

SET... Make it **Work** for **Everyone**



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About This Report

Objective of the Report

This report was prepared with the objective of disclosing the SET Group's environmental, social, and governance (ESG) performance, and with the aim to:

- Outline SET's vision, strategy, development and key performance on sustainability
- Disclose material sustainability topics that relate to opportunities, risks, and factors that affect the sustainable growth of SET and the Thai capital market
- Disclose ESG performance relating to material sustainability topics

Reporting Scope (102-50)

SET's performance results are consolidated from the period between January 1 – December 31, 2018. The scope is determined by considering the SET's value chain, stakeholders, organizational strategy, and material sustainability topics. Information was collected and analyzed for this report through two following approaches:

1. Interviews of internal units and parties relevant to the scope of this report
2. Quantitative information gathered from externally verified or assured documents or reputable data sources, such as SETSMART and the SET website.

Nevertheless, SET reviews the information and scope of the report each year to ensure that it continues to reflect the changing business environment and stakeholder expectations.

Reporting Approach (102-54)

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

Report Format (102-52)

This report is called a "Sustainability Report" and is produced annually in both print and electronic formats, the latter which is available on the SET website and through social media channels.



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Message from the Chairman (102-14), (102-32)



To Make the Capital Market 'Work' for Everyone

Changes in the global economy and rapid advancements in technology are prompting businesses in the capital market to adapt to maintain their competitiveness. The SET Board of Governors has closely monitored these trends and key changes to ensure that the Thai capital market continues to serve as an effective support mechanism for national development, while keeping in line with the United Nations Sustainable Development Goals (SDGs).

The foundations for sustainable development at the capital market include promoting corporate governance and innovations for business resilience in the ever-changing world. Thus, the Board of Governors is working to foster a corporate governance

culture in the capital market to ensure our stakeholders that SET, listed companies, and all capital market-related agencies have in place transparent internal control systems and effective risk management approaches, which include environmental, social, and governance (ESG) considerations. This will allow us to increase operational efficiency, build investor trust, and bring about added value for the capital market over the long-term.

In addition, the Board of Governors also supports the development of infrastructure and a digital system to enhance the competitiveness of the Thai capital market. We promote an innovation culture for all capital market personnel so that they are ready to embrace technological changes and play a part in creating useful innovations for the market. Furthermore, we support the use of digital technology to provide entrepreneurs with an efficient access to capital and to serve as a tool for spreading investment knowledge to the public in an equitable manner.

Today, the Board of Governors remains committed to making the capital market the center for business opportunities and providing knowledge on finance and investing to entrepreneurs, relevant agencies, and the general public. We will achieve this through a variety of channels and modern technologies geared towards helping all sectors utilize the full potential of the capital market. In doing so, we aspire to build financial security and sustainably enhance the livelihoods for all people according to our vision, To Make the Capital Market 'Work' for Everyone.

Dr. Chaiyawat Wibulswasdi
Chairman

Message from the President (102-14), (102-32)

Create Partnership Platform to Drive Inclusive Growth

At The Stock Exchange of Thailand, we have continued forward in our journey to respond to the rapidly transforming global capital market by developing technologies and innovations for service excellence in fundraising and investment. This has involved enhancing the connectivity of the entire capital market system to support fundraising in the digital era, and supporting infrastructure development to enable all sectors to access and benefit from the capital market – to ultimately bring about economic security and improve the livelihoods of all individuals in society on a wider scale.

In this regard, SET places importance on developing financial technologies and innovations that will increase the competitiveness and capabilities of businesses. Examples are the FinNet platform, which allows us to become a fully integrated digital capital market; a platform dedicated to developing startup entrepreneurs, a platform designed to develop the capabilities and growth of social enterprises, and online channels for disseminating financial knowledge, which aim to build discipline amongst Thai people for saving and investment in order to create financial security.

We have also focused on developing the capital market quality by enhancing the efficiency of listed companies and supporting them to achieve the highest levels of international recognition. This has been reflected by the fact that, for the 5th consecutive year, Thailand had the highest number of listed companies in the Dow Jones Sustainability Indices (DJSI) in the ASEAN region. We were also the only exchange in Asia and emerging markets that received the Market Transparency Awards 2018 of the UN Sustainable Stock Exchanges (SSE)



initiative, which recognized SET for having listed firms with outstanding sustainability disclosure. I believe that this is indicative of how far Thai businesses have advanced by considering environmental, social, and governance (ESG) factors in their operations. Furthermore, to support approaches for sustainable growth, we developed and promoted the Thailand Sustainability Investment Index (SETTHSI) for the first year, and the companies listed in the SETTHSI represented over 53% of the total market capitalization.

The next step for SET is to focus on developing the operational efficiency of the Thai capital market and expanding its degree of competitiveness through technology and innovation. Finally, we are committed to driving all sectors of the economy together towards inclusive and sustainable growth in line with our business strategy, Create Partnership Platform to Drive Inclusive Growth.

Dr. Pakorn Peetathawatchai
President

About SET

Vision

To Make the Capital Market 'Work' for Everyone

The Capital Market is an integral tool for economic growth, and should not be privileged to only some. Hence we work hard to ensure the capital market benefits 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 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 partner and social supporter.
- 5 To continuously "cultivate" ourselves and our stakeholders by investing in **Knowledge Management**, creating, sharing and generating knowledge as part of an intangible asset.

SET's Business (102-2), (102-6), (102-45)

SET is the one-stop center for the purchase and sales, clearing and settlement, depository and registration of securities, and is governed by an effective and transparent governance system. It is also the country's knowledge center for finance and investments, and the central entity that works on the quality development of listed companies, helping them to improve their sustainability practices; building quality investors, entrepreneurs and securities professional, as well as the dissemination of research on the capital market. For more information about SET Group's business, please visit the SET Website and refer to the 2018 SET annual report.



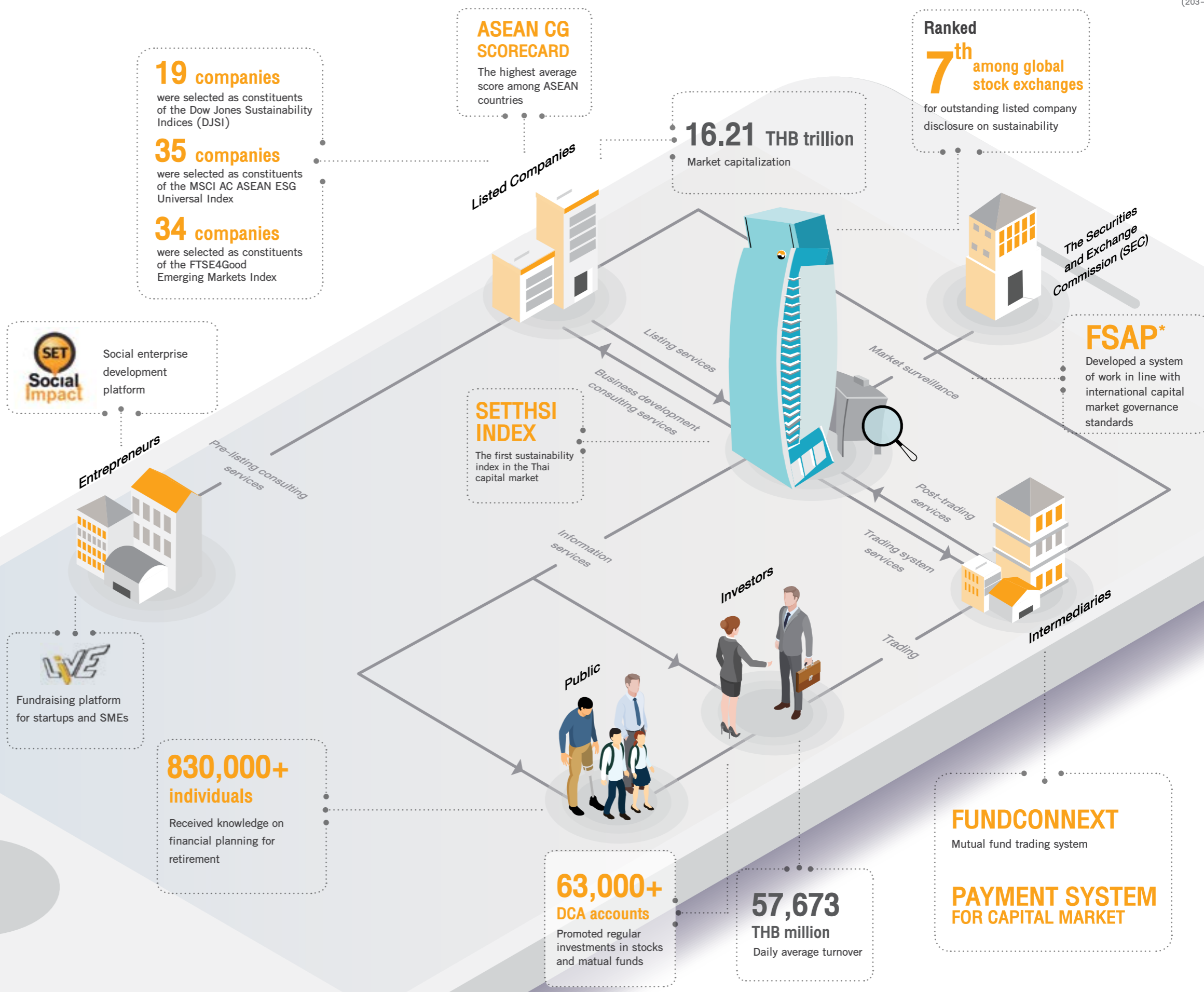
SET's Value Chain (102-6), (102-9), (102-10), (203-2)

SET acts as the intermediary in the capital market, connecting entrepreneurs to sources of funding to raise funds for business development and expansion, and also generates returns on public investment. When businesses in the capital market demonstrate quality growth, the economic and social system as a whole is strengthened as well, and this is then reflected, for example, in the expansion of the employment rate, taxes for national development, and investments in infrastructure.

Guided by this view, SET is committed to developing diverse products and investment innovations, enhancing the quality of listed companies, investors, and securities professionals; governing the organization and the capital market with transparency and fairness; efficiently managing risks while also developing society and the environment for sustainable growth – for the benefits of all stakeholder groups.

(102-7)

- 744** Number of SET employee
- 704** Number of listed companies
- 39** Number of member companies
- 1.13 million** Number of retail investors



* Financial Sector Assessment Program (FSAP) assesses a financial sector's performance to ensure its alignment with the Objectives and Principles of Securities Regulation of the International Organization of Securities Commissions (IOSCO)

SET's Stakeholders (102-42)

SET works with many different parties to strengthen the capital market for robust and quality growth. It focuses on engagements with various stakeholder groups to communicate and respond, appropriately and efficiently, to their expectations, using a diverse and encompassing range of channels.

Stakeholder engagement channels



Meetings



Training & Seminars



Consulting services





Online channels



Satisfaction surveys







Performance reports

Stakeholders	Stakeholder's Expectations <small>(102-44)</small>	Examples of Engagement <small>(102-43)</small>
 <p>Listed companies and Entrepreneurs</p> <ul style="list-style-type: none"> Listed companies in SET and mai Businesses with the potential to be listed on the Exchange 	<ul style="list-style-type: none"> Convenient and easy access to funding sources Fundraising tools and quality development approaches suited to each business Capacity-building initiatives to increase business competitiveness Investor confidence Information, news, and services that are convenient, timely, and accurate 	<ul style="list-style-type: none"> Develop an e-Listing (digital registration) system to reduce the steps, time, and costs of the registration process Offer a variety of fundraising tools to match for business needs Provide startups with fundraising channel, LiVE Platform Develop listed company personnel through training courses, including CEO Networking, Strategic CFO in Capital Market, and investor relations development activities Promote learning among entrepreneurs who are interested in listing on the Exchange through training activities, including the IPO Roadmap course Enhance the quality of businesses by offering training and coaching activities and seminars to enhance their environmental, social and governance (ESG) performance Implement the Regulatory Reform project to increase governance efficiency for listed companies Promote communication between listed firms and investors through the quarterly "Opportunity Day" activity, through both online and offline channels Build trust and communicate investment information through annual investment activities, including Thailand Focus and SET in The City
 <p>Intermediaries</p> <ul style="list-style-type: none"> Securities firms Asset management firms Securities professionals (e.g. investment consultants, investment analysts, financial planners) 	<ul style="list-style-type: none"> Efficient securities trading system which reduces initial costs Reduced complexity in the processes and regulations for securities trading Diverse financial products and services Increased of quality investors Highly competent professionals 	<ul style="list-style-type: none"> Offer a modern trading system and post-trading services that cover all investment products Develop a payment system for the capital market, FinNet, to reduce operating costs for intermediaries Increase efficiency and reduce the process required for securities trading, such as through the T+2 Project, which shortens the securities clearing and settlement cycle to two instead of three working days Develop a diverse range of products, including the CLMV Index, SETTHSI Index, Vietnam ETF, and TFEX Gold Online Futures Implement the Regulatory Reform project to increase efficiency in the trading surveillance Build trust and communicate investment information through annual investment activities, including Thailand Focus and SET in The City Expand the base of quality investors through the INVESTNOW project Develop knowledge standards and regularly assess the examination of securities professionals Develop tools for securities professionals to access information on license renewals, such as the Prof. Link application

(102-21), (102-40),

(102-21)

Stakeholders	Stakeholder's Expectations <small>(102-44)</small>	Examples of Engagement <small>(102-43)</small>
 <p>Investors</p> <ul style="list-style-type: none"> Retail investors Institutional investors Foreign investors 	<ul style="list-style-type: none"> Reasonable and regular returns on investment Low costs and low investment risks Quality of listed companies Efficient and transparent trading processes and system Easy-to-access and sufficient information for investment decisions 	<ul style="list-style-type: none"> Develop convenient, timely, and efficient securities trading channels, including Settrade Streaming Increase efficiency and reduce the processes required for securities trading, such as through the T+2 Project, which helps to reduce transaction costs for investors Promote communication between listed companies and investors through the quarterly "Opportunity Day" activity, through both online and offline channels Build trust and communicate investment information through annual investment activities, including Thailand Focus and SET in The City Foster a regular investment culture (Dollar-Cost Averaging: DCA) through the INVESTNOW project Promote investor knowledge through online and offline channels using the Investor Classroom project Manage investment and capital market data using the SET Market Analysis and Reporting Tool (SETSMART)
 <p>Employees Executives and employees of the SET group</p>	<ul style="list-style-type: none"> Job security and career advancement Self-development and a work environment conducive to learning Work-life balance Communication between management and employees 	<ul style="list-style-type: none"> Establish a Welfare Committee that includes employee representatives who participate in deliberations on employee welfare and benefits Create an employee development plan for all employee levels by conducting onsite and offsite training activities Promote health and well-being for employees, such as providing an exercise facility, a sports field, and other activities organized by clubs, run by employees Support SET's Employee Club to promote engagement between employees and management Organize Town Hall activities on a quarterly basis to serve as a communication channel between management and employees Conduct an employee engagement survey through the Little Voice, Great Value project
 <p>Regulators</p> <ul style="list-style-type: none"> The Securities and Exchange Commission (SEC) Public agencies 	<ul style="list-style-type: none"> Compliance with the Securities and Exchange Act Support for public policies Tax payments 	<ul style="list-style-type: none"> Implement the Regulatory Reform project to increase efficiency in capital market governance Promote engagement through meetings and hearing
 <p>Society</p> <ul style="list-style-type: none"> Press and media Educational institutions General public Social enterprises Foundations, community groups or networks 	<ul style="list-style-type: none"> Efficiency and accessibility to news and information on the movements of the organization and the capital market Financial literacy for youth and the public Quality growth of social enterprises Contributions to social development 	<ul style="list-style-type: none"> Organize monthly SET Talk activities to inform the press and media about the movements of the organization and the capital market Promote sources of learning on finance and investment through the Maruey Library and the INVESTORY museum Set up the SET Social Impact Platform to serve as the center for connecting the private sector, society, and social enterprises to collectively drive social change Support and engage in social development through the SET Foundation

(102-21), (102-40),

(102-21)

SET and Sustainable Development (102-15)



In 2018, capital markets across the world had to significantly adapt themselves to maintain their competitive advantage in the midst of changing landscape of the capital market. This has brought about numerous opportunities and challenges, for example:

- Advancements in technology and innovation have facilitated convenience for users of financial and investment transaction services and enhanced the operational efficiency of financial institutions. However, rapid changes in technology have also led to greater costs for businesses, where they must now invest in new technologies and risk management systems to manage cyber risk.
- In addition, new players have emerged in the finance and investment business in response to changing consumer needs, such as FinTech businesses that provide investors

with new choices. Meanwhile, investor behavior has also changed, for instance, investors want to carry out transactions without going through an intermediary institution, thus resulting in peer-to-peer lending and equity crowdfunding.

- Revisions of regulations to correspond with the current capital market environment mean that businesses in the market must adapt and take time to study and comply with these new regulations, which in turn could potentially affect business targets in situations of high competition.
- Social and environmental changes, include human rights issues, labor issues in the supply chain, and climate change. significantly impact upon businesses and investment, Businesses must therefore adapt and operate responsibly while considering environmental, social, and

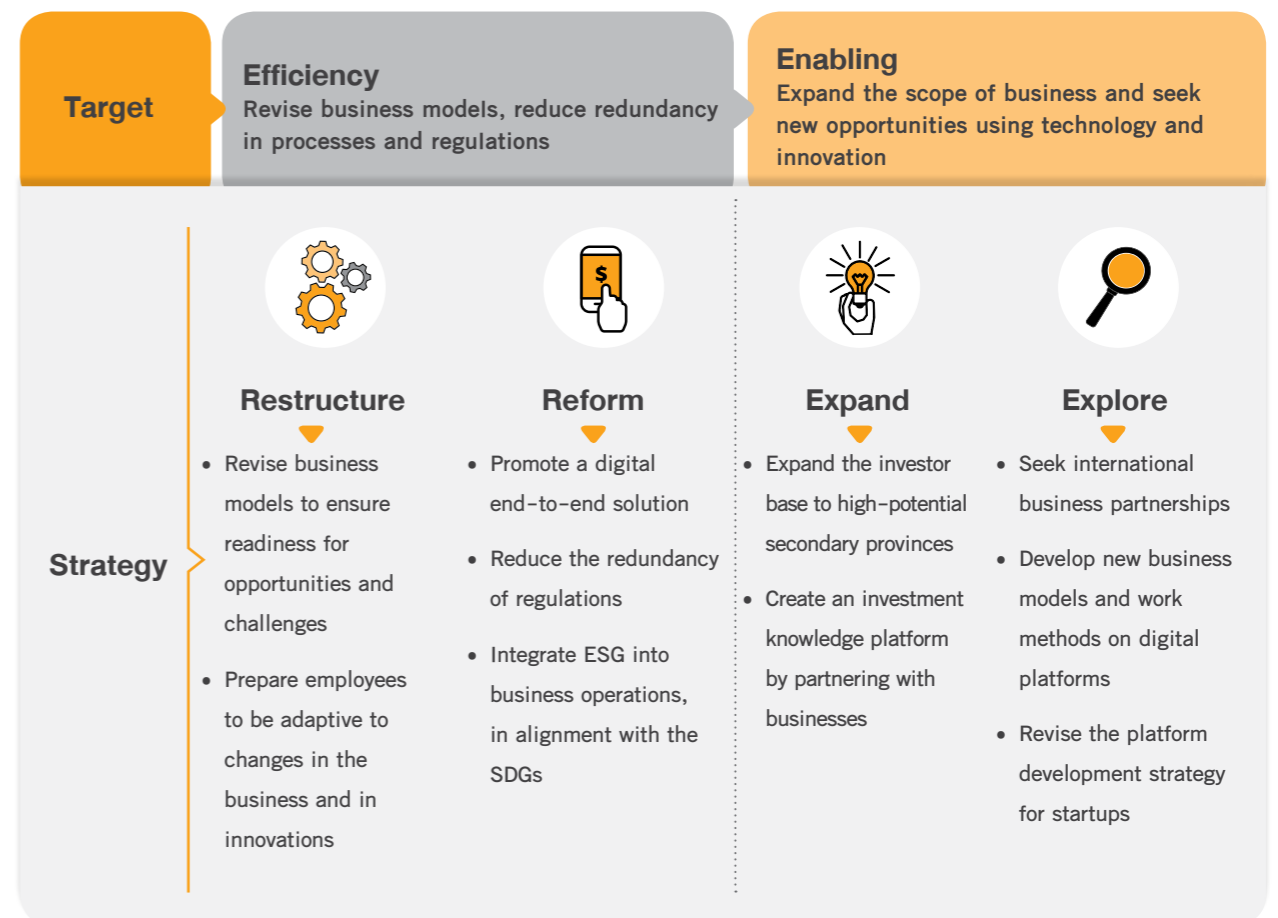
governance (ESG) issues alongside their business growth. Meanwhile, investors are also prioritizing and integrating ESG issues into their investment decisions.

In 2018, SET was therefore committed to business development as well as identifying new opportunities that focused on technology-based infrastructure development, in order to connect with investment opportunities in the digital world. SET also focused on developing a variety of products and services to serve an expanding investor base and to respond to changing investment behaviors; improving work processes for greater efficiency; preparing employees for the growth of the industry; finally, promoting the quality of long-term investments by considering the balanced growth of the economy, society, and environment. This will ultimately

enhance the capabilities of the Thai capital market, enabling it to stand out amongst the intense competition of the global capital market.

In the midst of such changes to the capital market environment, SET continued driving the business forward in 2018 with the vision, “To Make the Capital Market ‘Work’ for Everyone.” This involved focusing on stakeholder engagement and organizational efficiency development, while improving business capabilities through technology and innovation, to increase its competitive advantage and support the sustainable growth of all parties in line with the business strategy “Create Partnership Platform to Drive Inclusive Growth,” which is guided by four key strategies: Restructure, Reform, Expand, and Explore.

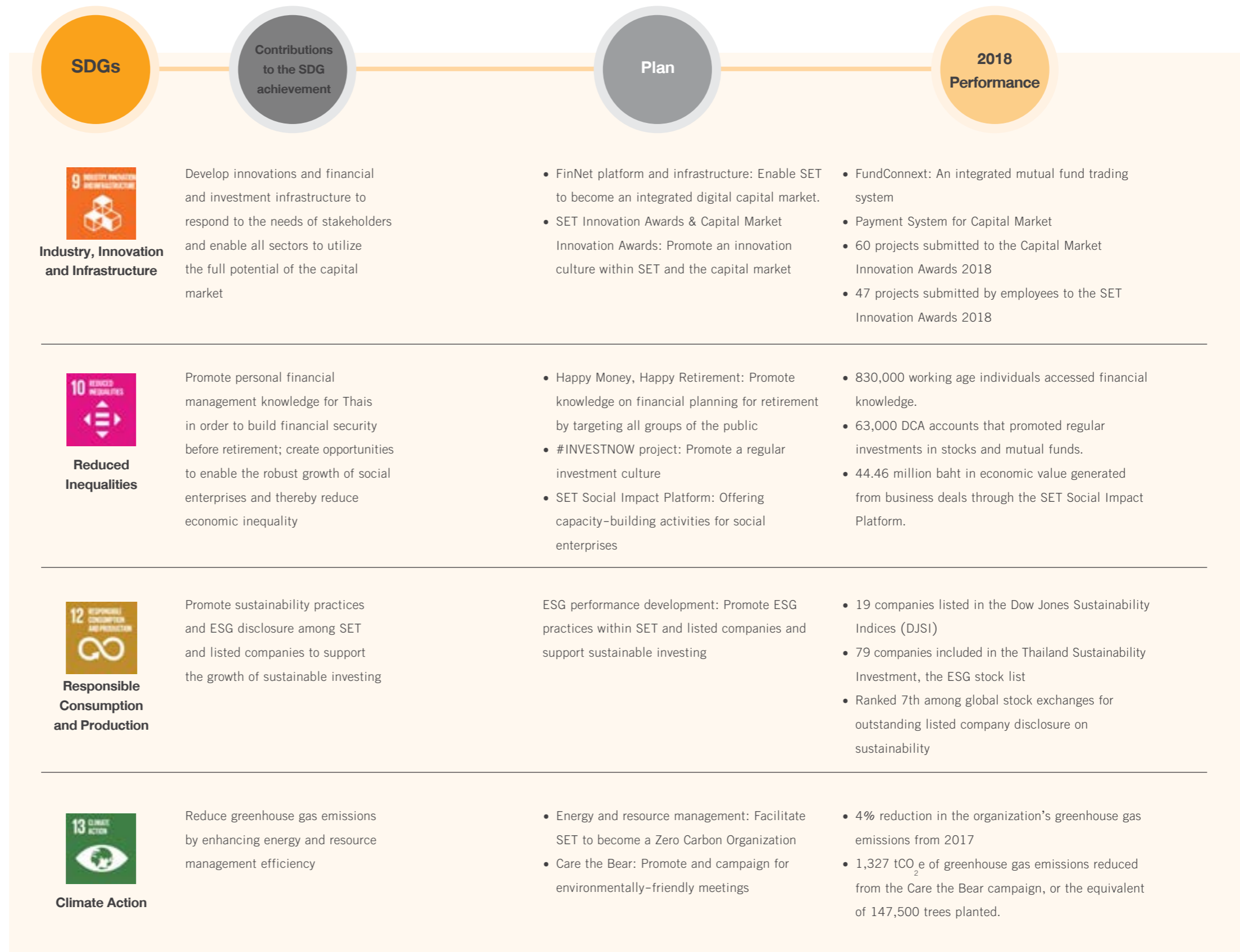
2019 Corporate Strategy



SET and the SDGs

SET's organizational strategy reveals that it does not merely have a role in supporting and delivering benefits to stakeholders in the capital market; it also has a part in promoting the balanced and sustainable growth of wider society. Indeed, SET is an important mechanism that can steer the capital market towards creating positive results for the economy, society, and environment in both direct and indirect ways, in alignment with all 17 of the UN Sustainable Development Goals (SDGs). Key achievements related the SDGs include:

- Integrating ESG issues as part of day-to-day operations in support of the SDGs
- Disseminating information and knowledge and promoting ESG guidelines that align with the SDGs for listed companies and investors
- Collaborating with partners to drive achievement of the SDGs



Sustainability Materiality Analysis (102-46), (102-48), (102-49)

Sustainable development at SET requires the involvement of everyone in the organization to collectively steer the business forward in harmony with society and the environment. For this reason, SET has identified material sustainability topics that impact upon the business and stakeholders, according to the GRI Standards, as follows:

- 1** Identifying material sustainability topics
- 2** Prioritizing material sustainability topics
- 3** Implementing action on material sustainability topics
- 4** Reporting sustainability performance



1. Identifying material sustainability topics

- Since 2014, the SET Board of Governors established the SET Sustainability Framework, consisting of five dimensions: Sustainability Management, Market Growth, Employee Development, Social Development, and Environmental Management, to serve as a framework for SET's operations and sustainability disclosures, which is used to this day. (102-29)
- In 2018, SET operated under the Sustainability Framework with consideration for changing business environment, alignment with business strategy, stakeholder expectations, and new standards and sustainability guidelines, including the CG Code developed by the SEC and the United Nations Sustainable Stock Exchanges (SSE) initiative. The material topics were as follows:



SET Sustainability Framework

Material Topics (102-47)

Sustainability Management

Operate on the principles of good corporate governance and responsibility to stakeholders, and commit to adding business value through innovation.

- Good corporate and capital market governance
- Sustainability risk management
- Developing products, services and innovations for sustainability

Market Growth

Improve the quality of the capital market by enhancing the sustainability performance of listed companies, intermediaries, and investors.

- Developing the quality of listed companies
- Developing the quality of investors
- Developing the quality of securities professionals

Employee Development

Promote employee development through the SET DNA Culture by encouraging innovative thinking for business and social development.

- Fair employment practices
- Employee development
- Employee well-being

Social Development

Share corporate resources with society by collaborating with all sectors to improve the qualities of life of individuals in society.

- Promoting financial literacy for public
- Promoting social enterprises
- Engaging and developing society

Environmental Management

Prevent and mitigate negative impacts on the environment caused by business operations, by enhancing energy and resource management efficiency.

- Efficient resource and energy use

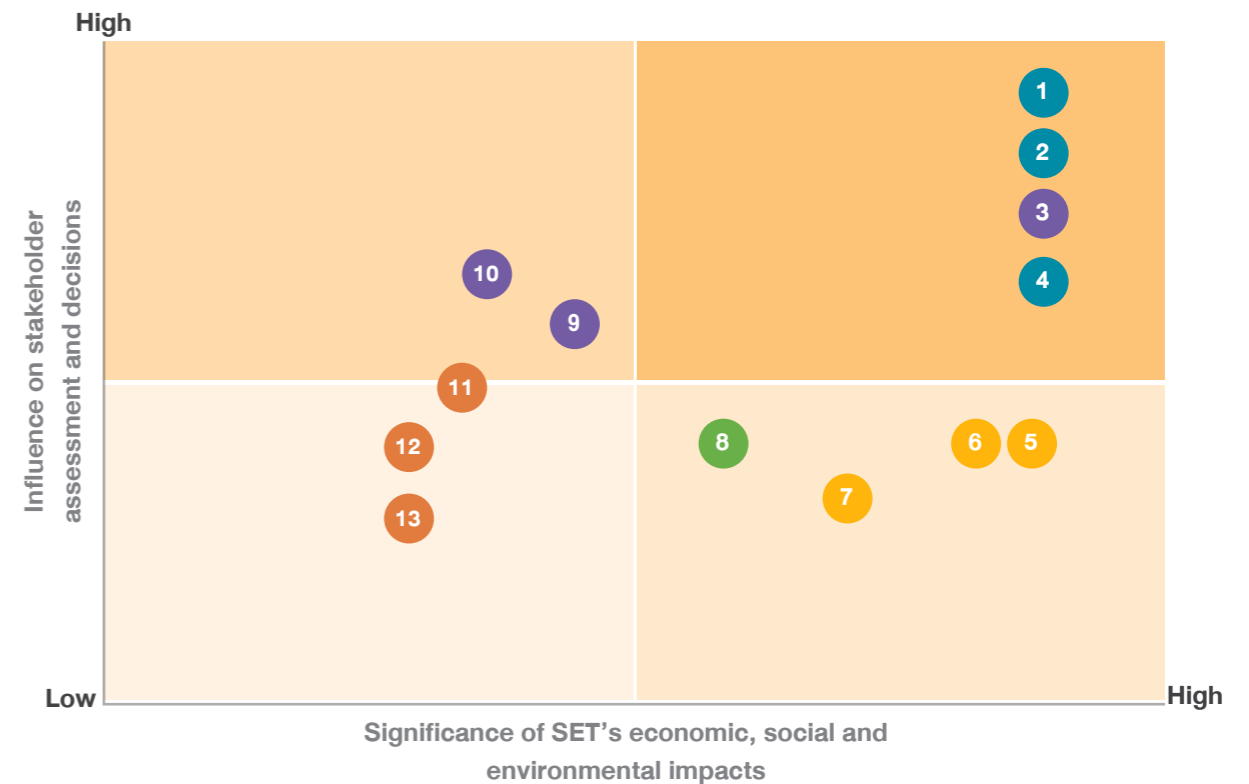
(102-29)

- SET engaged with internal and external stakeholders on various material sustainability topics, in alignment with the expectations of each stakeholder group. (102-12), (103-1)

SET Sustainability Framework	Material Topics	Stakeholders					
		Internal			External		
		Employee	Listed companies and entrepreneurs	Intermediaries	Investors	Regulators	Society
Sustainability Management	Good corporate and capital market governance	●	●	●	●	●	
	Sustainability risk management	●	●	●	●	●	●
	Developing products, services and innovations for sustainability	●		●			
Market Growth	Developing the quality of listed companies		●				
	Developing the quality of investors				●		●
	Developing the quality of securities professionals			●			
Employee Development	Fair employment practices	●					
	Employee development	●					
	Employee well-being	●					
Social Development	Promoting financial literacy for public				●		●
	Promoting social enterprises		●				●
	Engaging and developing society						●
Environmental Management	Efficient resource and energy use	●	●				●

2. Prioritizing material sustainability topics

SET analyzed and prioritized material sustainability topics based on the significance of SET’s economic, social and environmental impacts and the stakeholder assessment and decision. These topics were used to determine the organization’s sustainability operations and relevant approach.



- | | |
|---|--|
| 1. Good corporate and capital market governance | 7. Employee well-being |
| 2. Sustainability risk management | 8. Efficient resource and energy use |
| 3. Developing the quality of listed companies | 9. Developing the quality of investors |
| 4. Developing products, services and innovations for sustainability | 10. Developing the quality of securities professionals |
| 5. Employee development | 11. Promoting financial literacy for public |
| 6. Fair employment practices | 12. Promoting social enterprises |
| | 13. Engaging and developing society |

3. Implementing action on material sustainability topics

SET implemented action on the material sustainability topics, using the Plan-Do-Check-Act (PDCA) approach to ensure concrete results. In doing so, SET clearly outlined plans and targets for each material sustainability topic, emphasized stakeholder engagement, and regularly monitored and compared actual performance against indicators and targets.

4. Reporting sustainability performance (102-31)

SET consolidated and reviewed its performance of material sustainability topics, according to the SET Sustainability Framework, at least once a year to promote ongoing improvement and apply the findings to business development.



3 : 8

Number of female to male governors

FSAP

Participation to elevate capital market governance to international standards

100%

Number of management and employees that passed the CG Education course examination

45

Sustainable stocks in the SET Thailand Sustainability Investment Index (SETTHSI)



Sustainability Management

SET steadfastly upholds the principles of corporate governance and social responsibility in its business conduct. It is committed to continuously elevating the governance standards of the organization and the capital market, increasing risk management efficiency to ensure its alignment with the current business environment, and developing product and service innovations to create value for business and society.

Good Corporate and Capital Market Governance

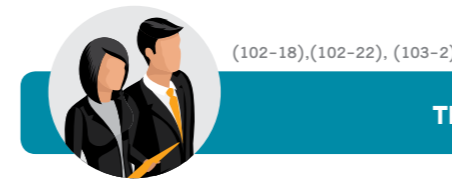
The SET Board of Governors

The SET Board of Governors (“the Board”) is composed of highly knowledgeable and skilled experts who represent a diversity of experiences, and together support the development of both the organization and the capital market. The Board carries out responsibilities in accordance with the stipulations of the SET group 2017 Corporate Governance Policy and Code of Conduct, the Securities and Exchange Act B.E. 2535, the Corporate Governance Principles of the Organisation for Economic and Co-operation and Development (OECD), and the Corporate Governance (CG) Code for Listed Companies issued by the Securities and Exchange Commission (SEC).

- **Board Structure** (102-18),(102-22), (103-1)

The Board consists of 11 governors, of which include:

- 10 non-executive governors, who are appointed for a 2-year term and are eligible for reappointment, but not for more than 2 consecutive terms.
- 1 executive governor (the President), who is appointed for a 4-year term.



(102-18),(102-22), (103-2)

The Board of Governors

Non-Executive Governors

5

Appointed by the SEC

5

Elected from SET’s member meetings

Executive Governor

1

The SET President, appointed by the 10 governors

- **Roles and Responsibilities of the Board** (102-26)

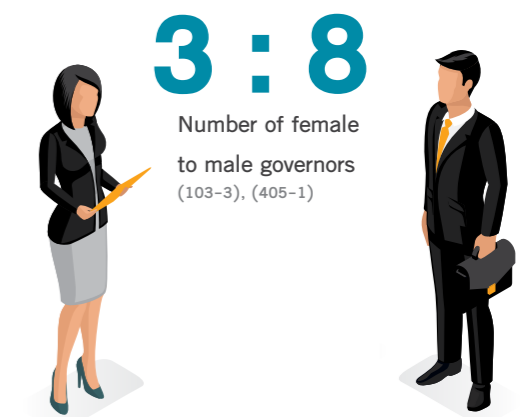
The Board has roles and responsibilities that are independent from the SET management, according to the Securities and Exchange Act B.E. 2535. In addition, the “Chairman” must not also hold the position of “President,” and must not have any relationship with the management to ensure efficiency in oversight and checks and balances. In 2018, key achievements of the Board included:

- Holding board meetings to deliberate, review, and approve policies, plans, and budgets that were proposed by management. In 2018, the Board held a total of 17 meetings, which reported an attendance rate of 91%. During these meetings, the Board reviewed the Corporate Governance Policy and Code of Conduct of the SET Group, the Information Technology Management Policy, and safety and security measures for information technology systems.
- Overseeing the efficiency of internal controls and risk management, and reviewing management performance against SET’s vision, mission, targets and business strategies.
- Establishing the efficiency of criteria and processes for recruiting and compensating senior executives, and monitoring the implementation of Succession Management Plans. In 2018, the Board appointed Dr. Pakorn Peetathawatchai as President, effective June 1, 2018, to succeed Mrs. Kesara Manchusree, who completed her term on May 31, 2018. The recruitment process for the SET President position was carried out in a fair and transparent manner, while giving due consideration to the alignment of the candidate’s qualities with the direction of SET’s business development.

- Appointing governors with diverse knowledge, expertise, and experiences to positions on the Audit Committee, Selection and Remuneration Committee, Corporate Governance and Social Responsibility Committee, and Risk Management Committee. These committees have responsibilities in considering relevant matters before proposing them to the Board. (102-19)

- **Reviewing the Remuneration of Governors and Senior Executives** (102-35), (102-36), (102-37)

The Selection and Remuneration Committee is responsible for evaluating the criteria for remunerating and providing benefits to the Chairman, governors, and committee members, according to their assigned roles and responsibilities, before proposing their remuneration packages for approval at the meeting of member companies. Senior executives receive remuneration and benefits, determined by the SET Board of Governors, based on the executives’ individual performance as well as overall organizational performance. Details on the remuneration of governors and senior executives can be found in the 2018 Annual Report.



3 : 8

Number of female to male governors (103-3), (405-1)



Assessing the Performance of the Board and the President

The SET Board of Governors annually conducts performance assessments in accordance with the Corporate Governance Policy and Code of Conduct of the SET Group. The Corporate Governance and Social Responsibility Committee is assigned the role of deliberating on the assessment criteria and summarizing the performance of governors to present to the Board each year. In addition, it also determines the assessment criteria for the President by considering the organization’s overall performance and his/her performance in line with the Board’s policies, to ensure that remuneration is commensurate with the President’s performance. Details on the performance assessment of the Board can be found in the 2018 Annual Report. (102-28)

Governor Development

The Board regularly undergoes knowledge development trainings which are determined based on assessments of their skills, knowledge, and abilities. In 2018, governors gained knowledge on technology and innovation changes that may impact upon the organization and the capital market, through courses, including the IT Governance and Cyber Resilience Program and Advanced Audit Committee Program. Not only that, SET has developed a Directors’ Handbook and organized a new governor orientation program to introduce SET Group’s business, which will prove beneficial to their learning and for carrying out their duties. (102-27)

Corporate Governance for Sustainability

The Board has assigned the Corporate Governance and Social Responsibility Committee the role of screening and monitoring performance, in line with the Corporate Governance Policy and Code of Conduct of the SET Group, and presenting performance results to the Board on a quarterly basis. In 2018, the Board approved corporate governance development plans for the SET Group to promote a CG culture among governors, management, and employees. Key achievements were as follows:

- Organized the CG Education course to train and test the knowledge of management and employees regarding compliance with the Corporate Governance Policy and Code of Conduct of the SET Group. For further information please see the section, “Promoting the SET Code of Conduct.”
- Improved the efficiency of corporate governance in the procurement process and reviewed compliance with anti-corruption measures. For further information please see the section, “Sustainability Risk Management.”
- Reviewed and revised guidelines in the Code of Conduct of the SET Group for greater efficiency, as follows:

Code of Conduct and Compliance

(102-34)

SET Group Code of Conduct	Examples of Measures and Guidelines	2018 Performance
<p>Anti-corruption (103-1), (103-2)</p>	<ul style="list-style-type: none"> • Anti-corruption measures are established and assessed compliance with the measures in line with the guidelines of the Private Sector Collective Action Coalition Against Corruption (CAC). • Risk assessment is conducted to determine approaches for preventing corruption and conflicts of interest to increase efficiency and transparency in the procurement process. • The No Gift Policy is communicated the policy, is to management, continuously implemented and employees, suppliers, and related parties for their compliance. 	<ul style="list-style-type: none"> • Communicated anti-corruption measures to all new employees for their information and compliance. (205-2) • SET conducted a self-assessment in line with the requirements of the CAC to ensure that SET has efficiently adopted the anti-corruption guidelines, and proposed the assessment results to the Audit Committee for their approval. • No behaviors or actions indicating tendencies for corruption or violations of SET’s anti-corruption measures were found. (103-3), (205-3)
<p>Acquisition or disposal of securities by governors, management, and employees</p>	<ul style="list-style-type: none"> • SET’s governors, including their spouses, those living and cohabiting as husband and wife, and children who have not yet reached legal age, must report their acquisition or disposal of listed securities in a transparent manner. • SET Group’s Management and employees, including their spouses, those living and cohabiting as husband and wife, and children who have not yet reached legal age, must request approval for and report the acquisition or disposal of listed securities in a transparent manner. 	<p>No violations or breaches of requirements on the acquisition or disposal of securities were found among governors, management, or employees, including their spouses, those who live and cohabit together as husband and wife, and children who have not yet reached legal age.</p>
<p>Preventing and managing conflicts of interest (102-25)</p>	<ul style="list-style-type: none"> • Employees are prohibited from assuming positions as director or advisor in listed companies and/or member companies. • To assume a position in another company, an employee must first receive an approval from the President. In the case of the President himself or herself, an approval must be granted by the SET Chairman. • In the case that employees and their related parties express their intention to become SET suppliers, the employees must disclose, in writing, their relationships to the associated party, and have no involvement in the decision-making on the procurement. 	<p>No cases were found in which management or employees assumed a position as a director, committee member, or advisor in a listed or member company – with the exception of SET Group’s subsidiaries or agencies that are related to capital market development, as these do not pose conflicts of interest for SET Group’s business.</p>
<p>Data security (103-1), (103-2)</p>	<ul style="list-style-type: none"> • Employees are encouraged to organize data according to its level of confidentiality in a systematic and efficient way. • Internal control measures on data and information technology system access are established to prevent the risk of confidential data leakages that may impact upon the security of the information technology system. 	<p>No confidential data leakages were found. (103-3), (418-1)</p>

In addition, SET has encouraged its suppliers to adhere to the SET Supplier Code of Conduct, thereby supporting its suppliers in conducting their businesses on the principles of good governance and consideration for social and environmental impacts. SET has also communicated its anti-corruption measures to suppliers and prospective suppliers to ensure their compliance and implementation during the procurement process, for example, by declaring their intention to combat corruption during the price bidding stage; through the purchase order form; and through the draft of the terms of reference. In 2018, 41% of all suppliers signed an acknowledgement of their compliance to the SET Supplier Code of Conduct.

Efficient Capital Market Governance

The Board prioritizes the governing of the capital market in an efficient and transparent manner, as it is vital to the trust of stakeholders and the overall stability of the capital market. In 2018, important achievements were as follows:

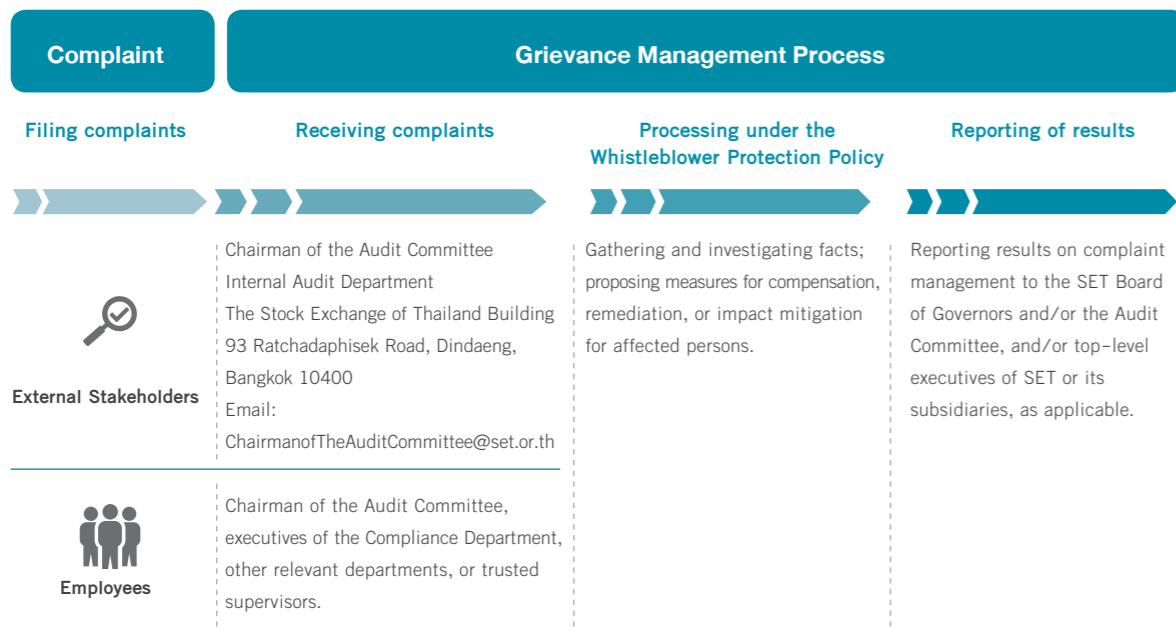
- Participated in the Financial Sector Assessment Program (FSAP) to elevate standards of operations and capital market governance in accordance with the Objectives and Principles of Securities Regulation of the International Organization of Securities Commissions (IOSCO). The assessment involved surveying relevant parties for their opinions on the criteria, regulations, and capital market governance measures in order to integrate their feedback to develop and improve the efficiency of the capital market governance process, for the benefit of all parties.

- Implemented the Regulatory Reform project since 2018 to review and revise overlapping regulations; to reduce the regulatory compliance burden of listed and member companies; and to increase the transparency and efficiency of the capital market supervision system and measures. In 2018, SET added a cautionary measure for investors, the “C” (Caution) symbol, to serve as a warning in the case that listed companies encountered incidents which might impact their financial standing or business operations.

Furthermore, the Board places importance on the accurate and transparent disclosure of information by listed companies, to make sure that investors have sufficient and complete information on hand for their investment decisions. SET also has in place a governance system and measures on securities trading for related parties to ensure that they comply with securities trading rules and regulations in a transparent manner.

Whistleblowing and Complaint Filing ^{(102-17), (102-33)}

SET provides channels for whistleblowing and reporting complaints in the event that an incident is found to violate the law, SET Group’s CG Policy and Code of Conduct, or behaviors that might lead to corruption by directors, management, employees, or SET’s suppliers. The process for reporting complaints and whistleblowing is indicated below:



Sustainability Risk Management ⁽¹⁰²⁻¹¹⁾

Overview of Risk Management at SET

The Board of Governors has assigned the Risk Management Committee the responsibility of determining policies and enterprise risk management plans according to the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Risk Management Department is responsible for providing management with recommendations on the accurate implementation of risk management approaches, including on Risk and Control Self-Assessments (RCSA) and monitoring key risk indicators. The Department also reports risk management results to the Risk Management Committee on a quarterly basis, prior to submitting the results to the SET Board of Governors. Details and performance on risk management is reported in the 2018 Annual Report. ⁽¹⁰²⁻³⁰⁾

Sustainability Risks

SET gives due consideration to risk factors relating to economic, social, and environmental aspects that may impact upon, or become opportunities for creating value for, its stakeholders. SET’s risk management framework therefore covers sustainability issues to ensure that it is able to continue, uninterrupted, with business operations and value creation for its stakeholders. Key risk issues and progress on those issues include:

Information Technology Security Risks

With advancements in technology, financial businesses now confront cyber-related threats. SET has therefore consistently worked to improve the security of its information technology systems in line with the ISO/IEC 27001 Information Security Management standards. In 2018, SET did not encounter any cases of cyber-attacks or errors related to data security protection. Key achievements included:

- Conducted tests on computer systems to support new transactions before real-life application, such as for the capital market payment system, and the shortening of the securities clearing and settlement from T+3 to T+2.
- Assessed risks and tested the efficiency of the security plans for the information technology systems to protect and prepare the systems for continuous operations in the event of an emergency.
- Communicated and disseminated knowledge on security of information technology systems among employees through emails.
- Supported modern tools to protect against and monitor cyber threats, including Antivirus and Anti-malware, Firewall, and DDoS Protection Service.

• **Corruption Risks** (205-1)

Corruption is a risk that, should it occur, can severely impact upon the level of trust in the capital market. Given this, SET has required that corruption be a key risk issue for the organization. All departments must conduct evaluations, determine management measures, and regularly monitor corruption risks in their own departmental operations – to make sure that SET’s anti-corruption measures are adequate and efficient. In 2018, key achievements were as following:

- Assessed corruption risks in the procurement process. Criteria were also revised and guidelines were implemented to improve the efficiency of efforts in preventing corruption, conflicts of interest, or non-transparency in the procurement process. Suppliers were also encouraged to comply with anti-corruption measures through the SET Supplier Code of Conduct.
- Evaluated compliance with anti-corruption measures by carrying out a self-assessment according to the CAC project to ensure that the measures were effectively implemented in overseeing the organization’s activities.

• **Occupational Safety, Health and Workplace Environment Risks**

SET established the Occupational Safety, Health, and Workplace Environment Committee to oversee the enactment of policies and plans on occupational safety, health, and workplace environment, with the aim of preventing accidents or incidents that may cause damages to lives or assets. As part of this, SET conducts risk assessments, monitors, and reports performance according to the aforementioned policies and plans to management on a monthly basis. Furthermore, SET promotes knowledge on safety practices among employees and other related parties. For more information and details on performance on occupational health, safety, and workplace environment, please refer to the section, “Employee Well-being”

Business Continuity Management

SET places importance on Business Continuity Management (BCM), including Incident Confrontation Plans, Crisis Management Plans, Business Continuity Plans, and IT Disaster Recovery Plans. These plans are reviewed, rehearsed, and tested, according to the BCM approach, on a yearly basis, together with related agencies in the capital market, to prepare for emergencies and crisis incidents. This ensures that SET still has in place sufficient personnel, work systems, physical work locations and secondary work locations to efficiently run securities trading services, even in crisis situations.

Emerging Risks

Technology plays a major role in the financial sector today. As a result, SET is determined to develop and adapt itself in time with technological change in order to enhance its capabilities and competitive advantage, and to identify new business opportunities that can create added value for relevant parties in the industry.

In this view, SET supports the use of technologies and innovations to develop the efficiency of end-to-end services, and to create platforms to provide services through digital systems and infrastructure for the industry. Examples include an intermediary system for mutual funds, payment platforms, as well as information transfer systems that can support changes in digital technology. In addition, SET works together with relevant parties in the capital market to build up innovations and develop new business models that can respond to the needs of stakeholders, allowing it to transform risks into business opportunities in this digital age.



Developing Products, Services, and Innovations for Sustainability (103-2)

SETTHSI Index: The Sustainability Index of the Thai Capital Market

SET has developed and promoted the SETTHSI Index, the stock price index which consists of stocks that have passed the Thailand Sustainability Investment (THSI) assessment criteria and those on size and liquidity to reflect the pricing changes of the securities of listed companies that operate in consideration of environmental, social, and governance (ESG) factors. The SETTHSI Index serves as both a benchmark index for determining investment returns, and for issuing new financial products, which use the THSI as a reference.

The dissemination of the SETTHSI Index will stimulate awareness among listed companies of the importance of operating their businesses in consideration of ESG factors to achieve sustainable growth, and will promote the expansion of sustainable investments in Thailand. In 2018, SET announced the selection of 45 companies as constituents of the SETTHSI Index. These companies have received interest from the Government Pension Fund, which took SETTHSI universe into consideration in its investment process.

Developing FinTech for Financial Services

SET is committed to developing an infrastructure system and to improving the efficiency of digital financial services – also known as FinTech – to respond to the needs of stakeholders. Key achievements in 2018 were as follows:

• **FundConnex**

SET developed FundConnex, a mutual fund trading system, to serve as a central, integrated platform between distributors and asset management companies for the trading and payment of mutual funds. The system also increases service efficiency for investors who are investing through online systems, and can facilitate their convenience by allowing a single account to be opened to trade mutual funds of several asset management companies. Not only that, it allows distributors to reduce their initial transaction costs, and save time and expenses from having to develop a digital system. In 2018, 20 distributors used the FundConnex system, which increased from merely 9 distributors in 2017, and 18 out of a total of 23 asset management companies used the system. (103-3)

• **Payment System for Capital Market**

SET has developed a payment system for the capital market to provide an additional channel for online payment services between institutional intermediaries (asset management companies and commercial banks) and customers. This will not only facilitate the convenience of customers and reduce the time required for transactions, but also reduce the initial costs and burdens of repetitive tasks performed by institutional intermediaries. The payment system was launched in February 2018, and has now been used by 30 securities companies and 12 commercial banks. (103-3)





Developing Social Innovations

SET is driven towards developing financial and investment services that are equally accessible to all members of the public in order to bolster the organization’s vision of supporting all sectors to fully benefit from the capital market. Key achievements in 2018 were as follows:

• **Web Accessibility**

SET developed the Web Accessibility project to create opportunities and serve blind individuals through the Streaming and SET App applications and the SET website. SET aims to provide over 200,000 blind individuals with an access to information, knowledge, and investment channels that are certified according to the WCAG 2.0 standards (Web Content Accessibility Guidelines). In 2018, Settrade.com Co., Ltd., a member of the SET Group and the developer of the Streaming application, received the TAB Digital Inclusive Awards 2018 from the Thailand Association of the Blind.

• **SET Happy Money App**

SET is in the process of developing the SET Happy Money application with a number of diverse and easy-to-use functions to promote personal financial management. The application also includes tools that will help users to efficiently plan and monitor their finances, in addition to providing recommendations that are suitable for their spending behaviors. SET plans to launch the SET Happy Money application in 2019.



Creating an Innovation Culture within the Organization and the Capital Market

Innovations are at the heart of SET and the development of the capital market, enabling the market to grow and compete at the international level. SET therefore encourages its employees and other relevant parties in the capital market to initiate knowledge exchanges and practice innovative thinking to develop products, services, or business processes that will be beneficial to the economy and society.

• **Promoting Innovation among Listed Companies**

SET, in collaboration with its partners, promotes knowledge on innovation among listed companies to elevate the level of innovation management, thus eventually bringing about value creation and increased competitiveness. Important achievements included:

- Collaborated with the Thai Listed Companies Association and the National Innovation Agency (Public Organization) to develop a platform to promote knowledge about innovation management within the organization, as well as methods of developing role models that drive their businesses through innovation.
- Partnered with the Thailand Productivity Institute to promote knowledge on organizational innovations for small and medium-sized listed companies. The focus was on promoting knowledge and understanding of process innovations through training activities, seminars, and targeted recommendations that can be tangibly applied. In 2018, over 100 listed companies participated in these activities.
- Collaborated with the National Science Technology and Innovation Policy Office and the Thailand Management Association to organize the seminar, “Food Innovation and New Business Opportunity,” with the goal of promoting knowledge on technology and innovation in the food industry for small and medium-sized listed companies. The event was attended by 165 listed companies and other interested organizations.

• **Capital Market Innovation Awards**

In 2018, SET collaborated with its partners to organize the first Capital Market Innovation Awards to provide opportunities for agencies in the capital market sector, university and high school students, and the general public, to create product and service innovations that will benefit the capital market. More than 60 pieces of innovations were submitted for consideration; a selection of the projects from the competition have been developed further and applied to real-life work to create added value for the capital market. Examples are the FundConnex and the CRM System for Better Communication by AVA, a platform that uses robots to communicate with investors in order to improve securities service efficiency.

• **SET Innovation Awards**

SET organized the SET Innovation Awards for the second consecutive year to encourage its employees to apply their skills, knowledge, and work experience to create and develop product, service, and process innovations that will create added value for businesses and society. Employees submitted a total of 47 projects in both the “Innovation Track” and “Creator Track” categories, and 8 of these received awards. A portion of these innovations were selected for further development, where they have the potential to create opportunities for business and society. Examples are the Payment System for Capital Market, the Web Accessibility project which provides opportunities for the blind to access investment information, and the SET Happy Money application which promotes personal financial management.





81%

Average CGR score
of listed companies

63,000

DCA accounts, an increase
of 68% from 2017

59.8%

Proportion of market capitalization
of listed companies in the Thailand
Sustainability Investment list

Prof.Link

License renewal application
for securities professionals

Market Growth

The capital market serves as a source of capital for entrepreneurs and as a saving and investment channel for the public. When all sectors within society are able to access and benefit from the capital market to its fullest potential, it will bring about economic expansion, an increase in the employment rate, investments in innovation and infrastructure to enhance the country's competitiveness. Given this, SET is committed to developing the quality of the capital market value chain, which includes listed companies and entrepreneurs, investors, and securities professionals of intermediaries, with the goal of maintaining the capital market's role in driving sustainable growth of the economy, society, and environment.

Developing the Quality of Listed Companies

• Enhancing the Sustainability Performance of Listed Companies

In 2018, there was a total of 704 listed companies, representing THB 16.2 trillion in market capitalization, or equivalent to 108% of GDP, with the highest market liquidity in the ASEAN region. This reflects on the outstanding growth and competitiveness of the Thai capital market. In addition, SET has encouraged listed companies to integrate environmental, social, and governance (ESG) factors into their business practices in order to increase value for their businesses and create value for stakeholders through products, services, and innovations that benefit the society and environment.

• **Promoting Knowledge on Sustainable Business Development**
SET recognizes that the ESG practices of listed companies are important for increasing business opportunities and reducing risks. SET therefore promotes ESG knowledge that aligns with the context of each industry and the capabilities of listed companies, to ensure that ESG practices can be implemented in a concrete manner. In 2018, key achievements included:

- Provided recommendations and shared knowledge among directors and top executives of listed companies, and promoted the incorporation of ESG issues as corporate strategies.
- Offered training programs on corporate sustainability management for all listed companies, divided into the fundamental course and six workshops, as detailed on the SET Website. SET also held sustainability training courses focusing on specific issues, such as the Impact Measurement and Valuation and the Climate Risk: Building Climate Resilience.

Promoting ESG knowledge in this way enables listed companies to apply what they have learned into their own businesses, to achieve balanced growth of business, society, and the environment. Not only that, ESG performance demonstrates long-term business potential, which helps to enhance trust for investors and other stakeholders.

• Improving the Quality of Sustainability Reporting for Listed Companies (103-1), (103-2), (417-1)

ESG disclosures, also known as sustainability reporting, of listed companies reveal business conduct, which in turn influences the decision-making of investors and stakeholders. SET is therefore committed to improving the quality of sustainability reporting by listed companies so that it may serve as an approach for promoting business development and stakeholder trust. In 2018, key performance in this area was as follows:

- Developed the SET Sustainability Reporting Guidelines to help listed companies develop their own sustainability reports covering ESG issues that are relevant to their own value chains, strategies, and stakeholder expectations. As part of this endeavor, SET also established reporting indicators that aligned with the needs of investors, data users, as well as with national and international sustainability reporting standards. Furthermore, SET partnered with five listed companies to exchange knowledge and viewpoints on the development of the

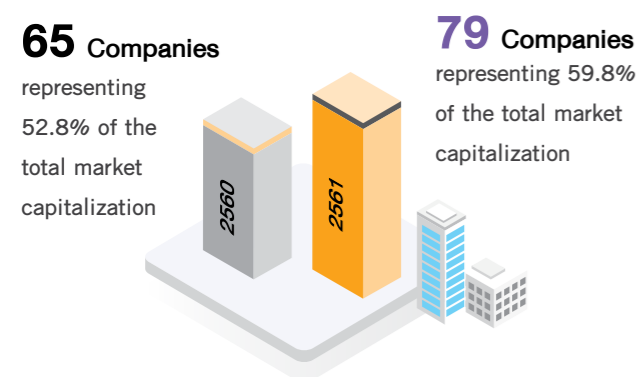
forementioned guidelines, to make sure that it was suitable for the Thai business context.

- Organized training to improve the quality of sustainability reporting by listed companies, namely the Sustainability Evaluation and Data Management and Sustainability Reporting courses, which were attended by 88 and 72 listed companies, respectively. SET also organized a coaching activity on CG Report Writing Techniques according to good corporate governance principles to enhance the quality of corporate governance reports. A total of 58 listed companies participated in the coaching activity.
- Organized a sustainability reporting workshops to improve sustainability reporting according to the Global Reporting Initiative (GRI)'s international reporting standards. The courses, Get Started with GRI Standards, and Transition from GRI G4 to GRI Standards, were attended by 68 listed companies. In 2018, 89 listed companies were able to publish sustainability reports in accordance with the GRI standards, or 13% of all listed companies, which increased by 2% from 2017.

As a result of its continuous efforts to enhance the reporting quality of listed companies, in 2018 SET was ranked 7th globally by Corporate Knights and AVIVA as the stock exchange with the most outstanding sustainability disclosures by listed companies, out of a total of 35 stock exchanges globally. SET was also the only stock exchange in Asia and among emerging markets to receive the 2018 Market Transparency Award from the United Nations Sustainable Stock Exchanges (SSE) initiative. (103-3)



Number of listed companies in
the Thailand Sustainability Investment list



• Sustainability Assessments of Listed Companies

SET encourages listed companies to participate in corporate sustainability assessments to assess and improve their ESG performance. In 2018, key achievements included:

- Collaborated with the Thai Institute of Directors (IOD) to improve and elevate corporate governance standards among listed firms by annually conducting assessment of the Corporate Governance Report of Thai Listed Companies (CGR). In 2018, the average CGR score of listed companies was 81%. In addition, the results of the CGR assessment revealed that the number of listed firms that received higher than 3 stars (from 1 to 5 stars) for their performance comprised 85% of all listed companies, reflecting their business transparency and thus building trust within the capital market.
- Developed the ESG Health Check tool for small and medium-sized listed companies to evaluate their ESG performance, where the results could be used to more efficiently outline sustainability plans for their organizations. In 2018, 66 listed companies used the ESG Health Check tool.
- Encouraged listed companies to regularly participate in SET's sustainability performance assessment, so that the results and recommendations received from SET could be used to determine sustainable development approaches within their own organizations. In 2018, 114 listed companies participated in the assessment, which increased from 90 companies in 2017. The companies reported an average assessment score of 66%. The number of companies that received scores of 50% and above in

the economic, social, and environmental dimensions, and that also passed the criteria for inclusion in the Thailand Sustainability Investment (THSI) list increased from 65 to 79 companies, representing 59.8% of the total market capitalization. This indicates the quantitative and qualitative progress that listed companies have made thus far on ESG implementation. Finally, the THSI list is also used as a criteria for developing and calculating the SETTHSI Index.

In addition, Thai listed companies received the highest score in the ASEAN region for the 2018 ASEAN CG Scorecard assessment, which was carried out by the ASEAN Capital Markets Forum. The participating companies were those in the top 100 of listed companies by market capitalization in six ASEAN countries: Indonesia, Malaysia, Philippines, Singapore, Vietnam, and Thailand.

• Enhancing the Sustainability Practices of Listed Companies to Be in Line with International Standards

SET is committed to developing the quality of listed companies such that they become recognized internationally for their sustainability performance. This involves preparing high-potential listed companies for their participation in the Corporate Sustainability Assessment (CSA) of the Dow Jones Sustainability Indices (DSJI). Since beginning these efforts in 2014, the number of listed companies that have been selected for inclusion in the DJSI have increased each year. In 2018, SET continued to organize courses such as the DJSI Exclusive Coaching training course and the DJSI Corporate Sustainability Assessment Coaching Program for the 31 companies that were invited to participate in the CSA. The number of companies that were ultimately selected into the DJSI thus increased from 17 to 19 companies, comprising 42.8% of the total market capitalization.

Additionally, 34 companies were selected for inclusion in the FTSE4Good Emerging Markets Index, and 35 companies in the MSCI AC ASEAN ESG Universal Index. These two indices evaluated constituents based on their sustainability disclosures through various channels, including sustainability reports and websites.

Developing Quality Professionals in Listed Companies

• Developing the Quality of Financiers

Finance executives and financiers have the responsibility of managing assets, planning and overseeing budgets, making investment decisions, identifying funding sources, and managing financial risks in order to create added value and financial security for the business. SET has therefore dedicated itself to developing the knowledge and skills of financiers to align with relevant rules, regulations, and changes to the business. Similarly, it works to ensure that financiers are able to use financial instruments effectively. Courses designed to develop the knowledge of finance executives and financiers include:

- CFO's Orientation Course for New IPOs

According to the announcement of the Securities and Exchange Commission (SEC), the top finance and accounting executives of a company that is heading towards an Initial Public Offering (IPO) must undergo 12 hours of an orientation course for finance executives. The course aims to help finance executives understand their roles and responsibilities and ensure that they are able to develop financial reports and efficiently analyze budgets and accounting standards. In 2018, 96 participants joined the training.

- Strategic CFO in Capital Markets

The course is designed for finance executives of listed companies or companies that are interested in listing. The course focuses on providing strategic financial knowledge, that could be effectively applied in business. In 2018, 128 participants attended the training. This course is also a part of the mandatory orientation course for finance executives as required by the SEC.

- Specialized Program for Finance and Accounting Professionals

The Program consists of 3 courses: (1) Preparation for Financial Reporting Standard Change Concerning Financial Tools, attended by 222 participants; (2) Financial Reporting Standards on Revenue from Contracts with Customers (IFRS 15) and Leases (IFRS 16): Impacts on the Financial Reporting of Listed Companies, attended by 281 participants; and (3) Techniques for Risk Analysis for Investment Projects for Sustainable Corporate Value Creation, which focuses on developing the necessary knowledge and skills for analyzing opportunities and managing risks from investment projects, attended by 255 participants.



- **Developing the Quality of Investor Relations Officers**

Investor relations officers have the responsibility of communicating information about listed companies in a transparent, accurate, complete and timely manner. In doing so, they build investor trust and increase opportunities to access funding sources. SET is thus dedicated to expanding the knowledge base of investor relations officers and developing their practical skills. In 2018, key performance was as follows:

- Collaborated with the Thailand Investor Relations Club and the Thai Listed Companies Association to provide training scholarships for an IR Fundamental Course, which is designed to develop the knowledge and skills of new investor relations professionals. A total of 125 individuals, out of 213 applicants, received the training scholarships.
- Organized the IR Talk activity as a platform for sharing experiences and learning about investor relations practices. The activity was organized 3 times in 2018 and was attended by 296 participants from 215 listed companies.
- Offered a training course on Business Communication Value for investor relations officers, which was attended by representatives from 37 listed companies.

SET further encourages listed companies to participate in assessments of their investor relations performance on an annual basis, in order to apply the recommendations received from investors and investment analysts towards their own improvement. In 2018, 168 listed companies participated in the

assessment, which revealed that up to 89% of the companies assessed had designated investor relations officers. This indicates that companies recognize the important role of investor relations officers in creating added value for the organization. The assessment also found that listed companies prioritized compliance with the Investor Relations Code of Conduct, as 90% of those assessed had in place stipulations regarding stock trading by investor relations officers, and prohibited investor meeting activities prior to financial announcements (Silent or Quiet Period), to prevent the use of insider information.

- **Capacity Building for Entrepreneurs**

In addition to developing the LiVE platform for startup fundraising, SET is focused on enhancing knowledge and expanding the experiences of small-scale entrepreneurs and startups, as well as preparing companies for listing on the Exchange. This will enable companies to better understand how to make use of the capital market, and thereby access the necessary funds to strengthen their businesses and competitiveness. Key performance in 2018 centered on:

- **Incubating the New Generation of Startup Entrepreneurs**

SET organized the Innovative Startup program, an entrepreneurship training course, for teachers and students at the vocational and higher education levels. The objective of the program was to expand the number of quality, new generation startup entrepreneurs to enter the economy by focusing on learning approaches that stimulated their inspiration and promoted innovative thinking – a necessary skill for startup business development.

- **Promoting Knowledge for Startup Entrepreneurs**

SET disseminated useful knowledge for entrepreneurs through the seminar, Startup Class @ SET. The seminar, which was held 4 times, focused on providing knowledge and exchanging experiences on startup business strategies for entrepreneurs, the general public, and others who are interested in investing in startup businesses. SET also organized the Angel Investing Day activity to generate interest in and promote knowledge on Venture Capital investing models in startups, and introduced the LiVE fundraising platform for startups.

- **Preparing Businesses for IPO**

SET organized the IPO Roadmap training course to equip entrepreneurs who could potentially raise funds through the exchange with the knowledge and awareness of how to make use of the capital market to build up their competitiveness. The course was attended by 144 participants. Additionally, SET organized the Internal Control for IPO course, which focused on how to develop an effective internal control system that can reflect transparent business practices – one of the important requirements of a listed company. This course was attended by 53 participants.

In addition, SET disseminated various learning tools including books, seminars, and infographics for entrepreneurs through the online Entrepreneur Classroom on the SET website. In 2018, a total of 3,266 individuals, consisting of 1,118 startup business owners, 1,109 students, 376 teachers, 190 investors, and 473 entrepreneurs that are interested in an IPO, received knowledge from the online system.

Developing the Quality of Investors

- **Expanding the Quality Investor Base**

In 2018, there were more than 1.13 million individual investors across the country who vitally contributed to the liquidity of the capital market. SET is therefore committed to the continuous expansion of the investor base so that the public is able to make use of the capital market as a channel for saving and investing to generate long-term returns. Likewise, SET is focused on promoting access to accurate, complete, and equitable investment knowledge through a number of diverse and easily accessible channels that are suited to the learning needs of each group of investors and potential investors. In 2018, key achievements in this area included:

- Promoted investment knowledge through the Investor Classroom Project, which provided 33 training courses from the basic level for new investors, to advanced investment analysis courses for those studying to become professional investors. In 2018, 13,213 investors from Bangkok and other provinces participated in the training.



17 Million views

Number of viewers of the digital content on the SET website's Investor Classroom Project.

- Developed communications materials for the Investor Classroom Project on the SET website, including short video clips, articles, materials for distribution, and online financial tools, to meet the learning needs of today's investors. In 2018, the website had more than 17 million views, which increased by 44% from 2017. In addition, SET developed the SET e-Learning system, also known as the "24-Hour Investor Classroom," to promote access to investment knowledge for new investors and other interested parties from anywhere, at any time. The system also serves as an investment learning channel for university students throughout the country. In 2018, more than 42,600 people used the SET e-Learning system.
- Promoted an investment culture through the #Investnow Project, which aims to build financial security before retirement by spreading knowledge about saving through stocks and mutual funds on a regular basis through Dollar Cost-Averaging (DCA) accounts. This helps to reduce the risk of individuals investing at an inappropriate time, and increases their opportunities for positive returns over the long-term. In 2018, there was total of 63,000 DCA accounts, which increased by 68% from 2017.

Furthermore, SET developed infrastructure to help investors across the country access relevant information and manage their investments easily and inclusively through digital channels, including the SET App application, the SET Chat Bot, the FundConnex system for investments in mutual funds, and the Streaming application that supports investments through DCA accounts.

- **Promoting Sustainable Investment**

In addition to developing the SETTHSI Index to promote sustainable investing in Thailand, SET also collaborated with the SEC and 11 asset management firms to establish the Thai CG Fund. The goal of the fund is to encourage investment in companies that have received at least 4 stars from the CGR assessment and certified as members of the Private Sector Collective Action Coalition Against Corruption (CAC), to reduce the risks that investors might face from corrupt management and unethical shareholder treatment. Furthermore, 40% of the commission received from the management of the CG fund will be donated to agencies that support anti-corruption activities. In 2018, there was a total of 20 funds with a total net asset under management of 29,167 million baht, which increased by over 13.2 times from 2017.



Developing the Quality of Securities Professionals

Promoting the Professionalism of Intermediary Personnel

Advancements in technology have resulted in the increased popularity of online investments, meaning that the intermediaries that directly serve investors must adapt in time to such rapid changes in investment behavior. In this regard, SET assumes a role in speeding up the skill development of practitioners of intermediaries, enabling them to efficiently respond to investment needs in the digital age. Important achievements in 2018 included:

- Developing the Quality of Investment Consultants (IC)**
 SET increased the professional capabilities of investment consultants in wealth management by developing their knowledge and enhancing their communications skills on investment topics to help them respond to the needs of customers in the digital age. SET also worked to enhance the expertise of new ICs on the various investment products available, and organized a technical analysis training course for securities analysts, which was attended by over 2,400 investment consultants and securities analysts in 2018.
- Developing the Capabilities of Intermediary Personnel**
 SET promoted the skills and knowledge of Back Office Operations personnel to keep them abreast with technological changes. The focus is on rules and regulations and the governance of digital asset businesses, as well as methods for preventing cybercrimes. The training activities attracted over 420 participants.
- Developing the Knowledge of Insurance Agents**
 SET provided insurance agents with basic knowledge on finance and investment to increase their efficiency in offering recommendations on life insurance products. This was achieved through the training course Financial Mathematics for Non-Finance, which was attended by more than 500 people, and the Fundamental Course on Accounting and Finance, which was attended by over 530 people.

Finally, SET consolidates information and distributes useful resources for securities professionals via the “e-Learning for Professional” portal on the SET website.

Enhancing Securities Professionals' Standards

SET is responsible for overseeing knowledge courses and exam libraries, as well as verifying the testing standard of securities professionals. SET therefore offers several training courses for registering analysts and fund managers which are required, including the Investment Consultants course, the Certified Investment and Securities Analyst Program (CISA), and investment consultant license renewal training courses. Key progress in 2018 centered on the following:

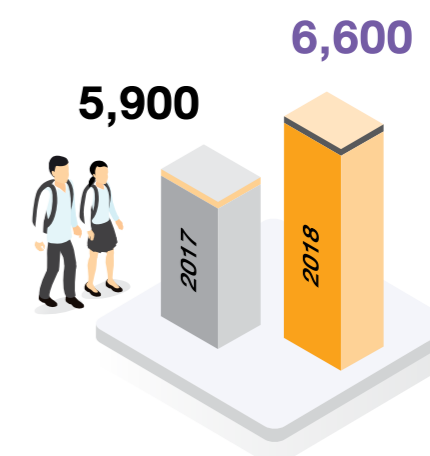
- Standardizing Securities Professional Examinations**
 SET oversaw investment consultant examinations to ensure transparency and efficiency. In 2018, over 46,000 individuals undertook the examinations. SET also developed the Certified Investment and Securities Analyst Program (CISA) for all 3 levels, where 2,650 individuals took the exam.
 - Standardizing License Renewal for Securities Investment Consultants**
 SET approved 159 license renewal training programs and conducted 22 random quality assessments of 16 certified training centers.
- In 2018, SET developed the Professional Link (Prof. Link) application on mobile devices and the SET website to increase the efficiency of license renewal services for securities professionals, and to facilitate the convenience and reduce the task burden for related parties such as intermediaries, training centers, and the SEC. The Prof. Link application will also serve as a database for developing the capabilities of practitioners in the capital market. The application is scheduled for use in 2019.

Cultivating the New Generation to Support Capital Market Growth

SET, together with its university network, prepares university students to pursue the securities professional career path in support of personnel needs in institutional intermediaries. Important developments included:

- Creating a New Generation of Financiers for the Capital Market**
 SET, in collaboration with partners, organized the Young Financial Star Competition (YFS), which aims to enhance the capabilities of university students who are interested in finance and investment careers. The competition has been recognized as a platform for developing and testing students' knowledge on finance, investment, and business management before they take up a career in the capital market. From 2003 to 2018, more than 76,000 university students participated in the competition. In 2018, the competition received over 6,600 applications, which increased 13% from 2017. Indeed, the YFS project further serves as a channel for building a large number of investment consultants, securities analysts, financiers, and investor relations professionals to enter the capital market.
- Building New Generation Securities Professionals**
 SET focused on expanding the base of new generation investment consultants by implementing the “New Breed IC @ U-Net” project, which provided university students with scholarships for IC license examinations and the opportunity to take mock IC license exams. In 2018, more than 2,700 students received scholarships, and 288 participants passed the exam. Not only that, SET also provided opportunities for bachelor's and master's degree students to embark on the securities professional career path by supporting training and examination scholarships for the Certified Investment and Securities Analyst Program (CISA) Level 1 exam. In 2018, 100 students received scholarships, and 5 passed the CISA Level 1 examination.

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





744

Number of SET staff

57 hours

Average hours of training per year per employee

100%

Number of employees that passed the CG Education course examination

4.6%

Employee turnover rate, decreasing from 6.5% in 2017

Adopted a Digital HR

approach to improve employee data management efficiency by using the SAP SuccessFactors software



Employee Development (103-2)

Employees are vital to the organization's competitive advantage and in driving the organization towards its objectives. SET is thus committed to developing and supporting its employees in becoming talented and ethical individuals in line with the "SET DNA" values, which lay out the expected qualities of SET's employees according to 5 dimensions: (102-16)



SET strongly emphasizes fair practices towards its employees, giving particular consideration to respect for human rights and equality; creating an atmosphere within the organization that is conducive to learning; promoting the well-being of employees, and being a good corporate citizen, such that everyone in the organization will be engaged and motivated to improve the effectiveness of their work, and drive the organization towards sustainable growth. Material topics in employee development include the following:

- Fair employment practices
- Employee development
- Employee well-being

Fair Employment Practices (103-2)

• Recruitment

Human rights is taken into consideration from the very beginning, at the recruitment process. A transparent and systematic recruitment and selection process is in place, which factors in the qualities, capabilities, and mindsets of applicants to ensure that they align with the requirements of the position and the organization's values. SET is further focused on creating equal opportunities for career growth, and does not discriminate based on gender, age, educational background or disability. In 2018, SET employed a total of 744 people, with one employee being a disabled individual.

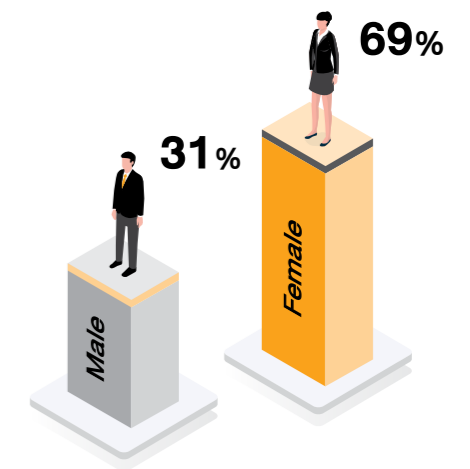
(102-8)

Employee Level	Male	Female
Top executives	13	11
Middle management	19	34
Junior management	56	108
Staff	143	360
Total	231	513

Age	Male	Female
Over 50 years	35	89
30-50 years	158	357
Below 30 years	38	67
Total	231	513

Moreover, SET supports juniors and seniors from universities across the country to gain hand-on professional experience through the SET Internship Program, which helps to build their experience and offer learnings that can be applied in their future career development. The Program also serves as another channel for attracting top talent to work for the organization in the future. In 2018, 80 students participated in the Program.

Employee by Gender (405-1)



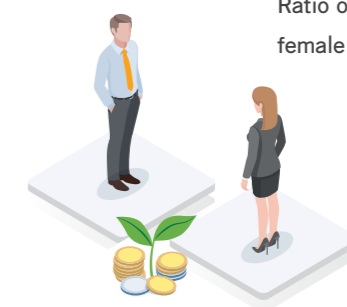
• Remuneration (103-1), (103-2), (202-1), (404-3)

SET has a system in place to evaluate the performance of its management and employees at least once a year. Performance is evaluated based on key performance indicators (KPIs) and employee competencies that have been clearly established as part of their evaluation criteria. In addition, SET has a system for evaluating promotions and distributing fair remuneration without discrimination. In 2018, the ratio of female to male remuneration was 0.82:1.

0.82:1

Ratio of remuneration between female and male employees

(103-3), (405-2)



Employee Development (103-1), (404-2)

SET's employee development plan aligns with the organization's vision, values, and business strategy. It takes into consideration the diversity of skills and learning behaviors of each employee group, and strives to enhance the capabilities of the organization in responding to changes in the capital market landscape and technology. Finally, SET encourages its employees to apply their knowledge towards their own development, and to work in pursuit of the organization's objectives in a concrete manner.



70%
On-the-job Experience



20%
Feedback and Coaching



10%
In-class Training

Since 2017, SET's employee development plans have been designed according to the 70-20-10 learning model, which focuses on learning-by-doing alongside formal training. SET also organizes mandatory training courses for personal and professional development to elevate employees' capabilities in alignment with the organization's business strategy and values. In 2018, key performance was as follows:

- Evaluated employee capabilities using the "SET DNA" values, where the results were then used to design and improve training courses for employees and management. In 2018, SET's management and employees attended 244 internal and external training courses, and received on average 57 hours of training per person per year. Investment in employee development for the year totaled 33.1 million baht.

- Developed new employees' skills by using the "Onboard program" which was learner-centric. In 2019, SET plans to facilitate more employee development through a variety of channels, including the e-Learning system (for staff) and the Micro Learning system (for junior to middle management). This would allow employees to easily access online courses with diverse content and instructors from anywhere, at any time.
- Organized monthly HR Sharing activities to build up useful knowledge for work and daily life. Each session is attended by an average of 185 employees.
- Organized the SET Innovation Awards Competition for the second consecutive year to encourage employees to apply their skills, knowledge, and creativity in developing and improving work processes, in order to bring about innovations with economic and social benefits. Employees submitted a total of 47 entries to the competition.
- Provided employees with the opportunity for voluntary job rotation, so that they may gain work experiences by assuming a variety of different roles.
- Supported educational scholarships for employees to further their studies domestically and overseas, and offered subsidies for professional investment and language training and examinations.

In addition, SET used the Succession Management Program in evaluating the capabilities of its manpower by positions and job functions to plan succession management. In 2018, succession management plans were implemented for the middle management level and higher. Over 90% of the plans were successfully implemented.

Employee Level	Average training hours/year/person
Top executives	158
Middle management	80
Junior management	61
Staff	49
Total	57

(103-3), (404-1)

• Promoting the SET Code of Conduct (205-2)

Apart from supporting employee learning for their personal and professional development, SET also embeds in employees business ethics and social responsibility, which are important qualities to be embodied by a SET employee. In 2018, SET organized the SET CG Education course to promote learning and understanding of compliance with the Code of Conduct, and developed related communications materials for both offline and online channels. The course covered topics including corporate governance for sustainability, stakeholder engagement, securities trading, anti-corruption, conflicts of interest, the use of insider information, and data protection. Furthermore, all employees were required to participate in the SET CG Education test in an e-examination format. 100% of SET employees passed the test with an average score of 86%.



86%
Average score of the CG Education examination



Employee Well-being

• Promoting Occupational Health, Safety, and Workplace Environment

SET established the Occupational Safety, Health, and Workplace Environment Committee to determine policies and plans that are relevant to the laws and standards on occupational health, safety, and workplace environments, covering employees and users of the SET Building. The Committee prepared a workplace safety manual and a crisis response guidelines. The Committee also organized emergency drills, communications, and safety training according to the law, to ensure that employees are cognizant of the importance of occupational health, and are able to apply such concepts in practice correctly. In 2018, no lost-time accidents occurred, and key performance was as follows:

- Organized training activities and the annual fire drill
- Organized a training course on the workplace safety manual, which included topics such as fire prevention and suppression, CPR training, and Automated External Defibrillator (AED) use, so that employees are able to act and help others appropriately in the event of an emergency. A total of 669 employees, or 89% of all employees, participated in the training activities.
- Sprayed disinfectant to prevent the spread of the flu virus.
- Sprayed pesticides to eliminate bugs, mosquitoes, termites, ants, and mites, which may be carriers of disease, on a monthly basis.



• **Employee Welfare** (102-41), (201-3), (401-2)

SET provides fair benefits to its employees which are higher than the standards required by law. The Welfare Committee and the Provident Fund Committee serve as employers' and employees' representatives, and together they determine the financial and non-financial benefits for employees. In 2018, SET revised its investment policy and selected a new fund manager for the SET Employee Provident Fund to increase efficiency and expand the number of investment choices for its employees. Employees can contribute a maximum of 15% of their monthly salary to their provident funds, and SET then contributes another 10%. In addition, SET provided other benefits to promote employee work-life balance, such as by:

- Supporting the activities of SET's employee clubs, including the fitness club, Dhamma club, table tennis club, and football club. SET also provides an exercise facility, table tennis hall, and sports fields for employees to organize regular activities. In 2018, 67% of SET's employees were members of a club.
- Arranging a breast-feeding room and supporting the rights to maternity leave by law. In 2018, 100% of SET's employees who took maternity leave returned to work. (401-3)
- Organizing employee health promotion programs such as the annual health check-up; arranging for a doctor and nurse to be stationed in the nurse's room; and offering health massage services by blind therapists.

• **Employee Engagement**

SET fosters a work environment which emphasizes two-way communication between management and employees. This is achieved through team meetings, weekly and monthly management meetings, Town Hall meetings, and through online communication channels such as the SET Intranet and social media. Furthermore, SET encourages employee engagement in various other ways, including:

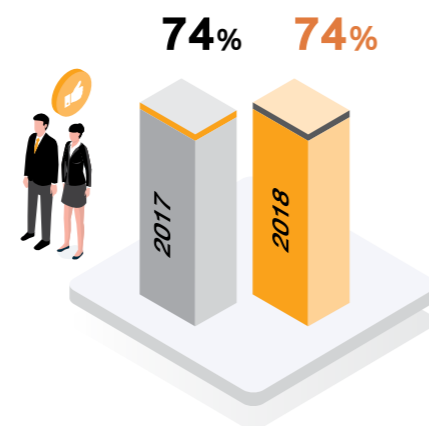
SET Employee Club

SET supports the SET Employee Club, governed by the Employee Club Committee, which is comprised of 21 elected employees who are appointed for a 1-year term. The Committee is tasked with organizing activities to promote employee engagement, in line with the SET DNA.

In addition, serving on the Committee also helps employees to build skills and gain experience from working on a cross-functional team, allowing them to practice their leadership skills, creative thinking and expression, and to exercise corporate and social responsibility – much in accordance with the SET DNA values. In 2018, the Committee had important achievements as follows:

- Organized activities as part of the "SET All Star Games 2018" to foster internal relationships within SET. The Games aim to build unity, support teamwork, and promote innovative thinking and expression among management and employees through sports and recreation. They were attended by 487 management and employees, or 65% of all employees.
- Organized offsite "SET Fit Trips" to promote learning on exercise techniques and self-care with experts. The field trips were held twice and were attended by 351 members of management and employees, which was the total number of spaces available for the trips.
- Organized corporate social responsibility activities, including blood donations, monthly merit-making activities, and activities on important dates (e.g. New Year and Songkran).

Average employee engagement score

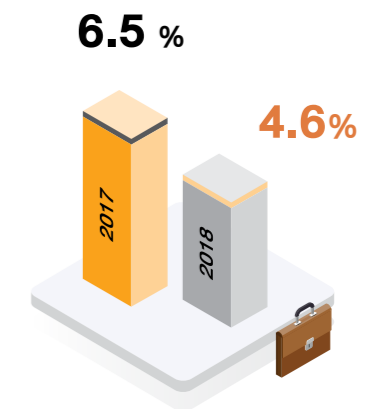


Employee Engagement Survey (103-3)

SET, in collaboration with AON Hewitt, a leading consultancy firm on human resources management, conducted the "Little Voice, Great Value," employee engagement survey to help improve SET's approach to human resources management. Survey results revealed that the average employee engagement score was 74%, equal to the score in 2017. In addition, the employee engagement score highlighted the factors which contributed to employee turnover. In 2018, the turnover rate was 4.6%, which decreased from the 2017 rate of 6.5%.

In 2018, SET committed to enhancing the capabilities of its human resource management system by adopting a Digital HR model. This involved creating employee information database on the digital platform by using the SAP SuccessFactors software. This has improved the human resource management efficiency and enabled employees to access this information conveniently through applications on their communication devices.

Turnover rate of employees (401-1)





830,000+

Number of working age individuals who received knowledge on financial planning for retirement

THB 44.46 million 900,000

Economic value generated from business deals through the SET Social Impact Platform, a 70% increase from 2017

Number of individuals who accessed financial literacy knowledge centers (Maruey Library and INVESTORY)

(103-3)

Social Development (103-2)

SET is currently considered to be Thailand's financial and investment learning center, devoted to providing Thai people with encompassing and equal access to knowledge on finance and investments. Along these lines, SET has developed a platform for creating social benefits and supporting the growth of social enterprises, and has built a network for social development through the SET Foundation, which aims to enhance the overall quality of Thai livelihoods.

In 2018, SET forged ahead in spreading financial and investment knowledge and creating mutual benefits for society through capital market mechanisms, coupled with the development of innovations and technology for the benefit of all stakeholders, to allow them to access and benefit from the capital market in an efficient manner.

(413-1)



Promoting Financial Literacy for Public

SET encourages Thai people to learn personal financial planning and to invest their savings to generate returns. It is further committed to disseminating financial knowledge in a way that is easy to understand, applicable in real life, and appropriate for the behaviors of each generation. In 2018, SET continued its efforts to promote financial literacy for public by developing content that is appropriate for each target group, for dissemination through online and offline channels, as follows:

Supporting Financial Literacy Knowledge Centers

SET, as the center for financial and investment literacy, provides all with equally accessible knowledge services. SET's focus is on developing modern knowledge centers that are learner centric and suitable to learners' behaviors in the digital age.

INVESTORY: Digital Investment Discovery Museum

The investment discovery museum, which was developed with the concept of universal design, presents information on finance and investments in a 'discovery museum' format, which emphasizes on offering fun and engaging experiences for visitors through hands-on interactive exhibitions, such as games and stock simulation programs. The Museum also tells the story of the historical development of the Thai capital market from past to present day. In 2018, the Museum welcomed more than 48,000 visitors, a 19% increase from 2017, and carried out the following key activities:

- Organized a special exhibition, "Saving through DCA", to inspire and promote regular investments via Dollar-Cost Averaging (DCA). The exhibition focused on applying multimedia communications formats to allow visitors to revel in their learning experiences and to try their hands at planning DCAs.
- Organized a mobile exhibition, "INVESTORY Mobile Exhibition on School", to disseminate knowledge on finance and saving to educational institutions, by bringing information, technology, and some portions of the INVESTORY exhibits to 15 schools in Bangkok and the surrounding areas. More than 44,000 students participated in the activities.

Maruey Library: Digital Learning Center

The Maruey Library is a finance and investment knowledge center for the Thai capital market. For the library, SET has focused on developing a digital work system to handle services efficiently, including by providing a self-service system for borrowing and returning library resources using Radio Frequency Identification (RFID), digital bookshelves and digital content, and an online library service that facilitates the convenience for library users. More than 184,000 people used the library in 2018. Furthermore, SET has developed the "Maruey eLibrary" application to allow users to easily access library resources including eBooks, eMagazines and multimedia anywhere, anytime. The application has now been downloaded over 40,000 times.

(413-1)

Promoting Financial Literacy for Youth

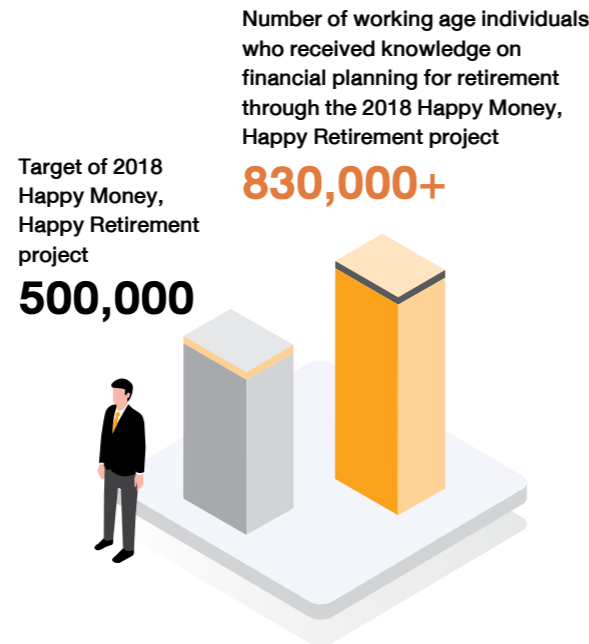
Cultivating financial literacy from the early school age does not only breed academic knowledge that can be further built upon in terms of education and career; it also marks the point at which the youth can begin to understand the importance of financial planning and prepare to enter their working lives in a meaningful way. SET’s key performance in this area in 2018 included:

- Organized the 10th Diamond Crown Economics Competition for school and university students to develop their basic skills and knowledge on economics, finance, insurance, and the Sufficiency Economy Philosophy. To date, there have been more than 43,000 students who have participated in the Competition, and for 2018, it was attended by 5,810 students from 1,169 schools and 55 universities.
- Supported financial and investment knowledge-building for teachers in 101 educational institutions throughout the country through the SET University Networking Project, and supported the SET-eLearning online courses on finance and investment planning, to be used as accompanying materials for teaching and learning.

Promoting Financial Literacy for Retirement

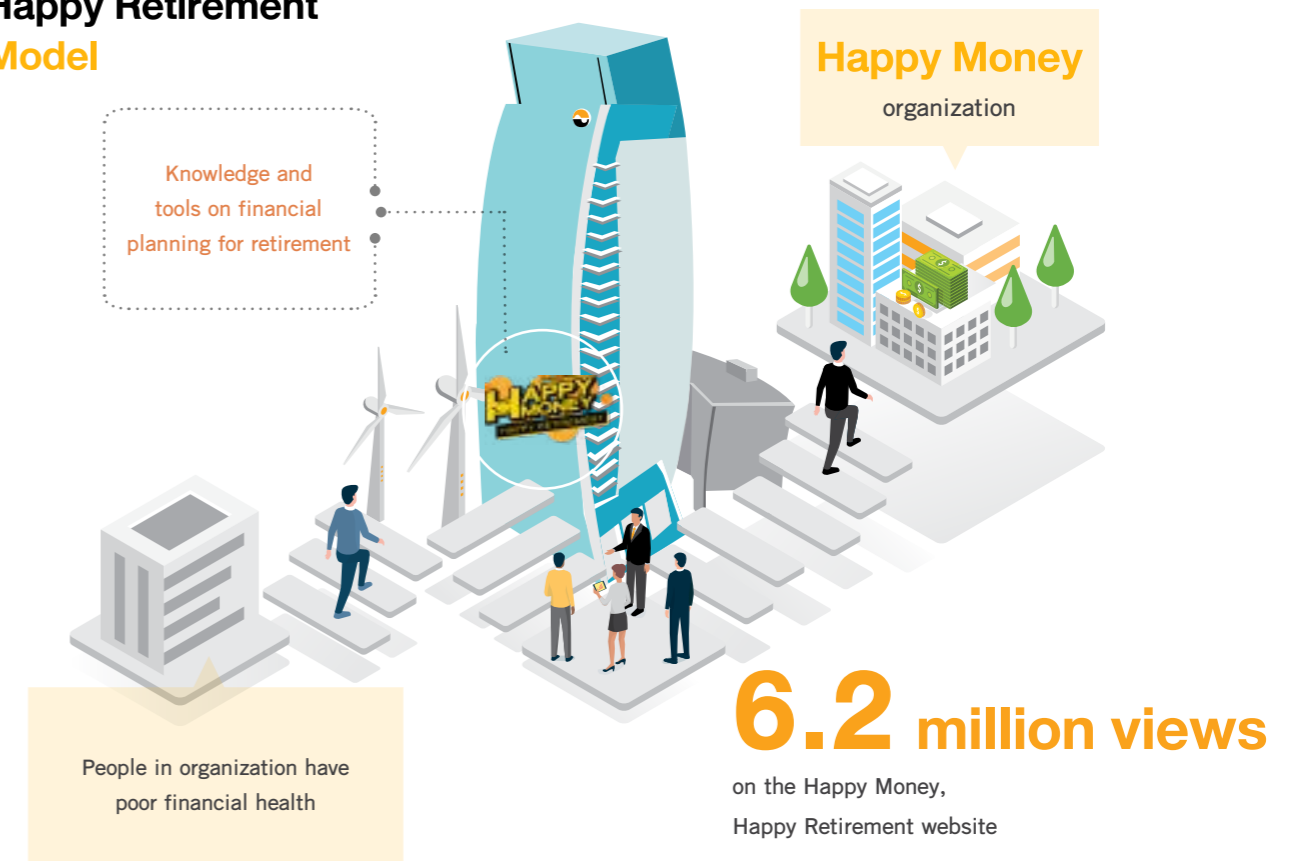
Promoting a better understanding of efficient financial planning for retirement among over 40 million working age individuals would help to mitigate the impacts of an ageing society; reduce their reliance on government services; reduce financial inequalities, and ultimately enhance the qualities of life and economic prosperity of the entire country.

SET has found that the minimum amount of money that Thai people should save for their retirement is 4.36 million baht. However, up to 63% of the working population are not in the retirement savings system, and thus there is a possibility that they will not have enough money for use once they retire. In consideration of this problem, SET launched the Happy Money, Happy Retirement project, to build financial planning disciplines for workers in formal and informal economies, including the underprivileged and elderly. The project, with a central concept of “Happy Retirement is Achievable”, disseminated financial planning information and related tools in an easy-to-understand manner, through online and offline channels, to stimulate inspiration for real-life application.



(413-1)

Happy Money, Happy Retirement Model



In 2018, SET partnered with national organizations, including the Government Pension Fund, National Savings Fund, Student Loan Fund, The Federation of Business and Professional Women’s Associations of Thailand Under the Royal Patronage of H.M. the Queen, Ministry of Social Development and Human Security, The Thai Chamber of Commerce, The Thai Bankers’ Association, and The National Council for Child and Youth Development Under Royal Patronage, to expand the benefits of the Happy Money, Happy Retirement Project to working people across the country. Key achievements were as follows:

- Spreaded knowledge on financial planning for the formal labor force through training seminars, including a seminar on saving through provident funds (PVD) and retirement mutual funds (RMF). A total of participated in the Project 327 organizations from the public and private sector as well as state-owned enterprises. This increased by 131 organizations from 2017, and covered over 831,000 workers in the formal workforce, a 23% increase in participation from 2017. Overall, it helped the employees of these organizations to reduce liability and increase their savings.

- Spreaded knowledge to the informal labor force, the underprivileged, and elderly through financial planning training, which was attended by over 2,963 interested individuals. In addition, SET partnered with the Thai Health Promotion Foundation to develop a model “Happy Money” community at Phra Pradaeng district, Samut Prakan province. This involved developing the “Financial Satisfaction” Manual for the informal labor force and providing trainings to community leaders so that they can become “Happy Money Mentors” in their own communities. Moreover, SET collaborated with The Thai Bankers’ Association and The Thai Red Cross Society to launch the “Happy Money Trainer” project for disabled groups.
- Communicated knowledge on financial planning through online and offline public communications channels; the Happy Money, Happy Retirement Project website has now had over 6.2 million views.

(413-1)





Promoting Social Enterprises

In the midst of economic and social change, it is the social enterprise (SE) business model that stands out for its ability to respond to the need for balanced growth between profit generation and social and environmental development. Indeed, social enterprises have a prominent role in helping to create positive impacts for the business and social value chain. It is for this reason that in 2016, SET launched the SET Social Impact Platform using the “Social Impact Multiplier” concept. The aim of the Platform is to serve as an intermediary connecting businesses, society, and related parties together in a partnership network to develop the strength and capabilities of social enterprises, so that they are able to access funding, develop skills and knowledge, and expand their networks to elevate their competitive advantage. In 2018, SET developed 78 social enterprises through the SET Social Impact Platform by leveraging the strength of its networks to help these social enterprises achieve robust growth. This effort was achieved through five strategies: Funding, Visibility, Ability, Workability, and Possibility. In 2018, SET’s key performance included:

Funding: Promoting SE Access to Funding

SET, in collaboration with the Small and Medium Enterprise Development Bank of Thailand and the Thai Credit Guarantee Corporation, launched “Fund for Change” program which offered social enterprises loans with low interest and a zero-credit guarantee payment during the first year.

In 2018, 35 social enterprise owners expressed interest in participating in the program. SET plans to continue carrying out the program and anticipates at least 10 new social enterprises to join the program each year.

Visibility: Building a Platform to Connect Business and Society

SET developed the SET Social Impact Platform through online and offline channels to connect the business sector and society; to be the knowledge center for creating social impact; and to serve as a promotional channel for social enterprise products and services. In 2018, the SET Social Impact Platform had 138 members, consisting of business and civil society organizations. The SET Social Impact website was viewed over 228,000 times, an increase of 45% from 2017. Meanwhile, the SET Social Impact Facebook Page had more than 4,600 followers and an average of 147,000 viewers per month, which was 3 times higher than in 2017. This therefore reveals that social enterprises and the concept of creating social impact have been well-received by social media users. Not only that, SET also has channels for publicizing social enterprises on a wider scale, through activities such as:

- The SET Social Impact Day activity, which attracted listed companies and social enterprises to gather and share their experiences on creating social impact. It further served as a venue for social enterprises to demonstrate their capabilities, attracting customers and fund providers. In 2018, over 150 social enterprises and various other organizations participated in the event, which was attended by 1,050 people. The value of products sold by social enterprises amounted to THB 2 million.

(413-1)

- The SET Social Impact Fair, which aimed to showcase social enterprise products and services and distribute income to communities. In 2018, SET collaborated with 16 SE networks to promote hand-woven cloth handicrafts from 19 provinces, which generated over THB 2.3 million in sales for social enterprises.

Ability: Enhancing SE Capabilities and Competitive Advantage

SET is focused on developing the skills of social entrepreneurs and equipping them with knowledge and experience that can be further leveraged and applied into their own businesses. SET designed and delivered the content and tools that are useful for business development, through training courses and advisory programs that provide recommendations from business experts and top executives of listed companies. In 2018, SET’s key achievements in this area were as follows:

- Organized the SE 101 training course to provide basic knowledge for those wanting to start a social enterprise, and the SE 102 workshop training course to enhance the business skills of new SE business owners. A total of 251 individuals passed the two training courses. In 2019, SET plans to partner with universities in its network to expand the SE concept to university students through the SE 101 course.
- Collaborated with the Thai Listed Companies Association and mai to organize the Social Impact Gym project, which has been launched since 2017. The project welcomed top executives from listed companies and various other subject-matter experts to share their knowledge and experiences on business development, with the goal of helping SE owners to grow securely and expand their social impact. In 2018, SET selected 19, out of 200, social enterprises to participate in the project, and 25 executives from listed companies participated as volunteer coaches.

Workability: Creating Networks and Business Opportunities for SEs

SET serves as a connector linking the business sector and social enterprises, working to promote the creation of business deals that can help SEs build and strengthen their businesses – and thereby continue delivering social impact. In this regard, SET holds various activities such as the SET Social Impact Roundtable and SET Social Impact Day, which bring together the business sector, society, and SEs to develop trading agreements. In 2018, SEs were able to

(413-1)

successfully access new customers and become suppliers of various listed companies. More than 49 business deals were forged amounting to THB 44.46 million in value – a 70% increase from 2017.

Possibility: Promoting Social Impact Assessments

A social impact assessment (SIA) is an important tool that supports monitoring and communicating social impact performance of social enterprises, and has an influence on the decision-making of SE stakeholders, including customers, consumers, and financiers. SET therefore supported the development of guidelines and social impact measurement indicators for social enterprises and listed companies through SET Social Impact Echoes and Care the Bear, Change the Climate Change by Eco Event projects, enabling social impact assessment and promoting sustainable consumption among SE stakeholders. Conducting a social impact assessment also allows SEs and listed companies to constantly review and improve their performance.

From 2016 to 2018, SET spearheaded the SET Social Impact Platform to create social impact. To date, SET has more than 200 social impact creators from both the business and civil society sectors as partners. More than 100 business deals have been formed, and over 385 communities have benefited from these endeavors – totaling more than THB 75.85 million in economic value. In 2019, SET plans to continue expanding social impact creation to sustainably enhance the livelihoods of the Thai people.



Engaging and Developing Society

SET, in collaboration with various networks, supports work on social development through the development of individual capabilities, as well as those of organizations, communities, or networks. In 2018, the SET Foundation had the following achievements:

Developing People

- Partnered with the Thai Library Association, The Professor Sangvian Indaravijaya Foundation, the Population and Community Development Association (PDA), The Vimuttayalaya Foundation, The Sugree Charoensook Foundation, The Football History Association of Thailand, and Duang Prateep Foundation, to promote model individuals or organizations that dedicate themselves to the common good through the Partnership for the Betterment of Society Program. Key projects included the Partnership School Project, led by PDA, which focused on building engagement with various sectors to manage educational institutes in terms of human resources, curriculum, and budgets, in preparation for educational reforms under the Thailand 4.0 Policy. A total of 50 educational institutions from 34 provinces participated in the project. The goal is to implement the Project across all 77 provinces, and it is expected that over 2 million people will benefit from the Project.
- Partnered with the College of Music, Mahidol University, to organize the “21st SET Youth Musical Competition,” to provide opportunities for the youth to showcase their musical talents. The competition received 477 applications from 52 provinces across the country. The Project has created more than 40 artists and attracted more than 20,000 contestants since 1997. Moreover, SET also provides support for the youth to demonstrate their talents at the international level, such as by supporting the Thailand Philharmonic Orchestra and the Youth Harmonization Band of Salaya, among others.

(413-1)



- Collaborated with the Thailand Table Tennis Association to launch the project, SET Table Tennis for Everyone, with the goal of promoting the sport on a broader scale, to expand the base of new players, and to support the health of all Thai people, of all genders and across all ages, including underprivileged individuals and the elderly. In 2018, the project attracted more than 10,000 participants. Furthermore, SET also supported the SET Star Junior Table Tennis project to recruit a new generation of athletes, and the SET All Thailand Table Tennis Championship competition.

Developing Organizations, Communities, or Networks

- Supported the Rakkaew Foundation and 11 educational institutions to promote the community implementation of the Sufficiency Economy Philosophy and eradicate poverty in target areas. More than 7,800 students participated in the project in which 11,823 villagers in communities benefited, totaling more than THB 1.9 million in economic value.
- Supported work to enhance the quality of life for the Thai people through projects such as the Public Health Promotion Project in the three southern border provinces, and the Rajavithi Medical Center Construction Project for Rajavithi Hospital, to serve 1,500,000 outpatients per year.

Moreover, SET, through the Thailand Securities Depository (TSD), encourages shareholders to contribute to social development by donating their securities (a minimum of 1 stock) to Saijai Thai Foundation Under Royal Patronage. The Foundation gathers the securities, or the benefits generated from those securities, to donate as social contribution. The Project also reduces the time and expenses required for preparing and delivering documents to shareholders that hold less than 100 shares. In 2018, 394 people donated their shares to the Project, compared to 339 people in 2017. Not only that, the number of stocks collected in 2018 amounted to 1,012,976, which was 2.5 times higher than in 2017.

(413-1)



4%

Energy consumption reduction

92%

Foam waste reduction

33%

Single-use plastic waste reduction

50%

Increase in recycled wastewater use

CARE THE BEAR

GHG emissions reduction by

1,327 tCO₂e =

147,500 trees planted



Environmental Management

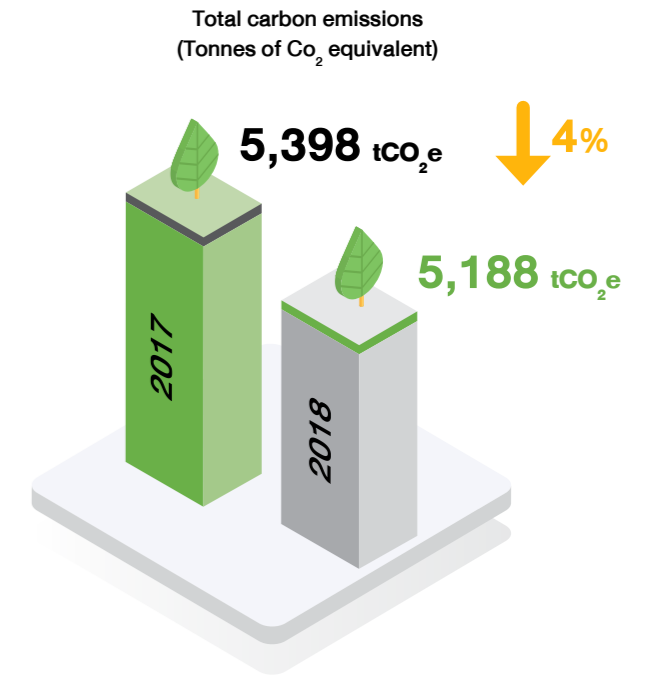
SET is committed to using energy and resources in a meaningful and efficient way in order to reduce the environmental impacts of its business operations. SET has implemented an environmental management policy and systemic approach that align with laws, requirements, as well as international standards of the Leadership in Energy and Environmental Design (LEED) certification. SET's environmental performance is regularly reported to the Board of Governors.

Material Topic	Efficient Resource and Energy Use	
<p>Target</p> <p>Management Approach</p>	<p>To become a Zero Carbon Organization</p> <ul style="list-style-type: none"> Applied modern innovations and technologies in building management system to reduce electricity and water consumption. Measured and reported greenhouse gas emissions according to the Carbon Footprint for Organization (CFO) assessment guidelines, to develop plans for carbon emission reduction and offsets. Identified environmental issues in the procurement process. 	<p>To promote the engagement of employees, suppliers, listed companies and business partners in environmental conservation</p> <ul style="list-style-type: none"> Promoted and campaigned through the "Care the Bear, Change the Climate Change by Eco Event" project for environmentally-friendly meetings, held by SET and listed companies. Promoted and campaigned to reduce the use of wasteful and high environmental impact resources, such as foam packaging and single-use plastics.

(103-2)

Becoming a Zero Carbon Organization

The Stock Exchange building serves as the center for services on securities and investments. The area within the building is divided into: 1) Office Zone, 2) Public Zone, which includes the Maruey library, INVESTORY museum, meeting and seminar rooms, and 3) Parking spaces. In 2018, the building was used by an average of 787 people per day. Several events were held each day which used a large amount of resources, including electricity, water, and wasteful materials (e.g. paper, plastic cups and bags, and cleaning detergents). The most-used area was the office zone, which consumed electricity from air-conditioners, computers, and lighting. In view of this, SET has designed an approach to managing its building efficiently to become a "Zero Carbon Organization." Important work in this regard thus focused on: Greenhouse Gas Management, Energy Management, Water Management, Waste Management, and Green Procurement.



Greenhouse Gas Management (103-1), (305-1), (305-2), (403-1)

SET is committed to reducing its greenhouse gas emissions to zero – essentially becoming a carbon neutral organization by 2019. This is to be achieved through the following approaches:

Management Approach <small>(103-2)</small>	2018 Performance <small>(103-3)</small>
<p>Controlled the amount of scope 1 and scope 2 emissions released to be no more than 5,398 tCO₂e per year (compared with the base year 2017).</p>	<p>The total amount of scope 1 and scope 2 emissions was 5,188 tCO₂e, a decrease of 210 tCO₂e (or 4%) less than the target. <small>(305-5)</small></p>
<p>Reduced greenhouse gas emissions from electricity consumption, which constituted 95% of the organization's total greenhouse gas emissions.</p>	<p>SET's Energy Conservation Plan reduced greenhouse gas emissions by 209 tCO₂e year-on-year.</p>

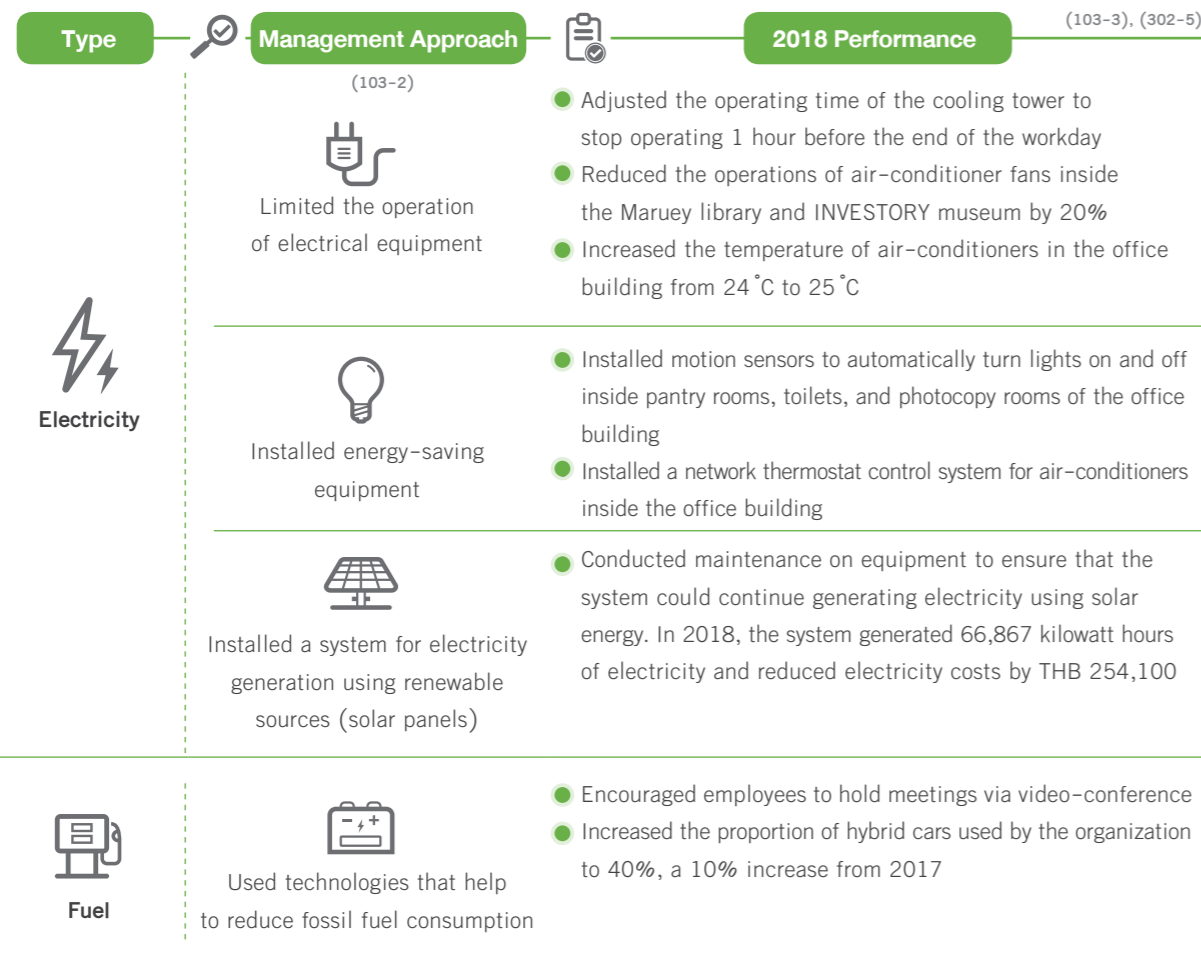
SET prepared a greenhouse gas emissions report in accordance with the guidelines of the Carbon Footprint for Organization (CFO) assessment, which was overseen by the Thailand Greenhouse Gas Management Organization (TGO). The report covered scope 1 and scope 2 emissions, and the data was verified and assured of accuracy by an external agency.

Furthermore, SET gave its support to the Thailand Voluntary Emission Reduction Program (T-VER) by purchasing carbon offsets amounting to 5,200 tCO₂e from Mitr Phol Bio-Power (Dan Chang) Co., Ltd, to compensate for SET's carbon footprint. (201-5)

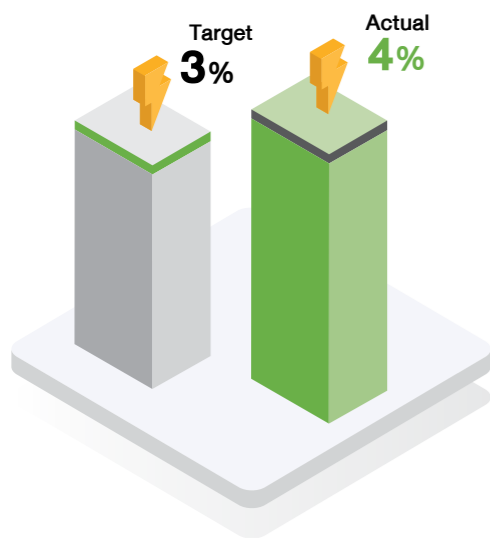
Energy Management

(103-1), (302-1)

SET prioritizes energy management in various aspects, from building design, to the use of energy-saving appliances and green technologies. SET is committed to reducing two main types of energy use: 1) electricity and 2) fuel



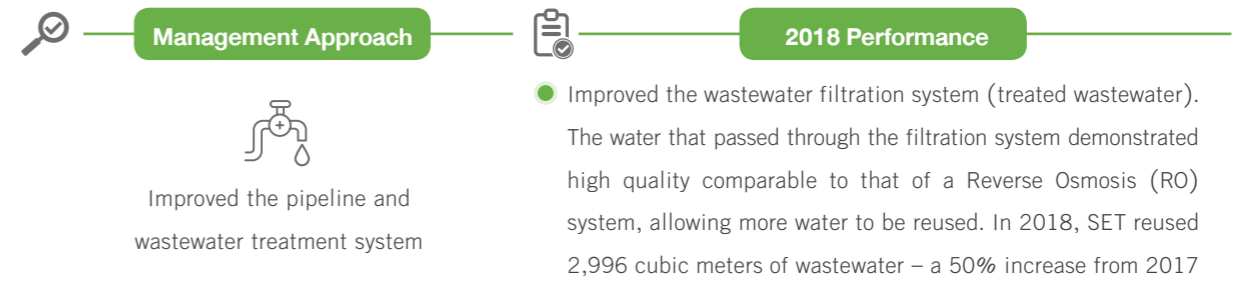
Reduction of energy consumption in 2018 (302-4)



In 2018, SET consumed a total of 8,679,867 kilowatt hours of electricity (totalled from 8,613,000 kilowatt hours of electricity purchased, and 66,867 kilowatt hours of electricity generated using solar energy). The SET's energy conservation measures helped to reduce electricity consumption by 4%, or 360,000 kilowatt hours. This was higher than the set target of energy use reduction of 3% and saved more than THB 1,624,100 worth of energy costs. Meanwhile, the organization's total fuel consumption was 71,620 liters, which rose by 3% from 2017 due to an increase in work-related travel. In 2019, SET plans to increase the number of hybrid cars in its automobile fleet by another 25%, to ultimately comprise 65% of its total fleet.

Water Management

Efficient water consumption is prominent in SET's considerations from the very beginning, and this involves everything from choosing water-saving equipment, such as for the pipeline system, sanitary ware and faucets, to improving and maintaining its wastewater treatment system by using modern technology, to reuse wastewater efficiently for building maintenance purposes. Key performance was as follows:



In 2018, SET consumed 49,068 cubic meters of water, a decrease of 8% (or 4,037 cubic meters) in consumption from 2017. This was the result of more efficient water use and the higher volumes of water reused, which overall helped to reduce water costs by THB 77,300.



Waste Management

High importance is attributed to efficiency in waste management systems. Given this, SET campaigns for its employees to develop an awareness of the waste problem by applying the 4Rs concept, "Rethink, Reduce, Reuse, Recycle," and to contribute to efforts in eliminating waste and separating trash through proper methods. In 2018, SET's approach and performance on waste management was as follows:





In 2018, SET's total waste generated amounted to 145,379 kilograms, which decreased by roughly 1,000 kilograms from 2017. In 2019, SET will further its efforts to reduce waste generation by encouraging employees to use resources efficiently; campaigning for the use of cloth bags and personal water cups, as well as for proper trash separation, to reduce general waste and increase the proportion of recycled waste.



Green Procurement (103-1), (308-2)

SET supports sustainable consumption and production through its policy and guidelines on green procurement, where it has also developed a database of green products and services to serve as alternative choices for its employees. In addition, SET has developed the Green Procurement Guidelines for communicating these approaches to its employees and listed companies, for implementation in their own work accordingly.

In 2018, SET's green procurement value increased to 57%, compared to 51% in 2017. This was higher than the set target of 55%. A total of 23 suppliers passed SET's environmental screening criteria. In 2019, SET will commit to increasing its procurement value of green products and services to 60%, by promoting environmentally-friendly products and services and creating awareness of sustainable production and consumption among suppliers and employees.

Management Approach (103-2)	2018 Performance (103-3)
 <p>Updated the database of green products and services to serve as alternatives for employees</p>	<ul style="list-style-type: none"> Increased the types of green products and services from 13 to 21 types, particularly in the services group, such as publishing and hotels Improved the channel for collecting data on green products and services on the Intranet system, to facilitate employee access to such information
 <p>Regularly communicated with stakeholders on the "Green Procurement Guidelines"</p>	<ul style="list-style-type: none"> Added environmental requirements in the Terms of Reference (TOR) and Requests for Proposal (RFP), including dust and noise prevention and the prohibition of foam decoration materials Communicated the Green Procurement Guidelines to the Procurement Working Team, the Inspection Working Team and employees, through the Procurement Service Sharing activity

Engaging with Stakeholders in Environmental Impact Reduction

Care the Bear Project

Change the Climate Change by Eco Event

The use of energy and resources for meetings, seminars, and exhibitions by various departments contribute to the emission of greenhouse gases – one of the causes of global warming. In 2017, SET launched the concept "Eco Event," and organized the "Care the Bear, Change the Climate Change by Eco Event" Project in collaboration with 22 partner organizations, to encourage listed companies and interested organizations to reduce their greenhouse gas emissions from meetings and other activities. SET thus undertook the following:

- Developed the 6-step guideline on how to "Reduce Carbon Emissions from Events, Reduce Global Warming," which stated: 1) Reduce the use of papers and plastics, 2) Ban foam products, 3) Use electricity efficiently, 4) Serve food in appropriate portions to reduce food waste, 5) Use decorative equipment that can be reused and recycled, and 6) Encourage event-goers to use public transportation.
- Supported the "Eco-Event Kit," a kit for measuring the carbon footprint of an event, in order to promote greenhouse gas reduction.



- Provided recommendations on carbon footprint reduction and carbon offsets from meetings and other activities.

In 2017, SET led 30 listed companies and interested organizations as part of the Project, which helped to reduce greenhouse gases by 1,327 tCO₂e, or the equivalent of planting 147,500 trees. In 2019, SET will continue to expand the project to organizations in the public, private, and civil society sectors, and to build partnerships to reduce global warming and thus respond to Sustainable Development Goal 13 on Climate Change.

"No Kob-Kab" Project



SET acknowledges the critical plastic waste problem. SET therefore initiated the "No Kob-Kab" Project (which means no plastic in Thai), to campaign for employees to use cloth bags, reusable food boxes, and personal cups/tumblers instead of single-use plastics. This included undertaking the following approaches:

- Determined measures to refrain from using single-use plastics, such as plastic bags, forks and spoons in the SET cafeteria, by requesting cooperation from food shops and all users starting from September 5, 2018.
- Invited employees to participate in the "No Kob-Kab" Challenge activities, to say no to plastic bags, boxes, cups and bottles for a 65-day period. A total of 512 employees, or 69% of all employees participated.

Following the completion of the Project, SET was able to reduce single-use plastic waste by 33%, especially from the quantities of plastic bags which decreased by 50%. In 2019, SET will continue to campaign on reduction of waste and single-use plastics and spread knowledge and create awareness of environmental issues, to stimulate employee engagement and promote responsible consumption.

SET Sustainability Performance Summary

Topic	Indicator	Unit	Performance		
			2016	2017	2018
Financial Performance (201-1)					
Key Financial Performance	Operating revenue	THB million	5,099	5,007	5,722
	Other income ¹	THB million	181	280	270
	Income from investments	THB million	767	1,045	586
	Operating expenses	THB million	3,694	3,818	3,978
	Income tax expenses	THB million	230	504	479
Key Financial Ratios	Revenue growth	%	15.95	4.70	3.90
	Operating revenue growth	%	12.86	-1.80	14.28
	Ratio of operating revenue over operating expenses	%	72.45	76.25	69.52
	Net profit margin ²	%	29.09	28.95	29.72
Sustainability Management					
Corporate and Capital Market Governance	Average board meeting attendance	%	91	94	91
	Number of complaints or incidents of violations concerning regulations on the acquisition or disposal of securities by governors, management and employees	cases	0	0	0
	Incidents or cases of confidential data leaks	cases	0	0	0
Sustainability Risk Management	Number of complaints relating to at-risk behaviors or actions on corruption or conflicts of interest with SET	cases	0	0	0
	Incidents of cyber attacks or errors in managing data security	cases	0	0	0
Developing Products, Services, and Innovations for Sustainability	Number of listed companies selected for inclusion in SETTHSI	companies	-	-	45
	Proportion of market capitalization of listed companies in SETTHSI index	%	-	-	53.43
Market Growth					
Developing the Quality of Listed Companies and Entrepreneurs	Number of listed companies in the Thailand Sustainability Investment (THSI) list	companies	51	65	79
	Proportion of market capitalization of listed companies in the THSI list	%	-	-	59.80
	Number of listed companies in the Dow Jones Sustainability Indices (DJSI)	companies	14	17	19
	Proportion of market capitalization of listed companies in the DJSI	%	-	-	42.80
	Average Corporate Governance Report (CGR) score of listed companies	%	78	80	81
	Proportion of listed companies disclosing ESG information in line with the Global Reporting Initiative (GRI)	%	-	11	13
	Number of participants involved in entrepreneur development projects or activities	persons	1,637	2,357	3,266
	Developing the Quality of Investors	Number of views on the SET investment education platform	million views	4.96	11.80
Number of new dollar-cost averaging (DCA) accounts for investment in stocks and mutual funds		accounts	-	37,400	63,000
Developing the Quality of Securities Professionals	Number of applicants for investment consultant (IC) exams	persons	66,000	80,000	48,650
	Number of participants in the Young Financial Star (YFS) Competition	persons	5,640	5,900	6,600

Topic	Indicator	Unit	Performance		
			2016	2017	2018
Employee Development					
SET Staff	Male employees	persons / %	238/32	228/31	231/31
	Female employees	persons / %	513/68	510/69	513/69
	Total employees		751/100	738/100	744/100
Employee Remuneration	Remuneration ratio between female and male employees	female : male	-	1 : 0.89	0.82 : 1
Employee Development	Investment in employee development	THB million	16.89	40.90	33.10
	Average training hours of management and employees	hours/year/person	75	52	57
Employee Well-being	Number of lost-time accidents of employees	cases	-	-	0
	Average employee engagement score	%	-	74	74
	Proportion of employees returning to work after maternity leave	%	100	100	100
	Employee turnover rate	%	6	6.5	4.6
Social Development					
Promoting Financial Literacy	Number of people accessing the Capital Market Knowledge Center Network ³	persons	250,000	600,000	900,000
	Number of working age individuals who received knowledge on financial planning for retirement through the Happy Money Happy Retirement project	persons	187,000	680,000	830,000
Promoting Social Enterprises	Economic value generated from business deals at the SET Social Impact Platform	THB million	-	-	44.46
	Number of members on the SET Social Impact platform	members	77	123	138
	Number of views on the SET Social Impact website	views	-	157,000	228,000
Engaging and Developing Society	Contributions to the SET Foundation	THB million	401	221	186
	Number of shares donated to the Making Merits through Stock Sharing project	shares	-	368,647	1,012,976
Environmental Management					
Efficient Energy and Resource Use	Scope 1 Greenhouse gas emissions (305-1)	tons CO ₂ e per year	191	175	175
	Scope 2 Greenhouse gas emissions (305-2)	tons CO ₂ e per year	5,162	5,223	5,013
	Total greenhouse gas emissions⁴		5,353	5,398	5,188
	Electricity purchased	kilowatt-hours	8,868,000	8,973,000	8,613,000
	Electricity generated from solar energy	kilowatt-hours	68,959	65,795	66,867
	Total electricity consumption		8,936,959	9,038,795	8,679,867
	Benzine consumption	liters	47,720	25,858	28,263
	Diesel consumption	liters	30,060	43,709	43,357
	Total fossil fuel consumption		77,780	69,567	71,620
	Water supply use	cubic meters	50,007	53,105	49,068
	Treated wastewater	cubic meters	15,003	15,932	14,583
	Reused wastewater	cubic meters	-	1,488	2,996
	General waste	tons	74.44	87.33	98.53
	Recycled waste	tons	20.78	33.90	24.02
	Organic waste	tons	10.56	24.86	22.58
	Toxic waste	tons	0.15	0.30	0.25
	Total waste		105.94	146.39	145.38
	Proportion of green procurement	%	-	51	57

Remark:

¹ Other income consists of income from educational activities, marketing activities, management fees and fund management, etc.

² Net profit margin is calculated by revenues over expenses, net/total revenues

³ The Capital Market Knowledge Center consists of Mareuy Library, INVESTORY Museum, and SET Investment Centers (SET ICs).

⁴ For 2018, only the direct (scope 1) and indirect (scope 2) greenhouse gas emissions are reported here since they had significant impacts on SET's business operations. In addition, SET purchased 5,200 tCO₂e per year in carbon credits from Mitr Phol Bio-Power (Dan Chang) Co., Ltd. to use as carbon offsets to reduce its emissions to zero.

GRI Standards Content Index



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	7	
102-3	Location of headquarters	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand	
102-4	Location of operations		
102-5	Ownership and legal form	https://www.set.or.th/en/about/overview/history_p1.html	
102-6	Markets served	6-9	
102-7	Scale of the organization	8	
102-8	Information on employees and other workers	41	Goal 8: Decent work and economic growth
102-9	Supply chain	8-9	
102-10	Significant changes to the organization and its supply chain	8-9	
102-11	Precautionary Principle or approach	27	
102-12	External initiatives	20	
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	4-5	
102-15	Key impacts, risks, and opportunities	14-15	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	40	
102-17	Mechanisms for advice and concerns about ethics	26	Goal 16: Peace, justice and strong institutions
Governance			
102-18	Governance structure	22-23	
102-19	Delegating authority	23	
102-20	Executive-level responsibility for economic, environmental, and social topics	https://www.set.or.th/en/about/overview/organization_p2.html	
102-21	Consulting stakeholders on economic, environmental, and social topics	10-13	Goal 16: Peace, justice and strong institutions
102-22	Composition of the highest governance body and its committees	22-23	
102-23	Chair of the highest governance body	2018 Annual Report p.12	
102-24	Nominating and selecting the highest governance body	2018 Annual Report p.76	Goal 16: Peace, justice and strong institutions
102-25	Conflicts of interest	25	

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Note::

- For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.
- For the SDG Mapping Service, GRI Services reviewed that the disclosures included in the content index are appropriately mapped against the SDGs.

GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
Governance			
102-26	Role of highest governance body in setting purpose, values, and strategy	23	
102-27	Collective knowledge of highest governance body	2018 Sustainability Report p.24 2018 Annual Report p.68-69	Goal 4: Ensure inclusive and equitable quality education
102-28	Evaluating the highest governance body's performance	2018 Sustainability Report p.24 2018 Annual Report p.67	
102-29	Identifying and managing economic, environmental, and social impacts	18-19	Goal 16: Peace, justice and strong institutions
102-30	Effectiveness of risk management processes	27	
102-31	Review of economic, environmental, and social topics	21	
102-32	Highest governance body's role in sustainability reporting	4-5	
102-33	Communicating critical concerns	26	
102-34	Nature and total number of critical concerns	25	
102-35	Remuneration policies	23	
102-36	Process for determining remuneration	23	
102-37	Stakeholders' involvement in remuneration	23	Goal 16: Peace, justice and strong institutions
Stakeholder engagement			
102-40	List of stakeholder groups	10-13	
102-41	Collective bargaining agreements	44	Goal 8: Decent work and economic growth
102-42	Identifying and selecting stakeholders	10	
102-43	Approach to stakeholder engagement	11,13	
102-44	Key topics and concerns raised	10,12	
Reporting practice			
102-45	Entities included in the consolidated financial statements	6-7	
102-46	Defining report content and topic Boundaries	18	
102-47	List of material topics	19	
102-48	Restatements of information	18	
102-49	Changes in reporting	18	
102-50	Reporting period	3	
102-51	Date of most recent report	Sustainability Report 2017	
102-52	Reporting cycle	3	
102-53	Contact point for questions regarding the report	3	
102-54	Claims of reporting in accordance with the GRI Standards	3	
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GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
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Economic Performance			
GRI 103: Management Approach 2016			
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103-2	The management approach and its components	29	
103-3	Evaluation of the management approach	29	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	60	Goals 8: Decent work and economic growth
201-2	Financial implications and other risks and opportunities due to climate change	55	
201-3	Defined benefit plan obligations and other retirement plans	44	
Indirect Economic Impacts			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	20	
103-2	The management approach and its components	29	
103-3	Evaluation of the management approach	29	
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	29	Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
203-2	Significant indirect economic impacts	8-9	Goal 8: Decent work and economic growth
Anti-corruption			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	25	
103-2	The management approach and its components	25	
103-3	Evaluation of the management approach	25	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	28	Goal16: Peace, justice and strong institutions
205-2	Communication and training about anti-corruption policies and procedures	25,43	
205-3	Confirmed incidents of corruption and actions taken	25	
GRI 300: Environment Topics			
Energy			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	56	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
GRI 302: Energy 2016			
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302-4	Reduction of energy consumption	56	
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GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
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GRI 103: Management Approach 2016			
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103-2	The management approach and its components	55	
103-3	Evaluation of the management approach	55	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	55,61	Goal 13: Climate action
305-2	Energy indirect (Scope 2) GHG emissions	55,61	
305-5	Reduction of GHG emissions	55	
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GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	58	
103-2	The management approach and its components	58	
103-3	Evaluation of the management approach	58	
GRI 308: Supplier Environmental Assessment 2016			
308-2	Negative environmental impacts in the supply chain and actions taken	58	
GRI 400: Social Topics			
Employment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	19	
103-2	The management approach and its components	41	
103-3	Evaluation of the management approach	45	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	45	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	44	Goal 8: Decent work and economic growth
401-3	Parental leave	44	Goal 8: Decent work and economic growth
Training and Education			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	42	
103-2	The management approach and its components	42	
103-3	Evaluation of the management approach	42	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	42	Goal 8: Decent work and economic growth
404-2	Programs for upgrading employee skills and transition assistance programs	42	
404-3	Percentage of employees receiving regular performance and career development reviews	41	

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GRI Standards	Disclosure	URL / Page Number	SDG Mapping Linked to Disclosure
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	22,41	
103-2	The management approach and its components	23,41	
103-3	Evaluation of the management approach	23,41	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	23,41	Goal 8: Decent work and Economic growth
405-2	Ratio of basic salary and remuneration of women to men	41	
Local Communities			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	20	
103-2	The management approach and its components	46	
103-3	Evaluation of the management approach	46	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	47-53	Goal 1: End poverty in all its forms everywhere
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GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	33	
103-2	The management approach and its components	33	
103-3	Evaluation of the management approach	33	
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	33	Goal 12: Ensure sustainable consumption
Customer Privacy			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	25	
103-2	The management approach and its components	25	
103-3	Evaluation of the management approach	25	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	25	Goal 16: Peace, Justice and Strong institutions

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SET ensures the 2018 Annual Report is environmentally friendly.
The paper was printed on PS Green, eco-friendly, using soy ink,
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