

Bangkok Bank Public Company Limited

Human Rights Due Diligence

Summary Report 2022



Human Rights Due Diligence Process

Bangkok Bank Public Company Limited (BBL) is committed to respecting the human rights of all stakeholders in BBL's own operations and business activities, and avoiding any contribution to adverse human rights impacts that occur through our value chain. By doing so, BBL has systematically conducted and reviewed Human Rights Due Diligence (HRDD) process every 3 years to identify, assess, prevent and mitigate human rights risks across the entire value chain of the business. The HRDD process includes 5 following steps, which are implemented and developed in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs).





1. Policy Commitment

- In 2019, BBL's Human Rights Policy was established in accordance with national laws and regulations, and international standards, which include the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs) and the fundamental Conventions of the International Labour Organization (ILO Conventions).
- The policy covers the commitment toward conducting business with respect to human rights principles, and expectation and guidelines on human rights protection for stakeholders such as customers, employees, suppliers and business partners. In addition, BBL commits to respecting human rights, including freedom of association and collective bargaining including, and to preventing human right risks such as human trafficking, forced labour, child labour, and discrimination.
- Communication and training on human rights are regularly arranged to create organization-wide awareness and understanding and to prevent any form of human rights violation.

Details of BBL's Human Rights Policy:

<https://www.bangkokbank.com/en/About-Us/Corporate-Governance/Human-Rights-Policy>



2. Risk and Impact Assessment - 1

As part of the human rights due diligence process, BBL conducted human rights risk assessment to identify and assess salient risks, and to design prevention and mitigation measures throughout our business activities and operation as well as activities of our value chain. The risk assessment process is as follows:



Risk Identification

- Identify actual and potential human rights issues related to both BBL's business activities and operation as well as activities of our suppliers and customers, e.g. forced labour, human trafficking, child labour, land rights, community rights, freedom of association, right to collective bargaining, equal remuneration, discrimination and harassment, data privacy, data security, health and safety, working conditions and market conduct practices.
- Consider possibly affected groups and vulnerable groups, e.g. women, children, indigenous people, migrant workers, daily wage workers, third-party contracted workers, local communities, disabled persons, pregnant women, elderly, LGBTQI+, customers and own employees.



Inherent Risk Assessment

- Conduct human rights inherent risks assessment, not considering the existing mitigation measures/controls.
- Rank inherent risks based on severity and likelihood levels.



Mitigation Measure Identification

- Identify existing mitigation measures/controls and analyze how they can handle the inherent risks.



Residual Risk Assessment and Further Actions

- Conduct human rights residual risks assessment, considering the existing mitigation measures/controls.
- Rank residual risks based on severity and likelihood levels.
- Prioritize human rights salient issues and develop additional mitigation measures to reduce the risk levels.



2. Risk and Impact Assessment - 2



Identification of Risk Issues Related to Customers



Online Retail Banking (Non Branch)

- Data privacy
- Data security



Offline Retail Banking including Wealth Management

- Data privacy
- Data security
- Customer health and safety during COVID-19
- Market conduct and mis-selling
- Unfair discrimination and harassment



Project Finance

- Labour practices (e.g. human trafficking, forced labour, child labour)
- Land rights (e.g. resettlement and land acquisition, displacement)
- Community rights
- Environmental impact



Wholesale/Corporate Finance

- Labour practices (e.g. human trafficking, forced labour, child labour)
- Land rights (e.g. resettlement and land acquisition, displacement)
- Community rights
- Environmental impact
- Data privacy
- Data security
- Market conduct and mis-selling



Investment Banking

- Labour practices (e.g. human trafficking, forced labour, child labour)
- Land rights (e.g. resettlement and land acquisition, displacement)
- Community rights
- Environmental impact
- Data privacy
- Data security



2. Risk and Impact Assessment - 2



Identification of Risk Issues Related to Employees and Suppliers



Employees

- Working conditions
- Health and safety
- Unfair discrimination and harassment
- Data privacy
- Data security
- Freedom of association, assembly, and collective bargaining

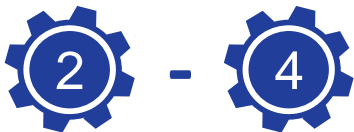


Suppliers

- Working conditions
- Health and safety
- Unfair discrimination and harassment
- Data privacy
- Data security
- Freedom of association, assembly, and collective bargaining



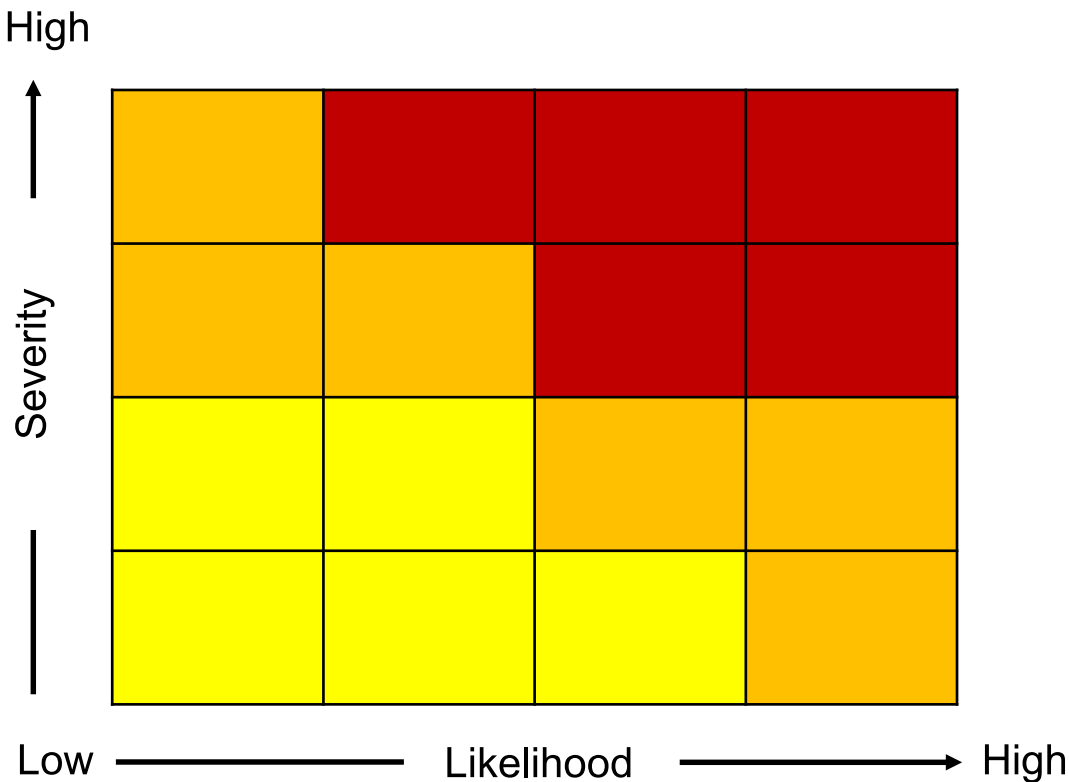
2. Risk and Impact Assessment - 3



Inherent Risk Assessment, Residual Risk Assessment, and Mitigation Measures

- The risk assessment was conducted based on a 4x4 human rights risk matrix, considering **severity of impacts** and **likelihood of events**.
- The assessment takes into account vulnerable groups, including **women, children, indigenous people, migrant workers, daily wage workers, third-party contracted workers, local communities, disabled persons, customers, pregnant women, elderly, LGBTQI+ and own employees.**
- Risk levels are categorized into three groups: high, moderate, and low.

High	High risks are <u>salient human rights risks</u> that need to be addressed with additional prevention/mitigation measures.
Medium	Medium risks are key human rights risks that the exiting 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.

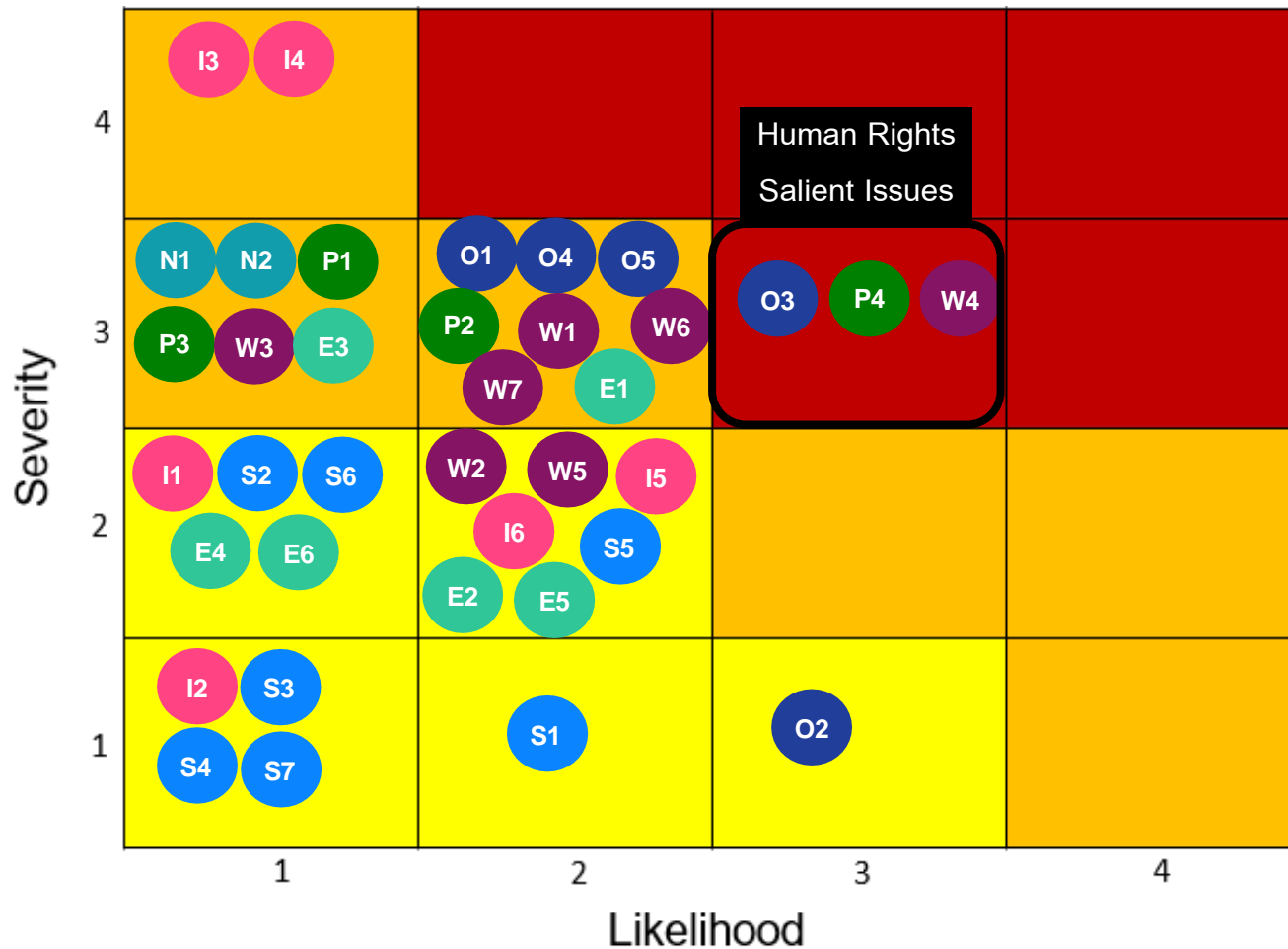


Human Rights Risk Matrix



2. Risk and Impact Assessment - 4

Results of Human Rights Risk Assessment



- Offline Retail Banking including Wealth Management
- Online Retail Banking (Non Branch)
- Wholesale/Corporate Finance
- Project Finance
- Investment Banking
- Employees
- Suppliers

- O1 N1 W5 I5 S5 E4 Data Privacy
- O4 N2 W6 I6 S6 E6 Data Security
- O5 Customer Health and Safety during COVID-19
- O3 W7 Market Conduct and Mis-selling
- O2 E3 Unfair Discrimination and Harassment
- P1 W1 I1 S3 Labour Practices (e.g. human trafficking, forced labour, child labour)
- P2 W2 I2 Land Rights (e.g. resettlement and land acquisition, displacement)
- P3 W3 I3 S4 Community Rights
- P4 W4 I4 S7 Environmental Impact
- S1 E1 Working Conditions
- S2 E2 Health and Safety
- E5 Freedom of Association, Assembly, and Collective Bargaining



2. Risk and Impact Assessment - 5 (Own Business Activities and Operations)

- Inherent Risk Assessment, Residual Risk Assessment, and Mitigation Measures

Overview Results of 2022 BBL Human Rights Risk Assessment

100%

All BBL's own business activities and operations were assessed, including

- Online Retail Banking (Non Branch)
- Offline Retail Banking including Wealth Management
- Project Finance
- Wholesale/Corporate Finance
- Investment Banking
- Internal Operations

76%

76% of BBL's business activities and operations were identified to be exposed to high human rights risks (salient risk issues):

Offline Retail Banking including Wealth Management

- Market conduct and mis-selling

Project Finance

- Environmental impact

Wholesale/Corporate Finance

- Environmental impact

100%

All of BBL's salient human rights issues have mitigation measures and remediation process implemented. In addition, new measures will be developed as appropriate to foster the existing measures.

Note: The coverage of BBL's own business activities and operations was calculated as percentage of total revenue.



2. Risk and Impact Assessment - 6 (BBL's Tier 1 Critical Suppliers)

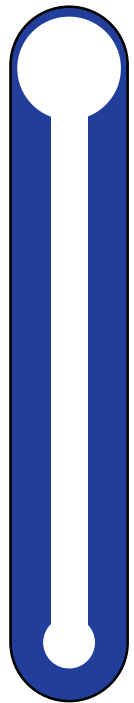


-



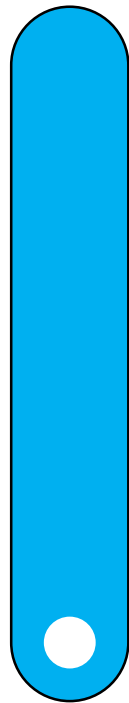
Inherent Risk Assessment, Residual Risk Assessment, and Mitigation Measures

Overview Results of 2022 BBL Human Rights Risk Assessment



100%

All BBL's Tier 1 critical suppliers were assessed.



0%

0% of BBL's Tier 1 critical suppliers was associated with high human rights risks (no salient risk issues founded).



100%

For all of BBL's Tier 1 critical suppliers, we have mitigation measures and remediation process in place to prevent and remedy potential human right risks.

Note: Critical suppliers are those suppliers with whom BBL have high spending; critical component suppliers which produce essential goods and services for BBL; and non-substitutable suppliers which produce products and services that cannot be easily replaced by other sources.



3. Integration and Management: Salient Risk Issues - 1



Human Rights Risk Related to Offline Retail Banking, including Wealth Management:
Market Conduct and Mis-selling

Risks:

- Potential misinforming/informing with unclear, incomplete, and insufficient information that may lead customers to buy products or services not aligned with their intention
- Customers receive products that are not suitable to their needs, financial capability, and understandability



Affected Stakeholders and Vulnerable Groups:

Customers, elderly, disabled persons



Mitigation Measures/Actions:

- Establish market conduct guidelines and principles that are aligned with the Bank of Thailand regulations
- Regularly conduct mystery shopping at branches
- Randomly conduct call back process to verify quality of sales
- Set up Service and Sales Quality Roleplay (SQR)*
- Provide communication and training programs related to market conduct practices to relevant staff. Market conduct knowledge test is also used.
- Perform a customer's suitability assessment
- Adopt 3 Lines of Defense concept for control, oversight and audit compliance with market conduct to detect risks and anomalies

* Service and Sales Quality Roleplay (SQR) is an activity to review the introduction process for financial products, including investment, funds and insurance using a roleplay approach to ensure that the product sales process meets standards and complies with good market conduct practices.



3. Integration and Management: **Salient Risks** - 2



Human Rights Risk Related to Project Finance: Environmental Impact

Risks:

BBL is potentially exposed to risk related to environmental impact caused by its customers' projects or operations, for example,

- Air pollution, water pollution, hazardous materials, wastes or contaminated substances
- Improper or poor waste management



Affected Stakeholders and Vulnerable Groups:

Local communities, women, children, indigenous people, disabled persons, pregnant women, elderly



Mitigation Measures/Actions:

- Responsible lending policy
- Environmental and Social Due Diligence embedded in credit approval process of project finance
- Projects categorized with high or moderate environmental and social impacts must establish proper Environmental and Social Impacts Assessment (ESIA), environmental and social risks and impacts mitigation guidelines or measures, consultation process with affected stakeholders, and grievance mechanism
- Exclusion list is embedded in General Underwriting Standard
- Conducting customer background checks and investigation for environmental or social violation, litigation, or prosecution
- Compliance with local laws and regulations is required for all projects
- Responsible lending trainings are provided to all relevant staff



3. Integration and Management: **Salient Risks** - 3



Human Rights Risk Related to Wholesale/Corporate Finance: Environmental Impact

Risks:

BBL is potentially exposed to risk related to environmental impact caused by its customers' operations, for example,

- Air pollution, water pollution, hazardous materials, wastes or contaminated substances
- Improper or poor waste management



Affected Stakeholders and Vulnerable Groups:

Local communities, women, children, indigenous people, disabled persons, pregnant women, elderly



Mitigation Measures/Actions:

- Responsible lending policy
- Exclusion list which indicates types of projects, activities or designated person that BBL does not finance
- Conducting customer background checks and investigation for environmental or social violation, litigation, or prosecution
- Requiring customers to comply with local laws and regulations
- Responsible lending trainings are provided to relevant staff



3. Integration and Management: Mitigation Measures/Plans

Total of 1,076 sites have mitigation measures/plans in place

All of BBL's own operational sites (1,064 sites) were assessed for human rights risks, and all of them have mitigation measures/plans to prevent or reduce the impact and/or the likelihood of human right issues.

- 5 head office buildings
- 287 branches in Bangkok
- 772 branches outside Bangkok

All of BBL's tier 1 critical suppliers (12 suppliers) were assessed for human rights risks, and all of them have mitigation measures/plans to prevent or reduce the impact and/or the likelihood of negative human right issues.

- 12 Tier 1 suppliers



4. Tracking and Communication

BBL is committed to respecting human rights of all stakeholders, including vulnerable groups, and to ensuring necessary prevention and mitigation measures, and remediation actions are developed to prevent the occurrence of human rights violation and to mitigate adverse human rights impacts that might have directly or indirectly caused by BBL's business operation.

Striving for better serving our society and supporting the Sustainable Development Goals (SDGs), BBL has monitored human rights performance and has provided communication channels for all stakeholders and vulnerable groups to raise their concerns or issues to BBL. This allows BBL to conduct human rights investigation and further develops effective mitigation measures and remediation actions.

In addition, BBL has regularly communicated results of human rights performance such as human rights initiatives, issues, violation cases, and mitigation and remediation actions, to all stakeholders through its Sustainability Report and website.



4. Tracking and Communication



Communication and Whistleblowing Channels

Bangkok Bank Public Company Limited

Head Office : 333 Silom Road, Silom, Bangkok 10500.
(or bank branches) Rak, Bangkok 10500.

E-mail : info@bangkokbank.com

Official Website : <https://www.bangkokbank.com/en/Contact-Us>

Bualuang Phone : 1333 or (66) 0-2645-5555
Press 1 for Thai language and press 0 to connect to an officer, then press 8 to compliment, suggest or complain.
Press 2 for English language and press 0 to connect to an officer, then press 8 to compliment, suggest or complain.

Investor Relations

E-mail : ir@bbl.co.th

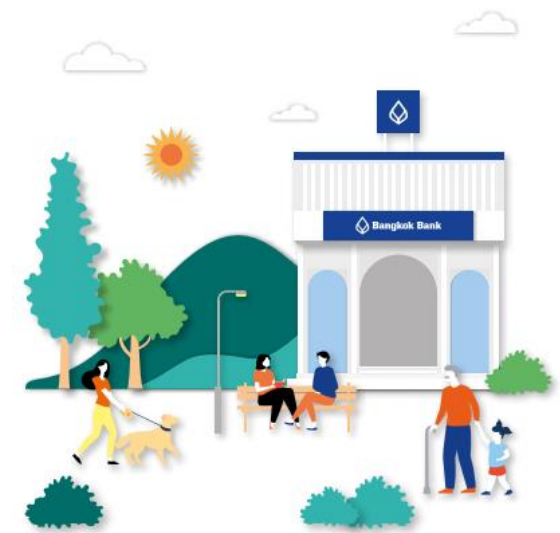
Audit Committee

Head Office : 333 Silom Road, Silom, Bangkok 10500.
(or bank branches) Rak, Bangkok 10500.

Customer Complaint and Fraud Unit

Head Office : 333 Silom Road, Silom, Bangkok 10500.
(or bank branches) Rak, Bangkok 10500.

E-mail : CC&F@bangkokbank.com





5. Remediation - 1



Process Implemented to Mitigate Human Rights Risks and to Take Remediation Actions

1

- Integrate results from the human rights risks assessment into human rights risks register
- Inform and discuss with responsible departments about the risks and impacts
- Develop mitigation measures for salient human rights risks to reduce the likelihood of adverse events and their severity of impacts, and
- Determine appropriate action plans

2

- Implement the action plans by responsible departments
- Report the implementation to stakeholders, including vulnerable groups

3

- Monitor the effectiveness of existing and newly implemented mitigation measures
- Report the progress and challenges encountered to responsible executives, and
- Develop remediation actions for affected stakeholders, including vulnerable groups, when adverse human rights impacts do occur

4

- The remediation actions, including options to compensate in kind or in monetary terms, need to be approved by responsible executives before being implemented
- When the adverse events occur, inform the affected stakeholders about remediation actions taken. In addition, feedbacks received from the affected persons may lead to further actions if necessary
- Keep monitoring and following up with the affected stakeholders until they are recovered from the impacts



5. Remediation - 2

Remediation Actions Taken



From the 2022 assessment, there were no cases of human rights violations reported through any of our communication, reporting, and whistleblowing channels. Thus, there were no actual remediation actions taken. However, BBL will keep monitoring and preventing human rights violations, as committed, to ensure timely and sufficiently response to such violations as well as their adverse consequences.