

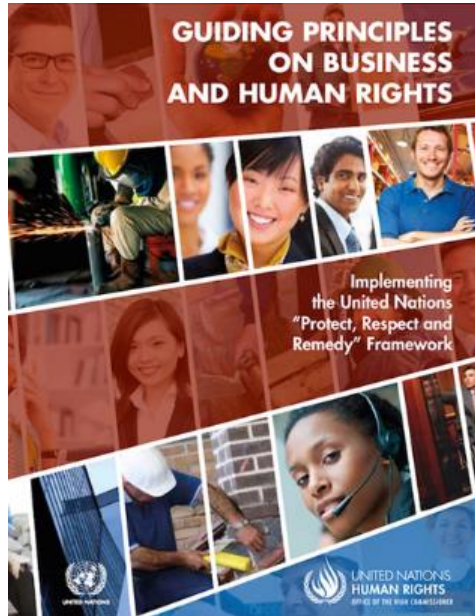


Bangkok Bank Public Company Limited

Human Rights Due Diligence
Executive Summary 2019



Human Rights in Bangkok Bank



Bangkok Bank PCL (BBL) is committed to respecting human rights of all stakeholders through out our business operations and avoiding possible human rights violations that stem from business activities in our value chain. The implementation of the **human rights due diligence** process as recommended in the UN Guiding Principles on Business and Human Rights (UNGPs), including the development of the **Human Rights Policy** and the **human rights risk assessment process**, is the key milestone in our human rights management achieved in 2019.



Human Rights Due Diligence Process

Human rights due diligence enables BBL to identify and assess actual and potential human rights risks and impacts on human rights that are directly or indirectly caused by BBL business activities. The human rights due diligence also allows BBL to seek appropriate prevention and mitigation measures to address possible adverse human rights impacts. As shown in Figure 1, our human rights due diligence consists of 5 steps: policy commitment, risk and impact assessment, integrating the assessment findings into management process, tracking outcomes and communicating, and addressing actual adverse impacts through remediation actions. Human rights due diligence is conducted regularly every two years.



Figure 1: BBL's Human Rights Due Diligence Process



1. Human Rights Policy

- BBL upholds and adheres to internally recognized human rights principles as stipulated in national laws and regulations as well as international standards legal such as the Universal Declaration of Human Rights (UDHR) and the fundamental Conventions of the International Labour Organization (ILO Conventions).
- In 2019, BBL developed the Human Rights Policy in accordance with UN Guiding Principles on Business and Human Rights (UNGPs).
- The policy covers the commitment to respecting human rights and provides practical guidelines related to human rights protection of various stakeholders such as customers, employees, and suppliers and business partners.
- All BBL employees, customers, suppliers and business partners are expected to adhere to the principles and guidelines in the Human Rights Policy. BBL will continue to communicate and ensure that both internal and external stakeholders understand our human rights expectations embedded in the policy.



2. Human Rights Risk and Impact Assessment

Human rights risk and impact assessment consist of the following steps.



1 Planning and Scoping

- Identify all relevant human rights issues in all BBL's business activities
- Consider affected groups, including vulnerable groups, i.e. women, children, migrant workers, daily wage workers, indigenous people, disabled persons, and local communities.



2 Data Collection and Baseline Development

- Design suitable data collection approach, i.e. direct engagement with relevant functions, survey through human rights risks register.



3 Risk Assessment

- Assess **inherent risk level** of identified human rights risks – risk level without existing prevention/mitigation measures.
- List all existing prevention/mitigation measures associated with the identified risks.
- Assess and rank residual risk level of identified human rights risks – risk level with existing measures.



4 Impact Mitigation and Management

- Prioritize **salient human rights risks** (residual risks) that require further prevention/mitigation actions appropriate to the risk level.
- Develop proper prevention/mitigation measures for salient issues, and continue monitoring the effectiveness of the existing measures for all other human rights risks.



2. Human Rights Risk and Impact Assessment

1 Planning and Scoping

2 Data Collection and Baseline

The following human rights issues are identified through direct engagement with relevant functions/units.





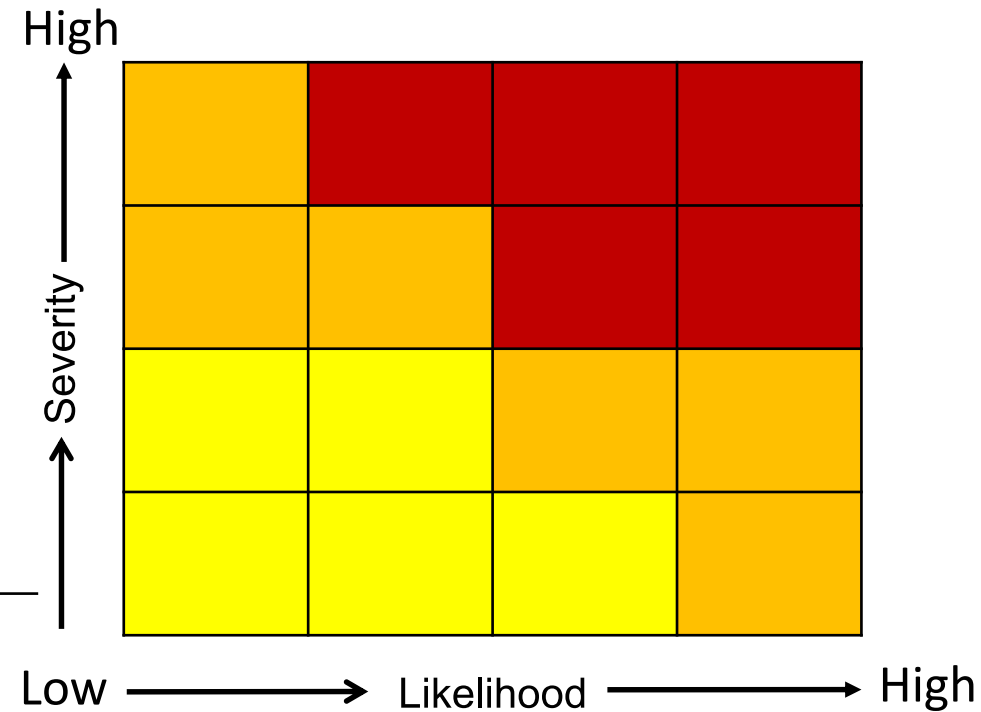
2. Human Rights Risk and Impact Assessment

- Risk assessment was conducted based on a 4x4 human rights risk matrix, considering **severity of impacts** and **likelihood of events**.
- This assessment takes into account vulnerable groups, including disabled persons, indigenous people, women, children, daily wage workers, migrant workers, and local communities.
- Risk levels are determined and categorized into three groups: high, moderate, and low.

High	High risks are salient human rights risks that need to be addressed with additional prevention/mitigation measures.
Medium	Medium risks are key human rights risks that the existing prevention/mitigation measures have been sufficient to address them, but there may be rooms for improvement. BBL should regularly monitor the effectiveness of the measures.
Low	Low risks are human rights risks that have been reduced to harmless or insignificant level through prevention/mitigation measures but should still be monitored regularly.



Risk Assessment (1)



Human Rights Risk Matrix



2. Human Rights Risk and Impact Assessment



Risk Assessment



Impact Mitigation and Management

Summary of 2019 BBL's Human Rights Risk Assessment



100%

All business operations and activities in BBL's own value chain were assessed.



25% (3 out of 12 activity groups)

25% of business activities in our value chain were assessed and identified as having the following **salient human rights** issues.

1. Customer Data Privacy
2. Working Conditions and Illegal Labor in Projects Financed
3. Environmental Impacts from Project Finance



100%

For all business activities where salient human rights issues were identified, there exist sufficient measures in place. However, we are adding initiatives to help improving the existing measures.



2. Human Rights Risk and Impact Assessment



Risk Assessment



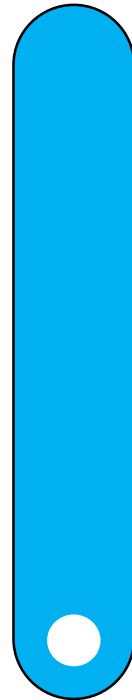
Impact Mitigation and Management

Summary of 2019 BBL's Human Rights Risk Assessment



100%

All business operations and activities of BBL's Tier 1 suppliers were assessed.



0%

0% of business activities of BBL's Tier 1 suppliers was associated with salient human rights risks.



N/A

Since there was no BBL's Tier 1 supplier with salient human rights risk, there is no need to develop additional prevention/mitigation actions.



3. Integration and Management (**Salient Risk**)

Customer Data Privacy



Customer
Data Privacy

Description of Human Rights Risks

- Increasing risks of information security/cyber security, e.g., leak of customer's personal information, customer's personal information stolen by external parties.
- Risk related to violation of Personal Data Protection law, e.g., use of customer's personal information without consent.



Existing Prevention/Mitigation Measures

- ISO 27001
- Information security and cyber security policy
- Information security risk management
- Trainings on data privacy protection and information security/cyber security
- Data privacy policy (in process of drafting)

Affected / Vulnerable groups

- Retail customers
- SME customers
- Corporate customers

Activities at risk

- Activities related to use of collected customer data, e.g., product/service development
- IT system management



3. Integration and Management (**Salient Risk**)

Working Conditions and illegal labor in Projects Financed



Working
Conditions and
Illegal Labor

Description of Human Rights Risks

- Poor working conditions e.g., excessive hours of work, insufficient rest periods, illegal/unfair remuneration.
- Illegal labor i.e., child labor, forced labor, undocumented migrant workers.

Affected / Vulnerable groups

- Children
- Women
- Undocumented migrant workers
- Unskilled daily wage labor

Activities at risk

- Project finance



Existing Prevention/Mitigation Measures

- Compliance with local laws and regulations.
- General lending standard
- Risk management in credit process
- Responsible lending policy (in process of drafting)
- Environment and social risk management embedded in credit process (in process of developing)



3. Integration and Management (**Salient Risk**)

Environmental Impact in Projects Financed



Description of Human Rights Risks

- Illegal waste disposal at public places
- Air pollution
- Water pollution



Existing Prevention/Mitigation Measures

- Compliance with local laws and regulations
- Requirement that environmental impact assessment reports must be approved by authorities before providing credit
- Hiring independent consultant to provide technical advice on the assessment of environmental and social risks and impacts
- Responsible lending policy (in process of drafting)
- Environment and social risk management embedded in credit process (in process of developing)

Environmental Impact

Affected / Vulnerable groups

- Local communities

Activities at risk

- Project finance



4. Tracking and Communicating

BBL is committed to respecting human rights of all stakeholders and ensuring effective prevention, mitigation and remediation actions concerned with adverse human rights impacts caused by our business activities. Striving for better serving our society and supporting the sustainable development goals, we will regularly monitor our human rights performance, communicate to stakeholders on salient risks and related prevention and mitigation measures, and report to public how we address adverse impacts, Affected stakeholders can raise their concerns or issues to BBL via various channels (i.e. hotlines, e-mail, website, etc.).

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5. Remediation Actions



In 2019, no human rights violations or concerns were reported through BBL communication channels. Therefore, there were no specific remediation actions taken.

However, BBL will continue to respect human rights of all stakeholders and keep monitoring human rights risks and impacts related to our business activities to ensure timely responses to emerging human rights risks and their potential adverse impacts.