li><li>Delegating authority (GRI 102-19)</li><li>Effectiveness of risk management processes (GRI 102-30)</li></ul>	<b>Risk and Crisis Management</b> Establishing an effective risk management structure and framework and strengthening the risk management aspect of corporate culture to address existing and emerging risks.	✓	✓	✓	✓	✓	✓			✓	✓	Economic Dimension Risk and Crisis Management	<div></div>

GRI Standards	Materiality Topics	Scope of Impacts										Reporting Topics	Sustainability Development Goals (SDGs)
		Internal Scope		External Scope									
		Employees	Board of Directors	Shareholders	Customers	Creditors	Business Partners	Business Alliances	Competitors	Society & Environment	Government Sector		
<ul style="list-style-type: none"><li>Direct economic value generated and distributed (GRI 201-1)</li></ul>	<b>Economic Performance</b> Business operating results and delivering business value to stakeholders.	✓	✓	✓	✓	✓	✓	✓		✓	✓	Economic Dimension Economic Performance	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>
<ul style="list-style-type: none"><li>Mechanisms for advice and concerns about ethics (GRI 102-17)</li><li>Governance structure (GRI 102-18)</li><li>Delegating authority (GRI 102-19)</li><li>Highest Governance body's role in sustainability reporting (GRI 102-32)</li></ul>	<b>Corporate Governance</b> Supervision under good corporate governance principles; Establishing a transparent and verifiable structure, policy and governance process to ensure that the Company can operate to generate sustainable returns over the long term.	✓	✓	✓	✓		✓	✓	✓	✓	✓	Economic Dimension Corporate Governance	<div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>
<ul style="list-style-type: none"><li>Significant indirect economic impacts (GRI 203-2)</li></ul>	<b>ESG Products and Services</b> Creating value through loan policies, product development, and socially responsible platforms; Reduce environmental impact and promote sustainable governance.	✓	✓		✓		✓	✓		✓	✓	Economic Dimension ESG Products and Services	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>
<ul style="list-style-type: none"><li>New suppliers that were screened using environmental criteria (GRI 308-1)</li><li>New suppliers that were screened using social criteria (GRI 414-1)</li></ul>	<b>Supply Chain Management</b> Supply chain management to instill confidence that the Company's business partners and outsourced service providers which the Company does business with considers positive economic, social and environmental impacts by undergoing a selection process; Quality control and knowledge sharing.	✓	✓		✓		✓	✓				Economic Dimension Supply Chain Management	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>13 CLIMATE ACTION</div></div>
<ul style="list-style-type: none"><li>Infrastructure investments and services supported (GRI 203-1)</li></ul>	<b>Financial Inclusion</b> Responsible lending practices; Developing products and services encompassing diverse customer groups; Increasing channels to access financial services; Provide financial knowledge and promote financial understanding and discipline.	✓	✓		✓			✓		✓	✓	Social Dimension Financial Inclusion and Financial Literacy	<div><div>1 NO POVERTY</div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>



GRI Standards	Materiality Topics	Scope of Impacts										Reporting Topics	Sustainability Development Goals (SDGs)
		Internal Scope		External Scope									
		Employees	Board of Directors	Shareholders	Customers	Creditors	Business Partners	Business Alliances	Competitors	Society & Environment	Government Sector		
<ul style="list-style-type: none"><li>Operations assessed for risks related to corruption (GRI 205-1)</li><li>Communication and training about anti-corruption policies and procedures (GRI 205-2)</li><li>Confirmed incidents of corruption and actions taken (GRI 205-3)</li></ul>	<b>Anti-Corruption</b> Having a clear anti-corruption policy; Designating roles and work processes that are clear and transparent, including the management process if corruption is found; considering Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing.	✓	✓	✓	✓		✓	✓	✓	✓	✓	Social Dimension Anti-Corruption and Bribery	
<ul style="list-style-type: none"><li>Defined benefit plan obligations and other retirement plans (GRI 201-3)</li><li>Communication and training about anti-corruption policies and procedures (GRI 205-2)</li><li>New employee hires and employee turnover (GRI 401-1)</li><li>Parental leave (401-3)</li><li>Minimum notice periods regarding operational changes (GRI 402-1)</li><li>Average hours of training per year per employee (GRI 404-1)</li><li>Programs for upgrading employee skills and transition assistance programs (GRI 404-2)</li><li>Diversity of governance bodies and employees (GRI 405-1)</li></ul>	<b>Human Capital Development</b> Human capital management; Promoting diversity; Fair labor practices; Recognition of human rights; Fair compensation; Providing knowledge to employees and developing the potential of employees to strengthen employee engagement.	✓	✓				✓				✓	Social Dimension Human Capital Development	   
<ul style="list-style-type: none"><li>Occupational health and safety management system (GRI 403-1)</li><li>Work-related injuries (GRI 403-9)</li></ul>	<b>Occupational Health and Safety</b> Overseeing and promoting occupational health knowledge amongst employees; Workplace management; Overseeing the occupational safety of employees.	✓	✓								✓	Social Dimension Occupational Health and Safety	 
<ul style="list-style-type: none"><li>Significant indirect economic impacts (GRI 203-2)</li></ul>	<b>Collaboration with Partners on Sustainability</b> Collaborating with partners to promote sustainability principles.	✓	✓		✓		✓	✓				Social Dimension Collaboration with Partners for Sustainability	

GRI Standards	Materiality Topics	Scope of Impacts										Reporting Topics	Sustainability Development Goals (SDGs)
		Internal Scope		External Scope									
		Employees	Board of Directors	Shareholders	Customers	Creditors	Business Partners	Business Alliances	Competitors	Society & Environment	Government Sector		
<ul style="list-style-type: none"><li>• Energy consumption within the organization (GRI 302-1)</li><li>• Reduction of energy consumption (GRI 302-4)</li><li>• Energy indirect (Scope 2) GHG emissions (GRI 305-2)</li><li>• Reduction of GHG emissions (GRI 305-5)</li><li>• Waste by type and disposal method (GRI 306-2)</li></ul>	Climate Strategy, Operational Eco-Efficiency, Emissions, Effluent and Waste Considering climate strategy through reducing greenhouse gas emissions and minimizing environmental impact.	✓	✓		✓					✓	✓	Environmental Dimension Environmental and Climate Strategy Management	<div><div>3GOOD HEALTH AND WELL-BEING</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div></div>

## Sustainable Development Framework

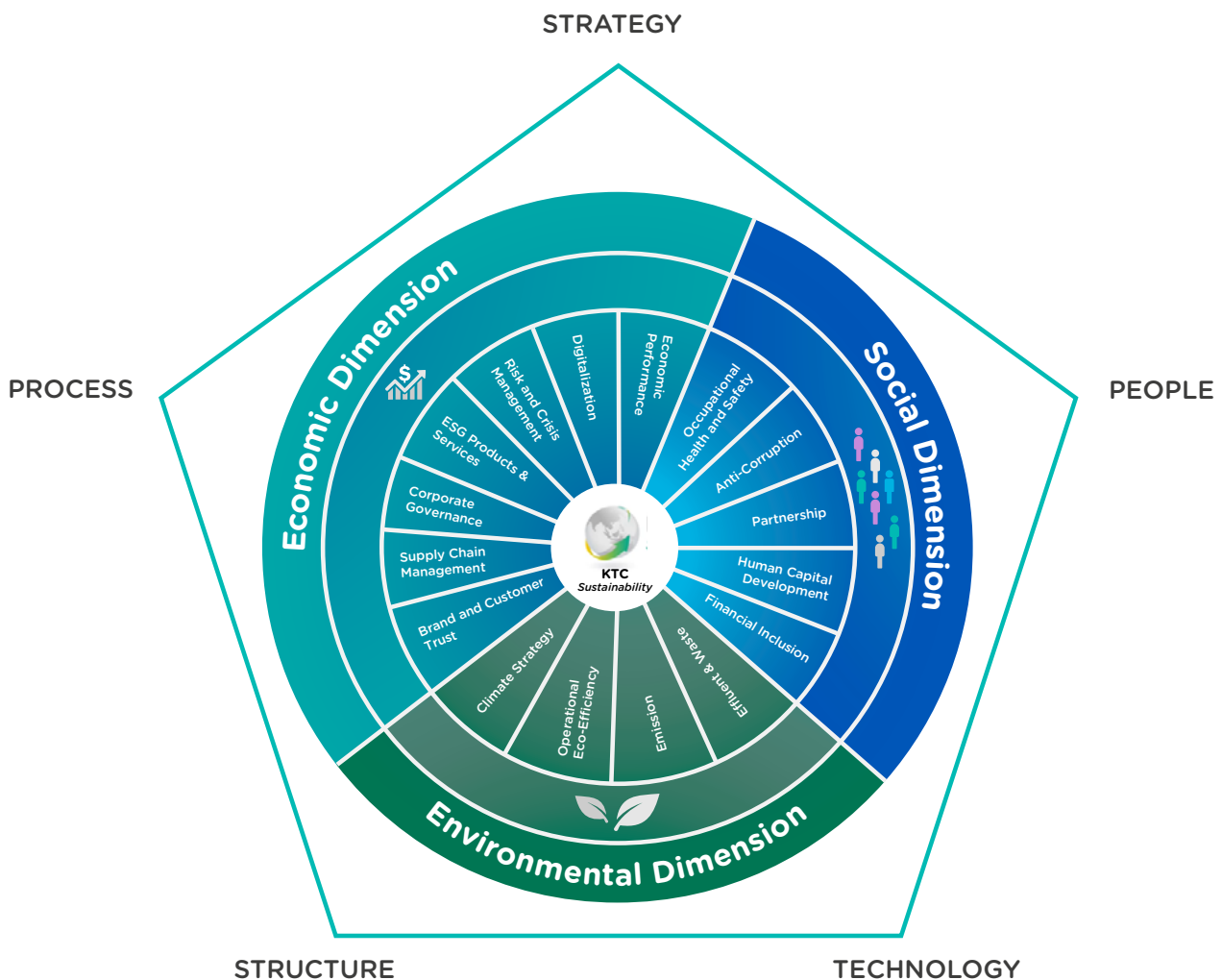
102-12, 102-47

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 sustainable development management of the Company in a manner consistent with national and international standards, which illustrates the Company's determination to partake in sustainable development to the Company's internal and external stakeholders.

## Sustainable Development Goals (SDGs)



## Framework



# COVID-19 Crisis Management

The COVID-19 outbreak has drastically affected the Company's business operations. In addition, the government has launched various measures to enable business operators to assist stakeholders affected by COVID-19, such as issuing debt relief measures, etc. The Company places great importance on assisting various groups of stakeholders according to its applicable procedures to reduce or alleviate the effects of this situation and expedite the planning for the Company to recover and resume its normal operations.



## Crisis Management Guidelines

When a crisis occurred, the Company was able to take action swiftly providing a timely response to the incident, including finding a conclusion about the Business Impact Assessment, such as looking for signs that stimulate the Company to make decision and take action, and forecasting and assessing operational impact in various functions such as Internal Operation, Supply Chain, and Financial Status, etc. Moreover, the Company also defines related measures such as the Call BCP, setting employees' health and safety guidelines, preparing Work from Home equipment for employees, etc. During the early stage of the COVID-19 outbreak, the Company had assessed the impact on its operations in various departments and established key measures and operational management in response to the incident which are summarized as follows:

The Board of Directors and related sub-committees, which are the Risk Management Committee and the Crisis Management Committee, consider and approve policies and define measures to assist affected customers in accordance with the regulations set by the Bank of Thailand (BOT) and Krungthai Bank as a parent Company, including risk management policies, business continuity management policies that cover the epidemic or other external factors that cannot be prevented. This is to provide the Company with a plan to assist business operations continuously during the crisis, to mitigate or minimize the damage that may occur to the Company. Contingency plans will be implemented if necessary, including assigning the Company's ad hoc management team or team with directly responsible personnel for efficient operations and decision making. The team must report the results of assisting customers to executives on a weekly basis.

The Company analyzes the outstanding debt ratio and NPL which are caused by debtors and their businesses that are affected by the situation so they are not able to pay back under this crisis or within a specified deadline. As a result, the quality of loan receivables is deteriorated, especially

the occupation/industry that is severely impacted such as tourism, hotels, and airlines, etc. This is used as part of the Liquidity Stress Testing to assess the impact on financial liquidity under the assumption that the Company cannot refinance or rollover matured loans. The NPL volume has increased and the cash flow received from the debtors' loan repayment decreased in accordance with the Bank of Thailand's measures to assist debtors affected by the COVID-19 outbreak. The test enables the Company to check whether it has sufficient liquidity to operate the business, to prepare for finding other sources of fund if the outbreak situation is not resolved. However, during the past COVID-19 situation, the Company has not encountered any problems in managing its finance, borrowing, or repayment of loans at all as the Company has various sources of short-term and long-term borrowings. The Company considers short-term and long-term borrowings proportion structure for effective financial cost management at acceptable risk level that in line with market conditions, and manages debt to equity ratio to be lower than specified obligation.

## Impact Mitigation and take care of stakeholders

The Company provides guidelines to mitigate the impact or uses this opportunity to create stakeholders' benefits in order to build long-term trust and to keep relationships that demonstrate the Company's role as a Good Corporate Citizenship. The Company assesses and manages the impact, and communicates assisting measures and other forms of communication to various groups of stakeholders in order to create the confidence in the Company's operations as follows:

### Regulators and Government Sectors



#### Impact Management

- The Bank of Thailand (BOT) issued a notification to determine measures to assist credit card debtors or personal loans customers who affected by the situation. The Company immediately presented the policy including assisting guidelines to related sub-committees to approve policy and criteria for assisting debtors. The Company reports the results of assisting debtors to the Bank of Thailand regularly. Thus, the Bank of Thailand is able to follow up on the Company's support. Furthermore, it is a way to promote the Company's measures and assisting results via the Bank of Thailand's various channels.
- The Company has participated in the government employment promotional program. This program aims to promote and enhance employment, and help new graduates during 2019-2020 to get a job, have an income, have a good quality of life, and to reduce unemployment problems. The Company posted job vacancies via the program's channel. The new graduates who possess qualifications and direct experiences as specified by the program and the Company can apply for a job via this channel in addition to the Company's normal job application channels.

### Customers



#### Impact Management

- Provide assisting measures for affected customers from the COVID-19 outbreak such as lowering KTC credit card minimum payment rate automatically without their advanced requests, decreasing personal loans installment payment amount at least 30% of the original amount, changing credit card loans or transferring revolving loans to Term Loan up to 48 installments with lower interest rate, etc.
- Promote assisting measures to customers via KTC Online social media channels, and other channels of communication.
- Provide a contact center for customers affected by the COVID-19 outbreak to contact for financial assistance according to the measures set by the Company.
- Develop digital services platform to enable customers to conduct contactless transactions via multiple channels, such as Samsung Pay, Garmin Pay, online credit card payments, and QR Code to accommodate a social distancing, including focus on the customers' security using digital services.

(Please see additional details under the "Digitalization" topic)

- Communicate and educate customers or financial service users about KTC's products and services that can be used easily, and safely, with all functions that meet customers' needs. KTC created 30 stories video clip under the hashtag "#CreditCardIsFor" via its Fanpage continuously.



## Merchants



### Impact Management

- No withdrawal of EDC machine for merchants that do not have a transaction.
- Exempted the EDC machine service fee for the affected merchants.
- The Company realizes that merchants' liquidity is essential for their business operations. Thus, when the transaction is made via the card; merchants still receive payment for goods and service according to the original agreed upon terms.
- New payment channel development "KTC Link Pay" where merchants can create a link or QR Code and send to customers to make payment via channel that merchants contact with customers such as social media or E-mail to reduce the chance of touching cash and to reduce risk of contracting the COVID-19 virus. Moreover, the merchants can also sell products or services without customers paying at the merchants' premises.

## Business Partners or Outsource Service Providers



### Impact Management

The Company has shortened the payment cycle for goods and services from original agreed upon Credit Term (about 45-60 days) to no more than 2 weeks for business partners or service providers who have Krungthai Bank account and no more than 3 weeks for other banks' accounts, given that all work has been delivered and invoices have been sent to the Company completely.

## Society



### Impact Management

- Encouraged executives and employees to jointly donate consumer products necessary for living and put it in Cabinets of Happiness located nearby the Company. The Company also handed over Happy Bags to Wattana District Office and local communities to express the kindness toward one another between employees and society.
- Handed over Baht 2 million donation into "COVID-19 Transmission Prevention and Aid" special fund, established by the Faculty of Medicine Ramathibodi and Ramathibodi Foundation, to support the purchase of special Continuous Renal Replacement Therapy machines (CRRT) specifically for COVID-19 patients. The CRRT is an important medical device necessary to prevent against and combat the spread of the COVID-19 besides the extracorporeal membrane oxygenation and the respirator devices.
- Handed over Isolation Gowns made from plastic and waterproof spunbond fabric to the hospital to pass over to medical personnel for use to prevent infection from COVID-19 patients, and other forms of donation.

(Please see additional details under the "Financial Inclusion and Financial Literacy" topic)

## The Board of Directors and Employees



### Impact Management

- Work together with the building service department to establish measures to prevent COVID-19 infection, such as requiring all employees who work in the building, visitors, and outsourced workers to take temperature measurements before entering the building.
- Communicate to everyone in the organization about the situation of the outbreak, and ways to protect and live life during the COVID-19 outbreak via internal E-mail to make employees aware but not stress and be careful with such situations.
- Prepare work procedures to support Work from Home, including online meetings to reduce the congestion in the office.
- In case employees are infected or are at risk of COVID-19 infection, their leave days will not be counted as part of annual leave.
- Provide alcohol gel at different locations and give out masks. Ozone the office space and spray disinfectants on each floor of the Company on a weekly basis, and clean different touch point, such as entrance and exit doors, and toilets, etc.
- Establish measures for employees whose work are in connection with or transit in spreading areas and countries with local spreading that they should perform a self-quarantine.
- Provide a place to be used as an Alternate Site, prepare the manpower to be ready in case of emergency, prepare number and list of employees who must come to work during the crisis (Critical Business Function : CBF) which divided into the main team and the back-up team in order to work interchangeably.

## Shareholders



### Impact Management

The Board of Directors had considered postponing the Annual General Shareholders' Meeting to 3 July 2020 as it was considered that if the meeting is held on the original date planned, it may affect the shareholders. The Board of Directors had approved an interim dividend payment for the 2019 business operation. During the Annual General Shareholders' Meeting, the Company established measures to support various meetings such as appointed independent directors or other person whom shareholders think appropriated to attend the meeting as their proxy, accommodated Social Distancing at the meeting venue, or arranged a screening point, etc.

# Highlights

102-7



## Economic Dimension



Net Profit  
**Baht 5,332 Million**  
Total Revenues  
**Baht 22,056 Million**



Total Loan to Customers  
and Accrued Interest  
Receivables  
**Baht 90,149 Million**



Total KTC Members  
**3.4 Million Accounts**



Portfolio Breakdown  
**Credit Card : Personal Loan**  
**67 : 33**



Total Customers using  
KTC Mobile and KTC Online  
**1,946,744 Users**



Net Promoter Score  
(NPS) of **38**



## Social Dimension



Total Training Hours  
**83,151 Hours**



Total Number of Employees  
**1,744 Persons**  
• Male **602** Persons  
• Female **1,142** Persons



The Level of Employee Engagement  
**72%**



### Service Channels

- KTC TOUCH 17 Branches
- KTC Financial Sales Representatives
- Online Channels



## Environmental Dimension



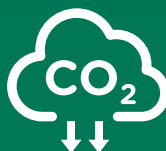
The Number of KTC Members applying for e-Statement  
**307,474 Members**  
Cutback of Paper Consumption  
**9,722 Reams**



Total Volume of Recyclable Wastes  
**1,347 Kilograms**



Reduce Electric Energy Consumption  
**7.4%**  
(Compare to base year 2018)



Reduce Greenhouse Gas Emissions  
**GHG Scope 1 = 21.3%**  
**GHG Scope 2 = 27.6%**  
(Compare to base year 2018)



# ECONOMIC DIMENSION

# Digitalization



103-3

Long-Term Target 2022	Target 2020	Performance 2020
80% of total customers using KTC Mobile and KTC Online.	74% of total customers using KTC Mobile and KTC Online.	80% of total customers using KTC Mobile and KTC Online.

103-1

Due to technological changes, the National e-Payment Master Plan, the Cashless Society Policy, and the COVID-19 pandemic, consumer behaviors have changed drastically. As a result, the Company focused on developing digital technologies to present products, services, and online payment platforms in a response to serve customers and to provide convenient, prompt, security, and accessible services. In addition, related policies and standards have been established for cybersecurity and information security of stakeholders to gain confidence and trust in online transactions with the Company.

103-2

With the goal to create a good user experience for stakeholders, KTC has implemented Digital Transformation, which consists of 3 main cores as follows:



**Digital Product**



**Digital Service**



**Digital Channel**



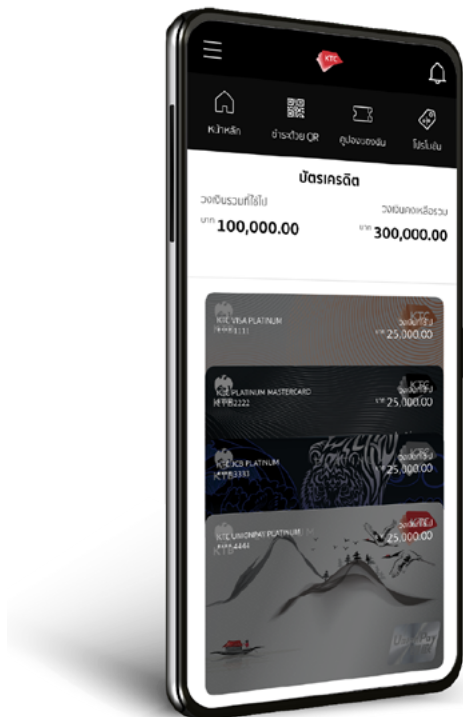
## Products, Services and Platforms

### “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 have been improvements to the interface to make it easy and convenient to use in order to provide a good customer experience. The interface is designed to have a modern look with comfortable feeling 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, setting ATM pin, 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 Krungthai 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 2020,  
there was a total of **1,946,744**  
**KTC Mobile** and **KTC Online** users,  
approximately **80%** of total customers,  
or **24%** growth  
from the end of 2019.



## Payment for Products and Services

In order to facilitate convenience for merchants and create a good experience for merchants in accepting payment for products and services, the Company offers a wide variety of services to merchants for accepting payments in order to meet the needs of merchants in all types of businesses.

### Payment through EDC (Electronic Data Capture)

Merchants who intend to install electronic data capture machines (EDC) at points of sale provide customers with additional payment options for products and services in addition to accepting payments by cash, where services offering full payments, in which payments in THB and foreign currencies (Dynamic Currency Conversion - DCC) are supported, alongside installment payments and points redemption are available. The EDC machines currently provided by the Company can support the payment of products and services through VISA cards, MasterCard, JCB cards, UnionPay cards, Local Switching debit cards (TPN & ITMX), e-Wallet and other options in the future.



KTC EDC

At the end of 2020,  
payment via **KTC QR PAY** was  
available in **695** merchants,  
**8%** growth  
from the end of 2019.

### Payment through KTC QR Pay

The Company developed a payment system for products and services through QR Code payment on the “KTC Mobile” application and “TapKTC MERCHANT” application in order to respond to the usage of both credit cardholders and merchants. Customers do not have to carry cash and can make the payment by themselves through their smartphones easily, conveniently, quickly and safely, where customers will be notified of successful transactions through the application. Merchants can accept QR Code payment for both credit cards and PromptPay, which will reduce the costs and risks of managing cash for merchants, such as the costs of preventing employee fraud and the risk of theft, as well as increase the speed in sales and reduce problems associated with change. The Company is expediting expansion of its new merchant partners in accepting KTC QR Pay payments in order to help develop a cashless society, while delivering a more modern, convenient and fast spending experience for customers and card-accepting merchants nationwide.



At the end of 2020,  
**10,954** shops used  
“**TapKTC MERCHANT**”

## Payment through KTC Gateway

The Company provides an online payment service through the Internet with merchants. The Company also provides a service for cardholder identification by inserting the cardholder's PIN with the card issuer or OTP (One Time Password) during online credit card payment transactions for convenient online transactions 24 hours a day.

## Payment through KTC Link Pay

Payment through KTC Link Pay offers a new way to pay for products and services. KTC developed a new payment solution that makes accepting payments easy by facilitating merchants and customers in making payments through links, with such solution being another payment channel which responds to the needs of merchants in the e-Commerce group, including social commerce, that has grown exponentially. Merchants can send links containing information and the value of products and services to customers through a variety of contact channels, including social media channels, so that customers can pay for products and services easily, quickly, safely, and conveniently anytime and anywhere.

## Payment through KTC Alipay

KTC facilitates convenience by accepting payment through Alipay for both offline and online channels in order to meet the needs of merchants in accepting payments for products and services by Chinese customers, including both Chinese tourists who travel to Thailand and Chinese residents living in Thailand.

## Payment through Automatic Card Debit System (RECURRING)

Merchants may send billing information for products and services from cardholders in electronic format to the Company for automatically debiting the amount from the cardholder's card monthly. Cardholders must notify and register for the service with the Company or merchants in advance.

In addition, the Company has collaborated with MasterCard to launch the token encryption technology, 'Mastercard Digital Enablement Services (MDES) for Merchants', with KTC being the first financial institution in Southeast Asia to participate in order to enhance the safety of online transactions for customers, while enhancing the confidence between online merchants and customers, by encrypting tokens instead of using an account number that poses risk when the card number must be placed on a merchant website or application for payment. Digital token codes provide an additional layer of protection through the use of a unique Cryptogram for each transaction, reducing the risk of information theft and building trust and safety for customers and merchants.

## SMS Notification

The Company launched a notification program for the results of credit assessment in accordance with the operational procedures of credit analysts to notify the credit card or loan applicant of the results upon finishing their consideration of credit card and personal loan applications. The Company developed a system to notify the results of the assessment through SMS instead of being published in writing, except for instances where the law requires refusal of credit to be provided in writing, allowing credit card and personal loan applicants to quickly find out the results

without waiting for printing and postage. Such system also significantly reduces paper usage. In monitoring the results of delivery and activation, the Company set up a team to follow up on card delivery to the customer, while facilitating convenience in card activation and other privileges the customer will receive, in order to prevent damage that may occur from loss or delay during card delivery, reduce costs and time associated with collection, and reduce the steps involved in contacting the Company to activate the card after receipt.

## Automatic Answering System

The Company designed the IVR Activation system to be more secure for card members, increase convenience and speed and reduce the waiting time for services, card activation, inquiries and adjustments, by encouraging customers to use a unique code to verify information in the system, allowing the transaction to be completed manually.

## KTC Websites

KTC modified the website format of [www.ktc.co.th](http://www.ktc.co.th) and [www.ktc.co.th/ktcworld](http://www.ktc.co.th/ktcworld) in order to create a good user experience with speed in displaying information and allow easier searches for information, focusing on usage through mobile applications (Mobile First) to meet changing customer behavior.

## Digital Workplace

KTC developed a Digital Workplace since 2019 by gradually improving each related segment, from focusing on the work of employees requiring flexibility and enabling the ability to work anywhere and anytime to the bigger picture, which incorporates key components, such as customers and business partners, in order to benefit the business as much as possible. KTC has also developed applications to support Micro Service architecture and imported the applications to the Cloud in order to meet customer service needs.

Regarding the impact of the COVID-19 pandemic, the COVID-19 pandemic did not have much impact on the Company's IT infrastructure, as KTC prepared IT resources to support the massive growth of online e-Commerce transactions.

In any event, in deciding to choose a solution involving the creation of a Digital Workplace, extensive testing is required, regardless of whether it is a Proof of Concept (POC), applying identified pain point and limitations to improvements to the point of confidence that the solution can meet most needs, with the important key to choosing a solution being security. KTC chose Huawei's solution to build the Digital Workplace as follows:

- **Virtual Desktop Infrastructure (VDI)** in order to facilitate employees working from home, allowing them to enter the system to work normally. The VDI solution has a central control system capable of establishing a security policy that complies with ISO or PCI DSS standards.
- **Network Campus** in order to improve the network within the organization to support VDI deployment for both offices by utilizing Dynamic IP and Wi-Fi 6 Generation technology to support relatively high bandwidth usage.

Using Digital Workspace technology will help KTC service customers easier and faster because employees can work anywhere. KTC will continue to develop Digital Workplace to support better service to customers.



## Cybersecurity and Personal Data Security

### Information Technology Management Structure

As the Board of Directors places great importance on the security and privacy of customer data, the Board of Directors assigned the Information Security Committee (ISC) to set the Company's Information Technology Policy, Information Security Policy, and Personal Data Protection Policy to be used in the management of risks related to information technology and personal data at an appropriate level consistent with and in accordance with applicable laws and international standards. The aforementioned policies are reviewed and approved by the Board of Directors on an annual basis. In addition, the ISC is also responsible for reviewing and approving appropriate plans for the use of budgets and resources for information security and cybersecurity, setting strategies and plans related

to information technology which align with the Company's business priorities and are flexible enough to accommodate future changes, and following up on information technology risk assessments. At the same time, the ISC encourages the Company's directors, executives and employees to possess knowledge and awareness of information technology risk management. The ISC holds monthly meetings to consider issues related to information technology. The Chief Executive Officer is the chairman of the ISC, while senior executives of various departments are sub-committee members. The Executive Vice President-Information Technology serves as the sub-committee's secretary, who possesses IT experience.

In terms of governance, the Company has an organizational structure governing information technology which is appropriate for risk management, having 3 lines of defense with a clear separation of duties and responsibilities between departments responsible for IT Services, IT Governance and Compliance, and IT Audit.

### Information Technology Policies and Data Privacy Protection Policies

In 2020, the Company implemented policies related to information technology and personal data, which are consistent with laws, rules and regulations of the Bank of Thailand and international standards related to information technology and personal data. This included reviewing its Information Technology Policy and Information Security Policy and establishing its Personal Data Protection Policy in order to comply with ISO/IEC 27001:2013, ISO/IEC 27701:2019, and PCI DSS standards and ensure that the policies set by the Company are implemented in practice. Accordingly, the Company has undertaken additional actions, such as:

- The Company disseminated its Information Technology Policy, Information Security Policy, Personal Data Protection Policy, and regulations on the Information Classification Standard through the Company's Intranet, so that employees can easily access them and implement them in practice.
- The Company organized trainings and tests of knowledge and understanding on the security of information systems, personal data protection, and cybersecurity for the Company's directors, executives and employees, as well as external service providers in order to regularly review knowledge in various topics to management and related personnel, such as Information Security Management System (ISMS) and Privacy Information Management System (PIMS). The Company also organized a lecture on Cyber Resilience Awareness by Ms. Parichart Jirawatara, the cyber risk advisor from Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.

**KNOWLEDGE** Sit & Talk

ภัยคุกคามทางไซเบอร์เกิดขึ้นได้ทุกคน ทุกเวลา แม้แต่บริษัทชั้นนำระดับโลก  
ยังคงเป็นหัวข้อการโจมตีทางไซเบอร์ ซึ่งไม่ใช่เป็นเรื่องที่ IT ต้องพิจารณาเท่านั้น แต่เป็นเรื่องที่พนักงานทุกคน  
ต้องตระหนักและให้ความสำคัญ เพื่อเตรียมพร้อมรับมือกับภัยคุกคามทางไซเบอร์

### Cyber Resilience Awareness

โดย คุณปาริชาติ จีระวัชร

พาริชาต - บริการที่ปรึกษาด้านความเสี่ยงทางไซเบอร์  
บริษัท เดลลิต์ ทูเช่ โตมatsu จายอส ที่ปรึกษา จำกัด

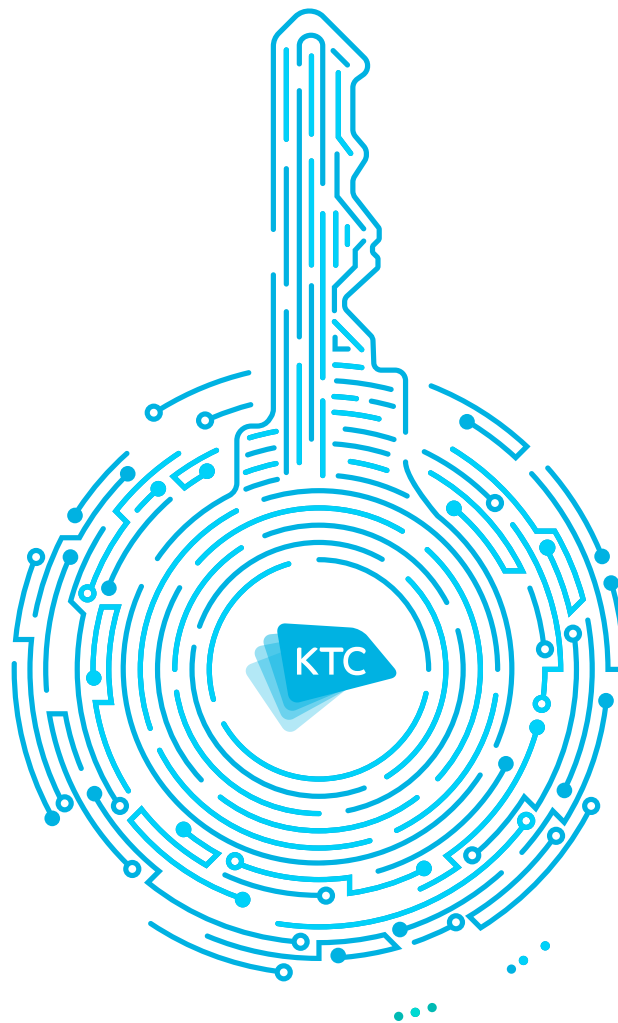
วันศุกร์ที่ 11 กันยายน 63  
10.00 - 12.00 น.

สามารถเข้าร่วมรับชมถ่ายทอดสด  
ผ่านโปรแกรม Microsoft Team Live  
ได้ตั้งแต่วันที่ 09.45 - 12.00 น.

เข้าร่วมรับชม

- Cyber Security Trends
- What is causing the breach going up?
- How do we response?
- Related Regulations
- When it happens, will you be ready?
- 11 questions that organization need to answer?

- The Company managed access and use of the Company's information, including personal data. The Company defines the rights of employee to access the Company's information, including personal data, in accordance with their rights and obligations. Employees are required to keep information confidential and store them as necessary. Employees are also prohibited from disclosing the information to other persons without permission.
- The Company prepared and notified personal data subjects regarding notifications on personal data protection on various matters, such as the purpose of personal data processing, personal data retention period and personal data subject rights, including a channel to report incidents in case of data leakage.
- The Company appointed a Data Protection Officer (DPO) to provide advice and review the actions of the Company and its employees in performing their duties in accordance with the Personal Data Protection Act B.E. 2562 (2019). The DPO also acts as the Company's representative in managing personal data security incidents and reporting incidents related to personal data to the management team and related regulatory bodies.
- The Company established a Cyber Security Operation Center to detect cyber intrusions and prevent leaks of important corporate information.





## Management Measures and Tools

418-1

In order to ensure that the Company's information system is secure, the Company has in place various information technology risk management measures and tools, such as:

- The Company conducts Stress-Testing of information security and online security regularly at least once a year for penetration testing and once a quarter for vulnerability assessment from both inside and outside the network. In 2020, penetration testing and vulnerability assessment was completed in September 2020, the results of which have been reported to the ISC. The Company also maintains a secure and ready-to-use primary and back-up data center for core work systems identified as critical. The Company reviews and tests its Disaster Recovery Plan on an annual basis, as well as tests its BCP with the IT Department as the supporting department.
- The Company arranges for an audit of its information systems by external auditors on an annual basis.
- The Company protects its networks by installing network security equipment and systems, such as Firewall.
- The Company prevents the leakage of the Company's sensitive information by installing a Data Loss Prevention System (DLP)
- The Company has a management process in place to resolve incidents and complaints related to information security, cybersecurity and the security of its information technology systems, including an Incident Response Plan for managing problems related to information security and information technology systems, which is consistent with and in accordance with ISO/IEC 27701: 2019, ISO/IEC 27001: 2013, and PCI DSS standards. The Company adopts the ISO standards as part of the performance evaluation of its employees.

In 2020, KTC discovered one incident involving leakage of personal data, which resulted from an error on the part of an external service provider. KTC reported the incident to the ISC for acknowledgement and proceeded to take corrective action in accordance with the guidelines specified by the Company, and instruct the external service provider to exercise caution in order to prevent the occurrence of such an incident.

In any event, the Company is in the process of procuring cyber insurance to transfer the risks of security breaches of critical information and cybersecurity.



The Company obtained the certification for compliance with the ISO/IEC 27001:2013 (ISMS: Information Security Management Systems) standard on 9 December 2019 and obtained such certification for the second consecutive year. In addition, the Company obtained the certification for compliance with the ISO/IEC 27701:2019 (PIMS: Privacy Information Management Systems) standard for its credit card, personal loan, and payment service businesses on 20 November 2020, where the Company remains the first and only non-bank financial service provider in Thailand who has obtained certifications for compliance with information security management system standards, ISO/IEC 27001:2013 and ISO/IEC 27701:2019, for its entire organization. The Company is also in the process of obtaining certification for compliance with the Payment Card Industry Data Security Standard (PCI DSS).

# Brand and Customer Trust



103-3

Long-Term Target 2022	Target 2020	Performance 2020
30 of Net Promoter Score (NPS) survey.	25 of Net Promoter Score (NPS) survey.	38 of Net Promoter Score (NPS) survey.

103-1

KTC focuses on continuously developing various products, services, platforms and privileges with a customer-centric approach in order to look after members, provide and offer members with options that meets their needs, meet customer value propositions through spending, create satisfaction and trust among members and truly have meaning in every moment of life. In doing so, KTC will be a trustworthy brand that enters the heart of customers, which is important for the stable and sustainable growth of the organization. Accordingly, KTC has the following guidelines in place for its business operations and customer relationship management:

103-2



## Customer Centricity

Aside from providing products and services in accordance with the specified legal framework to customers, the Company primarily considers a good customer experience in using the products and services provided, including benefits that directly meets the needs of customers. In this respect, the Company applies technology to help analyze and process customer behavior results for the Company to understand and design products and services to cover various customer lifestyles and behaviors and effectively respond to customer spending habits in various categories. KTC selects more than 3,000 different benefit programs per year to instill confidence in its members of the value, readiness and ability to meet needs, covering more than 20 lifestyles from a variety of

merchants nationwide, such as food, travel, shopping, sports, health, and beauty, including merchants abroad.

The Company has also collaborated with card brands in terms of sales promotion, ensuring that every spending of members is executed with value and creates value for members in choosing credit cards and 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.

## Clear and Fair Communication

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417-3

KTC is focused on providing services in a transparent, correct and clear manner, primarily placing importance on the understanding and needs of the customers. Accordingly, KTC ensures the information provided in marketing communications, whether provided online or through publications or broadcasting, is complete, correct, straightforward, easy to understand and consistent with the criteria prescribed by law, including the font size and the period of sales promotion or advertisement.

Moreover, KTC is focused on providing knowledge to its KTC Financial Sales Representatives, so such individuals will be able to provide information related to products to customers or consumers in a complete and accurate manner.

In 2020, the Company received no notification on breach of laws and regulations related to marketing communications

## Responsible Business Operations

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In its business operations, the Company focuses and places importance on business management in accordance with good corporate governance principles, ensuring compliance with laws, notifications, and rules and regulations of regulatory bodies, such as the Bank of Thailand, Office of the Consumer Protection Board, National Credit Bureau, Anti-Money Laundering Office (“AMLO”), as well as international card brands. Examples include specifying qualifications for credit cardholders (both primary and supplementary cards) and personal loans, approving credit limits, setting interest rates and other fees, arranging clear and fair contracts, agreements, and conditions for credit card use and personal loans, informing customers of changes in agreement terms affecting customers’ rights, notifying the submission of credit information of data subjects in accordance with official rules, and other practices in accordance with market conduct principles.

The Company has a Corporate Governance Policy and Code of Conduct for its directors, executives and employees to use as guidelines in the performance of their duties with fairness, transparency and responsibility to all groups of stakeholders. The Company requires its business partners to conduct self-assessments using assessment forms for the Supplier Code of Conduct.

(Please refer to additional details under “Supply Chain Management” topic)

The Company has an Internal Audit Department, which is an independent department that reports directly to the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee, in order to assess the adequacy and efficiency of the internal controls system, risk management and corporate governance of the Company. The Internal Audit Department regularly reports findings of audits of the internal controls system and provides opinions beneficial to the Company to the management team and the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee, in order to have proper operations, a good internal controls system, and reduce costs and risks, promoting effective audits as the cornerstone of 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 agencies such as the Bank of Thailand (“BOT”), Securities and Exchange Commission (“SEC”), Anti-Money Laundering Office (“AMLO”) and National Credit Bureau. This includes monitoring and analyzing the impacts of law and announcements that are related to the Company in order to distribute material content or arrange a meeting to offer understanding to various departments within the organization.

## Complaint Procedure

The Company established the Customer Feedback Center (CFC) for accepting customer feedback of services received from various channels, i.e., through direct telephone contact with KTC Contact Center (02 123 5000), KTC TOUCH service points, regulatory bodies and social media channels. All complaints received by the Company have been taken care of and subject to further investigation, clarification, amendment, and notification as soon as possible within the period prescribed by law. After that, KTC will take the information received to present to the Market Conduct Committee and compile the information to present to the Audit, Environmental, Social Responsibilities and Corporate Governance Committee, including the Board of Directors in order to determine solutions, including improvement of the quality of products and services to create satisfaction for customers and stakeholders, and ways to prevent repeated complaints. Financial service problems and complaints resolution are disclosed through [www.ktc.co.th](http://www.ktc.co.th) on a quarterly basis.

When the customers who have used the Company's service have provided compliments through the customer feedback center, the Company communicates with its employees throughout the organization by way of E-mail to compliment, motivate and encourage employees to willingly serve customers in a manner consistent with the Company's corporate values on a regular basis, listening, maintaining standards and delivering a meaningful experience for customers.



## Evaluating Customer Satisfaction with the Company's Products and Services

Based on the aforementioned mentality, coupled with encouraging initiatives and innovations for better results, KTC creates various products and services from a sense of deep awareness by developing the ability to analyze data and behavior of members in order to offer products and services which are meaningful and precisely meets the needs of members and use member information for the purpose of creating the best experience. KTC evaluates customer satisfaction results and analyzes the results to develop and improve the Company's products, services, and business processes in order to improve customer satisfaction. The details are as follows:

### Satisfaction Measurement of Credit Card Customers

The Company surveyed satisfaction of credit card customers toward KTC to ensure that the development of KTC's products and services is qualified according to the need of customers. Based on customers' experiences in using KTC's products and services, Net Promoter Score- NPS is the tool to measure the level of customers' satisfaction as well as to identify whether the customers are willing to recommend or eager to mention about KTC to the others. Since 2018, the survey indicated that a number of customers who are willing to recommend KTC's products and services to others is increasing according to the continually rising index.

YEAR	2020	2019	2018
Customer Satisfaction Survey Results: Net Promoter Score (NPS)	38	36	23

Remarks From total of 1,700 credit card customers who participated in the 2020 survey, 627 of them were KTC credit cardholders.  
Customers' satisfaction survey result of Year 2019 has been revised from the result disclosed in the sustainability report 2019.

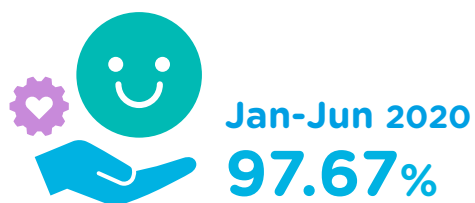
### WHAT IS A GOOD NPS SCORE ?



## Customer Satisfaction Measurement of KTC TOUCH Services

The Company surveyed customer satisfaction of KTC TOUCH in terms of services and products introduction through telephone and QR Code from 2,000 customers.

### Customer Satisfaction Survey in terms of Services and Products Introduction in 2020



## Customer Satisfaction Measurement of Services Provided by KTC Financial Sales Representative

The Company surveyed customer satisfaction of services provided by KTC Financial Sales Representative in terms of providing accurate and complete product information as specified in the sales manual and offering products for sale in a way which does not disturb customers, as well as their dress, etiquette and manners on a monthly basis. In the event that the Company receives suggestions, the Company will send an E-mail of the customer feedback to the responsible person for the development and improvement of the quality of services or etiquette in offering products for sale.

## Customer Satisfaction Measurement of Contact Center Services

The Company surveyed customer satisfaction of the Contact Center services in each instance that service is used. In the event that satisfaction is lower than the specified criteria, the Company will consider using the results to resolve the problem, help customers and find ways to prevent and resolve the problem. In 2020, the Company received a customer satisfaction results of 73.15%.

# Risk and Crisis Management



103-3

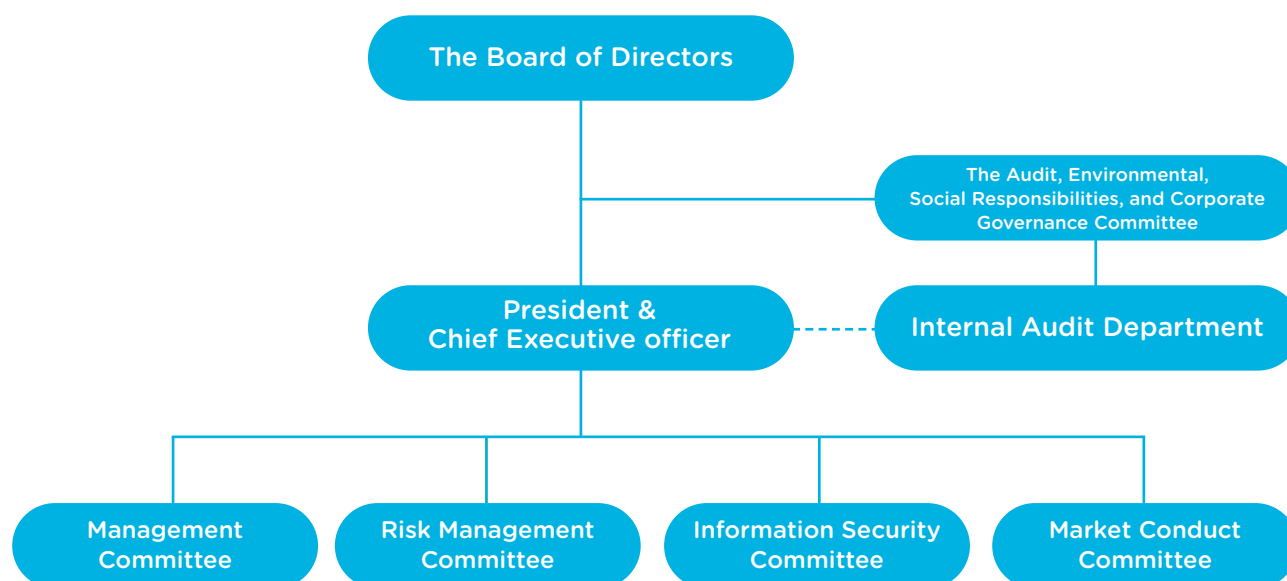
Long-Term Target 2022	Target 2020	Performance 2020
3 ESG risk factors and their causes are embedded in Enterprise Risk Management (ERM) with assessment of impact.	ESG risk factors and their causes are embedded in ERM and trained to employees.	ESG Risk factors and their causes are embedded in ERM and fundamental knowledge on ESG risks is provided to employees through e-learning system.

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 internal and external risks from business operations. The management guidelines are as follows:

102-18, 102-19, 102-30, 103-2

## Risk Management Structure





Aside from establishing an organizational structure by separating the duties and responsibilities of different departments to achieve the Company's goals, strategies, and objectives, the Company applied the Three Lines of Defense approach to define the overall risk management framework. Under this approach, the Risk Owner departments are required to control and maintain the risk within their department at an appropriate level. There are various sub-committees responsible for the supervision of related risks, namely:

- **The Management Committee** is responsible for considering, reviewing, recommending, providing opinions, and setting policies and guidelines on finance and accounting, budgeting, financial management, marketing, operating results and other areas affecting business operations.
- **The Risk Management Committee** is responsible for considering risk management policies at the organizational level prior to approval from the Board of Directors. The Risk Management Committee also controls, monitors, and evaluates risk management performance, as well as supervises the implementation of risk management policies and guidelines to meet the requisite goal of having risk at an acceptable level in line with the risk management of Krungthai Bank's financial business group and consolidated supervision regulations specified by the Bank of Thailand.
- **The Information Security Committee** is responsible for overseeing and managing the Company's information security. The Information Security Committee oversees strategic plans and information technology budgets, as well as the setting of an information technology policy in accordance with the standard guidelines and the effective implementation of such a policy in the organization. The Information Security Committee also plans and controls information technology risk management in an efficient manner.
- **The Market Conduct Committee** is responsible for setting and supervising policies frameworks, strategic plans, and guidelines in order to ensure that the guidelines fairly cover customer service management, as well as approval for matters related to the aforementioned risk management.
- **The Internal Audit Department** is an independent department responsible for reviewing overall performance and evaluating the efficiency of the internal controls system.

102-11

## Risk Management Process



RISK IDENTIFICATION



RISK EVALUATION



RISK MANAGEMENT



RISK MONITORING

The Company's risk management process is conducted by analyzing and evaluating the business environment through considering various related internal and external factors encompassing economic, social, environmental and regulatory dimensions, as well as specifying the probability of events that may prevent objectives or goals from being achieved. The process entails creating a risk map and setting key risk indicators (KRI), which includes both leading indicators signaling risk events ahead before their occurrence and lagging indicators to reflect data on the risk events that have already occurred. Risk appetite and risk tolerance is also set and reviewed on an annual basis or when there is a significant change in order to be used as a tool for risk assessment. The Company also monitors risk management performance to be at an acceptable level to meet the risk management goals set by the Company, where the performance is subsequently reported to the Risk Management Committee, the Board of Directors and Krungthai Bank within the prescribed time period.

Nevertheless, in issuing or developing the Company's financial products and/or services, the Company complies with regulations on issuing, amending or terminating financial products and/or services in order to assess the relevant risks involved, whether in terms of legal risks, total risk or budgetary risks, ensuring that the various risks involved with the products or services issued or offered for sale have been completely considered.

## 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 to prepare sufficient and timely procedures to address these important risks.

### 1. Risks from Rapid Changes in Technology

Description	Risk Management Approach
The advancement of technology has come into play and created changes to customers' lifestyles and needs, requiring businesses to be aware and come up with creative products and services that can meet customers' rapidly evolving needs in order to strengthen the competitiveness and reduce risks in business operations.	<ul style="list-style-type: none"> <li>• Every department in the Company is responsible for monitoring appropriate changes to technology which can be implemented to improve the work of the department and coordinating with the Information Technology Department to plan the use of technology to improve the system and develop the work process, ensuring that work is efficient, agile, continuous and safe.</li> <li>• The Company collaborates with digital business partners, such as its co-investment in Krungthai Advisory Co., Ltd. in order to invest in Infinitas by Krungthai Co., Ltd., which is a new form of digital financial product research and development Company. Infinitas by Krungthai Co., Ltd. focuses on providing a full range of Innovation and Digital Platform development services, including New Business Models, creating leadership opportunities in Digital Platforms in cooperation with Krungthai Bank in driving technology businesses, which is consistent with the Company's strategy.</li> </ul>

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

Description	Risk Management Approach
The threat of cyber attacks and hacking into information systems is considered a risk that can cause damage to the Company's business operations. Upon its occurrence, customers and involved stakeholders may lose their trust and confidence in the Company, which will affect the Company's reputation and image, resulting in the failure to achieve the Company's goals.	<p>The Company places great importance in preventing cyber attacks and protecting the personal data of customers. The Company plans and allocates human resources and other resources to prevent the occurrence of a potential threat at any given time.</p> <ul style="list-style-type: none"> <li>• The Company has in place an Information Technology Policy, Information Security Policy, and Personal Data Protection Policy, all of which are reviewed on an annual basis.</li> <li>• The Company has in place strict measures to secure data and provides access to only authorized persons to access sensitive customer information. The Company also provides software to control information leakage and has in place a backup data system as well as a data recovery process if data is destroyed. Moreover, the Company provides a backup</li> </ul>

Description	Risk Management Approach
	<p>data center, physical and environmental security. The Company's data center site obtained the TIA-942 Data Center Certification and maintains communications security through the use of encryption when connect to external networks in accordance with PCI DSS and card brands standards. A Security Operations Center (SOC) is in place for the surveillance of external threats (security monitoring). Furthermore, computer equipment and communication network systems are maintained in order to be readily available and to support business continuity. There is IT operations security, as well as contingency plans for information technology and performance tests. Aside from the foregoing, the Company conducts an annual review and test of its Disaster Recovery Plan in order to accommodate a variety of important events related to the security and availability for use of information technology systems.</p> <ul style="list-style-type: none"> <li>• In 2020, the Company adopted the ISO/IEC 27701:2019 standard on Privacy Information Management within its organization, which is an extension standard of ISO/IEC 27001:2013 standard on Information Security Management System. Under such standard, the Company is required to take into account the privacy of personal data subjects in all activities of its work process, whether concerning the collection, use or disclosure of personal data, in order to strengthen the existing information security management system and to be compliant with the Personal Data Protection Act B.E. 2562 (2019).</li> </ul>

### 3. Risks from Climate Change

Description	Risk Management Approach
<p>Natural disasters, severe weather, and even emerging diseases and epidemics are all related to climate change, which affects the economy, society, health, livelihoods, occupations and business operations. For example, in the event of a natural disaster or an epidemic preventing personnel from entering the building to work, resulting in the interruption of business operations, or affecting the repayment ability of customers, the Company's finances, services, or reputation may be potentially damaged.</p>	<p>In order to ensure continuous business operations and customer service without interruption in the event of a crisis, the Company has in place the following approaches:</p> <ul style="list-style-type: none"> <li>• The Company has in place a Business Continuity Plan (BCP), including contingency plans to deal with emergencies in response to disasters or other events, such as fires, earthquakes, flooding, allies, and the spread of epidemics, and guidelines on the movement of disaster victims, which forms part of the Company's BCP Plan. The Company has in place an alternate site and sufficient resources to restore critical operations to respond to the crisis in the event where employees of departments considered as Critical Business Function cannot come to work at the primary site. In this regard, the Company requires a review and surprise test of the Call Tree and BCP Plan on an annual basis, as well as participation in observing the test of the BCP Plan of outsourced companies which provide services related to the Company's core transactions.</li> </ul>

Description	Risk Management Approach
	<p>The Company provides a test for Business Continuity Plan (BCP) and prepares contingency plans to deal with emergencies in response to risks that might be incurred according to the Company's guidelines. In the incident where employees could not come to work in the office during 21-22 August 2020, according to the BCP test results, the Company put contingency plans in place within the specified criteria.</p> <ul style="list-style-type: none"> <li>• The Company assesses the situation and analyzes and monitors the repayment ability of its customers, as well as has in place a debt management process to manage debt before it becomes written off as bad debt. The Company has an effective debt collection system that is prepared to solve problems directly. The Company has also improved the KTC Mobile application to be used in a variety of ways, which is consistent with the existing situation or customer's behavior, enabling continuous service to be provided in the event that customers are prevented from traveling to use the Company's services at various service points. Examples include developing the KTC Mobile system so that customers can pay for services without having to travel to pay at the payment service point.</li> <li>• The Company provides measures to provide assistance and relief to debtors who have been affected by natural disasters, disasters, and epidemics, such as COVID-19.</li> <li>• The Company works to promote environmentally conscious management by providing training to educate employees and campaigning to reduce the use of wasteful resources or resources that are difficult to decompose and to take up waste separation and recycling.</li> </ul> <p>In any event, KTC's products and services consist of credit cards and personal loans, which KTC considers that its business only has a low impact on climate change and the environment, as it provides loans to individuals and not to businesses or industry sectors. Nevertheless, the Company set criteria on responsible lending, such as financial status and repayment ability, to act as guidelines for management and employees in related departments to comply with so that the Company's operating results will be positive in the long run and for the country to grow sustainably.</p>

## 4. Risks from Government Controls

Description	Risk Management Approach
<p>Given that the problem of household debt is getting worse and the level of household debt is increasing continuously, which affects the overall economy of the country, the Bank of Thailand has issued various measures to supervise business operators to operate their business in a responsible manner, examples include controlling interest rates on credit cards, personal loans, and car title and motorcycle title loans to an annual rate of 16%, 25%, and 24% respectively and limiting applications for personal loans to a maximum of 3 financial institutions. Other examples include default interest calculation and debt haircut, as well as measures assisting debtors affected by the COVID-19 situation.</p>	<p>In its capacity as a financial business operator, the Company is ready to provide support, as the Company considers its duty to partake in responsible lending operations regardless of whether regulations of such nature affect the Company's business operations and income. Nevertheless, the Company is confident that it will be able to adjust its strategy and business operations to be in line with the changes that will occur as it has done in the past through management based on the agile organization model and effective financial cost management.</p>

(Please refer to additional details in Form 56-1 One Report 2020 under "Risk Factors" topic)

## 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 additional details under "Human Capital Development" topic)

# 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 stakeholders and retained for sustainable growth as follows:

## Economic Value Retained

102-7, 103-2, 201-1

Unit : Thousand Baht

Description	2020	2019	2018
Operating Income	21,762,403	22,303,878	20,869,413
Operating cost	3,799,840	4,075,453	3,906,774
Association membership fees	1,812	1,153	863
Employee expenses and benefits	2,305,487	2,459,801	2,333,175
Tax payment to government	1,831,526	1,878,356	1,706,138
Payment to providers of capital	3,792,710 <sup>(1)</sup>	3,680,400	2,921,878
Donation to public charity	4,567	1,288	3,041
<b>Economic Value retained</b>	<b>10,028,273</b>	<b>10,208,580</b>	<b>9,998,409</b>
Total assets	88,403,313	85,409,262	79,647,817
Total liabilities	65,553,039	65,674,218	63,296,206
Total equity	22,850,273	19,735,044	16,351,611
Net profit	5,331,897	5,523,965	5,139,589

<sup>(1)</sup> 2020 figure includes dividend to be paid from the 2020 operating result. This dividend is unconfirmed until approved by the Annual General Shareholders Meeting 2021 (No.19)

## Corporate Citizenship

The Company implements a corporate citizenship plan in undertaking community and social activities. In providing support and 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. The Company reveals activities that support or contribute to society in sustainability report, corporate website (<https://www.ktc.co.th/en/about/news>) and Facebook Fanpage.



# Corporate Governance



103-3

Long-Term Target 2022	Target 2020	Performance 2020
The Company, on an annual basis, aims to develop sustainability strategies and present them to the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee assigned by the Board of Directors to supervise such matter.	The Company initiates sustainability strategies and present them to the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee assigned by the Board of Directors to supervise such matter.	The Company initiates sustainability strategies and present them to the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee assigned by the Board of Directors to supervise such matter.

103-1

Corporate governance is a critical subject and yields significant impacts not just on confidences and trusts of stakeholders towards the Company but also on the Company's corporate image, its financial performances as well as its long-term sustainable growth. The Company, therefore, has continuously adhered to principles of good corporate governance and regarded them as core foundations in conducting businesses. In order to achieve the Company's sustainability, the Board of Directors bears major roles and responsibilities in overseeing the Company's business operations being performed in a transparent, accountable and ethical manner while simultaneously ensuring fair treatments of all stakeholders.

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

## Corporate Governance

KTC adheres to principles of good corporate governance as an essential requirement in building and maintaining confidence of its businesses. The Company also places the significance in morals and ethics which will assist organizational management to gain efficiency, transparency and accountability, together with create values for all stakeholders in a balanced and equitable manner.

### The Board of Directors

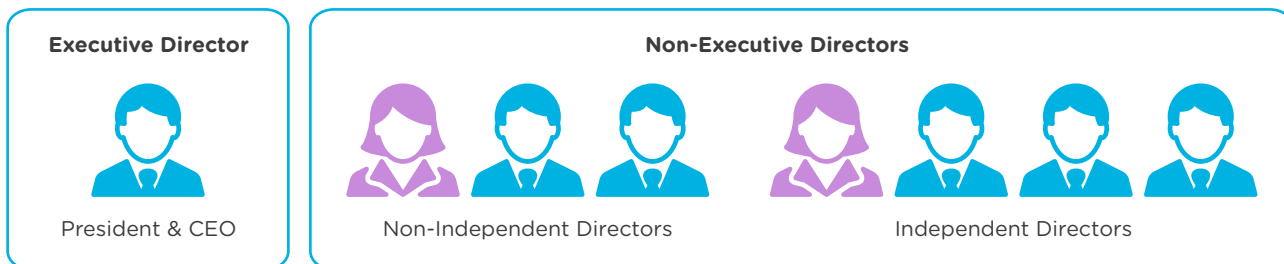
The Board of Directors takes a crucial role in the Company's corporate governance and management whilst owns independency in decision-makings for the best interest of the Company and its stakeholders. The Board of Directors also is responsible for determining the Company's visions, missions, core values, and business strategies as well as approving key issues relating to the Company's business directions and policies including business plans and annual budgets. In addition, the Board of Directors oversees and ensures that the management has proceeded according to the defined policies, strategies and business plans in an

effective manner and within the scopes of relevant laws and regulations, including following shareholder resolutions. Furthermore, in order to achieve the Company's excellent performances, along with continuous and sustainable growth, the Board of Directors, in collaboration with the management, assures the implementation of efficient internal control and appropriate risk management. In doing so, full risk assessments for the entire Company have been annually conducted and a summary report of the Company's risk management has regularly been submitted to the Board of Directors.



## Composition of the Board of Directors :

one-tier system which, at the end of 2020 composed of:



Four Independent Directors, representing 50% of a total number of Directors, which is more than the requirement of the Securities and Exchange Commission (SEC) for the number of Independent Directors to be at least one-third of a total number of Directors and not less than three people.

The Qualifications of Independent Directors, referred according to the Charter on Regulations and Operational Guidelines for Audit Committee (<https://www.ktc.co.th/en/sustainability-development/corporate-governance>)

## Independence from the Management

The Company defines clear and separate roles and responsibilities between the Chairman of the Board of Directors and the President & CEO. Further details of roles and responsibilities can be found in Corporate Governance Policy.

## Appointment of Board Members

The Nomination and Remuneration Committee is responsible for the selection of qualified Board Members with business-related skills and experiences to propose to the Board of Directors or the Shareholders' Meeting for further approval. The nomination and selection processes are conducted in a transparent manner by considering the appropriate composition of structure, size, and diversity of the Board of Directors with regards to nominated Board Members' qualifications, skills, knowledges, as well as experiences, yet with impartiality concerning their rights, sex, gender, race or religion.

## Board Meeting Attendance

The Board of Directors held meetings for a total of 16 times in 2020, with the average attendance of Board Members at 94.5% which was higher than the minimum standard requirement of Board meeting attendance at 75%.

## Board Mandates in other registered companies

At the end of 2020, three of the Company's Board Members held Board of Directors positions in other registered companies in which such number of other registered companies was less than total number of companies KTC has defined in its corporate governance policy. In the Company's Board of Directors, no Independent Directors held other Board Positions of more than 5 registered companies and no Executive Directors carried other Board Positions of more than 2 registered companies.

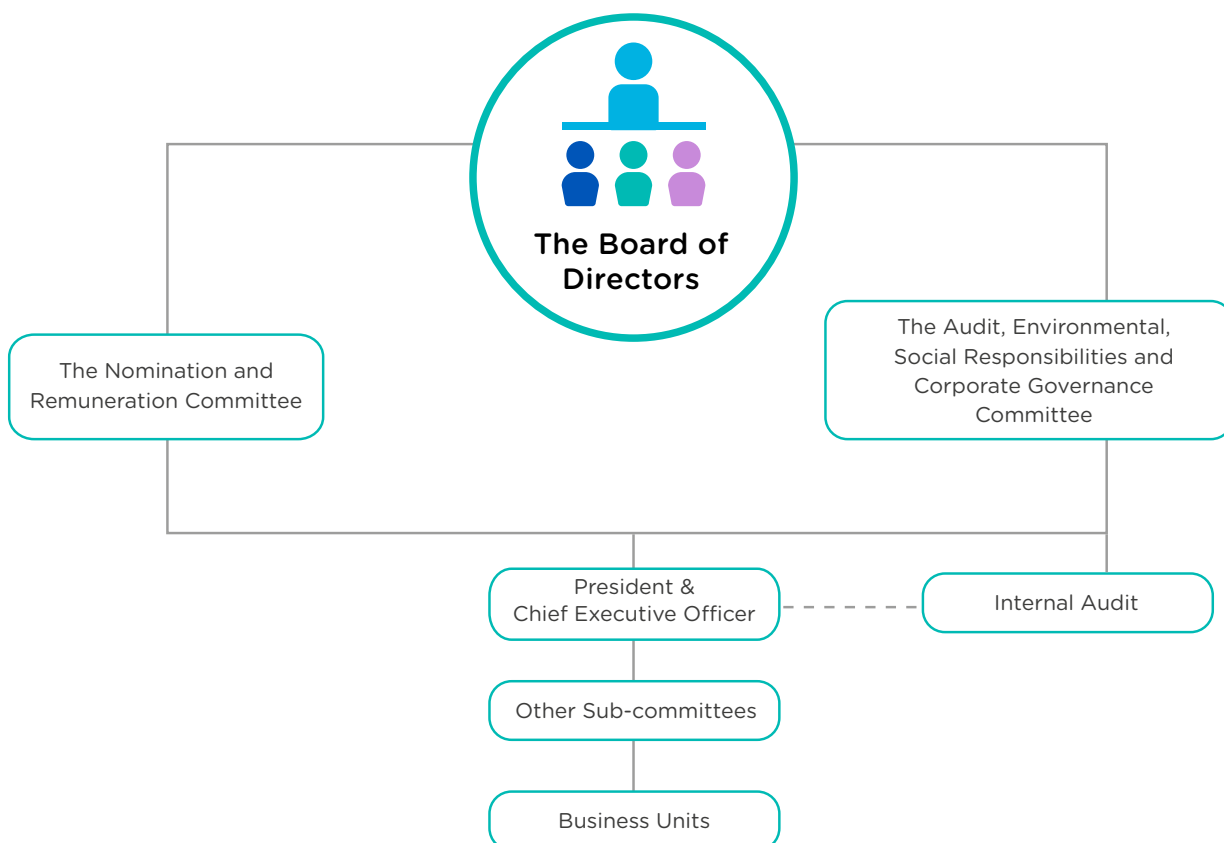
## Average Tenure

At the end of 2020, the average tenure of Board of Directors was 3.36 years.

(Please refer to additional details in Form 56-1 One Report 2020 under "Corporate Governance Policy" topic)

## Appointment of Sub-committees

In order to help them carefully assess and closely oversee key issues, the Board of Directors has appointed several sub-committees in various fields in which their evaluations and proposals will be regularly presented to the Board of Directors. Such sub-committees are:



**The Nomination and Remuneration Committee** is responsible for determining qualifications of the Company's directors and executives according to the structure, size and composition required by related laws. The Committee also selects and nominates qualified individuals for the appointment of Board Members following the Company's recruitment process. In doing so, the Committee considers the suitable composition of structure, size and diversity of the Board of Directors with regards to relevant factors such as sex, gender, age, skills, knowledges, and experiences. The Committee also, in the selection process of Board Members, takes into account of the Company's business strategies and requirements, as well as the compliance with legal requirements, Company's regulations and good corporate governance principles. To ensure independence and clarity in corporate governance, the Chairman of the Board of Directors and the Chief Executive Officer are determined to be different persons. In addition, the Nomination and Remuneration Committee defines criteria and guidelines for performance evaluation of the Company's Board of Directors and Chief Executive Officer, as well as outlines criteria and principles for remuneration and other benefits. The Committee also reviews the extension of retirement age and early retirement, along with organizes succession planning to ensure successor's smooth transition in case of executive's retirement or inability to perform duties. Still, all of aforementioned actions must be conducted according to the Charter of the Nomination and Remuneration Committee.

In 2020, the Nomination and Remuneration Committee held meetings for a total of 7 times.

**The Audit, Environmental, Social Responsibilities, and Corporate Governance Committee**, consisting entirely of Independent Directors, is responsible for supervising financial statements preparation, internal controls and audits. The Committee also assesses related party transactions and oversees business operations to be in compliance with the Securities and Exchange Acts. In addition, the Committee regularly reviews the Company's corporate governance policies to be in accordance with principles of good corporate governance and sustainable development, including ensures the Company's practices of corporate social responsibility and business ethics to follow international standards. Yet, all of aforementioned actions must be performed according to the Charter on Regulations and Operational Guidelines for Audit Committee.

In 2020, the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee held meetings for a total of 11 times.

(Please refer to additional details in Form 56-1 One Report 2020 under "Corporate Governance Policy" topic)

## Securities Holdings

In order to determine code of conduct for the Board of Directors, executives or any employees with inside information, the Company has defined stipulations for Disclosure or Use of the Company's Internal or Confidential Information such as blackout period for the purchase or sell of its securities, guidelines of securities purchase or sales etc. Nonetheless, the Company does not prevent securities purchase or sales of the Board of Directors, Executives or any employees but such transaction of purchase, sales or transfer must be in compliance with the requirements of the Securities and Exchange Commission

or those of the Company. None of the Company's Board of Directors and Executives including their spouses and children did any transactions of purchase, sales or transfer of the Company's securities in 2020.

Further details of the Company's top 10 shareholders can be found under the Section "The Company Group's Shareholding Structure" in which Thai NVDR Company Limited with its non-voting shares might be included.

(<https://www.set.or.th/nvdr/en/faqs/faqs.html>)

## Annual Performance Evaluation of the Board of Directors and Sub-committees

The Company arranges for the Board of Directors to perform self-assessment on an annual basis in which the Company's secretary oversees the submission of assessment forms to the Board of Directors and sub-committees. By doing so, evaluation results can be used to enhance efficiency to achieve good corporate governance. Performance evaluations

are classified into 4 categories which are the assessment of the entire Board of Directors, the assessment of individual Directors (Self-Assessment), the assessment of individual Directors (Cross-Assessment), and the assessment of the entire committee/sub-committee.

In 2020, the Company had organized the Board of Directors and all sub-committees to perform evaluations and such evaluation results were presented to the Board of Directors for their considerations in the Board of Directors Meeting No. 1/2021 held on January 19, 2021. Details for evaluation results of each committee are as follows:

Assessment Form	Average (Total Score of 5 points)
Assessment of the entire Board of Directors	4.95
Assessment of Individual Directors (Self-Assessment)	4.87
Assessment of Individual Directors (Cross Assessment)	4.94
Assessment of the Entire Committee/Sub-committee (The Audit, Environmental, Social Responsibilities, and Corporate Governance Committee)	4.98
Assessment of the Entire Committee/Sub-committee (The Nomination and Remuneration Committee)	5.00

## Annual Performance Evaluation of the President & CEO and Executives

The Nomination and Remuneration Committee is responsible for determining criteria and guidelines for performance evaluation of the President & CEO and proposing them to the Board of Directors for approval. For performance evaluation criteria of executives, the President & CEO is the

one who oversees and presents them to the Nomination and Remuneration Committee for approval. Performance evaluation criteria are defined according to the Company's business strategies and targets in each year which thoroughly covers economic, social and environmental aspects.

## Code of Conduct

KTC encourages its directors, executives and employees to comply with the Code of Conduct and other regulations, such as requiring new employees to sign for acknowledgement and acceptance of the Code of Conduct and anti-corruption measures, as well as organizing reviews of such topics through e-Learning on an annual basis in order to use the results to communicate with or promote knowledge and understanding to employees. Moreover, every employee is responsible for compliance with the Code of Conduct, which consists of the following topics:



## Monitoring Procedures for Compliance of Code of Conduct

KTC requires its newly recruited employees and those of its subsidiaries to sign employment contracts which cover their compliances with the Company's Code of Conduct. The Company also organizes trainings and knowledge reviews regarding Code of Conduct for the Company's executive and all employees on an annual basis in order to promote awareness within the organization.

Apart from encouraging its Board of Directors, executives and employees to uphold the practices following Code of Conduct, the Company has provided its potential suppliers with Supplier Code of Conduct so that they can evaluate themselves ahead of supplier selection in which crucial

topics includes code of conduct, human rights and labor rights, occupational health and safety as well as laws and regulations.

In addition, for their compliance of Code of Conduct, the Company's executives have partaken to establish channels to receive complaints regarding the violation of Code of Conduct caused by the Company's personnel in which human resource department and other related departments are required to coordinately proceed to end such non-compliance or violation, together with provide preventive measures for such incident not to reoccur.

## The number of Business Ethics Violations

0 Case

**Remark :** Including report of human rights violations from suppliers' self-assessment

## Accounting Practice

The Company prepares its statutory financial statements in accordance with Thai Financial Reporting Standards and generally accepted accounting principle in Thailand by adopting the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2020.

In addition, the Company discloses financial information, important financial ratios, including important accounting

policies in the financial statements, and the management discussion and analysis (MD&A) on a quarterly basis on the Securities and Exchange Commission's website (<http://www.sec.or.th>), or the Stock Exchange of Thailand's website (<http://www.set.or.th>), or the Company's website (<http://www.ktc.co.th>).

## Tax Practice

The Company sets up a tax policy as a framework and guideline as follows:

- KTC constantly pays for taxes correctly and consistently with the value that created from our business operations. Furthermore, KTC does not use the wrong practice illegitimate tax structure that results in tax avoidance.
- KTC utilizes the privilege from the Tax Incentive legally as provided by the required law.
- KTC does not practice any policy that benefits the "Tax Havens" as a channel for raising funds and providing liquidity to KTC for the tax avoidance.
- KTC operates an efficient internal communication within the organization to reinforce its employees to understand and retain to the proper rules and regulations.
- KTC provides the responsible party for the tax coordination with the Revenue Department and the relevant government authorities.
- KTC consults with the external tax advisors who efficiently involved with complexity topics or in topics that KTC is unfamiliarised with. This is in order to process correctly according to the law.

In addition, the Company discloses aforementioned policy on the Company's website (<https://www.ktc.co.th/en/investor-relations/financialinformation/tax-policy>)

## Tax information

(unit: Baht)

Consolidated Financial Statements	2020	2019
Total Revenue	22,055,285,728	22,625,323,682
Profit before Income Tax	6,656,420,952	6,904,072,375
Income Tax Expense	1,324,523,499	1,380,107,800
Effective Tax Rate	19.9%	20%
Income Tax Paid	1,274,873,955	1,344,849,522
Cash Tax Rate	20%	20%

(Please refer to additional details in the Company's financial statements <https://www.ktc.co.th/en/investor-relations/publications-webcast/investorkits>)

# ESG Products and Services



103-3

Long-Term Target 2022	Target 2020	Performance 2020
3 thematic products and services for support on Environmental, Social, and Governance (ESG) issue.	3 thematic products and services for support on ESG issue.	6 thematic customer products and services for support on ESG issue.

103-1

KTC has the intention to be a part of developing the country towards the Sustainable Development Goals by integrating environmental, social and governance dimensions with business operations. The Company creates value through its credit policy, development of products, services and platforms that are socially responsible, alleviate environmental impact, and promote good governance. The Company also support and motivate various sectors to be part of promoting sustainability in economic, social and environmental dimensions together as follows:

103-2 , 203-2

## Know Your Customer/ Customer Due Diligence

In the process of considering applicant qualification and loan approval, the Company considers according to the criteria set by the governing agencies or the regulations set by the Company such as the Bank of Thailand, the National Credit Bureau Co., Ltd, and the Anti-Money Laundering Office with non-discrimination regardless of sex, gender, and religion. The applicant's debt obligation is taking into account to prevent over-burden problem. Moreover, the Company sets guidelines to verify qualifications of credit card applicants, loan applicants, or merchants that do not meet the criteria, or a person defined by the Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing Act. The aforementioned guidelines are applied to all loan applicants.

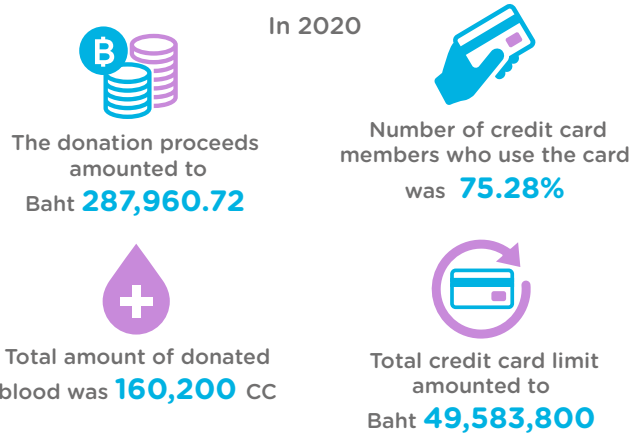
(Please refer to additional details in Form 56-1 One Report 2020 under "Business Nature" topic)

## ESG Products and Services

### 1. KTC-THAI RED CROSS NATIONAL BLOOD CENTRE CREDIT CARD

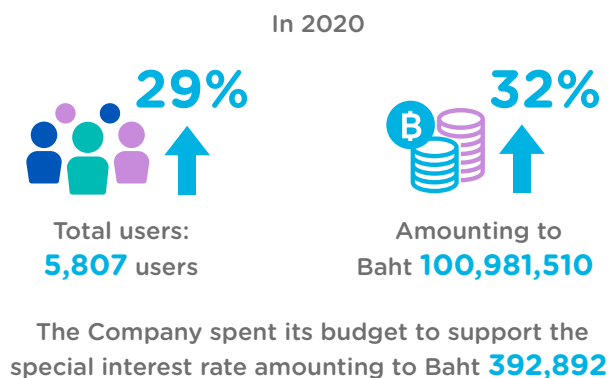
The Company collaborates with the Thai Red Cross National Blood Center and issues KTC-THAI RED CROSS NATIONAL BLOOD CENTRE credit card, as an alternative for members to support the Thai Red Cross National Blood Center. Each purchase via KTC-THAI RED CROSS NATIONAL BLOOD CENTRE credit card amounting to Baht 1,000 equates to a donation of Baht 5 and KTC contributes an additional Baht 5 on top to the Thai Red Cross National Blood Centre. It is a joint support between the Company and members in helping patients all over the country through using the aforementioned credit card. Moreover, the Company realizes the importance of the Thai Red Cross National Blood Centre, which serves as the primary agency assigned by the Thai government with the responsibility to supply adequate, safe, and of highest quality blood for patients' treatment all over the country. Thus, the Company organizes a place to support blood donation from employees or interested people on a quarterly basis.





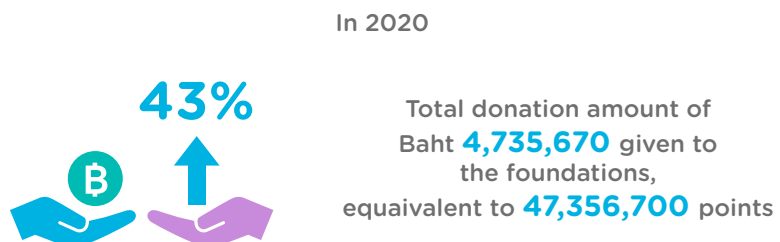
## 2. Alleviating the Burden of Medical Expenses in Public Hospitals

The Company believes that being healthy is an essential element for living as well as a development of the good quality of life. The public hospitals play a very important role in assisting a significant number of patients to get equal treatment opportunities. In order to assist patients to stay healthy and alleviate the burden of unpredictable medical expenses, the Company allows its credit card members who are treated at public hospitals to pay in installments up to 10 months with a special interest rate of 0.69% per month from a standard rate of 0.80% per month. This campaign receives positive response from card members.



## 3. Use of Points in Lieu of Cash Donations

KTC places importance on social development and realizes the existence of social inequalities. As a result, the Company initiated a project using points in lieu of cash donations since 2009 by developing services whereby member cardholders may exchange points to cash donations at the rate of 1,000 points to a cash donation of Baht 100. To add further convenience, KTC also acts as an intermediary to donate the amount to various foundations up to 57 foundations in various areas such as society, livelihood, medical expenses, education, disabilities, animals and environment via both online and offline channels.



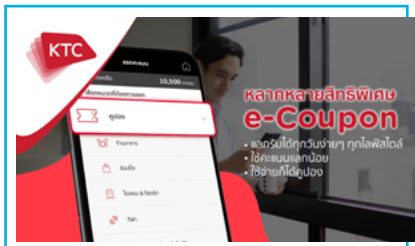
#### 4. Support Thais Reading

KTC realizes the importance of reading as a key to unlock the world of learning in all subject matters and promotes continuous learning, which paves the way towards the sustainable development of human resources and the society. KTC wants to support the Thai government's policy to elevate reading as a national agenda, to support publishers to publish and develop quality books, to stimulate Thais to realize the importance of reading, and to respond to the tax stimulus campaign - "Shop Dee Mee Kuen"; KTC has collaborated with leading bookstores and publishers in Thailand organizing a promotional campaigns or activities with its partners over 35 projects. KTC also brought technology for use in campaigns throughout 2020, such as granting discounts at partner bookstores up to 15%, offering online distribution channel, 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 grants certain privileges to ease the burden of payment, particularly in the form of installment payment with KTC card with an interest rate of 0.69% per month from the standard rate of 0.80% per month for up to 3 months.



#### 5. E-Coupons with Merchant Partners

To reduce the use of paper, energy, and printing chemicals, and to be more in line with the lifestyle of the majority of people nowadays who communicate, process transactions, or conduct more activities via smartphones; KTC developed an application to support the use of e-Coupon instead of paper discount coupon. E-Coupon can be sent through KTC Mobile where customers can show the e-Coupon to merchant partners in exchange for benefits and privileges. Furthermore, the use of e-Coupon provides greater convenience to merchants in controlling and preventing fraud from the existing loopholes in the management process. Customers can get e-Coupon via KTC Mobile and other marketing activities such as point redemption, and spending according to specified terms and conditions, etc.



Number of e-Coupons  
provided to customers:  
**2,824,697** e-Coupons.





## 6. KTC USHOP Website

KTC has offered the services of KTC USHOP Website since 2016 and has thoroughly selected merchants so that members can choose quality products from diverse categories via online channels, especially 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 USHOP Website; for example, cleaning products made from natural extracts from Pungungreen, and pure essential aroma therapy oil products from Chomppinn, Thai SME entrepreneurs. The Company also collaborates with Local Alot, a community business platform developer, to sell community products related to tourism that affected from the COVID-19 outbreak such as processed food from Kong Krai Lat community in Sukhothai, and craft work from Wiang Tha Kan community in Chiangmai. Not only does this project expands the distribution channels for products and increases the revenue for Thai SMEs and community enterprises, but it 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 their health, environment, and quality of life in the long run. In addition, such purchases are means to support the sustainable growth of communities and KTC.



In terms of this year's activities, the Thai SMEs that KTC helped are spread out nationwide.

In 2020

Total number of merchants: **55** merchants.

Total number of products: **657** products.

Sale proceeds: approximately Baht **1.7** million.

Moreover, the Company also offers other loans products to support education and the better quality of life of society as a whole, such as education loans, and to support the environment, such as 0% installment privileges and/or discounts for an installation of the solar cell rooftop system.

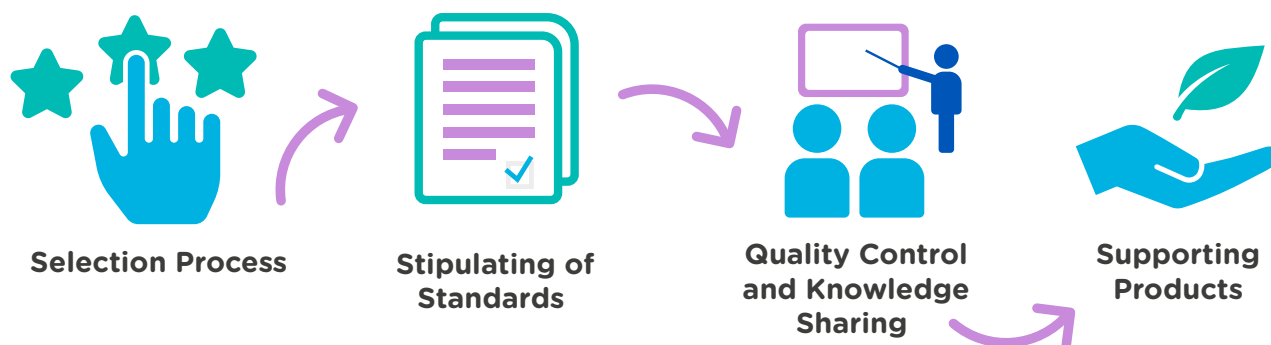
(Please refer to additional details under the “Financial Inclusion and Financial Literacy” and “Collaboration with Partners for Sustainability.” topics, respectively.)

# Supply Chain Management



102-9, 103-1, 103-3

The Company emphasizes on managing the business with responsibility in accordance with good corporate governance principles and concerns about society and environment. These concepts are not only limited to within the Company but also extended to the entirety of the supply chain ranging from a selection process of suppliers or outsourced service provider with good service standards. The Company believes that doing so will promote and support its creativity and deliver quality products or services to stakeholders. The Company manages its supply chain and service of suppliers or external service providers from upstream to downstream. The Company supervises these processes with a view of sustainable growth for all parties. In order to prevent and reduce the risk which may impact service quality, corporate image, and business operations both directly and indirectly, the Company emphasizes on raising awareness regarding supply chain management towards sustainability for both the Company and suppliers through the following management guidelines:



103-2, 308-1, 414-1

The Company specifies clear policies and criteria covering economic, social and environmental aspects in procurement or supplier selection. This is to reflect transparency and fairness surrounding criteria for consideration, approval, procurement price setting, and managing risks from using services of third parties. The Company sets policy on procuring services in consistent with the consolidated supervision policy of Krungthai Bank. Such policy stipulates

the criteria for selecting new suppliers or considers qualifications of existing suppliers, criteria for using services, roles and responsibilities of suppliers, inspection of delivered work, terms of service agreement, practices in compliance with the Anti-Corruption Policy, as well as supervisory measures. Any department in the Company that intends to procure the services of third parties must comply with the aforementioned policies or regulations.

## Risk Management

The Company assesses qualifications of suppliers or outsourced service providers in order to consider steps and procedures which may pose risks or affects various dimensions such as financial status, good governance, including society and environment. In this respect, the Company prioritizes the risk factors which may have an impact on KTC's business operations and implements risks mitigation measures which may arise from KTC's suppliers. The Company evaluates its suppliers, keeps track of inspections, specifies plans, and improves operating results for both parties.

## Approach

Number of Tier 1 and Tier 2 suppliers who are not comply with the Supplier Code of Conduct is

0%

The Company prepares KTC's Supplier Code of Conduct and Confidentiality which cover approaches of sustainable development in terms of economic, social and environment dimensions. The Company notify suppliers to acknowledge and perform self-assessment whether they comply with KTC's Supplier Code of Conduct before joining the Company. Suppliers must conduct their business with transparency in accordance with business ethics, human rights, treat employees with fairness. They must also conduct business legally, in compliance with occupational health and safety, and be environmentally friendly. Suppliers should have business ethics sustainability guidelines, together with define the scope of work according to the terms specified in the service contract, and conduct their business with fairness.

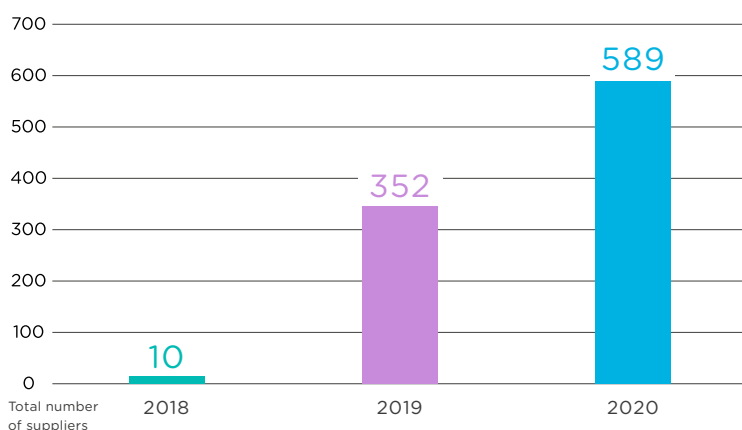
The Company classifies its suppliers by nature of work and volume of expenses. The Company has a wide variety of suppliers, each of the suppliers receive varying forms of quality certifications, such as card production with the high security standards from Card Brands, and measures related to performance and information management following International Organization for Standardization: ISO in various aspects. These aspects include printing security management, quality and service management,

energy and environmental management, and occupational health and safety management, etc.

The Company implements procedures for inspections, audits and controls the quality of its suppliers to ensure that their work is comply with service agreement provisions, and to constantly improve procedures for products and services delivery. The Company monitors whether suppliers follow the Supplier Code of Conduct in the form of suppliers' self-assessment. If any supplier violates the stipulated guidelines, such supplier is notified and given grace period to resolve the issue. If supplier fails to resolve the issue, the service agreement will be terminated, and supplier will be removed from the Company's suppliers register.

Moreover, in 2020, the Company took steps to prepare for compliance with the Personal Data Protection Act, B.E. 2562 (2019) and prepared the Data Processing Agreement between the Company as a data controller and suppliers/service providers as a data processor to stipulate roles, duties and responsibilities for collecting, using, or disclosing personal information of the subjects according to this law.

Total suppliers who signed an acknowledgement of the Supplier Code of Conduct from 2018-2020



**Remark:**

Tier 1 refers to suppliers who provide products or services to key business but not related to strategic decision making and business supporting groups (Definition according to the policy of using outsourced service provider) with volume of expenses ≥ Baht 5 million

Tier 2 means suppliers who provide products or services to key business but not related to strategic decision making and business supporting groups (Definition according to the policy of using outsourced service provider) with volume of expenses < Baht 5 million

96%

Proportion of Tier 1-2 suppliers who signed an acknowledgement of the Supplier Code of Conduct to total number of Tier 1-2 suppliers

71%

Proportion of Tier 1-2 suppliers who signed an acknowledgement of the Supplier Code of Conduct to total number of suppliers

(As of December 2020)

## Knowledge Sharing

The Company provides opportunities for suppliers to suggest and participate in its working procedures for greater efficiency and fairness through experiences sharing via meeting or seminar held on a regular basis. Moreover, KTC has collaborated with outsourced service providers to organize trainings to develop and upskill outsourced employees on a yearly basis, such as debt collectors, administrators, and mechanics, etc.



KTC collaborated with KTB General Services Company Limited (outsourced Company provides office general services) to organize training to develop working skills, as well as servicing skills to increase customers satisfaction to supplier's employees on an annual basis. This year the training was provided for cleaning employees at the Main Conference room, KTC Pop, B1 floor, UBC II building, at Sukhumvit 33, on 29 November 2020 with total of 64 participants.

KTC hosted "KTC Supplier's Day" to exchange knowledge with suppliers and business partners. The topics included business sustainable development in accordance with the SDGs (Sustainable Development Goals), the importance of human rights, and the preparations to comply with the Personal Data Protection Act B.E. 2562 that will become effective in June 2021. The event was delivered by the distinguished guest speakers, Mr. Sukit Vongthavaravat, Advisory Partner, Head of Advisory of KPMG Phoomchai Business Advisory Ltd., and the team, and Ms. Kulawal Supesuntorn, Manager of Pricewaterhouse Coopers Consulting (Thailand) Limited. The event was held at the Main Conference room, KTC POP, B1 floor, UBC II building, at Sukhumvit 33, on 11 November 2020 with over 60 participants.





## Supporting Products with Carbon Neutral Certification or Green Print

The Company invites employees, customers, and suppliers to partake in reducing the excessive use of resources in all aspects of business operations with a view to reduce the impact on the environment and operating costs such as the reduction of printed materials for certain customers and suppliers, etc. The Company also supports the procurement of environmentally friendly products and services (Green Procurement) and supports suppliers that receive environmental certifications in the form of labels (such as green labels and carbon reduction labels). Example of green products are furniture, stationary, eye-friendly paper for the Company's printed materials, credit card applications form or personal loan applications form, and newsletters notifying customer about the promotions.



In 2020, total value of green procurement amounted to Baht **4.99** million.

# SOCIAL DIMENSION





# Financial Inclusion and Financial Literacy



103-3

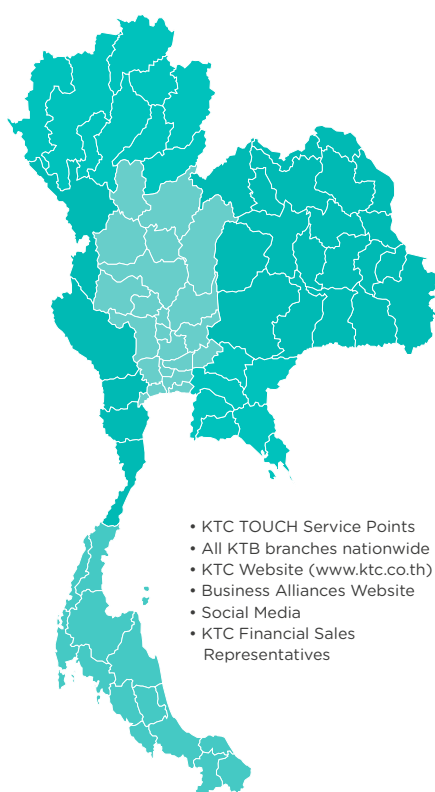
Long-Term Target 2022	Target 2020	Performance 2020
13 financial literacy programs aimed for specific groups.	9 financial literacy programs aimed for specific groups.	8 financial literacy programs aimed for specific groups.

103-1

KTC is committed to continuously developing products and services in order to enable customers or service users to access the Company's products and services in a thorough and equitable manner through fairly providing services and determining interest rates or fees. Accordingly, the Company offers products and services customized to customer needs through various online and offline channels in order to increase the chances of using the approved funds for living expenses, enhance the quality of life and mitigate distress caused by predating lending with extremely high interest rates. At the same time, KTC places importance on providing educational opportunities and developing the limitless potential of Thai youth by focusing on learning and developing financial literacy which can be applied in various fields.

## Financial Inclusion

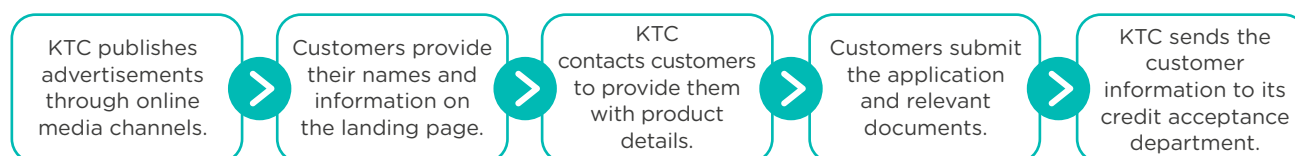
102-6, 103-2



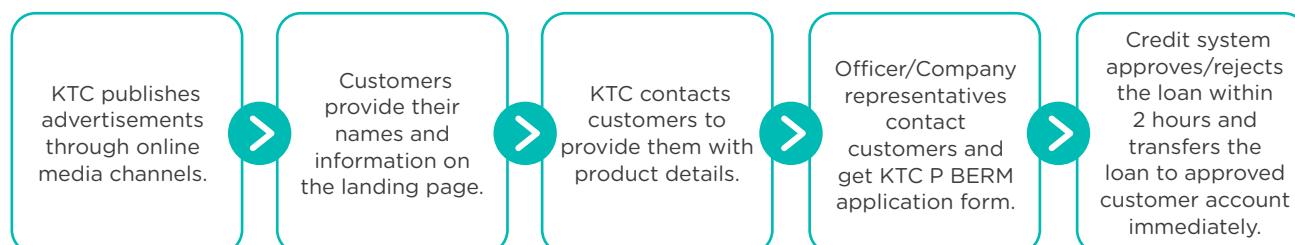
### Access to Financial Products and Services

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](http://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](http://rabbitfinance.com), [masii.co.th](http://masii.co.th), and [www.moneyguru.com](http://www.moneyguru.com). KTC also forges affiliated marketing partnerships with Krungthai Bank, as well as with social media channels, KTC TOUCH, and KTC Financial Sales Representatives 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 can 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 to access products and services through online channels are as follows:

- Credit card business and personal loan business



- KTC P BERM business which can approve, and transfer money to customers' accounts within 2 hours (in case all supporting documents are completed)



With the Thai government's policy to enact technological and communicational 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.

## Responsible Business Operations

KTC established subsidiaries to operate Pico Finance (Pico Plus) and Nano Finance businesses, recognizing the importance of and desiring to increase opportunities for retail customers who do not have documents evidencing income or are unable to access the system of financial institutions or financial services. Initially, the Company considered establishing Pico Finance based on certain locations in provinces and districts. In any event, the subsidiaries established by the Company is under the supervision of the Bank of Thailand and the Fiscal Policy Office.

In order to comply with the principles of equitable business conduct in accordance with human rights principles, the Company has guidelines for providing services taking into account safety and compliance with laws related to

disabled persons, such as providing users with the appointment of a caretaker and obtaining consent for the collection of sensitive data.

In addition, to provide quality services according to service standards, the Company offers regular training to educate employees and KTC Financial Sales Representative regarding to product details and rules related to product offering. The Company also outlines employees' regulatory compliance in case service is provided incorrectly or does not meet the standards set by the Company which is part of conducting business with responsibility in order to provide customers with timely information where they can decide on choosing a product that meets their needs.

## Financial Products and Services

### 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 collaborated with business partners, such as language schools, in order to offer education loan products to applicants. The loan with appropriate interest rates and fees plus installments option eases the burden of customers. The Company's business operations are not exposed to

increased risks, even though the interest rates of the products provided are lower than that of regulated personal loans. KTC expects to increase the number of customers obtaining education loans. 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.

## Occupational Loan

The Company provides occupational loans to timber traders who are trading partners of Vanachai Panel Industries Co., Ltd. The purpose of the project is to enable Vanachai's trading partners, who are timber traders located in the provinces

Vanachai is located in or in nearby provinces, to gain access to funding sources and increase their career opportunities. In any event, the Company is studying the possibility of expanding the project to other customer groups.

## KTC P BERM Loans



### Consist of

- ✓ P BERM Car Title Loans
- ✓ P BERM Motorcycle Title Loans
- ✓ P BERM Cash Loans

In launching KTC P BERM loans, KTC responds to customer needs in accessing loan product and desires to solve or prevent 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. and its subsidiaries in various provinces (KTC Pico). 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. The outstanding projects in 2020 are as follows:



KTC P BERM collaborated with Lalamove Thailand Co., Ltd., a major logistic service provider in Thailand, to provide opportunities to self-employed motorcycle and vehicle drivers in the Lalamove Thailand network to receive financial benefits, i.e., “KTC P BERM” car title loans, motorcycle title loans and cash loans, by submitting driving information to apply for loan consideration instead of pay slips and financial documents. “KTC P BERM” loan applicants will be informed of the approval results and receive the funds within 2 hours, with credit limits of up to Baht 700,000 and fixed low interest rates, starting at 0.98% per month. In 2020, the Company approved loans for a total of 99 employees of Lalamove Thailand.



KTC P BERM collaborated with Food Passion Co., Ltd. to encourage Thai people to continue their lives in a period when the Thai economy is in crisis by presenting KTC P BERM car title loans and motorcycle title loans as an option for Thai people, who are not discouraged and desire to be a “Mootod Kodkha” franchise owner to properly access funding sources in a transparent and fair manner. These loans can be approved with the results known within 2 hours and funds available immediately. Documents are not complicated and pay slips or commercial registration is not required. Moreover, loan applicants can continue to use their vehicle in their lives without interruption.



KTC P BERM collaborated with Chaixi Bameekiao Co., Ltd. to set up a booth to present KTC P BERM car title loans and motorcycle title loans in the “Chaixi Trade Fair 2020” to support Thai people of all occupations who are not discouraged and require funding for operating a street food franchise business in the “Chaixi Bameekiao” chain or original franchise owners who require working capital or desire to expand branches to properly access funding sources in a transparent and fair manner. Focusing on convenience and speed and appealing to people who earn a living, these loans are superior, where pay slips are not required and loans can be approved with the results known and funds transferred within 2 hours. An important feature of these loans is the maximum credit limit of up to Baht 700,000, provided the applicant owns a car or motorcycle with registration in the applicants' name. This event interested many people.

## Merchant Acquiring Business

KTC organized campaigns with its franchise business partners, namely MezzoX Drip Café, Mootod Kodkho, Fresh Me, Ros Ded Krathumbaen Noodles, GorKorCor Fine Tea & Drinks, and Numaoy Raimaijon, in order to help support people who desire to start a franchise business to access funding sources to start a business with greater ease, with

0% franchise installment payment for up to 10 months from KTC credit cards or “KTC PROUD” cash cards with a low interest rate of 0.74% per month for up to 10 months. In addition, entrepreneurs will also receive 100 KTC Forever points for every Baht 10,000 per month of spending on franchise costs and/or raw material costs.

## Financial Literacy

KTC realizes the importance of sharing knowledge beneficial to communities, members, and the society to promote career development and generate income. In striving to develop the limitless potential of Thai youth, KTC provides educational opportunities to encourage learning to apply knowledge in various fields for shared growth in a sustainable manner.

103-2

## Organizing Seminars for Exchanging Financial Knowledge

### KTC FIT TALKS

Since 2017, KTC has organized FIT TALK events to provide knowledge to the mass media, employees, and individuals who are interested in understanding the dynamics of businesses and industries, as well as other areas of interest throughout the year. FIT TALK events have been organized continuously up to now with 2020 being the 4<sup>th</sup> year.





## "KTC FIT Talks 6: Deep Dive ... What Will Happen When TFRS9 Standards Come into Play?"

KTC invited Dr. Supamit Techamontrikul, a partner at the audit firm, Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd., as a guest speaker to promote correct knowledge and understanding of the Thai Financial Reporting Standards 9 (TFRS9), which came into force on 1 January 2020, and the response of Thai financial institutions and relevant changes, risks, and impacts. The event was live through Facebook Live at KTC SD Club Facebook page (In 2021, KTC SD Club changed to KTC Journey).



## Education for Self-Empowerment and Sustainable Growth Year 2

203-1



**Year 1 Setsatian School for the Deaf → Year 2 Thungmahamek School for the Deaf**

KTC believes that physical disabilities are not obstacles to learning, provided that appropriate development opportunities are provided. Accordingly, KTC participates in preparing students to be self-reliant from sufficiency agriculture, which is the root of subsistence for Thai people, with students learning through experience in actual practice and developing the knowledge to apply to building a career and generating income. KTC also enables students to know how to manage finances for a happy and sustainable life, as well as be able to pass on their knowledge to the society, by choosing a complete organic mushroom cultivation process to cook and build a career as a pilot project. The project begins from learning about the types of mushrooms, mushroom cultivation and mushroom processing, including packaging design, brand building, cost calculation, and financial planning. In 2019, KTC launched the "Education for Self-Empowerment and Sustainable Growth" project at Setsatian School for the Deaf as the first target group and continuously expanded the body of knowledge in 2020 as follows:



### Mushroom Farm at Thungmahamek School for the Deaf

Thungmahamek School for the Deaf is a special education school for students with hearing impairments. KTC provided a 14-week teaching course, with students of Setsatian School for the Deaf passing on the knowledge obtained from the "Education for Self-Empowerment and Sustainable Growth" project to fellow students at Thungmahamek School for the Deaf Grade 7 to 10. The Company provided financial support to account for expenses in creating a mushroom farm sized 12 times 6 meters and related equipment, where the accumulated expenses for the entire project totaled Baht 220,000. In doing so, the Company supported the students in learning agricultural theories and applying the theories in practice towards a career building and income generating. The Company also supported the students to learn financial planning, so the students can calculate their income and manage their expenses for a happier and sustainable life, as well as be able to share their knowledge with their families and communities. The details of the project can be summarized as follows:





1

Satisfaction Level of this project is **90%** and above.



2

Assessments of knowledge and understanding before and after the project showed **100%** pass results and scores showed a **100%** improvement on average after completion of the project.



3

The school was able to produce a total of **181 kilograms** from the mushroom farm.



Generate additional income totaling of Baht **12,130** from selling a total of **134 kilograms** of mushrooms.



Reduce expenses totaling of Baht **4,277** from using a total of **47 kilograms** of mushrooms as raw ingredients in preparing for lunch.

## Activities for “KTC PROUD” Cash Card Members

With the concept of sharing knowledge from generation to generation (Train the Trainer), KTC launched a professional experience enhancement course for its “KTC PROUD” cash card members to partake in field trips to learning areas, cultivate a complete range of organic mushrooms, visit mushroom farms for different types of mushrooms, and join mushroom processing workshops. The course involved a speaker team comprised of teachers and students at Setsatian School for the Deaf who have taken the “Train the Trainer” course and Ms. Thitirat Phuangphothong, who is an expert in mushroom cultivation and the owner of Phothong Mushroom Farm. The course also involved learning tips on cost calculation, financial planning and trendy distribution channels by speakers from KTC at Phothong Mushroom Farm, Nonthaburi.



The Company organized workshops on making puff pastries and chili paste for “KTC PROUD” cash card members, with a speaker team comprised of lecturers from UFM Baking & Cooking School. The workshop also involved learning tips on cost calculation, financial planning and trendy distribution channels by speakers from KTC at UFM Baking & Cooking School. A total of 19 people participated in each workshop.



**ชวนลัมนมา** เปิดสูตรขนมเปี๊ยะที่นำกินที่สุด 2 แบบ 2 สไลด์ พร้อมเสริมความรู้คู่ความอร่อย

**เปี๊ยะไส้ยี่ม สไลด์โมเดิร์น**

คอร์สเดียวได้ถึง **2 สูตร**  
เน้นฝึกทำขนมไส้ยี่มและไส้ผลไม้สด

คุ้มกว่านี้ไม่มีอีกแล้ว **199 บาท**

สำรองที่นั่ง โทร. 02 123 5420  
วันที่ 6-7 ตุลาคม 2563 เวลา 8:30 - 17:00 น.  
กิจกรรม : จัดเวิร์กช็อป 17 ตุลาคม เวลา 9:00 - 12:00 น.  
สถานที่ : UFM โรงเรียนสอนการประกอบอาหาร เลอเนรมิตกรุงเทพ  
เลขที่ 33/1 (BTS สถานีหมอพญาไท) (ฟรี 50 บาท)







In addition, the Company invited expert speakers, Mr.Tharit Sriarunotai-Executive Vice President, the National Credit Bureau (NCB), to provide knowledge on good credit building, financial planning to create good financial health, and debt management to “KTC PROUD” cash card members at UBC II Building, with a total of 26 participants.

## P BERM Wants to Share for People Earning a Living

In 2020, KTC P BERM organized knowledge sharing activities on KTC P BERM financial products to community leaders in 17 communities and agencies in the Wattana district. The Company plans to conduct joint activities with the Wattana District Office on a continuous basis.



## Online Financial Knowledge

KTC provided information on cash and spending management, as well as provided ideas for building a business on a continuous basis which can be widely accessible, helping and supporting people to plan their life properly and increase opportunities in managing their financial liquidity, through the Facebook Fanpage and website as follows:

### • KTC P BERM



### • KTC website (<https://www.ktc.co.th>)



### • KTC SD CLUB <sup>(1)</sup>



<sup>(1)</sup> In 2021, KTC SD Club changed to KTC Journey.

## Corporate Citizenship and Philanthropy

### Contribution to Society and Community during COVID-19

KTC handed over Baht 2 million donation to “COVID-19 Transmission Prevention and Aid” special fund, which was established by the Faculty of Medicine Ramathibodi and Ramathibodi Foundation in support of the purchase of special Continuous Renal Replacement Therapy machines (CRRT) specifically for COVID-19 patients. Besides extracorporeal membrane oxygenation and respirator devices, the CRRT is an important medical device necessary to prevent against and combat the spread of the COVID-19 that is rapidly spreading. The event was presided over by Piyamitr Sritara, M.D, FRCP, FACP (Right), Professor of Medicine, Dean, President, The Executive Committee of Ramathibodi Foundation, and Dr. Pairoj Boonkongchuen (Left), Director of Ramathibodi Chakri Naruebodindra Hospital, at Office of the Dean, Administrative Building, Ramathibodi Hospital.

Moreover, KTC provided opportunities to KTC credit card members nationwide to donate into the Faculty of Medicine Ramathibodi Hospital’s “COVID-19 Transmission Prevention and Aid” special fund by redeeming every 1,000 KTC FOREVER points for Baht 100 donation money via three channels: KTC Phone 0-2123-5000 and press 0 (zero), “KTC Mobile” application, or on [www.ktc.co.th/online](http://www.ktc.co.th/online) from March 26, 2020 onwards. KTC will help support Baht 50 on top of every donation valued at Baht 100. These donations may also be used for tax deduction purposes. Even though the donation for the COVID-19 project is closed, members can still continue to donate to the Ramathibodi Foundation.



KTC handed over 10,777 Isolation Gowns or single-use gowns made from plastic and waterproof spunbond fabric with a grand total value of Baht 555,302 to Dr. Pairoj Boonkongchuen, Director of Ramathibodi Chakri Naruebodindra Hospital, to pass over to medical personnel for use to prevent infection from COVID-19 patients and reduce contamination while working at Ramathibodi Chakri Naruebodindra Hospital.

KTC handed over Happy Bags containing consumer products necessary for living including rice, water, milk, chilli paste, instant noodles, vegetable oil, canned food, miscellaneous goods, and sanitary masks, which have been collected from a joint effort between KTC’s executives and employees, to alleviate the living conditions of people living in 17 local Wattana communities that have been affected by the spread of the COVID-19. The event was presided by Mr. Suchai Sakulrungruangchai (center to the left), Director of Wattana District, along with the board of directors of the Wattana District at Wattana District Office.



## Love & Share Activities

KTC organized Love & Share project for the 8<sup>th</sup> consecutive year. In 2020, KTC handed over Baht 420,000 in money donations from the charity annual awards ceremony event, with the cooperation and donation from KTC financial Sales Representative, from the Outsource Sales & Telesales team, and philanthropists as part of the “Love & Share, The Magic of Love and Sharing” project donations in support of medical tools and equipment procurement at Banphaeo Hospital. The event was presided by Dr. Pornthep Pongtawigorn (center to the right), M.D., Director of Banphaeo General Hospital. The donations were to be used to maximize patient care. The event took place at Banphaeo General Hospital Foundation, Samut Sakhon province.



# Anti-Corruption and Bribery



103-3

Long-Term Target 2022	Target 2020	Performance 2020
100% of total employees have studied and been assessed on good governance, anti-corruption, and code of conduct.	100% of total employees have studied and been assessed on good governance, anti-corruption, and code of conduct.	100% of total employees have studied and been assessed on good governance, anti-corruption, and code of conduct.

103-1



**The Company renewed its membership with the Private Sector Collective Action Coalition against Corruption (CAC) Project on 21 May 2019.**

The Company places great importance on conducting business with integrity, responsibility and fair treatment to all stakeholders. The Company also follow good corporate governance principles and code of conduct in order to be transparent and corruption free. The Board of Directors approves the Anti-Corruption Policy, which forms part of the Company's Corporate Governance Policy, including various anti-corruption measures with an objective to refrain directors, executives and employees from engaging or accepting any forms of corruption for benefits of their own,

friends, or acquaintances. The Anti-Corruption Policy specifies roles, guidelines and penalties in the event of corruption, along with processes and channels for whistle blowing or complaints, to ensure that executives and employees at all levels can perform their tasks accurately and appropriately.

(For more information about Definition of Corruption, please refer to "Corporate Governance Policy" on KTC website)



## The Anti-Corruption Policy

The Anti-Corruption Policy is a part of the Corporate Governance Policy where KTC prohibits giving or receiving bribes, as well as refraining from political support. The disbursement for donation or other forms of support must provide supporting documents as an evidence of disbursement.

### Operational Guidelines

The Company's operational guidelines are as follows.



1. Review the Anti-Corruption Policy, which forms part of the Company's Corporate Governance Policy, during the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee's Meeting No. 11/2020 and the Board of Directors' Meeting No. 1/2021. In order to ensure that the Board of Directors and executives realize the importance of anti-corruption and nurture such idea until it becomes the corporate culture. The Company disseminates the Anti-Corruption Policy to customers, business partners, and Company employees through publication on Company's website ([www.ktc.co.th](http://www.ktc.co.th)), intranet, as well as various internal learning materials.
2. Require all departments to perform the risk control self-assessment (RCSA) on an annual basis. Each department selects its process or procedure that considered as Core Business and then evaluates probabilities and impact of risks in business operations to determine the risk level. Afterwards, existing control measures are reviewed to evaluate whether their appropriateness i.e., whether the measure should be improved to reduce the risk to an acceptable level. The RCSA report covers the corruption risk and its results which are presented to the Risk Management Committee (RMC) and submitted to Krungthai Bank on an annual basis. In 2020, the annual RCSA results revealed that, for every process and procedure that expose to the corruption risk, 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 or business operations, the Chief Executive Officer and executives have jointly considered and defined the anti-corruption practice guidelines in accordance with anti-corruption measures, such as criteria consideration, including acceptable values for giving and receiving gifts, gratuities, or other benefits, as well as refraining from giving support to political parties.
4. The Company establishes standard operating procedures, along with various guidelines in compliance with the self-assessment regarding the anti-corruption measures of the CAC, and the RCSA, which will act as guidelines for executives and employees to adhere to in practice 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 concern about the Company's interests above all else.
  - Establish anti-corruption practice guidelines in anti-corruption measures which consist of guidelines related to prohibition of bribery, guidelines and acceptable values for giving and receiving gifts, rewards, or other benefits, guidelines related to entertainment, guidelines related to political support, and guidelines related to donation and charity.
  - The Company encourages all departments to comply with the Anti-Money Laundering (AML) law enforced by the Anti-Money Laundering Office and by each of Card Brands in order to support the anti-corruption in the government sectors.
  - The Company sets operating manuals regarding to expense reimbursement, document filing, and business record keeping to ensure accuracy, ready to be audited, and in accordance with accounting standards.

## Cooperation with stakeholders against corruption and bribery

- Provide learning tools to the Board of Directors, executives and employees to gain knowledge and understanding of the Company's policies and its related regulations, such as the arrangement of Multi-Animation, the assignment of topics related to the Corporate Governance Policy and the Code of Conduct as well as the anti-corruption measures to be part of the orientation session for newcomers. There will be a review of such topics through trainings conducted via e-Learning and annual examinations. Meanwhile, new directors and new employees are required to acknowledge and accept such policies on the day of signing the employment contract. In 2020, 100% of all employees had studied and been assessed on good governance, anti-corruption, and code of conduct.
- Send a letter requesting for cooperation from the Company's business partners or business alliances to be a member of the CAC project, including create a business partner's evaluation form, where the Company's business partners or its business representatives must not support any forms of corruption and cooperate with the Company's anti-corruption endeavors, together with both the government and private sectors. A service contract between the Company and its business partners or business representatives shall specified in detail that business cooperation must be conducted with integrity, transparency, and auditable in compliance with good corporate governance principles, and abide by laws related to anti-bribery and anti-corruption.

## Whistle blowing and Filing a Complaint

205-3

KTC provides channels for whistleblowers to submit information or complaints (Whistle Blowing), protective measures to whistleblowers' rights, and whistleblowing dealing procedures. The Board of Directors assigns the Compliance Department to act as the central unit for providing consultations in the event of anyone has concerns or require advice related to providing information or complaints concerning corruption. Employees and stakeholders can notify information or complaints via channels as specified in the corporate governance policy and anti-corruption measures. In doing so, the name and surname must be provided, details of complaints or information must be true, clear, and sufficient to be investigated for further actions.

Through reviewing process, the Compliance Department will undertake its duties in collecting and monitoring information or complaints. The Compliance Department, along with relevant personnel or committees will review complaints based on the corporate governance policy and related anti-corruption measures to yield disciplinary results according to the Human Resource Management Policy. In case of complaints against the directors, the complaint will be reported to the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee for consideration. Furthermore, the Company also provides examples of complaints regarding the corruption such as

using authority improperly for the benefit of their own, friends, or acquaintances, or finding the destruction of documents and evidence for the purpose of distorting or hiding information in order to support corruption. However, complaints concerning personal problems or personal conflicts, or anonymous complaints are not regarded as corruption complaints.

To monitor and evaluate the implementation of the Anti-Corruption Policy and its measures, the Company appoints the Internal Audit Department which acts independently to audit and assess the efficiency and adequacy of internal control system, risk management system, and corporate governance of the Company's operations in all departments. An annual operational plan is created based on level and risk factors. The Audit, Environmental, Social Responsibilities, and Corporate Governance Committee is responsible for reviewing financial and accounting reporting system, internal control system, internal audit system, and risk management system to ensure that these systems meet the international standards and are concise, suitable, up-to-date, and effective. The the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee's operating performance is reported to the Board of Directors on a yearly basis.



**According to the audit results by the Internal Audit Department, it does not appear that there are any departments that do not comply with the Anti-Corruption Policy.**

**The Company does not receive any complaints via the whistle blowing channels or non-compliance with Code of Conduct, or working performance that does not comply with manual/working procedures.**

## Channels to File Reports of Corruption

**Customers and the general public** can submit complaints or comments to the Company via the following channels



### Telephone

- Customer Service Center:  
02 123 5000, 24 Hours a Day
- Complaints Hotline: 02 123 5000



**E-mail:** CService@ktc.co.th



**Fax:** 02 123 5190



### Postal Letter

Krungthai Card Public Company Limited,  
591 United Business Center II Building,  
14<sup>th</sup> Floor, Sukhumvit 33 Road,  
North Klongton, Wattana, Bangkok 10110



**Website:** <https://www.ktc.co.th>  
select Contact Form

**Employees** can submit their complaints and comments directly to the Board of Directors and executives via E-mail. The Company keeps complaints and comments confidential and refrains from disclosing names or personal information of those who made the complaint, or those who cooperate in the investigation. Nor will the Company demote, punish or other measures having negative impact imposed on the employees who have refused to be involved in corruption, although such refusal would cost the Company business opportunity. The Company also provides fairness to the individuals accused in such matters.



## Disciplinary Actions

- The Company requires employees at all levels to sign an agreement to comply with the Corporate Governance Policy, including the Anti-Corruption Policy, the Company's Code of Conduct, and anti-corruption measures to demonstrate a commitment to embrace good governance practices as operating guidelines. Thus, it is like a discipline that everyone must strictly follow.
- The Company establishes disciplinary procedures for the Board of 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 punished by law in case of illegal activities.

# Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CFT & WMD)

## Policy and Measures

As the Company is committed to preventing any individual from using the Company as a channel for money laundering, terrorist financing, and proliferation of weapon of mass destruction financing, the policy and measures are established, and approved by the Board of Directors, in order to ensure that the Company's business operations are undertaken in accordance with the law and regulations of the relevant government agencies. The policy comprises of:

- **Know Your Customer Due Diligence (KYC/CDD):** Before building customer relationships or conducting transactions, the Company requires customers to identify themselves by providing information and evidence required by the law. In order to assess the risk of money laundering, customer verification, both face-to-face and non-face-to-face, is undertaken. In the case of high-risk customers, approval from the Company's senior management or authorized persons is required, alongside intensive customer verification and regular review of customer information.
- **Sanction List Screening:** Before building customer relationships or conducting transactions, the Company screens customers against Thailand & US Sanction Lists.
- **Politically Exposed Persons (PEPs):** The Company regards politically exposed persons (PEPs) as having a high risk of money laundering. In building customer relationships with PEPs, intensive customer verification and regular review of customer information is required, alongside approval from the Company's senior management.
- **Customer Account Activity Monitoring:** The Company requires monitoring and review of customer account activity until the customer relationship is terminated in order to evaluate whether the customer conducts transactions consistent with his or her occupation and the source of income notified to the Company.
- **Reporting:** The Company has in place a reporting process for transactions, namely cash-related transactions and suspicious transactions.
- **Record Keeping:** The Company requires the relevant data to be stored for 10 years from the date of account closure or termination of the customer relationship.
- **Training and Communication:** The Company organizes AML/CFT&WMD trainings in both classroom and e-Learning format for its employees, including assessments to evaluate employee knowledge and understanding.
- **Internal Audit and Compliance:** The Company has an Internal Audit and Compliance Department, including Krungthai Bank, in its capacity as the Company's parent Company, to regularly evaluate the implementation of AML/CFT&WMD policy.

(Please refer to "<https://www.ktc.co.th/en/sustainability-development/supervision>")

# Human Capital Development



103-3

Long-Term Target 2022	Target 2020	Performance 2020
The level of employee engagement with the organization equals to 82%	The level of employee engagement with the organization equals to 79%	The level of employee engagement with the organization equals to 72%

103-1

The Company recognizes that human capital is a valuable resource in driving 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 rapid changes and the Company has allocated 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 equipped 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 reward employees for putting their physical and mental endeavor into driving the business and delivering good results to the Company continuously.

## Human Resource Management

### Employee Recruitment and Hiring

103-2

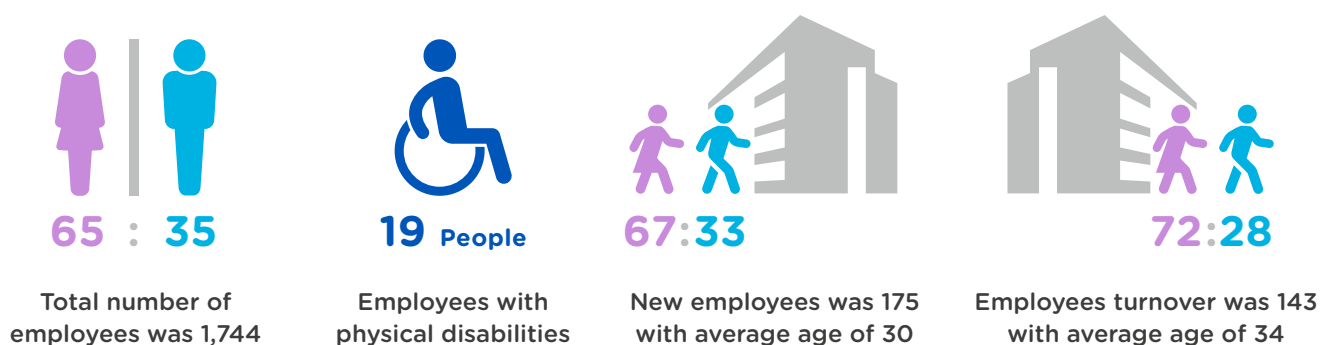
The Company focuses on efficiency and maximizing value in human resource planning and management of human capital. The Company prioritizes internal employees to fulfill jobs and will only consider external personnel for the jobs that require specific skill sets that cannot be provided by current employees, by taking into consideration their qualifications, potential in response to department needs, and considers compensation that align with industry standards. The Company utilizes various communication channels to recruit diverse and suitable employees for the organization. In 2020, vacant positions recruited internally was 7.33%

### Promoting Diversity and Equal Labor Practices

401-1, 405-1

The Company conducts itself accordingly to human rights towards employees and applicants with equality, fairness, impartiality and respects diversity according to the guideline set in the Code of Conduct, regardless of education, nationality, race, color, religion, sex or gender and physical disability by evaluating employees based on their knowledge, ability and suitability. In addition, the Company looks after employees with physical disabilities by adjusting their roles and responsibilities according to their performance and ability to perform tasks to minimize the impact on their health. These principles are applied in all departments and sectors of the Company in addition to complying with the labor law standards, including against the use of child labor and illegal foreign workers.

In the year 2020, details of employees' composition are as follows;



**(Remark:** employee turnover does not include retired employees, early retired employees, deceased employees, employees who did not pass the employment criteria, or terminated employees)

The Company hires employees with physical disabilities to work in the Company and in accordance with Empowerment of Persons with Disabilities Act, B.E. 2550 that was enacted to protect the welfare of employees with physical disabilities or health disorders in which the Act outlines for governmental 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.

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 the labor law.

Moreover, the Company provides consultation and coordination among employees and the outsourcing companies in case employees have inquiries.

The Company has consecutively organized the KTC LEARN & EARN project for more than 17 years with the purpose of supporting and developing the skills of youths in Thai society 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 extra income for themselves and family alongside developing their skills to be constructive in the workplace and their quality of life.

201-3

## Compensation and Welfare Management

The Company follows the compensation-based policy framework that focuses on providing fair compensation to employees which is in line with their experience, and performance and competitiveness within the labor market. The Human Resources Department is responsible to enact and review compensation and welfare. The department collaborates with well-respected human resources consulting firms to conduct annual reviews on compensation to be in line with industry standards and to use the obtained information for consideration to improve compensation and welfare appropriately. In addition, the Company sets a policy to encourage employees who possess potential to grow in their position advancement and provides opportunities for employees to transfer jobs according to their expertise and interests. Furthermore, the Company provides retirement

welfare programs in accordance with the labor law to employees (Please see additional details under the "Notes to Financial Statements") such as social security fund, the Employee Choice provident fund (by which employees can select investment policies that are in line with their expected return upon their retirement with acceptable risk level. Employees can also switch their investment policies during their tenure), etc. The Company has established a welfare committee in a workplace where some employees act as representatives to voice their concerns or suggest new policies that provide benefits to all employees. This allows employees to obtain benefits and better welfare which leading to strong employee engagement with high motivation to provide good services to customers.

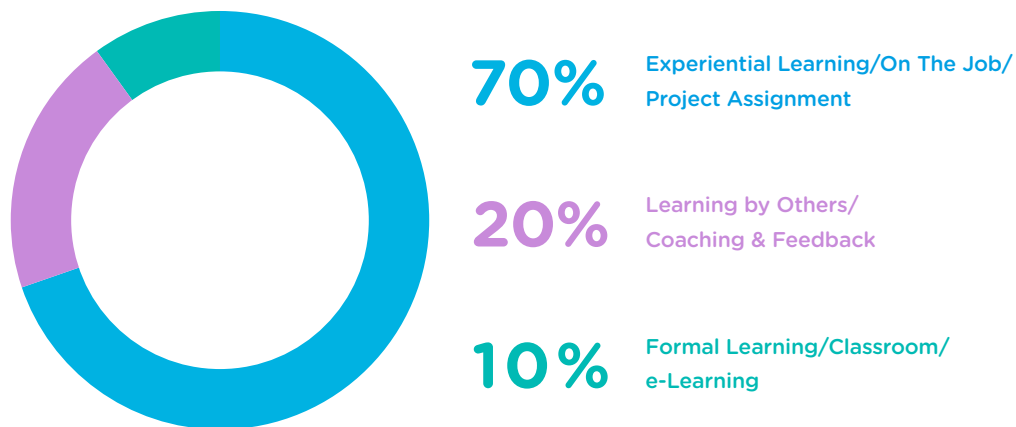
## Performance Evaluation

The Company has set clear performance evaluation models for all employees since the beginning of the year by using Key Performance Indicators (“KPI”) model in consistent with the Balance Scorecard assessment in terms of finance, customers, internal processes, employee’s performance appraisal to determine salary and bonuses including clear promotion criteria, and a regular follow up on the implementation of a defined action plan. In 2020, the Company has adopted a 360-degree Core Value, and Core Competencies as part of the evaluation models.

## Human Resource Development

404-2

The Company has laid out human resources development guidelines for employees at all levels to possess knowledge, ability and competencies development that are consistent with their responsibilities and enable them to accomplish their works according to objectives and specified standards. The Company determines to create a learning culture where employees are encouraged to set goals and career path by setting individual career planning and development plan with their supervisor. The Company also opens opportunity to employees to select learning methods that suits them under the Blended Learning 70:20:10 framework as follows:



In 2020, the Company sent employees to attend training seminars to enhance their knowledge and skills with leading institutions. Moreover, the Company has hosted projects and learning activities to promote knowledge at an organization level (Knowledge Management). The Company also supports the knowledge sharing and learning within the organization through Knowledge Sharing, Coaching, and Community of Practice (COP) by leveraging various electronic channels.



**Table: Human Resource Development**

404-1

Description	Units	2020	2019	2018	2017
Average Training Hours	Hours/Persons	45.59	39.23	21.67	30.34
Average Number of Employees	Persons	1,824	1,854	1,845	1,869
Total Training Hours	Hours	83,151	72,732	39,980	56,709
Number of Employees Trained	Persons	18,193	13,818	5,197	5,951
<b>Classified by Gender</b>					
Male	Persons	6,008	4,503	1,711	1,673
Female	Persons	12,185	9,315	3,486	4,278
<b>Classified by Level</b>					
Senior Management Level	Persons	199	179	74	65
Management Level	Persons	3,766	2,425	1,435	1,049
General Employees	Persons	12,724	9,469	2,602	3,454
Contractors	Persons	1,445	1,504	943	1,298
LEARN & EARN Employees	Persons	59	241	143	85

**Remark:** The average training hours per employee increased from 39.23 hours in 2019 to 45.59 hours in 2020 because the Company gathered knowledge from experts in various departments into the KTC Learning Catalog where employees can easily participate in the training and sharing sessions.

## Competency Development and Promotion of Employees Career Advancement

KTC has a goal to promote knowledge and develop employees' competencies continuously by preparing the Annual Learning & Development Master Plan. The outstanding projects in 2020 are as follows;

### Career Aspiration

KTC promotes learning through individual development plan setting, coaching feedback from supervisors, and career conversation session which is considered as learning from supervisors. The Company also communicates about the training plan or the learning catalog to employees thoroughly. The Company educates and provides employees with career aspiration planning for their personal growth path and plan for competency development to achieve their goals and define required competency for each position. The Company manages work according to job description, business plan, or corporate business strategy so that employees can plan their career advancement and know their talents better which potentially built into their strengths, personalities, behaviors expressed according to the DISC model. This learning model enables employees to know their self-improvement gap to reach their target effectively. In 2020, there were 711 employees participated in this training which accounted for 40% of total number of employees.

### KTC Learning Culture

The Company set goals in organizing training or implementing competency development programs, creating and promoting KTC learning culture through micro learning and functional learning with appropriate learning channels to reskill, upskill, and add new skill for employees by increasing interest and fun through learning passport and KTC Learning catalog which are knowledge libraries from KTC various departments providing knowledge for interested employees to learn in many learning formats. Moreover, there is also an e-Learning platform that focuses on managerial skills which can be learned anywhere anytime. This learning catalog is divided into 10 categories.

	<b>Business Acumen:</b> KTC's Business Operations		<b>Mindset:</b> Building and Adjusting Attitude
	<b>Leadership &amp; Management:</b> Leadership Skills		<b>Process Development:</b> Procedures and Work Processes
	<b>Regulation &amp; Policy:</b> Knowledge of Regulations and Policies		<b>KTC Functional:</b> Specific Knowledge
	<b>Communication:</b> Communication Skills in Different Styles and Situations		<b>Online Course:</b> Online Learning, Emphasizing Courses that are Important and Essential for All Employees
	<b>Service Excellence:</b> Service to Create the Best Impression		<b>Micro Learning:</b> Learning through Clips Focused on Managerial and Leadership Skills

## KTC Internal Coach

The Company creates coaching culture in the organization in order to bring coaching as a part and another option for human resources development in terms of knowledge, skill, and mindset. Coaching focuses on empowering personnel to develop themselves through exploiting their highest potential in conjunction with other development methods such as teaching, training, consulting, and appropriate situational counseling. In 2020, there were 21 management level employees participated in the training.

## Knowledge and Understanding Enhancement



// ความห่วงใยจาก CEO  
ส่งตรงถึงพนักงาน //

**CEO LIVE TALK #5**

พบกับ 16 พ.ย. 63  
เริ่ม 9.00 น. เป็นต้นไป

สามารถเข้าร่วม  
CEO LIVE TALK  
ได้ตั้งแต่วันที่ 8.40 น. น.ค.

เข้าร่วม CEO LIVE TALK คลิก

CEO concerns about employees and wants to send his care directly and thoroughly through clear communication. Besides organizing a monthly Town Hall meeting with middle management, **CEO LIVE TALK** is also provided to allow employees at all levels to directly communicate and inquire with the Chief Executive Officer on various issues via the Microsoft Team on a monthly basis.



KTC organized the KTC Sit & Talk activity, “How to Invest and Make Money Grow in the Current Situation” for its employees, where Ms. Athichit Manuchai (front row, 5th from left), Director of Banking Network Business, Krungthai Asset Management Public Company Limited, attended to provide knowledge on investment techniques from the impact of the COVID-19 situation.

The Company enhances knowledge and understanding in topic “Interesting Law” to create knowledge and understanding for employees to be able to perform work in accordance with the law, which is also beneficial to their lifestyle through the organization’s intranet.



## Knowledge and Understanding Courses Evaluation for the year 2020;

205-2

- “Corporate Governance Self-Assessment” covers topics about anti-corruption, good governance, code of conduct, including social and environmental implications.

Indicators	Results	% Participants
Comprehension 100% of total employees	100%	100%

- “Anti-Money Laundering Act and Anti-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act” via e-Learning channels for executives and employees.

Indicators	Results	% Participants
Employees who must be trained in accordance with regulations scored at least 70%	100%	100%
General employees who were trained scored at least 85%	100%	100%

- “Risk Awareness” covers content of risk definitions, risk management processes, operational risks, business continuity management and communication through communication tree, which include knowledge of sustainable business practices and sustainability risks for employees to apply in their works beneficially.

Indicators	Results	% Participants
Number of employees who scored at least 85% is equal to 85% of total attendees	99.97%	100%

- “ISO 27001:2013” the Information Security Management System and “ISO 27701:2019” the Privacy Information Management System enable employees to have the knowledge and capability to work in accordance with information security standards.

Indicators	Results	% Participants
100% of total employees	100%	100%

## Employee Satisfaction and Employee Engagement Surveys

The Company places significance in fostering employee engagement by conducting employee engagement surveys once a year. Employees were invited to express their opinions via a third party's survey channel which satisfaction level were divided into 6 levels. This gives employees the peace of mind in providing information since it does not show individual survey results. At the same time, the Company can analyze and communicate the satisfaction and engagement survey results to employees throughout the organization to acknowledge, improve, develop, and manage various factors

that enable employees to live a good life and the Company to be a happy workplace. This is not only to retaining personnel who are talented, adequate, to be proud and want to work with the organization but it is also creating a strong organizational image (Employer Branding) and attracting people to come work with KTC (Employer of Choice).

In 2020, the Company has organized activities to improve satisfaction level and employee engagement towards the organization as follows:





### The Level of Employee Engagement

In 2020, number of employees attended employee engagement surveys were 100% of total employees. The Employee Engagement Survey 2020 results did not meet the target. However, it is the same trend around the world where employee engagement scores declined from previous year. This is mainly due to COVID-19 situation that affected employees' perception toward this pandemic. There have been many changes that cause stress and concern for employees regarding to their safety and job security (Psychological Safety).

In order to enhance satisfaction and engagement level, the Company still emphasizes on communication and listens to employees via the CEO LIVE TALK as a channel for providing information and answering questions on employees working guidelines, including technology support for employees who work outside the office. Necessary communication tools are provided so that employees can work smoothly to cope with the COVID-19 situation. Furthermore, a satisfaction and engagement in-depth results analysis is conducted to formulate an organizational activity plan. Surveys' score results are reported to executives and People Champion (the department's representatives who organize engagement activities) to acknowledge things we are doing well and recommend additional things we can do better. Each department has prepared a sub-plan and a follow up is conducted throughout the year to promote higher employee satisfaction and engagement level.

## Succession Planning

The Company initiates the Succession Planning program to outline and search for personnel who possess adequate qualifications with knowledge and capacity that match the Company's operational direction for a sustainable growth in the future. The person who will replace or hold a senior executive position is called Key Position. Another position highly impact the organization's operation, there must be someone holding this position all the time in order to prevent business interruption, called Critical Position. The procedures and selection processes needed to be systematically laid out with proper principles and well agreed upon so that successors will be ready to carry on the Company's mission. It is also regarded as good management practice to protect all stakeholders, business partners, and customers' interests.

(For more information about human resource performance, please refer to "Additional Explanation" and "Sustainability Performance" topics)



# Occupational Health and Safety



103-3

Long-Term Target 2022	Target 2020	Performance 2020
The absentee rate being 0.1 %.	The absentee rate being 0.1 %.	The absentee rate was 0 %.

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

## Maintaining and Managing Occupational Health and Safety

The Company places importance on the occupational health and safety of employees by providing a work environment and welfare measures to its employees and their families in accordance with the law as follows:

- Establishing and complying with occupational health and safety practices in an appropriate work environment in accordance with applicable standards and laws
- Preparing a ready-for-use work environment by considering various standards, such as controlling brightness and setting the appropriate temperature
- Regularly inspecting and monitoring the cleanliness of the work area in each department
- Supporting exercise, stress management and ergonomics\*

**Remark :** \* Ergonomics refers to the scientific discipline or study of the change in working conditions suitable to workers or the systematic improvement of working conditions in order to perform work accurately and quickly, reduce errors in work performance, improve safety, and reduce stress and fatigue from work.

Badminton

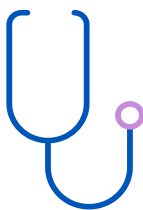


Football



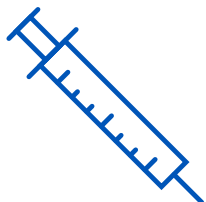


- Providing annual health check-ups to employees, including providing inpatient and outpatient medical benefits to employees at leading hospitals. These benefits are also provided to employees' families in which they can voluntarily opt into, with the Company paying 50% of health insurance premiums of employees' families.



In **2020**, there were a total of **1,354** employees who underwent the health check-up from **1,701** employees entitled to the health check-up, representing **79.60%**.

- Providing vaccination against numerous diseases for employees and their families at a special price, such as the influenza and Hepatitis B vaccines



In **2020**, there were a total of **610** employees who received vaccinations.

- Providing wages during employees' maternity leave for 60 days, which is more than the period of 45 days prescribed by law.
- Look after sick employees, monitor, follow up, and record information about their illness. When employees are sick, germs may spread in the working areas so the Company cleans the air ducts to make the air conditioning system flows better. The Company also uses air purifiers in the workplace to alleviate the spread of diseases as well as providing care for injured employees until they can return to work normally.
- Preparing first aid rooms and basic medical supplies. The Company also makes available nurses in the first aid rooms to provide standard health consultations to employees in accordance with the appropriate standards.

## Promotion of Knowledge

KTC continuously organizes occupational health and safety training courses in order to raise awareness and enable employees to be equipped to cope with risks at work. In 2020, given the COVID-19 pandemic, education and care in occupational health and safety became even more important. Accordingly, the Company provides knowledge through internal E-mail on "Good to Know" topics in order to reach employees thoroughly and quickly, enable employees to have correct understanding in taking care of their physical and mental health, reduce anxiety and serve as a guideline to reduce the chance of illness or the risk of COVID-19, continuously creating correct values and corporate culture in terms of health and workplace safety.

It's not good to wear a mask like this.

What is the correct method to dispose face masks?

5 techniques for creating balance in work



## Taking Care of Employees during the COVID-19 Pandemic

The Company announced measures to prevent and reduce the spread of the COVID-19 pandemic, which includes work from home measures and the use of leave during the COVID-19 pandemic. The Company also takes care of employees during the COVID-19 pandemic as detailed under the “COVID-19 Crisis Management.” topic of this report.

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

## Rate of Work-related Injuries and High-consequence Accidents

403-9

2017 - 2020



Total number of working hours

2017  
3,398,432  
hours

2018  
3,455,480  
hours

2019  
3,470,656  
hours

2020  
3,390,336  
hours

- Rate of work-related injuries
- Rate of high-consequence work-related injuries
- Rate of fatalities as a result of work-related injuries
- Rate of high-consequence accidents

= 0 Incidents per working hours

2017 - 2020



Absenteeism  
rate

0 %

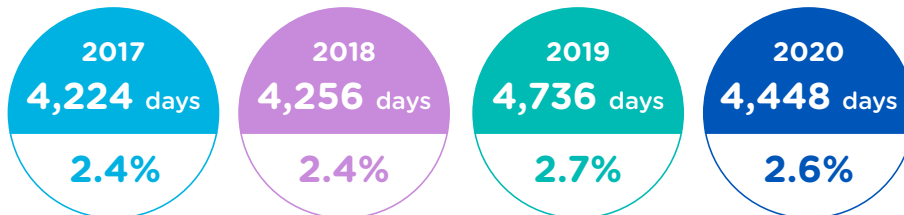


Total number of absenteeism as  
a result of work-related injuries

0 day



Number of Sick Leaves Taken  
& Rate of Sick Leaves Taken



Remark: Base on information of 100% of employees, consisting of Full-Time Employees and Contractors

(Please refer to additional details under “Sustainability Performance” topic)

# Collaboration with Partners for Sustainability



103-3

Long-Term Target 2022	Target 2020	Performance 2020
Collaborating in 3 projects with government or private agencies.	Collaborating in 3 projects with government or private agencies.	Collaborating in 5 projects with government or private agencies.

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 2020, the Company collaborated with the following partners in both government and private sectors as follows:

103-2, 203-2

## Siam Cement Group Public Company Limited (SCG)

### KTC-SCG VISA Purchasing



KTC has collaborated with SCG for 4 consecutive years 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 business further for building contracts. These seminars have received positive feedback from SCG and authorized SCG dealers. KTC intends to continue organizing these seminars in 2021.

บัตรเครดิต  
**KTC-SCG VISA PURCHASING**

**สมัครง่าย อนุมัติไว**  
ให้ทุกการใช้จ่าย เป็นเรื่องง่ายสำหรับคุณ

- ✓ สมัครง่าย ไม่ต้องใช้อุปกรณ์ผูก
- ✓ บัตรประเภทเงินฝาก
- ✓ ยอดคงเหลือเงินฝากสูงสุด 45 วัน
- ✓ อนุมัติไว อนุมัติภายใน 1 ชั่วโมง
- ✓ ไม่เป็นภาระหนี้รายปีตลอดชีพ
- ✓ สะดวก จ่ายชำระได้ทุกที่ผ่าน KTC QR Pay
- ✓ วงเงินสูงสุด 1,000,000 บาท
- ✓ เสียค่าธรรมเนียมได้สูงสุด 10 เดือน ดอกเบี้ย 0.80%
- ✓ ตรวจสอบยอดใช้จ่ายผ่านแอปพลิเคชันได้ทันที

**คุณสมบัติพิเศษบัตร**

- สามารถสมัครได้โดยไม่ต้องยื่นหลักฐานทางการเงิน
- วงเงิน 500,000 บาท ไม่เกินกว่า 12 เดือน
- ค่าธรรมเนียม 20 บาท/ปี
- กรณีผิดนัดชำระหนี้จะส่งผลกระทบต่อเครดิตบูโร

(SMFMA 001)

แจ้งเตือนทุกการใช้จ่าย  
เช็คคะแนนได้ทันที

KTC KTC Mobile KTC Card KTC Privilege

KTC PHONE 02 123 5000 KTC Real Privileges @KTC\_Card KTCcard KTCPrivilege www.ktc.co.th





In 2020, 147 authorized SCG dealers throughout Thailand participated in the KTC-SCG Visa Purchasing Project. 871 building contractors are approved for credit cards. Credit limit is over Baht 193 million.



## Q-Chang

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. The project assists 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 for 2 consecutive years. KTC launched a campaign from July to December 2020, encouraging credit card members to install residential solar rooftops under the brand “GROOF” in exchange for certain privileges. Such privileges include paying 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.

## Smart Energy Technology Company Limited

KTC jointly with Smart Energy Technology Company Limited launched a campaign during September - December 2020 to give privileges to KTC cardholders to install solar cells with a 24-month installation at 0% interest as a support to clean energy production for society.



## Bank for Agriculture and Agricultural Cooperatives (BAAC)

KTC partnered with the Bank for Agriculture and Agricultural Cooperatives (“BAAC”) to jointly organize “QR Code and e-Commerce Merchant Service Project” in order to increase the channels for payment via credit card / e-Wallet (Alipay) in the form of KTC QR Pay. Ultimately, the project promotes grassroots businesses and strengthens the community through the creation of market opportunities for entrepreneurs in the agricultural sector and community enterprise products, including the shops of the participants of the New Gen Hug Hometown Project, where such project aims to provide support to youth interested in starting a business in their hometown, which will further develop agricultural occupations in each locality. The signing ceremony of the business cooperation agreement took place on 2 October 2020, where e-Wallet (Alipay) acceptance is available from 1 November 2020 onwards.



## The Court of Justice and the Legal Execution Department

KTC joins hands with the Court of Justice in organizing “The Mediation of Disputes for Negotiation with Debtors Fair” 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.

In 2020, the Company organized “The Mediation of Disputes for Execution Fair” which is classified into 2 types for a total of 28 times as follows:

### 1. The 2020 Mediation of Disputes for Execution Fair, a total of 2 times.

Total of 2,971 debtors participated and could mediate for cash back. As a result, the NPL amount decreased by Baht 359,365,356.23 and the success rate was 96.28%.



### 2. The 2020 Extra Mediation of Disputes for Execution Fair (the Legal Execution Department sent invitation letters), a total of 26 times.

Total of 1,331 debtors participated and could mediate for cash back. As a result, the NPL amount decreased by Baht 127,390,217.22 and the success rate was 92.49%.





# ENVIRONMENTAL DIMENSION



# Environmental and Climate Change Management

103-3



Long-Term Target 2022	Target 2020	Performance 2020
To reduce electric energy consumption by 6%.	To reduce electric energy consumption by 2%.	To reduce electric energy consumption by 7.4%.

**Remark:** Energy cutback from the Company's electricity uses of compared with the base year of 2018.

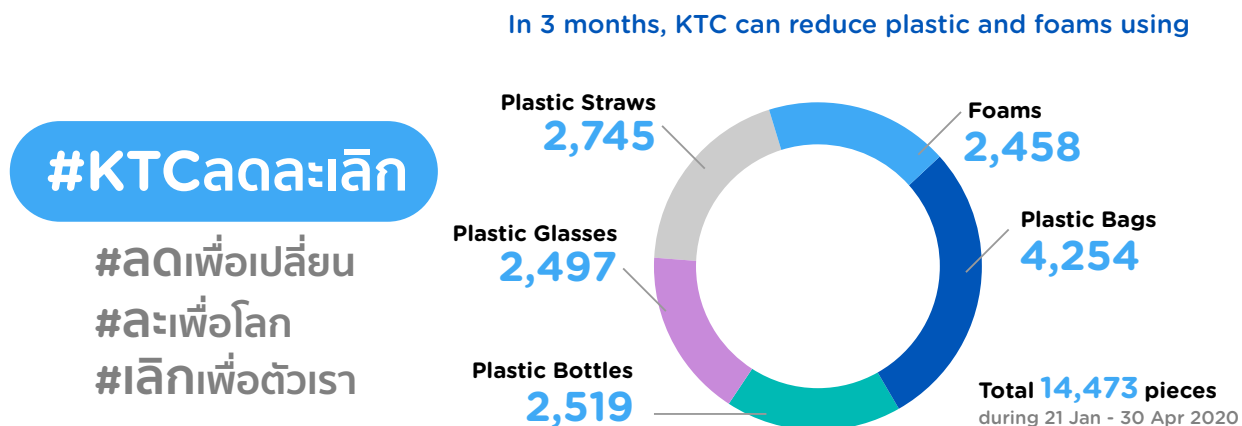
103-1

Despite slight impacts on the environment from conducting its retail lending businesses, the Company never disregards its environmental responsibilities. In order to follow one of the key elements in sustainable development, the Company has defined its objectives and guidelines for environmental management such as eco-efficiency, water and waste management. The Company also campaigns for its business operations to reduce energy consumption, natural resources consumption, as well as greenhouse gas emissions. In addition, the Company encourages its employees to gain further environmental awareness to be in accordance with the government policy in joining the Paris Agreement.

103-2

## Raising Awareness within the Organization

Even though the Company's business operations do not directly initiate much of Greenhouse Gas emissions as other industries, the Company believes that preservation of climate and environment can be carried out and easily started if only everyone pays attention to their daily routines. In 2019, to create environmental conscious, the Company had arranged videos for all employees with simple and easy to access format through the Company's E-mails and online distributions. Such videos were designed to raise all employees' awareness of the severity and the urgency of climate and environmental issues in which employees had given positive interests. Therefore, to continuously campaign on such issue, in 2020, the Company had shared its knowledge and asked for cooperation from employees of its entire organization, including cleaning staffs, to adjust their behaviors for better environment under the campaign "Every Day Say No to Plastic" by cutting back single-use plastic consumption, such as plastic straws, foams, plastic glasses, plastic bags, and plastic bottles, and changing to use recycled products such as cloth bags, water bottles, plastic food containers, etc.



Furthermore, the Company had urged its employees to exchange PET plastic bottles or cloth bags for paper straws, and then put such cloth bags in common area for easily access in order to reduce receiving plastic bags from the stores. For PET bottles, the Company had gathered them for recycling.



During the COVID-19 pandemic, the amount of food delivery to the office had been increasing. As a result, packaging waste of plastic cups and plastic bags had also been rising. Nonetheless, the Company took notice of such situation, hence initiated the campaign “Sort Before Throw out” in addition to the campaign “Every Day Say No to Plastic” in order to encourage employees to recognize waste problem, along with understand waste management from the origin to the end. To reach maximum benefits, the Company also advised its employees on waste handling for recycling transport as well as organized separate waste bins for convenient waste sorting and later recycling for various organizations.



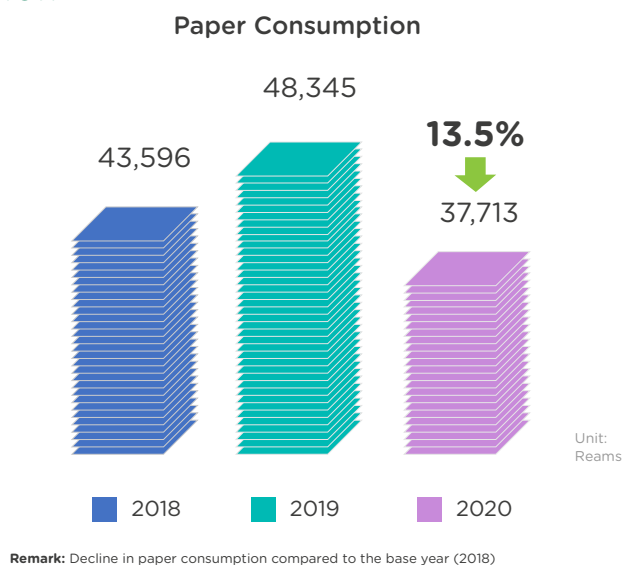


## Scopes of The Company's Management



## Cutbacks of Paper Consumption

The Company aims to reduce its paper uses in working processes of every department throughout the organization by changing its filing system for crucial documents to be stored in electronic files with organized system viable to access and used in various procedures. Moreover, the Company not just replaces hard copies of documents distribution among departments with electronic mails but also arranges for recycled paper uses within each department by taking into account of information safety of such recycled paper in order to reduce usage of paper, which is made from natural resources, minimize storage space while being easily located, as well as save electric power in copying documents.



The Company has improved its working procedures in many areas as follows:

- Various electronic request forms are provided to customers such as a permanent credit limit request form in which customers can fill out information in the system, along with attach supporting documents.
- Data storage or Data retrieval for customers, Credit Bureau, or customer service center is executed by installing computer software packages for analyzing and enhancing services as well as for data processing to achieve desired results instead of hard copies printing for various reports.
- A Host-to-Host credit information system is developed for credit officers to be able to search and retrieve necessary information instead of printing a hard copy report.
- For the Company's lawsuits in which legal department needs to use a lot of documents, copies of billing statements are printed on both sides of paper. As a result, the Company is able to reduce paper consumption around 3,500 reams per year. Also, the Company, in coordination with certain courts, has scaled down in using documents for lawsuits in order to ease the court's burden of document storage while such documents can be recycled for other useful purposes.

- Human resource department replaces its documents in paper format with electronic format to increase convenience and save time required for sending and receiving documents in which employees can access document files via the Company's Intranet or Mobile Application. Such document files are for example a registration form for employment, an employment contract, a certificate of employment, a request form for a new health insurance card, a request form for a new employee card, a probationary evaluation form, including a form of resignation letter. The Company also keeps employment database using a human resource information system for accuracy and convenience while reducing paper consumption.
- Accounting department cuts back its paper uses by cancelling its hard copy printing of Card Journal Voucher from Oracle system and attached documents of RPA in which not only increasing efficiency is achieved but also the amounts of documents can be brought down by around 60 reams per year.
- Circulations of the Company's quality manuals are done in electronic format instead of hard copies with folders for each department or each operating point being created so that the Company's quality manuals are easily accessible and up-to-date. Employee can access the quality manuals for their operational references through the Company's Intranet such as Policies, Rules and Requirements, Business Authorities, and Standard Operating Procedure etc. Such action can help preserve environment with paper cutbacks of approximately 400 reams per year.
- Meeting documents for the Board of Directors meetings and sub-committees meetings are prepared and conveyed via electronic mails to lessen hard copies printing.
- ATM PIN mailers for customers are cancelled. Customers can set their own ATM PINs via KTC Mobile application without further cost and delay.

	Credit Card	Personal Loan
Areas to Cancel Distribution	New card approval and Card replacement/transfer	New card approval and Card replacement/transfer
Starting Date	November 6, 2020	November 2, 2020
Amount of Reduced Paper	167 reams (Data from the project initiation to December 31, 2020)	20 reams (Data from the project initiation to December 31, 2020)

**Remark:** 1 ATM PIN (PIN mailer) is equivalent to 1.5 sheets of paper and 500 sheets is equivalent to 1 ream.

## Cutbacks of Paper Consumption with e-Statement

The Company realizes the significance of global warming issue and promptly prepares in easing its impacts. In 2019, KTC had campaigned within its organization in urging its employees to receive their billing statements in electronic format instead of hard copies under the project "Switch even better" for better life today and in the future, which had been positively received and cooperated by all employees.

The Company, therefore, had extended such concept to KTC's members by initially adopting an emphatic approach with target audiences in which their results revealed that they recognized the importance in preserving environment and were interested in applying for e-Statement via E-mails under the campaign "Switch to e-Statement". Such campaign provides members with more convenient and faster approach in reviewing their expenses as well as eases their burdens with statement loss or damage. Cutback of statement hard copies will also reduce natural resource consumption, along with preserve environment and reduce energy of waste disposal from discarded statements. The Company has continuously campaigned such program through various channels as follows:

- Contact center officers will recommend e-Statement service for all members who notify of receiving none of statement hard copies.
- Sending E-mails to urge KTC members in applying for e-Statement in which the Company will donate Baht 20 each for every application to Seub Nakhasathien Foundation.
- In 2020 the Company had provided the additional channel for KTC members to apply for e-Statement via KTC Mobile (Push Notification) with the emphasis on communicating the issue of reducing paper consumption to preserve the world as well as to preserve the big forests for our entire nation. Such campaign received positive feedbacks from 34,218 KTC members with a total amount of Baht 684,360 the Company donated to Seub Nakhasathien Foundation.
- KTC members are able to apply for transaction notifications in Realtime and retrieve e-Statement in the same application both on a monthly basis and for previous 6 months.

Still, the Company continues to proceed with the aforementioned campaigns in 2021.

## THE AMOUNT OF PAPER CUTBACKS

2019



**Sending emails to encourage KTC members to apply for e-Statement**

- The number of KTC members applying for e-Statement is **6,699**.
- A total amount of the Company's donation to Seub Nakhasathien Foundation is Baht **133,980**.

2020



**Sending messages through KTC Mobile (Push Notification) to urge KTC members to apply for e-Statement.**

- The number of KTC members applying for e-Statement is **34,218**.
- A total amount of the Company's donation to Seub Nakhasathien Foundation is Baht **684,360**.

2020

**The number of KTC members applying for e-Statement via every KTC channels from the campaign initiation in 2019 to 2020 is**

**307,474** members  
Cutback of paper consumption by **9,722** reams.



## Waste Management

306-2

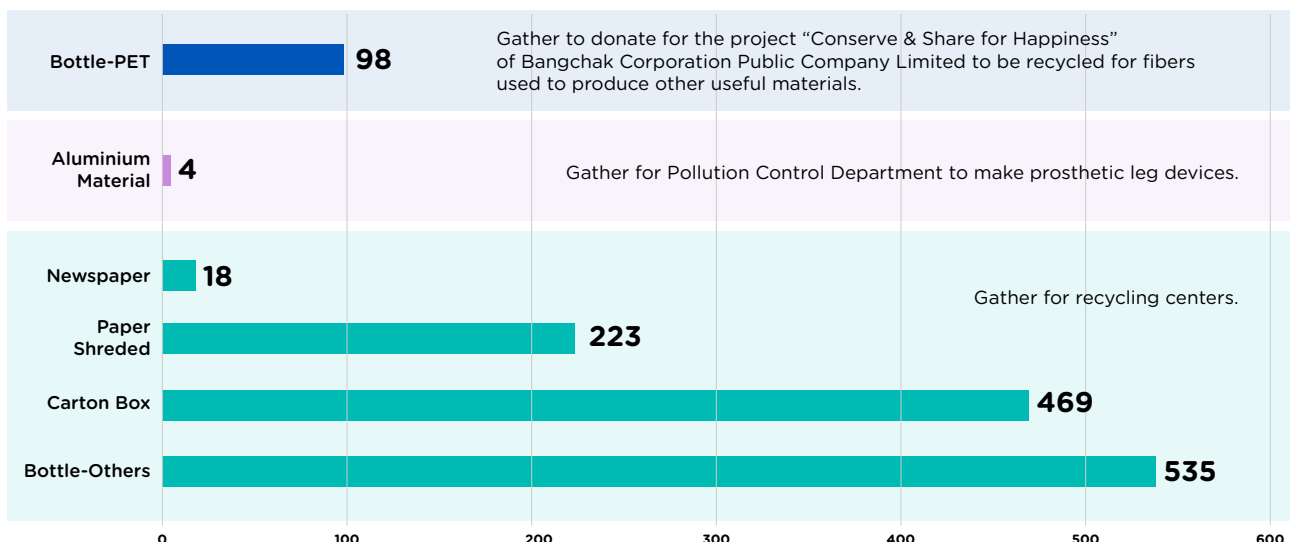
### Waste Disposal

The Company classifies its waste disposal into 2 categories which are

**1. Non-toxic wastes from daily routines and consumption within the office buildings.** The Company encourages its employees to sort their wastes before throwing out at prepared locations. The Volume of wastes for recycling is 1,347 kilograms in total.



### Total volume of recyclable wastes (Kilograms)







## 2. Toxic wastes from electronics such as computers and electronic devices.

The Company procures Iron Mountain (Thailand) Ltd., one of the leading companies in the information management business, to manage wastes from electronics (e-waste) in a safe, reliable and friendly fashion to environment by converting wastes into energy. In 2020, total e-waste disposal was at 4,520 Kilograms.

### Plastic Cards Handling

In order to avoid throwing away its credit cards and cause pollution, the Company has coordinated with Chan Wanich Security Printing Co. Ltd., a plastic card manufacturer, to disintegrate unusable cards into small plastic fragments before sending them for recycling into new materials such as PVC chairs on electric trains, PVC water pipes etc.

In **2020**, the Company was able to recycle its cards for **229.16** Kilograms.

### Shred2Share Project

The Company realizes the significance of information responsibility towards its organization and its customers. As a result, the Company has established standard measures to safely dismantle its information whilst continuing its social and environmental responsibilities. The Company has taken part in the project “Shred2Share: Safety Information and Environment Protection” in which paper no longer use will be safely destroyed and placed in recycling process for reuse. Hence, carbon dioxide emissions from new paper manufacturing, coal consumption as well as water consumption, which are the causes of global warming, can be reduced. The Company also donates recycled learning and teaching equipment to school in remote areas.

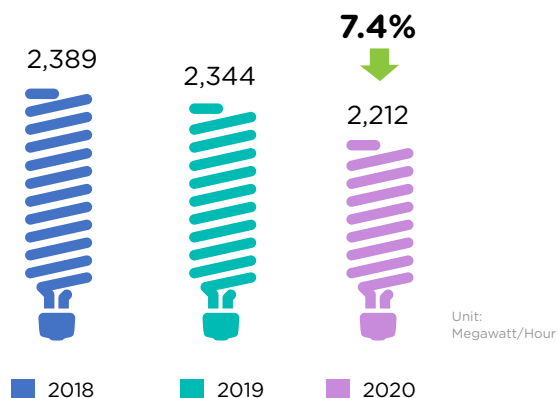
YEAR	2020	2019	2018	2017
Volume of recycled documents (tons)	90.91	88.56	6.81	7.77
CO <sub>2</sub> Cutbacks (kgs)	23,637.09	23,026.77	1,769.49	2,019.21
Coal Cutbacks (kgs)	10,000.31	9,742.09	748.63	854.28
Water Cutbacks (m <sup>3</sup> )	4,545.59	4,428.22	340.29	388.31

## Efficient Electric Energy Consumption

305-2

The Company has reorganized its office buildings for energy conservation such as changes of light bulbs to LED bulbs for its entire head office including KTC TOUCH service centers throughout the country, arranges for lighting assessment to ensure adequate lighting for employees, lessens electricity uses in unnecessary areas, sets the timing for air conditioning system from 7.30 a.m. to 6 p.m., lowers temperature of air conditioners to an appropriate level, as well as encourages all employees to help save energy.

### Electric Energy Consumption

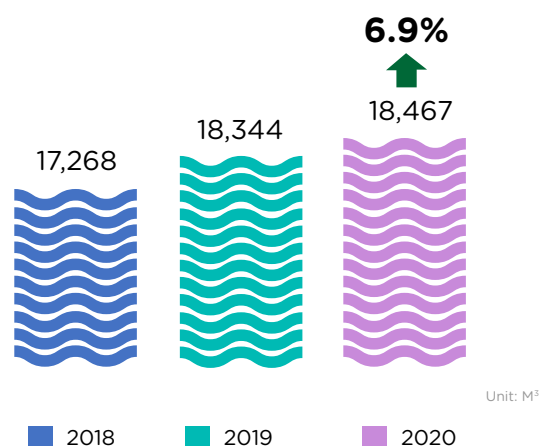


Remark: Decline in electric energy consumption compared to the base year (2018)

## Water Resources Management

The Company recognizes the significance of water resources consumption. The Company, therefore, has campaigned to raise awareness among its employees about the value of water resources as well as the necessity of water saving and water conservation. The Company also frequently inspects for leakages of water taps and water pipes. Nevertheless, in 2020, because of the COVID-19 pandemic, water consumption had been rising from employees' health cautions such as handwashing and office cleanings with more frequencies than usual.

### Water Consumption

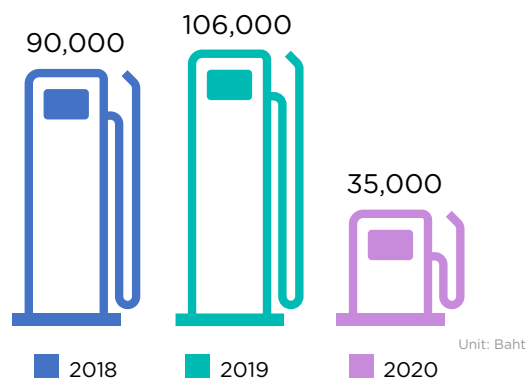


Remark: Increase in water consumption compared to the base year (2018)

## Fuel Management

In order to help reduce air pollution from exhaust emissions, the Company requires all of its vehicles to use environmentally friendly fuels such as gasoline E20, E85. In addition, the Company's vehicles will be used only for business purposes.

### Cost savings from applying environmentally friendly fuels



## “Care the Bear” Project

The Company has participated in the project “Care the Bear : Change the Climate Change by Eco Event”, organized by the Stock Exchange of Thailand to tackle global warming issue by reducing carbon footprints from organizing activities or events (Eco Event) through 6 approaches which are as follows:

1. Encourage public transportation or car pool.
2. Reduce the use of paper and plastic for documents and packaging.
3. Refrain from using foam as decorative items or food packaging.
4. Reduce the use of electrical appliances or use energy-saving devices instead.
5. Design by using decorative materials which can be recycled.
6. Reduce food and beverages wastes from each event.

In 2020,  
the Company was able to reduce  
its carbon footprint by  
**65,667.55** Kg. CO<sub>2</sub>e which is  
equivalent to planting  
**7,296** big trees.



Performance information can be further found under “Additional Information” and “Sustainability Performance” topics.

# About this Report

## Report Boundaries

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

KTC Group consists of:

- Krungthai Card Public Company Limited
- Subsidiary Companies are as follows:
  - 1) KTC Pico (Bangkok) Co., Ltd., and its subsidiaries which are KTC Pico (Chonburi) Co., Ltd., KTC Pico (Samut Sakhon) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd.
  - 2) KTC Nano Co., Ltd.
  - 3) KTC Prepaid Co., Ltd.
- Associate is Krungthai Advisory Co., Ltd.

The consolidated financial statements are prepared by including the financial statements of Krungthai Card Public Company Limited and its subsidiaries, including equity interest in an associate.

The scope of this Sustainability Report only covers the sustainable operating results of KTC and KTC Pico (Bangkok) Co., Ltd., and KTC Pico (Bangkok) Co., Ltd.'s subsidiaries. Given that other KTC's subsidiaries were incorporated in 2019 and 2020, they have not been operated in full functions yet and are in the process of information gathering. Nevertheless, this Sustainability Report refers to the purpose and information of KTC's subsidiaries to illustrate KTC's intention to take part in the sustainable development of Thai society.

Information in the 2020 Sustainability Report covers the period of business operations from 1 January 2020 to 31 December 2020. The Company prepares the Sustainability Report annually to communicate its sustainable business operations in the economic, social, and environmental dimensions and focuses on the issues where stakeholders place an importance on by adopting an international reporting framework that consistent with the Global Reporting Initiatives or GRI: Core Option, and the Sustainable Development Goals (SDGs). The most recent report is the Sustainability Report 2019.

## Assurance for the Report

102-56

The information contained in the Sustainability Report which related to economic operating results is based on accounting information audited by Certified Public Accountant. However, 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

**Krungthai Card Public Company Limited**

591 United Business Centre II, 14<sup>th</sup> Floor, Sukhumvit 33 Road, North Klongton, Wattana, Bangkok 10110

**Telephone:** 02 828 5017, 02 828 5756

**E-mail:** sdktc@ktc.co.th

Reference documents of the Company in the preparation of this Report can be obtained at

- <https://www.ktc.co.th/en/sustainability-development/corporate-governance>

consists of

1. Corporate Governance Policy
2. Code of Conduct
3. Charter on Regulations and Operational Guidelines for Audit Committee
4. Charter of Nomination and Remuneration Committee

- <https://www.ktc.co.th/en/investor-relations/publications-webcast/investorkits>

consists of

1. Form 56-1 One Report 2020
2. Financial Statements
3. MD&A

# Additional Information

## Social Dimension

**Employees** can be separated into the following categories:

1. **Full-Time Employees** are individuals which the Company agrees to hire as employees of the Company on a regular basis without a specified term of employment and which 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 which the Company has agreed to hire as employees of the Company with a specified term of employment in order to complete temporary jobs or projects.
3. **LEARN & EARN employees** are university-level interns who are part of the KTC LEARN & EARN project.

**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

### Electricity Consumption

The Company uses electricity in 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. The information is taken from the invoices provided by the Company which manages the building that the Company rents.

### Greenhouse Gas Emissions

Greenhouse gas emissions refer to the amount of greenhouse gas emissions from activities related to the Company's business operations.

#### 1. Reporting Scope

- 1.1 Direct Greenhouse Gas Emissions (Scope 1) are caused by the use of fuel for vehicles used in the Company's business operations through all corporate fuel credit cards (Fleet Cards).
- 1.2 Indirect Greenhouse Gas Emissions (Scope 2) are caused by purchasing electricity from the Metropolitan Electricity Authority covering UBC II Building and Thai Summit Tower only.
- 1.3 Other Indirect Greenhouse Gas Emissions (Scope 3) are caused by the use of water and paper in various operational processes and activities in conducting the Company's business operations at UBC II Building and Thai Summit Tower only, including business travel by using ride-hailing application.
- 2.2 The calculation of the amount of indirect greenhouse gas emissions (Scope 2) is reported from the quantity of electricity purchase times Emission Factor.
- 2.3 The calculation of the amount of other indirect greenhouse gas emissions (Scope 3) is reported on the purchased volume of tap water and paper, as well as business travel by using ride-hailing application data times Emission Factor.

#### 3. Emission Factor

Emission factors are referred from the Thailand Greenhouse Gas Management Organization (Public Organization).

#### 4. Calculation Method

Based on assessment guidelines on carbon footprint for organizations provided by the Thailand Greenhouse Gas Management Organization (Public Organization).

#### 2. Amount Reporting

- 2.1 The calculation of the amount of direct greenhouse gas emissions (Scope 1) is reported from fuel consumption of vehicles times Emission Factor.

### Water Consumption

The water is referred to 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.

### Waste

Waste management consists of the amount of waste generated from the Company's operational processes and activities.

#### Remarks:

The Company collects environmental data for comparison against historical data in order to measure efficiency in environmental management, in which data is collected from the operations of UBC II Building and Thai Summit Tower, which accounts for more than 75% of total operations.



# Sustainability Performance

## Social Dimension

Information	Units	2020	2019	2018	2017
Full-Time Employees	Persons	1,597	1,580	1,548	1,514

## Total Number of Employees

102-8, 405-1

Information	Units	2020			2019			2018			2017		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total Employee	Persons	602	1,142	1,744	610	1,168	1,778	624	1,139	1,763	611	1,130	1,741
By Category													
Senior Management Level	Persons	16	12	28	16	11	27	17	11	28	18	14	32
X ≤ 30	Persons	0	0	0	0	0	0	0	0	0	0	0	0
30 < X ≤ 50	Persons	1	3	4	1	1	2	1	1	2	2	1	3
50 < X	Persons	15	9	24	15	10	25	16	10	26	16	13	29
Management Level	Persons	128	170	298	128	179	307	126	166	292	124	146	270
X ≤ 30	Persons	1	1	2	0	0	0	0	0	0	1	0	1
30 < X ≤ 50	Persons	91	114	205	94	125	219	96	126	222	99	112	211
50 < X	Persons	36	55	91	34	54	88	30	40	70	24	34	58
Non-management	Persons	458	960	1,418	466	978	1,444	481	962	1,443	469	970	1,439
General Employee	Persons	412	859	1,271	411	835	1,246	414	814	1,228	408	804	1,212
Contractor	Persons	46	101	147	55	143	198	67	148	215	61	166	227
X ≤ 30	Persons	108	255	363	131	285	416	142	323	465	138	350	488
30 < X ≤ 50	Persons	335	673	1,008	321	666	987	328	615	943	319	598	917
50 < X	Persons	15	32	47	14	27	41	11	24	35	12	22	34
Management Level in revenue generating functions	Persons	48	76	124	81	43	124	76	42	118	41	73	114
X ≤ 30	Persons	1	1	2	0	0	0	0	0	0	1	0	1
30 < X ≤ 50	Persons	39	46	85	47	36	83	50	35	85	34	50	84
50 < X	Persons	8	29	37	34	7	41	26	7	33	6	23	29

## Total Number of New Employees

401-1

Information	Units	2020		2019		2018		2017	
		Male	Female	Male	Female	Male	Female	Male	Female
Total new employees hired	Persons	57	118	120	290	157	334	117	279
Rate of new employees hired	%	3	7	7	16	9	19	7	16
By age									
X ≤ 30	Persons	31	77	86	205	104	261	73	228
30 < X ≤ 50	Persons	25	40	34	81	51	72	44	50
50 < X	Persons	1	1	0	4	2	1	0	1

## Total Number of Employees Turnover

401-1

Information	Units	2020		2019		2018		2017	
		Male	Female	Male	Female	Male	Female	Male	Female
Total employee turnover	Persons	40	103	92	151	92	201	129	291
Employee turnover rate	%	2	6	5	8	5	11	7	17
By age									
X ≤ 30	Persons	16	46	43	83	26	126	73	200
30 < X ≤ 50	Persons	23	53	42	65	60	67	52	85
50 < X	Persons	1	4	7	3	6	8	4	6

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	Units	2020	2019	2018	2017
Number of employees who are labor union members	Persons	0	0	0	0

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

## Number of Sick Leaves Taken

Information	Units	2020	2019	2018	2017
Number of sick leaves taken	Days	4,448	4,736	4,256	4,224
Rate of sick leaves taken	%	2.6	2.7	2.4	2.4

## Employee Absenteeism from Work-Related Injuries

403-9

Information	Units	2020		2019		2018		2017	
		Male	Female	Male	Female	Male	Female	Male	Female
Total absenteeism days as a result of work-related injuries	Days	0	0	0	0	0	0	0	0
Absenteeism rate as a result of work-related injuries	%	0	0	0	0	0	0	0	0

401-3

Information	Units	2020		2019		2018		2017	
		Male	Female	Male	Female	Male	Female	Male	Female
Number of employees having the right of maternity/parental leave	Persons	0	1,142	0	1,168	0	1,139	0	1,130
Number of employees using the right of maternity/parental leave	Persons	0	26	0	25	0	28	0	24
Number of employees returning to work after maternity/parental leave	Persons	0	25	0	23	0	28	0	24
Return to work rate	%	0	96	0	92	0	100	0	100
Retention rate	%	0	96	0	96	0	96	0	75

Remark: Return to work rate =  $\frac{\text{Total number of employees that did return to work after parental leave}}{\text{Total number of employees due to return to work after taking parental leave}} \times 100$   
Retention Rate =  $\frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employees returning from parental leave in the prior reporting period}} \times 100$

402-1

Information	Units	2020	2019	2018	2017
Minimum notice periods regarding changes to employee roles/responsibilities					
Notice Period	Weeks	2-4 Weeks			

Information	Units	2020	2019	2018	2017
Employee complaints regarding labor practices					
Number of complaints regarding violations of labor standards	Incidents	0	0	0	0
Number of resolved complaints	Incidents	0	0	0	0
Number of pending complaints	Incidents	0	0	0	0

## The Level of Employee Engagement

Information	Units	2020		2019	2018	2017
		Male	Female			
Employee engagement score	%	70	73	76	68	
Response rate	%	100	100	99	77	

## Human Capital Return on Investment

Information	2020	2019	2018	2017
HCROI	7.50	7.08	6.76	6.55

## Environmental Dimension

### Electricity Use

302-1

Information	Units	2020	2019	2018	2017
Electricity purchased from Metropolitan Electricity Authority	MW/h	2,212	2,344	2,389	2,584
Electricity charges	Thousand Baht	13,099	13,896	14,161	15,327
Proportion of revenue	%	0.06	0.06	0.07	0.08

### Greenhouse Gas Emissions

305-2, 305-5

Information	Units	2020	2019	2018	2017
Amount of direct greenhouse gas emissions (GHG Scope 1) (Fleet Card)	Metric Ton CO <sub>2</sub> e	495	626	629	-
Amount of indirect greenhouse gas emissions (GHG Scope 2) (Electricity)	Metric Ton CO <sub>2</sub> e	1,006	1,364	1,390	1,504
Amount of indirect greenhouse gas emissions (GHG Scope 3) <ul style="list-style-type: none"> <li>• Water (Data collection started in 2017)</li> <li>• Paper (Data collection started in 2018)</li> <li>• Business Travel by ride-hailing application (Data collection started in 2020)</li> </ul>	Metric Ton CO <sub>2</sub> e	214	267	241	14

### Water Use

Information	Units	2020	2019	2018	2017
Purchased tap water	metre <sup>3</sup>	18,467	18,344	17,268	17,461

### Business Travel by Ride-Hailing Application

302-2

Information	Units	2020	2019	2018	2017*
Petrol used for travel	Litre	203,779	258,085	258,697	210,528
Petrol charges	Thousand Baht	4,579	6,964	7,369	5,512
Proportion of revenues	%	0.02	0.03	0.03	0.03

\*Data collection started in 2017



# GRI Content Index

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## QUESTIONNAIRE

### KTC Sustainability Report 2020

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

**Please kindly mark ✓ in ☐ or provide suggestions in the space provided.**

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

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

2. Why do you read KTC's sustainability Report 2020?

- |   |   |
|---|---|
| <input type="radio"/> To recognize the Company                            | <input type="radio"/> To learn about sustainability management process    |
| <input type="radio"/> To find information for making investment decisions | <input type="radio"/> To prepare for your Company's sustainability report |
| <input type="radio"/> Others, Please specify _____                        |   |

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

- |  |  |
|--|--|
| <input type="radio"/> Digitalization             | <input type="radio"/> Financial Inclusion and Financial Literacy     |
| <input type="radio"/> Brand and Customer Trust   | <input type="radio"/> Anti-Corruption and Bribery                    |
| <input type="radio"/> Risk and Crisis Management | <input type="radio"/> Human Capital Development                      |
| <input type="radio"/> Economic Performance       | <input type="radio"/> Occupational Health and Safety                 |
| <input type="radio"/> Corporate Governance       | <input type="radio"/> Collaboration with Partners for Sustainability |
| <input type="radio"/> ESG Products and Services  | <input type="radio"/> Environmental and Climate Change Management    |
| <input type="radio"/> Supply Chain Management    |  |

4. Please rate your level of satisfaction for the KTC Sustainability Report 2020

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

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7. Please provide further recommendations (if any)

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Please address your inquiries regarding this report to:

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