

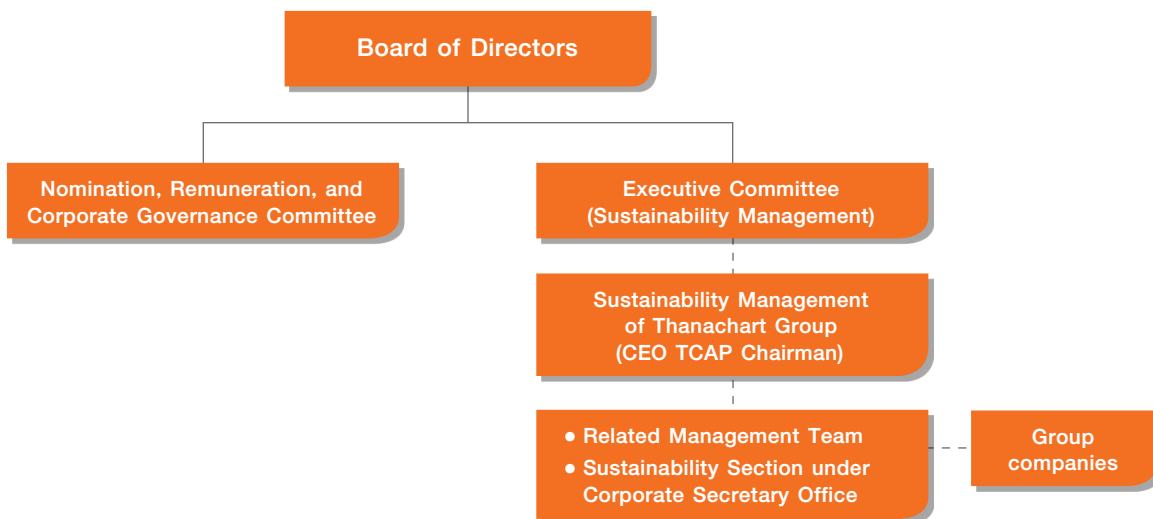
1.3 Driving Business for Sustainability

Thanachart Group is a business organization that is committed to conducting business with consistently good performance relying on corporate governance, as well as proper social and environmental responsibilities. In order to create stable and sustainable returns for stakeholders, the Board of Directors has set its vision to be a “leading investment company in a variety of businesses, generally regarded in terms of stability, sustainability and good returns” The Group aims to develop sustainability management in **environmental, social, and governance dimensions** with a view to creating, developing and complementing to achieve

business growth along with sustainability operations to cover various important issues appropriately.

The Company is a listed company in the SET in the Financials and Banking sectors. It is a Holding Company that invests in businesses which have potential, good performance and sustainability operations. The preparation of this sustainability driven business report takes into account sustainability operations of the Company and the key companies under the Group in terms of environmental, social, and governance dimension. Relevant data used are from the period of 1 January to 31 December 2022

The Company’s Governance Structure



The Board of Directors is responsible for formulating sustainability strategies, policies and goals, as well as supervising the Company and its subsidiaries so that they are able to continuously conduct business based on corporate governance principle. Corporate governance sustainability will be responsible by the Nomination, Remuneration, and Corporate Governance Committee. In 2022 the Company has considered sustainability operations so as to formulate environmental, social, governance (ESG) guidelines aimed at achieving a clear plan of both action and measurement.

In February 2023, the Board of Directors resolved to assign the Executive Committee as a sub-committee to consider serious implementation of this matter. The Executive Committee, together with the management, will consider the sustainability guidelines and action plans, monitor the performance, and review the guidelines, as well as promote the participation of Thanachart Group employees. There will also be a sustainability unit, under the Corporate Secretary Office, whose job is to collect operational data for further disclosure.

Thanachart Group's Sustainability Management Policy and Goals

Thanachart Group places emphasis on business operations aimed at sustainability. This will bring about the mutual benefits between Thanachart Group and all stakeholders of the Group. The sustainability management approach has been adopted and continually integrated with the Group's business practice throughout the year. In February 2023, the Board of Directors resolved to formulate written policy on sustainability management, human rights, and investment governance in order to guide appropriate actions for the business in which Thanachart Group operates. In addition, short-term and long-term goals will be set in order to see concrete developments and sustainability performance. The goals of sustainability management in each dimension are as follows:

1. Corporate Governance Dimension

Thanachart Group aims to be a business group that generates returns and grow sustainably. The Company has a business policy under good governance whereby all the Group companies attach importance to governance in various aspects: Corporate Governance Structure, the constitution of the Board of Directors, the Sub-Committee, business ethics, code of conduct of administrators, employees and investor relations officers. The Group attaches importance to anti-corruption, with view to preventing conflicts of interest so that all parties involved can have confidence in the Group's business operations. The Group also develops products, comes up new financial innovations, and effectively manages risks, with a view to creating a truly sustainable growth of the Company's performance, and achieving stringently enforced security and protection of personal information.

2. Social Dimension

Thanachart Group formulates social policies in order to take part in creating a more valuable society. The Group shall focus on running business based on good governance, promote ethics, transparency, and

social responsibility, and always take into account the interests of all stakeholders. Policy and guideline are formulated to promote the importance of human rights. In addition, the human rights policy has been announced to ensure equitable and fair treatment of employees and promote the advancement, opportunity and stable career growth of all employees at all levels. Thanachart Group focuses on giving good things back to the society by organizing activities to support, promote and cooperate with both public and private agencies for the benefit of communities and society in areas such as education, public health, etc.

3. Environmental Dimension

Environmentally Thanachart Group is well aware of its role as a responsible organization in terms of resource use, energy consumption, and environmental conservation. The Group's goal is to conduct business while utilizing resources and energy appropriately. Policies have been formulated to promote and support efficient energy consumption i.e., formulating a policy to cut down electricity consumption in office buildings, reducing water consumption, and reduction of waste, and reduction the use of paper including reduction of adverse effect on the climate.

Managing the impact on stakeholders in the value chain of business

The Value Chain of Business

Business operations of Thanachart Group both directly and indirectly affect their stakeholders. Therefore, in order to create opportunities and mitigate the impact of their business activities, Thanachart Group has prepared an analysis of the value chain of their business, with a view to explaining the nature of the Group's business activities as follows:



1. Input management

Financing:

Thanachart Group's capital structure consists of



whereas the funding source of the **insurance/life insurance business** will be primarily in the form of premium.

Product design and development:



Thanachart Group designs and develops financial and insurance products suitable for the target audience.



The Group also provides Non-performing Asset (NPA) management including efficient and transparent management of investment.

2. Operation



3. Distribution of Goods and Services



4. Marketing & Sales



Providing the target group with **service and the right knowledge about finance**, insurance and life insurance



Providing customers with **accurate information about financial service** and insurance/life insurance service, and enough for them to make their decision to buy



Promotion of non-performing asset sale

5. After-sales service



System for managing customer relations



Service center that also collects customer feedback and suggestion about financial insurance/life insurance services



After-sales service is appropriately provided through various channels



Disseminating information and creating good interaction with customers.

Supporting activities to help drive business to achieve maximum efficiency are as follows:

1.



Procurement: Provide appropriate financing and loans in line with market conditions, considering the appropriateness of the Debt to Equity Ratio. Design financial and insurance products that meet the needs of customers and in line with the risk

2.



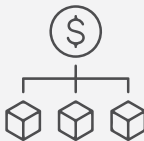
Continuous technology development for better products and services: Be responsive to changing situations, make the service more accessible to every group of customers, and offer them more convenience to use the service

3.



Human resource management: Continuously train and develop the full potential of personnel in various aspects.

4.



Infrastructure management: Properly done in order to handle more diverse and complex financial transactions in the future.



Stakeholder Analysis

Thanachart Group's stakeholders can be divided into eight groups: shareholders and investors, committees, employees, customers, partners and creditors, competitors, society and environment, and regulatory authorities. Thanachart Group regularly communicates and engages with issues related to stakeholders. Comments from stakeholders have also been used to assess major sustainability issues.

Table shows details of communication with stakeholders

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
Shareholders and Investors	<ul style="list-style-type: none"> Shareholders' Meeting Disclosure of Quarterly Financial Results and Annual Report Analyst Meeting Investor Relations Inquiries via the website Complaints and whistle-blowing channels Disclosure of Information 	<ul style="list-style-type: none"> Good performance, sustainable and stable growth Dividends are paid regularly at a rate close to the previous year Effective risk management Good corporate governance Business is conducted transparently in accordance with applicable laws and regulations Obtain accurate, complete, and timely information 	<ul style="list-style-type: none"> Disclose information with transparency and meet the official criteria Conducts business under good corporate governance policy and effective risk management, supported by a knowledgeable and competent team Seek investments that provide worthy returns for shareholders. Invite shareholders to attend the annual general meeting and allow shareholders to ask questions and comment Senior executives provide investors with information
Board of Directors	<ul style="list-style-type: none"> Monthly Board of Directors' meetings Requesting information from management directly Meetings of Non-executive Directors Providing Directors with information through channels 	<ul style="list-style-type: none"> Continuous learning in order to cope and adapt under various changing factors Receive information about meetings well in advance. Access to up-to-date news and information Be free to express an opinion Business operations are transparently carried out in accordance with good corporate governance principles, with all stakeholders taken into account 	<ul style="list-style-type: none"> Collect and present appropriate training courses or seminars Information about the meeting is submitted complete and sufficient to the Board of Directors in a timely manner Thanachart Group's information is timely reported Fully facilitate in all aspects. Provide regular performance reports including note-taking and preparation of minutes of meetings, complete with Director's opinions Monitoring is to be done in line with the Director's opinion

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
Employees	<ul style="list-style-type: none"> ● Employee meetings to communicate policies and news ● Employee Survey ● Performance Evaluation ● Welfare Committee meetings ● Signing of the acceptance form to comply with non-exploitation of interests that conflict with those of Thanachart Group and preparing self-assessment form on good governance and anti-corruption. ● Internal data communication via Intranet 	<ul style="list-style-type: none"> ● Opportunities and career advancement ● Compensation, fair welfare, commensurate with job performance evaluation results, and socioeconomic conditions. ● Corporate Growth ● All employees play an important part in driving the organization ● Employee feedback ● A supportive work system is in place ● Occupational health in the workplace and operational facilities are in place ● Increase employees' knowledge and competence by allowing them to attend training, seminars for skill development in related areas 	<ul style="list-style-type: none"> ● Encourage employees to train to increase knowledge and create opportunities for career advancement ● Treat employees equally ● Fairly review the remuneration in accordance with the Company's performance ● Review succession plans ● Procure a supportive work system in accordance with changing technology ● Provide the workplace with the right environment and good occupational health. ● Disclose the Company's performance to employees

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
Customers	<ul style="list-style-type: none"> ● Emailing relevant information to customers ● Customer Visits ● The employee has customer relationship management. ● PR media provides information about products and services ● Customer Satisfaction Survey ● Service Complaints Channels ● Digital Communications ● Branch Services 	<ul style="list-style-type: none"> ● Wide range of products and services meet specific need of each group of customers ● Provide information and advice on products and services in a comprehensive, appropriate, and timely manner ● Products and services are affordable, fairly priced, and offer good value. ● Maintain customer confidentiality and transparency in business operations ● Hassle-free and speedy service ● COVID-19 mitigation measures are taken 	<ul style="list-style-type: none"> ● Design diverse products and services to meet customer's needs ● Market Conduct ● Train employees to efficiently serve customers ● Periodic survey of customer satisfaction ● Process for receiving complaints and managing complaint issues is well-defined and appropriate ● Encourage employees to have good governance in their operations, adhere to morality, ethic, and code of conduct. ● Announcement of Cybersecurity Policy and Privacy Policy ● Use efficient technology to speed up, secure, and reduce costs ● Formulate measures to mitigate the COVID-19 impact
Trading Partners and Creditors	<ul style="list-style-type: none"> ● Data Exchange via E-mail ● Regular discussion and exchange of ideas ● Contracting among them 	<p><u>Trading Partners</u></p> <ul style="list-style-type: none"> ● Good governance in business operation ● Trade fairly ● Clear procurement policy and regulations <p><u>Creditors</u></p> <ul style="list-style-type: none"> ● Repay principal and interest on schedule ● Strictly adhere to the contractual clause ● Transparent disclosure of information 	<p><u>Trading Partners</u></p> <ul style="list-style-type: none"> ● Review and improve procurement policy and process ● Announcement of policy to ensure good corporate governance ● Secure trading partner data storage system <p><u>Creditors</u></p> <ul style="list-style-type: none"> ● Formulate financial liquidity management plan ● Repay principal and interest on schedule ● Provide accurate, complete, information periodically or on demand

Stakeholders	Participation Channels	Stakeholders' Expectation	Response Guidelines
Competitors	<ul style="list-style-type: none"> Meetings with the associations of each business 	<ul style="list-style-type: none"> Transparent disclosure of information Fair competition 	<ul style="list-style-type: none"> Established as one of the principles in conducting business of Thanachart Group. Conduct business and compete with transparency, fairness, without harming or bullying competitors Cooperate with one another to develop the overall industry of the business sector
Society and Environmental	<ul style="list-style-type: none"> Paying a visit to hear about problems and needs from people in the communities Meeting with both the public and private agencies aimed at promoting the well-being of society 	<ul style="list-style-type: none"> Financial education is provided to the communities Promotion and support for social activities and communities Environmental care and preservation guidelines have been developed for both the workplace and the communities 	<ul style="list-style-type: none"> Conduct financial education programs for youth Be fully aware of environmental problems in the communities and help solve them Provide budgets and conduct social activities The Thanachart Foundation for Thai Society has been established as an important mechanism for driving social activities Contribute towards the reduction and control of energy consumption that adversely affects the environment
Regulation Authorities	<ul style="list-style-type: none"> Disclosure of information and reports in conformity to the specified official criteria Discussion of regulatory guidelines or related rules, as well as obtaining permission on various matters Commenting on the draft official rules due to be altered Join seminars to gain understanding and clarity in official criteria or guidelines to be observed 	<ul style="list-style-type: none"> Employees gain understanding of official rules and ensure that the company is fully complying with the laws as well as relevant official regulations The Company supports and values good corporate governance and anti-corruption Clear disclosure of information can be verified Cooperating and supporting the work of regulatory authorities 	<ul style="list-style-type: none"> The laws, official rules, and regulations are completely and correctly complied Disclose information to official authorities at specified period Employees comply with good governance policy, business ethics, and anti-corruption policy Cooperate and support the work of the regulatory authorities Participate in events, trainings or seminars held by the regulatory authorities



Ranking major sustainability issues

The Company has assessed major sustainability issues in order to identify and prioritize issues relevant to Thanachart Group and its stakeholders. The process of assessing major sustainability issues has 4 steps as follows:

1. Identifying major sustainability issues

Identify and consider major sustainability issues affecting Thanachart Group.

2. Ranking major sustainability issues

Conduct assessment and analyze the information received from stakeholders' participation through various channels in order to rank major sustainability issues.

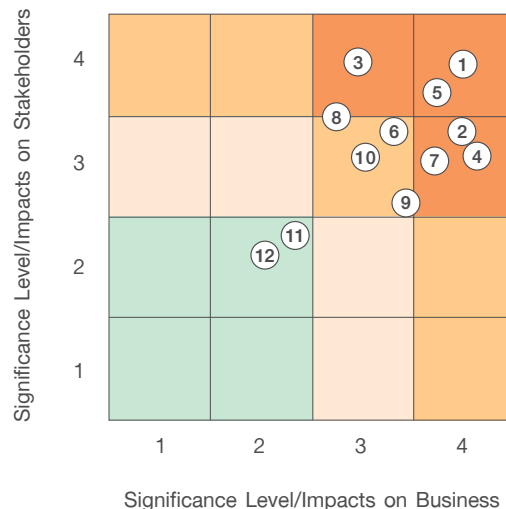
3. Investigating major sustainability issues

Communicate to all businesses in Thanachart Group to investigate major sustainability issues.

4. Reviewing of major sustainability issues

Regularly conduct review of key issues through stakeholders' participation with a view to improving sustainability actions to be more efficient and more effective.

Key Sustainability Points in 2022



In 2022, Thanachart Group was able to identify twelve major sustainability issues.

Corporate Governance Dimension


1. Good Corporate Governance
2. Financial Sector Sustainability and Sustainability Strategy
3. Shareholder Returns and Performance
4. Risk Management and Financial Crime Prevention.
5. Supply Chain Management
6. Promoting Financial Innovation and Access to Financial Services
7. Cybersecurity and Personal Data Protection

Social Dimension





8. Respect for Human Rights and Diversity
9. Equal and Fair Treatment of Employees
10. Responsibility to Customers and Consumers and Offering Financial Opportunities
11. Corporate Social Responsibility





Environmental Dimension

12. Promoting Participation in Environmental Protection



Order of key points	Indicators	Internal boundary	External boundary	Compliance with the Sustainable Development Goals (SDGs)
Good Corporate Governance	<ul style="list-style-type: none"> Complaints of non-compliance with Corporate Governance The issue of corruption Assessment results of regulatory authorities or external organizations 	All Business Units	<ul style="list-style-type: none"> Shareholders and Investors Customers Trading Partners and Creditors Regulatory authorities Society and Environment 	
Financial Sector Sustainability and Sustainability Strategy	<ul style="list-style-type: none"> Income from new products or new customers Subsidiary companies maintaining a capital fund that is not lower than the specified criteria and sufficient to conduct business Maintaining existing customer base and creating a customer-centric corporate culture Development of work processes regarding the issuance of products and services Fully implement market conduct Human resource development to enable the development and replacement of important positions 	All Business Units	<ul style="list-style-type: none"> Shareholders and Investors Customers Trading Partners and Creditors Regulatory authorities 	 
Shareholder Returns and Performance	<ul style="list-style-type: none"> Dividend payment in accordance with the policy Performance is on track 	All Business Units	<ul style="list-style-type: none"> Shareholders and Investors Customers Trading Partners and Creditors Society and Environment 	



Order of key points	Indicators	Internal boundary	External boundary	Compliance with the Sustainable Development Goals (SDGs)
Risk Management and Financial Crime Prevention	<ul style="list-style-type: none"> Annual risk management policy update approved by the Board of Directors, covering the main risks Operate the business within the specified risk ceiling. Arrange personnel for performing separate function of maker and checker in order to monitor and review transactions transparently. Information security of the system and the provision of services in line with the mission and duties of personnel, and in accordance with the information security management system standards. Establishing policies and procedures to protect the organization from being victimized by money laundering crime. 	All Business Units	<ul style="list-style-type: none"> Shareholders and Investors Customers Trading Partners and Creditors Regulatory authorities Society and Environment 	
Supply Chain Management	<ul style="list-style-type: none"> Respond to stakeholders' expectations Reduce risks from trading partners that may affect business operations. Customer satisfaction in obtaining service Requirement stipulated in the outsource contract regarding the provision of a contingency plan to provide ongoing service. Process review/Manual production/Efficient work process monitoring 	All Business Units	<ul style="list-style-type: none"> Customers Trading Partners and Creditors 	 
Promoting Financial Innovation and Access to Financial Services.	<ul style="list-style-type: none"> Constantly design and innovate to keep up with changing technologies Increasing access to financial services 	All Business Units	<ul style="list-style-type: none"> Customers Trading Partners and Creditors 	

Order of key points	Indicators	Internal boundary	External boundary	Compliance with the Sustainable Development Goals (SDGs)
Cybersecurity and Personal Data Protection	<ul style="list-style-type: none"> No personal data breach complaints Comply with the personal data protection policy in accordance with international standards and in line with the Personal Data Protection Act (PDPA) 	All Business Units	<ul style="list-style-type: none"> Shareholders and Investors Customers Trading Partners and Creditors 	
Respect for Human Rights and Diversity	<ul style="list-style-type: none"> No issues of human rights abuses such as child labor and forced labor Existing female employees holding position of senior management and directors of the Company and its subsidiaries. No complaints from employees regarding human rights and diversity. 	All Business Units	<ul style="list-style-type: none"> Customers Trading Partners and Creditors 	
Equal and Fair Treatment of Employees	<ul style="list-style-type: none"> Unfairly favoring or depriving employees of their rights 	All Business Units	<ul style="list-style-type: none"> Regulatory authorities 	
Responsibility to Customers and Consumers and Offering Financial Opportunities	<ul style="list-style-type: none"> Customers are treated fairly Create a positive customer experience while obtaining services Enhance their quality of life Reduce informal borrowing No issue blamed by regulators regarding customer's complaint from using service or receiving unfair service Carefully oversee vulnerable customers 	All Business Units	<ul style="list-style-type: none"> Customers Society and Environment 	



Order of key points	Indicators	Internal boundary	External boundary	Compliance with the Sustainable Development Goals (SDGs)
Corporate Social Responsibility	<ul style="list-style-type: none"> Implement projects that promote social responsibility 	All Business Units	<ul style="list-style-type: none"> Society and Environment 	
Promoting Participation in Environmental Protection	<ul style="list-style-type: none"> Environmental standards are met Promote and support businesses engaged in environmental protection and efficient utilization of resources 	All Business Units	<ul style="list-style-type: none"> Trading Partners Society and Environment 	

Sustainability Performance

Corporate Governance Dimension

1. The Company's Good Corporate Governance

Good corporate governance in accordance with international standards increases the competitiveness of the business and makes Thanachart Group's member companies better accepted at home and abroad. This is one of the key factors in achieving business goals and increasing the economic value of Thanachart Group's member companies, as well as ensuring confidence in all stakeholders. This also reflects the positive public image of Thanachart Group's member companies and makes them globally accepted.

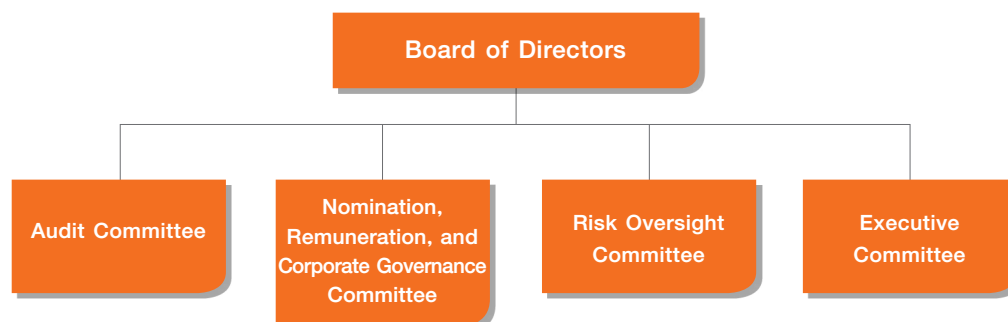
The Board of Directors has therefore formulated a good corporate governance policy and a written code of conduct manual, both of which are to be considered as an operation framework for the Group personnel.

Thanachart Group's member companies are required to apply such guidelines to match the nature of their business by adhering to morality, integrity, and practices in conformity with relevant laws. A review of the good corporate governance policy and the code of conduct manual is required at least once a year. The Board of Directors is responsible for regulating and monitoring the Company's business operations in accordance with its strategies, objectives, goals, regulations, resolution of the shareholders' meeting, and good corporate governance principle. In addition, the Board shall also regulate to ensure that Thanachart Group has a sound risk governance framework, adequate audit process, internal control system, risk management, and managerial regulation in line with current and future business situation. This is intended to facilitate the Group's operation in successfully implementing its policies, goals and business plans as well as meeting the expectation of all stakeholders.

Moreover, the Board of Directors has a role in sustainability management. In February 2023, the Board of Directors resolved to formulate a sustainability management policy. In addition, the Executive Committee

shall be assigned as a sub-committee to consider, propose and formulate sustainability plans, including supervising the implementation of sustainability to achieve its purpose.

The Company's Corporate Governance Structure



In 2022, the Company had 9 directors: 3 executive directors and 6 non-executive directors (among them, 4 are Independent Directors, and 3 are female directors) Each has a wide range of knowledge and abilities, including those applicable to the business operation of the Company and also to related businesses. As a result, the performance of the Company directors is efficient. After all, the Chairman is not the same person as the Chief Executive Officer in order to clearly distinguish the duty of the policymaking and governance from that of day-to-day management. In 2022, a total of 12 Board meetings was held.

The Board of Directors is responsible for supervising and monitoring the Company's business operations in accordance with its strategies, objectives, goals, regulations, resolutions of the shareholders' meeting, and Good Corporate Governance Principles. The Board also defines and reviews the structure of the Board of Directors in terms of size, organization, the appropriate proportion of independent directors within the Board. The Board ensures that the Board comprises a wide range of qualified directors in terms of skill, experience, competence, specific characteristics as well as gender and age essential to achieve the objectives and main goals of the organization. The Board serves to oversee the recruitment and selection of directors and senior executives and ensures a transparent and clear process

to produce directors with qualifications in line with the given requirements. The Board can rest assured that their structure and operation are conducive to the exercise of discretion in their independent decision making. In this regard, the Company also gives shareholders the opportunity to nominate individuals for election as directors at the annual general meeting of shareholders.

In order to fulfill the corporate governance objectives, the Board has appointed four sub-committees, namely the Audit Committee, the Nomination, Remuneration, and Corporate Governance Committee, the Risk Oversight Committee, and the Executive Committee. More details can be found in Section 2.6 Corporate Governance Policy and Code of Ethics Handbook. Relevant points are summarized as follows:

1. Audit Committee

A three-member audit committee is formed. All members are independent directors. The committee is responsible for reviewing financial reports, ensuring that the Company has an efficient internal control system and an internal audit in place, and sees to those the Company's operations are in conformity with relevant law and regulations. In 2022, the Audit Committee held in total 13 scheduled meetings with the management, senior executives from related groups, and auditors.

2. Nomination, Remuneration, and Corporate Governance Committee

Nomination, Remuneration, and Corporate Governance Committee comprises 3 directors including 2 independent directors and 1 non-executive director. The main functions are as follows:

- Nominate, select, and propose eligible persons to be appointed as directors of the Board, directors of the sub-committees, CEO, and executives in positions from Executive Vice President upwards. Ensure that the committee has an appropriate number and structure as well as qualifications, knowledge and expertise essential for the governance of the Company, and in line with the organizational strategy.
- Determine remuneration, review remuneration rates paid to directors, members of the sub-committees, and CEO, and keep the rates within reasonable limit.
- Conduct corporate governance, review, propose, and monitor the implementation of good corporate governance policies to be in line with the code of conduct, regulations, and guidelines. Consider the results of the Company's corporate governance assessment as well as monitor the adequacy of the Company's disclosure principle in relation to corporate governance and sustainability development

In 2022, the Nomination, Remuneration, and Corporate Governance Committee held in total 6 meetings.

3. Risk Oversight Committee

The Risk Oversight Committee has 5 directors, including 1 independent director, 1 non-executive director, 2 executive directors and 1 executive in charge of risk management, with an independent chairman. The committee is responsible for proposing the Company's risk management policy, formulating a risk management strategy in line with the Company's risk management policy, and reviewing as well as verifying the adequacy of the policy and effectiveness of the overall risk management strategy. In 2022, the Risk Oversight Committee held in total 12 meetings.

4. Executive Committee

The Executive Committee comprises 3 directors. The Committee is responsible for managing in accordance with the policy, goals, budgets, and plans as approved by the Board of Directors, and in line with appropriate risk management practices. In 2022, the Board of Directors held in total 12 meetings. In 2023, social and environmental management has been further added to the role of the Executive Committee.

Anti-Corruption

As far as good corporate governance is concerned, Thanachart Group places special emphasis on anti-corruption. The Group deemed it an important principle in its business operation that it shall not support businesses, groups of individuals, or individuals engaged in undeserved exploitation, either directly or indirectly, resulting from the abuse of power and duties. The Group pledges its support for both the public and private sector in the fight against corruption in any form. Thanachart Group has therefore partnered with both the public and private sector under the initiative called Thai Private Sector Collective Action against Corruption (CAC) by declaring its intent and having joined the CAC initiative since 2014. In the third quarter of 2020, the Company and Thanachart Group's member companies have earned their second membership renewal certification. In 2023 the Company and the Group companies are in the process of applying for membership renewal for the third time.

The Company issued a notice to partners, business representatives in a bid to combat corruption by refraining from giving and receiving any gift informing stakeholders of the Company's practices and requesting cooperation from them in promoting this anti-corruption campaign every year. In 2022, electronic mails were sent to business partners and business representatives, and were also available through the Company's website, during the period of December 2022 - January 31, 2023. In addition, the Group companies also published the No Gift Policy logo, which was received from the CAC project, through the intranet system and the website of each company.

Executives and employees at all levels of the Company signed a confirmation form validating the acceptance of non-exploitation of business interests that conflict with those of Thanachart Group. This essentially means their compliance with the good corporate governance policy, code of conduct manual, anti-corruption policy, disclosure policy and use of internal information, anti-corruption measures, Message from the CEO on Anti-Corruption, whistleblowing regulations complaints of corruption, regulations on giving/accepting presents, gifts, welcoming dinners or benefits as well as other related regulations, and their non-exploitation of business interests that conflict with those of Thanachart Group. Self-assessment forms are therefore provided for all employees in the Company to review, test, and measure the level of their knowledge and understanding of compliance with good corporate governance and anti-corruption guidelines. This is made possible using Microsoft Forms in Microsoft Office 365. Coordination has been made among the Group companies in order to encourage similar practice to be adopted and carried out by each company annually.

Handle complaints or whistleblowing

As far as complaints of corruption is concerned, Thanachart Group has opened an exclusive channel for complaints at the website of each Thanachart Group's member company. It can be done either in writing by post, e-mail, or verbally by phone. In addition, the Company has opened another complaints channel via its website, www.thanachart.co.th under the topic of reporting corruption incidents, or via email at Anticorruption@thanachart.co.th, whereby the Company's Internal Audit Department shall consider and take charge of this matter. As the Company has a policy as well as measures for the protection of complainants as stated in the disclosure regarding the prevention of involvement in corruption, which shall be reported to the Audit Committee and the Board of Directors respectively. The Company has clearly established guidelines for the protection of stakeholders in filing a complaint or whistleblowing regarding corruption. There shall also be a plan to track the number of complaints annually.

In addition to the complaint channel via website and email above, complaints can be forwarded to:

Head of Audit Department
Address: 444 MBK Tower, 16th Floor
Phayathai Road, WangMai, Pathumwan
10330 Bangkok, Thailand

	2020	2021	2022
Total number of companies in the Group*	17	18	18
Number of the Group's member companies which are CAC members*	11	11	11
Number of complaints regarding corruption incidents	n.a.	n.a.	n.a.

Note * Other companies that do not participate in the CAC project membership are the Group's member companies that operate and their business operations are supervised by the Company's agencies.

More details can be found in Section 2.6 Corporate Governance Policy and Code of Ethics.

In addition, the Company has been judged in the Corporate Governance Assessment, as part of the Good Corporate Governance Survey (CGR), and earned its 5-star level. This recognition has been repeated for 7 consecutive years.

2. Financial Sector Sustainability and Sustainability Strategy

The Company, as an investment company and a holding company of Thanachart Group, invests in its financial subsidiary companies and also promising associated companies. It also seeks investment opportunities in other companies that have the



potential to generate appropriate and sustainable return on investment.

As for supervision of group companies, the Company has overseen and formulated a sustainability strategy for investments for its subsidiary companies. The Company is committed to supporting, promoting, and driving Group companies to provide high-quality products and services that meet customer needs, adhere to the principles of good governance, conduct business transparently, efficiently manage risks, and combine social and environmental initiatives to promote sustainable financial growth.

Furthermore, subsidiary companies must maintain a capital fund no less than the specified criteria, which is adequate for conducting business operations. Creating a customer-centric corporate culture, coming up with new financial innovations, and developing work processes for issuing products and services shall only serve to meet the needs of a wide range of customers. This shall in turn result in increased revenue from existing customer base as well as expanding new customer base under fair customer service guidelines (Market Conduct). In terms of personnel, the Company and its subsidiary companies attach importance to the equitable and fair treatment of employees. Continuous training and personnel development shall serve to increase the capacity of employees to replace important positions. Activities should be organized to promote and raise environmental awareness among employees, thus encouraging them to regularly take better care of their working environment.

3. Shareholder Returns and Performance

The Company operates investment business and is the parent company (Holding Company) of Thanachart Group, which operates a wide range of financial businesses including hire purchase business, insurance/life insurance business, securities business, non-performing asset management business, asset-based financing business, and investment business. The Company also holds shares of TTB as well as those in MBK, in a proportionate number for taking part in running their respective business. Realizing the importance of shareholders to the Company, the Company has been paying dividends in return to shareholders since 2002. The Company has a policy of paying dividend based on its performance and long-term shareholder returns. Evidently the Company has managed to steadily maintain dividend payment at an increasing rate. In the year 2022, the Company and its subsidiary companies had a net profit attributable to the company of 5,220 million baht, according to the financial statements, resulting from successful implementation of risk management strategies in line with the company's growth strategy. This has strengthened the financial position of each subsidiary company and supported their business operations, ensuring their financial stability. In addition, the company will consider increasing investments in subsidiary companies, associated companies and also in business operations with more proactive expertise, as well as expanding the business network of the Group companies in order to generate appropriate returns for shareholders in the long run. The dividend payment details are as per the table.

Table of Dividend Payment

Performance	2018	2019	2020	2021	2022
Net profit attributable to the Company (Consolidated Financial Statement) (Million Baht)	7,839	10,807	6,669	5,287	5,220
Earnings per share (Consolidated Financial Statement) (Baht)	6.74	9.43	6.26	5.04	4.98
Dividend per share (Baht) For the year's performance	2.60	7.00	3.00	3.00	3.10
Dividend payout ratio (Consolidated Financial Statement) (percent)	38	73	47	60	62

Notes

- 1) In 2019, the Company profited from the sale of TBANK to TMB in order to achieve a merger between the two banks whereby the Company paid a special dividend at the rate of 4.00 baht per share and paid a dividend of normal performance at the rate of 3.00 baht per share.
- 2) The Board of Directors has resolved to propose to the Shareholders' Meeting to approve the dividend payment at the rate of 3.10 baht per share, and the Company has paid an interim dividend for the year 2022 at the rate of 1.20 baht per share on 28 October 2022.

Tables of the Company Performance

(Unit: Million Baht)

Consolidated Financial Statements	2020	2021	2022
Total Revenue	20,761	18,708	19,219
Employee's expenses	1,887	2,052	2,028
Other operating expenses	7,243	7,260	7,939
Money paid to the owner of the funds	4,766	4,501	4,705
Income tax	1,557	836	772
Net Profit	7,848	6,722	6,428
Total Assets	140,756	142,735	157,089
Total Liabilities	67,987	68,594	84,558
Total Equity	72,769	74,141	72,531

- Notes**
1. Total revenue = Interest income + Non-interest income
 2. Other operating expenses = Fees and service expenses + Non-life insurance/life insurance income + Other operating expenses – Employee's expenses
 3. Payment to the owner of the funds = dividend payment + Interest expenses
 4. In 2020, there was a special profit from the sale of shares of AJT

(Unit: Million Baht)

Separate Financial Statements	2020 (Revised)	2021	2022
Total Revenue	7,555	6,147	6,174
Employee's expenses	179	200	192
Other operating expenses	138	154	125
Money paid to the owner of the funds	3,713	3,572	3,728
Income tax	(30)	(5)	2
Net Profit	6,669	5,287	5,220
Total Assets	75,022	77,336	87,318
Total Liabilities	11,712	12,222	20,555
Total Equity	63,310	65,114	66,763

- Notes**
1. Total revenue = Interest income + Non-interest income
 2. Other operating expenses = Fees and service expenses + Non-life insurance/life insurance income + Other operating expenses – Employee's expenses
 3. Payment to the owner of the funds = dividend payment + Interest expenses



4. Risk Management and Financial Crime Prevention

Effective risk management in accordance with changing circumstances will help Thanachart Group deal with risks that arise appropriately and in a timely manner, which shall lead to the confidence of all stakeholders. As a result, the Group can grow stably and sustainably.

As a result, the Company has clearly defined the risk management policy and guidelines in writing, which have defined the duties and responsibilities of various related departments for employees to comply. In addition, the risk management process has been defined as a guideline in 4 stages: 1) identifying the nature of risks and risk factors, 2) developing appropriate tools and models for risk measurement and risk assessment, 3) controlling risks to an acceptable level, and 4) monitoring risk status to manage risks in time for potential situations.

The Company has established a committee and related departments that clearly define roles, duties and responsibilities in managing and overseeing risks that cover all aspects of risk. Details can be found in Section 1.2 Risk Management.

As for the risks from the spread of COVID-19, Thanachart Group is aware of the risks and impacts arising from the COVID-19 pandemic by attaching importance to the safety of employees of all companies

in the Group, economic conditions, financial and banking volatility, and also services rendered to customers, trading partners or other stakeholders involved in all aspects of the business.

As for financial crime prevention, the Company and its Group companies have brought about certain changes to information technology by taking into account cybersecurity and personal data protection. In addition, the Company has established measures for collecting and disclosing personal information and customer activities, and all employees strictly comply with the scope of their responsibilities. In addition, an IT structure is in place for verifying the identity of customers in accessing the service, thus preventing fraudsters from accessing information of customers and their service usage.

5. Supply Chain Management

Thanachart Group manages the supply chain based on the selection process of their trading partners i.e. considering their work history, the ability of the service team, the quality of products or services, pricing, the preparation of written agreements specifying job scope and service agreement, as well as contingency plans. This is to ensure comprehensive and continuous services. There is also an evaluation of their performance to be used as basis for future hiring.

Example of supply chain management by THANI

Trading Partner Selection

In the process of purchasing or establishing business relationship, THANI shall consider selecting partners with knowledge, expertise, experience and ability related to such products or services, taking into account the cost-effectiveness, efficiency, effectiveness in terms of quality, price and rendering of the most beneficial services. Furthermore, they must have no record of being prosecuted, involved in disputes, or committed any acts that are suspected or intended to violate or disregard laws, regulations, or provisions related to opposition to corruption, human and labor rights, or natural resource and environmental management. In addition, the company also places importance on considering green procurement to reduce environmental impact, for example, choosing to use products made from natural materials or environmentally friendly materials.

Identifying Trading Partner's Importance and Managing Their Risks

The company operates with three main types of business partners: 1) car distributors, 2) debt collection service providers, and 3) business support service providers or other types of suppliers. Since the company's core business operations are related to the distribution of vehicles by distributors (consider more detailed information under the nature of business section in this report), the company manages the risk of dependence on major suppliers by establishing good relationship with a wide range of car distributors. In 2022, the company relied on major trading partners at an acceptable risk level in accordance with the company's strategic risk scorecard.

Partner's Business Ethics

The company aims for the suppliers to conduct their business in compliance with the laws and business ethics. The company has established contractual terms for suppliers to ensure that directors, executives, employees, workers, affiliates, or other individuals under the control of the contracting parties comply fully with the relevant laws, regulations, or provisions related to anti-corruption, human and labor rights, and responsible management of natural resources and the environment.

In addition, to monitor the ethical business practices of its partners, the company arranged a self-assessment for trading partners to assess issues related to sustainable operations in the economic, social, and environmental dimensions. In 2022, the company sent self-assessment forms to 200 major partners, and all partners who responded to the assessment had fully implemented the business ethics in all dimensions.

Setting Trade Credit Terms

The company attaches importance to the management of financial liquidity for both the Company and its business partners by establishing a commercial credit period with business partners within 7-45 days after the delivery of goods or services.



6. Promoting Financial Innovation and Access to Financial Services

Thanachart Group values and encourages innovations that create value for business, benefit customers or related parties, and are socially responsible as follows:

1. Focus on creating an organizational culture that encourages innovation and ensure that the management adopts and integrates it into their strategic review, plan for improving operation and performance monitoring
2. Promote innovations that enrich the business in line with the ever-changing circumstances e.g. business model definition, approach and perspective in design work, product and service development, research and working process, and collaboration with business partners

3. Increase customer service channels and develop products to give customers more access to financial services

Development of innovative financial products and services

Thanachart Group places emphasis on developing products and services that meet the needs of digital life. Products are improved to meet customers' demand in a timely manner in order to help them better cope with the ever-changing economic conditions. In addition, Thanachart Group also incorporates innovative media or platforms into all dimensions of service so that customers can easily contact them, fast and convenient. It also helps to build relationships that are easily accessible with platforms that customers are familiar with and use in their daily lives, or with innovations resulting from creating applications to support services.

Example of Promoting Financial Innovation and Access to Financial Services of THANI

Financial Innovation

In 2022, THANI underwent changes in its leasing system, including a review of internal processes to increase efficiency. For instance, the company reduced the amount of paperwork involved in transactions within the organization, resulting in a reduction of approximately 522,022 sheets of paper, resulting in a reduction of 489,755 baht in printing and carbon footprint costs per year. However, the company continues to develop innovations to enhance its sustainable business capabilities.

Access to Financial Services

THANI aims to develop products and services by taking into account the opportunity for all groups of service users in society to have equal and equitable access to financial services. This is especially true for low-income, disadvantaged and vulnerable groups in society so that their quality of life could be enhanced and they could less depend on informal loans with unreasonably high interest rates. The company designs its products and sets appropriate interest rates on the basis of comprehensive risk management. In addition, for the convenience of users, the company has disseminated product information and provided various contact channels, including website, www.ratchthani.com, LINE application @Ratchthani, as well as contact through head offices and branch offices nationwide.

In 2022, the company provided new loans to 18,706 customers, totaling 27,819 million baht. These were divided into customers who applied for loans for occupational purposes, accounting for 83 percent, and customers who applied for loans for consumption purposes, accounting for 17 percent. This resulted in the company's revenue from lending and related services in that year, totaling 4,443 million baht, with a net profit of 1,753 million baht.

Managing Customer Relationships

Thanachart Group aims to continuously manage and develop customer relationships by understanding and responding to customer needs, as well as creating a good experience between Thanachart Group and customers before, during and after providing services, to create business relationships that will generate long-term revenue.

Example of Customer Satisfaction Survey regarding the Service of THANI

In 2022, customers obtaining leasing services rated their average service satisfaction at 88.63 percent, which was higher than the target. However, the company will use the results of the assessment and feedback from customers to analyze and plan to improve the quality of service.

General Complaint Management

The Group companies recognize the importance of feedback and complaints from customers as an integral part for correcting, improving, and developing while striving to build the standard of the Group's products and services that shall maximize the customer's satisfaction. The guidelines for customers and stakeholders as informant/complainant have been established in case of their witnessing or being affected by the actions of either the Group director, executive, or employee. The complaint can be lodged via multiple channels including website, telephone, letter, email or LINE official account. After receiving notifications, clues and complaints on various issues, each Group company conducts its own investigation, presents possible solutions, formulates preventive

measures against recurring incidents, and reports to the relevant committees or management.

The process of considering and resolving complaints shall be carried out as soon as possible whereby the Compliance Section shall treat the complaint as preliminary information for further deliberation to proceed and to eventually find a resolution basing on fairness and adhering to the principle of equality. Once a resolution regarding the complaint is reached, the Compliance Section shall report the resolution to the Managing Director via the management of relevant department/branch, and send a notice of the complaint resolution to the complainant/customer, advising the resolution within 7 days from the date of resolution. In 2022, the company did not receive any general complaints at all.

General Complaint Handling Procedure of THANI

In 2022, THANI received is complains about their services, which were in vestigated, rectified, and analyzed, for causes and measures to prerent recurring incidents. Reports were also submitted to the relevant committees or executives within the Service Level Agreement (SLA) timeframe.



7. Cybersecurity and Personal Data Protection

Thanachart Group recognizes the importance of maintaining the security of confidential data of customers, company personnel, and the Company. Because the misuse of, or inappropriate disclosure of information, or disclosure without the consent of the data owner may cause damage to the data owner as well as the Company, in terms of reliability, individual and public security. As a result, as a precaution against data rights violation, Thanachart Group has formulated a policy of information technology security as well as measures to strictly retain customer data. Both are specified in the Code of Conduct manual. The Group shall never disclose customer data or confidential data except required by law to do so, or given written permission from the customer. The Group shall never exploit customer data. Thanachart Group has taken action to comply with the standards regarding the protection of personal data and the maintenance of data security. This is done by announcing policies to protect personal data, regulations on the storage and disclosure of personal data for shareholders, customers, persons conducting transactions with the Company, and employees within the organization, as well as providing training for all employees to ensure full compliance with the Personal Data Protection Act.

Social Dimension

Thanachart Group has a policy to operate in compliance with the law, regulations, and rules regarding social management applicable to business operation of the Group companies. This includes observance of universal human rights. The Group has established a human rights policy, as well as ensuring that all business

activities throughout the value chain are socially responsible. This reflects the Group's commitment to managing the issue. Therefore, the Group has undertaken various initiatives in different areas. The Group issues guidelines for fair human rights and labor practices, lays down guidelines for treating customers so that they receive complete information, get customized service, and no violation of customer rights is assured. Formulate criteria for a clear and fair procurement process for trading partners as well as conducting business with responsibility to the community and society are also included.

8. Respect for Human Rights and Diversity

Thanachart Group upholds important principles to respect human rights and will treat stakeholders with equality, uniformity, and indiscriminate consideration or differences of gender, color, race, religion, language, culture, disagreement, social status or any other status, as well as not supporting and resisting acts that violate human rights directly or indirectly. The Group has a guideline to formulate a human rights policy and shall review it on a yearly basis as well as assess related risk and its effect regarding human rights. The Group shall base its consideration on UN Guiding Principles on Business and Human Rights and use it as a guideline in handling any human rights issue that may arise throughout the supply chain in line with the Group's operation. As a result, it is certain that at every step of the Group's business operations, including that of all groups of stakeholders throughout the supply chain, no act of human rights violation shall occur.

From the evaluation of human rights risks in the Company, it is believed that there is no impact on this issue. However, the Company has identified significant human rights risks as follows:

Important Human Right Risks	Stakeholders	Risk Management Guidelines
Cybersecurity and personal data protection	Shareholders The Board of Directors Employees Customers Trading Partners Creditors	<ul style="list-style-type: none"> Ensure compliance with relevant laws and regulations, the Company has established measures to protect personal data and ensure the security of information, both for customers and employees conducting transactions with the company. These measures are designed to be comprehensive and ensure full compliance Establish information technology security policies and measures for strict protection of customer data, without disclosing any customer information or secrets unless required by law or authorized in writing by the customer

Important Human Right Risks	Stakeholders	Risk Management Guidelines
Equal and Fair Treatment of Employees	Employees	<ul style="list-style-type: none"> • Establish policies for fair hiring processes and employment conditions, including setting compensation and fair performance evaluation procedure • Promote employee development by providing training, seminars, and various types of training related to developing knowledge, as well as providing benefits as required by law to employees • Ensure that employees can work safely and have good health in the workplace
Supply chain management with consideration for human rights	Customers and trading partners	<ul style="list-style-type: none"> • Stipulate the policy on human rights according to the law, regulations, or relevant requirements as one of the conditions for considering procurement and hiring with business partners of the company. For example, labor recruitment and usage • Promote respect for the diverse differences of individuals among business partners and must not support or condone the use of violence or violations

9. Equal and Fair Treatment of Employees

Thanachart Group has taken steps regarding the issue of treating its employees equally and fairly, based on the operational standards as follows:

1. Thanachart Group follows employment practices in line with the established standards as well as the related laws. In this connection, the Company has also established a clear policy and clear regulations. Avoid violating human rights, e.g. employment of child labor and use of forced labor. Also put in place a process for checking various qualifications before recruitment.
2. Thanachart Group without giving undue advantages or depriving employees of their rights unfairly, due to differences in their race, religion, social status, gender, age, physical impairment or disability. As well, the Group has adopted a clear policy aiming at adopting measures for preventing and addressing sexual harassment.
3. As regards the disabled who work for Thanachart Group or the disabled who visit Thanachart Group for services, appropriate facilities and amenities are put in place in the buildings and premises concerned. In particular, parking spaces and wheelchair ramps are made available for the disabled.
4. Emphasis is placed on ensuring procedural fairness in relation to disciplinary actions. As well, the Group has put in place procedures for investigating all people involved to establish facts and for hearing both sides of the story in a careful manner. It has also established a screening committee consisting of qualified outsiders who participate in the procedures. The objective is to ensure that the disciplinary procedures are followed in the fairest manner possible. Importantly, a procedure has been put in place to allow employees who are subject to disciplinary action to lodge an appeal so that the case could be reconsidered for ensuring fairness of disciplinary.



5. Establish regulations, code of conduct handbook, and policies for good governance to be implemented towards stakeholders such as shareholders, executives, employees, business partners, etc., to adhere to the requirements, guidelines, and processes of working according to the principles of transparency and without corruption.
6. Thanachart Group also encourages collective bargaining negotiations, aiming at bringing about group discussions, suggestions and negotiations among the parties concerned, including the organization, employees' representatives, the employee welfare committee, and the employee committee. The objectives are to act on useful suggestions and to build good employer-employee relationships. In addition, arrangements have been made to the effect that the centralized human resource department establishes an HR business partner unit responsible for looking after employees, keeping them happy and productive so that they continue working for the organization.

Employees' Health Care

Thanachart Group recognizes the importance of ensuring that all employees are healthy and are able to access health services conveniently, mainly because the well-being of employees brings about organizational productivity. As a result, Thanachart Group pays great attention to the health of all employees. On one hand, it promotes the maintenance of the employees' health by putting in place of preventive measures which raise the awareness of and mitigate health risks. On the other hand, it puts in place the following measures with the aim of promoting the good health of employees.

- Health protection guidelines: Employees are provided with health knowledge in different areas so that they recognize the importance of keeping themselves fit and healthy. In particular, for the convenience of all employees, the Group makes arrangements for their annual medical examination. The annual checkups

help early detection of harmful diseases such as cancer as well as prevention and minimization of illness. Employees also receive vaccines against infectious diseases. The objective is for them to rest assured that they will have good health and will not get sick.

- Based on the health promotion guidelines, the Company ensures that employees receive medical benefits when they get ill. As well, they are provided with convenient medical services. In particular, the Company puts in place a first aid room for giving medical services. As well, it arranges for doctors from hospital to share their health knowledge with employees. In addition, the Company makes available medicines and medical supplies for first aid services. The objectives are to give first aid treatment and to prevent illness or injury from becoming worse.
- As regards guidelines and measures for preventing COVID-19 spread, Thanachart Group coordinated with both the public and private sectors in ensuring that its staff would get COVID-19 vaccinations. Importantly, it also implemented public relations activities, aiming at making the staff aware of and recognize the importance of observing precautions and taking care of their health and those of their family members. In addition, the Group established practice guidelines when ones had to be in close contact with patients suffering from COVID-19.

Safety, Occupational Health, and Work Environment

Thanachart Group pays attention to safety management and ensures healthy working environment for all employees, in line with the principles of occupational health. In this connection, the Company has established a policy and practice guidelines on safety, occupational health, and work environment in compliance with the provisions of the law. The Company has also established the Committee on Safety, Occupational Health, and

Work Environment. The Committee is responsible for implementing various activities with an aim of achieving the established objectives. In this connection, it encourages employees to recognize the importance of safety, occupational health, and work environment by sharing the related knowledge through activities and training courses on safety with employees at all level. As well, the Company looks after sick or injured employees, ensuring that they receive proper treatment. In this connection, it has established the policy as well as controlled and supervised the preparation of work plans on safety, occupational health, and work environment on an ongoing basis. This is to carry out the safety, occupational health, and work environment in accordance with the set policy. In addition, as the world was faced with the COVID-19 pandemic in the past year, Thanachart Group felt concern for the health of its staff, customers, and visitors. To ensure a safe working environment and business continuity, the Group established safety practice measures, which the staff were requested to strictly adhere to and cooperate. Furthermore, the Group established guidelines for working from home for its staff. The purposes were to contain the COVID-19 spread and to cooperate with the public sector, in addition to the established policy on safety, occupational health and working environment. The related details were as follows:

1. Comply with the rules and regulations, notifications, orders, and standards related to safety, occupational health, and work environment in line with the requirements imposed by the state agencies concerned.
2. Manage and oversee business locations, ensuring that employees have safe and healthy workplaces. As well, ensure that, in carrying out their duties, employees are prevented from loss of life and protected from physical or psychological injuries or illnesses.
3. Control, govern, and oversee the implementation of activities which promote occupational safety and health as well as healthy working environment in line with the scope of safety management systems.

4. Make available the regulations and handbook on workplace safety at business locations.
5. Support and promote the implementation of activities related to safety, occupational health, and work environment on a continuous basis. As well, make available appropriate and adequate human resources and budgets.
6. Improve the work environment and the areas surrounding the business locations on a continuous basis, ensuring that the workplaces are safe and the work environment is healthy. The improvements will bring about the quality of work life and the good health of employees.
7. Organize training courses for safety officers at management and supervisory levels as well as training courses for all employees.
8. Put in place a committee and personnel responsible for safety, occupational health, and work environment. The objective is to ensure proper implementation of Thanachart Group's related policies.

Human Resource Development

Based on the belief that personnel are the organization's most valuable resources, Thanachart Group pays serious attention to systematic human resource development with on-the-job learning experiences. As a result, staff could acquire relevant professional knowledge relating to the duties and responsibilities in their respective departments.

Practice Guidelines on Training

Thanachart Group's human resource development processes start with the development of newly recruited employees, training and development activities which focus on enhancement of key skills necessary for carrying out job duties of each position, as well as development activities aiming at raising the level of professionalism, which encompasses product knowledge, customer service, work processes, and work systems which are based on the conduct of business affairs in compliance with the regulations of the state agencies concerned and the code of professional ethics. Also noteworthy is the development of managerial skills and



leadership for supervisors at each level. The objective is to develop potential of the Company's personnel so that they are well prepared for implementing the organization's business strategies in an effective and efficient manner.

In 2022, Thanachart Group continued to develop its personnel at all levels further in all areas which included the knowledge and skills necessary for enhancing professionalism in their respective fields of work. Another objective was to provide personnel with an opportunity to choose fields of study which matched their interest. All these developments would prepare personnel for their future career growth and truly help them keep pace with the digital technology trends. In relation to such personnel development, the Group implemented the following various training programs, using a blended learning approach which included online learning through the internet, learning via intranets, classroom methods, workshops, and group discussion activities. The objective was to develop personnel so that they became as efficient as possible.

1. Corporate Training: This type of training activities focuses on development of key skills necessary for performing one's duties. The objective is to achieve people excellence which covers four areas including (a) thinking skills, (b) people management, (c) performance management, and (d) communication skills.

2. Functional Training: This type of training activities focuses on development of skills suitable for one's roles, duties, and responsibilities. The objectives are to raise the level of customer service based on the concept of customer centricity and to ensure that customers receive financial services which meet their needs and are in line with their risk tolerances. Not less importantly, emphasis is placed on ensuring that the services are delivered properly in compliance with the requirements and regulations of the state agencies concerned and in a transparent manner.

2.1 Product knowledge training activities were organized, aiming at providing employees with knowledge and understanding of various products and services of the Group

which were constantly improved and updated. As a result, employees were capable of appropriately introducing products and services that met the real needs of each group of customers.

2.2 As well, training activities were conducted on basic infrastructure of various work systems. The objective was to ensure that customer services could be delivered in a timely and efficient manner. Among others, these included training on customer management systems for introducing financial services, loan approval system, and systems related to buy and sell orders of life and non-life insurance products. The Group also provided employees with knowledge and understanding of information technology which constantly changed. As well, it organized training activities and seminars on innovative concepts and innovation skills for employees. The objective was to encourage employees to have concepts of product development and to adopt work processes that met customer needs in the digital age in a timely manner.

2.3 Professional certificate courses were also organized. Among others, these included courses for securities investment consultants, general insurance agents, and life insurance agents as well as courses on unit-linked insurance plans.

2.4 As well, training courses on regulations of the authorities concerned were conducted. The objectives were to provide all executives and staff with knowledge and understanding of the regulations and to ensure that the executives and staff were able to manage and do their work in full compliance with the regulations. In this connection, tests were given to assess participants'

knowledge of course contents after training. Among others, the trainings included courses on the Personal Data Protection Act, Anti-Money Laundering Act, Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act, Ministerial Regulations on Customer Due Diligence (CDD) as well as the course on CG & Anti-corruption Measures which covered the Group's corporate governance and anti-corruption policies. The Group also cooperated with the public sector in promoting ethical behavior and fostering fairness in business. As a result, the cooperation had positive impacts on the country's social and economic development.

3. Leadership and Managerial Development

Training: Executives play an important role in implementing the organization's policies and strategies. As a result, Thanachart Group has organized training activities with an aim of enhancing leadership and management skills for executives at each level in an earnest and continuous manner. The objective is to enhance, accelerate, and maintain potential, competence, and capacity of executives in managing their work and human resources in an efficient manner. Among others, the training courses included thinking and decision-making skills, strategic influencing skills, coaching skills, and leadership curriculum, which are the courses learning through intranet, combined with workshops and group discussions. In this connection, executives shall be encouraged to take part in training courses and seminars with both leading organizations, domestic and international. This is aimed at broadening their vision and building a network of cooperation with other organizations.

4. Blended-Learning Organization: To keep pace with today's ever changing world. The idea gives rise to a blended learning that could address the problem of personnel development: getting them well-prepared for business operation and customer service by means of the following learning methods:

- 4.1 Coaching: Supervisors were required not only to provide trainees with advice and suggestions but also to share various experiences with them so that they would be able to work efficiently.
- 4.2 On-the-job Training: Employees were encouraged to exchange their experiences with one another and to help solve problems together while they received suggestions from advisory experts. The objective was to promote group learning and foster teamwork skills which were beneficial to the organization.
- 4.3 Online learning via the internet and intranets: In 2022, the Group made available several training courses which allowed personnel to study on their own throughout the duration of the training courses concerned. The objective was to enhance their potential and prepare them for future work. In this connection, the learning effectiveness was systematically measured pre-learning and post-learning.

In addition to the above-mentioned elements, Thanachart Group has enhanced preparedness of newly recruited staff. Each new employee is required to attend a one-day orientation session, in which they will be provided with product knowledge, core values, organizational structure, compliance with the anti-money laundering law as well as the countering the financing of terrorism law as well as information about staff welfare. The objective is for new employees to know the business overview as well as direction and various strategies so that they could adjust themselves to Thanachart Group and establish good relationships with fellow colleagues and the organization. The orientation lays the foundation for the organization to retain the new employees.

Example of training organized by THANI

In 2022, THANI organized training courses for its executives and employees to develop skills and capabilities in their work. A total of 14 courses were offered, including courses on auto cash loans, pawn, mortgage, and sell with right of redemption of real estate, and technical courses on hire purchase business laws. The average training hours for executives and employees were 6.21 hours per person per year.

Welfare Benefits

Thanachart Group provides welfare benefits to permanent employees as well as those on fixed-term and temporary employment contracts. These welfare benefits are as follows:

Welfare Benefits	Types of Employees		
	Permanent	Fixed-term	Temporary
Salaries	✓	✓	✓
Overtime	✓	✓	✓
Training/Staff Development/Staff Scholarship	✓	✓	✓
Funeral Benefits	✓	✓**	✗
Educational Assistance for Staff's Children	✓	✓**	✗
Medical Treatments	✓	✓**	✗
Residential Rental Expenses	✓	✓**	✗
Welfare Loans	✓	✓**	✗
Danger Pay Allowance	✓	✓	✓
Provident Fund	✓	✓**	✗
Staff Uniforms	✓*	✓*	✗

- Remarks**
- 1) Permanent employees are those who are engaged by Thanachart Group on a permanent basis.
 - 2) Fixed-term employees are those who are on fixed-term employment contracts.
 - 3) Temporary employees are employed for the nature of work which is temporary or of a definite duration of not more than one year.
 - 4) * Only for some specified jobs.
 - 5) ** Only employees holding some positions are entitled to the benefits.

Performance Appraisal and Staff Remuneration

Thanachart Group has set up a clear and transparent performance appraisal process. Not only it adopted a standard methodology but also prepared a standard appraisal form for all work units. Performance appraisals, whether individuals, team or executives, have been clearly grouped. In this connection, the appraisal of the division/section must specify their main goals which are in line

with the annual Key Performance Indicators (KPIs) of their respective department. As well, the individual KPIs and the team KPIs have to be in line with the main goals set by each of their respective division/section. Such appraisal process will help drive the performance of the staff members of the whole organization to achieve the established business goals. The appraisal will be conducted twice a year in order to allow proper monitoring of the implementation.

A central unit will be responsible for ensuring that the appraisal of the whole organization follows the same direction as specified.

As regards remuneration, Thanachart Group has laid down the remuneration principles, ensuring that the remuneration is in line with the different nature of work, and that the remuneration in the form of monthly salaries

and annual bonuses will be properly taken into account. The objectives are to motivate staff members to carry out their duties and achieve the goals established by each division/section and to ensure that the compensation levels the Group provides are competitive with those offered by companies in the same business.

Thanachart Group Employee Information

Employees	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
By Age									
Under 30 Years Old	145	64	209	124	64	188	119	40	159
30 – 50 Years	748	572	1,320	737	545	1,282	750	526	1,276
50 Years or More	121	174	295	147	194	341	143	236	379
Total	1,014	810	1,824	1,008	803	1,811	1,012	802	1,814
By Position									
Senior Executives	54	54	108	54	49	103	22	31	53
Manager - Intermediate Executives	239	205	444	240	211	451	242	224	466
Operational Level	721	551	1,272	714	543	1,257	748	547	1,295
Total	1,014	810	1,824	1,008	803	1,811	1,012	802	1,814
By Workplace Location									
Head Office	859	602	1,461	859	607	1,466	861	615	1,476
Domestic Branch	155	208	363	149	196	345	151	187	338
Total	1,014	810	1,824	1,008	803	1,811	1,012	802	1,814
New Recruits by Age									
Under 30 Years Old	29	12	41	19	19	38	57	16	73
30 - 50 Years	46	39	85	46	54	100	74	60	134
50 Years or More	13	10	23	8	4	12	4	15	19
Total	88	61	149	73	77	150	135	91	226
Retired Employees									
Under 30 Years Old	8	12	20	17	5	22	16	13	29
30 - 50 Years	43	42	85	48	60	108	69	46	115
50 Years or More	12	10	22	16	17	33	15	26	41
Total	63	64	127	81	82	163	100	85	185



Other Human Resources Information

Type	2020	2021	2022
Employee's Leave			
Employees Entitled to Maternity Leave for Childcare (Person)	1,014	965	1,052
Employees who Have Exercised Their Maternity Leave (Person)	32	26	20
Employees who Return to Work after the End of Their Maternity Leave (Person)	32	26	19
Sick Leave (Day/Person)	3.78	2.62	19.66
Occupational Health and Safety			
Accident (Sick Leave not Required) (Case)	-	-	-
Accident (Sick Leave Required) (Case)	1	-	-
Training			
Total Trainings (Hour)	14,615.14	7,347.36	8,642.75
Average for Senior Executives (Hour/Person)	14.76	9.72	57.47
Average for Managers -Intermediate Executives (Hour/Person)	20.51	10.16	38.87
Average for Operation Level Employees (Hour/Person)	6.53	4.45	39.28
Human Resources Complaints			
Number of Complaints (Case)	-	2	1

10. Responsibility towards Customers and Consumers and Providing Financial Opportunities

Providing Fair Customer Service

Thanachart Group places importance on providing fair customer service, operating under the concept of showing customers confidence in Thanachart Group companies' transparent and clear operating system that can be easily verified. This is to create customer confidence in all financial products and services provided by the company, providing customers with appropriate information for correct understanding and use in decision-making, convenient and fair pricing and

service/product terms and conditions. The Group also sets out measures in the form of market conduct criteria for employees in dealing with customers, such as agents who must maximize benefits for customers without distorting risk or opportunity information. This is to meet customer needs and provide fair treatment while ensuring appropriate penalties for employees who receive complaints and violate the specified criteria. At the stage of developing the Group's financial products and services, the Group also considers providing financial opportunities for customers.

Example of Financial Opportunities provided by THANI

THANI aims to develop products and services that increase opportunities for all groups in society to access inclusive and equitable financial services, particularly low-income individuals, disadvantaged groups, and vulnerable communities, in order to enhance their quality of life and reduce reliance on high-interest informal loans. The company designs its products and sets interest rates based on comprehensive risk management. Additionally, the company provides convenient channels for customers to access information about its products and services through various channels, including the website www.ratchthani.com, the LINE app @Ratchthani, as well as through its headquarters and branches nationwide.

In 2022, the company provided new loans to customers totaling 27,819 million baht to a total of 18,706 customers. The loans were divided into customers with a purpose of obtaining loans for occupational purposes, accounting for 83 percent and customers with a purpose of obtaining loans for consumer purposes, accounting for 17 percent. This resulted in the company generating revenue from loans and related services in the amount of 4,443 million baht in that year, with a net profit of 1,753 million baht.

11. Corporate Social Responsibility

Thanachart Group emphasizes the importance of conducting business in conjunction with social responsibility, taking into consideration the stakeholders both within and outside the organization, as well as society as a whole, in order to create sustainable development in both business and society.

Examples of Social Projects of Thanachart Group in 2022

Project Name	"Funding Ramathibodi Foundation under the Royal Patronage of Princess Maha Chakri Sirindhorn"
Project Organizing Company	Thanachart Group and Its Allies
Project Objective	Focus on developing public interests for society, contribute funds towards the purchase of medical equipment and medical appliances
Project Details	
<ul style="list-style-type: none">How to Operate	Contribute 5,870,000 Baht to fund the purchase of medical equipment and medical appliances to promote the most effective medical treatment for patients at Chakri Naruebodindra Medical Institute, Faculty of Medicine, Ramathibodi Hospital, Mahidol University



Project Name	Supporting youth development through "Saturday School"
Project Organizing Company	Ratchthani Leasing Public Company Limited
Project Objective	Empower young people to have a wide range of knowledge and make use of their free time
Project Details	<ul style="list-style-type: none"> ● Execution Range January - December 2022 ● Person in Charge Office of the directors and administration ● How to Operate Contribute 200,000 Baht to "Saturday School", a community-based youth development program through learning activities
Project Success	The youth who participated in the activity showed an increased development in self-awareness by 19.73 percent, which will help them recognize their strengths and weaknesses in order to develop their potential and abilities in the future

Project Name	Financial Literacy
Project Organizing Company	Ratchthani Leasing Public Company Limited
Project Objective	Encourage employees to have knowledge, understanding, and discipline in saving money
Project Details	<ul style="list-style-type: none"> ● Execution Range 16 December 2022 ● Person in Charge Office of the directors and administration ● How to Operate Organize a financial literacy lecture on the topic "Growing Savings in Your Wallet" in order to promote knowledge, understanding, and discipline in saving money among employees. The guest speaker was a representative from Eastspring Asset Management (Thailand) Co., Ltd. The content of the lecture covers principles of investment and investment in retirement funds

Project Name	Project "Community Power, Build a Safe Road"
Project Organizing Company	Thanachart Insurance Public Company Limited
Project Objective	Promote community safety to reduce secondary road accidents
Project Details	<ul style="list-style-type: none"> ● How to Operate It is a partnership with Road Safety Collaboration Centre (RSCC), which is supported by various network associates. It aims at devising remediation process, both physically and social behavior-wise, and promoting management mechanisms for people in the community to participate in correcting their road risk points, along with building the body of academic knowledge. Annual budgets are allocated to address road risk points in 10 communities a year. No more than 200,000 baht shall be allowed per community, totaling 2,000,0000 baht

Project Name	“Award scholarships to Sirindhorn School of Prosthetics and Orthotics, Faculty of Medicine Siriraj Hospital, Mahidol University” This institute aims to produce professionals in prosthetics and orthotics, who shall rehabilitate people with disabilities and help restore their life
Project Organizing Company	Thanachart Insurance Public Company Limited
Project Objective	Focus on making a contribution to the betterment of youth in the society by funding their scholarships
Project Details	
<ul style="list-style-type: none"> ● Execution Range ● How to Operate 	<p>(Continued operation from 2013 - present)</p> <p>Supporting 4 scholarships worth 25,000 baht per scholarship, totaling 100,000 baht per year to students who have studied well. To jointly develop important national healthcare workers who play an important role in helping those who have lost organs with disabilities or disabilities. By making physical accessories and body prosthetics such as prosthetic arms and legs, so that they can return to daily life like normal people</p>

Environmental dimensions

Thanachart Group has always focused on environmental management. Over the years, there has been a policy implemented to promote practices in line with the environmental law, regulations, and requirements related to the business operations of the Group’s member companies. In order to show Thanachart Group’s commitment to reducing negative impact on the environment, the Group has therefore implemented measures regarding energy management, water management, refuse, waste and pollution management, as well as greenhouse gas management. In addition, the Group encourages an organizational culture that cultivates environmental consciousness, and also continues to operate in areas related to environmental conservation.

12. Promoting participation in environmental protection

Thanachart Group foresees the problem of energy shortage that the general public may consider to be far-fetched. With the rising trend of annual energy consumption, in line with the growth of the industry, economy, and population, the energy shortage problem is very likely to come sooner than expected. As the country’s energy demand continues to rise, it impacts

on the environment, climate change, global warming, pollution including natural disasters and pandemic which significantly lowers people’s life quality. Many sectors have jointly sought measures and procedures to seriously mitigate such impact with a view to having sufficient energy for the future as well as sustainable environment.

As a group of companies that contributes to the country’s economic growth, it is fully aware of its role as an organization responsible for the use of national resources, energy, and for environmental conservation. From its inception of business to the present day, the Group has expanded its business operations as well as those reflecting its social and environmental responsibility. In addition, the Group formulates policies to seriously and practically promote efficient energy consumption as well as energy conservation in office buildings. The Group then integrates the environmental and energy management system into their day-to-day operations and sets up related guidelines for employees to participate. The Group believes that expanding cooperation of individuals at the enterprise level shall definitely have positive impact on energy conservation and the environment at the national level.



Examples of Thanachart Group Environmental Projects in 2022

Project Name	Promote participation in environmental protection
Project Organizing Company	Thanachart Group
Project Objective	To reduce and control the impact of the Group's business operations on the environment
Project Details	
<ul style="list-style-type: none"> ● Execution Range ● Person in Charge ● How to Operate 	<p>January - December 2022</p> <p>Thanachart Group's member companies</p> <p><u>Electricity</u></p> <ul style="list-style-type: none"> - Purchase energy-saving electrical appliances to replace damaged electrical appliances - Campaign for economizing on electricity and turn off appliances after use - Designate the employee who is directly in charge of supervising the use of electrical appliances - Regular maintenance and monitoring of the operation of electrical appliances - Promote awareness of how to save electricity and use resources efficiently <p><u>Water Consumption</u></p> <ul style="list-style-type: none"> - Campaign for economizing on water and turn the tap off after use. - Campaign to ban dumping of food waste, toilet paper or anything else in the toilet bowl. - Promote awareness of how to save water and use resources efficiently <p><u>Paper Usage</u></p> <ul style="list-style-type: none"> - Campaign for reuse of used paper - Choose printers and photocopiers with a 2-page printing feature - Develop working system based on electronic transaction processing - Promote awareness of how to save paper and use resources efficiently

THANI's Example Goals and Action Plans to Reduce Environmental Impacts

Resource Management	Goal		Action Plan
	Short-term (1 - 2 years)	Long-term (3 - 5 years)	
Energy Management	Reduce electric energy consumption by 1 - 3% (Compared to base year)	Reduce electric energy consumption by 3 - 5% (Compared to base year)	<ul style="list-style-type: none"> • Purchase energy-efficient electrical equipment to replace damaged electrical equipment • Campaign for the use of electrical equipment sparingly and turn off the equipment after use • Assign a person responsible for directly overseeing the use of electrical equipment • Regularly maintain and monitor the operation of electrical equipment • Promote knowledge on how to save electricity and use resources efficiently
Water Management	Reduce water consumption by 1 - 3% (Compared to base year)	Reduce water consumption by 3 - 5% (Compared to base year)	<ul style="list-style-type: none"> • Campaign for the use of water sparingly and turn off the device after use • Campaign not to throw toilet paper or anything else into the toilet bowl • Promote knowledge on how to save water and use resources efficiently
Waste Management & Pollution Control	Reduce waste and pollution by 1 - 3% (Compared to base year)	Reduce waste and pollution by 3 - 5% (Compared to base year)	<ul style="list-style-type: none"> • Campaign for the reuse of used paper • Choose a document printer and photocopier with a 2-sided printing system • Develop work system with focus on electronic transactions. • Promote knowledge on how to save paper and use resources efficiently
Greenhouse Gas Management	Reduce greenhouse gas emission by 1 - 3% (Compared to base year)	Reduce greenhouse gas emission by 3 - 5% (Compared to base year)	<ul style="list-style-type: none"> • Purchase energy-efficient electrical equipment to replace damaged electrical equipment • Campaign for the use of electrical equipment sparingly and turn off the equipment after use • Assign a person responsible for directly overseeing the use of electrical equipment • Regularly maintain and monitor the operation of electrical equipment • Promote knowledge on how to save electricity and use resources efficiently



THANI's Example Goals and Action Plans to Reduce Environmental Impacts

Performance Indicators	2019	2020	2021	2022
Electricity Consumption				
Electricity Consumption (kWh)	574,971	568,101	643,998	589,793
Increase/Decrease of Electricity Consumption (Percent)	-	(-1.19)	12.01	2.58
Electricity Consumption per Employee (kWh per Person)	1,197.86	1,181.08	1,384.94	1,223.64
Increase/Decrease in Electricity Consumption per Employees (Percent)	-	(-1.40)	15.62	2.15
Electricity Expenses (Baht)	2,740,264	2,706,107	2,898,040	2,945,795
Increase/Decrease in Electricity Expenses (Percent)	-	(-1.25)	5.62	7.50
Water Consumption				
Water Consumption (Cubic Meters)	4,012	4,085	3,801	4,281
Increase/Decrease of Water Consumption (Percent)	-	1.82	(-5.26)	6.70
Water Consumption per Employee (Cubic Meters per Person)	12.54	12.49	11.52	12.63
Increase/Decrease of Water Consumption per Employees (Percent)	-	(-0.36)	(-8.13)	0.72
Water Use Expenses (Baht)	80,280	81,707	76,020	85,620
Increase/Decrease of Water use Expenses (Percent)	-	1.78	(-5.31)	6.65
Using Paper				
Paper Consumption (Reams)	-	5,483	5,150	4,750
Increase/Decrease of Paper Usage (percent)	-	-	(-6.07)	(-13.37)
Paper Purchase Expenses (Baht)	-	548,381	474,481	449,215
Increase/Decrease of Paper Purchase Expenses (percent)	-	-	(-13.48)	(-18.08)
Greenhouse Gas Emissions (Scope 2)				
Greenhouse Gas Emissions (TonCO ₂ e)	287.43	283.99	321.93	294.84
Increase/Decrease of Greenhouse Gas Emissions (Percent)	-	(-1.19)	12.01	2.58
Greenhouse Gas Emissions per Employees (TonCO ₂ e per Person)	0.60	0.59	0.69	0.61
Increase/Decrease of Greenhouse Gas Emissions per Employees (percent)	-	(-1.40)	15.62	2.15

Notes

- 1) The rate of increase/decrease compares data to those of the base year whereby electricity consumption, water consumption and greenhouse gas emissions refer to the year 2019, and paper consumption refers to 2020 - the year THANI started collecting data.
- 2) The Company is in the process of collecting data to measure long-term performance (3 - 5 years).
- 3) Electricity consumption in 2022 increased due to overtime dedicated to the development of THANI's work system.
- 4) Water usage, measuring the performance of the head office only.
- 5) Scope 2 is indirect greenhouse gas emissions from electricity consumption, referring to the method of calculating greenhouse gas emissions (Carbon Footprint) from Thailand Greenhouse Gas Management Organization (Public Organization).