

# Sustainability management in corporate governance dimension

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## 1. Good corporate governance and business ethics

### Objectives and goals

The Company and its subsidiaries are committed to conducting business according to good corporate governance principles, both nationally and internationally. We adhere to fair and transparent business practices, systematic risk management and internal control, responsibility towards stakeholders and society and compliance with relevant business regulations, both domestically and internationally.

The Company and its subsidiaries aim to develop the organisation into a model of corporate governance, build trust among shareholders and all stakeholders and create sustainable returns and competitive capabilities for the organisation.

### **Operational guidelines**

The Company and its subsidiaries have policies and practices for good corporate governance developed under the guidelines of the Stock Exchange of Thailand (SET) and the principles of good corporate governance for listed companies in 2017 of the Securities and Exchange Commission (SEC). These enable the Company to conduct business ethically, correctly, transparently, fairly and verifiably and to eliminate potential conflicts of interest. The Company's Board of Directors has assigned the Corporate Governance Committee to monitor, supervise and screen matters related to good corporate governance.

The Company has published its good corporate governance policies on the Company's website: [www.dhipayagroup.co.th](http://www.dhipayagroup.co.th) under the topic 'Good Corporate Governance.' These include ethics and business conduct regulations and anti-corruption policies.

In this report under 'Part 2: Corporate Governance', the Company has disclosed detailed information related to good corporate governance and business ethics, corporate governance structure and important information about the Board of Directors, subcommittees, executives, employees and others.

#### **1) The Board of Directors and sustainability**

##### **1.1) Independence of the Board of Directors**

The Company's Board of Directors is responsible for performing its duties and is truly independent from management for the best interests of the Company and shareholders as a whole. There is a clear separation of duties between the Board of Directors and management. The Board of Directors sets policies and oversees the Company's systems to operate according to legal, regulatory, ethical and other relevant requirements while management is responsible for managing various aspects of the business according to the established policies.

##### **1.2) Performance evaluation of the Board of Directors**

All directors are required to attend Board meetings and assigned meetings at least 80% of the time. The Company and its subsidiaries conduct an annual performance evaluation of the Board of Directors to help the Board review their performance, identify problems and obstacles and analyse their duties. The evaluation results are used to improve and develop operations in the following year. The evaluation consists of three forms: evaluation of the entire Board, self-evaluation of individual directors and evaluation of subcommittees.

### 1.3) Director and executive development

The Board of Directors emphasises the directors' development by supporting their participation in various courses related to enhancing their knowledge and abilities to perform their duties. This knowledge is applied to maximise the business operation benefits of the Company.

The Company and its subsidiaries continue to prioritise sustainable business operations. We invited distinguished external speakers to lecture on 'Conducting Business with Integrity, Ethics and Sustainability (TIP GROUP's Ethical and Sustainable Business Forum)' to directors and executives on 29 May 2024. Furthermore, recognising the risks and potential impacts of personal data protection, the Company conducted in-house training on the Personal Data Protection Act (PDPA) for executives and employees, with 100% participation.

### 1.4) Shareholder equality and participation

The Company's Board of Directors has established guidelines to ensure that all shareholders are treated equally and have their rights protected fairly during the Company's Annual General Meeting of Shareholders. Shareholders have voting rights equal to the number of shares they hold, with one share equalling one vote. Voting is conducted openly, and the Company uses paper ballots for all agendas, especially for the appointment of directors. Shareholders are given the opportunity to consider and appoint directors individually. The meeting is conducted in line with the Company's Articles of Association, and meeting resolutions are recorded in the meeting minutes for verification.

Before the 2024 Annual General Meeting of Shareholders, the Company provided minority shareholders with the opportunity to propose agenda items and nominate qualified individuals for election as directors in advance, from 1 October to 31 December 2023. This information was disclosed through the Stock Exchange of Thailand's information disclosure channels and the Company's website, [www.dhipayagroup.co.th](http://www.dhipayagroup.co.th).

## 2) Information disclosure and transparency

Information disclosure is a crucial indicator of operational transparency and a key factor in building trust with investors and all stakeholders. The Company has updated its financial and non-financial information according to the regulations of the SEC and the SET, ensuring accuracy, completeness, timeliness and transparency. This information is disclosed through the SET's information disclosure channels and is also available on the Company's website, [www.dhipayagroup.co.th](http://www.dhipayagroup.co.th), ensuring easy and equal access for shareholders and stakeholders.

## 3) Principles of good corporate governance practices

- Principle 1: Recognise the role and responsibilities of the Board of Directors as organisational leaders who create sustainable value for the business.
- Principle 2: Define the organisation's key objectives and goals for sustainability.
- Principle 3: Enhance the effectiveness of the Board of Directors.
- Principle 4: Recruit and develop senior executives and personnel management.
- Principle 5: Promote innovation and responsible business practices.
- Principle 6: Ensure appropriate risk management and internal control systems.
- Principle 7: Maintain financial credibility and information disclosure.
- Principle 8: Support engagement and communication with shareholders.

Detailed information is disclosed in this report, 'Part 2: Corporate Governance.'

**4) Code of Conduct**

1. All directors, executives and employees (those with duties) are responsible for complying with the Code of Conduct and promoting or supporting others to comply.
2. Those with duties must understand the substance of their duties and responsibilities and review their understanding regularly.
3. Those with duties must not incite, promote or support others in non-compliance with the code of conduct, must not neglect or ignore non-compliance and must cooperate in fact-finding investigations when allegations of non-compliance arise. They must not act unfairly towards others if they are accused of non-compliance.
4. Those with duties should report observed violations or non-compliance to their trusted supervisors.
5. The Business Code of Conduct is considered part of the company's work regulations and operational manuals.

Detailed information is disclosed in this report, 'Part 2: Corporate Governance'.

**5) Anti-corruption**

The Company and its subsidiaries have a policy to combat corruption, focusing on building an organisational culture where personnel at all levels recognise the dangers of corruption, establish correct values and increase trust among all stakeholders. There are specific anti-corruption policies and guidelines for effective implementation.

In 2024, the Company regularly reviewed and revised its anti-corruption policy and implementation manual to align with the changing situations, risks and laws. There were no complaints regarding the Company's business operations or misconduct of personnel at any level related to corruption.

**6) Complaints and whistleblowing channels**

Whistleblowing and complaints can be submitted through the Company's complaint channels for cases involving legal violations, ethical violations or unfair service or treatment as well as whistleblowing regarding the Company's business operations by stakeholders such as customers, shareholders, creditors and employees. The Company has established clear and written regulations on the complaint-handling process to ensure fairness for both complainants and the accused. This also provides assurance of the Company's operations developing in line with good corporate governance principles, aimed at efficiency, transparency and accountability, which will result in confidence and trust in the Company. Complaints or comments can be submitted to the Company through the following channels:

Letter: Dhipaya Group Holdings PCL

1115 Rama 3 Road, Chong Nonsi, Yannawa, Bangkok 10120, Thailand

Email: [Compliance@dhipayagroup.co.th](mailto:Compliance@dhipayagroup.co.th)

Website: [www.dhipayagroup.co.th](http://www.dhipayagroup.co.th)

Telephone: 02 239 2200

The Company will bring the complaint into the Company's complaint handling process, in which the facts are verified, the complainant is informed of the verification results, remedial measures are considered, the verification results are reported to the Corporate Governance Committee and the Audit Committee for quarterly review and submission to the Board of Directors for acknowledgment and the results of operations are summarised to the Board of Directors at least once a year. In addition, the Company has established guidelines for protecting the rights of

complainants by requiring the maintenance of information related to complainants who wish to keep it confidential and treating them fairly.

### **Indicators and performance results**

In 2024, the Company and its subsidiaries received awards related to sustainable development practices, encompassing ESG dimensions. These include:

- **Received an ‘excellent’ or five-star rating in the 2024 Corporate Governance Report (CGR) of Thai Listed Companies for the second consecutive year. Ranked at top quartile 1 of companies with a market capitalisation above THB10,000m.**

The Company received a five-star ‘excellent’ rating in the corporate governance assessment with a total score of 109 points. It’s the only insurance holding company included in the top quartile of listed companies with a market capitalisation above THB10,000m, as surveyed by the Thai Institute of Directors Association (IOD). This reflects the Company’s effective corporate governance, reinforcing confidence among shareholders, investors and all stakeholders.

- **Received the ‘Investors’ Choice Award’ for the fifth time in 2024. Achieved a perfect score of 100 points in the Annual General Meeting (AGM) Checklist for the 17th consecutive year.**

The Company received the ‘Investors’ Choice Award’ for the fifth time of 2024 from the Thai Investors Association, with a perfect score of 100 points in the quality assessment of the Annual General Meeting of Shareholders (AGM Checklist) for the 17th consecutive year. This recognition stems from the Company’s commitment to good corporate governance, transparent business operations, equitable treatment of stakeholders and continuous improvement in the efficiency of shareholder meetings.

- **Membership in the Thai Private Sector Collective Action Against Corruption (CAC)**

The Company was certified as a CAC member for the first year. Additionally, Dhipaya Insurance PCL (TIP), a subsidiary of Dhipaya Group Holdings PCL, had its CAC membership renewed, having been a member since 2017. These certifications reflect the Company’s commitment to transparent business operations and corruption-free governance.

In 2024, the Company and its subsidiaries reported no violations of the business code of conduct. Further details are available in this report, ‘Part 2: Corporate Governance.’

## **2. Cybersecurity and personal data protection**

### **Objectives and goals**

The Company and its subsidiaries are highly aware of the risks posed by cyber threats. Investments in information infrastructure and information system development can facilitate, enhance efficiency and streamline various operational processes, enabling smooth and rapid customer service. However, the security of data belonging to all stakeholders, including customers, employees and partners, is equally important.

The Company and its subsidiaries place the utmost importance on the privacy and personal data of all stakeholders, whether it be general personal information or insurance-related data. The Company is committed to complying with the Personal Data Protection Act BE 2562 (2019), so it has established measures to protect personal data under the Company’s control during the collection, use and disclosure of personal data for six categories of stakeholders: 1) customers, prospects or website users, 2) shareholders and directors, 3) non-life insurance agents and brokers, 4) business partners and contractors, 5) job applicants, and 6) employees, contract staff, interns, scholarship applicants and other related individuals.

## Operational guidelines

### 1) Cybersecurity management

The Company and its subsidiaries follow international standard ISO/IEC 27001:2022 for information security management and the NIST Framework for cybersecurity risk management. This helps the Company to effectively plan, assess, prevent, detect, respond to and recover from cyber threats. It also provides a framework for secure IT and cybersecurity management. The following policies and guidelines have been established.

#### 1. Cybersecurity management structure and responsibilities

- **The Board of Directors** is responsible for overseeing IT governance, including technology risk management and compliance with laws and regulations across the Company.
- **Senior management** is responsible for setting policies and procedures for use and operation, assessing and mitigating risks, monitoring cybersecurity risk mitigation and ensuring that IT and cybersecurity investments align with business strategies.
- **The working team** is responsible for assessing, monitoring, protecting against and responding to cyber threats. They also report cyber threat risk information to the Board and designated senior management regularly and promptly. This includes coordinating with regulatory agencies, experts and external service providers to develop effective and timely security incident response and resolution plans.

#### 2. Information technology and cyber risk management

The Company and its subsidiaries utilise cyber risk management principles in conjunction with information risk management, operating under the Information Security Management System (ISO 27001 ISMS). The Audit Committee that oversees risk and the Risk Management Committee are responsible for managing information technology and cyber risks.

In addition to assessing risks from the Company's activities, the Company also surveys cyber threats occurring to other organisations, both within the same industry and across different industries. This is done to learn and assess potential risks to the organisation and to evaluate potential damage to customers, stakeholders and business partners.

#### 3. Data and cyber security management measures

Under the ISMS management, the Company has adopted the NIST Cybersecurity Framework and conducts risk assessments for prevention, detection, response and recovery, ensuring data and information security and continuous service availability. The Company and its subsidiaries implement measures to address cyber threats, including identify, protect, detect, respond and recover.

#### 4. Cyber threat incident response and reporting

The Company and its subsidiaries have established an information security and cyber threat incident response plan to ensure effective and appropriate incident management and responses. In the event of an incident, the Company has established incident severity levels, incident assessment procedures, severity determination procedures and the protocols for reporting to senior management and regulatory authorities as needed. The incident management process is tested at least once a year for potential impacts on information system security. The most recent test was conducted on 15 November 2024.

#### 5. Training and communication

The Company and its subsidiaries communicate policies to employees and business partners and provide training on information security awareness and potential cybersecurity threats. This aims to ensure that employees understand and are aware of the necessity of maintaining security and comprehend the potential consequences of security incidents. The training also includes communicating prevention and response guidelines for cyber threat incidents.

## 6. Audits and assessments

The Company and its subsidiaries conduct IT and cyber audits and assessments at least once a year. These cover operational aspects (e.g. IT audits) and technical system security (e.g. penetration testing and vulnerability assessments).

### 2) Personal data protection management

The Company and its subsidiaries have established guidelines in line with the Personal Data Protection Law to ensure that internal operations comply with the law's framework, as follows:

1. A Record of Processing Activity (ROPA) for the Company must be established.
2. The retention period and methods for deleting or destroying personal data must comply with the criteria and procedures specified by the Company.
3. Sensitive data appearing in various important documents that the Company doesn't intend to use must be masked.
4. The Company's personal data protection policy must be communicated to data subjects before their personal data is collected.
5. Consent must be obtained from data subjects when necessary.
6. Channels for data subjects to exercise their rights must be communicated in cases where data subjects express their intention or submit a request to exercise their rights under the PDPA.
7. Personal data breach incidents must be reported to the Personal Data Protection Committee within 72 hours.

The Company and its subsidiaries oversee and comply with the Company's personal data protection policies, including the appointment of a Data Protection Officer (DPO) with the following contact details:

#### Data Protection Officer (DPO) details

Company Data Protection Officer: Dhipaya Group Holdings PCL

Address: 1115 Rama 3 Road, Chong Nonsi, Yannawa, Bangkok 10120

Contact channel: [TIPH-DPO@dhipayagroup.co.th](mailto:TIPH-DPO@dhipayagroup.co.th)

## Indicators and performance results

### Summary of cyber security and personal data protection performance

Cyber security and personal data protection	2024
Percentage of technology infrastructure certified to ISO 27001 cyber security standards compared to total infrastructure:	100%
Number of cyber attack incidents against the Company	0 incidents
Number of personal data breach incidents	0 incidents



## 1) Cybersecurity management

1. **Vulnerability management:** To identify vulnerabilities in IT systems and use the findings to improve, correct and prevent potential threats. Key system vulnerability assessments are conducted at least annually.

### Results

- **Operating system vulnerability management:** Continuous scanning and verification of server operating systems using Nessus, performed weekly. Latest scan: 20 November 2024.
- **Network equipment vulnerability management:** Continuous scanning and verification of network equipment using Nessus, performed weekly. Latest scan: 20 November 2024
- Vulnerability closure actions, such as patch updates, are implemented based on scan results.

2. **Penetration testing:** To test system security by having experts perform penetration tests on applications and networks related to critical data at least annually.

### Results

- **Internal penetration testing:** Use of Detectify for weekly web server penetration testing. Latest test: 27 December 2024.
- **External penetration testing:** Hiring experts for grey box penetration testing of new mobile applications. Testing period: 1 November to 30 December 2024, across eight systems. The first phase was completed on 30 November 2024.

3. **Phishing simulation exercise:** To raise awareness and promote employee learning and resilience against cyber threats.

### Results

In 2024, the Company conducted simulated tests, including one pre-test phishing email campaign and two post-test campaigns after training to educate employees who clicked links and provided information. Post-test results: 1.21% of employees clicked links and provided information, which is below the Company's target.

4. **PDPA compliance training:** To ensure employees have the knowledge and understanding to comply with the Personal Data Protection Act BE 2562 (2019)

### Results

In 2024, the Company and its subsidiaries provided PDPA training to 100% of their employees.

5. **Technical training and seminars on cybersecurity and personal data protection:** To enhance the skills, knowledge and capabilities of employees, including participation in seminars on new technologies and trends related to their work

### Results

- Training/seminar: F5 THAILAND API HACKATHON, 1 February 2024
- Training/seminar: CYBER VISION 2024: Adapt-Sustain-Breakthrough, 7 March 2024
- Training/seminar: Cybersecurity, Cyber Resilience & Cyber Risk Management Awareness Training, 12 March 2024
- Training/seminar: CHECKPOINT Software Blade Training R81, 19 March 2024
- Training/seminar: Transform CTI to External Threat Landscape Management (ETLM), 24 March 2024
- Training/seminar: Post-Cyber Threat Exercise Training for the Business Sector (Post-Exercise), 27 March 2024
- Training/seminar: Financial Sector Cybersecurity 2024, 30-31 May 2024

- Training/seminar: Secure The Digital Risk Exposure, 18 July 2024
- Training/seminar: August Cyber Talk (Hack The Box) x (RecordedFuture), 23 August 2024
- Training/seminar: TB-CERT Cybersecurity Annual Conference 2024: Tomorrow's Cybersecurity in The Age of AI, 29-30 August 2024
- Training/seminar: Di8gital Fortress: Advanced Cybersecurity Solutions, 13 November 2024
- Training/seminar: CyberArk Identity Security with MSC, 21 November 2024
- Training/seminar: CHECKPOINT 1:1 Discovery Workshop, 12 December 2024
- Training/seminar: Thai General Insurance Association, topic: 'Identifying and Reducing Cybersecurity Risks in the Insurance Business Sector,' 12 December 2024

## 2) Personal data protection management

In 2024, the Company and its subsidiaries successfully complied with all relevant laws and regulations. Consequently, there were no incidents of personal data breaches resulting from the Company's operations.

## 3. Sustainable finance and responsible investment

### Objectives and goals

The Company and its subsidiaries recognise the importance of conducting business according to sustainable business principles. We focus on providing responsible insurance and investment services that consider social and environmental issues. The Company and its subsidiaries aim to invest in businesses with sustainable growth potential while also prioritising business operations that benefit society, the public and all stakeholders as well as generating sustainable returns for shareholders.

### Operational guidelines

#### 1) Responsible insurance policy

The Company and its subsidiaries have a responsible insurance policy that includes guidelines for considering ESG factors in product and service design, developing risk management approaches to reduce potential negative impacts, promoting collaboration with various sectors to support ESG initiatives and enhancing personnel knowledge and understanding in responsible insurance. Key content includes the following.

1. The Company will consider ESG issues in all product and service design processes.
2. The Company will develop clear guidelines for managing ESG risks by establishing appropriate criteria and processes to manage and mitigate potential risks.
3. The Company will focus on developing products and services that reduce risks and have positive ESG impacts as well as support effective risk management.
4. The Company will promote collaboration with customers and partners in managing ESG factors to create benefits for society and the environment.
5. The Company will promote collaborations with government agencies, regulatory bodies and stakeholders to comprehensively promote ESG issues.
6. The Company will promote and support personnel development to enhance knowledge and understanding in responsible insurance and risk management, enabling personnel to effectively implement this policy.



## 2) Responsible investment

Before investing in various categories, the Company uses the following seven criteria to first consider the investment.

1. **Strategic fit:** Consider whether the investment aligns with the Company's strategies and directions.
2. **Execution capability:** Consider readiness in implementation, including personnel, technology, industry knowledge, understanding and area.
3. **Financial return:** Consider the return on investment, including NPV, IRR compared to the industry, cash flow and impact on the Company's overall return.
4. **Project risks:** Consider risks and mitigation plans or the feasibility of those risks, including conducting a sensitivity and scenario analysis.
5. **Governance:** Consider the Company's governance over the investee company, including shareholding proportions, the number of representative directors or management representatives and the minority shareholder rights. This also includes considering whether the investee company complies with laws and doesn't conflict with the Company's policies.
6. **Capital availability:** Consider whether the Company's capital is sufficient for the investment, including the impact on the Company's financial strength, investment structure and capital structure.
7. **Stakeholders:** Consider what impact the investment has on the investee company's stakeholders and the group of companies in any aspect, including plans to mitigate negative impacts on those stakeholders.

## Indicators and performance results

### 1) Sustainable finance

In 2024, Dhipaya Insurance PCL (TIP) under Dhipaya Group Holdings PCL had total gross written premiums from ESG-related insurance products of THB1,099.2m, divided by the following sustainability dimensions.

Sustainability dimension	Product details	2024 performance
Environmental	<ol style="list-style-type: none"> <li>1. Electric Vehicle (EV) Insurance</li> <li>2. Industrial All Risks (IAR) and Contractors' All Risks (CAR) Insurance for Solar Rooftop</li> </ol>	Total gross written premiums THB296.29m
Social	<ol style="list-style-type: none"> <li>1. All Risks Insurance for Small Business</li> <li>2. Agricultural Product Insurance</li> <li>3. TIP Rainbow</li> <li>4. TIP Lady</li> <li>5. Takaful</li> <li>6. Microinsurance (Fire insurance)</li> <li>7. Microinsurance (PA/Income Compensation)</li> <li>8. Short-term Monthly Accident Insurance</li> </ol>	Total gross written premiums THB 465.41m
Governance	<ol style="list-style-type: none"> <li>1. TIP Up to Mile Car Insurance</li> <li>2. Health Top Up</li> <li>3. Cyber Insurance</li> </ol>	Total gross written premiums THB 337.50m

## Product summary

### **1) Electric Vehicle (EV) Insurance**

- The rise of electric vehicles has created a need for insurance products tailored to their unique characteristics, providing comprehensive coverage that meets the specific needs of EV users. This product not only helps reduce greenhouse gas emissions and air pollution but also promotes the use of clean energy and sustainable technology.
- Furthermore, having appropriate insurance increases public awareness of the importance of environmental protection and reducing the impact of fossil fuel use. Comprehensive coverage gives EV users confidence and security while contributing to the development of a sustainable and environmentally friendly society.

### **2) Industrial All Risks (IAR) and Contractors' All Risks (CAR) Insurance for Solar Rooftops**

- Solar energy use in Thailand is growing rapidly as businesses and building owners install solar rooftop systems to save on electricity costs and promote clean energy. Insurance designed to protect against potential risks during and after installation plays a vital role in supporting solar energy use. It not only reduces reliance on polluting energy sources and greenhouse gas emissions but also gives solar rooftop installers confidence in their investment and use of clean energy.
- Additionally, prioritising renewable energy like solar power raises social awareness of environmental conservation and sustainable resource use. Solar rooftop insurance products are a prime example of building security and supporting environmentally friendly technologies, creating a sustainable and equitable society for future generations.

### **3) Industrial All Risks Insurance for Small Businesses**

- Insurance for small and medium-sized enterprises (SMEs) aims to cover all potential risks. It's a specially designed insurance plan for SMEs seeking protection against various business risks. These businesses often have limited resources to handle unforeseen events like fires, theft or natural disasters, so specific IAR insurance for SMEs helps business owners operate with confidence and reduce financial risks, such as SME Yim Dai and SMART SME.
- The target customers are small and medium-sized businesses like restaurants, cafes, retail stores, small factories and other service businesses. Promoting awareness of risk prevention and reduction among these businesses and building a secure and insured business environment helps mitigate economic and social impacts.

### **4) Agricultural Product Insurance**

- Agricultural product insurance is designed to help farmers manage risks from natural disasters and uncontrollable factors that can impact their yields and income. This type of insurance provides coverage for losses or damages to crops or livestock caused by natural disasters such as floods, droughts, storms, epidemics and pests. The primary target customers are crop farmers (e.g. rice, Cavendish bananas, durian) and livestock farmers (e.g. beef cattle, dairy cattle, pigs). This insurance can enhance farmers' financial security and reduce the risk of income loss in the event of natural disasters.

### **5) TIP Rainbow**

- TIP Rainbow is a concept that aims to cater to diverse lifestyle needs, unlocking various limitations and providing new options for LGBTQ+ customers. It allows them to specify their preferred gender prefixes beyond the traditional 'Mr,' 'Mrs' and 'Ms'

and to designate their life partners or loved ones as beneficiaries, regardless of blood relations.

- TIP Rainbow seeks to promote equal love for everyone, removing all limitations so that identity matters more than a prefix, showing an understanding of diversity.

#### **6) TIP Lady**

- TIP Lady is an insurance plan specifically tailored to meet the needs of women. Research has shown that women have unique requirements for safety and assistance when encountering accidents or vehicle breakdowns while driving. TIP Lady addresses these needs by providing 24-hour services, ensuring that women feel secure and confident in all driving situations.

#### **7) Insurance based on Islamic religious law (Takaful)**

- TIP Takaful is designed for the Muslim community and is an insurance model that aligns with Islamic principles. Takaful is developed based on mutual assistance and risk-sharing among members, adhering to religious guidelines.
- The principles of Takaful, which emphasise fairness and responsibility, can support investments in environmentally friendly and sustainable projects.

#### **8) Microinsurance (Fire Insurance)**

- This is an affordable residential fire insurance option for individuals with limited resources. It provides coverage for damages to buildings caused by fire, lightning, explosions and other related hazards. This insurance aims to make insurance accessible to people of all income levels, providing security especially for low- and middle-income individuals. In the event of unforeseen incidents such as fires or property damage, policyholders receive compensation, alleviating excessive financial burdens.

#### **9) Microinsurance (PA/Income Compensation)**

- Personal Accident (PA) and Income Compensation insurance is designed to provide basic coverage in case the insured experiences an accident or illness rendering them unable to work. With low premiums and easy-to-understand conditions, it helps create financial stability for people, especially those with low or middle incomes. Income compensation reduces financial burdens and prevents families from falling into hardship when facing unexpected situations.

#### **10) Pet Insurance**

- Pet Insurance is designed to protect the health and safety of pets, which is very important as veterinary care costs can be high and unexpected. Having pet insurance is a good way to ease financial burdens and ensure that they receive proper care in unforeseen circumstances. Pet insurance can cover medical expenses, surgery and other related costs, relieving pet owners of heavy burdens when their pets need help.
- The target group for pet insurance products is the new generation of pet lovers who are responsible for the care of their animals. Pet insurance promotes this responsibility, not only providing peace of mind for pet health and safety but also creating peace of mind and confidence in living happily with pets. Pet insurance is a good way to build security and well-being for both owners and their pets.

#### **11) Short-Term, Monthly Accident Insurance**

- Insurance products focused on flexible accident coverage without long-term contracts are a suitable option for many customer groups, especially those with limited budgets and those who need short-term coverage. This product provides convenience for the insured to choose coverage according to their needs during the desired period, allowing for flexible adjustments to their coverage plans as situations change.

- Target customer groups for this product include those who need short-term accident coverage, such as travellers, tourists, temporary workers or those who need specific coverage for certain periods. It's also a good option for those with limited budgets. This product not only provides confidence in their lives and activities but also helps to reduce financial burdens in the event of an accident, allowing customers to confidently and safely handle unexpected events.

#### **12) TIP Up to Mile Car Insurance**

- TIP Up to Mile is insurance designed to understand and meet the lifestyles of people who use their cars less, whether due to having multiple cars or regularly driving short distances. This concept focuses on providing coverage that aligns with actual usage, with a highly flexible policy. No matter how little you use your car, you pay premiums based on actual usage. Additionally, if you don't use all your premiums in a year, you can carry them over to the renewal year, and if you need more, you can choose to add premiums based on actual usage.
- This concept allows everyone to choose to pay insurance premiums according to their actual needs. In an era where spending money requires considering value and maximum benefit, TIP Up to Mile not only provides comprehensive coverage but also encourages customers to have confidence in using their cars and living lifestyles that align with their own, leading to peace of mind and cost savings in car use.

#### **13) Health Top Up**

- Health Top Up is a product designed for individuals who already have basic welfare or health insurance but seek to expand their coverage. Opting for insurance that covers inpatient room costs and provides accident compensation is a beneficial choice. Customers can select insurance plans that offer inpatient coverage, income compensation and accident protection (specifically, coverage equivalent to the 'Or Bor.2' type) to ensure comprehensive protection tailored to their needs.
- This comprehensive insurance coverage enhances customers' confidence in their daily lives, alleviating concerns about financial burdens associated with medical treatments or accidents. Inpatient coverage and income compensation help to prevent income disruption while accident protection safeguards families from financial strain during unforeseen events.

#### **14) Cyber Insurance**

- In an era marked by the increasing prevalence of online transactions, this product focuses on protecting online users from potential risks, such as internet money theft and online purchases where goods are not received. For customers who frequently engage in online transactions or internet shopping, this insurance bolsters confidence in online activities, mitigates concerns about potential risks and promotes safe technology usage.
- Having insurance that covers online transactions allows users to conduct financial and commercial activities online without worrying about potential risks. This product covers both internet money theft and non-receipt of ordered goods, providing users with confidence and peace of mind in their online transactions. It also fosters safe and efficient technology use.

### **2) Responsible investment**

The Company has invested in Mee Tee Mee Ngern Co., Ltd., a joint venture between the Company, Government Savings Bank and Bangchak Corporation PCL, in which the Company holds a 31% stake. This company provides land loan and sale-pledge services. Additionally, Mee Tee Mee Ngern Co., Ltd. has established Ngern DeeDee Co., Ltd. in partnership with Government Savings Bank to operate an unsecured personal loan business for retail customers. The business

models of Mee Tee Mee Ngern Co., Ltd. and Ngern DeeDee Co., Ltd. aim to provide the public and small and medium-sized enterprises (SMEs) with access to more affordable funding sources, offering fair interest rates and fees, and to address household debt issues, thereby contributing to the support of Thai society.

Furthermore, Dhipaya Insurance PCL has adopted an investment approach in securities that considers ESG factors. This involves evaluating listed companies with a SET ESG Rating of BBB or higher, which demonstrates that these companies have integrated sustainability concepts into their business processes. This includes risk management to address social and environmental changes and a focus on all stakeholders. Examples include contributing to climate change mitigation, adhering to human rights principles, providing employee welfare, participating in community and social development and practicing good and transparent corporate governance. As at 31 December 2024, Dhipaya Insurance PCL's investments in listed companies with a SET ESG Rating of BBB or higher constitute 65% of its debt instruments and 85% of its equity instruments.

#### **4. Sustainability risk and crisis management**

##### **Objectives and goals**

The Company and its subsidiaries prioritise effective risk management that adapts to changing circumstances. This enables the Company and its subsidiaries to address various risks appropriately and promptly, fostering trust among all stakeholders. The resulting improved decision-making by management can mitigate the impacts of volatility on business operations to an acceptable risk level. Consequently, the Company and its subsidiaries can achieve stable and sustainable growth.

##### **Operational guidelines**

For sustainability risk management, the Company and its subsidiaries have established clear and written risk management policies and guidelines. These integrate sustainability risk concepts into the '**TIPH Enterprise Risk Management Framework**,' which aligns with the COSO: Enterprise Risk Management Framework. Key components include Risk Governance, Risk Culture, Strategy and Business Objectives and Risk Appetite, the Risk Management Policy and Risk Management Process. Additionally, relevant committees and departments are assigned clear roles and responsibilities to manage and oversee risks across all areas. The Company promotes awareness and understanding of the importance of ESG risk management within the organisation and continuously cultivates environmental awareness, sustainability and ethics among employees to support sustainable organisational development in all dimensions.

The Company and its subsidiaries have strategically integrated sustainability considerations into the risk management process when identifying and assessing risks. We do this by identifying the key risks, including core risks for business, strategy, finance, operations, legal, regulatory, compliance and sustainability (ESG). Furthermore, the Company emphasises emerging risks that may impact the Company in the medium or long term. The identified risks and emerging risks are managed as part of enterprise risk management. All identified risks are reviewed annually and are linked to material sustainability issues in the economic and ESG dimensions. The annual risk reviews and assessments enable the Company to develop effective organisational risk management strategies and guidelines.

The Company and its subsidiaries have established and implemented risk management guidelines and plans, along with monitoring and control measures, to ensure that risk management measures or guidelines are implemented appropriately, correctly and adequately and reduce and control risks to an acceptable level. Simultaneously, opportunities arising from situational changes

are identified and used to enhance sustainability and business growth. Risk management performance is reported and evaluated to improve and refine the risk management process in subsequent years. These evaluations are presented to management and the Risk Management Committee for review and screening and then to the Board of Directors for approval on a quarterly basis.

In 2024, businesses faced numerous challenges and uncertainties. For the risk analysis and assessment process, the Company and its subsidiaries integrated internal and external factors, risks related to strategy, operations, compliance, IT and sustainability, stakeholder expectations and the Company's business objectives. Comprehensive risk management measures, both proactive and reactive, were employed to ensure business continuity and resilience. The Company is committed to managing risks through its sustainability strategy of seeking opportunities and mitigating the impacts of economic volatility and changes in environmental and social factors.

### 1) Sustainable financial management

The Company and its subsidiaries demonstrate financial strength and stability, evidenced by the highest Financial Strength Rating in the industry, based on the 2024 operating results. Financial information is disclosed to the public and investors.

- Corporate Credit Rating of Dhipaya Group Holdings PCL (TIPH): **'AA' with a 'Stable' outlook**, the highest rating among holding companies in Thailand assigned by TRIS Rating Co., Ltd. (TRIS Rating), a leading credit rating agency in Thailand. This reflects the Company's strong business and financial stability.
- Corporate Credit Rating of Dhipaya Insurance PCL: **'AAA,' the highest rating among Thai non-life insurance companies, with a 'Stable' outlook for the third consecutive year** by TRIS Rating. This demonstrates excellent business risk management, very strong financial standing, good corporate governance and strong business liquidity under strict supervision. It is a crucial element in driving the strategic direction as the core company within TIPH's insurance business group.
- Financial Strength Rating of Dhipaya Insurance PCL: **'A- (Excellent)'** by AM Best, USA, for the sixth consecutive year.

### 2) Sustainability risk management

The Company and its subsidiaries have a Data Intelligence department responsible for managing and analysing data for various departments, particularly risk management. This includes evaluating reinsurance strategies to mitigate catastrophe risks. The Company and its subsidiaries consider the impact and likelihood of accumulated risks from natural disasters or catastrophes using natural catastrophe modelling tools provided by specialised and reputable reinsurance brokers. The analysis results are used to inform decisions on purchasing coverage from reinsurers. Additionally, we monitor and verify that the coverage level is sufficient for the risks underwritten by the subsidiaries.

Furthermore, the Company and its subsidiaries utilise the TIP Anywhere tool to assess the risks of insured assets.

- TIP Anywhere: A risk assessment system that analyses the risk data of each type of asset to be insured, based on pre-defined criteria in the Company's system. It generates a Preliminary Report indicating the asset's risk level, which is used to support underwriting decisions under appropriate coverage terms.



## **Indicators and performance results**

The Company discloses risk management information which identifies risk factors and opportunities from sustainability issues (ESG risks), emerging risk factors and various risk management measures. Details of this information are disclosed in this report under 'Part 1: Risk Management.'

## **5. Development of innovations, products and services for sustainability**

### **Objectives and goals**

The Company and its subsidiaries recognise the importance of developing insurance innovations that consider ESG factors. The Company aims to be a leader in environmentally friendly insurance innovations, driven by modern technology, by developing and improving processes, workflows and services in all dimensions to reduce negative environmental impacts and enhance customer service efficiency.

### **Operational guidelines**

The Company and its subsidiaries have a policy to lead in environmentally friendly insurance innovation and a policy to promote creativity and innovation management, with key contents as follows.

#### **1) Policy for leading in environmentally friendly insurance innovation**

1. Operate the business on the basis of legal requirements, in line with global issues and considering local environmental issues.
2. Promote, support, participate and cooperate with the government, private sector and public in issuing insurance products and services that are friendly to society and the environment whenever opportunities arise.
3. Promote and support the issuance of insurance products and services for companies that are friendly to society and the environment every year, whether for individual or corporate customers, such as insurance plans for low-income earners, insurance plans for personnel and soldiers in conflict areas, insurance plans for small businesses, third-party legal, public, pollution and product liability insurance, insurance plans for electric vehicles, insurance plans for solar power generation cells and insurance plans related to farmers or agriculture to reduce pollution from carbon dioxide emissions which is the main cause of the greenhouse effect.
4. Support the consideration of underwriting in businesses that operate with consideration for the environment or develop environmentally friendly innovations.
5. Drive the underwriting of environmentally friendly insurance products to raise awareness in related industries about the severity of the damage caused by pollution to the environment, communities and public health.
6. Drive the business by adopting modern innovations and technology, developing and improving processes, workflows and services in all dimensions for efficiency.
7. Mandate the monitoring of operational results and the assessment of environmental impacts throughout the lifecycles of key products and services, with clear objectives, goals and operational plans.
8. Communicate policies and requirements to the relevant stakeholders to ensure that business partners, contractors and alliances comply with the appropriate standards and practices in line with the relevant policies, rules and regulations.
9. Disclose operational results to the public in the sustainability report or in other forms approved by senior management.
10. This policy is effective for the Company and is publicly disclosed for stakeholders to acknowledge, and compliance with the policy must be measured and reviewed regularly.

The Company considers it the duty and responsibility of all levels of employees, business partners, contractors and alliances to strictly comply with this policy.

## **2) Policy on promoting creativity and innovation management**

1. The Company will develop an organisational innovation management system to strive towards becoming an innovation-focused organisation, establishing vision, strategies, goals and innovation management policies and action plans. It will also provide appropriate budget and other resources to support both short-term and long-term innovation management.
2. The Company will promote the development of the organisation's personnel to be creative, apply innovation for continuous development, foster an environment conducive to creative thinking and create incentives for innovation.
3. The Company will promote the use of innovation and technology to support operations in all processes to increase productivity and business opportunities.
4. The Company will build collaborative relationships with stakeholders across organisations to further develop the organisation's business.
5. The Company will use information data for learning, planning and decision-making and emphasise innovation knowledge management for internal knowledge-sharing, leading to the creation of products and services that meet customer needs and create maximum satisfaction.
6. The Company will promote and support the use of copyrights, patents and intellectual property by establishing clear criteria for allocating benefits in intellectual property in order to create incentives for the creation of innovative works by the Company.

## **Indicators and performance results**

### **1) Innovations and products**

The Company and its subsidiaries place importance on the development of innovations and products through the use of technology to improve work processes and provide convenience to customers, such as issuing electronic insurance policies (e-Policy) and introducing electric motorcycles and scooters for service in the form of EV Surveyors and TIP Smart Scooters to reduce negative impacts on the environment and society.

- **TIP Smart Assist Project: The Digital Era Claims Survey Team**

The Company and its subsidiaries have continuously upgraded and developed the claims process to meet customer needs, with the TIP Smart Assist (TSA) service, a digital-era claims survey team, acting as surveyors. This involves the use of technology and innovation to enhance service, speed up and facilitate access to accident scenes by introducing electric motorcycles and scooters to serve customers in the form of EV Surveyors and TIP Smart Scooters. Currently, the TSA has been expanded to provide nationwide coverage with over 275 personnel, performing over 176,000 claim surveys in 2024.

- **TIP Coin**

The Company and its subsidiaries have developed TIP Coin, a digital currency points accumulation system that offers special privileges to customers who purchase insurance online. Customers will receive TIP Coins that can be used as discounts for future purchases or renewals. This development of TIP Coin is part of the Company's commitment to utilising technology to improve the efficiency and transparency of services and meet the needs of customers in the digital age.

## 6. Sustainable supply chain management

### **Objectives and goals**

The Company and its subsidiaries are committed to conducting business with integrity, transparency and fairness under the principles of good corporate governance and sustainable development guidelines. This is to strengthen relationships with business partners and create sustainable value for all stakeholders, both inside and outside the organisation. The Company recognises the importance of sustainable supply chain management that covers all three ESG dimensions. These are the principles for managing risks and opportunities in sustainable business operations. The Company acknowledges the importance of communicating and disseminating these principles to business partners, and therefore has established a Business Code of Conduct for Business Partners to use as a guideline in conducting their business according to the Company's laws and ethics as well as international standards.

### **Operational guidelines**

#### **1) Business Partner Code of Conduct Policy**

The Company and its subsidiaries aim to support their business partners in conducting business transparently and fairly, respecting human rights principles, treating labour fairly, complying with occupational health, safety and environmental standards, and strictly monitoring their operations to adhere to the code of conduct. It also seeks to develop relationships and support business partners to grow alongside the Company, to jointly create a stable and sustainable supply chain. The key practices for the Company's Business Partner Code of Conduct Policy can be summarised as follows.

##### **1. Business ethics**

- 1.1. Conduct business with morality, ethics and strict adherence to the law.
- 1.2. Conduct business with fair competition.
- 1.3. Maintain accurate and complete business records and accounts related to business transactions, ready for inspection upon request.
- 1.4. Protect the confidentiality of the Company, its customers and business partners, and do not disclose or use confidential information for personal gain without prior consent, except as required by law.
- 1.5. Respect the intellectual property rights of the Company and others, and take care to avoid infringing on intellectual property rights.
- 1.6. Uphold good citizenship and social responsibility in the use of resources and aim to create positive impacts on society and the environment.
- 1.7. Avoid any actions that may harm the Company's business or reputation.

##### **2. Human rights and labour**

- 2.1. Comply with labour-related laws and regulations and other laws.
- 2.2. Recognise and respect the human rights of employees and all stakeholders involved in business operations, emphasising respectful, dignified and equitable treatment regardless of ideas or perspectives, such as race, skin colour, religion, gender, nationality, age, disability or other status, without discrimination.

- 2.3. Conduct business with caution to prevent risks that may arise from human rights violations in business operations by integrating human rights practices into all aspects of the business throughout its value chain.
- 2.4. Absolutely refrain from engaging in any actions that violate human rights, especially forced labour, illegal use of migrant labour, child labour, human trafficking and infringement of personal data rights.
- 2.5. Treat employees with humanity, free from violence, sexual harassment, physical or mental threats or verbal abuse, including maintaining standards of hygiene, occupational safety and a good working environment.
- 2.6. Monitor and ensure strict adherence to human rights.

### **3. Safety, occupational health and environment**

- 3.1. Strictly comply with applicable safety, occupational health and environmental laws.
- 3.2. Provide a safe and hygienic workplace for employees, including providing sufficient and appropriate personal protective equipment.
- 3.3. Be responsible and committed to using resources efficiently.
- 3.4. Conduct business with consideration for environmental risks and impacts, including climate change, and implement appropriate management.

## **2) Procurement policy**

1. The Company and its subsidiaries are committed to building trust with stakeholders through transparent, fair and auditable procurement operations. This policy has been implemented to provide a standardised guideline for Dhipaya Group Holdings PCL (TIPH) and its affiliates. The key contents of the Company's procurement policy can be summarised as follows. The Company's procurement activities focus on maximising benefits for the organisation, considering economic, social and environmental aspects. These activities are conducted under the provisions of the law, policies, announcements, orders and regulations of the Company, as well as good governance principles, with an emphasis on sustainable management and collaboration with business partners.
2. The Company prioritises fairness and ethics in its business operations, providing accurate, complete, clear and transparent information, treating business partners equally and welcoming their opinions and suggestions.
3. The Company conducts its business partner selection process systematically, fairly and transparently, with strict control procedures, openness to disclosure and support for ethical, socially responsible and environmentally conscious business practices. The Company is also cautious in engaging with individuals or legal entities that have violated the law or exhibited behaviour indicative of corruption.
4. The Company focuses on managing business partners to build good relationships, enhance capabilities and foster continuous joint development.
5. The Company will promote and support environmentally friendly products, develop energy-saving technologies, reduce toxic emissions to the environment and implement efficient waste management as required by law. These practices are integrated into the Company's overall management to ensure that the delivery of goods and services is of high quality, safe and environmentally friendly to its stakeholders.

6. The Company focuses on sustainable procurement and business partner management, considering environmental impact, social responsibility and good corporate governance (ESG).

#### **Indicators and performance results**

The Company and its subsidiaries have implemented projects to enhance the efficiency and competitiveness of their partner groups, such as agent groups, brokers and bank employees who are partners of the Company, to align with the Company's development. This includes developing knowledge related to insurance, marketing and sales. The Company has also conducted training to issue and renew licenses for insurance agents and brokers in its partner groups, as well as for external individuals who wish to pursue careers as insurance agents or brokers, with authorisation from the Office of Insurance Commission (OIC).

In 2024, the Company and its subsidiaries conducted more than ten training courses, both on-site and online, with an average of ten training hours per person. The total training expenses exceeded THB15,000,000.

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