



Statement of the Board of Directors

Statement of the Chief Executive Officer

Information of KASIKORNBANK

Strategic Directions of KASIKORNBANK

KASIKORNBANK and Sustainable Development

Environmental Dimension

Social Dimension

Governance Dimension

Appendices



**KASIKORNTHAI**

Sustainability Report 2023

# Bank of Sustainability



ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ



**KASIKORNTHAI**

**ธนาคารกสิกรไทย**  
开泰银行 KASIKORNBANK



**หลักทรัพย์จัดการกองทุนกสิกรไทย**  
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 ซอฟต์แวร์**  
开泰软件 KASIKORN SOFT



**กสิกร อินฟรา**  
开泰信息基础设施 KASIKORN INFRA



**กสิกร เอกซ์**  
开泰麦科思有限公司 KASIKORN X



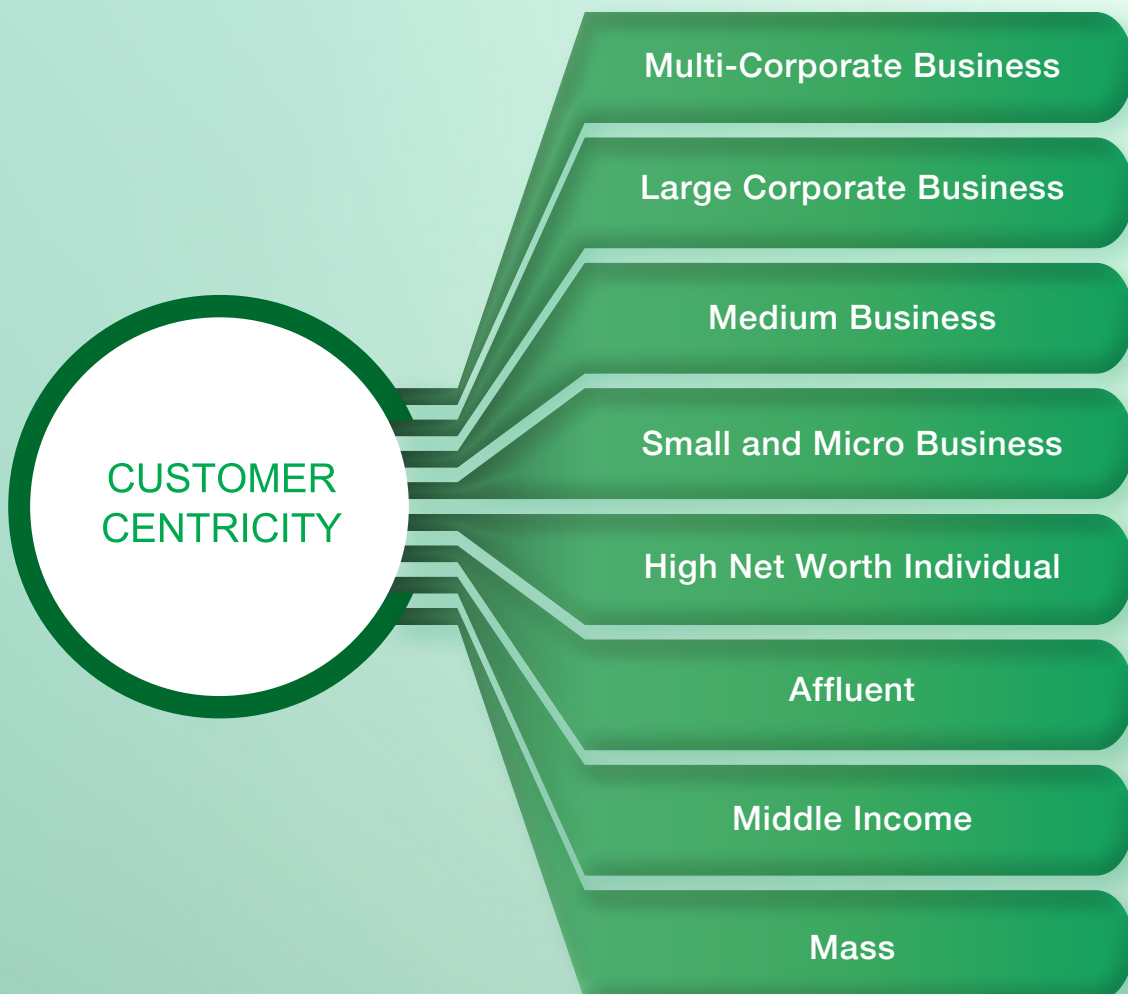


## Vision

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.



**KASIKORNTHAI**





# Purpose

## Delivering Sustainable Value to all Stakeholders



### Customer

Make our customer successful in their life and business



### Shareholder

Generate sustainable total return



### Employee

Provide learn and lead opportunities



### Regulator

Co-Create future of finance



### Social

Thrive for the better quality of living

# Core Values

Customer  
at Heart

Collaboration

Agility

Innovativeness

Integrity



# KASIKORNBANK

## Bank of Sustainability



### Dow Jones Sustainability Indices (DJSI)

The first bank in Thailand and ASEAN selected as a member of the DJSI for eight consecutive years (2016 - 2023)



### Top 5% of the S&P Global CSA Score 2023 for the banking industry



### FTSE4Good

Selected as a member of the FTSE4 Good Emerging Index for eight consecutive years (2016 - 2023)

### MSCI

### MSCI ESG Ratings at "AA"

A leading company in the banking industry in emerging markets in ESG operations (2023)



### Bloomberg Gender-Equality Index (GEI)

The first company in Thailand selected as a member of the Bloomberg Gender-Equality Index for five consecutive years (2019 - 2023)



### CDP

Selected as CDP A List (Leadership Level) for two consecutive years (2022 - 2023)



### Carbon Neutral Certification

The first commercial bank in Thailand granted this certification for six consecutive years (2018 - 2023)



### The ESG 100 Certificate

One of 100 companies selected as having outstanding ESG performance for eight consecutive years (2016 - 2023)



### Best Sustainability Awards

two consecutive years (2022 - 2023)  
Highly Commended in Sustainability Awards for three years (2018 - 2019, 2021)



### Thailand Sustainable Investment (THSI)

for seven years (2015, 2017 - 2022)  
SET ESG Ratings AAA Level (2023)



## Contents

- 006 Statement of the Board of Directors
- 008 Statement of the Chief Executive Officer
- 010 Information of KASIKORNBANK
- 013 Strategic Directions of KASIKORNBANK

## 016 KASIKORNBANK and Sustainable Development

---

- 018 Sustainable Development of  
KASIKORNBANK
- 029 Material Topics and Boundaries
- 037 Stakeholders Engagement

## 044 Environmental Dimension

---

- 046 Task Force on Climate-related Financial  
Disclosures: TCFD
- 073 Environmental Management

## 080 Social Dimension

---

- 082 Financial Inclusion and Financial Literacy
- 092 Cyber Security and Data Privacy
- 100 Human Resource Management
- 113 Human Rights Operations
- 118 Social Contributions

## 130 Governance Dimension

---

- 132 Corporate Governance
- 135 Business Ethics
- 140 Risk Management
- 144 Financial Innovations and Services
- 159 Responsible Lending and Investment:  
ESG Credit and Investment
- 166 Sustainable Supply Chain Management

## 174 Appendices

---

- 174 About This Report
- 179 Environmental, Social,  
and Governance/Economic Performance
- 192 GRI Standards Content Index
- 199 UN Principles for Responsible Banking
- 216 Sustainability Awards and Assessments
- 218 Assurance Statement



Statement of  
the Board of  
Directors

Statement of  
the Chief  
Executive Officer

Information of  
KASIKORNBANK

Strategic  
Directions of  
KASIKORNBANK

KASIKORNBANK  
and Sustainable  
Development

Environmental  
Dimension

Social  
Dimension

Governance  
Dimension

Appendices







## Statement of the Board of Directors

KASIKORNBANK (KBank) is committed to operating our business to maximize benefits to all stakeholders, with balance across environmental, social, and governance (ESG) dimensions. As a Bank of Sustainability, we also aim to bring about sustainable growth to the organization, society, and country.

Over the past year, global economies, including Thailand, continued to encounter challenges and uncertainties arising from geopolitical issues, climate change, new regulations, and uneven economic growth. All parties were compelled to adjust and find balanced responses to changing conditions. Board members have supervised and supported KBank's business undertakings, exchanging viewpoints and recommendations with management to ensure that we are able to achieve our established targets and deliver sustainable returns for all stakeholders. KBank operates business with caution, accuracy, and transparency. All undertakings must comply with rules and regulations, conforming with global standards and the Statement of Corporate Governance Principles, and with awareness of appropriate risk levels. The Board of Directors continuously monitors performance to ensure the highest efficiency. Strategic frameworks, targets, policies, and aspirations of KASIKORNBANK FINANCIAL CONGLOMERATE were also approved, while importance was placed on problems related to climate change to further drive KBank towards our Net Zero Commitment, our dedication to pass along a clean and green world to future generations. The Board of Directors has also emphasized creating financial inclusion and fostering financial discipline as part of our contribution to the growth and sustainability of Thailand.

On behalf of the Board of Directors, I would like to express our appreciation for your continued confidence and trust in our business. KBank is committed to creating prosperity, advancement, and maximum benefits to our shareholders and all stakeholders, in a balanced and sustainable manner from generation to generation.

(Ms. Kobkarn Wattanavrangkul)  
Chairperson of the Board



Statement of  
the Board of  
Directors

Statement of  
the Chief  
Executive Officer

Information of  
KASIKORNBANK

Strategic  
Directions of  
KASIKORNBANK

KASIKORNBANK  
and Sustainable  
Development

Environmental  
Dimension

Social  
Dimension

Governance  
Dimension

Appendices





## Statement of the Chief Executive Officer

In 2023, the Thai economy continued to see an uneven or “K-shaped” recovery, driven mainly by rebounds in the tourism sector. Meanwhile, other economic activities remained pressured by rising production costs, household debt burdens, and living expenses amid a global economic slowdown and persistent challenges. Both private and public sectors, including the banking sector, were required to make balanced adjustments while enhancing their readiness for the short-, medium- and long-term. These endeavors were essential to creating positive results and elevating standards, thus leading Thai businesses and society as a whole towards the shared goal of a sustainable future.

KASIKORNBANK (KBank) continuously conducts our business as a Bank of Sustainability with a focus on delivering sustainable value to all stakeholders. We prioritize and value the Statement of Corporate Governance Principles and operate under appropriate risk and cost management. Through an integrated approach, we focus on technological and innovation development, knowledge provision, and the promotion of financial discipline for all customer segments. Along with this, we foster collaboration with various partners within an ecosystem while also leveraging data analytics for product and service development to ensure greater customer accessibility and responsiveness across multiple dimensions.

At KBank, we have identified our strategic priorities and unveiled the “3+1 Strategy” as the organization’s strategic framework. We have also built on our strengths and enhanced our capabilities in several areas to achieve our goal of double-digit return on equity (ROE) by 2026. Our strategic priorities are to reinvigorate credit performance, scale our capital-lite fee income business, and strengthen and pioneer sales and service models to deliver value-based results. Concurrently, the Bank has implemented strategies to help create new revenue in the medium- and long-term, while also enhancing our competitiveness via key enablers to advance our operations in accordance with established strategies. These enablers include using modern technologies to elevate the Bank’s status as a leading financial service provider in the region, utilizing scalable data and analytics to identify new business opportunities and enhance our operational efficiency, and building a performance-driven organization through result-based working models.

Additionally, the Bank strives to become a leader in ESG among banks in Southeast Asia by leading customers and businesses in Thailand towards an economic system that paves the way for sustainable growth through continuous and concrete actions to achieve the Net Zero target. These include transforming KBank’s operations, assisting customers in building capabilities and adjusting to more environmentally-friendly business practices, providing sustainable credit and investment facilities, as well as advancing services beyond financial solutions in order to help customers gain easier access to greener lifestyles. In the social dimension, the Bank has built appropriate financial inclusion and offered financial literacy to the public, with the aim of promoting sound financial discipline based on responsible lending in alignment with the Bank of Thailand’s policy guidelines. Moreover, the Bank has maintained personal data security and protection, with emphasis on respect for human rights and diversity, including the promotion of learning and growth opportunities among employees. In the corporate governance dimension, the Bank operates business in accordance with the Statement of Corporate Governance Principles, market conduct, and efficient risk management to ensure that the Bank’s operations align with Sustainable Development Goals and are measurable and in line with the country’s sustainable development practices and international standards.

In 2023, net profit of the Bank and its subsidiaries increased year-on-year. We set aside a high level of expected credit loss (ECL), almost on par with the previous year, to cope with economic uncertainties that may persist while consistently bolstering the Bank’s strength. Non-interest income and net interest income rose in line with market conditions. Meanwhile, loan growth slowed slightly compared to last year. KBank focused on effective asset quality management through increased flexibility in providing assistance to various customer groups along with improvements in our credit underwriting process for new loans for enhanced efficiency. Operating expenses rose in line with an increase in operating income amid rising business volume. Additionally, KBank has maintained our status as a leading financial institution that is always prepared to cope with economic volatility under both normal and stressed situations in a timely manner. The capital position of KASIKORNBANK FINANCIAL CONGLOMERATE remains robust and adequate for continued operations. The Bank announced dividend payments at the rate of not less than 25 percent, by considering suitable return to shareholders with prudence principle.

KBank emphasizes supporting individual and business customers, while also driving society and the country’s economy towards shared and sustainable growth targets. In all our operations, KBank has gained widespread acceptance both at home and abroad and has been selected for inclusion in many major sustainability indices. These achievements reflect our commitment, determination, and strong corporate culture in fully embracing our role as a Bank of Sustainability in both Thailand and the global arena.

On behalf of all our executives and employees, I would like to express our appreciation for your continued trust and confidence in our business.

(Ms. Kattiya Indaravijaya)  
Chief Executive Officer



## Information of KASIKORNBANK

### KASIKORNBANK

one of Thailand's largest commercial banks – conducts business in line with the principles of a Bank of Sustainability under good corporate governance, as well as appropriate risk and cost management through the Customer Centricity strategy





KASIKORNBANK – one of Thailand’s largest commercial banks – conducts business in line with the principles of a Bank of Sustainability under good corporate governance, as well as appropriate risk and cost management through the Customer Centricity strategy with an aim of achieving improved performance in order to foster sustainable returns over the long term, thus optimizing benefits to all stakeholders.

Established on June 8, 1945, KBank has conducted commercial banking business, securities business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related notifications for more than 70 years. At present, KBank has 61 subsidiaries, a service network of 809 domestic branches across Thailand and 16 overseas offices in 8 countries. KBank’s Head Office is located in Bangkok and the total number of employees stands at 31,868\*. Our financial network provides service solutions in response to customers’ financial requirements, preferences, and lifestyles, with respect to banking, fund management, economic and financial analyses, securities brokerage and financial advisory, as well as auto financing and leasing services. KBank is determined to deliver an excellent experience for all of our customers.

### KASIKORNBANK PUBLIC COMPANY LIMITED

- Established on June 8, 1945
- A financial conglomerate that offers comprehensive financial solutions to accommodate customer demands

### KASIKORN ASSET MANAGEMENT COMPANY LIMITED

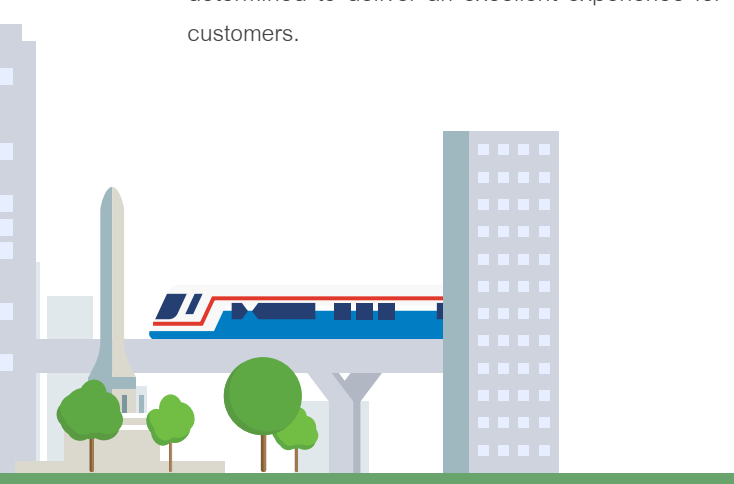
- Established on March 18, 1992
- Providing investment advisory services and fund management, offering integrated services related to mutual funds, private funds and provident funds for individual and business customers, as well as financial institutions public agencies and foreign institutional investors

### KASIKORN RESEARCH CENTER COMPANY LIMITED

- Established on December 16, 1994
- Providing economic, business, financial and banking knowledge for KBank staff and customers, as well as the general public; preparing a broad range of accurate, useful and up-to-date academic information for the purpose of public relations; and promotion of academic reputation as a KBank subsidiary

### KASIKORN SECURITIES PUBLIC COMPANY LIMITED

- Established on July 10, 2002
- Providing a complete range of financial solutions and services in equity and derivatives markets, including securities brokerage, investment banking and in-depth analyses based on reliable data sources and a team of experienced analysts



\* Number of employees includes employees of KBank, the wholly-owned subsidiaries of KBank and support service providers of KBank



## KASIKORN LEASING COMPANY LIMITED

- Established on December 24, 2004
- Providing a complete range of financial services to the auto industry, including hire purchase loans for individual and corporate customers, commercial auto loan for fleet customers, auto loan (dealer floor plan), and Car to Cash (car registration transferred and car registration loan) for individuals and business entities that own lien-free cars and need cash to boost their liquidity. KLeasing's financial products continue to grow in line with market demands.

## KASIKORN FACTORY AND EQUIPMENT COMPANY LIMITED

- Established on July 9, 1990
- Providing a complete range of machinery and equipment leasing business, i.e., hire purchase, financial lease and operating lease for business entities and operators in trade, commerce and all types of manufacturing; and acting as an intermediary between machinery distributors and customers in need of funding for the acquisition of machinery and equipment for their business operations. The Company is determined to offer financing to operators in the industrial sector that use equipment and machinery powered by renewable energy.

## KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG)

Supporting KBank's business-technology strategies and serving customer demands that have changed significantly due to technology transformation, in order to enhance the efficiency of KBank's IT management and raise our potential in dealing with any form of disruptive forces and in building competitiveness amidst constant changes in financial technologies in the global market. KBTG consists of the following five companies:

## KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED

- Established on October 13, 2015
- Planning and overseeing KBTG operations; providing support for financial and human resource management, as well as cyber security; and facilitating the alignment of the Group and KBank

## KASIKORN LABS COMPANY LIMITED

- Established on October 13, 2015
- Focusing on research and development of new technologies that embrace digital banking and the digital economy; and development of prototypes of in-house innovations for beta testing prior to rolling them out to expand the range of KBank products

## KASIKORN SOFT COMPANY LIMITED

- Established on October 13, 2015
- Being responsible for designing and building KBank's IT system and ensuring that it supports KBank's operations and innovations used by KBank to attain maximum speed and quality

## KASIKORN INFRA COMPANY LIMITED

- Established on October 13, 2015
- Being responsible for KBank's IT infrastructure, systems, testing and operation, both in the part that is newly created and the part that has been changed; and ensuring that such infrastructure is up-to-date and in well-maintained condition for maximum efficiency

## KASIKORN X COMPANY LIMITED

- Established on June 30, 2017
- Conducting business operations using the Divergent Business Model to secure new revenue streams from the New S-Curve industries, which differ from KBank's traditional transactions



## Strategic Directions of KASIKORNBANK

### Business Directions of KASIKORNBANK and the wholly-owned Subsidiaries of KASIKORNBANK in 2023 and Outlook for the Next Five Years

In 2023, KASIKORNBANK has established business directions and strategic plans in accordance with the principles of a Bank of Sustainability with the aim of empowering every customer's life and business. We have thus established our strategic imperatives as follows:

- 1. To become a Bank of Sustainability:** We have operated our business in adherence with the principles of sustainability across all three dimensions – environmental, social and governance (ESG) – and in sync with the changing circumstances and expectations of all stakeholders.
- 2. To advance the K-Strategy for business growth and customer responsiveness across all segments:**
  - Dominate Digital Payment
  - Reimagine Commercial and Consumer Lending
  - Democratize Investment and Insurance, targeting previously inaccessible groups
  - Penetrate Regional Market and Strengthen Sales and Service Channel Experience
- 3. End-to-end work efficiency enhancement:** We prioritize the upgrade of our long-term competitive capability.

During 2024 - 2026, KBank will continue to adhere to a Bank of Sustainability, by emphasizing the delivery of sustainable value to all stakeholders, i.e., customers, shareholders, employees, regulators and society, under good corporate governance, as well as appropriate risk and cost management.

As for business strategies, KBank has prioritized strategic imperatives and designated 3+1 Strategy as a new corporate strategy.

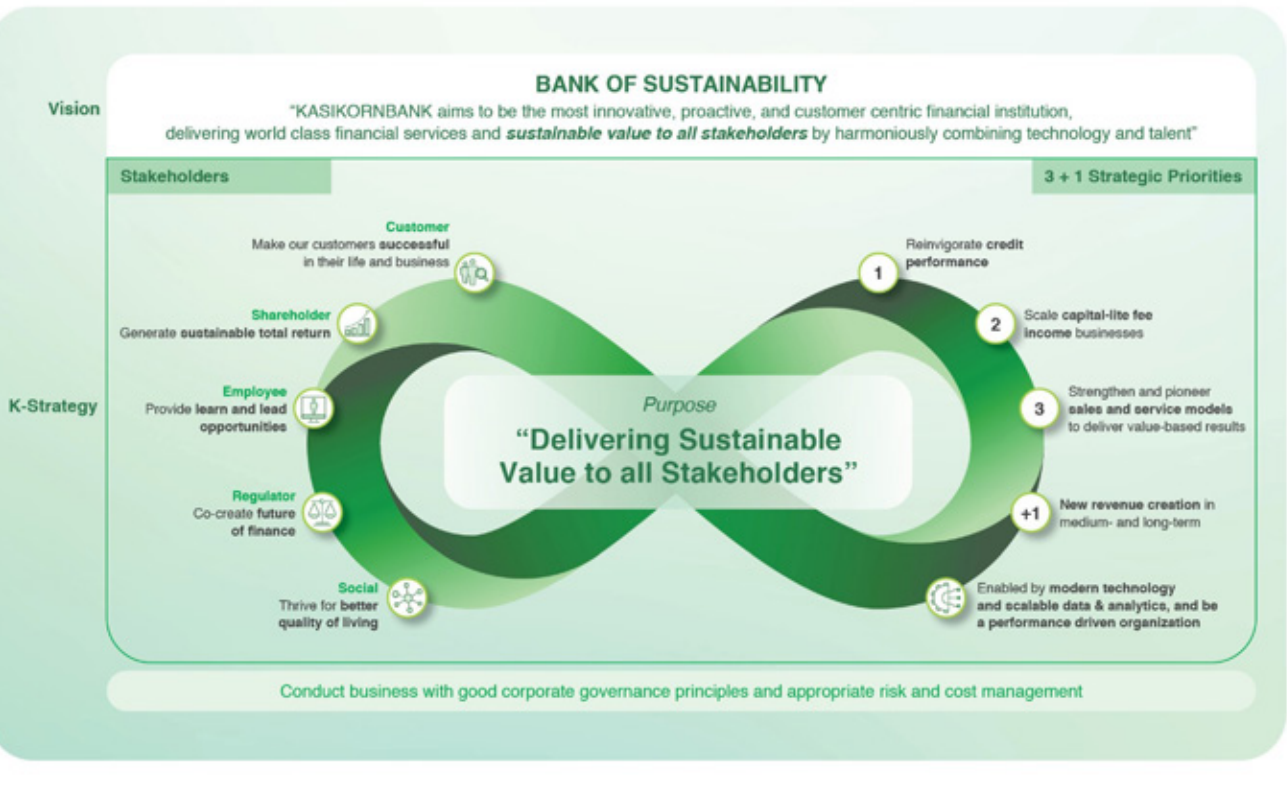
#### Strategy 1: Reinvigorate Credit Performance

To help customers in their living and business undertaking, including an increase of income to KBank, under appropriate risk appetites. Emphasis will be placed on customers showing interest in KBank products and services, with sound servicing capability, under the efficient risk-adjusted cost management and operational procedures to sustain business growth and credit quality, through four strategic approaches, i.e.

- Expansion of quality credit portfolio, by focusing on middle- and high-income segments, in order to minimize risks as concern fraud and credit quality;
- Extension of services among customers, currently holding credit products with KBank, and creation of opportunity for credit extension to customers along supply chains of our business partners, as well as supports for transition to low-carbon business;
- Maintenance of the existing customers through an Anti-attrition model;
- Reform of end-to-end creation and development of credit products to support high-quality and efficient growth.



## Vision and K-Strategy







## Strategy 2: Scale Capital-lite Fee Income Businesses:

- Creation of long-term and sustainable wealth for customers, through offering well-integrated and appropriate investment products that fit the customers' demands, together with development of digital channels to ensure a more convenient access to investment and bancassurance products among customers, with appropriate and sufficient data for decision-making;
- Enhancement of leadership in digital payment channels, by offering innovative services continuously, in order to ensure services at any time through all digital platforms for payment settlements both at home and abroad, including regional settlements of payment in all ecosystems of the customers, as well as analysis of customer service data for offering of products and services that fit customer behaviors.

## Strategy 3: Strengthen and pioneer distribution platform to deliver value-based performance

By focusing on digital-first services, integrated with delivery of services by well-versed professionals for seamless delivery in every channel, under appropriate costs and risk appetites.

## Strategy + 1: New revenue creation for medium- and long-term business, through some key business units that drive KBank to achieve our established targets, comprising:

- Creation of long-term growth in mass and underbanked market segments, through investment by KASIKORN INVESTURE (KIV) in companies offering services in payment, lending and asset management, under cooperation with business partners;
- Aim for Becoming Leading Regional Business in future markets with high-growth potential;
- Establishment of strategies and targets for Beyond Banking & Innovation, compatible with changes in customer behaviors, technology and market competition, i.e. Tech Innovation, Future of Finance, Uplift Banking and Sustainability.

### Strategy of Becoming the Regional Digital Bank

In adherence to our strategy of becoming "the Regional Digital Bank", KBank remained committed to expanding our business operations within the region through the 3-Track Regional Digital Expansion. In detail:

#### 1. Conventional Expansion

We have expanded our services within the AEC+3 region in order to support our customers' business expansion in ASEAN, allowing them to broaden their reach to local customers with enhanced efficiency. In 2023, KBank increased our shareholding ratio in PT Bank Maspion Indonesia Tbk to 88.55 percent.

#### 2. Digital Expansion

We have focused on adding digital channels in target countries as follows. Major initiatives included:

1. Lao People's Democratic Republic
2. The Socialist Republic of Vietnam
3. Republic of Indonesia

#### 3. Ecosystem Expansion in Target Countries

In 2023, KBank teamed with our business partners to launch a pilot retail digital lending project in the Socialist Republic of Vietnam. In addition, we developed a novel form of financial services, especially digital lending based on alternative data, so as to broaden our reach to our customers, especially the underbanked group. The service is now being offered in the People's Republic of China and the Socialist Republic of Vietnam. Through KASIKORN VISION COMPANY LIMITED (KVision), we have thus far established five innovation labs in Thailand and four other countries, including the State of Israel, the People's Republic of China, the Republic of Indonesia and the Socialist Republic of Vietnam, in order to scout innovations, tech partners and tech talents to collaborate and develop new technological capabilities for enhancement of our services in target countries.

### KASIKORNBANK (CHINA) COMPANY LIMITED

In 2023, KBank increasingly extended loans to retail customers as part of our efforts to improve their access to financial resources and fully meet their demand for spending. Our focus was also on the offering of comprehensive financial products and services to local clients doing business in the ASEAN (Sino-AEC) region, along with continuous expansion of business partnerships, in order to advance the business growth of SME customers. Additionally, KBank developed multiple new products and our internal system to extend loans to retail customers via our own capabilities as part of our efforts to provide full-fledged online banking services.



# KASIKORNBANK and Sustainable Development



018

Sustainable Development of KASIKORNBANK

029

Material Topics and Boundaries

037

Stakeholders Engagement





## Sustainable Development of KASIKORNBANK

KBank operates business in line with the principles of a Bank of Sustainability, covering environmental, social and governance aspects. Our sustainable development structure serves as the key driver for all divisions to translate the Bank's sustainable development goals into practical actions and integrate common directions into the work plans for the maximum benefit of all stakeholders.





Sustainable Development Framework and Policy	Environmental Aspect	Social Aspect	Governance/ Aspect
<p><b>Goal</b></p>	<p>Ensuring environmental stewardship towards a net zero-carbon society</p>	<p>Being a responsible corporate citizen to create a sustainable society</p>	<p>Being an accountable bank to create sustainable profitability</p>
<p><b>Commitment</b></p>	<p>We are committed to preserving the environment and reducing the impact of climate change.</p>	<p>We are committed to developing strong relationships with employees and society for better livelihoods and increase prosperity.</p>	<p>We are committed to strong ESG principles to be a responsible and accountable Bank.</p>
<p><b>Sustainable Development Policy</b></p> <p>KBank places emphasis on the Sustainable Development Goals (SDGs) of the United Nations (UN) by giving priority to our Material Topics in order to create sustainable value to all stakeholders.</p> 	<ol style="list-style-type: none"> <li>1) Committing to becoming Net Zero in our own operations by 2030</li> <li>2) Committing to reducing greenhouse gas (GHG) emissions in our financed portfolio in line with Thailand’s aspirations; reducing GHG emissions in significantly impacted sectors, both in terms of GHG emission volume and the proportion of loans extended to each sector; and accelerating this journey where possible</li> <li>3) Being the leader in innovative “Green Finance” in Thailand</li> <li>4) Providing services beyond financial solutions to support decarbonization in Thailand</li> </ol> 	<ol style="list-style-type: none"> <li>5) Ensuring financial inclusion and promoting financial literacy</li> <li>6) Safeguarding customer data security and privacy</li> <li>7) Ensuring the “Best Place to Work, Learn and Lead” by embedding Green DNA and creating future-ready workforce</li> <li>8) Respecting for human rights and diversity</li> <li>9) Promoting the development of youth potential as well as the pursuit of environmental, public and social activities</li> </ol> 	<ol style="list-style-type: none"> <li>10) Ensuring business operations under good corporate governance practices and delivering services to customers with fairness</li> <li>11) Adhering to customer centricity by initiating financial innovations that meet every aspect of customers’ needs</li> <li>12) Ensuring efficient risk management focusing on environmental, social, and governance (ESG) issues</li> </ol> 

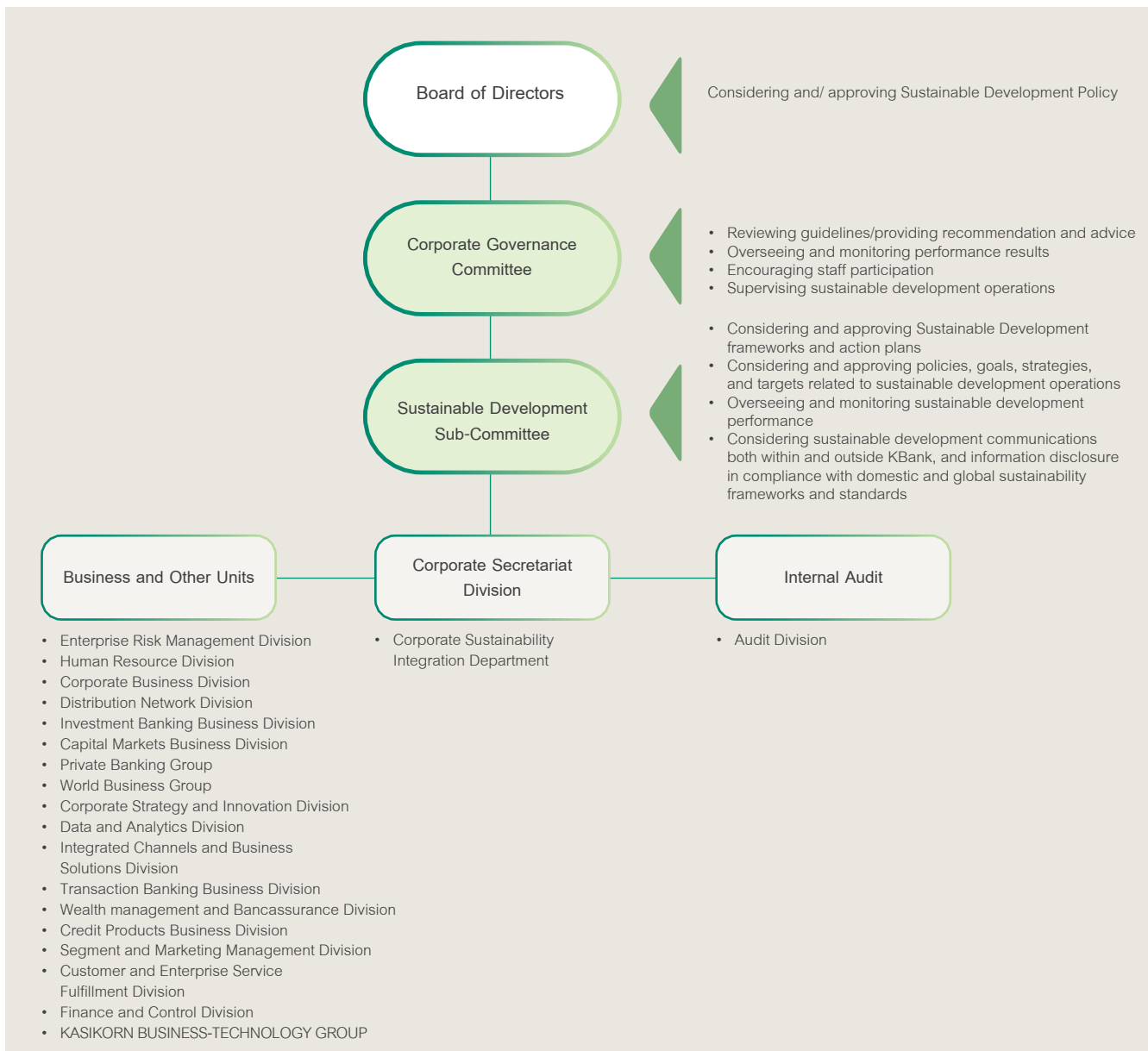


## Sustainable Development Structure

KBank has assigned the Corporate Governance Committee to supervise sustainable development operations; the Committee holds at least four meetings a year to determine operational guidelines, monitor and report to the Board of Directors.

We established the Sustainable Development Sub-committee, chaired by the Chief Executive Officer, to be responsible for driving environmental, social, and governance operations as guided by the Sustainable Development Policy framework. Our mission is to establish a Sustainable Development framework and action plans, as well as overseeing, monitoring and assessing sustainable development performance.

Meanwhile, the Corporate Sustainability Integration Department of the Corporate Secretariat Division provides support for and collaborates with the Sustainable Development Working Group, which comprises representatives of KBank departments, and pursues the Board of Directors' instructions to ensure consistency within all operational processes, thus leading to the achievement of targets and responding to stakeholders' needs.





In 2023, KBank operated, supervised and monitored sustainable development operations, which were approved by the Sustainable Development Sub-Committee and the Corporate Governance Committee. Major operations are as follows:

- Approving the 2023 Sustainable Development Plan to advance the Sustainable Development Policy.
- Approving the long-term goal for sustainable development for 2023 - 2026 comprising 58 Objectives and Key Results (OKRs) for assessment of performance under the Sustainable Development Policy.
- Approving KBank's ESG strategy for 2023 - 2024.
- Approving the Sector Decarbonization Strategy for the cement and aluminium industry in a bid to achieve Net Zero in the Bank's financed portfolio.
- Approving a budget for solar rooftop installation for use as clean energy to reduce GHG emissions.
- Approving a budget for waste segregation campaigns aimed at reaching the Zero-Waste-to-Landfill goal for the Bank's main buildings.
- Monitoring sustainable development performance in 2023 towards achieving the established goals.

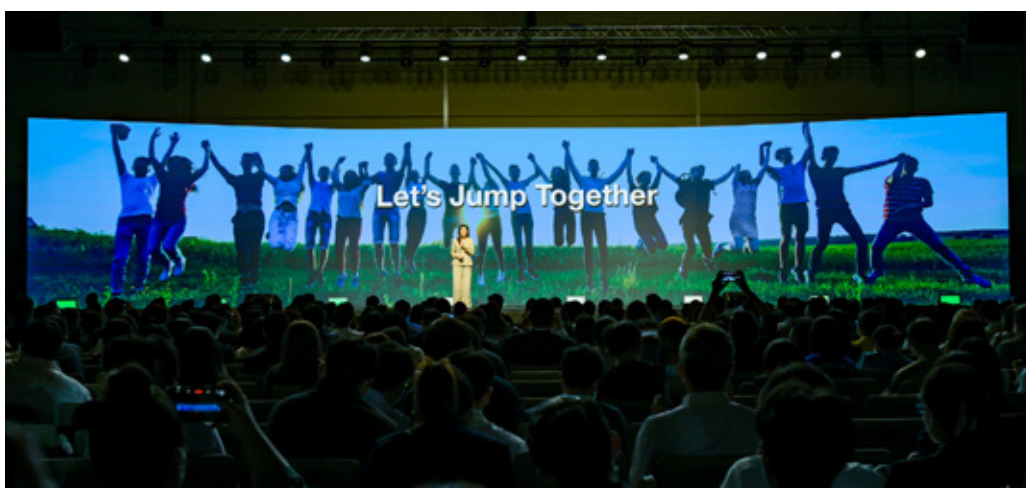
Moreover, KBank conducted significant sustainable development operations in alignment with the strategic directions established by the Board of Directors. Major initiatives are as follows:

- Embracing ESG Aspiration with the aim of becoming the ESG leader among banks in Southeast Asia: To this end, KBank's ESG strategy has been established for our business operations, accounting for environmental, social and governance priorities under Objectives and Key Results (OKRs) for 2023 - 2026.
- Setting up the Climate Pillar Working Group chaired by the President to manage GHG emissions from our own operations and financed portfolio. Focus is on an agile way of working to allow employees to work with greater flexibility and efficiency.

- Formulating an action plan in conformity with our Net Zero Commitment which encompasses reduction of GHG emissions from our own operations such as use of energy-saving office supplies, installation of solar panels at KBank's office buildings and branches, use of electric vehicles, purchase of carbon credits and Renewable Energy Certificates (RECs), and etc. We also established guidelines for achieving Net Zero in our financed portfolios as follows:
  1. KBank has a policy to stop financing projects of new coal-fired power plants. We aim to gradually reduce the number of outstanding loans to coal-fired power plants to zero by 2030, including implementation of a customer engagement plan to ensure that our customers and the Bank have the same direction in achieving Net Zero.
  2. KBank formulated the Sector Decarbonization Strategy for five industries, namely power generation, coal mining, oil and gas, cement, and aluminum, in order to achieve Net Zero in our financed portfolio.
  3. KBank has provided loans to customer groups in support of their sustainability operations and GHG emissions reduction. In 2023, the Bank supported Baht 46,986 million in sustainable financing and investment.
  4. Implementing projects in collaboration with business partners to promote customer participation in driving GHG emissions reduction, such as the development of an EV ecosystem and support for solar rooftop installation for retail customers.



- 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:
  1. 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.
  2. 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.
  3. 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.
  4. 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.
  5. 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.





## Sustainable Development Target and Operating Performance\*

KBank has determined the Annual Sustainable Development Objectives and Key Results (OKRs) as approved by the Board of Directors.

KBank has determined the Annual Sustainable Development Objectives and Key Results (OKRs) as assigned to Chief Executive Officer, top executives, as well as employees, encompassing environmental, social, and governance dimensions. The OKRs are part of annual performance appraisal metrics of relevant parties, reflecting sustainability performance of the Bank, ensuring continuous development. Key OKRs are as follows:

Sustainable Development Policy	2023 Targets	2023 Performance
<b>Environmental Aspect: Ensuring environmental stewardship towards a Net Zero-carbon society</b>		
Committing to becoming Net Zero in our own operations by 2030	12.6% reduction of GHG emissions (Baseline year 2020)	12.74% reduction of GHG emissions (Baseline year 2020)
Committing to reducing GHG emissions in our financed portfolio in line with Thailand's aspirations; reducing GHG emissions in significantly impacted sectors, both in terms of GHG emissions volume and the proportion of loans extended to each sector; and accelerating this journey where possible	Two glidepath and/or sector strategies to be completely developed	2 glidepath and sector strategies were completely developed, namely Aluminum and Cement.
Being the leader in innovative Green Finance in Thailand	Allocate at least Baht 25,000 million in sustainable financing and investment	Allocate Baht 46,986 million in sustainable financing and investment

\* Detail of Sustainable Development Long-term Target can be found at KBank website: <https://www.kasikornbank.com/en/sustainable-development/Pages/goals.aspx>



## Sustainable Development Policy

## 2023 Targets

## 2023 Performance

## Social Aspect: Being a responsible corporate citizen to create a sustainable society

Ensuring financial inclusion and promoting financial literacy	Financial literacy for the underprivileged: 52,500 persons per year	Financial literacy for the underprivileged: 53,886 persons per year
	Cyber literacy campaign to reach 15 million people	Cyber literacy campaign to reach 28.2 million people
Safeguarding customer data security and privacy	Extensively increase customer data security and privacy awareness to relatively high exposure and relevant stakeholders of KBank, including Board of Directors, employees, customers, and counterparties. Moreover, KBank intends to transform employee behaviors to perform in a cyber-resilient manner by cultivating a cyber hygiene culture.	Extensively increase customer data security and privacy awareness to relatively high exposure and relevant stakeholders of KBank, including Board of Directors, employees, customers, and counterparties. Moreover, KBank intends to transform employee behaviors to perform in a cyber-resilient manner by cultivating a cyber hygiene culture.
Ensuring the Best Place to Work, Learn and Lead by embedding Green DNA and creating a future-ready workforce	To win national or international award that reflects the excellence of HR Management	Excellence in Labor Relations and Welfare Award granted for 18 <sup>th</sup> consecutive year by the Ministry of Labor
		Talent Management in Best Employee Value Proposition Award (Gold Medal) from Human Capital Management Awards 2023 by Brandon Hall Group
		Employer of the Year Award (Gold Medal) for a great organization to work with from HR Excellence Awards 2023
		Excellence in Workforce Flexibility Award (Gold Medal) for organizations that provide flexibility in work and involve employees in designing lifestyles and teamwork from HR Excellence Awards 2023
		"HR Asia Best Companies to Work for in Asia 2023 - Thailand Region" from HR Asia



Sustainable Development Policy	2023 Targets	2023 Performance
Ensuring the Best Place to Work, Learn and Lead by embedding Green DNA and creating a future-ready workforce (Continued)	No complaint of discriminatory labor treatment or violence that leads to a lawsuit	No complaint of discriminatory labor treatment or violence that leads to a lawsuit
	Internal fill rate: 80%	Internal fill rate: 94.65%
	Females in leadership positions: at least 50%	Females in leadership positions: 63.20%
	Engagement score: 77%	Engagement score: 77%
	To maintain HCROI* at equal to or higher than 4.05	HCROI* level: 4.57
	Average hours per FTE of training and development: 40 hours/year/person	Average hours per FTE of training and development: 34.5 hours/year/person <sup>(1)</sup>
	Employee absentee rate: not more than 1%	Employee absentee rate: 0.85%
Respect for human rights and diversity	Human rights risk assessment in all business activities: 100% of KBank	Human rights risk assessment in all business activities: 100% of KBank
Promoting the development of youth potential as well as the pursuit of environmental, public and social activities	Number of employee volunteer hours: 200,000 hours per year	Number of employee volunteer hours: 152,101 hours <sup>(2)</sup>
	Number of beneficiaries from CSR projects: 750,000 persons per year	Number of beneficiaries from CSR projects: 755,638 persons

## Remarks:

<sup>(1)</sup> KBank has adjusted the approaches for employee developments with target employees with potential business impacts while the other groups of employees receive trainings and developments in multifaceted approaches both for short-term and long-term that provide various options and align with the current learning behavior. This is targeted to increase Capability Development Effectiveness.

<sup>(2)</sup> Since the Covid-19 outbreak, KBank has reduced the amount of group activities. However, KBank has managed to provide activities in accordance with the plan as well as with the targeted beneficiaries.

\* HCROI = Human Capital Return on Investment



Sustainable Development Policy	2023 Targets	2023 Performance
<b>Governance Aspect: Being an accountable bank to create sustainable profitability</b>		
Ensuring business operations under good corporate governance practices and delivering services to customers with fairness	“Excellent” CG level (measured by external agencies)	<p>“Excellent” level in Corporate Governance Report of Thai Listed Companies, carried out by the Thai Institute of Directors Association (IOD)</p> <p>“Excellent and worthy as an example” level in the Annual General Shareholders Meeting Assessment Project, organized by the Thai Investors Association, the Office of the Securities and Exchange Commission and the Thai Listed Companies Association</p>
	No significant warning issues/findings on KBank from regulators	No significant warning issues/findings on KBank from regulators
	No significant* non-compliance issues related to market conduct	No significant* non-compliance issues related to market conduct
Adhering to customer centricity with financial innovations that meet every aspect of customers’ needs	Net Promoter Score (NPS)** increased steadily and achieved the highest score in the Thai banking industry	Net Promoter Score (NPS)** stood at 85, increased steadily and classified in the leader group with the highest NPS score in the Thai banking industry
	Digital banking leadership (NPS in mobile banking channel)*** achieved the highest score in the Thai banking industry	Digital banking leadership*** (NPS in mobile banking channel) stood at 90, and classified in the leader group with the highest NPS score in the Thai banking industry
	Maintain issues and complaints against the total number of transactions = 0.0020%	Maintain issues and complaints against the increased number of transactions. The proportion of complaints was 0.00011%
	Number of K PLUS users: 23.9 million persons	Number of K PLUS users: 21.7 million persons <sup>(1)</sup>
	Online Payment Adoption* 94.83%	Online Payment Adoption 91.04% <sup>(2)</sup>

Remarks:

<sup>(1)</sup> K PLUS users have continually increased and maintained fair distance from the competitor for the number of users as similar to 2022

<sup>(2)</sup> After Covid-19 pandemic has returned to normality and country has opened its door for tourists, offline channels have increased from the previous year. KBank has clear strategy that is suitable for the circumstance to meet with customers’ needs and remain competitive for business opportunities.

\* Significant means fines or accusations are imposed by the Bank of Thailand in accordance with market conduct regulations.

\*\* The Net Promoter Score (NPS) results come from research of the NielsenIQ (Thailand) Co., Ltd., which collects and analyzes data to prevent scoring bias. Customer data collection is carried out in proportion to the population to reflect the market of domestic financial institution customers on the statistical principles.

\*\*\* NPS in mobile banking derived from research conducted by NielsenIQ (Thailand) Co., Ltd. to collect and analyze data to prevent scoring bias. The samples are distributed according to the actual population using mobile banking in Thailand with sufficient number of samples to gain the results according to statistical principles. that is suitable for the circumstance to meet with customers’ needs and remain competitive for business opportunities.



Sustainable Development Policy	2023 Targets	2023 Performance
Ensuring efficient risk management by focusing on environment, social, and governance/economic (ESG) issues	Adequate Tier 1 Capital Ratio* as required under Basel III and sufficient for business growth	Tier 1 Capital Ratio* at 17.4 (Minimum regulatory Tier 1 Capital Ratio at 9.5%)
	100% of Project Finance and medium enterprises (and above) must be processed through the Environmental, Social and Governance/Economic (ESG) assessment procedure	100% of Project Finance and medium enterprises (and above) were processed through the Environmental, Social and Governance/Economic (ESG) assessment procedure
	100% of suppliers acknowledged the Supplier Code of Conduct, which identifies the issues of environment, society, labor and human rights	100% of suppliers acknowledged the Supplier Code of Conduct, which identifies the issues of environment, society, labor and human rights
	100% of Tier 1 and Tier 2 suppliers have undertaken the annual Environmental Social and Governance (ESG) supplier risk assessment	100% of Tier 1 and Tier 2 suppliers have undertaken the annual Environmental Social and Governance (ESG) supplier risk assessment

\* Kasikorn Bank Financial Business Group



## 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.





## Material Assessment Processes

Identification

1

Prioritization

2

Validation

3

Review

4

- The material topics in 2022 were reviewed.
- Studies were conducted on related aspects set out in national and international sustainability standards and trends, for example, GRI Standards, Sustainability Accounting Standard Board (SASB), Stock Exchange of Thailand (SET), and environmental and banking specialists.
- The material aspects deemed important by leading domestic and global banks were reviewed and assessed.
- Studies were conducted on the material aspects and were assessed against SDGs Impact by Financial Sector.
- Recommendations from stakeholders were sought on the screened material topics.
- Preparation on ESG material topics information for preparation of questionnaires and interviews.

- Surveys on opinions of stakeholders including shareholders, Board of Directors, regulatory agencies, customers, suppliers, residents in communities, and employees were conducted through questionnaires and an in-depth interview to gain a comprehensive understanding of their feedback, expectations, and key concerns surrounding KBank's sustainability endeavors.
- Information gained from internal and external stakeholders was analyzed and reviewed based on stakeholder prioritization, combining the impact materiality and financial materiality, and finalizing the double materiality assessment. The impact materiality on stakeholders and the financial materiality on KBank's corporate value were determined by assessing the magnitude and likelihood of impacts, with the levels determined based on the Bank's enterprise risk management criteria.

- The material aspects were reported to the Corporate Governance Committee to be endorsed for further submission to the Board of Directors for approval and disclosure in KBank's Sustainability Report and website.
- The derived prioritization was explained to all divisions so that they acknowledged the stakeholders' opinions and used them to define the operational guidelines of KBank.

- Views and recommendations from stakeholders across multiple channels will be used to develop KBank's operations and disclose information within subsequent reports.





## 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
<ul style="list-style-type: none"> <li>• Cyber Security and Customer Data Privacy Protection</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Labor Practices, Inclusion, Diversity, and Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Supply Chain Management</li> </ul>
<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Human Capital Development, Talent Attraction and Retention</li> </ul>	<ul style="list-style-type: none"> <li>• Preservation of Biodiversity</li> </ul>
<ul style="list-style-type: none"> <li>• Sustainable Finance*</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Well-Being</li> </ul>	<ul style="list-style-type: none"> <li>• Effective Water Management and Water Stress</li> </ul>
<ul style="list-style-type: none"> <li>• Transition Risks and Opportunity from Climate Change**</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing Emissions of the Bank's Operations, Lending, and Investment ***</li> </ul>	<ul style="list-style-type: none"> <li>• Human Rights Across Employees, Suppliers, Customers and Community</li> </ul>
<ul style="list-style-type: none"> <li>• Customer Understandings</li> </ul>	<ul style="list-style-type: none"> <li>• Creating Financial Literacy and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Education and Community Development****</li> </ul>
<ul style="list-style-type: none"> <li>• Business Ethics and Transparency</li> </ul>		
<ul style="list-style-type: none"> <li>• Corporate Governance</li> </ul>		
<ul style="list-style-type: none"> <li>• Digitalization and Innovation</li> </ul>		

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

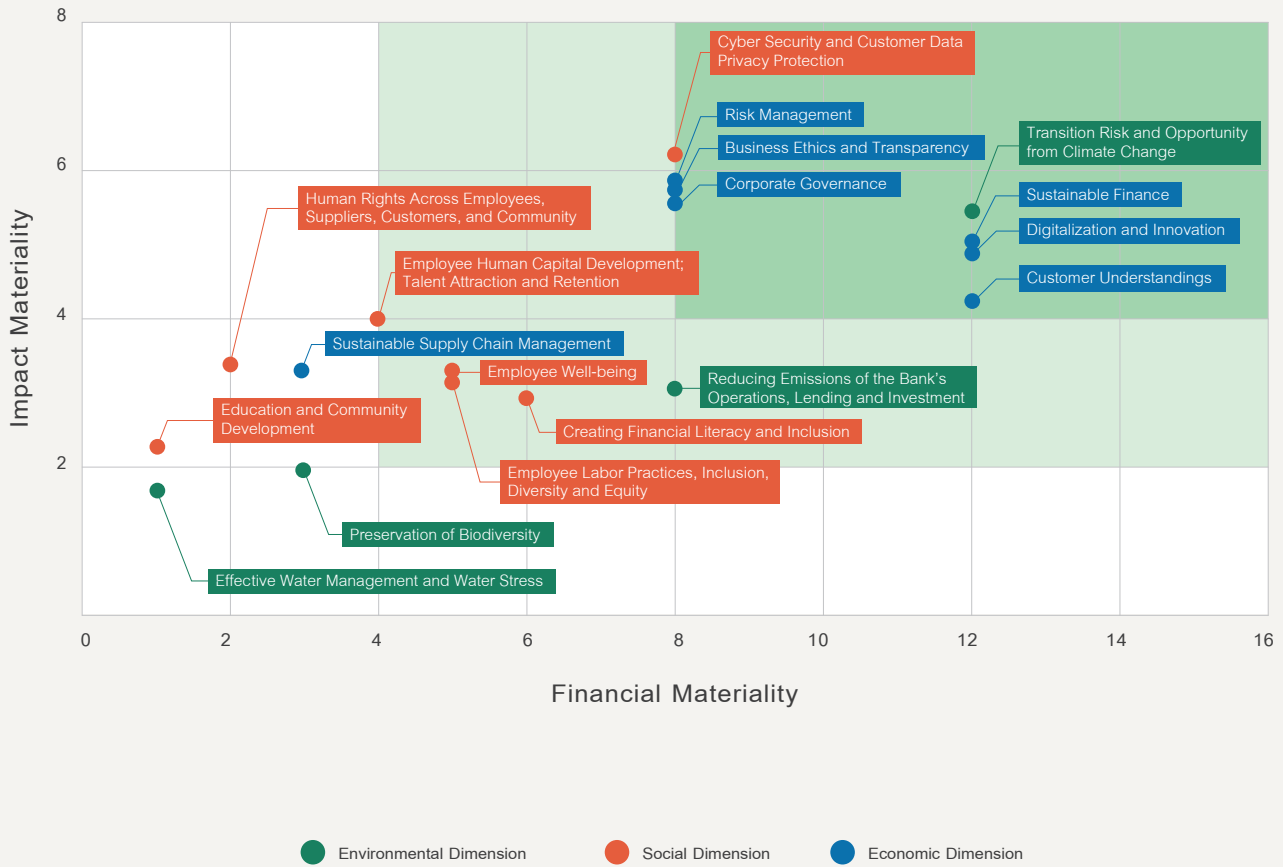
\*\*\*\* This topic includes Social and Cultural Preservation and Development



## 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
<p><b>Business Ethics and Transparency</b> Business ethics, employee ethics, organizational culture, compliance with ethical and transparency principles, Market Conduct, Anti-Corruption, and prevention of fraud</p>	<p>Policy commitments (GRI 2-23) Anti-Corruption (GRI 205)</p>	<p>Business Ethics Governance Dimension</p>	
<p><b>Corporate Governance</b> Organization governance with good corporate governance principles, supervision policy and processes to ensure sustainable returns in the long term</p>	<p>Governance structure and composition (GRI 2-9) Delegation of responsibility for managing impacts (GRI 2-13)</p>	<p>Corporate Governance Governance Dimension</p>	
<p><b>Risk Management</b> Management of risks from operations and regulatory changes, credit risk, reputation risk, assessment of emerging risks that may affect KBank's business operations</p>	<p>Role of the highest governance body in overseeing the management of impacts (GRI 2-12)</p>	<p>Risk Management Governance Dimension</p>	
<p><b>Customer Understanding</b> Products and services that meet customers' needs, satisfaction and expectations</p>	-	<p>Financial Innovations and Services Governance Dimension</p>	  
<p><b>Digitalization and Innovation</b> Utilization of technologies to develop products and services that are appropriate, convenient, rapid, and responsive to customers' needs e.g., applications</p>	-	<p>Financial Innovations and Services Governance Dimension</p>	
<p><b>Sustainable Supply Chain Management</b> 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</p>	<p>Activities, value chain and other business relationships (GRI 2-6) Supplier Environmental Assessment 2016 (GRI 308) Supplier Social Assessment 2016 (GRI 414)</p>	<p>Corporate Governance Governance Dimension</p>	 











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



Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
<p><b>Effective Water Management and Water Stress</b></p> <p>Water management involves water from external sources, recycled water, discharge, and reused water</p>	<p>Water and Effluents 2018 (GRI 303)</p>	<p>Environmental Management Environmental Dimension</p> <p>Task Force on Climate-related Financial Disclosures (TCFD) Environmental Dimension</p>	
<p><b>Employee Labor Practices, Inclusion, Diversity and Equality</b></p> <p>Respect for diversity of employees and equal opportunity among employees, equitable treatment and fair compensation, complaint acceptance mechanisms and channels</p>	<p>Employment 2016 (GRI 401)</p> <p>Labor/Management Relations 2016 (GRI 402)</p> <p>Diversity and Equal Opportunity 2016 (GRI 405)</p> <p>Non-Discrimination 2016 (GRI 406)</p>	<p>Human Resource Management Social Dimension</p>	
<p><b>Employee Human Capital Development; Talent Attraction and Retention</b></p> <p>Enhancement of employees' knowledge and potential</p>	<p>Training and Education 2016 (GRI 404)</p>	<p>Human Resource Management Social Dimension</p>	
<p><b>Creating Financial Literacy and Inclusion</b></p> <p>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.</p>	<p>Indirect Economic Impacts 2016 (GRI 203)</p>	<p>Financial Inclusion and Financial Literacy Social Dimension</p>	




Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
<b>Human Rights Across Employees, Suppliers, Customers, and Community</b> 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	 
<b>Education and Community Development</b> Community activities, volunteer activities and activities to promote and stimulate community economic growth	Economic Performance 2016 (GRI 201)	Social Contributions Social Dimension	   
<b>Cyber Security and Customer Data Privacy Protection</b> 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	
<b>Employee Well-being</b> 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	



## Stakeholders Engagement

KBank evaluates and identifies stakeholders by analyzing the impacts of business activities across the value chain. The Bank's stakeholders include the shareholders, Board of Directors, employees, regulatory agencies, customers, counterparties/business partners, competitors, creditors, communities, environment, and society. KBank has employed guidelines for stakeholder participation and treatment by adopting the AA1000 Stakeholders Engagement Standard (AA1000SES), as follows:


Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>Holding Annual General Meeting and Extraordinary General Meeting of Shareholders</li> <li>Disclosure of information via the SET Link system, KBank website, and both internal and external publications</li> <li>On-site and online meetings and providing information to shareholders, investors, and general public, either one-on-one or as a group, both in Thailand and abroad</li> <li>Inquiries via KBank's channels such as website and telephone</li> <li>Answering questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>High, stable and sustainable growth in return on investment</li> <li>Sound and stable growth in operating results</li> <li>Transparent and fair operations</li> <li>Prudent risk management</li> <li>Ethical operation and consideration of ESG issues</li> <li>Knowledge-sharing of new regulations of regulatory agencies</li> </ul>	<ul style="list-style-type: none"> <li>Creating sustainable and balanced growth in operating results under cautious and prudent risk management</li> <li>Disclosure of information to shareholders and SET via activities or other communication channels with transparency and verifiability</li> <li>Inviting shareholders to Annual General Meeting and Extraordinary General Meeting of Shareholders and encouraging them to express their views in meetings</li> <li>Announcing policy, structure and measures related to credit underwriting processes for strict compliance of employees and offering such training to related employees</li> <li>Monitoring and providing knowledge concerning new regulations in compliance with international standards such as Thai Financial Reporting Standard No. 9 (TFRS 9)</li> <li>Establishing measures in auditing, monitoring, and disclosing information to enhance transparency</li> </ul>	<ul style="list-style-type: none"> <li>In all chapters of the Sustainability Report 2023</li> </ul>



Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
<p>Board of Directors</p> 	<ul style="list-style-type: none"> <li>• Holding a board meeting every month (with the exception of force majeure)</li> <li>• Arranging an independent directors meeting to compile opinions and suggestions before board meetings</li> <li>• Providing information and news via KBank's various channels</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent operations and adherence to the good corporate governance principles</li> <li>• Equitable treatment of all stakeholders</li> <li>• Sustainable growth in performance</li> </ul>	<ul style="list-style-type: none"> <li>• Effective, transparent, and verifiable management, based on corporate governance and sustainable development guidelines</li> <li>• Business operations which take into account all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• In all chapters of the Sustainability Report 2023</li> </ul>
<p>Regulatory Agencies</p> 	<ul style="list-style-type: none"> <li>• Participating in meetings to acknowledge supervisory policies and guidelines</li> <li>• Collaborating with supervisory agencies through KBank's compliance units</li> </ul>	<ul style="list-style-type: none"> <li>• Business operations with adherence to the principles of corporate governance and sustainable development, and in compliance with related laws under appropriate risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with related laws, rules, and regulations</li> <li>• Development of work processes in accordance with requirements, suggestions and remarks from regulatory agencies</li> </ul>	<ul style="list-style-type: none"> <li>• In all chapters of the Sustainability Report 2023</li> </ul>






Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
<p><b>Employees</b></p> 	<ul style="list-style-type: none"> <li>• Holding orientation for new employees at all levels and farewell ceremony for retiring employees</li> <li>• Enquiring into the requirements of employees and supervisors to prepare appropriate learning courses for employees, in line with their duties and responsibilities as well as KBank's business directions</li> <li>• Conducting employee satisfaction surveys</li> <li>• Organizing employee engagement activities</li> <li>• Boosting employee morale with the aim of becoming "The Best Employer"</li> <li>• Managing communications to create correct understanding on business operations and promoting corporate engagement based on KBank culture via various online and offline channels to access all employees, such as Konnect+ for life and Konnect+ for work, Office 365 (email, Viva Engage, MS Teams) LINE, YouTube and Facebook</li> <li>• Organizing meetings of supervisors and employees to share opinions and recommendations on work improvement guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Providing fair and appropriate remuneration and welfare in line with employees' skills and abilities as well as economic conditions</li> <li>• Offering career path and advancement</li> <li>• Continued development of employees' skills for work and life</li> <li>• Providing occupational health and safety at work, including physical, mental and financial health, in line with current working conditions</li> <li>• Providing appropriate equipment to facilitate employees' operations at the office and home</li> <li>• Providing opportunities for employees to allocate their time for work-life balance</li> <li>• Preparing a safe and hygienic workplace</li> <li>• "Work Anywhere" model, with a focus on delivering outcomes agreed upon with supervisors</li> <li>• Providing assistance to relieve increased expenditures resulting from liquidity problems of family members</li> <li>• Providing influenza vaccines for employees and their family members</li> </ul>	<ul style="list-style-type: none"> <li>• Setting up policies and operational guidelines for HR Department, and compliance with labor law</li> <li>• Setting up a human rights policy and guidelines to manage diversity in the workplace</li> <li>• Setting up a roadmap to promote staff career paths</li> <li>• Undertaking annual salary surveys in the markets to come up with appropriate remunerations and benefits</li> <li>• Organizing training courses suited to duties and responsibilities of staff in different divisions and levels, while also providing them financial literacy</li> <li>• Conducting annual employee satisfaction surveys and regular performance assessment</li> <li>• Enhancing work environment in line with the principle of occupational health and safety at work</li> <li>• Answering inquiries via different communication channels in a consistent manner</li> <li>• Introducing occupational health measures, control measures for workplace access, work-from-home practices</li> <li>• Establishing a work model that aligns with new ways of working – whether at the office, from home, or any other location – in response to the employees' needs so they can perform their tasks more efficiently</li> <li>• Introducing assistance measures for employees, including physical, mental and financial health</li> <li>• Annual health checkup at hospitals and reimbursement per KBank's criteria</li> <li>• Providing welfare loans for employees to purchase equipment in order to facilitate their operations, while also offering discounts or special prices to employees</li> </ul>	<ul style="list-style-type: none"> <li>• Human Resource Management</li> <li>• Human Rights Operations</li> </ul>






Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
<p>Customers</p> 	<ul style="list-style-type: none"> <li>Assisting customers via Relationship Managers</li> <li>Conducting regular customer visits to strengthen relationships with them</li> <li>Producing public relations media to disseminate information on KBank products and services in an accurate, complete, clearly defined and transparent manner</li> <li>Using a diverse range of digital channels for flexible and swift communications via social media, in line with customers' lifestyles, such as LINE, Facebook, Twitter (x), YouTube, and answering service questions on Pantip, etc.</li> <li>Providing services through KBank branches and service points, such as banking agents</li> </ul>	<ul style="list-style-type: none"> <li>Customer service provision with responsibility and fairness</li> <li>A variety of quality products and services that meet customers' demands</li> <li>Convenient access to financial products and services</li> <li>Provision of financial advice and knowledge</li> <li>Protection of customer data privacy</li> <li>Preparedness and swiftness in responding to customers' demands</li> <li>Availability and stability of mobile application to enhance continued, swift and smooth services</li> </ul>	<ul style="list-style-type: none"> <li>Establishing basic principles and standards on customer service provision with responsibility and fairness (Market Conduct)</li> <li>Conducting staff training to maintain excellent service delivery per KBank's slogan of "Towards Service Excellence"</li> <li>Delivering products and services matching customers' demands and lifestyles</li> <li>Promoting a good corporate culture, governance, business ethics, and code of conduct to employees, in order to deliver accurate, honest and transparent products and services to customers</li> <li>Adding channels to offer varied and convenient access to financial products and services matching customers' lifestyles</li> <li>Launching training and seminar sessions to provide knowledge on financial products, financial discipline and protection against cyber threats</li> <li>Cyber risk management</li> <li>Implementing policies, structures and measures of IT management, data security and customer data privacy to ensure strict compliance among employees</li> <li>Answering inquiries via different communication channels swiftly</li> <li>Allowing customers to participate in the development of financial products and services</li> </ul>	<ul style="list-style-type: none"> <li>Financial Innovations and Services</li> <li>Cyber Security and Data Privacy</li> <li>Financial Inclusion and Financial Literacy</li> <li>Task Force on Climate-related Financial Disclosures (TCFD)</li> </ul>



Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
<p>Counterparties/ Business Partners</p> 	<p><b>Counterparties</b></p> <ul style="list-style-type: none"> <li>Communicating the counterparty manual, current procurement policies, rules and procedures of the Bank, annual counterparty management guidelines, as well as useful news and public relations information</li> <li>Holding the annual seminar to communicate guidelines and strategies, including the impacts of crises on procurement processes, supply chain management and roles of counterparties towards their future business goals, based on sustainability development</li> <li>Holding meetings to discuss and brainstorm ideas and opinions in creating and developing innovations or new operational models</li> <li>Making an onsite inspection visit to important counterparties or an online inspection visit in accordance with the nature of their products/services and circumstances</li> <li>Conducting an online supplier satisfaction survey</li> <li>Receiving recommendations or complaints via KBank's channels such as email and telephone</li> </ul> <p><b>Business partners</b></p> <ul style="list-style-type: none"> <li>Holding meetings to exchange information and opinions</li> <li>Organizing relationship enhancement activities every year</li> </ul>	<p><b>Counterparties</b></p> <ul style="list-style-type: none"> <li>Procurement policy and regulations, counterparty management guidelines, and related news</li> <li>Business ethics, code of conduct and transparent business operations</li> <li>Fair trade</li> <li>Continual improvements in operational methods and processes, plus collaborating in seeking creative ideas and developing innovations</li> </ul> <p><b>Business partners</b></p> <ul style="list-style-type: none"> <li>Business cooperation based on good corporate governance principles</li> </ul>	<p><b>Counterparties</b></p> <ul style="list-style-type: none"> <li>Establishing counterparty recruitment and selection criteria, based on ESG factors</li> <li>Establishing clear audit processes as specified in the Supplier Code of Conduct</li> <li>Reviewing and improving procurement procedures and communication methods to achieve common goals</li> <li>Undertaking problem examination and rectification in a timely and appropriate manner, and preventing problems that may arise in the future</li> <li>Providing various fields of knowledge for sustainable development of counterparties</li> </ul> <p><b>Business partners</b></p> <ul style="list-style-type: none"> <li>Entering into agreement to define cooperation framework with business partners</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Supply Chain Management</li> <li>Human Rights Operations</li> </ul>



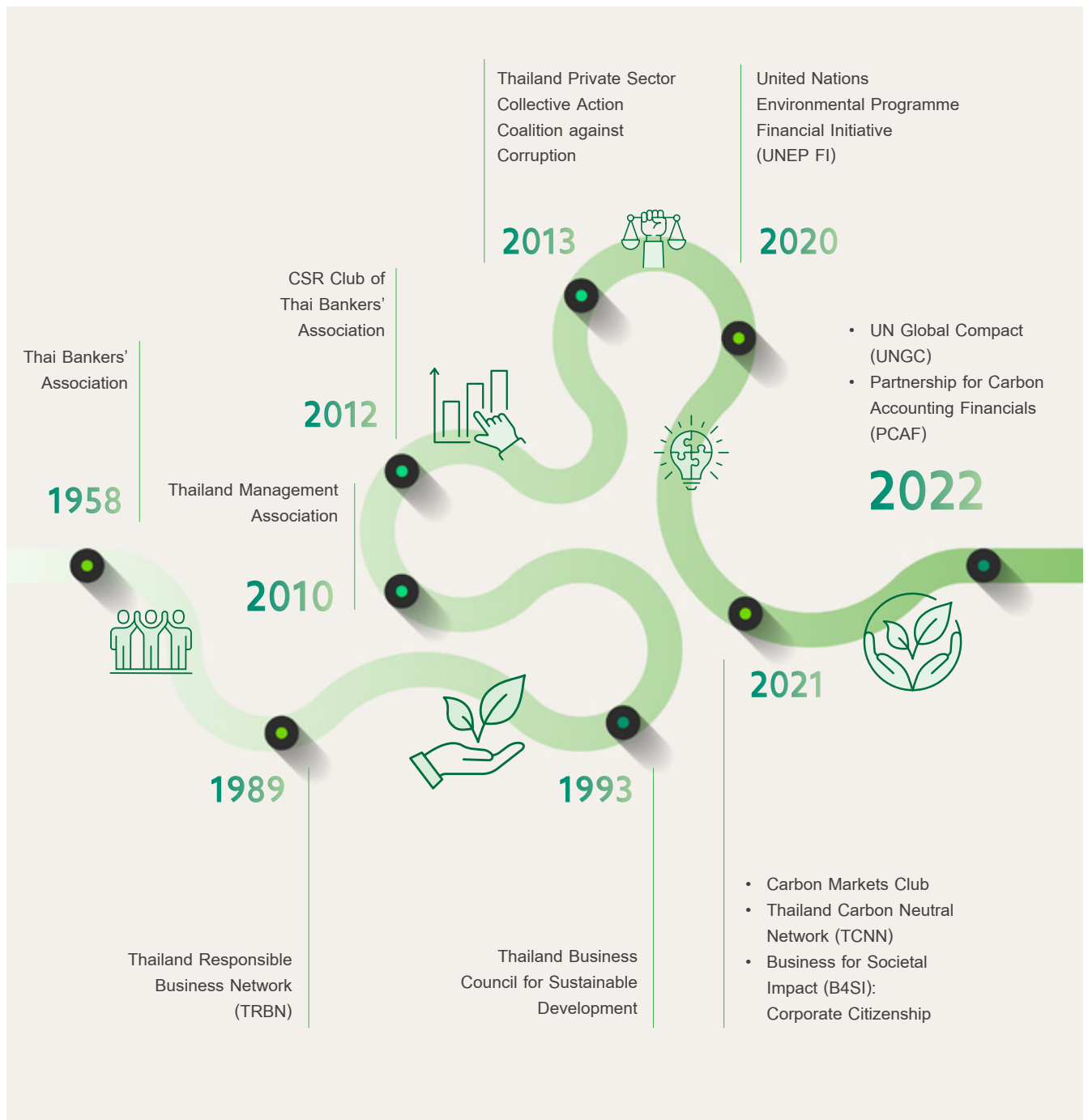
Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
<b>Competitors</b> 	<ul style="list-style-type: none"> <li>Joining meeting to exchange opinions and foster cooperation on various occasions</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent business operations and competition, compliance with a fair and honest competitive framework</li> </ul>	<ul style="list-style-type: none"> <li>Creating fair competitive conditions</li> </ul>	<ul style="list-style-type: none"> <li>Business Ethics</li> </ul>
<b>Creditors</b> 	<ul style="list-style-type: none"> <li>Arranging annual activities in various forms to promote relationships and provide useful knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Interest and loan payments within due date</li> <li>Continuing communications and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Interest and loan payments within due date</li> <li>Continuing activities and communications to provide accurate and complete information, news and knowledge</li> <li>Having in place channels to accept recommendations and/or complaints</li> </ul>	<ul style="list-style-type: none"> <li>Governance/Economic Performance</li> </ul>
<b>Communities, Environment and Society</b> 	<ul style="list-style-type: none"> <li>Conducting surveys and discussions to understand viewpoints and requirements of communities and society, including local government agencies, charitable or non-profit organizations on a yearly basis</li> <li>Organizing community relations activities via employees' volunteer projects and CSR projects of KBank</li> </ul>	<ul style="list-style-type: none"> <li>Financial literacy</li> <li>Products, services and financial service channels matching requirements and ways of life of people in communities/society</li> <li>Development and promotion of community economic growth, and environmental protection for communities</li> <li>Support to social and community activities</li> <li>Assistance to communities in times of natural disasters</li> <li>Offering assistance related to well-being, health, hygiene and illnesses</li> </ul>	<ul style="list-style-type: none"> <li>Providing financial knowledge for communities via electronic channels, KBank branches, public relations media of KBank, training and seminar, as well as volunteer activities of employees</li> <li>Providing knowledge to local communities, promoting their skills development, as well as natural resource and environmental preservation</li> <li>Providing continuous budget support for development of communities, society and the environment</li> <li>Offering assistance to people affected by natural disasters via donation channels in the form of money and necessary items, and rehabilitation after such disasters</li> </ul>	<ul style="list-style-type: none"> <li>Social Contributions</li> </ul>



## 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





# Environmental Dimension

Ensuring Environment Stewardship  
towards a Net Zero Carbon Society

- 046** Task Force on Climate-related Financial Disclosures: TCFD
- 073** Environmental Management



Allocate Baht

**46,986** million

in sustainable financing  
and investment

Cumulative amount of Lending  
and Sustainability and Environment  
2022 - 2023

Baht

**73,397** million

**5** glidepaths and sector  
strategies were completely  
developed since 2022

**12.74%**

reduction  
of GHG emissions  
(Baseline year 2020)





## Task Force on Climate-related Financial Disclosures: TCFD



KBank has realized its duty and responsibility in raising the awareness of all stakeholders on climate change risks, so that they can prepare themselves and seek new opportunities arising from climate change.

As for KBank, we have drawn up the Transition Plan to Net Zero in accordance with our commitment and goals.

### KBank's commitment towards zero emissions of greenhouse gases

1. KBank aims to empower every customer's life and business. We support our customers in the transition to a Net Zero Economy. Sustainability is deeply ingrained in how we serve our customers and manage our operations.
2. We are committed to supporting Thailand and our clients in regional economies on their decarbonization journeys. We will contribute to the global effort to transition to Net Zero Emission by 2050\* and will align with the Paris Agreement goals.
3. We are committed to be the leading sustainable bank in Thailand, allocating at least Baht 100 - 200 billion in sustainable financing and investment by 2030 and pioneering green banking products.
4. We are committed to becoming Net Zero in our own operations (Scope 1 and 2)\*\* by 2030 and achieving Net Zero in our financed portfolio in line with Thailand's aspiration, accelerating this journey where possible. We will continually assess opportunities to take earlier actions as the technology, regulatory environment and external context evolves.



\* Net Zero achievement by 2050 is the goal of global community in alignment with the Paris Agreement target. However, KBank has determined the Net Zero goal in our financed portfolio to be in conformity with Thailand's target, with acceleration of operations that are viable.

\*\* Scope 1: Direct emissions from the activities of an organization including stationary combustion, fleet vehicles (organization-owned), chemical treatment of wastewater, as well as fugitive and process emissions.

Scope 2: Energy-indirect emissions including an organization's purchased energy such as electricity, heat and steam.





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

### Governance

Governance and management of risks and opportunities related to climate conditions

1. KBank Board of Directors
2. Risk Oversight Committee
3. Corporate Governance Committee
4. Credit Risk Management Sub-Committee
5. Sustainable Development Sub-Committee

### Risk Management

Processes for risk assessment and identification, and management of risks related to climate conditions

1. Analysis process of Climate-related risks and impacts, affecting KBank's operations and portfolios
2. Management of risks and impacts affecting KBank's operations

### Strategy

Impacts of risks and opportunities related to climate conditions on business strategies and financial planning

1. Net Zero Strategy
2. Climate-related scenario analysis

### Metrics and Targets

Metrics and targets for assessment and management of risks and opportunities related to climate conditions

1. Net Zero Emissions Target
  - 1.1 Net Zero Emissions from KBank's operations by 2030 (Scope 1 and 2)
  - 1.2 Net Zero Emissions in KBank's portfolio in line with Thailand's target
2. At least Baht 100 - 200 billion in sustainable financing and investment by 2030

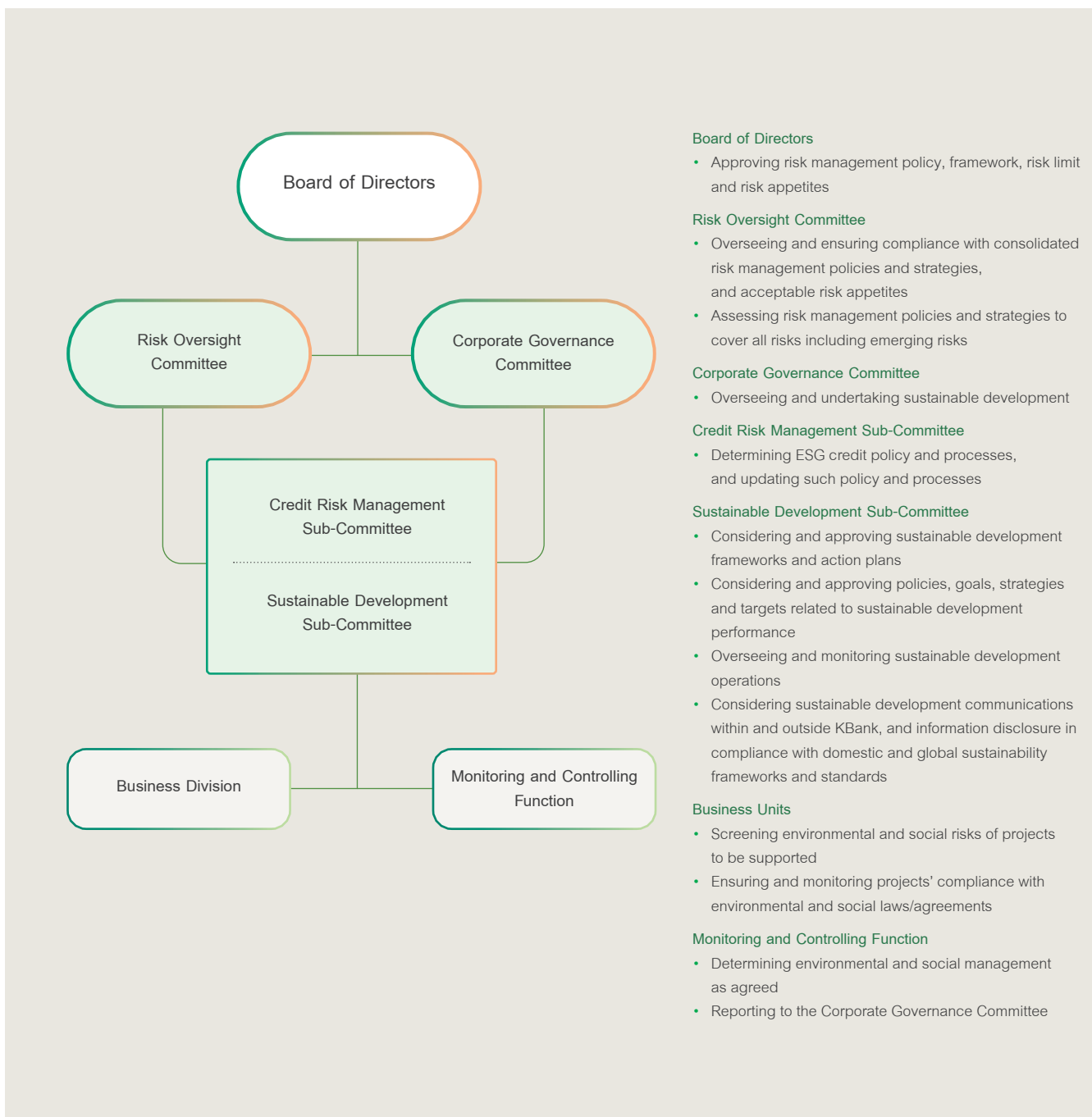


\* More details can be viewed in Task Force on Climate-related Financial Disclosures (June 2017) and Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021)



## 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.



## Decarbonization Pathway to Net Zero

### Decarbonization Pathway to Net Zero



#### 2020

Base year

- KBank's Operations (Scope 1 and 2)
- KBank's Financed Portfolio (Scope 3)

#### 2030

Scope 1 and 2

Net Zero emissions from KBank's operations\*

- Carbon Removal Project

Scope 3

(KBank's Financed Portfolio)

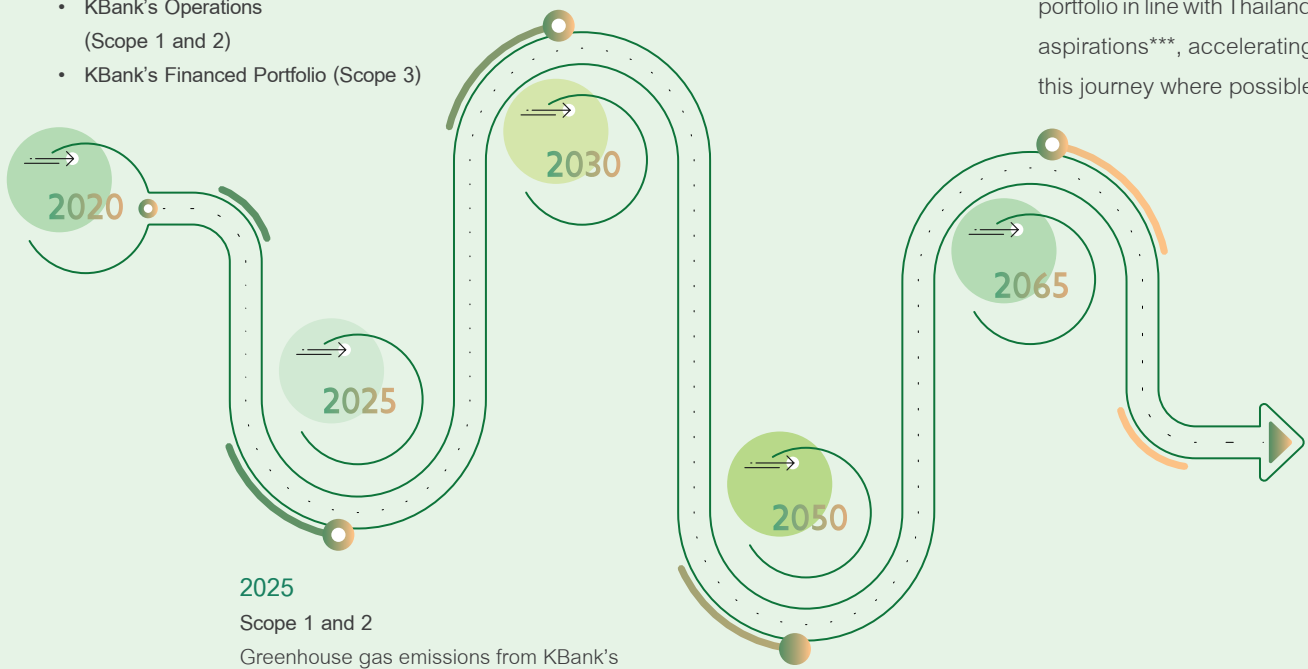
- Allocation of at least Baht 100 - 200 billion in sustainable financing and investment
- Reduction of lending for coal-fired power plants and coal to zero

#### 2065

Scope 3

(KBank's Financed Portfolio)

Net Zero in KBank's financed portfolio in line with Thailand's aspirations\*\*\*, accelerating this journey where possible



#### 2025

Scope 1 and 2

Greenhouse gas emissions from KBank's operations reduced by 21%

- Use of electric vehicles
- Installation of solar panels at KBank's office buildings and branches

Scope 3 (KBank's Financed Portfolio)

- Formulation of the Sector Decarbonization Strategy
- Development of products and services and prepare of strategic plan to assist customers in the transition to Net Zero

#### 2050

Contribution to the global effort to transition to Net Zero emissions by 2050\*\* and will align with the Paris Agreement goals

\* More details on the operational plan for reduction of GHG emissions under Scope 1 and 2 can be found in the chapter of Environmental Management section.

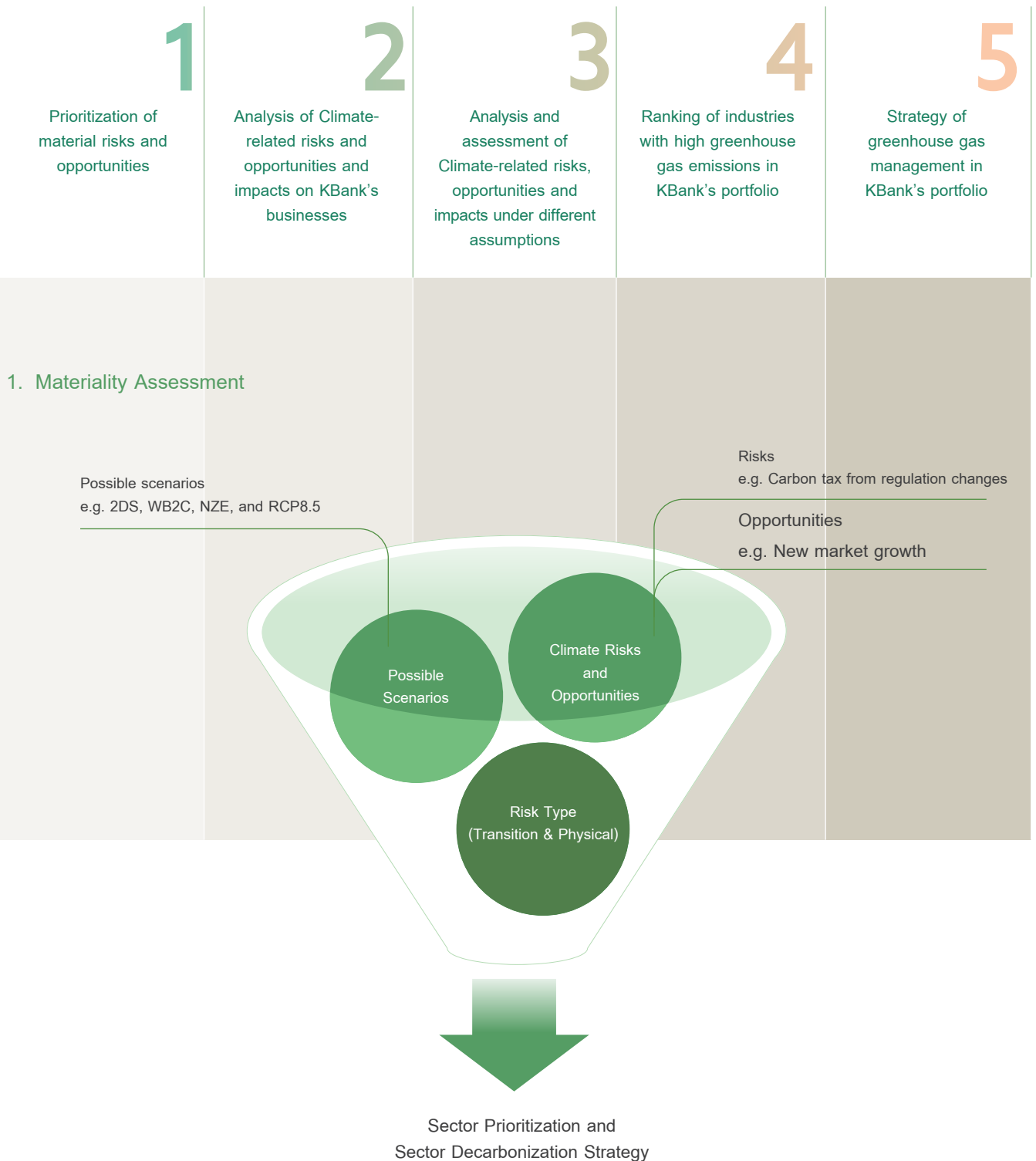
\*\* Net Zero emissions by 2050 is the global effort to transition to Net Zero emissions aligning with the Paris Agreement goals. However, KBank commits to achieving Net Zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible.

\*\*\* Thailand's ambition at COP26: 2050 carbon neutrality and 2065 Net Zero GHG emissions



## Strategies to Manage Climate-related Risks and Opportunities

Preparation Processes for Climate-related Risks and Opportunities





KBank undertook qualitative analysis of Climate-related risks and opportunities that produce financial impacts on banking business, via consultations with internal units on possible scenarios, driving factors, related assumptions, possible impacts on KBank’s businesses and results of each scenario towards our customers and the business sector. Consideration was made on the context of climate change through materiality assessment in order to prioritize material risks and opportunities, taking into account other countries’ targets and Thailand’s goals on the international forum, as well as Thailand’s plan to reduce greenhouse gas emissions under the Nationally Determined Contributions (NDCs) within different timeframes until 2050 and different situations.

## 2. Analysis of Climate-related Risks and Opportunities and Financial Impacts on Banking Business

### 2.1 Climate-related Risks and Opportunities and Financial Impacts

These risks affect profitability, competition, image, reputation and survival. Without timely self-adaptation, businesses may face rising costs in the future as increased investment funds will be required for development for environmentally friendly products and services, thus affecting business operators’ competitiveness and repayment capabilities, which will eventually have short- and long-term impacts on banks.

**Short-term Risks:** KBank may be affected by risks related to laws and policies, as a number of countries have enforced more operational guidelines and regulations, e.g., carbon taxes on the EU’s imports under the Carbon Border Adjustment Mechanism (CBAM), which took effect in 2023, and other new measures to be launched by many countries.

**Long-term Risks:** KBank may be faced with impacts from rising sea levels that will create tangible effects in more than 10 years. Consequently, KBank has determined appropriate timeframes for such impact analyses.

#### Timeframes for Risk Impact Analyses



Short Term	Within 5 years
Medium Term	5 - 10 years
Long Term	More than 10 years



KBank has wrapped up the results of analyses of Climate-related risks that could produce financial impacts on KBank and the guidelines for risk control and response, as follows:

	Risks	Definitions of Risks	Impacts on KBank Businesses	Timeframes of Risks	Risk Control Guidelines
Transition Risks	Risk related to Legal and Policy Aspect	Non-compliance with laws or legal stipulations	<ul style="list-style-type: none"> <li>Rising business costs of KBank</li> <li>Write-off and depreciation of assets, due to customers' inability to adapt to regulatory changes</li> </ul>	Short term - long term	<ul style="list-style-type: none"> <li>Monitoring to ensure strict compliance with related laws and regulations</li> </ul>
		More stringent trend of laws and regulations related to the environment, e.g., carbon tax, emission trading system (ETS), environmental measures causing trade barriers		Short term - long term	<ul style="list-style-type: none"> <li>Identifying and assessing regulatory impacts felt by sector as the first ground in KBank's portfolio</li> <li>Discussing with customers to seek self-adjustment guidelines</li> </ul>
	Risk related to Technology Aspect	Possibilities of and budgets for technology development investment in transition to low greenhouse gas emissions, e.g., production technologies using renewable energy sources, energy storage technologies, energy efficiency enhancement technologies, technologies to alleviate greenhouse gas emissions	<ul style="list-style-type: none"> <li>Write-off and depreciation of assets</li> <li>Technology changes leading to increased investment costs</li> <li>Falling demand for goods with high greenhouse gas emissions, adversely affecting customers' income and repayment capabilities</li> <li>Rising funds for research and development</li> </ul>	Medium term - long term	<ul style="list-style-type: none"> <li>Keeping abreast of progresses in technology innovation and development</li> <li>Supporting research and development of related units</li> <li>Planning for investment in new technology businesses</li> </ul>
Risk related to Market Aspect	Changing consumer behaviors resulting in changes in demand and supply, consumers considering environmental and global warming issues as another factor in their buying decisions, making changes to market conditions	<ul style="list-style-type: none"> <li>Consumers are more interested in environmentally friendly products, affecting sales of goods that cannot keep up with such trends, leading to financial problems and deteriorating repayment capabilities of this customer group</li> <li>Write-off and depreciation of assets</li> </ul>	Short term - long term	<ul style="list-style-type: none"> <li>Designing and developing financial products and services that are environmentally friendly or create positive impacts</li> </ul>	



	Risks	Definitions of Risks	Impacts on KBank Businesses	Timeframes of Risks	Risk Control Guidelines
Transition Risks (Continued)	Reputation Risks	Lending to businesses that are not environmentally friendly, pressures from stakeholders, e.g., customers and investors	<ul style="list-style-type: none"> <li>Declining confidence of stakeholders</li> <li>Reduced customers' use of KBank services, affecting KBank revenues</li> </ul>	Short term - long term	<ul style="list-style-type: none"> <li>Determining credit policy, exclusion list and credit underwriting guidelines for specific industries, and sector strategy to control greenhouse gas volumes of industries with significantly high greenhouse gas emissions</li> <li>Determining growth targets for sustainable financing and investment</li> </ul>
Physical Risks	Acute Physical Risks	Droughts and floods that tend to occur more often and with increased severity	<ul style="list-style-type: none"> <li>Damages to assets of customers and banks</li> <li>Business interruptions</li> <li>Rising costs and expenditures for prevention of and recovery from impacts of natural disasters</li> <li>Increased investment in research and development</li> <li>Write-off and depreciation of assets</li> </ul>	Short term - long term	<ul style="list-style-type: none"> <li>Reviewing and assessing risks arising from natural disasters, determining work plans to alleviate impacts and emergency plans</li> <li>Incorporating risk factor arising from natural disasters in determination of acceptable risk appetites</li> </ul>
	Chronic Physical Risks	Rising global temperatures, weather fluctuations, higher sea levels		Long term	<ul style="list-style-type: none"> <li>Assessing risk and mapping out long-term glidepaths to enhance capabilities to cope with such incidents, and to manage assets, service centers and impacts on customers</li> </ul>





## 2.2 Climate-related Opportunities and Financial Impacts

While the business sector and many nations are aiming to achieve Net zero and transitioning into a society of renewable energy and clean energy consumption, as well as the adoption of technologies to enhance energy efficiency and minimize greenhouse gas emissions, financial needs for achieving the net zero target have been on the rise. In this circumstance, KBank sees certain opportunities to assist all sectors in realizing this goal.

Opportunities	Definitions of Opportunities	Opportunities or Benefits for Bank Businesses	Guidelines to Respond to Opportunities
Resource Efficiency	Efficient consumption of energy and resources, e.g., water recycling, use of energy-saving devices, construction of environmentally friendly buildings	<ul style="list-style-type: none"> <li>Reduction of KBank's operating costs</li> <li>Increase of value of assets that are environmentally friendly</li> <li>Enhancement of employees' quality of life and livelihoods</li> <li>Reinforcement of positive image of KBank</li> <li>Opportunities to provide financial support for customers' adjustment of business processes</li> </ul>	<ul style="list-style-type: none"> <li>Identifying work plans for greater efficiency of energy and resource utilization</li> <li>Increasing participation with customers to push forward their determination of operational strategies and investment planning for greater efficiency of resource utilization in their operations and production processes</li> <li>Preparing projects to promote awareness within and outside the organization</li> </ul>
Energy Source	Use of technologies to produce environmentally friendly energy, cooperation with agencies engaged in climate management		<ul style="list-style-type: none"> <li>Setting targets to use cleaner energy</li> <li>Setting targets to provide financing for transition towards clean energy utilization</li> </ul>
Product/ Services	<ul style="list-style-type: none"> <li>Development of financial products and services to support environmentally friendly businesses</li> <li>Development of products that are beyond financial services to minimize impacts of climate change</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of customer database, generation of income from financial products and services that support environmentally friendly businesses and new income from innovations that are beyond financial services, such as establishment of emission trading platform</li> <li>Increase of competitiveness</li> <li>Risk diversification for KBank's financial assets</li> </ul>	<ul style="list-style-type: none"> <li>Innovating and designing new products and services to offer diverse opportunities and choices to customers</li> </ul>



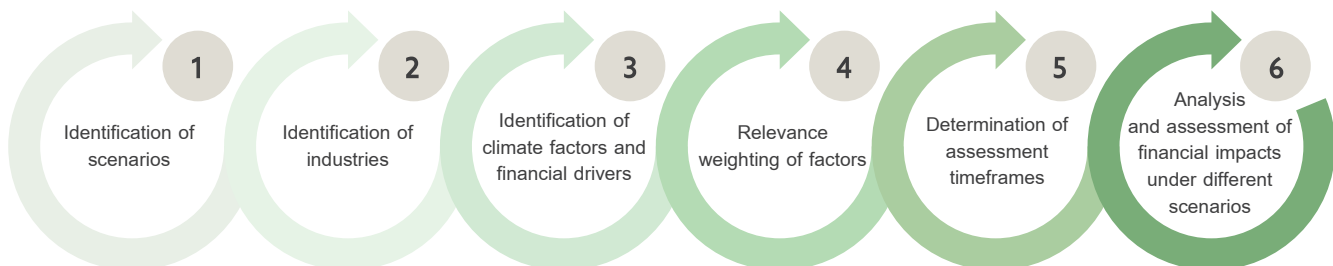
Opportunities	Definitions of Opportunities	Opportunities or Benefits for Bank Businesses	Guidelines to Respond to Opportunities
Markets	<ul style="list-style-type: none"> <li>Market expansion with financial support that is environmentally friendly</li> <li>Creation of new market with products and services that are beyond financial services</li> </ul>		<ul style="list-style-type: none"> <li>Setting targets of sustainable financing and investment</li> <li>Revising portfolio allocation to focus on environmentally friendly businesses and related businesses in the entire supply chain</li> </ul>
Resilience	Self-adjustment to climate change	<ul style="list-style-type: none"> <li>Increase of market value and KBank's reputation</li> </ul>	<ul style="list-style-type: none"> <li>Revising business strategies to focus on Climate-related management</li> <li>Analysing Climate-related risks and opportunities</li> <li>Setting up an operational structure, arranging for personnel potential development and establishing a data storage system in support of Climate-related management</li> </ul>

### 3. Climate-related Scenario Analysis

KBank has conducted the Climate-related scenario analysis, both qualitatively and quantitatively, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), to assess impacts of climate change on KBank's portfolio and to apply the assessment results in establishing portfolio management strategies with respect to risk management and searching for business opportunities.

#### 3.1 Assessment of Transition Risk

KBank has employed Climate Financial Driver Analysis (CFDA) as a tool to analyse Climate-related risks and opportunities, incurred from lending to businesses that might impact financial risks of KBank and our customers under diverse scenarios. Focus has been placed on risks arising from changes in regulatory policies and regulations, and changes in technologies and markets amid the transition towards a low carbon economy (transition risk). The analysis processes consist of the following:





## 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.



### 3.2 Assessment of Physical Risk arising from Climate Change

Physical risk arising from climate change is classified into two types:

- **Acute physical risk** is associated with sudden and severe phenomena, e.g., cyclones, typhoons, floods and droughts, which have become more often and severe.
- **Chronic physical risk** is involved with accumulated and lengthy climate change, e.g., sea level increase, and changes in average global temperatures, air quality and rainfall.

These two risks will produce negative impacts on KBank in various aspects, e.g., damages to assets of customers and KBank, business disruptions, rising costs and expenditures for prevention of and recovery from impacts of natural disasters, increased investment in research and development, and write-off and depreciation of assets.

Considering KBank's overall loan portfolio, most loans are granted in Thailand, and flooding is the main physical risk that has produced significant effects on our asset quality and credit risk. Therefore, KBank has focused on assessment of risk arising from flooding that may affect our credit risk at the microeconomic channels, displaying financial impacts on KBank's loan portfolio.

#### 1. Factors to Assess Financial Impacts caused by Physical Risk

KBank has assessed financial impacts caused by physical risk, based on changes in key credit variables, as follows:

- 1) Probability of Default (PD)
- 2) Loss Given Default (LGD)

#### 2. Results of Assessment of Financial Impacts caused by Physical Risk

Based on an evaluation of collateral portfolio in the part of properties, along with consideration of the GIS data, KBank is estimated to have a low proportion of collateral located in areas of high flooding risk\*. Taking into account the flooding risk factors in accordance with the flooded areas over the past 10 years, the high flooding risk factor would not produce any significant impacts on customers' wealth. However, the value and depreciation value of collateral and

customers' wealth may vary according to other factors, such as land prices, population, economic activities and risks associated with natural disasters. Such other factors have not been considered co-factors for impact assessment of the aforementioned flooding risk.

#### Classification of risk level of KBank's collateral according to flooding over the past 10 years



Level of Risk of Collateral	Number of Flood Events in the Past 10 years
No risk	0
Low risk	1 - 3
Medium risk	4 - 7
High risk	8 - 10

However, KBank has found various important challenges in the assessment of financial impacts caused by physical risk. Therefore, creation of models of losses caused by flooding and detailed projection of flooding maps in the medium and long terms is complicated and varied by each particular area.

Going forward, KBank plans to develop the assessment of financial impacts caused by physical risk, as follows:

- Development of tools to analyze physical risk under cooperation with institutions and organizations to determine a risk area map that is practical and specific for use in Thailand
- Expansion of assessment of impacts on wealth and income caused by flooding risk that produces repercussions on credit risk; the assessment results will be incorporated into the credit risk management processes.

\* Classification of risk levels by the Land Use Policy and Planning Division, Land Development Department <http://irw101.ldd.go.th/index.php/2017-05-23-02-00-40/2017-05-23-02-00-40>



- 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.



- Cement production: KBank has mapped out a strategic plan for greenhouse gas reduction among cement producer group, by controlling the greenhouse gas intensity per unit of cement plants, in parallel with routes and targets for greenhouse gas reduction.
- Aluminum industry: KBank has mapped out a strategic plan for greenhouse gas reduction among aluminum producers (secondary production), by monitoring the greenhouse gas intensity per unit of aluminum plants. KBank will consider start controlling the greenhouse gas intensity per unit, in parallel with routes and targets for greenhouse gas reduction, when the global leading banks start controlling greenhouse gas emission among secondary aluminum production, or when EU countries start to consider collecting carbon tax from secondary aluminum production.

KBank also provides support for increases in generation and utilization of renewable energy, enhancement of energy efficiency, investment in carbon capture and storage technology and low-carbon energy transformation. We are now planning to gradually expand our scope of greenhouse gas management to other industries to increase the share in our portfolio on a continual basis.

In addition, KBank has undertaken numerous significant operations of sustainable development based on the guidelines and strategies established by the Board of Directors.

KBank has already begun our monitoring of our Net Zero Commitment to reduce greenhouse gas emissions in our own operations, notable operations related to minimization of greenhouse gas emissions in our financed portfolio in 2023 include the following:

- Preparation of additional Sector Decarbonization Strategy for two more industries, i.e. cement and aluminum
- Preparation of a customer engagement plan to ensure that they have also followed the commitment to participate in our journey towards Net zero emissions, with the initial focus on significant industrial groups

- Support for sustainable financing and investment to push forward and promote transition to achieve the Net zero goal
- Development of staff knowledge and capabilities for KBank and our customers via diverse tools, including training and seminars, ESG Consult Clinic and online training courses

### Risk Management

KBank has designed the processes of appropriate risk consideration to prevent and minimize business risks of customers and KBank. For the overall risks of the organization, consideration is made on transition risk and physical risk that will directly affect KBank’s major risks, for example, credit risk and operational risk.

### Enterprise Climate-related Risk Consideration

KBank’s processes to consider the overall Climate-related risk of the organization include the identification, assessment and alleviation of impacts of climate conditions on KBank to ensure our business continuity and safety of the lives and property of our customers, employees and all stakeholders. Such risk consideration is a component of KBank’s enterprise risk management, and is conducted on a yearly basis or more than one time a year to keep up with the prevailing trends and to be

#### Processes of Enterprise Climate-related Risk Consideration





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.



Sustainable Development Policy – Environmental Aspect	Metrics and Long-term Targets 2023 - 2025	Target 2023	Performance 2023
Net Zero in our own operations by 2030*	1) 21% reduction of greenhouse gas emissions in 2025 (Baseline year: 2020) 2) Achievement of “Zero Waste to Landfill” at KBank’s main buildings within 2025	12.6% reduction of greenhouse gas emissions (Baseline year: 2020)	12.74% reduction of greenhouse gas emissions (Baseline year: 2020)
Decarbonized financed portfolio emissions in line with Thailand’s ambition, and at the earliest for key material sectors by 2050 where possible	Complete development of glidepaths and/or sector strategies	Development of 2 glidepaths and/or sector strategies	Development of glidepaths and/or sector strategies for 2 industries, including cement and aluminum industries
Leader of innovative “Green Finance” agenda in Thailand	At least Baht 100 - 200 billion in sustainable financing and investment by 2030	Baht 25,168 million allocated in sustainable financing and investment	Baht 46,986 million allocated in sustainable financing and investment

\* Net Zero in our own operations by 2030 includes

Scope 1: Direct emissions from the activities of an organization including stationary combustion, fleet vehicles, chemical treatment of wastewater, as well as fugitive and process emissions.

Scope 2: Energy-indirect emissions including an organization’s purchased energy such as electricity, heat and steam.

## Greenhouse Gas Emissions from KBank’s Financing and Investment Portfolio

Greenhouse gas emissions under Category 15: Investment of Scope 3 are known as the most significant matter of consideration for financial institutions. With its awareness of the importance of reduction of greenhouse gas emissions from the portfolio, KBank joined the Partnership for Carbon Accounting Financials (PCAF) in 2022 to adopt the calculation standard for financial institutions’ credit supports and investments to evaluate greenhouse gas emissions of industries in the portfolio, and for continual consultation with PCAF experts.

To improve alignment with the PCAF standards regarding portfolio emissions disclosure by the Bank, in 2023 the Bank has conducted a reclassification of the emissions as follows:

- Emissions associated with unlisted equity are disclosed as part of “Business Loans and Unlisted Equity” asset class (previously disclosed as part of “Equity” asset class)
- Emissions associated with listed equity are disclosed as part of “Listed Equity and Corporate Bonds” asset class (previously disclosed as part of “Corporate Bonds” asset class)
- Emissions associated with project finance are disclosed separately in the “Project Finance” asset class (previously disclosed as part of “Business Loans” asset class)





In addition, in 2023 the Bank has expanded emission calculation and reporting boundary to other asset classes beyond the 2022 boundary, namely motor vehicle loans and mortgages.

### Greenhouse Gas Emissions from KBank’s Loan and Investment Portfolio

Types of assets/sectors	Portfolio allocation	2022 <sup>(1)</sup>					2023					
		Absolute GHG emissions (Tonnes of CO <sub>2</sub> equivalent)		Weighted score of data quality <sup>(2)</sup> (Highest quality = 1, Lowest quality = 5)		Emissions Intensity <sup>(3)</sup> (Scope 1+2) Tonnes of CO <sub>2</sub> equivalent to USD 1 million of investment or loan	Absolute GHG emissions (Tonnes of CO <sub>2</sub> equivalent)		Weighted score of data quality <sup>(2)</sup> (Highest quality = 1, Lowest quality = 5)		Emissions Intensity <sup>(3)</sup> (Scope 1+2) Tonnes of CO <sub>2</sub> equivalent to USD 1 million of investment or loan	
		Scope 1+2	Scope 3 <sup>(4)</sup>	Scope 1+2	Scope 3		Scope 1+2	Scope 3 <sup>(4)</sup>	Scope 1+2	Scope 3		
<b>By asset classes according to PCAF standard</b>												
Business Loans and Unlisted Equity	100% of corporate bonds, listed and unlisted equity, and business loan	13,486,639	18,471,275	4.2	4.2	300.0	100% of corporate bond, listed and unlisted equity, and business loans	12,977,636	18,964,195	4.2	4.2	287.3
Listed Equity and Corporate Bonds		79,731	209,534	4.2	4.3	40.4		58,685	163,165	4.4	4.5	45.2
Project Finance Loans	100% <sup>(5)</sup>	4,227,346	-	3.0	-	2,709.0	100% <sup>(5)</sup>	3,469,414	-	3.0	-	2,654.1
Motor Vehicle Loans	-	-	-	-	-	-	99.7%	673,324	-	3.8	-	165.0
Mortgages Loans	-	-	-	-	-	-	84.9%	367,800	-	4.0	-	39.3
<b>Total</b>		<b>17,793,716</b>	<b>18,680,809</b>	<b>4.2</b>	<b>4.3</b>	<b>366.9</b>		<b>17,546,859</b>	<b>19,127,360</b>	<b>4.1</b>	<b>4.2</b>	<b>286.6</b>
<b>By sectors (business loans and project finance loans)</b>												
Municipal power generation and municipal water	100% of business loans and project finance <sup>(5)</sup>	4,676,798	-	2.9	-	-	100% of business loans and project finance <sup>(5)</sup>	3,620,908	-	3.1	-	-
Oil and gas		2,768,426	3,045,964	3.9	3.9	-		2,615,769	3,244,476	3.8	3.9	-
Cement		850,088	220,158	4.4	4.4	-		740,709	200,208	4.1	4.2	-
Agriculture		720,436	-	4.5	-	-		783,184	-	4.5	-	-
Transportation		654,163	742,653	4.3	4.3	-		746,301	863,015	4.1	4.2	-
Iron and steel		492,727	378,188	4.1	4.1	-		489,972	374,997	4.1	4.1	-
Coal		362,448	336,116	2.2	2.2	-		131,948	322,596	2.2	2.2	-
Aluminum		64,973	97,724	3.2	3.2	-		56,370	92,096	2.9	2.9	-
Real estate		18,005	-	4.1	-	-		39,212	-	4.0	-	-
Other sectors <sup>(6)</sup>		7,102,302	13,612,599	4.3	4.3	-		7,222,004	13,856,436	4.3	4.3	-
<b>Total</b>		<b>17,710,366</b>	<b>18,433,402</b>	<b>4.2</b>	<b>4.2</b>	<b>382.3</b>		<b>16,446,376</b>	<b>18,953,824</b>	<b>4.2</b>	<b>4.2</b>	<b>354.3</b>

Remarks:

- To ensure compatibility of greenhouse gas emission data, the Bank has conducted restatement of 2022 emissions previously reported in 2022 Sustainability Report. The Bank has revised the option selected for emission calculation to improve data quality, as well as updating emission factors used in the calculation, referring to PCAF calculation methodology and database (latest version: September 2023) to ensure alignment with 2023 emission calculation methodology.
- Weighted score of data quality was calculated by applying weighted loan or investment amount, according to PCAF standard for financed emissions.
- The unit used to report emission intensity is tonnes of CO<sub>2</sub> equivalent to USD 1 million of investment or loan (mUSD), according to PCAF standard (previously, the unit used was tonnes of CO<sub>2</sub> equivalent to Baht 1 million of investment or loan (mTHB)). Currency conversion referred to the exchange rate as announced by The Bank of Thailand on the last business day of the year.
- PCAF standard for financed emissions requires disclosure of Scope 3 GHG emission of only oil & gas, mining, transportation, construction, buildings, materials, and industrial activities sectors.
- Project finance reporting boundary covered only power plants within municipal power generation and municipal water sector.
- Other sectors comprised of: automotive and parts, chemical and chemical products, commerce agriculture, commerce consumer, commerce industrial, communication, construction, construction materials other, digital and technology, electronic & appliances, entertainment, fashion, financial institute, food and beverage, furniture & wood, hardware, hotels and restaurants, industrial agriculture, other metals, packaging and printing, pharmaceutical & hospital, services, and etc.



## Limitation

Calculation of estimated GHG emissions under Category 15: Investment of Scope 3 from KBank's financing and investment portfolio requires readiness and granularity of data in multiple dimensions, ranging from data of the Bank, data of the clients, as well as data from other independent organizations, to enable and enhance the precision of portfolio emission calculation as well as to inform decarbonization strategies in line with the Bank's target. Thus, KBank has put in place data capability development plan to improve data collection, data analysis, as well as database management.

Nonetheless, the calculated portfolio emissions may fluctuate over a period of time, which will be reflected through the changing scores of data quality. The Bank expected that the score of data quality will increase over time. In case that clients' reported emission data is absent, the Bank will calculate estimated GHG emissions using other available information such as production capacity, sectorial emission factors per unit revenue/asset, etc. In addition, emission factors may change over time in accordance with the PCAF databased used as reference.

In certain cases, calculation of KBank's portfolio emissions experienced limitation regarding lag time of necessary data and factors due to reporting cycle of third party, such as clients' reported emissions, clients' financial information, etc. In such cases, the Bank utilizes latest information available to calculate GHG emissions.

## Sustainability Financing and Investment

### 1. Environmental Loans, total outstanding Baht 70,142.14 million

#### 1.1 Green Loans for Corporate Customers

Loans for Corporate Customers	Product Description	Outstanding Loans in 2023 (MB)
Loans for domestic renewable energy	Loans provided for domestic renewable energy projects, including solar energy, biomass energy, waste-to-energy, biogas energy, wind energy	4,327.04
Loans for overseas renewable energy	Loans for renewable energy in foreign countries, i.e., wind energy	8,685.50
Other loans for activities/ projects of environmental conservation or environmental friendliness	Loans for activities/ projects of environmental conservation or environmental friendliness include, for example, green home projects using environmentally friendly materials, purchase of eco-friendly products/equipment.	2,574.41
Loans for alternative energy vehicles	Loans that promote transport that uses clean energy, including auto loans for hybrid and electric cars (B2B)	3,725.99
Loans for large property projects with environmentally friendly concept	Loans for large property projects with environmentally friendly concept, for example, Eco-system Eco-plex projects and green buildings in accordance with the standards of Leadership in Energy and Environmental Design (LEED) of the United States Green Building Council (USGBC).	6,154.47
Loans for energy and environmental conservation	KBank has provided incentives via loans with special conditions to businesses that undertake environmentally friendly operations, in terms of minimization of pollution and efficient utilization of natural resources, namely solar rooftop installation, building renovation and other energy conservation measures.	3,440.23
Loans for environmental conservation	Loans for environmental projects in other countries includes procurements for solar energy, pollution prevention and control to mitigate air pollution impacts from power plants, and energy efficiency improvement projects	4,886.58



Loans for Corporate Customers	Product Description	Outstanding Loans in 2023 (MB)
Loans to support products, production technologies and production processes with environmental efficiency and/or improvement to promote circular economy	Loans for alternative energy, products, production technologies and production processes with environmental efficiency and/or improvement to promote circular economy, as well as sustainable management of garbage and waste certified with environmental standards, e.g., biofuel production plants, treatment and disposal of non-hazardous waste by biological methods, etc.	1,118.32
Loans related to sustainability operations (sustainability linked loans – SLLs)	KBank has granted special privileges to business operators who have achieved the established targets within the loan periods, in order to inspire those operating businesses that are environmentally and societally friendly, including alleviation of pollution and efficient use of limited resources, and minimization of adverse impacts on community residents, as well as being committed to the UN Sustainable Development Goals, e.g., reduction of GHG emissions, and reduced energy and natural resource consumption.	5,434.48
<b>Total green loans for corporate customers</b>		<b>40,347.02</b>

### 1.2 Green Loans for SME Customers

Loans for SME Customers	Product Description	Outstanding Loans in 2023 (MB)
Loans for energy and environmental conservation	KBank has provided loans with special interest rates for projects such as energy-saving loans, improvement of systems and operational processes to reduce energy consumption in business premises, solar rooftop installation, renewable energy consumption in business operations, building renovation for energy conservation.	1,615.15
Loans to support products, production technologies and production processes with environmental efficiency and/or improvement to promote circular economy	Loans for alternative energy, products, production technologies and production processes with environmental efficiency and/or improvement to promote circular economy, as well as sustainable management of garbage and waste certified with environmental standards, e.g., biofuel production plants, treatment and disposal of non-hazardous waste by biological methods, etc. Classified by sub-objectives: <ul style="list-style-type: none"> <li>Loans for alternative energy Outstanding loans: Baht 269.24 million</li> <li>Loans for sustainable management of garbage and waste certified with environmental standards Outstanding loans: Baht 165.03 million</li> <li>Loans for products, production technologies and production processes with environmental efficiency and/or improvement to promote circular economy Outstanding loans: Baht 1,493.21 million</li> </ul>	1,927.48
<b>Total green loans for SME customers</b>		<b>3,542.63</b>



### 1.3 Green Loans for Retail Customers

Projects/Products	Outstanding Loans in 2023 (MB)
Auto loans for hybrid and electric vehicles	17,270.87
Green home loans	8,981.62
<b>Total green loans for retail customers</b>	<b>26,252.49</b>

Remark: The above classification is in accordance with the Green Loan Principles of the Loan Market Association (LMA).



Total Outstanding Environmental Loans

Baht

**70,142.14**

million



## 2. Beyond Financial Solutions

### 2.1 SolarPlus Project

KBank has developed the SolarPlus Platform, which provides e-Marketplace platform service to promote a green ecosystem and support services related to clean energy. Initially, KBank’s key customer segment included the current individual and business customers in the Bangkok metropolitan area, to whom notifications were sent via K PLUS to disseminate information on solar rooftop installation. Interested customers may register and choose a solar rooftop installer that matches their requirements. Customers and companies that provide solar rooftop installation services enter into a power purchasing agreement and KBank has provided credit supports to solar rooftop installation companies. This project is aimed at promoting access to clean energy and moving our mission forward to achieve the net zero goals of KBank and Thailand.

### 2.2 Electric Bike Rental Service

The Bank has introduced the WATT’S UP platform, a one-stop service where users can select electric motorcycle for rent from a wide range of models, make payments, identify other WATT’S UP stations, as well as battery swap, and launched a pilot program with three branches of Thailand Post which resulted in a satisfactory performance at the end of 2022. This year, the Bank aims to strengthen the platform’s offerings by



expanding the focus to real-life users such as regular electric motorcycle riders, first-time electric motorcycle users, as well as provision of leasing options. The Bank also aim to expand business partnerships to bring in a larger range of electric motorcycle models to the platform as well as to expand the network of battery exchange stations available on the WATT'S UP platform to cover users' needs and attract more users.

As part of active contributions for Thailand aspiration towards a Zero Pollution Society, as well as to uplift growth and comprehensiveness of electric motorcycle Green Ecosystem in the country, both of which are key objectives of the WATT's UP program, KBank has included WATT'S platform plan into our strategic plans by integrating all financial services concerned, such as loans and insurance for electric motorcycles into WATT'S UP platform, in order to provide platform users with instant access to a wide range of services.

### 3. Green and Sustainability Investment

In recognition of the importance of investment for the environment, KBank has issued and invested in sustainability bonds with the following details:

#### 3.1 Issuance of Sustainability Bonds\*

In 2022, KBank issued YEN-denominated sustainability bonds, with 2- and 3-year maturities, USD-denominated sustainable bonds, with 3-year maturity, totaling USD 84 million (equivalent), offering for sales to domestic investors, so as to promote financing for environmentally and socially friendly businesses, such as loans of energy and environmental conservation loans, renewable energy loans and loans to promote employment in society. KBank is the first bank in Thailand and ASEAN to issue sustainability bonds in accordance with global standards set up by the International Capital Market Association (ICMA) and the ASEAN Green, Social and Sustainability Bond Standards of the ASEAN Capital Markets Forum (ACMF).

KBank issued sustainability bonds total outstanding

Baht

2,936

million,

accounting for

8%

of KBank's total senior bonds.



#### Operating Performance\* (Information as of September 2023)

Bonds have been managed by lending the full amount to environmental and social projects approved by the Board of Directors, based on their environmental and social promotion, and benefits in other fields, as follows:

\* More details of sustainability loans and second party opinions can be found at <https://www.kasikornbank.com/en/sustainable-development/sustainability-bond/Pages/Sustainable-Bond-Report.aspx>



## 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.





## 4. Environmental and Sustainability Funds\*

with Net Asset Value of Baht 22,972 million

Projects/Products	Details of Products	Net Asset Value** (MB)
K-PLANET-A (A) KPLANETRMF <sup>(1)</sup> Funds	The first funds in Thailand that invest in high-growth potential and sustainable stocks worldwide, focusing on 3 themes, i.e., energy, soil-ocean and materials, relevant to reduction of climate change problems.  These will be channeled through LO Funds – Planetary Transition, (USD), and I Class A.	-A(A): 2,277.78 RMF: 14.90
K-CHANGE -A (A) K-CHANGE-SSF K-CHANGE-RMF K-CHANGE-C (A) Funds <sup>(2)</sup>	Funds invest in businesses that have positive impacts on the world. Its investments are placed in global stocks via the master funds: Baillie Gifford Positive Change Fund - Class B accumulation (GBP) that selects 25-50 companies having high growth potential and the capability to create positive impacts in four major areas, namely social and educational equality, natural resources and environment, healthcare and promotion of quality of life, and assistance for economically underprivileged people	-A(A): 10,253.31 SSF: 4,511.60 RMF: 3,944.25 -C(A): 5.8
K-STN-UI-A9A) Fund <sup>(3)</sup>	The K-SUSTAIN Fund is Thailand's first sustainability fund that focuses on generating profits from stocks that are positively or negatively affected by the transition towards sustainable business operations. The fund invests via JP Morgan Funds - Multi-Manager Sustainable Long-Short Fund, Class JPM S2 (perf) (acc) – USD, which is focused on sustainability megatrends in five business categories: energy transition, health and wellness, empowerment, resource efficiency and technology for sustainability.	204.40
KTHAICGRMF Fund <sup>(4)</sup>	The KTHAICGRMF is focused on investment in companies with good corporate governance and are certified as member of the Thai Private Sector Collective Action Against Corruption (CAC). Good corporate governance may be considered from CG Scoring by the Thai Institute of Directors or other related agencies.	377.36
K-TNZ-ThaiESG Fund <sup>(5)</sup>	The Fund aims to promote mitigation of the climate change impacts and the portfolios are managed with the goal of the Portfolio Temperature Alignment is lower than the benchmark and encourage the business sector to be a part in driving Thailand to meet the goal of net-zero greenhouse gas (GHG) emissions by 2065, in line with the Paris Agreement.	1,382.31
<b>Total NAV of Environmental and Sustainability Funds*</b>		<b>22,972.71</b>

\* Environmental and sustainability funds of KASIKORN ASSET MANAGEMENT (as of January 19, 2024)

\*\* NAV represents the value of trading funds via the channel of KBank only.

(1) Total NAV of K-Climate Transition Fund is Baht 2,298.68 million

(2) Total NAV of K-CHANGE Fund is Baht 18,714.96 million

(3) Total NAV of K- SUSTAIN Fund is Baht 204.4 million

(4) Total NAV of KTHAICGRMF is Baht 377.36 million

(5) Total NAV of K-TNZ-ThaiESG is Baht 1,382.31 million





## Customer Engagement

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

- 1. 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.
- 2. 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.
- 3. 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.





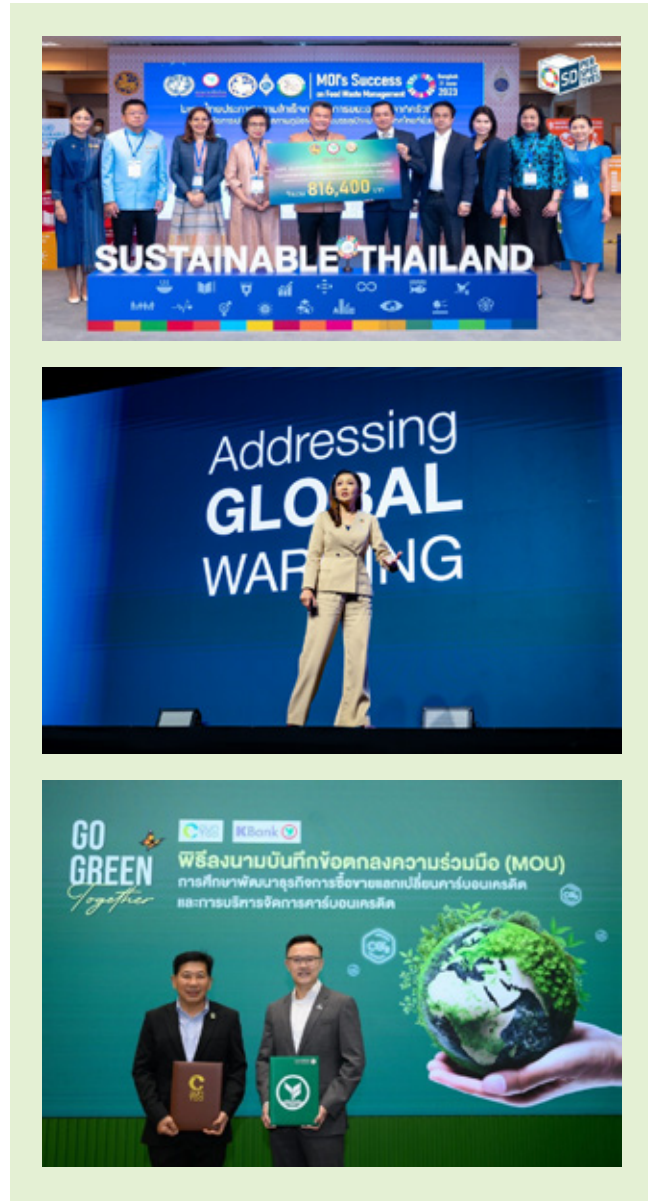
## Cooperation with Partners to Alleviate Climate Change Impacts

### 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 CO<sub>2</sub>-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 powergenerating 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.



## Environmental Management



### Risks

Inefficient environmental management will not only result in higher costs and expenses for the Bank’s business operations, but also increase the risks of non-compliance with rules, regulations, and standards related to the environment. This inefficiency will also affect KBank’s ability in achieving its Net Zero emissions target.

### Opportunities

If the Bank has efficient environmental management in place and can optimize its resource utilization, the Bank will not only be able to save on substantial operating costs, but also mitigate risks and adapt itself in order to reduce the impacts of climate change in the future, helping enhance the Bank’s positive image, and attract investors, who attach importance to environmentally responsible investments.

KBank is committed to achieving Net Zero in our own operations (Scope 1 and 2) by 2030, with the aim of mitigating the impacts of KBank’s operations on climate change by integrating environmental and energy management systems into its responsibility and performance assessment. Additionally, KBank has developed strategies and business management processes by taking into account the impact of eco-efficiency while also building knowledge and promoting an understanding and responsibility among all stakeholders towards the efficient use of resources throughout KBank’s processes and business activities.





## Environmental Management



### Environmental Supervision

The Bank has established the Sustainable Development Sub-Committee to oversee operations related to sustainability, from Governance and Economic, Social, as well as Environmental Dimensions. The Building and Facilities Management Department provide key operational supports in the Bank's environmental management in own operations, as well as the collection of environmental data for reporting purpose and to inform operational improvement strategies.

The Bank has in place policies to ensure excellent and effective environmental management systems, such as energy and environmental conservation policy, as well as establishment of goals and guidelines to reduce natural resource consumption and minimize environmental impact due to the Bank's operations. The policies, goals, and guidelines provide framework and direction for all employees to contribute to driving KBank towards becoming a Green Organization and delivering environmental stewardship for the global community.

### Efficient and Environmentally Friendly Resource Management

KBank has announced its environmental and energy conservation policy. This policy outlines practices, based on the application of an environmental and energy management system in accordance with international standards. It sets goals and plans, aimed at reducing the consumption of resources in a systematic manner. This policy also specifies environmental credit policies and credit underwriting guidelines, supports lending in environmental projects, determines roles and responsibilities of executives and employees at all levels of employees so that they comply with the established measures. Under this policy, environmental management guidelines, targets and plans are reviewed every year to ensure that they are up to date and suitable for the organization's business operations and prevailing situations, as well as supporting the creation of innovations for continuous development. Additionally, KBank has promoted the awareness and recognition of environmental conservation among all stakeholders.

For the full environmental and energy conservation policy, please click: [https://www.kasikornbank.com/th/ir/corporategovernance/transparency/pages/environmental\\_and\\_energy\\_conservation\\_policy.aspx](https://www.kasikornbank.com/th/ir/corporategovernance/transparency/pages/environmental_and_energy_conservation_policy.aspx)



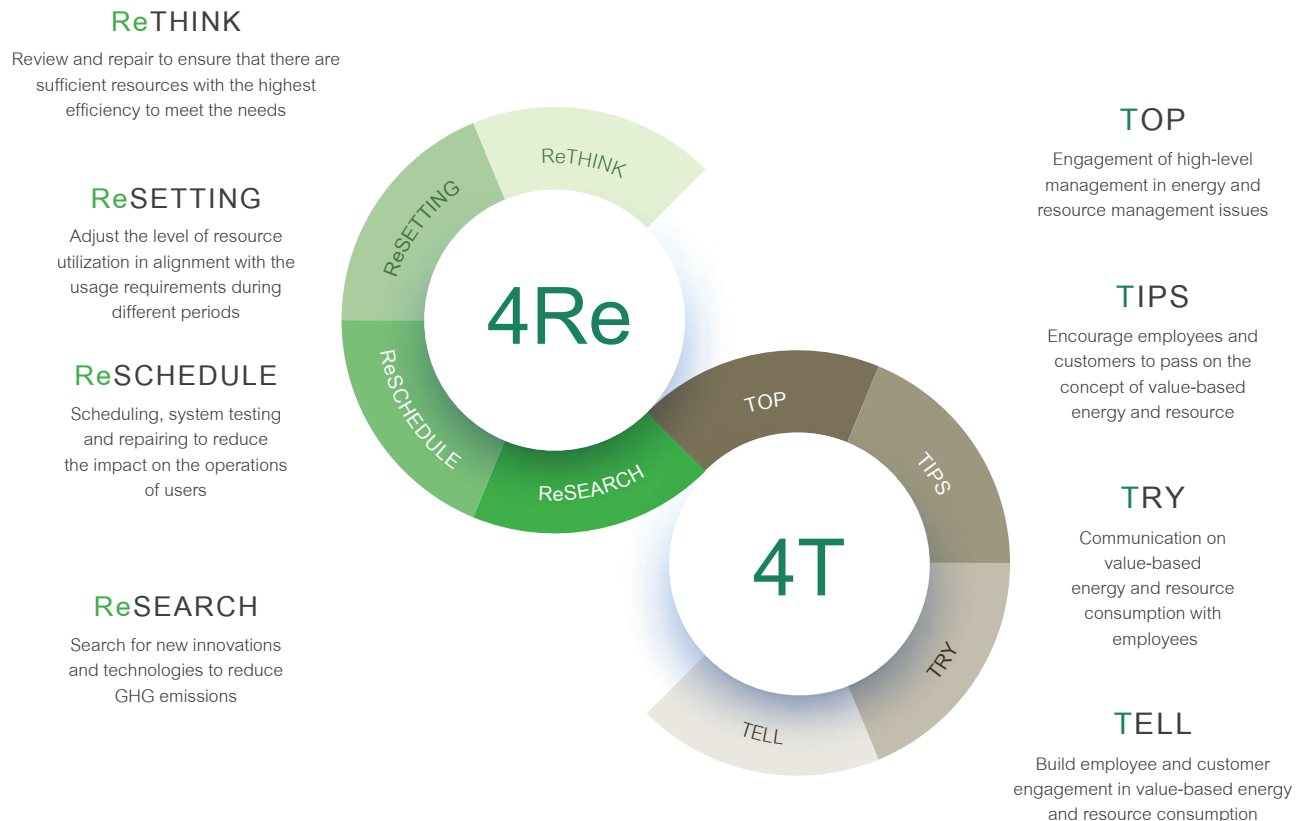
KBank utilizes the Focus Acceleration Approach, which places emphasis on efficient management in dimensions that have significant effects on the environment and are under KBank’s control. This approach has been expanded to continuously create positive impacts from the downstream of business operations, achieved by raising the awareness based on the principles of “minimization of waste, efficient consumption and restoration of nature” and 4Re to 4T concept in line with international management standards. This approach encompasses lighting system management, air conditioning system management, water use management throughout the organization, waste management and employees’ business travel. The 4Re concept will help enhance technical management while the 4T concept will raise the awareness among employees and customers, regarding the efficient consumption of energy and resources via various communication channels and study courses.

KBank has reinforced confidence and promoting operational involvement in environmental management across all

scopes (1, 2, 3). To enhance the efficiency and effectiveness of environmental management, KBank has developed and expanded the Environmental Management System (EMS) to better address GHG emissions within Scope 3.

The environmental data management technology and various measurements used by KBank has allowed for quicker identification of issues, reduction in overlapping management operations, planning and review of the measurement report verification (MRV) for GHG emissions. As a result, KBank can report its environmental operations in alignment with international standards.

KBank has been certified with the ISO 14001:2015 and ISO 45001 Environmental Management System standard, covering operations within KBank’s Head Office building, the entire personnel at the workplace, including contracted external companies and individuals utilizing areas within KBank’s responsibility.





## 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.



## Water Use Management

### Water System Management

KBank has achieved efficient water system management through water management innovations. Water flow rates of faucets and toilets in every building have been adjusted to reduce water consumption. Wastewater is effectively treated and reused in sanitary and plant watering systems. In 2022, 19,458 cubic meters of recycled water were used at Kbank.

Amid the current concern about heightening water stress in certain areas of the country, the Bank has conducted water risk assessment on all of the Bank's buildings and prepared risk assessment reports to enhance water use efficiency in water stressed areas. In 2023, the risk assessment reports indicated risks as shown below. The number of provinces with high level of water stress has increased compared to 2022 by 29 provinces. In addition, the number of provinces to be closely monitored for water stress risk increased to 2022 by 11 provinces.

### WATER STRESS DISTRIBUTION by Severity Level

	2022	2023
Low (< 10%)	6.49%	2.55%
Low - Medium (10 - 20%)	1.78%	0.66%
Medium - High (20 - 40%)	80.75%	6.03%
High (40 - 80%)	4.50%	77.64%
Extremely High (> 80%)	6.47%	13.12%
Grand Total	100%	100%

## Waste Management

### Effective Waste Management

To ensure efficient waste management, the Bank has established procedures for our waste management, including hazardous waste, to be used as guidelines throughout the organization along with integrating state-of-the-art techniques into our waste management. Moreover, KBank has encouraged employees to sort different types of waste and avoid the purchases of products containing environmentally hazardous materials. KBank also ensures that operational processes help reduce wastes, including unwanted materials, expand equipment lifetimes, repair and reuse certain equipment, and turn single-use packaging into biodegradable materials through an efficient waste segregation system. The Bank has made available waste segregation points and waste disposal methods in accordance with the type of waste.

KBank has worked with document collection and destruction service providers to recycle scrap paper into pulp and paper. In 2023, a total of 1,751 tons of scrap paper were recycled, helping save 29,767 trees from being cut down.



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. <request reference to confirm that this data can be accurately published in SR>
- “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.







## Projects to Promote Green Behavior

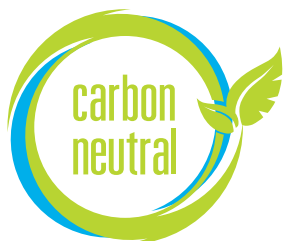
The Bank has participated in various environmental projects initiated by other organizations to demonstrate its commitment to conducting business, with responsibility towards the environment. KBank has also promoted green behavior through several projects, as follows:

### Collaboration with external organizations



#### Carbon Footprint Program

KBank received Carbon Footprint for Organization certification; its carbon footprint label was registered by the Thailand Greenhouse Gas Management Organization (Public Organization), Certificate No. TGO CFO FY23-05-161 on May 31, 2023. KBank's carbon footprint of 81,402 tons of carbon dioxide equivalent was registered.



#### Carbon Neutral Program

KBank participated in the Thailand Voluntary Emission Reduction Program (T-VER) and received a Carbon Neutral certificate from the Thailand Greenhouse Gas Management Organization (Public Organization) for the 6th consecutive year, thanks to KBank's success in implementing carbon offsetting schemes, with carbon credit supported by BCPG PCL. The collaboration is intended to promote the transition towards a low carbon economy for sustainable growth, covering the economy, society and environment, plus the benefit of Thailand and the world, now and in the future.



#### Climate Action Leading Organization

KBank has joined the Climate Action Leading Organization, a collaboration between the Thailand Greenhouse Gas Management Organization (Public Organization) and the United Nations Framework Convention on Climate Change (UNFCCC), to express its intention to be a leader in GHG management. This shows that KBank has clear goals and operational plans for its GHG management, as well as its intention to reduce GHG emissions for a carbon-free society. The bank has received the results of measure and Reduce for Gold level, and Contribute for Silver level.





# Social Dimension

Being a Responsible Corporate Citizen  
to Create Sustainable Society

082	Financial Inclusion and Financial Literacy
092	Cyber Security and Data Privacy
100	Human Resource Management
113	Human Rights Operations
118	Social Contributions



Financial literacy for the underprivileged

**53,886**  
persons

Cyber literacy campaign to reach

**28.2**  
million persons

Provided Financial Literacy for youth

**11,581**  
persons





## Financial Inclusion and Financial Literacy



### Risks

Lack of financial literacy would hinder the general public from efficient financial management. They may opt to accumulate debt for consumption, which would exacerbate the household debt problem. This problem may incur higher risks to KBank's asset quality, which could have a wide-ranging impact on the overall economic system.

Additionally, if the general public has no or limited access to financial services, they may shift to informal loans with higher interest rates, leading to large debt burdens. This could also have an adverse impact on the economy as a whole.

### Opportunities

Provision of financial literacy to the general public would create opportunities in maintaining KBank's asset quality as well as the stability of the country's overall economic system. Promoting financial inclusion, the Bank can analyze customer data in order to offer products and services that better meet their needs. This allow us to expand customer base and achieve sustainable business growth.

## Provision of Financial Literacy

KBank offers financial literacy to the general public with the aim of enabling them to plan their finance in various aspects, such as savings and investment, in accordance with their risk appetite and lifestyle, while having sufficient financial stability. The Bank has formulated guidelines for creating financial literacy as follows:

- Providing knowledge and improving service processes to ensure that customers and stakeholders understand finance and do not incur debt beyond their repayment ability.
- Developing channels for communications and financial literacy that are convenient and accessible for all stakeholders.
- Enhancing employees' skills in communicating with customers or related stakeholders, refraining from inappropriate sales of financial products, or sales practices that do not respect customers/consumers.



In 2023, KBank held training courses for various groups of customers, for example, retail clients, SMEs, startups and corporate customers, in order to enhance their skills in business management. In detail:

### Financial Literacy for Customer Groups

Target Groups	Details of Programs and Activities	Outputs	Positive Change to Society
1. High Value Customers (THE SIERRA), 2. Affluent Customers (THE WISDOM), 3. SMEs, 4. Merchants Online	<p>Online seminars, live Q&amp;A with experts in each field for all four groups of customers.</p> <ul style="list-style-type: none"> <li>THE SIERRA customers: As a customer group that generates high income to KBank, KBank has organized workshops on the topics of Family Business, ESG, Tax, Alternative Investment - topics that are of interest to THE SIERRA customers.</li> <li>THE WISDOM customers: A semi-annual seminar "THE WISDOM Investment Forum", joined by experts in various fields and financial advisors to analyze interesting investment directions and trends, along with in-depth analysis; and "THE WISDOM Wealth Decoded" - a small-group seminar for customers interested in in-depth knowledge about investment.</li> <li>SMEs: Proactive online seminar in which senior and younger generation businesspersons in various fields exchanged and shared perspectives on business management and solutions, together with network creation among participants in the seminar.</li> <li>Merchants Online: Online seminar "Online but not Alone" in the form of workshop to provide knowledge and tips on practical use of the platform to boost online sales.</li> </ul> <p>Aside from the activities above, knowledge has been shared through LINE BC for the WISDOM and MOL groups.</p>	<ul style="list-style-type: none"> <li>Number of views/ attendance of seminars or articles on businesses, finance and investment for the four groups of customers: 731,000 from a target of 500,000</li> </ul>	<p>To enhance customers' potential and expand their business network in order to upgrade capabilities of high value customers (THE SIERRA), and SMEs, which are essential to the Thai economic system. Meanwhile, these activities allow KBank to understand customers' needs and more efficiently develop products and services.</p> <p>These include provision of knowledge to retail customers for expansion to online trading channels, together with a guidance for higher income generation for customers.</p> <p>In addition, customers were equipped with up-to-date knowledge on investment market conditions, used to support decisions made in personal portfolio adjustment for THE WISDOM customers.</p>



Target Groups	Details of Programs and Activities	Outputs	Positive Change to Society
Startups	<p><b>KATALYST project</b></p> <p>This project is aimed at promoting KBank's image as partner tech startups with potential and determination to expand their businesses, while having products that are in line with the needs of KBank's customer groups. This is an opportunity to expand KBank's customer base in Thailand and foreign countries (via KASIKORN VISION Co., Ltd.) and jointly create innovations with KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG). Key initiatives in 2023 were:</p> <ul style="list-style-type: none"> <li>• Provision of knowledge on interesting technologies and trends, and soft skills that are useful for startups.</li> <li>• Training for tech startup community via online platforms, namely Facebook and YouTube.</li> <li>• The e-Learning Program was jointly held with Associate Professor Charles (Chuck) Eesley to equip 62 teams of startups with knowledge on innovations obtained from Stanford University, USA, for a period of eight weeks. The program was organized for the fourth year. Total participants were more than 250 persons.</li> <li>• Collaboration with Amazon Web Services (Thailand) in providing startups with knowledge about team building and finding product-market fit (PMF) in business.</li> <li>• Collaboration with Wavemaker Impact to update trends and key players in sustainability in Southeast Asia by organizing knowledge Sharing, Panel Discussions, and Networking Sessions for both Thai and foreign participants.</li> <li>• Collaboration with Content Shifu in providing knowledge about digital marketing and key marketing tools to Thai startups.</li> <li>• Organizing Payment Day event to provide startups with knowledge and advice on payment solutions and PromptBiz.</li> <li>• Organizing UX/UI Day with Beacon Interface to provide knowledge on User Experience and Practices for Early Stage Tech Startup</li> </ul>	<ul style="list-style-type: none"> <li>• Number of Facebook Fanpage followers: 18,000</li> <li>• Number of completed projects and projects in progress of tech startups for business expansion: 10</li> <li>• Number of startups in the process of discussion for business expansion: 5</li> <li>• Number of attendees of online knowledge sharing: More than 1,800</li> </ul>	<p>Startups were offered an opportunity to expand their businesses, customer bases and investment both in Thailand and other countries. They had a chance to exchange knowledge and seek advice from experts in various fields on matters, such as regulations, marketing, in-depth knowledge about technology and organization management.</p>



Target Groups	Details of Programs and Activities	Outputs	Positive Change to Society
Corporate Customers	A quarterly seminar titled “Economic Outlook: Thailand Forecast 2023” to provide knowledge on the following topics: <ul style="list-style-type: none"> <li>• Factors driving the global economy and Thailand’s economy in 2023</li> <li>• Analyses of Thai industries and stock in 2023 - 2024</li> <li>• Outlook of currencies, interest rates and exchange rates</li> </ul>	<ul style="list-style-type: none"> <li>• Number of participants: 788</li> </ul>	Appropriate investments
	A seminar on sustainable business practices and adaptability to achieve substantial growth, including top strategies and key concepts from executives from leading public and private organizations, as well as insights from global business leaders and experts on the following topics: <ul style="list-style-type: none"> <li>• The ESG Framework for Sustainable Business</li> <li>• Earth Jump 2023</li> </ul>	<ul style="list-style-type: none"> <li>• Number of participants: 194</li> </ul>	Opportunities to drive sustainable business operations amid rapidly changing circumstances
	A seminar providing insights into various industries in preparation for the transition towards a low-carbon economy; risks, opportunities and adaptation strategies of key businesses that would see potential impacts of environmental policies of trading partners both domestically and internationally: <ul style="list-style-type: none"> <li>• Power generation</li> <li>• Real estate and construction</li> <li>• CBAM-covered businesses (cement, iron and steel, fertilizer, electricity and hydrogen)</li> <li>• Logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Number of participating organizations: 120 - 150</li> </ul>	Readiness and adaptability for the transition towards a low-carbon economy effectively, sustainable business practices, and enhanced competitiveness in international trade
Youths	AFTERKLASS project is an online platform to offer young people financial literacy for the first time in Thailand since Year (2014).	<ul style="list-style-type: none"> <li>• Number of new members in the online system: 10,543 persons</li> <li>• Number of youths participating in both online and in-person workshops: 1,433 persons</li> <li>• Social media followers: <ul style="list-style-type: none"> <li>- 51,001 Facebook followers</li> <li>- 9,430 LINE@ followers</li> <li>- 775 Twitter followers</li> </ul> </li> <li>• Media and PR value: Baht 19.81 million</li> </ul>	Youths are equipped with knowledge and skills in savings, spending, financial management, business, investment, and financial products.



## Financial Inclusion

KBank aims to develop diverse financial products and services, while offering more convenient channels, in order to promote greater financial inclusion among households and vulnerable groups.

The Bank is aware that there are many underserved people owing to lack of access to finance and reliance upon informal funding sources. We thus place emphasis on providing financial literacy in order to develop the potential and increase the number of people with improved access to our financial services, as deemed appropriate, together with creation of financial discipline among the public.

## Financial Inclusion Management Guidelines

KBank is determined to promote financial inclusion and financial literacy among customers, communities, and society. Focus is to enable people across all areas to choose financial products and services that suit their needs, while improving their quality of life. The guidelines for provision of financial literacy and promotion of financial inclusion for the general public are, as follows:

- Developing financial innovations and services that cater to all groups, especially underserved people, based on market analysis and customer feedback, as well as non-financial support and financial well-being.
- Enhancing accessibility and service delivery to various groups of customers in line with their needs and suitability.
- Having in place channels for communications and financial literacy that are convenient and accessible to all stakeholders.
- Collaborating with business partners in developing appropriate channels for accessing financial products for all stakeholders.

Notable performances in 2023 include the following:

## Products and Services for Financial Inclusion of Small and Micro Business Customers

Products/Services	Details of Financial Innovations	Performances
Soft loan program to upgrade machinery and production efficiency for SMEs	The program, with total loan amount of Baht 30 billion, is aimed at providing more access to low-interest loans for SMEs.	<ul style="list-style-type: none"> <li>• Outstanding loans: Baht 145.35 million</li> </ul>
Good Innovation, Zero-interest Project	KBank collaborated with the National Innovation Agency (NIA) to support businesses that need capital to pursue innovations. NIA finances interest costs incurred for a certain period during the initial phase of a project, while KBank provides loans for the customers' projects assessed as an innovation by the NIA.	<ul style="list-style-type: none"> <li>• Outstanding loans: Baht 36.04 million</li> </ul>





Products/Services	Details of Financial Innovations	Performances
Interest compensation program for rice traders to maintain rice stockpiles for 2022/2023 production season	The government interest compensation program for rice traders in maintaining rice stockpiles for the 2022/2023 production season is aimed at absorbing paddy that would otherwise enter the market. It is expected that this project will help stabilize paddy prices in the market.	<ul style="list-style-type: none"> <li>New loans: Baht 8,875 million</li> </ul>
Loan to Fight COVID-19 Program	KBank introduced a special urgent assistance program to shore up liquidity for small restaurants and retail stores affected by the COVID-19 crisis via easy access to loan facility. Under the "Loan to Fight COVID-19 program, borrowers are granted a loan of up to Baht 300,000, with a loan period of up to five years, 3 percent interest and a 3 month grace period of principal payment. With no collateral required and no fee charged, only national ID card and account holding with KBank are needed. Online application can be made via KBank website and loan is approved via digital channel to accommodate a large number of applicants in a rapid manner.	<ul style="list-style-type: none"> <li>Outstanding loans: Baht 1,630 million</li> <li>Participating entrepreneurs: 13,796</li> </ul>
Loan Facility for CRC's Suppliers	The facility comprises two programs: <ol style="list-style-type: none"> <li>1. Rehabilitation loans with the Thai Credit Guarantee Corporation (TCG) guarantee</li> <li>2. Unsecured loans for sponsor's suppliers with TCG guarantee under cooperation with large business operator (sponsor) that provides support in terms of working capital and liquidity for SMEs selling goods to or providing services for that large business operator</li> </ol>	<ol style="list-style-type: none"> <li>1. Rehabilitation loans               <ul style="list-style-type: none"> <li>• Outstanding loans: Baht 366.86 million</li> <li>• Participating entrepreneurs: 115</li> </ul> </li> <li>2. Loans for sponsor's suppliers               <ul style="list-style-type: none"> <li>• Outstanding loans: Baht 2.12 million</li> <li>• Participating entrepreneurs: 2</li> </ul> </li> </ol>





## Products and Services for Financial Inclusion of Social Groups

Products/Services	Details of Financial Innovations	Performances
<b>K PLUS: Expanding customer base of youths aged 12 - 14</b>	To expand the customer base, K PLUS allows youths aged 12 - 14 to apply for K PLUS and conduct financial transactions by themselves.	<ul style="list-style-type: none"> <li>Number of young age group of K PLUS users: 258,000</li> </ul>
<b>K-eSavings Account Opening via K PLUS: No minimum amount for account opening</b>	KBank unveiled K-eSavings Account opening via K PLUS. Customers can apply for a K-eSavings Account via the K PLUS application by themselves via mobile phone, and there is no fee for opening an account. KBank has adopted authentication technology to upgrade our cyber security standards, including K CHECK ID or real-time verification of national ID cards at authentication service points, authentication via National ID (NDID) and face scan against photographs on K PLUS.	<ul style="list-style-type: none"> <li>Number of accounts opened: 3.96 million</li> <li>Total deposit amount: Baht 28,500 million</li> </ul>
<b>Super Senior Fixed Deposit</b>	The 30-month fixed deposit service is designed for individuals aged 55 and above for a secure retirement. Customers receive monthly interest payments and personal accident insurances. The sum insured per person is equal to the balance in Super Senior Fixed Deposit with a maximum insured amount of Baht 3 million and coverage for maximum medical expense of Baht 10,000 per accident, effective until age 70. Muang Thai Insurance Public Company Limited is the insurer.	<ul style="list-style-type: none"> <li>Number of accounts: 8,300</li> <li>Total deposit amount: Baht 7,500 million</li> </ul>
<b>Basic Banking Account</b>	KBank has introduced a basic deposit account service for individuals aged 65 years or older at the deposit date or those participating in the government welfare program. There will be no minimum amount required for the account opening; nor will there be account maintenance fee, card application or annual fees. This is in response to the Bank of Thailand and Thai Bankers' Association's financial sector master plan for the civil sector, aimed at promoting grassroots people to have greater access to financial services.	<ul style="list-style-type: none"> <li>Number of accounts: 2,700</li> <li>Total deposit amount: Baht 31.2 million</li> </ul>
<b>K-Personal Loan for Pensioners</b>	K-Personal Loan for Pensioners was designed for government retirees and employees having inheritance rights. They are allowed to use their inheritance rights as collateral against loan from KBank. This service helps retirees gain access to financial services, allowing them to use money for consumption in accordance with the government's policy to assist retired officers.	<ul style="list-style-type: none"> <li>Outstanding loans: Baht 187.2 million</li> </ul>



Products/Services	Details of Financial Innovations	Performances
Application for personal loans, credit cards and cash cards on K PLUS	KBank added more channels for customers to have easier access to its loan products via mobile phone. Application for personal loans, credit cards and cash cards can be made by users themselves on K PLUS, including the processes of data provision, document uploading and giving consent for Credit Bureau checking. In addition, approval can be notified rapidly. All the processes can be done by users anywhere, offering convenience for those living in remote areas.	<ul style="list-style-type: none"> <li>Approved personal loans: More than 171,000 accounts</li> <li>Approved credit cards: More than 155,000 accounts</li> <li>Approved cash cards: More than 78,000 accounts</li> </ul> (Including all credit cards, cash cards, and accounts are approved via K PLUS and branches and other channels that suggested customers to apply via K PLUS)
Home loan for refinance for retail customers in National Housing Authority (NHA)'s housing estate projects	Home loan product with special interest rates is provided for retail customers with low- to middle-income who show financial discipline and have normal repayment histories in accordance with respective contracts with NHA. KBank's support is aimed at helping these customers to own their collateral more quickly.	<ul style="list-style-type: none"> <li>Number of accounts: 28</li> <li>Outstanding loans: Baht 7.54 million</li> </ul>
Home loan for low-income earners	This home loan product is designed for low-income earners based on their debt repayment capabilities. Focus is to offer more opportunities for these customers to have their own residences. The longest repayment period is 40 years.	<ul style="list-style-type: none"> <li>Number of accounts: 504</li> <li>Outstanding loans: Baht 566.12 million</li> </ul>
Home loan for earners of income less than Baht 15,000 per month	Home loan product for general customers of KBank, those who earn less than Baht 15,000 per month and can gain access to the loan, and co-borrowing must not be more than three co-borrowers.	<ul style="list-style-type: none"> <li>Number of accounts: 1,256</li> <li>Outstanding loans: Baht 1,605.92 million</li> </ul>
K PAY LATER	K PAY LATER offers short-term revolving credit with no collateral required. After partial installment payment on the revolving credit has been made, the credit line is available for use immediately. Repayment can be selected from a period of either 1 month, or 3 months or 5 months. The product allows the unbanked or underbanked improved access to loans in the system as alternative data is used in place of income-related documents, thus increasing their liquidity for daily spending, especially in time of emergency. Application is easy with credit limit approved quickly and instantly available for use.	<ul style="list-style-type: none"> <li>Outstanding loans: Baht 692.41 million</li> <li>Number of participants: 822,053</li> <li>Customers making timely payment and utilize the loans according to the agreed use of proceed will be granted extended loan amount. At present, number of customers granted loan extension was 215,677 customers, valuation at Baht 167 million.</li> </ul>

➔ K-eSavings Account  
Opening via K PLUS





### Products and Services for Financial Inclusion of Disabled Persons

Products/Services	Details of Financial Innovations	Performances
ATMs for Visual Impairment	<p>The ATM system was developed to facilitate visually impaired users so that they can withdraw cash conveniently and rapidly. Customer journey processes were set up, as follows:</p> <ul style="list-style-type: none"> <li>• Adding a cash withdrawal tab on the upper right-hand side of the PR page</li> <li>• Adjusting transaction flow to be identical across all banks</li> <li>• Adding voice guidance during transactions</li> <li>• Transactions are conducted through debit and credit cards of KBank and other banks that are linked with savings accounts only (not including foreign cards).</li> </ul>	<ul style="list-style-type: none"> <li>• Number of electronic devices with functions for visually impaired users: 10,500</li> </ul>

→ Takaful life insurance, designed specifically for Muslim customers; this life insurance product is managed under Islamic religious rules and guaranteed by the Shariah Committee.



### Products and Services for Financial Inclusion of Underprivileged Groups

Products/Services	Details of Financial Innovations	Performances
Takaful Life Insurance	Designed specifically for Muslim customers, this life insurance product is guaranteed by the Shariah Committee.	<ul style="list-style-type: none"> <li>• Number of insurance policies: 4</li> <li>• Value of premiums: Baht 1.23 million</li> </ul>
"Sick but Safe" Dengue Fever Insurance	This health insurance plan offers low income customer segments who cannot access to high premium health insurance and who are concerned about dengue fever. The insurance covers medical expenses for inpatients and outpatients up to Baht 50,000/visit (unlimited number of times), plus daily compensation of up to Baht 1,800. Insurance application can be made online. Premiums start at only Baht 99.	<ul style="list-style-type: none"> <li>• Number of insurance policies: 3,553</li> <li>• Value of premiums: Baht 0.61 million</li> </ul>



Products/Services	Details of Financial Innovations	Performances
<p><b>Loan Application on ATM Machines</b></p>	<p>KBank developed functions on ATM machines especially for those living far from branches. Loan application can be made on ATM machines nationwide. If the outstanding balance of customers' accounts is not sufficient for the desired withdrawal, the screen will display a QR Code for customers to scan and apply for loans immediately.</p>	<ul style="list-style-type: none"> <li>Number of loan applications: More than 200 applications per month</li> </ul>
<p><b>KBank Service via Banking Agents</b></p>	<p>KBank has expanded its KBank Service to provide greater convenience to customers living far from branches so that they can conduct financial transactions across Thailand. KBank Service offers the following services:</p> <ul style="list-style-type: none"> <li>Cash deposit available at Thailand Post, Lotus's, Big C, 7-Eleven, Family Mart, Tops Supermarket, Shipsmile Services, Boonterm kiosks, Termsabuy kiosks, and Termdee kiosks</li> <li>Cash withdrawal available at Thailand Post, Big C, 7-Eleven, Shipsmile Services, and Boonterm kiosks</li> <li>Payment of goods and services available at Big C, CJ Supermarket, Family Mart, Tops Supermarket, Jiffy, Jaymart, B2S, Power Buy, Supersports, OfficeMate, Siam Global House, Thai Watsadu, Robinson Department Store, Central Department Store, and Matsumoto</li> <li>K CHECK ID available at Thailand Post, Big C, 7-Eleven, CJ Supermarket, Family Mart, Tops Supermarket, Jiffy, Amazon, Jaymart, Inthanin Coffee (Bangchak), Siam Global House, Matsumoto, Boonterm kiosks, and retail stores in provincial areas</li> </ul>	<ul style="list-style-type: none"> <li>Transactions via Banking Asent channel accounted for 24% of cash transactions channel of the Bank</li> <li>Value of transactions: Approximately Baht 23,000 million per month</li> </ul>

➔ Service channels for KBank Service via banking agents





## Cyber Security and Data Privacy



### Risks

Presently, people's life is constantly intertwined with technology. This is evidenced by the shift to hybrid and remote working arrangements in the 'new normal' era, interconnected businesses worldwide and the proliferation of digital banking transactions and digital assets. These advancements have led to a significant increase in cyber threats.

Therefore, everyone expects a robust cyber security system and data privacy protection. Cyber threats can be catastrophic to the economic system and the society at large. These acts violate the laws and bank regulations, such as personal data breaches, data security threats, cyberattacks and financial fraud, which affect the confidence and trust of stakeholders, thus eventually leading to financial instability.

### Opportunities

Effective cyber security and data privacy will ensure business continuity. The integrity of data will foster confidence among customers and stakeholders in using KBank's services and conducting transactions with us. This can bring about customer loyalty and stakeholder engagement, resulting in a competitive advantage and sustainable business growth.

## Information Technology and Data Security Structure

KBank's organizational structure aims to effectively supervise IT and data security management. Focus is on a segregation of risk prevention duties, as follows: The 1<sup>st</sup> Line of Defense, which comprises operating units of all departments; the 2<sup>nd</sup> Line of Defense, which comprises units tasked with risk management; and the 3<sup>rd</sup> Line of Defense, which comprises units tasked with auditing, in accordance with the Three Lines of Defense guideline. In addition, indicators regarding cyber risk incidents, including number of incidents and duration of management, have been set as one of the main targets for assessing KBank's operational efficiency.



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.



## Digital and Cyber Risk Management Framework

KBank has formulated a digital and cyber risk management framework in alignment with the strategy of maintaining our leadership in digital banking services. The KBank Cyber Risk Vision and Strategy is as follows:

Vision	To Protect KBank's Cyber Assets and Reputation, and To Deliver the Secure, Resilient and Trusted Customers' Life Platform			
Commitment to Customers	Protection of Customers' Data and Assets	Provision of Safe Services		Care and Timely Management of Cyber Incidents
Strategy	Prevention of Complex Cyber Threats	Expansion of Cyber Threat Prevention across the Entire Business Chain		Expansion and Integration of Responses to Cyber Incidents across the Entire Financial Conglomerate
Strategic Capability	1 Effective Risk Identification	2 Advanced Threat Prevention	3 Proactive Situation Awareness and Detection	4 Effective Crisis Management and Recovery from Emergency Cases
	5 Cyber Hygiene Culture			

## Information Technology and Data Security Operations

KBank has improved operational systems, technologies and innovations together with our personnel potential, while also stepping up preventive measures to cope with cyber threats across all dimensions, including prevention, monitoring and detection, response and remedies in order to enhance consumer confidence towards KBank services. Such operations are as follows:

### Customer Privacy Protection in Conformity with Good Governance Principles

1. Establishing the Data Governance Sub-committee to ensure maximum efficiency and security of information management systems, and to undertake organizational restructuring for greater efficiency of data management.
2. Implementing policies and operational procedures related to information management and data security throughout the entire financial conglomerate and counterparty management. All divisions must comply with these policies and operational procedures so as to minimize risks incurred from adverse events. If personal data breaches, violation of or non-compliance with Personal Data Protection Policy are detected, KBank may take disciplinary action as deemed appropriate.
3. Establishing policies, work processes and systems in conformity with the Personal Data Protection Act. Progress has been reported to the Bank's top management on a regular basis.
4. Ensuring that all employees have understanding about the Personal Data Protection Act, related policies and practices.
5. Reviewing and updating policies and operational procedures regularly.
6. Formulating operational guidelines to cope with adverse events, covering data analysis, assessment of severity, event suppression, remedies and recoveries, as well as notification to customers and stakeholders concerned.
7. Arranging for the annual audit of work performance in conformity with KBank policies by internal audit units.





## IT Data Security System Operations

1

Enhancing efficiency of data leakage detection and prevention

- Adding a data leak prevention system via email for KBank's subsidiaries and limiting employees' rights to send emails outside the organizations
- Adding configuration on a data leak prevention system for data classified as confidential in foreign branches
- Strengthening data leak prevention by conducting a test to find channels of new potential risks such as the use of ChatGPT

2

Increasing capability of cyber threat prevention

- Upgrading cyber threat surveillance, detection and response with highly efficient prevention system on computers and servers of KBank, subsidiaries and foreign branches
- Expanding the scope of cyber threat surveillance for subsidiaries
- Improving skills and capabilities of penetration testing team in order to find new vulnerabilities and new threats to ensure effective prevention
- Enhancing skills and knowledge about new cyber threats regularly, including security awareness for employees

3

Uplifting readiness of incident responses

- Enhancing cyber threat readiness in terms of incident response between different units within KBank to ensure improved efficiency in communication and collaboration processes
- Use Breach and Attack Simulation (BAS) to test security control of the Bank, fixing of loopholes, improvement of security policy, and enhancement of confidence towards response to attacks

4

Improving personnel potential

- Develop training programs and foundational courses on cyber security through multiple approaches, from online platform to public training, in accordance with international standards to support certification applications.
- Support employees in attending relevant seminars, conferences, and training sessions, within Thailand and abroad.
- Support employees to disseminate knowledge to external organizations, as part of human capital development in other industries.

5

Certification standards

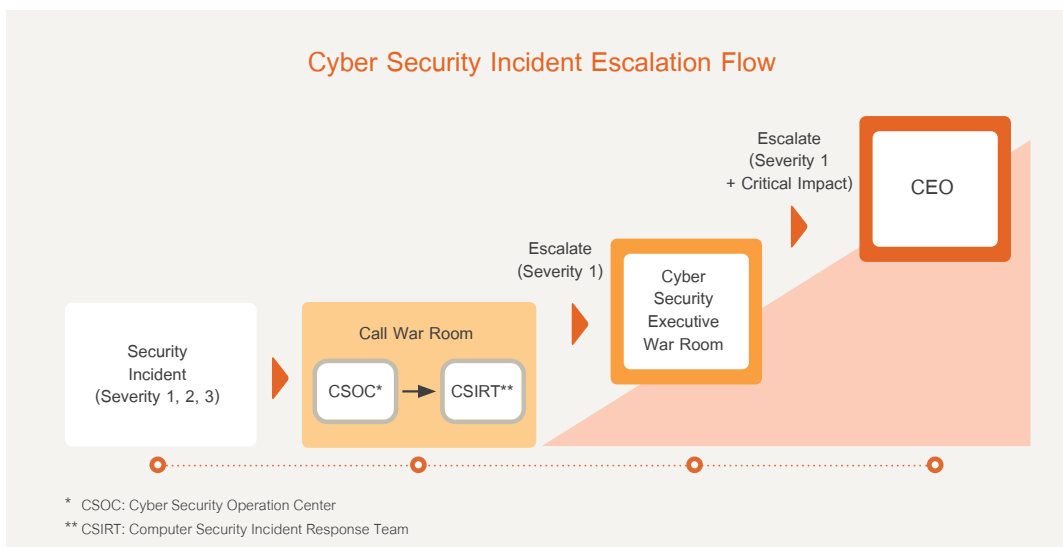
- ISO 27001:2013 (for the ninth year)
  - Covering key services and applications, Data Center and Cyber Security Operations Center (CSOC)
- PCIDSS V3.2.1 (for the seventh year)
  - Covering work system of Payment Gateway On Cloud of Thailand and Acquiring System – EDC in Vietnam
- PCI PIN Security V3.1
  - Certifying the security system of the PIN data management for ATM card use



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.

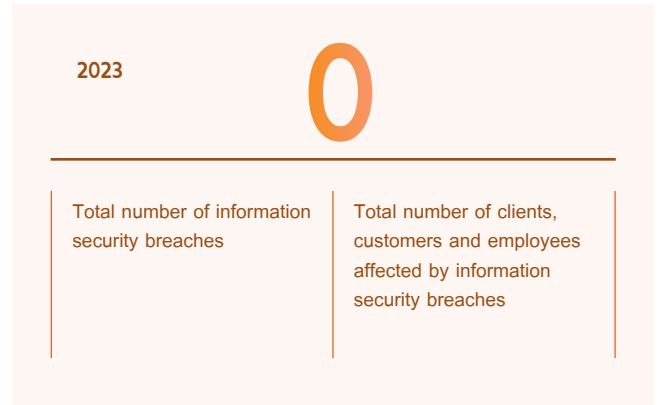
In 2023, the Bank used customer data for marketing purposes, under consents by customers, equal to a ratio of use at 70.80 percent of all customer data.

## 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.

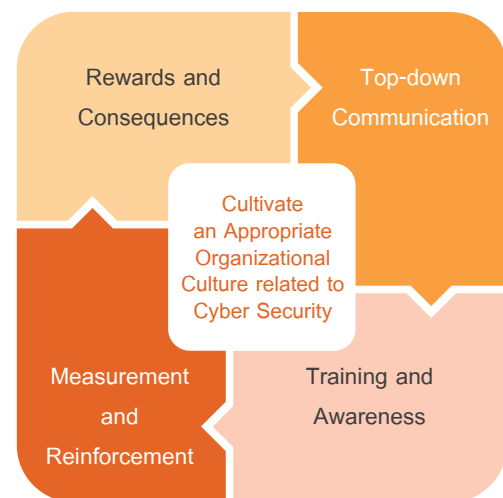
## 3. Customers

- 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



## Human Resource Management



### Risk

Human resource management that does not comply with the human rights principles and disregards human diversity and promotion of equality and participation may negatively affect employees' engagement, employee retention and attraction of capable employees, which will in turn lead to deteriorating productivity and increases in the operating costs.

Amid rapid changes in the financial business sector and more complex customers' demands, this causes challenges in developing employees to be always ready for change. Employee skills and knowledge that are inconsistent with change may result in the bank losing its competitiveness.

Improper workplace conditions and environment will undermine employees' physical and mental health, and their productivity, leading to production inefficiency, surges in operating costs.

### Opportunities

Employee treatment with respect for their honor and dignity, understanding of the individualism concept, and promotion of equality and participation will lead to proper and equitable employee care, thus boosting employees' morale and inspiring their performances, creativity and greater productivity, which will eventually benefit KBank and all stakeholders.

As KBank can develop employees' potential in a systematic way, abreast of changes and in tune with K-Strategy, KBank will be able to deliver financial products and services that meet customers' diverse needs, and to enhance our self-adjustment capability and competitiveness, and support the bank in achieving its goals.

In a decent workplace environment that promotes employees' physical and mental health, while making them happy and secure, employees will be able to maintain their work-life harmony, resulting in greater productivity and competitiveness of KBank.

## Supervision

KBank has assigned the Human Resource Division to supervise all operations related to personnel management in accordance with related laws, and KBank's regulations and policies, e.g., Human Resource Management Policy, Human Rights Policy and Personnel Development Policy. Risks and Opportunities with related to human resource have been appropriately managed. The Board of Directors has supervised and monitored those operations on a regular basis, so that KBank has equipped with qualified and adequate human resource to propel the organization towards the achievement of our established work plans and targets.

KBank focuses on human resource management to be in step with the ever-changing business environment and in alignment with K-Strategy that emphasizes being a Customer Empowerment Organization amid the challenges of the environment and the organizational context. The human resource strategies consist of five components, as follows:



**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.

**KBank Academy Working with partners**

**ONLINE**

- KDwire
- SkillLane
- FutureSkill
- Skoodio
- bts
- coursera
- ookBee
- SEAC
- SLINGSHOT GROUP
- PacRim
- CHILL MOOD achieve
- 4U Skill
- Mood
- KORN FERRY
- BERKELEY EXECUTIVE COACHING INSTITUTE
- Stanford University
- BrighterBee
- University of the Philippines

**BLENDED SOLUTIONS**

**6K+** CONTENTS AVAILABLE

**99%** EMPLOYEES ENGAGED

**200K+** SESSION COMPLETED

**2K+** TARGETED LEARNERS UPSKILLED

**70:20:10** LEARNING APPROACH

**>90%** BEHAVIOR CHANGED\* (selected programs)



- 4. **Performance-Driven Reward** – Returns that match employees’ performances and responsibilities are set up, based on regular market comparison, to ensure that their remunerations are suitable and sufficient for their livelihoods. Short- and long-term incentives are designed in accordance with employees’ prevailing requirements, taking into consideration their work components and performance measurement, as well as the changing goals and rewards-linked OKRs.
- 5. **Purposeful & Practical Leadership** – Leadership skills are continuously developed for senior and mid-level management, while preparations are made for future leaders.

## Leadership Development Journey



Ratio of existing employees to replace vacant positions at KBank was

# 94.50%



Ratio of female middle management who advance to become top management

# 69.85%





## 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](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](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**





## Employee Benefits

Benefits are provided for all staff members\* to ease concerns and promote good living quality that affects the operations and living conditions of our employees and their families. Employee benefits are provided for our employees and communicated via the website <http://kworkplace.com> and LINE KONNECT + for Life application.

### Financial Assistance



**Financial assistance**  
in case of retirement and children's education and offers grants to support employees in arranging funeral rites and providing wreaths for their deceased family members, such as parents, spouses,



**Loans are offered**  
for home, car, education, marriage and relief. The company also offers benefits like education support for employees' children and adopted children, medical care for employees and their immediate family members, compensation for cremation workers, relief during natural disasters, and assistance for Hybrid Work Mode. In 2023, the company introduced the 'Go Green Together' loan program to promote energy-saving practices, including special interest rates for purchasing solar rooftop installations for residences, as well as electric cars and motorcycles.



**Family matters**  
98 days of maternity leave with wage payment throughout 98 days - higher than the regulatory requirement of 45 days and five days of paternity leave including being able to reimburse antenatal and maternity expenses; arrangement of lactation room to promote infants' health. In 2023, employees can take leave to care for their sick close family members, such as parents, spouses, and children, for a duration of 7-30 days based on their length of service.



**Funds**  
provident fund, compensation fund, social security fund, cremation welfare fund

### Healthcare



**Annual health checkup**  
(employees aged over 40 years old are entitled to additional checks for signs of illnesses such as cervical cancer, prostate cancer and colon cancer) In 2023, the company enhanced its health check-up program, enabling employees to select a wider range of check-up items based on their individual needs and preferences.



**Mental healthcare project**  
KBank provides the "OOCA" platform for employees to seek advice from psychiatrists or psychologists, anytime, anywhere. Employees' information is treated as confidential between the employees and service providers only. The service is started from July 1, 2020.



**Medical treatment**  
KBank has an infirmary located in the main building of the bank where employees can receive medical care. For our chronically ill employees, we offer the convenience of delivering their regular medications by mail. Furthermore, our employees have the option to consult with a physician from KBank for any medical concerns.



**Medical claims in case of treatment outside KBank:**

- An online platform for employees to manage medical expenses through a mobile application.
- Employees receive a patient referral for inpatient hospital admission to alleviate concerns about medical bills.
- Annual review and adjustment of drug prices to ensure competitiveness.
- Align medical expenses with current hospital treatment costs, ensuring fair and transparent pricing for employees.
- Promote the use of telemedicine services, enabling convenient consultations with healthcare professionals from any location.



**KBank has provided support for physical exercise in various forms.**  
Employees may work out at fitness centers, Ratchaphruek Club, training centers and the Suk Samakhiwelfare home where fitness rooms, a swimming pool and squash rooms are available. Staff members may also join various sports clubs of KBank like the Running Club, Basketball Club, Football Club, etc.

### Flexible Working Arrangements and Work from Home

KBank has given employees flexible working arrangements to encourage them to manage their time in response to their professional and personal requirements. This flexible arrangement includes the flexibility of daily working hours for arriving at and leaving the workplace. The staff can work from any KBank building, work from home or work overtime. KBank also allows certain groups of employees to work from home, for example, in case a sick family member, e.g. partner, child, dependent, parents, requires special care. The staff, however, needs to receive an approval from their immediate supervisor.

### Part-time Working

KBank hires two categories of part-time employee via P Company\*, including the following:

1. Part-time employees to support routine tasks during times of heavy workload, for a period not exceeding four months
2. Part-time employees to support project tasks during the period of project implementation

\* "All employees" refers to full-time employees under KBank employment contract only. For staff members of K Companies and the Support Service Providers to KBank, they are eligible for such benefits as life insurance, medical expenses in case of injury and disability, maternity leave and financial assistance in case of retirement.



### Work that FITS



#### Flexible

Employees and managers can jointly arrange flexible working hours and places to suit the characteristics of their functions, while upholding KBank's image and professionalism.



#### Impact

Employees can deliver outcomes that meet both KBank's and customers' expectations; goals must be clearly established and continually monitored with managers.



#### Trust

Employees and managers work with trust that is the basis for healthy relationships and employee engagement, which will lead to a spirit of teamwork and deliverables.



#### Security

Data and work system security must be prioritized within an appropriate risk level, in strict compliance with relevant operating procedures and regulations.

### Part-time Working

KBank has adopted different models and Part-time employments, such as consultants, specialists and contractual employments, consistent with business demands, rules, regulations, and fairness

### Support for People with Disabilities

KBank believes that "giving people an opportunity" is deemed as promoting inclusion and equality. In 2023, KBank provided career support to 186 disabled persons across Thailand, via a Baht 21,249,570 budget donated to the Thai Red Cross Society for use in career promotion among disabled persons across Thailand, as required by law.

Excellence in Labor Relations and Welfare Award granted by the Ministry of Labour

for the **18<sup>th</sup>** consecutive year

### Management of Occupational Safety and Health, and Workplace Environment

KBank has assigned an Executive Vice President to chair the Occupational Safety and Health, and Workplace Environment Working Team, with the Presidents as advisors. The working team, which consists of representatives from various divisions, e.g., Distribution Network Division, Human Resource Division, Finance and Control Division, Customer and Enterprise Service Fulfillment Division, and Enterprise Risk Management Division, is tasked with promoting occupational safety and health, and the workplace environment for our employees.

Discussions were held on health issues and risks, and environmental management via quarterly meetings with the aim of preventing accidents, injuries, illness and unsafe conditions related to KBank's business operations, as well as any possible environmental problems.





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](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 สำหรับพนักงาน 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 โดยทำการนัดหมายล่วงหน้า
- สะดวกที่ไหนไม่ตรวจที่นั่น ไม่ต้องฝ่าอากาศ

**เริ่ม 15 สิงหาคม - 30 พฤศจิกายน 2566**  
**คลิก** เพื่อศึกษารายละเอียดเพิ่มเติม

สแกน QR Code เพื่อลงทะเบียนรับตรวจสุขภาพฟรีได้สะดวก ง่าย ไปที่สาขาใกล้บ้านหรือที่ทำงาน

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

**กลไกไทยห่วงใยสุขภาพพนักงาน**  
 เชิญชวน FITS ส่วนพนักงานคนไทย  
**โควิด-19 & ฝุ่น PM 2.5**

**สำคัญแค่ไหน?** โภชนาการที่ขาดหายไป เพื่อลดความเสี่ยงการติดเชื้อโรคทางเดินหายใจ

คนดีใจ	คนปกติ	ลดความเสี่ยง ลดลงร้อยละ <b>30%</b>
คนดีใจ	คนปกติ	ลดความเสี่ยง ลดลงร้อยละ <b>95%</b>
คนดีใจ	คนปกติ	ลดความเสี่ยง ลดลงร้อยละ <b>98.5%</b>

**ใส่ใจ กับและกับ**  
 ห่วงใยกับ COVID-19

**สุขภาพใจสำคัญ ดูแลกันและกันให้ FITS ชีวิตที่ออกแบบได้**

บริการช่วยเหลือพนักงาน ในสถานการณ์การระบาด COVID-19 หากผู้ใดหรือทุกวัย ไร้เรื่องงาน วิตกกังวล หรือความเครียด บริการ OOCA การแจ้งเตือนการไม่ไปสถานที่สาธารณะ การแจ้งเตือนให้สวมหน้ากากอนามัย

- บริการช่วยเหลือ 24 ชั่วโมง ตลอดเวลา
- ไม่เสียค่าใช้จ่าย

**\*สำคัญ:** เมื่อพนักงานใช้ OOCA สามารถปรึกษาแพทย์จิตเวชหรือจิตวิทยาได้ฟรีโดยไม่เสียค่าใช้จ่าย

**อยากใช้บริการอย่างไร?**

- โหลดแอปพลิเคชัน OOCA ผ่าน App Store หรือ Google Play
- ลงทะเบียนเข้าใช้งานด้วย E-mail พนักงาน
- LOGIN ด้วยข้อมูล Email พนักงานและ Password

ดาวน์โหลดแอปพลิเคชัน OOCA บนมือถือ

ติดต่อฝ่าย HR โทร 028 034 0005 | www.ooca.kb | 028 034 0005

- 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

**MOTOREXPO เริ่มแล้ว!**  
 แอปพลิเคชันใหม่เพื่อชีวิต GREEN FITS

**เงินกู้ยืมสวัสดิการเพื่อซื้อรถยนต์ ไฟฟ้า EV**

- วงเงินกู้สูงสุด 800,000.- บาท (รถยนต์นำเงิน 600,000.- บาท)
- ผ่อนชำระไม่เกิน 3 ปี
- อัตราดอกเบี้ย 0% ถึง MLR - 3.50% (ลดต้นลดดอก)

**เงินกู้ยืมสวัสดิการเพื่อซื้อจักรยานยนต์ ไฟฟ้า EV**

- วงเงินกู้สูงสุด 1000,000.- บาท (รถจักรยานยนต์นำเงิน 50,000.- บาท)
- ผ่อนชำระไม่เกิน 3 ปี
- อัตราดอกเบี้ย MLR - 4.50% (ลดต้นลดดอก)

**คลิกที่นี่** เพื่อศึกษารายละเอียดเพิ่มเติม

**เงินกู้ยืมสวัสดิการ**  
 เพื่อซื้อสิ่งอำนวยความสะดวกในการปฏิบัติงานของธนาคาร สำหรับพนักงาน KBank ที่ได้รับการบรรจุเป็นพนักงานประจำของธนาคาร

**อัตราดอกเบี้ย 0%**

- วงเงินกู้ได้เท่ากับค่าใช้จ่ายจริง แต่ไม่เกิน 50,000 บาท
- ผ่อนชำระไม่เกิน 3 ปี และเป็นไปตามระเบียบปฏิบัติของธนาคาร

**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 18<sup>th</sup> 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.



## Human Rights Operations



### Risks

Conducting businesses without recognizing human rights may inhibit the Bank's ability to identify activities within the value chain that could have negative impacts on individuals, and take steps to directly or indirectly prevent or reduce the risks stemming from physical and mental abuses, as well as violation of assets belonging to various individuals, employees, suppliers, customers or local residents. As a result, they may not accept and cooperate with the Bank, and in turn affect the Bank's image and reputation, and/or result in violation against the laws and regulations.

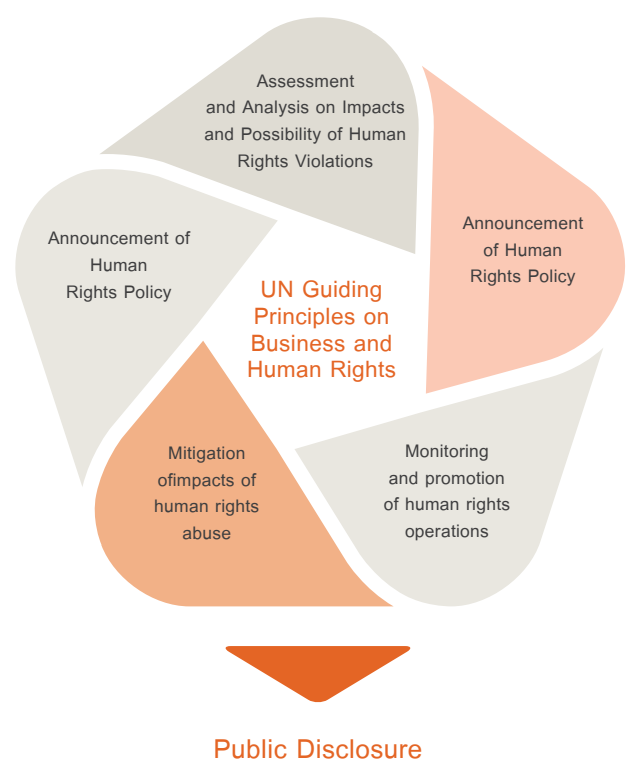
### Opportunities

Creating business opportunities and fostering awareness and management capabilities to ensure the respect for human rights, both within the Bank and across the entire value chain, leading to acceptance and collaboration from all stakeholders. This acceptance and collaboration will contribute to the continuity of business operations, opening up of opportunities for the enhancement of operational efficiency and effectiveness, allowing the Bank to gain acceptance and attract investment from investors.

Engaging in business activities invariably has both direct and indirect, plus positive or negative impacts, on various stakeholder groups. Respecting human rights is therefore a fundamental factor that global businesses attach importance to, including the promotion of human rights through business operations that help elevate the quality of life, and improve products and services that can be conveniently accessed by consumers. KBank, as a financial service provider, recognizes and is committed to conducting business with respect for human rights. It is an important responsibility for the Bank to ensure the prevention of human rights violations or encourage employees, customers, suppliers and joint ventures to refrain from human rights violations.

International Labor Organization (ILO), International Bill of Human Rights (which comprises the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights) and Principles of the United Nations Global Compact (UNGC). The Bank has operated its businesses in accordance with the UN Guiding Principles on Business and Human Rights, as follows:

The Bank has established various policies related to human rights, including human rights policies, as well as occupational safety and health policies. The Sustainable Development Sub-Committee is responsible for overseeing the organization's human rights management, which is one of the Bank's sustainability priorities. Various departments tasked with overseeing stakeholder groups have the duty to assess and take appropriate actions to address human rights risks of their respective stakeholder groups. For example, the Human Resource Division is responsible for the human rights management for employees, while the Procurement Management Department is required to oversees human rights risks related to suppliers.



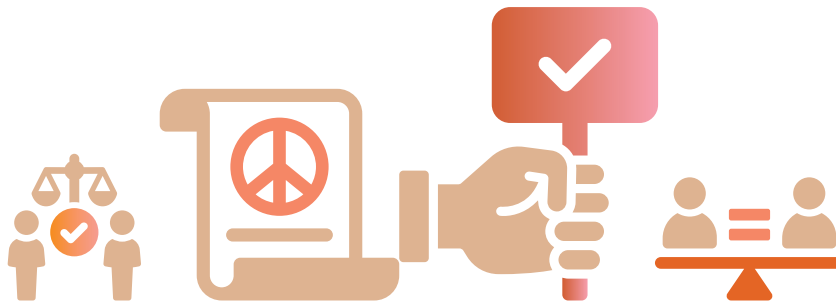
KBank places importance on the respect for human rights in all business activities, in conformity with laws and international standards, namely, the UN Guiding Principles on Business and Human Rights, Principles of Humanity and Rights of the



## 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](https://www.kasikornbank.com/TH/IR/CorporateGovernance/transparency/Pages/Human_Rights_Policy.aspx)



### Salient Human Rights Issues of KASIKORNBANK and KASIKORN FINANCIAL CONGLOMERATE

Activities	Salient Human Right Risk Issues	Key Measures for Reducing Potential Human Rights Risks
Treatment to Customers		
Data security and privacy.	Data leakage and improper use of customer data.	<ul style="list-style-type: none"> <li>• Strictly comply with regulations and develop appropriate practices.</li> <li>• Establish a legitimate Interest assessment for the processing of personal data.</li> <li>• Establish a standard platform for the transfer of data between KBank and third parties.</li> <li>• Provide training to all employees on data privacy and data breach.</li> <li>• Organize the 'SATI' (Awareness) campaign to raise awareness of data leakage prevention and misuse of information for employees and customers.</li> <li>• Regularly revise third-party frameworks.</li> <li>• Continuously improve data leakage prevention tools and increase data transfer detection to external endpoints to cover overseas branches and subsidiaries.</li> <li>• Monitor and detect cyber threats.</li> <li>• Devise a response plan and test it on a regular basis.</li> </ul>





Activities	Salient Human Right Risk Issues	Key Measures for Reducing Potential Human Rights Risks
<p>Lending and Investment (The Bank considers all industry groups when providing loans and investment. Human rights violation risks are seen in a number of industries, including agriculture, agro-processing, food, beverage, chemicals, tanning, dyeing, and other industries such as power plants, ore smelting/ foundry, metals and nonmetals, mining, services, retail and construction.)</p>	<ul style="list-style-type: none"> <li>Working conditions, health and safety of workers.</li> <li>Form an identity or a group to negotiate employment-related matters.</li> <li>Emergency response and community safety.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing Credit Policy on Environment, Social and Governance and Sector-Specific Guidelines in accordance with domestic and international standards and practices.</li> <li>Applicants for project finance and medium-sized business operators are subject to ESG risk assessment (accounting for 100 percent).</li> <li>Loan applicants must comply with labor, and occupational health and safety regulations.</li> <li>Consider customers who have received ISO certifications such as ISO 45001 Occupational Health and Safety Management System standards.</li> <li>Loan applicants must comply with the laws and regulations related to the environment and society in the country where they operate their projects, including other relevant international standards.</li> <li>Loan applicants are required to prepare an Environmental Impact Assessment (EIA) report.</li> <li>Loan applicants are required to provide their emergency response plans and establish appropriate grievance monitoring mechanisms and remedial measures.</li> </ul>
<p><b>Treatment of Employees</b></p>		
<p>Recruitment, employment, promotion of diversity and equitable labor practices, health care and well-being of employees.</p>	<p>Employee health</p>	<ul style="list-style-type: none"> <li>Organize activities and offer employees knowledge on how to take care of their physical and mental health through online and offline channels on a regular basis.</li> <li>Organize activities to promote health and safety for all employees, including fitness classes and an annual health check-up.</li> <li>Provide employees with diagnosis and consultation from medical professionals directly through the telemedicine service.</li> <li>Provide employees with vaccines to prevent epidemics such as influenza.</li> </ul>



Activities	Salient Human Right Risk Issues	Key Measures for Reducing Potential Human Rights Risks
<p>Treatment of Suppliers</p> <p>Supplier recruitment and selection processes. Supervision of treatment to suppliers.</p>	<p>None reported</p>	<p>Although there are no salient human rights risk issues, the Bank has put a number of measures in place to prevent and cope with the related risks in the future, as follows:</p> <ul style="list-style-type: none"> <li>• Establish procurement procedures.</li> <li>• All suppliers must strictly comply with the Supplier Code of Conduct.</li> <li>• Establish safety guidelines during operations for the Bank. Contractors must acknowledge and comply with these guidelines.</li> </ul>
<p>Supplier management to control the operation of suppliers.</p>	<ul style="list-style-type: none"> <li>• Occupational Health and Safety in the Workplace</li> <li>• Employment of illegal labor such as child and forced workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Require all suppliers to strictly comply with the Supplier Code of Conduct.</li> <li>• Establish a procurement process for suppliers to ensure that suppliers have adopted practices that meet the required standards.</li> <li>• Examine safety, occupational health and environmental measures of suppliers such as their compliance with the regulations related to the use of personal protective equipment (PPE).</li> <li>• Certificates are required for people who need to perform specific tasks, such as working in high places.</li> <li>• Annual inspection and visit to suppliers' sites.</li> <li>• ESG risk assessment of suppliers.</li> </ul>

## Associated Companies and Joint Ventures of the Bank

Based on the results of the human rights risk assessment of the Bank's associated companies and joint ventures, there were no salient human rights issues found. However, the Bank has established policies and measures to ensure that operations of associated companies and joint ventures do not violate human rights. These include communicating the Bank's human rights policy for their acknowledgement and compliance, supervising, auditing and monitoring their compliance with human rights regulations via the Bank's executives who have been assigned to manage associated companies and joint ventures, plus providing them recommendations on the development of a comprehensive human rights review process in accordance with international standards.

## Remedies

The Bank has guidelines in place to remediate human rights violations, including formal apologies, both monetary and non-monetary compensation, and seeking cooperation with other relevant parties to provide relief to those affected by the violations. As the Bank was not involved in any human rights violations in 2023, there were no remedies implemented during the year.



## Social Contributions



The Bank's CSR activities are primarily based on the implementation of the Bank's sustainability policy (SD in Action) and attach importance to issues related to the environment, society and governance, with measurable operational guidelines that meet the international Business for Social Impact (B4SI) standard. Notably, KBank is the first and only financial institution in Thailand that has become a member of and certified by B4SI. This certification ensures that the Bank's CSR activities, including support for all activities of KBank, will generate positive impacts to society in a comprehensive manner, meet the needs of all stakeholders, and obtain a social license, while also allowing the Bank to expand its businesses in a sustainable manner.

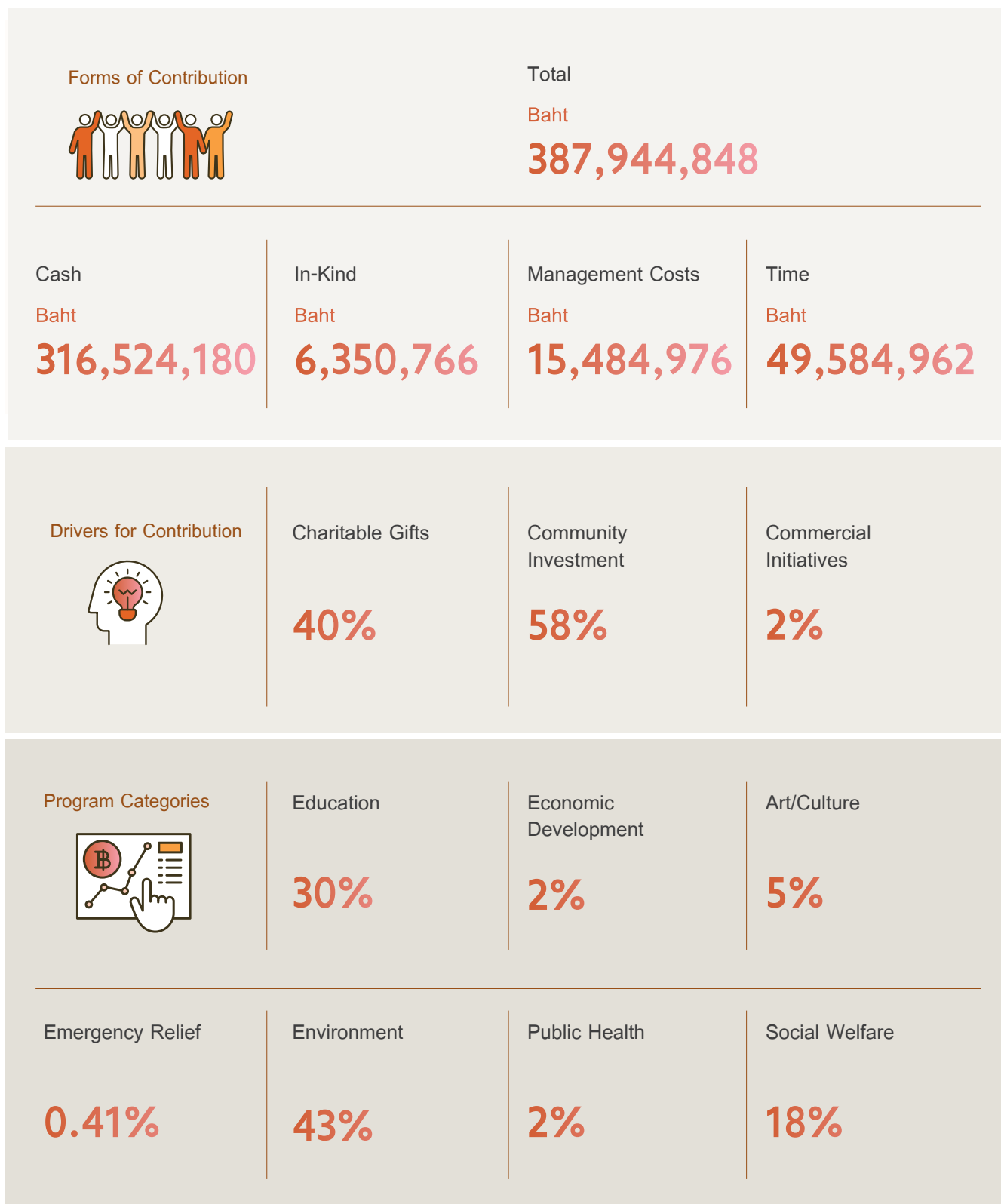
In 2023, KBank implemented various CSR projects on its own and through three foundations supported by the Bank, namely, Kasikomthai Foundation, Cultivation of Wisdom Foundation, and Rak Pa Nan Foundation under the Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn. These projects include Tham Di Tham Dai 8Rs Style (Employee Volunteer Hours), Cultivation of Wisdom Camp, AFTERKLASS, Sustainable Zero Waste Digestant for Well-being (SUZDEE) under the Circular Innovation for Nan (CIAN) project, Rak Pa Nan (Care for Nan Forest) project and the Nan Sandbox.







### Social Operation Performance





## Tham Di Tham Dai 8Rs Style (Employee Volunteer Hours) project

### Background

KBank allows employees to take a day of leave per year to participate in a diverse range of activities. These include offering financial literacy, which is considered as their expertise, to residents in nearby communities so that they can choose appropriate financial products that meet their financial goals while also gaining financial discipline and being aware of financial threats, thus allowing them to avoid related risks in their daily life. Additionally, the Bank allocates a budget to volunteer projects proposed by employees, based on the concept established by the Bank every year. In 2023, the “Tham Di Tham Dai 8Rs Style” was launched, with the aim of supporting all volunteer projects that promote the three major principles of sustainable development, namely environment, social and governance (ESG) while also encouraging employees to carry out those projects under the 8Rs in line with the Bank’s endeavor to create a green society through various campaigns throughout the year under the GO GREEN Together project.

### Objectives

- To assist communities across the country, in particular those located near KBank offices so that their residents have a better quality of life.
- To raise public consciousness among employees and encourage them to learn more about the needs of society or underprivileged groups, so they can use such information to improve KBank’s products and services to better meet the needs of communities, thus helping promote the Bank’s positive corporate image.
- To encourage employees to initiate good deed projects. The proposed projects must take into account the related environmental issues throughout the process.
- To promote the SDGs



### Project Details

Additionally, the Bank has offered budgetary support for employees who have formed a group to propose a volunteer project at Baht 5,000 - 15,000 each, depending on the project nature and type via the “Tham Di Tham Dai 8Rs Style” project. They can engage in any type of volunteer project that is in line

with the SDGs’, context and needs of local communities where their branches are located such as educational development, health and hygiene promotion, economic growth promotion, environmental conservation, preservation of art and cultural heritage, prevention and remedy of social problems and disaster relief assistance. Employees are required to carry out volunteer projects, based on 8Rs throughout the process, including rethink, reduce, reuse recycle, repair, regift, refuse and recover. Furthermore, the Bank has also promoted and supported employees in organizing activities to educate communities on waste separation. Under this activity, various types of waste bins have been provided to communities and local residents have been encouraged to begin separating waste before disposal, with emphasis placed on the proper way to segregate and dispose of waste in the designated bins. This approach allows for effective waste management and encourages correct waste disposal practices to reduce the generation of waste from the source. Aside from doing good deeds through Tham Di Tham Dai 8Rs Style project, this activity has helped create awareness among our employees about environmental conservation through volunteer work, as well.

### Outputs in 2023



Employees engaging in volunteer activities:	13,157 persons
Volunteer hours:	152,101 hours
External persons participating in volunteer activities:	5,159 persons
Volunteer hours of external persons:	41,272 hours
In-kind contribution:	169,547 Baht
Amount of budget supported by KBank:	2,500,000 Baht
Amount of budget mobilized by employees:	278,834 Baht
Donations for the program/activities:	143,665 Baht
Beneficiaries:	422,903 persons



## 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 21<sup>st</sup>-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.





### Project Details

The Cultivation of Wisdom Camp targets high school students because youths at this age tend to explore the meaning of life and purpose. As they are about to embark on the college journey, this phase is ideal for introducing a new learning experience to develop new skills and logic to lead and strike a balance in their lives while also being able to contribute to their communities in the future. The inaugural session of the “Wisdom Cultivation Camp,” was offered to five students in grades 4-5 from each of the eight selected high schools in Nan, including those in remote areas, totaling 40 students. These students had a progressive mind-set, a desire for personal development and growth, were resilient in the face of challenges, adaptable, had a sense of balance, and were eager to learn and share with their communities, plus an interest in business and entrepreneurship. Students participating in the program will receive hands-on training to enable them to turn their business ideas into reality. This will involve tapping into their inherent potential and combining it with practical knowledge gained from professional instructors through participation in a 66-day hands-on camp. The program includes three sub-camps: “Brave to Learn Camp,” “Brave to Venture Camp,” and “Brave to Step Camp,” along with actual business implementation. Throughout their time in the camp, students will acquire knowledge about basic business operations and have the opportunity to engage in discussions and knowledge exchange with business owners in Nan and the country’s leading business gurus. They will also get hands-on experience in producing merchandises or providing services for actual sale or delivery. The project will provide initial funding for business ventures after students present their business plans during the camp. In addition to the practical experience gained in the camp, students will be equipped with further business knowledge through online learning and teamwork training. They will also learn how to build friendship in order to create the best results.


### Impacts

The significant outcomes of the Cultivation of Wisdom Camp are not measured by business performance in terms of sales but rather by the youths’ acquisition of new knowledge, skills, and real-life experiences, particularly the opportunity to become an entrepreneur for the first time in their life and engage in the entire business process. These experiences hold substantial value for their futures. When these participants become actual entrepreneurs and have to use their own funds for business operations, the knowledge gained from this camp may at least help enhance their chances of success and allow them to share their knowledge and methods with communities to receive similar opportunities. Even though such students group pursue careers in different fields, the experiences and skills gained from the camp will likely be beneficial for maintaining a balanced and fulfilling life in both their professional and personal endeavors in the future.

Students from eight schools have successfully developed local businesses by adding value to existing resources. Through the screening of local products or raw materials, they have finally developed distinctive products under their own brands and extensively expanded into new markets.

- Ratprachanukhro 56 School (cookies under the Ten Bites brand). This school has developed cookies, with a unique blend of ingredients that represent the distinctive characteristics of each ethnic group in Nan. As part of the sales promotion, embroidered fabrics, which are local handicrafts of various tribes, have been incorporated to add value to such products.
- Pratatpittayakhom School (coffee and Hmong Pizza under the Mong De Phi brand) specializes in the distribution of coffee from Ban Maneepreuk, renowned as one of the finest coffee sources in Thailand. Additionally, they have elevated the status of Hmong pizza, a cultural cuisine of ethnic communities traditionally enjoyed during an annual festival. The goal is to make these delicacies more accessible as snacks for consumers.
- Mueang Lee Pracha Samakphi School (“Khao Khab” or rice crackers under the Li Na brand) has developed rice crackers with a variety of flavors, making them a well-known and community-recognized snack. These rice crackers are known for their delicious taste, and can be enjoyed and are easily accessible to consumers.
- Chiangklang Prachapattana School (Chili sauce under the Sam Cha brand) sells tomato chili sauce served with freshwater algae commonly found in Nan. This sauce is based on a special recipe in three distinct styles.

**Outputs in 2023**



Participating schools:	8 schools
Participating students:	40 students
Participating advisory teachers:	16 teachers
Business plans that were implemented:	8 plans



- 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 1:1.71). 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

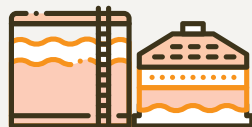


2018 - 2019. The second project is Cash Return from Zero Waste and Segregation of Trash (C-ROS), which the Bank had previously supported (2019 - 2022). Subsequently, the research team used the knowledge and innovations, based on the C-ROS technology to develop SUZDEE, which is an organic waste management system with highly efficient fermentation tanks and capacity to upcycle organic waste into biogas and bio-plant tonic for which communities can continually make use of their benefits. Related equipment has been widely installed at schools and communities in Nan Municipality and surrounding districts. Operations in the social sciences dimension and a study on social impacts have been made to ensure that communities learn and adopt correct organic waste management and can realistically use the system for comprehensive benefits in line with the principles of a circular economy.

### Outputs

- The tasks and operating results of the CIAN-SUZDEE learning center, which also serves as the office for the CIAN project, at Baan Maha Phot community, Mueang Nan District, Nan, during 2023 are, as follows:
  - Installation of four 1,000-liter SUZDEE tanks at four stations:
    - Ratprachanukhro 56 School, Wiang Sa District (two sets) as the 9<sup>th</sup> station in Nan. It is the first location where a double SUZDEE tank system was installed.

- A total of 340 kilograms of food waste were received and placed into the SUZDEE tanks for the processing of 309 liters of bio-plant tonic and biogas used for cooking (equivalent to seven kilograms of LPG), helping reduce GHG emissions by 232 kilograms of CO<sub>2</sub> equivalent (valued at approximately Baht 6,440).
- Sila Laeng Community School, Pua District (one set) as the 11<sup>th</sup> location in Nan. A total of 434 kilograms of food waste were received and placed into the SUZDEE tank for the processing of 394 liters of bio-plant tonic and biogas used for cooking (equivalent to nine kilograms of LPG), helping reduce GHG emissions by 296 kilograms of CO<sub>2</sub> equivalent (valued at approximately Baht 8,190).
- Tambon Health Promoting Hospital, Pong Sanuk, Wiang Sa District (one set) as the 12<sup>th</sup> station in Nan. A total of 182 kilograms of food waste were received and placed into the SUZDEE tank for the processing of 165 liters of bio-plant tonic and biogas used for cooking (equivalent to four kilograms of LPG), helping reduce GHG emissions by 124 kilograms of CO<sub>2</sub> equivalent (valued at approximately Baht 3,465).



SUZDEE tank  
**1,000** liters



**Ratprachanukhro 56 School**  
Reduce GHG emissions by 232 kilograms of CO<sub>2</sub> equivalent



**Sila Laeng Community School**  
Reduce GHG emissions by 296 kilograms of CO<sub>2</sub> equivalent



**Tambon Health Promoting Hospital,**  
Reduce GHG emissions by 124 kilograms of CO<sub>2</sub> equivalent





- 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) 32<sup>nd</sup> 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) 32<sup>nd</sup> 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 12<sup>th</sup> 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.



- To promote the conservation of watershed forests and awareness of climate change that is affecting the country.
- To promote the SDGs



### Project Details

In 2023, the Bank focused on raising public awareness of the importance of maintaining the forests of Nan Province by producing a 7.50-minute advertisement titled “If the people can survive, the forests will survive too,” narrating the story in the lush greenery of a remote area in Nan, known as “Ban Nam June” in Bo Kluea District, Nan. In this village, there is a precious gem called “Nature” that serves as a habitat, a source of food, and a source of pure, clean air. The advertisement emphasizes that to sustain the beauty and the forest, the villagers need not only strong determination but also robust physical health. The advertisement follows the lives of two world-class female golfers, “Pro May” Ariya Jutanugarn and “Pro Mo” Moriya Jutanugarn, who lead the viewers into the forest of Ban Nam June. Here, they experience the lifestyle of local villagers, experience the ways of living like local residents while earning a livelihood and protecting the forest.

#### Outputs in 2023



The “If the people can survive, the forests will survive, too” advertisement was viewed by 35 million people, amounting to 67 percent of the target audience, and there were 38.7 million views.

Media and PR value: Baht 15.6 million

### Impacts

It requires time to implement the Nan Sandbox project, as well as an understanding and cooperation from all sectors because the project is related to sustainable development in all dimensions. The Bank hopes that this project will help build its image as an environmental steward to create a zero-carbon society in accordance with the Bank’s sustainable development framework and policy, and to preserve Thailand’s headwater forests in the future.





# Governance Dimension

Being an Accountable Bank  
to Create Sustainable Profitability

132	Corporate Governance
135	Business Ethics
140	Risk Management
144	Financial Innovations and Services
159	Responsible Lending and Investment: ESG Credit and Investment
166	Sustainable Supply Chain Management



Digital banking leadership  
via mobile banking channel stood at

**90**, classified in the leader  
group with the highest  
Net Promoter Score in the Thai  
banking industry

100% of Project Finance  
requests and medium enterprises  
(and above) were processed  
through the ESG assessment  
procedure:

Baht  
**389,240**  
million

**100%**  
of suppliers acknowledge  
KBank Supplier Code of Conduct,  
covering environmental, social,  
labour and human rights issues.





## Corporate Governance



### Risks

Conducting business without established rules and regulations, transparent and systematic monitoring processes can lead to inefficient management, loss of confidence among stakeholders, and a negative corporate image. Ultimately, this will impact long-term investment attractiveness.

### Opportunities

Operating a business with systematic, control, and monitoring processes, upholding transparency, fairness, and ethics, including combating corruption in all forms, will result in efficient management, reduction of unnecessary costs from inappropriate work performance and resource utilization, and thus improved overall performance. These practices will be instrumental in advancing KBank to be a Bank of Sustainability and instilling confidence among all stakeholders.

## Corporate Governance

The KBank Board of Directors is responsible for managing KBank’s business operations. The Board’s decisions are independent, taking into account the highest benefit of KBank, shareholders and all stakeholders. Every year, the Board approves the Vision, Purpose, Core Values and operational strategies, which covers sustainable development. The Board also approves strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, ensuring robust internal control and risk management processes while working with the Management in order to achieve strong operating performance and sustainable growth.

The Board has appointed Credit and Investment Screening and Board Committees to assist in studying and screening important issues that need close oversight in each aspect, as well as proposing opinions to the Board.\*\*

## Corporate Governance of KBank

KBank operates business in accordance with applicable laws and regulations. The Board of Directors oversees the Bank’s compliance risk management, while the KBank requires the Compliance Department, which has an independent function, to be responsible for overseeing compliance, assessing compliance risk from the Bank’s business operations, developing and reviewing compliance policies and procedures in conformity with requirements, and communicating compliance and market conduct to employees and those involved in the supervision of agents.

The Compliance Department is also responsible for monitoring various changes and notifying or reporting them to the relevant parties while also providing guidance when necessary and overseeing the Bank’s operations to be in alignment with the present regulatory requirements. This ensures that the Bank’s business operations are in accordance with applicable laws and regulations, and prevents any violations or illegal practices. The Compliance Department also reports operating performance to senior management, relevant committees, and government agencies in accordance with established regulations.

### Indicator

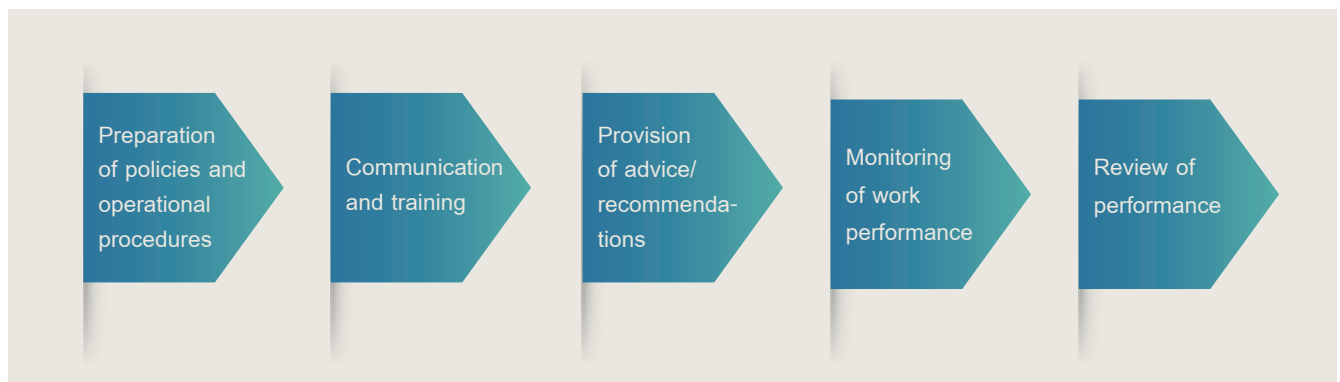
Warning or significant audit results from supervisory agencies

0

\* Details about duties and responsibilities per the Charter are available in Form 56-1: Annual Registration Statements (56-1 One Report) pages 107 - 112



## Supervision Processes for KBank's Compliance



### Support of Internal Control and Audit

KBank has established a management structure that supports effective corporate governance, risk management processes, and internal control systems. This includes appointing committees and board committees to oversee the overall functions. The Management is responsible for driving the organization to achieve its objectives while also defining roles, duties and responsibilities for employees at all levels through the Code of Conduct, policies and relevant operating manuals.

KBank has identified and assessed risks, and requires that internal control be a part of operations. Focus is on the segregation of duties to ensure control and oversight, while appropriate communication channels with stakeholders are established both within and outside the organization. Internal control results are monitored and assessed to ensure that it is effective and can manage changing risks.

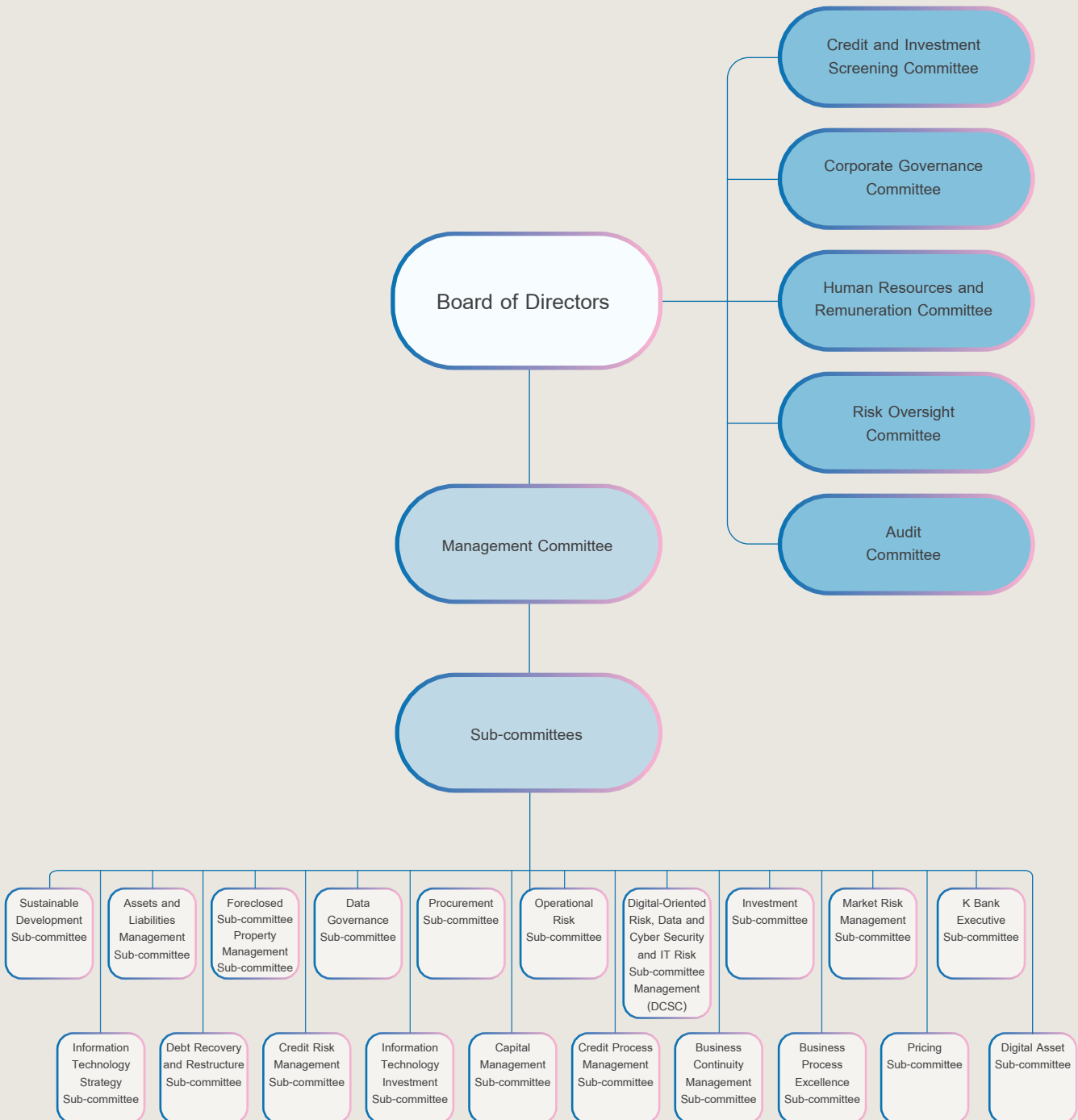
KBank requires that the Internal Audit Department report directly to the Audit Committee to ensure its independence and the ability to perform its duties fairly and transparently. A system to assess corporate governance, risk management, and internal control is in place to ensure that operations are efficient and effective, in conformity with the Bank's policies and procedures, and relevant laws. The audit results, including recommendations, are then reported to the responsible parties and monitored to ensure that any necessary corrective actions are taken in a timely manner. Significant issues are reported to the relevant committees and/or senior management, and audit results are also submitted to regulatory agencies upon request.

The Bank's internal audit function accounts for risk sensing as new risks can emerge at any time. A flexible audit plan has thus been adopted for a timely response to risks. Emphasis is placed on proactive assurance in order to address significant risks with sufficient speed. It also focuses on continuous advisory to ensure that control recommendations are quickly provided. Continuous audit and data analytics are applied for improved efficiency, and they are further developed into automated data analytics rules. Moreover, personnel development is regularly undertaken to ensure that they are knowledgeable of digital technology, financial innovation, and sustainable development while being equipped with skills that are in line with the Bank's strategy and direction in order to foster an organizational culture that takes into account effective risk prevention.

KBank places importance in customer service provision with responsibility and fairness (market conduct), responsible lending, asset quality management, customer data privacy protection, cyber threat prevention measures, IT risk management earn the trust of our customers in use of our services with confidence and security, as well as consideration of environmental and Climate-related matters in our business undertakings. The Bank has organized risk culture communication, study courses on governance, risk management and compliance for executives and employees, and requires that all employees take e-learning courses on internal controls. In addition, the Bank places importance in corporate governance of the KASIKORNBANK FINANCIAL CONGLOMERATE to ensure good governance and sustainable growth.



### Corporate Governance Structure\*



\* Corporate Governance Structure as of December 31, 2023





## Business Ethics



### Risks

Business practices that do not adhere to the principles of respect, integrity, justice, and morality, or comply with the law, will inevitably have an impact on the trust and confidence of stakeholders, including employees within the organization, customers, and suppliers. This will ultimately jeopardize the quality of work, products, and the organization's image.

### Opportunities

Businesses operating with of respect, integrity, transparency, adherence to legal requirements, emphasis on performance, and customer focus will instill confidence and trust among all stakeholders while building loyalty among employees, suppliers, and customers. This approach promotes a positive image and consistently attracts investment.

KBank conducts business with a strong commitment to ethical standards and responsibility towards all stakeholders. As a testament to this commitment, we are a member of the United Nations Global Compact (UNGC), underscoring our dedication to ethical business practices.

The Board of Directors has approved the Statement of Business Conduct and Code of Conduct which cover actions that all directors, executives and employees are expected to perform within the scope of their responsibilities for all stakeholders, and key practical guidelines in matters such as advertising promotion policies, confidentiality, integrity and accuracy of bank records, bribes and inducements, etc. We are obliged to perform our functions with integrity and honesty. The Board of Directors has assigned the Corporate Governance Committee to establish principles and effective practices for corporate governance at KBank and arrange for the annual review of the Statement of Business Conduct\* and Code of Conduct\*\* to ensure that they are consistent with business targets, regulatory requirements and corporate governance at international scales.

## Communication on Ethical Standards and the Code of Conduct

KBank organizes an orientation or briefing session for newly appointed directors for acknowledgement of their roles, duties and responsibilities. They are also provided information of KBank, key policies, the Statement of Business Conduct and the Code of Conduct for directors and employees. This process is to ensure that directors have an understanding of their roles and responsibilities as well as KBank's business operations.

KBank requires that executives and employees conduct an annual review of their compliance with the Code of Conduct and the Anti-Corruption Policy. In 2023, KBank arranged for executives and employees to take a test before signing in acknowledgement of compliance with the Code of Conduct via electronic system and LINE KONNECT+. Moreover, KBank communicated relevant information on the Code of Conduct via electronic channels while also holding learning courses on the Code of Conduct and the Anti-Corruption Policy via e-Learning system with assessment of employees' knowledge after those sessions to promote understanding while ensuring that the employees accurately and appropriately perform their duties with responsibility. Briefing sessions were also held for our suppliers.

\* Details about the Statement of Business Conduct are available at KBank's website: <https://www.kasikornbank.com/th/IR/CorporateGovernance/Pages/ethics.aspx>

\*\* Details about the Code of Conduct are available at KBank's website: <https://www.kasikornbank.com/th/IR/CorporateGovernance/principles-core-values/Pages/Principles-and-Guidelines.aspx>



## Communication on the Code of Conduct for Directors and Employees and Anti-Corruption Policy

Persons who attended briefing and training sessions	Total number of directors/ employees and suppliers (persons)	Number of attendees (persons)	Percentage of total directors, employees* or suppliers**
<b>Training sessions through 2023</b>			
Directors	18	18	100
Employees	18,596	18,236	98.06
• Top management	92	89	96.74
• Middle management	1,094	1,068	97.62
• Junior management	7,664	7,603	99.20
• Operating staff or officers	9,746	9,476	97.23
<b>Briefing sessions</b>			
Directors	18	18	100
Employees	18,596	18,596	100
• Top management	92	92	100
• Middle management	1,094	1,094	100
• Junior management	7,664	7,664	100
• Operating staff or officers	9,746	9,746	100
Suppliers	964	964	100

\* "Total employees" means KBank employees.

\*\*"Total suppliers" means suppliers of KBank in Thailand



## 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.



## Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing

KBank has formulated the Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF)\* policies and regulations that are in line with the regulations of the Anti-Money Laundering Office (AMLO) and required international standards. We have adopted Know Your Customers and Customer Due Diligence (KYC/CDD)\*\*, examination of Sanction List, as well as appropriate management of risks associated with each customer, in compliance with AMLO.

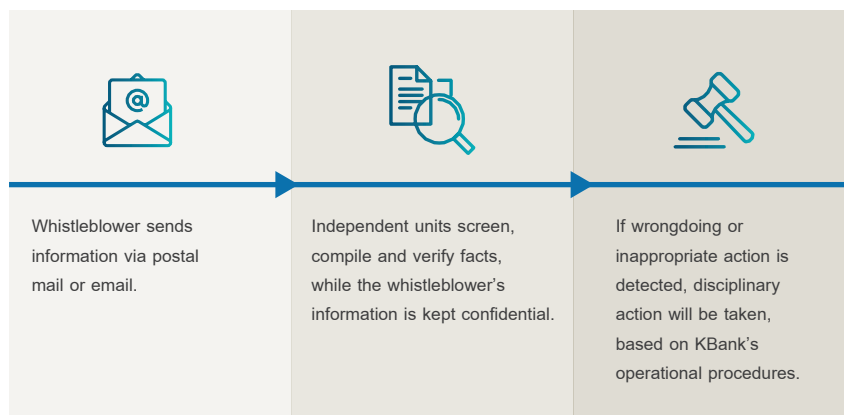
This includes the efficient and effective AML monitoring system has been put in place, while data analytics has been used to analyze transactions and steadily enhance the system efficiency and effectiveness. Additionally, KBank has organized training sessions and communicated with employees about compliance with the relevant laws. Their knowledge of AML/CTPF is assessed regularly.

## Receiving Information or Whistleblowing and Complaints

KBank has established a Whistleblowing Policy with channels for receiving information or evidence of wrongdoing, a process for handling of such information, and measures to protect the rights of information providers. We protect confidential information; only authorized persons have access to such information. The Audit Committee is assigned to issue instructions and report to the Board of Directors on confidential information. Fair measures have been established for stakeholders to whom losses are incurred due to violation of their legal rights.

KBank has continually communicated our Whistleblowing Policy to employees via various channels to make them understand its importance, and be aware of their roles, duties and practices. KBank also encourages companies under KASIKORNBANK FINANCIAL CONGLOMERATE to establish channels for reporting any information or evidence of wrongdoing.

### Process on Handling Information and Whistleblowing



\* AML/CTPF: Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing  
\*\* KYC: Know Your Customer / CDD: Customer Due Diligence



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, 33<sup>rd</sup> 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 14<sup>th</sup> 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



## Risk Management



### Risks

In the course of our business, KBank may unintentionally create negative impacts on the environment, society, and governance. These impacts may jeopardize our operational processes, reputation, and the trust of stakeholders. Meanwhile, swift changes in the business landscape, in the social, environmental, economic, political, and technological contexts, may pose a risk to KBank if we are not able to adapt promptly to address these challenges.

### Opportunities

Our awareness and systematic guidelines for tackling issues that may negatively impact business operations will make it more possible for us to achieve operational goals. Effective management of issues will help KBank reduce unnecessary expenses, ensure business continuity, and elevate confidence and trust among customers and stakeholders, which will ultimately contribute to long-term sustainable growth.

## Three Lines of Defense

KBank has applied the Three Lines of Defense guidelines to our risk management to ensure that our risk management process is efficiently supervised, controlled and examined by responsible units. Our organizational structure focuses on clearly defined segregation of duties at each level, and each unit is independent of the management and reports directly to the Board of Directors.

## Risk Management Process

KBank has in place a risk management process comprising risk identification, assessment, monitoring, controlling and reporting. This process also includes ESG risks.

KBank also places significance on early warning and monitoring of risk position and overall concentration. We regularly review the adequacy of our risk management system and efficiency of risk management via relevant committees.



### 1. Risk Identification

Key risks are proactively identified in detail, including types and sources of risk, as well as other risk-related factors, both internal and external. Assessments and projections of the Bank's current and expected risks are also reviewed and taking ESG factors into account.

### 2. Risk Assessment

Various tools and methodologies for risk measurement suitable for different business characteristics are utilized. These tools and methodologies are verified, approved and reviewed within appropriate timeframes.

### 3. Risk Monitoring and Control

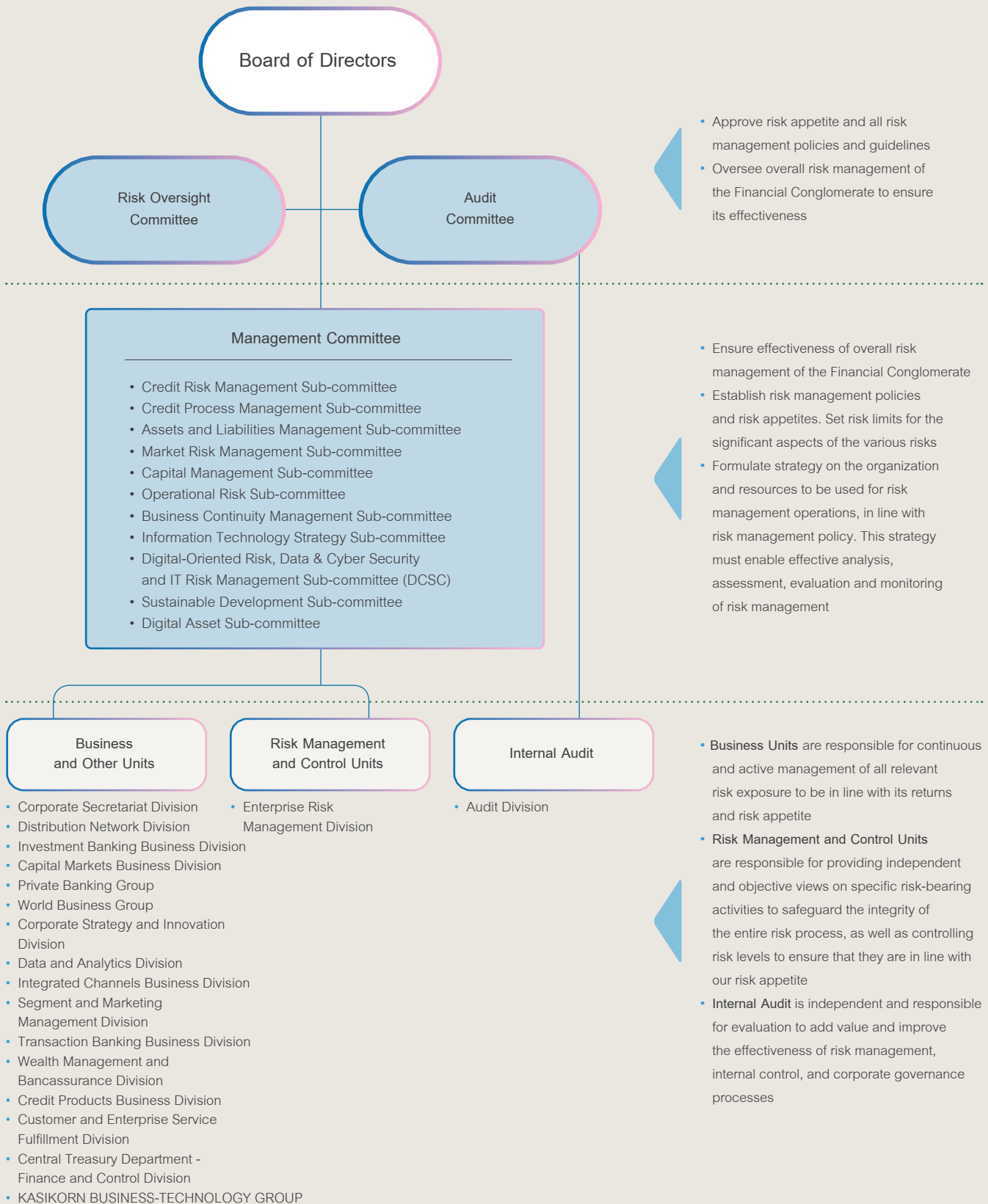
Monitoring and control are in place to ensure that policies, procedures, and risk limits implementation are in compliance with risk policies and risk appetites approved by the Board of Directors.

### 4. Risk Reporting

Timely and adequate reports of all types of risk management in various dimensions are required to ensure the highest effectiveness in our risk management.



### 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.



## Financial Innovations and Services



### Risks

Amid the changing consumer behavior, technological advancements, and the growing acceptance of human diversity, financial services have to swiftly adapt to meet the needs and expectations of customers. Failure to offer services capable of creating a positive customer experience across all segments may lead to a decline in KBank's market share and a loss of competitiveness.

### Opportunities

The ability to adjust financial services in response to the diverse and increasingly complex needs of consumers brings about business opportunities. To this end, offering financial innovations that exceed customer expectations will create financial security values that are superior to those of our peers. This will help KBank in assuming leadership with continuous and sustainable growth.

## Financial Innovation Development Guidelines

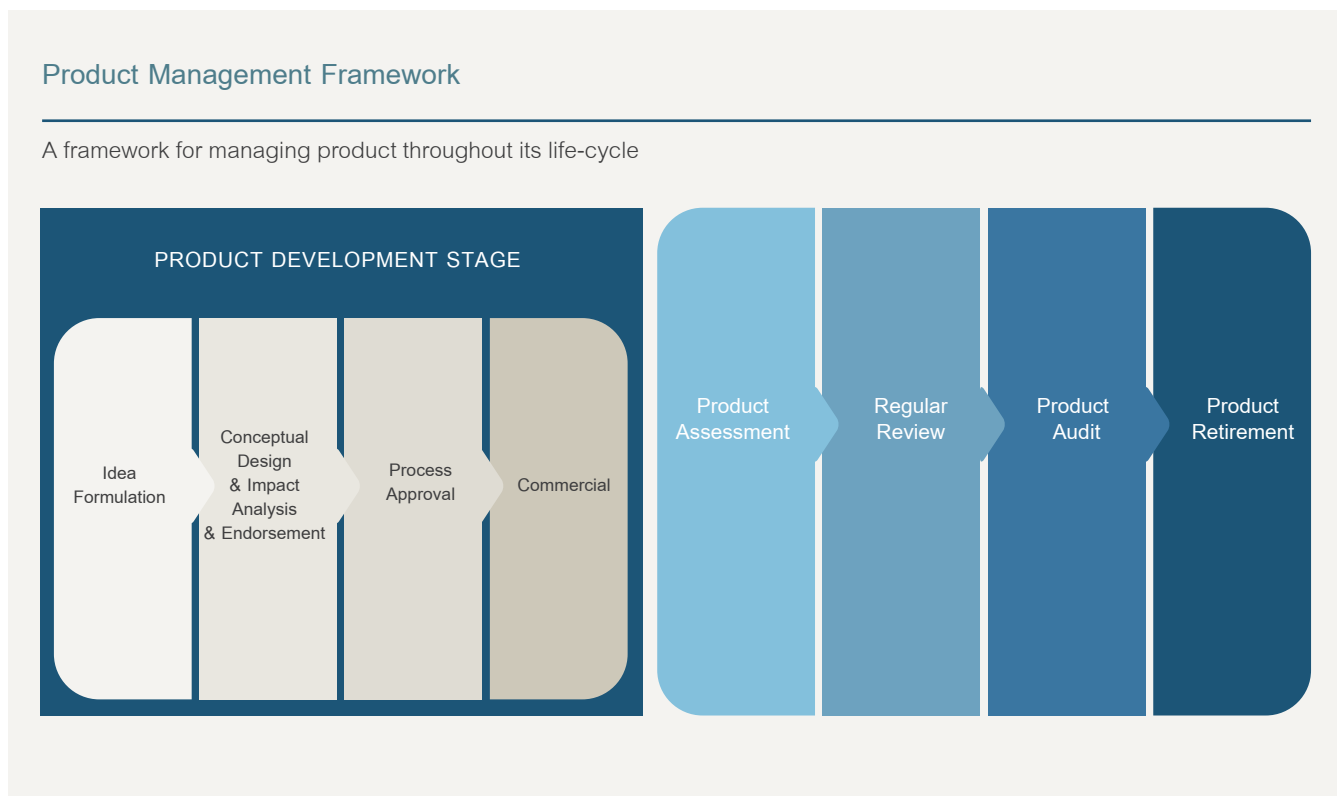
KBank has established a framework for promoting and developing financial innovations in line with the K-Strategy, which aims to empower every customer's life and business. Key initiatives include fostering an innovative organizational culture and creating subsidiaries to advance innovations and technologies that enhance the well-being of Thai people and regional citizens.





## 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.



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:



## Financial Innovations and Services

### Mobile banking applications and internet banking

Products/Services	Details of financial innovations	Operating performance
K PLUS SHOP: KBank mobile application for merchants	The application for merchants can accept payment for goods and services via Thai QR Payment, QR Credit Card for Visa, Mastercard and UnionPay, Alipay and WeChat Pay - the Chinese e-wallets, QR code scanning with payment made via K Point and mPOS card accepting machine under the PCI Software-based PIN entry on Commercial off-the-shelf devices (SPoC) - a world-class security standard - as well as QR API connection. Merchants can activate QR Credit Card and mPOS card accepting service by themselves via K PLUS SHOP.	<ul style="list-style-type: none"> <li>Number of participating merchants: 2.2 million</li> <li>Number of transactions: Around than 1,100 million</li> <li>Value of transactions: Around Baht 6.8 billion</li> </ul>
K PLUS SME: KBank mobile banking application for SMEs	K PLUS SME mobile banking application helps SMEs manage their businesses with flexibility. Services available include account inquiry, account classification, cheque management, loan report, funds transfer and bill payment, all of which can be done swiftly and conveniently.	<ul style="list-style-type: none"> <li>Number of transactions: 530 million</li> <li>Value of transactions: Baht 2.2 trillion</li> <li>Number of users: 730,000</li> </ul>
Financial transactions via K BIZ	Customers can conduct funds transfer, top up and make bill payment via K BIZ - a digital banking platform for business/ SME customers which has been developed from the former K-Cyber and K-Cyber for SME. K BIZ allows users to comprehensively manage their financial transactions and can be used via various devices. Customers can be assured of system security and stability when conducting transactions.	<ul style="list-style-type: none"> <li>Number of transactions: More than 2,430 million</li> <li>Value of transactions: More than Baht 2.6 trillion</li> <li>Number of users: More than 1.0 million</li> </ul>



QR code payment with the use of K Points in lieu of cash



Facial recognition to prevent financial fraud: Customers are required to conduct facial recognition for money transfers of Baht 50,000 or more, or more than Baht 200,000 within the same day, and scheduled money transfers.



Expansion of QR scan service at stores bearing a UnionPay sign in more than 40 countries/territories worldwide, including Nigeria and Sweden.



Expansion of international money transfer to Myanmar: Currently, international money transfer service is available for 15 currencies in 62 countries/territories.



e-Donation service, by simply choosing a unit to receive donation and indicating the donation amount, and KBank will send data to the Revenue Department for tax exemption.



Buy and sell themes and slips designed by creators of KBank's partners. Customers can choose to buy themes and slip backgrounds according to their preferences or lifestyle. They can also send themes and slip backgrounds as gifts to friends or loved ones on K+ Market.



International Funds Transfer: The service is now available in 15 currencies, covering 62 countries/territories. Customers can make funds transfer up to USD 99,999 per day from 6:00 a.m. to 8:00 p.m.

### New K PLUS services in 2023



AIS Points transfer service: The service allows immediate AIS Points transfer to the K Point loyalty program with no fees. K Points can be used in lieu of cash for payment via QR code, top up and bill payment.



Bill splitting with KhunThong on K PLUS Customers can use KhunThong to split or collect bills from the funds transfer or bill payment history pages.



K PLUS Thailand

Number of transactions:

47,566

million growing 50 percent YoY

Value of transactions:

More than Baht 23.9

trillion growing 1 percent YoY

Number of K PLUS users:

21.7

million 9 percent YoY



K PLUS Vietnam

#### K PLUS Vietnam

K PLUS Vietnam, a mobile banking application which offers e-KYC service, other banks' funds transfer, bill payment and top up, account movement notification, bank statement inquiry, save favorite transactions and QR code scan and display for payment via VietQR. Customers can add more than one account to K PLUS Vietnam. Meanwhile, small and local businesses can use KBank Biz Loan service via K PLUS Vietnam.

#### K PLUS Vietnam

Number of users:

More than

1.14 million

Growth 257 percent YoY



K PLUS Laos

K PLUS Laos

offers digital financial service to the local individual and business customers, by developing daily financial transaction services for them, i.e. payment, funds transfer and cash withdrawal.

These include international funds transfer. In addition, services have been expanded to cover bill payment for water and electricity, K eSaving account opening through K PLUS Laos to promote cashless society continuously.

Number of users of K PLUS Laos:

0.15 million  
Growth 8 percent YoY

Letter of Guarantee via Blockchain

Products/Services	Details of financial innovations	Operating performance
e-LG on Blockchain	KBank worked with BCI (Thailand) Co., Ltd. in linking e-LG on blockchain with beneficiaries, which are leading companies in various industries and state enterprise to promote the widespread use of e-LG with a world-class data security system.	<ul style="list-style-type: none"> <li>Number of customers requesting issuance and renewal of e-LG on blockchain: 8,017 persons</li> </ul>



Benefits from the use of blockchain technology



For KBank

- Slash documentation and data management costs as well as solving the problem of lost documents
- Streamline work process under data security system

For customers

- Provide greater convenience through reduced time and transaction process.
- Save on commuting expenses
- Prevent forgery of bank confirmation letter



## Product and Service Development

Products/Services	Details of financial innovations	Operating performance
e-Donation	KBank promotes e-Donation to donation-accepting units including hospitals, foundations, educational institutions and temples. QR donation is also available under the “e-Donation for Merit Making and Happiness”. Donors are entitled to tax deductions without the need to send evidence of their donations.	<ul style="list-style-type: none"> <li>Number of organizations accepting donations: 2,774</li> </ul>
e-Tax Invoice	Under this service, e-tax invoices are sent to merchants via email, and KBank submits tax to the Revenue Department via electronic channel. The service helps reduce the use of paper for printing tax invoices, while also providing merchants greater convenience and swiftness in receiving tax invoice.	<ul style="list-style-type: none"> <li>Number of merchants using e-Tax Invoice: 292,028</li> </ul>
e-Tax Invoice and e-Tax Receipt in alignment with the Revenue Department’s standards	KBank has teamed with the Electronic Transactions Development Agency (ETDA) and the Revenue Department in developing a payment system that can accommodate e-payment in a comprehensive manner, in alignment with the Revenue Department’s standards.	<ul style="list-style-type: none"> <li>Number of transactions : More than 85,000</li> </ul>
KBank Open API	KBank Open API allows customers to study, test and apply for the service to connect their system to KBank’s system in order to use KBank products and services of their interest or suited to their own or their clients’ needs. In 2023, KGP Merchant Payment API, Fund Transfer API, QR Payment API, Slip Verification API, Bill Payment API and Inward Remittance API were available via this self-service portal that can be used via <a href="https://apiportal.kasikornbank.com">https://apiportal.kasikornbank.com</a>	<ul style="list-style-type: none"> <li>Number of services available: 10</li> <li>Number of people signing up for API on a trial basis: Approx. 11,000</li> <li>Number of transactions: 330 million</li> </ul>
Authentication Services	KBank has developed authentication services to provide greater convenience for our customers and partners in their identity verification via online format. They include: <ul style="list-style-type: none"> <li>National Digital ID (NDID)service, which offers identity verification via National Digital ID (NDID) Platform.</li> <li>RP Proxy, which facilitates our partners in connecting with NDID Platform via API portal.</li> <li>Face API that provides facial recognition service.</li> </ul>	<ul style="list-style-type: none"> <li>Number of transactions: More than 2.7 million</li> </ul>
e-KYC via Self-Service Machine	The e-KYC via self-service machine is now available via more than 8,300 K-ATM terminals across all provinces in Thailand to provide greater convenience for customers wishing to open an account and applying for products without going to a Bank branch, even during non-business hours.	<ul style="list-style-type: none"> <li>Number of transactions: 2.9 million</li> </ul>



Products/Services	Details of financial innovations	Operating performance
Automated currency exchange machines	KBank has 13 automated currency exchange machines at Suvarnabhumi Airport, Don Mueang International Airport and the King Power Mahanakhon Building in order to provide greater customer convenience. The service is also available during non-business hours of branches and at foreign exchange booths 24 hours a day.	<ul style="list-style-type: none"> <li>• Number of transactions: More than 89,900</li> <li>• Value of transactions: More than Baht 470 million</li> <li>• Number of users: More than 76,400</li> </ul>
Cross-Bank Bill Payment	Cross-Bank Bill Payment using PromptPay system infrastructure allows the business sector to accept bill payment across other banks, thus streamlining relevant processes of each bank, without entering into an agreement for bill payment. A Request to Pay feature has been added to the service, which allows the seller to send a notification via mobile banking app to the buyer, requesting them to make payment, which is called Bulk Bill Alert.	<ul style="list-style-type: none"> <li>• Number of companies registering for Cross-Bank Bill Payment: More than 2,000 (based on taxpayer ID)</li> </ul>
Foreign currency denominated debentures under the DIF on the SEC's Web Portal system	Kasikornbank has declared success in the issuance of Yen-denominated debentures amounting to Yen 11,700 million under the Digital Infrastructure (DIF) on the SEC's Web Portal system in the pilot phase. In addition, Kasikornbank was also one of the bond underwriters for Thai Baht denominated debentures within said program for three additional private sector companies, namely PTT Public Company Limited amounting to Baht 1,000 million, PTTEP Treasury Center Company Limited amounting to Baht 1,500 million, and Toyota Leasing Company (Thailand) Co., Ltd. amounting to Baht 1,200 million. Furthermore, Kasikornbank was the only company participating in the project as debenture issuer, bond underwriter, as well as debenture registrar, reflecting the commitment to support innovation development in the Thai capital market. The DIF Web Portal project will enhance the efficiency and transparency of private debenture issuance by digitalizing the entire process	<ul style="list-style-type: none"> <li>• Issued and offered digital yen-denominated bonds under the DIF Project, valued at Yen 11,700 million (approximately Baht 2,871 million) for institutional investors</li> <li>• Participated as one of the bond underwriters for Thai Baht denominated debentures within the DIF Project for three private sector companies, total value amounting to Baht 3,700 million for institutional investors</li> </ul>
K CONNECT-LG	K CONNECT-LG is a web application-based LG service, allowing customers to request the issuance, renewal and amendment of LG, track outstanding balance and transaction status, and print receipts and reports. The service, which is available 24 hours a day, can issue an LG within the same day, providing more convenience and speed to customers without the need to go to a Bank branch.	<ul style="list-style-type: none"> <li>• Number of customers using K-CONNECT-LG increased by 17 percent from year-end 2022</li> </ul>
K e-LG via e-GP	K e-LG via e-GP guarantees bidding in compliance with contracts or obligations, wherein customers who have LG line of credit may apply for and use the e-LG service via the electronic system of the Comptroller General's Department.	<ul style="list-style-type: none"> <li>• Number of K e-LG via e-GP transactions accounted for 16 percent of total LG issuance transactions</li> </ul>





Products/Services	Details of financial innovations	Operating performance
K CONNECT - Supply Chain	<p>K CONNECT-Supply Chain offers revolving credit facility via electronic channel with invoice displayed online. The innovative service allows loan withdrawal, payment to trade partners, funds transfer to recipient's account of both KBank and other banks as well as loan payment via electronic channel. This service can therefore be provided in a comprehensive manner for both buyers and suppliers.</p>	<ul style="list-style-type: none"> <li>Number of customers using K CONNECT-Supply Chain: 4,072</li> </ul>
KhunThong: A social chatbot on LINE platform	<p>KhunThong Social Chatbot on LINE platform serves as a financial assistant for customers to meet their needs in daily life such as bill scanning, bill splitting, collection of shared expenses and monthly bill payment such as home rent, etc. The service, which is available via both a private or shared chat room, can be accessed from the funds transfer and payment history page of K PLUS. News and promotions of trade partners participating in marketing promotions with KhunThong were also offered.</p>	<ul style="list-style-type: none"> <li>Number of users per month: 392,000</li> <li>Number of members: More than 1.7 million</li> </ul>
MAKE by KBank: A mobile banking application	<p>This mobile banking app serves as a financial assistant for customers, allowing them to efficiently manage their savings and monthly expenses in order to foster their financial discipline. Cloud Pocket - its key feature - helps divide savings into various portions in a single account, allowing users to achieve their saving goals.</p>	<ul style="list-style-type: none"> <li>Number of customers per month: 1.02 million</li> <li>Number of accounts: 2 million</li> </ul>
Personal Loans (by KASIKORN LINE Co., Ltd.), Co-branded deposit, debit cards and LINE BK Special Rate Account by KBank and life insurance broker (by KASIKORN LINE Insurance Broker Co., Ltd.)	<p>Financial services are available via LINE app under the LINE BK brand. KASIKORN LINE Co., Ltd. offers personal loan and nano finance under supervision, while KBank provides co-branded deposit, debit card and LINE BK Special Rate Account. Customers can conduct various transactions including making funds transfer with their bank account number, PromptPay number, mobile phone number, and LINE ID, while also using QR scan for making funds transfer or payment. In the latest development, KASIKORN LINE Insurance Broker Co., Ltd. offers health insurance products with appropriate coverage that can meet customers' present needs at more affordable prices.</p>	<ul style="list-style-type: none"> <li>Number of users signing up for the service: 6.3 million</li> <li>Total loan amount: 17.55 million</li> </ul>



### Debit Cards/Cash Card

Products/Services	Details of financial innovations	Operating performance
Xpress Cash	<p>Xpress Cash can be applied easily via K PLUS. Customers can spend anywhere, with various features and no fee for all transactions as follows:</p> <ul style="list-style-type: none"> <li>• Cash withdrawal via QR code from K-ATM</li> <li>• Funds transfer from Xpress Cash card to savings account via K PLUS up to Baht 500,000/ transaction</li> <li>• Purchase goods and services at stores bearing the UnionPay logo nationwide</li> <li>• Make installment payment for goods or services from participating merchants of up to 36 months via K PLUS</li> <li>• Purchase goods and services at participating merchants with installment payment up to 36 months</li> </ul>	<ul style="list-style-type: none"> <li>• Number of purchase transactions via Xpress Cash: 600,000</li> <li>• Value of purchase transactions via Xpress Cash: Baht 2,500 million</li> </ul>
LINE BK Debit Card	<p>Customers can apply for LINE BK Debit Card via LINE BK. The debit card is available in three types, i.e.,</p> <ul style="list-style-type: none"> <li>• LINE BK Online Debit Card: Once issued, the electronic debit card can be used immediately for purchase of goods and bill payment online, with travel insurance benefit when going abroad.</li> <li>• LINE BK Debit Card: The debit card must be applied for via LINE application and can be used for processing transactions at ATMs both at home and abroad and EDC, and for bill payment online.</li> <li>• LINE BK Debit Card with Credit Line: The debit card, which can also be applied for via LINE application is designed for customers who have an approved credit line with KASIKORN LINE Co., Ltd., only. In case of insufficient balance in the account, notification will be sent for withdrawal from the available credit line to the linked savings account.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of LINE BK debit cards (all types): Approximately 3.5 million</li> </ul>

→ Financial services on LINE application under LINE BK brand





## Health insurance

Products/Services	Details of financial innovations	Operating performance
Pay when sick (IPD+OPD)	<p>This life and health insurance plan offers middle to low customer segments, especially freelance workers/vendors, who have no welfare benefit, an option to access affordable insurance that can be purchased easily online. The insurance provides coverage for medical expenses of up to Baht 50,000/visit (unlimited number of times) for inpatients and up to Baht 1,000/visit for outpatients, daily compensation up to Baht 1,000/day and terminal illness of Baht 100,000. In case of accident, coverage includes Baht 100,000 for death and medical expense of Baht 15,000/visit. Premium starts at Baht 694/month.</p>	<ul style="list-style-type: none"> <li>• Number of insurance policies: 1,252</li> <li>• Premiums: Baht 3.42 million</li> </ul>

## Collaboration with Partners

Products/Services	Details of financial innovations	Operating performance
Real-time inward funds transfer	<p>In cooperation with more than 20 world-class banks and fintech firms which are our partners with service area coverage in Europe, America, Australia, Asia and Africa, KBank provides an inward funds transfer service to accept remittance from abroad, which allows senders to send their funds transfer instruction to recipient accounts of KBank and other banks in Thailand. Senders in foreign countries can check the status of recipient accounts in Thailand before conducting their transactions, while also being advised of the exact service fees and exchange rates. Recipients will receive the full amount of transferred funds at up to Baht 2 million/transaction on a real-time basis 24 hours a day.</p>	<ul style="list-style-type: none"> <li>• Number of transactions: Approximately 9 million (per year)</li> </ul>



Products/Services	Details of financial innovations	Operating performance
<p>PromptPay International/ PromptPay-PayNow: International funds transfer with connectivity via national payment operator between Thailand and Singapore</p>	<p>KBank has adopted a switch-to-switch model for linking payment and international funds transfer via the national payment operator, based on their payment infrastructure. The system helps enhance efficiency, while reducing redundancy and operational costs of service providers. Customers can make funds transfer up to SGD 1,000 to Singapore, while accepting funds transfer up to Baht 25,000 per day from Singapore. Senders simply provide the recipient's mobile phone number. The recipient's name will be displayed to allow the sender to check its accuracy before conducting a transaction. Recipients can receive the full amount of funds transfer on a real-time basis, 24 hours a day.</p>	<ul style="list-style-type: none"> <li>Number of transactions: More than 300,000 (per year)</li> </ul>
<p>International funds transfer via K PLUS</p>	<p>KBank joined with NIUM, a Singapore-based cross-border funds transfer service provider, to develop international funds transfer technology via application programming interface (API). Outward remittance can be made up to USD 99,999 per transaction per day via K PLUS. The service allows senders to make a swift funds transfer at a reduced cost, with no documents required, and recipients can receive the full amount of transferred funds. In collaboration with banks in Singapore and Myanmar, KBank has increased the service coverage to 62 destination countries with 15 currencies available, comprising USD, SGD, AUD, HKD, GBP, EUR, PHP, INR, IDR, VND, KRW, MYR, JPY, CNY and MMK.</p>	<ul style="list-style-type: none"> <li>Number of transactions: More than 140,000 (per year)</li> </ul>



↑ International funds transfer via K PLUS



Products/Services	Details of financial innovations	Operating performance
Smart OPD Application on Mobile	<p>KBank has developed healthcare mobile applications for outpatients using services at various hospitals, including Chula Care, CBH PLUS, TUH for ALL, NIT PLUS, RJ Connect, BMA Doctor and POLICE PLUS. These smart applications provide greater convenience for both the hospitals and users. The self-service platform allows users to check their medical benefits directly with the National Health Security Office (NHSO) before visiting the hospital and provides real-time queuing and notification when the queue number draws near for physician consultation, nursing room, pharmacy service or cashier counter. This allows patients to efficiently manage their time with no need to wait at the service unit. Moreover, patients can view their treatment history, allergy history, make appointments and make payment while also receiving news from hospitals via the application.</p>	<ul style="list-style-type: none"> <li>• Number of hospitals using seven mobile applications developed by KBank: 17, namely King Chulalongkorn Memorial Hospital, Chonburi Hospital, Thammasat University Hospital, Rajavithi Hospital, the Neurological Institute of Thailand, Police General Hospital and 11 hospitals under the Medical Service Department, Bangkok Metropolitan Administration</li> <li>• Number of customers downloading the application: More than 1.2 million</li> </ul>
xpIORe Wallet Powered by KBank	<p>xpIORe is an application providing online and offline payment services. OR collaborated with KBank to develop e-Wallet for customers' convenience. The e-Wallet is part of the Bank's e-Money White labelling, which is considered one of the payment channels available on the xpIORe application. Customers can make payments for fuel as well as products and services within the OR Stores (Café Amazon, Jiffy, Texas Chicken, Pearly Tea, and FIT Auto) using QR Code, promoting the use of cashless and touchless payment. Additionally, xpIORe was developed to also facilitate payment outside the OR Stores (QR Tag30) as well as online purchases such as discount vouchers and deals.</p>	<ul style="list-style-type: none"> <li>• Number of customers signing up for the app: More than 113,000</li> </ul>





Products/Services	Details of financial innovations	Operating performance
<p>YouTrip application and YouTrip card</p>	<p>KBank teamed with Youtech, a leading multi-currency travel wallet in Singapore, to launch an electronic wallet service. Customers can top-up the YouTrip application and YouTrip card via K PLUS. They can exchange 10 currencies in advance via the YouTrip application while also spending in more than 150 currencies with the YouTrip card via EDC, purchasing goods online worldwide and making cash withdrawal at ATMs in other countries.</p>	<ul style="list-style-type: none"> <li>• Number of users will grow 146 percent compared to 2022.</li> <li>• Spending via cards: Baht 8 billion</li> </ul>



↑ You Trip application and You Trip



## 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 ratio<sup>1</sup>

Target 2023  
**0.0020%**

Performance 2023  
**0.0001%**

<sup>1</sup> Types of complaints

### Complaint channels

K-Contact Center,  
K-Buddy

**99.05%**

Social Media

**0.91%**

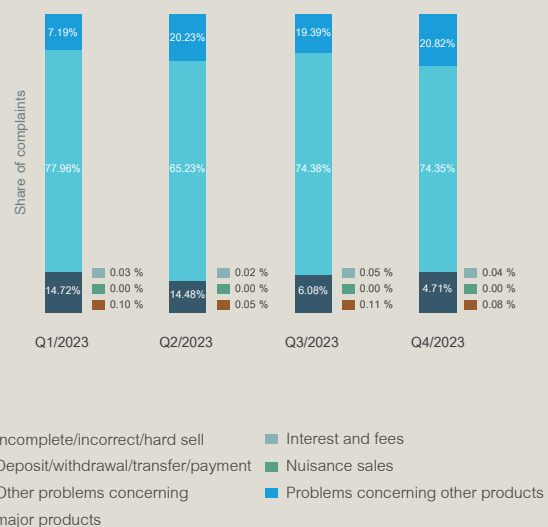
Branch

**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





## Responsible Lending and Investment: ESG Credit and Investment



### Risks

If KBank fails to integrate environmental, social, and governance (ESG) considerations into its loan and investment decisions, it risks supporting projects or businesses that could harm the economy, society, and environment. “Greenwashing” projects represent a specific example of such potential harm.

This could adversely affect the image and credibility of KBank and our customers, as well as customers’ business competitiveness, eventually leading to customers’ deteriorating repayment capability.

### Opportunities

Economic directions at the national and global levels are placing greater importance on ESG factors. This growing focus not only has a significant impact on operating performance of organizations but also unlocks new business opportunities for those that can adapt to such directions. This trend will also present opportunities for KBank to provide ESG credits to those businesses, while enhancing investor confidence over the long term.

KBank has formulated an Environmental and Social Risk Management Policy and Framework (ESRM) that incorporates ESG consideration into the risk management processes via an operational structure of well-defined roles and responsibilities. International practices have been adopted in our credit underwriting processes for corporate credits and Project Finance, and debt securities investment. Customers have been notified of sustainability-related opportunities and risks. An Exclusion List\* has been established for projects that are ineligible for KBank credits, along with a Sector-Specific Guideline\* and intensive risk management measures for high-risk customers. The credit underwriting process is closely monitored and examined by specialists to ensure that it is in conformity with international standards, and KBank’s financed portfolio has implemented efficient environmental and social impact management to foster stable business advancement and sustainable returns for all stakeholders in the long term.

\* ESG Credit Policy and Sector-Specific Guidelines (<https://www.kasikornbank.com/TH/IR/CorporateGovernance/transparency/pages/esg-credit-policy.aspx>)

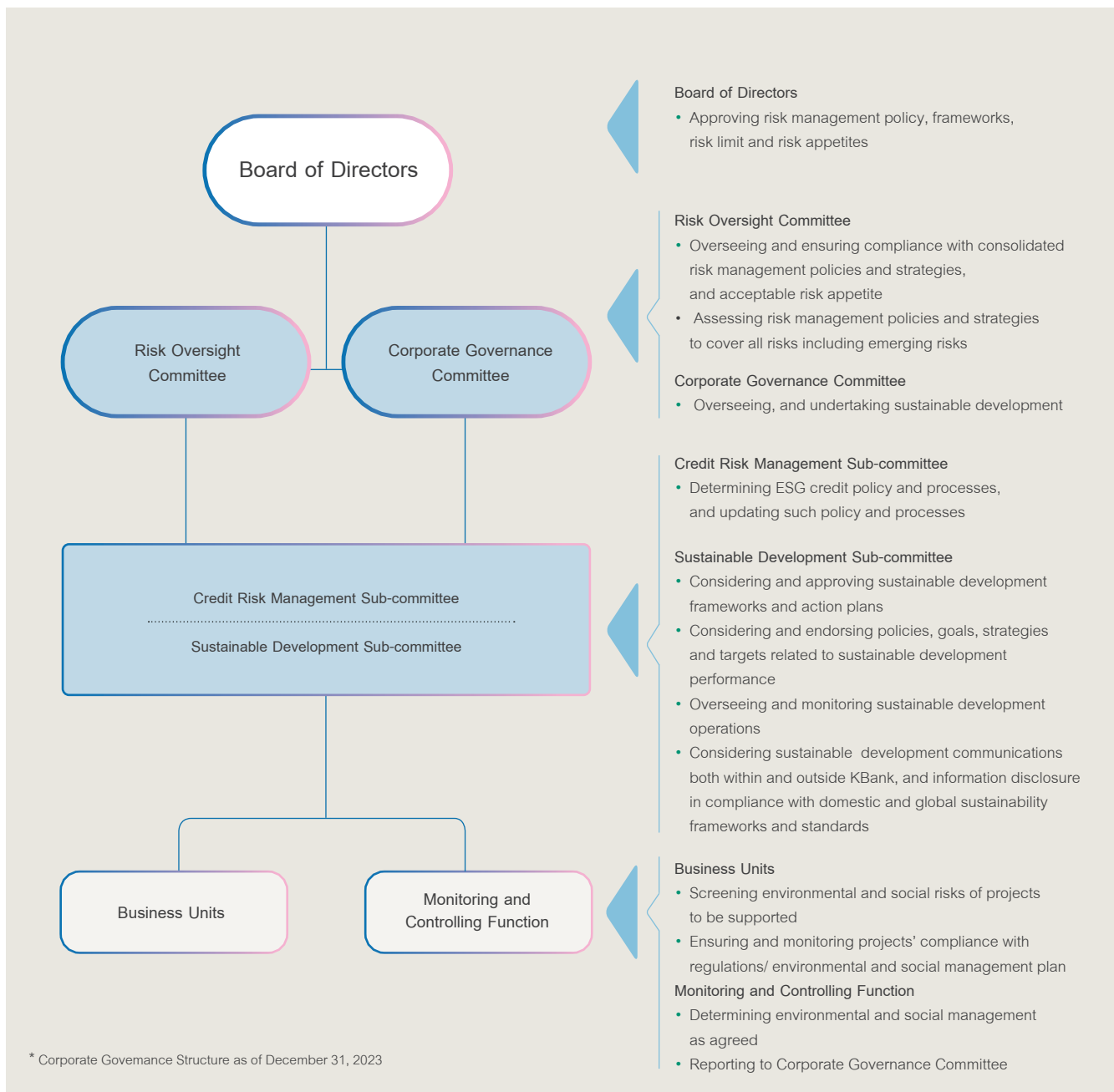


## Structure of Credit Operations Demonstrating ESG Responsibility

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:





### Transaction Level

KBank recognizes the importance of the potential impacts of our credit activities. Our credit policy emphasizes the management of ESG impacts that may be incurred from our customers or projects financed by KBank's credits, while ESG credits are clearly defined for effective credit underwriting.

For applications of Project Finance that may create environmental and social impacts, the Enterprise Risk Management Division conducts regular monitoring and control, and reports to the

Corporate Governance Committee every three months in order to receive the committee's recommendations before credit underwriting is conducted. If any project is considered to be non-compliant with the criteria of environmental and social risk assessment, KBank will give notice of the issues for improvement, along with conditions and limitations, to the customers for improvement and revision within a specified timeline. In the absence of customers' proposed directions for improvement and revision within the stipulated period, KBank may terminate our financial support to the projects.

#### Types of Rejected Credits and Credit Applicants (Exclusion List)\*



KBank has recognized the importance of managing environmental and social impacts through the provision of financial support via lending and investment. Credit policy on environment, social and governance (ESG) has thus been established. In alignment with international practices, ESG factors are incorporated as criteria for credit underwriting. Additionally, we establish an exclusion list and sector-specific guidelines while having in place measures for risk management appropriate for high-risk customers to ensure that credit supported by KBank will involve effective management of environmental and social impacts.

KBank requires that consideration be made for characteristics of credit applicants and types of businesses. Credits on ESG exclusion list include the following examples: offences under the Anti-Money Laundering Act B.E. 2542 (2019), human trafficking, weapons and war materials, and others.

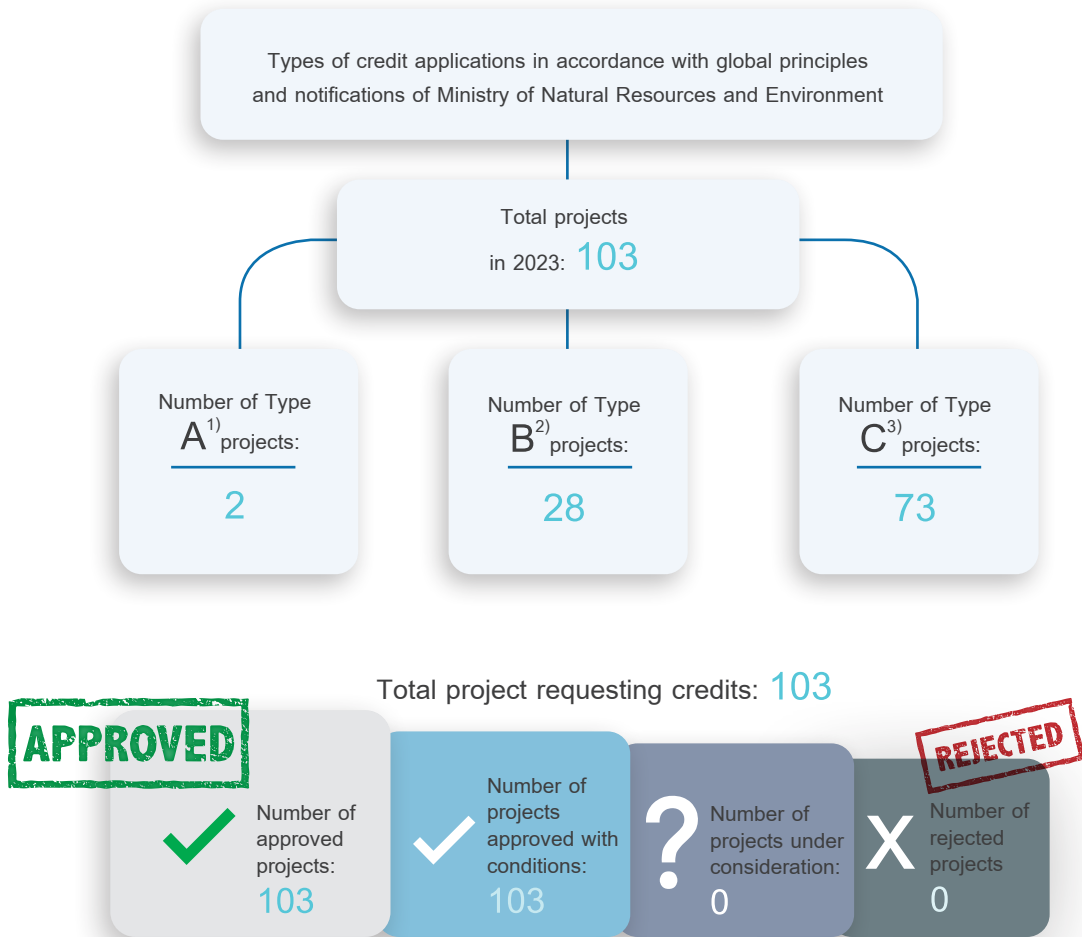
Furthermore, the Bank does not support credits associated with activities that risk violation of laws including domestic environmental laws and international agreements, as well as destroying or encroaching upon important ecosystems such as wildlife trade and exploitation of natural resources or the environment. the Bank does not support credits associated with destruction or encroachment upon cultural areas or violation of human rights such as forced labor or occupational conditions that do not meet related standards.

ESG factors are incorporated as criteria for credit underwriting in alignment with international practices to ensure that credit supported by KBank will involve effective management of environmental and social impacts, thus promoting stable business growth and generating sustainable returns for all stakeholders over the long term. Moreover, these measures will help prevent KBank from being exposed to risk that may affect its image and operations.

\* ESG Credit Policy and Sector-Specific Guidelines can be found at KBank's website <https://www.kasikornbank.com/TH/IR/CorporateGovernance/transparency/pages/esg-credit-policy.aspx>



### Project Finance Result 2023



### corporate credits for medium and large enterprises

<b>Project Finance Result 2023</b>	Total Project Finance and commercial credits for medium enterprises and above that were processed through ESG risk assessment and approved in 2023 amounted to approximately <b>Baht 389,240 million</b>	Project Finance <b>Baht 47,301 million</b>	Corporate credits for medium and large enterprises: <b>Baht 341,939 million</b>
------------------------------------	---	---	--

<sup>1)</sup> Type A is project that cause severe environmental and sharp impacts.  
<sup>2)</sup> Type B is project that has impacts on both the environmental and social.  
<sup>3)</sup> Type C is project do not have any impact or caused little impact on the environmental and social.



## 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.

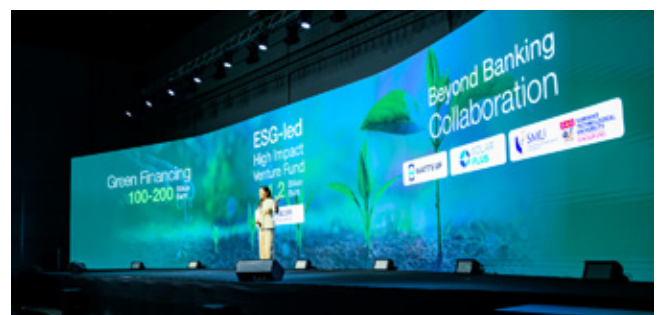
## Engagement of Supervisory Agencies, Public Sector, Private Sector, Non-Profit Organizations and Civil Society for Communication of ESG Risk Consideration Criteria

- 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



- JUMP Startup Clinic: A learning space was organized for startups to attend ideas shared by world-class business and legal consultants, including the opportunity to attend consulting services on business strategies through the Startup Clinic by McKinsey & Company, Baker & McKenzie, and Beacon Venture Capital
- KBank joined the seminar, “BOT Digital Finance Conference 2023: Building Ecosystem for Responsible Innovation”, organized by the Bank of Thailand, under the topic of “New business opportunities for sustainable growth”. The event aimed to encourage businesses to seize opportunities for sustainability and to develop or apply innovative technologies to foster business growth in line with the changing trends.
- KBank participated in the 2023 OIE Forum entitled, “MIND: Set for Sustainability”, organized by the Office of Industrial Economics. This annual seminar aimed to encourage participants to integrate and link ideas to advance the Thai industrial sector towards sustainability for enhanced competitiveness in the global market.
- KBank participated in a knowledge sharing session, entitled Stakeholder Consultation Workshop: “Unlocking finance and investment for clean energy in Thailand”, organized by the Organisation for Economic Co-operation Development (OECD), under cooperation with Thailand’s Department of Alternative Energy Development and Efficiency in order to seek a guideline for mobilizing funds to support investment in clean energy and energy conservation in Thailand.





## Sustainable Supply Chain Management



### Risks

Suppliers within KBank's supply chain who do not comply with the principles of social responsibility and sustainable development or are likely to create negative impacts on the environment, society, and governance (ESG) will affect the operational efficiency and image of the Bank.

### Opportunities

Supply chain management through the selection of suppliers, based on the ESG criteria, and promoting them to comply with the principles of social responsibility and sustainable development will build confidence in the delivery of quality goods and services to the Bank, including opportunities for the development of innovations that are environmentally friendly and add value to society, nurturing mutual and stable growth and becoming sustainable business partners with the Bank.

## Supervision of Sustainable Supply Chain Management

The Bank has assigned the Procurement Management Department to ensure that supply chain management is efficient and various operational guidelines are updated on a regular basis. The Procurement Department is also required to communicate and create a common understanding with customers on mutual benefits derived from undertaking operations in line with the sustainable development concept, and joint monitoring and evaluation of operating performance. Additionally, it must report various operating results to its Division Head and the Bank's Board of Directors for acknowledgement and approval, including various recommendations for improvements.

in order to protect and maintain confidential information. Additionally, KBank and suppliers have entered into a data processing agreement, which specifies rights and duties between the Bank and suppliers in order to prevent unauthorized processing of personal data.

The Bank attaches importance to and supports its suppliers to conduct businesses, with transparency in line with the relevant laws, rules and regulations. With this in mind, the Bank has developed the Supplier Code of Conduct, which covers business ethics, human and labor rights, occupational health, safety and work environment, promotion and support of KBank's suppliers. All suppliers are required to acknowledge and accept the Supplier Code of Conduct prior to being KBank's suppliers. Once they are KBank's suppliers, they must strictly comply with the Supplier Code of Conduct.

## Sustainable Supply Chain Management

The Bank has improved its procurement policies and regulations to serve as guidelines for sustainable supply chain management. Such guidelines cover both the supplier recruitment and selection processes, with emphasis placed on suppliers' qualifications and the quality of their products and services, based on the assessment of their ESG-related responsibilities and controls.

The Bank has produced the supplier handbook, which covers the fundamental practices for suppliers to carry out their businesses in compliance with the relevant laws, regulations, the Statement of Business Conduct of KBank and business ethics. It also helps suppliers maintain their operational standards in alignment with the Bank's Supplier Code of Conduct, ensuring that their operations are free from fraud and corruption in any form while preventing wrongful exploitation of duties and conflicts of interest. The Bank's supplier handbook also encourages suppliers to join the anti-corruption network.

KBank has established the scope of rights and duties, usage, collection, and disclosure of information for its suppliers under the non-disclosure agreement signed by KBank and suppliers





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.



In 2023, KBank's key Suppliers included



**9** Tier-1 suppliers  
**72** Tier-2 suppliers

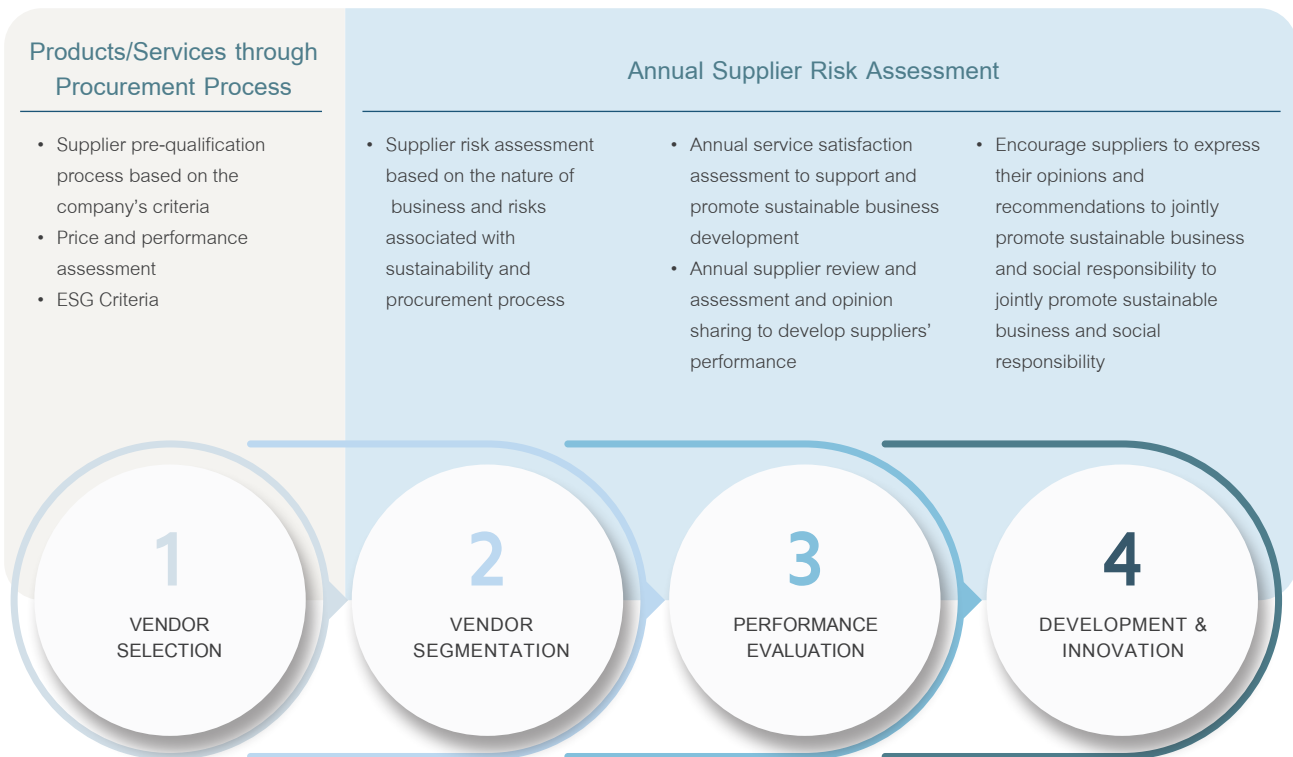


The total spending with these suppliers amounted to **81%** of the total spending

### Supplier Monitoring, Inspection and Assessment Procedures

The Bank has monitored and evaluated the suppliers' performances to ensure that they comply with the Supplier Code of Conduct. If they fail to comply with the Supplier Code of Conduct\*, the relevant laws, rules, and regulations, the Bank shall assess the impacts and risks caused by their behavior, and initiate discussions and/or send formal written notices to suppliers. If such suppliers fail to rectify their performances, the Bank may implement penalties based on the severity of risks and resulting impacts. This may involve the contract termination and permanent removal from the Bank's supplier registry.

### Environmental, Social and Governance (ESG) Risks Assessment



\* Moving towards more strategic and transformational ways of engaging with our supply chain to greater sustainable impact with benefits for all stakeholders.

\* For details on the Bank's Supplier Code of Conduct, please click: [https://www.kasikornbank.com/th/IR/CorporateGovernance/transparency/Pages/KBank\\_Supplier\\_Code\\_of\\_Conduct.aspx](https://www.kasikornbank.com/th/IR/CorporateGovernance/transparency/Pages/KBank_Supplier_Code_of_Conduct.aspx)



## 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.





Regarding the evaluation of our supplier's performances, KBank has sent questionnaires to service users to conduct 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.

To inspect and monitor our suppliers' compliance with the Supplier Code of Conduct, KBank conducts a site visit evaluation 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. This is intended to support the development of sustainable business operations of suppliers throughout the supply chain in alignment with KBank's guidelines.



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 via numerous channels, such as letters, facsimiles, phone and email. Related management processes, which include investigation, fact finding and penalty consideration, are in line with the criteria that are based on the impact of suppliers' behavior in line with the nature of risk and damages that may occur. Operational plans have been established to address related issues in an appropriate manner, monitor how problems are addressed, and prepare a report on loss events per the KBank's criteria. Recommendations have been offered to suppliers to further improve and develop the quality of products and services. If suppliers fail to address the problems per the operational plans and established timeframe, KBank has an appropriate penalty in place to ensure that our suppliers improve their corporate governance, conduct businesses with KBank in a sustainable manner, and comply with the relevant laws and regulations.



The suppliers with tendency to have significant adverse social and environmental impacts and having been warned by KBank to improve accounted for

0%

of all suppliers.

The suppliers with tendency to have significant adverse social and environmental impacts and their contracts having been terminated accounted for

0%

of all suppliers. suppliers.



## 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”.

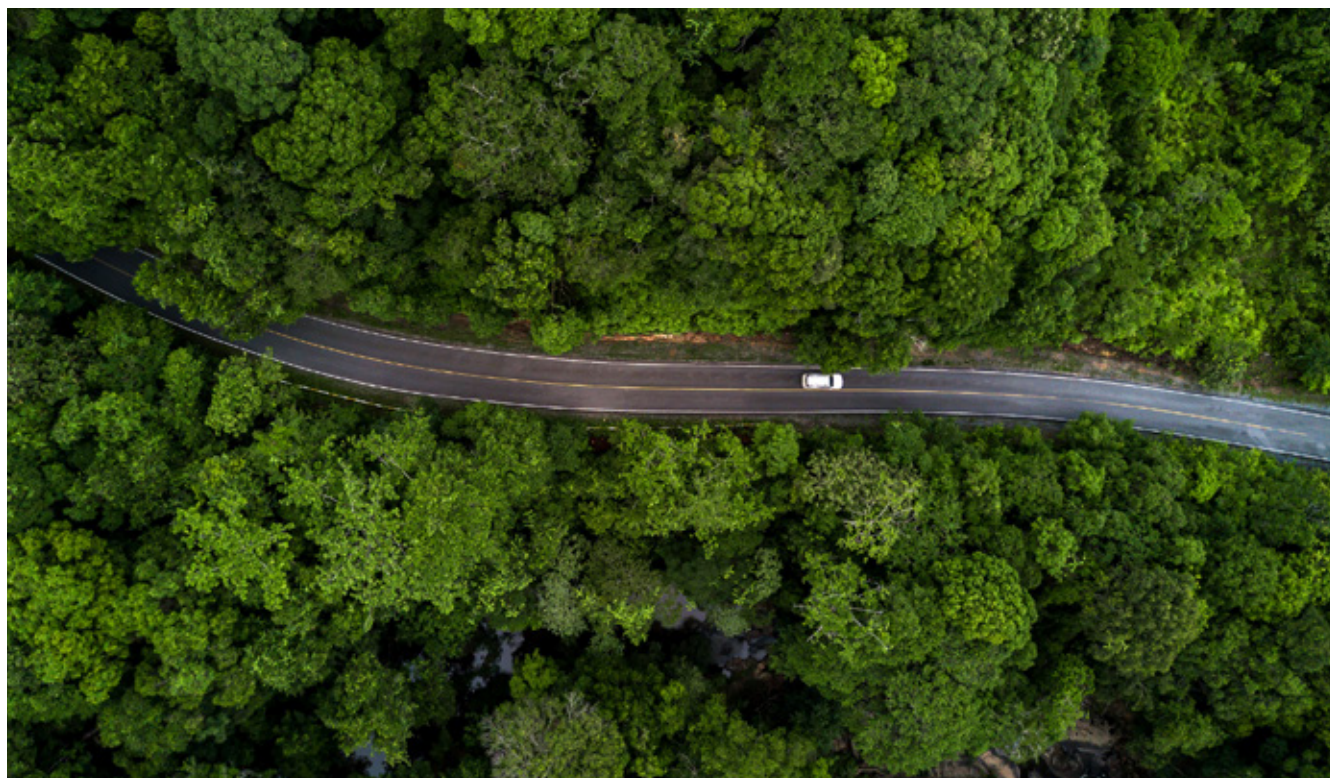
### New Year Gifts 2023

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 CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>, calculated and illustrated in the form of carbon dioxide equivalent (CO<sub>2</sub>e), 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<sub>i</sub> =  $\frac{\text{Outstanding amount}_i}{\text{Total equity} + \text{debt}_i}$

(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

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



## Social and Environmental Information Disclosure Boundaries

Name of Company	Social Aspect			Environmental Aspect			
	Labor Practice	Training	Safety	Fuel	Electricity	Water	Waste
1. KASIKORNBANK PUBLIC COMPANY LIMITED	●	●	●	●	●	●	●
2. KASIKORN ASSET MANAGEMENT CO., LTD.				●	●	●	●
3. KASIKORN RESEARCH CENTER CO., LTD.				●	●	●	●
4. KASIKORN SECURITIES PCL				●	●	●	●
5. KASIKORN LEASING CO., LTD.				●	●	●	●
6. KASIKORN FACTORY AND EQUIPMENT CO., LTD.				●	●	●	●
7. KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD.*				●	●	●	●
8. KASIKORN LABS CO., LTD.*				●	●	●	●
9. KASIKORN SOFT CO., LTD.*				●	●	●	●
10. KASIKORN X CO., LTD.*				●	●	●	●
11. KASIKORN INFRA CO., LTD.*				●	●	●	●
12. PROGRESS PLUS CO., LTD.				●	●	●	●
13. PROGRESS APPRAISAL CO., LTD.				●	●	●	●
14. PROGRESS GUNPAI CO., LTD.				●	●	●	●
15. PROGRESS MANAGEMENT CO., LTD.				●	●	●	●
16. PROGRESS FACILITIES MANAGEMENT CO., LTD.				●	●	●	●
17. PROGRESS SERVICE CO., LTD.				●	●	●	●
18. PROGRESS STORAGE CO., LTD.				●	●	●	●
19. PROGRESS H R CO., LTD.				●	●	●	●
20. PROGRESS SERVICE SUPPORT CO., LTD.				●	●	●	●
21. PROGRESS COLLECTION CO., LTD.				●	●	●	●
22. PROGRESS TRAINING CO., LTD.				●	●	●	●
23. PROGRESS MULTI INSURANCE BROKER CO., LTD.				●	●	●	●

## Note:

Economic aspect information covers the performance of KBank, subsidiaries, associated and related companies consistent with our Annual Report 2023 (Form 56-1 One Report).



## Environmental, Social, and Governance Performance

### Environmental Performance

Assessment Parameter	
Baseline year	2020
Consolidation approach	Operation controls
Boundary summary	All entities and facilities either owned or under operation control
Emission factor data source	IPCC 2006, DEDE 2010 and TGO update July 2022
Materiality threshold	5%
Intensity ratio	per FTE
Independent assurance	YES

Parameter	Unit	Performance				Target 2023	Performance 2023 vs Base year 2020	Long term target 2030 vs Base year 2020
		2020 (Base year)	2021	2022	2023			
Greenhouse Gas Emission (GHG Emission)								
Total Scope 1 emission	Tonnes CO <sub>2</sub> e	18,727.05	15,833.59	11,232.01	15,467.65			
Total Scope 2 emission (Location based)	Tonnes CO <sub>2</sub> e	69,105.49	64,980.29	61,336.01	64,034.31			
Total Scope 2 emission (Market based)	Tonnes CO <sub>2</sub> e	69,105.49	64,980.29	61,141.55	61,174.88			
Total Scopes 1 & 2 emission**	Tonnes CO <sub>2</sub> 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 <sub>2</sub> 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.

\*\* Calculation of Total Scope 1 & 2 emissions uses GHG Scope 2 Market Based



Parameter	Unit	Performance				Target 2023
		2020	2021	2022	2023	
<b>Energy</b>						
Total energy consumption within organization from renewable and non-renewable sources	MWh	213,091.98	186,564.30	188,807.49	195,717.65	
Total energy consumption within the organization from non-renewable sources	MWh	203,592.31	178,397.24	161,133.03	167,778.16	
Total energy consumption within the organization from renewable sources*	MWh	9,499.68	8,167.06	27,674.46	27,939.49	
Total energy consumption intensity from renewable and non-renewable sources	MWh per FTE	6.45	5.88	6.00	6.14	
Total renewable energy consumption/ Total Energy Consumption within Organization	%	4.46%	4.38%	14.66%	14.28%	14.27%
<b>Water and Effluents</b>						
<b>Total water withdrawal</b>	m <sup>3</sup>	781,862	615,550	571,827	647,819	
- In all area						
Third-party water (Total) (≤ 1,000 mg/L Total Dissolved Solids)	m <sup>3</sup>	781,862	615,550	571,827	647,819	
- In areas with water stress						
Third-party water (Total) ≤ 1,000 mg/L Total Dissolved Solids	m <sup>3</sup>	70,368	72,081	62,729	587,961	
Water withdrawal intensity	m <sup>3</sup> per FTE	23.67	19.41	18.17	20.33	18.17
Total CO <sub>2</sub> emission from water withdrawal	Tonnes CO <sub>2</sub> e	534.56	403.14	370.15	447.26	
Total CO <sub>2</sub> emission from water withdrawal per FTE	Tonnes CO <sub>2</sub> e per FTE	0.02 (0.0161)	0.01 (0.0127)	0.01 (0.0118)	0.01 (0.0140)	
<b>Total water discharge to surface water</b>	m <sup>3</sup>	511,935	332,963	413,497	405,183	
- Volume (≤ 1,000 mg/L Total Dissolved Solids)	m <sup>3</sup>	511,935	332,963	413,497	405,183	
- Volume (> 1,000 mg/L Total Dissolved Solids)	m <sup>3</sup>	0	0	0	0	
<b>Total water consumption</b>	m <sup>3</sup>	269,927	282,587	158,330	242,637	
<b>Waste</b>						
<b>Total waste generate</b>	Metric Tonnes	5,851.33	5,494.61	4,918.38	4,166.97	
- Disposal method of hazardous waste	Metric Tonnes	581.35	1,659.14	95.24	33.95	
- Disposal method of non-hazardous waste	Metric Tonnes	5,269.98	3,835.47	4,823.14	4,133.02	
<b>Total waste used / recycled / sold / others</b>	Metric Tonnes	1,956	2,947.59	1,504.82	1,879.22	
- Hazardous waste <sup>1</sup>					32.70	
Preparation for reuse	Metric Tonnes	1.31	12.09	1.06	0	
Recycling	Metric Tonnes	577.46	1,646.70	93.34	32.70	
- Non-hazardous waste					1,846.52	
Recycling	Metric Tonnes	1,377.24	1,288.80	1,410.42	1,846.52	
<b>Total waste disposed</b>	Metric Tonnes	3,895.33	2,547.02	3,413.56	2,287.75	
- Hazardous waste					1.25	
Landfilling	Metric Tonnes	2.59	0.35	0.84	1.10	

\* Including the original energy source from the production of Solar Cells and using REC and Bio-based oil ingredients.



Parameter	Unit	Performance				Target 2023
		2020	2021	2022	2023	
Incinerator (with energy recovery)	-	-	-	-	-	
Incinerator (without energy recovery)	Metric Tonnes	-	-	-	0.15	
- Non-hazardous waste	Metric Tonnes	-	-	-	2,286.50	
Landfilling	Metric Tonnes	3,892.74	2,546.67	3,412.72	2,286.50	
Incinerator (with energy recovery)	-	-	-	-	-	
Incinerator (without energy recovery)	-	-	-	-	-	
<b>Waste generated intensity</b>	kg. per FTE	177.13	173.30	156.29	130.76	132.85
<b>Greenhouse Gas Emissions from Business Travel</b>						
Total business travel from road*	km.	4,807,722	3,913,550	3,919,990	7,260,305	
Total CO <sub>2</sub> e emission from road travel*	Tonnes CO <sub>2</sub> e	752.58	612.61	613.62	1,136.50	
Total CO <sub>2</sub> e emission from road travel per FTE	Tonnes CO <sub>2</sub> e per FTE	0.02 (0.0228)	0.02 (0.0194)	0.02 (0.0195)	0.04 (0.0357)	
Total business travel from Air**	km.	2,818,392	306,631	4,762,576	13,343,820	
Total CO <sub>2</sub> e emission from Air travel**	Tonnes CO <sub>2</sub> e	363.96	36.77	934.11	1,789.80	
Total CO <sub>2</sub> e emission from Air travel per FTE	Tonnes CO <sub>2</sub> e per FTE	0.01 (0.0110)	0.00 (0.0012)	0.03 (0.0297)	0.06 (0.0562)	
<b>Total CO<sub>2</sub>e emission from business travel</b>	Tonnes CO <sub>2</sub> e	1,116.54	649.38	1,547.73	2,926.30	
<b>Total CO<sub>2</sub>e emission from business travel per FTE</b>	Tonnes CO <sub>2</sub> e per FTE	0.03 (0.0338)	0.02 (0.0205)	0.05 (0.0492)	0.09 (0.0918)	
Full Time Employee	FTE	33,034	31,706	31,469	31,868	

Parameter	Unit	Performance		
		2022 <sup>(a)</sup>	2023	
<b>Greenhouse Gas Emissions from Loan and Investment Portfolio</b>				
<b>Scope comprising (asset classes according to PCAF standard)</b>		<ul style="list-style-type: none"> <li>Business Loans and Unlisted Equity</li> <li>Listed Equity and Corporate Bonds</li> <li>Project Finance Loans</li> </ul>	<ul style="list-style-type: none"> <li>Business Loans and Unlisted Equity</li> <li>Listed Equity and Corporate Bonds</li> <li>Project Finance Loans</li> <li>Motor Vehicle Loans</li> <li>Mortgages Loans</li> </ul>	
<b>Total Absolute GHG Emissions</b>	Scope 1+2	Tonnes CO <sub>2</sub> e	17,793,716	17,546,859
	Scope 3 <sup>(c)</sup>	Tonnes CO <sub>2</sub> e	18,680,809	19,127,360
<b>Emissions Intensity (Scope 1 and 2) <sup>(b)</sup></b>	Tonnes of CO <sub>2</sub> equivalent to USD 1 million of investment or loan		366.9	286.6

**Remarks:**

Please see All detail, limitation, data by Asset class & Sector and Weighted score of data quality on p. 063 - 064

(a) To ensure compatibility of greenhouse gas emission data, the Bank has conducted restatement of 2022 emissions previously reported in 2022 Sustainability Report. The Bank has revised the option selected for emission calculation to improve data quality, as well as updating emission factors used in the calculation, referring to PCAF calculation methodology and database (latest version: September 2023) to ensure alignment with 2023 emission calculation methodology.

(b) The unit used to report emission intensity is tonnes of CO<sub>2</sub> equivalent to USD 1 million of investment or loan (mUSD), according to PCAF standard (previously, the unit used was tonnes of CO<sub>2</sub> equivalent to Baht 1 million of investment or loan (mTHB)). Currency conversion referred to the exchange rate as announced by The Bank of Thailand on the last business day of the year.


(c) PCAF standard for financed emissions requires disclosure of Scope 3 GHG emission of only oil & gas, mining, transportation, construction, buildings, materials, and industrial activities sectors.

\* The bank reports greenhouse gas emissions. Business from road travel does not include travel by K-Leasing companies.

\*\* The bank reports greenhouse gas emissions Business from air travel only for KBank.



## Social Performance

Social Performance	2020		2021		2022		2023	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
 Number of Employees*	19,819		19,029		18,648		18,596	
By Gender								
• Male	5,999	30.27	5,703	29.97	5,516	29.58	5,363	28.84
• Female	13,820	69.73	13,326	70.03	13,132	70.42	13,233	71.16
By Age								
• < 30 years	4,747	23.95	3,220	16.92	2,381	12.77	2,034	10.94
• 30 - 50 years	11,677	58.92	12,441	65.38	13,060	70.03	13,519	72.70
• > 50 years	3,395	17.13	3,368	17.70	3,207	17.20	3,043	16.36
By Nationality								
• Thai	19,970	99.85	19,001	99.85	18,621	99.86	18,572	99.87
• Foreigner	29	0.15	28	0.15	27	0.14	24	0.13
By Others								
• People with disability	2	0.01	2	0.01	3	0.02	3	0.02
By Type of Employment								
• Permanent	19,755	99.68	18,849	99.05	18,506	99.24	18,515	99.56
• Contracted	64	0.32	180	0.95	142	0.76	81	0.44
By Workplace								
• Head office and main buildings	11,490	57.97	12,228	64.26	12,048	64.61	12,032	64.70
• Elsewhere	8,329	42.03	6,801	35.74	6,600	35.39	6,564	35.30
By Country								
• Thailand	19,795	99.88	19,004	99.87	18,612	99.81	18,579	99.91
• Elsewhere	24	0.12	25	0.13	36	0.19	17	0.09
By Level of Education								
• High school (lower than bachelor's degree)	282	1.42	241	1.27	210	1.13	188	1.01
• Bachelor's degree	13,247	66.84	12,496	65.67	12,036	64.54	12,061	64.86
• Master's degree	6,251	31.54	6,245	32.82	6,346	34.03	6,288	33.81
• Doctoral degree	39	0.20	47	0.25	56	0.30	59	0.32

\* Total number of employees refers to employees of KASIKORNBANK (KBank only), including permanent and temporary employees (contracted).







Social Performance	2020		2021		2022		2023	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
<b>By Employee Level (GRI 405-1)</b>								
<b>Top Management Level</b>	81		79		89		92	
• Male	56	69.14	55	69.62	57	64.04	63	68.48
• Female	25	30.86	24	30.38	32	35.96	29	31.52
• < 30 years	0	0.00	0	0.00	0	0.00	0	0.00
• 30 - 50 years	37	45.68	26	32.91	34	38.20	31	37.10
• > 50 years	44	54.32	53	67.09	55	61.80	61	62.90
<b>Middle Management Level</b>	943		968		1,037		1,094	
• Male	484	51.33	488	50.41	511	49.28	513	46.89
• Female	459	48.67	480	49.59	526	50.72	581	53.11
• < 30 years	0	0.00	0	0.00	0	0.00	0	0.00
• 30 - 50 years	519	55.04	540	55.79	433	41.76	647	59.14
• > 50 years	424	44.96	428	44.21	604	58.24	447	40.86
<b>Junior Management Level</b>	7,248		7,257		7,471		7,664	
• Male	2,777	38.31	2,713	37.38	2,697	36.10	2,681	34.98
• Female	4,471	61.69	4,544	62.62	4,774	63.90	4,983	65.02
• < 30 years	126	1.74	52	0.72	60	0.80	65	0.85
• 30 - 50 years	5,124	70.69	5,221	71.94	1,880	25.17	5,814	75.86
• > 50 years	1,998	27.57	1,984	27.34	5,531	74.03	1,785	23.29
<b>Junior Officer</b>	11,547		10,725		10,051		9,746	
• Male	2,682	23.23	2,447	22.82	2,251	22.40	2,106	21.61
• Female	8,865	76.77	8,278	77.18	7,800	77.60	7,640	78.39
• < 30 years	4,621	40.02	3,168	29.54	2,321	23.09	1,969	20.20
• 30 - 50 years	5,997	51.94	6,654	62.04	6,891	68.56	7,027	72.10
• > 50 years	929	8.04	903	8.42	839	8.35	750	7.70





Social Performance	2020		2021		2022		2023	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
 <b>Number of Employees by Type of Employment</b>								
Permanent employees	19,755	99.68	18,849	99.05	18,506	99.24	18,515	99.56
By Gender								
• Male	-	-	-	-	5,459	29.50	5,331	28.79
• Female	-	-	-	-	13,047	70.50	13,184	71.21
By Country								
• Thailand	-	-	-	-	18,495	99.94	18,498	99.91
• Elsewhere	-	-	-	-	11	0.06	17	0.09
Contracted employees	64	0.32	180	0.95	142	0.76	81	0.44
By Gender								
• Male	-	-	-	-	54	38.03	32	0.40
• Female	-	-	-	-	88	61.97	49	0.60
By Country								
• Thailand	-	-	-	-	142	1.00	81	1.00
• Elsewhere	-	-	-	-	0	0.00		0.00
Full-time employees	-	-	-	-	18,648	100.00	18,596	100.00
By Gender								
• Male	-	-	-	-	5,513	29.56	5,363	28.84
• Female	-	-	-	-	13,135	70.44	13,233	71.16
By Country								
• Thailand	-	-	-	-	18,637	99.94	18,579	99.91
• Elsewhere	-	-	-	-	11	0.06	17	0.09
Non-guaranteed hours employees	0		0		0		0	
Part-time employees	0		0		0		0	
 <b>Workers who are not employees*</b>	13,215		12,677		12,821		13,272	
 <b>New Hires</b>	395	1.99	531	2.79	1,204	6.46	1,408	7.57
By Gender								
• Male	150	37.97	229	43.13	438	36.38	410	29.12
• Female	245	62.03	302	56.87	766	63.62	998	70.88

\* Workers who are not employees refer to employee of the wholly-owned subsidiaries of KBank and support service providers of KBank.



Social Performance	2020		2021		2022		2023		
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	
<b>By Age</b>									
• < 30 years	227	57.47	188	35.40	563	46.76	801	56.89	
• 30 - 50 years	167	42.28	338	63.65	634	52.66	604	42.90	
• > 50 years	1	0.25	5	0.94	7	0.58	3	0.21	
<b>By Employee Level</b>									
• Top Management level	1	0.25	3	0.57	2	0.17	3	0.21	
• Middle Management level	19	4.81	34	6.40	62	5.15	46	3.27	
• Junior Management Level	104	26.33	256	48.21	409	33.97	275	19.53	
• Junior Officer	271	68.61	238	44.82	731	60.71	1,084	76.99	
<b>By Workplace</b>									
• Head office and main buildings	343	86.84	531	100.00	1,111	92.28	1,020	72.44	
• Elsewhere	52	13.16	0	0.00	93	7.72	388	27.56	
<b>By Country</b>									
• Thailand	395	100.00	531	100.00	1,204	100.00	1,408	100.00	
• Elsewhere	0	0.00	0	0.00	0	0.00	0	0.00	
<b>By Nationality</b>									
• Thai	380	96.20	525	98.87	1,191	98.92	1,404	99.72	
• Foreigner	15	3.80	6	1.13	13	1.08	4	0.28	
<b>By Others</b>									
• People with disability	0	0.00	0	0.00	0	0.00	0	0.00	
 Open positions filled by internal candidates	99	84.22	89	78.76	285.00	85.59	654.00	94.65	
<b>By Gender</b>									
• Male	48	48.48	42	47.19	141.00	49.47	322.00	49.24	
• Female	51	51.52	47	52.81	144.00	50.53	332.00	50.76	
<b>By Age</b>									
• < 30 years	0	0.00	0	0.00	0.00	0.00	0.00	0.00	
• 30 - 50 years	73	73.74	66	74.16	184.00	64.56	276.00	42.20	
• > 50 years	26	26.26	23	25.84	101.00	35.44	378.00	57.80	
 Average employee expense per FTE (Baht)			61,155.36		51,919.62		25,245.73		21,944.28



Social Performance	2020		2021		2022		2023	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
 Number of Turnover (including resignation, retirement, early retirement, death, contract termination and termination of all kinds)	955	4.82	1,289	6.77	1,584	8.49	1,463	7.87
<b>By Gender</b>								
• Male	405	42.41	510	39.57	625	39.46	566	38.69
• Female	550	57.59	779	60.43	959	60.54	897	61.31
<b>By Age</b>								
• < 30 years	N/A	N/A	336	26.07	320	20.20	328	22.42
• 30 - 50 years	N/A	N/A	630	48.88	914	57.70	812	55.50
• > 50 years	N/A	N/A	323	25.06	350	22.10	323	22.08
<b>By Employee Level</b>								
• Top Management level	5	0.52	5	0.39	4	0.25	8	0.55
• Middle Management level	52	5.45	60	4.65	79	4.99	84	5.74
• Junior Management Level	271	28.38	418	32.43	575	36.30	541	36.98
• Junior Officer	627	65.65	806	62.53	926	58.46	830	56.73
<b>By Country</b>								
• Thailand	941	98.53	1,282	99.46	1,573	99.31	1,456	99.52
• Elsewhere	14	1.47	7	0.54	11	0.69	7	0.48
 Number of Voluntary Turnover (including resignation, retirement, and early retirement)	880	4.44	1,221	6.42	1,486	7.97	1,395	7.50
<b>By Gender</b>								
• Male	372	42.27	487	39.89	601	40.44	543	38.92
• Female	508	57.73	734	60.11	885	59.56	852	61.08
<b>By Age</b>								
• < 30 years	N/A	N/A	334	27.35	312	21.00	322	23.08
• 30 - 50 years	N/A	N/A	575	47.09	348	23.42	758	54.34
• > 50 years	N/A	N/A	312	25.55	826	55.58	315	22.58
<b>By Employee Level</b>								
• Top Management level	4	0.45	5	0.41	4	0.27	8	0.57
• Middle Management level	51	5.80	59	4.83	78	5.25	82	5.88
• Junior Management Level	254	28.86	414	33.91	533	35.87	516	36.99
• Junior Officer	571	64.89	743	60.85	871	58.61	789	56.56



Social Performance	2020		2021		2022		2023	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
<b>By Country</b>								
• Thailand	879	99.89	1,215	99.51	1,475	99.26	1,389	99.57
• Elsewhere	1	0.11	6	0.49	11	0.74	6	0.43
Number of Employees who are Labor Union Members	8,753	44.16	8,055	42.33	8,287	44.44	7,842	42.17
Number of Employees Under Supervision of The Welfare and Labor Union Committee	19,819	100.00	19,029	100.00	18,648	100.00	18,596	100.00
Ratio of Salary and Basic Remuneration								
<b>Head Office</b>								
• Top Management level	1 : 0.86		1 : 0.86		1 : 0.83		1 : 0.89	
• Middle Management	1 : 1.05		1 : 1.04		1 : 1.02		1 : 1.01	
• Junior Officer	1 : 0.77		1 : 0.77		1 : 0.79		1 : 0.79	
<b>Elsewhere</b>								
• Top Management level	N/A		N/A		N/A		N/A	
• Middle Management	No Female		No Female		No Female		1 : 1.01	
• Junior Officer	1 : 0.68		1 : 0.71		1 : 0.72		1 : 0.72	

Item	2020		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female
• Number of employees having the right of maternity/parental leave	19,819		19,029		18,648		18,596	
	5,999	13,820	5,703	13,326	5,516	13,132	5,363	13,233
• Number of employees using the right of maternity/parental leave (classified by gender)	863		830		695		603	
	68	795	45	785	42	653	42	561
• Number of employees returning to work after maternity/parental leave (classified by gender)	835		803		673		584	
	66	769	45	758	40	633	42	542
• Percentage of employees returning to work and remaining at work after maternity/parental leave (%)	96.76%		96.75%		96.83%		96.85%	
	97.06%	96.73%	100.00%	96.56%	95.24%	96.94%	100.00%	96.61%



Item	2020	2021	2022	2023
<b>Engagement Score* (%)</b>				
• Engagement Score*	75	77	77	77
• Information Coverage	100	100	100	100
• Percentage of actively engaged employees	100	100	100	92
<b>By Gender (%)</b>				
• Male	75	75	75	77
• Female	75	79	79	77
<b>By Employee Level (%)</b>				
• Top Management Level	67	76	76	88
• Middle Management Level	77	75	75	84
• Junior Management Level	76	79	79	78
• Junior Officer	75	77	77	76
<b>Minimum Notice Period Before Effective Operational Changes That Potentially Affect Job Title/Type of Employment, e.g., organizational restructuring, business merger and branch expansion</b>				
• Job changes	2 weeks			
• Business merger, branch expansion	60 days			
• Organizational restructuring, e.g., addition or reduction of divisions	2 weeks			
<b>Employee Complaints in Relation to Labor Practices</b>				
• Number of employee complaints in relation to labor practices	2	0	1	3
• Number of resolved complaints	2	0	1	3
• Number of pending complaints	0	0	0	0

\* The Engagement Score assessment is conducted every 2 years



## Training

Item	Hours per year per person			
	2020	2021	2022	2023
<b>Training hours</b>				
• Total training hours	847,507	847,516	753,600	641,153
• Average training hours	42.8	37.4	40.4	34.5
<b>By Gender</b>				
• Male	40.2	31.9	37.1	32.1
• Female	43.9	39.8	41.8	35.7
<b>By Employee Level</b>				
• Management level (First Vice President and higher)	42.6	30.0	35.0	45.1
• Operating and staff level (below First Vice President)	42.8	37.6	40.6	34.3

Item	Percentage of total employees			
	2020	2021	2022	2023
<b>Employee Performance Evaluation</b>				
Percentage of evaluated employees	100	100	100	100
<b>By Gender</b>				
• Male	100	100	100	100
• Female	100	100	100	100
<b>By Employee Level</b>				
• Top Management Level	100	100	100	100
• Middle Management Level	100	100	100	100
• Junior Officer	100	100	100	100
<b>Ratios Related to Employee Expenses</b>				
• Staff Productivity (Revenue/ Personnel Expense)	5.78	5.67	6.51	6.12
• Human Capital Return on Investment	4.15	4.21	4.85	4.57



Occupational Health and Safety (GRI 403-9)

Item	Unit	2020		2021		2022		2023		
		Male	Female	Male	Female	Male	Female	Male	Female	
• Total Recordable Work-related Injury Rate: TRIR	Number of employees per 1,000,000 operating hours	0.00		0.01		0.00		0.00		
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
• Lost Time Injury Rate (LTIR)	Number of employees per 1,000,000 operating hours	0.00		0.00		0.00		0.00		
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
• Lost Day Injury Rate (LDIR)	Number of employees per 1,000,000 operating hours	0.00		0.00		0.00		0.00		
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
• Occupational Disease Rate (ODR)	Number of employees per 1,000,000 operating hours	0.00		0.00		0.00		0.00		
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
• Absentee Rate (AR)	Day	0.69		0.67		1.53		0.85		
		0.64	0.71	0.62	0.70	1.12	1.70	0.78	0.87	
• Number of Fatalities	Person	0	0	0	0	0	0	0	0	
<b>Sick Leave*</b>										
• Number of sick leave days *	Day	9,327.0	23,779.5	8,478.0	22,367.0	14,911	53,674	10,157	28,040	
<b>By Workplace</b>										
• Head office and main buildings	Day	23,653		19,232		34,895		25,871		
• Elsewhere*	Day	9,454		11,613		33,691		12,325		
<b>By Region (Thailand)</b>										
• Bangkok	Day								31,550.5	
• Central	Day								1,363.5	
• Northern	Day								1,450.5	
• Southern	Day								1,128.5	
• Eastern	Day								1,444.0	
• North Eastern	Day								1,259.0	
<b>By Workplace</b>										
• Number of time lost due to non-work related illness	Hours (Day x 8 hours)	74,616	190,236	67,820	178,932	119,288	429,392	81,252	224,316	

\* The number of cases of recordable work-related ill health was recorded from opinions of the Social Security Office. In 2023, the number of employees who received the Social Security Office opinion that they had work-related ill health was 0.





## Governance/Economic Performance

Unit: Thousand Baht

Governance/Economic Performance	2023	
	Consolidated	KBank
Revenue*	227,818,014	201,925,761
Other operating expenses**	36,458,963	35,713,519
Employee expenses***	40,274,282	27,670,536
Payments to providers of capital****	44,641,703	41,930,714
Tax payment to government*****	17,909,412	15,128,451
Cash donation for supporting community and education	1,490,802	1,440,551
Economic value retained	87,042,852	80,041,990
Total assets	4,283,556,381	3,551,347,982
Total liabilities	3,686,721,069	3,075,448,385
Total equity	596,835,312	475,899,517

\* Revenue include net operating income, exclusive of interest expenses.

\*\* Other operating expenses exclude expense associated with employees, tax, charitable donations and donations to support public services and educational projects.

\*\*\* Employee expenses include salaries, wages, overtime pay, bonuses, pension, cost of living subsidies, employee benefits, Bank contribution to provident funds, welfares and other benefits, e.g., health insurance and annual health checkup.

\*\*\*\* Payments to providers of capital refer to dividends paid to shareholders and interest expenses.

\*\*\*\*\* Tax payment to government includes direct and indirect taxes, e.g., corporate income tax, property tax, value added tax, special business tax, etc.



## GRI Standards Content Index



For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

Furthermore, GRI Services reviewed the correct mapping of the GRI disclosures presented in the GRI content index to Sustainable Development Goals (SDGs), based on the 'Goals and targets database' tool available from GRI website.

### GRI Content Index (GRI Standards 2021)

Foundation 2021	
Statement of Use	Kasikornbank has reported in accordance with the GRI Standards for the period between January 1, 2023 to December 31, 2023
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	(N/A)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION			OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	CORPORATE WEBSITE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
General Disclosures									
GRI 2 General Disclosures 2021	2-1 Organizational details		p. 010 - 012						
	2-2 Entities included in the organization's sustainability reporting		p. 174, 178						
	2-3 Reporting period, frequency and contact point		p. 174, 175						
	2-4 Restatements of information		p. 029 - 036						
	2-5 External assurance		p. 174, 218 - 219						
	2-6 Activities, value chain and other business relationships	p. 013 - 017, 025 - 027, 042 - 043, 065	p. 010 - 015						
	2-7 Employees		p. 182 - 185					SDG 8	
	2-8 Workers who are not employees		p. 184					SDG 8	
	2-9 Governance structure and composition	p. 095 - 099	p. 134						



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION			OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	CORPORATE WEBSITE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	2-10 Nomination and selection of the highest governance body	p. 110, 116 - 121		<a href="https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/DirectorNominationPolicy.aspx">https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/DirectorNominationPolicy.aspx</a>					
	2-11 Chair of the highest governance body	p. 008 - 009, 102, 105 - 106							
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 106 - 107, 124 - 125	p. 020, 048, 134, 142, 160,						
	2-13 Delegation of responsibility for managing impacts	p. 098 - 099, 108 - 112	p. 020, 048, 134, 142, 160,						
	2-14 Role of the highest governance body in sustainability reporting		p. 029 - 031, 175						
	2-15 Conflicts of interest	p. 130 - 132	p. 139						
	2-16 Communication of critical concerns	p. 141	p. 138 - 139, 174						
	2-17 Collective knowledge of the highest governance body	p. 120 - 123	p. 098, 136						
	2-18 Evaluation of the performance of the highest governance body	p. 124 - 125							
	2-19 Remuneration policies	p. 112 - 113, 125 - 129		<a href="https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/Remuneration_to_Directors_and_Executives.aspx">https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/Remuneration_to_Directors_and_Executives.aspx</a>					
	2-20 Process to determine remuneration	p. 112 - 113, 125 - 129							
	2-21 Annual total compensation ratio				Confidentiality constraints	KBank considers this information as confidential and cannot report the information publicly.			
	2-22 Statement on sustainable development strategy	p. 020, 064, 068	p. 007 - 009, 013 - 015, 022 - 023						



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION			OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	CORPORATE WEBSITE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	2-23 Policy commitments		p. 019, 046, 094, 113, 135	- <a href="https://www.kasikombank.com/EN/sustainable-development/policy/Pages/policy.aspx">https://www.kasikombank.com/EN/sustainable-development/policy/Pages/policy.aspx</a> - <a href="https://www.kasikombank.com/en/IR/CorporateGovernance/transparency/Pages/Human_Rights_Policy.aspx">https://www.kasikombank.com/en/IR/CorporateGovernance/transparency/Pages/Human_Rights_Policy.aspx</a>  - <a href="https://www.kasikombank.com/en/IR/CorporateGovernance/transparency/Pages/Occupational_Safety_and_Health.aspx">https://www.kasikombank.com/en/IR/CorporateGovernance/transparency/Pages/Occupational_Safety_and_Health.aspx</a> - <a href="https://www.kasikombank.com/en/IR/CorporateGovernance/Pages/ethics.aspx">https://www.kasikombank.com/en/IR/CorporateGovernance/Pages/ethics.aspx</a>					
	2-24 Embedding policy commitments		p. 019, 023 - 028						
	2-25 Processes to remediate negative impacts	p. 046 - 047	p. 060 - 061, 113 - 117, 140 - 141						
	2-26 Mechanisms for seeking advice and raising concerns		p. 030, 037 - 042, 138 - 139						
	2-27 Compliance with laws and regulations	p. 142 - 143	p. 132 - 133						
	2-28 Membership associations		p. 043, 072						
	2-29 Approach to stakeholder engagement		p. 037 - 042, 071, 163 - 164						
	2-30 Collective bargaining agreements		p. 187				SDG 8		
Material topics									
GRI 3 Material Topics 2021	3-1 Process to determine material topics		p. 029 - 030						
	3-2 List of material topics		p. 031 - 036						
Corporate Governance									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 132 - 134						
Business Ethics and Transparency									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 132 - 134						
GRI 205 Anti-Corruption 2015	205-1 Operations assessed for risks related to corruption	p. 133 - 134	p. 137						
	205-2 Communication and training about anti-corruption policies and procedures	p. 133 - 134	p. 135 - 137				SDG 16		
	205-3 Confirmed incidents of corruption and actions taken		p. 138 - 139						



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION			OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	CORPORATE WEBSITE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
<b>Risk Management</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics	p. 044 - 061	p. 140 - 143						
<b>Customer Understandings</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 144 - 158						
GRI 417 Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling		p. 158						
	417-3 Incidents of non-compliance concerning marketing communications		p. 158						
<b>Sustainable Finance</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 064 - 066, 082 - 091, 159 - 165						
<b>Digitization and Innovation</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 092 - 099, 144 - 158						
<b>Sustainable Supply Chain Management</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 166 - 173						
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		p. 167 - 170						
	308-2 Negative environmental impacts in the supply chain and actions taken		p. 170						
GRI 403 Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation		p. 171						
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		p. 167 - 170						
	414-2 Negative social impacts in the supply chain and actions taken		p. 170						
<b>Cybersecurity and Customer Data Privacy Protection</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 092 - 099						
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		p. 097, 139					SDG 16	
<b>Employee Labor Practices, Inclusion, Diversity, and Equality</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 100 - 104						
GRI 401 Employment 2016	401-1 New employee hires and employee turnover		p. 184, 186 - 187					SDG 5, SDG 8	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		p. 105					SDG 8	
	401-3 Parental leave		p. 105, 187					SDG 5, SDG 8	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION			OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	CORPORATE WEBSITE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 402 Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		p. 188					SDG 8	
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		p. 182 - 185					SDG 5, SDG 8	
	405-2 Ratio of basic salary and remuneration of women to men			<a href="https://www.kasikombank.com/EN/IR/CorporateGovernance/transparency/Pages/KBank_Diversity_Management.aspx">https://www.kasikombank.com/EN/IR/CorporateGovernance/transparency/Pages/KBank_Diversity_Management.aspx</a>				SDG 5, SDG 8, SDG 10	
Employee Human Capital Development; Talent Attraction and Retention									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 100 - 104						
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee		p. 189					SDG 4, SDG 5, SDG 8	
	404-2 Programs for upgrading employee skills and transition assistance programs		p. 103 - 104					SDG 8	
	404-3 Percentage of employees receiving regular performance and career development reviews		p. 189					SDG 5, SDG 8	
Employee Well-Being									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 100 - 110						
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system		p. 106 - 110						
	403-2 Hazard identification, risk assessment, and incident investigation		p. 106 - 107						
	403-3 Occupational health services		p. 109 - 110						
	403-4 Worker participation, consultation, and communication on occupational health and safety		p. 106 - 110						
	403-5 Worker training on occupational health and safety		p. 107						
	403-6 Promotion of worker health		p. 109 - 110, 190						
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		p. 106 - 110						
	403-9 Work-related injuries		p. 190						YES
	403-10 Work-related ill health		p. 190					SDG 3, SDG 8	
	Human Rights Across Employees, Suppliers, Customers and Community								
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 113 - 117						
GRI 406 Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		p. 117						



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION			OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	CORPORATE WEBSITE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		p. 115 - 117						
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor.		p. 115 - 117						
Creating Financial Literacy and Inclusion									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 082 - 091	<a href="https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/financial-inclusion-statement.aspx">https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/financial-inclusion-statement.aspx</a>					
GRI 203 Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts		p. 083 - 091, 123 - 125				SDG 1, SDG 8		
Education and Community Development									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 118 - 129						
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 160 - 173	p. 119, 121, 191				SDG 8, SDG 9		
Reducing Emissions of the Bank's Operations, Lending, and Investment									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 046 - 079						
GRI 302 Energy 2016	302-1 Energy consumption within the organization		p. 175, 180				SDG 8, SDG 13	YES	
	302-3 Energy intensity		p. 180				SDG 8, SDG 13		
	302-4 Reduction of energy consumption		p. 076, 180				SDG 8, SDG 13		
GRI 305	305-1 Direct (Scope 1) GHG emissions		p. 175 - 176, 179				SDG 3, SDG 13	YES	
	305-2 Energy indirect (Scope 2) GHG emissions		p. 175 - 176, 179				SDG 3, SDG 13	YES	
	305-3 Other indirect (Scope 3) GHG emissions		p. 175 - 176, 181				SDG 3, SDG 13	YES	
	305-4 GHG emissions intensity		p. 175 - 176, 179				SDG 13		
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts		p. 077 - 078						
	306-2 Management of significant waste-related impacts		p. 077 - 078						
	306-3 Waste generated		p. 175, 180 - 181					YES	
	306-4 Waste diverted from disposal		p. 175, 180 - 181					YES	
	306-5 Waste directed to disposal		p. 175, 180 - 181					YES	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION			OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	CORPORATE WEBSITE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
<b>Effective Water Management and Water Stress</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 077						
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource		p. 077						
	303-2 Management of water discharge-related impacts		p. 077						
	303-3 Water withdrawal		p. 175, 180						YES
	303-4 Water discharge		p. 175, 180						YES
	303-5 Water consumption		p. 175, 180						YES
<b>Preservation of Biodiversity</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 078						
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		p. 078						SDG 15
	304-2 Significant impacts of activities, products and services on biodiversity		p. 061 - 064, 066, 078						SDG 15
<b>Transition Risks and Opportunity from Climate Change</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 046 - 072						
<b>Specific standard disclosures for the financial services sector</b>									
<b>G4: Aspects: Product Portfolio</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 019, 024, 052 - 061, 064 - 072, 082 - 091						
G4-FS7	Monetary value of products and services designed to deliver a specific social business for each business line broken down by purpose		p. 086 - 091						SDG 1, SDG 8, SDG 9, SDG 10
G4-FS8	Monetary value of products and services designed to deliver a specific environmental business for each business line broken down by purpose		p. 064 - 070						
<b>G4: Aspects Local Communities</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 019, 082 - 091, 118 - 129						
G4-FS13	Access point in low-populated or economically disadvantaged areas by types		p. 086 - 091						SDG 1, SDG 8, SDG 10
G4-FS14	Initiatives to improve access to financial services for disadvantaged people		p. 086 - 091, 146 - 147						SDG 1, SDG 8, SDG 10
<b>G4: Product and Service Labeling: Financial Literacy</b>									
GRI 3 Material Topics 2021	3-3 Management of material topics		p. 019, 025, 082 - 085, 123 - 125						
G4-FS16	Initiatives to enhance financial literacy by type of beneficiary (former FS16)		p. 082 - 085, 123 - 125						





# UN Principles for Responsible Banking



## Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

### Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

### Response

Established on June 8, 1945, KBank has conducted commercial banking business, securities business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related notifications for more than 70 years. At present, KBank has 61 subsidiaries, a service network of 809 domestic branches across Thailand and 16 overseas offices in 8 countries. KBank's Head Office is located in Bangkok and the total number of employees stands at 31,868\*.

Our financial network provides service solutions in response to customers' financial requirements, preferences, and lifestyles, with respect to banking, fund management, economic and financial analyses, securities brokerage and financial advisory, as well as auto financing and leasing services. KBank is determined to deliver an excellent experience for all of our customers.

KBank, in 2023, our loan portfolio consisted of Corporate Business 70% and Retail Business 30%. The main industries we finance, classified by types of business, approximately consisted of manufacturing and commerce 42%, housing loans 15%, infrastructure and services 14%, property development and construction 8%, agriculture and mining 2%, and others 19%, with more than 90% of our loan portfolio breakdown by residency of borrowers was generated from Thailand.

### Links and references

See details in Sustainability Report 2023 p. 11

### Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
- No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones:
  - Task Force on Climate-related Financial Disclosures (TCFD)
  - GRI Standards
  - Carbon Disclosure Project (CDP)
  - Directional paper on transitioning towards environmental sustainability under the new Thai financial landscape

- Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
- None of the above

**Response**

KBank operates business according to the principles of a Bank of Sustainability under good corporate governance and appropriate risk management for the balance of three dimensions - economy, society, and environment. The Bank places emphasis on the SDGs of the United Nations (UN) by giving priority to our material topics in order to create sustainable value to all stakeholders.

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 environment, 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.

**Links and references**

See details  
in Sustainability Report 2023  
p. 49

**Principle 2: Impact and Target Setting**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

**2.1 Impact Analysis (Key Step 1)**

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly<sup>2</sup> and fulfil the following requirements/elements (a-d)<sup>3</sup>:

- a) **Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

**Response**

KBank conducted an impact analysis of lending to different businesses at the portfolio level using the Portfolio Impact Analysis Tool of the UNEP FI Version 3 (Context module and Institutional Banking Identification Module). It assessed the current and possible positive and negative impacts, risks and opportunities of such lending to the impact areas on environment, society, and economy in our main country of operation - Thailand, where more than 90% of our loan portfolio is from. The analysis is based on 2023 data and mainly focused on corporate and business lending portfolio which represents approximately 70% of the total lending portfolio.

**Links and references**

See details in  
Sustainability Report 2023  
p. 61

- b) **Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
- by sectors & industries<sup>4</sup> for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
  - by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

**Response**

The composition of our portfolio used in this analysis, with data as of December 2023, approximately consisted of manufacturing and commerce 42%, housing loans 15%, infrastructure and services 14%, property development and construction 8%, agriculture and mining 2%, and others 19%.

**Links and references**

See details  
in Annual Report 2023  
(Form 56-1 One Report)  
p. 277

<sup>2</sup> That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

<sup>3</sup> Further guidance can be found in the Interactive Guidance on impact analysis and target setting.

<sup>4</sup> 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.



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?<sup>5</sup> 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)<sup>6</sup>? 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*  
p. 61

<sup>5</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

<sup>6</sup> 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?<sup>7</sup>

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> 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)

<sup>7</sup> 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 targets<sup>8</sup> 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 with<sup>9</sup> 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 26<sup>th</sup> Conference of the Parties (COP26). To support these ambitious long-term goals, Thailand has communicated its 2<sup>nd</sup> 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	<b>A1.1 Climate strategy:</b> 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.
	<b>A1.2 Paris alignment target:</b> 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.
	<b>A.1.3 Policy and process for client relationships:</b> 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)
	<b>A2.1 Client engagement process:</b> 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.
	<b>A2.2 Absolute financed emissions:</b> 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
	<b>A2.2 Absolute financed emissions:</b> 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
	<b>A2.3 Sector- specific emission intensity (per clients' physical outputs or per financial performance):</b> What is the emission intensity within the relevant sector?	Our emission intensity consists of 286.6 tCO <sub>2</sub> 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
	<b>A3.1 Financial volume of green assets/low-carbon technologies:</b> 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>B.2.2</b> % of customers actively using the online/mobile banking platform/tools	K PLUS active user 21.7 million
	<b>C.2.1</b> # 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.



<p><b>Response</b></p> <p>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</p>	<p><b>Links and references</b></p> <p>See details in Sustainability Report 2023 p. 62 - 63</p>
<p>c) <b>SMART targets</b> (incl. key performance indicators (KPIs)<sup>10</sup>): 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.</p> <p><b>Response</b></p> <p>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.</p> <p>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.</p> <p>The specific targets for major sectors are outlined as follows:</p> <p><b>Power Generation:</b> Portfolio Indicator: Emission intensity (tCO<sub>2</sub>e/GWh) Target: Aiming to reduce financed emissions by 90% in 2050 from the 2022 baseline.</p> <p><b>Coal:</b> 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.</p> <p><b>Oil and Gas:</b> 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.</p> <p><b>Cement:</b> Reference Pathway: IEA's Net Zero Emissions (NZE) scenario Metric: Emission intensity (tCO<sub>2</sub>e/ton Cement)</p> <p><b>Aluminium:</b> Reference Pathway: IAI Reference Scenario B2DS (Secondary Production) Metric: Emission intensity (tCO<sub>2</sub>e/ton Aluminium)</p> <p>These targets and strategies reflect KBank's commitment to aligning with global decarbonization goals and contributing to a sustainable and low-carbon future.</p>	<p><b>Links and references</b></p> <p>See details in Sustainability Report 2023 p. 59 - 63</p>
<p>d) <b>Action plan:</b> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>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.</p>	

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) <b>Climate change mitigation</b>	... second area of most significant impact: ... (please name it) <b>Resource efficiency &amp; circular</b>	(If you are setting targets in more impact areas) ... your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> 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 2<sup>nd</sup> 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.

#### Links and references

See details  
in Sustainability Report 2023  
p. 21



## Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

## 3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers<sup>11</sup> in place to encourage sustainable practices?

Yes  In progress  No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes  In progress  No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities<sup>12</sup>. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

## Response

Aligned with our K-Strategy, which centers on empowering the lives and businesses of our customers, KBank has initiated Customer Deep Listening sessions or workshops. These sessions involve active participation from customers and SME Relationship Managers, facilitating a thorough understanding of customers' pain points and needs. The insights gathered from these engagements are then meticulously analyzed and utilized in the development of products tailored to address the identified needs and challenges of our customers. This customer-centric approach ensures that our offerings are not only aligned with their expectations but also contribute to enhancing their overall experience with KBank.

KBank has also incorporated ESG risks and opportunities as a factor for loan consideration in the Know Your Customer (KYC) and Customer Due Diligence (CDD) processes. In the post-approval period, KBank has monitored customers' loan uses per the objectives notified to KBank and their repayments per the due dates. Additionally, KBank establishes an exclusion list along with a sector-specific guideline by including ESG factors specific to each sector into the consideration to comply with our targets. In addition, our Relationship Managers also engage with customers to let them realize on the Bank's direction and to work with them on their transition journey. In the sectors that KBank has targetted as part of its decarbonization pathway, we have actively engaged customers in these sectors to help and support their transition through our products and services.

We have promoted sustainable financing with target Baht 100 - 200 billion by 2030. Furthermore, we have developed our sustainable finance guideline which could be applied to all known use of proceeds to activities or projects contributing to better environmental objectives such as renewable energy, energy efficiency, eco-friendly and circular economy, green building, and etc. For unknown use of proceeds that are linked with materiality sustainability targets (sustainability-linked), KPIs related to GHG reductions and resource efficiency and circular economy aspects would be part of our consideration.

Moreover, KBank promoted customer engagement in various groups of customers including corporate customers, SMEs, and retail customers, with main focus on Thailand which is the main geographies that the bank operates in. Please refer to Sustainability Report 2023 p. 164.

## Links and references

See details  
in Sustainability Report 2022  
p. 71, 164

## 3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

<sup>11</sup> A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

<sup>12</sup> Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.



**Response**

While the business sector and many nations are aiming to be Net Zero and towards transitioning into a society of renewable energy and clean energy consumption, as well as the adoption of technologies to enhance energy efficiency and minimize greenhouse gas emissions, financial needs to achieve the net zero target have been on the rise.

At KBank, we have identified our strategic priorities and unveiled the “3+1Strategy” as the organization’s strategic framework. We have also built on our strengths and enhanced our capabilities in several areas to achieve our goal of double-digit return on equity (ROE) by 2026. Our strategic priorities are to reinvigorate credit performance, scale our capital-lite fee income business, and strengthen and pioneer sales and service models to deliver value-based results.

Additionally, the Bank strives to become a leader in ESG among banks in Southeast Asia by leading customers and businesses in Thailand towards an economic system that paves the way for sustainable growth through continuous and cement actions to achieve the Net Zero target. These include transforming KBank’s operations, assisting customers in building capabilities and adjusting to more environmentally-friendly business practices, providing sustainable credit and investment facilities, as well as advancing services beyond financial solutions in order to help customers gain easier access to greener lifestyles.

Various products offered to our customers which can be seen in Sustainability Report 2023 p. 9, 14

**Links and references**

See details in Sustainability Report 2023 p. 9, 14

**Principle 4: Stakeholders**



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.

**4.1 Stakeholder identification and consultation**

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups<sup>13</sup>) you have identified as relevant in relation to the impact analysis and target setting process?

- Yes  In progress  No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

13 Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

**Response**

KBank employs a comprehensive approach to stakeholder identification by evaluating the financial and Environmental, Social, and Governance (ESG) impacts of business activities throughout the bank's value chain. The analysis considers the influence of stakeholders on the bank's operations and vice versa. Identified stakeholders include shareholders, the Board of Directors, employees, regulatory agencies, customers, counterparties/business partners, competitors, creditors, communities, environment, and society. The results from stakeholder engagement, particularly the voice of stakeholders, highlight weather conditions as a critical material topic in the environmental dimension.

In furtherance of sustainable development, KBank collaborates with various organizations through several key operations:

**United Nations Global Compact (UNGC):**

KBank is a member of UNGC, aligning its business operations with globally accepted principles in human rights, labor, environment, and anti-corruption.

**Partnership for Carbon Accounting Financials (PCAF):**

As a signatory to PCAF, KBank contributes to the formulation of standards for assessing and disclosing greenhouse gas emissions (GHG) financed by loans and investments.

**Science-Based Targets (SBT) Project:**

KBank participates in a project promoting GHG reduction in the business sector through the use of science-based targets for 2022, initiated by the Center of Excellence for Eco-Efficiency, Faculty of Engineering, Thammasat University, and the Thailand Greenhouse Gas Management Organization (TGO).

**Climate Action Leading Organization Initiative:**

KBank joins the Climate Action Leading Organization initiative, reflecting the bank's commitment to leading in GHG management. This initiative is a collaboration between the Thailand Greenhouse Gas Management Organization and the United Nations Framework Convention on Climate Change (UNFCCC).

**Thai Bankers' Association (TBA) Collaboration:**

KBank plays a pivotal role as the Lead Facilitator in sustainability within the TBA. Key missions include the preparation of the ESG Declaration and the development of impact assessment tools and an industry handbook.

**Thailand Taxonomy Working Group:**

KBank represents the TBA in the Thailand Taxonomy working group of the Bank of Thailand, contributing opinions and recommendations for formulating a 'green taxonomy' as a common guideline for classifying environmentally sustainable economic activities.

These collaborative efforts underscore KBank's commitment to sustainable practices, engagement with stakeholders, and leadership in addressing environmental challenges.

**Links and references**

See details  
in Sustainability Report 2023  
p. 22

**Principle 5: Governance & Culture**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

**5.1 Governance Structure for Implementation of the Principles**

Does your bank have a governance system in place that incorporates the PRB?

Yes       In progress       No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.



<p><b>Response</b></p> <p><b>Governance structure:</b> 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.</p> <p><b>Policies and procedures:</b> 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.</p>	<p><b>Links and references</b></p> <p>See details in Sustainability Report 2023 p. 47 - 48</p>
<p><b>5.2 Promoting a culture of responsible banking:</b> 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).</p>	
<p><b>Response</b></p> <p>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.</p> <p>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.</p>	<p><b>Links and references</b></p> <p>See details in Sustainability Report 2023 p. 159 - 162</p>
<p><b>5.3 Policies and due diligence processes</b> Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>14</sup> Please describe.</p> <p>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.</p>	

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.

**Response**

KBank has integrated Environmental, Social, and Governance (ESG) risk factors into our lending processes, incorporating them into critical stages such as Know Your Customer (KYC) and Customer Due Diligence (CDD). Within the credit underwriting function, KBank considers various aspects including customer characteristics, borrowing objectives aligned with economic benefits, sources of income and their consistency, debt servicing ability matching borrowers' income, and overall debt burdens and expenses.

To underline the significance of environmental and social impact management in our lending and investment activities, KBank has developed an Environmental and Social Risk Management Policy and Framework (ESRM). This framework incorporates ESG considerations into risk management processes, facilitated by a well-defined operational structure with clearly delineated roles and responsibilities. International best practices are employed in our credit assessment processes for commercial credits, Project Finance, and securities investment.

KBank has implemented an Exclusion List, outlining projects ineligible for KBank credits, and Sector-Specific guidelines. Additionally, intensive risk management measures are applied for high-risk customers to ensure that supported projects have no adverse effects on the environment, society, or KBank's overall image and operations. These measures contribute to the long-term stability of business advancement and sustainable returns for all stakeholders.

In line with our commitment to ESG considerations, KBank has set a target that mandates 100% of Project Finance and medium enterprises (and above) requests to undergo the Environmental, Social, and Governance (ESG) assessment procedure. This proactive approach ensures that environmental and social impacts are systematically assessed and managed in our lending and investment decisions.

**Links and references**

See details  
in Sustainability Report 2023  
p. 159 - 162

**Self-assessment summary:**

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes  No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes  No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes  In progress  No

**Principle 6: Transparency & Accountability**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

**6.1 Assurance**

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes  Partially  No

If applicable, please include the link or description of the assurance statement.

**Response**

The disclosure of emission profile is verified by an independent third party to ensure the fair assessment and acceptable accuracy.

**Links and references**

See details  
in Sustainability Report 2023  
p. 216 - 218

**6.2 Reporting on other frameworks**

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: UNGC



**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**

See details  
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 analysis<sup>15</sup>, target setting<sup>16</sup> 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:

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



## Sustainability Awards and Assessment



KBank was awarded AAA level under the SET ESG Ratings 2023 (previously known as Thailand Sustainability Investment (THSI)) by the Stock Exchange of Thailand.



**Best Sustainability Awards 2023** KBank was selected as one of the listed companies with market capitalization exceeding Baht 100 billion, from the 2023 SET Awards (Sustainability Excellence). The event was organized by the Stock Exchange of Thailand.



**ESG 100 Certificate 2023** KBank was selected as one of the 100 Thai companies with outstanding ESG performance by the Thaipat Institute. **Selected for eight consecutive years (2016 - 2023)**



**Climate Action Leading Organisation (CALO)** award from the Thailand Greenhouse Gas Management Organisation (TGO) for 2023



**"Excellent" based on the Corporate Governance Report of Thai Listed Companies for 2023** by the Thai Institute of Directors Association (IOD)



**"Excellent and worthy as an example" based on the AGM Quality Assessment Program for 2023** by the Thai Investors Association in cooperation with the Office of the Securities and Exchange Commission and the Thai Listed Companies Association.



KBank was assigned an “AA” rating, which is considered a mark of leadership in ESG operations among banks in emerging markets.



**KBank was awarded AAA level under the SET ESG Rating 2023 (previously known as Thailand Sustainability Investment (THSI))** by the Stock Exchange of Thailand.



KBank earned the CDP A List (Leadership Level) from the Carbon Disclosure Project (CDP) in 2023, making it the first and only bank in Thailand and Southeast Asia, where CDP is the standard for carbon and climate change disclosures. It is also the world's largest online database of corporate greenhouse gas (GHG) emissions, and many investors rely on CDP data to use for investment and decision-making. **Selected as CDP A List for two consecutive years (2022 - 2023)**



KBank was selected to be a member of the Dow Jones Sustainability Indices (DJSI) 2023, including the DJSI World Index and DJSI Emerging Markets Index, for the eight year running – the first commercial bank in Thailand and ASEAN to be a component of the DJSI World Index. **Selected as a member for eight consecutive years (2016 - 2023)**



KBank was ranked in the top 5% of the S&P Global ESG Score 2023 for the banking industry with score of 84/100 in the S&P Corporate Sustainability Assessments 2023.



KBank was received 6 awards from the 13<sup>th</sup> Asian Excellence Awards 2023 by Corporate Governance Asia magazine.

- Asia’s Best CEO (Investor Relations)  
Miss Kattiya Indaravijaya, Chief Executive Officer
- Asia’s Best CFO (Investor Relations)  
Mr. Chongrak Rattanapian, Senior Executive Vice President and Chief Financial Officer
- Asia’s Best CSR
- Best Environmental Responsibility
- Best Investor Relations Professional  
Dr. Adit Laixuthai, Corporate Secretary and Senior Executive Vice President
- Best Investor Relations Company (Thailand)



## Assurance Statement



### LRQA Independent Assurance Statement Relating to KASIKORNBANK PUBLIC COMPANY LIMITED's Sustainability Report for the calendar year 2023 (1<sup>st</sup> January 2023 – 31<sup>st</sup> 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 below<sup>1</sup>.

A moderate<sup>2</sup> 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.

<sup>1</sup> <https://www.globalreporting.org>

<sup>2</sup> 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

Opart Charuratana  
LRQA Lead Verifier  
On behalf of LRQA (Thailand) Limited  
No. 252/123 (C), Muang Thai – Phatra Complex Tower B,  
26<sup>th</sup> floor, Ratchadaphisek Road., HuayKwang, Bangkok, 10310, THAILAND  
LRQA reference: BGK000001043

LRQA Group limited its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA Group limited assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. LRQA Group limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.  
Copyright © LRQA Group limited 2024.



## LRQA Independent Assurance Statement

### Relating to KASIKORNBANK PUBLIC COMPANY LIMITED's UNPRB report for the calendar year 2023 (1<sup>st</sup> January 2023 – 31<sup>st</sup> 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  
On behalf of LRQA (Thailand) Limited  
No. 252/123 (C), Muang Thai – Phatra Complex Tower B.  
26<sup>th</sup> floor, Ratchadaphisek Road., HuayKwang, Bangkok, 10310, THAILAND  
LRQA reference: BGK000001043/A

LRQA Group limited its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA Group limited assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.  
The English version of this Assurance Statement is the only valid version. LRQA Group limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.  
Copyright © LRQA Group limited 2024.



# 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, AFTERCLASS & 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](http://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		-





Statement of  
the Board of  
Directors

Statement of  
the Chief  
Executive Officer

Information of  
KASIKORNBANK

Strategic  
Directions of  
KASIKORNBANK

KASIKORNBANK  
and Sustainable  
Development

Environmental  
Dimension

Social  
Dimension

Governance  
Dimension

Appendices



**KASIKORNTHAI**

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.



Statement of  
the Board of  
Directors

Statement of  
the Chief  
Executive Officer

Information of  
KASIKORNBANK

Strategic  
Directions of  
KASIKORNBANK

KASIKORNBANK  
and Sustainable  
Development

Environmental  
Dimension

Social  
Dimension

Governance  
Dimension

Appendices

## KASIKORNBANK PUBLIC COMPANY LIMITED

400/22 Phahon Yothin Road, Sam Sen Nai Sub-District,  
Phaya Thai District, Bangkok 10400, Thailand

Tel.: 02-2220000

Fax: 02-4701144

K-Contact Center: 02-8888888

SWIFT: KASITHBK

E-mail: [info@kasikornbank.com](mailto:info@kasikornbank.com)

Website: [www.kasikornbank.com](http://www.kasikornbank.com)

For environmental reason, this report is printed on paper  
made from trees grown in sustainably managed forest  
and processed reduces greenhouse gas emissions.



Statement of  
the Board of  
Directors

Statement of  
the Chief  
Executive Officer

Information of  
KASIKORNBANK

Strategic  
Directions of  
KASIKORNBANK

KASIKORNBANK  
and Sustainable  
Development

Environmental  
Dimension

Social  
Dimension

Governance  
Dimension

Appendices



**ธนาคารกสิกรไทย**  
**开泰银行 KASIKORNBANK**