

SUSTAINABLE BUSINESS DEVELOPMENT

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

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

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

Stakeholders

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

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

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

Fair Business And Good Corporate Governance

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

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

Anti-Corruption

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

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

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

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

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

Respecting Human Rights

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

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

Fair Labor Practices

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

process, with the objective of increasing skills and education, modernizing the office and work environment, designing uniforms, organizing annual events, and participating in the organization of CSR activities.

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

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

Responsibility Towards Consumers

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

Consumer Rights

Sri Ayudhya Capital Public Company Limited is an investment company is aware of the rights of shareholders, treating shareholders and stakeholders according to the principles of good corporate governance of the Stock Exchange of Thailand, Securities and Exchange Commission and other related laws. In addition, the company also has other rights which covers the following subsidiaries are as follows;

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

Community and Social Development

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

Management Of Environment In Business Operations

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

▶ Paperless Office

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

▶ Energy Savings

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

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

CSR Activity Processes

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

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

Development Process

Insight

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

Localization

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

Involvement

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

Sustainable Transformation

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

In 2018, the Company developed a CSR framework named "Stability in Life" to guide our actions, emphasizing the balance in life and the quality of life for the business, employees, stakeholders, society, people and environment so that all can grow in parallel with sustainability.

CSR Framework



Employee, People

WELL BEING | HUMAN RIGHT | HAPPINESS



Well-being

- ▶ Offer a wellness program for maintaining good health
- ▶ Add in prolonged illness leave policy
- ▶ Offer ex-gratia payment for critical illnesses

Human Rights

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

Happiness

- ▶ Implement the employee engagement model

Business, Stakeholders

HIGH ROI | GROWTH | PROFIT



Company Strategy

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

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

Social, Environment

ECO-FRIENDLY | FAIRNESS | RISK MITIGATION



Eco-friendly

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

Fairness

- ▶ Offer products with fair coverage and claims

Risk Mitigation

- ▶ All policies are focused on risk mitigation for customers

Analysis of Stakeholders

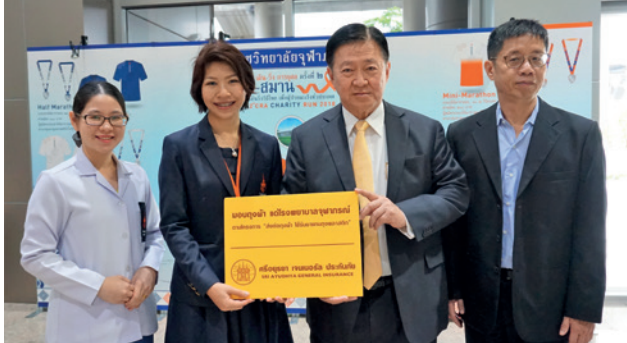
In 2018, the management of each business unit of the Company met to determine the importance and impact of each group of stakeholders on the growth and sustainability of the business operation. Below shows a summary of our priorities and approaches to effectively respond to each group in achieving the Company's business objectives. The Company is committed to be responsible for these stakeholders in economic, societal, and environmental terms under the guiding principles of good corporate governance practices.

Stakeholder	Issues/Expectation	Method/Channel of Communications	Actions/Responses
Shareholders	<ul style="list-style-type: none"> • Satisfied ROI • Equitable treatment of shareholders • Sufficient disclosure of information and Transparency • Channels to express opinion • Good corporate governance practices • Operate under the laws 	<ul style="list-style-type: none"> • Annual shareholders' meeting • Annual report • Provided opportunity to shareholders to express opinion via the Company's website, emails • Provide answers to investment questions Company's communication channels 	<ul style="list-style-type: none"> • Showed business performance results and aimed for consistent growth • Conducted AGM according to standards set by SET and SEC • Allow shareholders to comment on the issue through various channels that the company was prepared • Ensured that good corporate governance practices were followed • Operated strictly under the laws and relevant regulations • Certified by Thailand's Private Sector Collective Action Coalition (CAC)
Customers	<ul style="list-style-type: none"> • Provide investment information that is complete • Deliver a good and fast service • Employees who conduct themselves with honesty • Protected customer information 	<ul style="list-style-type: none"> • Provide information via documents, leaflets, and website • Provide prompt service and complaints via email effective customer response 	<ul style="list-style-type: none"> • Able to provide clear and information accurate, and transparent • Reviewed regularly the operational and servicing processes to ensure the current system continues to be well-responded the customers' needs • Developed IT capabilities to respond to customers' needs • Code of Ethics and Conduct were followed • Protect customer confidentiality Employees
Employees	<ul style="list-style-type: none"> • Have clear business objectives • Position, role and responsibilities • Competitive compensation, benefits and welfare according to labor law • Opportunity to grow • Opportunity to develop knowledge for use in business performance • Being treated fairly and equally in the company • Access to information and updates on the Company 	<ul style="list-style-type: none"> • Use HR intranet to provide communication updates and exchange opinions • Foster good relationship via activities • Provide training • Use KPI index as a tool to measure and assess 	<ul style="list-style-type: none"> • Held two employee conferences to provide updates and progress of and exchange of opinion the Company • Organized events and activities for employees to participate throughout the year • Conducted joint compensation surveys with companies within the same industry • Held training regularly to increase employee competencies • Provide performance evaluation according to KPI and compensation adjustment as rules • Treated employees fairly

Stakeholder	Issues/Expectation	Method/Channel of Communications	Actions/Responses
Partners	<ul style="list-style-type: none"> • Have clear business objectives • Clear systems and procedures in operation • Effective collaboration, fast to respond • Fair and equitable treatment • Protected privacy of information • Provide a channel of communication to express opinion • Have anti-corruption policy 	<ul style="list-style-type: none"> • Use IT to support communication channel for effective business operations • Define a channel for complaints if treated unfairly 	<ul style="list-style-type: none"> • Fostered good relationship to build confidence and trust • Protected confidential information and kept records in accordance with laws, rules and regulations as applied to the business needs • Protect confidential information • Made known the Code of Ethics and Conduct including the anti-corruption
Competitors	<ul style="list-style-type: none"> • Conduct the business with honesty and comply with relevant laws 	<ul style="list-style-type: none"> • Provide correct information on the Company's website 	<ul style="list-style-type: none"> • Upheld the policy on competition, and conducted business fairly • Followed the guidelines on good corporate governance in business operation
Creditors	<ul style="list-style-type: none"> • Maintain and comply with the conditions of procurement 	<ul style="list-style-type: none"> • Establish and communicate criteria and procedures of procurement policy clearly 	<ul style="list-style-type: none"> • Disclosed the purchasing and procurement • Strictly followed the commitment made to creditors • Fostered good relationship with creditors to build confidence and trust
Society, community and environment	<ul style="list-style-type: none"> • Committed to the CSR policy in giving back to the society and community, involved in giving back to the society and community, a chance to propose and participate in projects of choice community and helping to improve the environment and helping to improve the environment 	<ul style="list-style-type: none"> • Organized CSR at least 4 activities, giving employees participate in presentations and in activities • Publish various projects through the intranet for employees to be informed and participate in activities • Promote CSR activities via calendars for public - Joined efforts in creating innovation for sustainable business exposure for more impact in promoting giving back to the society 	<ul style="list-style-type: none"> • Adhere to support policies, participate in giving back to the society, the community, society and helping to develop the environment regularly • Cultivate awareness among employees for society, community and environmental responsibility • Encourage knowledge about giving back to society through training and actual practice from various activities • Create innovations for the sustainability of the company
Government Sector	<ul style="list-style-type: none"> • Conduct the business under the laws and regulations • Establish good corporate governance practices • Communicate to employees on compliance of these laws and regulations 	<ul style="list-style-type: none"> • Communicate rules and regulations related to the operation for employees to acknowledge through the channels that the company determines • Organize employee training on laws, rules, and for acknowledgement and compliance by employees' laws and regulations as applied to their work 	<ul style="list-style-type: none"> • Strictly followed the laws and regulations • Published policies, rules, regulations and Code of Ethics and Conduct Spread information to employees for acknowledgment and compliance • Systematically monitored adherence to rules and regulations to ensure understanding and compliance

Social activities under the operation by Sri Ayudhya General Insurance Public Company Limited or its subsidiaries consist of

Environment



Campaign to reduce the use of plastic bags

Sri Ayudhya General Insurance Public Company Limited offered Company tote bags to Chulabhorn Hospital in the Hospital’s “Bring Your Own Bags” campaign to dispense medicine to patients in reusable bags, instead of plastic bags, to mitigate the problems of climate change.

Helping the Underprivileged



SAGI Donated to the Thai with Disability Foundation and the Disabled People Association of Bangkok

With admiration for several missions of the Thai with Disability Foundation, Sri Ayudhya General Insurance Public Company Limited donated money to support the “Virtual Run” event as part of “Allianz Ayudhya World Run Thailand Series 2018”. The campaign encouraged participants to donate their running mileage to the Foundation to promote well-being and compassion among Thai society.

In addition, the Company also donated funds to the Disabled People Association of Bangkok’s "Provision of Equipment for the Disabled and the Elderly" Project. The donation would be used in purchasing tricycles for the disabled to improve their quality of life.

Medical and Public Health



SAGI Contributed Group Accident Insurance Protection to Narenthorn Rescuers

The "Insurance for Narenthorn with Heart" Program is the Company’s medical CSR program that has been going on for three years in gratitude for the sacrifice and dedication of volunteer rescuers at Narenthorn EMS Center at Rajavidhi Hospital. The rescuers work tirelessly to provide timely medical treatment and transport patients to appropriate facilities. These group accident policies from Sri Ayudhya General Insurance Public Company Limited have helped to boost morale for the officers to continue this social service for Thai society.

Medical and Public Health



SAGI Contributed to Medical Equipment Purchase for Vachira Phuket Hospital

Sri Ayudhya General Insurance Public Company Limited presented a donation to Vachira Phuket Hospital at Chat Fah Room, Vachira Phuket Hospital as part of the New Year's fundraising program to purchase medical equipment.

Sports



SAGI Offered Protection to "Football Championship 7 Colors Champion Cup 2018"

Sri Ayudhya General Insurance Public Company Limited offered personal accident insurance policies with sum insured of 20 million baht to students participating in "Football Championship 7 Colors Champions Cup 2018". The Company offered this protection to raise awareness in youth sports, sportsmanship, and productive time management.

Education



"For Our Fellow Beings from Us in the Insurance Industry" Project

Volunteer employees of Sri Ayudhya General Insurance Public Company Limited together with different stakeholders from insurance companies and social enterprises have organized school development and community development activities for 15 consecutive years. This year, the Company offered a donation as scholarships for students at Ban Don Ping Dad School, Phetchaburi Province.

INNOVATION DISSEMINATION WITH SOCIAL RESPONSIBILITY

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