

# Sustainable Business Development 2017

# SUSTAINABLE BUSINESS DEVELOPMENT



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The Company recognizes the importance of conducting business with good corporate governance while ensuring sustainability and being responsible for social and environmental development. Being a part of Thai society, it is our responsibility to lead by example and drive the development of the business for the overall benefits of society. Providing returns to our shareholders is one part of our overall mission which can only be complete when we can create good things for the society that always supports us.

For these reasons, the Company set clear business sustainability, social, and environmental policies per the guidelines enacted by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

On CSR development, the Company followed the CSR-in-Process and CSR-after-Process and placed emphasis on developing the conscience which leads to responsibility in order to gain support from the management and employees at all levels for participation to accomplish our CSR goals. Our areas of emphasis are:

## STAKEHOLDERS

In determining sustainability and CSR policies, the Company recognizes the importance of all stakeholders and has established policies to cover all stakeholders, with due respect to their rights as well as abiding by all laws or agreements with individual stakeholders; and will not commit any act to violate their rights, or deprive them of their rights.

The Company is determined to operate the business with accountability to stakeholders with consideration, mutual growth, and benefits which will lead to sustainable development for all. Additionally, stakeholders are made aware of their rights via the Company's Code of Ethics and Conduct which specifies equal treatment and protection. The Company has set clear communication channels for stakeholders to contact the Company for suggestions, comments, or complaints to the Board of Directors and/or the Audit Committee via the Company's Secretary, tel 02-657-2970 or via email: [jiratcha@ayud.co.th](mailto:jiratcha@ayud.co.th).

*The Company has clearly stated guidelines for interacting with stakeholders including shareholders, clients, employees, competitors, creditors, the social, community and environment, and the government in: The Report on Good Corporate Governance Practices, under section: Role of Stakeholders.*

## FAIR BUSINESS AND GOOD CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance and therefore operates our business with fairness, accountability, and honesty to ensure operational effectiveness and sustainable growth whilst building the economic value with consideration to stakeholders. The Company's foundation is built on the sufficiency economy business model with well-formed strategies, honesty, ethics, transparency and fairness to all stakeholders and consistent with good corporate governance guidelines as enacted by the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC) and policies are detailed in the Code of Ethics and conduct.

*The Company is committed to operating under good corporate governance policies and details can be found in The Report on Good Corporate Governance Practices.*

## ANTI-CORRUPTION

In 2016, the Company conducted Thailand's Private Sector Collective Action Coalition (CAC) survey on anti-corruption measures; and submitted the result to CAC committee for evaluation. The Company received with honor the Certification from the CAC on January 22, 2016. The Certification has a three-year membership term from the date of issue.

The Company realizes the importance in combating corruption and has set policies and tasks the Audit Committee to monitor business activities of the Company and subsidiary making sure that they abide by the laws and regulations. Each employee (including directors, and senior management) also receives a copy of the Code of Ethics and Conduct handbook with each signing acknowledgement. To help with the understanding and compliance, the Company organizes two training sessions and tests per year to stress the importance of compliance providing clear guidelines on ethics, responsibilities and penalties for non-compliance.

The Code of Ethics and Conduct handbook includes Fraud Prevention Guidelines to ensure understanding of the importance of proper conduct which in turns helps the stability of the Company and acceptance from all.

Furthermore, the Whistle Blower Policy, as explained in the Handbook requires directors, managers, and all employees to report any suspicious activities regarding corruption, rule violations, unethical behavior, actions against Company rules or actions considered sensitive to the Company's reputation. If an employee becomes aware of any suspicious activity as mentioned above, the person can report it to Chairman of the Audit Committee via the Internal Audit department.

*Full Anti-Corruption Policies including Fraud Prevention Guidelines and Whistle Blower Policy are laid out in the Code of Ethics and Conduct Handbook which may be found on the Company's website, under Corporate Governance section.*

## RESPECTING HUMAN RIGHTS

The Company conducts its business operations with respect for basic human rights towards all employees and stakeholders. The Company takes into account civic rights and political rights, including rights to life and liberty, equality under the law, freedom of speech, fair practice, and respect for human life and dignity.

*Details of Human Rights may be found in these sections : The Report on Good Corporate Governance Practices and Management Structure – Respect for Human Rights.*

## FAIR LABOR PRACTICES

Our employees are the Company's most important asset. To achieve sustainable growth, the Company has established policies to treat each employee with fairness starting from hiring practices, and by strictly adhering to the Labor Laws Act of May 1998. The search and recruiting processes are fair, transparent, and verifiable. Annual performance evaluations of employees covering wages, salaries, and benefits are aligned with industry standards and market conditions; and are fair, transparent and verifiable. Work safety standards are monitored to reduce risks. Annual health checks are offered to employees with regular health care recommendations via the Company's intranet. The Company regularly builds employee skills development over multiple training platforms through various educational resources such as the intranet, and tracks employee development with a succession plan in place. Furthermore, several employment benefits committees are active with employees involved in the decision-making process, with the objective of increasing skills and education, modernizing the office and work environment, designing uniforms, organizing annual events, and participating in the organization of CSR activities.

Various direct line of communications between employees and management are available for comments, complaints or suggestions to promote initiative on being a part of the Company development.

*Details that support clarity in the policies and fair labor practices can be found in: Management Structure – Employee Management Policy section.*

## RESPONSIBILITY TOWARDS CONSUMERS

Sri Ayudhya Capital Public Company Limited is an investment holding company with a subsidiary, Sri Ayudhya General Insurance Public Company Limited, providing general insurance products and services, and advising our customers on risk management and impact on financials should unforeseen events occur. The Company has provided policy guidelines for the subsidiary company to develop and maintain efficient operational standards, including financial and administrative processes to create consumer confidence and satisfaction in case assistance is required by customers encountering accidents. The Company is well-prepared in the areas of financials, technology and staff to provide a **24-hour service through a hotline called "One Number Call Center"**, a one-stop call center that customers can call for assistance. They can also contact the Company through the responsive and mobile websites for prompt assistance and crucial information in the case of any emergency.

## CONSUMER RIGHTS

1. Right to receive accurate information: The subsidiary company creates supplemental brochures to provide detailed information on insurance products, conditions of coverage and benefits per the laws enacted by the Office of Insurance Commission (OIC).
2. Right to confidentiality: The Company keeps customer information confidential and will not distribute and/or exchange information for other benefits, except in cases dictated by law.
3. Right to complain: Convenient communication channels are provided for customers to make complaints regarding customer service at tel. 02-657-2999, which is a 24-hour service line; or email to Customer Service at [info@sagi.co.th](mailto:info@sagi.co.th). A tracking system is in place to monitor corrective actions and feedback to customers.

## COMMUNITY AND SOCIAL DEVELOPMENT

Sri Ayudhya Capital Public Company Limited (AYUD) recognizes the importance of “CSR-After-Process” and considers its mission as a part of Thai society to set a good example through the development of programs, and activities that benefits the overall society.

## MANAGEMENT OF ENVIRONMENT IN BUSINESS OPERATIONS

The Company places importance in managing the environment in business operations and understands the impact of our business on the environment and as a result, several initiatives have commenced:

### ◆ Paperless Office

The policy is set for the Company and subsidiary to go paperless while maintaining the level of efficiency in operation. Documents and records are electronically kept with fast processing capabilities, lessening the impact on the environment as well as saving storage space and reducing the amount of waste.

### ◆ Energy Savings

To help reduce the effects of global warming, the following efforts are:

- Turn off the office lights at noon, every day.
- Reduce elevator use, and employees are encouraged to use the staircase for one flight of stairs
- Promote public transportation such as BTS to reduce environmental impact and energy by servicing via electronic means.

## CSR ACTIVITY PROCESSES

Currently, the Company is involved in multiple social and environmental CSR projects, and encourages employees to initiate potential future projects. The Company emphasizes engagement and responsibility resulting from collaborative efforts from all parties to ensure the activities we create are meaningful to all involved parties.

At the heart of our CSR work is to play a role and contribute to the development of the society and environment. The Company provides the rights and opportunities for employees to volunteer their time to taking part in these CSR activities. They can also propose a project for funding by the Company. Criteria for new projects will be considered with regards to suitability, objectives, and real needs to ensure the Company operates in alignment with the set objectives on CSR. Every employee is provided with a manual that states the Company’s commitment and guidelines for CSR practices.

**Insight**

The Company emphasizes every employee who is a volunteer to gain insight into the necessity and suitability of each project.

**Localization**

The proposed activity or project should be beneficial and respond to the needs of the community, society and/or environment.

**Involvement**

Employee involvement is the most important aspect for the success of each project.

**Sustainable Transformation**

Sustainable transformation is the ultimate goal each project aims to achieve.

In 2017, the Company developed a CSR framework named “**Stability in Life**” to guide our actions, emphasizing the balance in life and the quality of life for the business, employees, stakeholders, society, people and environment so that all can grow in parallel with sustainability.

**CSR | Framework**



## ► Employees, People

WELL-BEING | HUMAN RIGHTS | HAPPINESS



### Well-being

- ◆ Offer a wellness program for maintaining good health
- ◆ Add in prolonged illness leave policy
- ◆ Offer ex-gratia payment for critical illnesses
- ◆ Contribute to disabled, poverty stricken, and minority groups

### Human Rights

- ◆ Comply with labor practice standards
- ◆ Maintain a culture of accountability and integrity
- ◆ Enforce anti-corruption policy

### Happiness

- ◆ Implement the employee engagement model

## ► Business, Stakeholders

GROWTH | PROFIT | HIGH ROI



### Company Strategy

Build value for our group of companies by delivering attractive return to shareholders through:

- ◆ Approaching the market with a long term view on investment, returns and dividend growth
- ◆ Acquiring holdings in companies with strong brands and/or companies with valuable assets that match with the Company's criteria on investment/risk assessments

## ► Social, Environment

ECO-FRIENDLY | FAIRNESS | RISK MITIGATION



### Eco-friendly

- ◆ All processes are paperless and use online system
- ◆ A Survey is underway in preparation for new product development that complements environment conservation

### Fairness

- ◆ Offer products with fair coverage and claims

### Risk Mitigation

- ◆ All policies are focused on risk mitigation for customers

## ANALYSIS OF STAKEHOLDERS

In 2017, the management of each business unit of the Company met to determine the importance and impact of each group of stakeholders on the growth and sustainability of the business operation. Below shows a summary of our priorities and approaches to effectively respond to each group in achieving the Company's business objectives. The Company is committed to be responsible for these stakeholders in economic, societal, and environmental terms under the guiding principles of good corporate governance practices.

Stakeholder	Issues/Expectation	Method/Channel of Communication	Actions/Responses
Shareholders	<ul style="list-style-type: none"> <li>- Satisfied ROI</li> <li>- Sufficient disclosure of information. Transparency</li> <li>- Equitable treatment of shareholders</li> <li>- Channels to express opinion</li> <li>- Good corporate governance practices</li> <li>- Operate under the laws</li> </ul>	<ul style="list-style-type: none"> <li>- Annual shareholders' meeting</li> <li>- Annual report</li> <li>- The Company's website, emails</li> <li>- Provide answers to investment questions</li> </ul>	<ul style="list-style-type: none"> <li>- Showed business performance results and aimed for consistent growth</li> <li>- Conducted AGM according to standards set by SET and SEC.</li> <li>- Provided opportunity to shareholders to express opinion via the Company's communication channels</li> <li>- Ensured that good corporate governance practices were followed</li> <li>- Operated strictly under the laws and relevant regulations</li> <li>- Certified by Thailand's Private Sector Collective Action Coalition (CAC)</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Provide investment information that is complete, accurate, and transparent</li> <li>- Provide prompt service</li> <li>- Employees who conduct themselves with honesty and ethics</li> <li>- Protect customer confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>- Provide information via documents, leaflets, and website</li> <li>- Provide communication channel to express opinion and complaints via email</li> </ul>	<ul style="list-style-type: none"> <li>- Able to provide clear and accurate information</li> <li>- Reviewed regularly the operational and servicing processes to ensure effective customer response</li> <li>- Developed IT capabilities to respond to customers' needs</li> <li>- Code of Ethics and Conduct were followed</li> <li>- Protected customer information</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Have clear business objectives</li> <li>- Position, role and responsibilities</li> <li>- Competitive compensation, benefits and welfare in accordance with the labor laws</li> <li>- Opportunity to grow</li> <li>- Opportunity to develop knowledge for use in business</li> <li>- Equitable treatment</li> <li>- Access to information and updates on the Company</li> </ul>	<ul style="list-style-type: none"> <li>- Use HR intranet to provide communication updates and exchange of opinion</li> <li>- Foster good relationship via activities</li> <li>- Provide training</li> <li>- Use KPI index as a tool to measure and assess performance</li> </ul>	<ul style="list-style-type: none"> <li>- Held two employee conferences to provide updates and progress of the Company</li> <li>- Organized events and activities for employees to participate throughout the year</li> <li>- Conducted joint compensation surveys with companies within the same industry</li> <li>- Held training regularly to increase employee competencies</li> <li>- Evaluated employee performance through KPI index for appropriate adjustments in compensation</li> <li>- Treated employees fairly</li> </ul>
Partners	<ul style="list-style-type: none"> <li>- Have clear business objectives</li> <li>- Clear systems and procedures in operation. No monopoly</li> <li>- Effective collaboration, fast to respond</li> <li>- Fair and equitable treatment</li> <li>- Protect confidential information</li> <li>- Provide a channel of communication to express opinion</li> <li>- Have anti-corruption policy</li> </ul>	<ul style="list-style-type: none"> <li>- Use IT to support communication channel for more effective collaboration</li> <li>- Provide for a channel of communication in case of unfair treatment</li> </ul>	<ul style="list-style-type: none"> <li>- Fostered good relationship to build confidence and trust</li> <li>- Protected confidential information and kept records in accordance with the laws, rules and regulations as applied to the business needs</li> <li>- Protected privacy of information</li> <li>- Made known the Code of Ethics and Conduct including the anti-corruption policy and monitored adherence</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>- Conduct the business with honesty and respect governing laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Provide correct information on the Company's website to show transparency</li> </ul>	<ul style="list-style-type: none"> <li>- Upheld the policy on competition, and conducted business fairly</li> <li>- Followed the guidelines on good corporate governance in business operation</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>- Honor and follow the conditions of purchasing and procurement</li> </ul>	<ul style="list-style-type: none"> <li>- Establish and communicate criteria and procedures clearly</li> </ul>	<ul style="list-style-type: none"> <li>- Disclosed the purchasing and procurement policy</li> <li>- Strictly followed the commitment made to creditors</li> <li>- Fostered good relationship to build confidence and trust</li> </ul>
Society, community, and environment	<ul style="list-style-type: none"> <li>- Not only focus on conducting business but be involved in giving back to the society and community, and helping to improve the environment</li> </ul>	<ul style="list-style-type: none"> <li>- Organized CSR at least 4 activities, giving employees a chance to propose and participate in projects of choice</li> <li>- Promote activities internally via intranet to gain employee support and participation</li> <li>- Promote CSR activities via calendars for public exposure for more impact in promoting giving back to the society</li> </ul>	<ul style="list-style-type: none"> <li>- Committed to the CSR policy in giving back to the society and community and helping to improve the environment</li> <li>- Promoted CSR through conscience building activities</li> <li>- Promoted CSR through training and participation in various activities</li> <li>- Joined efforts in creating innovation for sustainable business</li> </ul>
Government	<ul style="list-style-type: none"> <li>- Conduct the business under the laws and regulations</li> <li>- Establish good corporate governance practices</li> <li>- Communicate to employees on compliance of these laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate laws and regulations to employees via specified communication channel</li> <li>- Organize employee training on laws, rules, and regulations as applied to their work. Test employees to ensure understanding and compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Strictly followed the laws and regulations</li> <li>- Published policies, rules, regulations and Code of Ethics and Conduct for acknowledgement and compliance by employees</li> <li>- Systematically monitored adherence to rules and regulations</li> </ul>

## SOCIAL CONTRIBUTION

### Bike to School Project

- ◆ The ‘Bike to School’ project was proposed by our employees, Mr. Kittirut Thumpad, Branch Operations Manager - Head Office. In up country areas, far too often, children have no means of getting to school. There are no funds for paid transportation, no public transportation service. School children must make that extra effort daily to walk the long distance just to be able to learn. As a result, the Company donated 200 bicycles to these children in need at six schools in Chanthaburi and Samut Songkhram. A wonderful bonus of the project was to see the children getting healthier, and so much more from having bicycles. To raise the awareness on the importance of making social contribution among wider audience, the Company expanded the program in its 4th year to cover Samut Songkhram by contributing 45 bicycles to children in three schools: Baan Bang Nang Li School, Wat Worabhummi School, and Wat Prachakositaram School.



### Year 14: Insurance Friends and Partners for the Society

Employees volunteered to participate in this joint community program with insurance friends and business partners focusing on developing upcountry schools and communities by donating scholarships and lunch meals for schools under this program.



- ◆ Year 2: Group PA Insurance Coverage at Baht 8.7 million for Volunteers and AED valued at Baht 69,500 for Training Purposes at Narethorn Emergency Medical Services (EMS) Center, Rajavithi Hospital

To help volunteers at the Narethorn EMS Center who work tirelessly to help accident victims, the Company donated a group PA insurance with a total coverage of Baht 8.7 million to protect them during working hours and provided an AED equipment for training purposes.



- ◆ 9,999 Sandalwood Flowers for the Royal Cremation of Our Late King

Mr. Virojn Srethapramotaya, Chairman of Sri Ayudhya General Insurance PCL or SAGI, and staff volunteers jointly presented 9,999 sandalwood flowers at the Occupation Promotion Unit, Social Development Office, Bangkok, on August 28, 2017.



## EDUCATION DEVELOPMENT PROJECT

### ◆ Education Development Project

SAGI led by Mr. Virojn Srethapramotaya, Chairman of Sri Ayudhya General Insurance PCL or SAGI, and staff volunteers continues to carry on this project for the 4th year by donating school uniforms, in the amount of Baht 20,000 for children at The Christian Prison Ministry Foundation, or Baan Phraporn, Rama 9 community, next to Klong Ladprao.



## INNOVATION AND PROMULGATION OF INNOVATION DERIVED FROM CSR OPERATIONS

### Digital Transformation

The Company continued to develop digital technology infrastructure and at the same time, made electronic transactions possible when buying insurance products on various platforms. Cloud computing technology enables the staff to work “anytime, anywhere, and any place” with agents, brokers, partners and provides assistance to customers – and be truly self-reliant. In addition, the Company provides ongoing training throughout the year to increase digital capabilities resulting in increased productivity, effectiveness, and improved service to customers.