



**SUSTAINABILITY
REPORT**

2017

The Stock Exchange of Thailand



About This Report

The objective of this Sustainability Report is to disclose the sustainability performance of the SET group, based on the operating results from January 1 – December 31, 2017. The report is developed and distributed in both printed and electronic (DVD-ROM) formats available on the SET website and social media. (102-50), (102-52)

Reporting approach

SET Sustainability Report is distributed annually. The content and provided data are in line with the corporate strategies and international sustainability reporting practices, including the Global Reporting Initiative (GRI) framework and the United Nations Sustainable Development Goals (SDGs). The following methodologies have been used:

1. Interviewing related internal units and stakeholders concerning the material aspects
2. Collecting quantitative information from verified documents and assured information by a third party or other reliable sources, including the SET website and SETSMART.

The report content is annually revised in to keep up with the changing business environment and stakeholder expectations.

Reporting standard (102-54)

This report has been prepared in accordance with the GRI Standards: Core option.

For more information, please contact: (102-53)

Sustainable Development Department

The Stock Exchange of Thailand

93 Ratchadaphisek Road, Dindaeng

Bangkok 10400 Thailand

Tel : +66(0) 2009 9999 ext. 9887, 9891

E-mail : SRcenter@set.or.th

Contents

Message from Chairman.....	2
Message from President.....	3
About SET.....	4
Developing the Sustainable Capital Market.....	8



Sustainability Management

Corporate governance.....	15
Internal control and risk management.....	21
Organizational innovation.....	23



Market Growth

Developing quality listed companies and entrepreneurs.....	27
Promoting investor education.....	31
Enhancing quality of securities professionals.....	33



Employee Development

Employee development and team building.....	37
Internal communication and employee engagement.....	39
Talent attraction and employee retention.....	40



Social Development

Promoting financial literacy.....	43
Promoting collaboration for social impact.....	46
Engaging and developing society.....	48



Environmental Management

Green procurement.....	54
Resource management.....	55
Waste management.....	56
Greenhouse gas management.....	57

SET Sustainability Performance

Summary.....	58
--------------	----

GRI Content Index.....	60
------------------------	----



Message from Chairman

Over the past 3-4 years, the Thai capital market landscape has changed dramatically in line with the economic developments, social factors, environmental conditions, as well as technological advancement and competition with no boundaries. These have inevitably affected the business and Thai capital market operations, and prompted SET to respond with the strategy to enhance its competitive capabilities to become the regional exchange leader.

SET has continued to retain the Thai capital market's stability and attractiveness, promoting investor confidence. In 2017, the SET Index rose by 13.7% from the previous year while the market capitalization increased by 15.6%. To enhance its competitiveness in the digital era, SET developed significant business innovation, including the "LIVE Platform" for startup fundraising, the "FundConnex" platform for mutual fund trading and the "FinNet" payment system.

The SET Board of Governors has given the priority to cultivate an innovation culture to ensure SET personnel's capabilities in keeping with technological change. In 2017, SET initiated the "SET Innovation Awards" project which encouraged staff to think out of the box and create innovations that would benefit the competitive advantage and sustainable growth of SET and the Thai capital market.

On corporate governance (CG), the Board of Governors placed considerable emphasis on transparent and efficient operations. In 2017, SET reviewed the CG best practices and launched the "2017 Corporate Governance Policy and Code of Conduct" to promote good governance in line with SET's current dynamic operations.

In addition to the transparency and efficiency of SET's operations, Thai listed companies have also contributed to the attractiveness of the Thai capital market among global investors. Thai listed firms selected as members of global sustainability indices have outnumbered companies from other ASEAN capital markets. Such indices include Dow Jones Sustainability Indices (DJSI) and FTSE4Good Emerging Indexes. Besides, SET was the only Asian stock exchange that was ranked in the top 10 of global stock exchanges with outstanding listed company sustainability disclosure.

The SET Board of Governors will continue to carry out its oversight role with integrity, transparency and efficient risk management, which covers the environmental, social and governance aspects, as well as driving SET and the capital market in line with the strategy of "Towards Sustainable Growth with Innovation".

On behalf of the SET Board of Governors, I would like to express my sincere appreciation to everyone in supporting SET's role as a key mechanism to build synergy, collaboration and networking with all sectors, enabling the capital market, society and country to grow in an inclusive and sustainable manner.

Dr. Chaiyawat Wibulswasdi
Chairman



Message from President

Financial Technology, or FinTech, has transformed the business competition landscape with new kinds of entrepreneurship as well as product and service innovation to serve fast-changing consumer demands. Meanwhile, investors have become more aware and been influenced by environmental, social and governance (ESG) considerations. To keep up with these trends, it is very challenging for The Stock Exchange of Thailand (SET) to build capital market's resiliency to support sustainable growth in the future.

In 2017, SET focused its business development strategy by utilizing innovation and technology advancement to effectively respond to industry expansion. SET developed the LIVE digital fundraising system for startups, FundConnex mutual fund trading system and FinNet payment system. SET also shortened the settlement cycle to 2 working days (T+2) from 3 working days (T+3) to increase the competitive capabilities of the Thai capital market. To create shared value between business and society through SET staff, SET has promoted the culture of innovation and inspired its employees to add value to themselves, the organization and society through innovative thinking.

SET has continued to promote good investment culture among Thai people through the Investnow project, while enhancing the listed company quality to build confidence among local and foreign investors. Significantly, the listed firm sustainability disclosure has gained greater global recognition. According to Corporate Knights' study entitled "Measuring Sustainability Disclosure: Ranking the World's Stock Exchanges 2017", Thai listed firms have made an impressive progress on disclosing their sustainability information. In line with this, SET was the only Asian

stock exchange that made the top 10 list out of 55 stock exchanges across the world, jumping from the 40th place in 2013. In addition, 17 SET-listed companies were selected as constituents of Dow Jones Sustainability Indices (DJSI), the 4th highest number among Asian stock exchanges. Moreover, 35 Thai listed firms were selected as members in FTSE4Good Emerging Indexes, the highest number among all ASEAN capital markets. For the Thailand Sustainability Investment (THSI), or the ESG stock list, 65 listed companies were selected, representing 52% of the market capitalization, up significantly from 51 firms in 2016.

The above achievements have reinforced the Thai capital market's positioning among global exchanges. Going forward, SET is strongly committed to promoting technological development and innovation to support the continued growth of business for fundraising and investment, locally and internationally, while working to enhance listed company quality in a sustainable manner.

On behalf of SET, I would like to thank all stakeholders whose significant roles have supported our business expansion, alongside the Thai economic growth with stability over past decades. We have come a long way for capital market development and I am confident that SET will be recognized not only as the securities trading center, but also the national promoter of business opportunities for all sectors to optimize benefits from the capital market. This is indeed in line with our vision: **"To Make the Capital Market 'Work' for Everyone"**.

Kesara Manchusree
President

About SET (102-7)

Vision



The Capital Market is an integral tool for economic growth, and should not be privileged to only some. Hence we work hard to make the capital market benefit all stakeholders both directly and indirectly. We believe that good business growth will lead to national strength and this in turn leads to the betterment of society. This is what we envision and are committed to.

Mission

- 1 To “plant” state-of-the-art financial **Platform Development** that is both innovative and accessible to our customers locally, regionally and globally.
- 2 To innovatively “grow” **Product Development** that is not only caters to market needs but also resonates the sustainable growth.
- 3 To “foster” **People Development** to ensure that our people will be best equipped with business competencies and professional integrity.
- 4 To “implant” an **Inclusive Growth Approach** that will enable us to perform as the best business partners and social supporters.
- 5 To continuously “cultivate” ourselves and our stakeholders by investing in **Knowledge Management** creating, sharing and generating knowledge as part of an intangible asset.



738

Number of employees



538

Number of listed companies on SET



150

Number of listed companies on mai



THB 17.93 trillion

Market capitalization



THB 50,114 million

Daily average turnover (SET and mai)



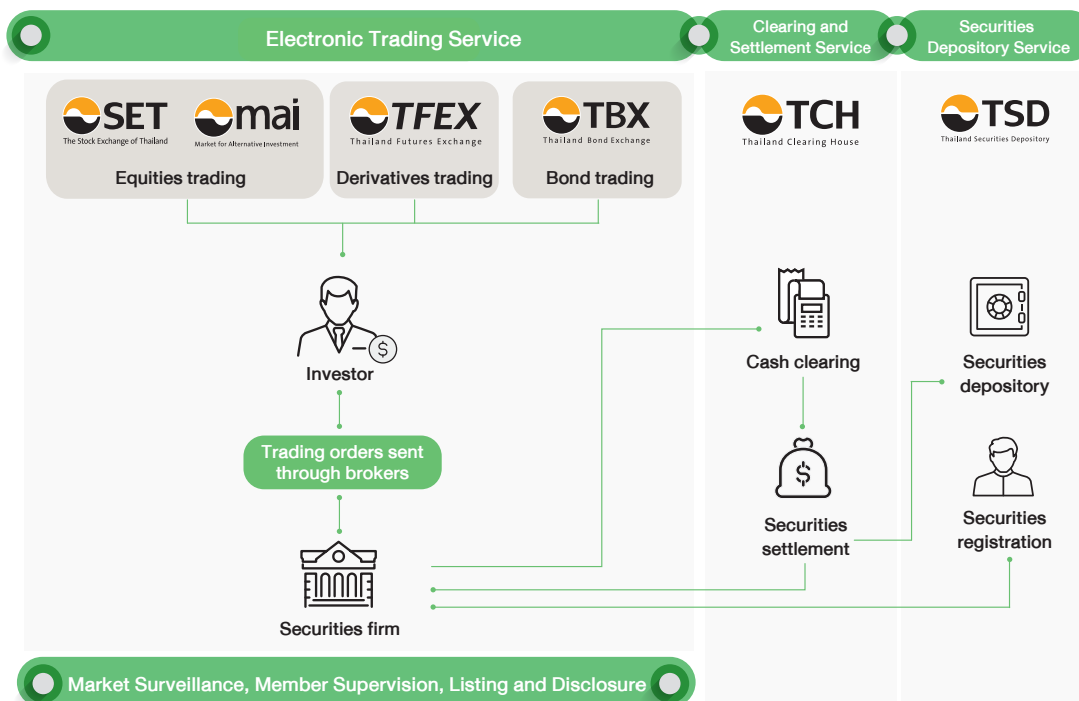
324,217 contracts

Daily average volume (TFEX)

as of December 30, 2017

SET's Businesses (102-2), (102-5), (102-6), (102-9), (102-45)

The Stock Exchange of Thailand (SET) is a juristic entity established under the Securities and Exchange Act B.E. 2535 (1992) and regulated by the Securities and Exchange Commission (SEC). SET is the only center for the trading of securities, futures contracts (derivatives) and bonds in Thailand. It is also the one-stop center of securities clearing and settlement, depository and registration, with effective and transparent regulatory processes.

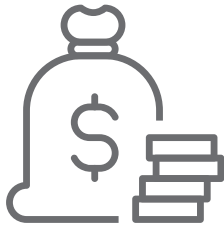


In addition, SET is also the main hub of financial and investment knowledge and the center of capital market quality development in various areas, including promoting the environmental, social, and governance (ESG) good practices among listed companies, strengthening potential companies prior to listing on the exchange, providing knowledge to develop entrepreneurs, startups and SMEs, enhancing knowledge and skills of financial professionals, and disseminating capital market research.



2017: Becoming a Sustainability Leader in ASEAN (102-10)

SET focuses on business and capital market development to serve the investment and economic expansion in the digital era and achieve the competitive edge of the Thai capital market amid economic, social and environmental challenges. In 2017, SET was outstanding in terms of the capital market growth, operation and service quality and listed company quality.



Market capitalization at end-2016

+15.62%

Best Central Securities Depository



in Southeast Asia awarded by Alpha Southeast Asia

SET Index at end-2016

+13.66%



17 **DJSI**
listed companies

selected as constituents of **Dow Jones Sustainability Indices (DJSI)**, the highest number of listed firms among all ASEAN exchanges

FTSE4Good
35 listed companies

selected as members of **FTSE4Good Emerging Indexes**, the highest number of listed firms among all ASEAN exchanges

65 **THSI**
listed companies

included in **Thailand Sustainability Investment (THSI)**, or the ESG stock list

Ranked
10th

among global stock exchanges with outstanding listed company disclosure by Corporate Knights

11 
IR Awards

from IR Magazine, the highest number of listed firms among all ASEAN exchanges

Gold Medal (Excellence)
Green Office Award

by the Ministry of Natural Resources and Environment

Best Sustainable Securities Exchange

Southeast Asia Emerging Markets 2017, by CFI.co magazine, UK

2nd Runner-up for Green Building Award

by ASEAN Energy Awards 2017



Thailand Energy Awards 2017: Excellence



in Energy Conservation for EE Creative Building (New and Existing Building) by the Ministry of Energy

SET's Next Steps

SET is committed to developing the capital market quality through technology and innovation using the “Towards Sustainable Growth with Innovation” concept, consisted of 3 aspects:

(1) Strengthen the quality capital market

- Develop diverse products and services with quality
- Boost investor confidence
- Foster regular investment culture via dollar-cost averaging (DCA) in stocks and mutual funds
- Improve operational efficiency with technology
- Promote potential of capital market intermediaries

(2) Promote business opportunities for long-term growth

- Encourage fundraising among startups and SMEs
- Connect capital raising and investment in the Cambodia, Laos, Myanmar and Vietnam (CLMV) region



(3) Enhance the potential and competitive advantage of the capital market

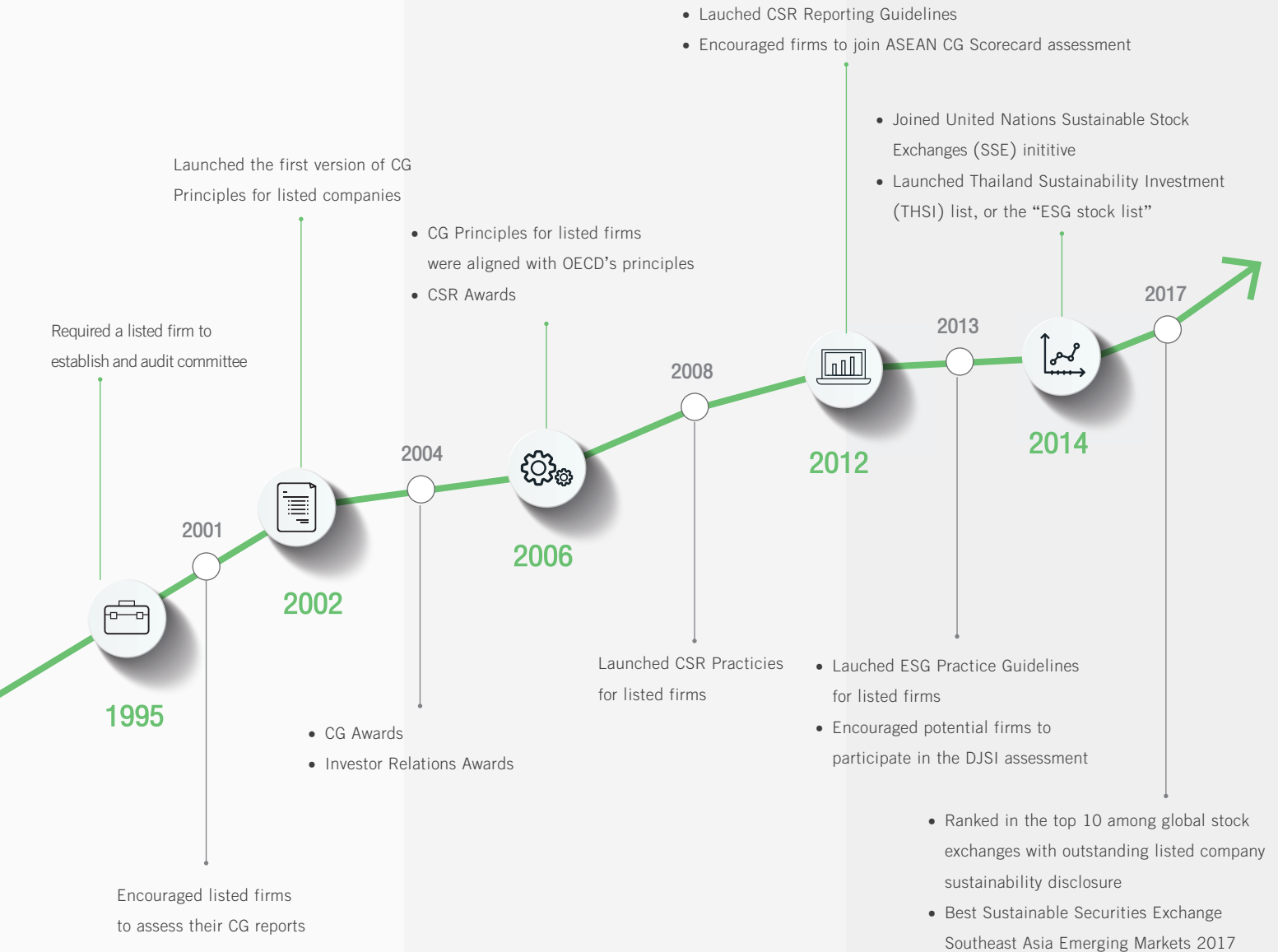
- Improve workplace efficiency with innovation and technology
- Cultivate innovative culture in the organization and the capital market
- Maintain efficiency of operational system and information technology security
- Increase risk management and internal control efficiency in accordance with international standards
- Enhance sustainability management to be a role model

SET focuses on promoting efficient accessibility to and utilization of the capital market among all sectors as well as developing business operations to cope with technological changes and economic, social and environmental challenges. SET also continues to cultivate good corporate governance culture in Thai capital market to promote sustainable growth and become widely-accepted at an international level.

Developing the Sustainable Capital Market

SET focuses on the organization and capital market development by taking environmental, social and governance (ESG) issues into consideration. Also, SET continues to create stakeholders' awareness of sustainability management and raise their sustainability standards to achieve value creation, benefiting the economy, society and environment.

SET Sustainability Journey



Over the past two decades, SET has strengthened the foundation of the Thai capital market with corporate governance and sustainable development. Today, SET has continued to raise the standard of sustainability practices of Thai capital market stakeholders to be more efficient and become widely-accepted at an international level.

Management Approach (102-48)

SET emphasizes on the organization and capital market development by taking ESG impact into consideration and establishing a clear approach to sustainable development and stakeholder engagement, as follows:

1. Monitoring and analyzing megatrends

To develop and review the SET Sustainability Framework, SET keeps abreast of global movement and other factors that could affect SET and capital market stakeholders in economic, social and environmental aspects. Such factors include innovation, technological changes, climate change and international sustainability

practices and standards, such as the Global Reporting Initiative (GRI) Standards, Dow Jones Sustainability Indices (DJSI), United Nations Sustainable Development Goals (SDGs) and United Nations Sustainable Stock Exchanges (SSE) initiative.







2. Developing SET Sustainability Framework

SET Sustainability Framework guides the direction of sustainability practices of the “SET group” in line with the “Towards Sustainable Growth” strategy. The Framework consists of five key areas as follows:



3. Identifying and analyzing stakeholder expectations (102-42)

To ensure appropriate responses to the demand of each stakeholder group, SET identifies and analyzes stakeholder expectations through a variety of stakeholder engagement activities, including interviews with sustainability experts, requests for listed companies' opinions, stakeholder satisfaction surveys and meetings with the SET's Corporate Governance and Social Responsibility Committee.

 +66(0) 2009 9999
  www.set.or.th
 set.or.th
 [@setcallcenter](https://twitter.com/setcallcenter)
 [setgroupofficial](https://www.youtube.com/setgroupofficial)
 SET Thailand

Stakeholders (102-40)	Stakeholder Expectations (102-44)	Communication and Engagement Activities (102-43)
 Listed companies and Entrepreneurs <ul style="list-style-type: none"> Listed companies on SET and mai Entrepreneurs with potential to be listed on the Exchange 	<ul style="list-style-type: none"> Fundraising tools suitable for businesses Information, news and services that are convenient, timely and accurate Long-term investor confidence Enhancement of business competitive advantage at an international level 	<ul style="list-style-type: none"> Meetings Seminars and training activities Satisfaction survey Recognition and award presentation
 Investors <ul style="list-style-type: none"> Retail investors Institutional investors Foreign investors 	<ul style="list-style-type: none"> Reasonable and regular investment returns Variety of products and services Convenient, timely and reliable services Efficient and transparent trading process Easy-to-access and sufficient information for investment decisions 	<ul style="list-style-type: none"> Seminars and training activities Opportunity Day activities where listed companies meet investors
 Intermediaries <ul style="list-style-type: none"> Securities firms Asset management firms Securities professionals (e.g., investment consultants, investment analysts, investment planners) 	<ul style="list-style-type: none"> Modern operational systems and investment channels that meet investor demand Information, news, and services that are convenient, timely and accurate High potential professionals 	<ul style="list-style-type: none"> Meetings Seminars and training activities Satisfaction survey Recognition and award presentation
 Employees <p>Directors, executives, and employees of the SET group</p>	<ul style="list-style-type: none"> Professional stability Self-development and workplace with learning environment Work-life balance 	<ul style="list-style-type: none"> Seminars and training activities SET' Employees Club Town hall meetings Engagement survey
 Society <ul style="list-style-type: none"> Capital market clubs and associations Press and media Educational institutions Foundations and civil society organizations The general public 	<ul style="list-style-type: none"> Financial literacy for youth and the public Collaboration in public and private sectors Development of good quality of life of local communities and society 	<ul style="list-style-type: none"> Meetings Seminars and training activities Maruey Library and INVESTORY museum SET Social Impact Platform
 Regulators and the public sector <ul style="list-style-type: none"> The Securities and Exchange Commission (SEC) The public agencies 	<ul style="list-style-type: none"> Compliance with the Securities and Exchange Act B.E. 2535 Support for public policies Tax payment 	<ul style="list-style-type: none"> Meetings Participation in government activities

4. Identifying material sustainability aspects (102-29), (102-46)

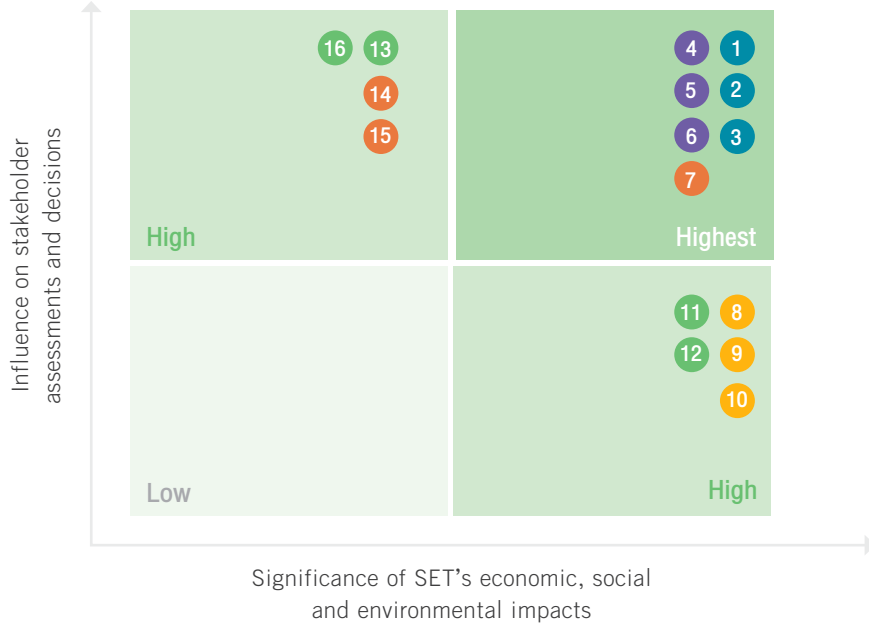
The material sustainability aspects have been obtained from SET corporate strategies and analysis of impact on stakeholders. The SET Sustainability Framework is linked with internal and external stakeholders as follows:

Sustainable Development Framework (102-48)	Material Aspects (102-47)	Internal	External				
		Employees	Listed Companies and Entrepreneurs	Investors	Intermediaries	Society	Regulators and the Public Sector
 Sustainability Management	Corporate governance	●					●
	Internal control and risk management	●					●
	Organizational Innovation	●					
 Market Growth	Developing quality listed companies and entrepreneurs		●				
	Promoting investor education			●			
	Enhancing quality of securities professionals				●		
 Employee Development	Employee development and team building	●					
	Internal communication and employee engagement	●					
	Talent attraction and employee retention	●					
 Social Development	Promoting financial literacy					●	
	Promoting collaboration for social impact		●			●	
	Engaging and developing society					●	
 Environmental Management	Green procurement	●				●	
	Resource management	●					
	Waste management	●					
	Greenhouse gas management	●					



5. Prioritizing sustainability material aspects (102-29), (102-48)

SET ranks the importance of sustainability material aspects, as shown in the following matrix:



High significance of SET's economic, social and environmental impacts and high influence on stakeholder assessments and decisions	High significance of SET's economic, social and environmental impacts	High influence on stakeholder assessments and decisions
<ol style="list-style-type: none"> 1. Corporate governance 2. Internal control and risk management 3. Organizational innovation 4. Promoting investor education 5. Developing quality listed companies and entrepreneurs 6. Enhancing quality of securities professionals 7. Promoting financial literacy 	<ol style="list-style-type: none"> 8. Employee development and team building 9. Talent attraction and employee retention 10. Internal communication and employee engagement 11. Green procurement 12. Resource management 	<ol style="list-style-type: none"> 13. Greenhouse gas management 14. Promoting collaboration for social impact 15. Engaging and developing society 16. Waste management

6. Reviewing sustainability material aspects (102-49)

SET reviews sustainability material aspects on an annual basis to ensure continuous development and relevance to stakeholder interest and ever-changing business environment in line with the United Nations Sustainable Development Goals (SDGs).

SET and SDGs (102-48)

Goals	SET Performance
	<p>Built financial immunity and eradicated poverty</p> <p>1.06 million people: Members of provident funds with the total asset value of over THB 2.39 trillion</p> <p>37,400 accounts: Number of DCA accounts for investment in stocks and mutual funds</p> <p>The SET Foundation initiated social impact projects to develop the quality of life of the underprivileged and the community</p>
	<p>Provided fair accessibility to business and investment information and knowledge</p> <p>11.8 million views: Number of views on the SET's investment education platform</p> <p>600,000 people: Number people who accessed to the Capital Market Knowledge Center Network</p> <p>70,000 people: Number of students participating in the Young Financial Star (YFS) Competition since 2003</p>
	<p>Supported gender equality</p> <p>36%: Percentage of women on the SET Board of Governors</p> <p>19%: Percentage of women on boards of listed companies</p>
	<p>Promoted employment, investment opportunity expansion and sustainable economic growth</p> <p>1.2 million people: Employment of listed companies</p> <p>THB 17.34 million: SET's personnel development investment</p> <p>THB 426,349 million: Market capitalization of new listed companies</p> <p>THB 1.87 million: Revenue generated to local social enterprises through the SET Social Impact Day activities</p>
	<p>Drove the capital market through innovation and technology</p> <p>LIVE: Networking system to expand business opportunities for startups and SMEs</p> <p>FinNet: Modern, fast and efficient payment for the capital market</p> <p>SET Innovation Awards: Encouraged innovation in the organization and the capital market</p>
	<p>Developed sustainability practices and sustainable investing</p> <p>52%: Percentage of the market capitalization of listed firms included in the Thailand Sustainability Investment (THSI)</p> <p>11%: Percentage of listed companies that adopted the GRI reporting framework</p>
	<p>Tackled climate change</p> <p>Green Building: The SET Building earned LEED Gold certification</p> <p>3%: Target of electricity consumption reduction in 2018</p> <p>Digital Exchange: Goal to promote paperless workplace</p>
	<p>Cultivated corporate governance in the capital market</p> <p>80%: Average Corporate Governance Report (CGR) score of listed companies</p> <p>28%: Number of listed companies certified by Thailand's Private Sector Collective Action Coalition against Corruption (CAC) initiative</p>
	<p>Established network for sustainable development</p> <p>UN SSE: SET participated in the UN Sustainable Stock Exchanges (SSE) initiative as a partner exchange</p> <p>SET Social Impact: SET supported collaboration between the public and private sectors for sustainable development</p>

The SET's sustainability performance in 2017 reflected the SET's determination to develop the quality of the stock exchange in all dimensions with an inside-out approach, benefiting the capital market, society and the country. SET encourages everyone to access and make use of the capital market efficiently. Hence, SET has partnered with all sectors locally and internationally to achieve the Thai capital market sustainable growth.

Sustainability Management

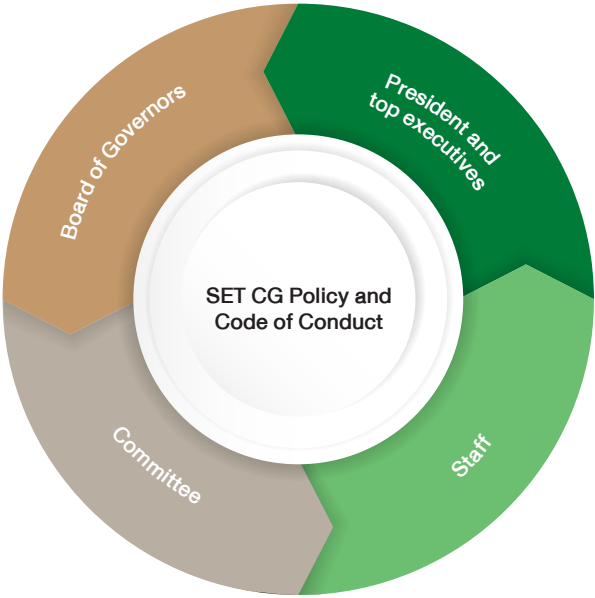
As SET is a mechanism to connect all sectors in the society to drive the country's economy, the SET Board of Governors is committed to promoting the transparency and efficiency of SET's operations while building stakeholder confidence in SET's internal control and risk management. SET also supports innovation and business development by taking into consideration the benefits of all SET's stakeholders and society.

- Corporate Governance
- Internal Control and Risk Management
- Organizational Innovation





The year 2017 was another challenging year for the SET Board of Governors (BoG) in leading SET amid rapid technology and economic landscape changes while ensuring transparency and efficiency in SET's operations to enhance stakeholders' confidence and raise the Thai capital market to be on par with global leading capital markets.



Corporate Governance

Organization Governance

The SET BoG adheres firmly to good corporate governance in compliance with the international governance standards of The Organisation for Economic and Co-operation (OECD) and the Corporate Governance and Code of Conduct for listed companies. In 2017, the SET BoG merged the 2015 corporate governance policy of the SET group with the 2012 code of conduct of the SET group to become the “2017 Corporate Governance Policy and Code of Conduct of the SET group” for conciseness and practicality.

Structure of the BoG (102-18), (102-22), (102-23), (102-24), (405-1)

The SET BoG consisted of top-notch executives with wide-ranging knowledge, expertise and experience beneficial to the development of the organization and the capital market. The Board consisted of 11 governors in compliance with the regulations stipulated in the Securities and Exchange Act B.E. 2535.

Structure of the Board of Governors		Terms of Office	Duration of Services		Gender	
			Less than or equivalent to 2 years	More than 2 years but not more than 4 years	Male	Female
Non-Executive Governors	Appointed by the SEC (5 persons)	2 years maximum of 2 consecutive terms	-	1. Dr. Chaiyawat Wibulswasdi (Chairman) 2. Mrs. Chotika Sawananon 3. Mrs. Worawan Tharabhumi 4. Dr. Somchai Thaisanguanvorakul 5. Dr. Supak Sivarak	7	3
	Elected from the SET members' meeting (5 persons)		1. Mrs. Patteera Dilokrungeerapop ¹ 2. Mr. Prinn Panitchpakdi	1. Professor Kitipong Urapee-patanapong 2. Mr. Chaipatr Srivisarvacha 3. Mr. Pichet Sithi-Amnuai		
Executive Governors	Appointed by the SET Board of Governors (1 person)	4 years	-	Mrs. Kesara Manchusree (President)	-	1
Total	11		2	9	7 (64%)	4 (36%)

Roles and Responsibilities of the BoG (102-26)

The Securities and Exchange Act B.E. 2535 stipulates that the BoG has duties to develop policies and strategies and oversee the SET's operations to ensure transparency in accordance with related laws and regulations. They must perform their duties with honesty and integrity, taking the environmental and social impact into consideration. The responsibility of the Board is clearly independent from the management. The "Chairman" must neither be the "President" nor have any relationships with the management to facilitate checks and balances.

Board meetings

The BoG has the duty to attend the meetings to provide opinions and make decisions concerning policies, plans and budgets proposed by the management. The resolutions from the meetings have influence on the directions of the capital market. In 2017, there were 20 meetings held with an average meeting attendance at 94%.

Key performance in 2017: (102-31)

- Announcement of the 2017 Corporate Governance Policy and Code of Conduct of the SET group
- Approval of corporate strategies, plans and budgets related to the concept of "Towards Sustainable Growth with Innovation"
- Assigning the following tasks to the management:
 - o Increasing the efficiency of the internal control and risk management in accordance with the governance standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO)
 - o Reviewing the regulations and guidelines in accordance with the 2017 Corporate Governance Policy and Code of Conduct of the SET group
 - o Concretely promoting CG culture internally
 - o Organizing the SET Innovation Awards project to promote innovative organization development
 - o Developing responsible procurement guidelines, highlighting corporate governance and green procurement practices

¹ Elected for the position effective on May 28, 2017.

SET's Committees on Corporate Governance (102-19)

The Committees on Corporate Governance have been assigned by the SET Board of Governors to independently screen, consider and express opinions on governance issues in line with their areas of expertise under the charter of the four committees as follows:

Committees	Responsibilities	Independency	Chairman of the Committee	Members of the Committee	Average meeting attendance
Audit Committee	To supervise the internal control and monitor the management operations to ensure efficiency and transparency	100%	Mrs. Patteera Dilokrungteerapop	Mr. Chaipatr Srivisarvacha Dr. Supak Sivarak	96%
Selection and Remuneration Committee	To consider senior management's nomination and succession plans and the remuneration of the governors, management and staff	80%	Mrs. Patteera Dilokrungteerapop	Mr. Chaipatr Srivisarvacha Mrs. Chotika Sawananon Mrs. Worawan Tharabhumii Mrs. Kesara Manchusree	95%
Corporate Governance and Social Responsibility Committee	To consider policies and guidelines of sustainability management for SET and the capital market	80%	Mr. Pichet Sithi-Amnuai	Mr. Prinn Panitchpakdi Dr. Somchai Thaisanguanvorakul Dr. Supak Sivarak Mrs. Kesara Manchusree	80%
Risk Management Committee	To stipulate policies and guidelines of risk management in order to facilitate the continuity and efficiency of the organizational operations	86%	Mrs. Patteera Dilokrungteerapop	Mr. Pichet Sithi-Amnuai Mrs. Worawan Tharabhumii Mrs. Kesara Manchusree Ms. Wachira Aromdee Mr. Somkiat Sirichartchai Prof. Dr. Anya Khanthavit	92%

Performance Evaluation of the BoG and Committees (102-28)

The BoG performance is evaluated at least once a year by the Corporate Governance and Social Responsibility Committee who also provides feedback for the evaluation results and additional comments for further development. In 2017, the evaluations were conducted as follows:

Assessment of the BoG as a whole	Self-assessment and cross-assessment
<ul style="list-style-type: none"> - Performance and responsibilities - Board meetings - Corporate governance and social responsibility - Nomination and succession planning 	<ul style="list-style-type: none"> - Duties and responsibilities - Committee meetings - Independence of committee - Qualification and self-development

The BoG performance evaluation

- 1) Board performance evaluation as a whole
- 2) Self-assessment
- 3) Individual assessment by other governors (cross-assessment)
- 4) Evaluation of the Chairman's performance
- 5) Assessment of skills, knowledge and proficiency of the Governors

The four committees are responsible for self-assessment and report the evaluation results to the SET BoG at least once a year. SET discloses the performance evaluation results of the BoG and the Committees in the 2017 Annual Report.

Governor Development (102-27)

The governors' experience, skills and proficiency are vital to the development of SET and the capital market. Therefore, SET has constantly supported their knowledge enhancement, starting from providing new governors with orientation of SET's operations and strategic plans to encouraging the governors to share their knowledge to contribute for society. In 2017, governors were encouraged to learn about innovation and disruptive technology, which could affect the organization and the capital market, and participate in training courses and speak on topics related to corporate governance.

SET Code of Conduct (102-25), (418-1)

In 2017, SET reviewed the code of conduct as corporate best practice guidelines and included additional following topics: prevention of money laundering, conflicts of interest, the use of insider and confidential information and information technology and communication. In addition, SET has also continued to promote the implementation in compliance with the code of conduct concerning important issues as follows:



Anti-Corruption Measures:

- 1) Anti-bribery and corruption
- 2) Giving and accepting gifts or any other benefits
- 3) Political neutrality
- 4) Corporate philanthropy and donation

Remuneration Policy (102-35), (102-36), (102-37)

The Board of Governors has assigned the Nomination and Remuneration Committee to consider and screen the criteria for the remuneration of the chairman, governors, and committee members prior to presenting to the SET members' meeting for consideration and approval in accordance with the Securities and Exchange Act B.E. 2535.

The monthly remuneration of the SET president and senior executives are in line with the individual actual performance evaluation results against the Key Performance Indicators (KPIs). The remuneration of the SET president and senior executives is available in the 2017 SET Annual report.

Anti-Corruption Policy (205-1), (205-2)

The SET's anti-corruption policy and measures comply with the Collective Action Coalition against Corruption (CAC) specifying that the governors, committees, experts, advisors, executives, and staff of SET must strictly follow the policy. In 2017, the anti-corruption activities were as follows the policy:

- New staff orientation sessions were organized to ensure compliance with anti-corruption measures.
- Anti-corruption measures were communicated among SET suppliers or potential suppliers for acknowledgement and strict compliance.
- "No Gift Policy" was continued and communicated among listed companies, suppliers and member companies
- The SET Chairman joined the committee of Anti-Corruption Organization of Thailand (ACT) to provide opinions and contribute to the development of the country's anti-corruption measures.

Acquisition or Disposition of Listed Securities of Governors, Executives and Staff (102-25)

Since the governors, executives, and staff of SET work closely with listed company and securities information, SET has stipulated that the SET governors, executives, and staff must strictly disclose the information of securities acquisition or disposition by themselves, their spouses and children under 18. In 2017, the definition of “spouse” was expanded to include cohabiting partners to promote more transparency and stakeholder confidence.

Responsibility for Stakeholders

SET treats all stakeholders with fairness and non-discrimination. Human rights and transparency are highly promoted among partners and stakeholders. In 2017, the key activities were as follows:

• Human Rights (408-1)

SET respects the rights of individuals. SET promotes fair treatment and health and safety for employees and suppliers and supports legal workforce and employment of people with disabilities. In 2017, there was no violation against human rights found among staff and suppliers.

The related activities were as follows:

- o Hiring disabled persons and providing staff with massage therapy carried out by the well-trained blind.
- o President Kesara Manchusree spoke on “Leading Stock Exchanges” at the Global Summit of Women in Japan to promote human rights and women’s role in driving the economic growth. The SET President also shared her views at a seminar to promote the United Nations’ Guiding Principles on Business and Human Rights at the United Nations Conference Centre, Bangkok.

• Communication and Engagement with Stakeholders

SET communicates and discloses information with transparency by providing a variety of channels for feedback and suggestions as well as engaging stakeholders for further improvement as follows:

Stakeholders	Significant implementation and activities in 2017
<p>Member companies</p> <p>Listed companies</p> <p>Intermediaries</p> <p>Regulators</p>	<ul style="list-style-type: none"> • Meetings with listed companies and the SEC to get feedback on regulatory amendments and issuances to promote a clear understanding on how to comply with the SET regulations • Meetings with member companies to get feedback on important initiatives as follows: <ul style="list-style-type: none"> - The shortening of securities clearing and settlement cycle to 2 working days (T+2) from the previous 3 working days (T+3) - The project on securities practitioner development in 2017 - The plan to serve the structural change of investment consultants (ICs) - CEO Networking activities to strengthen relationships among member company CEOs • Meetings of the Sustainability Investment Working Group to select qualified listed companies to be included in the Thailand Sustainability Investment (THSI), or the ESG stock list
<p>Capital market clubs and associations</p>	<p>Meetings with associations in the capital market, including Association of Thai Securities Companies, Thai Listed Companies Association and Association of Investment Management Companies, to discuss challenges of securities business operations and suggestions for further business improvement</p>
<p>Press and media</p>	<p>Meetings with the press to share the SET news and information via the “SET Talk” monthly activities</p>
<p>Investors and the general public</p>	<p>News and information dissemination in a complete, accurate and timely manner via the SET website, Money Channel TV programs and social media, such as Facebook, LINE, Twitter, etc.</p>

Promoting Compliance with Code of Conduct

In 2017, SET communicated and promoted understanding of the SET Code of Conduct among employees and suppliers. Key activities in 2017 included:

- **Promoting code of conduct in the organization**
 - o SET promoted CG policy and code of conduct of the SET group and related best practice guidelines via the SET Intranet, SET website and management meetings.
 - o SET fostered CG culture among employees.
 - o SET featured articles on CG development via the SET Intranet and emails.
 - o SET held internal meetings to promote CG literacy for procurement staff.

- **Promoting Supplier Code of Conduct (SCoC)**

SET encouraged suppliers, particularly those with more than THB 2 million transactions and new suppliers, to express intent to operate business by taking environmental, social and governance issues into consideration.



80%
Number of suppliers signed to express intent to comply with the SCoC

Whistleblowing and Complaint Filing (102-17), (102-33)

If anyone has witnessed any violation or non-compliance of law, corporate governance policy and code of conduct of the SET group, as well as any sign of fraud or corruption among governors, executives, and staff of SET, he or she can report or notify through the following channels:

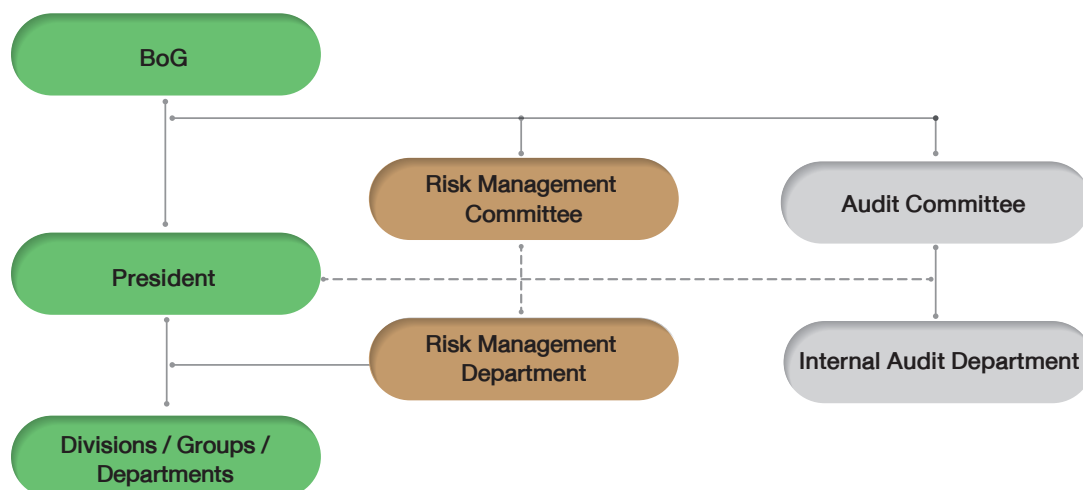
Complaint	Process of complaint management		
Filing complaints	Taking complaints	Operating with the whistleblower protection	Result reporting
External stakeholders	Chairman of the Audit Committee, Internal Audit Department 93 Ratchadapisek Rd., Dindaeng, Bangkok 10400 The Stock Exchange of Thailand Building, ChairmanofTheAuditCommittee@set.or.th	<ul style="list-style-type: none"> - Gathering supporting documents or facts - Screening and processing information - Proposing corrective measures - Providing affected persons with compensation or remediation 	Reporting the execution results to the Board of Governors and/or the Audit Committee and/or top executives of SET or subsidiaries, as applicable
Staff	Chairman of the Audit Committee or the executives of the Compliance Department or other relevant departments or trusted supervisors		

The complaint management process is carried out with fairness. Information about the whistleblower is considered confidential and will be disclosed as necessary to protect the whistleblower. In 2017, the Audit Committee found that there was neither significant violation against the law, CG policy and Code of Conduct of the SET group, nor sign of corruption among governors, executives and staff of SET. (102-34), (205-3)

Internal Control and Risk Management

The SET Board of Governors (BoG) realizes the importance of the internal control as a key mechanism to reduce operational risks. Therefore, the SET BoG ensures that the SET internal control and risk management are in accordance with the international standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Structure of internal control and risk management



Internal Control

The BoG has assigned the Audit Committee to be responsible for supervision and examination of the internal audit system to ensure efficiency and transparency. The Internal Audit Department, an independent department, is designated to constantly review risk management plans and monitor progress and report to the Audit Committee. In 2017, there were important operations as follows:

- SET reviewed and tested computer systems prior to the actual implementation of FundConnex and LIVE platform to ensure the compliance with the ISO 27001 information security management system and the ISO 20000 information technology service management system.
- SET carried out the Quality Assessment Review (QAR), based on the International Professional Practices Framework. The Internal Audit Department conducts peer review assessment every year and hires external independent appraisers every five years to ensure the quality of the internal control system in line with international standards.



ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand

Risk Management (102-30)

The Board of Governors has appointed the Risk Management Committee (RMC) to consider and screen risk factors which may post impact on the organization and the capital market. The Risk Management Department is responsible for promoting organization-wide risk management culture.

Enterprise Risk Management Framework (102-11)

The SET's risk management is in line with the international standard of COSO Enterprise Risk Management Framework through the systematic risk assessment, including identification and analysis of Key Risk Indicators (KRIs), in line with the corporate strategies and the changing landscape in economic, social, and environmental aspects. In 2017, SET considered significant risk factors as follows:

Strategic Risks

SET analyzed and assessed risks which may affect the corporate strategies and achievements, while creating business opportunities from technology advancement such as FundConnex, the mutual fund trading system; FinNet, the payment system of capital market; and the LIVE platform for startups.

Financial Risks

Thailand Clearing House (TCH) assessed the financial status of member companies and their liquidity risks to ensure their ability, as a central counterparty, to repay debts and manage other obligations upon members' defaults of securities settlement. Pending settlement would be implemented upon defaulted settlement of securities to prevent debt balance in line with international standards.

Operational Risks

- SET assessed operational risks and relevant cyber security risk management, using effective and updated software, including Antivirus and Anti Malware, Firewall and DDoS Protection Service, to be in line with the ISO 27001 standard. SET also prepared its computer system to be resilient under unexpected circumstances which may affect the continuity of business operations.
- SET took corruption risk management seriously as corruption risks were among SET's key risks. All departments must annually assess corruption risks and have proper management measures in place. SET also imposed measures, including No Gift Policy, and procurement efficiency improvement to reduce corruption risks.
- SET assessed and identified risks related to occupational safety of the staff and contractors working in the SET building. The Occupational Safety, Health, and Workplace Environment Committee was established to develop and implement the SET's safety culture program.

Business Continuity Management

SET has developed business continuity management measures, including Crisis Management Plan, Business Continuity Plan, and IT Disaster Recovery Plan. SET, in collaboration with related parties in the capital market, annually reviews and tests the measures, particularly on the preparation of personnel, computer systems and operation sites.

Emerging Risks (102-10)

SET has analyzed and assessed risks from the ever-changing digital technology, including Blockchain and Financial Technology (FinTech), which could affect the financial industry, capital market and investment behaviors, to cope with technological advancements and increase the competitiveness of the Thai capital market. SET also promoted innovation knowledge and skills among staff and practitioners in the capital market, while providing new business opportunities via the development of the LIVE platform to promote the growth of startups.



Organizational Innovation

SET has enhanced its potential to cope with the rapid change in technology and the capital market environment by focusing on personnel development to improve working tools and techniques and apply technology in developing innovation. The highlights in 2017 are as follows:

Promoting Innovation Culture

In 2017, SET organized SET Innovation Awards to promote innovation culture within the organization and engage SET staff in inventing and initiating innovation projects which could benefit their work, the organization and society.

- Out of the 63 projects submitted to the competition, most were service and process innovation. The outstanding innovation projects, including Robo-Surveillance, e-Proxy Voting and Professional Link, would be further developed and included as part of SET's future project plans.
- Due to the huge success in 2017, SET plans to annually organize the SET Innovation Awards to promote innovative organization culture and possibly be expanded to other organizations in the capital market.



Innovation and Business Development

The technological advancements and the increasing number of internet users have enabled faster-than-expected expansion of the financial and business innovations such as FinTech and Blockchain. These are SET's challenges to adjust and apply technology to enhance competitiveness in the digital era. The significant activities and projects are as follows:

LIVE Platform

- SET developed the electronic Funding Portal and Electronic Trading Platform as channels for startups and SMEs to access sources of funds for business opportunities and sustainable growth.
- SET applied Blockchain technology to support transactions in terms of transparency, speed, safety and cost effectiveness. As investment in startups and SMEs has relatively high risk, SET has developed a system to serve specific groups of investors as indicated in the regulations of the SEC. Also, SET plans to develop the operating system to facilitate the expansion of the capital market in the future.

FundConnex

- SET developed the mutual fund trading system called FundConnex, which is a FinTech to support investment culture in mutual funds in Thailand.
- SET connected operating systems of asset management companies with those of selling agents in order to promote mutual fund trading and enable investors to trade mutual funds of several asset management companies through a single account.
- In 2017, 13 asset management companies and 9 selling agents participated in FundConnex. The system will be further developed to provide payment service to facilitate mutual fund investors.



Settrade Streaming

- SET developed the Settrade Streaming application for securities firms to provide investors with mutual fund trading services via mobile devices.
- SET developed the Settrade DCA Order function on the Settrade Streaming program to facilitate dollar-cost averaging on weekly and monthly basis.

Efficiency Development of Clearing System

- SET shortened the securities clearing and settlement cycle from 3 working days (T+3) to 2 working days (T+2) to reduce risks from securities settlement and transaction cost for investors, serve the capital market's expansion and enhance system efficiency, aligned with the world's leading stock exchanges.
- SET developed FinNet e-payment system to improve the capability and efficiency of the payment process in the capital market in connecting with the services of intermediaries and commercial banks.



Building Innovation and Technology Network in the Capital Market

Apart from innovation and efficiency development of the operating systems to cope with technology changes, SET has promoted learning and networking among capital market personnel to keep up with new trends of innovation and technology by organizing:

- Quarterly seminars on “IT Future for Listed Company” to promote technological literacy, particularly on cyber security, and business development among listed companies.
- Annual panel discussion to exchange knowledge and promote technology development with member companies
- Training on the development of important operating systems, including securities trading, clearing and settlement and depository systems, for member companies



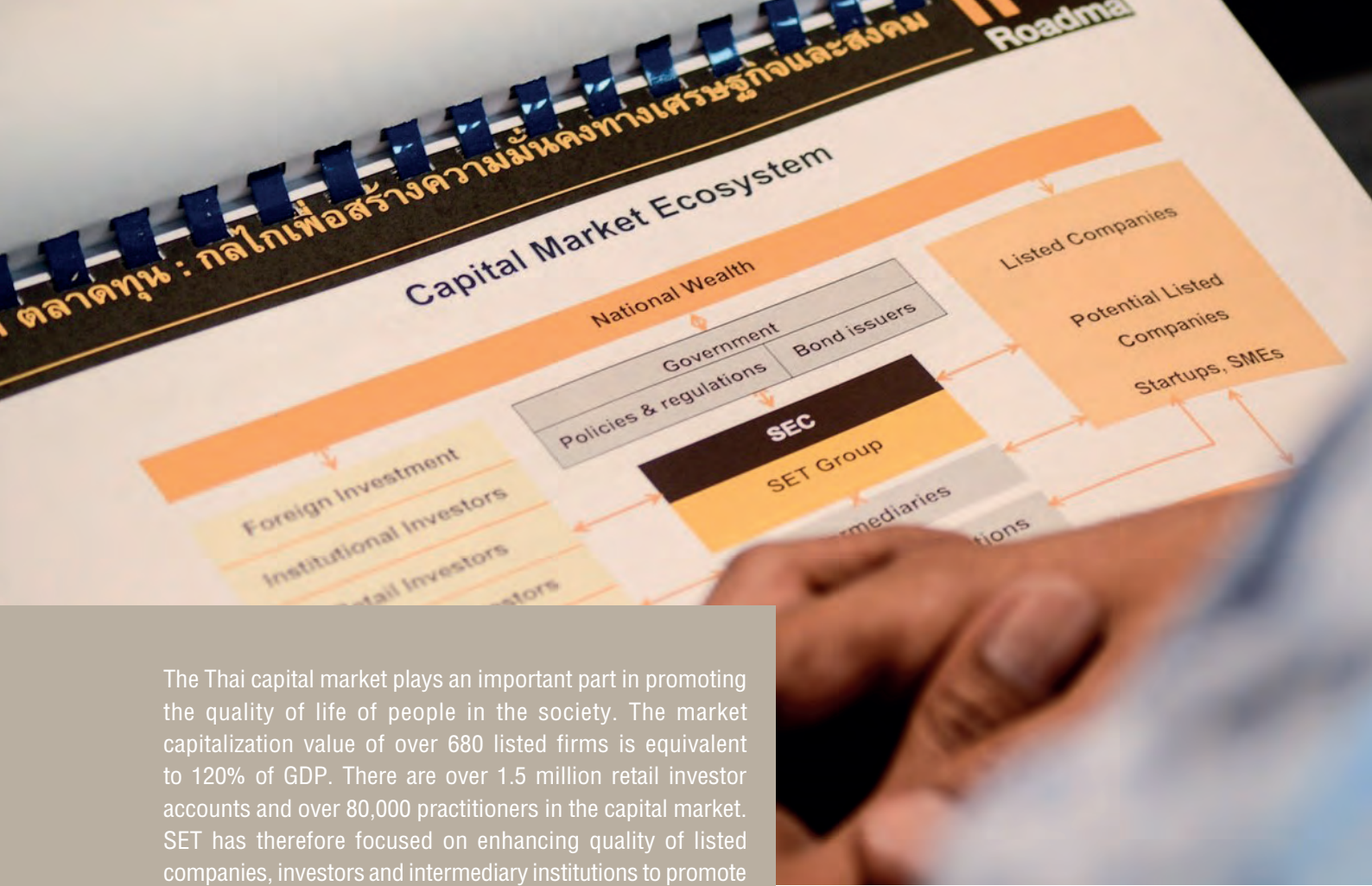
In addition to ensuring organizational management with transparency, efficient risk management and innovation, SET also promotes the quality of listed companies, investors and intermediaries to support the capital market growth in the future.

Market Growth

The quality of listed companies, investors and financial intermediaries is a key factor that affects the capital market performance and the country's economic growth. SET has therefore supported market participants to gain a competitive edge through sustainability management or integration of environmental, social and governance (ESG) issues into business management and investment.

- Developing quality listed companies and entrepreneurs
- Promoting investor education
- Enhancing quality of securities professionals





The Thai capital market plays an important part in promoting the quality of life of people in the society. The market capitalization value of over 680 listed firms is equivalent to 120% of GDP. There are over 1.5 million retail investor accounts and over 80,000 practitioners in the capital market. SET has therefore focused on enhancing quality of listed companies, investors and intermediary institutions to promote the country's sustainable development. (203-2)

Developing Quality Listed Companies and Entrepreneurs

Promoting listed company quality with ESG

Over the past two decades, SET has cultivated corporate governance (CG) culture in the Thai capital market by promoting the role of boards and senior executives of listed companies to lead business with transparency, efficient internal control and risk management, and business and social innovations to achieve long-term corporate stability.

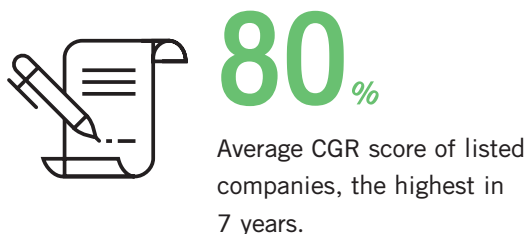
In addition to CG, SET has integrated social and environmental aspects in developing listed company quality, particularly on sustainability strategy development and implementation, through training programs, advisory services, practice guidelines and other tools, SET also promotes transparent disclosure of environmental, social and governance (ESG) information and encourages listed companies to participate in ESG performance evaluation for continuous improvement.

In 2017, SET carried out several activities as follows:

- SET promoted ESG awareness among listed companies through “Social Responsibility Management for Sustainable Development” training modules and workshops to strengthen skills of ESG practitioners. SET also organized several seminars on CG Code of Conduct in compliance with the SEC’s guidelines, internal control, based on COSO’s guidelines, and shareholder meeting guidelines. More than 3,000 executives and staff of listed companies joined the ESG training programs in 2017.
- SET provided ESG advisory programs for 34 newly-listed companies and developed ESG Health Check as a self-assessment tool to promote ESG practices among small and medium-sized listed companies. In 2017, 15 listed companies were selected to conduct a pilot test for the tool implementation.



- SET promoted ESG disclosure through workshops which highlighted local and international sustainability reporting standards. The activities in 2017 are as follows: (417-1)
 - o SET supported the Thai Institute of Directors in the evaluation of Corporate Governance Report (CGR) of Thai listed company. Listed firms were also provided with recommendations to develop their corporate governance practices. In 2017, the average CGR score of listed firms was reported at 80%, reaching a record high in 7 years.



- o SET promoted ESG information disclosure through the annual report. In 2017, 98% of listed companies disclosed ESG information in their annual reports in compliance with the SEC’s 56-1 form. In 2018, SET will develop the Sustainability Reporting Guidelines for listed companies to promote ESG disclosure to meet international reporting standards. SET will also promote investors to use ESG information for their investment decision making.

- o Approximately 11% of listed companies disclosed ESG information in line with the Global Reporting Initiative (GRI) reporting framework.¹
- o According to Corporate Knights and AVIVA’s study entitled “Measuring Sustainability Disclosure 2017”, SET was the only Asian stock exchange that was ranked in the top ten, out of 55 global stock exchanges, for outstanding ESG disclosure of listed companies².
- SET encouraged potential listed companies to participate in world-class sustainability assessment. SET organized DJSI Exclusive Training courses from basic in-class training to advanced in-depth consultation to prepare invited companies for the annual DJSI assessment. In 2017, 17, out of 36 Thai listed companies invited to participate in the assessment, were selected as DJSI members, the 4th highest number of companies from all Asian capital markets. In addition, 35 Thai listed firms were also selected to be included in the FTSE4Good Emerging Indexes, the highest number in ASEAN.
- SET encouraged listed companies to participate in the SET’s annual ESG evaluation for Thai listed firms. In 2017, a total of 90 listed companies participated in the evaluation with the average ESG score equivalent to 66%, the same as last year. All participating firms also received SET’s recommendations for their ESG performance improvement.

¹ Defined as listed companies provided ESG performance information in line with the GRI reporting framework with stakeholder and materiality analysis and the GRI Content Index.

² Selected from listed companies with revenues of over USD 1 billion. There were 46 Thai listed companies.

- In 2017, there were 65 companies selected in the Thailand Sustainability Investment (THSI). These companies were either DJSI members or those that have passed the SET's ESG evaluation, and approved by the THSI working group. The number of THSI members increased by 14 companies, in 2016. In addition, 24, out of 65 listed companies had outstanding ESG performance and received the SET Sustainability Awards, being role models for other listed companies.

In 2018, SET plans to develop a sustainability index as an alternative for investors.

As a result of SET's outstanding ESG development, in 2017 SET received the Best Sustainable Stock Exchange: South East Asia Emerging Market Awards from CFI.co magazine, based in London, England.

Developing Quality Listed Company Professionals

SET has continued to develop skills of investor relations and financial professionals to cope with the demand from listed companies as they play important roles in adding value to the business and to the development of the capital market. In addition, SET has also cultivated new generation of financial analysts to serve the growing demand of the financial industry.

Developing Investor Relations

At present, more than 90% of listed firms have investor relations (IR) executives. SET has carried out a solid plan for IR quality development.

- In 2017, SET provided over 700 IR officers and managers with training programs in 3 levels: Basic IR, Intermediate IR and Advanced IR.
- A total of 10 companies were selected to participate in IR Advisory program. They were provided with in-depth consultation for IR operation development. Over 90 companies have joined the project since 2011.
- SET encouraged listed companies to participate in the annual IR performance evaluation. In 2017, a total of 175 listed companies participated and were informed of the evaluation results and suggestions useful for IR development.
- The outstanding performance and development of listed company IR operations have been well recognized among institutional investors. In 2017, a total of 8 listed companies received 11 IR Magazine Awards, the highest number of listed companies from all ASEAN exchanges.

Enhancing Financier Proficiency

SET has developed skills of potential executives and financiers of listed companies in order to strengthen financial stability of their business. In 2017, related training programs were conducted as follows:

- "Strategic CFO in Capital Markets" course has been designed to promote financial strategy knowledge of listed companies to cope with innovation and technological changes. Two programs were conducted and attracted 120 participants. In addition, the SEC has selected this course to be one of the mandatory orientation courses for financial executives of newly listed companies.
- "Preparation for Financial Reporting Standard Change Concerning Financial Tools" course has been designed to enhance skills and knowledge of financial accounting and reporting staff of listed companies, focusing on the effective implementation of financial principles and concepts. The course attracted 222 participants from 222 companies in 2017.
- "Techniques for Risk Management Analysis of Investment Projects for Sustainable Corporate Value Creation" course has been designed to enhance knowledge and skills required for listed firm financial strategies and risk/opportunity analysis of investment projects. The course was attended by 223 participants from 179 companies in 2017.

Cultivating New Generation Financiers

SET, in cooperation with Thai Listed Companies Association and Thai Investor Relations Club, organized 2017 Young Corporate Financial Officer (YFO), for the fourth consecutive year, to train university students for career development in financial management to meet listed companies' demand. A total of 70 university students from 14 universities attended the training activities. They were offered 2-month internships at 29 leading listed companies.

In addition, SET had also supported activities of several associations in the capital market, including the Thai Institute of Directors (IOD), Thai Listed Companies Association (TLCA), Thai Listed Company Association (maiA), and The Institute of Internal Auditors of Thailand. SET support aims to drive sustainable growth of the Thai capital market.

Entrepreneurship Development

In addition to promoting listed company quality, SET has also focused on entrepreneurship development by honing potential entrepreneurs' skills to develop their business growth. SET also encourages them to make use of the capital market for their business sustainable growth.

Cultivating Startups

- SET initiated the “Innovative Startup @ University” project to offer training for lecturers on entrepreneurship development. They were provided with techniques and teaching methods on how to start and run startups. This was considered a starting point to increase the number of new generation of quality entrepreneurs to the economic system. More than 560 lecturers from universities across the country attended the project.
- SET organized the “STARTUP Evening Class @ SET” project to promote business knowledge and strategies among entrepreneurs, investors in startups and the public. More than 1,300 participants participated in the project.
- SET developed and disseminated simple and clear messages to promote entrepreneurship via a TV program, entitled “Entrepreneur Classroom: Business Growth through Innovation Season 2” on Money Channel. SET also developed a startup case study handbook entitled “SET Your Startup Business Guide: Get to Know Startups”.

Going Public Guides

- SET organized “IPO Roadmap” training course to provide entrepreneurs with knowledge and understanding of how to create business value through the capital market. In 2017, a total of 120 executives from 107 companies attended the training course.
- SET hosted the special seminar, entitled “Law and Tax for Business Restructuring Prior to Listing”. A total of 178 participants attended the seminar.



Promoting Investor Education

Building Quality Investors

Over 1 million retail investors, representing 48% of total trading value, play a significant role in the capital market's overall liquidity. SET therefore prioritizes easy, convenient and timely access to investment product and service information through several channels, including the SET website and social media, to provide investors and potential investors with information for decision-making for investment returns.

Investor Classroom Project

SET has provided over 40 training courses for investors from basic to advanced courses, consisting of:

- Basic courses for beginners: Participants learn about financial planning, investment principles and investment products, such as stocks, derivatives, bonds and mutual funds free of charge.
- Advanced courses for investors: Participants prepare themselves to become professional investors through Intensive Turn Pro course, Turn Pro 1-3 courses. They are provided with analytical tools and get hands-on experience in applying modern investment tools.

In 2017, more than 14,000 participants from Bangkok and other provinces attended the courses.

SET Digital Education Platform

- A digital education platform, which featured video clips, articles, publications and online financial tools, was developed on the SET website to fit lifestyles of today's investors.
- SET launched 20 e-Learning courses and expanded more information channels via social media. In 2017, there were more than 11.80 million views on the SET's investment education platform.

SET Investment Center (SET IC)

- SET has collaborated with the university network from 7 provinces: Chiang Mai, Phitsanulok, Khon Kaen, Ubol Ratchathani, Songkla, Suratthani, and Choburi, to set up SET Investment Centers (SET ICs). The centers serve as financial and investment information hubs, which provide SET resources and textbooks.
- SET has organized Investor Classroom roadshows and encouraged securities firms to conduct seminars at SET ICs. In 2017, more than 17,700 participants attended the activities at the 7 SET IC locations.



11.80 million

Number of views on the SET's investment education platform





Encouraging Responsible Investment

SET has encouraged institutional investors to consider ESG information in investment decision making. SET, in collaboration with the SEC and 11 asset management companies, has set up the “Thailand CG Funds” to promote sustainable investment among the asset management firms by investing in listed firms with a minimum of 4-star CG Rating (conducted by the IOD) and certified as members of the Collective Action Coalition against Corruption (CAC). The benefits from investing in the Funds include reduced corruption and executive bribery risks and unethical shareholder exploitation. Currently, there are 8 Thai CG Funds with the total net assets of THB 2,207 million.

Cultivating Regular Investment Culture

With more than 40 million working people in Thailand, representing only 38% of registered workforce in the retirement savings system, SET has fostered the saving and investing habits among working people to ensure happy retirement through #investnow project, using the concept: Saving to Build Your First THB 1 Million.

- o SET and capital market organizations promoted the Dollar-Cost Averaging (DCA) investment in stocks and mutual funds among working people and students across the country. The DCA strategy, suitable for retirement investment, could help reduce risks from market-timing and increase opportunities for better returns.
- o SET facilitated easy, convenient and timely access to investment information through online programs and applications, including FundConnex and Settrade DCA Order on Streaming. SET also offered investment advisory programs to help the Thai people achieve their financial goals sooner. This resulted in 37,400 new DCA accounts for investment in stocks and mutual funds.

Enhancing Quality of Securities Professionals

Increased Professionalism of Securities Professionals

SET, in collaboration with the Association of Thai Securities Companies (ASCO), Association of Investment Management Companies (AIMC), The Life Assurance Association (TLAA) and related organizations, has developed a development plan for securities professionals, including investment consultant (IC), insurance agent, back-office and human resources staff.

Developing IC Quality

SET hosted the following courses for more than 3,500 ICs:

- o “The IC leader @ Securities and Asset Management Companies” training program to enhance knowledge and skills of IC team leaders. They learned about work and people management and DCA techniques. This helped promote regular investment in securities and mutual funds, in line with the SET’s strategy.
- o Professional development training programs for ICs, classified by products, as follows:
 - Equity Product Specialist project to develop knowledge concerning investment products in the digital era and the swing trading strategy, while building an understanding of investor behavior through Bid-Offer analysis to get investment returns.
 - The TFEX specialist project to develop professionalism of derivatives ICs
 - Junior Investment Consultant project to develop new up-and-coming ICs
 - Evening Class for IC @SET project to develop knowledge and skills necessary for ICs

Expanding Knowledge to Insurance Agents

SET organized the Next Gen Insurance Agent project to develop financial and investment knowledge for insurance agents to enhance the quality of their consultation skills and enable them to pass the IC license exam in the future. In 2017, the SET’s “Financial Mathematics for Non-Finance Professionals” program attracted 871 insurance agents from 21 insurance companies.

Developing Efficiency of Securities Personnel

SET has cooperated with ASCO Training Institute, Compliance Club and Human Resources Club in organizing training to increase skills and capabilities of securities personnel, including back-office and human resources staff. This helps support the growing securities business and enhanced service efficiency.



Enhancing Securities Professional Standards

SET is responsible for standard setting of training programs, examination material design, and tests for securities professionals, including the Certified Investment and Securities Analyst Program (CISA) and License Renewal for Securities Investment Consultant Program which are required for the registration of securities analysts and fund managers.



Standardizing Securities Professional Examinations

- SET oversaw the investment consultant (IC) examinations for over 80,000 applicants. SET made a total of 8 random quality assessment of 2 examination centers to ensure transparency.
- SET developed CISA exams at all 3 levels. More than 2,600 persons took the examinations in 2017.
- SET promoted a better understanding of the structural change of IC license according to the SEC's new principles. SET also developed the "All about IC Licensing" manual with easy-to-understand infographics to explain about the SET's new certified IC examination. SET also organized a meeting to communicate with representatives of financial institutions and related professional associations on the issue to ensure their clear understanding and proper implementation.

Standardizing License Renewal for Securities Investment Consultants

- SET approved 132 license renewal training programs and conducted 19 random quality assessment of 17 certified training centers.
- SET, in collaboration with the SEC and securities companies, has striven to utilize digital technologies in improving IC license renewal efficiency and reduce the license renewal expiration rate. SET is developing the "Professional Link" application, which will be launched in 2019.



80,000+

Number of applicants for investment consultant exams

Cultivating a New Breed of Securities Professionals

SET, in cooperation with related professional associations and university network, has prepared university students to become securities professionals to serve intermediaries' personnel demand through the following projects:

Young Financial Star (YFS) Competition

- SET, in collaboration with Thailand Futures Exchange PCL (TFEX), Muang Thai Life Assurance pcl, PTT pcl (PTT) and other alliances in the capital market, has organized the Young Financial Star (YFS) Competition to cultivate a new breed of securities professionals in the capital market. From 2003–2017, more than 70,000 university students attended the project and learned about investment planning, finance, insurance and corporate social responsibility.
- In 2017, a total of 5,900 students applied to the competition. A total of 274 students from 35 universities across the country could pass the first round of the competition. They learned about advanced financial and investment planning strategies from Thailand's leading trainers and gained hands-on experience in analytical thinking and investment planning. In addition, they also received scholarships for the training and license examination to get career opportunities in the capital market.
- The YFS project produced more than 2,000 quality securities professionals to enter the financial industry and the Thai capital market.

Career Advancement for Securities Professionals

- The “New Breed IC @ U-Net” project encourages university students to participate in IC online training program which provides e-book, e-training, and mock exams. Some students are also provided with scholarships for the IC license examination. A total of 3,307 participants attended the online training program and 524 participants passed the examination.
- The “New Breed Analyst @ U-Net” project facilitates the juniors in universities and graduate students to participate in investment analyst online training. In 2017, a total of 614 students attended the online training courses. A total of 100 students received the CISA level 1 examination scholarships and 15 students passed the exam.



70,000+

Number of students participating
in the Young Financial Star (YFS)
Competition since 2003

YOUNG
FINANCIAL
STAR
COMPETITION
2017

YOUNG
FINANCIAL
STAR
COMPETITION
2017

Employee Development

Synergy at work is key to SET development, benefiting the capital market and society. SET has therefore cultivated the staff with professionalism and social responsibility in the learning environment, while promoting work-life balance, leading towards a healthy and happy workplace.

- Employee development and team building
- Internal communication and employee engagement
- Talent attraction and employee retention





The year 2017 was a challenging year in terms of employee development amid technology transformation to better serve the capital market expansion. SET has therefore focused on efficient human resource management and employee engagement.

Employee Development and Team Building

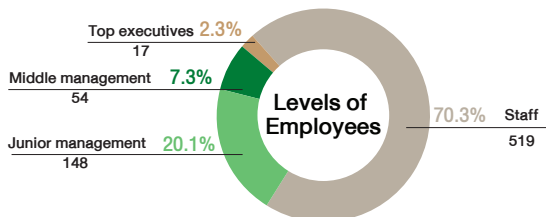
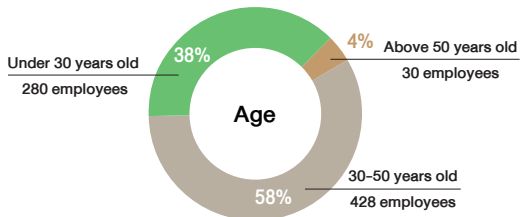
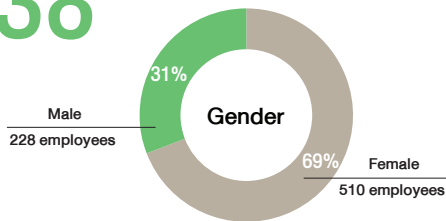
Since synergy at work is key to organizational development and goal achievement. SET recruits and retains competent employees who fit the organizational culture, regardless of gender, age, educational institution or disability. All employees are encouraged to develop themselves in the learning environment through a variety of activities to benefit themselves and the organization.

Corporate Culture (102-16)

SET's core values, or "SET DNA", consist of leadership, proactive behavior, proficiency, partnership and sustainable development. In 2017, SET promoted the SET DNA through several important activities, including SET Innovation Awards, Zero Foam No Plastic project, SET Invest Now. In addition, SET DNA is also instrumental in long-term employee development plans.

Employees (102-8), (405-1)

738



Knowledge Enhancement (404-2)

SET has designed learning courses by taking into consideration industry trends, corporate strategies and SET DNA, using the 70-20-10 learning model:



SET focuses on learning by doing together with effective coaching and mentoring activities. In addition, SET regularly organizes seminars and training activities to enhance knowledge and skills necessary for employees. In 2017, SET organized 286 training courses for executives and staff at an average of 6.9 days per person per year. Other employee development programs are as follows:

- Executive development programs, including Strategy and Innovation for Business in Asia (SIBA), Top Executive Program in Energy Literacy, Top Executive Program in Advanced Insurance Leadership, Executive Development Program (EDP) and Capital Market Academy (CMA) Leadership Program
- Monthly sharing activities which helped enhance knowledge useful for daily life such as healthcare, saving and investment for happy retirement, etc.

- Annual scholarships for local and overseas master's programs in related fields, including finance, economics, information technology, law, entrepreneurship and sustainability management. In 2017, there were 5 scholarships granted to qualified staff.
- Financial support for securities professional and English language training and certification programs.

Average training days (per person per year)

Top executives	9.9
Middle management	5.2
Junior management	6.0
Staff	7.0

(404-1)

Promoting Innovative Thinking

Innovative thinking can help add value to business and society, while unleashing employee potential. In 2017, SET initiated the SET Innovation Awards which attracted 63 teams to compete. They submitted their projects with abundant creativity and efforts in applying technology with their work to become organization-wide innovations.



- The Winner of the Innovation Track (innovation project that has already been implemented): Digital IPO & Smart Listing project. The project features the online system for stock selling and SET listing request submission. The one-stop service could decrease listing documents by over 50% (from more than 100 items), save time and cost in commuting to the SEC or SET, reduce document storage (previously required to store the documents for 10 years) and save time for document review (from 5 days to 0.5 day). During the past 3 years, the project has reduced operational expenses by THB 3.9 million and the amount of documents saved is equivalent to 6,000 trees.
- The Winner of the Creator Track (innovation project that has just been created): e-Proxy Voting project. The project was originated to solve investors' problem of being unable to participate in listed firms' annual general meetings due to other previous engagements or the meetings were held at the same time, causing shareholders to lose their exercise of voting rights and miss important news and information. Therefore, the SET staff has developed e-Proxy Voting system to benefit shareholders. The system also helps listed companies and custodians to reduce the acknowledgment signing and document reviewing by 2,000 hours a year.

Internal Communication and Employee Engagement

Today, communication technology is vital to our work, enabling the staff to easily and timely access to information. In 2017, SET focused on online information distribution with attractive presentation in various formats, including infographics, video clips and motion graphics. Just as important was the two-way communication which facilitated the exchange of ideas for cooperation and organizational development.

Online Communication

In addition to email which is the main communication channel, SET employees communicate and exchange information via SET Intranet, Yammer, SET Enterprise application and LINE.

Communication between Management and Staff

The management and staff communicate regularly through the quarterly Town Hall activities, weekly senior management team (SMT) meetings, monthly management meetings (MM), monthly sharing activities and division and department meetings.

SET Employees' Club (102-41)

The SET Employees' Club acts as the intermediary to connect information and activities between the management and staff. Staff from different departments joined the club to work together to enhance themselves, the organization and society. The Club's activities include monthly merit-making activities, religious ceremonies, blood donation, employee marketplace and product fairs, sports day and New Year party. In addition, the Club members also represent SET employees in joining other activities.



Talent Attraction and Employee Retention



Apart from promoting learning environment for the employees, SET also takes good care of the employee well-being as if they were family members to promote engagement and work motivation. The Welfare Committee has been elected to act as employee representatives in working with the management in taking good care of the employees in various aspects.

Welfare and Benefits (102-41), (401-2), (401-3)

SET employees are provided with welfare and benefits, above the standards required by the law. SET contributes 10% to the provident fund whereas the employees' contribution could reach up to 15%. SET Employee Cooperatives offer low-interest loan services for SET employees. Also, SET employees are provided with health insurance and medical expense reimbursement. In addition, the work-life balance of the employees has also been enhanced through sport activities and the SET fitness center, vacation and Dhamma retreat leave as well as maternity leave. In 2017, there were 10 employees who took the maternity leave and all of them resumed their positions.

Performance Evaluation and Remuneration (404-3)

SET has an effective performance evaluation in line with the corporate strategies and SET DNA. The employees get feedback and performance evaluation results from their supervisors on an annual basis in order to set the individual development plans and career path plans. The evaluation results will be used to consider the employee remuneration and promotion with transparency and fairness. In addition, a remuneration and welfare survey has been conducted to benchmark SET compensation packages against other organizations in the same industry and to be used as reference for remuneration management development.



1:1.11

Remuneration proportion between male and female employees (405-2)

Occupational Health and Safety (403-1), (403-3), (403-4)

SET's occupational health and safety policy complies with the law, the government's regulations, and international standards. The establishment of Occupational Health, Safety, and Environment at Workplace Committee promotes safety awareness among employees, contractors and visitors at the SET building. The following activities were implemented in 2017:

- Safety training courses, including safety staff training, first-aid and CPR training and fire extinguisher training, were held among employees to promote awareness of occupational health, safety and environment at workplace.
- Activities for safety promotion included a fire drill and 4 safety walk surveys.



60%

Number of employees participating in safety training activities

In 2017, there was no incident of accidents at work. In addition, SET also provided special programs for employee healthy lifestyles in other areas:

- Healthcare services, including having a medical doctor and a nurse available at the in-house clinic, Thai massage treatment and health knowledge sharing activities.
- Annual health check-up for all employees
- Spraying virus disinfectants four times in the office building and spraying insecticides monthly to get rid of mosquitoes, termites, ants and dust mites.
- Sports activities and exercise classes such as table tennis, zumba dance, yoga, football, etc.

Employee Engagement

Employee engagement is important for long-term organizational growth. SET has conducted an annual engagement survey among employees through the Little Voice, Great Value project. The survey results are used for human resource development, including leadership development and long-term employee training, in line with the SET DNA.

SET hired Aon Hewitt (Thailand) to conduct the 2017 engagement survey, which scored 74%, higher than the Thailand's top quartile score at 72%.



6.5%

Turnover rate of employees



Social Development

SET focuses on the utilization of organizational potential to promote financial immunity among the Thai people, preparing them for the aging society. In addition, SET also creates synergy via knowledge, resources and business networking to enhance the quality of life of everyone in the society with equality.

- Promoting Financial Literacy
- Promoting Collaboration for Social Impact
- Engaging and Developing Society





The synergy through collaboration among capital market participants is significant to social development. It plays an important role in connecting and engaging the public, private and civil sectors to drive the country's sustainable growth. Therefore, SET has taken the lead in creating positive social impact by using the organization's proficiency in financial literacy to develop the quality of life, in line with the United Nations Sustainable Development Goals (SDGs).

Promoting Financial Literacy

Promoting financial and investment literacy is one of the SET's missions to cultivate financial discipline and saving habits among the Thai people. SET utilizes its resources to promote personal financial management among people from all walks of life to help the youth and the general public efficiently grow their money through saving and investing. This has led to Thais' financial immunity and life quality improvement. In 2017, SET implemented key projects and activities as follows:

Diamond Crown Economics Competition

- SET, in collaboration with Romchatra Foundation, Ministry of Education, The Thai Life Assurance Association, Satriwitaya 2 School under the Royal Patronage, Faculty of Economics, Chulalongkorn University and other alliances in the capital market, organized the 9th Diamond Crown Economics Competition for students from primary and secondary schools and universities to express their skills and knowledge on basic economics, finance, insurance, and Sufficiency Economy Philosophy.
- A total of 6,045 students participated in the 9th Diamond Crown Economics Competition. Over 37,000 participants attended the nine annual competitions, reflecting the success in motivating students to be interested in economics, finance and investment. The project has also offered career opportunities in the capital market in the future.



INVESTORY: Digital Investment Discovery Museum

- In 2016, SET initiated an investment discovery museum named “INVESTORY” to be a digital investment learning center with universal design concept suitable for everyone. The museum has uniquely highlighted the information about the Thai capital market development over the past decades. The discovery center features interactive and easy-to-understand multimedia, creating fun and engaging experience through stock simulation and hands-on investment tools. In 2017, over 40,000 visitors visited the museum.
- The “INVESTORY Mobile Exhibition on School” project has promoted personal finance knowledge to the youth by displaying part of the exhibitions from INVESTORY at 15 schools in Bangkok and the vicinity. More than 40,000 students participated in the activities in 2017.

Maruey Library: Digital Learning Center

- Maruey Library is part of the Capital Market Knowledge Center Network, suitable for everyone, on top of the 7 SET ICs and the 190 SET Corners across the country.
- Maruey is a digital library using modern storing and searching technology to accommodate user information access. The library is equipped with state-of-the-art equipment and facilities, including high-speed Internet, self-service kiosks to enable book borrowing and returning with radio frequency identification (RFID), digital bookshelves and digital content. In 2017, new service systems were developed as follows:
 - o Maruey Networking Toolkits, consisted of library management, business intelligence and library connecting systems to promote efficient resource sharing among the Capital Market Knowledge Center Network which has been accessed by over 600,000 people.
 - o Maruey Online Service, offering online library services, including online book reading, online renewal of borrowed materials and book review, to further facilitate library user resource accessibility. In 2017, there were users accessing to the online book reading service for over 35,000 times and to the book review for over 400,000 times.



600,000

Number of people accessing the Capital Market Knowledge Center Network

Happy Money, Happy Retirement Project

- SET supported the government’s “Public-Private Partnership” program as the head of the Saving for Retirement Committee with the mission to promote financial planning and saving habits to promote financial stability in an aging society.
- SET, in collaboration with the public and private sectors and state-owned enterprises, promoted financial literacy for retirement and saving through Provident Funds (PVDs) and Retirement Mutual Funds (RMFs) for the entire registered labor force of over 680,000 employees from 196 organizations.
- SET educated on financial literacy among non-registered workers, such as motorcycle taxi drivers in the Phra Pradaeng community (south of Bangkok) and senior citizen networks. SET, in collaboration with the Ministry of Social Development and Humanity Security, developed a group of 450 leaders of senior citizen networks to work on promoting retirement planning. Over 878 schools for senior citizens across the country were also equipped with learning materials on retirement planning.
- SET organized “SET Inspire: Happy Money, Happy Retirement” activities to inspire and educate Thai people on retirement planning. Over 1,000 people participated in the activities and learned about retirement planning from motivational speakers from diverse backgrounds, in term of age and profession.



680,000+

Number of employees in the public and private sectors participating in the Happy Money, Happy Retirement project





Promoting Collaboration for Social Impact

Apart from being the country's center of fundraising and securities trading, SET is committed to building synergy between capital market participants, particularly listed firms, and the civil society to enhance the quality of life of the communities and promote positive social impact. In doing so, SET has established the SET Social Impact platform to support collaboration among all related parties through a website, social media, seminars, workshops and training activities. Highlights of activities in 2017 are as follows:

Promoting Social Investment Through Online Channels

- SET established the SET Social Impact website as the center of information, knowledge and news about the civil society. In addition, the website also serves as a channel to promote social products and services. In 2017, there were more than 157,000 views on the website. The members of the website consisted of 61 large-sized companies and 62 social organizations and foundations.
- SET developed the Facebook page to communicate and provide information, knowledge and news about social activities of the business and social sectors. In 2017, there was an average of 33,000 views monthly.
- SET publicized and distributed products of 14 social enterprises through online channels in line with the concept of "Festive Giving to Never Ending Social Giving". In 2017, there were over 8.36 million views counted and over THB 325,000 of revenue generated from the sales of the products.

Developing Social Enterprises

- SET organized the "SE 101 Workshop 2017" to develop social entrepreneur skills useful for business development. The workshop highlighted several topics, including market research, business model construction, business scaling strategies, law, ROI and financial models, social impact assessment, social return on investment and risk management. In 2017, SET held a total of 10 training activities with 40 attendants on average. The activities attracted 7 new social entrepreneurs to participate.
- SET organized the "SE 201 Workshop 2017" to encourage social impact investment among listed companies. In 2017, more than 30 listed companies attended the workshop.

- SET organized the “Impact Sharing” workshop to promote knowledge and skills necessary for social entrepreneurs, such as financial analysis, supply chain management, product design and brand building. In 2017, an average of 30 participants attended the workshop.



Establishing Social Development Network

- SET organized the SET Social Impact Day to connect listed companies and social enterprises and create a network to promote social innovations and social impact investment. More than 550 participants attended the event, creating more than 230 business deals and product sales of over THB 2 million.
- SET established the “SET Social impact: Matching Deals” project to facilitate collaboration between business sector and social enterprises with a focus on creating business deals that help enhance quality of life of the community and the underprivileged. Samples of the initiatives in the project are as follows:
 - o **Pha Pang community-based tourism in Lampang:** SET, in collaboration with a social enterprise named Local Alike and Pha Pang Foundation, supported Pha Pang community-based tourism in Lampang province (in the northern part of Thailand) with the budget of THB 600,000. Villagers in local communities were educated about sustainable tourism. Tour package were developed and provided villagers with an average monthly income of THB 200,000 since December 2017.
 - o **Special children learning development:** SET, jointly with Siam Piwat Co., Ltd. and a social enterprise named BLIX POP, supported learning activities, using the theme of “Children, Let’s Play”, for children and those with special needs. BLIX POP provided toys to support physical and mental development and social skills. In addition, physicians from Samitivej Hospital also educated on child behaviors and development.
- SET, together with mai Listed Companies Association, initiated the “Social Impact Gym by mai Executives” project by inviting 13 senior executives from mai-listed companies to provide insights into business management and entrepreneurship for 12 social enterprises.
- SET, in collaboration with Thai Listed Companies Association, mai Listed Companies Association, The Thai Chamber of Commerce, The Federation of Thai Industries and The Thai Bankers’ Association, held the “Listed Companies Unite for Sustainable Society” seminar. The event showcased the Thai listed firms’ role in promoting corporate social responsibility and solving social problems by providing educational opportunities, developing quality of life for the elderly and the underprivileged, creating employment and developing labor skills, to ultimately bridge the inequality gap and enhance the people’s standard of living.



Engaging and Developing Society

The SET Foundation: Human Resource and Organizational Development

SET has continuously supported the potential development of people, organizations and social networks through the SET Foundation. SET has been promoting social development in many aspects, including recognition of good deeds, religious activities, music, art & culture and sports. In 2017, the highlights of activities in 2017 are as follows:

SET Social Recognition Project

SET, in collaboration with the social network of seven organizations, recognized selected individuals or organizations that have contributed to the social development as role models. In 2017, the SET Foundation presented the Social Recognition Awards to 9 persons who have dedicated themselves to the public good as follows:

- The Thai Library Association developed “Prom Panya Library” at four detention centers in line with H.R.H. Princess Mahachakari Sirindhorn’s initiative. The libraries have provided prisoners with access to learning resources. The Association also renovated four other libraries after being affected by flooding. This benefited over 39,000 library users.
- The Professor Sangvian Indaravijaya Foundation provided scholarships to students studying in bachelor’s and master’s degrees. The Foundation also supported various education-related projects, including restroom renovation for Ratbumrung School in Nakorn Si Thammarat province (in the southern part of Thailand), art classes for students at Submongkol Wittaya School in Chaiyaphum province (in the northeastern part of Thailand), an academic seminar on Thai financial market at Thammasat Business School, Thammasat University and Langkasuka Model project by Professor Dr. Krisana Kraisintu, who received a Professor Sangvian award in 2016.





- The Population and Community Development Association promoted community empowerment through the Super Tambon project, using school-based approach, to promote income and develop local communities. Mechai Pattana School in Buriram was showcased as the model in successfully developing teachers, students and community leaders. Thanks to the project, over 8,000 families in Buriram, Nakorn Ratchasima and Krabi provinces have gained knowledge on community development.
- The Vimuttayalaya Foundation organized the Dharma in the City project to promote dharma for city dwellers. Over 6,000 participants joined 4 activities in the project. In addition, the Grand Master Library in Chiang Rai was also established to be an information center of dharma principles and philosophies of noble monks all over the world.
- The Sugree Charoensook Foundation promoted drug-free society and developed youth talents through music. In 2017, the “Folk Music Helps Children Stay Drug-free” project initiated a Thai traditional music band of students from Wat Lat Sai School in Wang Noi district, Ayutthaya. The project supported students to earn extra income from performances in the community. The project also provided over 500 students in Yala and other three southern provinces with musical learning skills.
- The Football History Association of Thailand established a unique Museum of Siam Football Teams at Sanam Chandra Palace, Nakorn Pathom province to be the learning center with collections of historical information about football in Thailand. In 2017, more than 8,000 participants visited the museum.
- The Duang Prateep Foundation has organized a project to promote drug-free communities for four consecutive years. The project has also supported community-based tourism of Wat Sapan in Klong Toey district in Bangkok, benefiting over 15,000 people.

Religion Support

- SET co-hosted a Kathin ceremony at Sapan Temple in Klong Toey district in Bangkok to raise fund to promote drug-free society in the area. The donation from the SET Foundation, staff and donors totaled over THB 1.11 million.
- SET supported the four “Dharma in the City” activities at Lumpini Park in Bangkok to encourage Bangkokians to apply dharma principles in daily life. More than 6,000 people attended the four activities.

Art Advocacy

- SET and College of Music, Mahidol University, held the “20th SET Youth Musical Competition” to create opportunities for the youth to showcase their musical talents. In 2017, more than 400 enthusiasts applied for the competition. The project has been the stage for over 40 successful artists and attracted more than 20,000 contestants since 1997.
- SET supported volunteer musicians who have dedicated their musical and artistic talents through the “Music Sharing” project. The project developed the underprivileged youths in more than 30 communities nationwide. The “Spirited Away: Music Sharing” concert was also organized for the youths.

Table Tennis Sponsorship

SET and the Table Tennis Association organized the “SET Star Junior Table Tennis” and other table tennis competitions, including the SET Table Tennis Championship, to win the royal trophy from H.R.H. Princess Maha Chakri Sirindhorn. The proceeds went to support table tennis players with disabilities. Other competitions included the international competition of the SET Thailand Junior & Cadet Open, the SET All Thailand Table Tennis Championship and the SET Club Table Tennis. An average of over 3,000 athletes joined each competition. In 2017, the table tennis athletes won the following tournaments, earning reputation for Thailand.

- 2017 SEA Games: Thailand’s table tennis mixed doubles won the first gold medal in 32 years.
- 2018 Youth Olympic Games: Thai athletes under 18 made to the world’s top 50.
- 2017 ASEAN Para Games: Thai athletes won 31 medals, five out of which were SET employees’.





Organizational and Community Support to Bridge Inequality Gap

- SET supported Rakkaew Foundation to promote the community implementation of Sufficiency Economy Philosophy through MOU signing with 8 universities that promoted 17 community development projects nationwide. More than 4,300 students joined the projects and over 26,000 villagers benefited from the projects.
- SET supported volunteers in the “Smile Voice” project in providing audio books to the Foundation for the Blind in Thailand. A total of 273 audio books and articles were handed to the blind.

Making Merits through Stock Sharing Project

Thailand Securities Depository (TSD) has initiated the “Making Merits through Stock Sharing” project to encourage shareholders to donate in the form of securities (a minimum of 1 stock) to Saijai Thai Foundation under the Royal Patronage. The Foundation gathered the donated securities to contribute to the society. In addition, the project has also helped reduce time and expenses in preparing and delivering documents to shareholders that have less than 100 shares. In 2017, the project received a total of 368,647 stocks from 339 donors.



368,647

Number of shares donated to the Making Merits through Stock Sharing project

Interested shareholders can fill in and submit the securities donation form at TSD Counter Service, The Stock Exchange of Thailand Building (Floor 1, Tower B), or at securities firms, or send via postal mail to Thailand Securities Depository Co., Ltd., Customer Service Division, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400.

Environmental Management

Realizing environmental problems and the impact of climate change, SET continues to focus on the utilization of innovation and technology to reduce energy and resource consumption while supporting eco-friendly behaviors of the staff through the concept of 4Rs: “Rethink, Reduce, Reuse, Recycle”.

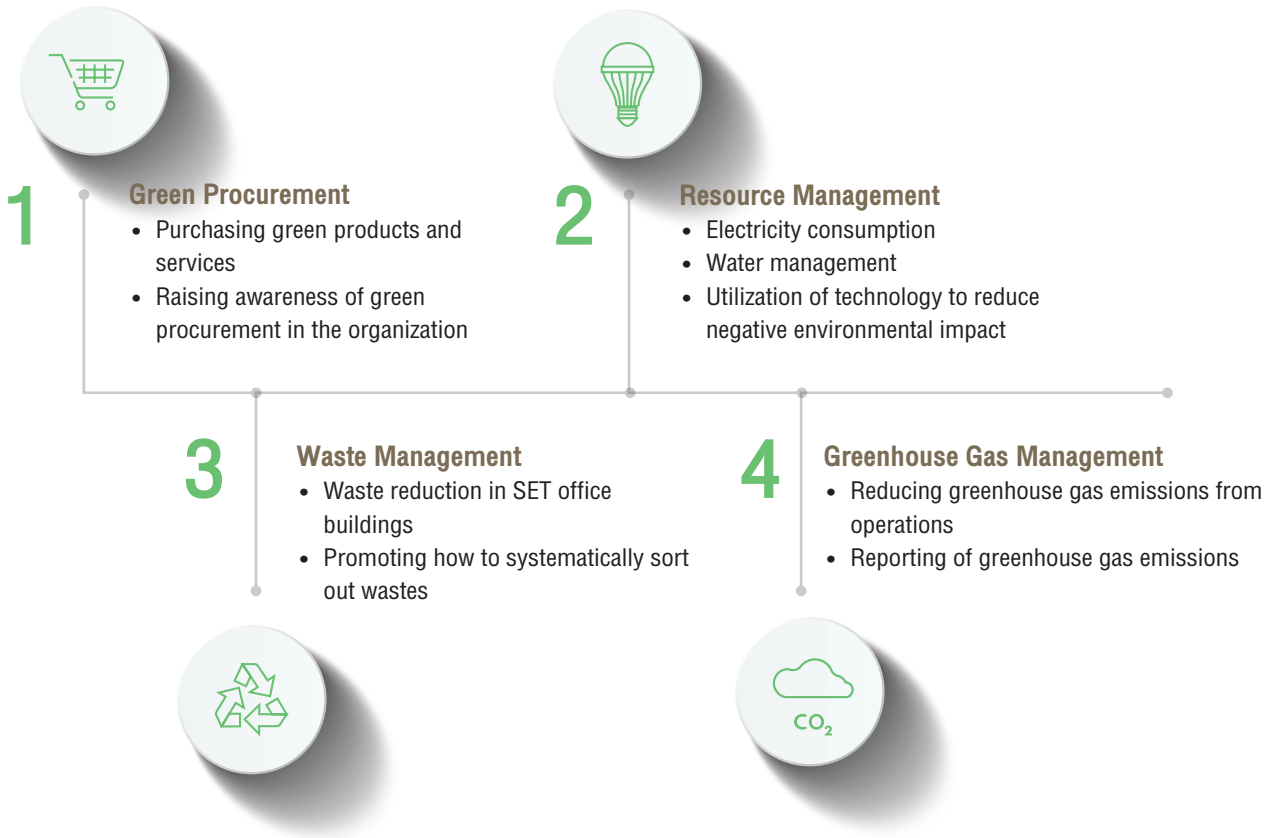
- Green Procurement
- Resource Management
- Waste Management
- Greenhouse Gas Management





SET has developed Energy and Environmental Conservation Policy and set up a working group to continuously develop, monitor and report SET's environmental performance to the management and the Board of Governors. SET also defined material environmental issues to ensure utmost efficient management to minimize SET's environmental impact and increase the efficiency of energy and resource consumption. (102-48)

SET has continued to evaluate environment impact from resource and energy use, particularly from activities in SET office buildings, to develop appropriate environmental management plans and measures to minimize environmental impact and increase energy and resource efficiency.



Green Procurement

Green procurement plays an important part in promoting sustainable production and consumption. SET has therefore developed green procurement guidelines in line with the standards issued by the Ministry of Natural Resources and Environment and the Organisation for Economic Co-operation and Development (OECD). SET's green procurement took the following factors into consideration.



The significant implementation and activities in 2017 are as follows:

- SET implemented the procurement of 17 types of green label products and services certified by environmental standards.
- SET developed the “Green Procurement Guidelines” to create organization-wide awareness and to be a model for other businesses.
- SET developed database of green products and services.
- SET added environmental conditions in the terms of reference (TOR) and supplier contracts, such as dust and noise control.

These activities have increased the procurement value of green products and services to 51%. In 2018, SET plans to achieve the green procurement target of 55%.



51%

Procurement value of green products and services



Resource Management

SET has focused on energy and resource efficiency. Significantly, the SET building has been certified by the Leadership in Energy and Environmental Design (LEED), a widely-accepted green building certification program, at the Gold level.

Electricity Consumption (302-1), (302-3)

Since electricity is crucial for SET operations, SET has implemented several energy-saving initiatives, including using double glazed windows to reduce heat transmission, setting air conditioner temperature in line with the temperature outside the office buildings, installing motion light sensor switches and using LED light bulbs. Moreover, SET installed solar panels on the roof of the parking building and reduced grid power consumption by 65,795 kWh, which saved THB 328,974 in 2017.



3%

Target of electricity consumption reduction in 2018
(302-4)

In 2017, there were more activities, including First Trading Day ceremonies and marketing promotion activities, held at the SET building, compared to the previous year. The total electricity consumption reached 897,300 kWh, showing a slight increase of 1.12% from 2016.

Water Management

SET continues to reduce water consumption and manages to use water-saving sanitaryware, including faucets and pipes, and technology to improve the efficiency of the piping and wastewater treatment systems. In 2017, SET consumed a total of 53,105 cubic meters of water. About 90% out of 8,030 cubic meters of wastewater was treated and reused in building maintenance.

Digitization (302-5)

In the process of becoming a digital exchange, SET not only keeps up with technological changes but also promotes the utilization of IT equipment to improve resource efficiency and reduce energy consumption. In 2017, the following implementation and activities were carried out:

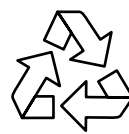
- SET streamlined its enterprise processes, resulting in the reduction of paper use by 20%.
- SET constantly developed tasks and services via electronic systems to lessen process steps and paper documents in securities registrar and shareholder meeting system and shareholder registration systems.
- SET supported administrative work, including meeting room reservation, leave record, medical reimbursement and training registration, via the SET Enterprise application, reducing paper consumption in approval processes and promoting user convenience.
- SET used eco-friendly electronic equipment such as portable laptop computers which save up to 10 times energy compared to desktop computers, multifunction printers which require users to use employee ID cards in printing to reduce paper and ink consumption from unnecessary or unintentional print orders, replacing exhibition boards and PR banners with digital signage and QR codes.
- SET reduced environmental impact of commuting by providing online training activities and seminars, such as online Opportunity Day sessions and Investor Classroom seminars, facilitating investors in accessing SET activities anytime, anywhere.
- SET promoted bike commuting and the use of mass transit and eco-cars. SET also procured corporate cars with hybrid-technology to save gas. In 2017, the corporate cars used up 6,367 liters of gas, a decrease of 8% from 2016.



Waste Management (306-2)

Since efficient and sustainable waste management requires cooperation from all staff, SET has therefore promoted waste management through campaigning and training activities among employees under the concept of 4Rs: “Rethink, Reduce, Reuse, and Recycle”. This initiative resulted in proper waste sorting and awareness of non-recyclable waste problems, including waste recycling challenges for styrofoam, glasses and some certain types of plastic bags. In 2017, the following activities were carried out:

- SET allocated 4 types of bins with distinctive waste signs: recyclable waste, organic waste, non-recyclable waste and toxic waste.
- SET campaigned proper waste separation via Green Market activities.
- SET campaigned the “Little Bin for Each Alley” project to reduce waste and promote waste sorting among staff.
- SET conducted the “Zero Foam No Plastic” project, resulting in a decrease of styrofoam waste by 85%. SET requested for staff cooperation in banning styrofoam containers in the SET building, aiming to achieve zero foam waste by 2018.
- SET promoted plastic bag reuse among all vendors in the canteen.



40%

Amount of recycled and reused waste

The waste amount totaled 20,912 kilograms, a 38% increase from the previous year, since SET hosted more activities in 2017. However, with the staff cooperation in waste separation and efficient waste management, the recyclable and organic wastes accounted for 40% of the total waste, an increase of 10% from the previous year.

Greenhouse Gas Management

Greenhouse gas emissions from business operations are the main cause of the global warming and climate change which, in turn, have negative impact on the business sector in several ways, including natural disasters, the depletion of raw materials and energy, and high production costs. SET places importance on efficient energy and resource management to minimize the greenhouse gas emissions. In 2017, SET managed to:

- Prepare and implement its energy and environmental conservation plans
- Use renewable energy, including solar energy generated from panels on the parking building's rooftop
- Evaluate and report the results of the greenhouse gas emission management in accordance with the carbon

footprint evaluation guidelines of Thailand Greenhouse Gas Management Organization and have the results verified by a third-party expert on an annual basis

The record showed that SET's main source of greenhouse gas emissions is electricity consumption. Therefore, SET has set the goal to reduce the electricity consumption by 3% in 2018. (305-4), (305-5)

In addition, SET also aims to become a low-carbon organization. SET is developing carbon offsetting plans to enhance the organization's environmental management in line with international standards.

Type	Sources of Greenhouse Gas Emissions	Amount of Greenhouse Gas Emitted (Unit : Ton of CO ² equivalent per year)	
		2016	2017
Scope 1 (305-1)	• Organization's automobiles (diesel)	73.56	71.77
	• Organization's automobiles (gasoline)	106.28	97.01
	• Diesel for fire-fighting water pumps	8.82	6.51
	• R-404A refrigerants for air-conditioners	2.13	-
Scope 2 (305-2)	• Electrical power	5,162.06	5,223.18
Scope 3 (305-3)	• Paper	16.24	32.45
	• R-22 refrigerants for air-conditioners	19.37	18.28
Total		5,388.46	5,449.20

With the determination to reduce environmental impact through the implementation of the energy and environmental conservation policy, in 2017, SET was locally and regionally recognized of its environmental management and granted the following awards:

- Thailand Energy Awards 2017: The Award for Excellence in Energy Conservation for EE Creative Building (New and Existing Building) by Department of Alternative Energy Development and Efficiency, Ministry of Energy
- ASEAN Energy Awards 2017: The second runner-up award for Green Building, by ASEAN Centre for Energy
- Green Office Awards: The gold medal (Excellent), by Department of Environmental Quality Promotion and Mahidol University
- Certification of Carbon Footprint for Organizations, by Thailand Greenhouse Gas Management Organization

SET Sustainability Performance Summary

Topic	Indicator	Unit	Performance		
			2015	2016	2017
Revenues and Expenses	Operating revenues	THB million	4,518	5,099	5,006
	Other income	THB million	697	948	1,325
	Total revenues (201-1)	THB million	5,215	6,047	6,331
	Employee benefit expenses	THB million	1,372	1,466	1,569
	Operating expenses	THB million	1,823	1,998	2,249
	Total expenses	THB million	3,335	3,694	3,818
	Income tax expenses	THB million	140	230	504
Sustainability Management	Average board meeting attendance	%	91	91	94
	Number of complaints or reports of misconduct	cases	0	0	0
	Number of suppliers signed to express intent to comply with the SET Supplier Code of Conduct	%	-	52	80
	Customer satisfaction ¹	%	96	85	89
Market Growth	Number of listed companies selected in Thailand Sustainability Investment (THSI)	companies	51	51	65
	Number of listed companies selected in Dow Jones Sustainability Indices (DJSI)	companies	13	14	17
	Number of listed companies selected in FTSE4Good Emerging Indexes	companies	N/A	30	35
	Average Corporate Governance Report (CGR) score of listed companies	%	75	78	80
	Number of listed companies disclosing ESG information in line with the Global Reporting Initiative (GRI) framework	%	N/A	N/A	11
	Number of views on the SET's investment education platform	million views	3.33	4.96	11.80
	Number of new dollar-cost averaging (DCA) accounts for investment in stocks and mutual funds	accounts	-	-	37,400
	Number of applicants for investment consultant (IC) exams	persons	69,500	66,000	80,000
	Number of participants in the Young Financial Star (YFS) Competition	persons	5,792	5,640	5,900
Employee Development	Number of employees by gender	male:female	31:69	32:68	31:69
	Number of employees with disabilities	persons	4	4	4
	Average annual employees training man-days	man-days	5.4	10	6.9
	Number of employees trained on occupational health and safety	%	-	-	60
	Injury rate ²	cases	0	0	0
	Employee turnover rate	%	6	6	6.5

Topic	Indicator	Unit	Performance		
			2015	2016	2017
Social Development	Number of people accessing the Capital Market Knowledge Center Network ³	persons	300,000	250,000	600,000
	Number of employees participating in Happy Money Happy Retirement project	persons	172,000	187,000	680,000
	Number of people who visited the Investment Discovery Museum "INVESTORY"	persons	-	35,000	40,000
	Number of views on the SET Social Impact website	views	-	-	157,000
	Number of members of the SET Social Impact platform	members	N/A	77	123
	Contributions to the SET Foundation	THB million	401	401	221
	Number of shares donated to the Making Merits through Stock Sharing project	shares	-	-	368,647
Environmental Management	Procurement value of green products and services	%	-	-	51
	Total electricity consumption	kilowatt hours	13,315,300	8,868,000	8,973,000
	Total solar power consumption	kilowatt hours	-	68,959	65,795
	Total water consumption	cubic meters	71,137	83,384	53,105
	Total water reused	cubic meters	N/A	17,812	8,030
	Total recyclable waste	kilograms	N/A	2,309	4,843
	Total non-recyclable waste	kilograms	N/A	8,271	12,476
	Total organic waste	kilograms	N/A	1,173	3,551
	Total toxic waste	kilograms	N/A	17	42
	Total GHG emissions – Scope 1	tons of CO ₂ e	N/A	191	175
	Total GHG emissions – Scope 2	tons of CO ₂ e	N/A	5,162	5,223
	Total GHG emissions – Scope 3	tons of CO ₂ e	N/A	35	50

Remark:

¹ The results of the satisfaction survey for SET services among key stakeholders, including listed companies, member companies, asset management firms and the SEC.

² Based on the number of injuries per 200,000 hours worked (100 employees working for 40 hours per week for 50 weeks)

³ Capital Market Knowledge Center Network consists of Mareuy Library, SET Investment Centers and SET Corners.

N/A is Not Available



GRI Content Index

Locations of Disclosure

AR : 2017 SET Annual Report ; Website : SET website

GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
Organizational profile			
102-1	Name of the organization	The Stock Exchange of Thailand	
102-2	Activities, brands, products, and services	5	
102-3	Location of headquarters	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand	
102-4	Location of operations		
102-5	Ownership and legal form	5	
102-6	Markets served	5	
102-7	Scale of the organization	4	
102-8	Information on employees and other workers	37	Goal 8: Decent work and economic growth-Employment
102-9	Supply chain	5	
102-10	Significant changes to the organization and its supply chain	6, 22	
102-11	Precautionary Principle or approach	22	
102-12	External initiatives	11	
102-13	Membership of associations	https://www.set.or.th/en/about/overview/history_p1.html#membership	
Strategy			
102-14	Statement from senior decision-maker	2-3	
102-15	Key impacts, risks, and opportunities	2-3	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	37	
102-17	Mechanisms for advice and concerns about ethics	20	Goal 16: Peace, justice and strong institutions-Ethical and lawful behavior
Governance			
102-18	Governance structure	16	
102-19	Delegating authority	17	
102-20	Executive-level responsibility for economic, environmental, and social topics	https://www.set.or.th/en/about/overview/files/organization/2017_org_chart_en.pdf	
102-21	Consulting stakeholders on economic, environmental, and social topics	27-28	Goal 16: Peace, justice and strong institutions-Inclusive decision making
102-22	Composition of the highest governance body and its committees	16	
102-23	Chair of the highest governance body	16	
102-24	Nominating and selecting the highest governance body	16	Goal 16: Peace, justice and strong institutions-Inclusive decision making
102-25	Conflicts of interest	18-19	Goal 16: Peace, justice and strong institutions-Effective, accountable and transparent governance
102-26	Role of highest governance body in setting purpose, values, and strategy	16	

Locations of Disclosure

 AR : 2017 SET Annual Report  ; Website : SET website 

GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
Governance			
102-27	Collective knowledge of highest governance body	18	Goal 4: Ensure inclusive and equitable quality education-Education for sustainable development
102-28	Evaluating the highest governance body's performance	17	
102-29	Identifying and managing economic, environmental, and social impacts	11-12	Goal 16: Peace, justice and strong institutions-Inclusive decision making
102-30	Effectiveness of risk management processes	22	
102-31	Review of economic, environmental, and social topics	16	
102-32	Highest governance body's role in sustainability reporting	2-3	
102-33	Communicating critical concerns	20	
102-34	Nature and total number of critical concerns	20	
102-35	Remuneration policies	18	
102-36	Process for determining remuneration	18	
102-37	Stakeholders' involvement in remuneration	18	Goal 16: Peace, justice and strong institutions-Inclusive decision making
102-38	Annual total compensation ratio	2017 SET Annual Report	
102-39	Percentage increase in annual total compensation ratio	2017 SET Annual Report	
Stakeholder engagement			
102-40	List of stakeholder groups	10	
102-41	Collective bargaining agreements	39-40	Goal 8: Decent work and economic growth-Freedom of association and collective bargaining
102-42	Identifying and selecting stakeholders	10	
102-43	Approach to stakeholder engagement	10	
102-44	Key topics and concerns raised	10	
Reporting practice			
102-45	Entities included in the consolidated financial statements	5	
102-46	Defining report content and topic Boundaries	11	
102-47	List of material topics	11	
102-48	Restatements of information	9, 11-13, 53	
102-49	Changes in reporting	12	
102-50	Reporting period	1	
102-51	Date of most recent report	2016 SET Sustainability Report	
102-52	Reporting cycle	1	
102-53	Contact point for questions regarding the report	1	
102-54	Claims of reporting in accordance with the GRI Standards	1	
102-55	GRI content index	60-64	
102-56	External assurance	No	

Locations of Disclosure

AR : 2017 SET Annual Report  ; Website : SET website 

GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
Economic Performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	11	
103-2	The management approach and its components	15, 21, 23, 27	
103-3	Evaluation of the management approach	58-59	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	58	Goal 2: End hunger- Infrastructure investments Goals 8: Decent work and economic growth-Economic performance
201-3	Defined benefit plan obligations and other retirement plans	40	
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	40	
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	24	
203-2	Significant indirect economic impacts	27	Goal 8: Decent work and economic growth-Indirect impact on job creation
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	18	Goal 16: Peace, justice and strong institutions- Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	18	
205-3	Confirmed incidents of corruption and actions taken	20	
Environment Performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	11	
103-2	The management approach and its components	53	
103-3	Evaluation of the management approach	58-59	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	55	Goal 12: Ensure sustainable consumption-Energy efficiency
302-3	Energy intensity	55	
302-4	Reduction of energy consumption	55	
302-5	Reductions in energy requirements of products and services	55	
GRI 303: Water 2016			
303-1	Water withdrawal by source	55	
303-3	Water recycled and reused	55	

Locations of Disclosure

 AR : 2017 SET Annual Report  ; Website : SET website 

GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
Environment Performance			
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	57	Goals 13: Take urgent action to combat climate change and its impacts- GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions	57	
305-3	Other indirect (Scope 3) GHG emissions	57	
305-4	GHG emissions intensity	57	
305-5	Reduction of GHG emissions	57	
GRI 306: Effluents and Waste 2016			
306-2	Waste by type and disposal method	56	Goal 12: Ensure sustainable consumption-Waste
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	54	
308-2	Negative environmental impacts in the supply chain and actions taken	54	
Social Performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	11	
103-2	The management approach and its components	28, 37, 39, 40, 43, 46, 48	
103-3	Evaluation of the management approach	58-59	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	41	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	40	Goal 8: Decent work and economic growth-Earnings, wages and benefits
401-3	Parental leave	40	Goal 8: Decent work and economic growth-Parental leave
GRI 403: Occupational Health and Safety 2016			
403-1	Workers representation in formal joint management-worker health and safety committees	40	Goal 8: Decent work and economic growth-Occupational health and safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	40	
403-4	Health and safety topics covered in formal agreements with trade unions	40	

(102-55)

Locations of Disclosure


AR : 2017 SET Annual Report  ; Website : SET website 


GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
Social Performance			
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	38	Goal 8: Decent work and economic growth–Employee training and education
404-2	Programs for upgrading employee skills and transition assistance programs	38	
404-3	Percentage of employees receiving regular performance and career development reviews	40	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	16, 37	Goal 8: Decent work and economic growth–Diversity and equal opportunity
405-2	Ratio of basic salary and remuneration of women to men	40	
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	19	Goal 8: Decent work and economic growth–Abolition of child labor
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	42-51	Goal 1: End poverty in all its forms everywhere–Access to land
413-2	Operations with significant actual and potential negative impacts on local communities	42-51	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	20	
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	28	Goal 12: Ensure sustainable consumption–Product and service information and labeling
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	18	Goal 16: Peace, justice and strong institutions–Protection of privacy

(102-55)


The Stock Exchange of Thailand saves the environment
by printing this report with soy ink on green series paper
to reduce carbon dioxide emissions




 Trees saved
2.2 trees

 Carbon dioxide uptake
0.17 tons

 Water saved
494 liters

 Steam saved
0.07 tons

 Power saved
11 units



The Stock Exchange of Thailand
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel. +662 009 9000 Fax. +662 009 9991
www.set.or.th

