



บริษัท กรุงไทยคาร์เร้นท์ แอนด์ ลีส จำกัด (มหาชน)

Krungthai Car Rent and Lease Public Company Limited



Sustainability Report

2019



About This Report

Krungthai Car Rent and Lease Public Company Limited (Company) has prepared the Report of Sustainable Development of 2019 in conformity with the Global Reporting Initiatives (GRI).

The contents of this report is the information collected from the company's business operation during the past year. This report categorises the types of stakeholders, related individuals, and treatment guidelines for stakeholders, to point out the organisational development that leads us to the coveted sustainable development.

The company realised the importance of the business operations in terms of both responsibility toward society and environment and profit-making activities or toward good results of business operations so as to reach the goal of sustainable development. The contents and the accuracy of the information disclosed have been revised by the company's executives, and can be downloaded at www.krungthai.co.th.

More information about "Investor Relations"

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Message from the Chairman of the Board

Krung Thai Car Rent and Lease Public Company Limited is a leading car rental company, operating business by adopting the concept of sustainable development as a concrete operating principle. The company focuses on delivering good quality of service that meets clients' needs, all under ethical business practices, good corporate governance, honesty, transparency, with a clear policy on the company's vision, ethics and business ethics.

The company has compiled a sustainability report by collecting and prioritising issues of sustainable development related to business operations. The company is adhering to the Global Reporting Initiative (GRI) framework for both internal and external communications, as well as the guideline for responsibilities towards society, community, and environment, as in compliance with the company's sustainable development plan. The content of the report is in consistency with the company's sustainable development plan prepared by working groups of the company's various departments.

The company will maintain its adherence in commitment to prioritise the stakeholders of the business, which is in line with the sustainable development guidelines, as can be seen from the safe-driving training, providing basic knowledge in car maintenance for clients so that cars will always be ready to drive, resulting in the obvious drop of number of accidents. In terms of social and community responsibilities, the company was supporting a number of cars for "The Missing Person Centre" of the Mirror Foundation, and the "Leua Khor" Project by Ban Nokkamin Foundation, for them to use freely in their projects and missions. The company also organised and participated in activities with clients, e.g. providing assistance to underprivileged children and youngsters in the society. The company donated sums of money in the form of sport equipment, educational tools, and consumer goods through public and private agencies that provide care and support for these children.

In the name of the company, I would like to express gratitude to all members of staff, clients, trade partners, communities, and all stakeholders who have all been supportive to the company's operations and progress toward sustainable development. The company will be operating its business based on the principles of operation that focus on the development of personnel, the management that gives zero impact on environment, and the support for members of staff, clients, trade partners, communities, and stakeholders, to be a part of the social and environmental responsibilities, for the sake of sustainable development.



(Pithep Chantarasereekul)

The Chairman of the Board of Directors

Getting to Know



2004

In August 2004, the Company became a Public Company namely “Krunghthai Car Rent and Lease Public Company Limited” and changed in the par value of Baht 1,000 per share to Baht 1 per share.



2005

In November 2005, the Company sold 50 million common shares to the public so that the new Company paid-up capital is as of Baht 250 million. The Company was listed on the Stock Exchange of Thailand by December 2005.

1992

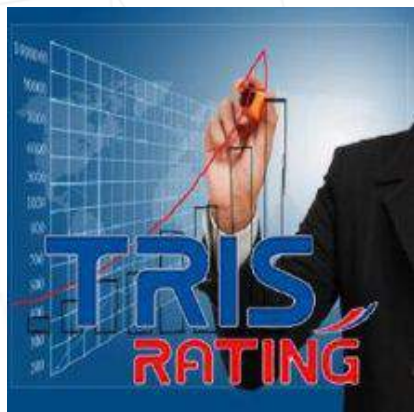
Krunghthai Car Rent and Lease Public Company Limited registered since January 29, 1992 under the name of “Krunghthai Car Rent International Co., Ltd.” by Mr. Paitoon Chantaraseekul with registered capital of Baht 4 million which belonged to Chantaraseekul group for 100%. The Company operated car leasing business both short term (daily-weekly-monthly basis) and long term (operating lease 1-5 years)



2005

In June 2005, the Company invested in Krunghthai Automobile Co., Ltd., a subsidiary company, whose nature of business is the sales of used cars and leased cars that have exceeded its leasability period under the front name of “Toyota Sure”, in which the Company held 37,999,300 baht (accounted to 95% of total shares). As a development, the Company in January this year increased its proportion of investment in the subsidiary company to 100% of the total shares. For the current moment, the subsidiary company owns three branches of used car outlet. 1)Headquarters on Kanchanabhisek road 2)Srinagarindra road branch 3)Kaset branch 4)Kanchanaphisek-Baromarachachonani Branch

Getting to Know



2019

The company's credit rating was A- with a "stable" Outlook by Tris Rating.



2019

The company was rated as "Very Good" rating from an assessment of corporate governance from the corporate governance survey of listed company conducted by the Thai Institute of Directors Association (IOD)



KCAR ได้ผ่านมติรับรองเป็นสมาชิกแนวร่วม
ปฏิรูปภาคเอกชนไทยในการต่อต้านทุจริต (2561)

The company was certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC)

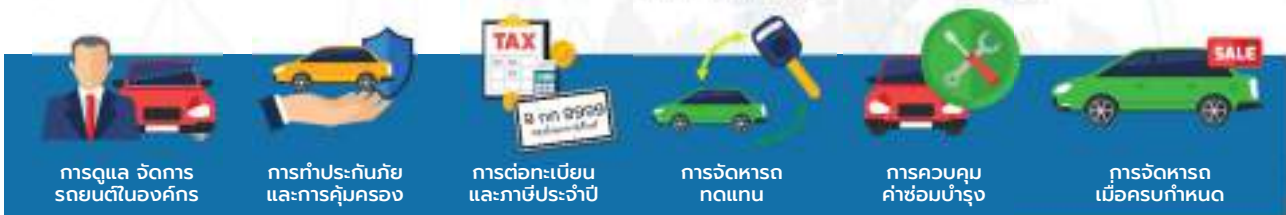
Overview of Business

Krungthai Car Rent and Lease Public Company Limited operates the rented car as operating lease with the agreement of not more than 5 years and short term rent of not more than 1 year. In addition the Company also sell the expired leasing car via distribution channels which are subsidiary companies (Krungthai Auto Mobile co., Ltd. “Toyota Sure Krungthai Used Cars”) that bring the profit of selling expired leasing car as well.

Types of products and services

1. Operating Lease

The operating lease covers a lease term from one year to five years. The target groups include medium and large corporations, multinational corporations, government agencies and state enterprises having demand for vehicle services together with comprehensive supplementary services to reduce their unnecessary expenses relating to vehicle operation and management. The company provides first class insurance for all cars and the Company responsible for the expense related to the vehicle i.e. expense for registration and vehicle tax, inspection expense, maintenance expense including 24 hour-call center to support the client in case of emergency and car replacement in case of accident or loss.



2. Short Term Rent

The Company provides a short-term rental service on a daily, weekly and monthly basis, focusing on the existing operating lease customers who additionally require a short-term rental and other individual and corporate customers. Currently available for rent at Head Office, Rama 3 Road and Asoke Branch.

3. Purchase and Sale of Used Cars

In addition to car rental both of Operating Lease and short-term contracts which are the main business of the Company as above mentioned. The Company conducts its business support services for car leasing is the purchase and sale of used cars operated by a subsidiary company, Krung Thai Automobile Co., Ltd. ("Krungthai Automobile") under the commercial name "Toyota's Krungthai Used Car" which has 3 branches on the Karnchanapisek Road, Khet Bangkhae, Bangkok, the second branch located on Srinakarindra Road, Khet Pravet, Bangkok, the third branch located on Phahon Yothin Road, Khet Bangkok Bangkok, and the fourth branch located on Kanchanaphisek-Baromarachachonani Road.



Policy of Sustainability for Society, Community, and Environment

From the company's ideology that focuses on customer service excellence

“The Leading Car Rental company focusing on distinguished services, underlining the business growth in sustainability way, emphasizing on the business partners collaboration and customer-value creation philosophy, developing staff skills to progress and professional-liked while nourishing them the morality, community, social and environment responsibilities under the good corporate governance practices.”



The company has constituted a policy and a set of guidelines for various operations as stated in the following:

1. Ensure equality in the rights of all groups of stakeholders, namely employees, executives, shareholders, business partners, creditors, debtors, competitors, government, private sectors, the outlying communities, and the society, by assuring that these entities shall be treated well and lawfully. Such rights shall be accepted by all parties and shall be protected with fairness, transparency, and verifiability.
2. Focus on the business (in-process) of the company that correspond to the business operation policy for sustainable growth, by interlinking participation from both internal and external stakeholders with emphasis on value, loss minimisation, safety, and encouragement for employees to be aware of their work to fulfil the company's business goal for sustainability.
3. Focus on (after-process) promoting, supporting, and sharing responsibility for the community, society, and the environment by a division of related activities, supporting donations in the form of money or items for the benefit of outlying communities, the society, and the environment by giving assistance to the communities and the society, such as free lease of cars to Baan Nokkamin Foundation and the Mirror Foundation; free helmets to the Metropolitan Police Bureau and police stations all over the country.

Policy of Sustainability for Society, Community, and Environment

Corporate Values

In addition to aforementioned policies, the company also aims to create values for the organisation in order to forge cooperation within the organisation, and to let it lead to better performance, both in dealing with clients, business partners, and co-workers, all based on PPD principles.



Professionalism: proficiency and responsibility to ensure the excellence of quality

Partnership: service and relationship which bring about customers' top satisfaction

Dynamism: determination, dedication, and continual amelioration to secure the standpoint of car rental business on a sustainable basis

Intra-Organizational Sustainable Management

The company adheres to the principles of good governance as the good governance is empirically believed to maximize the competitiveness and efficiency in the management of the organization, which, in turn, creates added value for the company, shareholders, and stakeholders, in the long run. The policy about the company's business management is stated in the annual report of the year 2019.

The company has set the goal of the good governance, starting from the clear structure of management, nomination and recruiting of knowledgeable board of directors with visionary management skills, designation of responsibilities among the board of directors, complete, transparent, and timely disclosure of information, transfer of policy and guidelines to inform the executives and employees of guidelines of the organization.

The company was rated as "Very Good" rating from an assessment of corporate governance from the corporate governance survey of listed company conducted by the Thai Institute of Directors Association (IOD)

Sustainable Management Structure as at December 31, 2019



The objectives, powers and duties of the sub-committees have been defined in the annual report 2018.

Risk Management in the Aspects of Society and Environment

Besides the risk management for the operations of business in various aspects as stated in the annual report of 2019, the company also realises the importance of risk management in the aspects of economy, society, environment, including the creation of long-term added values for stakeholders. The company, therefore, appointed a risk management committee to conduct an evaluation, in order to efficiently plan and manage the risks should it emerge in the future.

The company also takes into account the business management in the aspects of health and environment in the work done inside and outside the organisation. Although the company's business operations do not directly affect the environment, it concerns about possible indirect impact emerged from the car rental business, such as the waste from car maintenance. The company has set a guideline of intra-organisational management procedures to minimise the impact created by the company's business operations.



Anti-Corruption Policy

The company recognizes the importance of good corporate governance principles by adhering to the basis of conducting business with honesty, transparency, fairness, responsibility, and prudence under related standards, laws, and regulations. The company has established anti-corruption policies, guidelines, and procedures for appropriate implementation requirements to prevent against corruption within the company's entire business activities, and in order to prevent corruption risks. In 2018, the company was celebrated as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC).

This report only reveals certain parts of the "Anti-Corruption Policies", the full article on anti-corruption policies are available for viewing on the company's web site www.krungthai.co.th

Anti-Corruption Policy

"Directors, executives, and employees of the company are prohibited from accepting all forms of corruption both in direct and indirect fashions. They are prohibited from receiving any item, gift, entertainment service, donation, and other forms of benefits from individuals who do business with the company." This also covers domestic and international employees, business partners, and all groups of stakeholders. There shall be an operational review in accordance with the Anti-Corruption Policy on a regular basis or at least once a year.

1. Definition

Corruption means bribery of any forms offered by promising to give, deliberately offering, or asking for money or other benefits other than those specified in the code of conducts for government and private sector workers, or for persons of direct and indirect authority, to coerce or force person or persons to wrongly refraining to perform duties so that the business can go on as planned, so that the business is referred to by suggestion, or so that the business can secure its wrongly-earned benefits. The code of conducts can be exempted on the exception of the law, regulations, announcement, rules, traditions, local traditions, or trading customs.

Definition of "**Bribery**": Proposing or accepting items, gifts, awards, or any other forms of benefits for themselves from individuals who has an objective to convince them to do something dishonest, illegal, or unethical to the company.

Definition of "**Proposing or Accepting Items**": Giving special privileges in the forms of money, asset, goods, or any other benefits as a reward under a persuasive move for good relationship.

Anti-Corruption Policy

2. Responsibilities

2.1) Member of the Board of Directors have the duties to prescribe policies, ensure that the operations happen, and supervise the efficient anti-corruption system so that they can be certain that the executives realise and are aware of the anti-corruption efforts on the level that it has become organisational culture.

2.2) Member of the Audit Committee have the duties to inspect the financial report and related accountancy details, internal control system, and the risk management system, to ensure internationally accepted practices, with conciseness, suitability, modernisation, and efficiency.

2.3) Directors, Administrators, and Executives have the duties to ensure the existence of supporting system for the anti-corruption policy so that the company may be able to communicate with its employees and related persons. They also have duties to revise the policy so that it can be used in any possible changing situations, for example, business conditions, regulations, and rules of the law.

2.4) Internal Auditors have the duties to check and inspect that the operations are up to the policy and regulations, protocols, and laws; so that the control system is suitable and sufficient for the possible corrupted activity that may emerge; and report to the Audit Committee.

2.5) Board of Directors, Executives, and Employees must carry on their duties within the guidelines stated in the policy. Should they see or witness any wrongdoing or any activity that violates the policy, they are obliged to report to their respective superior through channels specified in the policy.

3. Guidelines for prevention and suppression of corruption

3.1) Directors, executives and employees at all levels must comply with anti-corruption policies and ethics by not involving themselves in either direct or indirect corruption.

3.2) Employees shall not neglect or ignore when detecting actions that are related to corruption in the company. They must notify the supervisor or the person responsible, and cooperate in examining various facts. When in doubt, they shall consult with respected supervisor or the person designated to be responsible for verifying company's compliance with the code of conduct through various channels.

3.3) All parties must not have direct or indirect interests, both in relation to person or family, and with the company, such as doing anything to sell products and services to the company, or compete with the company.

3.4) The company will ensure fairness and vow to protect employees who refuse or report corruption in the company by using measures to protect whistleblowers or those who cooperate in reporting corruption.

3.5) The Company shall provide an internal control on a regular basis in order to prevent employees from performing improperly, especially in the departments of sales, marketing, and purchasing.

3.6) The person who commits corruption is considered a grave violation of the company's code of conduct, which must be investigated in accordance with the regulations of the company. In addition, they may be punished according to law if such an action is found to be unlawful.

3.7) The company is aware of the importance of disseminating knowledge and understanding with others who are bound to perform duties for the company or may have an impact on the company's operations. They shall comply with the company's anti-corruption policy, and commit to creating and maintaining an organisational values that adhere to the idea that corruption is an unacceptable action in doing businesses with both public and private sectors.

Anti-Corruption Policy

4. Policy on Payment or Reception of Money related to Gifts, Welcome Service Fee, and Other Expenses

The company recognises that building good relationships with business partners is an important thing that will bring continuous success to the company. Therefore, giving or receiving of gifts or hospitality expenses or in the forms of other payments from any individual are acceptable only when it falls into the following conditions:

- 4.1 Not being an intention to persuade, convince, or reward any other parties in return of any kind of advantage through improper actions, or a clear exchange of benefits in order to have assistance or benefits of any kind.
- 4.2 Complying with the laws.
- 4.3 Gifts or items must be given in the name of the company, not in the name of an individual.
- 4.4 Gifts or items shall not be in the form of money or money equivalents (such as gift certificates or vouchers).
- 4.5 Giving shall be in line with respected situations, such as giving small gifts during Songkran festival, Chinese New Year, or New Year.
- 4.6 Type of gift and monetary value shall be appropriate by taking situations in account. If the company is in the process of bidding, employees must not accept gifts or service fees from other parties who participate in such activities.
- 4.7 Giving shall be made openly and transparently. Employees may receive gifts according to the guidelines (in the value of not more than 500 baht). In the event that receiving gifts with the value of more than 500 baht cannot be denied, the employee shall notify respected supervisor by using the gift reception form. The gift received shall be given away to the executive secretary to be used later as a reward for employees, or donate to the charitable cause as appropriate.
- 4.8 For clarity and transparency in the implementation of the risk in corruption. Directors, executives, and employees of all levels shall perform their duties with care in the following situations:



Anti-Corruption Policy

Guidelines for Receiving Gifts or Other Items

- *Receiving items or any other benefits*
 - 1) It is a prohibition for executives and employees to solicit, receive gifts, entertainment service, financial support, or any reward from business partners, creditors, or stakeholders who do business with the company.
 - 2) Request of support in the form of money or items may be done in the fashion of organisation to organisation. The said action shall be approved in advance by authorised director only.
 - 3) Except on special occasions which is a conventional practice, gifts, items, rewards, or any other benefits must have a value of no more than 500 baht, if it is necessary to maintain a good relationship between individuals or organisations.
 - 4) Executives of levels higher than department managers shall be the company's representatives in receiving gifts, items, or benefits. The items received shall be given to the executive secretary within one business day from the date of reception of the item for further action according to the company's guidelines.
 - 5) Except the gift during traditional festivals, the company allows employees to receive certain items, such as calendars, key rings, notebooks, etc. with the logo of the giver's organisation. Executives of levels higher than department managers shall be the company's representatives in receiving gifts and in considering distributing such items to employees of lower levels.
 - 6) To prevent conflicts of interest, the company strictly prohibits employees or individuals that the company does not assign as a representative to receive any items or other benefits from others.
 - 7) In case of irrefusable reception of gifts or there really is a need to accept such items. He or she shall receive them and report to the executive secretary for further action as appropriate.
- *Giving items or any other benefits:*
 - 1) Giving items: it is constituted that on the occasions of festival, which is a tradition that people treat each other or following the customs that are not bound for conflicts of interest or unlawfulness, one shall request approval from respected supervisor before taking action. The company shall procure such a gift, which has a value of no more than 5,000 baht.
 - 2) To avoid taking bribery, it is constituted that there shall be a situation assessment before taking action to prevent introduction of corruption. The senior management shall act as the company's representative in giving such items.

5. Risk Assessment

The Company emphasises and urges all employees to be aware of actions that may cause corruption risks with analysis of indications and regularly assess the risk of corruption, which is considered one of the risks under regulatory compliance risks. The company has created a preventive work system and determined risk mitigation and control methods, which takes responsibility for follow-up measures, reviewing measures, and evaluation of risk management for employees to use as guidelines to prevent corruption. The system works with the internal audit unit to evaluate and monitor good governance compliance with ethics and anti-corruption policy, and summarising the report to the Board of Directors at least once a year.

Anti-Corruption Policy

6. Training and Communication

1) Members of the Board of Directors, Executives, and Employees

- Members of the Board of Directors, Executives, and Employees shall be trained and instructed continually about anti-corruption policy so that they realise the importance of the policy, especially on many forms of corruption, on risk emerged by involvement in corrupted activity, procedures of reporting of misconduct or suspicious activity.
- Members of the Board of Directors, Executives, and Employees shall receive their own copy of the anti-corruption policy or they can find it on the company's intranet, to ensure that everybody acknowledges and understands the anti-corruption policy. Besides, the updated version of the policy can be consulted at the company's web site.
- Trainings on the knowledge of this policy shall be a part of the orientation session for new position on the levels of the company's Members of the Board of Directors, Executives, and new employees.



2) Dealer, Business Intermediaries, Distributors of Merchandises and/or Services, and Contractors

The company shall communicate the anti-corruption policy to dealers, business intermediaries, distributors of merchandises and/or services, and contractors from the very beginning of the business relationship or after the business relationship, as appropriate. The company encourages dealers, business intermediaries, distributors of merchandises and/or services, and contractors, to adhere to the same social responsibility standards as the company's.

Anti-Corruption Policy

7. Whistleblowing and Submission of Petition

Should any Member of the Board of Directors, Executives, or Employees, have doubts or evidence about involvement in any corruption activity by any Member of the Board of Directors, Executives, Employees, or any person who conduct business in the name of the company, they shall report or inform the company accordingly:

Members of the Board of Directors, Executives, and Employees, can submit petition directly, verbally or in document through the following channels:

- By phone: 02-291-8888 ext 262 (K. Supichaya Khajornchaikul)
- By E-mail : supichaya@krungthai.co.th
- Over the company's web site at www.krungthai.co.th
- By mail to

Khun Supichaya Khajornchaikul/ Internal Audit
Krung Thai Car Rent and Lease Public Company Limited
455/1 Rama III rd, Bang Khlo
Bang Kho Laem, Bangkok, 10120



Anti-Corruption Policy

The company will keep the identity of the whistleblower or petitioner a secret and use the information given for the betterment of the company's internal management and operations. It will only disclose the given information upon request by authorised representative of the law enforcement, court order, request of the Security Exchange Commission, or relevant government and authority agencies.

Whistleblowers and their petitions are to be seriously considered. They will also be protected against unlawful authority and actions to oppose the whistleblowing or petitioning.

The whistleblowers shall act honestly. If the company finds out that the petition was ill-intentioned, deliberately attacking or defaming others, the company will be forced to take action accordingly.



8. Investigation and penalties

When the company is informed about wrongdoing, the management and the auditing committee shall filter, investigate, and find the truth. The two committees may appoint a representative (one of the executives) report the findings to the informant or the petitioner on a timely basis.

If the truth finding finds that the accusation of corruption is well-grounded, the company will give the accused some time to know about the accusation and to prove oneself by presenting counter-evidence that exonerates one from the accusation.

If the accused was found to have really committed corruption as stated in the anti-corruption policy, the accused shall be punished according to the penalty up to dismissal of employment or dismissal from his or her present position. If the deed in question is considered unlawful according to the law, the accused shall receive punishment as the law requires. The penalties according to the company executives are considered ultimate.

9. Supervision, monitoring and review

- 1) The company reviews the this policy on a regular basis (at least once a year) by considering the changing circumstances and risks, then reporting the results to the Board of Directors about the risk assessment results and suggestions about actions that should be taken to minimise the risks.
- 2) The Internal Audit Department examine on a regular basis the internal control system and various processes. The Internal Audit Department then reports issues that detected urgently to ensure that the internal control system is effective in anti-corruption In this regard. The results of the examination will be discussed with relevant parties to find appropriate solutions. A report is then generated for the senior management and the Audit Committee for further acknowledgment.

Anti-Corruption Policy



The Chairman of the Board of Directors receives a certificate of status as a member of the Thai Private Sector Collective Action Coalition Against Corruption "CAC" from the Private Sector Collective Action Coalition Against Corruption (CAC).

10. Promotion of Ethics and Honesty Within the Organisation

The company recognises that compliance with the principles set forth in the Code of Conduct, including policies, regulations, and orders relating to anti-corruption is the key to the company's growth and sustainability. The company, therefore, focuses on creating higher level of morality and honesty within the organisation, so that it becomes the company's working culture.

Anti-Corruption Policy

In 2019, the company has organised the following activities to promote ethics and morality within the organisation

- Distribute the ethics and regulation handbook to all employees.
- Require all employees to study the details of the Code of Conduct so as to acknowledge and accept the consequences stated in the rules.
- Urge all parties within the organisations to understand the company's anti-corruption policy through the company's intranet.
- Disseminate official letters to all stakeholders and business partners to inform about the company's anti-corruption policy.
- Organise trainings on anti-corruption policy and related measures.

The aforementioned activities shall still be strictly followed and organised on a regular basis, or further enforcement of the regulations, as well as the company's effort to develop employees' skills. It is strongly believed that all employees will be incubated to be good thinkers and good doers.



11. Future Projects in 2020

- Constitution of the good governance issue as a risk factor of every organisation, and for every organisation to find preventive measures. The organisation shall report the progress to the Risk Management Committee on a quarterly basis.
- Monitor and inspect work processes and prevent corruption in the organisation.
- Deliver campaigns on promoting anti-corruption measures and ethics on a regular basis.



The Committee of Sustainability Development

Sustainability Development Committee as of December 31, 2019

No	Name	Position
1	Mr Sakditouch Chantarasereekul	Director of the Committee
2	Ms Sirima Cha-aemkul	Committee member
3	Ms Suntareeya Wangchai	Committee member

SD Committee member has the following powers and duties:

- To consider the Company activity and policy for society, community and environment in order to present to the Board of Directors.
- To consider and approve for the Company strategy and activity to achieve the SD objective and policy.
- To consider and screen the plan and annual budget for the implementation of SD in order to present to the Board of Directors.
- Consider and monitor the progress in implementation and evaluation of SD as well as the quality of the CSR program.
- Encourage the Board of Directors and employees involved in the operation of SD.
- Consider appointing for a working group to support CSR activity.
- Operate any activity appointed by the Board of Directors concerning SD operation.

Stakeholders Treatment Policy

Fair Treatments of Stakeholders as follows ;

Stakeholders	Treatment
Employee	Development of knowledge and professional skills, fair treatment, instilling ethics and promoting participation in the social responsibility.
Customer	Create value in products and services to cater to the customers' needs.
Trading partner	Adherence to ethical business competition and being good trading partner.
Shareholder	Business operation under good corporate governance.
Society, Community, and Environment	Business operation in parallel with development of community, society, and good environment.

Employees

From the company's determination to underscore the importance of employees as an essential part to drive forward the organisation toward sustainable development, the company thus adheres to principles of human rights, fair treatments to labour, and regulations as constituted in labour laws, lawful employment, appropriate welfare, safe and healthy workplace, good working environment, mutual respect, rights of privacy, including the opening of reception channels for complaints and petitions so as to encourage employees to give opinions.

The company's effort of personnel development emphasises the internal management that causes zero impact to the surrounding society and the environment. This also covers the most efficient use of materials and resources in its business operation to the fullest, under good sense of responsibility toward society, community, and environment, for the sake of sustainable development.

In 2019, the company operated according to personnel development plan with details as follow:

1. Selection of Personnel

The company selects qualified persons based on candidates' educational qualifications, knowledge, ability, and work experience, starting from the conditions of the application announcement, including qualifications, education qualifications, experience and selection from interviews. In addition, additional tests are used according to job positions in order to recruit more people that meet the needs and quality, all by considering the success of the organisation that requires good personnel with work efficiency, cost efficiency, so as to be able to compete with other organisations.



2. Remuneration Policy

The company has applied the policy to all employees. This policy will ensure that the company is able to attract, develop, and retain high-performance employees, motivate them to work in the competitive market. Employees will be offered compensation at a reasonable rate and in line with market guidelines, which are key elements of providing compensation. The result is that employees are encouraged to work to create sustainable results and enable the company to grow. The company complies to the policy by adjusting the salary according to the organisation's structure. In 2018, the new salary base has been adjusted in order to be consistent with the operating results of the company.

By adjusting the salary according to the organization's structure in 2018, the new salary base has been adjusted. In order to be consistent with the operating results of the company.

3. Provision of Bonuses

The company rewards employees who have satisfactory performance according to or higher than the standards set by the company by providing incentives (bonuses) according to performance once a year, based on business performance and employee performance.

Employees

4. Internship Opportunity

The company has opened to applications from students to enter the internship in the amount of 2 people who are in the mechanical field In order to continue to develop knowledge and experience for their studies. The interns are encouraged to learn various tasks and skills at the company, as well as being assigned tasks that will enable them to use their knowledge and abilities while developing their potential and skills. When they are graduated and pass the probation according to the specified criteria, the company will consider keeping them as regular employees.

5. Creating Corporate Values to Attract Potential and Talented Workforce

The company are continuously enhancing its corporate values to attract potential candidates and talents at all levels to join the company.

6. Complete and Fair Employee Care to Create Engagement with the Organisation

The company promotes the quality of life and employee participation, enhancing the engagement for employees to feel as one with the company, while encouraging them to advance together with the company to achieve goals and success, so as to create a corporate culture.

7. Financial Security for Employees

The company foresees the importance of creating discipline of saving money among employees. The company therefore allow employees to choose to save their salary in chosen rates of 2% to 15%, with contributions from the employer of 2% to 3%.

In 2019, The Company and subsidiary has a total of 126 employees and 23 employees respectively, registered themselves as members of the provident fund.

8. Other Welfare

The company provides life insurance, in-patient health insurance, and accident insurance as announced in the company's personnel management policy.

The company provides annual health check-ups for all employees annually and a special health check-up programme for employees in areas with work-related risks, such as employees in car maintenance work, who are at risk of the respiratory and auditory systems.



Employees



- Promotion of various sports competitions to promote health and to create unity in the organisation.

- Annual new year event to express appreciation for all hard-working employees of the organisation.

- The company has dispatched human resources personnel or company representatives to make a visit to employees who fell sick or gave birth as a token of moral spirit for employees.

Employees

9. Health promotion activities

In addition to the annual health check-ups for all employees, the company, in addition, coordinated with Bangkok 9 Inter Hospital in providing medical check-ups for cervical and breast cancers for female employees to always be ready in case of early detection and treatment.

10. Continuous Promotion and Knowledge Development

Today's business world is fiercely competitive where fast and unexpected changes are common. Therefore, there is a risk of developing staff competency that must be ready to respond to the business direction and the situation that is constantly changing. The company has encouraged employees to learn new skills and knowledge through the company's provision of learning culture that the company has provided. In order to make learning curve happen quickly with the highest efficiency and effectiveness, the company through training in various courses as appropriate for positions, departments, and knowledge levels. Some of our trainings are:

Training on new cars' engines and accessories

Promote the safety of using cars by educating employees on new technologies and new car models, especially the necessity that accessories that come with the car must be in good condition. The training is to ensure that cars sold and leased are safe to use.

Safe-Driving Training

In addition to safety in operation, the company also gives priority to road safety. In order to reduce traffic accidents of employees Which in the past year, the company has provided various campaigns in hope of increasing driving skills safely and consciously driving safely without continuous traffic accidents among drivers.



Employees

11. Development Plan for Executives, Supervisors, and Staff

In order to meet the changing business needs, the competitiveness improvement of executives so as to make the business operation be in accordance to the business direction is an important and urgent issue. The senior management has designed and developed a new executive-level employee development programme, titled "Working Guidelines" by designing courses in order to comply with the set goals. Various training courses have been drafted up and modernised to keep up with the current business trends, using the learning experience and practising through actual operations.



Employees

During the year 2018, the company provided training to educate and develop staff-level employees in various fields in order to maximise the potential of working in the organization, which are divided into various areas as follows

No	Training Course	Executive	Supervisor	Staff	Remark
1	Orientation of new employees.		✓	✓	
2	Qualities of Good Leadership.	✓	✓		
3	Effective Organising of Meeting.	✓	✓		
4	Know How Brain Works, Know People.	✓	✓		
5	Art of Persuasion.	✓			
6	Personality Development and Speaking Course.	✓			
7	Buying Shares in the Stock Market Based on Financial Statements.	✓			Accountancy Department
8	In-Depth TFRS-15 New Accounting Principles on Revenue Recognition.	✓			Accountancy Department
9	Advertising on Google Ads (Google Search).	✓			Marketing Centre
10	N-STEP 1-3 (Training for mechanics)			✓	Service Centre
11	Service Advice on Front-End Staff			✓	Service Centre
12	Training on Fire Extinguishing and Evacuation Drill	✓	✓	✓	
13	Transfer pricing -the effect of accounting records		✓		Accountancy Department
14	Prepare Financial Reporting Standard TFRS 9 and TFRS 16		✓	✓	Accountancy Department
15	Buying shares in the stock market based on Financial statements. Using Microsoft Excel for auditing – advanced level.		✓	✓	

Employees

12. Company Career Path Support for Employees

- Project to promote career advancement for employees with exceeding performance and with effective self-development skills is titled “Project Row-2”. The Project Row-2 encourages employees with self-development ambitions to grow further in the organisation. Certain employees are selected by supervisors of respected department. They are then brought for additional training so as to work as a supervisor-trainee. This move can enable the organisation to grow sustainably, as a sustainably-growing organisation cannot rely on specific individuals but everybody must be able to develop themselves in order to replace others when needed.



Employees



13. Creating Appropriate Working Atmosphere

The company organised Staff Meeting activity for employees to meet, listen to policy and words from senior executives, and introduce new employees, so that employees to know and familiarise themselves, get to know one another. Organising a party for employees to mingle is considered a good working environment within the organisation.

A bulletin board with announcement of new employee(s) and their introduction during Staff Meeting are followed to allow employees to get to know one another, for the better working atmosphere.



14. Promotion of Working Ethics and Morality

The company organised activities to give alms during Songkran festival to promote morality and ethics for employees and to continue the Thai culture by giving alms to 9 monks.

Employees

Safety

The company is concerned about the life and health of all employees, thus giving priority to activities that promotes safety in workplace. The company, therefore, provides as follow:

- **Internal Training on How to Work with Machinery**

The training for employees on How to Work with Machinery has an objective to identify causes of accidents that are rooted from negligence. It urges employees to be aware of safety, such as manning car lift tool, inhalation of harmful fumes from toxic liquids or car emissions while doing repair work, etc. The company also encourages activities that employees find the cause of work hazards including finding ways to prevent such causes and to weave cooperation in helping each other to prevent such things from happening in the future.

- **Use of back support equipment**

The company has provided equipment to help prevent injuries caused by work that requires heavy lifting, sitting and standing for a long period of time, or activities that are prone to bones and back muscular fatigue or injuries.

- **Fire prevention and suppression**

The company has developed the emergency plan to prevent and extinguish fire, which is a part of the Business Continuity Management Plan (BCP) that may affect business operations, with guidelines as follow:

- **Fire Prevention**

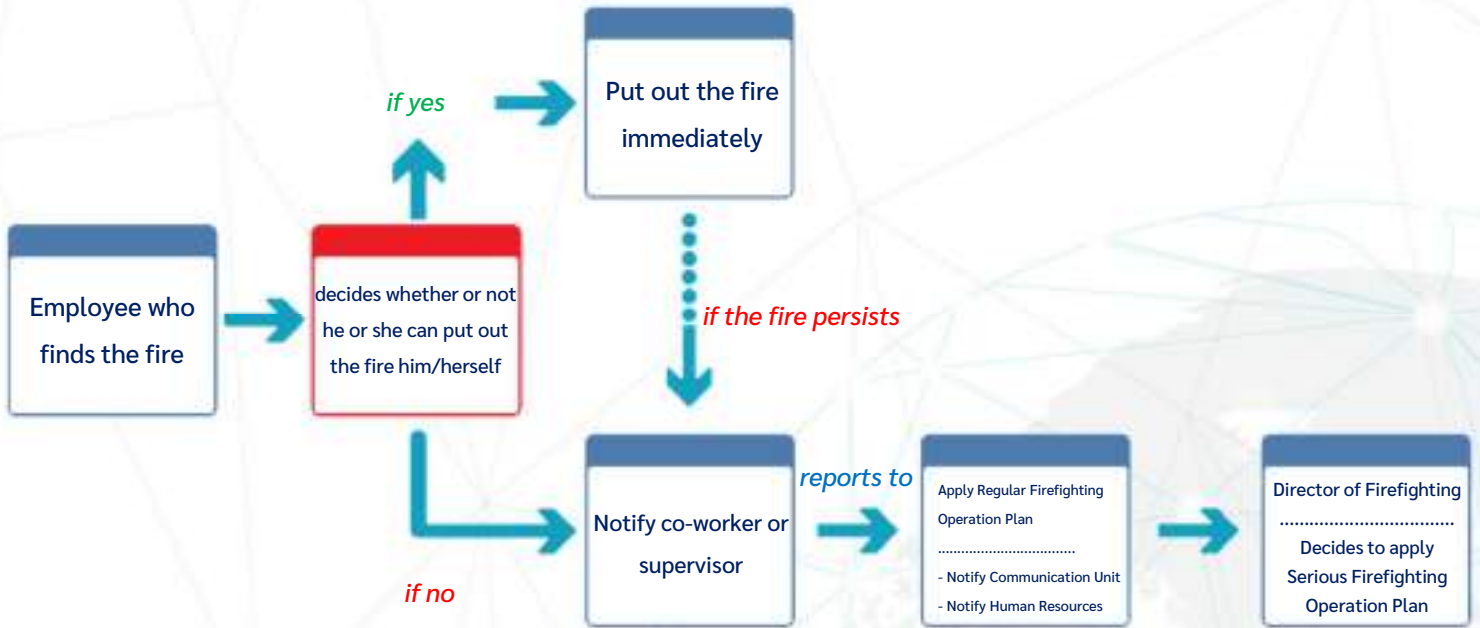
1. Maintenance and replacement of fire extinguishers according to the manufacturer's specifications.
2. Setting up of a meeting to prepare a fire prevention and suppression plan.
3. Arrangement of a personnel responsible for prevention and fire extinguishing to receive training on fire prevention and suppression, use of fire-fighting equipment, first aid, and emergency assistance.
4. Prepare signs for fire fighting and fire evacuation practices with clear announcement.



Basic Fire Suppression

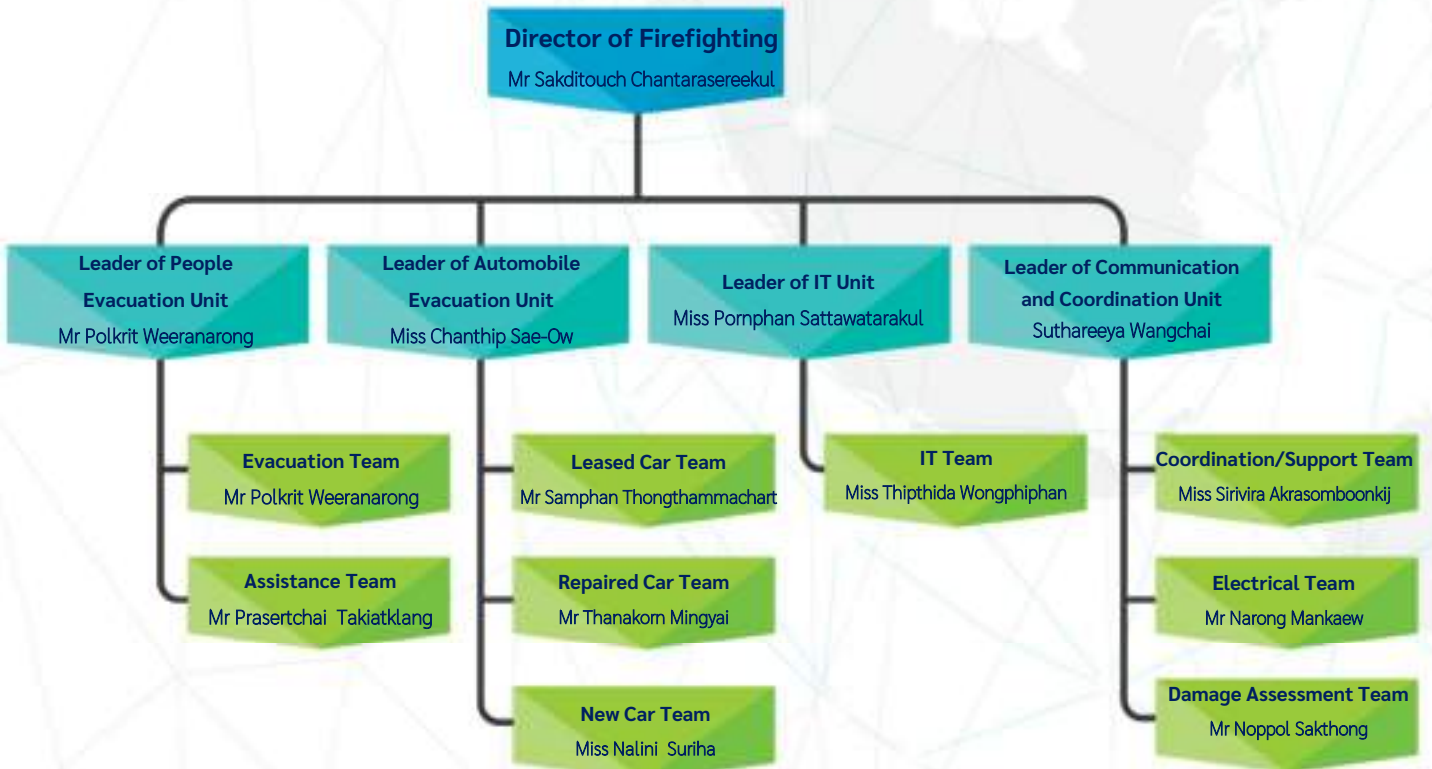
Fire Suppression Plan

Procedures when fire occurs



Advanced Fire Suppression

Structure of Advanced Fire Suppression Plan



Trade Partners

The company treats its trade partners with fairness in their long-term collaboration and relationship. Therefore, the company has drawn up a policy that both parties shall abide by the law and the business code of ethics, under mutual understanding, support and collaborative relationship. In the past year, the company has been cooperating with insurance companies in various policies and action plans under an effort to prevent and minimise damages from the use of cars by collecting information on insurance claims and detecting causes of accidents reported and seek solutions to prevent such events in the future.



The company recognizes the importance of road and driving safety for its clients. Therefore, it has organised an array of safe driving training sessions for clients as a prevention key and a tool to reduce the number of road accidents. Based on clients' accident records in the past, the safe driving training sessions have continuously reduced significantly. In the year 2017, the company organised these training sessions for clients from 5 companies.

In addition to cooperation with insurance companies, the company also gave priority to various partnered service centres nationwide. In the past year, there have been co-ordinations and meetings on a regular basis with service centres both in Bangkok and its surrounding provinces frequented by customers in order to exchange information and to update on the progress of cooperation to improve the services rendered.

Customers

The company takes into consideration the quality of service to attain customers' utmost satisfaction. And to develop the company to be a good trade partner, in the past year, the company conducted the following:

1.) Development of the Quality of Car Service

Mobile Battery Service

The Mobile Battery Service is a service for battery changing for cars within the period of lease and maintenance contract that are due of battery change to ensure that customers have utmost confidence in driving the leased cars, and to prevent risk factors occurred from battery malfunction while on the road.

Mobile Service

The Mobile Service offers an oil change service for cars within the period of lease and maintenance contract that are due of engine oil change to give the cars maintenance activity on a regular basis. The service also helps reduce pollution emitted by engines that are badly cared and accidents occurred by car abuse.

During Year 2019 Battery Mobile Service and Mobile Service :

Battery	Other Service	Tire
490	1,120	1,936



2.) Prevention and Minimisation of Loss from Driving

As the company's nature of business is car rental service, the company is concerned about various aspects of impact that could possibly emerge from driving cars. The company, therefore, launched the training of safe driving activities on a regular basis with the objective to prevent and minimise losses from driving and to promote among car users accident prevention from driving with carefulness and quality maintenance of cars. The safe driving and other projects involving cars, in the past year, successfully reached the customers.

Customers

In 2018, the company organised an array of safe driving training sessions for clients details as below:

Event	Times	Participants (Company)
1. Visit to Car Assembly Factory - Toyota	2	44
2. Basic car care training for safe driving	3	70
3. Safe Driving Activity	2	27



Shareholders



The company is committed to operate business under principles of good governance and code of ethics along with results of operation on a sustainable basis. From the stated policy, the Board of Directors have appointed a governing committee that reports directly to the Board of Directors to follow up on the business operations, make adjustments and updates on the policies to make it up to the fast-paced economic and societal environments. It also provides shareholders with communication channels through the annual shareholders' meeting, and a channel on the company's web site at <http://www.krungthai.co.th/contact/>

Policy on Environment, Health and Safety

Policy on Environment, Health, and Safety

The company is committed to comply with the law and standards concerning environment. It has also continuously developed working procedures in parts where the work involves the environment and pollution. The company, in the past year, conducted several activities to improve the environment, health, and safety in the company as follow:

Health and Environment

The company is committed to the management of waste created by service rendering in service centres, e.g. used motor oil and chemicals. The company carefully collects the waste and forward it in batch to agencies that have the capability of management of such waste accordingly for easy destruction or recycling activities.



Safety

The company is committed to maintaining good condition of tools and instruments on a regular basis based on each instrument's maintenance due for best functionality, and to prevent misuse of energy with bad tools and instruments, including to organising training sessions to members of staff on the appropriate use of such instruments and tools. The company also urges members of staff to notice abnormalities in tools and instruments in order to minimise the possibility of accidents.

The company organises, on a regular basis, in-house training sessions for members of staff who work with dangerous machinery by pointing out causes of accident to raise awareness and importance of safety procedures, e.g. repair of hoisted cars, respiration of exhaust fumes while doing repair work. The company also encourages members of staff to report suspicious activities that pose risks of accident, including to seek solutions to the cause for better preventive measures and better collaboration within the workplace.

Energy Conservation

The company encourages all to efficiently use energy and resources with full potential, by instructing employees to save their information in electronic form in an effort to reduce the use of paper. It also encourages the use of double-sided papers to reduce the number of pieces of paper used. In addition, the company also raises awareness and encourages employees to realise the importance of resources by instructing them to turn computer monitors off when not in use, as well as to turn off the lights and air conditioning during lunch break.

Policy on Environment, Health, and Safety

Environment Care

Advantages:

- Improved environmental management reduces waste and energy use.
- Improving efficiency in reducing business operation costs.
- Indicating compliance in expanding business opportunities.
- Meeting legal obligations for transparency and clients' trust.

Environmental problems

Normal operation:

- Normal working conditions that are performed on a daily basis.
- Incidents that occur regularly.
- Being a condition in which the machine or process is in a normal state and yield normal output.

Conditions that are abnormal and occur from time to time

- Conditions that are different from normal operation but are still under control.
- Happening to have a negative environmental impact but are still under control.
- Leakage of oil during reception due to damaged gaskets.
- Machine or process is in state where operation is not smooth or there is a problem.
- Machine is being set up (Set Up).
- Machine is being started up (Startup).
- Annual tool repair (Overhaul)
- Shutdown of all processes (Shutdown).

Emergency conditions that occur unexpectedly, with time of occurrence unidentifiable, widespread, or having a severe environmental impact

- Conditions that are different from normal situation and are in a difficult situation or uncontrollable state.
- On fire.
- Explosion.
- Riot.
- Emergency due to natural causes.
- Advanced natural disasters such as earthquake, inundation, or volcanic eruption.

Policy on Environment, Health, and Safety

Environmental Problem	Impact	Condition
Wastewater from bathroom use	Water pollution	Normal
Use of water	Reduced natural resources	Normal
Noise	Noise pollution	Normal
Automobile exhaust fume	Air pollution	Normal
Chemical fire in storage	Safety	Emergency
Chemical spill	Safety	Emergency
Minimal chemical spill	Soil contamination	Abnormal

Pollution control (Operational control)

- Management of waste.
- Management of chemicals.
- Maintenance of tools, equipment, and machinery that affect the environment.
- Supervision of contractors and subcontractors.

Management of Waste that is caused by normal operations in car repair centre – old/used motor oil, old/used chemicals: The company has collected such wastes and ship to professional waste management agencies for further classification and elimination, and recycling.



- Use of tray during collection.
- Use of lid when closed.
- Use of signs indicating the properties of chemical.
- Use of appropriate cleaning apparatus.

Policy on Environment, Health, and Safety

Maintenance of tools, equipment, and machinery that affect the environment

There shall be regular maintenance of tools, equipment, and machinery, according to the maintenance cycle (Preventive Maintenance), such as the maintenance of wheel alignment, lift, car lift, air pump, tyre bar, wheel balancing machine, brake disc lathe, etc. by using calibration equipment, replacing parts, adding lubrication, etc. to make the equipment or machinery ready to use efficiently.

In case of unable to maintain or repair certain equipment, the company shall replace the old machinery with a new one upon showing the broken tool or equipment to the supplier, or donate to other organisation that is in need of such article.

Supervision of Contractors and Subcontractors

The company has selected contractors and subcontractors based on the standards set by the company. The company also provides a space for contractors to have clear operational areas for their convenience.



The area provided to the contractor

Policy on Environment, Health, and Safety

Efficient Resource Management

The company has organised a campaign on efficient use of resources and energy throughout the past year. Apart from the campaign to encourage employees to store documents in electronic form, and to use both sides of printing papers, the company also developed a new computer software for integrated operation for both operation and management sides in an effort to help save energy, time, and paper.

In addition, the company is also aware of the importance of employee hygiene. A large fan inside the car repair service centre has been installed to help eliminate smell of car exhaust and help cooling down the air. As a result, the car repair service centre now has a better working environment, with energy-saving property.



As a plus, the company also changed light bulbs from fluorescent lamps to LED bulbs to save operational cost and energy as well.



Target in 2019 (compared to 2020)

- Reduction of electricity use 5%
- Reduction of water use 5%
- Reduction of paper use 15%



Community and society

Organising Activities or Participating in Activities Related to Community Development

The company recognises the importance of having a community participation to support outlying communities. The company created activities to improve conditions of the communities in terms of living standards to bring about economic, social, and cultural prosperity that are under community's own needs, by means of initiatives and self-reliance. The cooperation between communities and the company remains on an equal footing.

Policy

1. Related parties/stakeholders have equal opportunity to express their views on ideas and participate in various activities that affects the lives of the people, under conceptual idea "Thinking together, Deciding together, and Solving problems together".
2. Taking into account the maximum public benefit in managing and using the least resources for maximum benefits, for further sustainability.
3. To achieve the state of self-reliance in the community.

7 Principles of Community Development Work

1. Shall comply with the real needs of people in the community.
2. Shall be a multi-purpose project that helps solve many problems.
3. Shall allow people in the area to participate fully.
4. Shall seek and develop local leaders or communities.
5. Shall accept youth's and women's participation in the project.
6. Shall plan systematically and efficiently, taking into account the maximum benefits for the public.
7. Shall encourage participation of employees of private organisations (partners - customers) and volunteers.

The company organised community development activities with its affiliates. Some of the activities included:

- Sharing Happiness With Children at Rangsit Children Aid Centre, Khlong 4



Community and society

- Donate Money to HIV patients at Phrabat Namphu Temple, Lop Buri Province.



- Donate Blood to Help Fellow Humans at Tree On 3, Rama III Road.



- Donate Money, Commodities, Lunch, and Participate in Activities With Children at Bandek Ramindra School (Home for the Blind with Multiple Disabilities).



Community and society

- Activities supporting in education and to underprivileged children.
 - “Missing Person Center of the Mirror Foundation” The company provided the Mirror Foundation the vehicles used in searching for missing children.



- Provided the Nokkamin Foundation the vehicles used in organizational activities to support and help impoverished children.



Appendix

(A) Good Corporate Governance

In 2019, the company was rated as “Very Good” rating from an assessment of corporate governance from the corporate governance survey of listed company conducted by the Thai Institute of Directors Association (IOD)



The Company is also adhering to the good governance principles by taking all stakeholders into consideration, for the sustainable improvement of results of operations.

(B) Statistics of Employees for 2019

Employees	Male	Female
255	146	109



By Age level

Durations of employment	Number (persons)	Percentage
0 – 5 Years	143	56.08
5 – 10 Years	59	23.14
10 – 15 Years	29	11.37
15 Years and more	24	9.41

(C) Save and Safe



(D) Project introducing newly launched vehicle models and suggesting the method of safe driving on the road

