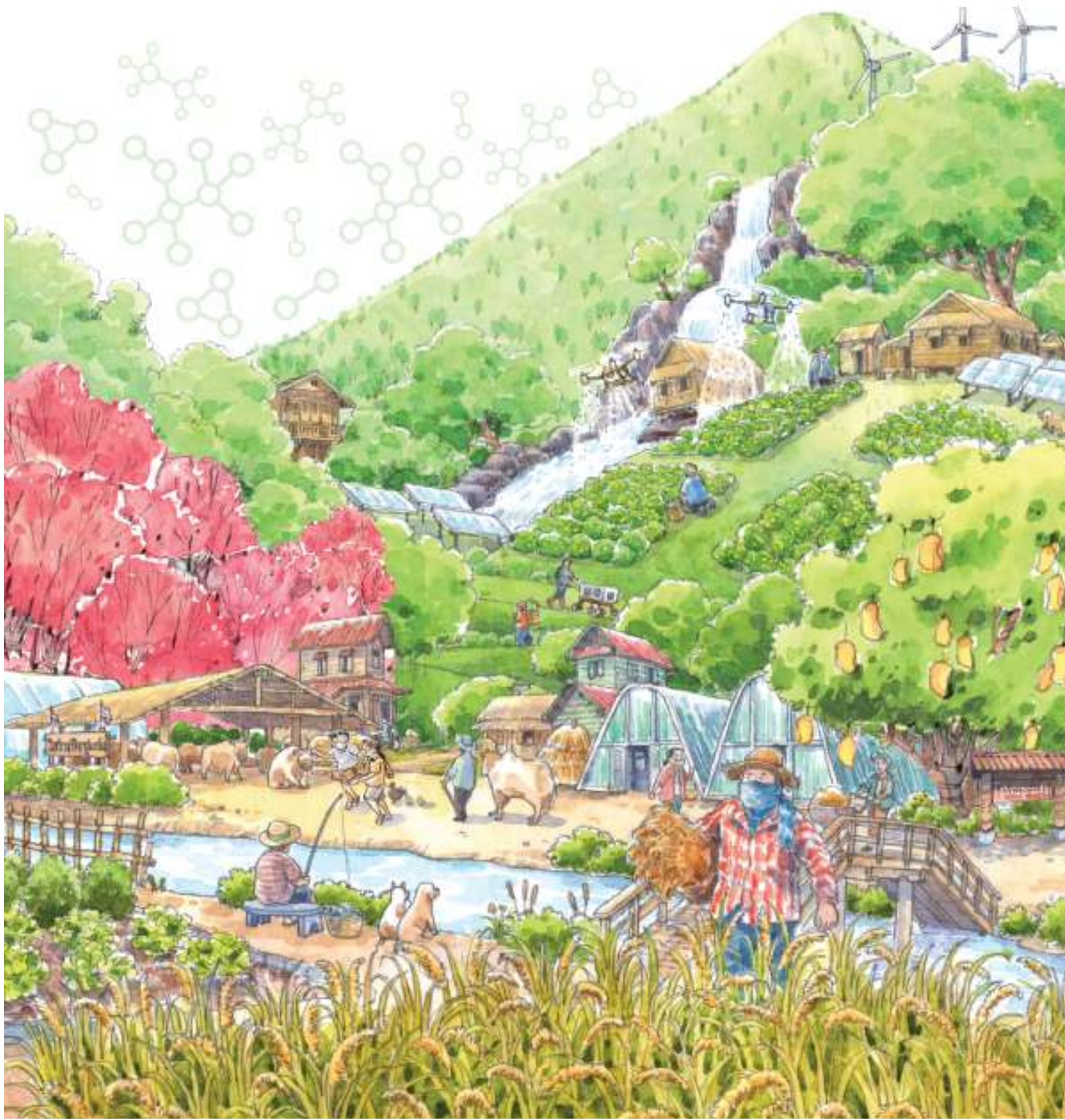




Sustainable Development Report

Bank for Agriculture and Agricultural Cooperatives (BAAC), 2020




Sustainable Development of Bank for Agriculture and Agricultural Cooperatives (BAAC) 2020

Bank for Agriculture and Agricultural Cooperatives (BAAC), established under the Bank for Agriculture and Agricultural Cooperatives Act 1966, is a specialized financial institution under the jurisdiction of Ministry of Finance. Its main function is to "Provide financial services to farmers, farmer groups or agricultural cooperatives for operating businesses that promote and support agriculture. Meanwhile it serves as a financial institution for rural development to provide financial assistance to cooperatives within the scope of the objectives of establishing cooperative."




In 2020, BAAC has set an important policy of “Rehabilitating Customers, Finding New Generation, Focusing on Community Enterprises, Developing People, Developing Jobs” as driving force to move the organization forward balancedly in economy, society and environment by focusing on the management with international standards responsible for stakeholders, setting goal as per the financial institution for grass root economy development, capable of delivering value to its target groups, i.e. customers, organizations/employees, as well as community/network. The three important factors supporting business operations are: 1) Good Corporate Governance 2) Risk Management 3) Sustainable Development Goals, taking into consideration the balance of economy, society and environment. All these arise from the adoption of the Sufficiency Economy Philosophy as the guidance for development and management of BAAC.



In addition, BAAC has adopted the shareholder policy: SODs to integrate with goals and business direction, to link relation with the goals of sustainable development, study the impact or benefits derived from strategy, and implementation of plan, product and service projects that are related to sustainable development indicators. BAAC operation in support of 4 sustainable development targets can be summarized as following:



Sustainable Development Goal	Points of Business Connection
 <p>Goal 1 Poverty Alleviation</p>	<p>The bank in conjunction with local development networks care about creating well-being for client-farmers by using its expertise to develop financial management and business operation skill, such as production management, cost reduction, product value addition, community product development, product processing as well as marketing support. It also in collaboration with Department of Skill Development to help low-income</p>

Sustainable Development Goal	Points of Business Connection
	<p>earners earn more by developing careers of their interests on voluntary basis, and to improve the quality of life of those clients in Informal Debt Problem Solving Projects, create opportunities to access to fund through credit for production modification/change/development to increase income for low-income earners so as to bring them out of poverty and live a better quality of life. The outbreak of COVID-19 pandemic has great impact on clients in terms of reduced income but they still bear their own costs of living and sustain their families. Therefore, the bank provided additional service by supporting fund through the Emergency Loan Program for those affected by the COVID-19 at a reasonable interest rate and a lenient repayment term. This aims to relief hardship from the impact.</p>
 <p>Goal 8 Promotion of sustainable economic growth</p>	<p>The bank's role in promoting economic growth reflects by its effort in developing farmer-clients, their families and new generation farmers (Smart Farmer) to be entrepreneurs, also in reforming agriculture sector through increasing adoption of technology and agricultural innovations such as, to encourage the use of IOT Sensor System for water management in corn field. This can be of help to solve such problems of lacking skill and experience among new generation farmers who return home to engage in farming, i.e. the task of production process supervision in particular. The support of technology and innovation in production process can boost farmers' production capacities. It can also upgrade Smart Farmer and farmer institutions to be leaders in creating employment in agricultural sector, connecting agribusiness that leads to the improvement of the quality of agricultural production of small farmers.</p>
 <p>Goal 10 Reduction of inequality</p>	<p>The bank has created better access to agricultural finance for low-income people, farmers and entrepreneurs who engage in agricultural business. This was achieved by providing credit products that cover all customer needs and through multiple service channels of 1,220 bank branches nationwide: digital channels such as A-Mobile, ATM, CDM, etc. and financial networks (Banking Agent) such as 7-11, Boonderm kiosk, Term Sabai kiosk, etc.</p>



Sustainable Development Goal	Points of Business Connection
 <p>Goal 13 Coping with climate change</p>	<p>The bank has promoted the creation of value addition to precious wood community, aiming to foster activities within the community to increase tree planting area as a carbon sink (LESS), while creating environmental balance within the community. The bank has also optimized the reduction of greenhouse gas emissions within the organization by creating a system to store and evaluate data of Eco Efficiency and Carbon Footprint. For communities, the bank promoted water management within the community to reduce and cope with the possible drought within the areas and the surrounding communities.</p>

Other goals for sustainable development that BAAC has joined hand to promote are as following:

Sustainable Development Goal	Points of Business Connection
 <p>Goal 2 Elimination of starvation, creation of food security</p>	<p>The bank has promoted and supported organic farming and food safety that were certified by various agencies such as Good Agricultural Practice (GAP), Participatory Guarantee Systems (PGS) and Other Certifications. The bank also extended support of different kinds such as knowledge, technology, innovation: these range from soil preparation, building up of farmhouse, packing house, cold storage, transportation system to management and networking. In fiscal year 2020, areas that allocated to promote organic farming or food safety was an accumulated of 63,019 Rai. Local households (459) in communities were strengthened by encouraging the creation of food sources in the houses within a production cycle of 45 days. So that people have enough food, the surplus can be sold to earn adequate income. These activities are close to home and just take only a few steps (459) to have a food source. Meanwhile those activities help create unity of people in the communities</p>
 <p>Goal 3 Promotion of well-being for all</p>	<p>The bank has provided health care to its personnel including retired employees by hiring physician to give medical examination and consultation. Specialized physician has employed to provide consultation services 2 days per month, 2 hours per day. Every year, vaccination is conducted to prevent the influenza of 4 variants for bank personnel in order to reduce its impact.</p>

Sustainable Development Goal	Points of Business Connection
	<p>There was also promotion of Fit & Firm #3 activity that personnel can join to exercise according to their sports of interest such as walking, running, cycling, swimming and aerobics etc.</p>
 <p>Goal 4 Promotion of opportunities in learning</p>	<p>The bank has promoted and developed efficiency of “Learning Center of Capacity Building for Main Product” by use of technology and innovation. It is also a center for promoting the processes of knowledge exchange for community product development such as in the case of Ban Toei Community Agricultural Learning Center where knowledge, technology and innovation in the production of high-quality bio-fertilizers can be learned. The learning subjects cover the preparation of fertilizer ingredient, pellet molding, to marketing management from network partners. The learning center has designed and developed a new fertilizer molding plate that can control the pellet size, as well as can increase the production capacity. The process of fertilizer production with newly developed pellet molding plate is open for study visit to other communities interested in organic fertilizer production. The result of the learning and topping up this innovation is the increase of fertilizer production from 2 tons to 3 tons per day.</p>
 <p>Goal 5 Creation of gender equality, women and all girls</p>	<p>While operating its business, the bank has payed respect to human rights by strictly upholding and practicing the relevant principle of laws. No discrimination in recruiting bank personnel, both males and females have the equal chance of being recruited. Welfare is provided, career path is clearly developed together with Human resource maintenance and development. The bank highly respects diversity and equality among men and women. There is no discrimination against race, religion but an open atmosphere and opportunities for personnel to freely express their view and innovative ideas for better performance and development. The ultimate goal is to be able to delivery financial services and create sustainable value for all stakeholders. With respect to financial access, when register household representatives as clients, the bank is also equally open for both men and women being accepted.</p>

Sustainable Development Goal	Points of Business Connection
 <p>Goal 6 Sustainable water management and ready to use for everyone</p>	<p>The bank promoted and supported sustainable water management by encouraging the transform of farmer groups or community enterprises from water users to producers. The process is enhanced by knowledge of groundwater use and water distribution systems for agriculture, by increase of financial support for community production activities expansion and for farmers using groundwater. On the other hand, the bank promoted preservation, extension, maintenance of planting forests in honor of His Majesty the King, building check dams. All these create benefits of preserving forests, conserving soil and water, and generating income for farmers and people in the communities.</p> <p>The promotion of sustainable water management was also carried out at the farm level through the introduction of farming under the new the theory that part of the farming areas be allocated to use as water sources just sufficient for consumption and agriculture. Khok, Nong Na, Agricultural Model was also introduced. The model was designed to emphasize on the use of land supportively for the purpose of efficient water management according to the conditions of the farm areas.</p>
 <p>Goal 7 Access to sustainable energy for everyone according to one's capacity</p>	<p>The bank encouraged and supported farmers to transform their production in a sustainable way using alternative energy from solar to produce electricity for use in farms, and producing biogas from animal manure or waste water from production. Making of bioenergy from agricultural waste was supported by education and loan at a special interest rate. In addition, the bank was selective in materials and equipment to promote the efficient use of resources. Importance was given to the use of technology and energy-saving equipment to reduce pollution and to preserve environment, such as LED light bulb and installation of solar roof and solar cell, and recycling of waste water from air conditioners and treated water for watering plants.</p>
 <p>Goal 9 Promotion of sustainable industry and innovation</p>	<p>The bank promoted and supported farmer-clients to apply technology and innovation to create value added in their processes of production, collecting and processing. It resulted in increase productivity, reduce loss in production. The agricultural waste can be used to add value. Take the example of fully</p>

Sustainable Development Goal	Points of Business Connection
	<p>integrated production of quality sugarcane in that farmer-clients adopted the drip irrigation system that uses solar energy. This system reduced the amount of water used, the risk of drought, but increased productivity. This can be considered the adoption of clean energy. Furthermore, the bank has persuaded farmers not to burn sugarcane before harvesting. Instead the bank introduced the innovation of sugarcane leaf cutting and compressing to make sugarcane harvesting more convenient. Farmers can get more income from selling sugarcane leaves - an added value from agricultural waste. Reducing the burning of sugarcane also help to avoid damage made to the fertility of soil and to reduce pollution to environment. Cassava Production efficiency was improved through the drip irrigation system that applied technology and innovation for controlling the system via Smart Phone. It opens and closes the system and performs the daily tasks of farmers such as watering, applying fertilizer etc.</p>
 <p>Goal 12 Creation of a sustainable production and consumption model</p>	<p>The bank promoted and supported farmer’s production process that is environmentally friendly, in the form of sustainable agriculture such as integrated agriculture, new theory agriculture, natural agriculture, organic farming, agroforestry, causing production to go in line with nature, reducing use of chemicals to completely banning. It is a production process with food safety in mind for both producers and consumers. The bank also encouraged farmers to implement the Half-rai out of Poverty Projects, 459 Project, to grow whatever you can consume and consume whatever you grow. Self-production guarantees food safety and food security at the household level.</p>
 <p>Goal 15 promotion of sustainable utilization of terrestrial ecosystem</p>	<p>The bank promoted and supported the increase of tree planting areas through the Precious Wood Community project by encouraging people in the community to increase forest areas, plant more trees. The bank also helped to strengthen communities by using tree as a tool to build immunity for people and communities to maintain arable land, preserve forests for better environment, prevent migration, reduce the emission of greenhouse gas and increase the carbon sink capability.</p> <p>The bank also accepted tree as collateral for credit given to farmers and communities to help improve their incomes.</p>

Sustainable Development Goal	Points of Business Connection
 <p data-bbox="347 348 568 474">Goal 16 Peace and strength of institutions</p>	<p data-bbox="615 348 1471 1192">The bank promoted farmers to form in groups to jointly manage their activities in the form of farmer institutions, such as cooperative, community enterprises, collective farming in a big land, promoted agricultural learning, helping each other, and fair sharing of interest that will help strengthen the agriculture sector. At the same time, the bank also focused on improving the quality of services professionally and responsively taking care of clients, adhered to Market Conduct to provide fair services to clients. This was achieved by setting policies to provide knowledge and communicate with executives and employees at all levels for common understanding, establishing guidelines for employees to follow, control and supervise according to Three Lines of Defense principle. Apart from the mentioned above, the bank adhered to the importance of management principles of complaints, handling problems quickly to meet the needs of clients, as well as establishing a systematic mechanism to monitor long-standing complaints. The mechanism included complaint channel that incorporates receiving of complaints, fact finding and conclusions and protection to the whistleblower and people concerned.</p>
 <p data-bbox="337 1226 513 1453">Goal 17 International cooperation for sustainable development</p>	<p data-bbox="615 1226 1471 1759">The bank, in collaboration with international organization - NAMA Facility supported by of German, British, and Danish government as well as European Union to implement the Thai Rice NAMA project in an effort to reduce greenhouse gas emissions from the process of rice farming in 6 provinces in central region, namely Chainat, Sing Buri, Ang Thong, Phra Nakhon Si Ayutthaya, Pathum Thani and Suphan Buri by promoting and transferring technology to farmers in order for them to change the paradigm of rice farming to a sustainable manner which can help reduce greenhouse gas emissions, and providing financial support in the form of green product loans to cover their operation expenses of transforming from traditional farming to a sustainable method.</p>

Economic dimension: Management with good governance

1. Strengthening good governance towards sustainability

BAAC joined the project of the Office of the National Anti-Corruption Commission (NACC), namely the Integrity & Transparency Assessment (ITA) project for government agencies and received the 9th NACC Integrity Appraisal Awards of transparent organization. It is an award to enhance national transparency, to boost morale, and applaud organizations, institutions, government agencies, state enterprises and private sector's exemplary role to seriously and continuously be a model for good organizations in the society. Good corporate governance is subjected to review according to the ASEAN CG Scorecard. This means that BAAC has a high level of good corporate governance, equivalent to that of international level.



2. Increase of organizational and personnel capability in accordance with the principles of good governance

BAAC realizes the importance of good governance as a key factor in creating fairness for stakeholders as well as a factor in carrying out its mission to achieve the vision of BAAC, the importance of promoting knowledge and creating good governance awareness among employees and follow the practices until it gradually become part of corporate culture. Clear good governance guidelines have been set and communicated through BAAC Agenda Social Media, Mr./Mrs. CG Line, leaflet of culture was distributed to all departments for communication purpose in the meeting and reported via the good governance communication system. Good governance training program is designed for employees of different levels.



In addition to providing knowledge, BAAC has paid attention to listen to the voice of clients. There is a voice listening process and following up complaints of clients to assure that they will return to bank services 100%. Apart from the implementation of the good governance strategy, in fiscal year 2020, BAAC was assessed by Fair Finance Thailand on “Sustainable Banking” in



accordance with the assessment criteria of the 3rd “Fair Finance Guide International”. It was the first assessment made to BAAC. The assessment result of 22.1%, making BAAC stand out in the 3rd position of 12 financial institutions being assessed. Assessment was made based on BAAC open policies to the public which included climate change, corruption, gender equality, human rights, Labor rights, taxes, consumer protection, expansion of financial management, payroll policies, transparency and liability.

3. Providing fair service to clients (Market Conduct)

BAAC has committed to developing professional service quality and taking good care of clients according to the BOT's announcement regarding the Management of Fair Service to Customers (Market conduct), formulating policies and communicating knowledge and understanding to executives and employees at all levels, setting practice guidelines according to the rules for employees, Supervising according to the principle of Three Lines of Defense, and operating according to 9 systems of standard namely: 1. corporate culture and roles and duties of Board of Directors and senior management; 2 product development and client segmentation; 3. payroll; 4. sales process; 5. communication and employee education; 6. customer information protection; 7. problem handling and complaint management; 8. control, supervision and audit; 9. operation, action plans and adherence to 4 Don't principles;

1) Don't deceive, but provide all important information about the products.

2) Don't force to sell a product or any financial services to clients

3) Don't bother clients when they are not interested in the products offered.

4) Don't take advantage of clients and conceal information that they need to know or collect any

fee without prior notice

4. Complaint Management

BAAC has committed to the importance of principles of complaint management and quick problem solving to response to client needs. A systematic mechanism was set up to control long-standing complaints by means of providing channel for filing a complaint. The mechanism incorporates the process of receiving complaints, fact-finding and conclusions, as well as protection to whistleblower and persons concerned so that the bank can effectively and efficiently resolve the complaints.

BAAC important channels/mechanisms for listening to the voices of clients are as follows:

Off line channel	Online channel
<p>1. Staff channel: It is a channel through which clients come to meet and consult with BAAC staff, or BAAC staffs take a visit to clients, organize trainings, seminars, events, meetings. These are the responsibilities of all departments/branches.</p> <p>2. Mail: It is a channel that clients/service users or related persons such as government agencies send messages, evidences by mail to the bank.</p> <p>3. Comment boxes: Branches install comment boxes for receiving comments and voices of clients.</p> <p>4. Telephone/Fax: Clients can make contact to BAAC office via at telephone or fax.</p> <p>5. BAAC Call Center: It is a telephone channel that provides 24-hour service at telephone number 0 2555 0555</p> <p>6. Customer Service Center: 1593 is a hot line service available 24 hours a day.</p> <p>7. Survey/Research: It's a channel to listen to the voices of customers from the survey results and suggestions of client groups who use BAAC services.</p>	<p>1. Bank E-mail: The e-mail address- contact@baac.or.th - is an electronic channel whereby clients or service users can send messages or attach documents</p> <p>2. Bank website: Clients or services users can send information to the bank. through the bank's website: http://www.baac.or.th</p> <p>3. Government websites; the Complaint Management System of the Office of the Prime Minister; http://opm.1111.go.th: The contact channel is hotline 1111 of the government and CMS system, notification via hotline 1213 Financial Consumer Protection Center, Bank of Thailand. Government websites include Complaint management system, Office of the Permanent Secretary at http://opm.1111.go.th, Government hotline 1111, CMS system through the Financial Consumer Protection Center, hotline 1213 and www.1213.or.th, as well as the bank debt relief expressway of Bank of Thailand.</p> <p>4. Bank's Facebook Fan Page under the name "BAAC Service with Heart". It is a channel through which customers can follow bank's news and express views, submit complaints and suggestions or any information to the bank.</p> <p>5. Online Social Media: it is a public medium that clients or service users including the general public use to express their opinions about the bank such as on Pantip.com - a very popular online community, Twitter and Facebook Fan Page “BAAC Thailand”. The bank will frequently examine those comments and take into account when it comes to bank management.</p> <p>6. BAAC A-Mobile: is an application channel on mobile phones that customers can send comments and information.</p>

5. Risk Management

BAAC has placed importance on risk management and internal control that are in line with and appropriate for continually changing environment and has implemented a risk management framework according to financial institution supervision guidelines of Bank of Thailand (BOT), Ministry of Finance and other related international standards. The risk management and internal control has been implemented as policy at acceptable risk level and at all level within the organization including those who are involved in risk management and internal control.

BAAC has promoted culture of risk management throughout organization, made risk assessment and impacts from changes of factors, such as economy, society, politics, official rules, technology, cyber threats and the outbreak of COVID - 19. The purpose is to assure that objectives can be achieved efficiently and effectively, capital and liquidity level is sufficient to cope with risks.

BAAC possesses very clear process and system in support of risk management and internal control, such as emergency management processes, public concern management and Early Warning System (EWS). The structure of risk management is as following:

The BAAC risk management structure consists of the BAAC board of directors who responsible for determining or approving of Risk Governance Framework to support BAAC's business operations according to direction and goals set, including responsible for instilling risk management culture , and risk supervision committee responsible for supporting board of directors regarding the Bank's risk supervision framework to assure that it aligns with the bank policies and strategies. Risk supervision committee meeting is conducted at least once quarterly. BAAC also required the setup of committees or working groups in support and control the management of risk factors of different areas and to support the risk supervision committee in overall risk management of BAAC. The committees include Asset and Liability Management Committee, Business Continuity Management Committee, Internal Anti- corruption Committee and Operation Center for Quality Loan Management Working Group.

Risk Management in operation

BAAC formulated risk management policies and strategies and acceptable risk level. The ceiling of risk depends on types of risks. Those settings then are declared to the persons involved. BAAC identified and assessed 11 organization risk factors that have impact on the bank's operation in fiscal year 2020, and monitored overall organization risk factor situation, made assessment and took action to tackle the risks until they were in acceptable level, finally, reports were made to risk supervision committee and BAAC board of directors.

Corporate risk factor review is conducted a least once a year. The risks were classified into 2 main groups, 8 types, according to the Bank of Thailand guidelines, i.e. (1) financial risk, consisting of credit risk, marketing risks, liquidity risk and (2) non-financial risk, consisting of strategy risk, operation risk, information technology risk, compliance risk and reputation risk.

Business continuity and crisis management

In order to reduce risks, BAAC has applied the guidelines of Business Continuity Management (BCM) to prepare for possible critical situations that could disrupt its operations covering key personnel, resources, and necessary operations.

Risks affecting BAAC, emerging risks

BAAC has committed to be excellent in risk management for sustainability of its clients and employees. For this reason, BAAC kept monitoring, analyzing, assessing situations both inside and outside the country that could impact on clients under the context of a dynamic financial institution with increasing complexity.

In 2020, BAAC clients still confronted with new risks, namely the pandemic of COVID-19 that has spread worldwide including Thailand. It has had negative impact on all sectors of economy - agriculture, industry, tourism, services, social condition and livelihood of the people. The government, state agencies and the Bank of Thailand (BOT) have implemented monetary and financial measures to compensate and reduce its impact. Meanwhile, BAAC has also continuously monitored, analyzed and assessed the risks from such situations. With the risk management operation been carried out both in part of clients and employees, and in order to help relief clients' hardship, BAAC came up with the following measures: (1) implementing a policy of 1-year automatic debt moratorium on principal and interest due in fiscal year 2020 for all BAAC clients. (2) reviewing Business Continuity Plan (BCP) to determine preventive measures and surveillance for the spread of COVID-19 and related practices to prevent the spread of COVID-19 in the workplace.

Social Dimension: Uplifting the quality of life of farmers and taking good care of employees

1. Customer care and participation in community and society

Promotion of knowledge dissemination

The task mission was done through the increase of farmers' ability to use technology and innovation in production and processing, development and enhancement of clients who registered for government welfare program and clients participated in Informal Debt Problem Solving Project through Smart Welfare Holders project

and client quality of life enhancement project, Informal Debt Problem Solving Project. Furthermore, there was a task of developing farmer-clients and their families in order to support agricultural reform by technology and innovation.

Assistances given to clients affected by the Coronavirus (COVID-19)

The World Health Organization has declared the outbreak of coronavirus (COVID-19) a Public Health Emergency of International Concern and found that the infection is likely to increase continuously. The outbreak has had great impact to all walks of life including farmers, entrepreneurs, temporary workers, as well as shops, hotels, homestays, restaurants in tourist attractions, agricultural community attractions, souvenir shop and others. The Cabinet, therefore, passed a resolution to approve control measures for temporary closure of business. As a result, working hours were reduced, some workers were laid off. The diminishing income has pushed them into a difficult situation to cope with the expenses and to maintain their life and families. Then, the support measure was initiated, for 2nd phase compensation and remedy as per the impact of the Coronavirus (COVID-19) on Thai economy both directly and indirectly by requiring specialized financial institutions to provide low-interest loans for those affected by the Coronavirus (COVID-19).

On the part of BAAC, an Emergency Loan Program was launched with an appropriate interest rate and lenient repayment period for those people affected by COVID-19 in order to relief their hardship from the impact, to improve people access to formal loans, and to increase temporary liquidity for farmers or their family members. The program also served as a preventive measure for dependence on informal loans or loans with high interest rates.

2. Participation in community development or sustainable social problem solving through business processes

The Project of Community Development Model - as per the Sufficiency Economy Philosophy to upgrade a community to a fertile one - was designed to promote community to adopt the philosophy of sufficiency economy to strengthen food security at the community and to continue the development through activities of exchange and learning. It is a process of knowledge dissemination and skill development and



promotion to support production adjustment such as: cost reduction/increase of income, improvement of production efficiency by use of technology and innovation, production change such as: production to match area conditions, production to meet demand or market led production, and occupation group/community enterprise development such as: change leader, skill improvement/education on management of group/business, products for communities that are well established and developed.

Tree Bank Project is designed to develop community capability in creating added value from trees and forests by



developing tree assessors to evaluate the value of trees which should be used as collateral to get access to fund, to develop community for adding value to products made from wood, to support activities that help reduce greenhouse gas and carbon offset in order to generate a stable income, improve sustainable quality of life and create a balanced nature for the precious wood community. The 4 main activities of the project are

summarized: Develop and add value to the precious wood community; create tree assessors, enhance precious wood communities' capability for carbon sink (LESS) and compensate greenhouse gas emissions (Carbon offset).

Thai Community Business Project is a project focusing on strengthening economic foundation in 3 dimensions i.e. economy, society, and environment and culture, on collaborating with network partners, both government and private sector in the areas of knowledge, technology, research innovation, budget and access to fund, on adjusting agricultural production structure to market-led agriculture, and on applying technology and innovation to increase production efficiency and quality of agricultural products to meet international standard.



3. Quality of life and the community improvement Project to promote organic agriculture or agricultural safety to standards fiscal year 2020 aims to promote and support the production of organic and safe agriculture products to be certified by agencies such as certification of Good Agricultural Practices (GAP), Participatory Guarantee System (PGS) and others certifications, as well as the support of knowledge, technology, innovation, and budget along the supply chain ranging from plot preparation, building farmhouse, packing house, cold storage system, transportation system to marketing management from network partners



Community Household Strengthening Project (459) aims to build up strength of the household as a stepping stone to strengthen the community as a whole. As one can foresee that for an individual to be strong, his or her household must be sufficient, enough to eat and spend, before they can build up the next level of community strength. Therefore, BAAC initiated a project to support clients creating food sources in their houses - an agricultural production model that takes 45 days to harvest, it can produce enough food for consumption. The surplus can be sold to get extra income. The advantages are that production site is nearby, only a few steps from home (459), the closeness bring unity within community and cooperation among the communities, as well as local administration and related government agencies. All that had efficiently implemented the project. The relationship between BAAC employees and communities and other organizations had also greatly improved



Environmental dimension: Growing on the quality of life that is environmentally friendly

1. Development of agriculture innovation, community, environment

Bio-fertilizer production project for the production of organic crops of Ban Toei Learning Center is initiated to tackle the problems of existing agricultural practices that are highly chemical intensive, causing the deterioration of soil, chemicals residual, and contamination to water resources and air, the imbalance of ecological system. The toxic of chemicals residual can be accumulated in bodies of farmers and consumers. The project also intended to transform the agriculture practice to organic farming by development of production process of input for agriculture i.e. quality bio fertilizer. The fertilizer is produced and sold by Learning Center for Model Development of BAAC Ban Toei branch. The project will be expanded to produce bio fertilizer for production of organic crops through support of knowledge technology, innovation for producing high quality fertilizer, from stage of preparation of ingredient, granule making, and the marketing management support from network partners.



The producing groups have created job and employment in the community and are ready to transfer knowledge of

producing high quality bio fertilizer to be used in a bigger scale, creating added value to organic products and sustainability of society and environment.

2. Environmentally friendly lending

Thai Sustainable Forest Conservation Credit (Go Green: Forest Credit) aims to develop quality of life that is environmentally friendly. It serves as a source of fund with low interest rate for farmers, individuals, entrepreneurs (juristic persons), groups of people, community enterprises group and agricultural cooperatives in need of fund to expand or create additional business or to change careers as to plant economic tree crop in order to generate stable and sustainable income.

Green Credit aims to promote and support the production of organic agricultural produces or food safety to a certified standard of government or private agencies, or to promote the use of alternative, renewable or clean energy and promote the conservation of natural resources and the environment Including the conservation of arts and culture, community way of life.

Emergency loans for those affected by COVID-19 is an Online loan program to relief hardship and temporarily increase liquidity of farmers or their family members. Those who are in need of loans can submit their applications via Official Line “BAAC Family”. The program also helps to increase speed of service, meanwhile reduce congestion at bank branch.



Green Bond for conserving environment (Green Bond) BAAC is considered the first specialized financial institution in the country to issue “Environment Conservation Bonds”. The objective is to develop career related to forest or change to a career of higher income. Green bond is designed to suit the use and the source of fund for promoting organic farming or food safety up to the certified standard or food safety guidelines, for promoting the use of alternative, renewable or clean energy, conservation of natural resources and the environment including creation of opportunities to improve the quality of life of customers

3. Operations on Environment

Energy Conservation and Environmental Protection Standard

Certification: BAAC head office building was awarded the National Green Office Award, excellent level symbol (G Gold) while Srisaket branch awarded a very good level (G-Silver) and Samut Sakhon branch awarded a good level (G-Bronze). Certification period is effective for 3 years from 1st of October 2018 to 30th of September 2021). BAAC was also certified by Surveillance Audit:



Certificate Number: 76828/A/0001/NA/En Energy Management System ISO 50001:2011 on September 8, 2019, the certification period is 3 years from 8th of September 2019 to 7th of September 2022

"Reduce the Use of Plastic Bags Campaign" BAAC has made a campaign for implementing the project and seek collaboration from all departments to comply with the measures of "reduce the use of plastic bags" and energy saving. BAAC head office used internal line broadcasting to send the campaign messages across, installed 3 campaign KIOSKS to accept donations and provided cloth bags for rent on G and second floor of tower building, and G floor of computer building.



BAAC also carried out the campaign through other channels such as weekend market, BAAC Family Group, BAAC society, and business network groups at head office etc., and through production infographic to be published via Line Application, publications such as posters, stickers etc. All the news of campaign activities and events were publicized through Digital Signage, Social Media such as Facebook _PR BAAC and BAAC intranet system.



The campaign was also reinforced by public relation banners and an event called “Campaign project for stop using plastic bag” on Organization’s Culture Day which was held on Monday, 22nd of March 2021 at the hall of 2nd floor, BAAC Head office.

Environmental Pollution Reduction Support BAAC has continuously payed attention in selecting appropriate materials and equipment and improving effective use of resources. The emphasis is on use of technology and energy-saving devices in order to reduce pollution and conserve environment, such as to change light bulbs to



energy-saving LED lamps, install compressor motor RPM controller (Adaptive Frequency Drive : AFD) for chiller and air-condition system, Solar power generating system (Solar Roof) at head office, and split-type air conditioner, replace air conditioner for ATM operation room, use energy saving light bulbs at branches. Other actions include change of devices to reduce energy loss and recycle wastewater from air condition system for watering plants.

Safety, Hygiene and Working Environment

BAAC office buildings have been certified for the safety and hygiene management standards in workplace. In 2020, a total of 130 branches at provincial level participated and received Appraisal Certificates, in the project for selecting outstanding model business entities of safety, hygiene and working environment.

The process of BAAC is to conduct firefighting and fire drills and produce publicity (Video Clip) introducing safety measures, evacuation procedures for each meeting room, and route to escape at head office buildings. BAAC staffs have been trained under the course of “Safety and Hygiene and Working Environment Committee”. The trainees also include security guards, section heads



and executives. For health concern, BAAC has also introduced measures to prevent injury and sickness from work. Medical doctor is available for consultation and primary treatment. More Automated External Defibrillators (AED) were purchased and installed in different locations to provide medical first aid that would save life of employees, clients and visitors in case of emergency.

Surveillance and prevention measures for (COVID-19) BAAC has set up “COVID-19 Management and Problem Solving Committee” of the bank responsible for implementing measure of surveillance and prevention by initiating the Work From Home Policy in order to reduce crowdedness in the workplace and introducing Social Distancing guidelines for employees who come to work, such as spacing in sitting arrangement, using elevators, dining, meeting through video conference, Check in – Check out through Thai Chana, Mochana Application etc.



The situation of over maximum limit of PM 2.5. BAAC’s measure to tackle the situation of Particulate Matter 2.5 (PM 2.5) exceeding the maximum limit is to spray water on the building rooftop, timely clean air conditioner and distribute masks etc.

BAAC has been well recognized and trusted from the society as a result of its determination to work hard in the past fiscal year under the vision “To be a sustainable rural development bank aiming to support the development of the basic economy to improve the quality of life of rural people” and received several awards such

as Outstanding Organizational Management Award (Honor type), Management to Excellence Award (Thailand Quality Class : TQC), Outstanding State Enterprise Award in the category of outstanding organizational management, social and environmental management and outstanding services, etc. However, BAAC still Commits to improving the quality of life of rural people (better life), building strong Thai communities (Better Community) and creating pride of farm career (Better Pride) to raise the quality of life of Thai farmers in the society of pride.

