



MuangThai Capital Public Company Limited



# Sustainability Report

## 2021

## CONTENTS

01	Message from the Chairman of the Executive Committee	06	Operational performance of corporate governance
02	Overview of operational performance for sustainability of MTC	07	Sustainable Development of Muangthai Capital Society
03	Knowing Muangthai Capital	08	Efficient resource management and environmental protection
04	Stakeholder engagement	09	Appendix
05	Determination of sustainability issues	10	GRI Content Index

## Message from the Chairman of the Executive Committee

In the midst of today's rapidly changing world due to the advancement of technology, it results in consumer expectations, business competition, and social change which is faster than previously. This causes the Company to be aware of and prepare to meet challenges in many areas whether in economic, social and environmental dimensions. However, the Company will continue to adhere to and follow the Company's vision and mission determinedly to lead the Company towards sustainability. Muangthai Capital Public Company Limited, as the number 1 leading company in the microfinance business, is committed to and realize the role of sustainable development through corporate social responsibility operations for over 30 years. The key operation in the year 2021 are as follows:

In terms of good governance, the Company has undertaken cooperation projects that are important to economic development, such as expanding more branches in hopes that people will have access to funding sources. We are contributed to the community good corporate governance in compliance with rules and regulations, developing and creating new innovations that benefit business operations. It includes the development of products that focus on responding to the needs of customers, etc.

In terms of society, the Company operates many important social responsibilities such as promoting safety, occupational health and working environment for personnel, human resource development in the Company to be knowledgeable and able to serve customers including various social assistance activities, etc.

In terms of environment, the Company is aware of the environmental impact of business operations. Therefore, we have improved our operations to be environmentally friendly through important actions such as commitment to energy management reducing the amount of greenhouse gas emission, water resource management, etc.

Finally, as the Chairman of the Executive Committee, I would like to thank all management and personnel for playing an important role in driving, supporting and participating in driving the sustainable development of the Company. I am also appreciated to all stakeholders who have always supported the Company's operations. Eventually, we will continue to strive to conduct business with responsibility, ready to grow and stand side by side with Thai society in a sustainable way.

**Mr. Chuchat Petaumpai**  
Chairman of the Executive Committee



# 02

## Overview of operational performance for sustainability of MTC

### Economic aspect

27 Corruption cases	Cumulative economic value 20,156,657,193 baht	Not being affected and not being threatened with the Company's information system	Not being affected and not being threatened with the Company's information system	The case that the Company fails to comply with economic, social and environmental laws are not found (307-1, 419-1).
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### Environmental aspect

- Total energy consumption equals to 278,765.32 gigajoules.
- The Company has a concentration of energy consumption per loan balance at 3.04 gigajoules per million Baht.
- The Company has a concentration of energy consumption per number of at 24.33 gigajoules per person (302-4).
- The Company has a rate of greenhouse gas emissions per number of employees at 2.21 tonnes carbon dioxide equivalent per person (302-4).
- The amount of greenhouse gas emissions equals to 25,305.64 tonnes carbon dioxide equivalent.
- Total water consumption equals to 869.96 megaliters.



### Social aspect

- No incident of data leakage of customers and partners was found.
- Customer satisfaction with the Company's operation is 91.58%.
- Total number of employees and workers are 11,460 people.
- Average number of training hours for 2.97 hours per person.
- 0.41% of the number of injury rates of personnel in the Company.
- No incident of violation on human rights was found in the Company.

### Awards of achievement

- The Company has been in the list of Thailand Sustainability Investment (THSI) from Stock Exchange of Thailand for the 3<sup>rd</sup> consecutive year.
- The Company was rated "A" for the second consecutive year in the ESG MSCI Index on the environmental, social and corporate governance performance in the Consumer Finance sector by MSCI.
- The Company was selected to be a member and ranked in the FTSE4Good Index Series Sustainability Index in the FTSE4Good Emerging Index category from the FTSE Russell, with a score of 3.5 out of 5 or 1.4 times the industry average.
- The Company was selected as a member of the FTSE Thailand USD Net Tax Index by FTSE Russell with profitable operating results, accuracy, and transparent tax management yielding the maximum interests of the country.
- The Company was awarded GLOBAL BANKING & FINANCE AWARDS @ 2021, organized by Global Banking & Finance Review in the category of "The Next 100 Global Awards 2021", a group of non-bank financial institutes and is the only Thai company to receive the award.
- The Company was awarded "Thailand's Top Corporate Brands 2021" with the highest corporate brand value in the finance and securities business category. This award is the result of research work on "Measurement of corporate brand values in ASEAN and in Thailand for the year 2021" of the Master of Science Program in Brand Management and Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University.



## Knowing Muangthai Capital

Muangthai Capital Public Company Limited (102-1) operates the non-bank financial institution under the microfinance license and Nano finance license under the supervision of the Bank of Thailand having the main loans of car registration loans including motorcycles, cars, pickup trucks and agricultural vehicles registered with the Department of Land Transport. In addition, the Company also expands the credit services to cover the credit that uses agricultural land as pledge. This includes unsecured personal loans and Nano finance loan to respond to the needs of customers more thoroughly.

The main business philosophy of the Company is to be a Microfinance service provider that helps

people with difficult access to loan from financial institutions to be able to access loan sources more easily and conveniently with reasonable, fair, and transparent financial costs. Such philosophy has become the approach for business operation to be performed based on the norms of good governance and appropriate risk management. This includes the Company's sustainability strategy to become a "responsible microfinance lending service provider," meaning the creation of a microfinance loan product that can respond to the development of the country's financial inclusion. Having responsibility to all stakeholders is in line with the policy of the Bank of Thailand.

### Vision (102-16)

**"We will be No. 1 leader in the microfinance business."**

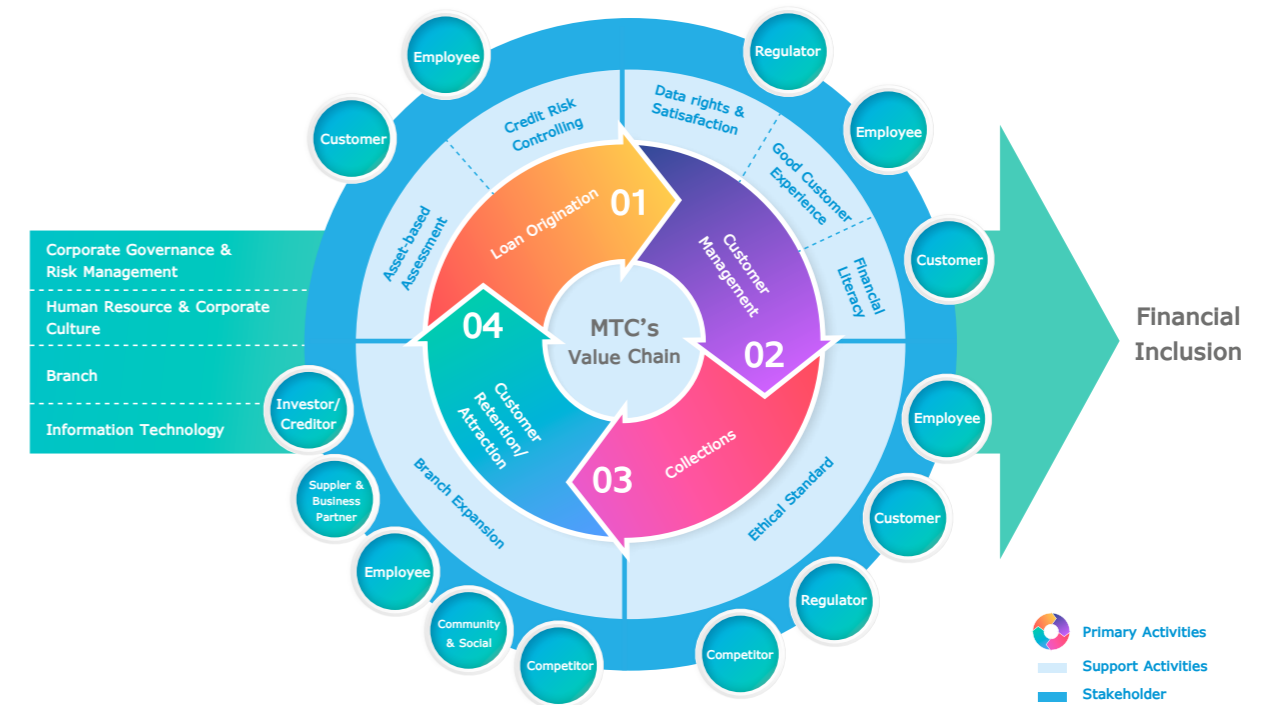
### Missions (102-16)

1. The Company will expand the customer service area in the form of branches to cover all regions of the country. 915 branches will be opened for operation in the form of large branches, sub-branches, and service centers. There are 5,799 branches as of 2021.
2. The Company must have the largest market share in each area that operates and will have customer base increase every year at least 30% per year.
3. The Company must have the highest average loan amount per employee in the same business.
4. The Company will focus on the supervision and management of debts by using the MTC Model as a tool for operation.
5. The Company will provide excellent service and create the highest satisfaction for customers.

### Main credit products and services (102-2)

Microfinance Loans	Hire Purchase Loans	Non-life insurance broker
<ul style="list-style-type: none"> <li>Car registration loan</li> <li>Loans with title deeds as collateral</li> <li>Personal loan (unsecured)</li> <li>Nano finance loan</li> </ul>	<ul style="list-style-type: none"> <li>New motorcycles</li> </ul>	<ul style="list-style-type: none"> <li>Compulsory Third Party Insurance (CTP)</li> <li>Personal accident insurance</li> <li>Lost car insurance</li> </ul>

### Company's Value Chain (102-9)



The Company's Value Chain reflects the lending cycle as a circular value chain which consists of lending activities as Circular Value Chain consisting of:

1) Credit approval and approval process have sustainable development policy in considering credit through the Asset-Based Assessment (A) approach instead of using income information or credit bureaus of customers to increase the chances of accessing loans for ordinary people who do not have regular income and credit risk management policies (C), such as setting employee KPIs to suit credit risks.

2) Customer Management Process has the policy of improving customer experience by providing excellent service (G) such as the development of customer relationship management system to respond to the use and changing customer behavior towards technology and satisfaction with credit products, customer privacy policy (D), and customer and public financial education policy (F).

3) Debt collection process is an important process of the Company's business operation and is relevant to industry ethical development (E) policies, particularly in debt collection processes.

4) The process of retaining the existing customer base and increasing new customer base implements the policy of expanding customer reach by opening a branch (B). The operating model may be changed in the future depending on the current environment.

In addition, the Company's value chain management will adhere to the principles of good corporate governance which consists of good governance and effective risk management, comprehensive human resource management with the secure and safe information system resulting in the Company to promote sustainable access to credit for pub

**Key operation area** <sup>(102-4, 102-6, 102-7)</sup>

**Head Office** <sup>(102-3)</sup>

Muangthai Capital Public Company Limited  
 332/1 Charansanitwong Road, Bang Phlat, Bangkok 10700 Tel. : 0-2483-8888  
 Website: <https://www.muangthaicap.com>

**Area Office** <sup>(102-4)</sup>

Operation Areas	Number (places)		
	Branches	Sub-branches	Service Center
Lampang	20	154	246
Chonburi	21	282	122
Saraburi	21	219	166
Khon Kaen	16	158	160
Nakhon Sawan	20	149	236
Yasothon	17	130	214
Nakhon Pathom	21	312	114
Nakhon Ratchasima	14	153	117
Trang	20	180	173
Bangkok 1	13	177	59
Surat Thani	15	116	158
Phitsanulok	19	162	229
Udon Thani	16	136	220
Bangkok 2	14	218	50
Ratchaburi	14	176	76
Bangkok 3	12	191	42
Surin	11	126	93
<b>Total</b>	<b>284</b>	<b>3,039</b>	<b>2,475</b>
		<b>5,799</b>	

**Policies, Structures and Strategies for Sustainable Development**

**Sustainability Management Policies and Goals**

The Company is determined to be the microfinance service provider to help people who do not have access to credit from financial institutes to be provided with access to loan sources with reasonable and fair financial costs. This has become a guideline for doing business on the basis of good governance for proper risk management.

After the Company was listed on the Stock Exchange of Thailand, the Company's performance has grown exponentially from the strategy of expanding the number of branches to cover all areas, resulting in the Company's loan portfolio growing by more than 1,233% from the number of customers 0.68 million contracts in 2014 to 3.92 million contracts and the number of employees increased from 1,703 to 11,460 persons. The Company realized that the impact of the Company's operations to those stakeholders has increased significantly.

Nowadays, the Company thus focuses on sustainable development economically, socially and environmentally to become the "microfinance credit service provider adhering to responsibility". We operate

business under the principles of good corporate governance taking into account the impact on all stakeholders in accordance with the Bank of Thailand's policy. The Company has considered the Company's value chain in order to set goals, policies, and operational framework as follows:

With the commitment of the Company in being the provider of microfinance loans that help the underprivileged people to reach the source of credit from financial institutions to be able to access credit sources with reasonable and fair financial costs, the focus is on reaching with the strategy of expanding branches to all regions of Thailand. The Company realized that the impact of operations on stakeholders has increased significantly. We now focus on operating our business in line with sustainable development guidelines covering economic dimensions, social dimensions, and environmental dimensions to become "responsible microfinance service providers" by operating under good corporate governance principles and taking into account impact on all stakeholders.



## Stakeholder's engagement

In identifying the stakeholders of Muangthai Capital, we take into account individuals, groups or entities that can affect or be affected by the Company's operation. Each group of stakeholders has different operating methods and interactions. The Company will divide key stakeholders into 7 groups, namely 1. Employees, Executives and the Board of Directors, 2. Customers, 3. Shareholders/investors/creditors, 4. Business partners, 5. Business competitors, 6. Community and Society, and 7. Regulatory Body <sup>(102-42)</sup>



Table of Stakeholder's engagement

Group of stakeholders <sup>(102-40)</sup>	Engagement guidelines and frequency <sup>(102-43)</sup>	Expectation/Demands of Stakeholders <sup>(102-44)</sup>	Approaches for the operation of the Company
Employees, Executives and Board of Directors	<ul style="list-style-type: none"> <li>Meeting (on a monthly basis)</li> <li>Company's website</li> <li>Notification / order</li> <li>Telephone</li> <li>Employee's satisfaction questionnaire</li> <li>Company's whistleblowing system</li> </ul>	<ul style="list-style-type: none"> <li>Have good working environment.</li> <li>Receive appropriate compensation and benefits.</li> <li>Have good relationship between colleagues and supervisors.</li> <li>Good Company's work system.</li> <li>Gain career advancement and career growth.</li> <li>Have a balance between work and personal life.</li> <li>Create positive attitude to work.</li> </ul>	<ul style="list-style-type: none"> <li>Build the strong corporate culture based on the Company's core values.                             <ul style="list-style-type: none"> <li>- Recruiting and allocating human resources by adhering to human rights policy and accept diversity</li> <li>- Personnel development</li> <li>- Performance appraisal</li> <li>- Remuneration, welfares, and safety of employees</li> <li>- Succession</li> </ul> </li> </ul>

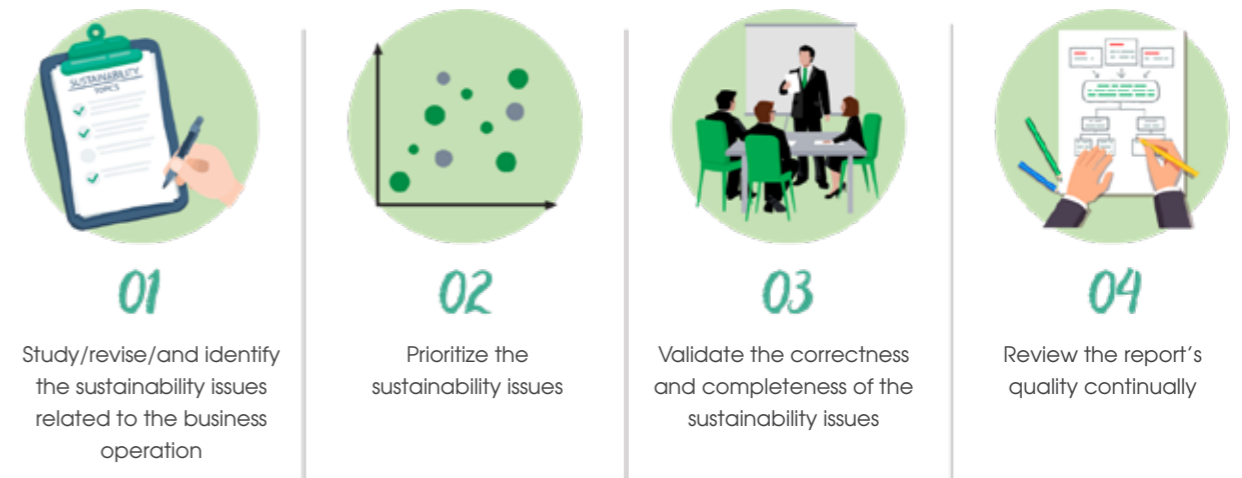
Group of stakeholders <sup>(102-40)</sup>	Engagement guidelines and frequency <sup>(102-43)</sup>	Expectation/Demands of Stakeholders <sup>(102-44)</sup>	Approaches for the operation of the Company
Customers	<ul style="list-style-type: none"> <li>MTC Call Center 1455</li> <li>Walk-in to customer service branches</li> <li>Facebook: Muangthai Capital</li> <li>Line @Muangthaicapital</li> <li>Call Center 02-4838888</li> <li>Application "Muangthai 4.0"</li> </ul>	<ul style="list-style-type: none"> <li>Clear, flexible and fast loan approval procedures/ documents/conditions</li> <li>Suitable approved credit line.</li> <li>There are convenient and fast payment methods.</li> <li>Reduced interest rates/fees.</li> <li>The communication of the employees is correct and complete.</li> <li>Confidentiality of customers' information.</li> </ul>	<ul style="list-style-type: none"> <li>Improving access to responsible funding                             <ul style="list-style-type: none"> <li>- Taking into account ESG in credit products and credit approval process</li> <li>- Expansion of branches to increase access to services</li> <li>- Designing appropriate credit products, conditions and operating procedures to control the default risk</li> </ul> </li> <li>Creating a good experience for customers                             <ul style="list-style-type: none"> <li>- Providing excellent, thorough and equal service</li> <li>- Creating financial discipline for customers</li> <li>- Developing industrial ethics</li> </ul> </li> <li>Respect for customer satisfaction, rights and personal information</li> </ul>
Shareholders/Investors/ Creditors	<ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders (1 time per year)</li> <li>Communicate through the stock exchange (regular)</li> <li>Organizing Opportunity Day with the SET (3 times a month)</li> </ul>	<ul style="list-style-type: none"> <li>Consistently good performance</li> <li>Good Corporate Governance Principles</li> <li>Be an organization with stability, transparency and sustainable growth.</li> </ul>	<ul style="list-style-type: none"> <li>Good Corporate Governance</li> <li>Risk management in a concrete and effective manner</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>Email (annual)</li> <li>Visit (only for new partners once a year)</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate in various operations for maximum benefits.</li> <li>Continuity of operation as an important part of the supply chain.</li> <li>Standard evaluation and selection criteria.</li> <li>Fairness, transparency and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain management taking into account the impact on ESG.</li> </ul>

Group of stakeholders <sup>(102-40)</sup>	Engagement guidelines and frequency <sup>(102-43)</sup>	Expectation/Demands of Stakeholders <sup>(102-44)</sup>	Approaches for the operation of the Company
Business competitors	<ul style="list-style-type: none"> <li>Meeting of the car registration business trade association</li> <li>Meeting of the personal loan business club</li> </ul>	<ul style="list-style-type: none"> <li>Fair competition.</li> <li>Industrial upgrading together.</li> <li>Cooperate with associations/ trade clubs of car registration/ personal loan operators complying with the regulations of regulatory agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation with the car registration lenders trade association to jointly upgrade the industry</li> </ul>
Community and society		<ul style="list-style-type: none"> <li>Take responsibility for the health and safety of the community.</li> <li>Consider the environmental impact including the conservation of energy and natural resources.</li> <li>Strictly comply with the law.</li> <li>Identify the current or potential impact of products, services, processes and activities on society in general and to the local community on specific matters</li> </ul>	<ul style="list-style-type: none"> <li>Creating Engagement between the Company with the community through the CSR project</li> </ul>
Regulatory bodies (Bank of Thailand/Office of the Consumer Protection Board/Public Debt Management Policy and Supervision)	<ul style="list-style-type: none"> <li>Email (annual)</li> <li>Meetings through trade associations/clubs for car registration/personal loan operators</li> <li>Visit (once per 2 years)</li> </ul>	<ul style="list-style-type: none"> <li>Support policies and comply with appropriate rules (or exceeds the limit)</li> <li>Management with honesty, have transparency in operation and adhere to the principles of accuracy</li> <li>Improve operational processes to be in line with policies and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation with regulating body to upgrade the industry.</li> <li>- Develop Market Conduct</li> <li>- Create financial discipline for customers and the public</li> <li>- Provide financial knowledge to clients and the public</li> </ul>

After engaging with stakeholders, the Company know the needs and expectation of each stakeholder group. This will be used as information to respond to expectations and to further improve the Company's operating methods in order to be able to conduct business with stakeholders in a sustainable manner.

## Determination of sustainability issues

The Company has prepared this report to disclose the operating results in economic, social and environmental dimensions which are significant to the Company and stakeholders. The report considers sustainability issues from internal and external factors consistent with the reporting principles of the Global Reporting Initiatives (GRI) standard through the following four key sustainability assessment steps <sup>(102-46)</sup>



### 1. Identification

The Company has studied and compared important international sustainability issues such as the Dow Jones Sustainability Indices (DJSI) and sustainability issues of nearby companies both domestically and internationally. In addition, the sustainability issue of the Sustainability Accounting Standard Board (SASB) defined for businesses has been identified as the Company's initial sustainability issues.

### 2. Prioritization

- Analyze and consider information obtained from relationships with internal and external stakeholders.
- Prioritize sustainability issues which is important to the Company's business operation and is issue that both internal and external stakeholders attach importance to by considering in order of importance in 2 parts to determine the factors into the Materiality Matrix which are:
  - Horizontal Axis: Issues which are important to the Company.
  - Vertical axis: Issues which are important to stakeholders.

### 3. Validation

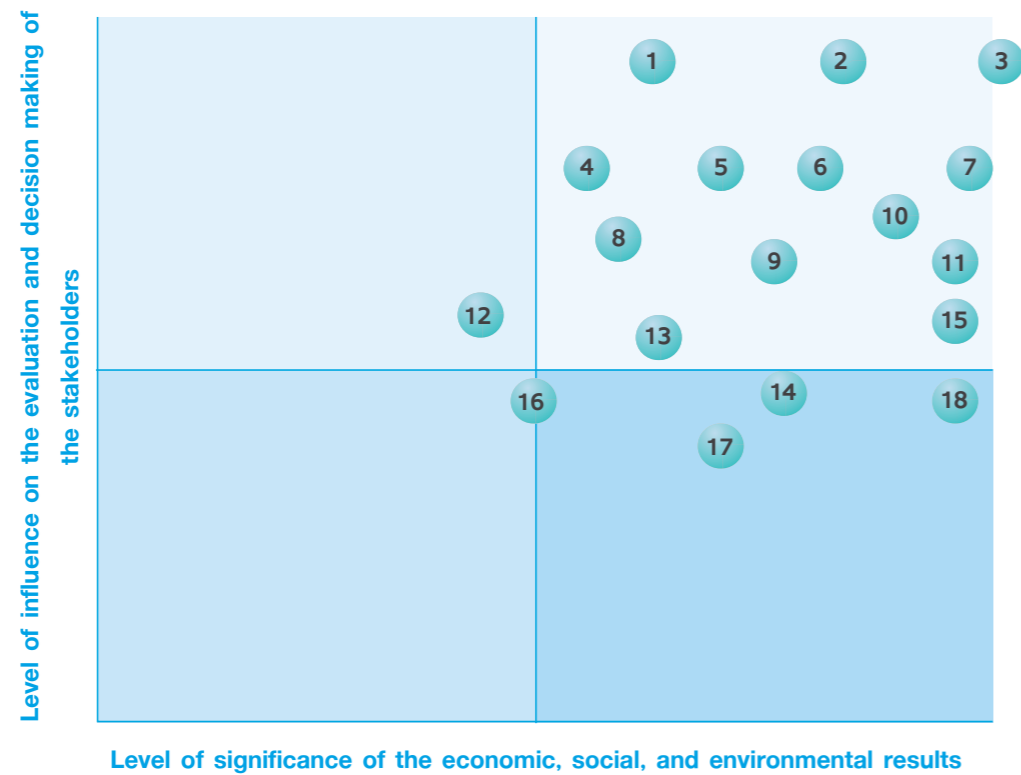
Sustainability issue priorities are summarized for senior management to consider the validity of sustainability issues to acknowledge, comment, and bring sustainability issues to be disclosed in the Sustainability Development Report and the Company's website.

### 4. Review

The Company will continue to review processes and information that are material sustainability after the publication of this report to internal and external stakeholders to receive comments and suggestions for material improvement for the next report.



Prioritization of sustainability issues



- 1. Risk management
- 2. Anti-corruption
- 3. Economic impact
- 4. Responsible development of financial products
- 5. Energy
- 6. Air Pollution
- 7. Approach to financial services
- 8. Cultivation of awareness and financial discipline to customers
- 9. Employment
- 10. Good corporate governance
- 11. Building good experiences to customers
- 12. Non-discrimination
- 13. Keeping of confidentiality and security
- 14. Water
- 15. Development and creation of innovation
- 16. Training and educating
- 17. Satisfaction of employees
- 18. Diversity and opportunities of equality

Sustainability Issues <sup>(102-47)</sup>	Scope of sustainability Issues <sup>(102-46)</sup>	Contents of report	SDGs
Economic results	Company/Partners/Shareholders	Developing financial approaches for sustainability	
Good corporate governance	Company/Regulators/Shareholders	Company/Regulators/Shareholders	
Anti-corruption	Company/Partners/Regulators/Shareholders	Anti-corruption	
Risk management	Company	Risk management in sustainability	
Access to financial services	Company/Community and society/Customers	Access to MTC financial services	
Responsible development of financial products	Responsible development of financial products	Responsible development of financial products to the economy, society and environment	
Cultivation of awareness and financial discipline to customers	Company/Community and society/Customers	Cultivation of awareness and financial discipline to customers	
Development and creation of innovation	Company/Customers	Development, innovation, and Digital Transformation	
Confidentiality and Security	Company/Regulators/Customers	Confidentiality and Information Security	
Creating good experience for customers	Company/Customers	Creating good experience for MTC customers	
Energy	Company/Community and society	Energy Management	
Air pollution	Company/Community and society	Greenhouse gas emission	
Water	Company/Community and society	Water resource management	
Employment	Company/Employees	Human resource management	
Training and education	Company/Employees/Customers	Personnel potential development	
Diversity and opportunity of equality	Company/Employees	Human resource management	
Non-discrimination	Company/Employees / Customers/Community and society	Respect for human rights	
Employee's satisfaction	Company/Employees	MTC's Personnel Satisfaction	

### About this report

Muangthai Capital Public Company Limited has published this Sustainability Report, the 5th edition, following the Sustainability Report for the year 2020 (102-52) to communicate the commitment in business operation in agreement with sustainability in economic, social and environmental dimensions to groups of stakeholders.

#### Scope of work

This report presents an overview of the operation of Muangthai Capital Public Company Limited in the Head Office and branches across the country which covers operations from 1<sup>st</sup> January to 31<sup>st</sup> December, 2021 <sup>(102-50, 102-51)</sup>

#### Reporting framework

The Company prepares the sustainability report in accordance with GRI (Global Reporting Initiatives) standards by disclosing information in the Core Option format <sup>(102-54)</sup> and additional disclosure approaches for business groups striving to perform the operation corresponding to the 17 Sustainable Development Goals (SDGs) of the United Nations.

#### Contact channels

If you have any question, you can ask for more information about this report at Building Department and Sustainability,  
 Muangthai Capital Public Company Limited,  
 No. 332/1 Charansanitwong Road, Bang Phlat, Bangkok 10700(102-53)  
 Telephone: 02-483-8800  
 Email: [service@muangthaicap.com](mailto:service@muangthaicap.com)  
 Website: [www.muangthaicap.com](http://www.muangthaicap.com)



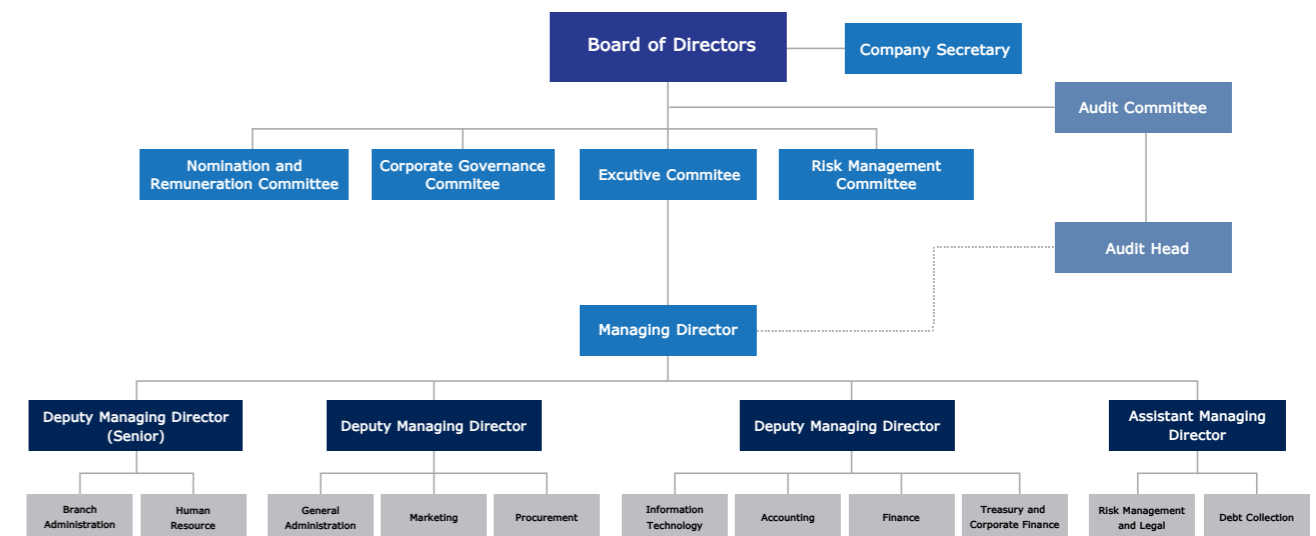
## Operational performance of corporate governance

The Company focuses on sustainable development that covers economic, social and environmental dimensions to become “the responsible microfinance provider”. We perform the operation under the principles of good corporate governance taking into account the impact on all stakeholders in accordance with the Bank of Thailand’s policy. In addition, the Company is also ready to help driving all sectors towards sustainable development.

### Good corporate governance

The Company is confident that the Company is able to operate business stably and sustainably amidst the competition in the current industry. It is resulted from that the Company have good corporate governance. This shows that having an efficient, transparent, verifiable management system will build the trust of stakeholders in the Company. It is extremely necessary to rely on cooperation from personnel at all levels to promote and support good corporate governance in a concrete manner.

#### Corporate Governance Structure <sup>(102-18)</sup>



### Good corporate governance policy

The Company is committed to conducting business for stable and sustainable growth by creating added value for shareholders and shared values for all stakeholders. The Board of Directors has given importance to the practices of the Stock Exchange of Thailand in order to have a good corporate governance system. The Board of Directors has given importance to the practice of the Stock Exchange of Thailand guidelines to have a good corporate governance system by adhering to transparency, fairness, accountability, and ethics in business operations. The practices are in compliance with related rules, regulations, and laws as well as being responsible to the economy, society and environment by setting guidelines for the operational framework and treatment of all stakeholders. The Board of Directors has established the corporate governance policy and code of business ethics for directors, executives and employees so that everyone can be used as a guideline for working with all stakeholders. This has been announced and communicated to the employees of the Company including the stakeholders to acknowledge and understand the principles of corporate governance in the same direction by publishing on the website of the Company ([www.muangthaicap.com](http://www.muangthaicap.com)) and annual report.

1. Board of Directors, executives and all employees will perform duties with determination, dedication and full responsibility for the best interests of the Company and adhere to the principles of good corporate governance as a guideline with understanding trust and faith. This is considered a routine until it becomes a good corporate culture.

2. The Board of Directors plays an important role together with the management in defining visions, strategies, policies and important work plans of the Company as well as arranging management structures that are consistent and fair between the Board of Directors, executives and shareholders. The appropriate management and business practices have been set up to ensure that accounting, financial reporting and auditing systems are reliable.

3. The Board of Directors and the executives must be leaders in ethical matters and is an example in performing duties with honesty, fairness, transparency and accountability.

4. The Board of Directors, the executives and all employees will adhere to fairness by treating all stakeholders equally along with monitoring, controlling and preventing any decision or action that has conflicts of interest and connected transactions.

5. The Board of Directors must implement an effective anti-corruption system to ensure that the management is aware and give importance following the policy Anti-Corruption.

6. In compliance with the Company's Corporate Governance Policy, it is an important indicator for evaluating the business management of the Board of Directors and the management and evaluation on the performance of all employees.

#### Roles and duties of the Corporate Governance Committee

1. Propose guidelines for corporate governance to the Board of Directors.

2. Supervise the operations of the Company following the principles of corporate governance of the regulatory institutions such as the Stock Exchange of Thailand, the Securities and Exchange Commission.

3. Consider and review the corporate governance policy regularly. Comply with the international practices and recommendations of relevant institutions or agencies.

4. Consider and propose best practices regarding corporate governance for the committee or affirm the determination of the committee's regulations regarding such matters.

5. Suggest the requirements regarding the business ethics of the Company and code of conduct for the Company's executives and employees.

6. Promote the dissemination of culture in good corporate governance and participate in social activities.

7. Other matters assigned by the Board of Directors.

## Anti-Corruption

The Company realizes that corruption affects and hinders the development of business and society. The business operations that are not transparent will create business injustice adversely affecting the reputation of the Company and the ability to compete causing the Company to be unacceptable as well as reducing the confidence of the stakeholders. This is applicable to personnel at all levels. It also encourages personnel to adhere to a concrete practice guideline in line with the National Strategy on Prevention and Suppression of Corruption Phase 3 (2017-2021). The Company's operation is transparent, verifiable and free from corruption in every work process.

#### Anti-Corruption Policy

The Company has established an anti-corruption policy to be regarded as a guideline in every work process strictly. Such policy has been published on the Company's website: <https://investor.muangthaicap.com/storage/sustainability/corporate-governance/20190401-mtc-anti-corruption-policy-th.pdf>. The QR Code can be scanned for studying the details of the Company's anti-corruption policy.



#### Anti-Corruption process

The Company has formulated strict measures to prevent damage possibly arising from corruption of personnel, whether it is the internal control system or the adoption of the SAP operating system to increase operational efficiency and reduce the risk of fraud. In addition, the Company has provided a channel for Whistleblowing for personnel and stakeholders of the Company to participate in and able to report clues if corruption was suspected.

The Company has established guidelines for monitoring, assessing risks and implementing guidelines for the prevention of fraud and corruption as follows:

1. The Internal Audit Department reviews the management process, manages risks and internal controls to be effective enough for building confidence and transparency in business operations proposed to the Audit Committee and used as a guideline for operators to implement such process as Preventive Control.

2. The Company has applied technology such as SAP operating system and CCTV installation. Such technology is used as the Detective Control.

3. The Internal Audit Department examines the compliance of the system, conducts random checks, monitors, evaluates, and presents anti-corruption guidelines to the Company's management as well as reporting to the Audit Committee following the reporting cycle.

4. Arrange for a contract examination of supporting documents requesting a loan and cross-branch cash counting on a regular basis to cover all branches and report suspicious incidents to their respective supervisors.

5. Provide opportunities for employees and stakeholders to report suspected fraudulent activities through channels of the Company's Whistleblower as disclosed in The Company's website. The Company certifies that whistleblowers will be protected in accordance with the Company's whistleblowing policy.

6. When detecting reasons that may lead to fraud, the Branch Affairs Department must investigate and report to the management in order to determine sanctions based on the discovered facts.

7. Provide training for new employees on policies, anti-corruption including penalties. The communication is provided for all employees to acknowledge and periodically review the operational guidelines that the Company set out to prevent fraud through various communication channels of the Company.

#### Whistleblowing channels

The Company has set up channels for whistleblowing from illegal or unethical acts or anti-corruption policy or behaviors possibly leading



**In 2021, the Company was assessed from the Thai Institute of Directors Association (IOD) with a 5-star rating for the 3<sup>rd</sup> consecutive year**

to corruption or misconduct of the person in the Company. This includes employees, executives and stakeholders to have mechanism to protect information providers and attaches importance to keeping complaints confidential to reassure the whistleblowers. The whistleblowing channels are as follows:

Company’s website: <https://www.muangthaicap.com/th/contact.php>  
 Address: Chairman of Audit Committee  
 Address: Muangthai Capital Public Company Limited,  
 332/1 Jaransanitwong Road, Bangplad, Bangplad, Bangkok 10700  
 Telephone: 02-483-8888  
 Email: [whistleblower@muangthaicap.com](mailto:whistleblower@muangthaicap.com)

**Whistleblowing process**



The Company has published the whistleblowing policy on the Company’s website: <http://mtls-cg-whistle-blowing-th.pdf> (muangthaicap.com). The QR Code can be scanned for studying the details of the Company’s whistleblowing policy.

The Company has published the whistleblowing policy on the Company’s website: <https://investor.muangthaicap.com/storage/sustainability/corporate-governance/20190401-mtc-anti-corruption-policy-th.pdf>. The QR Code can be scanned for studying the details of the Company’s anti-corruption policy.



**Communication and training of employees/partners against corruption**

The Company initiated training for the Board of Directors, executives and personnel at all levels on anti-corruption policy. The objective is to create knowledge and understanding for the Board of Directors, executives and personnel at all levels to acknowledge compliance with rules, regulations, responsibility and participate in all forms of anti-corruption. The anti-corruption course covers any acts that are dishonest in office and policy compliance method so that the Company’s personnel recognize the impact of corruption and understand how to behave responsibly.

**Policy communication and anti-corruption practices of the organization <sup>(205-2)</sup>**

Personnel level	Number of personnel receiving anti-corruption policy communication (persons)	Total number of personnel (persons)	Percentage (%)
Senior Management	10	10	100
Assistant Department Manager	26	26	100
Division Head / Branch Manager / Special Assistant Manager	329	329	100
Unit Head / Professional Officer	3,628	3,628	100
Employee s/ Officers	7,467	7,467	100

**Training courses related to anti-corruption <sup>(205-2)</sup>**

Personnel level	Number of personnel being trained on the anti-corruption policy (persons)	Total number of new employee (persons)	Percentage (%)
New employees	2,096	2,096	100

In the year 2021, 58 cases of corruption were found in the Company. This was the case of personnel dishonestly performing their duties, which the Company had carried out to lay off employees from being employees of the Company. However, in the future the Company will continue to strive and improve the anti-corruption policy for the Company to operate business with transparency and free from all forms of corruption <sup>(205-3)</sup>

**Sustainability Risk Management**

At present, the Company’s business operation has to face significant risks in many areas. The operational risk is one of the key risks. If there is a risk, it may affect the business greatly. Therefore, the Company attaches importance to risk management through the formulation of risk management policies to determine the Company’s business strategy and create a culture of risk management. Various risk factors are considered including creating risk management as part of the corporate culture. This is to enable the Company to grow and generate returns as well as creating the most sustainable benefits for the stakeholders.

**The Company’s Risk Management Policy**

1. All executives and employees are responsible for the risk management throughout the organization with systematic and continuous management at the same standard.
2. All executives and employees must implement risk management as part of their normal operations in the strategic planning process, decision making and day-to-day tasks by applying information technology for maximum benefits

3. All executives and employees must report on assessed and prioritized risks as well as specifying risk management methods and responsible persons. This report must be presented to the superiors in a hierarchical order.

4. Identification and management of risks affecting the achievement of the Company's objectives must be managed in a systematic way so that the risk is at the risk appetite level. This is to prevent unforeseen losses to the business and takes advantage of existing opportunities for achieving balance of business growth, risks and rewards of the Company.

5. The executives and employees must be monitored and the risk management must be assessed with a review to participate in continual improvement and development of the risk management system to be efficient and effective.

6. The risk owners must report risks to the Board and the Executive Committee periodically in accordance with the level of risk through the channels set forth in the Risk Management Manual.

**Risk Management Performance**

The Company uses a variety of tools in this risk identification process, for example, brainstorming

during internal meetings among parties, SWOT analysis, hypothesis analysis, workshop industry comparison including hearing from stakeholders. The Company has established risk assessment criteria. It is measured by the level of likelihood and the severity of the impact. The risks can be identified and classified for the risk management as follows:

1. Emerging Risk: The risk of the Covid-19 epidemic and the risk of cybercrime.
2. Operational Risk: Debt collection risk and asset quality control due to the decline in household income in line with the economic slowdown.
3. Financial Risk: Liquidity risk arising from measures to assist retail customers and the deceleration of borrowing demand from retail customers due to government assistance measures.
4. Risk from regulatory change: The risk from the Bank of Thailand's interest rate ceiling cut in the measures to help retail debtors, Phase 2, for personal loans not exceeding 25%, car registration loans not more than 24% and retail loans for career to no more than 33% includes the adjustment to the interest calculation and guidelines for regulating fees.

Risk factors	Risk Issues	Risk Assessment Criteria	Risk Management Strategy
Covid-19 epidemic	<ul style="list-style-type: none"> <li>Being infected with the epidemic that has not be able to cure yet and can spread the infection widely.</li> </ul>	<ul style="list-style-type: none"> <li>High chance of risk</li> <li>High severity of the impact</li> </ul>	<ul style="list-style-type: none"> <li>Business continuity plan (BCP) for viral epidemic</li> <li>Rules and regulations on Work from Home</li> <li>Rules and regulations regarding compliance with the Social Distancing policy in the Headquarter, branches and staff dormitories.</li> <li>Code of practice regarding procurement, installation of accessories and PPE for employees at all levels, branches and customers.</li> </ul>

Risk factors	Risk Issues	Risk Assessment Criteria	Risk Management Strategy
Cybercrime	<ul style="list-style-type: none"> <li>Phishing Scam</li> <li>Ransomware: Computer virus break through the healing system of security to destroy personal databases</li> </ul>	<ul style="list-style-type: none"> <li>High chance of risk</li> <li>Low severity of the impact</li> <li>Low chance of risk</li> <li>High severity of the impact</li> </ul>	<ul style="list-style-type: none"> <li>Information security policy and personal data protection policy</li> <li>Alerting, communicating and educating employees, customers and the general public through online channels and various communication channels to be careful of Phishing Scam</li> <li>Improve the method of collecting information from complaint channels</li> </ul>
Debt collection / unable to secure collateral	<ul style="list-style-type: none"> <li>The inability to follow up with customers to repay the debts resulting in higher NPLs</li> </ul>	<ul style="list-style-type: none"> <li>High chance of risk</li> <li>Moderate severity of the impact</li> </ul>	<ul style="list-style-type: none"> <li>elaxation policy for debt classification and the provision of allowance for doubtful accounts in accordance with the announcement from the Bank of Thailand and the Association of Professional Accountants</li> <li>Measures to help retail debtors                             <ol style="list-style-type: none"> <li>1) Moratorium on debts for a period of 2 months</li> <li>2) Debt restructuring</li> <li>3) Lower interest rates                                     <ul style="list-style-type: none"> <li>- Operating regulations on debt resolution</li> <li>- Operating regulations on the collection of problematic credit and execution</li> <li>- Operating regulations on auction management</li> <li>- Operating regulations on abnormal incident reporting process</li> </ul> </li> </ol> </li> </ul>
Inability to sell seized assets	<ul style="list-style-type: none"> <li>The inability to sell the seized assets or the price is lower than the estimate.</li> </ul>	<ul style="list-style-type: none"> <li>Moderate chance of risk</li> <li>Moderate severity of the impact</li> </ul>	<ul style="list-style-type: none"> <li>Measures to help retail debtors                             <ol style="list-style-type: none"> <li>1) Moratorium on debts for a period of 2 months</li> <li>2) Debt restructuring</li> <li>3) Lower interest rates                                     <ul style="list-style-type: none"> <li>- Operating regulations on debt resolution</li> <li>- Operating regulations on the collection of problematic credit and execution</li> <li>- Operating regulations on auction management</li> <li>- Operating regulations on abnormal incident reporting process</li> </ul> </li> </ol> </li> </ul>

Risk factors	Risk Issues	Risk Assessment Criteria	Risk Management Strategy
Financial liquidity	<ul style="list-style-type: none"> <li>Not having enough cash for operation resulting in the release credit interruption or decrease</li> </ul>	<ul style="list-style-type: none"> <li>High chance of risk</li> <li>High severity of the impact</li> </ul>	<ul style="list-style-type: none"> <li>Prepare cash flow estimate report to see the adequacy of cash usage for operation. The report is divided into daily, weekly, monthly, quarterly and yearly cash usage intervals.</li> <li>Policy for managing and expanding fundraising channels to diversify the risk of financial liquidity such as issuing and offering debentures to the public in general</li> <li>Borrowing soft loan from Government Savings Bank to provide assistance measures for retail customers</li> </ul>
Change of credit law	<ul style="list-style-type: none"> <li>Reducing the interest rate ceiling and/or fees may result in a sudden decrease in the Company's revenue. If the expenses cannot be reduced in a timely manner, profits will be reduced.</li> </ul>	<ul style="list-style-type: none"> <li>Moderate chance of risk</li> <li>High severity of the impact</li> </ul>	
	<ul style="list-style-type: none"> <li>Relaxation of accounting measures due to economic volatility from the Covid-19 epidemic situation</li> </ul>	<ul style="list-style-type: none"> <li>Chance of risk</li> <li>High severity of the impact</li> </ul>	

### Access to MTC Financial Services <sup>(103-1)</sup>

The slogan "Intimate services like close family members" is the important thing that the Company has always adhered to the principle of operation. This is reflected in the Company's credit products designed for the public to easily accessible diversified fair interest rates and fees. The suitable and sufficient loan size is provided including excellent, equitable and thorough service as well as expanding branches spread throughout all regions of the country. It aims to improve people's access to funding in all areas along with geo-economic diversification until the Company has been trusted by customers who use credit services continuously. As of December 31, 2021, the Company has a total of 5,799 branches.

However, the Company will continue to strive to expand branches and improve service continuously to achieve goals of alleviating poverty and reducing inequality in access to funding especially in the low-income population groups that do not have a fixed income through development "Access to financial services" of the Company. In 2021, the Company has implemented competitive strategies as follows:



### Business plan from 2021-2023 <sup>(103-2)</sup>

The Company has prepared a medium-term business plan which is a business plan for the years 2021-2023 covering all dimensions of being a non-financial financial service provider in order to maintain sustainable growth during the Growth Stage as follows:

1. The Company will maintain the number one leader in the microfinance business.
2. The Company lays out a plan for growth in the next three years maintaining a growth rate in 2021 at 20-25%, 2022 at 30%, and 2023 at 20-25%, respectively.

3. The Company will expand branches by opening branches to cover all regions of Thailand with the goal of expanding averagely 700 branches per year until reaching 7,200 branches by 2023.

4. The Company will maintain the standard of business operations, by tightening credit and expedite debt collection to be effective by maintaining Non-performing Loans for not more than 2.0% and maintain debt with increased risk significantly (Stage 2) for not more than 8.0% as well as minimizing losses from foreclosure sales and accelerating the draining of assets acquired from customers as much as possible to reduce Credit cost.

5. The Company focuses on building systems and mechanisms that promote and allow employees to use their full potential with the goal of increasing Productivity in the competitive aspect of the organization to be resilient for what will occur in many forms in the future as possible.

6. The Company places importance on the diversity of various channels or platforms focusing on the integration of both offline channels such as branches, print media, etc., and online channels such as mobile applications, social media, etc. to provide services to customers. The digital customer base is expanded accordingly with the policy of the Bank of Thailand. In addition, the Company supports the utilization of both digital and information for the benefit of the Company's marketing and development of new products in the future.

7. The Company focuses on increasing the proportion of revenue from products of new motorcycle leasing and still focus on doing business in Thailand mainly.

#### Financial Product Development with Economic, Social and Environmental Responsibility <sup>(103-1)</sup>

In 2021, Muangthai Capital Public Company Limited offers microfinance products for retail customers focusing on credit products that use an Unconventional credit approval method by taking into account the social impact through the Asset-Based Assessment Approach instead of evaluating information or requesting evidence of income types and credit bureaus of customers. As the Company's customers are a group of customers who do not have regular income, the Company believes that the assessment method is an important solution to access alternative funding sources. It is also considered a reduction in financial inequality in the country.

The Company considers to choose collateral for credit products with low risk of default loan ratio by comparing with the appropriate collateral value

setting a maximum limit per contract and a low level of customers. Interest rates suitable for credit risk debt collection process and the credit approval process are all factors that affect the Company's non-performing debt rate. It is below the industry's nonperforming debt rate. The rate of non-performing debt of the Company is considered the most important indicator of personnel performance.

The main credit products of the Company are car registration loans. However, in order to respond to the needs of existing customers, the Company has expanded the credit products to unsecured credit products under the Personal Loan Under Supervision License and a license for retail loans for occupation under supervision and new motorcycle hire purchase loans. The Company foresees the potential to grow such new credit products in the future. Therefore, financial products for retail customers at present of the company can be divided into 5 products, main credit and 1 additional service as follows:

#### 1. Vehicle registration loan

The Company provides vehicle registration loans to general retail customers. There are various types of vehicles as insurance, including motorcycles, cars, pickup trucks and agricultural vehicles registered with the Department of Land Transport and is owned by the borrower for not less than the period specified by the Company. The customer must deliver the original vehicle registration manual book to the Company as collateral without registration of transfer of ownership in the vehicle registration manual for the Company. The customer will retain ownership of the vehicle used as collateral and can bring the vehicle back to normal use.

#### 2. Land title deed loans

The Company provides credit services with land title deeds. The customers requesting credit must deliver the original title deed to the Company to use as collateral. This provides additional options for customers in arranging land mortgages. If the customer requires a high credit limit, the Company will charge the interest rate of the loan with the title deed as collateral for not more than 15% per annum.

#### 3. Personal Loan

The Company provides unsecured personal loans to customers with a history of repayment of car registration loans with the Company before and only have a good payment history. Since it is an unsecured loan, the Company will charge an interest rate of not more than 25% per annum as announced by the Bank of Thailand.

#### 4. Nano Finance Loans

The Company provides Nano Finance unsecured loans to customers who have a history of repayment of car registration loans with the Company in the past and have a good payment history. The Company will charge interest rates not exceeding 33% per annum as announced by the Bank of Thailand.

#### 5. Motorcycle hire purchase loans

The Company operates a motorcycle hire purchase business under Muangthai Leasing Company Limited ("MTLS") to operate a new motorcycle hire purchase loan service to the Company's vehicle registration loan customers who have a good payment history and want to buy new motorcycles by leasing through the Company's branches.

#### 6. Non-life insurance brokerage business

The Company operates non-life insurance brokerage business under Muangthai Leasing Insurance Broker Company Limited ("MTLI") to facilitate customers about Motorcycle Act, Car Accidents Act, Lost Car Insurance Policy and personal accident insurance policy.

#### 7. Loans for hire purchase of electrical appliances and general equipment

The Company provides credit services under the name of Muang Thai Pay Letter Company Limited ("MTPL") MTPL provides hire purchase loans for electrical equipment and general equipment such as all kinds of electrical appliances, mobile phones, agricultural equipment and gold under the slogan "buy first, pay later". by leasing through the company's branches

#### Channels to access customer funds

The Company focuses on reaching customers with a strategy to expand the number of branches throughout the country. It is carried out according to the business plan during the years 2021-2023, resulting in customers and the public, especially the customers who do not have access to the services of commercial banks or digital banking to have access to the Company's services more conveniently. In 2021, the Company opened 915 new branches, 26 major branches, 223 subsidiary branches, and 666 service center branches. The growth of the Company through opening an average of 700 more branches per year has added a strategy to expand credit distribution channels and add more new credit products and services.

Year	Number of new branches (Branches)
2562	828
2563	777
2564	917



**Number of new branches (main branch, sub-branch and service center) 915 branches The number of branches increased from the previous year by 18.00%.**

### Ethical Standards & Policy Influence

The Company, together with entrepreneurs in the trade association, car registration loan business and the personal loan club attended a hearing organized by the Bank of Thailand on issues related to raising the standard of business operations in the industry, such as measures to assist customers affected by the coronavirus disease (COVID-19) epidemic in adjusting the loan interest rate ceiling, personal under supervision and retail loans for occupation under supervision (102-12, 102-13) with a 3-4% reduction in interest including a guideline for calculating the collection fee in order for people to get the most benefit in the current coronavirus disease (COVID-19) epidemic situation

### Cultivating Financial Awareness and Discipline in Clients

From the epidemic situation of COVID-19, it was found that the overall labor market in Thailand was severely affected. As a result, people are unemployed and the unemployment rate is the highest, and the problem of household debt continues to expand. The main reason is the economic situation that has not been able to expand at a normal level. This reflects that household income has not fully recovered. This will affect the liquidity and debt repayment ability of households. This may cause problems such as bad debt problems, debt restructuring problem problems in forming informal debts, etc. From such problems, the Company realizes that many groups of people at the foundation level still lack skills, knowledge, understanding and good financial management planning financial to customers in hopes that it will be part of helping to reduce the problem of incurring debts of the people at present.

### Smart Shopping Program

The Company has set up a program to recognize the purchase which is an accounting program that allows users to record income - expenses according to the guidelines of the Bank of Thailand in response to the Bank of Thailand's target of reducing household debt in the public sector. It is open for the Company's customers and the general public to download the program from the Company's website. It can be used free of charge. The program can analyze

spending behavior to indicate financial discipline. The goal is for users to understand their spending habits and be able to track expenses, income and personal savings. If customers and the general public want a record of income-expense accounts, they can request from the Company's all branches nationwide.

### Making dreams of Thai farmers come true from the heart of Muangthai Capital

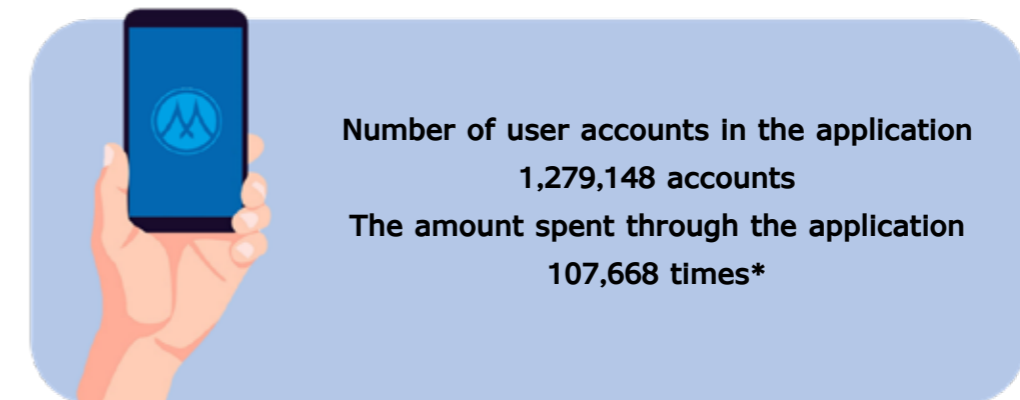
The Company together with Chiang Mai University by Science and Technology Park (STeP) and Smart Bee Project, Faculty of Science Chiang Mai University. There have been joint activities to promote, help and develop the potential of farmers groups, which are considered as one of the Company's customers. It started with more than 89% of the beekeepers in the northern region of all bee farmers in Thailand through learning beekeeping technology, providing knowledge and financial support, in-depth consultation to support the development and production of prototypes of bee products to expand the business and be able to upgrade bee products. It also helps to support, promote and develop the careers of bee farmers to have a better life and well-being.

### Development and innovation and Digital Transformation

At present, reaching customers through technology is one of the key strategies to compete in industries such as application use or providing technology and communication services, etc. The Company has initiated the use of technology to improve the customer experience management for customers of the Company. More convenience and speed of service are provided to comply with the Bank of Thailand's Digital Personal Loan Business Regulations to encourage people to access financial services through the system and can use alternative data, especially those with no fixed income, groups that cannot prove income and those without assets that can be used as collateral. As a result, the competition in the personal loan market has become more intense. Therefore, the Company sees an opportunity to use technology as a channel for applying for unsecured personal loans. It also creates an opportunity to access the source of funds for the Company's customers as well.

### "Muang Thai Capital 4.0" Application

The company has developed an application "Muang Thai Capital 4.0" to facilitate customers without having to travel to branches. During the coronavirus disease (COVID-19) epidemic, with the application, customers can check the payment due period, amount to be paid and outstanding loans. It is also a payment channel through Digital Payment and also helps to reduce the amount of paper used for storing slips or receipts. It also increases the efficiency of service and data storage that is more convenient and faster. In 2021, there are 1,279,148 user accounts in Thailand 4.0 applications and spending through applications 107,668 times\*.



\*The Company will count the amount of expenses through the application from the amount of spending that has been successfully made only.

### Cashless Society

The Company has worked with commercial banks, foreign bank branches and specialized financial institutions in the service of cross bank bill payment through automatic payment machines and electronic payments (e-Payment) in financial transactions. This is to facilitate and quick for customers to pay off loans and helps to support social distancing measures from the epidemic situation of the coronavirus disease (COVID-19). It is also a response to the changing behavior of consumers today that is modern effective and increase the security of financial transactions.

### Digital marketing and social media strategy

From the current consumer behavior, the Company has foreseen a new marketing channel by focusing on marketing through digital media and social media to publicize and build a base of trust and credibility for the Company. In addition, the Company also uses social media such as to create engagement with the Company's customers such as Website: www.muangthaicap.com, Facebook Fan page: Muangthai Capital: Muangthai Capital and LINE Official Account:

@muangthaicapital. Through such channels, customers can report fraud clues as a channel for receiving complaints, receiving suggestions and feedback, etc., The Company has set guidelines and set goals for using social media channels to communicate and listen to opinions for maximum efficiency.

### AI Chatbot Development

The Company has started planning to develop AI Chatbot to help developing and improving communication with customers via social media channels. To be more efficient and faster, the Company's AI Chatbot will answer basic customer inquiries about details of credit products, procedure for applying for a loan Identify the location of the Company's branches, etc. The AI Chatbot system has become an important communication tool that can connect and support customer engagement as well as being able to maintain interaction with customers at all times, even outside of business hours.



### Developing financial guidelines for sustainability <sup>(103-1, 103-2)</sup>

As a Microfinance service provider, the Company plays an important role in helping to develop and solve economic and social problems in response to Financial Inclusion in order to create shared economic and social values at the same time. Among the economic problems, financial inequality has been a problem for a long time and may be called the origin of the microfinance business in Thailand in which the Company's business. It will help reducing the financial inequality of Thai people as an alternative loan source to increase opportunities for the people of the foundation who are the main customers of the Company to access loan sources more easily and conveniently. Currently, the microfinance industry is recognized and growing rapidly with significant impact on the country's economy at the macro level, such as domestic products, household debt ratio, working capital and the growth rate of the agricultural sector, etc. Therefore, the Company's business operations must treat customers with responsibility. The Company has strictly operated in accordance with the policy of the regulatory agency. At the same time, the company Businesses must be operated in order to obtain good profits and obtain maximum benefits. It also takes into account the needs and expectations of all stakeholders in order to help the economic, social and environmental system have sustainable growth in the microfinance industry.

### Financial information for the year 2021 <sup>(201-1)</sup>

Economic details	Amount (Baht)
<b>Direct Economic Value Generated</b>	
Revenues	16,018,741,490
<b>Direct Economic Value Distributed</b>	
Operating Costs	7,689,896,077
Employee Wages and Benefits	4,272,013,760
Payments to Providers of Capital	784,400,000
Payments to Government	1,256,935,106
Community Investments	2,309,000
<b>Economic Value Retained</b>	<b>20,156,657,193</b>

\*Performance data covers only Muangthai Capital Public Company Limited, Muangthai Leasing Company Limited and Muangthai Leasing Insurance Broker Company <sup>(102-45)</sup>

### Confidentiality and Information Security

Another important mission of the Company is to maintain the trust of the stakeholders in the Company. In the Company's business operations, it is necessary to collect important information. The Company has complied with the Personal Data Protection Act B.E. rest assured that personal information is kept confidential at all times. Using the customer's or personnel's information must be for the intended purpose only and must not use confidential information for the personal benefit of any person. In addition, the internal control system for the security of the Company's information technology is stable and efficient enough to reduce the risk of data loss and leaks which may affect the credibility of the Company.

#### Privacy Policy

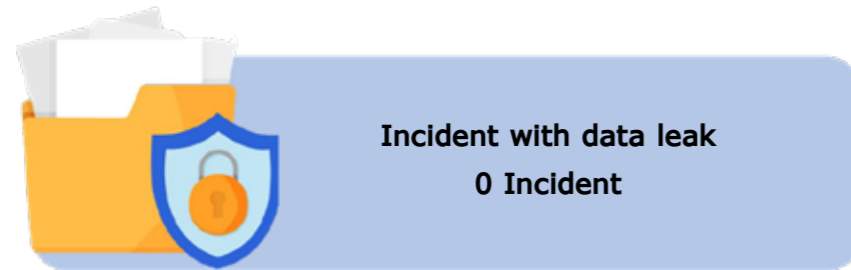
The Company realizes the importance of protection and preservation of personal information and information security. If there is an impact, it may affect the Company's performance significantly in the event of a personal information leak or damage in the system information security. Therefore, the Company has established a policy and measures to take care and prevent such risks, Determination of the Company's Personal Data Protection Committee and personal data protection officers procedure, whistleblowing channels for complaints including setting Penal Penalties in the event of personal data breach. Such policy has been published on the Company's website at the website: <https://investor.muangthaicap.com/storage/sustainability/corporate-governance/20190509-mtc-data-privacy-policy-th.pdf> or QR Code can be scanned to learn the details of the Privacy Policy.



#### Data retention and information security risk management processes

1. The Company has appointed an external expert to be an IT auditor who is responsible for assessing the adequacy of internal control and risk management in information technology systems by reporting the audit results directly to the Audit Committee and the Risk Management Committee.
2. The Company arranges for the installation of a leak prevention system of data by external attacks or computer virus threats by installing network security software (Firewall).
3. The Company has determined and improved data access authority to prevent data leakage which may be caused by internal personnel.
4. The Company has set a backup plan as well as having to check the backups according to the Information and Information Security Policy.
5. The Company provides internal communication to create awareness and instill awareness of using technology in a correct way for employees, such as not downloading unauthorized programs, not opening emails of unknown source, etc.
6. The Company has prepared a manual on the protection of personal information and information security and a Business Continuity Management Plan (BCP) to prevent and cope with business interruptions caused by threats to the operation of information systems.

In 2021, the Company has not received any complaints about personal data leakage. Therefore, it does not cause any damage or affect the Company's performance in any way. For the stability from the Company's cyber threats to be efficient, the Company has provided external auditors to perform their duties and audit the information system once a year.

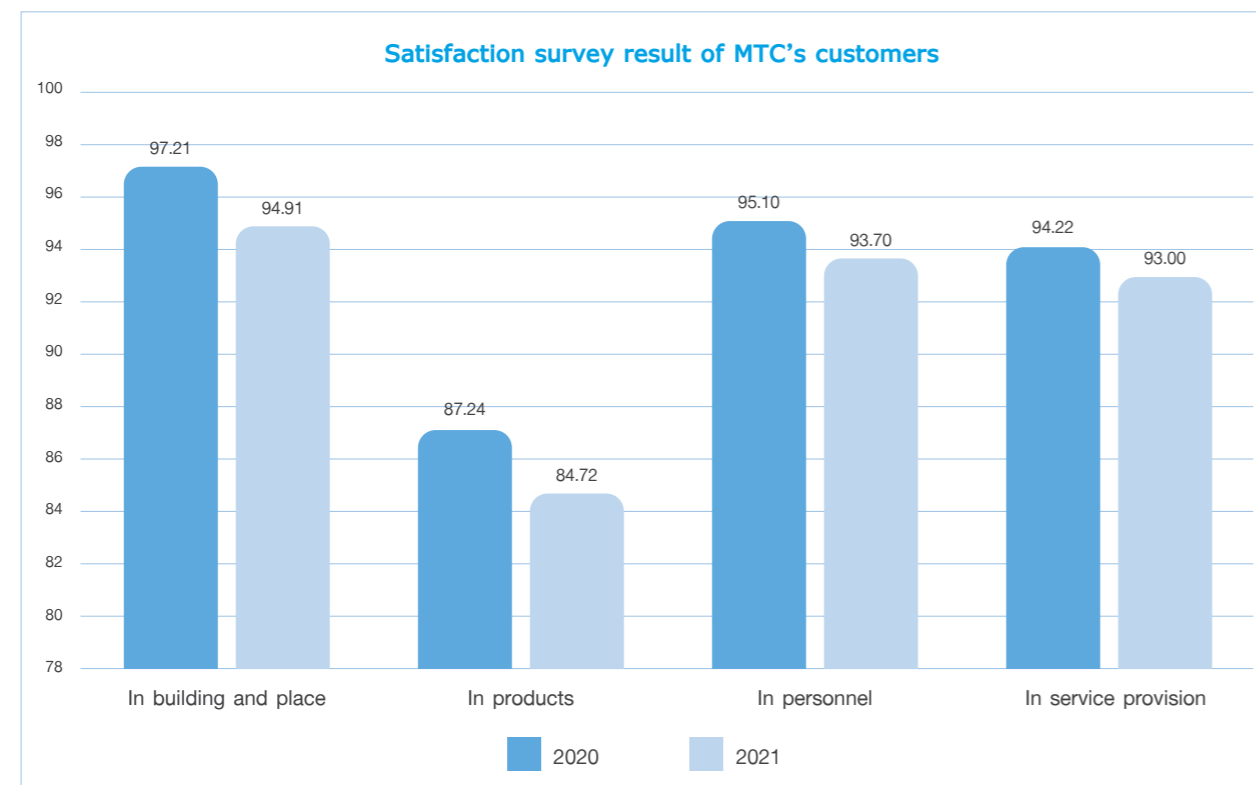


**Creating a Good Experience for MTC Customers**

Creating customer satisfaction in the 4.0 era is important in analyzing the Company's products and services to bring information from customers to solve problems and services, as well as improving the work process of personnel and in order to respond to the needs of customers even more. The aim is to create the highest satisfaction for customers, to maintain the customer base, and to be able to create a new customer base from the introduction of old customers who are satisfied with the products and services of the Company.

**Customer Satisfaction Survey**

The Company aims to create a good experience for customers. This is to continually improve the process of providing services to customers, listening to customers' voices to follow their interests. Therefore, the opinion of the service is important. Each month, opinions on customer service are communicated through internal channels to each branch and set customer feedback as a key performance indicator of branch offices, including head offices.



**Sustainable Development of Muangthai Capital Society**

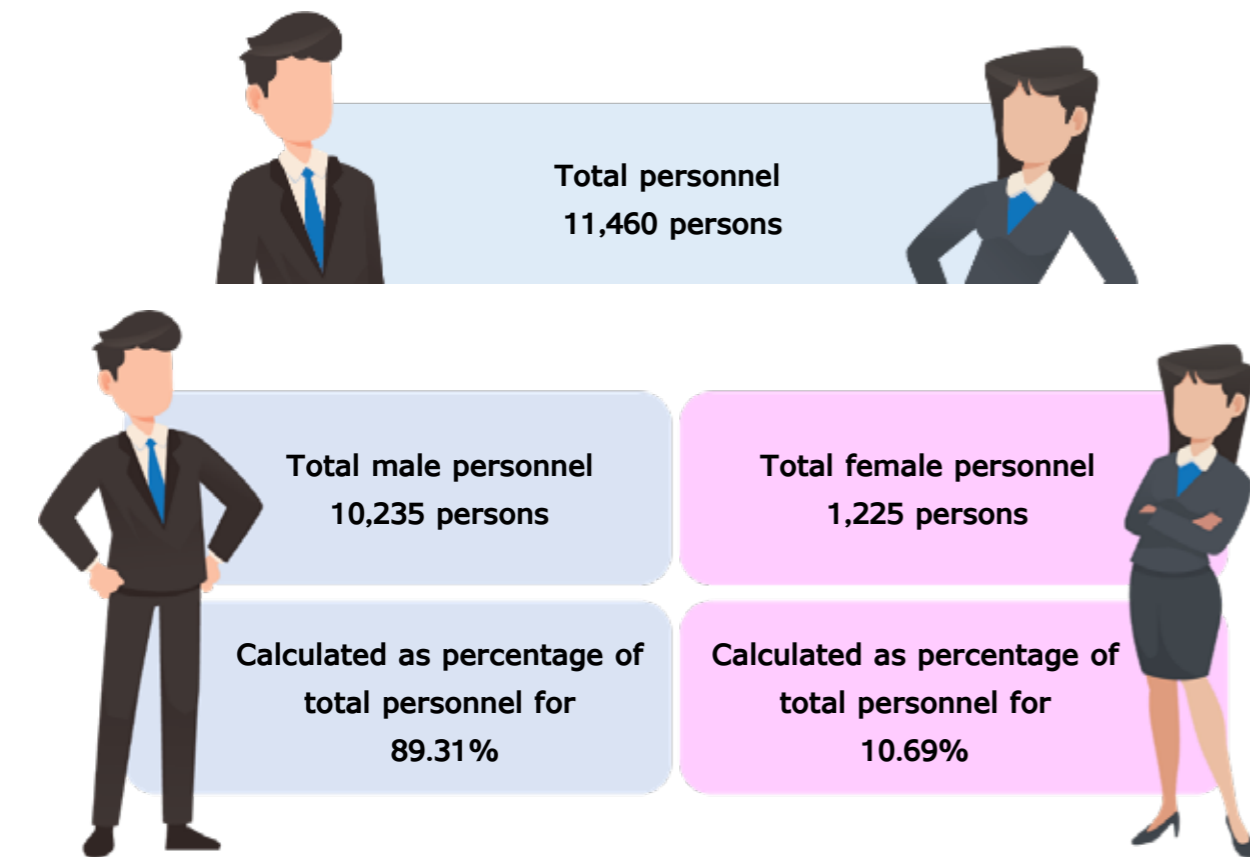
**Human resource management**

Business operation in the 4.0 era has to face challenges from the current global situation that is rapidly changing economic, social and environmental dimensions especially the role of technology. As a result, the business model has changed significantly. This results in the challenge of managing human resources appropriately and sufficiently for rapid and sustainable growth amidst the intensifying competition in the industry.

The Company therefore attaches importance to recruiting personnel and attracting potential personnel along with preparing and developing the potential of diverse personnel different expertise to be effective personnel, dedicated to work, good attitude, unity, and strictly maintain discipline according to the Company's 5 values. Thus, recruiting suitable and sufficient personnel and maintaining these personnel to grow continually are very challenging and necessary for the Company.



Number of employees in 2021 <sup>(102-7, 102-8, 405-1)</sup>



	Male (age)			Female (age)			Nationality
	<30	30-40	>40	<30	30-40	>40	
Senior Management	-	1	6	-	-	3	Thai
Assistant Department Manager	-	4	18	-	1	3	Thai
Division Head / Branch Manager / Special Assistant Manager	1	237	72	1	3	15	Thai
Unit Head / Professional Officer	1,815	1,489	6	159	153	6	Thai
Employees / Officers	6,347	234	5	574	126	181	Thai

The Company places importance on hiring local personnel because the Company wants to expand the branches to cover the whole country. In addition, the Company places the emphasis on respecting the individuality of all personnel. Regardless of their location, they are personnel with equal knowledge, skills, and abilities for all. Those personnel will be the persons who connect the relationship, create the good understanding for the Company and the surrounding communities effectively. Local personnel who join the company have rights that are not different from other personnel. They can hold high-level executive positions which the Company will consider based on skills, knowledge, abilities and performance only.

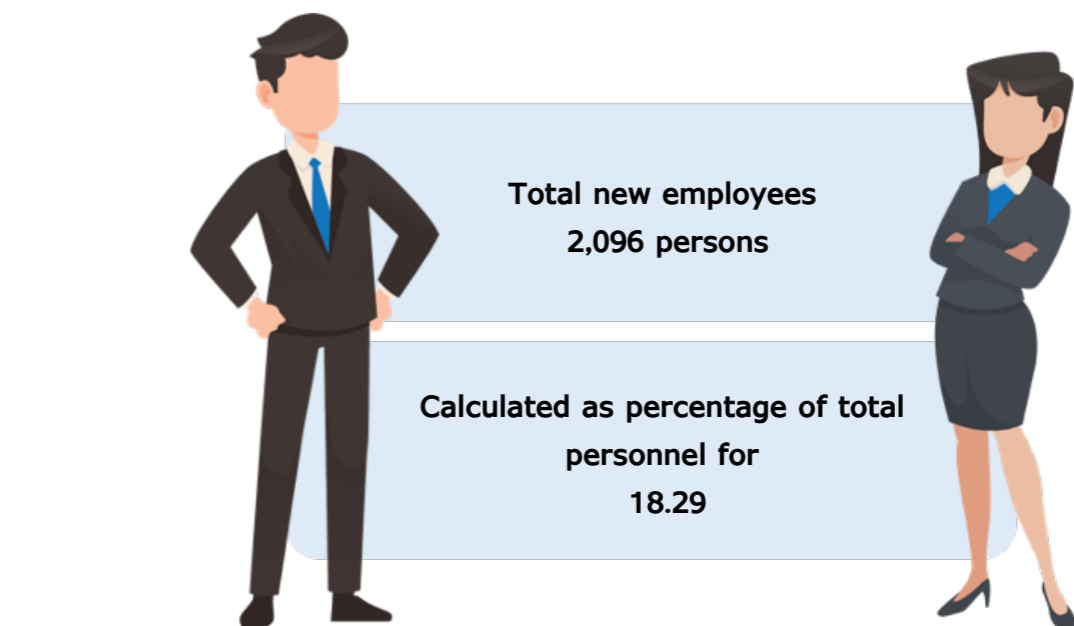
Recruitment process <sup>(103-2)</sup>

The Company focuses on recruiting suitable personnel to perform each duty by adhering to human rights policy on the acceptance of diversity in the selection of personnel with equality regardless of gender, race, religion, social status or political attitude only taking into account the capabilities, limitations and operational risks. Therefore, the personnel in the Company consist of the employees who are diverse in both cultures with different knowledge base, abilities, and experiences. In addition, the Company does not involve in child labor or illegal labor employment. We enforce the rules and employment regulations throughout the supply chain to ensure that the recruitment and selection process is transparent, equitable and respects the differences of all personnel.

The Company has conducted studies, analyzes and lays out guidelines on the need for manpower including a summary of the vacancy rate of personnel in each position to cover all departments. Then, proceed to announce the recruitment of new personnel, which the company has a goal of operating in the recruiting process at 30-60 days depending on the position. After that, the Company executed the recruitment announcement through the Company's job recruitment website. Each position will be specified the desired properties and interviewing those who have been selected. After those pass the interview, they will have to work for a period of 6 months before going into the process of considering by the executives of each line whether they can work effectively or not. If passed the consideration, they will become the personnel of the Company completely.



Information of new employees in 2021 <sup>(401-1)</sup>



	2020		2021	
	Number (persons)	Percentage	Number (persons)	Percentage
<b>Number of new employees</b>				
<b>New employees classified by gender</b>				
Male	1,434	88.14	1,907	90.98
Female	193	11.86	189	9.02
<b>New employees classified by age</b>				
Under 30 years old	1,567	96.31	2,032	96.95
Between 30 - 40 years	34	2.09	34	1.62
Over 40 years old	26	1.60	30	1.43
<b>New employees classified by regions</b>				
Headquarter	-	-	44	2.10
Lampang	-	-	114	5.44
Chonburi	-	-	144	6.87
Saraburi	-	-	142	6.77
Khon Kaen	-	-	83	3.96
Nakhon Sawan	-	-	111	5.30
Yasothon	-	-	132	6.30
Nakhon Pathom	-	-	158	7.54
Nakhon Ratchasima	-	-	90	4.29
Trang	-	-	183	8.73
Bangkok 1	-	-	128	6.11
Surat Thani	-	-	171	8.16
Phitsanulok	-	-	92	4.39
Udon Thani	-	-	126	6.01

	2020		2021	
	Number (persons)	Percentage	Number (persons)	Percentage
Bangkok 2	-	-	133	6.35
Ratchaburi	-	-	90	4.29
Bangkok 3	-	-	103	4.91
Surin	-	-	52	2.48
<b>Total</b>	<b>1,627</b>	<b>100</b>	<b>2,096</b>	<b>100</b>

Remark: Data collection of new employees classified by region in the year 2020 cannot show historical data because in 2021, a new operation area was opened in Surin causing an error in the data collection system making it unable to classify the historical data.

In addition, to retain personnel with the Company as long as possible, the Company has also set welfare compensation and benefits allocated to permanent employees and contract workers with the details as follows<sup>(401-2)</sup>

Welfare benefits	Employees	Contract workers
Health insurance, life insurance and accident insurance	√	
Medical expenses (oneself)	√	
Special price for the Act of motorcycles and cars	√	
Parental leave rights	√	
Maternity allowance	√	
Marriage allowance	√	
Statutory compensation up to retirement age (Employees who have worked for more than 20 years, one day or more)	√	
Provident Fund Contributions	√	
Special accommodation for employees	√	
Gym (Headquarter Building)	√	√
Others (New Year's Party, Local Sports Competition, Annual Travel, Marathon, CSR Activities)	√	√

For various benefits and welfares, the Company communicates information through various channels such as the MTC University system, e-mail, circulars, and the creation of public relations boards so that the Company's personnel can know about benefits as well as obtaining various benefits effectively

## Human resource development <sup>(103-1)</sup>

In operating business amidst the changes in today’s era, the key to gaining a competitive advantage is the development of effective personnel. As the personnel is the key force in driving the operation to achieve the goals and it also supports stable growth of the organization, the Company has continuously emphasized on personnel development with the bureau responsible for training and knowledge to analyze the need for training and to create plans and projects. This includes creating training courses in accordance with the policies and needs of the Company.

Effective training can help improving operational efficiency of personnel, changing attitudes towards work. It can also help improving the quality of operations on a regular basis. Therefore, the development of the Company’s personnel is considered the key to the survival of the organization. It can also create growth for the organization and helps increasing knowledge, understanding, attitude and working skills towards personnel. Thus, the task of developing knowledge, understanding and skills to be proficient in the performance is an important duty.

### Human Resource Development Program <sup>(103-2, 404-2)</sup>

The operation of personnel training and development starts with the process of exploring needs and training need to create and develop training courses for employees. This includes monitoring and evaluating training results. The process can be used to develop personnel with training in all positions.

**1. Efficiency training:** Different courses are collected in order to develop employees in different positions such as new employee orientation training, excellent service training, negotiation techniques for debt collection by phone and field management techniques.

**2. Effectiveness training:** compulsory courses are collected in order to develop employees to be able to perform duties clearly, such as training brokers and renewing insurance brokers, etc.

### MTC University Learning Platform

The Company encourages employees to develop skills and knowledge necessary to operate in order to achieve maximum efficiency and effectiveness through training and learning exchange platform known as “MTC University”. This is considered central digital platform for managing various matters within the organization including connecting and sharing knowledge and information of the Company on various databases. It includes knowledge in various fields that are of interest to personnel. It is like library that all personnel have access to. The objective of MTC University is to create a learning culture continually developing the potential of personnel to keep up with the current industry competition. In addition, the knowledge that is collected in the digital platform is also a tool to help transferring knowledge to new personnel of the Company.

### Average number of training hours per person per year <sup>(404-1)</sup>

	2020	2021
Average number of training hours	3.30	2.97

After the personnel have developed their skills and knowledge necessary to work, the Company has performance measurement process (KPIs), also known as the “MTC Model”, which is a standard for employee performance evaluation. The rate of remuneration of personnel will depend on their performance. The Company will assess each person individually through a 360° degree assessment. 100% of the Company’s employees are assessed equally, transparently and fairly (404-3).

Based on the evaluation of personnel’s performance, the Company has a policy to pay employees compensation according to their knowledge, abilities, duties and responsibilities taking into account the suitability, fairness in line with the average of the same industry in order to maintain and strengthen the competitiveness in human resources. In addition, the Company has set the annual salary and bonus adjustment by taking into account the operating results of each year and the performance of each employee to motivate employees to perform their duties to the best of their ability.

### Preparation for Succession

The Company has planned and prepared for the personnel to succeed in the job position effectively through the determination of the succession planning policy of the Company (not specific to the senior management position only) by recruiting people who will be able to perform replacement work in key positions. The operating methods are as follows:

1. The Board of Directors has prepared the succession planning program by identifying successors for the position of managing director, senior executives and heads of core functions/department, based on the performance, potential and readiness of each individual.
2. The Company provides preparation for the person who is the successor to develop knowledge and ability. This includes the preparation of Individual Development Plan according to each position to inherit work in the event that the Executive Chairman, Managing Director, senior management and the position in the main line cannot perform their duties.
3. The Successors who are assigned to succeed the positions must not only be the persons with the qualifications and experience of working in the appropriate fields but they must also be transferred of knowledge and experience by Job Rotation and must attend training courses as necessary to ensure smooth and continuous work.
4. The successor to the Chairman of the Executive Committee must attend executive committee meetings to create understanding, experience and readiness for future organization management.

## Occupational health and safety at work

Safety and occupational health of employees is what the Company prioritizes with the realization that safety and good health are fundamental rights that everyone deserves. In addition, investment in safety is considered as an important risk prevention of the Company. The number of accidents that occur to the Company would have a huge impact on the Company, whether it was the confidence of the personnel towards the Company property damage as well as the reputation of the company. From this reason, the Company is committed to developing safety as well as enhancing the Company’s culture safety continuously.

### Occupational Health and Safety Policy

Muangthai Capital Public Company Limited is concerned about the life and health of all employees. The Company has established a safety policy in the workplace to create knowledge and understanding for all personnel to cooperate in complying with the policy. In order to make employees aware of the importance of safety at work, the Company has set a policy to adhere to the operating safety approaches as follows:

1. The Company will encourage employees to work with safety.
2. The Company will support and promote the management of the workplace environment to be safe.
3. The Company will support and promote various safety activities that will stimulate the consciousness of employees.
4. The Company will control and prevent accidents from work. The goal is to reduce the employee’s performance hazard statistics to zero.
5. All supervisors must act as a role model to be a leader in providing training and motivating employees to work in a safe way.
6. All employees must consider their own safety and of their colleague as well as the Company’s assets. It is important at all times when working.
7. All employees must participate in activities to promote the working environment and safety as determined by the Company.
8. The Company considers the work related to safety Occupational Health and Work Environment as one of the criteria for evaluation.

Personnel injury and death rates <sup>(403-9, 403-10)</sup>

	Types of health problems occurring (number)				Number (persons)	Rate of death (percent)
	Stress, Depression or Anxiety	Musculoskeletal disorders	Occupational lung Disease	Others (specify)		
<b>Health problems related to the work of all personnel of the organization</b>						
Death from work-related health problems	-	-	-	-	-	-
Health problems related to work (number)	-	-	-	-	-	-
<b>All workers who are not personnel but the nature of work and/or its establishment is controlled by the organization.</b>						
Death from work-related health problems	-	-	-	-	-	-
Health problems related to work (number)	-	-	-	-	-	-
	Types of health problems occurring (specify)	Nature of impact on health problems (specify)	Operating approaches			
Work-related hazards that pose a risk of health problems	-	-	-			

In 2021, the Company is able to manage, control and prevent occupational safety, health and working environment very well. However, due to the rate of health problems arising from the work of personnel, the Company has carried out follow-up and finds the cause of the accident to find ways to improve the safety management even more. With this support, the Company's personnel can be ensured in terms of safety at work and can continue to work at full efficiency.

Health Promotion of Personnel <sup>(403-6, 403-7)</sup>

The Company is truly committed to promoting the health of its personnel. The hospital room is provided for assistance and first aid to personnel and visitors to the Company in case of illness or accident. The procurement of medical equipment, medical supplies, medicine, and annual health check have been provided for personnel. The activity of "Week of doctor visit after annual health check" is organized to bring the results of the annual health check for analysis. The specialist doctors will give advice, take care and correct it in the right way. In addition, the Company has arranged Fitness Center in the headquarters building, which consists of exercise equipment that meets international standards as health promotion area for personnel at all levels.

Measures to prevent the epidemic situation of the Coronavirus Disease 2019 (COVID-19)

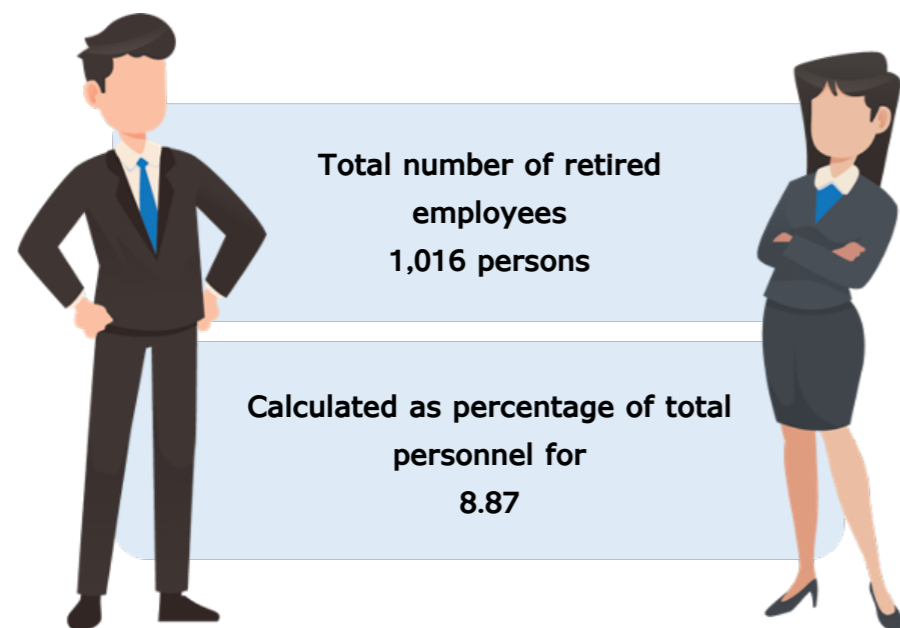
As Muangthai Capital Public Company Limited has concerns on employees and customers, the measures and guidelines have been issued to prevent the spread of COVID-19 for employees to follow to control and prevent with the following measures:

1. Wear a mask at all times when working and wash hands thoroughly every time
2. Ask for cooperation to avoid traveling to high-risk areas or places where large numbers of people gather.
3. Refrain from social gatherings in all cases, such as travel, eating and socializing, sporting events, etc. to reduce the spread of infection and to be responsible to the society as a whole such as close people, family members and colleagues.
4. Add alcohol gel service points in every touch point, such as entrance-exit doors, financial counter, etc.
5. Avoid traveling altogether for meetings. If a meeting is required, organize a meeting via the ZOOM system.
6. Cleaning to disinfect regularly at every time 10.00AM, 12.00PM, 14.00PM and after work time.

Safe Muangthai Capital to join building the herd immunity

The Company has procured vaccines for the prevention of Coronavirus Disease 2019 (COVID-19) in order to create safety for the Company's personnel. The vaccinations are provided for more than 11,000 company personnel nationwide. It also helps building confidence for customers who use the service at the branches as well as supporting the policy of opening up countries to build mutual immunity.



Information of retired employees in 2021 <sup>(401-1)</sup>

	2020		2021	
	Number (persons)	Percentage	Number (persons)	Percentage
<b>Number of retired employees</b>				
<b>Retired employees classified by gender</b>				
Male	853	92.72	920	90.55
Female	67	7.28	96	9.45
<b>Retired employees classified by age</b>				
Under 30 years old	855	92.93	817	80.41
Between 30 - 40 years	46	5.00	172	16.93
Over 40 years old but not over 50 years old	16	1.74	23	2.26
Over 50 years old but not over 60 years old	1	0.11	3	0.30
60 years old or more	2	0.22	1	0.10
<b>Retired employees classified by regions</b>				
Headquarter	-	-	37	3.64

	2020		2021	
	Number (persons)	Percentage	Number (persons)	Percentage
Lampang	-	-	41	4.04
Chonburi	-	-	92	9.06
Saraburi	-	-	92	9.06
Khon Kaen	-	-	44	4.33
Nakhon Sawan	-	-	59	5.81
Yasothon	-	-	41	4.04
Nakhon Pathom	-	-	91	8.96
Nakhon Ratchasima	-	-	38	3.74
Trang	-	-	59	5.81
Bangkok 1	-	-	54	5.31
Surat Thani	-	-	69	6.79
Phitsanulok	-	-	47	4.63
Udon Thani	-	-	58	5.71
Bangkok 2	-	-	48	4.72
Ratchaburi	-	-	56	5.51
Bangkok 3	-	-	61	6.00
Surin	-	-	29	2.85
<b>Total</b>	<b>920</b>	<b>100</b>	<b>1,016</b>	<b>100</b>

Remark: Data collection of retired employees classified by region in the year 2020 cannot show historical data because in 2021, a new operation area was opened in Surin causing an error in the data collection system making it unable to classify the historical data.

### MTC Personnel Satisfaction

Personnel is an important factor that will make the Company succeed and achieve the set goals. The Company therefore attaches great importance to personnel in order to keep personnel to stay with the organization. The employee satisfaction is one of the key factors that enable employees to work with the Company. They can be happy in the long term. Moreover, if personnel are satisfied with the organization, they will work effectively which resulted in the Company achieve goals more quickly.

The Company conducts the questionnaire on personnel satisfaction annually. This will measure the level of employee satisfaction in the following areas; suitability of the working environment, compensation and benefits, sufficiency and fairness, relationships between colleagues and supervisors, satisfaction with the Company’s work system, advancement in the job position, balance between work and personal life and attitude towards the organization. In 2021, 9,721 personnel participated in the survey or 94.12% of all personnel with an overall average employee satisfaction of 98.15%.



### Respect on Human Rights <sup>(103-1)</sup>

The Company recognizes the importance of respecting human rights very much. All personnel and trading partners must treat everyone in accordance with the principles of human rights equally without discrimination. We do not commit any act that constitute a violation of human rights.

### Human Rights Policy <sup>(103-2)</sup>

Muangthai Capital Public Company Limited recognizes and values human rights which are fundamental. We foresee that human rights principles will be the cornerstone of equal living without distinction of any kind such as race, religion, gender, language, culture or other status.

The Company is committed to conducting business in accordance with national laws in the area of human rights protection to ensure that the Company conduct business without violation of human rights in all business activities (Direct Activity). Thus, it is appropriate to establish policies and guidelines on human rights. This includes all stakeholders in the Company’s value chain. The guidelines are as follows.

1. The Company values and respects human rights by treating people or any group of persons including all stakeholders of the Company with equality and fairness without discrimination of body, mind, race, religion, sex, language, age, skin color, education, social status, culture, customs, political attitude or any other matters.

2. The Company will not do anything that violates the rights and freedom of the persons or any group of people both directly and indirectly, including physical, verbal abuse, intimidation, humiliation, sexual harassment, etc.

3. The Company will be careful in performing the duties to prevent the risk of human rights violation in all business activities.

4. The Company will not use and support the Company’s business partners in all types of illegal labor including child labor and other illegal workers.

5. The Company provides communication to disseminate human rights policies and practices to all stakeholders in the Company’s value chain to enable all stakeholders to participate in business in a humane

manner with respect for human rights in accordance with this policy of the Company.

6. The Company provides surveillance on human rights respect. In each step of the operation, we do not neglect or ignore if there is an act that violates human rights. Employees are obliged to report to supervisors or the person in charge to know. The Company provides a process to protect people who report complaints or doubts about human rights violations by using measures to protect whistleblowers or the complainant as the Company set out in the Whistleblower Policy. Such complaints will be sent directly to the Chairman of the Audit Committee.

7. The Company aims at creating an organizational culture that adheres to respect for human rights that employees adhere to as a guideline for their work. The employees can work altogether under a happy and accepting environment. In addition, this culture is reflected in the practice of providing services with the highest standards to all stakeholders with equality.

8. The Company provides an assessment process and is able to identify issues of human rights violation risks and impacts so that the Company can plan and formulate guidelines for correcting and preventing human rights violation.

9. The Company has imposed penalties for those who commit crimes from human rights violations. The highest is termination of employment.



**In 2021, no case of human rights violation and discrimination was found<sup>(406-1)</sup>.**



### Community engagement, promotion and development

Social promotion and development plays a very important role in today's business operations. The changes that have occurred have resulted in the deterioration of the social condition. The Company considers that the role of social responsibility is important. We turn to pay attention and contribute to the development of society better. The focus is on the progress of society by participating in the people development in society to make people in society have sustainable progress.

### Social projects to build strong communities

#### Muangthai Capital donated essential kits for COVID-19 patients in Sukhothai Province

Mr. Chuchat Petaumpai, Chairman of the Executive Committee, and Mrs. Daonapa Petampai, Managing Director, of Muang Thai Capital Public Company Limited, delivered 300 sets of necessary items to help of COVID-19 patients distributed to hospitals in Sukhothai Province.



#### Muangthai Capital supported computers to Sukhothai Hospital

Muangthai Capital Public Company Limited donated computers and laptops to Sukhothai Hospital to support the operation during the COVID-19 epidemic situation having Mr. Wasin Dejkitvikrom as a representative to the hospital's medical personnel, consisting of 7 sets of computers and 3 sets of laptops. The total value was 236,340 Baht.



#### Muangthai Capital constructed the Dental Center and Administrative Building at Ban Dan Lan Hoi Hospital, Sukhothai Province

Mrs. Daonapa Petampai, Managing Director, of Muang Thai Capital Public Company Limited, donated 30 million baht to build the Dental Center and Administrative Building at Ban Dan Lan Hoi Hospital, Sukhothai Province. It was designed as a 2-storey concrete building with a total usable area of 1,700 square meters. The building was designed and supervised by Mr. Paritat Petchampai, Deputy Managing Director of Muang Thai Capital Public Company Limited, scheduled for completion in July 2022.



#### Muangthai Capital donated 110 million baht to purchase medical equipment to fight COVID-19

Mr. Chuchat Petaumpai, Chairman of the Executive Committee, and Mrs. Daonapa Petampai, Managing Director, of Muang Thai Capital Public Company Limited, donated 110 million baht to purchase medical equipment needed to care for patients infected with COVID-19 to 9 frontline hospitals, namely 1. Siriraj Hospital, 2. Chulalongkorn Hospital, Thai Red Cross Society, 3. Thammasat University Hospital, 4. Wachira Hospital, 5. Hospitals in Bangkok Supervision (10 places), 6. Ramathibodi Hospital, 7. Chakri Naruebodin Medical Institute, Ramathibodi Hospital, 8. Bamrasnaradura Institute, Department of Disease Control, and 9. various hospitals in Sukhothai Province.



## Efficient resource management and environmental protection

Climate change is becoming more and more intense affecting the world in economic, social and environmental dimensions. For Thailand, the impact of climate change is on agricultural productivity which is considered as the main source of income that drives national economy. Climate change in Thailand may cause average temperature to rise by 1.5 - 2.0 Celsius degrees within the next 40 years. This results in the serious challenge for the agricultural sector, where the Company considers most of the main customers to work in the agricultural sector. Therefore, climate change may result in Farmers' income to decline. This will increase the demand for loans while the quality of debt repayment has declined.

### Environmental management policy

Muangthai Capital Public Company Limited realizes that climate change is one of the world's most important challenges. Therefore, it is important to participate in dealing with environmental problems. The Company therefore has a policy to promote to reduce the impacts arising from the operation process and reduce the use of natural energy that is limited to prepare plans and measures to participate in solving the challenges of climate change. The Company has therefore formulated business policies in accordance with environmental regulations, international standards, including voluntary participation in sustainability standards. This policy covers employees, subsidiaries, business partners and business alliances by defining environmental approaches as follows:

1. Strictly comply with international and local environmental laws and responsible for negative environmental impacts that may arise from the operations of the organizations.

2. The environmental management assessment is defined as a type of scorecard for management and employee performance evaluation.

3. Support raising awareness by organizing training to educate employees on environmental knowledge and stakeholders to create knowledge and understanding on the climate change, conservation of natural resources and the importance of preventing negative environmental impacts.

4. Establish guidelines and goals for energy, resource and environmental management in the Company in accordance with international standards to promote sustainable development goals with a focus on environmental conservation. The resources are used wisely to reduce the occurrence of waste. The most important thing is to reduce greenhouse gas emission which is the catalyst for accelerating climate change.

5. Encourage effective waste management to reduce the impact on the environment as well as encouraging the reuse and / or selection of materials (Recycle) or alternative products in an efficient and cost-effective manner.

6. Support the purchase of products and services and / or products from environmentally friendly manufacturing processes according to the criteria on the Pollution Analysis and Environmental Laboratory, Pollution Control Department, Ministry of Natural Resources and Environment.

7. Communicate and provide information on efficient and cost-effective use of energy and resources by disclosing environmental performance to the public in One Report of the Company or disclosing it in other ways with the approval of senior management of the organization.

8. Coordinate with government organizations, educational institutes, communities and other agencies to jointly tackle climate change problems nationally or internationally.



### Green Building, Muangthai Capital Headquarters

Muangthai Capital Headquarters Building received the LEED standard or Leadership in Energy & Environmental Design rating of Gold that reflects the efficient use of resources and buildings. The focus is on the environment and service personnel. "Green Building" is a term used to refer to buildings that are built taking into account the conservation of energy and environment. Many institutes from different countries have standardized energy conservation buildings in the form of open ecological spaces for not less than 25% of the building area with the green area of not less than 40% of the open space. It can be calculated that there is at least 10% green space on the building floor.

Muangthai Capital Headquarters is truly eco-conscious. The green area of the building consists of various plants, each of which is suitable for the soil conditions. The fix spray Springer is used for watering system which can save water more than 30%. On average, approximately 754 liters of water is used per month, making it suitable for being a true green building.

## Materials Management <sup>(103-1)</sup>

The Company's business operation has the commitment to reduce the amount of paper used as paper is a material that is used a lot in the Company's business operation. In correspondence with the digital 4.0 era with the use of technology, it has a huge impact and influence on business operation. Currently, the Company uses the idea of using Paperless system to reduce the use of paper in operation. This can reduce the publication of documents and reduce storage from using space to the process of collecting data in digital form.

### Measures to reduce paper use

1. The Company encourages personnel from all departments to cooperate in reducing the paper use by campaigning to choose to print and use paper on both sides effectively.
2. The Company has developed the issuance of electronic receipts (e-Receipt) based on regulations and operational approaches in accordance with the Revenue Department.

### Paper consumption in 2021

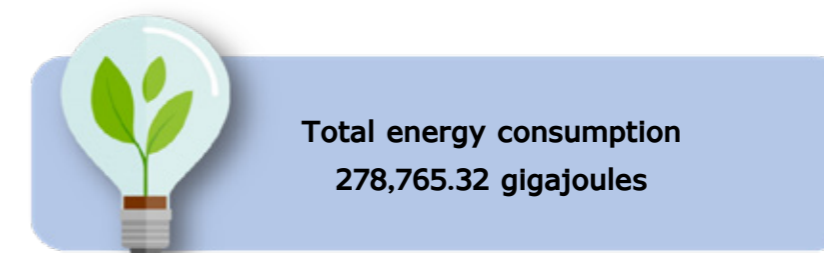


Paper type	2020		2021	
	Consumption (kg)	Compare to Loan (g/MB)	Consumption (kg)	Compare to Loan (g/MB)
A4 Paper	272,303.80	3,837.00	317,250.10	3,455.42
F14 Paper	99,333.08	1,399.69	123,917.17	1,349.68
A3 Paper	-	-	486.98	5.30
A5 Paper	-	-	3,769.78	41.06
Other	-	-	193,413.86	2,106.62
<b>Total quantity</b>	<b>371,636.88</b>	<b>5,236.69</b>	<b>638,837.89</b>	<b>6,958.08</b>

## Energy Management <sup>(103-1)</sup>

Energy is one of the key factors for the country's economic and social development. At present, the demand for energy in all sectors whether the government sector, private sector, and the household, has continuously increased resulting in energy scarcity and affecting the volatility in the use of higher operating costs. Therefore, the Company attaches importance to energy conservation and energy use by managing energy consumption for maximum efficiency.

### Energy consumption in 2021 <sup>(302-1, 302-3)</sup>



Energy consumption in the organization	2020		2021	
	Consumption (GJ)	Compare to Loan(GJ/MB)	Consumption (GJ)	Compare to Loan(GJ/MB)
<b>Non-renewable fuel consumption</b>				
Diesel	37,261.54	0.53	40,127.03	0.44
Benzine / Gasohol 91, 95	46,554.49	0.66	108,672.85	1.18
<b>Different types of energy consumption</b>				
Electric power	115,509.39	1.63	129,965.44	1.42
<b>Total energy consumption</b>	<b>199,325.42</b>	<b>2.81</b>	<b>278,765.32</b>	<b>3.04</b>

### Energy Consumption Concentration Volume in 2021 <sup>(302-4)</sup>

Fuel type	Energy Consumption Concentration Ratio	
	Compare to Loan Balance (GJ/MB)	Compare to Workforce (GJ/person)
Gasoline	1.62	12.98
Electric power	1.42	11.34
Total energy in the organization	3.04	24.32

In 2021, the Company's energy consumption increased from the previous year to 79,439.9 GJ or equivalent to 22,066,638.89 kW/h. As the Company has opened more branches, the amount of energy consumption then increases. However, the Company will continue to implement energy conservation measures and improve the efficiency of energy reduction.

### Greenhouse Gas Emissions <sup>(103-1)</sup>

The major cause of the current climate change problem arises from the activities of all sectors, whether fuel consumption, deforestation, various energy consumption, etc. Such activities are one of the causes of climate change, such as drought, flooding, sea level rise, etc., which greatly affects the way of life and current business operation.

As the Company is the Microfinance service provider of the country, it is inevitable that various fuels are used in the process of operation. The oil from cars used in the Company's activities which is one of the causes of greenhouse gas emission such as particulate matter, CO, CO<sub>2</sub>, SO<sub>x</sub>, NO<sub>x</sub> emitted into the atmosphere. Thus, the Company has given importance to participation in reducing greenhouse gas emission caused by operating processes, such as reducing energy consumption, reducing fuel consumption from various cars, etc.

### Volume of direct and indirect greenhouse gas emissions in 2021 <sup>(305-1, 305-2)</sup>



**Total volume of greenhouse gas emissions**  
**25,305.64 tonCO<sub>2</sub>e**

Fuel type (scope of operation)	Consumption (unit)	Emissions (tonCO <sub>2</sub> e)
Gasoline consumption (liters) (direct) <sup>(305-1)</sup>	1,520,558.27	3,452.12
Diesel fuel consumption (liters) (direct) <sup>(305-1)</sup>	1,101,785.53	3,019.22
Electric power consumption (kWh) (indirect) <sup>(305-2)</sup>	36,101,510.71	18,047.15
CH <sub>4</sub> emission from septic tanks (kg)	4,530.76	113.27
Paper consumption (kg)	638,837.89	426.55
Water consumption (megaliters)	869.96	247.33
<b>Total gas emissions (tonCO<sub>2</sub>e)</b>	<b>25,305.64</b>	

### Water resource management <sup>(103-1)</sup>

Water is one of the fundamental resources that are essential for life and business operation. At present, there is a problem of flooding and some areas experiencing drought which affects the ability to develop the economy and improve the quality of life of people in society. In addition, the increase in population has resulted in an increase in water demand. As a result, Thailand is constantly facing water resource crises. The Company, therefore, realizes the importance of conserving water resources through a campaign to conserve water use and public relations communication among all personnel to conserve water resources.

### Total water consumption in 2021



**Total water consumption**  
**869.96 megaliters**

Water type	Water consumption (megaliters)	
	2020	2021
Tap water	987.32*	869.96

Remark: \*The consumption of tap water in 2020 was only collected from October-December, 2020.

Water risk assessment in the Company's operational area and all branch offices (accounting for 100%) used the World Resource Institute's Aqueduct Water Risk Atlas in 2021. It was found that the area with a high level of water crisis (40-80%) was the Pa Sak River area, Phetchabun Province.

## Appendix

### Sustainability Performance Information

#### Economic dimension

Information	2021	2020	2019	2018	Unit
<b>Economic results</b>					
Total income	16,019	14,733	12,688	10,416	Million Baht
Total administrative and operating expenses	7,690	6,399	5,868	4,689	Million Baht
Employee expenses	4,272	3,676	3,009	2,228	Million Baht
Costs of supporting an organization, association or sponsoring any activity	2,249,000	177,100	257,400	400,480	Baht
Other expenses	3,416	2,718	2,853	2,458	Million Baht
Tax expenses	1,257	1,303	1,056	913	Million Baht
Net profit	4,945	5,214	4,237	3,713	Million Baht
Total assets	98,390	77,222	61,872	49,146	Million Baht
Total liabilities	73,521	56,540	45,900	36,847	Million Baht
Total shareholders' equity	24,869	20,682	15,972	12,299	Million Baht
Return on Equity	21.71	28.45	29.98	34.96	Percentage
Return on Assets	5.63	7.50	9.54	10.75	Percentage
Total market value	124,550	125,070	135,150	103,880	Million Baht
<b>Treatment to customers</b>					
Number of branches	5,799	4,884	4,107	3,279	Branches
Customer's satisfaction rate	91.58	93.44	-	-	Percentage

#### Social dimension

Information	2021	2020	2019	2018	Unit
<b>Employees</b>					
Total number of employees	11,460	10,328	9,589	7,660	Persons
Total number of male employees	10,235	9,202	8,590	6,823	Persons
Total number of female employees	1,225	1,126	999	837	Persons
Number of senior management	10	6	6	5	Persons

Information	2021	2020	2019	2018	Unit
Number of executives	26	28	27	23	Persons
Number of employees and staffs	11,424	10,294	9,556	7,632	Persons
Number of employees under the age of 30	8,897	-	-	-	Persons
Number of employees aged between 30-40 years	2,248	-	-	-	Persons
Number of employees aged over 40 years	315	-	-	-	Persons
Total number of new employees	2,096	1,627	3,210	3,086	Persons
Total number of new male employees	1,907	1,434	2,935	2,857	Persons
Total number of new female employees	189	193	275	229	Persons
Number of employees under the age of 30	2,032	-	-	-	Persons
Number of new employees aged between 30-40 years	34	-	-	-	Persons
Number of new employees aged over 40 years	30	-	-	-	Persons
Total number of retired employees	1,016	920	1,267	1,318	Persons
Total number of retired male employees	920	853	1,158	1,199	Persons
Total number of retired female employees	96	67	109	119	Persons
Number of retired employees under the age of 30	884	855	-	-	Persons
Number of retired employees aged between 30-40 years	104	46	-	-	Persons
Number of retired employees aged over 40 years	28	19	-	-	Persons
<b>Occupational Health and Safety</b>					
Employee injured from work	5	97	109	N/A	Cases

Information	2021	2020	2019	2018	Unit
Hour Worked	20,128,109	19,614,752	17,392,596	N/A	Hours
Work injury rate	0.05	0.99	1.25	N/A	Incident/two hundred thousand working hours
Death from work-related injuries	0	0	0	N/A	Cases
<b>Employee Training and Development</b>					
Average number of training hours per employee	2.97	3.30	6.30	9.19	Average hours / person
Average training costs per employee	177.37	248	924	1,405	Baht/employee
Rate of return on investment in employees	3.65	3.34	3.45	3.83	Baht/employee
<b>Employee's satisfaction</b>					
Employee's satisfaction rate	82.56				Percentage
<b>Human rights</b>					
Damage cost from human right violation	0	0	0	0	Million Baht
Cases of human right violation	0	0	0	0	Cases
Discrimination cases	0	0	0	0	Cases
<b>Contribution to Community and Society</b>					
Costs of supporting an organization, association or sponsoring any activity	2,249,000	177,100	257,400	400,480	Baht
Expenses for charitable, giving donation to organizations, associations, individuals or societies	2	5	6	3	Million Baht

#### Environmental dimension

Information	2021		2020		2019	2018	Unit
	Consumption (kg)	Compare to Loan (g/MB)	Consumption (kg)	Compare to Loan (g/MB)			
<b>Material use</b>							
A4 paper	317,250.10	3,455.42	272,303.80	3,837.00	N/A	N/A	Kg

Information	2021		2020		2019	2018	Unit
	Consumption (kg)	Compare to Loan (g/MB)	Consumption (kg)	Compare to Loan (g/MB)			
F14 paper	123,917.17	1,349.68	99,333.08	1,399.69	N/A	N/A	Kg
A3 paper	486.98	5.30	-	-	N/A	N/A	Kg
A5 paper	3,769.78	41.06	-	-	N/A	N/A	Kg
Other	193,413.86	2,106.62	-	-	N/A	N/A	Kg
Information	2021		2020		2019	2018	Unit
	Consumption (GJ)	Compare to Loan (GJ/MB)	Consumption (GJ)	Compare to Loan (GJ/MB)			
<b>Energy consumption</b>							
Diesel	40,127.03	0.44	37,261.54	0.53	N/A	N/A	gigajoules
Benzine/ Gasohol 91, 95	108,672.85	1.18	46,554.49	0.66	N/A	N/A	
Electric power	129,965.44	1.42	115,509.39	1.63	N/A	N/A	
Total energy consumption	278,765.32	3.04	199,325.42	2.81	N/A	N/A	
Energy consumption vs. Total workforce	24.32		19.30		N/A	N/A	gigajoules per person
Information	2021		2020		2019	2018	Unit
	Emission (tonCO2e)	Compare to Loan (tonCO2e/MB)	Emission (tonCO2e)	Compare to Loan (tonCO2e/MB)			
<b>Direct and indirect greenhouse gas emission</b>							
Direct greenhouse gas emissions (GHG Scope 1)	6,471.34	0.070	7,015.68	0.099	2,477.75	1,976.67	tonCO2e
Indirect greenhouse gas emissions from energy consumption (GHG Scope 2)	18,047.15	0.197	16,039.76	0.226	N/A	N/A	tonCO2e
Other amount of indirect greenhouse gas emissions (GHG Scope 3)	787.15	0.009	528.84	0.007	437.70	329.60	tonCO2e
Total amount of greenhouse gas emissions	25,305.64	0.276	23,584.28	0.332	2,915.45	2,306.27	tonCO2e

## GRI Content Index

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
<b>GRI 101: Foundation 2016</b>					
<b>General Disclosures</b>					
<b>GRI 102: Organizational Profile</b>					
<b>General Disclosures 2016</b>	102-1 Name of the organization				
	102-2 Activities, brands, products, and services				
	102-3 Location of headquarters				
	102-4 Location of operations			<a href="http://investor.muangthaicap.com/th/shareholder-information/major-shareholder">http://investor.muangthaicap.com/th/shareholder-information/major-shareholder</a>	
	102-5 Ownership and legal form				
	102-6 Markets served				
	102-7 Scale of the organization				
	102-8 Information on employees and other workers				
	102-9 Supply chain				
	102-10 Significant changes to the organization and its supply chain				No Significant Change
	102-11 Precautionary Principle or approach				
	102-12 External initiatives				

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
	102-13 Membership of associations				
<b>Strategy</b>					
	102-14 Statement from senior decision-maker				
<b>Ethics and Integrity</b>					
	102-16 Values, principles, standards, and norms of behavior				16
<b>Governance</b>					
	102-18 Governance structure				
<b>Stakeholder Engagement</b>					
	102-40 List of stakeholder groups				
	102-41 Collective bargaining agreements				8
	102-42 Identifying and selecting stakeholders				
	102-43 Approach to stakeholder engagement				
	102-44 Key topics and concerns raised				
<b>Reporting practice</b>					
	102-45 Entities included in the consolidated financial statements				

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
	102-46 Defining report content and topic Boundaries				
	102-47 List of material topics				
	102-48 Restatements of information	-		No Significant Change	
	102-49 Changes in reporting	-		No Significant Change	
	102-50 Reporting period				
	102-51 Date of most recent report				
	102-52 Reporting cycle				
	102-53 Contact point for questions regarding the report				
	102-54 Claims of reporting in accordance with the GRI Standards				
	102-55 GRI content index				
	102-56 External Assurance				
<b>Material Topics</b>					
<b>Economic Performance</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries 103-2 The management approach and its components 103-3 Evaluation of the management approach				
GRI 201: Economic	201-1 Direct economic value generated and distributed				8,9

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
Performance 2016					
<b>Anti-corruption</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries 103-2 The management approach and its components 103-3 Evaluation of the management approach				
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken				16 16
<b>Energy</b>					
GRI 103: Management Approach 2016	103- 1 Explanation of the material topic and its Boundaries 103- 2 The management approach and its components 103-3 Evaluation of the management approach				
GRI 302: Energy 2016	302-1 Energy consumption within the organization 302-3 Energy intensity				7,8,12,13 7,8,12,13



GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
<b>Water</b>					
GRI 103: Management Approach 2016	103- 1 Explanation of the material topic and its Boundaries				
	103- 2 The management approach and its components				
	103-3 Evaluation of the management approach	-	Information Unavailable		
	303- 1 Interactions with water as a shared resource				6,12
	303- 2 Management of water discharge-related impacts				6
	303-5 Water consumption				6
<b>Emissions</b>					
GRI 103: Management Approach 2016	103- 1 Explanation of the material topic and its Boundaries				
	103- 2 The management approach and its components				
	103-3 Evaluation of the management approach	-	Information Unavailable		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions				3,12,13,14,15
	305-2 Energy indirect (Scope 2) GHG emissions				3,12,13,14,15
<b>Employment</b>					

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
<b>Training and Education</b>					
GRI 103: Management Approach 2016	103- 1 Explanation of the material topic and its Boundaries				
	103-2 The management approach and its components				
	103-3 Evaluation of the management approach	-	Information Unavailable		
GRI 401: Employment 2016	401- 1 New employee hires and employee turnover				5,8,10
	401- 2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				5,8
GRI 404: Training and Education 2016	103-1 Explanation of the material topic and its Boundaries				
	103-2 The management approach and its components				
	103-3 Evaluation of the management approach				
	404- 1 Average hours of training per year per employee				3,4,5,8
	404-2 Programs for upgrading employee skills and transition assistance programs				8

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
	404- 3 Percentage of employees receiving regular performance and career development reviews				5,8
<b>Diversity and Equal Opportunity</b>					
GRI 103: Management Approach 2016	103- 1 Explanation of the material topic and its Boundaries 103- 2 The management approach and its components 103-3 Evaluation of the management approach				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees				5,8,10
<b>Non-discrimination</b>					
GRI 103: Management Approach 2016	103- 1 Explanation of the material topic and its Boundaries 103- 2 The management approach and its components 103-3 Evaluation of the management approach				

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken		Not applicable		
<b>Customer Privacy</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries 103-2 The management approach and its components 103-3 Evaluation of the management approach				
GRI 418: Customer Privacy	418- 1 Substantiated complaints concerning breaches of customer privacy and losses of customer data-				16
<b>Corporate Governance</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries 103-2 The management approach and its components 103-3 Evaluation of the management approach Roles of Executive-level				
<b>Risk Management</b>					
GRI 103: Management	103-1 Explanation of the material topic and its Boundaries				

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
GRI Standard Approach 2016	103-2 The management approach and its components				
	103-3 Evaluation of the management approach				
	Risk management to create added value for the organization				
<b>Innovation Management</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries				
	103-2 The management approach and its components				
	103-3 Evaluation of the management approach				
	List of Innovations				
<b>Customer Satisfaction</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries				
	103-2 The management approach and its components				
	103-3 Evaluation of the management approach				
	Customer Satisfaction				
<b>Developing Financial Products Economic, Social and Environmental Responsible</b>					

GRI Standard	Disclosures	Page Number	Omissions	Direct Answer	SDGs
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries				
	103-2 The management approach and its components				
	103-3 Evaluation of the management approach				
<b>Financial Literacy</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries				
	103-2 The management approach and its components				
	103-3 Evaluation of the management approach				
<b>Employee Satisfaction</b>					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries				
	103-2 The management approach and its components				
	103-3 Evaluation of the management approach				
	Employee Satisfaction				



*“30-Year Muangthai Capital  
Sustainably Spreading Smiles to Society”*



*Illustrated by Pakphoom Talapkean, Graphic design student, Chulalongkorn University  
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