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KASIKORNTHAI

Sustainability
Report 2023

Bank of Sustainability



ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ



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开泰基金管理 KASIKORN ASSET MANAGEMENT



ศูนย์วิจัยกสิกรไทย
开泰研究中心 KASIKORN RESEARCH CENTER



หลักทรัพย์กสิกรไทย
开泰证券 KASIKORN SECURITIES



ลีสซิ่งกสิกรไทย
开泰租赁 KASIKORN LEASING



แฟคเตอรี แอนด์ อีควิปเมนต์ กสิกรไทย
开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



กสิกร เทคโนโลยี กรุ๊ป เซครเทเรียต
开泰技术集团管理 KASIKORN TECHNOLOGY GROUP SECRETARIAT



กสิกร แล็บส์
开泰研发 KASIKORN LABS



กสิกร ซอฟต์
开泰软件 KASIKORN SOFT



กสิกร อินฟรา
开泰信息基础设施 KASIKORN INFRA



กสิกร เอกซ์
开泰爱科思有限公司 KASIKORN X





Vision

KASIKORNBANK aims to be the most innovative,
proactive, and customer centric financial institution,
delivering world class financial services
and sustainable value for all stakeholders by
harmoniously combining technology and talent.



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- Establishment of the strategy to be a financial service provider with new technologies, enhancing financial inclusion to expand customer access to financing, and improving the credit consideration processes to be based on assessment of repayment risk along with efficient cost management, and greater speed in debt collection and rehabilitation, as well as disseminating financial knowledge and fostering customers' potential for sustainable growth.
- Building the capability of GHG management for employees to collaborate with the Stock Exchange of Thailand (SET) and the Thailand Greenhouse Gas Management Organization (TGO) (Public Organization) to organize learning courses on climate change adaptation and mitigation among executives and employees.
- Partnering with other organizations for cooperation in sustainable development promotion – Major operations are as follows:
 - Becoming a member of the United Nations Global Compact (UNGC), since 2022, to uplift our business operations in conformity with globally accepted principles, covering the four key areas of human rights, labor, the environment and anti-corruption.
 - Becoming a signatory to the Partnership for Carbon Accounting Financials (PCAF), since 2022, which is an initiative under the cooperation of the global financial sector to formulate standards for assessment and disclosure of GHG emissions financed by loans and investments.
 - Taking part in the Climate Action Leading Organization initiative under the cooperation of the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) and the United Nations Framework Convention on Climate Change (UNFCCC), which reflects our intent to lead in GHG management.
 - Working with the Thai Bankers' Association (TBA) in advancing sustainable development of the Thai banking sector since 2021: KBank has taken the role of Lead Facilitator in sustainability with key missions, including the ESG Declaration, and development of impact assessment tools and an industry handbook.
 - Representing the Thai Bankers' Association (TBA) in joining the Thailand Taxonomy working group of the Bank of Thailand: We offered our opinions and provided recommendations for formulating a "green taxonomy" that will serve as a common guideline in classifying environmentally sustainable economic activities.





KBank ESG Strategy

KBank has embraced the ESG Aspiration with the aim of becoming the ESG leader among banks in Southeast Asia. We formulated KBank's 2023 ESG strategy to advance our business, accounting for environmental, social and governance/economic priorities with a focus on tangible result assessment and operations in conformity with globally accepted principles and standards.





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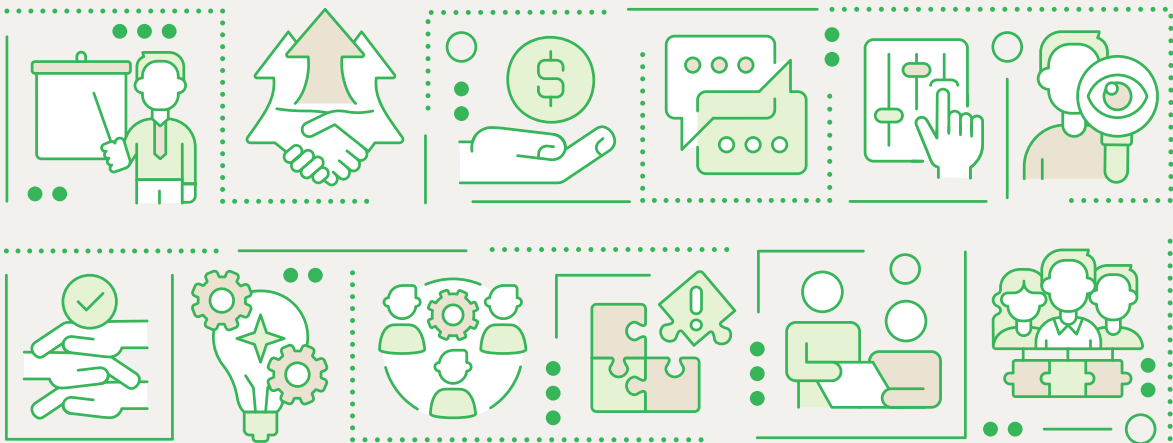
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Material Topics and Boundaries

In 2023, KBank uplifted the assessment process for its material topics and boundaries in terms of quality. The assessment results were used for an analysis of the Bank's business activities and relations versus the economy, environment, society and human rights based on the principle of double materiality. This differs from the process the Bank previously employed. The assessment and prioritization of each topic were conducted based on two aspects. Aspect 1: Financial Materiality is considered by the Enterprise Risk Management Division and Corporate Sustainability Integration Department; and Aspect 2: Impact Materiality is considered by representatives from KBank's stakeholder groups. The double materiality assessment is aligned with international sustainability standards, important issues adopted by Thai regulatory agencies, leading domestic and international banks, and material topics of KBank in 2023. We also assessed actual and potential risks and opportunities that may occur and affect business value and stakeholders. The risk assessment was done based on the opinions of all stakeholders, namely shareholders, Board of Directors, employees, customers, suppliers, business partners, competitors, creditors, regulatory agencies, communities, environment and society, including climate change and financial industry experts through various forms, such as surveys, interviews and secondary data analyses. These viewpoints were then analyzed and prioritized, and concluded into operational guidelines that respond to stakeholders' concerns in an appropriate manner.





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Material Topics 2023

KBank uplifted the assessment process for its material topics and boundaries in terms of quality, resulting in the more concise material topics and boundaries that adhere to the double The results of the double materiality assessment highlight three primary ESG topics that have been elevated to a higher material level, namely Transition Risks and Opportunities from Climate Change, Sustainable Finance, and Risk Management. The moderate material topics include Employee Labor Practices, Inclusion, Diversity and Equality, Employee Human Capital Development; Talent Attraction

and Retention, Employee Well-being, and Reducing Emissions of the Bank's Operations. KBank considers these high-material topics for the development of its core ESG strategy. However, while the three aforementioned ESG themes held greater prominence, the Bank acknowledges the magnitude and likelihood of impacts of other sustainability topics. The results of the double materiality assessment will highlight and identify the topics with a higher level of materiality. The Bank is determined to use these topics to further develop its core ESG strategy.

There were a total of 18 key materiality issues in 2023, as follows:

Material Topics

High Materiality Level	Moderate Materiality Level	Low Materiality Level
• Cyber Security and Customer Data Privacy Protection	• Employee Labor Practices, Inclusion, Diversity, and Equity	• Sustainable Supply Chain Management
• Risk Management		• Preservation of Biodiversity
• Sustainable Finance*	• Employee Human Capital Development, Talent Attraction and Retention	• Effective Water Management and Water Stress
• Transition Risks and Opportunity from Climate Change**	• Employee Well-Being	• Human Rights Across Employees, Suppliers, Customers and Community
• Customer Understandings	• Reducing Emissions of the Bank's Operations, Lending, and Investment ***	• Education and Community Development****
• Business Ethics and Transparency	• Creating Financial Literacy and Inclusion	
• Corporate Governance		
• Digitalization and Innovation		

Notes:

■ Topics with increase in materiality

■ Topics with decrease in materiality

* This topic includes Environmentally Responsible Financial Products and Socially Responsible Financial Products

** This topic includes Clean Energy

*** This topic includes Reducing Pollution, Creating Environmental Awareness, Effective Waste Management, and Collaboration with Institutions Focusing on Sustainable Development

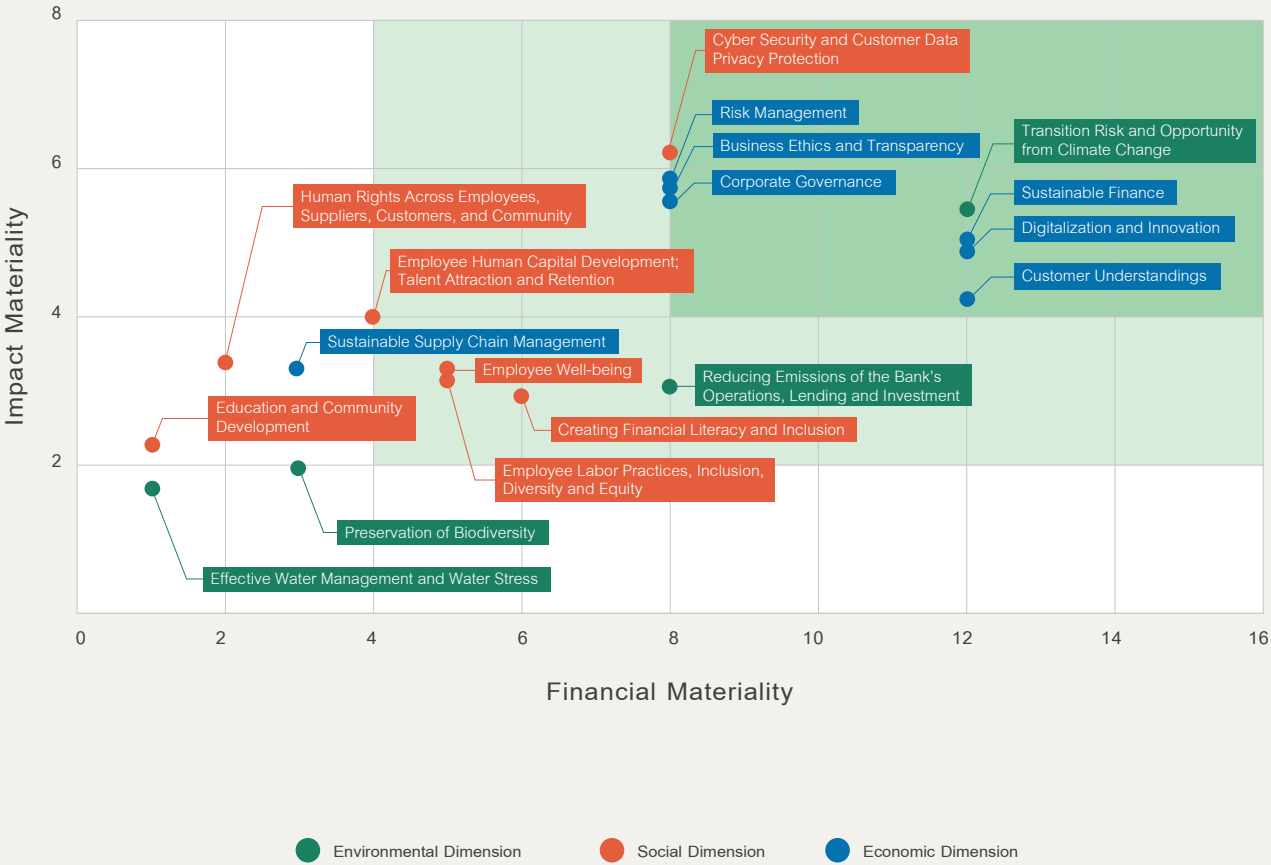
**** This topic includes Social and Cultural Preservation and Development



Material Topics Prioritization

Double Materiality Assessment Result in 2023

The double materiality matrix (shown below) offers a visual summary based on impact materiality and financial materiality.





Material Topics and Boundaries

Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
Business Ethics and Transparency Business ethics, employee ethics, organizational culture, compliance with ethical and transparency principles, Market Conduct, Anti-Corruption, and prevention of fraud	Policy commitments (GRI 2-23) Anti-Corruption (GRI 205)	Business Ethics Governance Dimension	
Corporate Governance Organization governance with good corporate governance principles, supervision policy and processes to ensure sustainable returns in the long term	Governance structure and composition (GRI 2-9) Delegation of responsibility for managing impacts (GRI 2-13)	Corporate Governance Governance Dimension	
Risk Management Management of risks from operations and regulatory changes, credit risk, reputation risk, assessment of emerging risks that may affect KBank's business operations	Role of the highest governance body in overseeing the management of impacts (GRI 2-12)	Risk Management Governance Dimension	
Customer Understanding Products and services that meet customers' needs, satisfaction and expectations	-	Financial Innovations and Services Governance Dimension	  
Digitalization and Innovation Utilization of technologies to develop products and services that are appropriate, convenient, rapid, and responsive to customers' needs e.g., applications	-	Financial Innovations and Services Governance Dimension	
Sustainable Supply Chain Management Supply chain management, with consideration of environmental, social and governance impacts to ensure that KBank's counterparties will not create any environmental and social impacts and conduct business operations with good corporate governance principles	Activities, value chain and other business relationships (GRI 2-6) Supplier Environmental Assessment 2016 (GRI 308) Supplier Social Assessment 2016 (GRI 414)	Corporate Governance Governance Dimension	 



Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
Sustainable Finance Offering financial products and services to support stakeholders in areas of social and environmental needs	Role of the highest governance body in overseeing the management of impacts (GRI 2-12) Indirect Economic Impacts 2016 (GRI 203)	Responsible Lending and Investment: ESG Credit and Investment Governance Dimension Task Force on Climate-related Financial Disclosures (TCFD) Environmental Dimension	    
Transition Risk and Opportunity from Climate Change Analysis and assessment of opportunities and risks arising from climate change in a Well-below 2 Degrees Celsius Scenario (WB2C)	Economic Performance 2016 (GRI 201) Energy 2016 (GRI 302)	Responsible Lending and Investment: ESG Credit and Investment Governance Dimension Task Force on Climate-related Financial Disclosures (TCFD) Environmental Dimension	 
Reducing Emissions of the Bank's Operations, Lending and Investment Development of financial products and services to support businesses those reduce GHG emissions and development of products that are beyond financial services to minimize impacts of climate change	Emissions 2016 (GRI 305) Waste 2020 (GRI 306)	Environmental Management Environmental Dimension Task Force on Climate-related Financial Disclosures (TCFD) Environmental Dimension	
Preservation of Biodiversity Conservation of various living things or species in the ecosystem	Biodiversity 2016 (GRI 304)	Environmental Management Environmental Dimension Task Force on Climate-related Financial Disclosures (TCFD) Environmental Dimension	 



Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
Effective Water Management and Water Stress Water management involves water from external sources, recycled water, discharge, and reused water	Water and Effluents 2018 (GRI 303)	Environmental Management Environmental Dimension Task Force on Climate-related Financial Disclosures (TCFD) Environmental Dimension	
Employee Labor Practices, Inclusion, Diversity and Equality Respect for diversity of employees and equal opportunity among employees, equitable treatment and fair compensation, complaint acceptance mechanisms and channels	Employment 2016 (GRI 401) Labor/Management Relations 2016 (GRI 402) Diversity and Equal Opportunity 2016 (GRI 405) Non-Discrimination 2016 (GRI 406)	Human Resource Management Social Dimension	   
Employee Human Capital Development; Talent Attraction and Retention Enhancement of employees' knowledge and potential	Training and Education 2016 (GRI 404)	Human Resource Management Social Dimension	  
Creating Financial Literacy and Inclusion Facilitating access to financial services for both customers and marginalized segments involves imparting financial knowledge to enhance their money management capabilities. This endeavor aims to amplify the potential for effective financial management among these groups.	Indirect Economic Impacts 2016 (GRI 203)	Financial Inclusion and Financial Literacy Social Dimension	   



Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
Human Rights Across Employees, Suppliers, Customers, and Community Respect for and management of human rights related to employees, customers, and counterparties/business partners	Freedom of Association and Collective Bargaining 2016 (GRI 407) Child Labor 2016 (GRI 408) Forced or Compulsory Labor 2016 (GRI 409)	Human Resource Management Social Dimension	 
Education and Community Development Community activities, volunteer activities and activities to promote and stimulate community economic growth	Economic Performance 2016 (GRI 201)	Social Contributions Social Dimension	   
Cyber Security and Customer Data Privacy Protection Implementing a robust data security system and ensuring strict data privacy measures are in place	Role of the highest governance body in overseeing the management of impacts (GRI 2-12) Customer Privacy 2016 (GRI 418)	Cyber Security and Data Privacy Social Dimension	
Employee Well-being Maintenance of occupational health and safety for employees, both physically and mentally, office and equipment allocation to facilitate operations, provision of knowledge on health and safety in the workplace	Occupational Health and Safety 2018 (GRI 403)	Human Resource Management Social Dimension	



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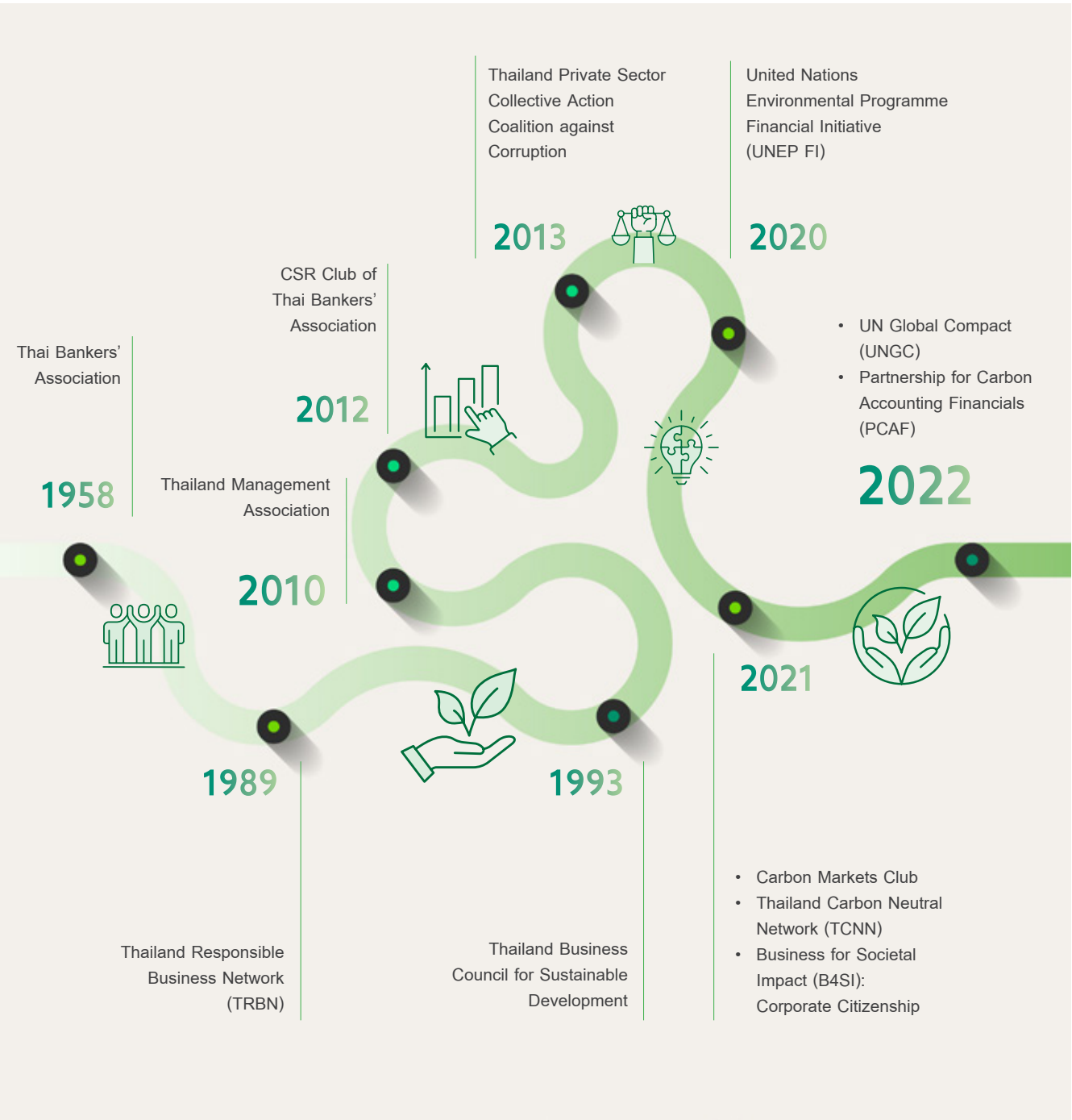
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Membership of Various Organizations

KBank has entered into membership of various organizations established for economic and social benefits, and has adopted their policies for implementation within the Bank. We have taken part in developing work systems with those organizations and have shared our knowledge, experience, and lessons learnt with them to drive our organization. Our executives have been appointed directors and members of agencies and organizations related to enhancement of the financial institution system and sustainable development.

Membership of Organizations in Driving Sustainability





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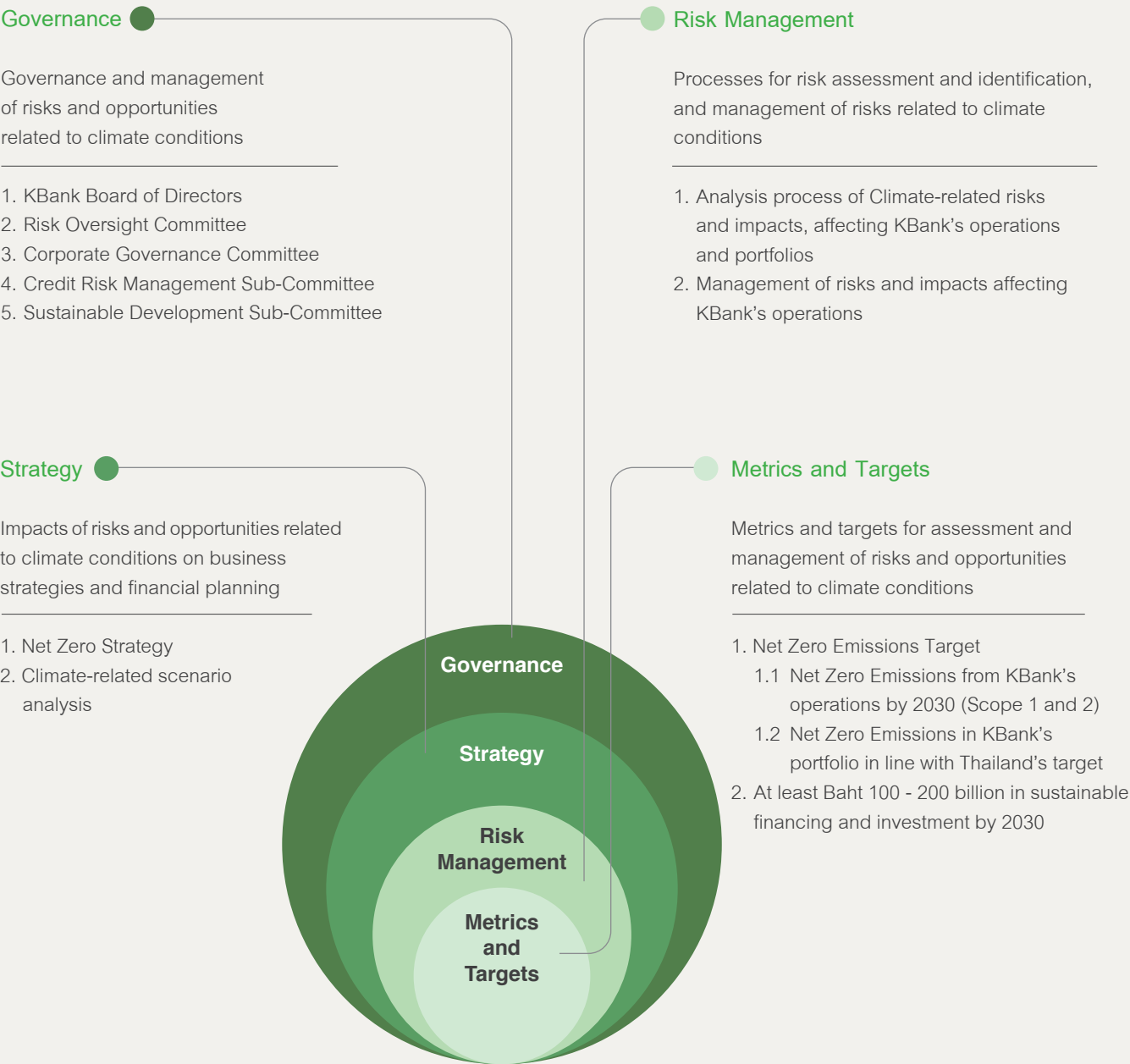
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KBank has prepared a report to comply with the Task Force on Climate-related Financial Disclosures (TCFD)*, consisting of four aspects, as follows:

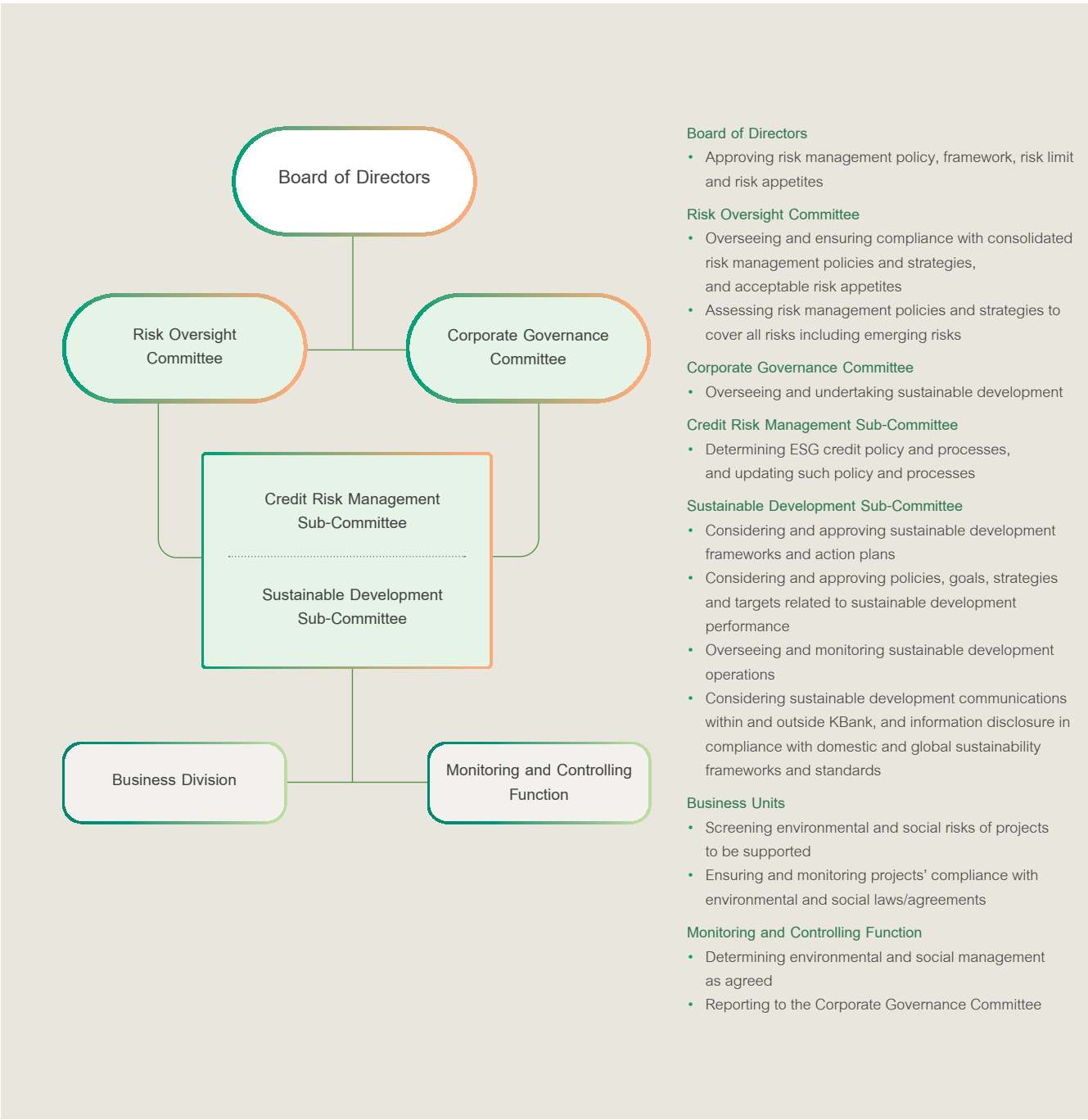


* More details can be viewed in Task Force on Climate-related Financial Disclosures (June 2017) and Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021)



Governance Structure

KBank’s structure, policy and management related to climate change have been determined as part of the processes of sustainability operations that affirm our responsibility towards the environment, society and governance, as shown below:





The Board of Directors oversees KBank's overall operations, with independence in decision-making for the maximum benefits of KBank and stakeholders. The Board approves business strategies, goals and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, which incorporate sustainable development operations, and approves risk management policies and frameworks, and acceptable risk limits and scopes that include risks and opportunities related to the environmental, society and governance (ESG), as well as impacts of Climate-related risks. The Board approves annual business plans and budgets, and supervises and monitors Management's operations in accordance with the established policies, strategies and business plans, related regulations and the Sustainable Development Goals (SDGs) of the United Nations and Paris Agreement.

The Board of Directors has assigned to the Chief Executive Officer the role of Chief Environmental Officer, based on KBank's goal of being an environmental steward to create a net zero society, and setting targets of sustainability operations for the Chief Executive Officer, top management, and operating level to ensure that the goal will be achieved.

The Risk Oversight Committee is responsible for providing advice to the Board of Directors with respect to KASIKORNBANK FINANCIAL CONGLOMERATE's risk supervision framework, overseeing high-ranking executives and heads of risk management units to comply with risk management policies and strategies, and reviewing the adequacy of risk management policies and strategies to ensure that they encompass all types of risks and emerging risks, as well as ESG risks and Climate-related risks. The Risk Oversight Committee meets at least once a quarter and reports to the Board of Directors.

The Corporate Governance Committee oversees sustainable development operations in the aspects of environment, society and governance, and reviews and advises for appropriate improvements for reporting to the Board of Directors. The Committee also provides recommendations for consideration of projects related to the environment and society to ensure KBank's proper management of environmental and social risks, and monitors the progress of the projects on a regular basis. The Corporate Governance Committee holds at least four meetings each year.

The Credit Risk Management Sub-committee is responsible for determining KBank's credit management directions and strategies, and establishing and revising credit policies and processes, taking into consideration ESG risks and Climate-related risks, in order to specify portfolio management strategies, lending targets and frameworks in accordance with the business types with the aim of efficiently minimizing greenhouse gas emissions in KBank's portfolio (financed emission), in conformity with the responsible lending guidelines. The Credit Risk Management Sub-committee holds meetings on a monthly basis.

The Sustainable Development Sub-committee's duty is to drive KBank's operations in alignment with the sustainable development policy and to ensure the efficiency of such operations towards achievement of the established targets, based on the strategy of a "Bank of Sustainability". The Sustainable Development Sub-committee is chaired by the Chief Executive Officer and holds at least one meeting each quarter.

Business Units

Risks and opportunities associated with climate change involves many business divisions. Thus, KBank has established a Climate Pillar Working Group, consisting of members from all divisions concerned so they can work together in driving the whole bank to achieve our Net Zero Commitment. Supervised and chaired by KBank President, the Working Group is responsible for designating strategies, targets and action plans as concern climate change. It also monitors, supervises and supports actions as targeted. The Audit Division is responsible for auditing actions to ensure efficiency, transparency and consistency with the Bank's directions.



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1. Processes of Assessment of Impacts from Transition Risk

1.1 Identification of scenarios for analysis:

- 1) Well-below 2 Degrees Celsius Scenario (WB2C): signifying efforts to minimize the impacts of climate change in accordance with the goal to limit global warming to less than 2 degrees Celsius
- 2) Net Zero Scenario: signifying efforts to minimize the impacts of climate change in accordance with the goal to limit global warming to not more than 1.5 degrees Celsius
- 3) Business As Usual Scenario: BAU signifying the normal amount of greenhouse gas emissions, wherein global warming is 3.7 degrees Celsius

1.2 Identification of industries: KBank has selected three types of power plants in the power plant industry for analysis, including natural gas power plants, hydropower plants and biomass power plants.

1.3 Identification of climate factors and financial drivers: Climate factors and financial drivers have been identified for each type of power plant to study the relevance of impacts between these factors.

1.4 Relevance weighting of factors: to reflect the levels of relevance to financial figures, classified into low, medium and high levels.

1.5 Determination of assessment timeframes: including short term (2025), medium term (2030) and long term (2040 and 2050).

1.6 Analysis and assessment of financial impacts under different scenarios: via calculation of differences of factors under selected scenarios in comparison with the Business as Usual Scenario in each stipulated timeframe to come up with financial impacts on each type of power plant.

2. Results of Climate-related Financial Analysis

Net financial impacts under the Well-below 2 Degrees Celsius Scenario can be summarized, as follows:

- Natural gas power plants: indicating low risk in the short term that will escalate to high risk in the long term, based on an assumption that natural gas will serve as transition fuel in the short and medium terms, before replacement by other alternative fuels with less carbon emission and due to rising carbon prices in the long term; it is expected that revenues will fall following the decrease in demand for electricity generated by natural gas.
- Hydropower plants: indicating limited opportunities in the short term that will escalate to medium to high opportunities in the long term, based on a forecast of higher revenues following rising demand for electricity generated by low carbon sources in the medium and long terms.
- Biomass power plants: indicating limited opportunities in the short, medium and long terms; revenues risk would be in line with energy consumption that is expected to rise.

Under the Net Zero Scenario, net financial impacts on different types of power plants can be summarized in a similar manner. However, there will be some differences with respect to the levels of impacts.

The analysis results have been used in decision-making of KBank's credit portfolio management and financial planning. In addition, these analysis results will be incorporated in the processes of strategic planning and assistance for customers' Net Zero transition journey through the design of green financial products and services, for example, renewable energy loans.

In this regard, KBank will expand the scope of Climate-related Scenario Analysis to cover other industry groups in accordance with their priorities.



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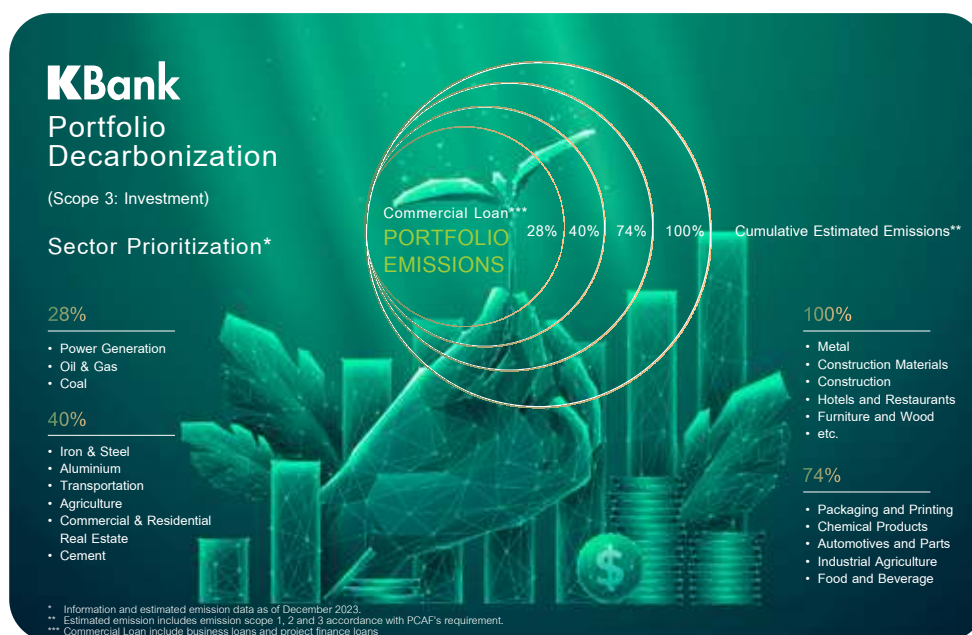
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- Participation with outside experts and advisors to study different adaptation scenarios of the Network for Greening the Financial System (NGFS) and forecast of impacts in order to calculate the volumes of impacts caused by physical risk under diverse weather situations, and to study the methods of risk assessment for physical risk per the World Bank's recommendations

4. Sector Prioritization for Industries of High Greenhouse Gas Emissions in the Portfolio

KBank has classified the industrial groups of high greenhouse gas emissions in the portfolio in order to determine the Sector Decarbonization Strategy and the paths to alleviate and control the volumes of greenhouse gas emissions of each industrial group in accordance with the Paris Agreement and Thailand's target.

Most recently, KBank has prepared strategic plans to alleviate greenhouse gas emissions of five industrial groups of high emissions, namely power generation, coal mining, oil and gas, cement, and aluminum.

5. Strategy to Manage Greenhouse Gas in KBank's Portfolio

KBank has gradually determined strategies to reduce greenhouse gas for each industry in the portfolio, as follows:

- Power generation: KBank will not extend new loans to new coal-fired power plants and will gradually reduce the outstanding loans of coal-fired power plants to zero within 2030.
- Coal mining: KBank will not provide support for thermal coal mining or construction of related infrastructure, and plans to gradually reduce the outstanding loans of thermal coal mining to zero within 2030.
- Oil and gas: KBank has a policy to control loans, investments and contingent liabilities in upstream oil and gas financing, including exploration, drilling and production, within the relevant pathway to reduce greenhouse gas emissions. KBank also does not support any exploration, drilling or production projects of unconventional resources, for example, tar sands, shale oil and gas, and Arctic oil and gas.



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able to cope with newly emerging impacts of climate conditions in a timely manner. Risk consideration is associated with the respective timeframes of short, medium and long terms, encompassing newly emerging factors that affect global climate conditions.

1. **Risk Identification:** Identifying Climate-related situations/ threats that incur physical risk and transition risk, based on global megatrends, and considering new rules and regulations
2. **Risk Assessment:** Assessing overall risk of the organization in three levels: high, medium and low, based on impacts and likelihood of risks, and effectiveness of existing controls
3. **Risk Mitigation:** KBank has proactive risk management in place, consisting of risk prevention, monitoring and management. For any high-level or significant risks, KBank will undertake additional analysis to prevent, correct or implement more management measures, for example, improvement of processes and review of resource allocation to control risks, taking into consideration various factors, e.g., risk incidents, costs, resources, and impacts on customers and business operations. KBank also has a Business Continuity Plan (BCP) and IT Disaster Recovery Plan (ITDRP) to deal with Climate-related risk incidents that may have impacts on our operations and business undertakings.

Consideration of Credit Risk Related to Climate Conditions

With the Portfolio Impact Analysis Tool of the United Nations Environment Programme Finance Initiative (UNEP FI), KBank's review and assessment of overall positive and negative impacts on business operations were made in the economic, social and environmental aspects. It was found that various issues must be managed without delay (Very High and High Country Need Score), including the following:

1. Environmental aspect: climate, biodiversity and circularity
2. Social aspect: equality & justice, integrity & security of person, and availability, accessibility, affordability & quality of resources and services
3. Economic aspect: strong Institutions, peace & stability and socio-economic convergence

Although KBank has placed importance on those three risk factors, a particular focus is on the environmental aspect, which is one of the world's most urgent issues, and could produce extensive and serious impacts. Concerning KBank's credit portfolio, the results of analysis are as follows:

1. Climate issues: KBank has placed an emphasis on the power generation industry, which is among the industries with high greenhouse gas emissions. Of multiple types of energy sources, namely, natural gas, water, coal, solar, wind and other technologies, coal is the energy source that releases the highest volume of greenhouse gas. Therefore, KBank has planned to minimize financial support to coal-fired power plants, while extending more credits to those using renewable energy or alternative energy, in a bid to reduce greenhouse gas emissions in line with Thailand's goal.
2. Resource and efficiency issues: Focus has been placed on the real estate sector to extend loans to projects that have been certified with the green building standards. In addition, KBank has provided credit supports for projects or activities aimed to enhance efficiency in energy consumption, and to develop products and production technologies to promote circular economy, environmental friendliness, and recycles in other industries.

Metrics and Targets

KBank has established Board of Directors KPIs based on the Balanced Scorecard as a tool for transforming the strategy into practice. Key performance indicators have been drawn up to measure success through four key dimensions, including: Finance, Customers, Internal Processes, and Learning and Sustainable Development, to ensure that business strategies that account for environmental, social and governance factors are in harmony across the organization. The key performance indicators will be cascaded from the level of Chief Executive Officer to the level of President, Division Head and other parties involved. Operating results have been monitored to attain the established objectives.



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1. Environmental 5 projects

1.1 Four solar energy projects, having a total production capacity of 456 megawatts and generating electricity of 736 million kilowatt-hours

1.2 One large-scale property project with an environmentally friendly concept and design (Green Building), which takes into account efficient use of resources, energy and environment, and is expected to be certified with Gold/Platinum level of Leadership in Energy and Environmental Design (LEED) by the United States Green Building Council (USGBC) and Platinum level of WELL Building Standard (WELL) by the International WELL Building Institute (IWBI), upon its construction completion and opening in 2024

2. Social 4 projects

2.1 Three projects promoting employment generation and supporting SMEs, franchise business groups and retail shops in communities, which have extended loans to 2,797 retail customers

2.2 One project supporting access to essential services, which has extended loans to 300 customers

3.2 Investment in Bonds for the Environment and Sustainability

KBank's total investment in sustainability bonds amounted to Baht 36,045 million, to support fund raising for projects that are environmentally friendly and energy saving, and for development and promotion of sustainability, with the following details:

3.2.1 Investment in Green Bonds

KBank has invested in green bonds for wind energy and clean transportation projects. These bonds have been certified by internationally accepted standards, namely the ASEAN Green Bond Standards (ASEAN GBS), Climate Bond Standard (CBS), International Capital Market Association Green Bond Principles (ICMA-GBP), and LMA Green Loan Principles (LMA-GLP).

3.2.2 Investment in Sustainability Bonds and Sustainability-Linked Bonds

KBank has invested in sustainability bonds related to social and economic development, and promotion of environmental conservation. These bonds have been certified by the ASEAN Green Bond Standards, Social Bond Standards and Sustainability Bond Standards (ASEAN-GBS, SBS, SUS), International Capital Market Association Green Bond Principles standard, Social Bond Principles, Sustainability Bond Guidelines, and Sustainability-Linked Bond Principles (ICMA-GBP, SBP, SBG, SLBP), and LMA Green Loan Principles and Sustainability Linked Loan Principles (LMA-GLP, SLLP) standard.

3.3 Issuance of Risk-hedging Bonds, Issuance and Underwriting of Bonds linked with Economic, Social and Environmental Activities

3.3.1 Issuance of ESG-linked Hedging Instruments

KBank has been continuously providing ESG-linked hedging instruments since 2021. In 2023, KBank and Minor International Public Company Limited (MINT) have successfully concluded a sustainability-linked interest rate swap agreement to manage interest rate risks. The agreement is linked with GHG emission reduction and water management targets. By attaining the established GHG emission reduction and water management targets, customers will be able to pay more favorable interest rates as agreed upon in the contract. This transaction, therefore, is consistent with KBank's commitment to ESG principles, and is considered part of the Bank's business operations that are based on the principles of a Bank of Sustainability.



3.3.2 Issuance of Risk-Hedging Carbon Credit Linked FX Forward Contract

KBank moved a step further with financial innovation to support participation in GHG emission reduction activities through the successful launch of Thailand's first "Carbon Credit Linked FX Forward Contract" in conjunction with Bangchak Corporation Public Company Limited. Such contract stipulates that when the customer engages in qualified carbon credit activities, the contracted exchange rate will be executed. This reaffirms the Bank's commitment to continue launching innovative financial product to demonstrate our position as a leader of the Treasury and Capital Markets Business in the country. KBank stands ready to enhance the liquidity of Thai Carbon Credit Market which help increase public awareness of carbon credits related transactions, with the intended outcome of stimulating greenhouse gas reduction and driving Thailand towards Net Zero in a sustainable manner.

3.3.3 Green Bond Underwriting

KBank has assisted our customers in transitioning to the net zero economy via underwriting of bonds for environmental conservation, as follows:

- Co-underwriting of "Green Bonds of Gulf Energy Development PCL, No. 1/2023 Tranche 2 due 2028" and "Green Bonds of Gulf Energy Development PCL, No. 1/2023 Tranche 3 due 2030" totaling Baht 8,000 million, with the aim of investment and/or repayment of partial or total loans of new and/or existing projects related to environmental conservation.
- Co-underwriting of "Green Bonds of WHA Utilities & Power PCL, No. 2/2023 due 2028" amounting to Baht 500 million, with the aim of replacing the company's funds that were used to invest in renewable energy projects.

KBank's investment in
sustainability bonds
total outstanding

Baht

36,045

million,

accounting

10.1%

of total investment in
bonds of KBank.





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Customer Engagement

In 2023, KBank promoted customer engagement in multiple patterns, as follows:

- Corporate customers:** Relationship Managers and related department, i.e., the Active Credit Portfolio Management Department, created customer engagement with respect to transition towards sustainability for businesses that could be affected by future regulatory requirements and international trade regulations, namely transport businesses, businesses affected by CBAM and businesses related to electricity generation.
- SME customers:** Knowledge was provided via numerous channels, namely:
 - KBank representative served as a speaker at a seminar, entitled Sustainable Management of Metal Scraps Project, jointly organized by Department of Primary Industries and Mines and the United Nations Industrial Development Organization (UNIDO), to disseminate knowledge for entrepreneurs in metal and steel industry in order to create sustainable management and recycle of metal scraps.
 - KBank representative served as a speaker in a seminar, entitled “The Vinyl Sustainability Forum 2023 – The Episode of PVC Circularity”, organized by the ASEAN Vinyl Council to disseminate knowledge and guidance to plastic industry entrepreneurs in using more recycled plastic.
- Retail customers:** Knowledge was provided via numerous channels, namely:

To provide access to home loans for energy-saving home to customers, KBank has initiated a Green Home Loan campaign, under cooperation with 15 leading property developers, in offering energy-saving houses in more than 500 property projects nationwide, together with special interest rates and incentives.





Cooperation with Partners to Alleviate Climate Change Impacts

Cooperation with Domestic Agencies

- KBank cooperated with the Ministry of Interior, Interior Housewives Association and UN Thailand in delivering Carbon Credit Purchase Project from local administrative organizations in four pilot provinces, the first ever purchase in Thailand. KBank purchase 3,140 tons of CO₂-equivalent, valued at Baht 816,400 from “Wet Garbage Bin to Reduce Global Warming” project.
- KBank organized an in-depth seminar, entitled “Decarbonize Now” for four industrial groups throughout November. They were power generating business, construction and property businesses, and export-oriented business facing risks from CBAM measures. Customers from more than 130 companies participated in the event, in which they received in-depth knowledge for each industry, together with workshops for calculating carbon emission, and trial uses of calculating tools for greenhouse gas emission. It was expected that the customers would be able to actually reduce greenhouse gas emission, in order to drive Thailand towards achievement of Net Zero targets.
- KBank, in cooperation with Thailand Greenhouse Gas Management Organization (TGO), jointly signed a Memorandum of Understanding to undertake studies and to develop a carbon exchange platform, together with a guideline for carbon credit management, in order to encourage entrepreneurs and the general public to participate in sustainable reduction of greenhouse gas emission. These will ensure easy access and actual use of the carbon credit exchange platform, to drive Thailand towards achievement of Net Zero targets

Cooperation with International Agencies

- KBank cooperated with the Agence Francaise de Developpement (AFD) from France, in delivering a Green Building Project to provide credit supports for entrepreneurs in their transition towards green building to save energy and to reduce global warming effects under the K-Green Building Program available for commercial buildings as special loans. Additionally, seminars were arranged to provide knowledge about green building and energy conservation for entrepreneurs.
- KBank cooperated with the Global Green Growth Institute to undertake a feasibility study regarding investment projects focusing on circular economy and use of cutting-edge renewable energy, together with development of credit package for those facing limited credit access.





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Green Operations

Green Process Design

KBank continuously promotes green process design by using technologies to improve its operational efficiency and offer customers greater convenience for using services. The green process design covers the digital on board process, which helps reduce operational procedures, and transaction fulfillment, at branches and offices throughout the country. In 2023, paper consumption reduction reached 25 million sheets, equivalent to 9,300 trees being saved.

KBank has provision of its cheque service, resulting in the most satisfying service experience for customers. The effort also helped reduce the number of motorcycles for delivering cheques between branches and the cheque processing center by 105 vehicles, representing a reduction of about 3.6 million kilometers per year.

Green Mobility

Fleet Vehicles

The Bank has initiated the replacement of internal combustion engine (ICE) fleet vehicles with electric ones, with the aim of ensuring it has the entire fleet of electric vehicles by 2030. In 2023, the Bank conducted the fleet vehicle replacement into EV fleets, resulting in a reduction 183 ICE vehicles which will contribute to greenhouse gases reduction of at least 88 metric tons of carbon dioxide equivalent per year.

Employee Travel

KBank has implemented the “Work that FITs” project to provide flexible working arrangements for employees. Under this project, employees can choose working patterns that suit the nature of their jobs and lifestyles, as well as selecting appropriate working hours. Aside from providing flexibility in logging work hours, such arrangements have been designed to reduce expenses for both employees and KBank while also contributing to environmental conservation by contributing to reduction in GHG emissions as well as PM2.5 pollution due to employee travel.

Energy Utilization Operations

Lighting System Management

A standard has been established by the Bank to use LED light bulbs in new buildings since 2016. Standard light bulbs have regularly been replaced by LED light bulbs. Our main buildings now use only LED light bulbs. Ongoing work is underway to replace all broken or expired standard light bulbs with LED light bulbs at our branches.

Clean Energy Management

KBank has installed a solar rooftop system at seven buildings and offices, as well as at seven buildings of pilot branches. In 2023, the solar rooftop system generated 2,076.36 megawatt-hours of electricity. Therefore, KBank was able to reduce total GHG emissions by 1,037.97 metric tons of carbon dioxide equivalent. In 2023, additional solar rooftop system installations were ongoing, and the Bank estimated that installations at 78 branches will be completed by early 2024, with an addition of 200 branches by 2026. As a result, the Bank’s share of renewable energy consumption will increase to 12 percent in 2026.

Air Quality Operations

Air Conditioning System Management

KBank has installed a chiller plant, equipped with an air handling unit (AHU), at four buildings, helping enhance the Bank’s energy management efficiency. Additionally, KBank is in the process of development new technologies to regulate indoor air conditioning within buildings and branches to maintain health and safety of employees, mitigate the impacts of refrigerant leakage, as well as exploring new technologies to improve efficiency of preventive maintenance and predictive maintenance, while reducing equipment repair and maintenance turnaround.



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To accomplish sustainable waste management, KBank is determined to reach the Zero-Waste-to-Landfill goal at its four major buildings. Six types of waste bins have been installed for six different types of garbage, including food waste, recyclable materials, waste to energy, dirty waste, hazardous waste and electronic waste, with a specific end-to-end management system for each type in accordance with the zero-waste principle to gradually eliminate waste that would have ended up in landfills. Concurrently, knowledge has been disseminated so that KBank employees are aware of the importance of this concept and encouraged to change their behaviors regarding separation of waste before disposal via the “Dispose Responsibly” campaign for proper waste disposal in three simple steps - “Discard-Separate-Dispose” - to ensure that waste management can be implemented efficiently.

Biodiversity

Acknowledging the importance of biodiversity, KBank has put in place policies ensuring that our operations do not cause negative impact towards biodiversity by ensuring that the Bank will not encroach upon conservation areas, protected areas, forest or wildlife reserves. None of the Bank’s buildings or branches are located in areas assigned for biodiversity protection. Additionally, in case that new buildings are planned, the Bank will ensure compliance with environmental regulations such as Environmental Impact Assessment (EIA). The Bank is also investigating biodiversity risk assessment methodologies in order to inform the Bank’s operations as well as to identify appropriate risk management processes.

With regards to our financing portfolio, the Bank has in place ESG credit policy which requires environmental impact being considered. Moreover, KBank also aim to provide green financing for projects focusing on alleviation of forest deterioration as well as

mangrove conservation in order to restore and enhance ecosystems.

In addition, KBank continuously carried out the Nan Sandbox Project, the objective of which is to enhance environmental awareness to conserve watershed forest in Nan province as well as to promote harmony between forest ecosystem and local residents in order to minimize negative impacts toward biodiversity in the area which is part of key ecological areas in Thailand.

Employee Development on Environmental Topics

The Bank places importance on developing our employees with knowledge and expertise in environmental topics suitable for their work objectives in order to ensure that employees are able to comply with KBank environmental policies, execute deliverables as per KBank environmental strategy, as well as contribute to the achievement of KBank environmental targets. In 2023, the Bank organized a number of environmental trainings and workshops for employees to suit employees’ roles and responsibilities. Notable examples include:

- Internal Carbon Pricing (ICP) Workshop with attendees from a range of selected divisions. The workshop aimed to build common understanding on key objectives and potential applications of ICP to KBank’s activities to reach Net Zero target, as well as to determine carbon prices and assess Climate-related risk and opportunity of ICP implementation at national and global levels.
- “Preparing business for a low-carbon economy: risks, opportunities, and strategies for CBAM sectors”, a training provided for clients and employees (relationship managers) so as to equip the employees with understanding and skills required to coordinate and support clients in their low-carbon transition as per the Bank’s sector strategies.
- “Kasikornbank Employee Development to support transition towards sustainable low-carbon economy”, a series of training sessions aiming to equip employees with knowledge and understanding of climate change in various dimensions in order to enable real life applications, drive for further business development towards sustainable low-carbon economy, as well as to expand the knowledge towards KBank client groups to support their sustainable adaptation against climate change impacts. Ultimately, the training sessions are part of the enablers to support the achievement of Carbon Neutrality and Net Zero targets, at KBank level and at national level.





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The Board of Directors approves the policy for risk appetite and risk limit. It has assigned various working groups to perform their tasks related to information technology and data security as follows:

1. The Risk Oversight Committee supervises risk management in alignment with the risk management policy and strategy and consistent with acceptable risk levels, as well as reviewing and auditing adequacy and effectiveness of the overall risk management policy.
2. Digital Oriented Risk, Data and Cyber Security and IT Risk Management (DCSC) is responsible for management of digital risk, data and cyber security and overall IT risk management.
3. The Information Technology Strategy Sub-committee is responsible for devising overall IT system policies and strategies, as well as reviewing, approving and supervising related operations so that they are in alignment with the strategies and operational procedures. The Chairman of KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) supervises overall IT management, with the Chief Information Officer (CIO) and Chief Information Security Officer (CISO) being responsible for IT management and IT system and data security.
4. The Digital Asset Sub-committee is responsible for overseeing and managing risk in digital asset business operations of KASIKORNBANK FINANCIAL CONGLOMERATE to ensure that risks are within acceptable levels while digital asset limit is within the approved framework in compliance with regulations of supervisory agencies. The Sub-committee also manages resources to ensure efficiency.
5. Cyber Security Management Unit, which is responsible for determining measures for cyber security control, monitoring of management to ensure appropriate practices, and maintaining vigilance against potential cyber-attacks, while also giving advice to business and support units regarding appropriate security management. The Unit reports cyber security risk management to CISO, the Enterprise Risk Management Division Head and relevant committees. Main Sections of this Unit include a Section responsible for

policy setting, monitoring and supervising compliance with security measures, promoting IT security awareness, a Section responsible for providing advice and establishing secure architectural structures and standards, a Section that acts as a center for cyber threat monitoring and surveillance, and a Section responsible for cyber security operations.

6. On the operation front, KBank has risk management units responsible for managing technology and data risk while also monitoring digital, cyber, technology and data risk management to ensure appropriate practices.

The Board of Directors has approved relevant strategies and polices to maintain and promote data security, namely Information Technology and Security Policy and IT Risk Management Policy, accounting for data security of customers, employees and all other stakeholders, the Bank's system security and the ever-evolving behavior of financial service users.

KBank has developed a roadmap for a cybersecurity risk control system to achieve our objectives. The plan focuses on risk control in terms of prevention, detection, and response, covering all business processes and critical systems of the Bank. It also includes measures to cope with complaints or loss incidents related to cyber threats. This will help to ensure the stability of the Bank's financial IT system and the Thai financial landscape, for now and in the future.

KBank has strictly complied with the Personal Data Protection Act, B.E. 2562 (2019). In addition, we conducted a test of a plan to cope with personal data breaches while reporting incidents to relevant public agencies so that they could apply the cases and the results for improvement of relevant processes for enhanced efficiency. We have communicated these operational guidelines to employees at all levels on a continual basis to ensure their understanding and awareness of personal data protection. Moreover, we also published communications on the Personal Data Protection Act for our customers via KBank's social media channels.



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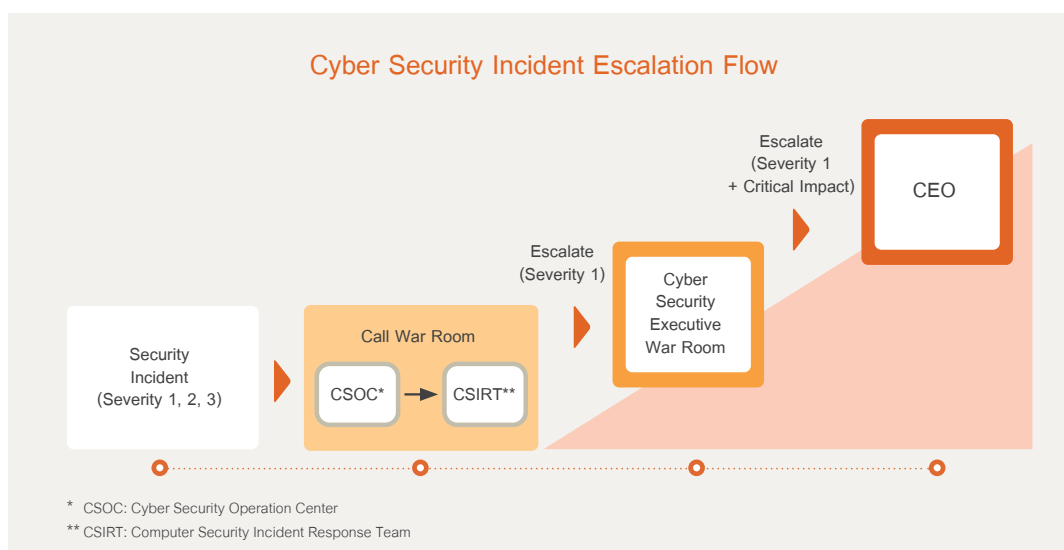
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KBank has also attached importance to checks and balances in key operations, and set out security requirements in all system development processes, from service user screening, solution designs, and operating system development and testing, to system implementation. KBank arranged for a leading consulting firm to evaluate our Cyber Risk Maturity based on the standards of the National Institute of Standards and Technology (NIST)*. KBank aims to achieve the target of Cyber Risk Maturity that is on par with world-class banks within 2024.

In 2023, no complaints regarding significant incidents of customer data privacy** infringement were reported.

Monitoring Process of Breaches/Incidents



Levels of IT Security Incident

1. Severity 1: Highest severity
2. Severity 2: Moderate severity
3. Severity 3: Least severity
4. Severity 4: Severity, for proactive prevention

Severity 2, 3 and 4 - Management is undertaken by the Cyber Security Operation Center (CSOC).

Severity 1 - The Computer Security Incident Response (CSIRT)'s Team Lead will report the matter to the Cyber Security Executive War Room, chaired by KBank's Presidents and comprising top executives of the relevant business units.

If IT security incidents worsen beyond Severity 1 and critically impact the Bank, the Chairman of Cyber Security Executive War Room shall report the matter to KBank's Chief Executive Officer so that a higher level of management will be undertaken by the Executive Crisis Management Team (ECMT), which is tasked with commanding and making decisions on related operations.

* The National Institute of Standards and Technology (NIST) is the United States' agency that determines standards and guidelines of cyber security which have been globally accepted and are widely used as a reference.

** Significant incident of customer data privacy infringement means unauthorized access to customers' personal data, which has significantly affected customers and the Bank, and an examination result shows that such unauthorized access to customers' personal data is a direct result of KBank's error.



Data Used for Secondary Purpose

KBank also uses customers' personal data for other purposes, for example, analyses, research and/or preparation of statistical data, development and improvement of KBank's products and/or services, marketing campaigns, data processing for risk management, supervision, audit, internal management and fraud prevention, as well as IT management to deal with and mitigate IT risks and cyber threats. KBank has announced the objective for personal data processing as above in our Privacy Policy in order to inform the data owners. The Bank has also evaluated our privacy policy and processing of legitimate data, as deemed appropriate.

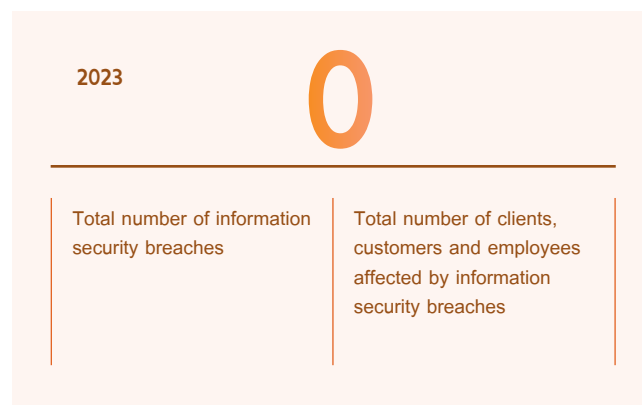
In 2023, the Bank used customer data for marketing purposes, under consents by customers, equal to a ratio of use at 70.80 percent of all customer data.

Incident Reporting and Management in Case of Data Leakage

KBank has established a hotline for reporting suspected incidents through EHD (888-8855, press 52) and K-Helps (470-5555) in accordance with the procedures specified in the Data Leakage Incident Management Procedures and defines the incident response and reporting process, which covers the loss, access, use, modification, alteration, or disclosure of personal data without authority or in violation of the law.

In cases where a data leak incident is reported or detected, KBank will investigate the facts, analyze and assess the incident, including assessing the risks and impacts based on internal criteria as determined by KBank, such as the number of affected data subjects, the volume and sensitivity of personal data, etc., and report the incident and the risk assessment results to the responsible committee in order to determine the approach, corrective action, response, remedy, and notification of the incident to regulatory agencies in accordance with legal requirements as the case may be.

Operating performance



Management of Security Measures and Data Confidentiality based on Work that FITS Model

KBank has established comprehensive and appropriate security measures that are aligned with the FITS Mode of work to allow employees to work flexibly from anywhere. These measures are within the Bank's risk appetite and comply with regulatory requirements and the Bank's cybersecurity standards, such as two-factor authentication and the use of channels for data encryption. The type of solution must be appropriate for the risk level of the employee group.

KBank also emphasizes data security best practices for employees working from home through various learning channels, such as online lessons and the Bank's public relations media.

Management for Financial Fraud Prevention

KBank has realized the importance of trust and security in our financial service delivery to the customers, where there are more risks for deceits in digital channels. Thus we have elevated all measures for prevention, detection and monitoring of suspicious accounts. These include responses to the incidents, such as elevation of security control in financial applications, facing scanning requirement for some high-risk transactions, and guidance for use of links and QR code of KBank materials, including continuous provision of information and knowledge about digital frauds to the public.



Collaboration with Regulatory Bodies and Other Sectors

KBank is a member of the Thailand Banking Sector Computer Emergency Response Team (TB-CERT), which is the center for upgrading cyber threat security. In 2023, KBank's major collaborative efforts on cyber threat security were, as follows:

- 1) Upgrade of readiness for cyber security incident response:
 - Participation in a workshop and cyber drill/exercise, organized by TB-CERT under cooperation the Thai Bankers' Association and the Bank of Thailand, to upgrade readiness for cyber security incident response in order to bolster response and decision-making skills, as well as exchanging information as part of a collaborative effort among relevant organizations and units in coping with cyber threats.
 - Participation in an activity, called Capture the Flag (CTF), organized by several agencies, such as TB-CERT and National Cyber Security Agency (NCSA), etc.
 - Promotion of exchanges of cyber security information between employees and competent authorities through lectures and visit to KBank cyber security units.
 - Participation in training activities and seminars with the National Cyber Security Agency (NCSA), and participation in cyber drills/exercises with other IT infrastructure agencies of Thailand.
- 2) Membership of the Financial Services Information Sharing and Analysis Center (FS-ISAC), which is a center of financial data and analysis of data related to cyber security: The membership provides KBank the opportunity to receive comprehensive information for use in development and improvement of our security system to prevent any adverse incidents.

Creation of a Cyber Risk-Aware Culture

KBank emphasizes the creation of a cyber risk-aware culture to ensure that employees are always ahead of cyber threats. Four-pronged guidelines for fostering a cyber risk-aware culture include rewards and consequences, top-down communication, training and awareness, and measurement and reinforcement.

Stakeholders in this culture are divided into four target groups as follows:

1. Board of Directors and high-level management

- The annual training forum for cyber threat management was organized by supervisory agencies, for example, the Bank of Thailand, the Office of the Securities and Exchange Commission and Stock Exchange of Thailand, to equip board members and high-level management with information about risks associated with new technologies, advanced and diverse forms of attacks, and guidelines and measures to effectively deal with cyber threats in accordance with international standards, and to share views with board members or high-level executives of other financial institutions and companies in the capital market.
- New cyber threats have been reported to board members and high-level management on a quarterly basis, including information, news and knowledge concerning cyber threats and KBank's preventive measures, to provide related knowledge and additional supervisory guidelines, if any.
- Cyber attack simulation was undertaken to familiarize board members and high-level management with such incidents, so they can create necessary processes to respond to any potential threats in the future.



2. Employees

- E-Learning course on data security management excellence and basic data security requirements have been arranged for employees.
- IT Newsletters on Security Tips and Security Alerts have been issued regularly in formats that are easily accessible to our employees, to ensure that they have better awareness and understanding of cyber threats.
- Phishing drills have been conducted on a regular basis. Fake emails have been sent to employees as a way to put them to the test, ensuring their awareness and training them in how to cope with the situation. The drill results have shown that employees are increasingly aware of and cautious in spotting more phishing emails.
- A Cyber Hygiene Culture Program has been established to cultivate an organizational culture related to cyber security, with focus on adjustment of employee behaviors concerning cyber threat prevention and management. Communications have been made by high-level executives to employees in order to emphasize the importance of cyber security issues.
- The Cyber Hygiene Culture has been expanded to other companies within the Financial Conglomerate, so that they are aware of cyber threats and comply with basic conduct in relation to cyber security, which will eventually prevent and alleviate adverse impacts on the organization and companies within the business chain.

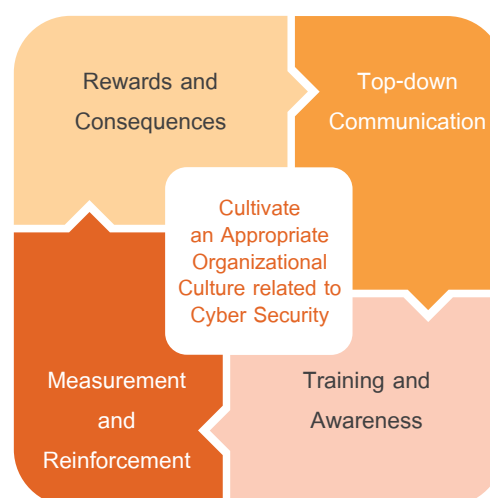
3. Customers

- Customers have been provided knowledge on safety of online transactions, cyber threat prevention and digital frauds via all channels, e.g., website, K-Contact Center, branches and social media.
- A “SATI” project has been implemented to communicate with customers, so that they are aware of cyber threats and can protect themselves against those threats, such as call center gangs, fake bank accounts and illegitimate lending brokers.

4. KBank's Service Providers and Counterparties

KBank has regularly communicated with our service providers and counterparties on cyber threats, demonstrating that KBank has placed emphasis on cyber security and risk management, as well as provision of knowledge related to good practices for our service providers and counterparties.

Framework to Cultivate an Appropriate Organizational Culture related to Cyber Security



PR media of SATI project to regularly communicate with customers so that they are aware of cyber threats and can protect themselves against those threats



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1. Organization Design for Growth – New recruitment channels and patterns are in place, as well as the Agile Way of Work that emphasizes the determination of common Objectives and Key Results (OKRs), both within and between divisions, to attain efficient management and allocation of adequate and potential human resources in support of the seven strategic pillars of business operations, namely: (1) lending; (2) wealth management; (3) payment system services; (4) regional leadership within AEC+3; (5) business expansion via new channels; (6) beyond banking solutions; (7) ESG-related operations.

2. Effective New Way of Work – Work is jointly designed by employees and their supervisors to attain flexibility, with focus on impactful delivery, trust and employee security. Based on the Work that FITS concept, employees may choose their own work styles, while the consideration and decision-making processes are redesigned for more agility and speed. Continuous consultation and reflection are held. In addition, KBank places emphasis on performance evaluation via pulse surveys to ensure the efficiency of this new way of work.

The Human Resource Division organized 2023 The Influential Leader for Engagement Ambassadors, who represent each division in creating engagement in their respective divisions in order to ensure efficiency at work and to provide sufficient support for them. Each division can create their own activities, or they can choose from examples provided by KBank. These include continuous support and skill enhancement for Engagement Ambassadors for organizing activities with employees in each division.

3. Integrated Development – End-to-end upskilling and integration are undertaken for the tasks of Sales & Wealth Management, Product Development, Business Analyses, Data Analytics, Credit Monitoring, Business Innovation and Regional Business. For sales and services officers, who need to train for additional skills and future skills, they are allowed to map out their plans with their supervisors, by using a learning process: 70:20:10 (70 percent actions: 20 percent guidance by coach, and 10 percent by training), focusing on hands-on learning, sharing and feedback from supervisors and colleagues, as well as tangible and efficient evaluation of development effectiveness.





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Employee Recruitment Processes

KBank has provided training and a manual for those participating as a member of an interviewing committees to recruit personnel for KBank. These included new recruitment activities and channels, such as K Career Day: Immediate Interviews and Prompt Results, Roadshow KBank and KBTG “Us Roadshow 2023: Greater Future & Grow Together”, etc. These will enhance recruitment efficiency to meet the organization’s requirements. KBank will focus on personnel qualifications aligned with the organizational culture, apart from their skills, knowledge and capabilities, in order to ensure that those new employees are able to adapt themselves and grow sustainably with the organization.

Promotion of Diversity, Inclusion and Equality

KBank has complied with related international laws and standards in order to promote equitable treatment of employees as stated in the Code of Conduct*, Diversity Management Guidelines** and Human Rights Policy***. KBank does not accept any form of forced labor or child labor, discrimination in hiring or at the workplace regarding local or foreign workers, any form of discrimination or harassment (“Zero Tolerance”), or verbal or physical harassment, including any form of psychological abuse. In case of any discrimination or harassment, or behaviors that are contradictory to KBank’s intention, the investigation processes are in place and punishment stipulations are incorporated in the Code of Conduct.

KBank has in place various channels for complaints and suggestions, e.g., the hotline center, employee relations, meetings to exchange views, advice and problem-solving guidelines for the benefit of employees and common understanding among the meeting participants. KBank also supports and certifies the rights related to group negotiations.



Development of Employee Potential

To promote employees’ knowledge, capabilities and skills to perform their functions efficiently, and to advance in their career paths, systematic development of employees at all levels has been undertaken, as follows:

- 1. Fostering strong leadership characteristics:** We arranged activities to encourage leaders’ exemplary behaviors or “Walk the Talk” that inspired senior management to initiate “Reflection/Retrospection” in their units for leaders and employees to look back and reflect on which work styles should be maintained and which should be improved, and to agree upon joint working methods between different teams.

The communications session “Hi Leader in Action” was held wherein senior management were invited to share the leadership values of KBank to create correct understanding, minimize concerns and gather opinions from related parties for further improvements of staff performances.

* Details of the Code of Conduct can be viewed at KBank’s website:
<https://kasikornbank.com/th/IR/CorporateGovernance/Pages/principles-core-values.aspx>

** Details of Diversity Management Guidelines can be viewed at KBank’s website:
https://www.kasikornbank.com/th/IR/CorporateGovernance/transparency/Pages/KBank_Diversity_Management.aspx

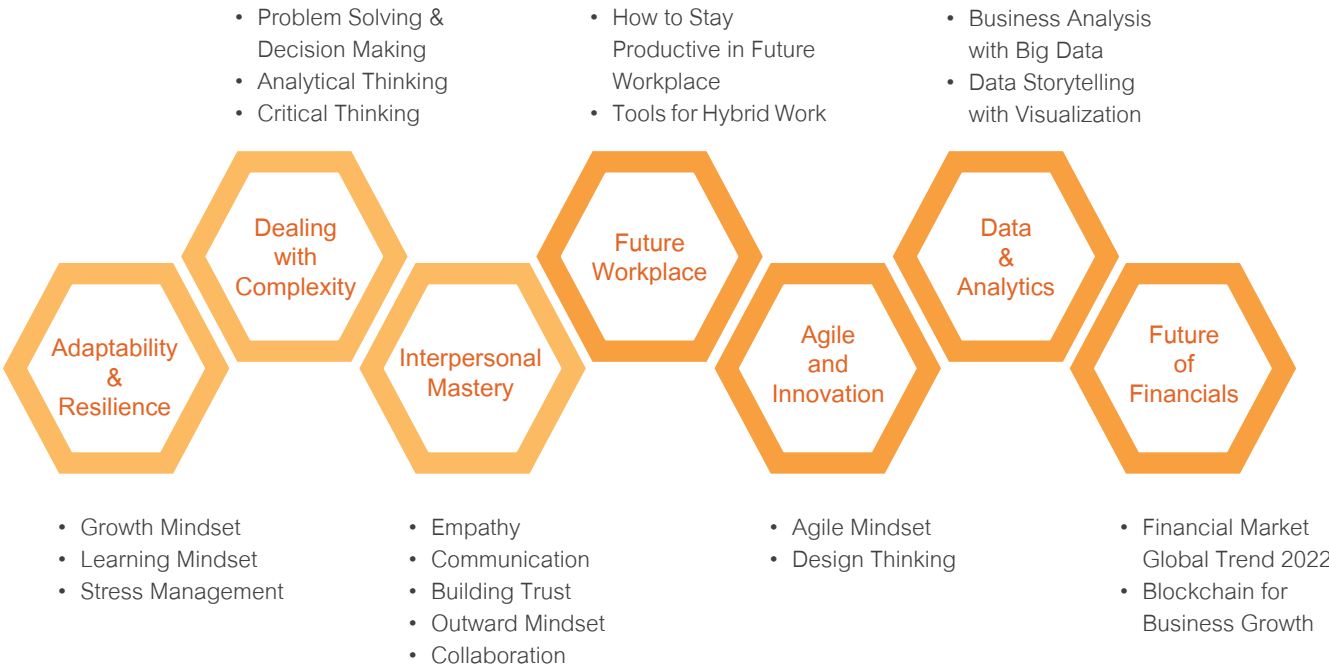
*** Details of Human Rights Policy can be viewed at KBank’s website:
https://www.kasikornbank.com/th/IR/CorporateGovernance/transparency/Pages/Human_Rights_Policy.aspx



2. Enhancing skills for employees: We provided support for the development of employees' skills and specific knowledge via the following courses:

- Agile Development Journey, including: 1) All Agile Member; 2) Scrum Master; and 3) Agile Leaders
- Way of Work (FITS) to improve operations, including seven courses for physical and mental preparations in order to attain efficient and effective results
- Product Development, Business Analyses, Data Analytics, Credit Monitoring, Business Innovation and Regional Business, as well as development of sales and services
- Future Skills to prepare all employees to cope with future challenges
- Soft skills development, incorporated with employees' journey of three months, including Self Learning, Virtual Learning, Action-based Learning and Community of Practice
- Learning Day activities to tackle issues of different divisions or Pillars and focus on collaborative development in order to close the gaps in those divisions' development efforts

Future Skills:
The Arts of Future





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KBank's Board of Directors has reviewed the Occupational Safety and Health, and Workplace Environment Policy* on an annual basis to ensure that employees' operations comply with legal measures of occupational safety and health, and workplace environment, and international standards, including ISO 45001:2018 (Occupational Health and Safety Management Systems) and ISO 14001:2015 (Environmental Management Systems)** in order to uplift KBank's management of occupational safety and health, and the workplace environment, to global standards. We have also established safety-related targets including the target of zero workplace accidents that cause absence from work and zero workplace illnesses that cause absence from work.

As a result, the Bank was successfully certified under ISO 45001:2018, resulting in KBank becoming the first Thai bank to be certified with both international standards simultaneously highlighting our commitment for both social and environmental stewardship in alignment with the Bank's international standard.

We have prepared equipment and a workplace environment that are appropriate and safe, in accordance with legal and global standards of occupational health and safety, and the workplace environment, with hazard identification and risk assessment, as well as environmental aspects assessment, in tune with employees' work conditions, to minimize risks arising from their work.

Occupational Health and Safety Training Courses

The Bank provides regular occupational health and safety training for employees of all levels, including occupational safety officer in executive level course for employee at the management level, basic firefighting course for general employees, courses in occupational health and safety and working conditions for general employees, as well as refresher trainings for resuscitation and AED utilization (CPR and AED) for general employees and facility officers. As a result, all employees have sufficient and appropriate level of understanding and knowledge regarding occupational health and safety, and are able to respond to emergency events that may impact employee health in alignment with relevant regulatory requirements.

Information dissemination related to safety

announcement posters, VTR to introduce emergency evacuation routes, CPR training, communications and activities on safety matters, in order to create awareness with respect to safety and create employees' participation, via online channels, LINE application - KONNECT+ for Life and KONNECT+ for Work of KBank



Fire evacuation drills at KBank offices

* Details of the Occupational Safety and Health, and Workplace Environment Policy can be viewed at KBank's website: https://www.kasikornbank.com/TH/IR/CorporateGovernance/transparency/Pages/Occupational_Safety_and_Health.aspx

** Requests for ISO 14001:2015 and ISO 45001:2018 certifications were made for the Phahon Yothin Building only.



Results of operations related to occupational health and safety, and workplace environment

- KBank's Head Office and main buildings met the light, heat and noise standards as required by law at 100 percent.
- Dissemination of information and news, and advice for healthcare and nutrition, via brochures and electronic channels of KBank

Activities to promote health and safety

employees throughout the organization, such as having exercise facilities (Fitness). Also, invites employees and provides benefits for employees to receive annual health check for health FITS, a life that can be designed.



หมดกังวลเรื่องค่ารักษาพยาบาล เงินกู้สวัสดิการพนักงานช่วยท่านได้ ด้วยสวัสดิการแบบ FITS

เงินกู้ยืมสวัสดิการพนักงานเพื่อรักษาพยาบาล สำหรับ
พนักงาน KBank ที่มีอายุงานครบ 2 ปี และ บุคคลในครอบครัว

- วงเงินกู้สูงสุด 15 เท่า ของเงินเดือนรวมค่าครองชีพ
แต่ไม่เกิน 600,000.- บาท
- อัตราดอกเบี้ย 0 - 4 % ต่อปี
- ระยะเวลาผ่อนชำระสูงสุด 48 งวด

คลิกที่นี่
เพื่อศึกษารายละเอียดเพิ่มเติม



ธนาคารห่วงใยสุขภาพพนักงาน KBank Annual Check-up

เชิญชวนพนักงานกสิกรไทย
ที่เริ่มงานก่อนปี 2566
เข้ารับตรวจสุขภาพ ประจำปี 2566

เพื่อสุขภาพแบบ **FITS** ชีวิตที่ออกแบบได้

- ไม่ตรวจ ณ โรงพยาบาลที่กำหนด
โดยการนัดหมายล่วงหน้า
- สะดวกที่ไหนไม่ตรวจที่นั่น
ไม่ต้องเข้าอาคาร

เริ่ม 15 สิงหาคม - 30 พฤศจิกายน 2566
คลิก เพื่อศึกษารายละเอียดเพิ่มเติม
ดาวน์โหลดไฟล์ healthcheckdocument_kasikornbank.com

สแกน QR Code เพื่อลงทะเบียนรับตรวจสุขภาพฟรีได้
สะดวก ง่าย ไม่พลาดงานบริการแบบออนไลน์

Annual health check-up of 2023
in a "FITS" style

Activities to promote employee health and safety, e.g., fitness
facilities, annual health checkup



Employee Experience and Wellness

KBank placed importance on and promoted employees' physical, mental and financial security, as follows:

- Care for employees' well-being: by means of projects and tools of daily functions, e.g., computer tool of Viva Insights to inspire basic training of mindfulness, daily reflection, mental consultants via OOCA application and provision of flu vaccinations



ใส่ใจ กันและกัน ห่างไกลไวรัส COVID-19

สุขภาพใจสำคัญ ดูแลกันและกันให้ FITS ชีวิตที่ออกแบบได้

ธนาคารห่วงใยพนักงาน ในการดูแลสุขภาพระยะยาว COVID-19 หากผู้ใดหรือ
ทุกคน ไม่ไว้ใจจากัน ชีวิต ความปลอดภัย หรือสถานการณ์ในธนาคารให้พนักงาน
OCCA การป้องกันธนาคารให้สุขภาพดีพนักงาน เราขอเชิญให้ทุกคน

- บริการฉีดวัคซีน หรือบริการตรวจหาไวรัส COVID-19 จากธนาคารให้
- ฟรี นวัตกรรมเวลาสะดวก
- ใช้บริการในช่วงเวลาที่เลือกได้เองและไม่จำกัดสถานที่
- ทุกคำปรึกษาเงินส่วนตัวและเงินความลับ
- ไม่เสียค่าใช้จ่าย

***สำคัญ :**
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- Care for employees' financial health: by promotion of awareness on efficient financial planning for retirement, loans for various cases of financial assistance, energy-saving loans, e.g., loans for solar rooftop installation at homes and loans for EV purchases

MOTOR EXPO เริ่มแล้ว!
แบบปลอดดอกเบี้ย 0% สำหรับ FTS

เงินกู้ยืมสวัสดิการเพื่อซื้อรถยนต์ ไฟฟ้า EV

- วงเงินกู้สูงสุด 800,000.- บาท (รถยนต์น้ำมัน 600,000.- บาท)
- ผ่อนชำระไม่เกิน 5 ปี
- อัตราดอกเบี้ย 0% ถึง MLR - 3.50% (ลดต้นลดดอก)

เงินกู้ยืมสวัสดิการเพื่อซื้อจักรยานยนต์ ไฟฟ้า EV

- วงเงินกู้สูงสุด 100,000.- บาท (จักรยานยนต์น้ำมัน 50,000.- บาท)
- ผ่อนชำระไม่เกิน 3 ปี
- อัตราดอกเบี้ย MLR - 4.50% (ลดต้นลดดอก)

คลิกที่นี่
เพื่อศึกษารายละเอียดเพิ่มเติม

FITs
ชีวิตการคำนวณที่ออกแบบได้

เงินกู้ยืมสวัสดิการ
เพื่อซื้อสิ่งอำนวยความสะดวกในการปฏิบัติงานของธนาคาร
สำหรับพนักงาน KBank ที่ได้รับการบรรจุเป็นพนักงานประจำของธนาคาร

อัตราดอกเบี้ย 0%

- วงเงินกู้ได้เท่ากับค่าใช้จ่ายจริง แต่ไม่เกิน 50,000 บาท
- ผ่อนชำระไม่เกิน 3 ปี และ
- เป็นไปตามระเบียบปฏิบัติของธนาคาร

คลิกที่นี่
เพื่อศึกษารายละเอียดเพิ่มเติม



3. K HAPPINESS activity: to promote employees' work-life balance and to provide online medical diagnosis and consultation via telemedicine service



Post-COVID-19 Human Resource Management

KBank remained supportive of executives of each unit to consider employees' work at offices. Hybrid and virtual work was encouraged, while work skills were enhanced along with the "Collaborative Way of Work" so that employees are able to meet and communicate with each other, to strengthen their relations and shared understanding amid the changing work patterns, and to be happy in working together.

Despite certain relaxations, KBank's healthcare measures were still effective. Employees were advised to continue wearing masks, while alcohol hand gel was provided in various locations, and announcements were regularly made concerning self-care amid high concentrations of PM2.5, and the spread of dengue fever and influenza.



Human Resource Management awards in 2023

Awards of KBank and K Companies

- Two awards from Employee Experience Awards (EXA), Singapore:
 - (1) Best Employer Branding (Gold Medal)
 - (2) Best Skilling Strategy (Bronze Medal)
 - (3) Best Holistic Leadership Development Strategy (Final Round)
- Five awards from Human Capital Management Awards 2023 of Brandon Hall Group:
 - (1) Talent Management in Best Employee Value Proposition (Gold Medal)
 - (2) Leadership Development in Best Unique or Innovative Leadership Development Program (Silver Medal)
 - (3) Learning & Development in Best Hybrid Learning Program (Silver Medal)
 - (4) Learning & Development in Best Unique or Innovative Learning Development Program (Silver Medal)
 - (5) Learning & Development in Best Use of a Blended Learning Program (Bronze Medal)
- Four HR Excellence Awards 2023:
 - (1) Employer of the Year (Gold Medal)
 - (2) Excellence in Workforce Flexibility (Gold Medal)
 - (3) Excellence in Employer Branding (Silver Medal)
 - (4) Excellence in Work-Life Harmony (Bronze Medal)
- Best Companies to Work for in Asia 2023 – Thailand region from HR Asia, for the fourth consecutive year
- Excellence in Labor Relations and Welfare Award, granted by the Ministry of Labour, for the 18th consecutive year
- Best Employee Brand on LinkedIn award in the category of organizations with more than 10,000 employees





Employee Performance Appraisal

KBank conducted employee performance appraisal two times per year using a number of processes, by applying fair appraisal principle in conducting the employee evaluation appraisal to promote teamwork and agile way of work, build innovation culture, and to challenge business impact creation. Employee goals are set based on KBank's business objective which includes stakeholder metrics, sustainability, and areas of focus.

Remuneration Management

KBank has cautiously and thoroughly revised remuneration management to prevent any risk of inclination, discrimination or inequitable treatment in the processes of performance assessment and remuneration payment. Emphasis has been placed on fairness and balance with regard to remuneration for male and female employees based on their respective performances and work values.

Remuneration for Board of Directors and Executives

Clear and transparent remuneration for the Board of Directors is stipulated by KBank and considered by the Human Resources and Remuneration Committee in accordance with appropriateness and the Board of Directors' scope of duties and responsibilities, comparable to that of the industry, before being proposed to the general shareholders' meeting for approval. Appropriate executive remuneration is established with reference to policies and guidance provided by the Board of Directors, and is also related to KBank's operating results and individual performance.

Employee Compensation

Employee compensation is based on equality commensurate with staff competencies, with a focus on competitiveness. Employee compensation is reliant upon each employee's performance, regardless of their gender, race or religion. Regular compensation and benefit surveys are conducted for comparison with the industry, with annual salary raises, plus bonus payment, being issued in line with employee proficiencies. Special salary hikes during the year are considered for retention of capable personnel.

As we expand service networks abroad, KBank has established a system of compensation, living wage and welfare for expatriate and local staff members in line with the respective local regulatory requirements. Competitiveness in the foreign job markets is also

considered, in comparison with average local compensation and benefits, together with their cost of living index. Compensation and benefit handbooks are provided for domestic, expatriate and local employees.

Employee Engagement

The Employee Engagement Pulse Survey 2023 was conducted, consisting of three main topics, namely leadership, physical and mental health, and overall employee engagement. The survey was aimed at evaluating job satisfaction, purpose, and happiness and stress at work of employees, so that the division heads can plan for most efficient improvement of employee satisfaction and engagement.

In 2023, the employee engagement score stood at 77%, KBank promotes the Engagement Ambassador Community, which includes employee representatives to create engagement within their divisions with the understanding and ability to provide relevant solutions for all engagement issues. In addition, KBank emphasizes the creation and development of skills, and the provision of tools to facilitate the Engagement Ambassadors' performances.



Employee engagement activities were held in line with the needs or interests of employees of each division.



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Human Rights Risk Assessment Process

The Bank conducts human rights risk assessments in collaboration with the relevant departments in order to review and update the human rights risks that may arise throughout the Bank's value chain and joint ventures. This process includes tracking changes in human rights risk, assessing potential impacts, examining operational processes to mitigate human rights risks, seeking preventive measures through appropriate management methods and establishing remedial measures in case of human rights due diligence in alignment with the UN Guiding Principles on Business and Human Rights on an annual basis, as follows:

1. The enforcement of KBank's human rights policy*, covering all operations of KASIKORN FINANCIAL CONGLOMERATE, including operations of employees, customers, suppliers and business partners. The Board of Directors considers and revises the human rights policy every year to ensure that it is up to date. KBank's human rights policy reflects our commitment to the protection and respect for human rights, including related issues such as the protection of workers, rights and freedom to join associations and to negotiate, discrimination, investment, fair business operations and market conduct, and personal data protection.
2. KBank conducted a study and considered human rights issues from such international regulations as the Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR), and International Covenant on Economic, Social and Cultural Rights (ICESCR). KBank also considered human rights risks that may stem from the financial industry in 2023 (based on a comprehensive human rights assessment in 2022) in order to analyze and assess their potential impact on stakeholders throughout KBank's value chain, including customers, employees, suppliers and local residents, plus vulnerable groups such as pregnant women, foreign workers, the disabled, children and LGBT, as well as determining necessary measures to mitigate and prevent the impact that may occur now and in the future.
3. KBank undertook a human rights risk assessment and risk register, based on the specific risks detailed above, by holding workshops with various internal units responsible for business activities related to human rights issues, namely, the Office of Corporate Secretary, Credit Policy and Risk Management Department, Active Credit Portfolio Management Department, Operational Risk Management Department, Compliance Department, Enterprise Data Management Department, Employee Relations Management Department, Human Resource Management Department, People Strategy Department and Procurement Management Department. Representatives from KBank, companies within KASIKORNBANK FINANCIAL CONGLOMERATE and joint ventures of KBank also participated in those workshops, with the aim of assessing human rights risks that may arise from operations, establishing measures to mitigate the related impacts, and corrective and relief processes in cases of human rights violations, encompassing all activities within the entire value chain that account for 100 percent of operations of KBank (including companies within KASIKORNBANK FINANCIAL CONGLOMERATE), suppliers, associated companies and joint ventures of KBank.



* For details of KBank's human rights policy, please click: https://www.kasikornbank.com/TH/IR/CorporateGovernance/transparency/Pages/Human_Rights_Policy.aspx



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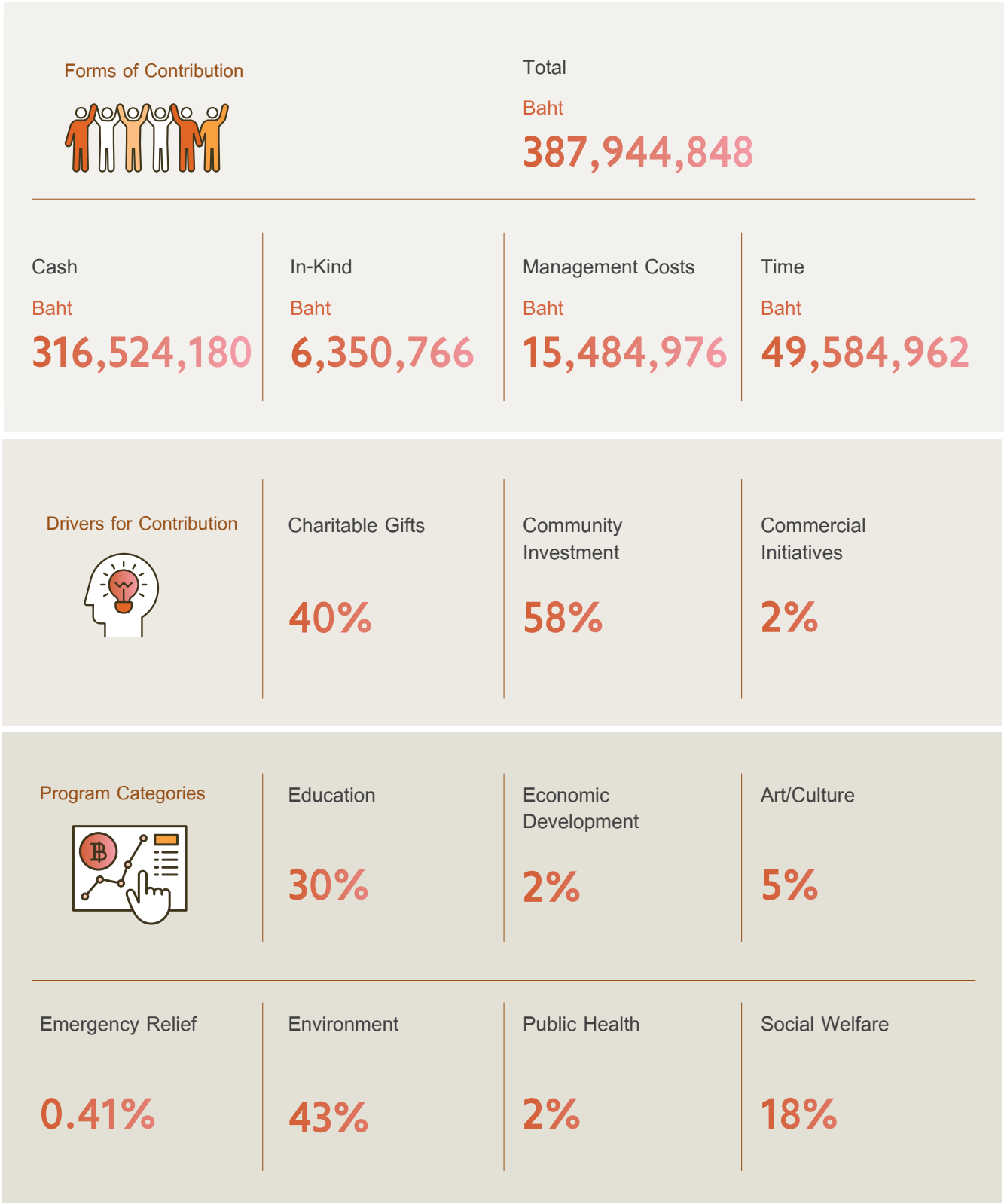
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Social Operation Performance





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Impacts

The Bank believes that offering employees opportunities to have a day off to regularly engage in volunteer activities every year along with the budgetary support for such projects via the “Tham Di Tham Dai 8Rs Style” project will not only help raise their public consciousness, but also enhance their engagement with the organization. Moreover, employees can take pride in contributing to society both inside and outside of work hours while the communities and society also have a positive attitude towards the Bank.

An analysis of Social Return on Investment (SROI) of “Tham Di Tham Dai 8Rs Style” project shows that every Baht 1 of investment in the project will render social return valued at Baht 0.44 (or SROI at 1:0.44). SROI has been calculated from return to program target group participating in the project carried out by KBank employees. In detail:

- Value of greenhouse gases (GHG) reduction per year as a result of “Tham Di Tham Dai 8Rs Style” project;
- Value of knowledge that KBank employees provided to target group;
- Value of financial risk or impact affecting target group which has been prevented/reduced/avoided due to the project;
- Reduction in expenses/debt, as well as increase in savings/income as a result of behavioral change among target group;
- Value of awards received as a result of enhanced capability through the project.

Cultivation of Wisdom Camp

Background

KBank established the Cultivation of Wisdom Foundation on December 3, 2022 to advance the success of the Cultivation of Wisdom Project that KBank and the University of Phayao collaborated on in Nan for more than three years. The Cultivation of Wisdom Foundation aims to improve the capabilities of students so that they have 21st-century skills, and nurture them to become quality citizens and crucial forces in shaping Thailand's economy, society, environment, governance and sustainability in the future through the Cultivation of Wisdom Camp, which is the first and only camp in Thailand that aims to equip youths with comprehensive business knowledge and hands-on experience throughout the program.

Objectives

- Develop systems thinking among youths to ensure that they have systematic, logical and analytical thinking, with a critical and reasoning mindset, plus the ability to prioritize and solve problems effectively. Ensure that participating youths have a lifelong learning process so that they can apply the knowledge gained for the betterment of themselves and communities.
- Create new knowledge, skills, and real-life experiences that can be remembered and applied in real life through learning to conduct real businesses, based on successes and obstacles at work. Ensure that the participants have a positive attitude that allows them to restart and move forward when faced with unexpected situations.
- Establish a network of youths who have a strong sense of love and pride in their hometowns, thus helping reduce migration to other areas. Promote the creation of sustainable communities to reduce economic and social disparities, as well as inequality.
- To promote the SDGs.





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- Srisawatwittayakarn School, Nan (snack boxes under the NALANA brand) is the first school in Nan that has designed a snack box that promotes 6 renowned unique desserts from communities in the province. All enclosed in special packaging adorned with unique patterns, it adds value to the local gift from Nan.
- Sa School (baked sticky rice without bamboo tubes under the Lam Ruai brand) has developed this baked sticky rice dessert to address the challenge of having to peel the bamboo tubes, making it more convenient to deliver and store over several days. The dessert comes with a variety of fillings that use local ingredients such as Ma Kwen (Sichuan pepper), making it a unique competitor to Japanese rice balls (Onigiri).
- Thawangphapittayakhom School (avocado salad dressing under the KADO brand) has developed a salad dressing made from local avocados, which are another economic crop of Nan. Elevating clean eating by providing a mellow taste, this avocado salad dressing also incorporates Nan's rock salt to give a well-balanced flavor.
- Pua School ("Ma Muen" or wild almond butter under the Ma Muen Butter brand) has introduced this almond butter to add value to "Ma Muen", a local gem often referred to as Thailand's almond. Although not widely recognized, it is a high-quality Thai wild almond butter that pairs well with Western-style breakfasts.

The social return on investment (SROI) analysis on the Cultivation of Wisdom Camp shows that every 1 Baht invested in the project helps generate social benefits worth 2.79 Baht (or the return ratio of 1:2.79). The social return is based on the calculation of return, occurring with participating teachers. Details are as follows: The value of knowledge that students assess they have gained from the project as following.

- Value of business and entrepreneurship knowledge gained from the Cultivation of Wisdom Camp, comprising "Brave to Learn Camp," "Brave to Venture Camp," and "Brave to Step Camp";
- Value resulted from contests and competitions in which students participated, utilizing knowledge gained from the program;
- Value of expense reduction and/or increase in income due to student's financial behavioral change;
- Value of income gained by students as a result of applying knowledge gained from the Cultivation of Wisdom Camp.

AFTERKLASS Project

Background

KBank has the intention of engaging in a CSR activity, based on the organization's core competency of financial literacy. The CSR activity in this case must target youths, aged between 15 - 20 years, who are in their late teens and are set to become competent young workers, helping steer the economy and society. To this end, KBank introduced the AFTERKLASS project in 2014 as an online platform to offer young people financial literacy for the first time in Thailand. All youths can gain access to financial literacy via AFTERKLASS regardless of where they live.

Objectives

- To offer youths financial literacy.
- To offer youths opportunities to become successful in their life in accordance with KBank's business strategy of empowering every customer's life and business.
- To promote the SDGs.



Project Details

AFTERKLASS is an online platform, with the aim of offering financial literacy for youths, including savings, expenditure and investment planning as well as business startups, plus other useful matters related to learning, activities and technologies. The WWW.AFTERKLASS.COM features 3 Classes: Biz Master for members who are interested in trade business, savings, financial management, investment and income-earning tips, all of which are suited to young people. Smart Society is for those wanting to improve learning skills, and Play Yard is for members who are interested in various activities, careers and necessary daily living skills in the future. In 2022, a special Klass, namely GO GREEN Together, was introduced in line with the environmental strategies of the Bank and other organizations around the world that have pressed ahead with their sustainable development initiatives by adopting ESG criteria in business operations. The website also features banking and financial systems, user-friendly savings, fund and stock investment simulators, mini games and quizzes that offer knowledge for participating youths.



Outputs

- Workshops under the “AFTERKLASS AKADEMY” theme were regularly organized every month, both online via Zoom and on-site, with emphasis placed on fostering the interaction between instructors and participants. Knowledge was measured through pre-tests and post-workshop assignments in order to evaluate learning outcomes of participating youths. The workshops also aimed to provide knowledge on financial management and investment, plus essential life skills for youths to cope with daily life, including financial planning for teenagers under the “Getting Rich at a Young Age” theme, techniques to create online sales layouts using CANVA, a course on writing study plans to apply for scholarships in China, a course on creating a store application with GoogleSheet, a course on creating a successful formula for managing a mutual fund, a course on TikTok marketing, and a course on creating Mascot & Art Toy 3D models with the Blender program.
- The “AFTERKLASS AKADEMY Course” was launched via online channels to offer anywhere, anytime learning, with emphasis placed on enhancing financial literacy, particularly savings and earning extra income from hobbies. The course was kicked off with three financial series. Experienced professionals, successful figures in the financial industry and YouTubers recognized within the new generation were invited to share techniques for doing business, living, self-training, and money management, plus perspectives on financial planning, which served as a personal financing model.
- Participants in the AFTERKLASS project were taught to design and practice investment in the Robo Advisor automated fund system, called “Fund-telligenz” This AI-based system helps participants design investment strategies based on their risk profiles. It also helps them automatically manage mutual funds, thus allowing users to practice saving and investing through mutual funds before engaging in real-world scenarios. The system received positive feedback from the members of AFTERKLASS.
- Special activities were organized under the “AFTERKLASS ExKlusive on Tour” theme to provide opportunities for participants to experience and learn firsthand by visiting real-world locations. This includes visits to various institutions such as the Bank of Thailand, the Stock Exchange of Thailand, or renowned companies in various industries. Apart from the site visits, participants also had the chance to attend lectures or hear experiences shared by the venue owners, who

possessed expertise in their respective domains. This exclusive experience was tailored specifically for the members of AFTERKLASS.

- The annual Business Hackathon, or innovation and business plan competition for high school students, was held for the fourth time in 2023 under the “AFTERKLASS Business KAMP 2023: Innovation for a Sustainable Society Hackathon 2023” theme. This activity, which is in alignment with KBank’s policy of promoting social responsibility and sustainability, aims to encourage youths to become interested in innovations so that they can create novel products and services that can help solve social and environmental issues. Under the competition, contestants were asked to choose from three sustainability themes, namely (1) health and well-being of people; (2) quality of life, community, society, and smart city; and (3) environment and nature. They then were required to present innovative ideas that contribute to sustainability for the environment, nature, earth, life and ecosystem. A total of 304 youths, forming 76 teams from across the country, signed up for the competition in 2023.

Impacts

- The number of members in the online system: 11,581 persons
- The number of youths participating in both online and onsite workshops: 1,180 persons
- The number of members who followed the project via social media channels:
 - Facebook: 53,886 persons
 - LINE@: 10,321 persons
 - Twitter (X): 746 persons
 - TikTok: 9,016 persons
- Youths, who were equipped with saving, spending and financial management skills, amounted to 85.33 percent of total members.
- Youths, who were equipped with business and investment skills, amounted to 82.79 percent of all members.
- Youths, who were equipped with knowledge on financial products that are available in daily life, amounted to 92.47 percent of all members.
- The Bank expects that the workshops organized under AFTERKLASS will help foster cordial relations between participating youths and the Bank. Participating youths, who opted to use KBank services or told their friends and family members to choose the Bank’s services in the future, amounted to 98 percent of total members.
- Media and PR value: Baht 26.6 million



The social return on investment (SROI) analysis on the AFTERKLASS project shows that every 1 Baht invested in the project will help generate social benefits worth Baht 1.17 (or the return ratio of 1.1.17). The social return is based on the calculation of return occurred with participating youths. Details are as follows:

- The value of knowledge that youths assess they have gained from the project.
- Reduced expenditures or increased income from new behaviors after receiving knowledge from the project.
- Business value and income generated by youths through the knowledge gained from the project.

The Sustainable Zero Waste Digestant for Well-being (SUZDEE) project under the Circular Innovation for Nan (CIAN) project

Background

As Nan has now become a popular holiday destination for both Thai and foreign tourists, its growing nature and cultural tourism may inevitably affect the provincial waste management system because the total amount of waste in Nan surged to 276 tons/day during 2021. However, only two of the total of 60 landfills and waste disposal sites in various communities have proper waste management systems, namely Nan Municipality's waste disposal site (70 tons/day of waste entering the area) and Tha Wang Pha Sub-district Municipality's waste disposal site (five tons/day of waste entering the area).

To address the waste problem, KBank has collaborated with the School of Molecular Science and Engineering (MSE), Vidyasirimedhi Institute of Science and Technology (VISTEC) along with research teams of many institutions in establishing the Circular Innovation for Nan (CIAN) project, which employs biotechnology to create innovations, and interdisciplinary knowledge to reduce the related impacts on communities. This project is expected to be used as a prototype for other provinces in the future. The CIAN project comprises three sub-projects, as follows:

- 1) The SUZDEE project, with the aim of promoting Nan to become a zero waste city.
- 2) The project, with the aim of inventing technologies to support the bio-extraction industry and cultivation of high value-added herbs.

- 3) The project, with the aim of developing advanced technologies for the zero waste processing of herbal products. Residual biomass from the extraction process will be used in the development of higher value-added microbial pesticides.

For the first project, the interdisciplinary research team visited the targeted areas to install equipment and implement the project in April 2022. For the second and third projects, research is being conducted and technologies are being developed.

Objectives

- 1) To promote Nan to become a zero waste city.
- 2) To use knowledge and innovation from the C-ROS technology for the development of SUZDEE. A learning center will be established and SUZDEE will be installed at not more than 30 locations across communities in Nan within five years (2022 - 2026).
- 3) To study various factors in the social and educational dimensions, plus social impacts for the development of targeted communities, so local residents learn and adopt the proper ways of organic waste segregation via the practical use of SUZDEE for comprehensive benefits in line with the principles of a circular economy, and SDG 11 (Sustainable cities and communities) and SDG 12 (Responsible consumption and production).
- 4) To promote the SDGs



Project Details

KBank has entered into an interdisciplinary collaboration with VISTEC's MSE and research teams of many institutions, such as Chulalongkorn University, Mahidol University, Burapha University, National Science and Technology Development Agency (NSTDA), Srinakharinwirot University, Kasetsart University, Navamindradhiraj University, Chiang Mai University, and Prince of Songkla University, Suratthani Campus, to establish the Circular Innovation for Sustainable Community and Bioindustry at Nan, abbreviated as Circular Innovation for Nan (CIAN) project. Implemented in 2022, the CIAN project comprises three sub-projects. The first project is SUZDEE, with the aim of promoting Nan to become a zero waste city. It is based on the project to add value to organic waste via a biosynthesis process that the Bank previously collaborated with VISTEC's MSE during



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- Serving as a coordinating center in receiving incident notifications and solving basic problems for seven institutions in Nan where an organic waste fermentation system had been installed under the previous project, namely (1) Environmental Management Learning Center, Baan Maha Phot community; (2) Aranyawat Temple; (3) Mueang Nan Municipality Office; (4) Nan Hospital; (5) Daroonwittaya School, Nan Municipality (Baan Suan Tan); (6) 32nd Ranger Forces Regiment, Phu Phiang District; and, (7) Baan Don Kaeo community.
- Conducting field surveys in various districts of Nan, taking into account the readiness and appropriateness of locations for the installation of SUZDEE tanks.
- Conducting the social return on investment (SROI) analysis, based on the data collected from four locations where the SUZDEE tanks were installed, including (1) Mueang Nan Municipality Office; (2) Daroonwittaya School, Nan Municipality (Baan Suan Tan); (3) 32nd Ranger Forces Regiment, Phu Phiang District, as part of the well-bred soldier project; and (4) Baan Don Kaeo community. The data included expenses on waste disposal, cooking gas and vegetables (used to prepare meals), plus income from selling vegetables, and budget used for the reduction of GHG emissions.
- Implementing the “Pong Sanuk Model” project in Pong Sanuk Sub-district, Wiang Sa District, Nan. Pong Sanuk Sub-district is the 12th station where SUZDEE tanks have been installed. Due to its flat terrain with natural water sources such as the Sa River, residents here engage in year-round cultivation of rice and corn in rotation. Their agricultural practices involve the use of chemical fertilizers and pesticides in significant quantities, leading to contamination. Pong Sanuk has a total population of 1,394 (592 households). The research team has collected samples to measure pesticide contamination in the water sources for consumption and daily use, as well as in the soil and detoxifying herbal tea produced by the Tambon Health Promoting Hospital, Pong Sanuk for distribution to the villagers. The team employed a technology called “LUMOS,” an enzyme-based measurement method, for on-site screening of contamination in the Pong Sanuk Sub-district. Subsequently, samples were taken back to the laboratory and analyzed using the standard HPLC-MS/MS method (which can detect and quantify 58 specific pesticide residues in four groups, including organophosphates, organochlorines, carbamates, and pyrethroids). The results

of the on-site measurements and screening revealed contamination of pesticides, specifically organophosphates and carbamates, which exceeds the allowable limits. This contamination was found in water samples from water dispensers in Mu 1 of Pong Sanuk Sub-district, tap water in the village, agricultural soil, and herbal tea from the hospital.

Impacts

Social dimension

- The CIAN project is a long-term program (2022 - 2026) under the Bank's support. Aside from addressing problems and systematically enhancing the well-being of the people of Nan, the program is aimed at promoting environmentally friendly agriculture, inventing technologies to extract high-value herbal substances and use residual biomass from the extraction process to produce value-added microbial pesticides without any waste, and creating a full-fledged zero waste society in Nan.
- Targeted schools and communities for the SUZDEE tank in Nan will not only enjoy direct benefits from the project, but also save expenses from the decomposition of organic waste into biogas for use in place of cooking gas and into bio-plant tonic for use as a substitute for chemical fertilizers. Additionally, the CIAN project has helped enhance the efficiency of waste segregation and management at schools and communities in the province while also promoting the awareness of waste segregation and management at the individual level. It is expected that such impacts will be widely felt on families and communities there in the end. This is reflected in the Social Return on Investment (SROI) of this project at 7.87 percent.
- The results of the field survey to collect samples for the analysis of pesticide residues in the water sources for consumption, soil, and herbal plants used for the production of herbal tea at the Tambon Health Promoting Hospital, Pong Sanuk Sub-district, have led community leaders, village heads, municipal authorities, voluntary health workers and the Tambon Health Promoting Hospital, Pong Sanuk to be aware of the long-term health impacts on the community, prompting them to introduce immediate solutions. For instance, upon the discovery of pesticide contamination in the water dispensers in Mu 1 of the Pong Sanuk Sub-district, which is home to 370 people (175 households), the sub-district head promptly took action to replace the water dispenser filters upon receiving the analysis results from the research team. After retesting after the filter replacement, it was found that pesticide residues decreased to levels below the established standards and



were not at levels harmful to health. Additionally, community leaders have developed medium and long-term plans to monitor and address the issue of pesticide residues. They have also encouraged farmers and residents in communities to be more aware of the health risks associated with high pesticide use, and reduce the future use of high quantities of pesticide chemicals.

Environmental dimension

- The project helps promote the separation of organic waste for recycling, resulting in the reduction of contaminated waste from food scraps and the decrease in organic waste sent to municipal waste disposal sites and landfill pits located across various communities in Nan by at least 840 kilograms per month.
- The project helps increase the proportion of renewable energy consumption and reduce GHG emissions in Nan by at least 573 kilograms of carbon dioxide equivalent per month.
- The monitoring and measurement of pesticide contamination in the water sources for consumption and agricultural soil in the Pong Sanuk Sub-district, Wiang Sa District, Nan, serve as a vigilant measure against pesticide contamination at dangerous levels, which indicate agricultural chemical pollution in the environment. Currently, more than 50 different types of pesticide contaminants have been identified in water and soil sources. These pollutants have the potential to harm small-scale living organisms, such as beneficial bacteria in the environment. Therefore, the monitoring and measurement efforts serve as a warning against environmental contamination from agricultural chemicals.

If this project is successful, the Bank hopes that it will help improve the hygiene and well-being of people, plus the environment in Nan. Additionally, it will likely help develop the community economy in accordance with the circular economy concept, resulting in reusing and recycling within the local economy, and creating business opportunities for the Bank over the long-term.

An analysis of Social Return on Investment (SROI) of the project shows that every Baht 1 of investment in the project will render social return valued at Baht 1.09 (or SROI at 1:1.09). SROI has been calculated from return to program target group participating in the project. In detail:

- Reduction of expense associated with municipal waste disposal and/or municipal waste transportation for disposal;
- Reduction of expense incurred from purchasing LPG for cooking;
- Increase of income and expense reduction from selling vegetables;
- Increase of income by selling carbon credits;
- Reduction of budget required to reduce GHG emissions.

Nan Sandbox

Background

Nan Sandbox is a special project approved by the government, driven by a partnership between the public and private sectors and local people, who share the commitment to solve problems related to natural resources and the environment, caused by deforestation in Nan. KBank is a member of the private sector, which realizes the importance of the issue and acts as the focal point to encourage the government and the general public to reach a mutual agreement in addressing deforestation and land-use management in the Pracharat format. It is also aimed at encouraging local farmers to adopt a new form of farming or environmentally friendly occupations. With forest rehabilitation, as well as legal and fair forest land allocation in 90 sub-districts to farmers, the project ensures that local residents have sufficient income and better quality of life. Nan Sandbox, therefore, can address deforestation and land rights problems through the experiment of a novel integrated approach, whereby related rules, regulations and laws may be amended in order to achieve the set goals. If the project is successful, it may be used as a prototype to address such problems in other provinces in the future.

Objectives

- To conserve headwater forests and cope with climate change, which is the responsibility of KBank as a good citizen of the country.
- To encourage farmers in Nan to stop monoculture, particularly maize cultivation, in favor of a new form of agriculture that offers higher added value and is more environmentally friendly.
- To address land rights and deforestation problems in Nan, which is home to the country's important watershed forests.



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Anti-Corruption

KBank is committed to operating business with transparency and in adherence to anti-corruption practices. KBank, signed a declaration of the Private Sector Collective Action Coalition against Corruption (CAC) since 2013, KBank has been certified by the CAC Council. In addition, the Bank has demarcated the Code of Business Conduct, Code of Conduct, Anti-corruption policy and No-gift Policy, so as to ensure that the Bank operational procedures are in compliance with regulatory criteria and regulations.

KBank has posted our Anti-corruption Policy on our website. We have regularly communicated the Anti-corruption Policy to directors, executives and employees via internal media and channels. In addition, we have provided training courses and evaluate their knowledge after training in order to anti-corruption actions in all aspects.



In 2023, KBank communicated to suppliers to promote anti-corruption practices as follows:

- Communicated KBank Supplier Code of Conduct, covering business ethics, human rights and labor, anti-corruption, occupational safety and health and workplace environment, for acknowledgement and as operational guidelines. Suppliers were also encouraged to join the anti-corruption network.
- Communicated the No Gift Policy for all festivals and occasions to suppliers.
- Communicated with suppliers about our procurement policies and procedures, sustainable business operations under good corporate governance, and responsible procurement, including our business operations under the ESG principles. KBank also supports suppliers' adoption of anti-corruption policies and operational guidelines
- Provide various communication channels for receiving information, complaints or whistleblowing.





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In addition to channels for reporting information, KBank has provided communication channels for our stakeholders in case of complaints, enquiries and suggestions. Details of the communication channels are as follows:

COMMUNICATION CHANNELS

KASIKORNBANK PUBLIC COMPANY LIMITED

Head Office	: 400/22 Phahon Yothin Road, Sam Sen Nai Sub-District, Bangkok 10400, Thailand
Email	: info@kasikornbank.com
Telephone	: 02-2220000
Fax	: 02-4701144
K-Contact Center (Personal)	: 02-8888888 Press 1 Thai, Press 2 English, Press 877 Japanese, Press 878 Mandarin, Press 879 Burmese
K-BIZ Contact Center (Business)	: 02-8888822 Press 1 Thai, Press 2 English Press 3 Mandarin, Press 4 Japanese

Complaint Hotline

Personal	: 02-8888888 Press 9
Business	: 02-8888822 Press 9

Corporate Communications Department

- **Individual Investors and Shareholders**
Email : Shareholder_IR@kasikornbank.com
Telephone : 02-4706116
- **Institutional Investors and Shareholders**
Email : IR@kasikornbank.com
Telephone : 02-4706900-1, 02-4702660-1

Information and Whistleblowing Channel

Board of Directors

Address : Corporate Secretary
Office of Corporate Secretariat and
Governance
Corporate Secretariat Division
KASIKORNBANK PCL
No. 1, 33rd Floor, Soi Ratburana 27/1,
Rat Burana Road, Rat Burana Sub-District,
Rat Burana District Bangkok 10140

Internal Audit Department, Audit Division

Email : InternalAudit@kasikornbank.com
Address : Co-Department Head- Internal Audit Department
Rat Burana Building 14th Floor,
No. 1 Soi Ratburana 27/1, Rat Burana Road,
Rat Burana Sub-District, Rat Burana District
Bangkok 10140

Performance

Number of Breaches in 2023

0

Corruption
or Bribery

Discrimination or
Harassment

Customer
Privacy Data

Conflict of Interest

Money Laundering
or Insider Trading



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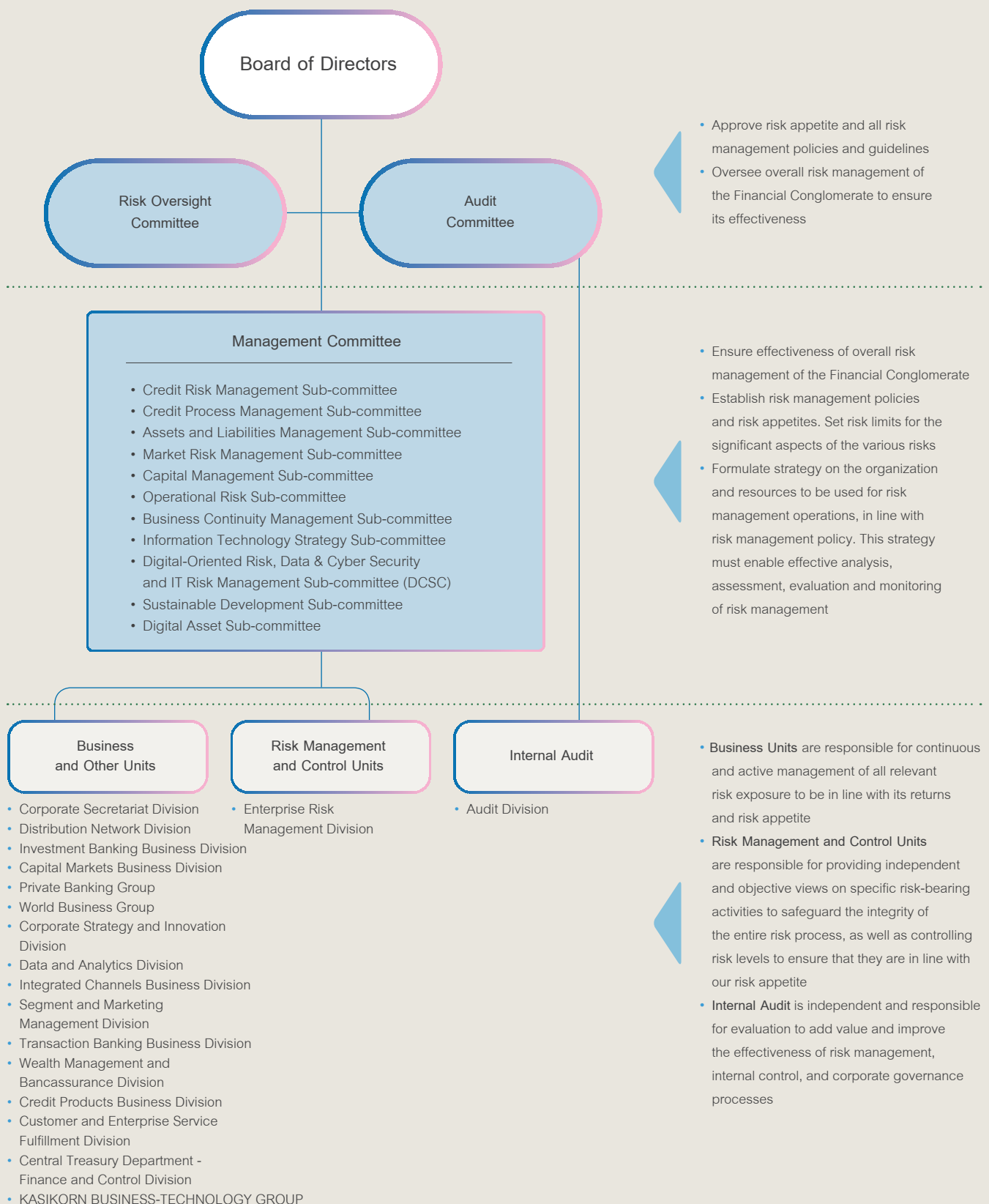
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Risk Management Structure





Building and Instilling Risk Culture

KBank has fostered a risk culture. We have established risk management policy and guidelines, a defined risk appetite and risk limit, which are in line with our strategies and business operations, and have communicated them to all employees. Clearly defined and proper risk governance and management structure have been established. Risk management and control units are responsible for providing independent and objective views on specific risk-bearing activities, whereas other business units are responsible for continuous and active management of all relevant risk exposure to be in line with its returns and risk appetite.

All committees of KBank, including senior executives, have promulgated, monitored and demonstrated exemplary behaviors that promote risk culture. There are VDO presentations from our executives to employees at all levels to create common awareness and responsibility for risks. In addition, risk status and issues are regularly reported to the committees responsible for risk management to ensure appropriate and timely action.

We have promoted a risk culture which is instilled in all employees across all levels to ensure ownership of risk for themselves and the organization. The endeavor has been conducted in various forms, such as communications, training, KPI establishment, and evaluation of risk management in relation to duties and responsibilities. Our staff members are encouraged to communicate their opinions and risk issues in a straightforward manner. Meanwhile, processes and channels for reporting suspicious incidents have been put in place to ensure timely monitoring, prevention and rectification. To this end, whistleblowing reports can be sent to KONNECT+ for work or the Internal Audit Department, while measures to protect the rights of whistleblowers are implemented.

KBank has introduced a credit management structure that recognizes checks and balances, plus credit policy and process, clear guidelines on desirable and undesirable credit behaviors and credit communication channels. Training sessions and revisions on credit knowledge are organized regularly to ensure that related operating staff members have knowledge and understanding in the performance of their work. We also established a process to monitor credit events. Such results are reported to the Credit Practice Review Working Group for undertaking operations as appropriate in order to improve our credit policy and process, as well as mapping out actions to address non-compliance with required regulations. This effort is aimed at building good credit operating discipline and culture within our organization.

KBank has incorporated Climate-related risk into our credit underwriting process to assess its impact on our credit portfolio.



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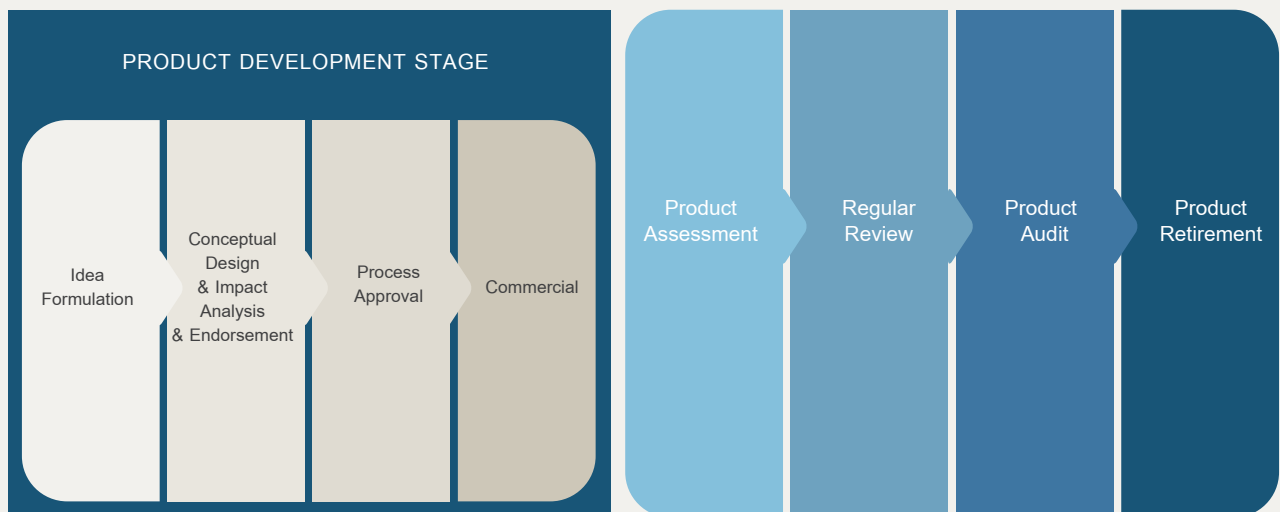


Product Management Framework

KBank has established a product management framework and procedure as a guideline for managing products throughout their life cycle. The framework and procedure will cover every stage of product development with a focus on improved responsiveness of all stakeholders, ensuring that products are developed and improved efficiently in alignment with customer needs.

Product Management Framework

A framework for managing product throughout its life-cycle



Through customer deep listening workshops organized by our relationship managers (RMs), KBank aims to truly understand their pain points and needs for further analysis and development of products to ensure customer responsiveness.

Moreover, KBank prioritizes the development of our banking platform with the aim of expanding the user base and maintaining our leadership in mobile banking services with the largest number of users in Thailand. Our focus is on the increased linkage of platforms with our business partners across all ecosystems and the development of innovations to accommodate customers' ever-evolving lifestyles. Major initiatives included:



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Digital Partnership

In collaboration with business partners to create financial ecosystems with the use of advanced technology, KBank has set our sights on becoming a leading financial service provider of the Asian region. In 2023, KBank teamed with multiple partners via joint investments both in Thailand and other countries through Beacon Venture Capital Co., Ltd., which is a wholly-owned venture capital arm of KBank. The move aims to develop new financial technology to allow our customers improved access to financial products and services via our partners' platforms to address their needs and provide them long-term sustainable returns.

Market Conduct

The Board of Directors approved the Market Conduct Policy which serves as guidelines for determining operations, while assigning the 360 Prudent Risk Practice working group to be responsible for undertaking relevant operations in line with the guidelines, reflecting KBank's commitment to market conduct principles. Moreover, policies and operational procedures have been revised appropriately to be consistent with the changing circumstances. We also have in place processes for taking care of customers and giving compensation in a fair and proper manner.

Customer Satisfaction Evaluation

Net Promoter Score: NPS

- Overall evaluation of KBank: Net Promoter Score (NPS) 85, which is the highest level in Thailand's banking business and within the target set by KBank.
- Evaluation of digital banking leadership image (NPS in mobile banking channel): score of 90, which is the highest level in Thailand's banking business in this category.

Customer Satisfaction

Customer satisfaction from using services
via K-Contact Center



2020	2021	2022	2023	2523 target
96.90	96.90	97.71	98.25	95%



Complaint management

- Complaint management mechanisms have been set up to ensure systematic management via multiple service channels. We focus on consistent development and improvement of products and service processes to ensure a positive customer experience in using KBank products and services.
- KBank prioritizes quick and timely resolution to minimize the impacts upon our customers. The Complaint Resolution Center was therefore set up to provide round-the-clock service, ensuring that customers' problems are resolved within an appropriate timeframe. We have thus established an inspection and control mechanism for service level agreement (SLA) to minimize tail management. Moreover, KBank has put in place a mechanism for collecting data on customers' pain points and demands on social media via the Social Listener tool, allowing us to learn of their problems and provide them
- timely and efficient assistance. To this end, a unit was set up to manage customer incidents in order to assess and control the situation so as to efficiently prevent widespread impacts on our customers and ensure timely handling and resolution. We also closely monitor the situation to control the operations of relevant units under the systematic measurement in the form of service quality dashboard.
- KBank places emphasis on sustainable problem-solving. We have established a systematic problem management mechanism by working in collaboration with related units inside and outside the Bank. We have conducted analysis to shed light on the causes, which will be applied to the improvement of relevant processes and products to prevent the repetition of problems and better meet customers' needs.
- In 2023, KBank achieved the target of problem management as evidenced by a reduction of the complaint ratio and continual growth of transaction volume.

Complaint data in 2023

Complaint ratio¹

Target 2023
0.0020%

Performance 2023
0.0001%

¹ Types of complaints

Complaint channels

K-Contact Center,
K-Buddy

99.05%

Social Media

0.91%

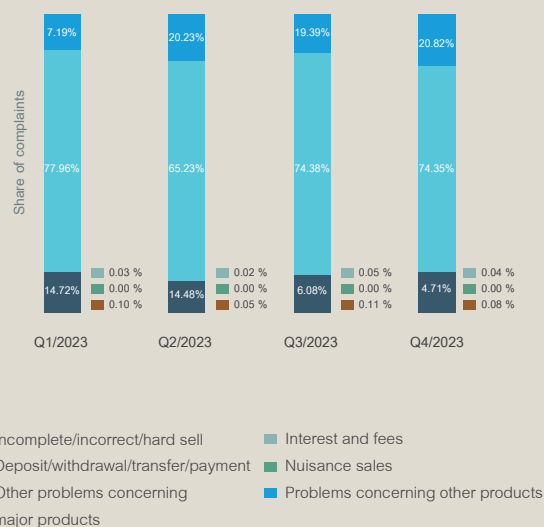
Branch

0.04%

Others

0.00%

Ratio of Total Complaints to Total Transactions of KBank



* Details of reports on data about financial service problem-solving and Service Level Agreement (SLA) can be found at KBank's website



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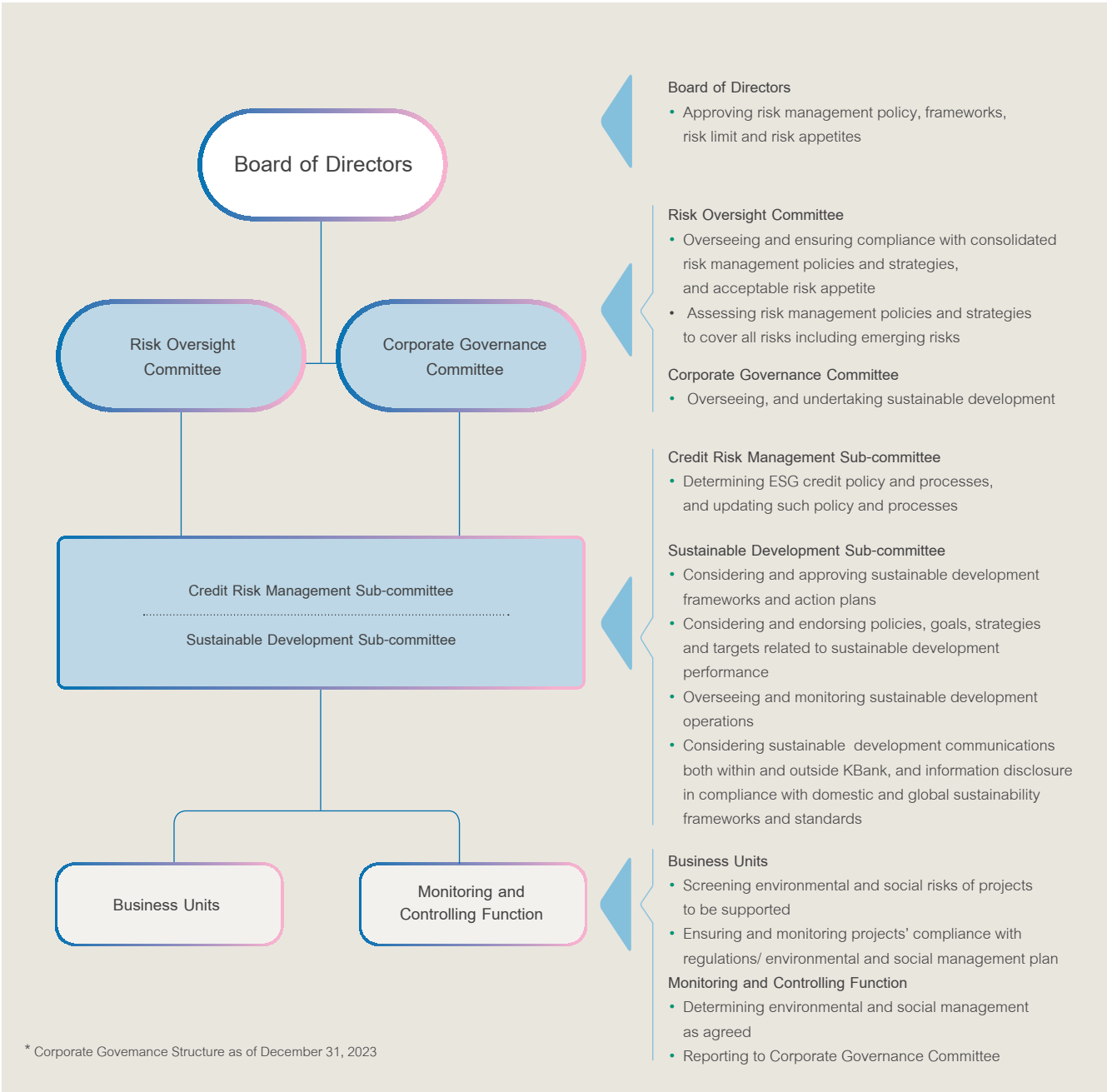


Structure of Credit Operations Demonstrating ESG Responsibility

KBank has established credit policies and operations that manifest ESG responsibility with an operational structure divided into management and transaction levels, as follows:

Management Level

Lending activities are structured so as to demonstrate ESG responsibility as follows:





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Stakeholder Engagement for Communication of ESG Risk Consideration Criteria

KBank provides knowledge related to credit policy and processes based on the ESG risk consideration criteria for employees tasked with credit operations and related units. Moreover, training courses on ESG assessment criteria for each business and industry were held to equip relevant employees with knowledge and understanding to ensure that they can conduct ESG risk consideration for credit underwriting and report related environmental and social risk issues in an accurate manner.

KBank has established staff KPI at executive and operation levels with respect to climate change management in both business and operations aspects.

KBank has developed low-carbon products and supported green loans, which have been set as a KPI of management and related units. We also set long-term goals for reduction of greenhouse gas emissions from our own operations. We have also presented awards, both monetary and non-monetary, to employees in recognition of their development of ESG projects.

Employee Engagement for Communication of ESG Risk Consideration Criteria

KBank sent responsible executives and employees to join seminars held by technical organizations, government agencies and regulatory agencies to gain knowledge on environmental and social risks throughout the year, for example:

- KBank and Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) organized a training course on “General Knowledge on Climate Changes and Alleviation of Greenhouse Gas Emissions” concerning related laws, carbon markets and guidelines to assess carbon footprints at individual and organizational levels. The course was attended by more than 100 employees.
- KBank and The Stock Exchange of Thailand held an e-learning session on basic ESG knowledge and ESG investment to provide knowledge on ESG, sustainable business management, social responsibility and sustainable investment for relevant employees and interested members of the public.
- KBank held an online seminar titled “Future Trends: ESG & Green Technology Trends” involving the topics of environmental situations and ESG impacts of KBank. The seminar was also aimed at fostering employees’ inspiration and awareness in their adoption of “Green Behavior”. The attendees included more than 400 executives and employees.
- KBank held an online seminar on “Future Trends: Thailand Taxonomy”, a new rule in the world of sustainability. The seminar presented content about the Thailand Taxonomy, a common standard used to classify and group environmentally friendly economic activities in Thailand, its importance, and its applications. More than 400 employees and executives attended the seminar.



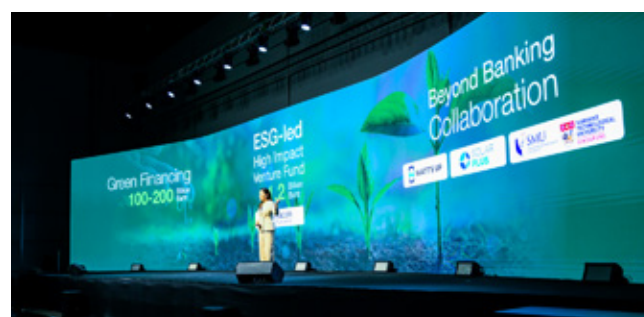
Customer Engagement for Communication of ESG Risk Consideration Criteria

- In 2023, KBank organized educational activities for customers to raise awareness of the need to adopt business models that take into account ESG issues to ensure sustainability. Both basic and in-depth knowledge was provided to build an understanding of the changing social context and regulations, so that customers can adjust their strategies to reduce risks and create competitive opportunities. The Bank offered in-depth training on how to prepare for a low-carbon economy. The training was led by climate solution experts and covered four key areas: (1) Risks, opportunities and strategies to adapt, for businesses subject to the Carbon Border Adjustment Mechanism (CBAM) measures, especially steel, iron, and aluminum businesses; (2) Adaptation strategies for the electricity sector, including service providers and sellers of renewable energy-related equipment; (3) Risks and opportunities of the transportation sector for bus operators, electric vehicle manufacturers, and service station operators; and (4) Risks and opportunities of the construction and real estate sector as well as manufacturers and distributors of construction materials and electrical equipment. The 2023 seminar was attended by around 300 customers.

Engagement of Supervisory Agencies, Public Sector, Private Sector, Non-Profit Organizations and Civil Society for Communication of ESG Risk Consideration Criteria

- KBank, as a Lead Facilitator of Sustainability Plan Group 4 of the Thai Bankers' Association (TBA), is responsible for driving sustainability action in the Thai banking sector. Actions in 2023 included:
 - KBank represented the Thai Bankers' Association in joining the Thailand Taxonomy working group of the Bank of Thailand to share its views and recommendations on the draft standard for classifying environmentally friendly economic activities.
 - KBank developed ESG Impact Measurement Tools to designate targets and to monitor ESG actions, compatible with ESG intentions of TBA.

- KBank developed an ESG Industry Handbook as a guidance for commercial banks to achieve Standard Practice under a policy of the Bank of Thailand. It also enhances competitiveness and management standards of climate change actions to ensure cement results towards Net Zero transition.
- KBank joined the meeting on "A Multi-Stakeholder Consultation on Formulating a Risk-Informed Financing Strategy within the Integrated National Financing Framework (INFF) for Thailand" hosted by the United Nations Development Programme (UNDP) and expressed our views with respect to related problems, obstacles and necessary support measures for use in preparation of INFF, which will be presented to the Thai government.
- KBank organized a seminar entitled "EARTH JUMP 2023: New Frontier of Growth" to present key strategies and concepts from government executives, leading Thai private sector executives, and more than 30 world-class experts for opportunities in the transition to sustainable growth. The event attracted more than 1,000 participants, including large and startup entrepreneurs. The event was held on three main stages, including:
 - New Frontier: Leading businesses into new waters through insights of leaders from government organizations, private sector organizations, and global organizations. Special lectures were given by Mr. Varawut Silpa-archa, Minister of Natural Resources and Environment, and Dr. Prasarn Trairatvorakul, Chairman of the SET Board of Governors, and senior executives from leading organizations, including the Bank of Thailand, the Securities and Exchange Commission, Thailand Greenhouse Gas Management Organization (Public Organization), Office of Natural Resources and Environmental Policy and Planning, the Electricity Generating Authority of Thailand, WHA Corporation Public Company Limited, SCG Packaging Public Company Limited, PTT Exploration and Production Public Company Limited, and Amazon Web Services, and etc.
 - Planet & Innovation: Business showcases were presented by global brands and startups. Dialogues on opportunities for business growth through sustainability were also held among innovators and executives from Google Asia Pacific, Great Wall Motor (Thailand), Huawei Technologies (Thailand), Electricity Generating Authority of Thailand, Thailand Post, B.Grimm Power Public Company Limited, and Beacon Venture Capital





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The Bank has developed its work process through strategic procurement methods with suppliers. This is an important factor that has helped reduce the overall costs, enhance efficiency, and provide guidelines for systematic collaboration with suppliers. Aside from promoting continuous development and improvement in the Bank's work process, such methods have helped mitigate potential risks arising from collaboration with suppliers while also fostering long-term relationships with them and supporting environmentally friendly procurement of goods and services.

The Bank has entered into an ESG (Green) Contract with suppliers. The Green Contract sets forth terms and conditions that are in alignment with regulations and policies concerning environmental conservation, occupational safety, health and workplace environment, social responsibility and penalties for any breaches of the agreed-upon terms and conditions.

In 2023, the Bank had a total of

1,011 suppliers,

comprising 964 domestic suppliers and 47 foreign suppliers (amounting to 5 percent of the total number of suppliers). Additionally, there were 135 new suppliers (amounting to 13 percent of the total number of suppliers).

Segmentation of Important Suppliers

The Bank has established clear criteria for the classification of suppliers by analyzing the Bank's annual spending on each supplier, and assessing significant crisis exposed to suppliers and their ESG risks.



Tier 1 Suppliers

There is only one key vendor or critical vendor who creates highly customized products or services which are critical to KBank's businesses. Key vendor or critical vendor is irreplaceable. Change in this type of vendor may incur high impacts and high switching costs, is a time-consuming process. Focus should be on continual joint development to create value proposition, leading to cost reduction and mutual benefits.



Tier 2 Suppliers

These vendors provide specialized products and services, which amount to 80 percent of KBank's total expenses. They are important to units of KBank. Even though there are other alternative vendors in the market, change in sellers/service providers is not easy. Focus should be on quality and risk management.



Tier 3 Suppliers

This group represents general sellers and service providers who have minimal impact on KBank's. Selection of sellers/service providers in the market is relatively straightforward. Focus is on contract management to ensure effective auditing, delivery and cost efficiency.

Classification of KBank's Supplier

The Bank has established clear criteria for the classification of suppliers by analyzing the Bank's annual spending on each supplier, and assessing significant crisis exposed to suppliers and their ESG risks.



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Suppliers Performance Evaluation

Regarding the evaluation of our suppliers' performances, KBank has sent questionnaires to service users to conduct a supplier satisfaction survey. KBank has also accepted opinions, expectations and various recommendations from service users to make an assessment and analysis in order to enhance the efficiency of our operational process, and find guidelines to improve the potential of both KBank and suppliers in conducting sustainable business together, and monitoring development and improvement results of service quality. Random visits, inspections and assessments are made on their operating performance to ensure that their operations comply with our sustainability guidelines and Supplier Code of Conduct, and that we receive their goods and services via sustainable procurement processes.

KBank has conducted a site visit evaluation with key suppliers, both online and offline, at least once a year to ensure that our suppliers comply with the Supplier Code of Conduct. If any one of our suppliers does not comply with the Supplier Code of Conduct, KBank shall request that the supplier make corrections within an established timeframe while measures for monitoring the correction are put in place until the process ends. KBank shall suspend purchase orders from suppliers failing to address the issues within the established timeline until those issues are completely and accurately resolved.

In addition, KBank has tasked our procurement supervisory and management team to work with various agencies in accepting matters and handling complaints/opinions/recommendations or comments from suppliers and KBank employees.

Evaluation Results

We have conducted Annual Vendor Performance Evaluation and ESG risk assessment of 81 Tier 1 and Tier 2 suppliers, representing 9.25 percent of total suppliers or 81 percent of KBank's total procurement expenses. Both Tier 1 and Tier 2 suppliers must prepare improvement plans for goods and services, and adjust their operational processes to reduce cost and processing times. They are required to adopt guidelines to eliminate potential risks and collaborate with other suppliers for support and assistance, exchanges of experience, know-how, and various technologies, plus monitoring operations in accordance with operational guidelines and business continuity plans to ensure that risks are maintained at levels that have no impact on businesses, communities and the environment. In addition, KBank has improved our work processes, based on the strategic procurement methods with our suppliers, which have substantially helped reduce the overall operating costs and enhance KBank's efficiency in devising guidelines for working with suppliers in a systematic manner. The improved work process has allowed KBank to reduce potential risks, while working with suppliers, and enhance long-term relationships with suppliers. So doing also supports the procurement of environmentally-friendly products and services to meet the customers' needs. KBank has screened key suppliers, Tier 1 and Tier 2 suppliers while arranging for online meetings with them in order to acknowledge their problems and recommendations for improvements to product and service quality. This will also broaden business opportunities, thus leading to sustainable relationships with suppliers.





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Control Measures and Operational Guidelines related to Occupational Health and Safety

1. All suppliers have received communications on safety measures, policy to limit entries-exits of external persons, and guidelines to screen external persons.
2. Advanced technologies have been applied in work processes, such as meetings with suppliers, sessions for suppliers to be informed of scope of work, presentation and selection of work results, notifications of operational problems and obstacles.
3. Process adjustments have been made to reduce operational steps between suppliers and the relevant departments. Electronic documents have been introduced to enhance operational flexibility for certain events and in line with control measures and operational guidelines during the COVID-19 pandemic.
4. Our crisis management and business continuity plans have been reviewed. Consideration has been made on products and services that have been affected or will likely be affected by COVID-19 while closely collaborating with suppliers in devising procurement plans for products and services, particularly products that need to be imported and those to be used for the prevention and combating of COVID-19. A consultation will be made with suppliers on a suspension of workforce during the pandemic so that suppliers can cope with various risks more efficiently.

Supplier Communications

The Bank organizes the Supplier Seminar annually to communicate the procurement strategy, sustainable business practices under good governance and responsible procurement as part of its sustainable development policy. This seminar serves to inform suppliers about their roles in achieving sustainable business goals, and facilitate the exchange of knowledge and information on an overview of the economy, related market situations, and future market trends, including innovations.

The Bank also conducts surveys to gather views and recommendations from suppliers, which are then used to refine and improve work processes to create opportunities for sustainable business growth together.



Annual Supplier Seminar under the topic “How to prepare a business plan for our sustainable journey together”, Friday, December 8, 2023.

KBank organized a supplier seminar under the topic “How to prepare a business plan for our sustainable journey together” with executives from 4 leading companies in Thailand that has place importance on and has been continuously working on ESG on Friday, December 8, 2023, at Ratburana Building, Kasikornbank. Suppliers can attend the live broadcast via Microsoft Team. The objective of the event was to raise awareness of the supplier's role as part of the Bank's Value Chain as well as to prepare for business adjustment towards becoming organizations that disclose operational greenhouse gas emissions, i.e. Carbon Footprint Organization, with clear goals regarding Carbon Neutrality and Net Zero.





Innovations for Sustainability

Eco-friendly & Sustainable Packaging

The Bank has collaborated with a computer manufacturing company in the packaging redesign so that each box can accommodate up to eight computers. The initiative aims to reduce unnecessary materials and use only low-carbon emission materials during production. Additionally, the packaging redesign helps minimize transport space and logistics handling, thus reducing carbon emissions from production, transportation, and the use of environmentally friendly packaging materials.

		
Laptop	Before	After
Packaging	1 Unit : 1 Package	8 Unit : 1 Package
Carbon emissions (per box)	5 kilograms	2.5 kilograms

Recycled PVC Credit & Debit Card

The Bank has begun the production of recycled PVC credit and debit cards (Phase 1) to replace five types of conventional PVC cards through the ‘GO GREEN Together’ project. These cards use only materials made from recycled waste, meaning the use of PVC plastic for such card production is restricted. Even after their use, they can be recycled up to eight times, helping reduce the use of synthetic materials by 96 percent. Additionally, recycled PVC credit and debit cards significantly help reduce waste management issues during the production process by 100 percent, carbon emissions during the production process by 62 percent and non-renewable energy consumption by up to 77 percent.





Green Procurement

Save the Planet by Using Green Label Toilet Paper

The Bank has replaced toilet paper rolls, which are made from 100 percent virgin pulp, to green label toilet paper rolls, which comprise 70 percent of virgin pulp and 30 percent of recycled pulp. The replacement has reduced the cutting of 449 trees, water consumption by 596,383 liters, power consumption by 611 watts, and carbon emissions by 2,284,800 kilograms. The efforts aims to protect “green areas within natural forests”.

New Year Gifts 2023

The Bank has adopted the “Green Living” concept for its New Year gift sets for general customers. Such New Year gift sets are produced from natural or recycled materials in order to minimize or avoid the use of non-biodegradable plastics. This initiative also aims to preserve the environment and avoid deforestation. Gift sets, including bags and umbrellas, are produced from recycled PET plastics (rPET) while notebooks are produced from eco-friendly paper. Desk and hanging calendars are also produced from environmentally friendly paper.

New Year Gift sets for our corporate customers are based on the “GIFT FOR GIVE” for sustainable community concept. The bags as part of the gift sets are produced from fabric with turtle shell patterns, based on a natural dyeing method and entirely free from chemicals. This fabric comes from a community textile enterprise specializing in natural dyeing in Nong Bua Daeng, Chaiyaphum Province. This initiative promotes the local economy. Additionally, the gift packaging utilizes FSC-certified paper.

Procurement of Electric Vehicles

The Bank is gradually replacing the company cars used by its executives and for business purposes from those powered by conventional fuels to those entirely powered by electricity or electric vehicles (EVs). This is because EVs emit no carbon dioxide into the atmosphere and help reduce noise pollution compared to internal combustion engine (ICE) vehicles, thanks to the quieter operations of their electric motors, higher operational efficiency, and better acceleration than ICE vehicles. Moreover, EVs can be conveniently charged at home, thus reducing travel time and avoiding the inconvenience of visiting gas stations. Additionally, they are cost-effective in terms of maintenance as electricity costs are lower and less volatile than oil prices.





About This Report

The Sustainability Report of KASIKORNBANK PUBLIC COMPANY LIMITED has been prepared annually since 2012 as a channel to report on our sustainable development performance. The Sustainability Report 2023 was published in March 2024. As for the 2023 report, its boundaries include information disclosure on the performance of KBank, subsidiaries, associates and related companies of which KBank holds at least 50 percent of shares or companies for which KBank holds management authority, and companies that wish to disclose such information. Types of information and coverage are elaborated below:

Economic Aspect Information

Performance of KBank, subsidiaries, associated and related companies consistent with our 2023 Annual Report (Form 56-1 One Report). All monetary value in this report is presented in Thai Baht, which is KBank's functional currency.

Social Aspect Information

Performance of KBank only, accounting for 88.63 percent of total income of KASIKORNBANK FINANCIAL CONGLOMERATE.

Environmental Aspect Information

Performance of KBank, K Companies, KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) and P Companies in Thailand, accounting for 88.81 percent of total income of KASIKORNBANK FINANCIAL CONGLOMERATE, as shown on page 202.

Report Boundaries

The report boundaries cover performance of KBank, subsidiaries, associated and related companies as specified in the reporting scope of each type of information during January 1 - December 31, 2023. This report has been prepared on a yearly basis, in accordance with the GRI Standards 2021, the Task Force on Climate-related Financial Disclosure (TCFD), and other international sustainability standards and indices, such as IFRS S1 and S2, and the S&P Corporate Sustainability Assessment.

All inquiries regarding the report should be addressed to:

KASIKORNBANK PUBLIC COMPANY LIMITED
Corporate Sustainability Integration Department
Corporate Secretariat Division
1 Soi Rat Burana 27/1, Rat Burana Road,
Rat Burana Sub-District, Rat Burana District,
Bangkok 10140, Thailand

External Assurance for the Report

The economic aspect information boundaries in this report was compiled from the accounting recording system, as utilized in our 2023 Annual Report (Form 56-1 One Report) and audited by Certified Public Accountant. In addition, in order to ensure the credibility and transparency of the environmental and social aspect information in this report, LRQA (Thailand). certified the correctness of energy consumption within the organization (GRI 302-1), water withdrawal (GRI 303-3), water discharge (GRI 303-4), water consumption (GRI 303-5), direct GHG emissions (Scope 1) (GRI 305-1), energy indirect GHG emissions (Scope 2) (GRI 305-2), other indirect GHG emissions (Scope 3) (GRI 305-3: category 6 – business travel by taxicab and air travel, and category 15 – investment only), waste generated (2020 edition) (GRI 306-3), waste diverted from disposal (2020 edition) (GRI 306-4), waste directed to disposal (2020 edition) (GRI 306-5), and work-related injuries (absenteeism only) (GRI 403-9) and Monetary value of products and services designed to deliver a specific social business for each business line broken down by purpose as per GRI G4 Financial Services Sector Disclosures in the context of FS7 as shown on page 236 - 237.

The sustainable development performance disclosed in this report is under the responsibility of KBank and the Board of Directors and executives, whose roles and responsibilities are to monitor, review, advise and approve information disclosure in this report to be complete and of value to all stakeholders.



Quality Control of Report

The Corporate Sustainability Integration Department of the Corporate Secretariat Division is the center for supervising the quality of report preparation to ensure the correctness and completeness of the report. The unit is responsible for compiling and verifying related information in compliance with the guidelines. All operational directions and processes have been reported to KBank's Sustainable Development Sub-committee and Corporate Governance Committee.

Quality Enhancement of Report Preparation

All stakeholders are invited to express their opinions regarding our Sustainability Report 2023 by scanning the QR code shown below to complete a questionnaire. These viewpoints will then be analyzed for improving our operations and developing future reports to be increasingly effective and in sync with the needs of stakeholders.



KASIKORNBANK
Sustainability Report 2023
Questionnaire

Environmental Aspect Information

The environmental aspect information in this report covers activities considered by KBank to have significant impacts on the environment, and has been compiled by KBank that produce environmental impacts. The environmental aspect information comes from different sources, e.g., recording gauges, accounting evidences, operating processes, and data evaluation on quality principles.

Energy

Total energy consumption consists of non-renewable energy, including electricity and energy from fuel combustion – and renewable energy, including solar power as well as the amounts of bio-diesel and bio-gasoline in the fuel ratio. The information is derived from accounting data, meter readings and energy unit conversion based on the annual energy report of Department of Alternative Energy Department and Efficiency.

Water

Water management involves water from external sources, recycled water, discharged and reused water. Evaluation of water utilization efficiency and risk from different water sources is in place. Water from external sources is used for KBank's activities. The information is extracted from the accounting data.

Waste

Waste management covers total waste generated through KBank's operations and activities. The quantity of waste refers to the quantity of waste generated through KBank's operations and activities, and the quantity of waste recorded in this report was based on valid estimation of the quantity of municipal solid waste from Rat Burana Building, Phahon Yothin Building, Chaeng Watthana Building, KBTG Building and KBank Learning Center in Bang Pakong, and based on theoretical estimation of waste generation from other buildings apart from the aforementioned.

Greenhouse Gas Emissions

This exhibits greenhouse gas (GHG) emissions from operations or activities of KBank, calculated in compliance with the report, Intergovernmental Panel on Climate Change (IPCC) guidelines and carbon footprint calculation guidelines of Thailand Greenhouse Gas Management Organization (Public Organization).

1. Report Boundaries

- 1.1 Direct emissions (Scope 1) occur through operating processes and activities under KBank's monitoring, control and management, including fuel or natural gas combustion and the leakage of methane gas from septic tank and refrigerant leaks only.
- 1.2 Indirect emissions (Scope 2) occur mainly from the amount of electricity bought from external sources for KBank's operations, including power directly purchased from Metropolitan Electricity Authority and Provincial Electricity Authority and indirectly from lessors.
- 1.3 Other indirect emissions (Scope 3) occur from KBank business travel by land transport, water withdrawal and investment only.



2. Report on Intensity

- 2.1 The calculation of Scope 1 GHG emissions is based on fuel consumption (by weight or quantity), e.g., the quantity of oil or natural gas x emission factor and the leakage of methane gas from septic tank and refrigerant leaks.
- 2.2 The calculation of Scope 2 GHG emissions is based on the quantity of purchased electricity x emission factor.
- 2.3 The calculation of GHG emissions incurred indirectly through other means (Scope 3) is based on KBank business travel by land transport and acquisition of tap water x emission factor.
- 2.4 The calculation of GHG emissions incurred indirectly through Bank's investment (Scope 3 category 15: Investment) is based on Bank's commercial loan, project finance, corporate bond, equity, motor vehicle loan and mortgage in 2023.

3. Greenhouse Gas Emissions

The GHG emissions report covers CO₂, CH₄, N₂O, HFCs, PFCs and SF₆, calculated and illustrated in the form of carbon dioxide equivalent (CO₂e), indicating Global Warming Potential (GWP) as designated by IPCC.

4. Emission Factor

- 4.1 Scope 1 and 2 GHG emissions: Based on the reference rates of the IPCC 2006, United States Environmental Protection Agency (EPA), Department for Business, Energy and Industrial Strategy, the UK Government (BEIS) and Thailand Greenhouse Gas Management Organization (Public Organization) as well as fuel heat rate of the Department of Alternative Energy and Efficiency.
- 4.2 For scope 3 emissions category 15: Investment, emission factors per energy source are from Thailand Greenhouse Gas Management Organization (Public Organization). Emissions factors per energy consumption or production capacity are sourced directly from the report of organization within portfolio. And emission factors for the sector per unit of revenue or asset are sourced from PCAF web-based emission factor database.

5. Assessment Methods

- 5.1 Based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition and corporate carbon footprint assessment of Thailand's Greenhouse Gas Management Organization (Public Organization), Fourth Revision, December 4, 2018.
- 5.2 Calculation of decline in GHG emissions resulting from the use of financial products and services via digital channels based on the Attributional approaches on Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA 2015).
- 5.3 Calculation of Scope 3 (Category 15: Investment) is based on PCAF's methodology by determining the proportional share of outstanding amount of loans and investments of the financial institution over the company/project value with the amount of GHG emissions from the borrower, investee, and project. The amount of GHG emissions from the borrower, investee and project could be estimated from three main approaches respectively, depending on availability of data, as follows:

Option 1: Reported emissions

Option 2: Physical activity-based emissions, such as energy consumption

Option 3: Economic activity-based emissions

PCAF : The general approach to calculate financed emissions

$$\text{Financed emissions} = \sum_i \text{Attribution Factor}_i^* \times \text{Emission}_i$$

* Attribution Factor_i = $\frac{\text{Outstanding amount}_i}{\text{Total equity} + \text{debt}_i}$
(i = Borrower or investee)

6. Assumption of GHG

Business travel by land transport to carry out KBank business, including taxi travel, is based on the average emission from car related land travels. Calculation is done by collecting total distance travelled data through direct distance data, in Kilometers (KM), and proxy calculations from spend-based data available via travel claims, to approximate KM data equivalent.

Business travel by air to carry out KBank business is based on emission factor from relevant air travel class. Calculation is done by collecting total distance travelled, flight travel grouping (short haul, medium haul, long-haul) and air travel class through air travel purchasing order, multiplied by emission factor appropriate for the air travel class and the flight travel grouping for each passenger.



Social Aspect Information

Number of KBank Employees

KBank employees are workers under employment contracts with KASIKORNBANK PUBLIC COMPANY LIMITED; they are classified into four groups, as below:

1. "Top Management Level" includes Chief Executive Officer, Presidents, Senior Executive Vice Presidents, Executive Vice Presidents and First Senior Vice Presidents
2. "Middle Management Level" includes Department Head or equivalents, and Head of Unit/Division
3. "Junior Management Level" includes Senior Officer/Team Leader or equivalents
4. "Junior Officer" includes Officers

The above employees are also classified in accordance with the employee contracts, i.e., permanent and temporary employees.

Counting Number of Employees and Workers Who are Not Employees

Data collection on number of employees (Head Count) was collected at the end of the reporting period. Workers who are not employees include employees of the wholly-owned subsidiaries of KBank and support service providers of KBank.

Calculation of Working Hours

1. The data is extracted from the time recording system and data record at Human Resources Management Department.
2. In case the companies or factories do not have a time recording system, average working hours will be used for the calculation, as follows:

Working hours (hours-employees)	= (Number of employees x working days x normal working days (per day)) + total overtime hours (only applicable to Junior Officer Level)
Working days in a year	= Number of employees x working days in a year

Safety Data Recording

Work safety data concerning health and hygiene is calculated and recorded as shown below:

Definition

Day	Scheduled Work Day
Recordable Work-related Injury	are work-related injuries, from injuries requiring medical treatment and beyond. First aid injuries are outside scope of recordable work-related injury.
Total Recordable Work-related Injury Rate: TRIR	are injuries that lead to absence of one day or more (starting from the day of absence after the day the incident occurs)
Lost Day Injuries	are actual days of absence

Calculation

Total Recordable Work-related Injury Rate: TRIR
$\frac{\text{= Number of all injuries (for the reporting period)} \times 1,000,000 \text{ (operating hours)}}{\text{Operating hours (for the reporting period)}}$
Lost Time Injury Rate: LTIR
$\frac{\text{= Number of Lost Time Injuries (for the reporting period)} \times 1,000,000 \text{ (operating hours)}}{\text{Operating hours (for the reporting period)}}$
Lost Day Injury Rate: LDIR
$\frac{\text{= Number of Lost Day Injuries (for the reporting period)} \times 1,000,000 \text{ (operating hours)}}{\text{Operating hours (for the reporting period)}}$
Occupational Disease Rate: ODR
$\frac{\text{= Number of Occupational Diseases (for the reporting period)} \times 1,000,000 \text{ (operating hours)}}{\text{Operating hours (for the reporting period)}}$
Absentee Rate: AR
$\frac{\text{= Number of unplanned leave days (sick leave) (for the reporting period)} \times 100}{\text{(Number of working days in one year x Number of employee)}}$



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Environmental, Social, and Governance Performance

Environmental Performance

Greenhouse Gas Emission (GHG Emission)								
Total Scope 1 emission	Tonnes CO ₂ e	18,727.05	15,833.59	11,232.01	15,467.65			
Total Scope 2 emission (Location based)	Tonnes CO ₂ e	69,105.49	64,980.29	61,336.01	64,034.31			
Total Scope 2 emission (Market based)	Tonnes CO ₂ e	69,105.49	64,980.29	61,141.55	61,174.88			
Total Scopes 1 & 2 emission**	Tonnes CO ₂ e	87,832.54	80,813.88	72,373.56	76,642.53	76,765.64 (12.6% reduction from base year 2020)	-12.74%	-42%
Total Scopes 1 & 2 emission intensity**	Tonnes CO ₂ e per FTE	2.66	2.55	2.30	2.40			
Full Time Employee	FTE	33,034	31,706	31,469	31,868			

* In 2023, GHG Emission (Scope 1) specifically for the leakage of refrigerant and fire extinguishing substances in only major buildings of KBank and excluding GHG Emission from chilled water of KBank's branches located in department store.

** In 2023, GHG Scope 2 emission factor has been changed from 0.5719 to 0.4999 kg CO₂e/kWh, resulting in the restatement of GHG Scope 2 emissions from 2023 towards the base year 2020. Moreover, the calculation of Total GHG (Scope 1 & 2) was conducted on the basis of GHG Scope 2 Market-Based, where purchases of Renewable Energy Certificate (5,720 units) in 2023 were taken into account.



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c) **Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Response

To understand the most relevant challenges and priorities related to sustainable development in Thailand, which is our main operation country and a majority of our loan portfolio, we have used UNEP FI's Tool – Context module to evaluate (or discover) the environmental, social, and economic needs/priorities in the country.

Various issues have been found that must be managed without delay (Very High and High Country Need Score), including the following:

- Environmental impact areas: Climate stability, Circularity, and Biodiversity & healthy ecosystems
- Social impact areas: Integrity & security of person, Equality & justice, and Availability, Accessibility, Affordability and Quality of resources & services
- Socio-economic impact areas: Strong institutions, Peace & stability, and Socio-economic convergence

Links and references

See details
in *Sustainability Report 2023*
p. 61

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2) ⁶? Please disclose.

Response

Utilizing UNEP FI's Tool - Institutional Banking (Identification) Module to assess our portfolio, we have identified the most noteworthy positive and negative impact areas. These findings shed light on the significant aspects associated with our portfolio.

Positive Impact: 1) Livelihood, 2) Availability, Accessibility, Affordability, Quality of resources & services, 3) Healthy economics, 4) Infrastructure, and 5) Health & Safety

Negative Impact: 1) Health & Safety, 2) Livelihood, 3) Circularity, 4) Climate Stability, and 5) Biodiversity & healthy ecosystems

KBank also took into account several additional factors in its assessment, including:

- Baseline measurement
- Methodology availability
- Counterparty data availability
- Decarbonization trends in Thailand
- Complexity to execute

Local context consideration, such as Thailand's National Strategy 2018 - 2037, Thailand's Nationally Determined Contribution (NDC), and Thailand's Long-term Low Greenhouse Gas Development Strategy (LT- LEDS). These strategies align with the Paris Agreement, and the Thailand's Nationally Determined Contribution (NDC) Plan 2022, and the Bio-Circular-Green (BCG) Economic Model.

These critical factors play a significant role in determining the practicality and capabilities of businesses, the availability of technology, customer readiness, and the economic impacts of implementing the set targets. Consequently, KBank has identified Climate Stability and Circularity as our two major impact areas.

Links and references

See details
in *Sustainability Report 2023*
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⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.



- d) For these (min. two prioritized impact areas): **Performance measurement:** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response

Climate change mitigation: Climate change mitigation is a key focus for KBank, and we have evaluated the financed emissions associated with our lending activities using the Partnership for Carbon Accounting Financials (PCAF) methodology. KBank has taken a proactive approach by prioritizing and formulating sectoral decarbonization strategies for five high carbon-intensive sectors: Power Generation, Coal, Oil & Gas (upstream), Cement, and Aluminium. Our commitment extends to including the remaining sectors in subsequent rounds of target setting as we acquire more data, refine methodologies, establish sector-specific reference scenarios, and explore opportunities for low carbon technology integration. This demonstrates our ongoing dedication to advancing sustainability practices and reducing our environmental impact.

Resource efficiency & circular: KBank is currently in the process of performance measurement to quantify impacts and pinpoint crucial sectors. In the initial phase, to preliminarily identify key sectors within our loan portfolio that significantly contribute to the impact area, KBank employed the UNEP FI Tool – Sector Impact map. The results indicate that sectors making substantial contributions to resource efficiency and circularity include Real Estate, Construction, Power Generation, and Manufacturing. This insight guides our ongoing efforts to prioritize and address the environmental impact associated with our lending activities, ensuring a strategic and impactful approach to sustainability within our portfolio.

Links and references

See details
in Sustainability Report 2023
p. 62 - 63

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷

Scope:	☒ Yes	☐ In progress	☐ No
Portfolio composition:	☒ Yes	☐ In progress	☐ No
Context:	☒ Yes	☐ In progress	☐ No
Performance measurement:	☐ Yes	☒ In progress	☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

How recent is the data used for and disclosed in the impact analysis?

- ☐ Up to 6 months prior to publication
☒ Up to 12 months prior to publication
☐ Up to 18 months prior to publication
☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.



2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁸ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant, and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with⁹ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

The Thai government has publicly declared its commitment to achieving carbon neutrality by 2050 and Net zero Greenhouse Gas (GHG) emissions by 2065, referencing the 26th Conference of the Parties (COP26). To support these ambitious long-term goals, Thailand has communicated its 2nd updated Nationally Determined Contribution (NDC) and relevant information detailing the path toward the established temperature goals and overall achievement.

To accelerate the decarbonization pathway and articulate a comprehensive plan of mitigation action, Thailand revised and published the national Long-Term Low Greenhouse Gas Emission Development Strategy (LT-LEDS) in November 2022. KBank recognizes the significance of this revised LT-LEDS and is committed to undertaking it as a key mitigation action in alignment with Thailand's carbon neutrality and net-zero objectives.

Furthermore, KBank is dedicated to aligning with Thailand's broader aspiration, as outlined in the Paris Agreement, to keep global warming well-below 2°C. As part of this commitment, KBank remains flexible and adaptive, pledging to consider and incorporate any material changes to Thailand's GHG reduction pathway strategies as they emerge, ensuring continuous alignment with the evolving landscape of sustainable practices and environmental goals.

Links and references

See details
in Sustainability Report 2023
p. 55

- b) **Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

8 Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

9 Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.



Impact area	Indicator code	Response
Climate change mitigation	A1.1 Climate strategy: Does your bank have a climate strategy in place?	Yes, It's commendable to learn that our Board of Directors has announced the Bank's Net Zero Commitment, reflecting a proactive stance in mitigating the impacts of climate change. This commitment aligns with international frameworks such as the Sustainable Development Goals (SDGs), the Paris Agreement, and Thailand's aspirations for a sustainable future. By making this commitment, KBank demonstrates its dedication to environmental responsibility and contributing to global efforts to address climate change. This aligns with the broader goal of fostering a more sustainable and resilient financial sector.
	A1.2 Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become Net Zero by when?	Yes, KBank is committed to contributing to the global Net Zero effort, aligning with Thailand's aspirations. In pursuit of this commitment, the following information related to emissions baseline/base year and climate scenario has been established: Emissions Baseline/Base Year: The emissions baseline or base year for our target is set at 2020. Climate Scenario Used: KBank aligns its strategies with the Paris climate goals and has chosen to adhere to the IEA Sustainable Development Scenario (SDS) as the climate scenario. This selection reflects our dedication to contributing to a sustainable and low-carbon future in line with internationally recognized climate objectives.
	A1.3 Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes, It's noteworthy that KBank has integrated Environmental, Social, and Governance (ESG) risk factors into its lending processes, as evidenced by the inclusion of a dedicated chapter on Responsible Lending and Investment: ESG Credit and Investment. This reflects a commitment to incorporating sustainability considerations in decision-making, emphasizing responsible and ethical practices in our credit and investment activities. By addressing ESG factors, KBank demonstrates its awareness of the broader impact of financial decisions on environmental, social, and governance aspects, contributing to a more sustainable and responsible financial approach. (in Sustainability Report 2023 p. 71 - 72)
	A2.1 Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes, KBank has actively promoted customer engagement across diverse customer segments, encompassing corporate customers, Small and Medium Enterprises (SMEs), and retail customers. The primary focus of these efforts has been directed towards Thailand, which constitutes the main geographies where the bank operates. In alignment with these practices, KBank encourages customer involvement and awareness regarding Climate-related financial disclosures, as outlined by the Task Force on Climate-related Financial Disclosures (TCFD). This approach underscores our commitment to transparency, risk management, and sustainability, fostering a collaborative relationship with customers to address Climate-related challenges and opportunities: TCFD Report chapter on p. 181.
	A2.2 Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or	Our financed emissions has been reported in the Task Force on Climate-related Financial Disclosures: TCFD Report chapter on p. 181.



Impact area	Indicator code	Response
	A2.2 Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or	Our financed emissions have been reported in the Task Force on Climate-related Financial Disclosures: TCFD Report chapter on p. 181
	A2.3 Sector- specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Our emission intensity consists of 286.6 tCO ₂ e to USD 1 million of investment or loan which covers commercial loan portfolio, equity and corporate bonds, motor vehicle loans, and mortgages loan. Please refer to the Task Force on Climate-related Financial Disclosures: TCFD Report chapter on p. 181
	A3.1 Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	In 2023, KBank granted sustainable financing and investment worth more than Baht 46,986 million and intends to achieve Baht 100-200 billion in sustainable funding by 2030. (Various products offered to our customers which can be seen in the Sustainability Report 2023, p. 64 - 70)
Financial health & inclusion	B.2.2 % of customers actively using the online/mobile banking platform/tools	K PLUS active user 21.7 million
	C.2.1 # of individuals supported with dedicated and effective financial and/or digital education initiatives	The number of youths participating in both online and onsite workshop is 1,180 persons in Afterclass project in the Sustainability Report 2023, p. 123 - 124.
In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.		

**Response**

KBank has assessed its financed emissions of our lending and investment activities by adopting Partnership for Carbon Accounting Financials (PCAF) methodology. Our financed emissions have been reported in the Sustainability Report 2023 p. 62 - 63

Links and references

See details
in Sustainability Report 2023
p. 62 - 63

c) **SMART targets** (incl. key performance indicators (KPIs)¹⁰): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

KBank has taken a comprehensive approach to measuring its financed emissions, focusing on the commercial lending portfolio, with a 100% coverage of the corporate lending portfolio by the end of 2022. Initial targets have been set in the three most carbon-intensive sectors: power generation, oil and gas, and coal.

Furthermore, in 2023, KBank has developed a targeted sectoral decarbonization strategy specifically for the Cement and Aluminium sector, aligning with the priorities of the countries in which the bank operates. To guide these efforts, KBank has adopted the International Energy Agency's Sustainable Development Scenario (IEA SDS) as the decarbonization glidepath for the power generation portfolio.

The specific targets for major sectors are outlined as follows:

Power Generation:

Portfolio Indicator: Emission intensity (tCO₂e/GWh)

Target: Aiming to reduce financed emissions by 90% in 2050 from the 2022 baseline.

Coal:

Portfolio Indicator: Absolute finance in the portfolio

Target: Gradually reducing financed emissions and the provision of existing loans to zero by 2030, incorporating limitations on thermal coal alternatives.

Oil and Gas:

Portfolio Indicator: Absolute finance

Target: Considering risk-based exposure, aiming for an absolute reduction in oil and gas financing and targeting a 44% reduction in absolute finance by 2050 from the 2022 baseline.

Cement:

Reference Pathway: IEA's Net Zero Emissions (NZE) scenario Metric: Emission intensity (tCO₂e/ton Cement)

Aluminium:

Reference Pathway: IAI Reference Scenario B2DS (Secondary Production)

Metric: Emission intensity (tCO₂e/ton Aluminium)

These targets and strategies reflect KBank's commitment to aligning with global decarbonization goals and contributing to a sustainable and low-carbon future.

Links and references

See details
in Sustainability Report 2023
p. 59 - 63

d) **Action plan:** which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

10 Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.



Response

Power Generation: Achieving emission intensity targets for the Power generation portfolio involves implementing two primary strategies:

- Minimizing exposure to high carbon-intensive power plants.
- Increasing exposure to low carbon, zero emission, or green power plants.
- Discontinuing financing for new coal-fired power generation projects.
- Gradually reducing the provision of existing loans to coal-fired power plants to zero by 2030.

KBank commits to ongoing and dynamic monitoring and assessment of decarbonization pathways and targets, adapting to emerging financing opportunities. These goals and decarbonization strategies will undergo reassessment in response to significant developments in Thailand's Power Development Plan, Alternate Energy Development Plan, and other pertinent Energy Plans.

Coal: KBank has committed to the following decarbonization targets:

KBank is committed to a gradual reduction of existing loans and investments in thermal coal, ultimately reaching zero financing. This commitment implies a parallel reduction in absolute emissions associated with thermal coal lending, aiming to achieve Net Zero emissions by 2030 across the entire supply chain. The bank emphasizes a continuous and dynamic review of these targets, coupled with assessments of transition plans for coal-related clients. These financing commitments, and their direct impact on absolute emissions, align closely with the guidelines outlined in the UNEP FI Climate Change target setting principles.

Oil & Gas: KBank will align the amount of risk-based exposure of Upstream Oil & Gas with the rate of change trajectory of the global Oil & Gas production of IEA SDS. And this reduction is well-aligned with the decarbonization targets implied from the production trajectory of Oil & Gas production under Paris-aligned IEA SDS assumptions.

Cement: KBank will screen emission intensity through ESG screening process and engage customers to support their transition to a lower carbon society.

KBank is proactively expanding the scope of sector decarbonization strategies beyond thermal coal, aiming to address high Greenhouse Gas (GHG) emission sectors within its portfolio. The bank has undertaken significant sustainable development activities in accordance with guidelines and strategies set by the Board of Directors. Key initiatives include:

ESG Aspiration:

KBank has announced its Environmental, Social, and Governance (ESG) Aspiration, aiming to achieve a leading ESG role among banks in Southeast Asia. Business strategies will focus on environmental, social, and governance considerations, with specific Objectives and Key Results (OKRs) outlined for ESG operations from 2023 to 2025.

Climate Pillar Working Group:

A dedicated working group, the Climate Pillar, has been established to manage greenhouse gas issues, encompassing both KBank's operations and its financing and investment portfolio.

Net Zero Commitment Work Plan:

A comprehensive work plan has been formulated in alignment with the Net Zero Commitment. This includes initiatives to reduce greenhouse gas emissions from KBank's operations, such as using energy-saving office equipment, installing solar panels on bank offices and branches, utilizing electric vehicles, and acquiring carbon credits and Renewable Energy Certificates (REC). Efforts to mitigate GHG emissions from the financed portfolio involve policies to terminate lending to new coal-fired power plants, gradually reducing outstanding loans of existing coal-fired power plants to zero by 2030, and implementing a Customer Engagement Plan for consistent operational guidelines towards net-zero achievement.

Links and references

See details
in Sustainability Report 2023
p. 59 - 60

**Sector Decarbonization Strategy:**

KBank has developed a Sector Decarbonization Strategy for power generation, oil and gas (upstream), coal, cement, and aluminium industries, aligning with the Net Zero Commitment.

Sustainable Investment Support:

Support for loan innovation and sustainability investment has been allocated, with the launch of the GO GREEN Together project, promoting a Green Ecosystem to encourage civil sector participation in Thailand's net-zero aspirations, with a budget of Baht 25 billion.

Employee GHG Management Capability Building:

KBank has collaborated with the Stock Exchange of Thailand and Thailand Greenhouse Gas Management Organization to design an exclusive learning course for executives and officers, enhancing their capability in Greenhouse Gas (GHG) management for self-adaptation and impact alleviation from climate change.

Partnerships for Sustainable Development:

KBank has partnered with the United Nations Global Compact (UNGC) to upgrade its business operations in alignment with globally recognized principles, focusing on human rights, labor, environment, and anti-corruption.

These initiatives collectively reflect KBank's commitment to sustainable practices, climate action, and its aspiration to be a leader in ESG considerations within the banking sector.

Partnership for Carbon Accounting Financials (PCAF), which enables cooperation of global financial institutions in setting up international standards for assessment and information disclosure of GHG emissions from lending and investment of financial institution

Action Plan: Response for Financial health & inclusion

To Strengthen the Leader Position in Mobile Banking and Being the Main Channel;

1. Expanding to potential segments by utilizing internal & external data and partnership
(K PLUS allows youths aged 12 - 14 to apply for K PLUS and conduct financial transactions by themselves. Focus is on instilling discipline and providing financial knowledge to youths so that they learn about saving at an early age.)
2. Expanding borderless service capability by leveraging partnerships and the K Bank ecosystem
(K PLUS leverages the K-ecosystem to connect with the Bank's business partners, ensure complete linkage within a digital lifestyle ecosystem and deliver the best customer experience through new technology-driven services and innovations. K PLUS has developed cross-platform authentication and seamless payment services with key partners such as Grab Pay Wallet, PTT Blue Connect Wallet, LINE BK, Meta Pay, Shopee, True Money Wallet, DTAC, AIS and LINEMAN. These services include "Authen with K PLUS", which allows customers to apply for an e-Wallet service and identity verification via K PLUS, and "PayPLUS", which enables customers to use K PLUS to make payments or top-up their wallets on the Bank's partner platforms seamlessly without switching applications.

Moreover, K PLUS also serve needs of customer's cross-border payments, including international transfer to 62 countries and 15 foreign currencies, and QR Cross-Border Payment partnered with Union Pay where K PLUS customers can scan and pay in more than 40 countries around the world.)
3. Exploring alternative sources of funds to increase customer engagement
(K PLUS allows customers to manage their finances by adding multiple sources of funds beyond savings and current accounts, such as K Points, Partner Points, and the KBank Credit Card.)
4. Adding personalization and customization according to customer preferences
(KBank has worked with our business partners in offering new themes and slips on K+ market to meet customers' lifestyle needs for their greatest satisfaction. Customers may buy or send them as gifts via K+market and make payment by cash or redemption of K Points.)
5. Evolving management of risk and fraud by adopting a risk-based approach and actively monitoring.
(K PLUS prioritizes security to provide a safer experience by implementing facial recognition to verify credit limit extensions and transactions, as well as adjusting credit for children under 15 years old. Each customer is allowed to use one K PLUS account and is required to complete the awareness test of mobile banking risks in accordance with the regulations from the BOT.)



Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (please name it) Climate change mitigation	... second area of most significant impact: ... (please name it) Resource efficiency & circular	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	☒ Yes ☐ In progress ☐ No	☐ Yes ☒ In progress ☐ No	☐ Yes ☐ In progress ☐ No
Baseline	☒ Yes ☐ In progress ☐ No	☐ Yes ☒ In progress ☐ No	☐ Yes ☐ In progress ☐ No
SMART targets	☒ Yes ☐ In progress ☐ No	☐ Yes ☒ In progress ☐ No	☐ Yes ☐ In progress ☐ No
Action plan	☒ Yes ☐ In progress ☐ No	☐ Yes ☒ In progress ☐ No	☐ Yes ☐ In progress ☐ No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

KBank formally announced its targets at the conclusion of 2022, initiating an implementation plan that has been consistently executed throughout the year. The progress made in achieving these targets is anticipated to be documented and disclosed in the forthcoming report.

To bolster its commitment to Environmental, Social, and Governance (ESG) principles, KBank has instituted an upgraded ESG credit policy and process. This comprehensive framework incorporates an exclusion list, sector-specific guidelines, sectoral decarbonization strategies, and sustainable finance targets and guidelines. Continuous tracking and monitoring of Key Performance Indicators (KPIs) against these targets are conducted on an ongoing basis, ensuring a proactive approach to assessing and enhancing ESG performance.

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**Response****Governance structure:**

KBank has implemented a robust structure, policies, and management framework specifically dedicated to addressing climate change. This strategic initiative is an integral component of our sustainability operational processes, reflecting our commitment to Environmental, Social, and Governance (ESG) responsibility. The established structure encompasses comprehensive measures to effectively manage and respond to the challenges posed by climate change, aligning with global sustainability standards and reinforcing our dedication to responsible banking practices.

Policies and procedures:

KBank has implemented credit policies and procedures that explicitly demonstrate Environmental, Social, and Governance (ESG) responsibility. This structured approach is integrated into our operational framework, organized into both management and transaction levels. The credit policies and procedures underscore our commitment to responsible banking practices by incorporating ESG considerations, ensuring that sustainability factors are systematically addressed and embedded throughout the credit evaluation and decision-making processes. This two-tiered operational structure allows for a holistic approach, ensuring alignment with ESG principles at both strategic management and transactional levels within the bank.

Links and references

See details
in Sustainability Report 2023
p. 47 - 48

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

KBank has established staffs' KPI at executive and operational levels with respect to climate change management on both business and operations aspects. On the business side, KBank has developed low-carbon products and supported environmental loans, which have been set as a KPI of related units. In terms of our operations, cuts in greenhouse gas emissions have been included in our long-term targets. We have also presented awards, both monetary and non-monetary, to employees for development of projects in relation to the environment, society and governance, for example the Star Award.

KBank provides knowledge related to credit policy and processes based on the ESG risk consideration criteria for employees tasked with credit operations and related organizations, so that they are aware of environmental and social impacts through the entire lending and investment processes. Employees are required to pass the tests of credit policy and are encouraged to attend training courses on ESG risk assessment criteria of each business and industry so that they can manage such risks and report ESG risk issues correctly. Due to some complicated risks that may be associated with the supply chain of projects requesting loans, employees' correct understanding of such particular risks and assessment of each risk issue is vital. Skilled employees can act as our internal experts for customers' business analysis and for helping those customers through advice and recommendations.

Links and references

See details
in Sustainability Report 2023
p. 159 - 162

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁴ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

¹⁴ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.



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Response

KBank has demonstrated its commitment to transparency and accountability by disclosing sustainability information in alignment with various international standards. The bank has embraced best practices and adhered to recognized frameworks to ensure that our sustainability reporting meets global standards.

Links and references

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in Sustainability Report 2023
p. 192 - 198

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁵, target setting¹⁶ and governance structure for implementing the PRB)?
Please describe briefly.

Response

In the realm of climate change mitigation, KBank affirms its commitment to continuously and dynamically monitor and assess decarbonization pathways and targets, adjusting strategies as financing opportunities emerge. This proactive stance ensures that KBank stays agile in responding to evolving opportunities and challenges in the field of climate action.

Regarding resource efficiency and circular initiatives, KBank plans to conduct performance measurement to quantify impacts and identify crucial sectors. The outcomes of these processes are anticipated to be finalized and disclosed in the forthcoming report, emphasizing the bank's dedication to transparency and accountability in its sustainability efforts.

KBank's commitment to transparency and accountability is further exemplified by its proactive approach to assurance. The information disclosed in the 2023 report on the Principles for Responsible Banking (PRB) has undergone independent verification by a third-party assurer. This external validation not only enhances the credibility and reliability of the disclosed information but also instills increased confidence among stakeholders in KBank's dedication to responsible banking practices. The bank affirms its ongoing commitment to this practice, reinforcing the importance of maintaining a high standard of accountability and transparency in its operations.

Links and references

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|---|---|
| ☐ Embedding PRB oversight into governance | ☒ Customer engagement |
| ☐ Gaining or maintaining momentum in the bank | ☒ Stakeholder engagement |
| ☒ Getting started: where to start and what to focus on in the beginning | ☒ Data availability |
| ☒ Conducting an impact analysis | ☒ Data quality |
| ☒ Assessing negative environmental and social impacts | ☐ Access to resources |
| ☐ Choosing the right performance measurement methodology/ies | ☒ Reporting |
| ☒ Setting targets | ☐ Assurance |
| ☐ Other: ... | ☒ Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

15 For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

16 For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.



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Assurance Statement



LRQA Independent Assurance Statement Relating to KASIKORNBANK PUBLIC COMPANY LIMITED's Sustainability Report for the calendar year 2023 (1st January 2023 – 31st December 2023)

This Assurance Statement has been prepared for KASIKORNBANK PUBLIC COMPANY LIMITED in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

LRQA Group limited was commissioned by KASIKORNBANK PUBLIC COMPANY LIMITED (KBank) to provide independent assurance on its Sustainability Report 2023 ("the report") using AccountAbility's AA1000AS v3, where the scope was a Type 2 engagement, and the assurance criteria below¹.

A moderate² level of assurance and materiality of the professional judgment of the verifier has been used for assuring the report. The one exception is the direct and energy indirect GHG emission data where a high level of assurance and 5% materiality has been applied. Our assurance engagement covered KBank's operations and activities in Thailand and specifically the following requirements:

- Evaluating the nature and extent of KBank's adherence to the AA1000 AccountAbility Principles (2018):
 - Inclusivity, Materiality, Responsiveness and Impact.
- Confirming that the Report is in accordance with:
 - Materiality assessment
 - GRI Standards 2021, and
 - GRI Financial Services Sector Disclosure.
- Evaluating the reliability of data and information for only the selected environmental and social indicators listed below;
 - GRI 302-1: Energy consumption within the organization
 - GRI 303-3: Water withdraw
 - GRI 303-4: Water discharge
 - GRI 303-5: Water consumption
 - GRI 305-1: Direct GHG emissions (scope 1)
 - GRI 305-2: Energy indirect GHG emissions (scope 2) – excluded purchasing of cooling
 - GRI 305-3: Other Indirect GHG emission (Cat. 6 – business travel by taxicab and air travel and Cat. 15 - investments only)
 - GRI 306-3: Waste generated
 - GRI 306-4: Waste diverted from disposal
 - GRI 306-5: Waste directed to disposal
 - GRI 403-9 Work-related injuries (absenteeism only)
 - Initiatives to enhance financial inclusions (FS7)

Our assurance engagement excluded the data and information of KBank's operations and activities outside Thailand as well as suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to KBank. LRQA disclaims any liability or responsibility to others as explained in the end footnote. KBank's responsibility is for collecting, aggregating, analysing, and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of KBank.

LRQA's Opinion

Based on LRQA's approach

- the direct and energy indirect GHG emissions data in the report are materially correct;
- and nothing has come to our attention that would cause us to believe that KBank has not:
 - met the requirements above
 - disclosed reliable performance data and information for the selected indicators
 - covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a combined level of assurance.

Note: The extent of evidence-gathering for a moderate level of assurance engagement is less than for a high level of assurance engagement. Moderate level assurance engagements focus on aggregated data whilst high levels of assurance checking source data from sites.

¹ <https://www.globalreporting.org>

² GHG quantification is subject to inherent uncertainty.



LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing KBank's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through interviews with external stakeholders and reviewing documents and associated records.
- Reviewing KBank's process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by KBank and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether KBank makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing KBank's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Sampling of evidence presented at KBank's head office in Bangkok to confirm the reliability of the selected indicators. The extent of evidence sampled for the selected indicators reflected the level of assurance applied.

Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder inclusivity:
We are not aware of any key stakeholder groups that have been excluded from KBank's stakeholder engagement process. KBank has open dialogue with all of its stakeholders though the frequency with trade unions would benefit from more regular time intervals.
- Materiality:
We are not aware of any material issues concerning KBank's sustainability performance that have been excluded from the report. It should be noted that KBank has established extensive criteria for determining which issue/aspect is material to its stakeholders and that these criteria are not biased to the company's management.
- Responsiveness:
KBANK has established and implemented processes for responding to the concerns of various stakeholder groups in relation to GHG emissions data.
- Impact:
KBANK should further address quantitative impacts regard human right topics in the future report.
- Reliability:
Data management systems are properly defined for the selected GRI indicators. However, we believe that KBank should disclose GHGs emission related to energy imported from leasers in the future.

LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LRQA for KBank and as such does not compromise our independence or impartiality.

Dated: 12 February 2024

Opatt Charuratana
LRQA Lead Verifier
On behalf of LRQA (Thailand) Limited
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LRQA reference: BGK000001043

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LRQA Independent Assurance Statement

Relating to KASIKORNBANK PUBLIC COMPANY LIMITED's UNPRB report for the calendar year 2023 (1st January 2023 – 31st December 2023)

This Assurance Statement has been prepared for KASIKORNBANK PUBLIC COMPANY LIMITED in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

LRQA Group limited was commissioned by KASIKORNBANK PUBLIC COMPANY LIMITED (KBank) to provide independent assurance on its PRB reporting and self-assessment template 2023 ("the report"), as the first assurance period using the requirements laid out in the Assurance Guidance to undertake limited assurance on Principles reporting, issued by UNEP FI and the assurance criteria below.

A limited level of assurance and materiality of the professional judgment of the verifier has been used for assuring the report. Our assurance engagement covered KBANK's operations and activities in Thailand and specifically the following requirements:

- Evaluating the nature and extent of KBank's report to the UNEP FI Principles reporting.
 - Impact Analysis, Target Setting, Target Implementation and Monitoring and Governance Structure for Implementation of the Principles.

Our assurance engagement excluded the data and information of KBank's operations and activities outside Thailand as well as suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to KBank. LRQA disclaims any liability or responsibility to others as explained in the end footnote. KBank's responsibility is for collecting, aggregating, analysing, and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of KBank.

LRQA's Opinion

Based on LRQA's approach and nothing has come to our attention that would cause us to believe that KBank has not:

- met the requirements above
- covered all the impact areas that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a limited level of assurance.

Note: The extent of evidence-gathering for a limited level of assurance engagement is less than for a reasonable level of assurance engagement. Limited level assurance engagements focus on aggregated data whilst reasonable levels of assurance checking source data from sites.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Reviewing KBank's process for identifying and determining most significant impacts to confirm that the right topics were included in their Report.
- Assessing of evidence presented at KBank's head office in Bangkok to confirm the reliability of the data and information. The extent of evidence sampled for the selected indicators reflected the level of assurance applied.

Observations

Further observations and findings, made during the assurance engagement, are:

- Impact Analysis:
KBank has applied recognised Impact analysis tools for identify and analysis the impacts, where the outcomes are meaningful for implementing the PRB Principles.
- Target Setting:
KBank has established Climate change targets focusing on the transition of commercial lending portfolio. However, we do believe that in the future report period, KBank will disclose the target for resource efficiency & Circularity as second area of most significant impact.
- Target Implementation and Monitoring:
Hence KBank has initial setting the targets and transition pathway, we do believe that the future report period, KBank will disclose progress in implementation of such targets together with associated negative impact and action taken.
- Governance Structure for Implementation of the Principles:
KBank has implemented effective governance and a culture of responsible banking.



LRQA’s standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience for the template assurance. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification together with sustainability report are the only works undertaken by LRQA for KBank and as such does not compromise our independence or impartiality.

Dated: 5 March 2024

Opart Charuratana
LRQA Lead Verifier
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B4SI Assurance Statement 2024

Overview

Corporate Citizenship has been asked by KASIKORNBANK to review its use of the Business for Societal Impact (B4SI) Framework for measuring corporate community investment (CCI) programmes in 2023.

The B4SI Frameworks help businesses to improve the management, measurement, and reporting of their social impact. A combination of three Frameworks covers Community Investment, Social Innovation & Procurement for Social Impact. (See <https://b4si.net> for more information).

KASIKORNBANK has been an active member of the B4SI global network since 2021. This is the first time Corporate Citizenship, as global managers of B4SI, has worked with KASIKORNBANK to assure community investment data gathered between January 2023 and December 2023, and the application of the B4SI Community Investment Framework, in accordance with current Guidance. The scope of assurance covers inputs contributed through the company's Community Investment and the outputs and impacts of these activities, where measured. Having conducted our assessment nothing has come to our attention which causes us to believe that the reported data, as stated in the Appendix for this document, does not accurately reflect the B4SI principles. Our work has not extended to an independent audit of the data.

In our commentary we identify the main findings of the Assurance process, including the strengths to KASIKORNBANK's data collection processes and impact measurement as well as areas for development where the company can build on learnings from this year. We have further explained our observations in a separate management report.



Commentary

As part of its efforts to ensure a robust application of the Framework, KASIKORNBANK has had its CCI data assured by B4SI for the first time this year. This establishes a robust baseline to manage and report social impact in the future. KASIKORNBANK has demonstrated a strong commitment to rigorous measurement and reporting and continuous improvement in collecting its CCI data according to the principles of the B4SI Framework.

The data shows a total contribution worth B338,359,922 of which 94% was in cash donations. Of its total contribution, KASIKORNBANK contributed 40% through charitable gifts and 58% through strategic community investment activity. When examining contribution focus, 43% of KASIKORNBANK's total contribution was dedicated to Environment, followed by Education at 30% and Social Welfare third at 18% of the total contribution.

KASIKORNBANK measures most of its inputs from its operations and records social outputs for its flagship programmes (Nan Sandbox Project, AFTERKLASS & the Employee Volunteering program), which represented 21.6 % of its contributions in 2023, with evolving impact measurement in some of these. The definitions used for each measure are based on the B4SI Framework and are put in practice in collaboration with its partners to gather the data. Programme managers have responsibility for collecting data that the sustainability team then collates and reviews periodically. Contribution amounts are externally audited, and there is an evolving process for internally examining volunteering figures, with room for stronger controls to be put in place in the future.

Our review of KASIKORNBANK's 2023 Community Investment data revealed an overall comprehension of the B4SI Framework's implementation. Particular risks were identified and mitigated in defining commercial initiatives that are eligible within the B4SI Framework. Future developments could address consistency in the application of the framework through data collection methods, robust tools and processes for collecting output and impact data and further work with partners to embed B4SI principles in the measurement.

KASIKORNBANK has demonstrated commitment to continuous improvement in its embedding of the B4SI Framework in their operations and making efforts to work with partners to collect output and impact data where relevant, consolidating a strong base to develop further in the future.

Clodagh Connolly
Global B4SI Director

Corporate Citizenship
www.b4si.net

The scope of the statement is limited to the reporting period

5 February 2024



Appendix

KASIKORNBANK's 2023 Community Investment

INPUTS

Total value of contributions (including management costs)		฿338,359,922
Total value of contributions (excl. management costs)		฿322,874,946
HOW - Type of contributions		
Cash	฿316,524,180	94%
Time	0	0%
In-kind: contributions of product, equipment, rooms etc.	฿6,350,766	2%
Management costs	฿15,484,976	5%
TOTAL	฿338,359,922	100%
WHY - Motivation		
Charitable gifts	฿129,164,946	40%
Community investment	฿188,060,000	58%
Commercial initiatives in the community	฿5,650,000	2%
TOTAL	฿322,874,946	100%
WHAT - Subject focus		
Education	฿98,301,766	30%
Health	฿6,191,500	2%
Economic development	฿6,200,000	2%
Environment	฿137,451,400	43%
Arts/Culture	฿15,170,000	5%
Social welfare	฿59,460,280	18%
Emergency relief	฿100,000	0%
Other Support	0	0%
TOTAL	฿372,459,872	100%
WHERE - Global breakdown		
UK	0	0%
Rest of Europe	0	0%
Middle East and Africa	0	0%
Asia-Pacific	฿322,874,946	100%
North America	0	0%
South America	0	0%
TOTAL	฿322,874,946	100%
Staff volunteering (in company time)	-	-
Number of hours in company time	-	-



OUTPUTS

Total number of activities reported		85
COMMUNITY OUTPUTS		
Total number of direct beneficiaries		773
Total number of beneficiary organisations		367
BUSINESS OUTPUTS		
Number of staff involved in company time		-
LEVERAGE		
Customers	฿1,688,600	100%
Total Leverage	฿1,688,600	100%

IMPACTS

COMMUNITY IMPACTS		
Number of direct beneficiaries where results were measured		773
Number that:		
Made a connection through your community activity		-
Made an improvement through your community activity		-
Made a transformation through your community activity		-
Number that:		
Experienced a positive change in their behaviour or attitude as a result of your support		-
Developed new skills or an increase in their personal effectiveness		773
Experienced a direct positive impact on their quality of life as a result of your support		-
Number of projects returning environmental benefits		
Number of projects that changed people's environmental behaviour		-
No difference		-
A little		-
Some		-
A lot		-



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Certain statements shown in this report are forward-looking statements in respect of the financial position or the performance of KASIKORNBANK PUBLIC COMPANY LIMITED (“KBank”). KBank has prepared such forward-looking statements based on several assumptions, and has relied on financial and other information available from public sources as of the date such statements were made. Statements containing words such as “expect”, “believe”, “estimate”, etc. and other similar expressions, are considered as forward-looking statements which involve uncertainties and are subject to changes at any time due to future events, including but not limited to, changes in global/national economic, political and regulatory environment. Accordingly, the readers or the recipients of information shall carefully review this report and make their own independent decision as well as thoroughly evaluate such fact or information which may have changed prior to making any investment or entering into any transaction.



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