



ทีเอ็มบีธนชาต
TMBThanachart

Human Rights Risk Assessment

Summary Report 2020

TMBThanachart Bank Public Company Limited

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1. Human Rights Due Diligence

The Bank's human rights due diligence has been developed in accordance with the UN Guiding Principles on Business and Human Rights (UNGPR). The due diligence is an on-going risk management process to identify, assess, prevent, and mitigate human rights risks across the entire value chain of the business. This process applies to the Bank's operation including subsidiaries, where Bank has operational control, associated activities within the value chain, and relevant stakeholders e.g. employees, customers, suppliers, contractors, communities, and vulnerable groups (e.g. indigenous people, children, migrant labor).

The due diligence comprises the following components:



As part of human rights due diligence, the Bank conducts human rights risk assessment, a systematic periodic review of the risk mapping of potential and actual human rights issues, every three years to identify, assess, prevent, and mitigate human rights risk across the entire value chain of the business.

Human Rights Risk and Impact Assessment		
Scoping	Risk identification	Risk prioritization
<ul style="list-style-type: none"> Scope out the most relevant human rights issues to the Bank's business activities by reviewing peers' benchmarking, risks within the geography of operation, and industry's human rights issues from civil society organizations and NGOs 	<ul style="list-style-type: none"> Identify all relevant human rights issues to the Bank's business activities and all affected groups of stakeholders through review and engagement with relevant stakeholders 	<ul style="list-style-type: none"> Assess inherent risks and existing mitigation measures to identify residual risks Prioritize human rights salient issues and develop additional mitigation actions needed

Remark: Actual or potential human rights issues cover forced labour, human trafficking, child labour, freedom of association, right to collective bargaining, equal remuneration, discrimination, market conduct practices, anti-money laundering and terrorism finance working conditions, health and safety in workplace, employee privacy, customer privacy, environmental issues, community health, safety and security, controversial lending concerning animal rights and welfare, land acquisition and resettlement, indigenous people, and data and information leaks and breaches.

Human Rights Risk Assessment Matrix



The human rights risk assessment is conducted, by using 4X4 matrix whereby the y-axis is severity of risk and impact and the x-axis is likelihood of the risk occurring, to determine the significance of the human right issues based severity and likelihood.

Severity	4	Medium	High	High	High
	3	Medium	Medium	High	High
	2	Low	Low	Medium	High
	1	Low	Low	Medium	Medium
		1	2	3	4
		Likelihood			

Risk level:

High risks are salient human rights risks that need to be addressed with additional prevention/mitigation measures.

Medium risks are human rights salient issues that are mitigated to some extent, but need additional mitigation measures.

Low risks are human rights risks that are appropriately mitigated and should be monitored regularly for changes.

Human Rights Risk Assessment Criteria: Severity

Severity Level	Scale (seriousness of impact)	Scope (how many people are or will be affected)	Irremediable Nature (difficulty to restore the people impacted to a situation before impact)
Critical (4)	Significant impact to health and safety: physical disability or fatality	Impact to all stakeholders in the group	Impossible to restore or will take longer than 5 years (>5 years) to restore the impact
High (3)	Moderate impact to health and safety: serious injury that needs rehabilitation (loss time injury)	Impact to most stakeholders in particular stakeholder group	Take 3-5 years to restore the impact
Medium (2)	Slight impact to health and safety: minor injury or illness (no loss time)	Impact to some stakeholders in particular stakeholder group	Take 1-3 years to restore the impact
Low (1)	Minor impact to health and safety: first aid case	No negative impact to stakeholder	Take less than a year (<1 year) to restore the impact

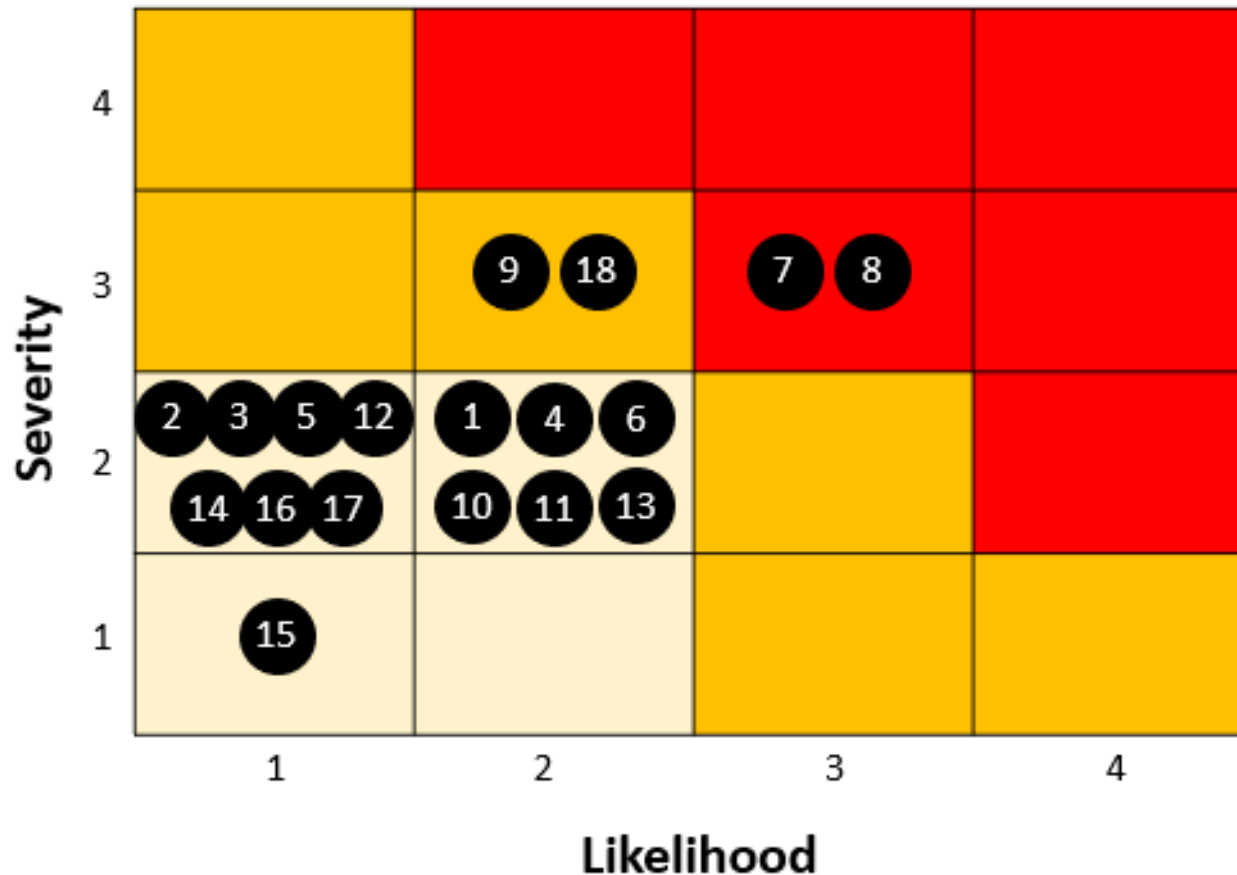
Human Rights Risk Assessment Criteria: Likelihood



Likelihood Level	Likelihood	Example
Very likely (4)	Occurs all the time	Such human rights issues have occurred consistently from the past until present.
Likely (3)	Occurs very often	Such human rights issues have happened in the past and also occurred very often at the present.
Unlikely (2)	Occurs rarely	Such human rights issues have happened in the past and also occurred sometimes at the present depending on operation of business units.
Very unlikely (1)	Almost never	Such human rights issue have never occurred in our business operation but have occurred in the industry of the operation.

2. Human Rights Risk Assessment Results

The Bank identified 18 human rights issues related to its operations and throughout the value chain, where human right issues that were ranked at high level are considered as salient issues.



Employee practices	
1	Discrimination in workplace
2	Working conditions
3	Freedom of association and the rights to collective bargaining
4	Health and safety in workplace
5	Employee privacy
Customer practices	
6	Discrimination against customers
7	Customer privacy
8	Market conduct practices
9	Anti-money laundering and terrorism finance
Lending practices	
10	Environmental issues
11	Labor rights
12	Land acquisition and resettlement
13	Community health, safety and security
14	Indigenous peoples
15	Controversial lending concerning animal rights and welfare
Procurement and supply chain practices	
16	Health and safety in workplace
17	Working conditions
18	Data and information leaks and breaches

Salient Human Rights Issues

1. CUSTOMER PRIVACY

2. MARKET CONDUCT PRACTICES

The Bank's Own Operation

100%

Of the Bank's operations and business activities were assessed human rights risk and impact.

11%

Of the Bank's business activities have been identified to have high human rights risks level (salient issues).

100%

Of the Bank's operations and business activities which identified at human rights risks, have mitigation measures and remediation process implemented.

Contractors and Tier-1 supplier

100%

Of total critical tier 1 supplier were assessed

0%

Of the critical tier 1 supplier was found to be at risk

100%

Of sites are provided with human rights risks and mitigation plan

3. Salient Issues and Mitigation Actions: Customer Privacy



Salient Issue: Customer Privacy

Right Holder Impacted: Customers

Relevance:

The security and confidentiality of all proprietary information and data processing, including personal confidential information, must be safeguarded in accordance with applicable laws and regulations. Actions or events that lead to breaches of customer privacy, can violate the rights to privacy under market conduct and put both customer and company at risk.

Mitigation:

As the Bank is responsible for handling customer information with care, customer privacy related policies have been established e.g. Privacy Policy, Data Leakage Prevention Minimum Standard Policy, Information Risk Policy. All parties involved in customer data processes must comply with the regulations and company's privacy protection standards. The Bank has procedures to provide an adequate level of protection for customer data processed within the Bank. Data security trainings are provided to employees. Non-compliance by employees may result in sanction or other disciplinary measures.

3. Salient Issues and Mitigation Actions: Market Conduct Practices

Salient Issue: Market Conduct Practices

Right Holder Impacted: Customers

Relevance:

Parties who has direct exposure to customers are expected to provide best customer service in compliance to the market conduct policy and standards that establish best practices to avoid incidents that violates customers' rights such as misleading / deceiving about product features, forced selling/ mis-selling, and enrolling without customers' consent.

Mitigation:

The Bank has policies in place to establish the foundation of ethical marketing practice in lining with the Bank of Thailand's Market Conduct, Market Conduct Policy, and Product Procedures / Operating Procedures / Branch Working Instructions. Grievance channel and customer center are available for customer to report any unethical marketing practices or any other issues and concerns. Trainings on products and service and market conduct are regularly provided to employees. Non-compliance by employees may result in sanction or other disciplinary measures.

4. Remediation Actions Taken

With the implementation of mitigation measures, there was no case of human rights violation in 2020; thus, no remediation action was taken. However, the Bank continues to monitor the mitigation measures for high risk issues on an annual basis.

The Bank continues to respect human rights of all stakeholders and to monitor human rights risks and impacts that may arise from our business activities in order to ensure timely responses to emerging human rights risks and their potential adverse impacts.

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