

Bank of Sustainability





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 เซครเทรียต

开泰技术集团管理 KASIKORN TECHNOLOGY GROUP SECRETARIAT



กสิกร แล็บส์

开泰研发 KASIKORN LABS



กสิกร ซอฟต์

开泰软件 KASIKORN SOFT



กสิกร อินฟรา

开泰信息基础设施 KASIKORN INFRA



กสิกร เซิร์ฟ

开泰服务 KASIKORN SERVE



กสิกร เอกซ์

开泰爱科思有限公司 KASIKORN X



Bank of Sustainability

KBank operates our business in line with sustainable development guidelines to create a balance in environmental, social and governance (ESG) dimensions.

These are ingrained in all our operations as part of the organization's Green DNA. Guided by our Challenger Bank concept, we have leveraged service innovations and business partnerships, enhancing convenience and promoting financial inclusion among the general public. This allows us to achieve growth, while creating sustainable returns for the maximum benefits of all stakeholders, in line with the principles of a Bank of Sustainability.





KASIKORNTHAI

CUSTOMER CENTRICITY

Multi-Corporate
Business

Large Corporate
Business

Medium
Business

Small and
Micro Business

High Net Worth
Individual

Affluent

Middle
Income

Mass

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.

Purpose

To Empower Every Customer's Life and Business

Core Values

Customer
at Heart

Collaboration

Agility

Innovativeness

Integrity

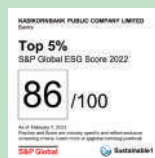


KASIKORNBANK

Bank of Sustainability



Dow Jones Sustainability Indices (DJSI)
The first bank in Thailand and ASEAN selected as a member of the DJSI for seven consecutive years (2016 - 2022)



Top 5% of the S&P Global ESG Score 2022 for the banking industry



FTSE4Good

FTSE4Good Emerging Index
Selected as a member of the FTSE4Good Emerging Index for six consecutive years (2016 - 2021)



MSCI ESG Ratings at "AA"
A leading company in the banking industry in emerging markets in ESG operations (2022)



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)



Carbon Disclosure Project (CDP)
CDP A List (Leadership Level) (2022)



Carbon Neutral Certification
The first commercial bank in Thailand granted this certification for five consecutive years (2018 - 2022)



The ESG 100 Certificate
One of 100 companies selected as having outstanding ESG performance for seven consecutive years (2016 - 2022)



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



Thailand Sustainability Investment (THSI)
Included in THSI for seven years (2015, 2017 - 2022)

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Statement of the Board of Directors

Over the past year, the global and Thai economies continued to face diverse changes and challenges. Although the COVID-19 situation eased somewhat, the government, private sector, and civil sector had to confront other difficult issues, including persistent economic sluggishness and the need to build upon existing strengths to survive amid intensifying competition within changing economic and social contexts.

All members of the KBank Board of Directors firmly believe that sustainable business operations, incorporating the environmental, social, and governance (ESG) aspects under good corporate governance principles and appropriate risk and cost management will guide organizations, society, and the nation through all crises. The Board of Directors also believes sustainable business operations will make it possible to generate and pass on prosperity and maximum benefits to generation after generation of stakeholders in a balanced and sustainable manner.

The Board of Directors has emphasized business undertakings that adhere to existing rules and legal stipulations, as well as international ESG standards and regulations, through useful viewpoints and recommendations provided for the management and KBank's operations. The Board of Directors has approved the strategic framework, goals, and policies along with the visions and future business directions of KASIKORNBANK FINANCIAL CONGLOMERATE. Moreover, focus has been on good corporate governance to ensure KBank's legitimate, transparent, and effective operations as well as achievement of the established targets and creation of sustainable and balanced returns. The Board of Directors has also approved KBank's aspiration to become the ESG leader among banks in Southeast Asia with the aim of propelling sustainable operations that can be measured concretely, in alignment with the Net Zero Commitment and promotion of financial inclusion among a broad range of the general public.

On behalf of the Board of Directors, I would like to express our appreciation for your continued confidence and trust in our business.



(Ms. Kobkarn Wattanavrangkul)

Chairperson of the Board



Statement of the Chief Executive Officer

In 2022, the Thai economy gained traction as the COVID-19 situation subsided. However, the economic rebound remained fragile amid numerous challenges as businesses saw an uneven or “K-shaped” recovery, hindered by risks from a global economic slowdown, persistently high inflation, and hefty household debts. Moreover, the rising interest rate trend impacted consumer purchasing power, whereas small businesses had to contend with multiple challenges and forms of competition.

Amid the highly uncertain economic circumstances, KASIKORNBANK operated our business with prudence, accounting for a balance in environmental, social, and governance (ESG) dimensions along with proactive integrated risk management and appropriate cost management in accordance with the principles of a Bank of Sustainability. We adopted a proactive policy of continually providing assistance to our customers, while also supporting their business growth. To empower every customer's life and business, we prioritized development of digital services, re-imagining of lending, democratization of investment and insurance, expansion of the AEC+3 market, strengthening of sales and service channel experiences, and upgrading our long-term competitive capability. Guided by our Challenger Bank concept, we leveraged service innovations and business partnerships both in Thailand and other countries in order to promote financial inclusion among a broad range of the general public for their enhanced convenience. We focused on upgrading the quality of people's lives and society at large within the ecosystem to achieve growth, while creating sustainable returns for the maximum benefit of all stakeholders.

KBank is determined to become the ESG leader among banks in Southeast Asia. In terms of environment, the Bank unveiled our Net Zero Commitment in 2021 to take concrete action in achieving net zero in the Bank's own operations and financed portfolios. In the social realm, the Bank strives to be a meaningful organization for society. To this end, the Bank aims to build a sustainable society by promoting financial inclusion through innovations and digital banking services for retail customers. Greater financial inclusion will be achieved via collaboration with strategic partners, our focus on offering quality services using efficient data analytics, and the provision of financial literacy for the public. Building a sustainable society also includes prevention of cyber threats, maintenance of customer data privacy, and respect for human rights. In terms of good corporate governance, the Bank aims to become a responsible bank in order to create sustainable returns by integrating ESG into business value chains and ensuring that an appropriate and careful assessment of ESG risk is in place. KBank always ensures that our operations meet sustainable development goals and can be measured in a concrete manner in line with the country's sustainable development context and international standards.

In 2022, net profit of the Bank and subsidiaries fell year-on-year as we set aside higher expected credit loss compared to the previous year. This was consistent with our prudent approach in aligning with prevailing economic conditions. The effort was also intended to strengthen and enhance the Bank's flexibility in managing asset quality so that we are ready to assist various customer segments. However, operating profit before expected credit loss and income tax expense increased. The rise could be attributed mainly to an increase in net interest income, which was in alignment with KBank's business strategy, an upward trend in domestic interest rates, as well as our efficient expense management.

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 strong and adequate for continuously operating business. Along with this, we prioritize empowering customers' life and business, while also driving society and the country's economy towards the shared and sustainable growth targets. With 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 vital spirit and 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)

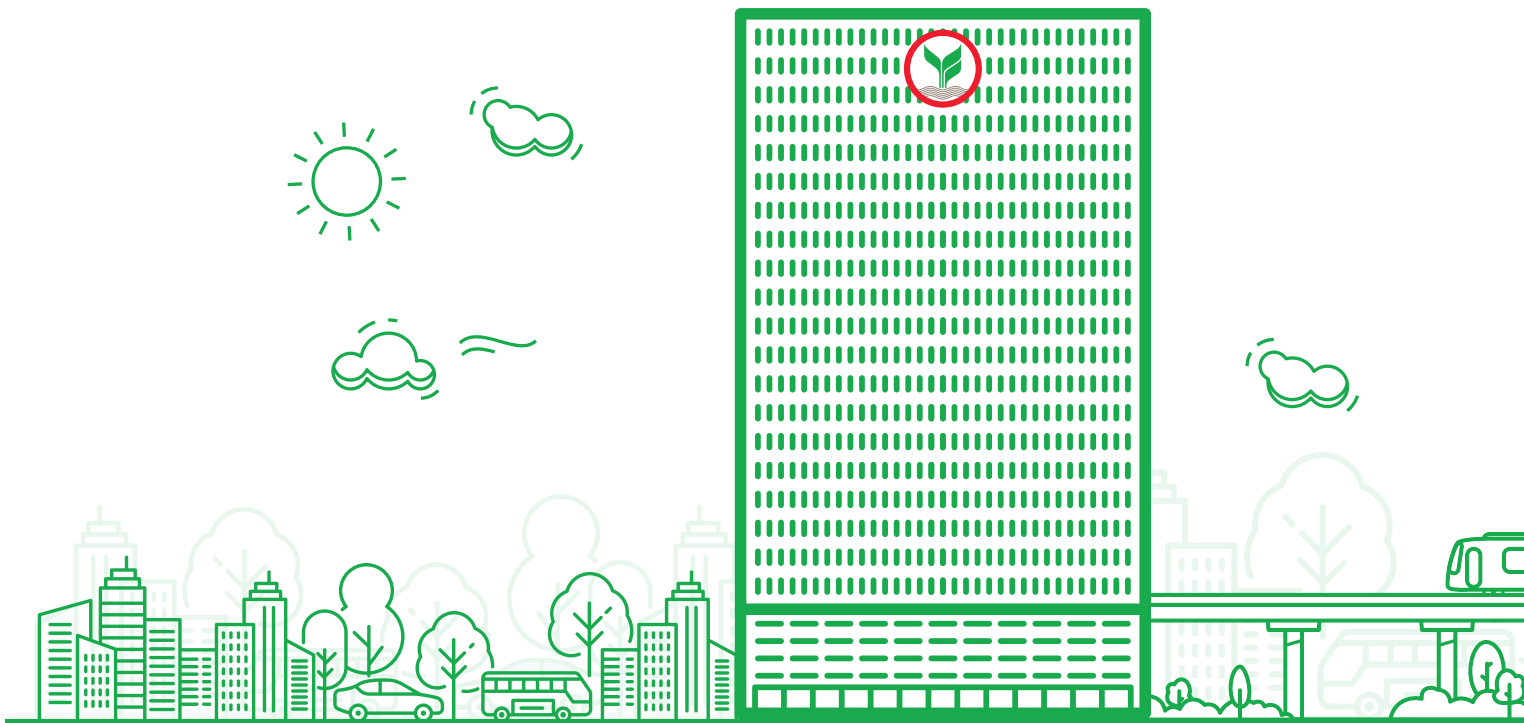
Chief Executive Officer

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 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 been in business for over 70 years. The Bank conducts commercial banking business, securities business and other related businesses under the Financial Institution Business Act, Securities and

Exchange Act and other related notifications. At present, KBank has 50 subsidiaries, a service network of 824 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 31,469*. Our financial network provides service solutions in response to customers' financial requirements 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 endeavors to deliver an excellent experience for all of our customers.



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



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 fund management, offering integrated services related to mutual funds, private funds and provident funds for individual and business customers, as well as funds, foundations, commercial banks, public agencies and large-scale 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

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, consisting of three key services, 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 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 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 six 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; 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 was 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 SERVE COMPANY LIMITED**

- Established on March 16, 1993
- Providing support services for KBTG, in regard to IT system development, testing and operation

- **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 2022 and Outlook for the Next Five Years

KASIKORNBANK has established business directions and strategic plans in accordance with the principles of a Bank of Sustainability, accounting for the balance of three dimensions – environmental, social and governance – under good corporate governance, appropriate risk and cost management. In order to empower every customer's life and business, we prioritize offering total solutions, with attentive and inclusive services anywhere, anytime, as a trustworthy service provider under the single brand of KASIKORNBANK. Our endeavors are achieved through collaboration and synergy with other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms and our business partners. We have established tangible and continual operational guidelines which focus on Purposeful and Practical Leadership, and K-Culture which fosters attitudes and behaviors of our personnel towards a shared goal under five Core Values, i.e., Customer at Heart, Collaboration, Agility, Innovativeness and Integrity. We have 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) – under good corporate governance along with appropriate risk and cost management. Meanwhile, we focused on bolstering our competitive capabilities that go beyond banking and innovation. In parallel, we have built upon our traditional banking business in sync with the ever-evolving technology, consumer behavior and environment. Our focus was also on creating a strong brand,

accounting for the dynamic change of expectations and needs of all stakeholders, namely customers, the general public, investors, organizations, mass media and our employees. We have conducted brand character survey and research, and adjusted brand loyalty measurement to reflect broad-based market perspectives while also establishing branding management guidelines that are in alignment with our strategic imperatives.

2. To advance K-Strategy for business growth and customer responsiveness across all segments

- **Dominate Digital Payment** across all platforms and accommodate all types of payments. We also leveraged data analytics to grow our business while focusing on continuous development of payment innovations domestically, internationally and regionally for an enhanced customer experience through excellent service delivery.
- **Reimagine Commercial and Consumer Lending** in order to assist our customers in their lives and businesses. This endeavor also generated an additional revenue stream for KBank under an appropriate risk adjusted return. We have conducted data analytics based on data on digital channels and business transaction data obtained from counterparties within value chains in order to acquire customers with sound debt servicing ability who are interested in borrowing. We have conducted risk-based cost management and developed efficient practical guidelines for our three major customer groups as follows.
 - **Retail Business:** KBank prioritized the use of customer data and data analytics to gain relevant insights, allowing us to develop products and services which can efficiently respond to each individual customer's needs. We have seamlessly integrated all service

channels, including the branch network and digital channels, while also orchestrating ecosystems through collaboration with our partners in various industries for enhanced business opportunities and greater accessibility to new customers. Along with this, we have emphasized management of risks associated with fraud and asset quality when it comes to loans granted to new borrowers. For existing loan customers, we have placed emphasis on up-selling, cross-selling and up-spending through risk-based pricing.

- **SME Business:** We have emphasized customer assistance and support to ensure that they can recover efficiently. We aim to be a Total Solution Provider for our SME customers. To this end, focus is on solid teamwork among our Relationship Managers (RMs), who are well-versed in KBank products, and branch officers who have an in-depth understanding of our customers' businesses and their needs. Along with this, we have leveraged data analytics and innovations to enhance the efficiency of our customers' business operations while bolstering their competitive capability for sustainable growth.
- **Corporate Business:** Aiming to meet all of our corporate customers' business needs, we prioritized funding support and fund mobilization to ensure their cost effectiveness under appropriate risk management. Along with this, we provided staunch support for their transactions via all formats of electronic channels, while focusing on the offering of products and services responsive to all parties, including customers, suppliers, and employees throughout the business ecosystem. We have fostered our relationships with corporate clients who are business partners for enhanced opportunity in loan extension while giving them support in their transition to a low-carbon business.

- **Democratize Investment and Insurance, targeting previously inaccessible groups:** KBank has developed applications and channels while continually offering sufficient information to facilitate our customers in making their own informed investment decisions under cost effectiveness. Meanwhile, our Relationship Managers (RMs) are always on hand to appropriately recommend products of KBank and other companies within KASIKORNBANK FINANCIAL CONGLOMERATE to business and high net worth individual customers.
- **Penetrate Regional Market:** We aim to become the Regional Digital Bank in accordance with our Asset-Light Digital Banking Strategy which focuses on business partnerships with local technology companies and startups in order to bolster our competitive capability with a broader service network and technology for enhanced customer responsiveness. To achieve this, we focus on three Strategic Plays:
 - **Aggressive Play:** Focus has been on expanding our loan products to corporate customers through regional connectivity, especially Chinese clients in Thailand and other AEC+3 countries, Thai customers in other AEC+3 countries and Local Large Corporate (LLC) customers within the AEC region;
 - **Mass Acquisition Play:** KBank aims to expand our customer base in the People's Republic of China via partnership and self-owned digital platform, while also broadening our reach to clients within the AEC region via digital transactional channels;
 - **Disruptive Play:** We have built up our capability to accommodate our venture into the digital lending space through development of financial technology, especially by processing data of KBank's and our partners' customers.

- **Strengthen Harmonized Sales and Service Channel Experience:** We have seamlessly integrated all service channels of KBank through K PLUS – our key service channel. Focus has also been on service efficiency enhancement by leveraging our workforce, technology and business partnerships along with continuous technological infrastructure improvement.

3. End-to-end work efficiency enhancement:

We prioritize the upgrade of our long-term competitive capability through five core attributes:

- **Data:** Development of data analytics capability to enhance business opportunities and operational efficiency
- **Human Resources:** Being the Best Place to Work, Learn and Lead
- **Information Technology (IT):** Adopting modern world-class technology to make KBank the top regional financial service provider

- **Proactive Risk and Compliance:** Proactively identifying potential risks and establishing loss prevention and detection
- **Value-Based Productivity:** Enhancement of work efficiency through creation of value proposition

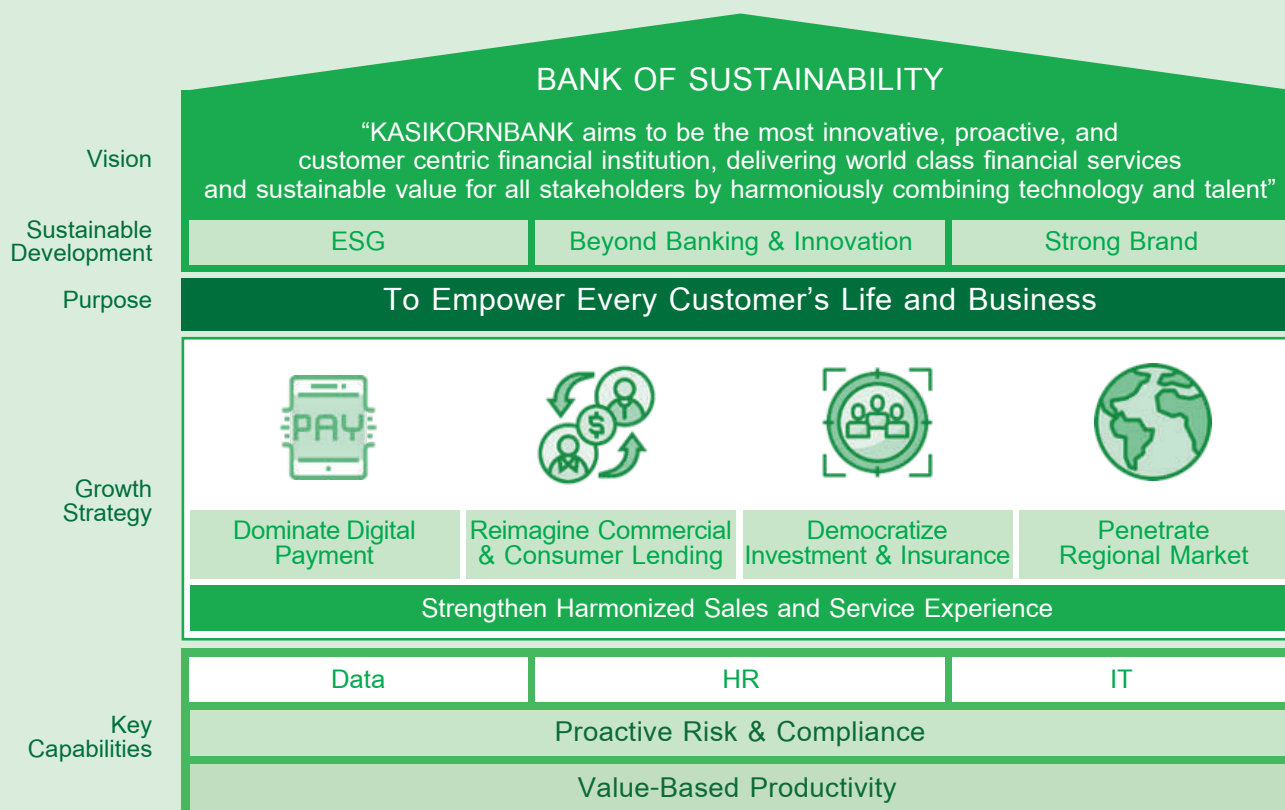
To maintain our status as a leading financial institution and to cope with economic volatility in a timely manner, KBank emphasizes good corporate governance and strict compliance with related rules and regulations. We have prioritized data analytics for formulating proactive and integrated risk management principles and policies, efficient capital management and a risk-aware culture Bank-wide. Meanwhile, KASIKORNBANK FINANCIAL CONGLOMERATE has undertaken operations in order to accommodate policy guidelines and measures of the Bank of Thailand and other regulatory agencies, ensuring that we can strictly comply with those standards.



The K-Strategy

KASIKORNBANK Vision, Purpose and Culture

Vision	BANK OF SUSTAINABILITY			
	“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”			
Purpose	To Empower Every Customer’s Life and Business			
Customer Promise	Total Solution	Attentive & Inclusive	Any Time & Any Where	Trustworthy
K-Culture	A PIONEER FOR THE BETTER, A STEP AHEAD FOREVER			
	Customer at Heart / Collaboration / Agility / Innovativeness / Integrity			
Leadership	PURPOSEFUL and PRACTICAL LEADERSHIP			



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 business network and services within the AEC+3 region in order to broaden business opportunities for our Thai and local customers within the region with enhanced efficiency. In 2022, KBank has opened a branch in Ho Chi Minh City, Vietnam, while also increasing our shareholding ratio in PT Bank Maspion Indonesia Tbk to 67.50 percent with the transaction approved by relevant agencies. Meanwhile, we paused our investment in a local bank in the Republic of Union of Myanmar and kept close watch on the political situation there.

2. Digital Expansion

We have focused on digital channels in target countries within the CCLMVI* bloc. Major initiatives included:

1. Lao People’s Democratic Republic (Lao PDR):
 - Development of “QR KBank” – an E-Wallet application. We aim to upgrade the service and add more functions, such as international funds transfer to better meet the needs of both customers and merchants.
2. The Socialist Republic of Vietnam:
 - Development of digital channels including K PLUS and payment via Electronic Data Capture (EDC) for SME customers as we set our sights on becoming a digital bank.
3. Republic of Indonesia:
 - Development and upgrade of mobile banking application service for 2023

3. Ecosystem Expansion in Target Countries within CCLMVI*

We have fostered collaboration with partners in each country to expand business opportunities in various sectors, including our partnership with financial institutions, tech partners and e-commerce service providers. In 2022, KBank teamed with other financial institutions and those in e-commerce business 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 reach the underbanked group, a substantial customer base in the AEC+3 region. This initiative has been further developed and now being offered in the People’s Republic of China and the Socialist Republic of Vietnam. In the People’s Republic of China, this service is available under the “Better Me and Better SME Lending” concept in alignment with the principle of sustainable business operations.

Adhering to the strategies of becoming the Regional Digital Bank and Regional Life Platform of Choice for customers in both Thailand and other countries in the region via digital channels and mobile solutions, KASIKORN VISION COMPANY LIMITED (KVision), an investment holding company under KBank, which is responsible for scouting innovations, tech partners and tech talents to collaborate and develop new technological capabilities for enhancement of our services in the CCLMVI* bloc, has thus far established 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.

KASIKORNBANK (CHINA) COMPANY LIMITED

In 2021, KASIKORNBANK (CHINA) CO., LTD. or Kai Tai Yin Hang (Zhong Guo) – a locally incorporated institution in the People’s Republic of China – still focused on providing services to both corporate and retail customers via online and offline channels in response to the ‘new normal’ era. For corporate clients, KBank has offered value chain financing to leading companies in Thailand and the People’s Republic of China. KBank has worked with a partner bank to develop an online supply chain system that provides customers greater convenience when it comes to documentation, accounts receivable management, as well as online loan disbursement.

In 2022, KBank focused on expanding the retail customer base. To this end, we teamed with a partner bank to extend loans to retail customers as part of our efforts to better reach out to this group of clients, allowing them improved access to financial resources. This endeavor can fully meet their demand for spending. 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. KBank joined with KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED in designing a flexible system that allows KBank to connect with other platforms for improved and faster access to customers.

* CCLMVI comprises the People’s Republic of China, the Kingdom of Cambodia, Lao People’s Democratic Republic, the Republic of the Union of Myanmar, the Socialist Republic of Vietnam and the Republic of Indonesia.

KASIKORNBANK and Sustainable Development

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Social Dimension

Lending for new KBank credit customers for the underserved people to promote financial inclusion :

588,057 persons

Campaigns to provide cyber-related knowledge for **10.8** million persons

Overall HREA Winner Award

The most prestigious award from HR Excellence Awards 2022 Thailand, given to the organization with the most outstanding performance in human resource management at the organizational and individual levels

Environmental Dimension

16.75% GHG

emissions reduction from the baseline year 2020

Allocation of more than **Baht 26,000** million in sustainable financing and investment in 2022



KLOUD
by KBank

A prototype of the first green building in Siam Square

Governance and Economic Dimension

Number of K PLUS users:

20 million, growing by **17** percent from 2021

Overall Net Promoter Score (NPS): **83** – the highest in the Thai banking sector

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

Sustainable Development of KASIKORNBANK



KBank operates business in line with the principles of a Bank of Sustainability, covering three aspects, namely environmental, social and governance aspects. The Board of Directors announced the Sustainable Development Policy in 2014, and it is reviewed every year so as to be up to date and in conformity to the United Nations Sustainable Development Goals (UN SDGs)

and Paris Agreement. All units of KBank have adopted this policy in their business operations in a concrete manner. Our sustainable development structure serves as the key driver for all divisions to translate the Bank's sustainable development goals into well-defined actions and integrate the work plans into common directions for the maximum benefit of all stakeholders.

Sustainable Development Framework and Policy

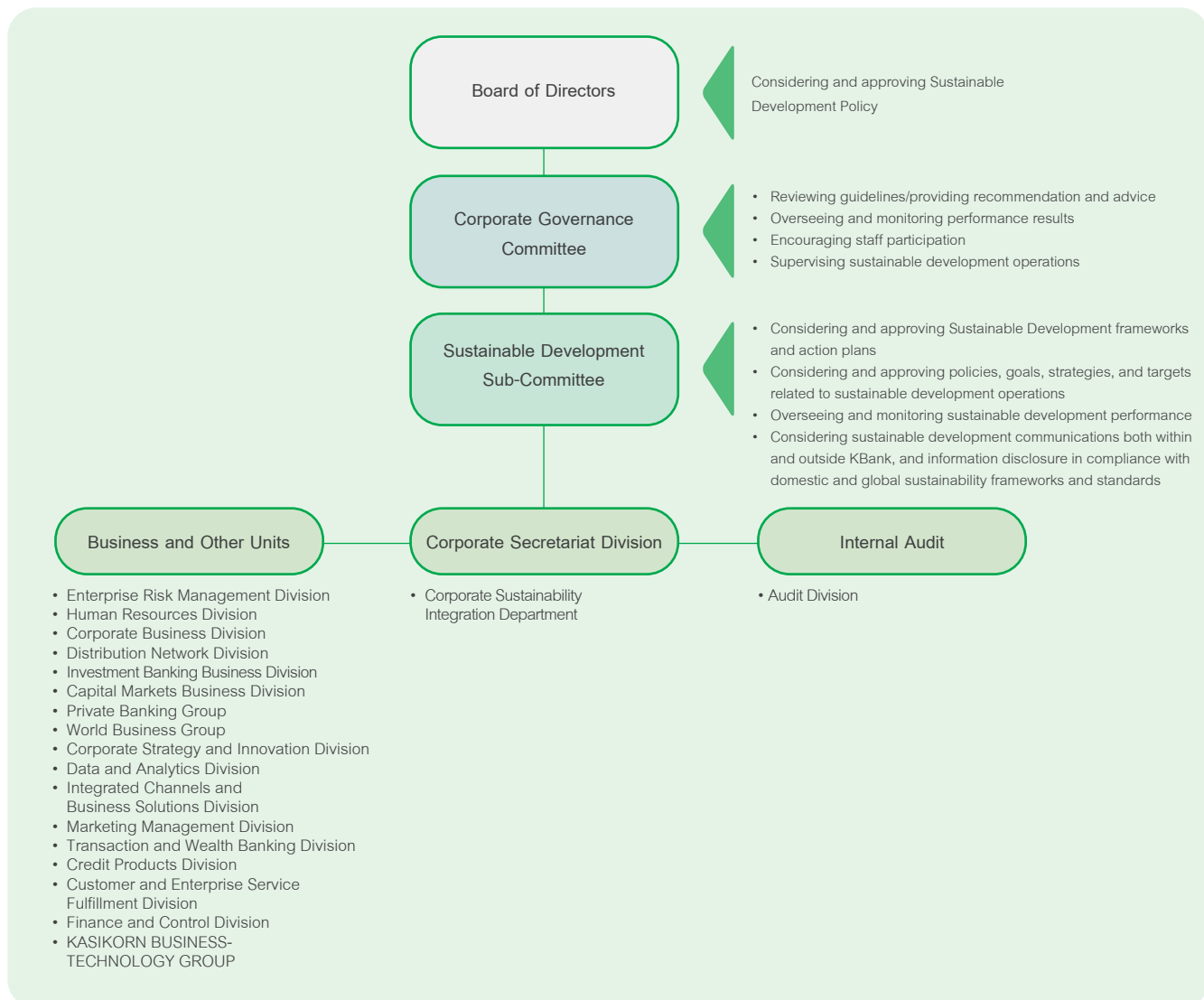
	Environmental Aspect	Social Aspect	Economic Aspect
			
Goal	Ensuring environmental stewardship towards a net zero-carbon society	Being a responsible corporate citizen to create a sustainable society	Being an accountable bank to create sustainable profitability
Commitment	We are committed to preserving the environment and reducing the impact of climate change.	We are committed to developing strong relationships with employees and society to better livelihoods and increase prosperity.	We are committed to strong ESG principles to be a responsible and accountable bank.
Sustainable Development Policy	<p>1) Committing to becoming Net Zero in our own operations by 2030</p> <p>2) Committing to reducing greenhouse gas emissions in our financed portfolio in line with Thailand's aspirations; reducing greenhouse gas emissions in significantly impacted sectors, both in terms of greenhouse gas emission volume and the proportion of loans extended to each sector; and accelerating this journey where possible</p> <p>3) Being the leader in innovative "Green Finance" in Thailand</p> <p>4) Providing services beyond financial solutions to support decarbonization in Thailand</p> <p>5) Ensuring financial inclusion and promoting financial literacy</p> <p>6) Safeguarding customer data security and privacy</p> <p>7) Ensuring the "Best Place to Work, Learn and Lead" by embedding Green DNA and creating future-ready workforce</p> <p>8) Respecting for human rights and diversity</p> <p>9) Promoting the development of youth potential as well as the pursuit of environmental, public and social activities</p> <p>10) Ensuring business operations under good corporate governance practices and delivering services to customers with fairness</p> <p>11) Adhering to customer centricity by initiating financial innovations that meet every aspect of customers' needs</p> <p>12) Ensuring efficient risk management focusing on environmental, social, and governance (ESG) issues</p>		



Sustainable Development Structure

In our sustainable development structure, KBank's Board of Directors has assigned the Corporate Governance Committee to supervise sustainable development operations; the Committee holds a meeting at least 4 times 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 under the Sustainable Development Policy framework. Our mission is to establish a Sustainable Development framework and action plan, as well as overseeing, monitoring and assessing sustainable development performance to be in conformity with sustainable development principles, requirements, and both national and international standards. The Sub-committee holds a meeting on a quarterly basis to formulate guidelines for reviewing and monitoring

sustainable development performance before reporting to the Corporate Governance Committee and the Board of Directors. Meanwhile, the Corporate Sustainable Development Integration Unit of the Corporate Sustainability Integration Department, which is part of the Corporate Secretariat Division, provides support and collaborates with the Sustainable Development Working Group, which comprises representatives of KBank departments in order to develop the ESG Strategy and Plan as well as studying and analyzing to comply with both domestic and international standards and propose the best practices in setting policies, goals, guidelines, indicators, as well as controlling, monitoring, evaluating and reporting sustainability performance in accordance with disclosure standards and pursues the Board of Directors' instructions to ensure consistency within all operational processes, thus leading to the achievement of targets and responds to stakeholders' needs.



In 2022, 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 2022 Sustainable Development Plan to advance the Sustainable Development Policy.
- Approving the Transition Plan to Net Zero.
- Approving the long-term goal for sustainable development for 2023-2025 comprising 47 Objective and Key Results (OKRs) for assessment of performance under the Sustainable Development Policy.
- Granting approval for KBank to be a member of the United Nations Global Compact (UNGC) and adopt the guidelines with the aim of uplifting our business operations to be in alignment with internationally recognized principles, covering four key areas, i.e., human rights, labour, environment and anti-corruption.
- Granting approval for KBank to be a signatory to the Partnership for Carbon Accounting Financials (PCAF), which is the standard for assessment of greenhouse gas (GHG) emissions financed by loans and investments.
- ESG Aspiration: KBank's ESG strategy and Objective and Key Results (OKRs) for 2023-2025 were endorsed by the Management Committee, the Sustainable Development Sub-committee and the Corporate Governance Committee before being approved by the Board of Directors.

Moreover in 2022, 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 Objective and Key Results (OKRs) for 2023-2025.
- Setting up the Climate Pillar working group chaired by president to manage greenhouse gas emissions from our own operations and financed portfolio. Along with the Bank's agile way of working, the Climate Pillar Working group is working closely with several divisions including core business divisions in eight key areas i.e., (1) credit; (2) wealth management; (3) payment services; (4) regional expansion in AEC+3; (5) business expansion via new channels;

(6) beyond banking solutions; (7) ESG-related operations; and (8) new business development via technological innovation. The collaboration also helps in innovating products and services to support customers in transition to Net Zero.

- 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 and purchase of carbon credit and Renewable Energy Certificate (REC), 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 plant and coal. We aim to gradually reduce the amount of outstanding loans to coal-fired power plants and coal to zero by 2030, including implementation of a customer engagement plan to ensure that our customers and bank have the same direction to achieve Net Zero.
2. KBank formulated the Sector Decarbonization Strategy for three industries namely, power generation, oil and gas, and coal in order to achieve Net Zero in our financed portfolio.
3. KBank targeted support to sustainable financing and investment with the amount of Baht 25 billion. To this end, we launched the GO GREEN Together project to pioneer a comprehensive Green Ecosystem in Thailand in order to encourage the general public to take collective action in achieving Thailand's net zero goal. In 2022, KBank supported Baht 26,411 million in sustainable financing and investment.

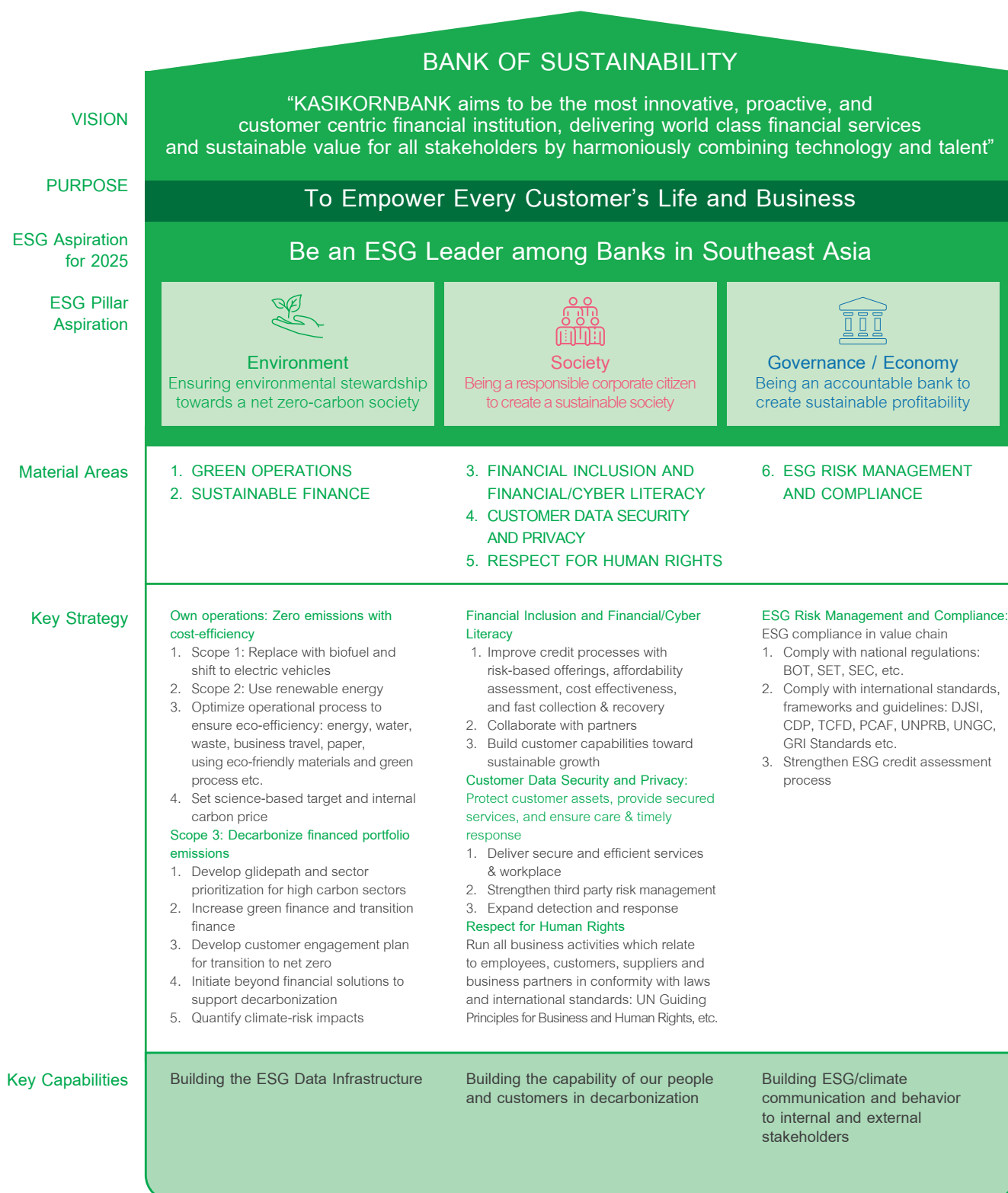
- Establishment of strategy to be a financial service provider with new technologies, enhancing financial inclusion to expand customer access to financing, and improving the credit consideration processes to be based on assessment of repayment risk along with efficient cost management, and greater speed in debt collection and rehabilitation, as well as disseminating financial knowledge and fostering customers' potential for sustainable growth
- Building the capability on greenhouse gas 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 the 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) to uplift our business operations in conformity with the globally accepted principles, covering four key areas of human rights, labor, environment and anti-corruption.
 2. Becoming a signatory to the Partnership for Carbon Accounting Financials (PCAF), 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. Participating in a project to promote GHG reduction in the business sector with the use of science-based targets (SBTi) for 2022: This project was initiated by the Center of Excellence for Eco-Efficiency Faculty of Engineering, Thammasat University, and the Thailand Greenhouse Gas Management Organization (TGO) (Public Organization).
 4. 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.

5. Working with the Thai Bankers' Association (TBA) in advancing sustainable development of the Thai banking sector: KBank has taken the role of Lead Facilitator in sustainability with key missions, including the ESG Declaration, development of impact assessment tools and an industry handbook.
6. 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' which 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 2023 KBANK's ESG strategy to advance our business, accounting for environmental, social and governance priorities with our focus on tangible result assessment and operations in conformity with the globally accepted principles and standards.

KBank ESG Strategy



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 to serve as a tool to put strategies into practice and has ensured that KBank's resource allocation is in conformity with the strategic plans, which have been communicated to ensure common understanding organization-wide. Work plans have been definitively mapped out, while implementation of the plans has been monitored and all issues have been identified for prompt problem-solving, so that the business strategies that incorporate the environmental, social and governance issues have been consistent and advanced in the same direction across the organization. The OKRs have been cascaded from the level of Chief Executive Officer, to Presidents, Division Heads and other related parties. KBank has kept track of sustainable development performance towards achieving the established goals.

Sustainable Development Policy	2022 Targets	2022 Performance
Environmental Aspect: Ensuring environmental stewardship towards a net zero-carbon society		
Committing to becoming Net Zero in our own operations by 2030	<ul style="list-style-type: none"> 8.4% reduction of GHG emissions (Baseline year 2020) 	<ul style="list-style-type: none"> 16.75% reduction of GHG emissions (Baseline year 2020)
Committing to reducing greenhouse gas emissions in our financed portfolio in line with Thailand's aspirations; reducing greenhouse gas emissions in significantly impacted sectors, both in terms of greenhouse gas emission volume and the proportion of loans extended to each sector; and accelerating this journey where possible	<ul style="list-style-type: none"> 3 glidepath and sector strategies to be completely developed 	<ul style="list-style-type: none"> 3 glidepath and sector strategies were completely developed, namely power generation, oil and gas, and coal.
Being the leader in innovative "Green Finance" in Thailand	<ul style="list-style-type: none"> Allocate at least Baht 25,000 million in sustainable financing and investment 	<ul style="list-style-type: none"> Allocate Baht 26,411 million in sustainable financing and investment
Providing services beyond financial solutions to support decarbonization in Thailand	<ul style="list-style-type: none"> Satisfaction level of using Beyond Banking Solution: 80% 	<ul style="list-style-type: none"> Satisfaction level of using Beyond Banking Solution: 81%

* 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	2022 Targets	2022 Performance
Social Aspect: Being a responsible corporate citizen to create a sustainable society		
Ensuring financial inclusion and promoting financial literacy	<ul style="list-style-type: none"> Lending for new KBank credit customers for the underserved people owing to lack of access to finance*: 600,963 persons 	<ul style="list-style-type: none"> Lending for new KBank credit customers for the underserved people owing to lack of access to finance*: 588,057 persons
	<ul style="list-style-type: none"> Financial literacy for underprivileged: 50,000 persons per year 	<ul style="list-style-type: none"> Financial literacy for underprivileged: 51,001 persons per year
	<ul style="list-style-type: none"> Cyber literacy campaign to reach 10 million people 	<ul style="list-style-type: none"> Cyber literacy campaign reached 10.8 million people
Safeguarding customer data security and privacy	<ul style="list-style-type: none"> Extensively increase customer data security and privacy awareness to relatively high exposure and relevant stakeholders of KASIKORNBANK, including Board of Directors, employees, customers, and counterparties. Moreover, KASIKORNBANK intends to transform employee behaviors to perform in a cyber-resilient manner by cultivating a cyber hygiene culture. 	<ul style="list-style-type: none"> Extensively increase customer data security and privacy awareness to relatively high exposure and relevant stakeholders of KASIKORNBANK, including Board of Directors, employees, customers, and counterparties. Moreover, KASIKORNBANK 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 future-ready workforce	<ul style="list-style-type: none"> To win national or international award reflects the excellence in HR Management 	<ul style="list-style-type: none"> Excellence Labor Relations and Welfare Award granted for 17th consecutive year by the Ministry of Labor
		<ul style="list-style-type: none"> “Overall HREA Winner”- the highest award from HR Excellence Awards 2022
		<ul style="list-style-type: none"> “HR Asia Best Companies to Work for in Asia 2022 – Thailand Region” from HR Asia

* Financial Inclusion includes

1) Customers whose salary do not exceed Baht 15,000 per month

2) Enterprise with sales do not exceed Baht 2.5 million per year

Sustainable Development Policy	2022 Targets	2022 Performance
	<ul style="list-style-type: none"> No complaint of discriminatory labor treatment or violence that leads to a lawsuit 	<ul style="list-style-type: none"> No complaint of discriminatory labor treatment or violence that leads to a lawsuit
	<ul style="list-style-type: none"> Internal fill rate: 80% 	<ul style="list-style-type: none"> Internal fill rate: 85%
	<ul style="list-style-type: none"> Female in leadership position: at least 45% 	<ul style="list-style-type: none"> Female in leadership positions: 62%
	<ul style="list-style-type: none"> Engagement score: 77% 	<ul style="list-style-type: none"> Engagement score: 77%
	<ul style="list-style-type: none"> To maintain HCROI* at equal or higher than 4.05 	<ul style="list-style-type: none"> HCROI* level: 4.85
	<ul style="list-style-type: none"> Average hours per FTE of training and development: 40 hours/year/person 	<ul style="list-style-type: none"> Average hours per FTE of training and development: 40.4 hours/year/person
	<ul style="list-style-type: none"> Employee absentee rate: not more than 1 day 	<ul style="list-style-type: none"> Employee absentee rate: 1.53 days
Respecting for human rights and diversity	<ul style="list-style-type: none"> Human rights risk assessment in all business activities: 100% of KBank and joint ventures of KBank 	<ul style="list-style-type: none"> Human rights risk assessment in all business activities: 100% of KBank and joint ventures of KBank
Promoting the development of youth potential as well as the pursuit of environmental, public and social activities	<ul style="list-style-type: none"> Number of employee volunteer hours: 300,000 hours per year 	<ul style="list-style-type: none"> Number of employee volunteer hours: 216,886 hours per year
	<ul style="list-style-type: none"> Number of beneficiaries from CSR projects: 600,000 persons per year 	<ul style="list-style-type: none"> Number of beneficiaries from CSR projects: 988,287 persons per year

* HCROI = Human Capital Return on Investment

Sustainable Development Policy	2022 Targets	2022 Performance
Economic Aspect: Being an accountable bank to create sustainable profitability		
Ensuring business operations under good corporate governance practices and delivering services to customer with fairness	<ul style="list-style-type: none"> • “Excellent” CG level (Measured by external agencies) 	<ul style="list-style-type: none"> • “Excellent” level in Corporate Governance Report of Thai Listed Companies, carried out by the Thai Institute of Directors Association (IOD) • “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
	<ul style="list-style-type: none"> • No significant warning issues/findings on KBank from regulators 	<ul style="list-style-type: none"> • No significant warning issues/findings on KBank from regulators
	<ul style="list-style-type: none"> • No significant* non-compliance issues related to market conduct 	<ul style="list-style-type: none"> • No significant* non-compliance issues related to market conduct
Adhering to customer centricity by initiating financial innovations that meet every aspect of customers’ needs	<ul style="list-style-type: none"> • Net Promoter Score (NPS)** increased steadily and achieved the highest in the Thai banking industry. 	<ul style="list-style-type: none"> • Net Promoter Score (NPS)** stood at 83, increased steadily and classified in the leader group with the highest NPS score in the Thai banking industry
	<ul style="list-style-type: none"> • Digital banking leadership (NPS in mobile banking channel)*** achieved the highest in the Thai banking industry. 	<ul style="list-style-type: none"> • Digital banking leadership*** (NPS in mobile banking channel) stood at 89, and classified in the leader group with the highest NPS score in the Thai banking industry
	<ul style="list-style-type: none"> • Maintain issues and complaints against the number of transactions = 0.0020% 	<ul style="list-style-type: none"> • Maintain issues and complaints against the increased number of transactions. The proportion of complaint was 0.0001%
	<ul style="list-style-type: none"> • Number of K PLUS users: 21.1 million persons 	<ul style="list-style-type: none"> • Number of K PLUS users: 20.0 million persons
	<ul style="list-style-type: none"> • Online Payment Adoption 94.52% 	<ul style="list-style-type: none"> • Online Payment Adoption 92.22%

* 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.

Sustainable Development Policy	2022 Targets	2022 Performance
Ensuring efficient risk management focusing on environment, social, and governance (ESG) issues	<ul style="list-style-type: none"> Adequate Tier 1 Capital Ratio* as required under the Basel III and sufficient for business growth 	<ul style="list-style-type: none"> Tier 1 Capital Ratio* at 16.84 (Minimum regulatory Tier 1 Capital Ratio at 9.5%)
	<ul style="list-style-type: none"> 100% of Project Finance and medium enterprises (and above) must be processed through the Environmental, Social and Governance (ESG) assessment procedure. 	<ul style="list-style-type: none"> 100% of Project Finance and medium enterprises (and above) were processed through the Environmental, Social and Governance (ESG) assessment procedure.
	<ul style="list-style-type: none"> 100% of suppliers acknowledged the Supplier Code of Conduct, which identifies the issues of environment, society, labor and human rights. 	<ul style="list-style-type: none"> 100% of suppliers acknowledged the Supplier Code of Conduct, which identifies the issues of environment, society, labor and human rights.
	<ul style="list-style-type: none"> 100% of Tier 1 and Tier 2 suppliers have undertaken the annual supplier risk assessment. 	<ul style="list-style-type: none"> 100% of Tier 1 and Tier 2 suppliers have undertaken the annual supplier risk assessment.

* Tier 1 Capital Ratio of KASIKORNBANK FINANCIAL CONGLOMERATE

Communications on Sustainable Development

To share and exchange experience on sustainable development, KBank has offered all stakeholders knowledge on this matter, as follows:

Communication channels

Channels	Stakeholders								
	Shareholders	Board of Directors	Employees	Customers	Counterparties/ Business partners	Competitors	Creditors	Communities/ Environment	Regulatory agencies
KBank website	•	•	•	•	•	•	•	•	•
Shareholder Newsletter	•								
Management Discussion and Analysis (MD&A)	•	•	•	•	•	•	•	•	•
Form 56-1 One Report (Annual Report)	•	•	•	•	•	•	•	•	•
Sustainability Report	•	•	•	•	•	•	•	•	•
Report within the framework of TCFD*	•	•	•	•	•	•	•	•	•
Investor Presentation	•	•	•	•	•	•	•	•	•
CG Journal		•							
Kasikorn TV, Office 365, Line Official - KONNECT+			•						
Facebook (KBankSmiles)	•	•	•	•	•	•	•	•	•
Visits, online meetings	•	•	•	•	•		•	•	•

* TCFD: Task Force on Climate-related Financial Disclosures

Activities to communicate sustainable development to stakeholders



KBank joined a special seminar, "BOT Financial Landscape Consultation Session: New Landscape of the Thai Financial Sector".

KBank attended the Bank of Thailand's seminar, "BOT Financial Landscape Consultation Session: New Landscape of the Thai Financial Sector", wherein KBank's Chief Executive Officer gave a special presentation and joined a wrap-up session of seminar content and opinions towards the BOT Financial Landscape Consultation Paper.



TBA announced the ESG Declaration to drive an environmentally friendly economy towards sustainable development.

The Thai Bankers' Association (TBA) assigned KASIKORNBANK PCL and Bank of Ayudhya PLC. to take the role of Lead Facilitator in driving sustainable development operations of the Thai banking sector, with key missions including preparation of the ESG Declaration and development of impact assessment tools under the ESG Declaration, in order to define the directions and operational guidelines of the sector. The ESG Declaration was jointly announced in August 2022.



KBank's CEO gave a special briefing, Turning Point...New Potential of the Thai Economy, at the ESG Forum hosted by Prachachat Turakij Newspaper and Prachachat Turakij Online.

KBank's Chief Executive Officer gave a special briefing titled, "Turning Point...New Potential of the Thai Economy", at the ESG Forum hosted by Prachachat Turakij Newspaper and Prachachat Turakij Online to share viewpoints on the current Thai economic situation.

Material Topics and Boundaries

In 2022, KBank improved the assessment process for its material topics and boundaries in terms of both quality and quantity in the form of impact comparison at the outside-in and inside-out levels. The assessment results were used in the analysis of the Bank's business activities and relations versus the economy, environment, society and human rights by comparing material aspects, which were compiled and prioritized by the Bank, with international sustainability standards, important issues adopted by Thai regulatory agencies, leading domestic and international banks, and material topics of KBank in 2022. We also assessed

present and future risks that may occur and affect our business operations. The risk assessment is based on the opinions of all stakeholders, including 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



Changes in Material Topics

KBank improved the assessment process for its material topics and boundaries in terms of both quality and quantity, resulting in the more concise material topics and boundaries in accordance with the GRI Standards under the revised Universal Standards 2021. Material topics and boundaries in 2022 were still within the 2021 framework. A survey conducted by the Bank shows that material topics and boundaries that most stakeholders attached

importance to were in the governance and social dimensions. KBank is required to maintain the high standards of its material topics and boundaries. Additionally, a majority of stakeholders placed emphasis on the environmental and social impacts, such as weather conditions and reduction of social inequality. There were 25 material issues in 2022, as follows:

Material Topics

Highly Critical Material Topics

- Digitization and Innovation
- Business Ethics and Transparency
- Customer Understanding
- Cyber Security and Customer Data Privacy Protection
- Corporate Governance*

Critical Material Topics

- Transition Risk and Opportunity from Climate Change
- Sustainable Supply Chain Management
- Environmentally Responsible Financial Products
- Creating Financial Literacy
- Risk Management**

Moderate Material Topics

- Clean Energy
- Preservation of Biodiversity
- Reducing Emissions of the Bank's Operations, Lending and Investment
- Reducing Pollution
- Collaboration with Institutions Focusing on Sustainable Development
- Effective Water Management and Water Stress
- Employee Human Capital Development; Talent Attraction and Retention
- Socially Responsible Financial Products
- Employee Well-being
- Employee Labor Practices, Inclusion, Diversity and Equality
- Effective Waste Management
- Creating Environmental Awareness
- Education and Community Development
- Social and Cultural Preservation and Development
- Human Rights Across Employees, Suppliers, Customers, and Community***




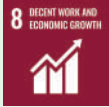





* Details of Corporate Governance can be viewed in the Annual Report 2022 (Form 56-1 One Report) on page 99 - 159











** Details of Emerging Risks can be viewed in the Annual Report 2022 (Form 56-1 One Report) on page 59 - 62


















*** Salient Human Rights Risk Issues


- Employees: Emerging infectious diseases (EID) such as COVID-19
- Suppliers: 1) Occupational Health and Safety in the Workplace 2) Employment of illegal labor such as child and forced workers.
- Customers: 1) Data leakage and improper use of customer data 2) Working conditions, health and safety of workers 3) Form an identity or a group to negotiate employment-related matters

Material Topics and Boundaries

Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
Corporate Governance Organization governance with good corporate governance principles, supervision policy and processes to ensure sustainable returns in the long term	Governance structure and composition (GRI 2-9) Delegation of responsibility for managing impacts (GRI 2-13)	Corporate Governance Governance and Economic Dimension	
Business Ethics and Transparency Business ethics, employee ethics, organizational culture, compliance with ethical and transparency principles, Market Conduct, Anti-Corruption and prevention of fraud	Policy commitments (GRI 2-23) Anti-Corruption (GRI 205)	Business Ethics Governance and Economic Dimension	
Risk Management Management of risks from operations and regulatory changes, credit risk, reputation risk, assessment of emerging risks that may affect KBank's business operations	Role of the highest governance body in overseeing the management of impacts (GRI 2-12)	Risk Management Governance and Economic Dimension	
Customer Understandings Products and services that meet customers' needs, satisfaction and expectations		Financial Innovations and Services Governance and Economic Dimension	  
Environmentally Responsible Financial Products Lending, with the aim of supporting and promoting environmentally-friendly projects or businesses to mitigate the impact of climate change	Role of the highest governance body in overseeing the management of impacts (GRI 2-12) Emissions 2016 (GRI 305)	Responsible Lending and Investment: ESG Credit and Investment Governance and Economic Dimension The Task Force on Climate-related Financial Disclosure (TCFD) Environmental Dimension	  

Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
Digitization and Innovation Utilization of technologies to develop products and services that are appropriate, convenient, rapid and responsive to customers' needs.		Financial Innovations and Services Governance and Economic Dimension	
Sustainable Supply Chain Management Supply chain management, with consideration of environmental, social and governance impacts to ensure that KBank's counterparties will not create any environmental and social impacts, and conduct business operations with good corporate governance principles	Activities, value chain and other business relationships (GRI 2-6) Supplier Environmental Assessment 2016 (GRI 308) Supplier Social Assessment 2016 (GRI 414)	Sustainable Supply Chain Management Governance and Economic Dimension	  
Cyber Security and Customer Data Privacy Protection Customer data security and privacy, including cyber risk management with policy, structure, risk identification and assessment, monitoring, prevention, examination, correction, remedy processes in place if risks occur.	Role of the highest governance body in overseeing the management of impacts (GRI 2-12) Customer Privacy 2016 (GRI 418)	Cyber Security and Data Privacy Social Dimension	
Employee Labor Practices, Inclusion, Diversity, and Equality Respect for diversity of employees and equal opportunity among employees, equitable treatment and fair compensation, complaint acceptance mechanisms and channels	Employment 2016 (GRI 401) Labor/Management Relations 2016 (GRI 402) Diversity and Equal Opportunity 2016 (GRI 405)	Human Resource Management Social Dimension	   
Employee Human Capital Development; Talent Attraction and Retention Enhancement of employees' knowledge and potential	Training and Education 2016 (GRI 404)	Human Resource Management Social Dimension	

Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
Employee Well-Being Maintenance of occupational health and safety for employees, both physically and mentally, office and equipment allocation to facilitate operations, provision of knowledge on health and safety in the workplace	Occupational Health and Safety 2018 (GRI 403)	Human Resource Management Social Dimension	
Human Rights Across Employees, Suppliers, Customers and Community Respect for and management of human rights related to employees, customers and counterparties/business partners		Human rights operations Social Dimension	 
Socially Responsible Financial Products / Creating Financial Literacy Promotion of financial inclusion for customers and underprivileged persons, as well as provision of financial literacy to promote financial management potential of customers and underprivileged persons	Indirect Economic Impacts 2016 (GRI 203)	Financial Inclusion and Financial Literacy Social Dimension	     
Education and Community Development / Social and Cultural Preservation and Development Community activities, volunteer activities and activities to promote and stimulate community economic growth	Economic Performance 2016 (GRI 201)	Social Contributions Social Dimension	     
Reducing Emissions of the Bank's Operations, Lending, and Investment / Reducing Pollution / Creating Environmental Awareness / Effective Waste Management / Effective Water Management and Water Stress / Preservation of Biodiversity / Collaboration with Institutions Focusing on Sustainable Development / Clean Energy Reducing emissions of the bank's operations and collaborating with institutions focusing on sustainable development	Energy 2016 (GRI 302) Water and Effluents 2018 (GRI 303) Emissions 2016 (GRI 305) Waste 2020 (GRI 306)	Environmental Management Environmental Dimension Task Force on Climate-related Financial Disclosures (TCFD) Environmental Dimension	 

Material Topics	GRI Topics	Topics Stated in the Report	Sustainable Development Goals
<p>Transition Risks and Opportunity from Climate Change</p> <p>Analysis and assessment of opportunities and risks arising from climate change</p>	<p>Emissions 2016 (GRI 305)</p>	<p>Responsible Lending and Investment: ESG Credit and Investment</p> <p>Governance and Economic Dimension</p> <p>Task Force on Climate-related Financial Disclosures (TCFD)</p> <p>Environmental Dimension</p>	


Stakeholders Engagement


KBank evaluates and identifies stakeholders by analyzing the financial, environmental, social, and governance impacts of business activities across the Bank's value chain on stakeholders, as well as stakeholders' effect on the Bank's business operations to be evaluated in order to identify stakeholders, including the shareholders, Board of Directors, employees, regulatory agencies, customers, counterparties/business partners, competitors, creditors, communities, environment, and society. Stakeholder engagement is key to KBank's ability to understand stakeholders' requirements and expectations in order that the Bank may map out accurate and appropriate operational guidelines to prevent risks and/or reduce negative impacts on stakeholders, which is considered by the level of relationship and relevance to KBank's business operations. KBank has adopted the AA 1000 Stakeholders Engagement Standard (AA1000SES) and created stakeholder participation via related units and designed processes to identify their needs and concerns through various forms of activities, as follows:


Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
Shareholders 	<ul style="list-style-type: none"> Holding Annual General Meeting and Extraordinary General Meeting of Shareholders* Disclosure of information via the SET Link system, KBank website, and both internal and external publications 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 Inquiry channel via website, email, telephone Answering questionnaires 	<ul style="list-style-type: none"> High, stable, and sustainable growth in return on investment Sound and stable growth in operating results Transparent and fair operations Prudent risk management Ethical operation and consideration of ESG issues Knowledge sharing of new regulations of regulatory agencies Communicating various measures of KBank in coping with COVID-19 	<ul style="list-style-type: none"> Creating sustainable and balanced growth in operating results under cautious and prudent risk management Disclosure of information to shareholders and SET via activities or other communication channels with transparency and verifiability Inviting shareholders to Annual General Meeting and Extraordinary General Meeting of Shareholders and encouraging them to express their views in meetings Announcing policy, structure and measures related to credit underwriting processes for strict compliance of employees and offering such training to related employees Monitoring and providing knowledge concerning new regulations in compliance with international standards Establishing measures in auditing, monitoring, and disclosing information to enhance transparency Communicating KBank's measures in bracing for COVID-19 to enhance the confidence of shareholders 	<ul style="list-style-type: none"> In all chapters of the Sustainability Report 2022


* Additional details on the meeting of shareholders and related format can be viewed in the Annual Report 2022 (Form 56-1 One Report) on page 140 - 146

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
Board of Directors 	<ul style="list-style-type: none"> • Holding a board meeting every month (with the exception of force majeure) • Arranging an independent directors meeting to compile opinions and suggestions before board meetings • Providing information and news via KBank's various channels 	<ul style="list-style-type: none"> • Transparent operations and adherence to the Good Corporate Governance principles • Equitable treatment of all stakeholders • Sustainable growth in performance 	<ul style="list-style-type: none"> • Effective, transparent, and verifiable management, based on corporate governance and sustainable development guidelines • Business operations which take into account all stakeholders 	<ul style="list-style-type: none"> • In all chapters of the Sustainability Report 2022
Regulatory Agencies 	<ul style="list-style-type: none"> • Participating in meetings to acknowledge supervisory policies and guidelines • Collaborating with supervisory agencies through KBank's compliance units 	<ul style="list-style-type: none"> • Business operations with adherence to the principles of corporate governance and sustainable development and in compliance with related laws under appropriate risk management 	<ul style="list-style-type: none"> • Compliance with related laws, rules, and regulations • Development of work processes in accordance with related supervisory agencies' requirements, suggestions and remarks from regulatory agencies 	<ul style="list-style-type: none"> • In all chapters of the Sustainability Report 2022

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
Employees 	<ul style="list-style-type: none"> • Holding orientation for new employees at all levels • Enquiring into the requirements of employees and supervisors to prepare appropriate learning courses that are in line with KBank's business growth • Having in place channels for receiving opinions and suggestions • Conducting employee satisfaction surveys • Organizing employee engagement activities and boosting employee morale with the aim of becoming "The Best Employer" • 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 Office 365 (email, Yammer, MS Teams), LINE, and Facebook • Organizing meetings of supervisors and employees to share opinions and recommendations on work improvement guidelines 	<ul style="list-style-type: none"> • Providing fair and appropriate remuneration and welfare in line with economic conditions • Offering career path and advancement • Continued development of employees' skills for work and life • Providing occupational health and safety at work, including physical, mental and financial health in line with current working conditions • Providing appropriate equipment to facilitate employees' operations at the office and home • Providing opportunities for employees to allocate their time for work-life balance • Preparing a safe, hygienic and COVID-19-free workplace • Working from home as part of social distancing measures • Providing assistance to relieve increased expenditures resulting from liquidity problems of family members • Providing COVID-19 vaccines for employees and their family members 	<ul style="list-style-type: none"> • Setting up policies and operational guidelines for HR Department, and compliance with labor law • Setting up a human rights policy and guidelines to manage diversity in the workplace • Setting up a roadmap to promote staff career paths • Undertaking annual salary surveys in the markets to come up with appropriate remunerations and benefits • Organizing training courses suitable to staff in different divisions and levels • Conducting annual employee satisfaction surveys and regular performance assessment • Enhancing work environment in line with the principle of occupational health and safety at work • Answering inquiries via different communication channels in a consistent manner • Introducing occupational health measures, control measures for workplace access, work-from-home practices and setting staggered working hours • Establishing a work model that is in line with the needs of employees, so they can perform their tasks more efficiently. • Introducing assistance measures for COVID-19 stricken employees and their family members, and providing COVID-19 vaccines to them • Providing welfare loans for employees to purchase equipment in order to facilitate their operations 	<ul style="list-style-type: none"> • Human Resource Management • Human Rights Operations

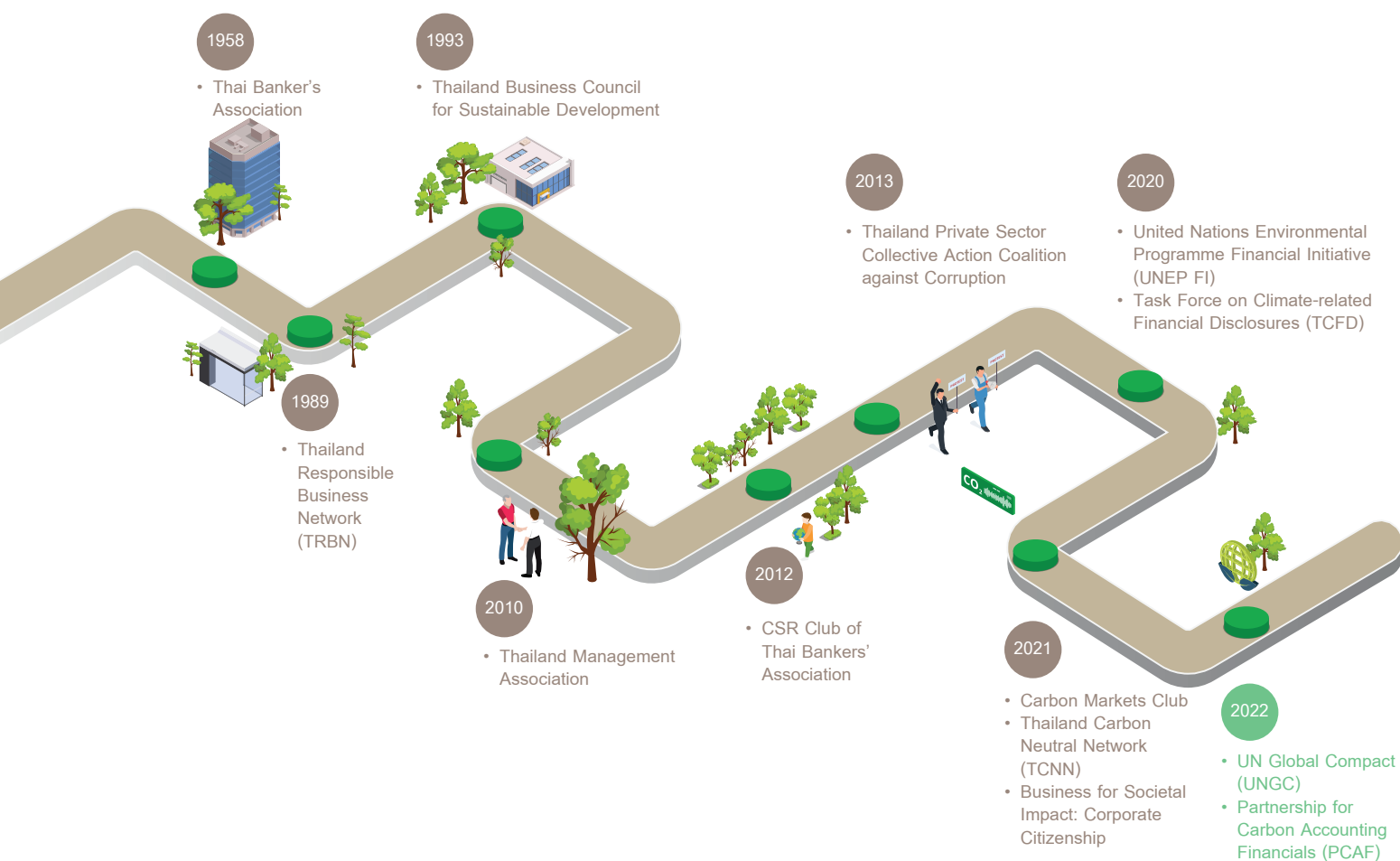
Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
Customers 	<ul style="list-style-type: none"> Assisting customers via Relationship Managers in order to meet their demands Conducting regular customer visits to strengthen relationships with them Producing public relations media to disseminate information on KBank products and services in an accurate, complete, clearly defined and transparent manner Having in place channels for customers to express their viewpoints and recommendations, and to file complaints Organizing training sessions and seminars to provide knowledge and advice on finance, trade and investment, as well as self-protection against cyber threats for customers Conducting customer satisfaction surveys on a regular basis 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, YouTube, and answering service questions on Pantip, etc. Providing services through KBank branches and service points, such as banking agents 	<ul style="list-style-type: none"> Customer service provision with responsibility and fairness A variety of quality products and services that meet customers' demands Convenient access to financial products and services Provision of financial advice and knowledge Protection of customer data privacy Preparedness and swiftness in responding to customers' demands Availability and stability of mobile application to enhance continued, swift and smooth services Measures to alleviate the impacts of COVID-19 	<ul style="list-style-type: none"> Establishing basic principles and standards on customer service provision with responsibility and fairness (Market Conduct) Conducting staff training to maintain excellent service delivery per KBank's slogan of 'Towards Service Excellence' Delivering products and services matching customers' demands and lifestyles 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 Adding channels to offer varied and convenient access to financial products and services matching customers' lifestyles Launching training and seminar sessions to provide knowledge on financial products, financial discipline and protection against cyber threats Cyber risk management Implementing policies, structures and measures of IT management, data security and customer data privacy to ensure strict compliance among employees Conducting regular surveys on customers' opinions and satisfaction, answering questions via different communication channels Allowing customers to participate in the development of financial products and services Issuing measures to ease the impacts of COVID-19 on customers 	<ul style="list-style-type: none"> Financial Innovations and Services Cyber Security and Data Privacy Financial Inclusion and Financial Literacy Task Force on Climate-related Financial Disclosure: TCFD

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
Counterparties/ Business Partners 	Counterparties <ul style="list-style-type: none"> Communicating the annual counterparty manual, current procurement policies, rules and procedures of the Bank's, counterparty management guidelines and annual news Holding the annual seminar to communicate guidelines and strategies, including the impacts of COVID-19 and other crises on procurement processes, supply chain management and roles of counterparties towards their future business goals, based on sustainability development Holding meetings to discuss and brainstorm ideas and opinions in creating and developing innovations or new operational models Making an onsite inspection visit to important counterparties or an online inspection visit in accordance with the nature of their products/services and circumstances Conducting an online supplier satisfaction survey Establishing channels to receive recommendations or complaints Evaluating ESG performances of counterparties on an annual basis Business partners <ul style="list-style-type: none"> Holding meetings to exchange information and opinions Organizing relationship enhancement activities every year 	Counterparties <ul style="list-style-type: none"> Procurement policy and regulations, counterparty management guidelines, and related news Business ethics, code of conduct and transparent business operations Fair Trade Continual improvements in operational methods and processes, plus collaborating in seeking creative ideas and developing innovations Assistance measures to help alleviate the impacts of COVID-19 Business partners <ul style="list-style-type: none"> Business cooperation based on good corporate governance principles 	Counterparties <ul style="list-style-type: none"> Establishing counterparty recruitment and selection criteria, based on ESG factors Establishing clear audit processes as specified in the Supplier Code of Conduct Reviewing and improving procurement procedures and communication methods to achieve common goals Undertaking problem examination and rectification in a timely and appropriate manner, and preventing problems that may arise in the future Providing various fields of knowledge for sustainable development of counterparties Issuing measures to help mitigate the impacts of COVID-19 Business partners <ul style="list-style-type: none"> Entering into agreement to define cooperation framework with business partners 	<ul style="list-style-type: none"> Sustainable Supply Chain Management Human Rights Operations

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
Competitors 	<ul style="list-style-type: none"> Joining meeting to exchange opinions and foster cooperation on various occasions 	<ul style="list-style-type: none"> Fair and transparent business operations and competition, compliance with a fair and honest competitive framework 	<ul style="list-style-type: none"> Creating fair competitive conditions 	<ul style="list-style-type: none"> Business Ethics
Creditors 	<ul style="list-style-type: none"> Arranging annual activities in various forms to promote relationships and provide useful knowledge Having in place channels to accept recommendations and/or complaints 	<ul style="list-style-type: none"> Interest and loan payments within due date Continuing communications and disclosure 	<ul style="list-style-type: none"> Interest and loan payments within due date Continuing activities and communications to provide accurate and complete information, news and knowledge 	<ul style="list-style-type: none"> Governance/Economic Performance
Communities, Environment and Society 	<ul style="list-style-type: none"> 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 Organizing community relations activities via employees' volunteer projects and CSR projects of KBank 	<ul style="list-style-type: none"> Financial literacy Products, services and financial service channels matching communities' requirements and ways of life Development and promotion of community economic growth, and environmental protection for communities Support to social and community activities Assistance to communities in times of natural disasters Offering assistance to people affected by COVID-19 Offering assistance related to well-being, health, hygiene and illnesses. 	<ul style="list-style-type: none"> Providing financial knowledge for communities via electronic channels, KBank branches, public relations media of KBank, training activities and volunteer activities of employees Providing knowledge to local communities, promoting their skills development, as well as natural resource and environmental preservation Providing continuous budget support for development of communities, society and the environment Offering assistance to people affected by COVID-19 and natural disasters via donation channels in the form of money and necessary items, and rehabilitation after such disasters 	<ul style="list-style-type: none"> Social Contributions

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 employed knowledge, experiences, and lessons learnt shared with them to drive forward 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. These organizations and agencies include the following:



Ensuring Environmental Stewardship
towards a Net Zero - Carbon Society

Environmental Dimension

48 Task Force on Climate-related Financial Disclosures: TCFD

81 Environmental Management





Greenhouse gas emissions from
KBank own operations

81,402.17
Tonnes CO₂ equivalent

3 glidepath and sector strategies
were completely developed
which covered

43%
of total portfolio emissions



Green Loans,
totaling

Baht **31,222.61** million

Task Force on Climate-related Financial Disclosures: TCFD



The Inter governmental Panel on Climate Change (IPCC) report for 2021 is deemed as a 'Code Red' for the global warming situation, pointing out the seriousness of the matter that may cause economic losses of approximately 10 percent of total economic value within 2050. Emphasis is on Southeast Asia, where economic growth is likely to drop by as much as 20 percent, without any proper resolutions. Meanwhile, the Sixth Assessment Report (AR6) of IPCC states that, in 2021, the global average temperature rose 1.1 °C, which was edging closer to the world's 1.5 °C threshold. This increase has occurred sooner than expected, as it was previously thought that the world's average temperature could reach its peak in 2025. As concerns a study of each country's participation in a Nationally Determined Contribution (NDC) to minimize greenhouse gas (GHG) emissions and its operations related to climate change after 2020, such NDC implementation has been estimated to increase GHG emissions by 10.6 percent by 2030, as compared with the target to reduce emissions by 45 percent in accordance with the world's 1.5 °C goal of the same year.

In addition, a Greenpeace study of seven major Asian cities reveals that climate change will substantially affect the residents and economy of Bangkok, being below sea level that faces a high risk of tidal bore and flood. Economic impacts are estimated at more than USD 512 billion over a 10-year period. Due to more severe natural disasters, governments have to allocate increased budgets for emergency incidents to save and assist the affected people, and to help prevent such disasters. Such budget increases will eventually be large burdens on the overall economy. As a result, financial needs to tackle climate change issues have considerably increased during the transitional period towards achievement of the Net Zero target, and financial support is now a crucial part of the attempts to minimize the adverse impacts of global warming. In the 27th Conference of the Parties of the UNFCCC (COP27), the meeting agreed to set up a Loss and Damage Fund to provide financial assistance for countries damaged by climate disasters, the details of which will be discussed over the next two years.

KBank has recognized this important role and duty, and prepared to team up with our customers and stakeholders to plan for any risks, seek new opportunities arising from climate change and prepare a Transition Plan to Net Zero along with our customers.

Remark: Details of the Task Force on Climate-related Financial Disclosures (TCFD) can be found at KBank's website:
<https://www.kasikornbank.com/SiteCollectionDocuments/sustainable-development/pdf/kbank-tcf-report2022-en.pdf>

KBank's Net Zero Commitment



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

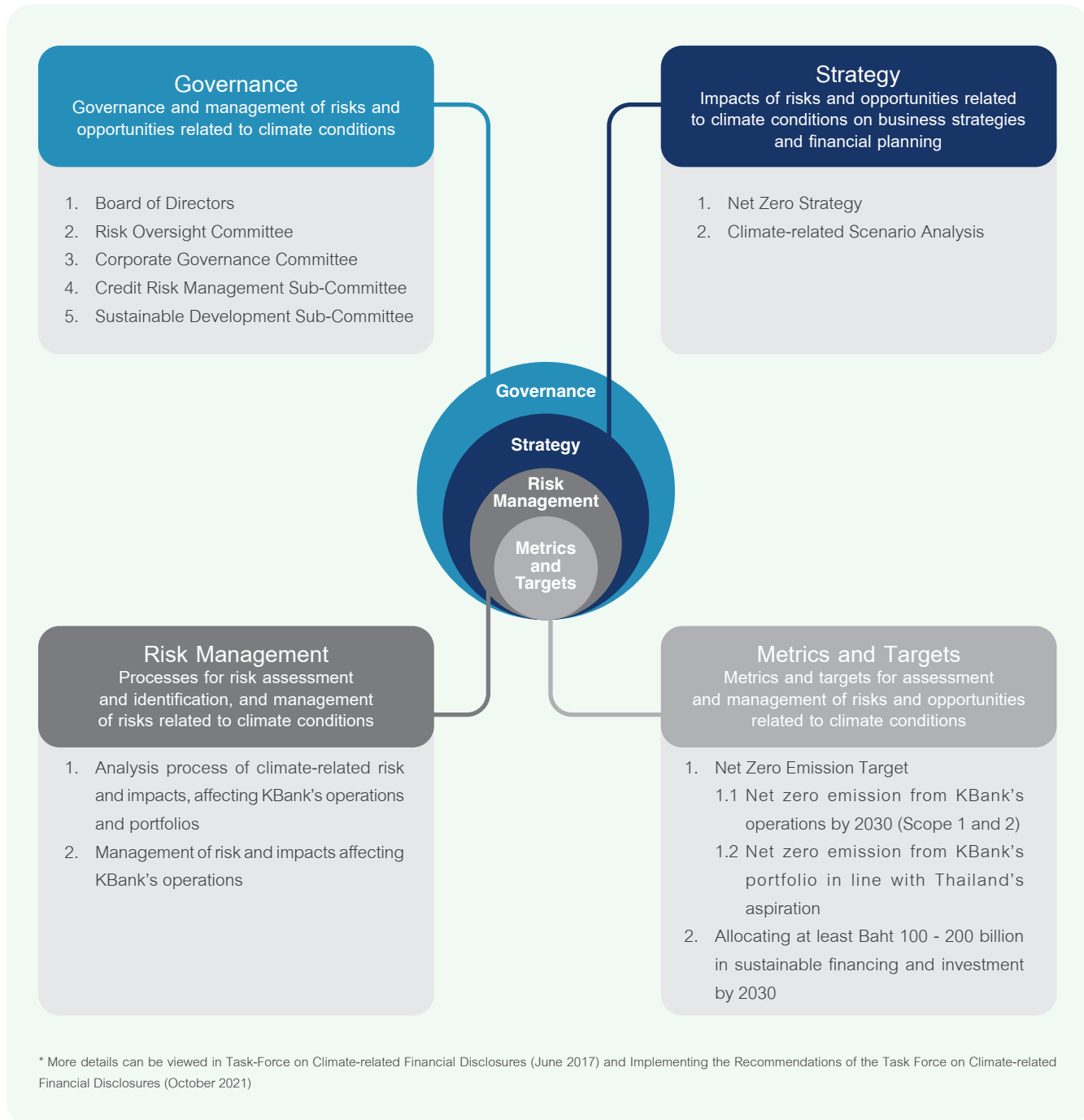
We commit to becoming net zero in our own operations (Scope 1 and 2)** by 2030. We commit to achieving net zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible. We will continually assess opportunities to take earlier actions as the technology, regulatory environment and external context evolves.

* Net zero emission by 2050 is the global effort to transition to net zero emission, 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.

** 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 Structure

Governance

Describe the organization's governance around climate-related risks and opportunities.

Governance Structure

Recommended disclosures

- Describe the organization's governance around climate-related risks and opportunities.
- Describe management's role in assessing and managing climate-related risks and opportunities.

KBank has established the structure, policies and management related to climate change as part of the sustainability operational processes that manifest Environment, Society and Governance (ESG) responsibility, as follows:



Board of Directors

- Approving risk management policy, frameworks, risk limit and risk appetites

Risk Oversight Committee

- Overseeing and ensuring compliance with consolidated risk management policies and strategies, and acceptable risk appetite
- Assessing risk management policies and strategies to cover all risks including emerging risks

Corporate Governance Committee

- Overseeing, and undertaking sustainable development

Credit Risk Management Sub-Committee

- Determining ESG credit policy and processes, and updating such policy and processes

Sustainable Development Sub-Committee

- Considering and approving sustainable development frameworks and action plans
- Considering and endorsing policies, goals, strategies and targets related to sustainable development performance
- Overseeing and monitoring sustainable development operations
- Considering sustainable development communications both within and outside KBank, and information disclosure in compliance with domestic and global sustainability frameworks and standards

Business Units

- Screening environmental and social risks of projects to be supported
- Ensuring and monitoring projects' compliance with regulations/ environmental and social management plan

Monitoring and Controlling Function

- Determining environmental and social management as agreed
- Reporting to Corporate Governance Committee

Board of Directors' roles and responsibilities are to manage KBank's business operations. The Board's decisions are independent, taking into consideration the highest benefit of KBank and stakeholders. Every year, the Board reviews and approves KASIKORNBANK FINANCIAL CONGLOMERATE's strategies, targets, business policies that embrace sustainable development operations. The Board also approves risk management policy and framework, and acceptable risk limits that include risks and opportunities related to the ESG, as well as impacts of climate-related risks, which are subject to annual review. The Board reviews the annual business plans and budgets, and monitors KBank Management's compliance with the established policies, strategies and business plans with effectiveness, in conformity with related laws, regulations and the United Nations' Sustainable Development Goals (SDGs) and Paris Agreement. In addition, the Board has assigned to the Chief Executive Officer the role of Chief Environmental Officer, based on KBank's goal of being an environmental stewardship to create Net Zero society, and setting metrics to measure the sustainability operations from the level of Chief Executive Officer to high-ranking executives and operating officers to ensure that the operations will achieve the set targets.

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 all 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 with respect of operations towards net zero emission and 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.

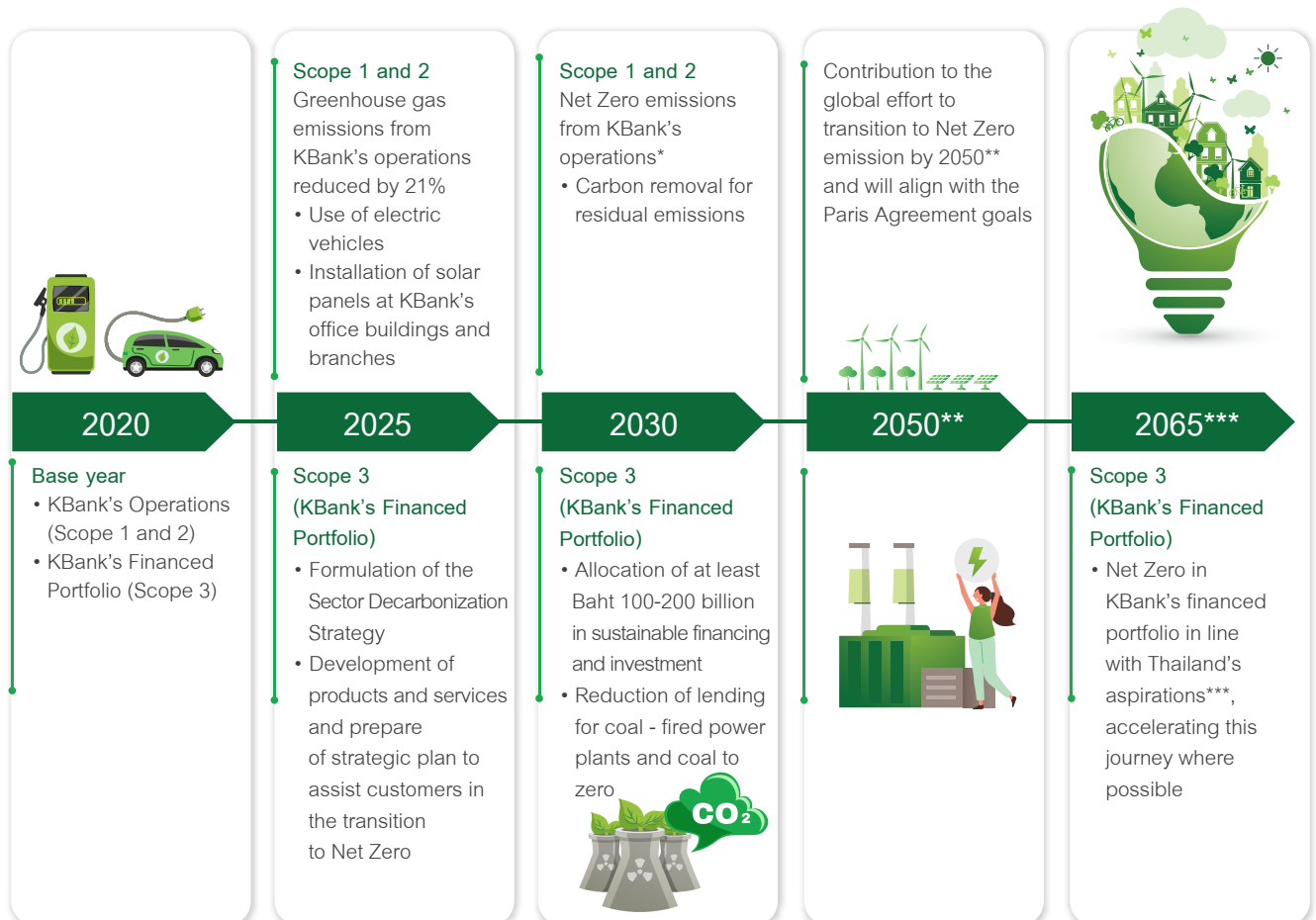
The Credit Risk Management Sub-Committee is responsible for determining KBank's credit risk management directions and strategies, and establishing and revising credit policies and processes, taking into consideration ESG risks and climate-related risks, in order to specify portfolio management strategies, lending targets and frameworks in accordance with the business types with the aim of efficiently minimizing GHG emissions in KBank's portfolio, in conformity with the responsible lending guidelines. The Credit Risk Management Sub-Committee is chaired by President and holds meetings on a monthly basis.

The Sustainable Development Sub-Committee is responsible 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.

Management Strategies in Relation to Climate Change

Strategy	Management Strategies in relation to Climate Change
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	<p>Recommended disclosures</p> <ol style="list-style-type: none"> Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Decarbonization Pathway to Net Zero



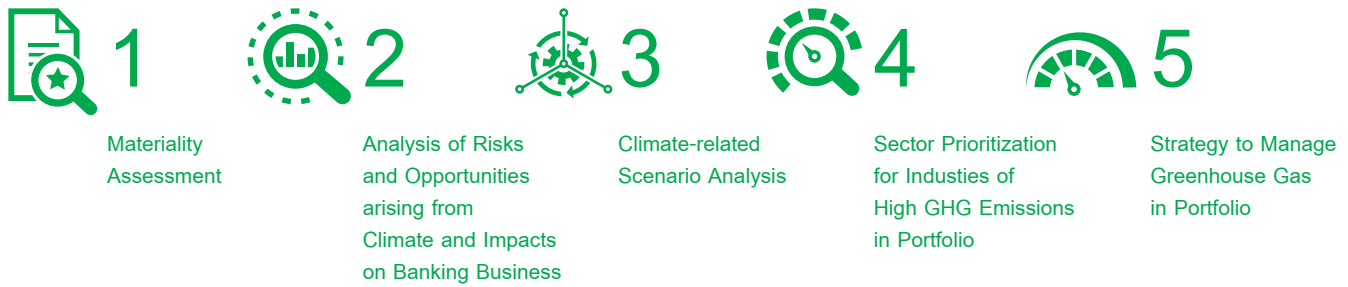
* More details on the operational plan for reduction of GHG emissions under Scope 1 & 2 can be found in the chapter of Environmental Management

** 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.

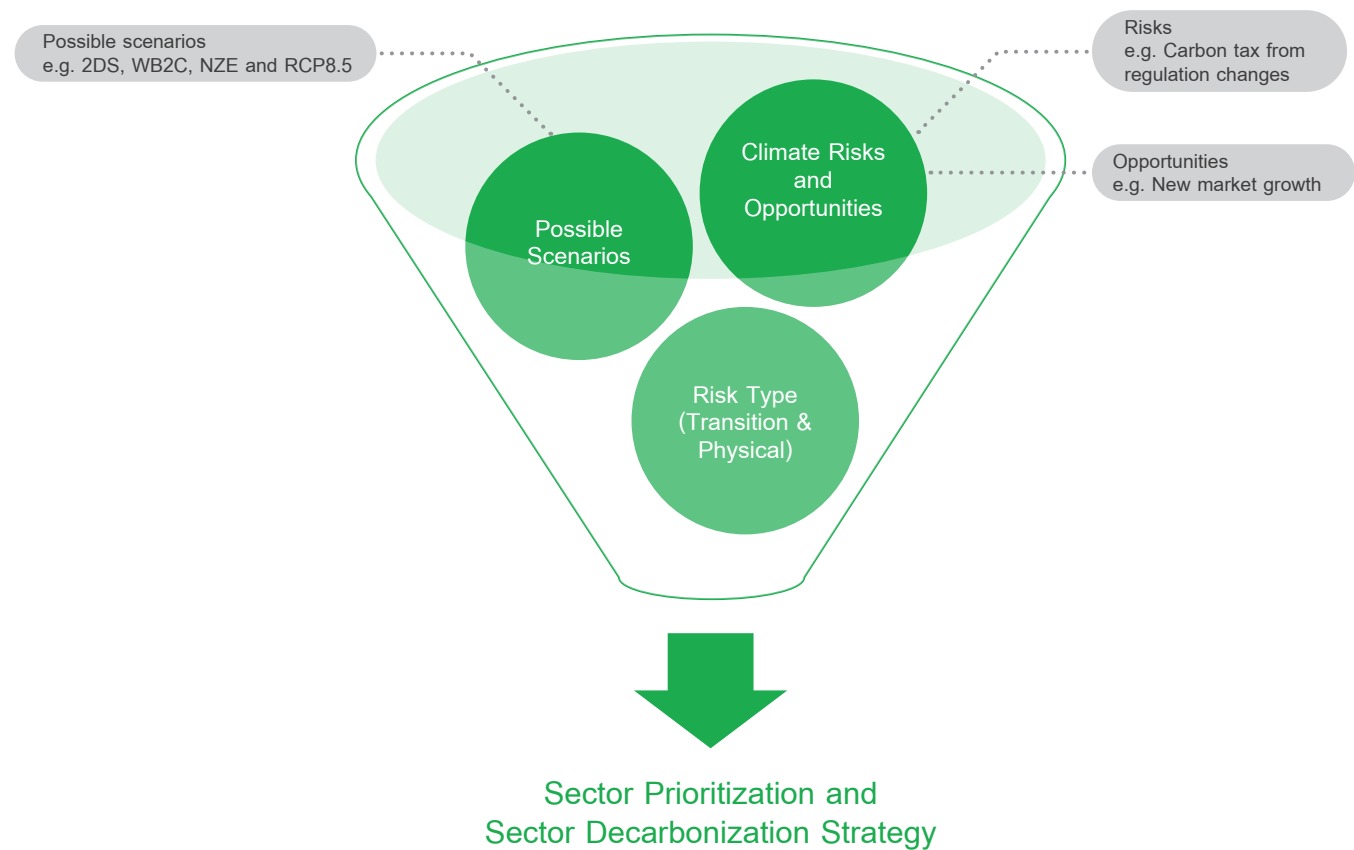
*** Thailand's ambition at COP26: 2050 carbon neutrality and 2065 Net Zero GHG emissions

Strategy of Management of Risks and Opportunities arising from Climate Conditions

KBank's processes to prepare the strategy of management of risks and opportunities arising from climate conditions include the following:



1. Materiality Assessment



Remark: 2DS : 2 Degree Celsius Scenario
WB2C : Well-below 2 Degree Celsius Scenario
NZE : Net Zero Scenario
RCP8.5 : The concentration of carbon that delivers global warming of an average of 8.5 watts per square meter across the planet.

KBank has identified and analysed risks and opportunities related to climate conditions that produce financial impacts on KBank's businesses. The tool employed is Qualitative Analysis via discussions between KBank's internal departments with respect to possible scenarios, driving factors, related assumptions, and potential impacts to KBank's businesses, and results of each scenario for the customer segments and business sectors. Information gained would be screened for risks and opportunities related to climate change for use in materiality assessment. Targets announced by international communities and Thailand in global forums and Thailand's Nationally Determined Contribution (NDC) for different periods until 2050 and under varied scenarios, for example, the rise of 2 °C in global average temperature (2DS Scenario), limitation of the rise in global average temperature to less than 2 °C (Well Below 2 Degrees – WB2C) and limitation of the rise in global average temperature at 1.5°C (Net Zero Scenario – NZE). Such scenarios have been taken into consideration in the prioritization of material risks and opportunities, and planning for management and control later on.



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

2.1 Climate-related Risks and Financial Impacts

Climate-related risks and financial impacts are challenging the business and banking sectors, and affecting their profitability, competition, image, reputation and survival. The business sector is compelled to adopt sound risk management. Without timely self-adaptation, they may face rising costs in the future as increased investment funds will be required. In addition, the costs for development of environmentally friendly products and services will rise, and thus affect business operators' competitiveness and repayment capabilities, which will eventually have financial impacts on banks.

According to assessment of the potential impacts of climate-related risks on KBank's financials, such impacts have been found to be short to long term. In the short term, KBank may be affected by risks associated with new practices and regulations established by various countries, for example, the EU's carbon tax to be imposed on imports in 2023 and additional new measures of other governments. As for physical risks over the long term, negative impacts may be caused by rising sea levels that will take more than 10 years to become more evident. As a result, KBank has determined a timeframe for impact analysis of related risks in order to better consider such possible impacts and to determine more appropriate control guidelines.

Timeframe of Risk Impact Analysis

Short term

5 years

Medium term

5 - 10 years

Long term

More than 10 years



The results of analysis of the potential impacts of climate-related risks on KBank's finances, and guidelines to control risks and responses, may be summarized as below:

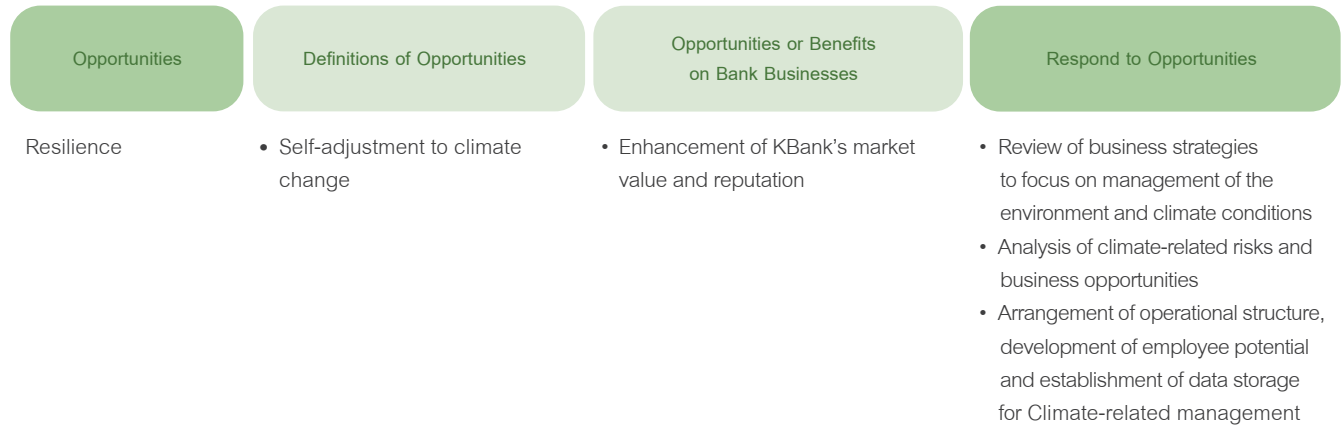
	Risks	Definitions of Risks	Impacts on KBank Businesses	Timeframe of Risks	Risk Mitigation Guidelines
Transition Risks	Legal and Policy-related Risk	Non-compliance with laws or legal stipulation	<ul style="list-style-type: none"> Rising business costs of KBank Write-off and depreciation of assets, due to customers' inability to adapt to regulatory changes 	Short-long term	<ul style="list-style-type: none"> Monitoring of strict compliance with related regulations and laws
		More stringent trend of laws and regulations related to the environment, e.g., carbon tax, Emission Trading System (ETS), and environmental measures causing trade barriers		Short-long term	<ul style="list-style-type: none"> Identification and assessment of impacts for the industrial groups in the portfolio that are among the first to be affected by related regulations Preparation of discussion with customers to map out the adaptation guidelines
	Technology-related Risk	Feasibility of and investment budget in technology development related to transition to low GHG emissions, e.g., production technologies using renewable energy sources, energy storage technologies, energy efficiency enhancement technologies, and technologies to minimize GHG emissions	<ul style="list-style-type: none"> Write-off and depreciation of assets Technology changes leading to increased investment costs Falling demand for goods with high GHG emissions, adversely affecting customers' income and repayment capabilities Rising funds for research and development 	Medium-long term	<ul style="list-style-type: none"> Follow-up of news on progress of technology exploration and development Support in research and development from related agencies Planning of investment in new technology businesses
	Market Risk	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"> 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 Write-off and depreciation of assets 	Short-long term	<ul style="list-style-type: none"> Design and development of products and services that are environmentally friendly or create positive impacts

	Risks	Definitions of Risks	Impacts on KBank Businesses	Timeframe of Risks	Risk Mitigation Guidelines
	Reputational Risk	Lending to businesses that are not environmentally friendly, pressures from stakeholders, e.g., customers and investors	<ul style="list-style-type: none"> Declining in stakeholder confidence Reduced customers' use of KBank services, affecting KBank revenues 	Short-long term	<ul style="list-style-type: none"> Determination of credit policy, exclusion list and Sector-Specific Guidelines, as well as a Sector Strategy for controlling greenhouse gas volume in the industrial groups with significant emissions Determination of growth targets for sustainable financing and investment
Physical Risks	Acute Natural Disasters	Droughts or floods that tend to occur more often and with increased severity	<ul style="list-style-type: none"> Losses to assets of customers and banks Business interruptions Rising costs and expenditures for prevention of and recovery from impacts of natural disasters Increased investment in research and development Write-off and depreciation of assets 	Short-long term	<ul style="list-style-type: none"> Review and assessment of risks arising from natural disasters, and determination of impact alleviation work plans and emergency plans Incorporation of risks arising from natural disasters into risk appetites
	Chronic Natural Disasters	Rising global temperatures, weather fluctuations, higher sea levels		Long-term	<ul style="list-style-type: none"> Assessment of risk from floods based on KBank's location and preparation of disaster-warning tools and devising plan for increasing capability in coping with the disaster

2.2 Climate-related Opportunities and Financial Impacts

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 GHG emissions, financial needs to achieve the net zero target have been on the rise. In this circumstance, KBank sees certain opportunities to assist all sectors in realizing this goal by analyzing opportunities related to climate conditions and financial impacts on KBank, as well as response guidelines, as follows:

Opportunities	Definitions of Opportunities	Opportunities or Benefits on Bank Businesses	Respond to Opportunities
Resource Efficiency	<ul style="list-style-type: none"> 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"> Reduction of KBank's operating costs through strategic planning to enhance energy efficiency and minimize GHG emissions Increase of value of assets that are environmentally friendly Enhancement of employees' quality of life and livelihoods Reinforcement of positive image of KBank Opportunities to provide financial support for customers' improvement of business processes 	<ul style="list-style-type: none"> Determination of work plans for energy and resource efficiency Focusing more on customer engagement to encourage their operational strategies and investment planning to revise their operational processes towards greater resource efficiency Preparation of projects to promote awareness within and outside the organization
Energy Source	<ul style="list-style-type: none"> Use of technologies to produce clean and environmentally friendly energy, cooperation with agencies engaged in climate management in matters such as carbon tax law, carbon markets 		<ul style="list-style-type: none"> Determination of target to use more clean energy Determination of target to provide transition loans for greater use of clean energy
Products/ Services	<ul style="list-style-type: none"> Development of financial products and services to support environmentally friendly businesses Development of products that are beyond financial services to minimize impacts of climate change 	<ul style="list-style-type: none"> Expansion of customer database, income generation from financial products and services in support of environmentally friendly businesses, and generation of new income from products that are beyond financial services, e.g., establishment of Emission Trading Platform Increase of competitiveness Risk diversification for KBank's financial assets 	<ul style="list-style-type: none"> Exploration and design of new products and services to increase opportunities and choices for various groups of customers
Markets	<ul style="list-style-type: none"> Market expansion through environmentally friendly financing and investment Creation of new market with products and services that are beyond financial services 		<ul style="list-style-type: none"> Determination of targets for sustainable financing and investment Review of portfolio allocation to focus on environmentally friendly businesses and related businesses in the entire supply chain



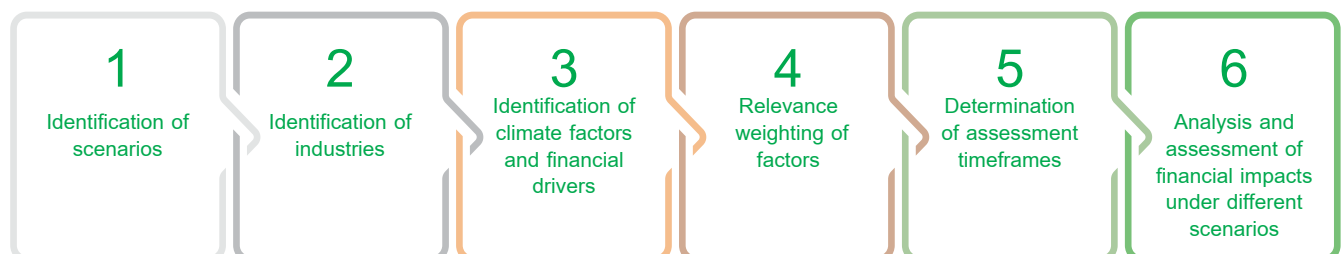
3. Climate-related Scenario Analysis

The results of assessment of climate-related risks and opportunities have been employed by KBank as a factor for determining future strategies and work plans to prevent and minimize impacts of climate change on KBank and our customers, in order to be able to adapt ourselves and build resilience to different situations in the future. 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 Risks

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 have financial impact on KBank and our customers under diverse scenarios. Focus has been placed on risks arising from transition risks. The analysis processes consist of the following:

1. Processes of financial impact assessment from transition risks



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 °C
- 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 °C
- 3) Business as Usual Scenario (BAU): signifying the normal amount of GHG emissions, wherein global warming is 3.7 °C

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: of 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 as compared with BAU Scenario in each stipulated timeframe to come up with impacts on revenues and costs of each type of power plant

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: 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 that signifies efforts to minimize impacts of climate change in accordance with the goal to limit global warming to not more than 1.5 °C, net financial impacts can be summarized in terms of risks or opportunities of each type of power plant in a similar manner. However, there will be some differences with respect to the levels of impacts.

The results of analysis and assessment of risks, opportunities and impacts from climate-related scenario analysis will be used in credit portfolio management, for example, setup of a target to increase the proportion of renewable energy power plants, financial planning, and formulation of customer engagement plans to aid customers in setting up targets and operational strategies in their own net zero transition journeys 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 on risks, opportunities and impacts to cover other industry groups in accordance with their priorities.

2. Results of financial impact assessment from transition risks

Net Financial impacts under the WB2C 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 long terms, before replacement by other alternative fuels with less carbon 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, which will create higher risk.
- Hydropower plants: indicating limited opportunities in the

3.2 Assessment of Physical Risks

Physical risks are classified into two types:

- **Acute risk** is associated with sudden and severe phenomena, such as cyclones, typhoons, floods and droughts, which have become more frequent and severe.
- **Chronic risk** is involved with accumulated and lengthy climate change, for example, sea level increase, and change in average global temperatures and precipitation patterns.

These two risks will produce negative impacts on KBank's businesses in various aspects, including losses to assets of customers and KBank, business disruption, rising costs for

Remark: Details of the Climate-related Scenario Analysis Report can be found at Kbank's website:

<https://www.kasikornbank.com/SiteCollectionDocuments/sustainable-development/pdf/kbankscenarianalysis2021-en.pdf>

prevention and alleviation of natural disasters' impacts, increases in R&D investments, asset write - offs and depreciation.

According to Germanwatch's Global Climate Risk Index of 2021, the top 10 countries have been ranked with the highest risk of extreme climate conditions as a result of climate change, among which Thailand is in the ninth position. The criteria for such rankings included five factors, namely the fatalities, fatalities per 100,000 inhabitants, the losses in million US\$ PPP, the losses per unit GDP in percentage, and the number of events over the period of 2000 – 2019. For Thailand, there were 146 natural disasters (in 20 years), and the total value of losses amounted to USD 7,719.15 million.

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. Initially, KBank will focus on assessment of risk arising from flooding that may affect our credit risk via the microeconomic channels, displaying financial impacts on KBank's loan portfolio. KBank has adopted international guidelines for assessment of risks and impacts of climate conditions in determining the acute physical impacts and has conducted proactive risk assessment, as well as monitoring financial impacts that could occur to KBank in the future.

1. Variables incorporated in financial impact assessment from 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)

KBank's assessment has been made on the income effect, estimated from depreciation of financial positions of the counterparties. The level of depreciation may vary in accordance with the types of industries and the counterparties' locations. KBank is now working with experts, analysts and economists with skills in risk assessment of economic activities by industry and other related agencies in monitoring and projecting possible impacts of flooding to industries, locations and counterparties. The income effect will be incorporated in the PD that varies with the value of risk arising from flooding.

2) Loss Given Default (LGD)

KBank has considered customers' wealth effect via depreciation of collateral value. The levels of depreciation represent decreasing wealth, which will depend on the locations of collateral, statistics and trends of flooding in such particular areas. KBank has integrated information from the Geographic Information System (GIS) and maps of Thailand's flooding over the past 10 years of the Land Development Department, Ministry of Agriculture and Cooperatives. The value of losses may vary with the value of risks arising from flooding.

2. Results of financial impact assessment from 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 incorporated as 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

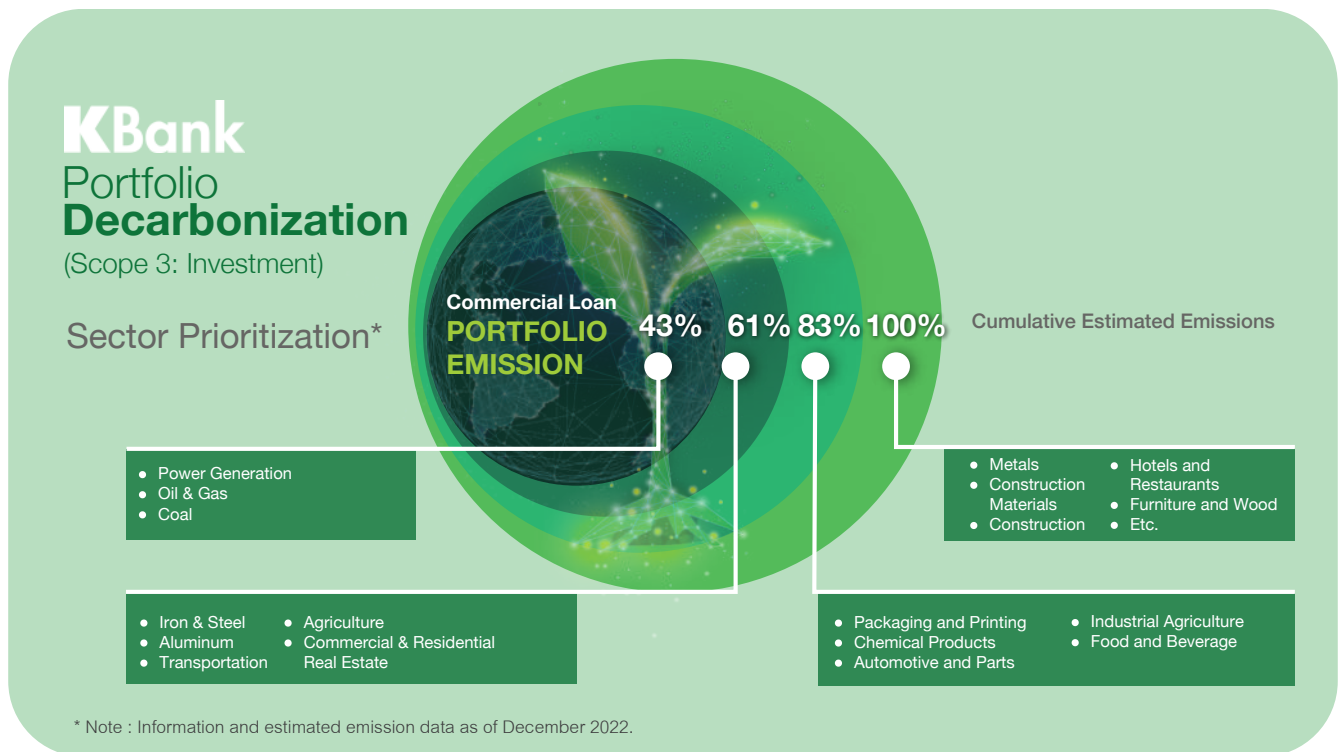
* Source: Classification of risk levels by the Land Use Policy and Planning Division, Land Development Department, <http://lrw101.1dd.go.th/index.php/2017-05-23-02-00-40/2017-05-23-02-00-40>



There are various challenges in the assessment of financial impacts caused by physical risk, for example, geographical diversity of collateral and collateral values that are influenced by different factors. 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 assess financial impacts based on physical risk, as follows:

- Development of tools to analyze physical risk under cooperation with government agencies, research institutes, academics and outside experts to determine a risk area map that is 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. Such impact assessment includes, for example, analysis of risks, opportunities and impacts related to weather conditions under different assumptions (Climate-related Scenario Analysis), with respect to physical risk and stress testing.
- 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 GHG Emissions in Portfolio

KBank has employed the results of analysis of risks and opportunities related to climate conditions and impacts on KBank's businesses, and the result of Climate-related Scenario Analysis by each period, as well as the results of assessment of GHG emissions by industry in KBank's portfolio in classifying the industrial groups with high GHG emissions to map out our Sector Decarbonization Strategy and to determine the paths to alleviate and control the volumes of GHG emissions of each industrial group in accordance with the Paris Agreement and Thailand's target.

The starting point is to determine a strategic plan to alleviate GHG emissions of the sectors with high emissions (No Regret Sectors), namely power generation, oil and gas, and coal, which represent 43 percent of total emissions in the commercial loan portfolio.



5. Strategy to Manage Greenhouse Gas in Portfolio

KBank plans to reduce the provision of existing loans to coal - fired power plants and coal to zero by 2030. For oil and gas industries, KBank will provide support for loans, investments and liabilities within the framework under the Sustainable Development Scenario in accordance with Thailand's guidelines; such support will be granted to upstream activities only, including exploration, drilling and production of oil and natural gas, as well as investment in carbon sequestration technologies, and addition or transformation of energy sources to low - carbon sources. In addition, KBank will gradually expand the scope of sector decarbonization strategy to other high GHG emission sectors in the portfolio.

Moreover in 2022, 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 Objective and Key Results (OKRs) for 2023-2025.
- Setting up the Climate Pillar working group chaired by president to manage greenhouse gas emissions from our own operations and financed portfolio. Along with the Bank's agile way of working, the Climate Pillar Working group is working closely with several divisions including core business divisions in eight key areas i.e., (1) credit; (2) wealth management; (3) payment services; (4) regional expansion in AEC+3; (5) business expansion via new channels; (6) beyond banking solutions; (7) ESG-related operations; and (8) new business development via technological innovation. The collaboration also helps in innovating products and services to support customers in transition to Net Zero.
- 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 and purchase of carbon credit and Renewable Energy Certificate (REC), 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 and coal. We aim to gradually reduce the amount of outstanding loans to coal-fired power plants and coal to zero by 2030, including implementation of a customer engagement plan to ensure that our customers and bank have the same direction to achieve Net Zero.
 2. KBank formulated the Sector Decarbonization Strategy for three industries namely, power generation, oil and gas, and coal in order to achieve Net Zero in our financed portfolio.

3. KBank targeted support to sustainable financing and investment with the amount of Baht 25 billion. To this end, we launched the GO GREEN Together project to pioneer a comprehensive Green Ecosystem in Thailand in order to encourage the general public to take collective action in achieving Thailand's net zero goal. In 2022, KBank supported Baht 26,411 million in sustainable financing and investment.

- Building the capability on greenhouse gas 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 the 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) to uplift our business operations in conformity with the globally accepted principles, covering four key areas of human rights, labor, environment and anti-corruption.
 2. Becoming a signatory to the Partnership for Carbon Accounting Financials (PCAF), 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.

Risk Management

Risk Management

Describe how the organization identifies, assesses, and manages climate-related risks.

Risk Management

Recommended disclosures

- Describe the organization's processes for identifying and assessing climate-related risks.
- Describe the organization's processes for managing climate-related risks.
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall 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 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, incorporating newly emerging factors that affect global climate conditions.

Processes of Enterprise Climate-related Risk Consideration



- 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

Under KBank's processes to consider credit risk related to climate conditions, climate factors are integrated in the consideration of loans and investment, to prevent risks that may produce negative impacts on KBank's image and operations, and to promote long-term, stable business advancement, while generating long-term, sustainable returns to all stakeholders.

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. Various issues have been found that 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; 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 via the UNEP FI's Portfolio Impact Analysis Tool are as follows:

1. **Climate:** KBank has placed an emphasis on the power generation industry, which is among the industries with high GHG 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 GHG. Therefore, KBank has planned to minimize financial support to coal - fired power plants, while extending more credits to those using renewable energy, in a bid to reduce GHG emissions in line with Thailand's goal.

2. **Resources and efficiency:** Focus has been placed on the real estate sector, comprising of condominiums, office buildings, shopping complexes, etc., due to limited available information, such as information related to carbon emissions, energy efficiency, and resource consumption. However, this industry is subject to green building standards that emphasize environmental issue. Therefore, KBank aims to provide more financing for construction and improvement of buildings to achieve the green building standards, such as the Leadership in Energy and Environmental Design (LEED) and the Thai's Rating of Energy and Environmental Sustainability (TREES), which certify efficiency of resource and energy consumption, and environmentally friendly building designs and material selection, as well as proper water resource management.

Metrics and Targets

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Metrics and Targets

Recommended disclosures

- Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
- Describe the targets used by the organization to manage climate-related risks and opportunities and performance against 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 ESG 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 2022	Performance 2022
Committing to becoming Net Zero in our own operations by 2030	1) 21% reduction of GHG emissions in 2025 (Baseline year 2020) 2) Achievement of 'Zero Waste to Landfill' at KBank's main building within 2025	8.4% reduction of GHG emissions (Baseline year 2020)	16.75% reduction of GHG emissions (Baseline year 2020)
Committing to reducing greenhouse gas emissions in our financed portfolio in line with Thailand's aspirations; reducing greenhouse gas emissions in significantly impacted sectors, both in terms of greenhouse gas emission volume and the proportion of loans extended to each sector; and accelerating this journey where possible.	Completion of glidepath and/or sector strategy development	3 glidepaths and/or sector strategies to be completely developed.	3 glidepaths and sector strategies were completely developed, namely power generation, oil and gas, and coal industry.

Sustainable Development Policy – Environmental Aspect	Metrics and Long - term Targets 2023 - 2025	Target 2022	Performance 2022
Being the Leader of innovative “Green Finance” in Thailand	Allocating at least Baht 100 - 200 billion in sustainable financing and investment by 2030	Allocate at least Baht 25,000 million in sustainable financing and investment	Allocated Baht 26,411 million in sustainable financing and investment
Providing services beyond financial solutions to support decarbonization in Thailand	Satisfaction level of using Beyond Banking Solution: 80%	Satisfaction level of using Beyond Banking Solution: 80%	Satisfaction level of using Beyond Banking Solution: 81%

Financed Emissions & Credit Exposure to Carbon-related Assets

GHG 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 GHG emissions from the portfolio, KBank joined the Partnership for Carbon Accounting Financials (PCAF) in 2022 to

adopt the calculation standard for financial institutions' assets to use in evaluating GHG emissions of industries in the portfolio, and for continual consultation with PCAF experts.

Comparison of scope 3 GHG emission category 15: Investment in 2021 and 2022

Sectors	2021*				2022			
	Scope 1+2		Scope 3**		Scope 1+2		Scope 3**	
	Absolute GHG emissions (Tonnes of CO ₂ equivalent)	Weighted score of data quality***	Absolute GHG emissions (Tonnes of CO ₂ equivalent)	Weighted score of data quality***	Absolute GHG emissions (Tonnes of CO ₂ equivalent)	Weighted score of data quality***	Absolute GHG emissions (Tonnes of CO ₂ equivalent)	Weighted score of data quality***
Power generation	4,747,667	2.8	-	-	4,375,509	2.8	-	-
Oil and gas	492,110	4.8	1,185,616	4.8	446,523	4.6	1,192,262	4.7
Coal	106,118	2.3	755,571	2.3	86,292	2.1	618,692	2.2
Total	5,345,895	-	1,941,187	-	4,908,324	-	1,810,954	-

Remarks:

* Financed emissions in 2021 were restatement from previous disclosure in KBank's TCFD Report 2021. This results from the change of calculation approach with lower data quality score to approach with higher data quality score as per PCAF standard and change of emission factor source as stated under “About This Report” section to be the same approach with calculation of 2022 data for comparability principle.

** Scope 3 GHG emission of borrowers and investees reported only oil & gas, mining, transportation, construction, buildings, materials, and industrial activities sectors as per requirement of PCAF standard for financed emissions for report published in 2023 onwards.

*** The scores of data quality were calculated in accordance with PCAF's calculation standard and reports of financed emissions (Highest quality = 1, Lowest quality = 5).

Scope 3 Greenhouse Gas Emissions from KBank's Loan and Investment
Classified by Types of Assets and Sectors with High GHG Emissions

Types of assets/sectors	Portfolio allocation	Absolute GHG emissions (Tonnes of CO ₂ equivalent)		Weighted score of data quality* (Highest quality = 1 Lowest quality = 5)		Emissions Intensity** (Tonnes of CO ₂ equivalent to Baht 1 million of investment or loan)
		Scope 1+2	Scope 3***	Scope 1+2	Scope 3***	
By asset classes						
Corporate Bond	100% of corporate bond, equity and commercial loan	88,292	160,586	4.5	2.7	1.0
Equity		60,041	8,861	2.3	4.3	6.5
Commercial Loan		8,804,803	6,752,015	4.7	4.8	5.6
Total		8,953,136	6,921,461	4.7	4.7	5.3
By sectors						
Agriculture	100% of commercial loan	305,332	-	5.0	-	-
Aluminium		24,036	36,260	4.3	4.3	-
Coal		86,292	618,692	2.1	2.2	-
Concrete		405,223	104,137	4.9	4.9	-
Real estate		70,724	-	4.8	-	-
Iron and steel		124,243	178,510	5.0	5.0	-
Oil and gas		446,523	1,192,262	4.6	4.7	-
Power generation		4,375,509	-	2.8	-	-
Transportation		1,080,342	463,895	4.7	4.7	-
Other sectors****		1,886,579	4,158,258	4.8	3.1	-
Total		8,804,803	6,752,015	4.7	4.8	5.6

Remarks:

* Data quality score was calculated according to PCAF standard for financed emissions.

** Emission intensity was calculated based on recommendation from Task Force on Climate-related Financial Disclosures (TCFD) using methodology for "Carbon Footprint" which are total GHG emissions for a portfolio normalized by the market value of the portfolio, expressed in metric tonnes CO₂e per million Baht loan/invested.

*** Scope 3 GHG emission of borrowers and investees reported only oil & gas, mining, transportation, construction, buildings, materials, and industrial activities sectors as per requirement of PCAF standard for financed emissions for report published in 2023 onwards.

**** Other sectors are 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.

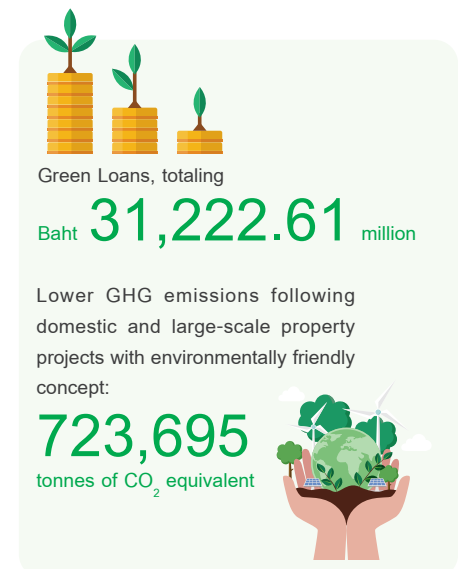
Sustainability Financing and Investment

1. Green Loans, totaling Baht 31,222.61 million

1.1 Green Loans for Corporate Customers

Loans for Domestic Renewable Energy			
Projects/Products	Number of Financed Projects	Production Capacity (MW)	Outstanding Loans (MB)
Solar energy loans	30	1,232	4,618.01
Biomass energy loans	6	62	1,241.33
Waste-to-energy loans	4	25	619.93
Biogas energy loan	1	4	65.24
Wind energy loans	2	10	187.36
Total loans for domestic renewable energy	43	1,333	6,731.87

Loans for Overseas Environmental Projects	
Projects/Products	Outstanding Loans (MB)
Equipment purchase for solar power plants	351.98
Pollution prevention and control to minimize air pollution from power plants	1,029.05
Energy Efficiency Improvement	980.00
Water and wastewater disposal	130.34
Others	44.10
Total loans for overseas environmental projects	2,535.47



Loans for Large-scale Property Projects with Environmentally Friendly Concept				
Projects/Products	Product Details	Number of Financed Projects	Number of Building Users	Outstanding Loans (MB)
Energy-saving buildings	Loans for large-scale property projects with environmentally friendly concept, e.g., 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	15,450	4,241.48

Loans related to Sustainability Operations			
Projects/Products	Product Details	Number of Business Operators benefitting from the projects	Outstanding Loans (MB)
Loans related to sustainability operations	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.	2	1,391.22

Loans for Energy and Environmental Conservation			
Projects/Products	Product Details	Number of Business Operators benefitting from the projects	Outstanding Loans (MB)
Projects of improvement of systems and operational processes to reduce energy consumption in business premises	KBank has teamed up with the Federation of Thai Industries (FTI) and the Thai Energy Services Company Association (ESCO) to provide support for replacement of equipment and processes in business premises to reduce energy consumption.	3	67.46
Projects of solar rooftop installation for renewable energy consumption in business operations	KBank has provided loans with special interest rates for those interested in solar rooftop installation for reduced energy consumption and for use as clean energy to reduce GHG emissions. These projects are under partnership with various organizations, e.g., PEA Solar Hero Application project in cooperation with the Provincial Electricity Authority, available for both businesses and households.	241	2,740.18
Project of building renovation for energy conservation	KBank has cooperated with the Agence Francaise de Developpement (AFD) to provide knowledge and guidelines related to building renovation for energy conservation and environmental friendliness, and offered low-interest loans and technical advice for the project.	1	218.86
Projects of energy-saving loans	KBank has joined hands with the Department of Alternative Energy Development and Efficiency (DEDE) to provide low-interest loans for business operators with the aim to enhance energy efficiency in various patterns, in line with the targets and conditions of DEDE.	7	95.87
Total loans for energy and environmental conservation		252	3,122.37

Loans for Alternative Energy		
Projects/Products	Number of Business Operators benefitting from the projects	Outstanding Loans (MB)
Ethanol production plants	3	84.78
Plants of other biofuels	8	364.92
Total loans for alternative energy	11	449.70

Loans for Electric Vehicles		
Projects/Products	Number of Business Operators benefitting from the projects	Outstanding Loans (MB)
Auto loans for hybrid and electric vehicles	1,500	2,079.19
Total loans for electric vehicles	1,500	2,079.19

Loans for Sustainable Management of Garbage and Waste Certified with Environmental Standards		
Projects/Products	Number of Business Operators benefitting from the projects	Outstanding Loans (MB)
Collection of non-hazardous waste	14	25.10
Collection of hazardous waste	2	4.02
Treatment and disposal of non - hazardous waste by sanitary landfilling	21	25.80
Treatment and disposal of non - hazardous waste by incineration	5	14.32
Treatment and disposal of non - hazardous waste by biological methods	7	281.95
Treatment and disposal of non - hazardous waste by other methods	15	15.08
Treatment and disposal of hazardous waste (not including radioactive waste)	5	11.07
Treatment and disposal of radioactive waste	1	27.75
Wastewater treatment plant	2	170.55
Other waste treatment activities and waste disposal services	17	78.84
Environmental consultant services	16	42.23
Total loans for sustainable management of garbage and waste, certified with environmental standards	105	696.71

Loans for Products, Production Technologies and Production Processes with Environmental Efficiency and/or Improvement to Promote Circular Economy

Projects/Products	Number of Business Operators benefitting from the projects	Outstanding Loans (MB)
Production of basic chemical products	5	34.87
Production of recycled plastic pellets	178	731.93
Paper recycling	23	69.35
Reuse of materials	34	136.60
Production of biological fertilizers	26	20.08
Production of biological plastic products	1	19.32
Total loans for products, production technologies and production processes with environmental efficiency and/or improvement to promote circular economy	267	1,012.15



1.2 Green Loans for Retail Customers

Loans for Retail Customers		
Projects/Products	Number of Customers benefitting from the projects (persons)	Outstanding Loans (MB)
Projects of Loans for energy-saving homes of SCG HEIM	13	149.10
Auto loans for hybrid and electric vehicles	6,470	5,883.86
Green home loans	526	2,922.16
Loans for installation of household solar rooftops	5	7.33
Electric bike rental service via K+ market	EV bike rental 873 renters	
Total green loans for retail customers		8,962.45

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

2. Beyond Finance Solution

2.1 SolarPlus Project

To further implement the GO GREEN Together project, KBank has teamed with four partners, i.e., Electricity Generating Authority of Thailand, PEA ENCOM Smart INNOPOWER Company Limited, to unveil the SolarPlus project in support of the Thai public's use of clean energy. The first effort of its kind in Thailand, the SolarPlus project aims to install solar rooftops for households, free of charge, to allow the general public to generate and sell electricity. In the initial stage, the project will be implemented at Supalai housing estates. After the trial, the project aims for the installation of solar rooftops for 500,000 households within five years, and explore new opportunities in the future.

This project helps promote the creation of a practical green ecosystem, especially renewable energy, while reinforcing ESG leadership of the business group of KBank. In addition, the program is expected to help reduce GHG emissions from the use of electricity generated from raw materials, such as coal and oil that pollute the environment and communities. Another focus is to offer the public easier access to clean energy without installation costs, while reducing household energy expenses as well.

2.2 Electric Bike Rental Service

KBank has launched a rental service for EV bikes on K+ market to offer convenient access to service users. Under cooperation with business partners, battery swapping stations have been installed at 12 KBank branches in the Bangkok metropolitan area. Additionally, KBank has joined forces with food delivery service partners, such as foodpanda, Skootar, and ShopeeFood, as well as Property and Innovation Management (PMCU), in providing electric motorcycle rental service to delivery riders. Special discounts on EV bike rental are also offered to riders so they can try using the service at affordable prices.

This project helps drive a comprehensive green ecosystem, providing the public easy access to low-carbon technologies. The focus is to reduce GHG,

PM 2.5 dust and other pollutants, building a green society and economy. This cooperative effort also aims to improve delivery riders' quality of life and reduce their expense burdens, thus earning more income. Additionally, the initiative will support those who are unemployed and have no initial capital to start a new career. They can use the EV bike rental service with affordable daily rates in order to earn income, with no need to have their own bike. This initiative also helps those who want to earn extra income during their free time after their full-time job.

To further expand the green ecosystem, KBank has collaborated with additional EV bike original equipment manufacturer (OEM) partners in developing universal services, adding more battery swapping stations at KBank branches, regardless of EV bike brand or company. This measure is meant to facilitate those who want to swap batteries as well as promote substantial growth in EV bike demand.

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*



KBank issued sustainability bonds totaling

Baht 8,334 million,
accounting for 37 percent of KBank's
total senior bonds.

* Details of the sustainability bond framework and second party opinion can be found at KBank's website:
<https://www.kasikornbank.com/en/sustainable-development/sustainability-bond/Pages/Sustainable-Bond-Framework.aspx>

KBank issued 5-year sustainability bonds totaling USD 100 million in 2018 and publicly offering YEN-denominated and USD-denominated sustainable bonds (6 months to 3 years) totaling USD 141 million in 2022, 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).

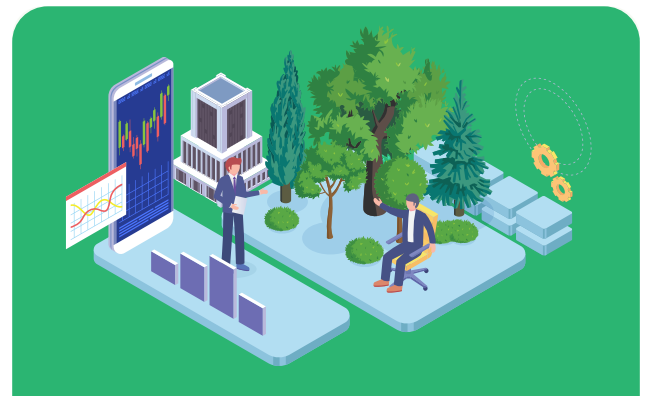
Operating Performance (as of September 2022)*

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:

1. Four environmental projects:
 - 1.1 Two solar energy projects and one waste-to-energy project having a total production capacity of 227 megawatts and generating electricity of 381 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. Three social projects
 - 2.1 Two projects promoting employment generation and supporting SMEs and retail shops in communities, which have extended loans to 1,856 retail customers

- 2.2 One project supporting access to essential services, which has extended loans to 307 retirees

3.2 Investment in Bonds for the Environment, Society and Sustainability



KBank's investment in sustainability bonds totaled

Baht 28,663 million,
accounting for 7.7 percent of total investment
in bonds of KBank.

KBank's total investment in sustainability bonds amounted to Baht 28,663 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) and International Capital Market Association Green Bond Principles (ICMA GBP), as well as the Climate Bond Standard (CBS).

* Details of the sustainability bond reports and external reviews can be found at KBank's website:
<https://www.kasikornbank.com/en/sustainable-development/sustainability-bond/Pages/Sustainable-Bond-Report.aspx>

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, Social and Sustainability Bond Standards (ASEAN ESG), International Capital Market Association Green and Social Bond Principles and Sustainability Bond Guidelines (ICMA ESG), International Capital Market Association Sustainability-Linked Bond Principles and LMA's Green Loan Principles (LMA GLP).

3.3 Issuance and Underwriting of Green Bonds

3.3.1 Issuance of Short-term Bonds based on Thai Overnight Repurchase Rate (THOR)

KBank was an underwriter of "Unsecured THOR-Linked Floating Rate Debentures of PTT PLC No. 1/2021 Tranche 1 due 2023", which is the first private business to issue THOR-linked bonds as part of KBank's plan to assist in Thai money market development in line with The Bank of Thailand's policy.

3.3.2 Issuance of Risk-hedging Bonds linked with ESG targets

With the aim of achieving financial market development based on ESG principles to inspire business operations towards sustainable growth, KBank has teamed with Thai Life Insurance PLC and KASIKORN ASSET MANAGEMENT Co., Ltd. to launch Thailand's first risk-hedging bonds based on THOR Overnight Index Swaps (THOR OIS), with the total value of Baht 1,500 million. The ESG features allow the counterparties to receive additional returns through ESG-Linked OIS, provided that certain ESG investment criteria are met. This transaction, therefore, is consistent with KBank's business operations that are based on the principles of a Bank of Sustainability, with our endeavour of supporting customers through our leadership in offering environmentally friendly products and services under good corporate governance.

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 Debentures of B.Grimm Power PLC No. 1/2021 Tranche 2 due 2026" with the value of Baht 3,000 million, with the purpose of replacing the company's budget that had been used to invest in renewable energy generation, including solar energy projects (Dau Tieng 2 and Phu Yen TTP) and a wind energy project (Bo Thong Wind Farm).
- Co-underwriting of "Green Debentures of SPCG PLC No. 1/2021 due 2024" amounting to Baht 1,500 million, with the purpose of investing in solar energy generation and/or replacement of debenture issuer's budget that had already been used to invest in a solar power plant in Japan.

3.3.4 Underwriting of Sustainability-Linked Bonds

KBank has cooperated with our customer to undertake important sustainable development in Thailand's capital market via our advisory service for a sustainability-linked bond (SLB) project and our participation in the underwriting of three tranches of SLBs totalling Baht 10,000 million of Indorama Ventures PLC. It is the largest SLB issued in Thailand and the first offered to both institutional and high net worth investors. The product is a financial tool that is suitable for the issuer and investors. The different structure of these SLBs compared with the previous interest rate adjustments is an additional condition that all tranches must purchase Energy Attribute Certificates (EAC) or voluntary carbon offsets that will promote the sustainability commitment and showcase innovations to the Thailand capital market.

4. Environmental and Sustainable Funds, with Net Asset Value of Baht 16,091.61 million

Environmental and Sustainable Funds*		
Projects/Products	Details of Products	Net Asset Value** (MB)
K-Climate Transition Fund ⁽¹⁾	The K-Climate Transition Fund is dedicated to awareness of climate change issues, focusing on alleviation of environmental problems and climate impacts, while offering opportunities to earn satisfactory long-term returns from diverse businesses across the globe. The fund believes that business having awareness of environmental issues and social responsibility will have sustainable performance. Investment is made in various selected industries with growth potential amid losses caused by climate change and decarbonization.	2,154.00
K-CHANGE Fund ⁽²⁾	The K-CHANGE Fund invests in businesses that have positive impacts on the world. Its investments are placed in global stocks via the master fund: 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 (Base of the Pyramid).	13,313.80
K-SUSTAIN Fund ⁽³⁾	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.	268.57
KTHAICGRMF ⁽⁴⁾	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.	355.24
Total NAV of Environmental and Social Fund*		16,091.61

* Environmental and sustainable funds by KASIKORN ASSET MANAGEMENT

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

(1) Total NAV of K-Climate Transition Fund is Baht 2,200.57 million.

(3) Total NAV of K- SUSTAIN Fund is Baht 276.02 million.

(2) Total NAV of K-CHANGE Fund is Baht 17,832.63 million.

(4) Total NAV of KTHAICGRMF is Baht 392.18 million.

Customer Engagement

In 2022, KBank promoted customer engagement in multiple patterns, including:

1. **Corporate customers:** Relationship Managers held talks with customers to inform them of KBank's policies and directions, and to consult about guidelines of greenhouse gas management; the information gained would be used for planning of credit portfolio and determination of future financing guidelines.
2. **SME customers:** Knowledge was provided via numerous channels, namely:
 - Facebook K SME: in topics, such as knowledge of solar panel installation, sustainable reduction of business costs, 8Rs, circular economy, green label for exports; total views amounted to 1,995,825.
 - Website of KASIKORN RESEARCH CENTER: in topics, such as Carbon Border Adjustment Mechanism (CBAM), Thailand's carbon credit market and opportunities of the business sector; total views amounted to approximately 13,750.



- Seminars: KBank and TGO hosted a seminar on adaptation towards low-carbon business operations in the net zero era for medium and large business operators to create awareness of business transformation.



3. **Retail customers:** Knowledge dissemination was made through diverse channels, as follows:
 - TikTok, Instagram and Twitter of KBank Live: in topics, such as knowledge of carbon dioxide, 1 Day of Green Spirit, First Step to Next Year's Green Target and energy-saving homes; total views amounted to more than 1,790,400.
 - Dissemination of knowledge on global warming via online media, e.g., Solar Energy Ecosystem with total views of more than 3,505,000, and KBank ESG Strategy 2023 concerning KBank's ESG operations and future work plans, with total views of around 15,464,000.

- On the occasion of World Environment Day, an activity was held under the Go Green Together project to promote an environmentally friendly way of life via KBank Live Facebook, with total views of more than 6 million. The proceeds from the campaign, in the amount of Baht 1 million, were donated to Wat Pa Si Saeng Tham Foundation's "Solar Fund 77 Provinces 77 Hospitals".

KBank's representatives joined with other agencies to act as speakers and share experiences and knowledge on global warming and sustainable financing, for example:



- Special presentation titled, "The Role of Finance for Sustainability", at The Road to Green Financing seminar held by the Thai Institute of Directors, and participation in a talk titled, "The Journey to Net Zero", to share with the audience KBank's operations based on ESG principles, which have been emphasized from the level of the Board of Directors and concretized as a specific project for sustainability management, with measurable goals to reflect KBank's role in and commitment to implementing green finance.



- Presentation titled, "How to foster more effective collaboration between the private sector and the financial market to scale up sustainable financing as businesses adjust to environmental risks in Thailand", at the Sustainable Thailand 2022 event organized by the Office of the Securities and Exchange Commission, United Nations and Government Pension Fund to share the ESG concepts of KBank, especially with respect to the environment in internal management and cooperation with other organizations.



- Participation in a talk titled, "Accelerating Decarbonization in Thailand: Start Today to Find New Business Opportunities", at an online seminar of Techsauce x PTT ExpresSo – Decarbonization: The Huge Upcoming S-Curve, which was in line with KBank's guidelines to eliminate GHG emissions from KBank's operations and portfolio.



- Presentation titled, "BOT Capacity Building TCFD Workshop", arranged by the Bank of Thailand, UK Government and EY Corporate Services Ltd. (Thailand) to share experiences related to assessment and analysis of climate-related risks and opportunities, operational structure and strategies, and establishment of metrics under the TCFD framework, so that participating financial institutions could incorporate climate issues in their risk factors.

Cooperation with Partners to Alleviate Climate Change Impacts

Cooperation with Domestic Agencies

- KBank has joined with the Thai Bankers' Association (TBA) to drive forward sustainable issues of the banking sector. As one of the leaders in this effort, KBank has been responsible for the formulation and announcement of the ESG Declaration, preparation of tools to measure results, and the Industry Handbook.
- KBank has represented TBA in the Thailand taxonomy working group of the Bank of Thailand to share opinions and recommendations on the draft standards for economic activity classification that takes environmental issues into account.
- KBank took part in a project to promote the business sector's reduction of GHG emissions via the science-based target (SBT) of 2022, held by the Center of Excellence for Eco-Energy, Faculty of Engineering, Thammasat University, and the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO).
- KBank has participated in the Climate Action Leading Organization under cooperation of the TGO and United Nations Framework Convention on Climate Change (UNFCCC) to affirm its commitment to attaining leadership in greenhouse gas management.

Cooperation with International Agencies

- KBank attended the Validation Workshop on the Stockholm+50 Thailand National Consultation to share viewpoints and recommendations on Thailand's consultation report related to environmental operations to enhance sustainable development. The event was convened by the United Nations on the occasion of the 50th anniversary of the United Nations Conference on the Human Environment and hosted by the Government of Sweden with support from the Government of Kenya.
- KBank's representative participated in the ABAC-SFDN Roundtable as a panelist in the topic of "Leveraging Public-Private Sector Collaboration to Promote Sustainable Finance". The event was organized by the APEC Business Advisory Council (ABAC), Asia-Pacific Financial Forum (APFF), Sustainable Finance Development Network (SFDN),

APEC Business Advisory Council (ABAC) Thailand and Thai Bankers' Association with the aim of forging cooperation of the public and private sectors to discuss guidelines for APEC members to benefit from the SFDN in order to expand access to sustainable financial services, in conformity with the agenda and timelines as established by APEC.

- KBank has cooperated with the Agence Francaise de Developpement (AFD) under the Green Building Project to offer loans to business operators for transforming their buildings into green buildings to reduce energy use and minimize global warming. Special loans under the K-Green Building Program have been granted for this purpose. In addition, seminars have been held to disseminate knowledge and advice on energy saving buildings to business operators.
- KBank has joined with the Global Green Growth Institute to conduct feasibility studies of projects that invest in the 'circular economy' and use of environmentally friendly energy with new technologies, as well as development of lending to projects with limited access to funding sources.

Environmental Management



Risks

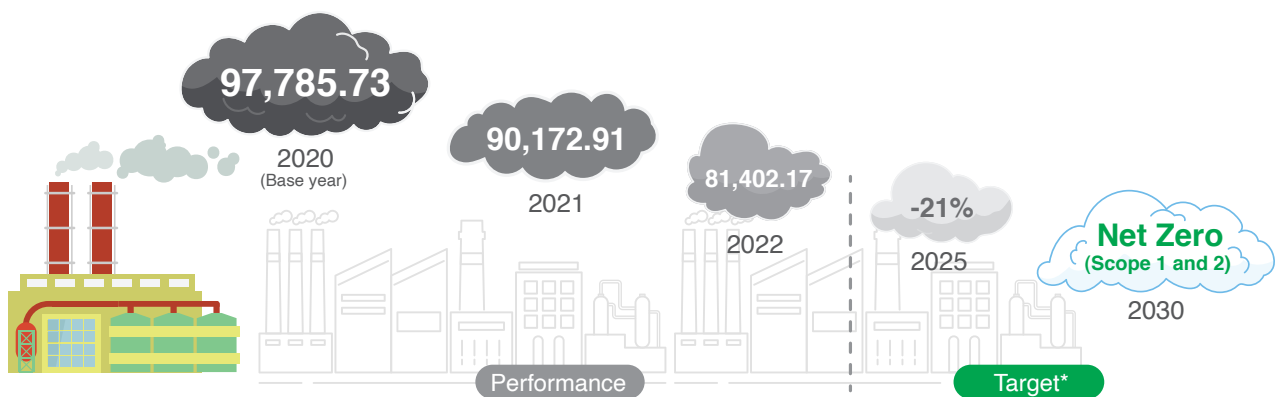
KBank committed to preserving the environment and reducing the impact of climate change, and it may take a while to implement the related plans in order to achieve that goal. Therefore, if there are no effective plans in place, KBank's expenses related to such operations may increase and additional investment will be required. Moreover, KBank's image might be affected.

Opportunities

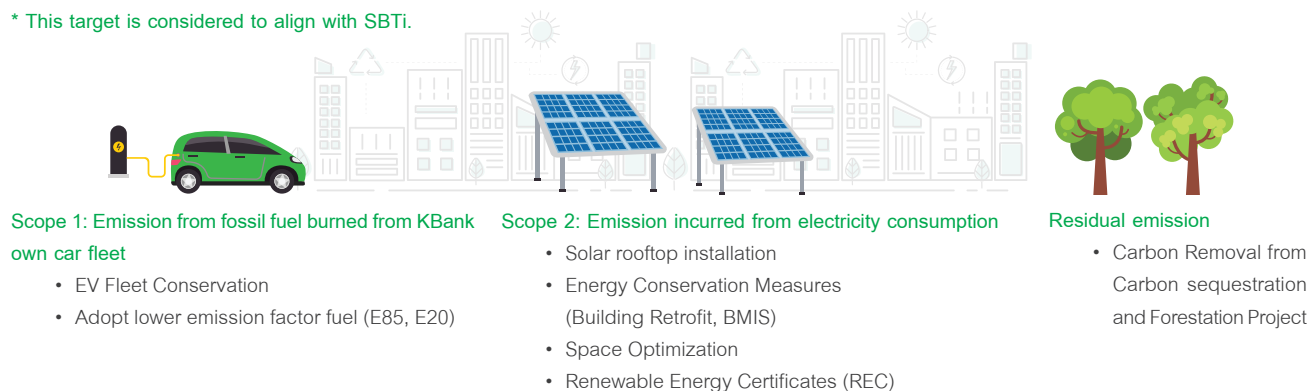
If KBank has efficient environmental management in place and can optimize its resource utilization, KBank will not only be able to save on substantial operating costs, but also mitigate risks and adapt itself in order to reduce the impacts of climate change in the future, helping enhance KBank's positive image.

KBank is ready to steer its business in a sustainable manner and create a balance between business growth and being environmentally responsible. For these reasons, KBank has implemented an environmental management strategy by setting a target to become net zero in our own operations (Scope 1 and 2) by 2030. Concurrently, KBank will continue to enhance its eco-efficiency through effective waste management. KBank's employees will be encouraged to engage in related activities, including value-based resource management, such as the reduction in using natural resources, raw water for operations and the number of their business trips and process development, such as green procurement and green design for products and services which greater concerning about environmental impacts. KBank is set to accelerate the implementation of various strategies to achieve the net-zero target by reducing environmental impacts from our own operations as much as possible.

Decarbonization Pathway to Net Zero (Scope 1 and 2)



* This target is considered to align with SBTi.

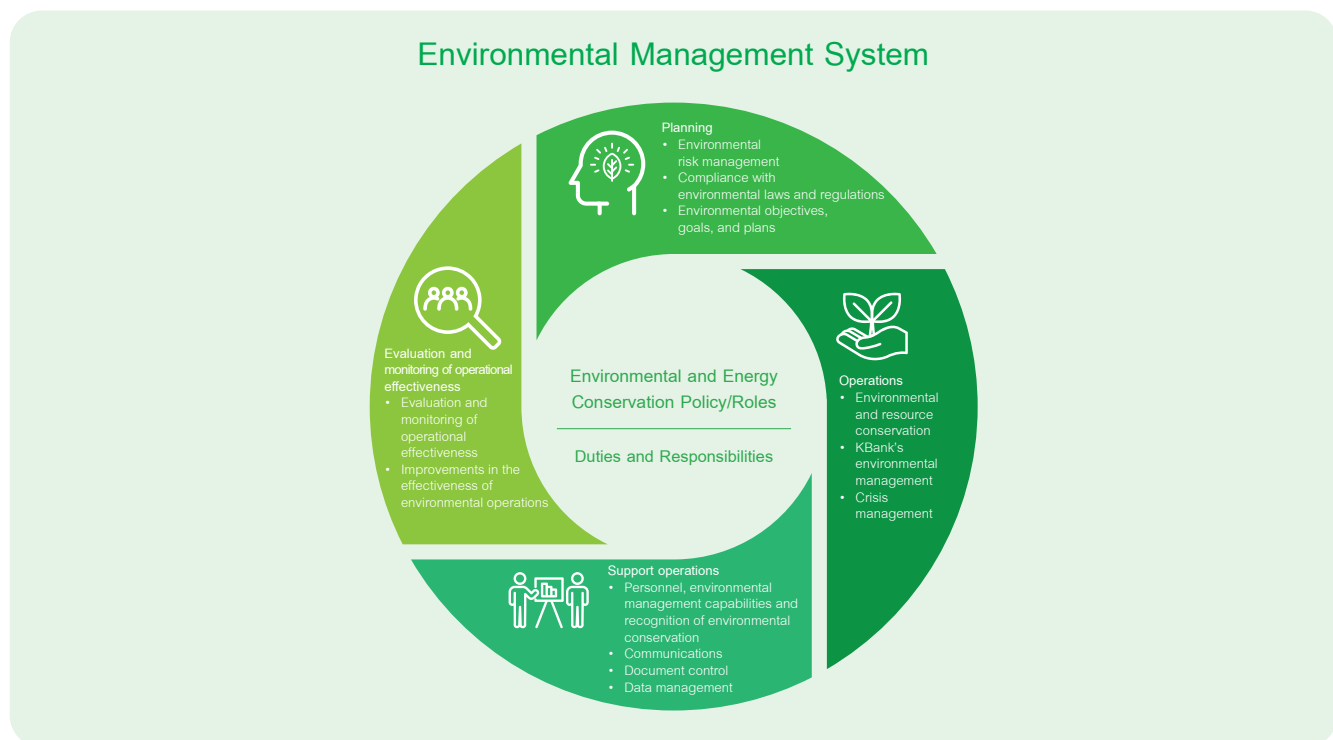


Environmental Management

KBank strives to develop and expand the scope of the Environmental Management System (EMS) to cover more category in Scope 3, with the aim of enhancing confidence and building engagement at the operational level to ensure that our environmental management is more efficient and effective in every scopes. To this end, KBank has used new technologies to manage our environmental data, examine and measure various values. Aside from helping reflect the causes of problems faster, these technologies have also helped reduce the discrepancy in operational management and planning, as well as enhancing the efficiency of Measurement Report Verification (MRV) on a par with the required international standards. Additionally, KBank aims to upgrade our environmental management on a par with the required international standards by constantly improving the EMS in line with international standards, as follows:

Environmental Management System

KBank has a systematic management in place to maintain its environmental responsibility, comprising efficient resource and environmental management, which is undertaken concurrently with our organizational development via planning and monitoring processes, with the aim of improving business operations and reducing environmental impacts in an efficient manner. KBank has steadily improved our risk management in line with international standards and begun to adopt the ISO14001, which sets out the criteria for an environmental management system, as follows:



Management Approach

To become a zero-carbon organization in accordance with our environmental management strategy, KBank has adopted the focused acceleration approach in our energy and resource management, with the aim of bolstering our management efficiency in areas that have critical impacts on the environment and be under controls of KBank which enabling us to constantly create positive impacts on the environment. Such approach is based on simple concepts: "Waste reduction, maximum utilization of resources and restoration of natural resources", which are seen in every scope of KBank's services, including the management process, ranging from process design to product delivery, customer service, selection of environmentally friendly materials and equipment and zero-waste to landfill. KBank has implemented environmentally friendly operations, as follows:

Green Mobility

KBank recognizes the importance of reducing the impacts of internal combustion engines (ICE) on the environment, both GHG and PM2.5. In 2022, KBank began replacing our ICE vehicles with electric vehicles (EVs), with the aim of having our entire EV fleet by 2030.

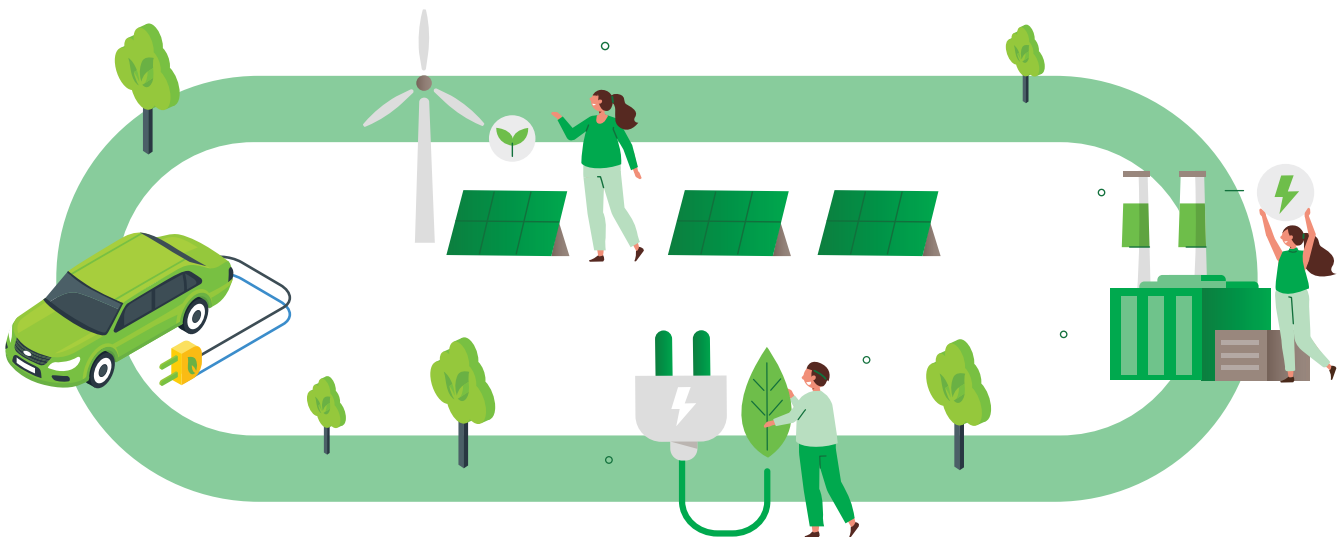
Additionally, KBank attaches significance to value-based resource consumption, particularly the utilization of the company's fleet. With this in mind, KBank has upgraded our vehicle tracking system so that we can analyze and monitor the use of the company's fleet at both our Head Office and branches nationwide. This is to ensure that KBank derives maximum benefit from such operation, as reflected in the reduction of the number of our fleet vehicles to 124 units since first operating in 2021.

Green Building Design

KBank attaches importance to green building design, including construction and selection of environmentally friendly materials in accordance with the Leadership in Energy and Environmental Design (LEED) international standard, which is a certification of green buildings that takes into account environmental impacts, energy efficiency, and quality of life of occupants. In addition, our buildings are in line with the principles of universal design as they are equipped with facilities for the disabled and elderly.

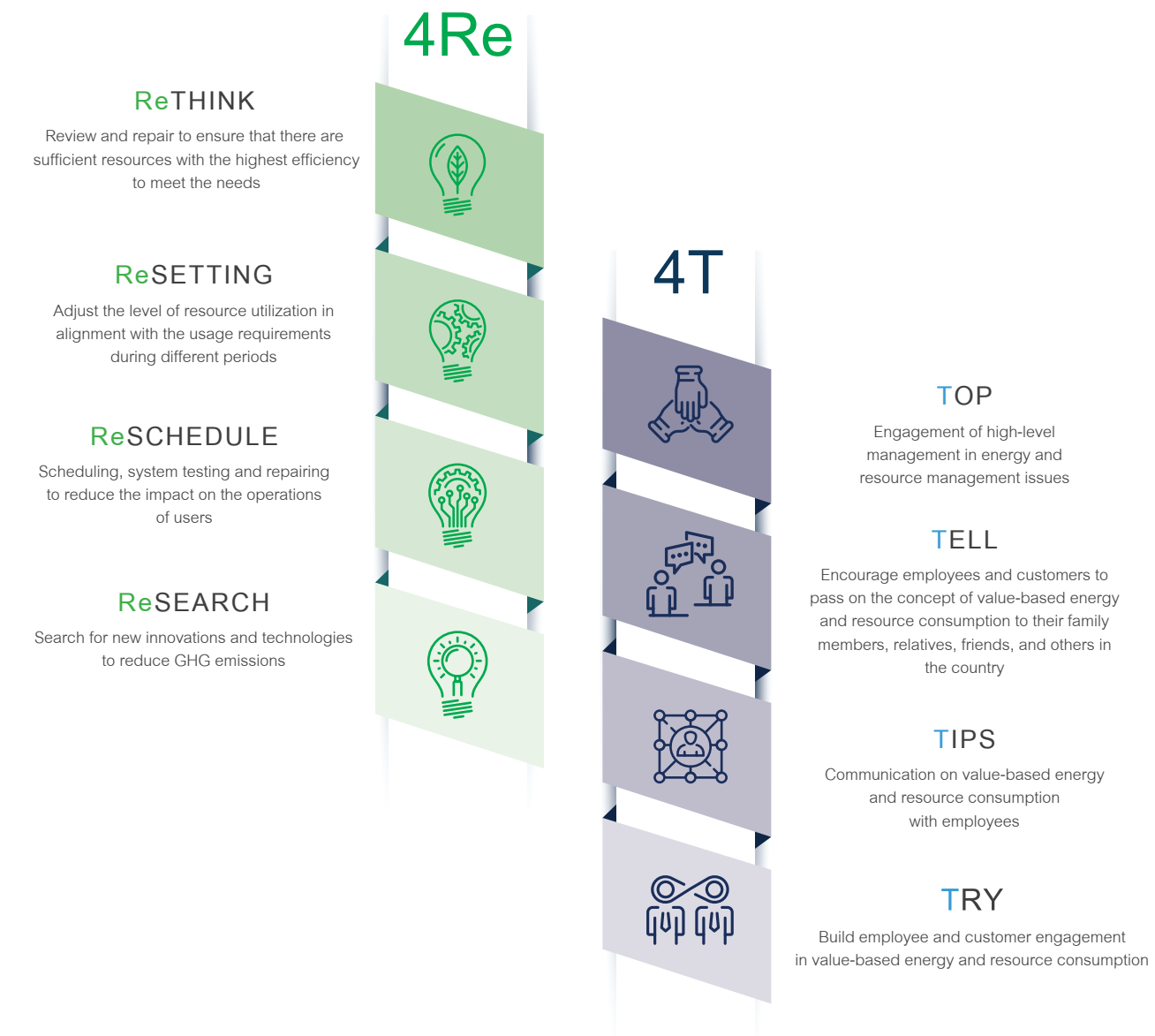
Presently, KBank has four LEED certified buildings, as follows.

- Chaeng Watthana Building has been awarded LEED for New Construction 2.2 Gold Certification.
- Phahon Yothin Building has been awarded LEED Commercial Interiors 2.0 Gold Certification.
- KASIKORNTHAI Learning Center (Ban Pho) has been awarded LEED for New Construction 2009 Platinum Certification.
- KASIKORN BUSINESS-TECHNOLOGY GROUP Building (Pak Kret) has been awarded LEED for New Construction 2009 Platinum Certification.



Green Operations

KBank has established the 4Re to 4T concept as a guideline for effective resource management. This covers organization-wide management of the lighting system, air conditioning and water systems, as well as employee business travel, based on the 4Re concept to enhance the efficiency of technical management and 4T concept to promote recognition among employees and customers about value-based energy consumption via various communication and learning channels.



KBank has steadily undertaken operations per the 4Re to 4T concept, as follows:

1. Lighting System Management

Since 2016, a standard has been established by KBank to use LED light bulbs in new buildings and branches. Our main buildings now use only LED light bulbs. Ongoing work is underway to replace all standard light bulbs with LED light bulbs at our branches when its broken or burned out.

2. Clean Energy Management

KBank has installed a solar rooftop system at three buildings. In 2022, the solar rooftop system generated 477,762.39 kilowatt-hours of electricity. Thanks to this effort, KBank was able to reduce total GHG emissions by 835 tonnes of CO₂ equivalent. KBank has a plan in place to install the solar rooftop system at another 7 buildings and 83 branches by 2023, and another 200 branches by 2025. As a result, KBank's share of renewable energy consumption will increase to 12 percent in 2025.

3. Air Conditioning System Management

KBank has installed a chiller plant, equipped with an air handling unit (AHU), at 4 buildings, increasing energy efficiency. KBank also continuously develops air conditioning system management in main buildings and branches for reducing employee's health impact, level of refrigerant leakage and increasing energy management efficiency. As part of KBank's efforts to bolster the

efficiency of our preventive maintenance and predictive maintenance, as well as reducing turnaround, a plan has been put in place to test the artificial intelligence-based Energy Management Information System to see whether it is suitable for our air conditioning system management at two buildings by 2023.

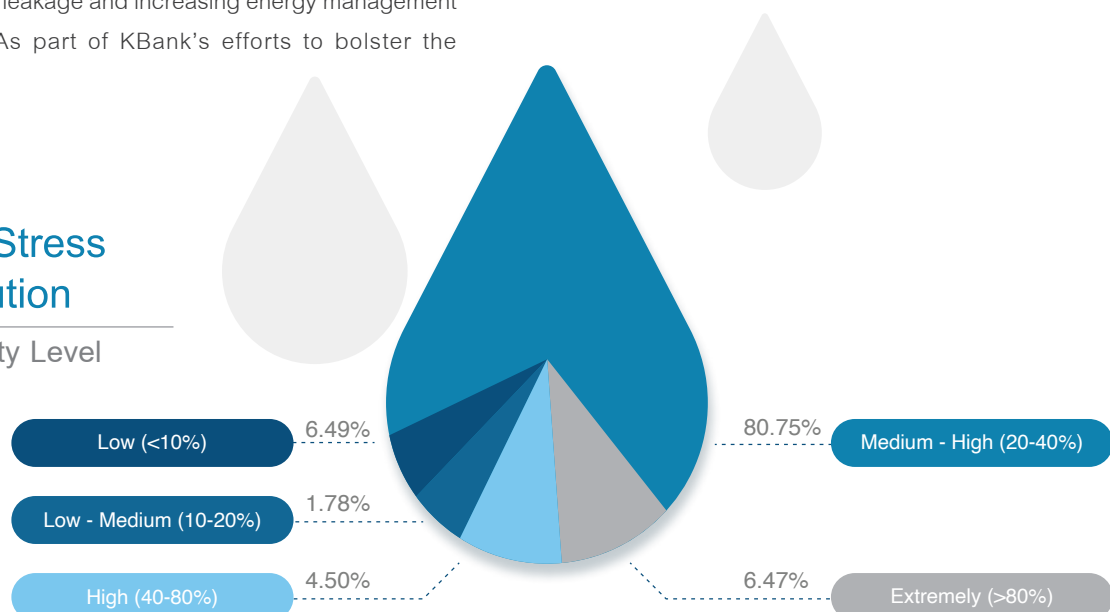
4. Water Use Management

KBank has efficient water system management achieved 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 to ensure the efficiency in resource consumption and related maximum benefits. In 2022, 19,458 cubic meters of recycled water were used at KBank.

Amid the current concern about water security in certain areas of the country, KBank has prepared risk assessment reports on all of KBank's buildings for enhanced efficiency in water use management in risk areas as shown in the figure below. In 2022, water consumption in risk-prone areas reached 62,729 cubic meters.

Water Stress Distribution

by Severity Level



5. Effective Waste Management

To ensure efficient waste management, KBank 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 promoted the awareness of waste reduction, including unwanted materials from their operations among employees. Such waste will be disposed of in landfill to reduce environmental impacts.

KBank encourages our employees to separate waste, refuse the purchases of products comprising materials that are hazardous to the environment, ensure that their operations help reduce waste or unwanted materials, expand equipment lifetime, repair and reuse certain equipment, and turn single-use packaging into biodegradable materials through an efficient waste segregation system. KBank has made available waste segregation points and waste disposal methods in accordance with the type of waste.

Regarding waste recycling management at various buildings, KBank has worked with document collection and destruction service providers to recycle scrap paper into pulp and paper. In 2022, a total of 1,404 tonnes of scrap paper were recycled, helping save 23,868 trees from being cut down.

In 2022, KBank adjusted our waste segregation system at four main buildings, with the aim of encouraging employees to participate in waste separation at original sources. KBank plans to organize activities, including those related to the provision of knowledge and experience on waste segregation on a continual basis.

6. Efficiency of Employees' Travel for Work

KBank has implemented the "Work that FITs" project to offer employees greater flexibility in carrying out their tasks. Under this project, employees can choose a work format that suits the nature of their jobs and lifestyles. They can

even choose a working time that suits the nature of the jobs and have flexibility in clocking in and choose a workplace where they can still effectively perform their tasks, thus helping reduce expenses of both employees and KBank, while also mitigating environmental, congestion and pollution problems. In 2022, KBank began collecting data on the travel distance of employees to their offices in order to calculate the amount of GHG emissions generated for analysis and planning to reduce such impacts over the short and long - terms.

7. Green Process Design

KBank continually promotes green process design by using technologies to help enhance the related operational efficiency and offer customers greater convenience. Such technologies include the digital onboard process, with the aim of reducing operational procedures and consumption of paper resources via transaction fulfillment, which uses photos and electronic document files instead of paper for operations. KBank also uses the digital onboard process to expand various types of electronic printing services for customers via email in order to reduce paper consumption throughout KBank's operational process and amount of documents delivered within the organization and to customers. In 2022, KBank was able to cut paper consumption by 26 million sheets from process development in branches' services all over the country and from internal process development.

Additionally, KBank has improved the cheque processing service to offer customers a more satisfying service experience. The improvement allowed KBank to reduce the number of motorcycles used in the transportation of cheques between branches and operational centers by 99 units or equivalent to 3.5 million kilometers reduction per year in business travel.

Projects to Promote Green Behavior

KBank launched a campaign to promote the recognition of green behavior among employees, with the aim of encouraging them to become good citizens in helping mitigate the impacts of global warming. Emphasis is placed on encouraging employees throughout the organization to adopt green behavior. Once achieved, they can promote its positive effects and set a good example for their family members and others in society and country later on.

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 FY22-04-076 on July 26, 2022. KBank's carbon footprint of 90,174 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 5th consecutive year, thanks to KBank's success in implementing carbon offsetting schemes, with carbon credit supported by BCPG PCL. via the solar farm project. 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.

Science-Based Target (SBT) Project by Thailand Greenhouse Gas Management Organization (Public Organization)

KBank participated in a project to promote the private sector reducing GHG emissions, organized by the Center of Excellence for Eco-Energy, Faculty of Engineering, Thammasat University and the Thailand Greenhouse Gas Management Organization (Public Organization). The scheme is intended to provide an opportunity for the private sector to set a science-based target for GHG emissions reduction and devise their operational plans in line with the global GHG control target.

Moreover, KBank represented the private sector in providing our lessons learnt from establishing the science-based target from model organizations at seminars organized to disseminate study results of the project to promote the private sector reducing GHG emissions. KBank also set the science-based target for GHG emissions reduction with other leading companies to show that our operations are consistent with the science-based target.

Green Behavior Project

KBank has instilled green behavior in our employees to help them change their lifestyle, with importance placed on the environment. Keys to the green behavior are waste reduction through sustainable consumption, optimization of resources so that we can use them for as long as possible, and with minimum waste, in order to reduce GHG emissions.

KBank launched the waste segregation campaign at the canteens and 2nd floor of Rat Burana and KLOUD Buildings, which serve as a prototype for integrated waste management of the organization, and the first step towards the implementation of landfill management. KBank achieved success in encouraging service users to correctly separate waste from original sources through this campaign. A plan has been put in place to promote its positive effects, such as instilling green behavior and management overhaul at other 4 buildings to achieve zero waste to landfill by 2025.

KBank also introduced a campaign to encourage our employees at the management level to switch to E85 because it contains less fossil fuel. As a result, share of E85 consumption in their vehicles increased to 71.47 percent in 2022, against the 2.88 percent reported during 2021, allowing KBank to reduce the impacts from GHG emission by a total of 6,471.05 tonnes of CO₂ equivalent, versus that of the 2021 base.



Additionally, KBank won the Excellence Low Carbon and Sustainable Business Award 2022 from the Thailand Greenhouse Gas Management Organization (Public Organization) for the second consecutive year, in recognition of KBank's excellent environmental management and sustainable utilization of resources.

Seminar on GHG Emissions for Employees

KBank collaborated with the Thailand Greenhouse Gas Management Organization (Public Organization) in organizing a seminar to provide the Climate Pillar and relevant employees knowledge about GHG management, so they know how to adjust to and reduce the impacts of climate change. There were more than 200 attendees at the seminar.

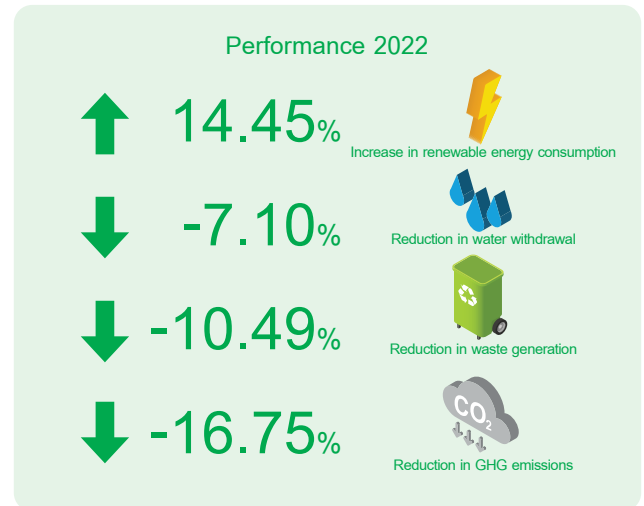


Moreover, KBank worked with our strategic partners and experts from various organizations in organizing a Live Talk to offer employees an understanding about environmentally friendly lifestyles. Various topics were featured in the Live Talk, such as "WFH can help save electricity bills through the installation of environmentally friendly solar rooftops", "Ways to save on power", and "An understanding about Time of Use (TOU) electricity rate & solar power purchase from private households".



Operating Performance

The EMS has been put in place to serve as a database for KBank's GHG emissions and energy consumption in line with our strategies and objectives. In 2022, KBank increased renewable energy consumption by 14.45 percent (compared to the target of 10 percent set for 2021) and KBank also reduced water withdrawal by 7.10 percent (compared to the target of 3 percent reduction set for 2021), reduced waste generation by 10.49 percent (compared to the target of 8 percent reduction set for 2021) and GHG emissions decreased by 16.75 percent (compared to the target of 8.4 percent reduction from 2020 baseyear). The table below provides statistics documenting our environmental performance.



	Operating Performance				Target
	2019	2020	2021	2022	2022
 Total energy (renewable and non-renewable energy) (megawatt-hours)*	 6.71	6.45	5.88	6.00	-
	 228,646.07	213,091.99	186,564.30	188,807.49	-
 Business travel (kilometers)**	 126.40	145.54	123.43	124.57	-
	 4,386,304	4,807,722	3,913,550	3,919,990	-
 Water (cubic meters)	 25.59	23.67	19.41	18.17	-
	 871,805	781,862	615,550	571,827	597,084
 Waste (metric tons)	 0.21	0.18	0.17	0.16	-
	 7,050.79	5,851.33	5,494.61	4,918.38	5,055
 Greenhouse Gas Emissions (Scope 1 and 2) (tonnes of CO ₂ equivalent)	 3.05	2.96	2.84	2.59	-
	 103,996.95	97,785.72	90,172.91	81,402.17	89,571.73

Note:

* In 2022, KBank's GHG emissions (Scope 1) report provided information on refrigerant and extinguishing agent leakage only.

** Business travel by land transport only.

 Per Full Time Employee (FTE) which is based on the monthly average for the year 2022 of KBank, K Companies, KASIKORN BUSINESS - TECHNOLOGY GROUP and P Companies.

KLOUD Building

In 2022, KBank unveiled KLOUD, the 'Innovative Iconic Green Building', which is intended to be a prototype of a 'Green Area' in Siam Square. It is KBank's first building in Thailand that is equipped with a zero waste to landfill system. The building fully utilizes renewable energy. Services offered to our customers and the general public are based on the integration of all dimensions of sustainability. We attach importance to energy and environmental management in the building design and construction. KLOUD is the first building in Siam Square that has been designed in accordance with Leadership in Energy and Environmental Design (LEED) and Fitwel standards.

KBank teamed with six leading partners, including Chulalongkorn University (CU), Property Management of Chulalongkorn University (PMCU); PTT Global Chemical Public Company Limited (GC); Cement-Building Materials Business (SCG); Advanced Info Service PCL (AIS); and Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) in the construction of KLOUD as a green building prototype, with sustainable environmental management in mind under the "create YOURNiVERSE" concept. KLOUD aims to attract the new generation to use this area to generate creative areas. The general public and those in the business sector are invited to learn green building management at KLOUD, so they can use the knowledge gained to extensively promote green behavior later on.

For the construction of KLOUD, KBank used construction materials containing recycled materials. Regarding waste disposal from the building construction, 75 percent of waste materials were recycled, reused or donated. When compared with a building prototype per the LEEDv4.1 (ASHRAE 90.1-2016) standard, KLOUD's energy expenses are 23 percent lower, and GHG emissions are lower than a general office building of the same size in Thailand.



KLOUD Building by KBank

- It is an REC zero energy building, thanks to the solar rooftop installation and consumption of 100-percent renewable energy. Its energy consumption per square meter is efficient, as well. The Renewable Energy Certificate (REC) has been purchased for using the remaining consumption of electricity.



- Regarding the rooftop design, construction methods and materials that help reduce the heat island effect are used. Buildings located in urban areas where buildings and other structures are highly concentrated tend to experience the heat island effect.



- Efficient water consumption because water-saving sanitary ware products are used. The building's water consumption is 52 percent lower than the baseline water consumption.



- The system brings fresh air from outside the building per the ASHRAE 62.1-2016 standard and uses the HVAC Air Scrubber, which is an air treatment system to improve the air conditioning system and air quality within the building.



- Installation of a filter MERV13 and dust trap carpet in the building's entrance to help reduce dust particles and cleaning, as well as extending the service life of building surface materials.



- It is a zero waste building, meaning there is no waste delivered to the BMA's waste disposal sites.



Being a Responsible Corporate Citizen
to Create a Sustainable Society

Social Dimension

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K PAY LATER Personal Loan:

Baht **565.05** million

SATI campaign

to promote awareness
of cybersecurity among
Thai people



Employee engagement level:

77%



The **SUZDEE** project (Sustainable
Zero Waste Digestant for Well-being)
promoting zero waste communities in
Nan province

- Reduce waste-to-landfill

at least **520** kg/Month

- Reduce GHG emissions

at least **422** kg CO₂e/Month

Financial Inclusion and Financial Literacy



Risks

If the general public has no access to financial services or access to only a limited range of services, they may shift to non-formal loan systems or 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 escalate into risk for the overall economic system.

Opportunities

Promoting financial inclusion is one of KBank's roles. KBank can analyze customer data in order to offer products and services that meet their needs, while also providing financial literacy so as to equip them with skills in financial management and portfolio value creation. Customers can achieve sustainable growth, while KBank can expand its new customer base.

Financial Inclusion

Serving to allocate financial resources in the economic system, KBank has thus helped contribute to minimizing inequality in accessing funding sources or essential financial services, as well as curbing the household debt problem, which is a structural problem in Thai society that affects development of people's quality of life and sustainable economic growth as a whole. Major challenges include aiding households or vulnerable groups to be able to manage debts and adapt themselves to the future world sustainably, while improving the general public's quality of life. Diverse financial products have been developed, while more convenient channels have been offered for customers' improved access to our financial services. In addition, customers' financial skills and discipline have been promoted so that they are able to use financial products and manage their finance appropriately. Such attempts have in turn generated business benefits to KBank, the entire economic system, and people's livelihoods. Notable performances in 2022 include the following:

Products and services for financial inclusion of small and micro business customers

Products/Services	Details of Financial Products and Services	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"> Outstanding loans: Baht 512.23 million
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"> Outstanding loans: Baht 43.65 million

Products and services for financial inclusion of small and micro business customers

Products/Services	Details of Financial Products and Services	Performances
Interest compensation program for rice traders to maintain rice stockpiles for 2021/2022 production season	The government interest compensation program for rice traders in maintaining rice stockpiles for the 2021/2022 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"> New loans: Baht 8,788 million
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"> Outstanding loans: Baht 2,887 million Participating entrepreneurs: 20,207
Loan Facility for CRC's Suppliers	The facility comprises two programs: <ol style="list-style-type: none"> 1. Rehabilitation loans with the Thai Credit Guarantee Corporation (TCG) guarantee 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. 	<ol style="list-style-type: none"> 1. Rehabilitation loans <ul style="list-style-type: none"> Outstanding loans: Baht 489.24 million Participating entrepreneurs: 115 2. Loans for sponsor's suppliers <ul style="list-style-type: none"> Outstanding loans: Baht 2.76 million Participating entrepreneurs: 2



The “Loan to Fight COVID-19” program to enhance liquidity for small restaurants and retail stores that were hard hit by COVID-19, allowing them easy access to capital

Products and services for financial inclusion of low-income social groups

Products/Services	Details of Financial Products and Services	Performances
K PLUS: Expanding customer base of youths aged 12 - 14	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"> Number of young age group of K PLUS users: 159,000
K-eSavings Account Opening via K PLUS: No minimum amount for account opening	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 without the need to travel to a KBank branch, 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"> Number of accounts opened: 3.2 million Total deposit amount: Baht 24,000 million
Super Senior Fixed Deposit	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"> Number of accounts: 7,200 Total deposit amount: Baht 6,500 million
Basic Banking Account	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, 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 card application or annual fees.	<ul style="list-style-type: none"> Number of accounts: 2,900 Total deposit amount: Baht 39 million
K-Personal Loan for Pensioners	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"> Outstanding loans: Baht 224 million

Products/Services	Details of Financial Products and Services	Performances
Application for personal loans, credit cards and cash cards on K PLUS	K PLUS added more channels for customers to easier access KBank's 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. Therefore, all the processes can be done by users anywhere, with no need to visit a KBank branch, giving convenience for those living in remote areas and providing cash as needed.	<ul style="list-style-type: none"> Approved personal loans: 413,000 accounts Approved credit cards: 285,000 accounts Approved cash cards: 209,000 accounts <p>(*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)</p>
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 in NHA's housing estate projects. Target customers are low- to middle-income earners, with normal repayment histories in accordance with respective contracts with NHA. In spite of their financial discipline, these customers are low-income earners and have difficulties in getting access to home loans of financial institutions. KBank's support is aimed at helping these customers to own their collateral more quickly.	<ul style="list-style-type: none"> Number of accounts: 28 Outstanding loans: Baht 7.74 million
Home loan for low-income earners	This home loan product is designed for low-income earners based on their debt repayment capabilities. The longest repayment period is 40 years, to offer more opportunities for these customers to have their own residences.	<ul style="list-style-type: none"> Number of accounts: 563 Outstanding loans: Baht 643.40 million
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, can gain access to the loan and co-borrowing must be not more than three co-borrowers.	<ul style="list-style-type: none"> Number of accounts: 1,299 Outstanding loans: Baht 1,641 million
K PAY LATER Personal Loan	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 loan in the system as income-related documents are not required, 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"> Outstanding loans: Baht 565.05 million Number of participants: 522,399



K PAY LATER – credit line for bill payment, application for the service, and spending under the credit line can be made via K PLUS.

Products and services for financial inclusion of disabled persons

Products/Services	Details of Financial Products and Services	Performances
ATM for Visually Impaired Users	<p>The ATM system was developed to be on a common standard across all banks to facilitate visually impaired users so that they can withdraw cash conveniently and rapidly. Similar customer journey processes were set up, as follows:</p> <ul style="list-style-type: none"> • Adding a cash withdrawal tab on the upper right-hand side of the PR page for visually impaired users • Adjusting transaction flow to be identical across all banks • Adding voice guidance during transactions • Transactions are conducted through debit and credit cards of KBank and other banks that are linked with savings accounts only (not including foreign cards). 	<ul style="list-style-type: none"> • Number of electronic devices with functions for visually impaired users: 10,480

Products and services for financial inclusion of underprivileged groups, e.g. people in remote areas, disaster victims, refugees

Products/Services	Details of Financial Products and Services	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"> • Number of insurance policies: 11 • Value of premiums: Baht 0.23 million
'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. Premiums start at only Baht 99.	<ul style="list-style-type: none"> • Number of insurance policies: 1,469 • Value of premiums: Baht 0.23 million



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/Services	Details of Financial Products and Services	Performances
Loan application on ATM machines	KBank developed functions on ATM machines to cater to all requirements of customers and add more convenience for customers' access to our services, 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.	<ul style="list-style-type: none"> Number of loan applications: More than 700 applications per month
KBank Service via banking agents	<p>KBank has expanded its KBank Service to provide greater convenience to customers living far from Bank branches so that they can conduct financial transactions across Thailand. KBank Service offers the following services:</p> <ul style="list-style-type: none"> Cash deposit available at Thailand Post, Lotus's, Big C, 7-Eleven, Family Mart, Tops Supermarket, Srisawad, Thaweeyont, Shipsmile Services, Boonterm kiosks, Termsabuy kiosks and Termdee kiosks Cash withdrawal available at Thailand Post, Big C, 7-Eleven, Shipsmile Services and Boonterm kiosks Payment of goods and services available at Big C, CJ Supermarket, Family Mart, Tops Supermarket, Srisawad, Jiffy, Jaymart, B2S, Power Buy, Supersports, OfficeMate, Siam Global House, Thai Watsadu, Robinson Department Store, Central Department Store, Thaweeyont, MaxValu and Matsumoto K CHECK ID available at Thailand Post, Big C, 7-Eleven, CJ Supermarket, Family Mart, Tops Supermarket, Srisawad, Jiffy, Amazon, Jaymart, Inthanin Coffee (Bangchak), Siam Global House, DTAC, Thaweeyont, Banana IT, Matsumoto and retail stores in provincial areas 	<ul style="list-style-type: none"> Number of transactions: 3.4 million per month Value of transactions: Approximately Baht 20,000 million per month



Service channels for KBank Service via banking agents

Products and services for financial inclusion of customers in foreign countries

Products/Services	Details of Financial Products and Services	Performances
QR KBank: e-Wallet application in Lao PDR	E-Wallet technology has been adopted with the aim of enhancing payment system via digital channel of KBank's business partner to promote increased and easier access to financial services for people in Lao PDR. Without the need of a bank account, QR KBank users can top-up for interbank funds transfer, make payment and do mobile top-up on a real-time basis. There is also a feature of funds transfer between Lao PDR and Thailand, which has resulted in a rapid rise in the number of users.	<ul style="list-style-type: none"> Number of transactions: More than 2.2 million Value of transactions: More than LAK 1.9 trillion Number of users: More than 137,000 Number of merchants: More than 1,900
Salary Advance: Personal loan via Wing mobile banking application	KBank worked with Wing, its partner in the Kingdom of Cambodia, to offer the Salary Advance – a short-term personal loan program that aims to provide greater convenience for customers of Wing e-wallet in their daily spending. KBank has expanded loans more than 74 factories in Phnom Penh and Kandal. The service is expected to be rolled out nationwide later.	<ul style="list-style-type: none"> New loans: Baht 70 million Number of approved borrowers (Number of accounts): More than 12,000



"QR KBank", an e-wallet application to promote increased and easier access to financial services for people in Lao PDR.



Salary Advance, a short term personal loan aims to provide greater convenience for customers of Wing e-wallet in Cambodia.

Provision of Financial Literacy

In 2022, 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
High Value Customers, Affluent Customers (THE WISDOM), SMEs, Merchants Online	<p>Online seminars, live Q&A with experts in each field for all four groups of customers.</p> <ul style="list-style-type: none"> High value customers: Online seminar titled “Biz Outlook, Family Business, Digital Disruption” - a topic that is of interest to high value customers. THE WISDOM customers: A semi-annual online seminar, THE WISDOM: Economic & Investment Forum, joined by experts in various fields and financial advisors to analyze interesting investment directions and trends, along with in-depth analysis. SMEs: Active online seminar in which senior and younger generation businesspersons in various fields shared perspectives on business management and solutions. Merchants Online: Online seminar ‘Online but not Alone’ in the form of workshop to provide knowledge and tips on practical use of platform to boost online sales. 	<ul style="list-style-type: none"> Number of views/ attendances of seminars or articles on businesses and finance for the four groups of customers: 843,000 	<p>To enhance customers’ potential and expand their business network in order to upgrade capabilities of high value customers and SMEs, which are essential to Thai economic system. Meanwhile, these activities allow KBank to understand customers’ needs and more efficiently develop products and services.</p> <p>In addition, customers were equipped with up-to-date knowledge on investment market conditions, used for support the decision in personal portfolios adjustment for THE WISDOM customers.</p>

Target Groups	Details of Programs and Activities	Outputs	Positive Change to Society
Startups	<p>KATALYST project</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 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 2022 were:</p> <ul style="list-style-type: none"> • Provision of knowledge on interesting technologies and trends, and soft skills that are useful for tech startups • Training for tech startup community via online platforms, such as Facebook, ClubHouse and katalyst.kasikornbank.com • The E-Learning program was jointly held with the Stanford Thailand Research Consortium for the third year to equip 65 teams of startups with knowledge on innovations obtained from Stanford University, USA, for a period of eight weeks. Total participants were more than 250 persons. • Collaboration with Microsoft Thailand in providing startups with knowledge on strategies for B2B business operations. 	<ul style="list-style-type: none"> • Number of Facebook Fanpage followers: 18,000 • Number of projects in progress of tech startups for business expansion: 3 • Number of startups in the process of discussion for business expansion: 2 • Number of attendees of online knowledge sharing: More than 1,000 	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.
Corporate customers	<p>A quarterly seminar titled, "Economic Outlook: Thailand Forecast", to provide knowledge on the following topics:</p> <ul style="list-style-type: none"> • Factors driving the global economy and Thailand's economy in 2022 • Analyses of Thai industries and stock in 2022-2023 • Outlooks of currencies, interest rates and exchange rates 	Number of participants: 1,395	To provide customers knowledge about economic directions, market conditions and appropriate investments
	<p>Seminars on the following topics:</p> <ul style="list-style-type: none"> • ICO: A New Journey to the Digital Fundraising • Leading the Family Business: Professional family business management • China Tomorrow: The 20th Congress and Beyond • Guidelines on transition: Stop using the Thai Baht Interest Rate Fixing (THBFI) 	Number of participants: 603	To equip customers with knowledge about investment trends and business management, including related circumstances at present and in the future so that they can adjust their businesses in a timely manner.

Target Groups	Details of Programs and Activities	Outputs	Positive Change to Society
Youths	AFTERKLASS Project is 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.	<ul style="list-style-type: none"> • Number of new members in the online system: 10,543 persons • Number of youths participating in both online and in-person workshops: 1,433 persons • Social media followers: <ul style="list-style-type: none"> - 51,001 Facebook followers - 9,430 LINE@ followers - 775 Twitter followers • Media and PR value: Baht 19.81 million 	Youths are equipped with skills in savings, spending, financial management, business, investment, and knowledge of daily financial products.



Cyber Security and Data Privacy



Risks

Cyber threats have remained an important risk for KBank, particularly at the present time where businesses have to connect with more external parties, including business partners or service providers, while also developing new forms of financial products and services, such as digital asset transactions. In addition, operational patterns have changed to accommodate remote working for greater flexibility, such as our 'Work that FITS' format. In such circumstances, an inefficient system of cyber safety and personal data protection may not be able to prevent risks for business operations, with respect to infringement of personal data, data security threats, and cyber attacks and theft, which would eventually affect KBank's financial position and performances, while incurring risk to KBank's reputation and impacting stakeholders' confidence and trust, and compliance with related laws and regulations.

With our intent to provide confidence and security for our customers when using KBank services, along with maintaining our digital banking leadership in Thailand, we prioritize cyber risk management, making cyber security one of our core operational targets, and incorporate cyber security and data privacy issues as part of the Group-wide Risk Management. The Board of Directors has considered and approved strategies, structures and policies related to cyber security, such as IT and data security policy and IT risk management policy, taking into consideration customer data security, system security and financial service users' changing behavior. Measures for controlling and maintaining balance in the use of data – especially customer data – have been put in place; additionally, a cyber risk control development plan has been devised to ensure that our goals are met. Emphasis has been placed on risk control, including prevention, detection and response, which must cover our business processes and major work systems. Measures must be in place to cope with potential complaints or loss incidents caused by cyber threats, to ensure the stability of KBank's financial IT system as well as Thailand's present and future financial landscape.

Opportunities

If KBank can manage cyber security and data privacy in an effective manner, customers and other stakeholders will have greater confidence and trust in KBank's services; moreover, KBank will be more competitive, leading to sustainable business growth.

KBank has established an organizational structure with a segregation of risk prevention duties, as follows: The 1st Line of Defense, which comprises operating units of all departments; the 2nd Line of Defense, which comprises units tasked with risk management; and the 3rd 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.

Information Technology and Data Security Structure

The Board of Directors prioritizes data security and customer privacy. The Board is responsible for approving risk policy and management guidelines including risk appetite and risk limit. It has assigned various working groups to supervise risk management, 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 and strategy, thus ensuring that digital and cyber risks are systematically managed.

2. The Digital Oriented Risk, Data and Cyber Security and IT Risk Management (DCSC) is responsible for management of digital risk, data security and overall IT risk management, including identification of risks and risk analyses, monitoring and investigation of risks, along with giving recommendations for continual development of processes for risk control and loss prevention. Meetings are held on a monthly basis, and operation progress is reported to the Risk Oversight Committee every quarter.
3. On the operation front, KBank has established a Digital Risk Unit, which is responsible for monitoring digital, cyber, technology and information risk management, as part of operational risk management. The unit assesses risks and provides advice regarding proper risk management measures to business and support units, and reports risks to the Enterprise Risk Management Division Head and relevant committees.
4. 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, operational procedures and IT system architectural structure as well as IT security control standards of KBank. 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 and directly reporting to the KBTG Chairman.
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, 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.

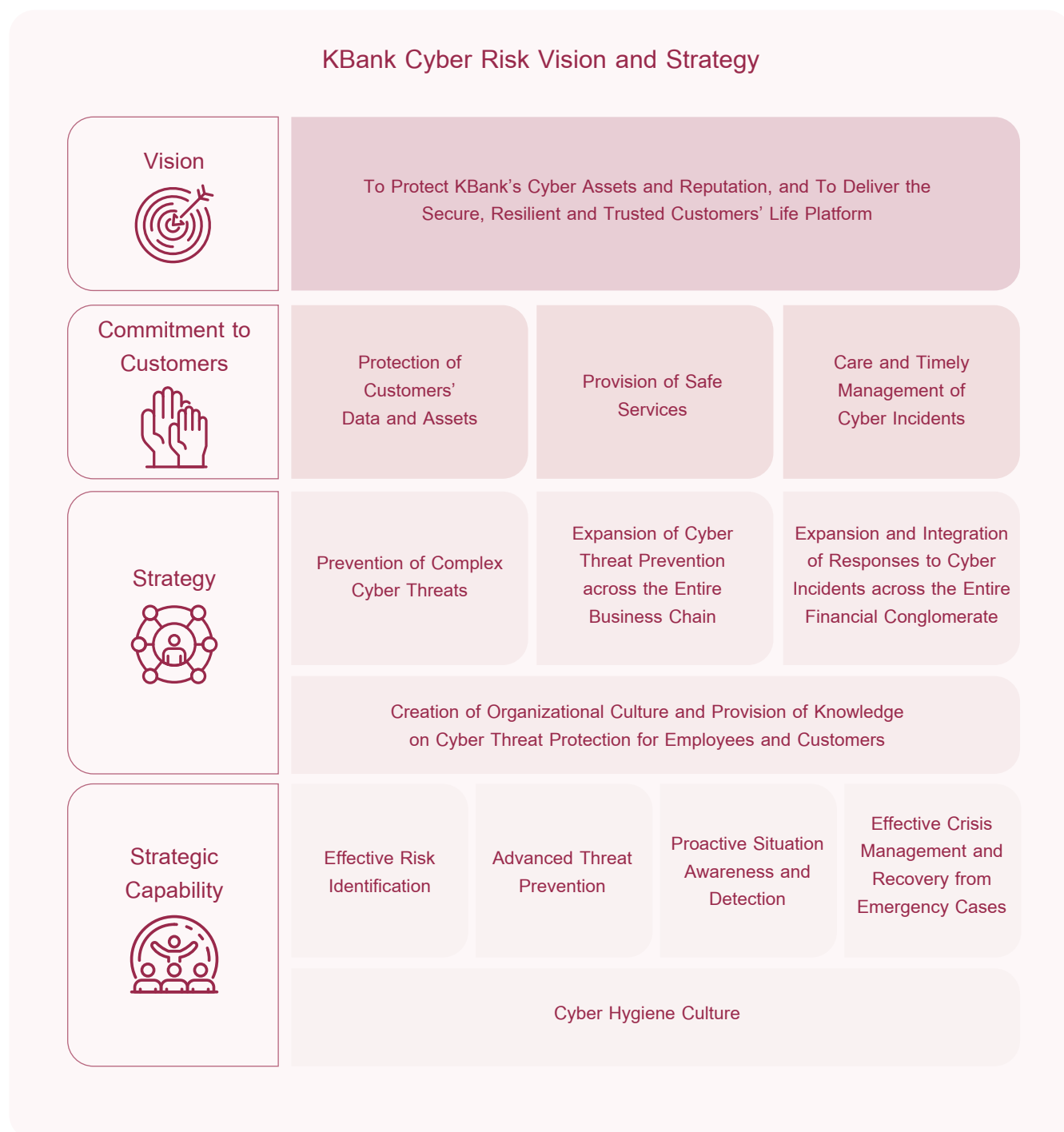
6. The Digital Asset Sub-committee is responsible for overseeing and managing risk in digital asset business operations of KASIKORNBANK FINANCIAL CONGLOMERATE to ensure that risks are within acceptable levels while digital asset limit is within the approved framework in compliance with regulations of supervisory agencies. The Sub-committee also manages resources to ensure efficiency in alignment with the policy and strategic plan of the Financial Conglomerate. It holds a meeting every month and reports directly to the Chief Executive Officer.

KBank has complied with the Personal Data Protection Act B.E. 2562 (2019) which took effect on June 1, 2022. We have undertaken relevant operations required by this law, namely request for consent, announcement of privacy of the Data Subject for their acknowledgment of objectives of personal data processing and their rights, establishment of KBank processes and channels for use of personal data, preparation of memo on personal data processing activities, and development of solutions to accommodate deletion or destruction of personal data after the end of the period for data retention, appointment of Data Protection Officer (DPO) and communication on law and practical guidelines of KBank to employees at all levels on a continual basis to ensure their understanding and awareness of the importance of personal data protection. We also published communications on the Personal Data Protection Act for our customers via KBank's social media channels. In addition, KBank 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. KBank has assigned the Data Governance Sub-committee to be responsible for overseeing operations related to personal data protection.

KBank is closely monitoring the enforcement of secondary legislation under the Personal Data Protection Act B.E 2562 (2019) so that we can establish or improve operating processes to be aligned with the requirements of this law.

Digital and Cyber Risk Management Framework

As cyber threats and cyber risks become more serious and significantly more complex, KBank prioritizes management of these challenges. We have therefore 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:



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, management 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. The Data Governance Sub-committee was established, comprising high-ranking executives, to supervise information management, as well as corporate and customer data protection in order to ensure maximum efficiency and security of information management systems, and to undertake organizational restructuring for greater efficiency of data management.
2. Policies and operational procedures related to information management and data security were implemented. They include, for example, a customer data protection policy, data quality policy, customer data access operational procedures, data storage and destruction policy, electronic document management operational procedures, and customer data management operational procedures. All divisions must comply with these policies and operational procedures, which apply to the entire financial conglomerate and counterparty management, so as to minimize risks incurred from adverse events, such as cyber threats and data leaks. If personal data breaches, non-compliance with Personal Data Protection Policy, which is regarded as violation of directives and/or operational procedures of KBank are detected and it is found that there is wrongdoing after and investigation has been completely conducted, KBank may take disciplinary action, such as warning, probation, compensation, wage deduction, demotion and/or salary cut or employment termination, as deemed appropriate.
3. We have carried out preparations related to policies, work processes and systems to accommodate the Personal Data Protection, which came into force in June 2022. Progress has been reported to KBank's top management on a regular basis. Actions taken include the following:

- Determining policies and operational procedures in compliance with legal stipulations
- Establishing standards and channels for customer consent.
- Having in place a Data Protection Officer (DPO) to be responsible for providing advice regarding compliance with the personal data protection law and investigation of personal data collection, usage or disclosure in line with legal stipulations.
- Developing important IT infrastructure, e.g. the Consent Management System (CMS) in order to examine the consent value prior to using the information. This is to ensure that the use of customers' personal data is in line with their given purposes. In addition, a process has been put in place to accommodate the legal rights of customers. The anonymous technology has been developed to protect and maintain customer data privacy.
- Information disclosure standards were determined for both incoming and outgoing data with consideration criteria throughout the data life cycle, as follows:
 - Third-Party Assessment: assessing external agencies that are KBank's partners or operators.
 - Ensuring legal compliance of data acquisition or disclosure
 - Delivering, accessing and storing data in accordance with KBank's IT security standards.
 - Deleting and destroying data.
 - Determining the levels of authorized persons before operations and reporting to the Data Governance Sub-committee on a quarterly basis.
- 4. Ensuring that all employees have understanding about the Personal Data Protection Act, related policies and practices so that they can carry out their tasks and provide service in line with the relevant laws.
- 5. Policies and operational procedures have been reviewed regularly so that they are consistent with changing regulatory requirements. KBank has also ensured that control, supervisory and audit operations are in compliance with the established policies and regulations.
- 6. Operational guidelines were formulated to cope with adverse events by means of data analyses, assessment and control of the situation, rectification and system recovery by internal and external experts, and reporting to KBank's customers or other stakeholders, with KBank's full collaboration in compliance with legal requirements.

IT Data Security System Operations

1

Enhancing efficiency of data leakage detection and prevention

- Adjusting the configuration values on the data leakage prevention system for enhanced efficiency
- Controlling risks to cover more diverse channels
- Installing additional tools for preventing data leakage from employees' use of mobile devices to ensure that all KBank data transmissions can be detected
- Expanding the coverage of data leakage prevention to KBank's subsidiaries and overseas

2

Increasing capability of cyber threat prevention

- Upgrading cyber threat surveillance and detection, e.g., detection and prevention of changes in security values on the Cloud system, simulation of external cyberattacks to test the efficiency of the technology in use
- Improving skills and capabilities of responsible teams for timely incident management
- Expanding the scope of cyber threat surveillance to cover KBank's subsidiaries

3

Uplifting readiness of incident responses

- Enhancing the efficiency of communication and collaboration processes between different units of KBank to ensure the readiness of incident responses between KBank's different units via greater efficiency

4

Improving personnel potential

- Improving employee potential for those in charge of cyber security in Thailand's labor market via the KBTG Campus: Cyber security Bootcamp Project

5

Certification

- ISO 27001:2013 for the eighth consecutive year
 - Covering important services and applications, Datacenter and Cyber Security Operation Center (CSOC)
- PCIDSS V3.2.1 for the fifth year
 - Covering the Payment Gateway On Cloud system
 - Expanding the coverage to the Acquiring System – EDC for services in Vietnam
- PCI PIN Security V3.1
 - Certifying security system of PIN management for card usage at ATMs

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. In 2021, the results of an assessment conducted by a leading consulting firm of our Cyber Risk Maturity, based on the standards of the National Institute of Standards and Technology (NIST*), were on par with those of other leading banks, and KBank has established a continued development plan to achieve Cyber Risk Maturity that is equal to that of world-class banks within 2024. In 2022, no significant incident of customer data privacy infringement was detected**. Campaigns to provide cyber security knowledge were launched and accessible to 10 million persons. In addition, important systems in KBank's technological infrastructure were certified per international standards, covering more than 2.9 billion transactions a month, while 100 percent of staff members received training on cyber security and personal data usage.

* 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 KBank, and an examination result shows that such unauthorized access to customers' personal data is a direct result of KBank's error.

Management of Cyber Security and Data Privacy Measures based on the “Work that FITS” Principle

KBank has transformed its work style to the FITS Mode to achieve greater agility and accommodate the work-from-home operations of employees. Under strict measures to ensure cyber security and data privacy, employees are able to work from home in accordance with their work characteristics within the acceptable risk level of KBank, and in compliance with regulatory requirements and KBank’s cyber security standards. For example, employees must work only on KBank’s computers, and if they need to use mobile devices, such devices must be registered and equipped with security software. Two-Factor Authentication is required for encrypted channels, such as Virtual Private Network (VPN), and the Virtual Desktop Infrastructure (VDI) is used to prevent data leakage. Solution patterns have been considered to match the risk levels of employee groups. In addition, data security practices have been reiterated for those who work from home via various learning channels, including online courses and KBank’s communication media, etc.



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 2022, 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, boost response and decision-making skills, as well as exchanging information as part of a collaboration effort among relevant organizations and units in coping with cyber threats
 - Participation in the activities organized by financial regulatory agencies, including the Bank of Thailand, the Office of the Securities and Exchange Commission and the Office of Insurance Commission to prepare for any cyber threats and cooperate with other regulatory agencies involved with the financial sector
 - 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 of financial institutions worldwide: 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. Stakeholders in this culture are divided into four target groups, as follows:



1. Board of Directors and high-level management

- The board members attended the annual training forum for cyber threat management, organized by supervisory agencies, for example, the Bank of Thailand, The Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, to acquire 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 the Board of Directors and the Risk Oversight Committee on a quarterly basis, including information, news and knowledge concerning cyber threats and KBank's preventive measures, to provide related knowledge and receive additional supervisory guidelines from the Board and the Committee.
- Cyber attack simulation was undertaken for high-level executives of KBank to familiarize them with such incidents, so they can create necessary processes to respond to any potential threats in the future.

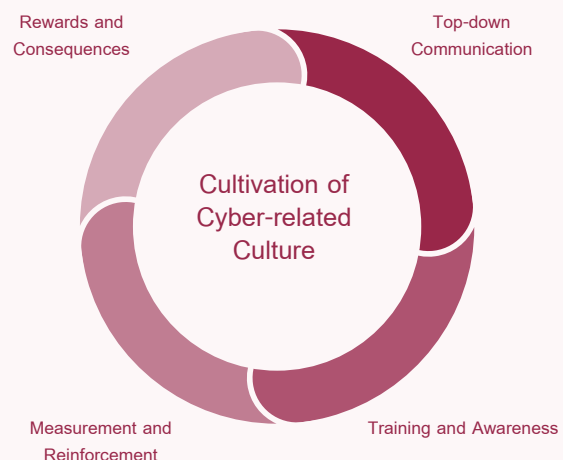


2. Employees

- E-learning course on data security management excellence has been arranged for employees.
- Campaigns have been launched on a quarterly basis to provide employees with knowledge on cyber threats in different formats and contents. For instance, customer data security awareness and caution in sharing personal information on social media have been promoted among staff members through infographics and online games to encourage them to participate in fun activities, while also gaining knowledge.

- 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 of KBank and K Companies 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 the foundation of 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.

Framework to Cultivate an Appropriated Organizational Culture related to Cyber Security





3. Customers

- Customers have been provided with 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.



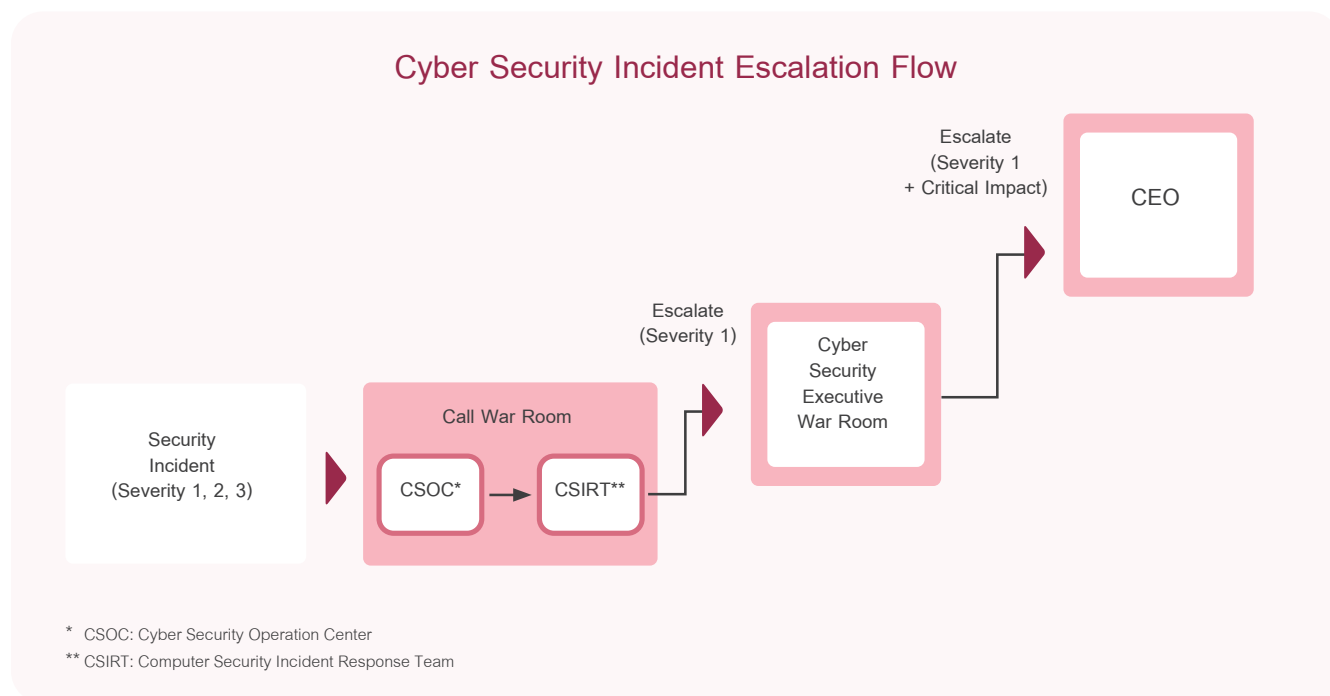
PR media of SATI project to regularly communicate with customers so that they are aware of cyber threats and can protect themselves against those threats

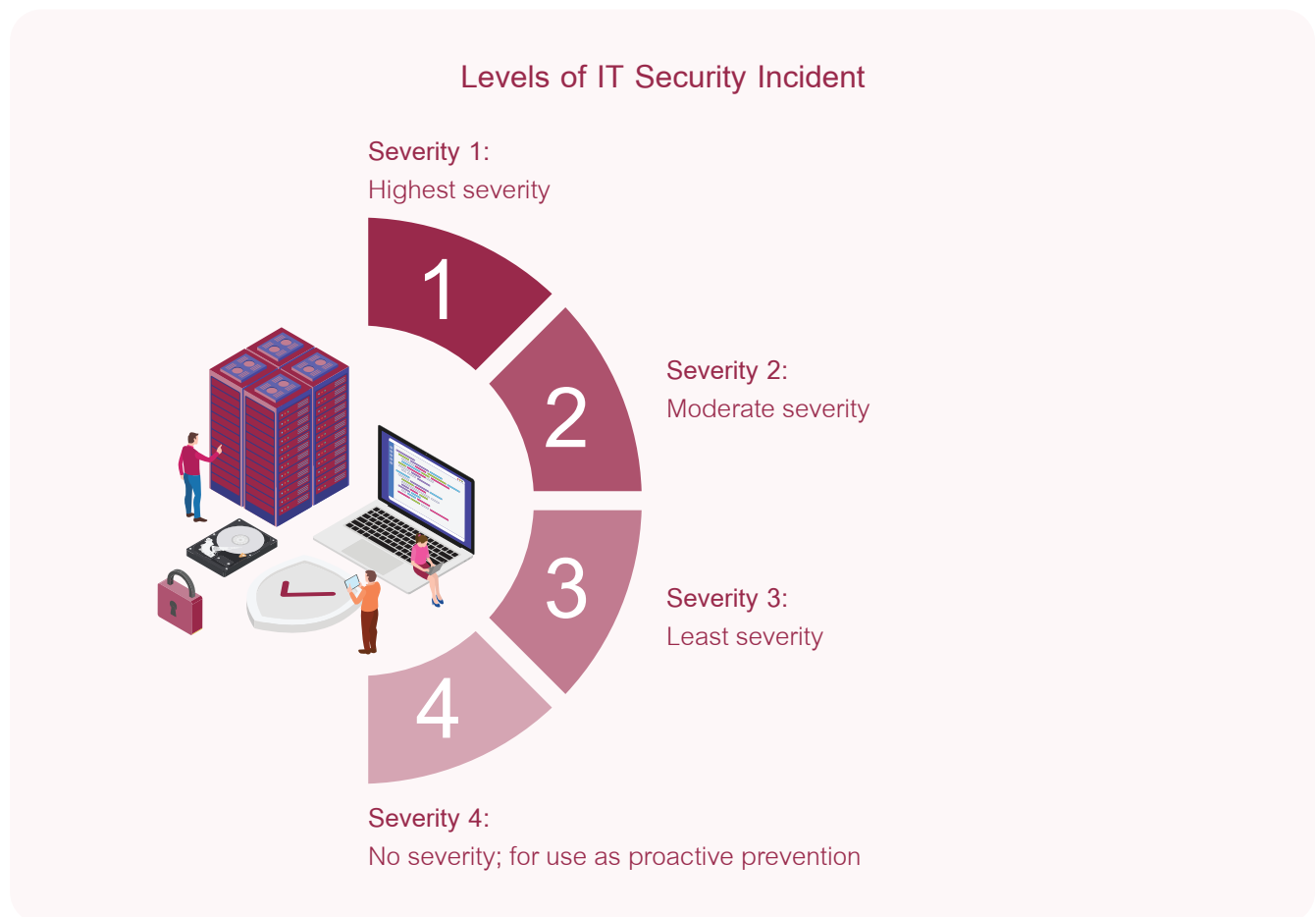
Data Used for Secondary Purpose

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 prevention of IT risks and cyber threats. Processing of personal data for such activities is in compliance with related laws.

KBank has established response and report processes for unauthorized or illegal transmission of data (data leakage), which cover loss of, access to, use of, change/amendment to or disclosure of personal data. If KBank has been notified of or found data leakage incidents, KBank shall examine the facts, analyze and assess those incidents, plus related risks and impacts in accordance with internal regulations that have been established by KBank, such as the number of affected owners of personal data, plus volume and sensitivity of personal data. Such incidents and risk assessment results shall be reported to the responsible committees for consideration in establishing recovery, response and relief guidelines, as well as the relevant government agencies in accordance with the laws as the case may be.

Monitoring Process of Breaches/Incidents





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 shall 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 KBank

The Chairman of Cyber Security Executive War Room shall report the matter to KBank's Chief Executive Office so that a higher level of management shall be undertaken by the Executive Crisis Management Team (ECMT), which is tasked with commanding and making decisions on related operations.

Human Resource Management



Risks

If KBank were to have inefficient labor management, disregard diversity and human rights, and lack equality, KBank could face declining employee engagement and rising turnover rate, which will lead to business discontinuity and higher human resource management costs.

Amid rapid changes in the financial business sector and more complex customers' demands, if employees' knowledge enhancement does not catch up with such developments, employees may not be prepared to work efficiently and in step with the changing environment. KBank may therefore be unable to deliver financial products and services that respond to customers' needs, and may eventually encounter business risks.

Without KBank's care and concern for employees' livelihood and work environment, their physical and mental health could be adversely affected, causing low productivity and possibly higher turnover, and rising expenditures related to employees.

Opportunities

KBank's efficient labor practices, equal labor treatment, non-discrimination, respect in the workplace and equitable remuneration management and fair welfare allocation will boost employees' dedication, while encouraging them to unleash their creativity, thus leading to greater productivity of the organization.

If KBank focuses on employee development, allowing staff members to work with flexibility and in step with the changing business environment in alignment with K-Strategy, KBank will be able to deliver financial products and services in response to customers' diverse needs and tangibly achieve the set goals.

Proper care for employees' livelihood and work environment will make them happy, secure and healthy. This will lead to work - life harmony, resulting in improved work performance and efficiency.

Human Resource Management Strategy

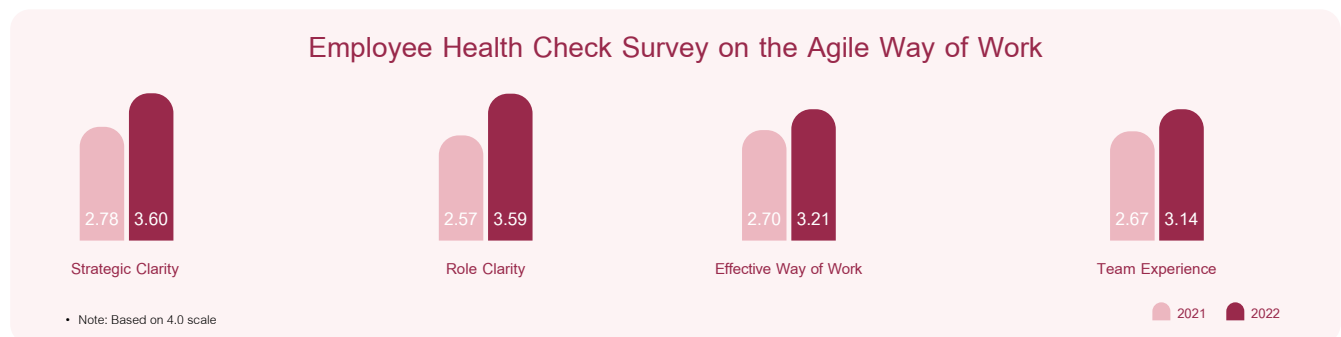
KBank focused on human resource management to be in step with the ever-changing business environment and in alignment with K-Strategy amid the challenges of the competitive labor market, in order to recruit capable personnel as we aspire to be a learning and leading innovation organization, which empowers customers' life and business, and is the best place to work. To this end, we have implemented operational guidelines, as follows:



1. **Strategy-Driven Structure:** We focus on an agile way of working to allow employees to work with greater flexibility and efficiency. This work format was introduced in 2019 and first applied with a small group of employees. Subsequently, it was extended among core business divisions in 8 key areas i.e. (1) credit; (2) wealth management; (3) payment services; (4) regional expansion in AEC+3; (5) business expansion via new channels; (6) beyond banking solutions; (7) ESG-related operations; and (8) new business development via technological innovation. To this end, we emphasize allocation of human resources

with potential and expertise to ensure greater flexibility and delivery of products and services in alignment with customers' needs. Under the agile way of work format, employees are encouraged to test and learn, reduce hierarchy and focus on the strategic target. These endeavors have helped enhance work efficiency while reducing time to market from the previous 6 - 10 months to 8 - 16 weeks.

Moreover, the health check survey on the agile way of work conducted with our employees in 2022 showed better results compared to those of 2021.



2. **Lean & Empowered Decision-Making Process:** KBank emphasizes elimination of unnecessary bottlenecks in processes to reduce service level agreement (SLA) time while empowering employees to adjust their work processes by themselves to ensure greater flexibility and agility with focus placed on leadership team, mindset, test and learn, as well as coaching and empowerment. This aims to promote enjoyment of work and learning in a work team.

3. **Differentiated Value Proposition and Integrated Development:** To attract the talent to join our workforce, KBank initiated a project with the aim of identifying essence and employee value proposition. To this end, a study was conducted with KBank executives, employees and outsourced personnel. The findings showed that these people aimed to create deliverables and innovations, which are beneficial to the organization, society and the nation. This is in alignment with our Human Resource slogan, "Possibility to Make an Impact", which comprises three major elements:



POSSIBILITY TO MAKE AN IMPACT

KBank ensures that our employees work to their utmost potential, and have opportunities to unleash their full capacity, with colleagues assisting them along the way, in addition to adequate resources to help create new and meaningful possibilities.

Kattiya Indaravijaya
Chief Executive Officer

1 Limitless Growth

We have developed employee skills via KBank Academy – an online learning platform with more than 9,000 courses to choose from.

2 Better Opportunities Through Powerful Resources

With ample funding resources and data available (from a customer base of more than 20 million) and numerous world-class partners of KBank, we open a space for all employees to unleash their potential and ability.

3 Talented People Every Day

KBank is determined to screen talented people and capable leaders to ensure teamwork and collaboration, leading to enhanced speed and efficiency of work. We therefore prioritize employee recruitment and leadership values in order to create successful change leaders for the organization.

4. **Performance-driven Reward:** We have improved the method of giving rewards in order to foster an entrepreneurial mindset in the workplace.
5. **Purposeful and Practical Leader with Excellent Service and Innovation Culture:** KBank allowed executives to determine expected behavioral guidelines for purposeful and practical leadership of high-ranking executives, a group of strategic leaders and talented employees. This aims to bolster our work performance for successful accomplishment. Leadership values in accordance with KBank's expected behavioral guidelines in four dimensions are, as follows:





KBank received a total of seven HR Excellence Awards 2022 Thailand from Human Resources Online in Singapore, in recognition of outstanding human resource management as seen in excellent change management, leadership development, and employment management during the COVID-19 pandemic, as well as the promotion of employees' quality of working life and well-being.

Employee Development

1. **Fostering strong leadership characteristics:** With the aim of advancing KBank's business and delivering the most impressive services to our customers, we arranged activities to promote leadership for service excellence via innovation culture. Notable activities included "The Inspirer", which featured interviews with high-ranking executives from various organizations along with other VIPs in order to spark inspiration at work and in the lives of employees and executives. We also launched "Leadership Reflection Day" to promote leadership values in accordance with KBank's expected behavioral guidelines in four dimensions.
2. **Enhancing skills for employees:** We arranged learning courses to support employees' skills, as follows:
 - **Product Manager Learning:** Five learning courses were arranged for improvement of skills in product design, use case development, motivation and problem-solving.
 - **Data Talent Learning:** An online learning course was organized for data sharing in product management.
 - **Future Skills:** We aim to equip all employees with future skills in order to be prepared for new challenges. Through intensive analyses and assessment, KBank has identified seven future skills required for our employees to deal with challenges and deliver satisfactory outcomes.

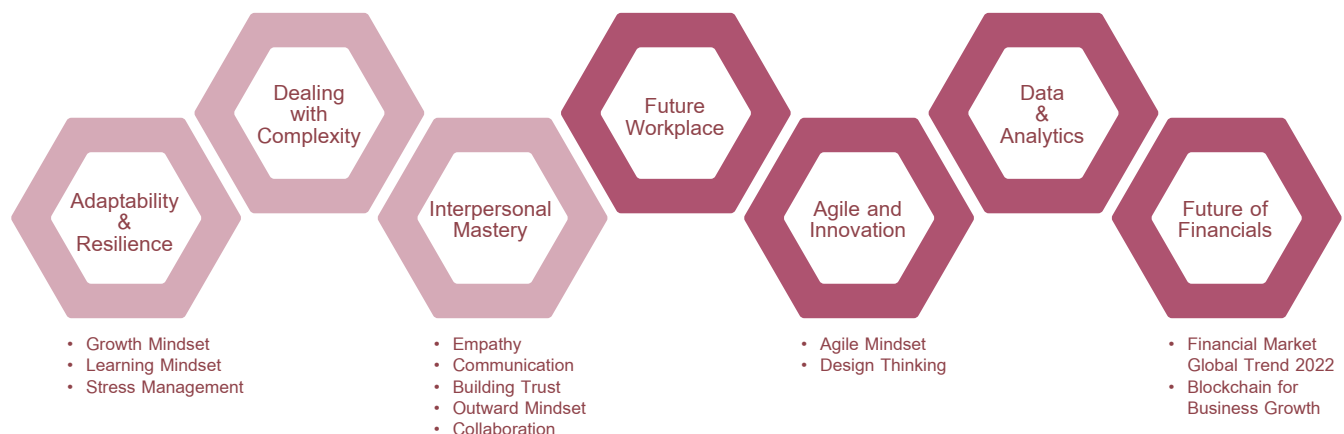
Future Skills: The Arts of Future

- Problem Solving & Decision Making
- Analytical Thinking
- Critical Thinking

- How to Stay Productive in Future Workplace
- Tools for Hybrid Work

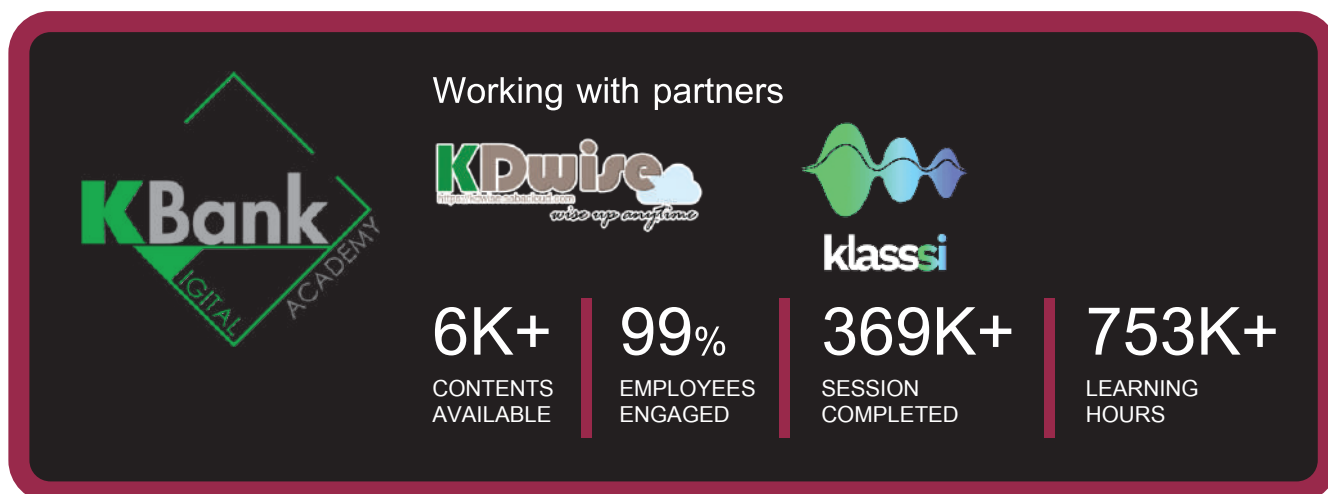
- How to Analyze Qualitative Data
- Business Analysis with Big Data
- Data Storytelling with Visualization

Essential Forward



In 2022, KBank focused on enhancing 3 aspects of future skills, as follows:

- Adaptability and Resilience
- Dealing with Complexity
- Interpersonal Mastery through Blended Learning including Online Learning, Virtual Classroom, Action-based Learning and Community of Practice by means of various channels, for example, MS Teams and KONNECT+ application

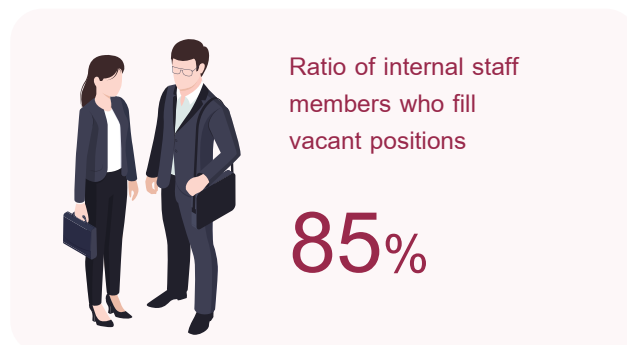


3. **Promotion of innovations in the workplace:** KBank implemented the Possibility Hacks 2022 project to promote a culture of learning and innovation by offering all employees to get together in groups and brainstorm to seek new ideas on business and service solutions of KBank. Such ideas, which had been tested with target groups, were chosen for further development and adoption for use in KBank's operations. Innovations were grouped into the following categories:

- **Empowering Customers:** Creating financial innovations to support small-pocket customers and increase customers' wealth
- **Empowering Business:** Assisting in business operators' achievement of their goals and creation of new types of revenue or reduction of business costs, and enhancing the satisfactory performance and global competitiveness of regional businesses

- **Empowering Nation:** Creating a Green Society and promoting financial inclusion in preparation for the arrival of an Aging Society, Limited Ability and LGBT Community
- **Empowering KBank:** Capitalizing on the potential of KBank's partners to build new business models and improve cost efficiency

There were 121 ideas submitted by employees under this project, among which 7 ideas won the contest.



Employee Engagement

With emphasis on building bonds between the organization and our employees, employee engagement development has been incorporated in the People Management Goal of each division head. Engagement surveys have been conducted every two years, and the results assigned to all divisions so that they can plan for improvement and promotion of employee engagement at the divisional level.

The Employee Engagement Pulse Survey 2022 was composed of three main topics, namely leadership, work-life balance and overall employee satisfaction. The survey results would be used by the division heads for revising their policies to match employees' requirements. KBank also introduced the Engagement Activities Catalog, comprising activities to be selected by each division in conformity with the specific needs of employees.



KBank was awarded "HR Asia Best Companies to Work for in Asia 2022 – Thailand Region" from HR Asia in recognition of good internal management to encourage employee engagement, staff care and creation of a suitable working atmosphere, as well as promotion of a culture of teamwork.



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

Employee Recruitment

To select qualified candidates that match job requirements and implement an impartial selection and recruitment process, KBank has developed standardized procedures for employee recruitment. Representatives of each division have been nominated to join the K-Culture Ambassador Team with the role of selecting new employees having qualifications that are in tune with K-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.

Selection Process of Employee Recruitment



Standard Examination:

Selection process is based on KBank's standard examination, and an exam is also required for specialized jobs, such as credit underwriting.



Interview Committee:

Interview process clearly determines the number and positions of interview committee members who must conduct competency-based interviews.



Approval Process:

Approval process will be managed by the relevant departments and KBank's executives.



Recruitment Activity:

KBank has redefined our strategy to attract capable students and experienced persons overseas to join our workforce via creation of relations with alumni and student associations of various universities, for example, Sammagi Samagom (Thai Students Association) in the United Kingdom.



Scholarship Project:

KBank granted two scholarships to fourth-year university students to further their MBA studies under the Young Scholarship Year 2022 Project, two scholarships in MBA studies for KBank officers and outside persons with work experience under the Annual Scholarship Project, and two scholarships under the KBTG Scholarship Project.

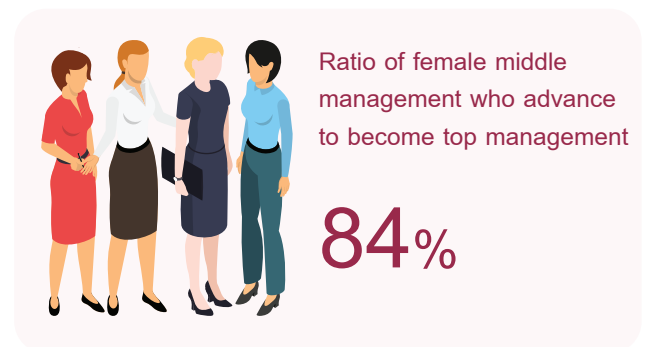
Promotion of Diversity, Inclusion and Equality

KBank has complied with related international laws and standards, including the UN Guiding Principles on Business and Human Rights, Principles of Humanity and Rights of the International Labor Organization (ILO) and Principles of the United Nations Global Compact (UNGC) 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 order to develop the audit process and mitigate risks from discriminatory practices and human rights violations, KBank has in place various channels for complaints and suggestions, such as the labor relations hotline center, meetings to exchange views, advice and problem-solving guidelines for the benefit of employees and common understanding among the meeting participants. KBank also supports group negotiations and bilateral meetings between KBank management and Employee Committee of KASIKORNBANK at least once every quarter. In addition, meetings of KASIKORNBANK Labour Unions can be arranged at all times to ensure that all employees' complaints and recommendations are managed in a timely manner.

Support for People with Disabilities

KBank believes that giving people an opportunity is deemed as promoting inclusion and equality. In 2022, KBank provided career support to 189 disabled persons across Thailand, via a Baht 21,592,305 budget donated to the Thai Red Cross Society for use in career promotion among disabled persons across Thailand which is in accordance with the law.



KBank was granted an award of outstanding "Sustainability Model Organization in the Thai Capital market with respect to Disability Support" from the Office of the Securities and Exchange Commission for compliance with Section 33 or Section 35 of the Persons with Disabilities Empowerment Act B.E. 2550 (2007) for more than one year.

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

** Details of the Diversity Management Guidelines can be found at KBank's website:
https://www.kasikornbank.com/EN/IR/CorporateGovernance/transparency/Pages/KBank_Diversity_Management.aspx

*** Details of the Human Rights Policy can be found at KBank's website:
https://www.kasikornbank.com/EN/IR/CorporateGovernance/transparency/Pages/Human_Rights_Policy.aspx

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. Considered by the Human Resources and Remuneration Committee, 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, as well as individual performance, before being proposed to the Board of Directors for approval.

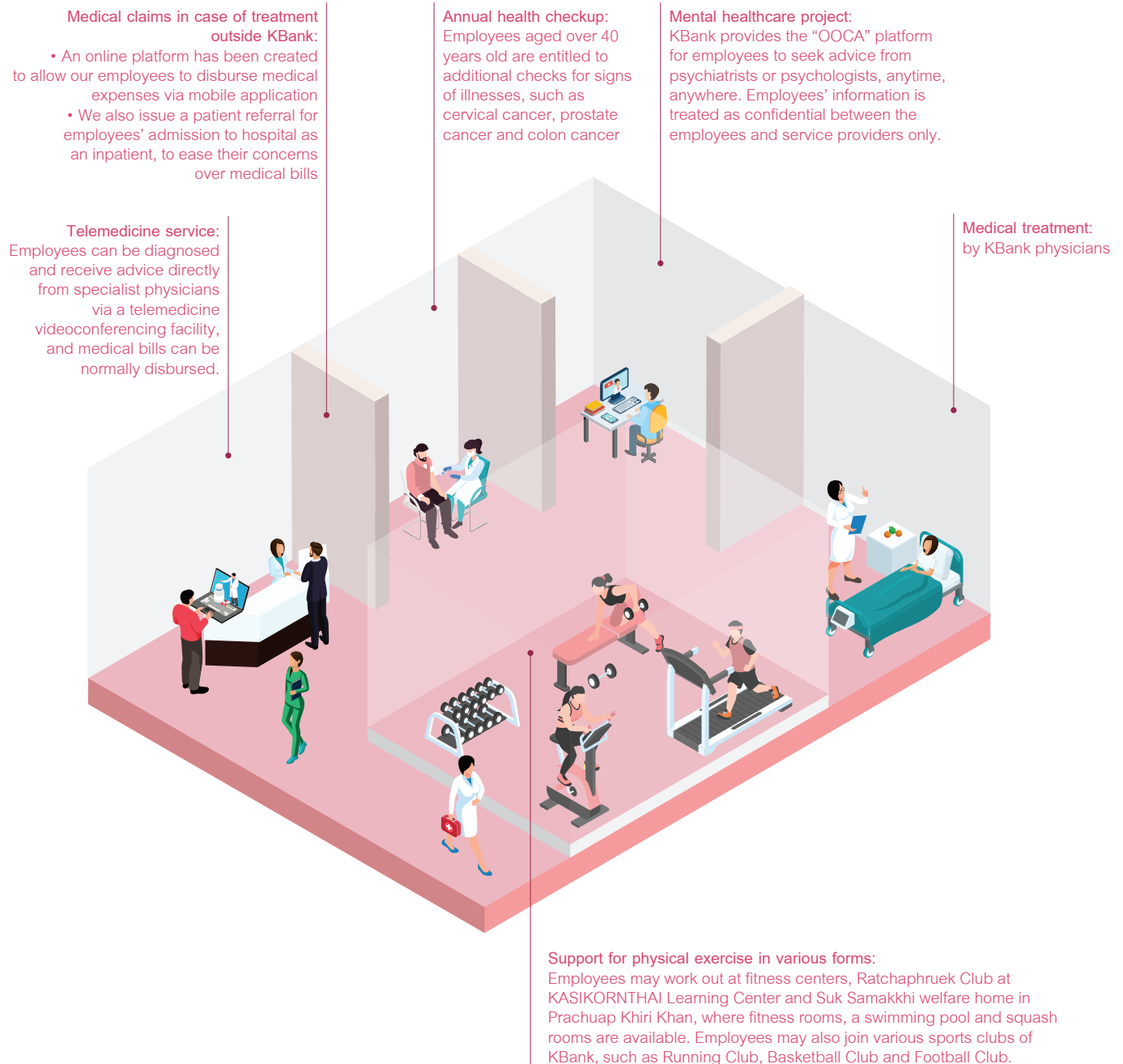
Employee Compensation

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 Benefits

Benefits are provided for all employees* 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 KONNECT+ application, as follows:

Healthcare



* "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.

Financial Assistance



Flexible Working Arrangements and Work from Home:

KBank has adopted a Work that FITS pattern to increase agility in harmony with the prevailing situation, and to cater to the new lifestyles that need greater flexibility. Employees can work at KBank offices or from their home, while certain groups with particular needs are allowed to work from home, for example, those having to care for sick family members, e.g., spouses, children, dependents and parents. The Work that FITS concept involves four major areas:



KBank has implemented the new work style, Work That FITS, to offer greater flexibility for employees.

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 hired contracted employees through its subsidiary (PROGRESS HR Company Limited) for support in two types of work:

- Daily tasks (Business as Usual) during workload: Contract term is not more than four months.
- Projects: Contract term is based on project duration.



Excellence in Labor Relations and Welfare
Award granted by the Ministry of Labour for
the 17th consecutive year

Employee Well-Being

KBank concerns on the Occupational Safety, Health, and Environment Working Team by implementing the policy and related measures for the safety of employees, customers and visitors. In the past year, KBank focused strictly on prevention and control of the spread of COVID-19 in the area of KBank according to regulations by government agencies. KBank has realized the importance of Occupational Safety, Health, and Environment Working, therefore, KBank assigned the managing director to be the Chairperson of the Occupational Safety, Health and Environment Working Team of KBank, which consists of representatives from various divisions including the Distribution Network Division, Human Resource Division, Finance and Control Division, and Customer and Enterprise Service Fulfillment Division, in order to drive safety promotion operations to employees, including discussing health issues and risks or regular health problems. Thus, there will be meeting to monitor the performance on a quarterly basis, which aims to promote workplace safety in order to prevent accidents, injuries, illness, and unsafe conditions related to KBank's business operations.

In order to provide safety, health and working environment to be more efficient, KBank's Board of Directors has reviewed the Occupational Safety and Health, and Workplace Environment Policy* on an annual basis to ensure that a practical guideline for employees is compliant with the ministerial regulation that establishes standards for occupational safety, health and environment management in the workplace, and in conformity with international standards according to the international standard ISO 45001 which KBank is in the process to apply for it with the safety goal of zero accidents at work. In addition, KBank complies with the law by appointing a committee on the Occupational Safety, Health and Environment Working Team for buildings with more than 50 employees. The taskforce consists of at least five members, and it must hold at least one meeting a month to monitor and review operations related to occupational safety and health, thus ensuring continued development and improvement.

* Details of the Occupational Safety and Health, and Workplace Environment Policy can be found at KBank's website:
https://www.kasikornbank.com/en/ir/corporategovernance/transparency/pages/occupational_safety_and_health.aspx

Management of Occupational Safety and Health, and Workplace Environment

Preparation of equipment and workplace environment that are appropriate and safe, in accordance with the ministerial regulation that establishes standards for occupational safety, health and environment management, and the risk assessment results based on working conditions of employees, such action has passed the risk assessment according to the working conditions of the employees, as follows:



K Parking Care: There is a transportation service for employees to bring them to designated car parks near KBank offices to ensure their safe travel before and after work. KBank has also worked with such parking service providers to install electrical systems and closed-circuit television cameras for surveillance and safety.

KBank disseminates information and training about health care and nutrition via brochures and online courses.



KBank provided knowledge about health care and nutrition via its electronic system.



KBank provided health care information to employees during the COVID-19 pandemic throughout 2022.

KBank organizes activities to promote health and safety for the entire organization, such as provision of fitness facilities and annual health check-up.



KBank received the “BSA Safety Building Award 2022”, organized by the Building Inspectors Association in collaboration with the Department of Public Works and Town & Country Planning, in recognition of its excellence in effective building safety management.



Due to our care for health of our employees, KBank arranged for their 2022 health checkups, for that “FITS” and life that can be designed.

KBank holds occupational health and safety training courses, including:

- Courses for executive-level: One class – total 204 training hours
- Courses for supervisory-level: Five classes – total 3,120 training hours
- Occupational Safety and Health, and Workplace Environment course for general employees: 33 classes – total 10,710 training hours
- Course of the Occupational Safety and Health, and Workplace Environment Committee for the directors: One class – total 468 training hours

KBank disseminates information about safety via public relations announcements, VTR to advise on fire evacuation routes in case of emergency, training and demonstration of first aid treatment (CPR), communications on safety and online game activity, and organization of Safety Week @ KBank to affirm KBank's care for safety with the purpose to create safety awareness and employee participation.



KBank arranged fire drills at its office buildings for employees.

Stress management with two approaches, as follows:

- Self-learning via KBank's electronic system
- Mental practice activities to cope with stress, for example, a mindfulness training course to relieve stress

Employee Experience and Wellness Project

KBank provided programs for enhanced happiness to ease stress arising from working from home and during the COVID-19 pandemic for executives and employees. Activities were designed to create a balance of physical and mental health, and social interactions, including the 'K HAPPINESS' activity. Employees were also able to consult psychiatrists and psychologists via video calls on the OOCA application, with respect to the issues of stress and depression. Information of such consultations is under the Personal Data Protection Act. In addition, KBank provided telemedicine service allowing employees to receive medical diagnosis and advisory from specialist physicians, and medical bills were disbursed as normal.



KBank organized K HAPPINESS to assist employees in creating a work-life balance while working from home.



KBank arranged for employees to receive medical diagnosis and advisory directly from specialist physicians via telemedicine service.

Guidelines of Human Resource Management during the COVID-19 Pandemic

- KBank has assigned the head of each unit to consider employees' operations in the office building as necessary, or patterns of work including onsite, hybrid, and virtual as agreed upon with their supervisors.
- Healthcare measures have been implemented, including allocation of COVID-19 Antigen Self Testing Kits (ATK), arrangement of points of body temperature measurement, determination of maximum number of people in an elevator, maximum number of meeting participants and time of meeting room usage, sterilization of office equipment, e.g. desks, toilets and public touch points, and ozone disinfection in office buildings on a weekly basis. As for the canteens, the cooks must wear face shields and gloves, and QR Code payment is required instead of cash payment.
- All persons have been asked to wear a mask at all times, refrain from talking in the elevators, keep an appropriate distance while waiting for meals, refrain from bringing food for eating together and refrain from bringing children into the main office buildings or branch offices.
- Meetings via Microsoft Teams from employees' desks or homes have been recommended.

In 2022, KBank strictly complied with the measures to control the spread of COVID-19. Therefore, impacts of the pandemic did not significantly affect the employees' livelihoods or our business operations. The following assistance was provided to our employees:



Financial assistance for employees and families:

To alleviate economic impacts and to give employees the opportunity to file their request for a 6-month delay of welfare loan repayment.



Establishment of KCU (K-Care U):

The K-Care U was set up to care for sick or infected employees, collaborate with RT-PCR and seek hospitals for treatment.



Procurement of alternative COVID-19 vaccine:

KBank provided the first and second jabs of Sinopharm vaccines for interested employees in order to alleviate the situation, and procured Moderna vaccines as the booster jabs in the future.

Human Rights Operations



Risks

If KBank's human rights risk assessment process is ineffective, KBank may be directly or indirectly involved in the promotion of businesses that violate human rights, and thereby affects the image and confidence of stakeholders, triggering risk for KBank's future business operations.

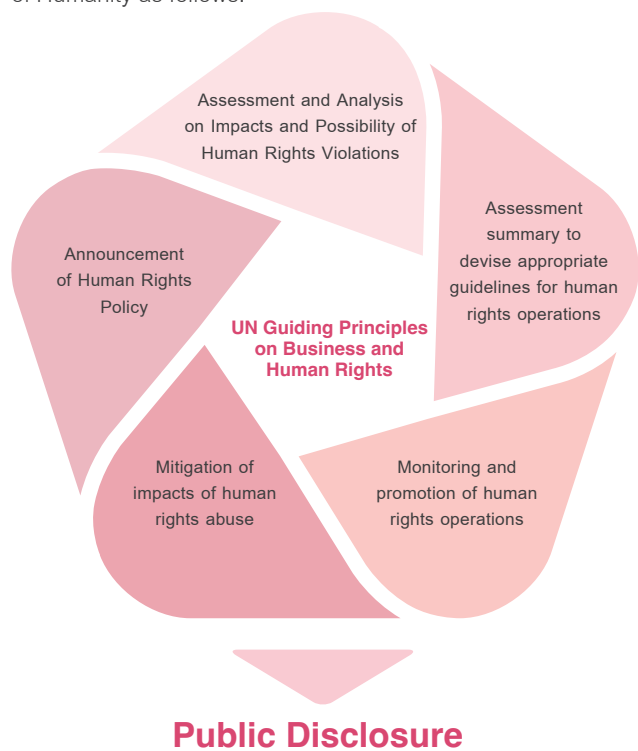
Business entities worldwide have increasingly embraced greater respect for human rights because the business sector at all levels plays a key role in the respect for and promotion of human rights through their business operations, which improve the quality of life, while their products and services are developed to facilitate the convenience of the public. However, any inappropriate operation may become a threat to business operations. KBank, as a financial service provider, fully recognizes that respect for human rights is an important corporate responsibility, which relates to employees, customers, suppliers and joint ventures. KBank's business activities could potentially either prevent or support human rights violations.

For this reason, the Board of Directors attaches importance to and reviews our human rights policy* every year. The relevant departments also work together every year to revise the assessment process on human rights risks in order to review the prevailing risks that may arise from economic activity throughout the value chain and KBank's joint ventures. Such process covers risk monitoring, assessment on potential impact, and examination of operational processes to prevent such risks, finding appropriate solutions to prevent and reduce risks, and implementing remediation actions to brace for any impact stemming from human rights violations.

Opportunities

If KBank has in place an effective human rights risk assessment process, it may help prevent and reduce the impacts of human rights violations that might arise from KBank's business activities on the relevant stakeholders. This would have a positive effect on KBank's image in terms of its support for businesses that comply with the principles of human rights.

KBank runs our operations in line with the United Nations Guiding Principles on Business and Human Rights, Principles of Humanity as follows:



* Details of the Human Rights Policy can be found at KBank's website:
https://www.kasikornbank.com/EN/IR/CorporateGovernance/transparency/Pages/Human_Rights_Policy.aspx

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 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).

Human Rights Risk Assessment Process

KBank implements our human rights risk assessment process in accordance 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 covers all operations of KASIKORNBANK FINANCIAL CONGLOMERATE, including operations of employees, customers, suppliers and business partners. The Board of Directors considers and reviews the human rights policy every year to ensure that it is up to date.
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 2022, as well as issues concerning human rights risks posed by the protracted

COVID-19 pandemic in order to analyze and assess their potential impact on stakeholders, namely customers, employees, suppliers and local residents, plus vulnerable groups such as pregnant women, foreign workers, the disabled, children and LGBTQ+, 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, Strategic People Solutions Department and Procurement Management Department. Representatives from KBank, companies within KASIKORNBANK FINANCIAL CONGLOMERATE and associated companies 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.

Salient Human Rights Issues of KASIKORNBANK and KASIKORNBANK FINANCIAL CONGLOMERATE

Activities	Salient Human Rights 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"> • Strictly comply with regulations and develop appropriate practices • Establish a legitimate Interest assessment for the processing of personal data • Establish a standard platform for the transfer of data between KBank and third parties • Provide training to all employees on data privacy and data breach • Organize the 'SATI' (Mindfulness) campaign to raise the awareness of data leakage prevention and misuse of information for employees and customers • Regularly review third-party frameworks • Regularly improve data leakage prevention tools and increase data transfer detection to external endpoints such as enhancing the capability to close loopholes that may cause personal data breaches in accordance with the Personal Data Protection Act (PDPA) • Monitor and detect cyber threats • Develop a response plan and test the plan regularly
Lending and Investment (KBank 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 utilities, ore smelting/foundry, metals and nonmetals, mining, services, retail and construction industry.)	<ul style="list-style-type: none"> • Working conditions, health and safety of workers • Form an identity or a group to negotiate employment-related matters 	<ul style="list-style-type: none"> • Establish Credit Policy on Environment Social and Gover and practices related to credit underwriting for a specific industry in accordance with domestic and international standards and practices • Applicants for project financing and medium-sized business operators are subject to ESG risk assessment accounting for 100 percent • Loan applicants must comply with labor, and occupational health and safety regulations • Consider customers who have received ISO certifications such as ISO 45001 Occupational Health and Safety Management System standards
	<ul style="list-style-type: none"> • Emergency response and community safety 	<ul style="list-style-type: none"> • Establish Credit Policy on Environment Social and Gover and practices related to credit underwriting for a specific industry in accordance with domestic and international standards and practices • Applicants for project financing and medium-sized business operators are subject to ESG risk assessment accounting for 100 percent • 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 • Loan applicants are required to prepare an Environmental Impact Assessment (EIA) report • Loan applicants are required to have emergency plans that may occur, mechanism to follow up on complaints and remediation measures

Activities	Salient Human Rights Issues	Key Measures for Reducing Potential Human Rights Risks
Treatment to Employees Recruitment, employment, promotion of diversity and equitable labor practices, health care and well-being of employees	Emerging infectious diseases (EID) such as COVID - 19	COVID - 19 prevention measures: <ul style="list-style-type: none"> • Provide protective equipment for employees, with a high risk of contracting COVID - 19, such as surgical masks and hand sanitizer gel • Announce guidelines on good hygiene measures in accordance with the guidelines of the Ministry of Public Health and related agencies, as well as emphasizing social distancing • Step up cleaning on various contact points with disinfectant • Adjust a work format to reduce the risk of COVID - 19 transmission such as working from home through KBank's online system, and optimize the capacity of services to suit workloads and the provision of customer services
Treatment to Suppliers Supplier recruitment and selection processes. Supervision of treatment to suppliers	None reported	Although there are no salient human rights risk issues, KBank has put a number of measures in place to prevent and cope with the related risks in the future, as follows: <ul style="list-style-type: none"> • Establish procurement procedures • All suppliers must strictly comply with the Supplier Code of Conduct • Establish safety guidelines during operations for KBank Contractors must acknowledge and comply with these guidelines
Supplier management to control the operation of suppliers	<ul style="list-style-type: none"> • Occupational health and safety in the workplace • Employment of illegal labor such as child and forced workers 	<ul style="list-style-type: none"> • Require all suppliers to strictly comply with the Supplier Code of Conduct • Establish a procurement process for suppliers to ensure that suppliers have adopted practices that meet the required standards • 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) • Certificates are required for people who need to perform specific tasks, such as working in high places • Annual inspection and visit to suppliers' sites • ESG risk assessment of suppliers

Associated Companies and Joint Ventures of KBank

Based on the results of the human rights risk assessment of KBank's associated companies and joint ventures, there were no salient human rights issues found. However, KBank has established policies and measures to ensure that operations of associated companies and joint ventures do not violate human rights. These include communicating KBank's human rights policy for their acknowledgement and compliance, supervising, auditing and monitoring their compliance with human rights regulations via KBank'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.

Social Contributions



Risks

Presently, the implementation of CSR activities is expected to create benefits and positive impacts for communities, society and the environment in concrete ways. KBank expects its CSR activities will benefit the organization, as well. If KBank fails to manage its CSR activities or allocate an appropriate budget for such activities, its CSR activities may not create adequate benefits for communities, society and the environment, affecting the image and credibility of KBank and its shareholders.

The implementation of CSR activities worldwide has changed dramatically over the years. In undertaking activities to show that financial institutions are socially responsible, they attach importance to the positive impacts of such activities on society, plus environmental conservation and rehabilitation at both the national and international levels. They also place significance on economic development, transparency, and investments in environmentally-friendly industries and green technologies. In other words, they place emphasis on ESG-related issues, namely environment, society and governance. Returns and social impacts from undertaking all CSR activities must be measurable in a precise fashion. KBank believes that the implementation of its CSR activities, based on such guidelines will be able to meet the needs of all stakeholders, foster cordial relations with local communities and allow KBank to obtain a social license in order to expand and build a sustainable business. To this end, KBank has implemented various projects to enhance human right equity for our employees and communities. In particular, health equity has been promoted through a number of projects to enhance better health and living standards of people in Nan province, under RAKPANAN FOUNDATION UNDER ROYAL PATRONAGE OF HER ROYAL HIGHNESS PRINCESS MAHA CHAKRI SIRINDHORN. These include elimination of educational disparities through Nan Cultivation of Wisdom project and AfterKlass platform, as well as elimination of health disparities and promotion of well-being equity through various projects of KASIKORNTHAI Foundation, and cooperation between K-Agro Innovate (KAI), a unit established under KASIKORNBANK Foundation, and leading public universities in Thailand in order to innovate new drug prescriptions from crops grown by the local communities for higher income and better health conditions of the Thai people.

Opportunities

KBank's ability to appropriately carry out CSR activities, set a clear direction for such activities, assess their positive impacts and benefits on communities, society and the environment will help enhance the image and credibility of KBank, thus offering KBank opportunities to expand its new customer base in the future.

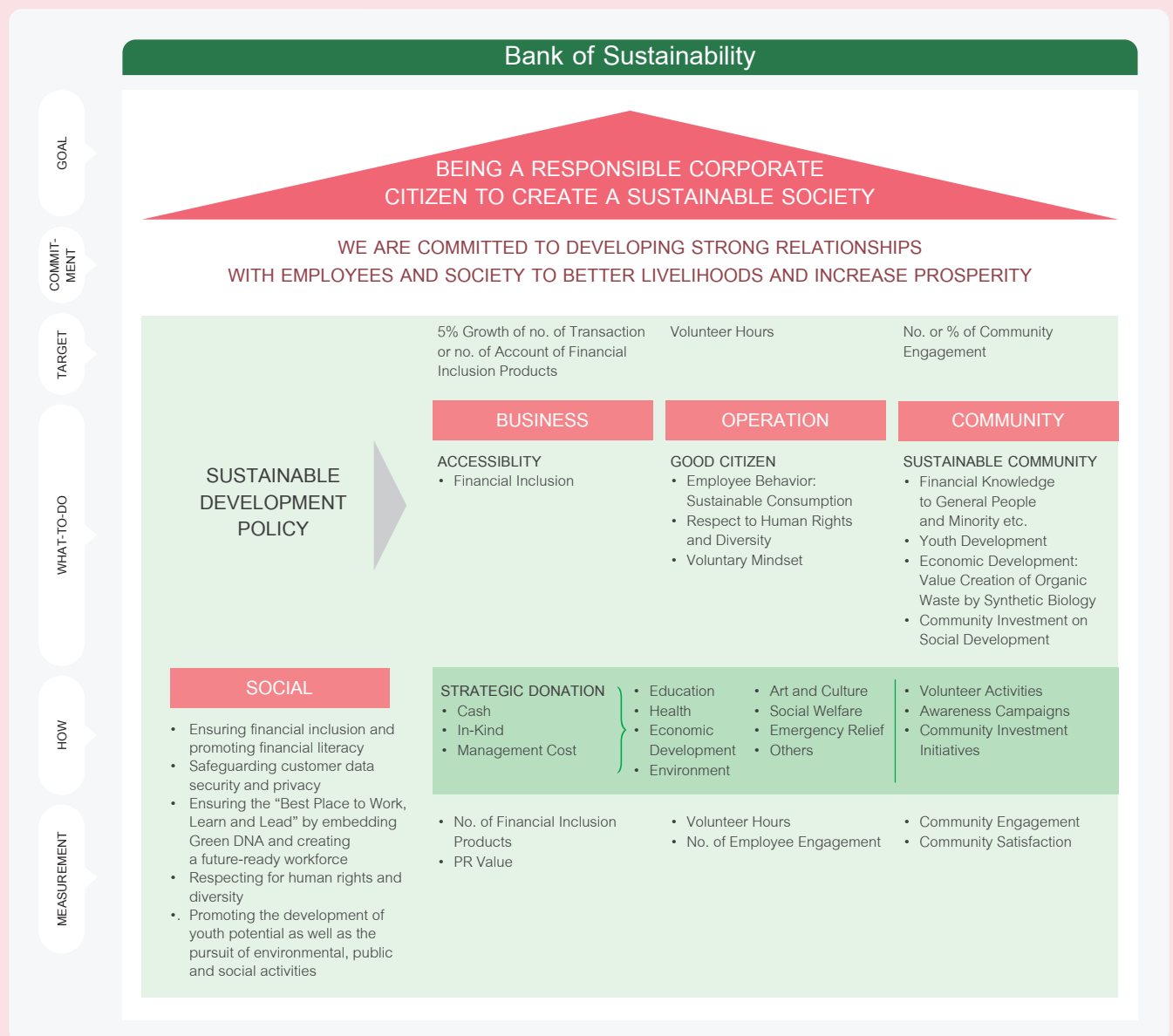
In 2022, KBank's CSR activities were primarily based on the implementation of KBank's sustainability policy into SD in Action. Although Thailand and elsewhere continue to feel the pinch of COVID - 19, KBank remains committed to CSR activities, with the recognition placed on employees, customers and stakeholders. KBank places significance on the prevention and control of COVID - 19 when carrying out all of its CSR activities. Additionally, to achieve a goal in creating socially positive changes in a concrete manner, KBank has made social contributions, based on the corporate citizenship strategy set for 2019 - 2023, along with establishing the CSR activity framework and evaluating operating performances in accordance with the Business for Societal Impact (B4SI)*. KBank is the first financial institution and only company in Thailand that has become a member of the B4SI.



* Business for Societal Impact (B4SI) is the global standard in measuring and managing a company's social impact. It was formerly known as the London Benchmarking Group (LBG).

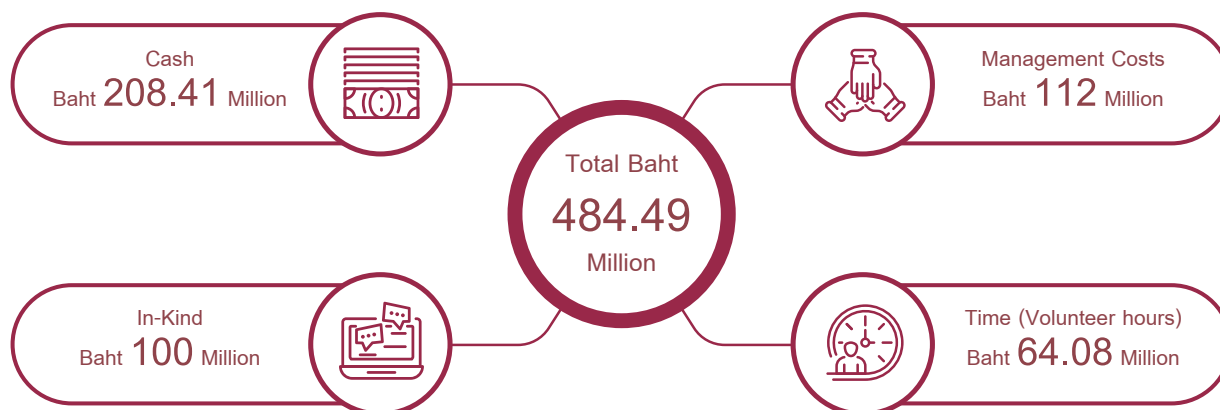


Corporate Citizenship Strategy 2019 - 2023



Social Operation Performance

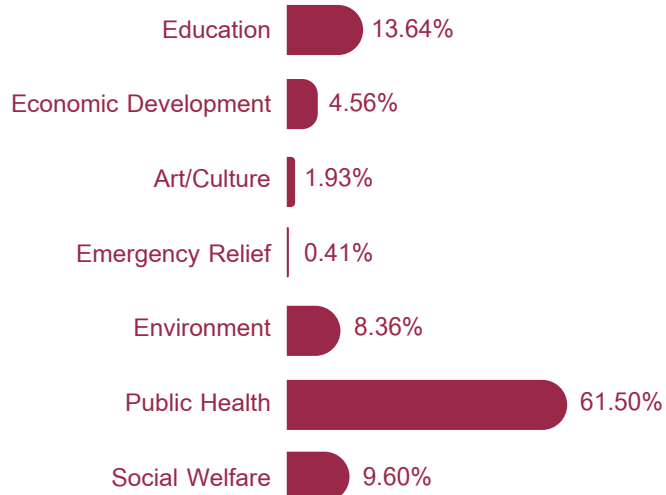
Forms of Contribution



Drivers for Contribution



Program Categories



Tham Di Tham Dai 8R Style (Employee Volunteer Hours) Project

Background

KBank allows employees to take a day of leave per year to participate in any volunteer activity, in terms of economy, society, or environment. 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, KBank allocates a budget to volunteer projects proposed by employees, based on the concept established by KBank every year. In 2022, the “Tham Di Tham Dai 8R 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, while also encouraging employees to carry out those projects under the 8R in line with KBank’s endeavor to create a green society through various campaigns throughout the year under the GO GREEN Together project.

Objectives

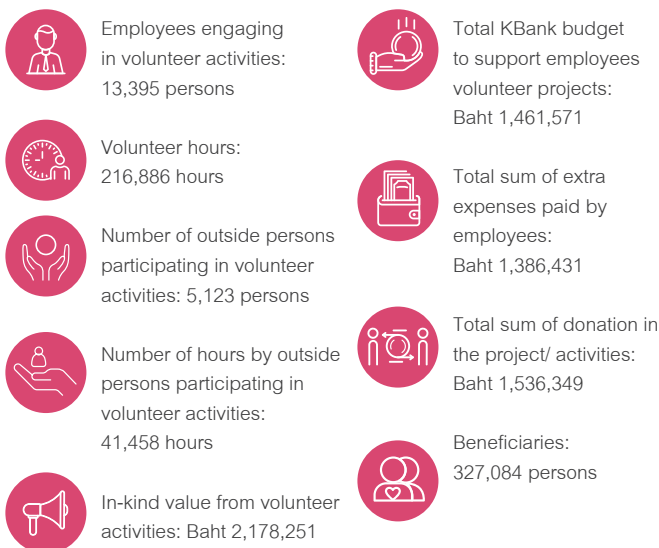
- To assist communities across the country, in particular those located near KBank offices so that their residents have a better quality of life.
- To raise public consciousness among employees and encourage them to learn more about the needs of society or underprivileged groups, so they can use such information to improve KBank’s products, services to better meet the needs of communities, thus helping promote KBank’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

Due to the COVID-19 pandemic, the working format of KBank's employees has changed. Employees can request a working format that is suitable for themselves with their supervisors, such as working from home, or at the office, or holding an online meeting. Despite the new working format, KBank continues to place importance on encouraging our employees to engage in CSR activities. A number of measures has been introduced for employees, who wish to engage in CSR activities, to strictly protect themselves and people surrounding them from COVID-19, such as wearing a surgical mask and/or face shield, maintaining a safe distance from anyone, avoiding touching surfaces or objects and using alcohol hand gel.

Additionally, KBank 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 8R Style" project. They can engage in any type of the 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 the 8R concept, extended from the former simple 4R (Refuse, Reduce, Reuse and Rycycle). Such projects do not only allow employees to do good deeds for society, but also help them recognize the importance of environmental conservation.



Outputs

Impacts

KBank 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 have a positive attitude towards KBank.

Nan Cultivation of Wisdom Project

Background

KBank collaborated with the Thailand Science Research and Innovation (TSRI) to implement the Cultivation of Wisdom project during the past six years (2012 - 2018). With empirical results, this project triggered changes in the educational approach at participating schools because they adopted research-based learning, based on analytical, synthetic and logical thinking, and scientific skills and processes as an essential tool to encourage students in their learning and seeking solutions. Such changes are in alignment with the government's development guidelines, which require scientific knowledge as a foundation for creating innovation and enhancing the country's global competitiveness. The success of the Cultivation of Wisdom project has prompted KBank to continue the initiative by creating the Nan Cultivation of Wisdom project in collaboration with the University of Phayao. This project places importance on the development of learning process, while also promoting sustainable development, based on ESG criteria. It will also be developed into a prototype for implementation of educational development in other provinces in the future.

Objectives

- To promote the Cultivation of Wisdom project as a mechanism for creating a society of knowledge and technology. To ensure that this project is appropriate within the context of participating schools. To create a common understanding with the relevant local agencies regarding the implementation of the project.
- To offer youths analytical, synthetic and logical thinking skills so that they can manage their life and become qualified personnel for the country's economic and financial systems in the future.
- To promote the SDGs.



Project Details

The Nan Cultivation of Wisdom project is a research-based program with the aim of offering academic services to schools in Nan for development in accordance with the cultivation of wisdom process and concept. It uses research-based learning (RBL) as a tool to stimulate learning, solution finding, critical-synthetic thinking through “questioning is teaching”, “reflecting is learning” and “writing is thinking”, thus embedding a set of thoughts, causes-effects, along with a set of ideas, skills and scientific processes, as well as triggering changes in life-long learning process among students. The Sufficiency Economy Philosophy of late His Majesty the King Bhumibol Adulyadej’s has been infused in the project and core teachers will pass on related skills and processes to students under the Nan Cultivation of Wisdom project. The design of teaching and learning processes are based on RBL, which integrates the context of local communities into various subjects taught at schools to allow students to understand and foster a close bond with their communities, while also ready to protect and strike a balance between people, art, culture, nature and environment, as well as good morality. They will also be able to see and accept changes, plus being an important force in helping improve and address problems in communities and the country, and steering the economy towards sustainable and competitive growth at the international level.

Outputs



Participating schools: 30 schools



Participating teachers: 161 teachers



Participating students: 1,277 students



Projects from the initiative: 195 projects

Impacts

Empirical results have been seen throughout the implementation of the Nan Cultivation of Wisdom project. These include changes in the Thai education system at participating schools and a conceptual framework of important public agencies, namely schools, which have adjusted and changed both their learning and teaching processes in line with the competency-based program, as well as being able to enhance the capability of teachers. Such changes are beneficial to the enhancement and development of students’ competencies in accordance with the standards of the basic education curriculum and key capabilities in the 21st century. At the same time, students are ready to

embrace life-long learning, and their parents may experience positive effects from behavioral changes of their children.

An analysis of Social Return on Investment (SROI) of Nan Cultivation of Wisdom project shows that every Baht 1 of investment in the project will render social return valued at Baht 1.95 (or SROI at 1:1.95). SROI has been calculated from return to teachers participating in the project. In detail:

- Value of knowledge derived from the project;
- Lower traveling expenses than training in Bangkok;
- Income incurred to teachers from a fewer hours required for teaching preparation;
- Higher income from higher teaching skills derived from the project
- Higher income from salary / status adjustment.

More information is on KBank’s Website:

<https://www.kasikornbank.com/th/sustainable-development/project/Documents/SROI-Nan-Cultivation-of-Wisdom-en.pdf>

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 Klasses: 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 for those wanting to improve learning skills; and Play Yard 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 KBank 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

- AFTERKLASS continued to organize an activity under the 'Super Hero' theme, in which more than 10 - 12 senior members, who had real-life experience and were successful in various fields, were invited to share various tips, including business and life management, self-training, financial management and systems thinking. Members could talk and seek advice from these super heroes on any matter.
- Due to the protracted COVID-19 pandemic from the first quarter to the third quarter of 2022, AFTERKLASS continued to organize online workshops via Zoom every month. The workshops placed emphasis on interaction between instructors and participants, pre-test evaluations, and post-workshop assignments in order to evaluate learning outcomes of participating youths in various workshops, such as how to save the first one million Baht in your life, how to take notes with pictures that are easy to remember and can be used by people of all professions, how to find free scholarships worldwide, how to sell products online, how to build a career from passion, how to design the coolest animated characters and how to build brand recognition. AFTERKLASS also held its first Metaverse workshop, featuring how to find income from being a creator in the world of non-fungible tokens (NFT), which is a new and effective tool in helping generate income. During the fourth quarter of 2022, when the government began to relax various restrictions due to the improvements seen in COVID-19, AFTERKLASS resumed its in-person workshops, including such topics as fund investment, tips for millennials to build their first million Baht and long-term investment techniques. These workshops received overwhelming response from the target group.
- AFTERKLASS resumed its annual grand event, which is the boot camp for high school students to compete in the creation of innovations and business plans. The activity in this format was held for the third consecutive year under "The AFTERKLASS Business Kamp 2022: Start Up for Better Society Hackathon", in line with KBank's

policy of promoting social responsibility and sustainability. The contest at the boot camp therefore was based on this policy with the aim of encouraging youths to shift their interest to and help invent products or services that help address social problems in various dimensions in line with the UN's 17 SGD Goals. A total of 698 youths, representing 140 teams nationwide, signed up for the boot camp.

Outputs



The number of new members in the online system:
10,543 persons



The number of youths participating in both online and in-person workshops: 1,433 persons

The number of members who followed the project via social media channels:



51,001 persons



9,430 persons



775 persons



3,985 persons



Youths, who were equipped with saving, spending and financial management skills, amounted to 90.05% of total members.



Youths, who were equipped with business and investment skills, amounted to 91.5% of all members.



Youths, who gained knowledge about financial products for everyday life, amounted to 90% of all members.



KBank expects that the workshops organized under AFTERKLASS will help foster cordial relations between participating youths and KBank. Participating youths, who opted or told their friends and family members to choose the Bank's services in the future, amounted to 89% of total members.



Media and PR value: Baht 19.81 million

An analysis of Social Return on Investment (SROI) of AFTERKLASS project shows that every Baht 1 of investment in the project will render social return valued at Baht 1.31 (or SROI at 1:1.31). SROI has been calculated from return to youths participating in the project. In detail:

- Value of knowledge derived from the project
- Lower expenses or higher income from change in behaviors after receiving knowledge from the project
- Value of business and income from use of knowledge from the project

More information is on KBank's Website:

<https://www.kasikornbank.com/th/sustainable-development/project/Documents/SROI-AFTERKLASS-en.PDF>

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, given that only two of the total of 90 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). In 2021, the total amount of waste in Nan reached 276 tons/day.

To address the waste problem, biotechnology has been employed to create innovations while interdisciplinary knowledge has been used to reduce the related impacts on communities. 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 will 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

- To promote Nan to become a zero waste city.
- 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).

- To study various factors in the social and educational dimensions, plus social impacts for the development of targeted communities, so that 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).

Project Details

KBank has entered into an interdisciplinary collaboration with VISTEC's MSE and research teams of many institutions, such as Burapha University, Mahidol University, National Science and Technology Development Agency (NSTDA), Kasetsart University, Chulalongkorn University, Srinakharinwirot University, Navamindradhiraj University, Chiang Mai University and Prince of Songkla University, Suratthani Campus, to establish the 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 KBank previously collaborated with VISTEC's MSE during 2018 - 2019. The second project is Cash Return from Zero Waste and Segregation of Trash (C-ROS) that KBank previously supported its research program (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 recycle organic waste into biogas and bio-plant tonic of 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 the correct organic waste management and can realistically use the system for comprehensive benefits in line with the principles of a circular economy.

Such projects aim to promote the SDGs:

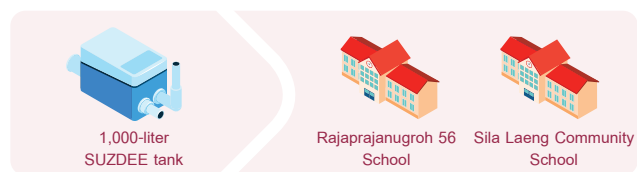


Outputs

- The CIAN-SUZDEE learning center and office were established at Baan Maha Phot community, Mueang Nan District, Nan. Their tasks and operating results during seven months (April-October 2022) are, as follows:
 - A 1,000-liter SUZDEE tank was installed for the purpose of demonstrating its operating system, and receiving and exchanging organic waste within Baan Maha Phot community. A total of 454 kilograms of food waste were received and placed into the SUZDEE tank for the processing of 414 liters of bio-plant tonic (valued at approximately Baht 41,400), and 21,515 liters of biogas. A total of 10 households participated in the food waste for bio-plant tonic exchange program.
 - Collaboration with the Mueang Nan Municipality and 38th Military Circle in a number of activities. These included holding a talk and demonstration about the SUZDEE tank, welcoming guests who came to study Nan's waste management operations, organizing 7 lectures/training sessions for 212 teachers and students from schools where the SUZDEE tank had been installed.
 - Serving as a coordinating center in receiving incident notifications and solving basic problems for eight 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) Jumpi Wanidaporn School; 4) Mueang Nan Municipality Office; 5) Nan Hospital; 6) Daroonwittaya School; 7) 32nd Ranger Forces Regiment, Phu Phiang District, as part of the well-bred soldier project and, 8) Baan Don Kaeo community.
- Field surveys were conducted in various districts of Nan, taking into account the readiness and appropriateness of locations. Once completed, three sets of a 1,000-liter SUZDEE tank were installed at:
 - Rajaprajanugroh 56 School, Wiang Sa District (two sets) as the 9th location in Nan. It is the first location where a double SUZDEE tank system was installed

because Rajaprajanugroh 56 School is relatively large, with 677 boarding students. Most of these students are ethnic group members and all of their three meals are provided by entrepreneurs.

- Sila Laeng Community School (one set) as the 10th location in Nan. The school has 250 students, 100 of whom are boarding students. Most of them are ethnic group members and all of their three meals are provided by entrepreneurs.



Impacts

Social Dimension

- The CIAN project is a long-term program (2022 - 2026) under KBank's support. It is aimed at addressing problems and systematically enhancing the well-being of the people of Nan, promoting environmentally friendly agricultural, 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.
- Schools and communities targeted to receive 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 SUZDEE project has helped enhance the efficiency of waste segregation systems 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 impact will be widely felt on families and communities there in the end.



Food waste
filled in the
tank:

454

Kilograms



Bio-plant tonic
produced:

414

Liters



Biogas produced
as cooking gas:

21,515

Liters

Environmental Dimension

- The project has helped promote the segregation of solid waste for recycling, cut the amount of waste from food scraps, and reduce at least 520 kilograms/month of organic waste sent to waste disposal sites in various municipalities and landfills across all communities in Nan.
- The project has helped increase the share of renewable energy consumption and reduce greenhouse gas emissions in Nan at least 422 kilograms of carbon dioxide equivalent per month.

If this project is successful, KBank 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 KBank over the long-term.

Nan Sandbox Project

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 later on.

Objectives

- To conserve watershed 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.



Operations in 2022

- Nan Operation Committee Meeting, No.1/2022, May 18, 2022, at the Center for Learning and Academic Services, the Network of Chulalongkorn University, Pha Sing Sub-district. Mueang Nan District, Nan, Office of the Permanent Secretary Natural Resources and Environment, Bangkok, and KASIKORNBANK, Head Office, Bangkok (online meeting).
- The Subcommittee on Personal Data Collection was established to support the Personal Data Protection Act B.E. 2562 (2019), with the Permanent Secretary of the Ministry of Digital Economy and Society as the Advisory Chairman. Assigned Deputy Permanent Secretary of the Ministry of Digital Economy and Society, and the Governor of Nan Province were Co-Subcommittee Chairmen.
- Chairman of the Private Sector Committee, Nan Operation Committee Meeting delivered a keynote address on the Mahidol Day 2022, September 24, 2022, at Rajabhanada Sirinthorn Meeting Room, Srisavarinthira Building, Faculty of Medicine Siriraj Hospital, Mahidol University.
- The Royal Forest Department, together with Nan Operation Committee Meeting, and KASIKORNBANK, signed the Memorandum of Agreement (MoA) on the collection of personal data and data of individual farmers in forest areas in accordance with laws in Nan for the collection and processing of data required for the allocation of habitation and land rights for farmers in Nan in accordance with the National Land Policy Act B.E. 2562 (2019) and the Personal Data Protection Act B.E. 2562 (2019).

- Updated the data of individual farmers residing and utilizing forest land per the laws in Nan so that they are complete and accurate in accordance with the regulations of the National Land Policy Committee (the Royal Forest Department as the authorized officer). The new data were used to apply for the collective land rights (610 villages, 135,000 plots, with the total area of 1.6 million rai) for farmers in Nan.
- Promoted and supported the Nan Provincial Land Office's operations related to the allocation of habitation and land rights in forest areas in accordance with the laws and within the permission framework 1: quality watershed area confirm 3, 4 and 5 prior to the Cabinet's resolution, dated June 30, 1998.
- Promoted and supported the Steering Committee's operations, and supported Nan watershed management, established by the Governor of Nan province to have the authority in planning and driving Nan watershed management, as well as conserving natural resources and the environment.

Additionally, KBank supported various projects that aim to promote inclusion among various sectors in the restoration and conservation of the Nan watershed forest, including:

- The "Rak Pa Nan" seminar, No.5/2022, entitled "Ruamjai Rak Pa Nan", April 19, 2022, at the Center for Learning and Academic Services, the Network of Chulalongkorn University, Pha Singh Sub-district, Mueang Nan District, Nan.
- Supported the operations of the Rak Pa Nan Foundation under the Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn, including:
 - Donations to support the construction of an accident and emergency building, radiation building, and parking building at Nan Hospital, Mueang Nan District, Nan, April 19, 2022. Her Royal Highness Princess Maha Chakri Sirindhorn presided over their foundation stone laying ceremonies.
 - Visited and inspected the operations of various community health units of the Ministry of Public Health, and Child Development Centers of Subdistrict Administrative Organizations in Nan's 15 districts and 99 sub-districts, totaling 279 locations. These include 171 community hospitals, sub-district health promotion hospitals, community health centers and the Royal Suksala clinics, as well as 108 Child Development Centers. Vice Chairman of the Rak Pa Nan Foundation under the Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn presented in-kind donations, including medical equipment, tools

and appliances, drinking water filtration system and child development equipment, to those agencies. The Rak Pa Nan Foundation also offered financial assistance to help build, restore and repair buildings and lavatories as required by all agencies or those that did not have such facilities or budgets with the aim of upgrading the quality of life and improving public health services.

To continue our 2021 operations on the promotion of climate change awareness via the campaign to create a recognition of Thai words for climate change as "Erratic global weather conditions", and other activities aimed at drawing public attention to the global climate crisis, KBank launched three campaigns to promote the public awareness of the climate crisis and encourage people to begin solving related problems, as follows:

- The "Marry to Nature" campaign, with the aim of encouraging people to turn their attention to nature and the environment around them, and be committed to taking care of nature like our loved ones. The campaign invites the audience to be committed to changing their habits and taking actions in the conservation of natural resources and the environment. Such concept was used in mapping out a comprehensive communication strategy to build public engagement via both online and offline channels by launching the 2.30-minute "Marry to Nature" video clip.

Outputs

- The "Marry to Nature" commercial was viewed by 15.26 million persons, amounting to 38 percent of the target audience and there were 45.2 million views
- Media and PR value: Baht 17.78 million



- To continue the master “Marry to Nature” campaign, the “GENGREEN” activity was launched to encourage Thais to be aware of the climate crisis, and ways to solve and prevent related problems, based on the 8R via the “How to Love” commercial, featuring well-known professional golfers, namely Ms. Ariya and Moriya Jutanugarn (“Pro Mo” and “Pro May”), who invited the audience to accomplish four missions in conserving the environment via the “Reanroorakpanan”.

Outputs

- The “How to Love” commercial was viewed by 8.9 million persons, amounting to 22 percent of the target audience, and there were 29.7 million views
- Number of participants: 220 persons
- Sharing of the four missions: 386 posts
- Media and PR value: Baht 17.8 million



- Clips of the “Green Chair” program, with the aim of instilling an understanding about environmental conservation, climate change problems, impacts on supply chains, plus prevention and mitigation methods in the Alpha generation (those who are older than 11 years) and their parents. KBank collaborated with the Environmental Education Center in producing numerous clips of the “Green Chair” program, hosted by Mr. Alex Rendell, Thailand’s goodwill ambassador for the United Nations Environment Program, and Master Pattarapat Mainoi, aka Nong Army, as a co-host, to promote the awareness of climate change problems and ways to mitigate them by using the 8Rs. The program uses easy-to-understand language like talking to children of the same age. A total of eight clips were launched, such as “What is global warming?”, “Where does carbon dioxide go when we grow trees?” and “Who creates marine litter”. Clips in the fourth episode featured “Mangrove forest as a giant greenhouse gas storage tank to ease the climate crisis” and “Joining forces with small green chair heroes to combat



climate change” and “14 SDGs as important missions to help reduce climate change”. These clips were aired on Facebook and YouTube, with the objective of encouraging children to learn and understand climate change problems and know how to solve them at a young age.

Outputs

- Eight clips of the “Green Chair” program: 1.57 million views.
- Media and PR value: Baht 1.3 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. KBank hopes that this project will help build its image as an environmental steward to create a zero-carbon society in accordance with KBank’s sustainable development framework and policy, and to preserve Thailand’s watershed forests in the future.

Being an Accountable Bank
to Create Sustainable Profitability

Governance and Economic Dimension

- 150 Corporate Governance
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- 158 Risk Management
- 166 Financial Innovations and Services
- 182 Responsible Lending and Investment:
ESG Credit and Investment
- 191 Sustainable Supply Chain Management





Digital banking leadership
via mobile banking channel stood at
89, 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 **514,652** million

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



Corporate Governance



Risks

If KBank were to operate its business by taking into account only benefits, with no proper management, it would not be able to create sustainable value.

Opportunities

Transparent, fair and ethical business operation with emphasis on working against all forms of corruption is instrumental in driving KBank to be a Bank of Sustainability and creating confidence among all shareholders and stakeholders.

Corporate Governance

Transparent, fair and ethical business operation complying with good corporate governance is instrumental in driving KBank to be a Bank of Sustainability and creating confidence among all shareholders and stakeholders.

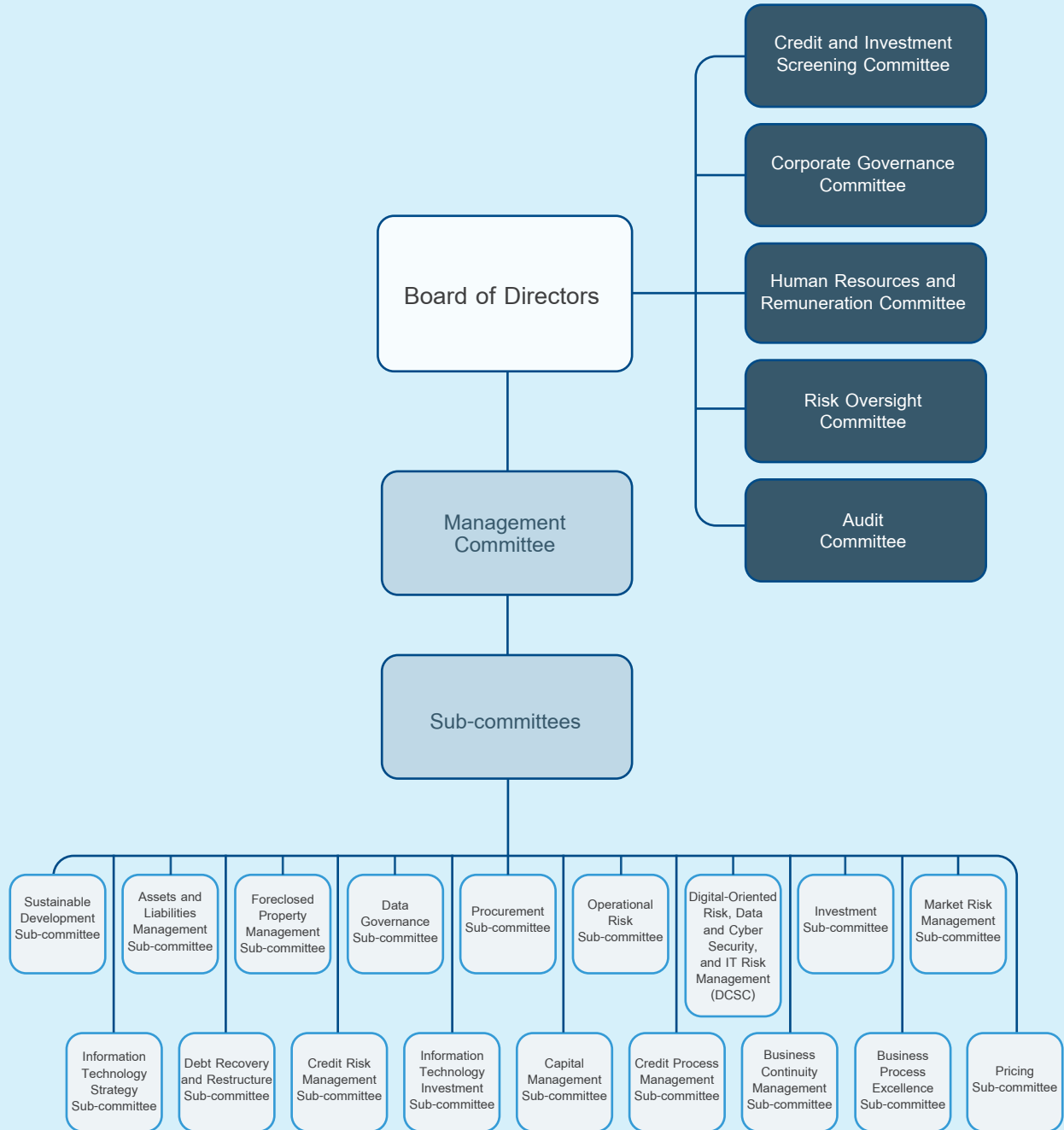
The role and duty of KBank's Board of Directors are to manage KBank business operations. The Board's decisions are independent, and taking into account the highest benefit of KBank and all stakeholders. Every year, the Board reviews and approves the Vision, Purpose, Core Values and operational strategies. The Board approves strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, covering sustainable development operations. The Board is also responsible for making decisions on and overseeing the management of impacts on the economy, environment and personnel, formulating the annual business plan and budget, monitoring and overseeing the Bank's management in effectively carrying out actions that are in line with designated policies, corporate strategy and business plans, and that are in accordance with the rules and regulatory requirements of related government agencies and the resolutions of shareholders' meetings. Moreover, the Board ensures the existence of an effective internal control system and appropriate risk management framework and cooperates with the management in business undertakings in order to continuously attain the excellent results with current and future risks taken into consideration. Risk assessment has thus been conducted organization-wide, covering 91 departments, 5 networks and 18 divisions*. Additionally, the Board has appointed the Credit and Investment Screening Committee and Sub-committees, comprising Audit Committee, Human Resources and Remuneration Committee, Corporate Governance Committee, and Risk Oversight Committee, to assist in studying and screening important issues that need close oversight in each aspect, as well as proposing opinions to the Board.**



* Structure as of December 31, 2022

** Details of duties and responsibilities per the Charter can be viewed in the Annual Report 2022 (Form 56-1 One Report) on page 110 - 116

Corporate Governance Structure*



* Corporate Governance Structure as of December 31, 2022

Business Ethics



Risks

If KBank does not comply with ethical standards, it will not achieve the set target, which may in turn affect its business operation and the economy at large.

KBank is committed to operating business, based on ethical standards and responsibility to all stakeholders. Business ethics are the core component of KBank's business operations. With strict adherence to the expected ethical standards, KBank employees are committed to delivering products and services in an appropriate and transparent manner and in response to stakeholders' requirements. This commitment has been reflected in KBank's practices towards our customers, employees, suppliers and other stakeholders. Compliance with the Statement of Business Conduct and Code of Conduct is compulsory for all permanent and contracted employees of KBank, including dealings with KBank's suppliers, in order to prevent risks that may affect KBank's business operations, directly and indirectly via supply chains. The Board of Directors has approved the Statement of Business Conduct and Code of Conduct as a set of principles that all directors and employees are expected to follow in all activities within the scope of their responsibilities for all stakeholders, for example, shareholders, Board members, employees, customers, suppliers, competitors, creditors, communities, the environment and society. It is our common obligation to perform our functions with integrity and honesty, in compliance with applicable laws and KBank's rules and regulations. 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**.

Opportunities

If KBank operates its business based on ethical standards, confidence among all stakeholders will be bolstered, thus promoting a positive image for KBank.

KBank organizes an orientation or briefing session for newly appointed directors for acknowledgment 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. Training and briefing sessions are held for the Board of Directors to communicate relevant knowledge on a continual basis. KBank requires that executives and employees conduct an annual review of their compliance with the Code of Conduct and the Anti-Corruption Policy. In 2022, KBank arranged for executives and employees to take a test before signing in acknowledgment 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 they accurately and appropriately perform their duties with responsibility. Additionally, briefing sessions were also held for our suppliers.

* Details of the Statement of Business Conduct can be found at KBank's website:
<https://www.kasikornbank.com/EN/IR/CorporateGovernance/Pages/ethics.aspx>

** Details of the Code of Conduct can be found at KBank's website:

<https://www.kasikornbank.com/EN/IR/CorporateGovernance/principles-core-values/Pages/Principles-and-Guidelines.aspx>

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

Persons who attended briefing and training sessions	Total of directors/ employees/suppliers (Person)	Number of Attendees (Person)	Percentage of total directors, employees* and suppliers**
Training sessions through 2022			
Directors	18	18	100
Employees	18,648	18,281	98.03
• Top Management	89	88	0.47
• Middle Management	1,037	1,021	5.48
• Junior Management	7,471	7,416	39.77
• Operating Staff	10,051	9,756	52.32
Briefing sessions			
Directors	18	18	100
Employees	18,648	18,648	100
• Top Management	89	89	0.48
• Middle Management	1,037	1,037	5.56
• Junior Management	7,471	7,471	40.06
• Operating Staff	10,051	10,051	53.90
Suppliers	956	956	100

* Total employees mean KBank employees.

** Total suppliers mean suppliers of KBank in Thailand



Business Operation Oversight

KBank operates in compliance with the laws, rules and relevant regulatory requirements. KBank's Board of Directors are tasked with overseeing risk management to ensure that operations are in compliance with rules and regulations of KBank. The Board of Directors has assigned the Risk Oversight Committee to supervise risk management in alignment with the risk management policy. High-level executives are responsible for ensuring effective compliance. All employees are required to perform their duties and responsibilities completely, accurately and in strict compliance with established regulations. Additionally, KBank has assured that the Compliance Department can perform its duties with independence and report to the Enterprise Risk Management Division and the Risk Oversight Committee.

The Compliance Department carries out a process to evaluate compliance-related risks of KBank and oversees the preparation and revisions of policies and regulations related to compliance in line with the current regulatory requirements, while communicating to staff and persons in charge of our representatives, regarding the compliance and fair treatment of our customers. Also, the department shall give notice of any changes or revisions in law and regulations to KBank's staff members, persons in charge of overseeing representatives, senior management and KBank's Board of Directors, while providing recommendations and advice thereof to ensure compliance with such requirements. The Department will also follow, monitor and analyze the accounting lists and transactions of customers to prevent illegal practices, namely, money laundering, financial support of terrorism and proliferation of weapons of mass destruction, while also making revisions to comply with regulatory requirements. The Department shall present guidelines to improve non-compliant practices or reduce compliance-related risks and report the results of risk evaluation regarding non-compliance and changing risks, while summarizing the results and causes. Such guidelines shall be presented to senior management, the Risk Oversight Committee and/or the Audit Committee on a regular basis and submitted to regulatory agencies as required.

Support for Internal Control and Auditing System

KBank places particular emphasis on effective internal control systems to ensure that business undertakings of KASIKORNBANK FINANCIAL CONGLOMERATE will achieve long-term corporate-wide goals and objectives in a sustainable manner. The structure and processes have thus been set to support effective risk management, internal control and compliance. The Board of Directors and Board Committees are responsible for overseeing overall KBank's strategies and objectives. The management is responsible for managing and conducting the Bank's business to achieve the set goals through the established written Code of Conduct, policies, procedure, roles and responsibilities of employees at all levels.

KBank has processes related to risk identification and assessment as well as defined internal controls as a part of our process. The defined duties within the organization are segregated to ensure check and balance mechanism. KBank has provided appropriate communication channels for engaging with internal and external stakeholders. Internal control assessment and monitoring are in place to ensure that the internal control system continues to operate efficiently in line with its design and is able to cope with new risks emerging during any period.

Regarding internal audit, the Internal Audit Department directly reports to the Audit Committee to ensure that it performs its tasks independently, objectively and transparently. Such tasks include the assessment of risk management, internal control and corporate governance to ensure that those operations are effective and efficient in conformity with KBank's policy, and relevant regulatory requirements. The assessment results of those operations and all issues concerned shall be reported directly to responsible persons in order to ensure that they are rectified in a timely manner. Significant issues shall be reported to the relevant Committees and/or the top management. KBank may submit the audit results upon request from regulatory agencies. The internal audit process emphasizes risk sensing and flexible audit plan. To manage significant risks the department conducts proactive assurance by applying continuous audit principles and data analytics. Moreover, automated data analytics rules have been introduced to enhance the efficiency of data analytics. To enhance the capability of KBank's employees, they have been continuously equipped with relevant knowledges, such as digital technologies, financial innovations and sustainability development.

KBank has emphasized market conduct, asset quality, customer data privacy, cyber threats, and IT risk management to earn the trust of our customers in use of our services with confidence and security. Study course on governance, risk management and compliance has been organized for executives and employees, while all employees have been required to take an e-learning course on internal controls.

Anti-Corruption

The Board of Directors has approved the Anti-Corruption Policy to ensure that all operational processes are in compliance with regulatory requirements. The Corporate Governance Committee is responsible for ensuring compliance with the policy, KBank's operational procedures, relevant regulatory requirements, the Statement of Business Conduct and the Code of Conduct among employees at all levels. The policy shall be subject to annual review.

KBank, KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset) and KASIKORN SECURITIES PCL. (KSecurities) co-signed a declaration of the Private Sector Collective Action Coalition against Corruption (CAC) jointly initiated by the Thai Institute of Directors (IOD), Thai Chamber of Commerce, Joint Foreign Chambers of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of the Thai Capital Market Organizations and Federation of the Thai Industries. The project's major objective is to raise anti-corruption awareness. Since 2013, KBank, KAsset and KSecurities have been certified by the CAC Council.

KBank recognizes the importance of communications on the Anti-Corruption Policy for appropriate practices and actions both within and outside the organization. The Anti-Corruption Policy is posted on the KBank website. KBank has regularly communicated the Anti-Corruption Policy to directors, executives and employees via internal media and channels, including the Corporate Governance Journal, electronic network and KASIKORNTV. In addition, training courses related to the Code of Conduct and the Anti-Corruption Policy are provided via e-Learning for employees to enhance an understanding of completely and appropriately performing of duties and responsibilities. Their knowledge and understanding are assessed after completing the courses. To show our staunch commitment to anti-corruption in all forms and to ensure transparency in our operations and promote good governance, the No Gift Policy has been introduced at KBank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE.



KBank promotes a No Gift Policy, refraining from accepting gifts regardless of festival or occasion, in order to promote good corporate governance and operations in line with the principles of a Bank of Sustainability.

KBank has consistently supported and promoted our suppliers to refrain from dealings with businesses involved in corruption. Related actions undertaken in 2022 included:

- Communicate KBank Supplier Code of Conduct, covering business ethics, human rights and labor, anti-corruption, occupational health and safety, and environment, for acknowledgment and as operational guidelines. Encourage suppliers to join the anti-corruption network.
- Communicate the No Gift Policy for all festivals and occasions to the customers and suppliers.
- Communicate 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 to put in place 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 is determined to be a bank with trusted financial transaction security and mechanisms for the prevention of money laundering, and financing of terrorism and proliferation of weapons of mass destruction. KBank has put in place the AML/CTPF* policies and regulations that are in line with the regulations of the Anti-Money Laundering Office (ALMO) and required international standards. All employees at branches, head office, and wholly-owned subsidiaries of KBank are required to comply with such policies and regulations under the supervision of top management.

KBank has established the KYC and CDD** processes, plus those related to screening customers against sanction lists, and risk management in line with the customer risk levels. The efficient and effective AML monitoring system has been put in place, while data analytics have 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 on AML/CTPF are assessed on a regular basis.

Receiving Information or Whistleblowing and Complaint

KBank has established a Whistle-Blowing Policy with channels for receiving information or evidence of wrongdoing, a process for handling of such information or tips 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.

Additionally, 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



Whistleblower sends information via postal mail or email.



Independent units screen, compile and verify facts, while the whistleblower's information is kept confidential.



If wrongdoing or inappropriate action is detected, disciplinary action will be taken, based on KBank's operational procedures.

* AML/CTPF: Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing

** KYC: Know Your Customer / CDD: Customer Due Diligence

Regarding to information or Whistle-Blowing channels, 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, Phaya Thai District, Bangkok 10400, Thailand

Email : info@kasikornbank.com

Telephone : +662-2220000 Press 1

Fax : +662-4701144

K-Contact Center (Personal) : +662-8888888 Press 1 Thai, Press 2 English, Press 877 Japanese, Press 878 Mandarin, Press 879 Burmese

K-BIZ Contact Center (Business) : +662-8888822 Press 1 Thai, Press 2 English, Press 3 Mandarin, Press 4 Japanese

Complaint Hotline

Personal : +662-8888888 Press 9

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Corporate Communications Department

Individual Investors and Shareholders

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Institutional Investors and Shareholders

Email : IR@kasikornbank.com

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INFORMATION AND WHISTLEBLOWING CHANNELS

Board of Directors

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

Internal Audit Department, Audit Division

e-mail : InternalAudit@kasikornbank.com
Address : Co-Department Head-Internal
Audit Department
Muang Thai-Phatra Complex 1,
32nd Floor, 252/40-41,
Ratchadaphisek Road,
Huai Khwang Sub-District,
Huai Khwang District
Bangkok 10310

Risk Management



Risks

Amid ongoing economic volatility and emerging risks within a changing business context, KBank is aware that unless appropriate risk management is in place, our operating performance will be jeopardized, which will in turn adversely affect the long-term stability of both KBank and the financial institution system.

Opportunities

Efficient risk management will create confidence among stakeholders, which will bring about business opportunities and secure growth.

Three Lines of Defenses

KBank has established an organizational structure with a segregation of risk prevention duties, as follows: The 1st Line of Defense, which comprises operating units of all departments; the 2nd Line of Defense, which comprises units tasked with risk management; and the 3rd Line of Defense, which comprises units tasked with auditing, in accordance with the Three Lines of Defense guideline.

KBank has applied the Three Lines of Defense guideline to our risk management, starting from the Board of Directors to the operational level to ensure that our risk management process has been efficiently supervised, controlled and examined by responsible units.

Risk Management Process

KBank has in place a risk management process comprising risk identification, assessment, monitoring and controlling, and reporting. We have steadily improved our risk management process so that it is consistent with regulatory changes, emerging risks and the prevailing business environment. We have focused on climate-related risk, which has been incorporated into our credit risk management process. Climate-related risk is a factor for credit underwriting as well as assessing the impact on KBank's credit portfolio. KBank also places significance on early warning and monitoring of risk position and overall concentration. We have also regularly reviewed the adequacy of our risk management system and efficiency of risk management via relevant committees. The reviews have shown that our overall risk management is appropriate.



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

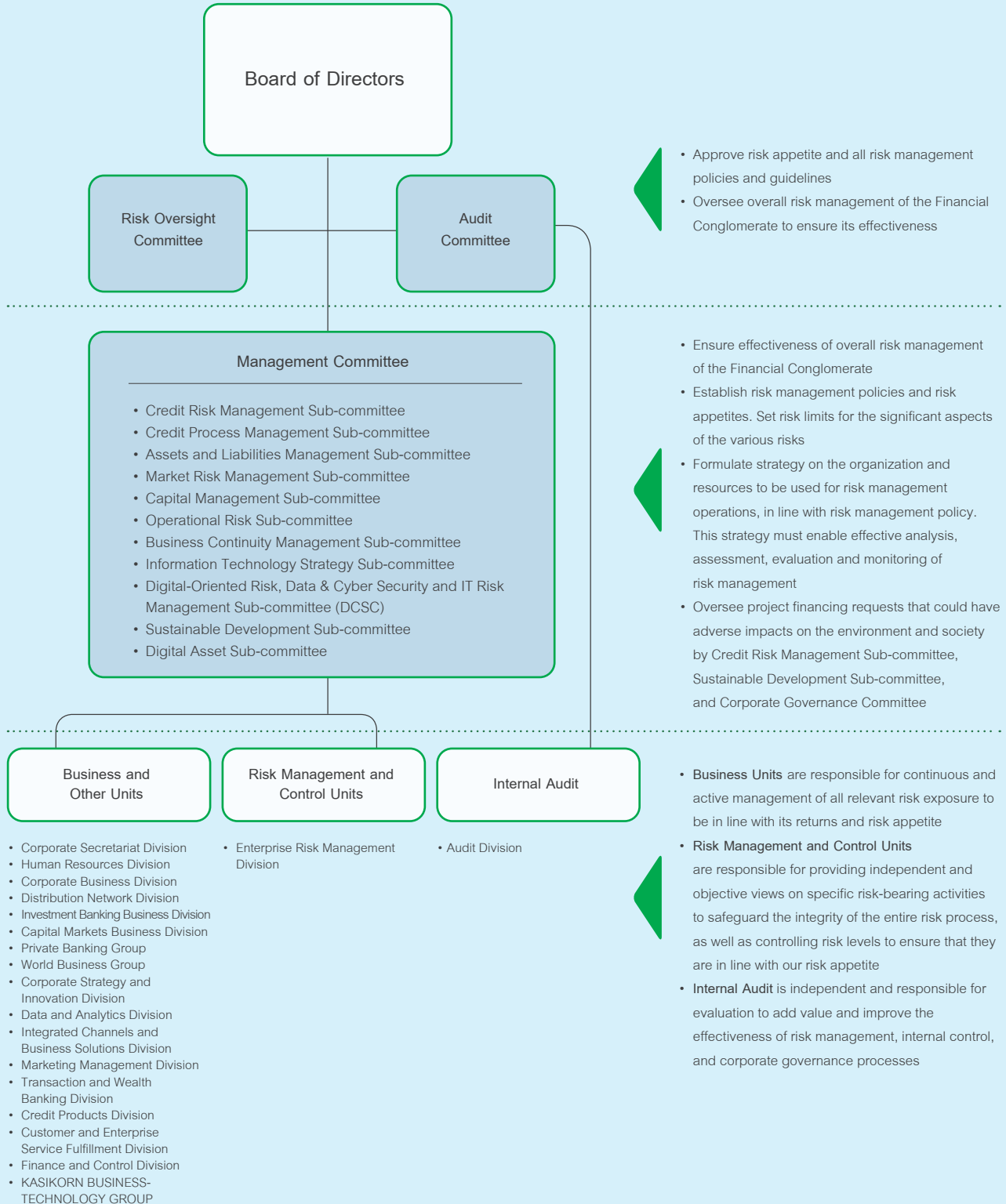
Monitoring and control are in place to ensure that policies, procedures, and risk limits implementation are in compliance with risk policies and risk appetites approved by the Board of Directors.

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.



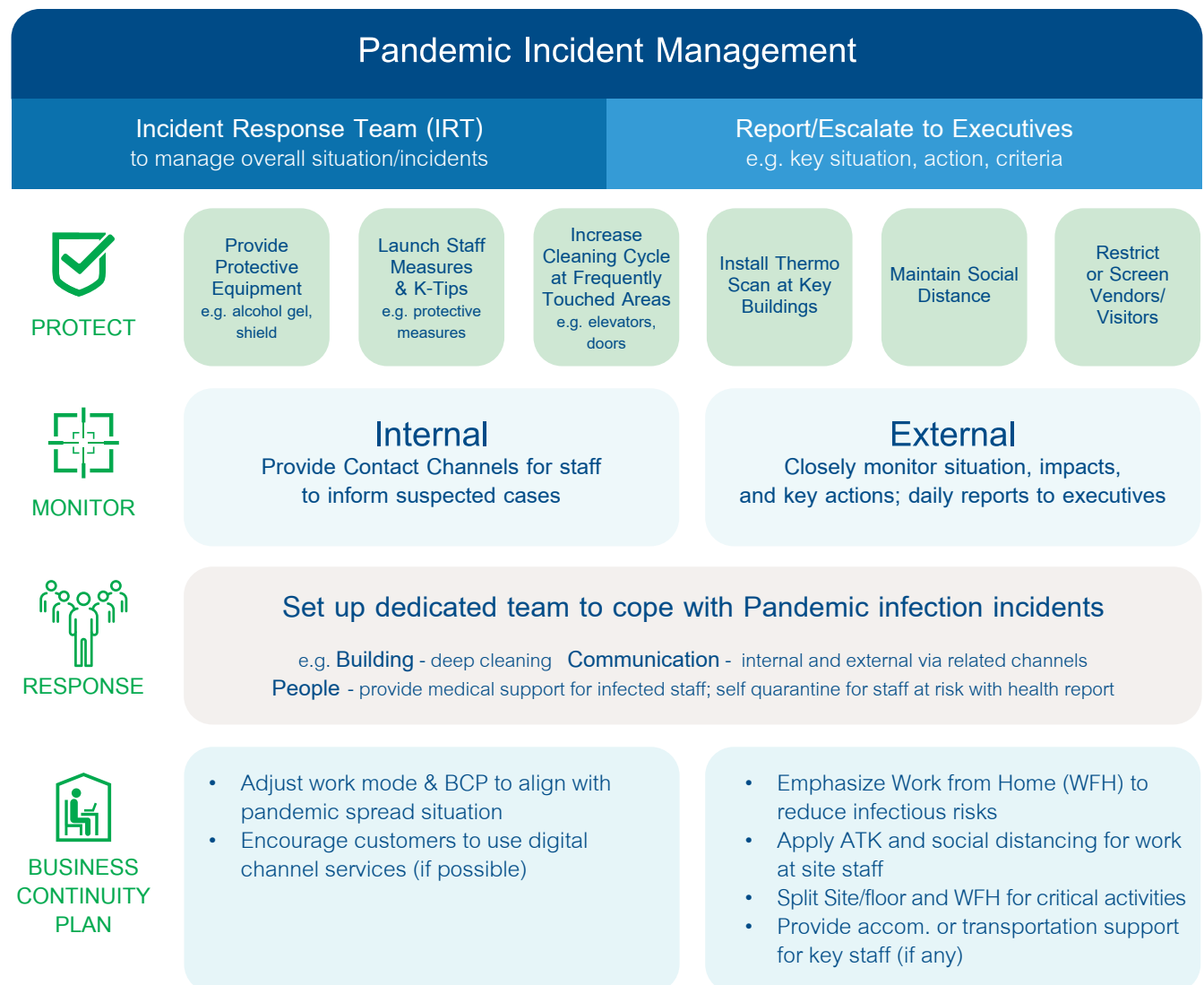
Risk Management Structure



Risk Management from COVID-19

KBank acknowledges the risks and impacts of COVID-19 on the lives and safety of our customers and employees as well as KBank's business continuity and services, together with the business operations of our customers, suppliers and related stakeholders. KBank has thus conducted proactive operational risk management for prevention, monitoring and handling of the COVID-19 pandemic since its emergence. The situation has therefore been effectively managed and received a timely response; as of this writing, no severe impacts on the lives and well-being of our employees had been reported.

KBank's management of COVID-19 encompasses prevention, monitoring and handling of the pandemic to ensure confidence when it comes to employees' work performance and customer services with security and business continuity in mind. Notable efforts can be summarized as follows:



COVID-19 Preventive Measures – Protect

KBank put in place COVID-19 preventive measures for employees and customers. We have relaxed the restrictions in line with the government's guidelines and the pandemic situation. Key measures are as follows:

- Provide and support protective equipment necessary for the workplace, such as alcohol gel available at various sites and protective partitions at service areas
- Conduct PR campaigns on health care measures and guidance, such as asking for cooperation from employees to wear masks within the Bank's compound or when they are in close contact with other people, and social distancing
- Increase frequency of disinfection for public touch points, such as elevators and doors
- Arrange points of body temperature measurement at building entrances
- Maintain social distancing rule at common areas, such as canteens, and establish assigned desks
- Arrange for visitor screening points for their convenience and safety

Close Monitoring of the Situation

KBank has continually monitored the COVID-19 outbreak to keep abreast of the latest situation in order to ensure timely and efficient management of any incident. We put in place a monitoring system via internal and external channels, as follows:

- Internal channel: Employees can report COVID-19 incidents or inquire about relevant measures via a central telephone number and system arranged by KBank.
- External channel: We keep track of new developments of COVID-19 through government agencies and sources of pandemic-related news both in Thailand and other countries.

Response to Incidents

KBank established working teams and methods for incident response to ensure efficient and appropriate handling of the outbreak.

- An Incident Response Team (IRT), comprising top management and representatives from various divisions, is responsible for formulating guidelines and overall management.
- A special task force, comprising representatives from related units is responsible for assessing the situation for reporting to IRT and coordinating with relevant units.
- A medical personnel and support team, comprising KBank physicians and officers provides, advice on hygiene and welfare, while also working in support of other operations related to COVID-19 management.
- KBank put in place methods and guidelines for taking care of COVID-19 infected employees. After a staff member is diagnosed with the disease (ATK testing or RT-PCR), we give support until they get well and can resume work. KBank is also responsible for medical expenses under their approved coverage.



Coping with other Emerging Infectious Diseases

KBank is confident that we will be able to effectively cope with other emerging diseases with the following actions/procedures:

- Improve our Crisis Management Plan for Pandemic based on actions taken with COVID-19, including preventive measures for enhanced efficiency. The plan will be reviewed and revised every year with occasional training and practice sessions to ensure employees' familiarity with and effective implementation of it.
- Keep track of infectious diseases both at home and abroad. We will conduct an assessment to ensure preparedness in case the situation escalates.
- Promote learning habits among employees to ensure personal hygienic practices for preventing infection.






Business Continuity Plan: BCP

KBank has required that business and support units assess possible impacts on products, services and internal activities, while the business continuity plan must also be reviewed and revised to ensure that they are responsive to COVID-19 transmission. In detail:

- Determine mission-critical activities (MCA) to cover certain transactions that must be undertaken in accordance with the Bank of Thailand's additional guidelines, including assistance measures for borrowers affected by the COVID-19 pandemic.
- Mitigate infection risk and broaden the work scope to accommodate continuity of work performance. To this end, we adopted a blend of onsite and work-from-home formats to ensure the continuity of mission-critical activities, especially in case certain employees cannot perform their work.
- Adjust work formats and methods to assist pandemic-hit customers in conducting transactions with a minimized degree of risk.



Relief Measures for Stakeholders Affected by COVID-19

Stakeholders	Relief Measures
Customers 	<ul style="list-style-type: none"> • Suspend the principal payment only or rescheduling of loan payment for borrowers affected by the pandemic • Grant additional loans to business operators • Debt holiday for business operators • Reduce Interest rate • Reduce monthly repayment or minimum payment
Employees 	<ul style="list-style-type: none"> • Give assistance money as a morale booster to employees of KBank, K Companies and P Companies • Offer interest-free loan to assist COVID-19-hit employees and their families with established loan repayment period • Allow employees to defer repayment of welfare loan per the established period
Suppliers 	<ul style="list-style-type: none"> • Apply hygiene measures equal to those used with KBank employees to service providers' staff members who have been screened to work onsite • Put in place processes to accommodate the extension of payment period for suppliers affected by the pandemic • Reassess service contracts during branch closure at the height of the COVID-19 pandemic by considering payment as appropriate to ensure that staff members of service providers impacted by the crisis are able to resume work as normal. Rather than making no payment, we have made partial payment to service providers to keep their businesses running • Apply technology with working processes via online channels for greater convenience as well as reduction of travel and direct contact • Adopt electronic processes and documentation along with streamlining work processes with suppliers to ensure more flexibility appropriate for the prevailing circumstances and in line with COVID-19 control and prevention measures and practical guidelines • Work with suppliers in implementing goods/service procurement plan to ensure that they can cope with risks more efficiently
Shareholders 	<ul style="list-style-type: none"> • Communicate to shareholders KBank's measures to cope with the COVID-19 pandemic via multiple channels, such as KBank website, shareholders' meeting, the quarterly reports of Management Discussion and Analysis and meetings, etc • Arrange for various channels to receive comments from shareholders, such as email and telephone
Society and Community 	<p>The Bank provides assistance to units or parties affected by COVID-19, as follows;</p> <ul style="list-style-type: none"> • The Loan to Fight COVID-19 project (More details can be obtained from the Financial Inclusion and Financial Literacy section) • Loan Facility for CRC's Suppliers program (More details can be obtained from the Financial Inclusion and Financial Literacy section)

Building and Instilling Risk Culture

KBank prioritizes the creation of 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.

Top management places importance on the creation of risk culture. All committees of KBank, including senior executives at the President position to the First Senior Vice President position, have promulgated, monitored and demonstrated exemplary behaviors that promote risk culture. Risk status and issues are regularly reported to the committees that responsible for risk management to ensure appropriate and timely action.

Moreover, we have promoted a risk culture, which is instilled in all employees to ensure ownership of risk for themselves and the organization. We have established employee motivation and human resource management in various forms, such as communications, training, and KPI establishment, taking into account “echo from the bottom” to allow our staff members to communicate their opinions and risk issues directly. Meanwhile, processes and channels for reporting of suspicious incidents have been put in place to ensure timely monitoring, prevention and rectification. To this end, whistleblowing reports can be sent to the Internal Audit Department while measures to protect the rights of whistleblowers are implemented. KBank has undertaken operations under risk management policy. We have in place a risk management process comprising risk identification, assessment, monitoring, controlling and reporting. We established guidelines and procedures for employees to report loss incidents and potential events that may lead to internal fraud via the channels established by KBank. We raised the levels of problems to ensure timely management

and resolution. Operational guidelines which cover end-to-end process have been established for non-compliance with rules, regulations, procedures and the Bank’s Code of Conduct. These actions are part of the creation of a risk-aware culture. Moreover, KBank has adequately conducted risk-related data disclosure to the public.

Regarding customer service, KBank has adhered to the Market Conduct in accordance with the operational guidelines of “responsibility, transparency and fairness”. To ensure that employees have knowledge and understanding of the Market Conduct, KBank has continually organized training via various channels, such as online learning courses and communication via video clips. Moreover, we have monitored indicators and reviewed operations in various forms to ensure that our customers are offered fair services from KBank.

Regarding our credit operations, 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 have been organized regularly to ensure that related operating staff members are updated with the current practice. We have 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.

Financial Innovations and Services



Risks

Amid fast changing consumer behavior and technological development, unless KBank adjusts its strategies to be aligned with consumers' needs and expectations, the number of customers and service users will decline, which will eventually affect our financial standing.

KBank recognizes the importance of competitiveness capability development in the innovation and technology driven world. We aim to build upon our traditional banking business in step with changing consumer behavior, and in alignment with KBank of Sustainability principles under the K-Strategy for enhanced customer responsiveness both in Thailand and other countries in the AEC+3 region.

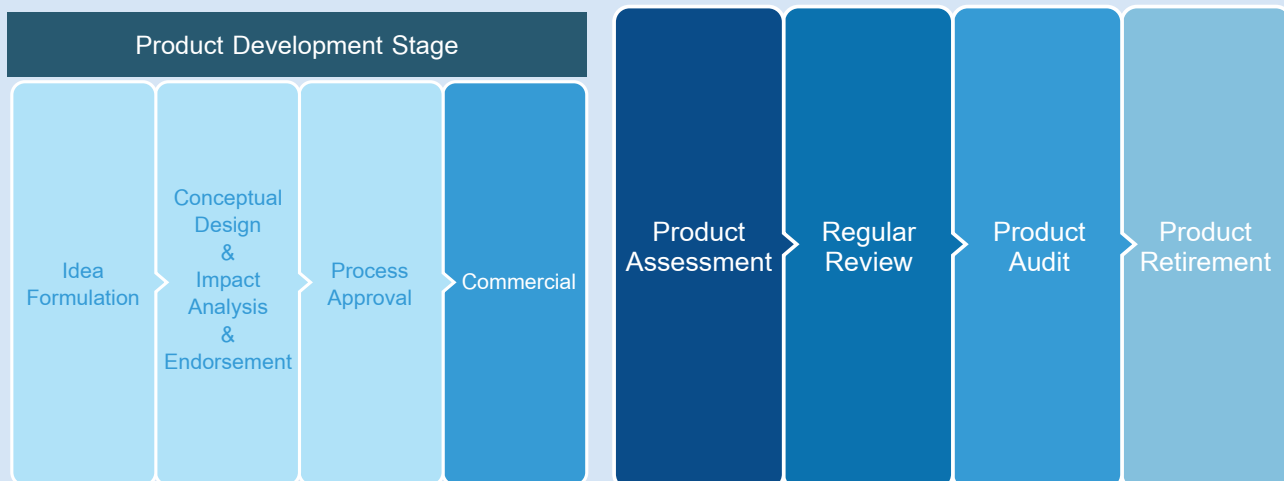
Opportunities

If KBank understands customers' behavior and their expectations, we will be able to develop our business operations and financial innovations that are aligned with their needs, while also coping with the changing circumstances in a timely manner. This will bolster our competitiveness, thus leading to enhanced business opportunities for KBank.

We continually developed our banking platform with the aim of expanding the number of users, while maintaining our leadership in mobile banking services now the most used platform in Thailand. Focus was on increased linkage of platforms with our business partners across all ecosystems and development of innovations to accommodate changing lifestyles. Major initiatives included:

Product Management Framework

A framework for managing product throughout its life cycle



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 from idea formulation to business feasibility analysis, product assessment/regular review/audit after launch and product retirement, as well as compliance with related regulatory requirements. The procedure has been undertaken under significant collaboration of related departments based on the Three Lines of Defense principle, keeping all stakeholders in mind to ensure that products are developed and improved efficiently in alignment with customer's needs and in compliance with key regulatory requirements, such as those of the Bank of Thailand, within acceptable risk appetite.

Guided by the K-Strategy that focuses on empowering every customer's life and business, KBank has prioritized our financial product and service development process through customer deep listening or customer workshops organized by our relationship managers (RMs) in order to truly understand their pain points and needs for further analysis and development of products to ensure customer responsiveness.

Market Conduct

KBank prioritizes elevating customer experience excellence to ensure customer responsiveness through the provision of services in alignment with market conduct principles.

The Board of Directors approves and reviews the Market Conduct Policy every year. The policy serves as guidelines for determining operations, and the Board of Directors assigns the 360 Prudent Risk Practice working group to be responsible for undertaking relevant operations in line with the guidelines determined by the Board. Key principles are as follows:

- Design or develop products by taking into account customers' needs, ability and understanding of products, with proper and fair collection of interest, service charges and penalties.
- Establish remuneration and measures to appropriately control risks.
- Establish sales processes that do not affect customer privacy, and are appropriate for their needs, financial ability and understanding, focusing on complete important data, which must be accurate and sufficient for their decision making in using services.
- Ensure that product information and service processes established by KBank are communicated to employees responsible for customer service for accurate performance.
- Put in place relevant procedures to ensure customer data security, taking into consideration confidentiality and the use of customer data in line with their given objectives or as required by law, which must not affect customer privacy.
- Put in place appropriate complaint management processes and remediation for customers to ensure efficiency.
- Put in place control and audit system to detect risks and irregularities to ensure effective loss prevention.
- Put in place effective management processes related to customer services during normal situations and emergencies to ensure that customers receive complete and accurate services.

The above principles indicate that KBank has continually focused on effective management and improvement to ensure appropriateness regardless of circumstances. KBank aims to elevate our customer experiences to ensure service delivery in response to their needs. We have established standards for customer service to ensure equal treatment in customer management processes along with fair and appropriate remediation in case of damage incurred to customers based on the Principles of Market Conduct. We are always prepared to comply with new or updated regulatory requirements.

Financial Innovations and Services

Mobile banking application and internet banking

Products/Services	Details of Financial Innovations and Services	Performance
K 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, UnionPay, Alipay and WeChat Pay – the Chinese e-wallets, QR code scanning with payment made via K Point and Mobile Point of Sale (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 SHOP.	<ul style="list-style-type: none"> Number of participating merchants: Approximately 2 million Number of transactions: Approximately 561 million Value of transactions: More than Baht 380 billion
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"> Number of transactions: 454 million Value of transactions: Baht 1.9 trillion Number of users: More than 700,000
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 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"> Number of transactions: More than 1.7 billion Value of transactions: More than Baht 1.9 trillion Number of users: More than 640,000



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

New K PLUS Services in 2022



K PLUS Thailand

Fast K PAY LATER application via QR code scanning on K PLUS and use of K PAY LATER credit lines for utility bill payment

QR code payment with stores bearing Union Pay logo or Cloud Quick Pass (Yun Shan Fu) in more than 40 countries/territories worldwide

Request other banks' statements for loan application with KBank and request KBank statements for loan application with other banks via K PLUS

Customized e-Slip service allows customers to choose from available backgrounds with themes tailored to special occasions or special persons

New look of My Port service which summarizes investment portfolio, classifies fund types, and shows performance and dividend payment



Virtual Debit Card application for online shopping

International Funds

Transfer: Daily limit has been increased to USD 99,999 while service hours are from 6:00 a.m. to 8:00 p.m.

Number of transactions: 31,750 million, an increase of 53 percent from 2021

Value of transactions: Baht 23.7 trillion, an increase of 25 percent from 2021

Number of K PLUS users: 20.0 million, an increase of 17 percent from 2021



K PLUS Vietnam

K PLUS Vietnam, a mobile banking application which was launched in March 2022, offers e-KYC service, other banks' funds transfer, bill payment and top up, account movement notification, bank statement inquiry, saved favorite transactions and QR code scan and display for payment via VietQR. Customers can add more than one account to K PLUS Vietnam.

K PLUS Vietnam

The number of users:
More than 350,000

Letter of Guarantee via blockchain

Products/Services	Details of Financial Innovations and Services	Performance
e-LG on Blockchain	<p>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.</p> <p>Benefits from the use of blockchain technology</p> <p>For KBank</p> <ul style="list-style-type: none"> • Slash documentation and data management costs as well as solving the problem of lost documents • Streamline work process under data security system <p>For customers</p> <ul style="list-style-type: none"> • Provide greater convenience through reduced time and transaction process • Save on commuting expenses • Prevent forgery of bank confirmation letter 	<p>Number of customers requesting issuance and renewal of e-LG on blockchain: 9,249 persons</p>

Product and Service Development

Products/Services	Details of Financial Innovations and Services	Performance
e-Donation	<p>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.</p>	<ul style="list-style-type: none"> • Number of organizations accepting donations: 597
e-Tax Invoice	<p>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.</p>	<ul style="list-style-type: none"> • Number of merchants using e-Tax Invoice: 263,600

Products/Services	Details of Financial Innovations and Services	Performance
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"> Number of merchants using e-Tax Invoice: More than 680,000
KBank Open API	<p>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.</p> <p>In 2022, KBank developed KGP Merchant Payment API and Fund Transfer API. This is in addition to QR Payment API, Slip Verification API, and Bill Payment API services available via this self-service portal that can be used via https://apiportal.kasikornbank.com</p>	<ul style="list-style-type: none"> Number of services available: 10 Number of people signing up for API on a trial basis: More than 6,200 Number of transactions: 150 million
Authentication Services	<p>KBank has developed authentication services to provide greater convenience for our customers and partners in their identity verification via online format. They include:</p> <ul style="list-style-type: none"> National Digital ID (NDID) service, which offers identity verification via NDID Platform RP Proxy, which facilitates our partners in connecting with NDID Platform via API portal Face API that provides facial recognition service 	<ul style="list-style-type: none"> Number of transactions (All services): 1.2 million
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 without going to a Bank branch, even during non-business hours.	<ul style="list-style-type: none"> Number of transactions: 2.4 million
Automated currency exchange machines	KBank has 13 automated currency exchange machines at Suvarnabhumi Airport, Don Mueang International Airport and King Power Mahanakhon Building in order to provide greater customer convenience. The service is also available during non-business hours of branches and at temporary foreign exchange booths.	<ul style="list-style-type: none"> Number of transactions: More than 43,200 Value of transactions: More than Baht 300 million Number of users: More than 36,100
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 message to the buyer, requesting them to make payment under the name Notification Service on Mobile Banking Application (Bulk Bill Alert).	<ul style="list-style-type: none"> Number of companies registering for Cross-Bank Bill Payment: More than 1,200 (based on taxpayer ID)

Products/Services	Details of Financial Innovations and Services	Performance
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"> Number of customers using K CONNECT-LG increased by 17 percent from year-end 2021
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"> Number of K e-LG via e-GP transactions accounted for 20 percent of total LG issuance transactions
K CONNECT – Supply Chain	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.	<ul style="list-style-type: none"> Number of customers using K CONNECT-Supply Chain: 4,058
KhunThong: A social chatbot on LINE platform	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. News and promotions of trade partners participating in marketing promotions with KhunThong were also offered.	<ul style="list-style-type: none"> Number of users per month: 241,000 Number of members: More than 1.1 million
MAKE by KBank: A mobile banking application	MAKE by KBank is a mobile banking application designed especially for the new generation, in which life is connected via technology. The application offers three main features 1) Pop Pay: funds transfer via Bluetooth, 2) Chat Banking: save transaction history in the form of social chat, and 3) Cloud Pocket: e-wallets/pockets categorization into various groups according to their objectives without opening multiple accounts. Moreover, a new "Expense Summary" feature has been added for greater efficiency in financial planning.	<ul style="list-style-type: none"> Average number of customers per month: 233,871 Number of accounts: 1 million

Products/Services	Details of Financial Innovations and Services	Performance
Personal loans by KASIKORN LINE Co., Ltd. and LINE BK Savings Account - co-branded deposit, LINE BK Debit Card and LINE BK Special Rate Account offered by KBank via LINE BK channel	Financial services on LINE application under the LINE BK brand offered by KASIKORN LINE Co., Ltd. include personal loan and retail loan under supervision. Meanwhile, services offered by KBank via LINE BK channel include LINE BK Savings Account - co-branded deposit, LINE BK Debit Card and LINE BK Special Rate Account, wherein transactions like funds transfer can be made with account number, PromptPay number, mobile phone number, LINE ID and QR code scanning.	<ul style="list-style-type: none"> • Number of applicants: 5.3 million • Total loans: More than Baht 18.1 billion



Financial services on LINE application under LINE BK brand

Debit cards/Cash card

Products/Services	Details of Financial Innovations and Services	Performance
Xpress Cash	<p>Xpress Cash provides customers greater convenience anywhere with various features and no fee for all transactions.</p> <ul style="list-style-type: none"> • Purchase goods and services at stores bearing the UnionPay logo nationwide • Make installment payment for goods or services from participating merchants of up to 36 months via K PLUS • Purchase goods and services at participating merchants with installment payment up to 36 months • Transfer funds from the Card to savings account via K PLUS with an unlimited number of times • Withdraw cash from ATM using QR code 	<ul style="list-style-type: none"> • Number of purchase transactions via Xpress Cash: 600,000 • Value of purchase transactions via Xpress Cash: Baht 2.5 billion

Products/Services	Details of Financial Innovations and Services	Performance
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"> • LINE BK Online Debit Card: Once issued, the electronic debit card can be used immediately for purchase of goods and bill payment online. • 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. • 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. 	<ul style="list-style-type: none"> • Number of LINE BK debit cards (all types): Approximately 3 million

Health insurance

Products/Services	Details of Financial Innovations and Services	Performance
Pay when sick (IPD+OPD)	<p>This life and health insurance plan offers middle to low customer segments medical coverage for inpatients with full amount of inpatient room payment and outpatients. This insurance 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.</p>	<ul style="list-style-type: none"> • Number of insurance policies: 1,805 • Premiums: Baht 6.8 million

Collaboration with partners

Products/Services	Details of Financial Innovations and Services	Performance
Real-time inward funds transfer	In cooperation with more than 20 world-class banks and fintech firms, which are our partners, KBank provides an inward funds transfer service to accept remittance from Europe, America and other Asian countries, which allows senders to send their funds transfer instruction to recipient accounts of 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 every day.	<ul style="list-style-type: none"> Number of transactions: 6.2 million
PromptPay-PayNow: International funds transfer with connectivity via national payment operator between Thailand and Singapore (PromptPay-PayNow)	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, or up to Baht 25,000 from Singapore to Thailand, by simply providing 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.	<ul style="list-style-type: none"> Number of transactions: More than 250,000
International funds transfer via K PLUS	KBank joined with Nium, a Singapore-based cross-border funds transfer service provider, to develop international funds transfer technology via application programming interface (API) In 2022, KBank increased the limit for outward remittance to not more than 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 KBank has increased the service coverage to 32 destination countries with 14 currencies available, comprising USD, SGD, AUD, HKD, GBP, EUR, PHP, INR, IDR, VND, KRW, MYR, JPY and CNY.	<ul style="list-style-type: none"> Number of transactions: More than 100,000
Dolfin Wallet application	KBank has joined with Central JD Fintech Holding Co., Ltd. a joint venture of Central Group and JD.com, to offer various services including an online banking agent for accepting payment of utility bills, payment gateway linking to the Dolfin Wallet application, and a co-branded digital personal loan service, Dolfin Money by KBank.	<ul style="list-style-type: none"> Number of customers downloading the application: More than 3.5 million Number of active users of Dolfin Money by KBank: More than 60,000

Products/Services	Details of Financial Innovations and Services	Performance
Smart OPD Hospital Application on Mobile	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. Moreover, patients can view their treatment history, make appointments and make payment via the application.	<ul style="list-style-type: none"> Number of hospitals using seven mobile applications developed by KBank: 17 hospitals, 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 Number of customers downloading the application: More than 996,000
Loan for online business via Shopee and Lazada platforms	KBank partnered with Shopee and Lazada – two leading e-commerce platforms in Southeast Asia – in integrating the Xpress Loan service to the two partners' platforms to allow online traders easier access to loans. Customers can apply for this low-interest loan without documents or collateral required.	



The “BMA Doctor” app under the “Smart OPD” project, self-service innovation via smartphone will provide the public easier access to healthcare services, both emergency and non-emergency, at all 11 hospitals under the Medical Service Department, Bangkok Metropolitan Administration

Products/Services	Details of Financial Innovations and Services	Performance
Motorcycle hire purchase loan for Grab bike riders	KBank, KLeasing and Grab jointly offered hire purchase loan for Grab bike riders. Data analytics were conducted based on shared data from the three companies, allowing Grab bike riders improved access to loan. They can make daily installment payment for loan, consistent with their daily income earned, thus helping to create financial discipline and reduce their expense burdens.	<ul style="list-style-type: none"> Number of riders receiving loans: More than 16,000 (2019 - 2022)
Blue CONNECT Powered by KBank	<p>KBank worked with PTT Oil and Retail Business Public Co., Ltd. in developing and providing Blue CONNECT Powered by KBank for greater consumer convenience in paying for fuel bills with QR code as part of our effort to promote the use of cashless and touchless payment at PTT Stations nationwide. The app allows customers to purchase goods at PTTOR retail stores with greater convenience, speed and security, track spending history, and can also be linked to the loyalty program of PTT Blue Card with multiple promotions and privileges.</p> <p>In addition, users can sign up for K PAY LATER via Blue CONNECT application or add their K PAY LATER account on the Blue CONNECT application for making installment payment for oil/goods/services.</p>	<ul style="list-style-type: none"> Number of customers signing up for the app: More than 600,000 Number of customers signing up for K PAY LATER on Blue CONNECT application: More than 42,500



Blue CONNECT Powered by KBank – an e-Wallet for use in PTT retail businesses, covering PTT stations and PTTOR stores

Products/Services	Details of Financial Innovations and Services	Performance
YouTrip application and YouTrip card	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.	<ul style="list-style-type: none"> • Number of users grew 222 percent from 2021 • Spending via card: More than Baht 4.3 billion
Central products on sale via K+ market	KBank has partnered with Central Department Store to offer premium-grade Central products via K+ market. Customers can choose to pay with cash from their K PLUS account or K Points in lieu of cash. They can also redeem The 1 Point for purchase of goods or use a credit card for goods payment on K+ market	<ul style="list-style-type: none"> • Number of users: 25,000 • Number of transactions: 40,000 • Value of transactions: Baht 32 million
Digital platform for alternative vaccine registration	KASIKORN Business-Technology Group (KBTG) has collaborated with Thonburi Healthcare Group (THG) in launching a digital platform for the interested general public to register for alternative Moderna vaccination with 17 hospitals under the THG via the LINE application.	<ul style="list-style-type: none"> • The number of registrations for vaccine: 580,000
COVID-19 Hospitel Management Solution	KASIKORN Business-Technology Group (KBTG) has teamed with Praram 9 Hospital in pioneering the COVID-19 Hospitel Management Solution. The innovative system is designed to serve asymptomatic patients or those with mild illness who can register for medical treatment at Praram 9 Hospital, while also facilitating healthcare personnel in conducting risk assessment of patients in accordance with screening criteria and standards to ensure that proper and timely medical treatment will be administered.	<ul style="list-style-type: none"> • Number of users: More than 69,800

Digital Partnership via Beacon Venture Capital Co., Ltd.

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 2022, 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 with long-term sustainable returns.

Cooperation with partners in 2022*

1. Companies in Thailand

1.1 Primo World Co., Ltd.

- KBank invested in the Thai startup company, which has developed an omni-channel marketing platform for large organizations and businesses.

1.2 T2P Co., Ltd.

- KBank invested in this Thai startup company, which provides financial solutions to business customers engaging in the B2B2C model.

1.3 Buzzebees Co., Ltd.

- KBank invested in the Thai startup company, which engages in CRM platform development and procurement of privileges for comprehensive digital-based customer relationship management.

1.4 Forward Enterprise Limited

- KBank invested in the Thai-based global fintech startup, which has developed a blockchain platform and decentralized financial and investment innovation, or DeFi.

2. Companies abroad

2.1 Pantera Blockchain Offshore Fund

- KBank increased its investment in the US-based blockchain fund, which invests in cryptocurrency and blockchain technology for joint investment in Alchemy and Quantstamp, Inc.

2.2 Paidia Pte. Ltd.

- KBank invested in the Singaporean startup company, which engages in educational technology (EdTech) in Indonesia.

2.3 Citigo Software Joint Stock Company

- KBank invested in the Vietnamese startup company, which engages in Software-as-a-Service (SaaS) for the retail industry in Vietnam.

2.4 Cashbag Pte. Ltd.

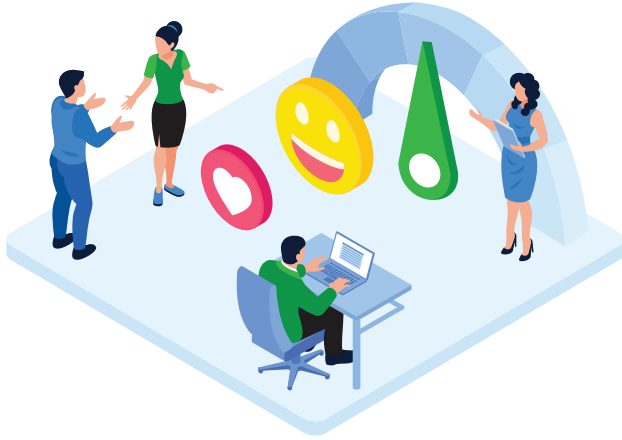
- KBank invested in the Singaporean startup company, which engages in a social commerce platform business for micro merchants in Vietnam.

2.5 Rai and Rohl Technologies, Inc.

- KBank invested in the US-based startup (registered in the state of Delaware) which engages in omni-channel healthcare solutions business in Vietnam.

* Details of collaboration with our partners are only part of KBank's joint investment via Beacon Venture Capital Co., Ltd. in 2022.

Customer Satisfaction Evaluation



Net Promoter Score: NPS

- Overall evaluation of KBank: Net Promoter Score (NPS) at 83, 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 89, which is the highest level in Thailand's banking business in this category.

Customer Satisfaction

- Use of services via the K-Contact Center: score of 97.7 based on End Call Survey questionnaire

Complaint Management

KBank emphasizes efficient management of problems and development of service quality for sustainable customer experience enhancement. 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.

Regarding complaint management, KBank prioritizes quick and timely resolution to minimize the impacts that might have on our customers. 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 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 Social Listener tool, allowing us to learn 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 method to ensure management standard with 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' demands. In 2022, KBank developed and improved our products, channels and service processes on a continual basis, allowing KBank to achieve the target of problem management as evidenced by reduction of the complaint ratio and higher business growth.

* Details of related to reporting on data of financial service resolution and duration for complaint management in accordance with Service Level Agreement (SLA) can be found at KBank's website: <https://www.kasikornbank.com/th/announcement/Pages/Solving-financial-service.aspx>

Complaint Data in 2022

Compliant Ratio*

2022 Target

0.0020%



2022 Performance

0.0001%

Complaint Channels

K-Contact Center and K-Buddy

99.89%



Social Media

0.05%

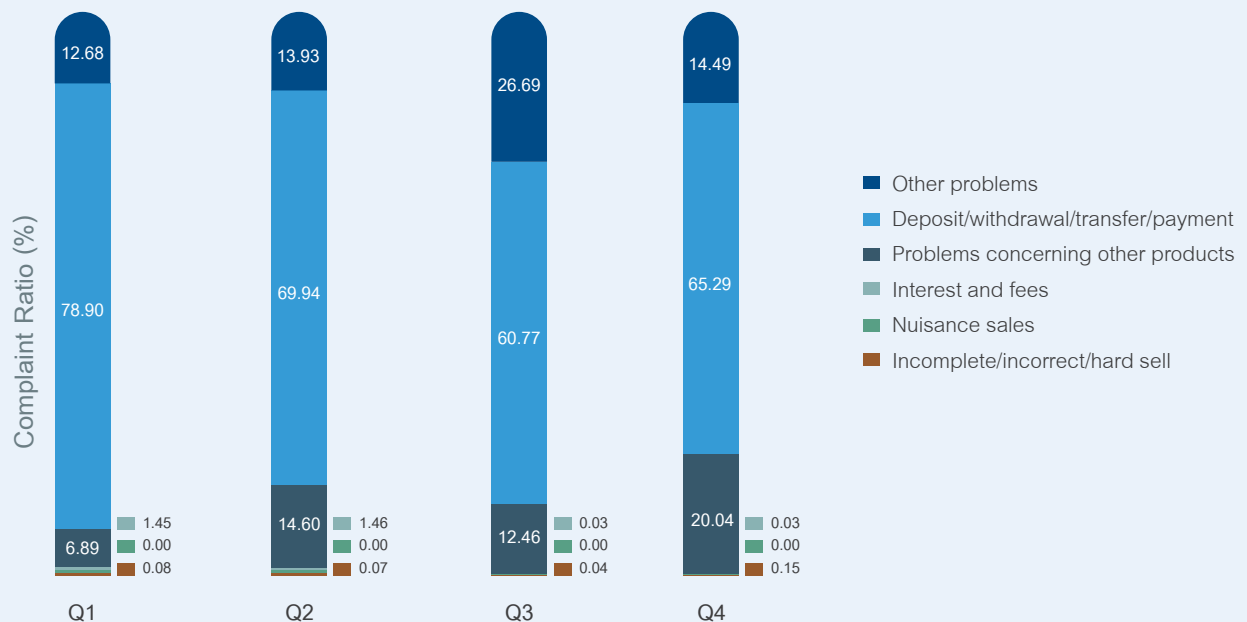
Branch

0.02%

Others

0.04%

Complaint Data in 2022



* Ratio of total complaints to total transactions of KBank

Responsible Lending and Investment: ESG Credit and Investment



Risks

If KBank does not include environmental, social, and governance (ESG) factors in loan and investment consideration, some projects or businesses supported by KBank may have negative impacts on the economy, society, and environment, or KBank's support could go to "greenwashing" projects that could be harmful to our Net Zero goal, thus creating adverse effects on the image and credibility of KBank and our customers, as well as customers' business competitiveness, and eventually leading to customers' deteriorating repayment capabilities in the future.

Financial institutions could be a part of the starting point of support or prevention of business operations that may have environmental and social impacts. Therefore, financial institutions have an important role to promote changes towards a low - carbon economy, while generating positive effects and minimizing negative impacts from banking business operations, which could also be an opportunity to develop financial innovations for their income generation and reputation. Understanding about environmental and social impact management is crucial for consideration of credit extension and investment of each customer segment, for example, retail customers, business customers, asset management business and private banking business. KBank has incorporated ESG risk factors in our lending processes, including the processes of Know Your Customer (KYC) and Customer Due Diligence (CDD), along with other issues in credit underwriting function, namely customer characteristics, borrowing objectives that benefit the economic system, sources of income and income consistency, debt servicing ability that matches borrowers' income, debt burdens and expenses. We pay particular attention to retail customers in order to prevent the over-indebtedness problem, allowing them to live within their means, and complying with related regulatory requirements and fair lending management guidelines. A validation process is also in place to ensure that customers are granted a proper credit limit

Opportunities

Economic directions at the national and global levels are placing greater importance on ESG factors, which will open up new business opportunities for those that are able to adapt themselves to such directions. This trend will also present opportunities for KBank to provide ESG credits to those businesses, while enhancing investor confidence.

that will not have any adverse effect on the economy, society and environment. As for the post-approval processes, customers will be monitored to ensure that their credit utilization complies with their objectives notified to KBank, and that their payments meet the schedules. Impacts of any economic incident or natural disaster will be assessed in terms of whether they may be harmful to our customers and their repayment capacity, and to prepare necessary assistance for the affected customers.

To affirm the importance of environmental and social impact management in our lending and investment, KBank has formulated an Environmental and Social Risk Management Policy and Framework (ESRM) that incorporates ESG consideration in risk management processes via an operational structure of well-defined roles and responsibilities. International practices have been adopted in our credit consideration processes for commercial credits and Project Finance, and securities investment. An Exclusion List* has been established for projects that are ineligible for KBank credits, along with Sector-Specific Guidelines* and intensive risk management measures for high-risk customers, to ensure that no projects that have been supported by KBank will have any adverse effect on the environment or society, as well as KBank's image and operations, while enhancing stable business advancement and sustainable returns for all stakeholders in the long term.

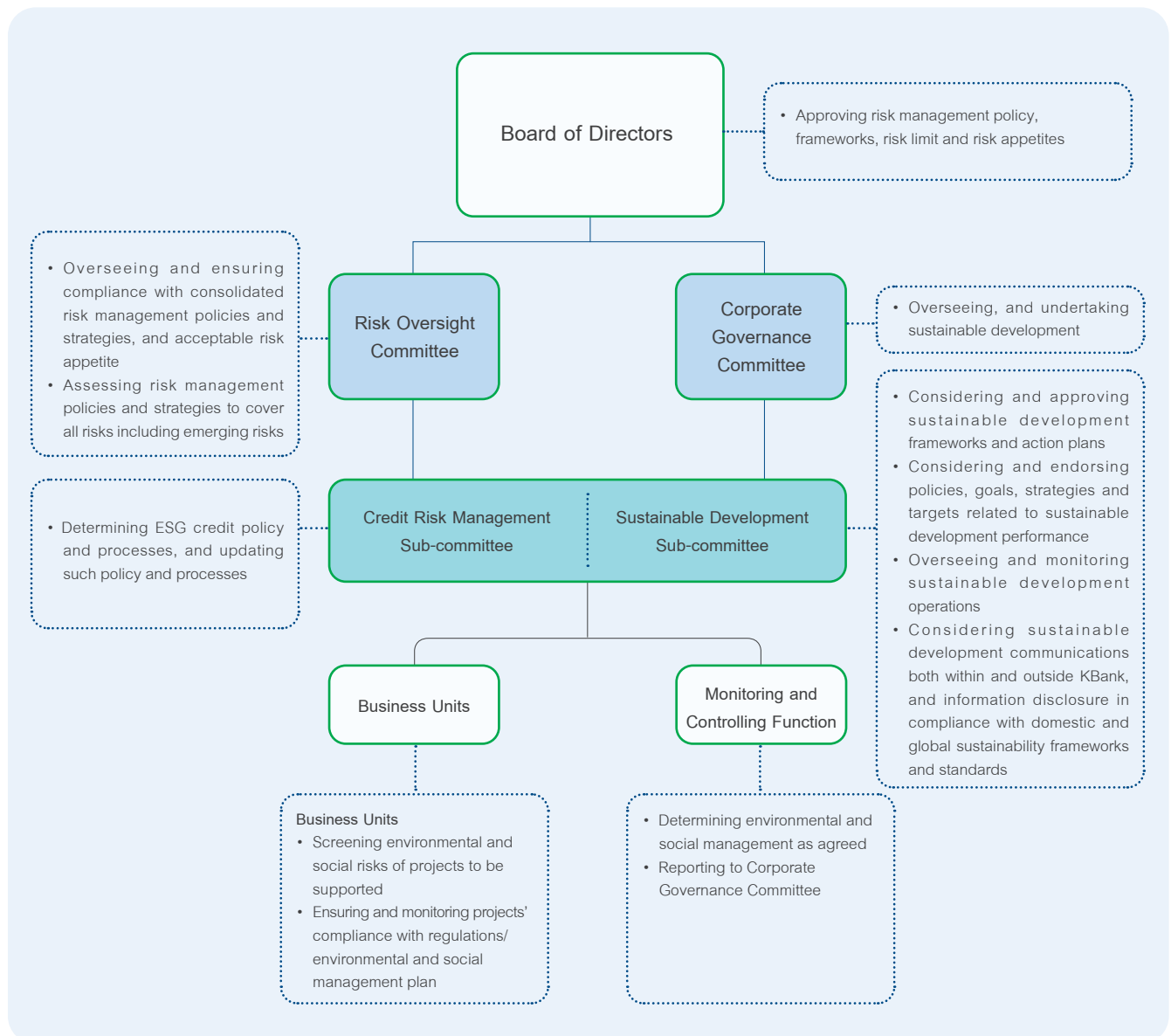
* Details of the Exclusion List and Sector-Specific Guidelines can be found at KBank's website:
<https://www.kasikornbank.com/EN/IR/CorporateGovernance/transparency/pages/esg-credit-policy.aspx>

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 has recognized the importance of the potential impacts of our credit activities. Our credit policy has placed an emphasis on management of ESG impacts that may be incurred from our customers or projects financed by KBank's credits, as follows:

Environmental aspect

Consideration of credit for applicants or enterprises that operate businesses or projects that may be associated with risks to and create impacts on the environment and natural resources, such as water resources, forests and biodiversity

Social aspect

Consideration of credit for applicants or enterprises that operate businesses or projects that may be associated with social risks, such as exploitation of illegal labor, or create impacts on communities' living conditions and ways of life

Governance aspect

Consideration of credit for applicants or enterprises that may operate businesses that do not comply with the good corporate governance principles, requiring consideration of responsibility for all stakeholders and avoidance of fraud or corruption

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



Offences relating to gambling



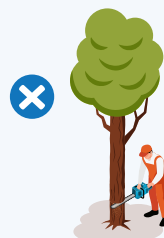
Offences relating to human trafficking



Offences relating to narcotics



Offences relating to embezzlement



Offences relating to exploitation of natural resources



Offences relating to terrorism

* Details of the Exclusion List and Sector-Specific Guidelines can be found at KBank's website:
<https://www.kasikornbank.com/EN/IR/CorporateGovernance/transparency/pages/esg-credit-policy.aspx>

Credit Consideration Processes in accordance with ESG Factors

To ensure that KBank's support is provided for projects that do not create environmental, social, and governance impacts, KBank's relationship managers employ environmental and social screening tools for commercial credits of medium business and corporate customers, and Project Finance. Credit applications are examined in compliance with the credit policy, as follows:

Commercial Credits for Medium Business and Corporate Customers

- 1 Checking the industry type against the Exclusion List
- 2 Assessing ESG impacts via General ESG Screening Form with respect to the following issues:
 - Risk of deterioration of the sites and nearby areas
 - Risk associated with usage, storage or transport of chemicals or hazardous materials that may be harmful to the communities
 - Risk incurred from usage of areas that may affect the communities' livelihoods
 - Risk associated with employment of child labor, illegal labor or forced labor

In case of significant impacts, management guidelines must be proposed for credit consideration and monitoring issues must be identified.
- 3 Approving or rejecting the applications in accordance with the delegated authority, and determining environmental and social conditions

Project Finance

- 1 Checking the industry type against the Exclusion List
- 2 Classifying the credit application types for projects that may create environmental or social impacts, based on global principles and notifications of the Ministry of Natural Resources and Environment:
 - Type A: Projects that create severe environmental and social impacts
 - Type B: Projects that create environmental and social impacts
 - Type C: Projects that do not create environmental and social impacts, or create minimal environmental and social impacts

Assessing ESG impacts via the initial ESG risk assessment form to be delivered to responsible officers for assessment of project management in the following aspects:

 - Significant issues related to environmental and social impacts, e.g., project sites, pollution from projects and impacts on communities
 - Policies, mechanisms and resources (personnel and budget) for environmental and social management to minimize risks that may arise
 - Safety plans and emergency plans
 - Mechanisms to control and monitor work processes related to the environment by independent experts
 - Mechanisms to receive and manage complaints related to environmental and social issues, and to follow up the management of those issues with related persons
- 3 Requesting approval of heads of business divisions and Enterprise Risk Management Division for detailed study of the projects (without approval, the processes terminate)
- 4 Reporting to the Corporate Governance Committee for recommendations
- 5 Studying details and negotiating about project feasibility in terms of credit and environmental management
- 6 Approving or rejecting the applications in accordance with the approval authority, and determining environmental and social conditions

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 has been considered as 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.

Project Finance Result 2022

Types of credit applications in accordance with global principles and notifications of Ministry of Natural Resources and Environment

Total projects in 2022:
36

Number of Type A projects:

0

Number of Type B projects:

3

Number of Type C projects:

33

Credit Approval Result



Number of approved projects:

36



Number of projects approved with conditions:

0



Number of projects under consideration:

0



Number of rejected projects:

0



Total Project Finance and commercial credits for medium enterprises and above that were processed through ESG risk assessment and approved in 2022 amounted to approximately

Baht **514,652** million, including:



Commercial credits for medium enterprises and above:

Baht **492,965** million



Project Finance:

Baht **21,687** million

Examples of ESG Credit Assessment to Project Finance

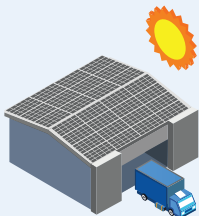
KBank's credit consideration includes ESG criteria and KBank's credit policy in the processes. Examples of Project Finance are as follows:

Project to Support Electric Vehicles



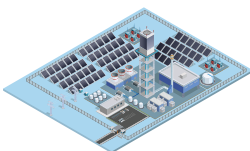
In accordance with the government's policy to promote the EV industry and to encourage more EV use in Thailand, as part of the strategy to manage climate change issues caused by GHG emissions, KBank has implemented a policy to provide green loans to reduce pollution and impacts of GHG emissions. We have participated in a project to create an EV ecosystem by providing an EV rental service and setting up a digital platform to disseminate useful information, for example, EV charging spots and maintenance stations. In our view, this project is based on the criteria to screen EVs that meet the required standards, focusing on the safety of EV lessees and service users, with fair rental fees, while adequate information is offered in relation to EV usage, maintenance and safety. Positive impacts of this project on society include opportunities for organizations and the general public to test EV usage, and enhancement of public confidence in the sufficiency of charging locations and access to maintenance services. Meanwhile, the project contributes to reduction of air pollution created by vehicle exhaust and PM2.5, and is part of Thailand's more efficient management of climate change impacts.

Private Power Purchase Agreement for Solar Energy



Another important mission of KBank is to support transformation towards the use of sustainable energy among business operators. KBank has financed solar rooftop installation for energy generation and sale to private entities at lower prices than the government's fees. The projects are installed on businesses' land plots without any issue of ownership rights with the communities. During the construction process, project owners strictly adhere to safety measures for their employees and the surrounding communities, and closely monitor air and noise pollution to prevent any environmental impacts on those communities. This project is expected to foster awareness among business operators regarding the importance of curbing GHG emissions as part of the effort to combat global warming. The life-cycle GHG emissions from electricity generated by the project are 10 times less than those from conventional electricity generation. Apart from reduced energy costs, the project is in conformity with Thailand's Power Development Plan and Alternative Energy Development Plan that promote energy generation that alleviates environmental impacts and increases usage of renewable energy.

Solar Energy Generation Project in Foreign Country



Amid economic expansion in ASEAN and subsequent increases in electricity demand of both the manufacturing and household sectors, plus the efforts to reduce environmental impact and climate change, ASEAN governments have provided assistance to the private sector's clean energy production towards Net Zero achievement. An energy business in Thailand has participated in a solar energy project in a foreign country under a power purchase agreement of over 20 years with the government. KBank has granted its support with our consideration that this project will be efficient in tackling electricity shortages during periods of high demand that could affect people's livelihoods and business operations. KBank's consideration has been made with respect to the project site, proximity to nearby communities, and air, noise and water pollution, as well as other potential negative impacts upon the surrounding communities; all of these issues have been solved by the project owner. In addition, the project is in harmony with related policies of the government and KBank.

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 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 are very important. Skilled employees can act as our internal experts for customers' business analysis and for helping those customers through useful advice and recommendations.

KBank has established staff KPI at executive and operator 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.

Employee Engagement

In 2022, 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, for example:

- KBank and the Thailand Greenhouse Gas Management Organization (TGO) (Public Organization) organized a training course on “General Knowledge on Climate Change and Reduction 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.



- KBank held an online seminar titled, “Future Trends: ESG & Green Technology Trends”, involving the topics of environmental situations and impacts, future trends of the environment, and KBank’s ESG work plans. The seminar also aimed to foster employees’ inspiration and awareness in their adoption of “Green Behavior”. The attendees included more than 400 executives and employees.

Customer Engagement



- At the Queen Sirikit National Convention Center, Mr. Krit Jitjang, President, joined as a panelist of the “Green Finance” seminar at the Sustainability Expo 2022 to share experiences and views with respect to directions, opportunities and challenges of Thailand’s green finance market.
- Mr. Krit Jitjang, President, joined as a panelist of the “Role of the Financial Sector in Decarbonization” seminar at the Decarbonization Conference 2022 held by the Thai Institute of Chemical Engineering and Applied Chemistry to reemphasize the finance and banking sector’s important role during the transition to a low-carbon society. The President also shared with the audience KBank’s experiences and strategies to implement our Net Zero commitment.



- KBank, TGO and representatives of the business sector organized a training session on adaptations of business operators towards the transition to low-carbon businesses in the Net Zero era, covering important issues, such as conditions and pressures associated with trade and business operations amid climate volatility, and measures and actions of businesses to achieve low-carbon operations. Attendees also shared their experiences in conducting low-carbon businesses to create customers’ awareness of the important transformation towards net-zero operations and to inspire new concepts for business adaptation. The session was attended by more than 200 customers. In addition to the above activities, KBank continuously provided knowledge related to environmental and social risks to our customers and other interested parties year-round.

Engagement of Supervisory Agencies, Public Sector, Private Sector, Non-Profit Organizations and Civil Society

- As a participant in the Asia Transition Study Group, KBank attended the meetings to share viewpoints and experiences with respect to study cases or issues found in credit consideration for use in preparation of the Draft Asia Transition Finance Guidelines for financial institutions in Asia.
- KBank joined a working group for the determination and classification of projects or activities in the sustainable economic sector, or Thailand Taxonomy, of the Bank of Thailand to offer recommendations for specifying economic activities under the Thailand Taxonomy, which is in line with Thailand's context, regional standards (ASEAN Taxonomy) and international standards, and which will serve as a reference in the path towards achieving the sustainability target of Thailand.
- KBank joined the meeting, "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.



Sustainable Supply Chain Management



Risks

KBank's failure to focus on encouraging suppliers to incorporate environmental, social and governance (ESG) factors in their business operations may be equivalent to the Bank's providing them support in creating environmental impacts, using illegal labor or violating human rights. This could ultimately affect KBank's image given its involvement in supporting companies, which create impacts on the environment and society.

KBank attaches great importance to supply chain management, based on the Statement of Business Conduct and KBank's policy of conducting business with suppliers with transparency, equity, fairness and accountability. KBank considers the impact of environmental, social and governance (ESG) in its procurement with suppliers. KBank's supply chain management guidelines cover the vendor recruitment and selection processes, product and service quality controls, vendor risk assessment and vendor segmentation, monitoring and inspection processes, performance evaluation and supplier relationship management. KBank also promotes its suppliers to achieve potential growth and collaborate with them in creating innovations for the purpose of attaining sustainability and strong business partnerships in the long term.

KBank issues the supplier handbook to communicate with the suppliers so that they always acknowledge, adhere to and comply with the procurement policies and regulations, plus supplier management guidelines, and related news on an annual basis. The supplier handbook provides practices and guidelines for suppliers to carry out their businesses in conformity with the relevant laws, regulations, KBank's ethical principles and Statement of Business Conduct. It also helps suppliers to maintain their compliance with the management standards on occupational safety, health and workplace environment, as well as recognizing human rights and

Opportunities

Using ESG factors for screening suppliers as part of supply chain management allows KBank to provide support to suppliers that responsibly operate their businesses. This will ensure that quality goods and services will be delivered to KBank, while also leading to development of environmentally and socially friendly innovations. These endeavors will allow suppliers to improve their capabilities in conducting business for stable growth, thus becoming sustainable business partners of KBank.

equitable labor treatment, plus engaging in businesses that are not involved with corruption in all forms and preventing the use of positions to seek benefits. KBank also supports our suppliers to join the anti-corruption coalition. Additionally, KBank organizes a seminar for our suppliers every year, with the aim of communicating our procurement policy, sustainable business operations under good corporate governance and responsible procurement, plus our sustainable development policy, based on the ESG principles with our suppliers. The seminar is also intended to offer a venue for KBank and suppliers to exchange views, information on the overall economic picture, related market conditions, future market and innovation trends. Moreover, KBank listens to and exchanges views and recommendations with suppliers in order to improve operational processes for sustainable growth with our suppliers.

Operating Performance

In 2022, KBank had 956 suppliers, including 904 domestic suppliers, 52 international suppliers (accounting for 5 percent of all suppliers) and 78 new suppliers (accounting for 8 percent of all suppliers).

The procurement policies and regulations under the sustainable supply chain management guidelines involve recruitment and selection of suppliers, emphasis on physical qualifications and

quality of products, assessment of responsibility, environmental and social controlling process and business conduct with good governance as well as management and security IT systems or devices used for operations. Moreover, all suppliers are required to acknowledge, accept and strictly comply with the Supplier Code of Conduct* before becoming KBank's suppliers. These practical guidelines are consistent with legal requirements, the Statement of Conduct and international standards. KBank attaches importance to and encourages our suppliers to operate their business with transparency in compliance with laws, rules and regulations, respect human rights, adopt equitable labor treatment practices, and comply with the management standards on occupational safety, health and workplace environment.

KBank has followed up and evaluated their compliance with the Supplier Code of Conduct, and in cases where any suppliers are found to have violated the Supplier Code of Conduct, relevant laws, rules or regulations, KBank shall consider the matter in accordance with their behavior that has adverse impacts and incurs risks and damages. KBank will follow our related processes, whether discussing with suppliers and/or delivering to them written warning notifications. A set of guidelines, plan and operational timeframe would be set up for their corrections. If any supplier cannot fulfill the obligations, KBank imposes a penalty per the nature of related risks and potential impact, which may prompt KBank to rescind the contracts and permanently withdraw them from our supplier list in order to prevent any risk that may affect our image and operations in the future. Regarding risk assessment and classification of major suppliers, KBank communicates the assessment results to suppliers, while also following up on the results to ensure improvement of goods and services after the Annual Vendor Performance Evaluation and ESG Risk Assessment for Tier 1 and Tier 2 suppliers are conducted. With regard to the employment/sale contract entered into with suppliers, KBank has prepared a green contract which includes terms and conditions in alignment with rules and regulations, the occupational safety, health, workplace environment and corporate social responsibility policies along with penalties for violations.

KBank also places emphasis on data security and data leak prevention. We have formulated policies and practical guidelines, which determine scope of rights and duties, use, collection and disclosure of data for compliance among employees and suppliers. We have arranged for a non-disclosure agreement signed by the Bank and suppliers to ensure data protection, and a data processing agreement which determines rights and duties, operation and control of personal data processing in compliance with the Personal Data Protection Act, in order to prevent illegitimate actions.

KBank arranges a supplier handbook and an annual seminar to communicate to suppliers relevant information, guidelines and strategies as well as impacts of crises on procurement processes, supply chain management and roles of suppliers in our drive towards sustainable business operations, as part of our effort to foster relationships with them. We also prepare a questionnaire to obtain suppliers' opinions and recommendations for improvement and development of our work processes, thus broadening business opportunities towards sustainable growth together.

KBank upholds respect for human rights, thus placing emphasis on the principles of human rights throughout the supply chain. We have announced the human rights policy that also encompasses suppliers. We have continually examined human rights issues through supplier risk assessment processes with the aim of seeking methods for mitigating adverse human rights impacts that business activities may incur.

* Details of KBank Supplier Code of Conduct can be found at KBank's website:
https://www.kasikornbank.com/EN/IR/CorporateGovernance/transparency/Pages/KBank_Supplier_Code_of_Conduct.aspx

Supplier Communications

Annual Supplier Seminar 2022

KBank organized the Annual Supplier Seminar 2022 on Procurement Insights and Strategic Approach 2023 as an online live event. The seminar presented information, guidelines, and strategies, including the impact of the COVID-19 pandemic and various crises on the procurement process, management throughout the supply chain and roles of suppliers towards KBank's goal of engaging in sustainable businesses in the future. In addition, KBank prepared a questionnaire to gather suppliers' opinions and recommendations for improvements of operational processes towards synchronized sustainable growth.



KBank organized the Annual Supplier Seminar on Procurement Insights and Strategic Approach 2023

ESG Risk Assessment

Products/Services Through Procurement Process

1

Vendor Selection

- Supplier pre-qualification process based on the company's criteria
- Price and performance assessment
- ESG Criteria

Annual Supplier Risk Assessment

2

Vendor Segmentation

- Supplier Risk Assessment based on the nature of business and risks associated with sustainability and procurement process

3

Performance Evaluation

- Annual Service Satisfaction Assessment and ESG Risk Assessment to support and promote sustainable business development
- Annual supplier review and assessment and opinion sharing to develop suppliers' performance

4

Development & Innovation

- Encourage suppliers to express their opinions and recommendations to jointly promote sustainable business and social responsibility to jointly promote sustainable business and social responsibility

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

Supplier Monitoring, Inspection and Assessment Procedures

KBank carries out supplier risk assessment and segmentation every year, based on the analysis and classification of suppliers. KBank has established a clear set of criteria for supplier segmentation by analyzing KBank's annual expenses for each supplier, assessing the potential crisis of important suppliers and covering ESG topics in risk assessment. The Annual

Vendor Performance Evaluation and ESG risk assessment were conducted among all Tier 1 and Tier 2 suppliers to determine management strategies and development plans consistent with suppliers' risk levels.

Segmentation of Important Suppliers



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, and 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 and account for 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 businesses. Selection of sellers/service providers in the market is relatively straightforward. Focus is on contract management to ensure effective auditing, delivery and cost efficiency.

We have conducted Annual Vendor Performance Evaluation and ESG risk assessment of 112 Tier 1 and Tier 2 suppliers, representing 13 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 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 adverse social impacts and having been warned by KBank for improvement accounted for zero percent of all suppliers.

The suppliers with tendency to have adverse social impacts and their contracts having been terminated accounted for zero percent of all suppliers.



Management of COVID-19 Situation for Suppliers

Amid inevitable uncertainties and effects from the COVID-19 pandemic, KBank has implemented control measures and operational guidelines in line with the occupational health and safety policy, plus operational guidelines of the Ministry of Public Health for both KBank employees and suppliers. Operational guidelines and methods have also been altered to cope with changes and ensure that our suppliers can continue their businesses and close potential risks that may affect their business operations. Moreover, KBank has closely monitored related events and news.

Control measures and operational guidelines related to occupation health and safety are, as follows:

1. All suppliers have received communications on safety measures, policy to limit entries-exits of external persons, and guidelines to screen external persons. In case of any necessity to visit our offices and enter our Main Branch buildings, the visitors must comply with our screening guidelines and fill in the Medical Pre-Screening Form.
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, which allows KBank and suppliers to assist one another in matters related advice, cooperation and operations in various matters via online channels.
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, such as setting document receiving points at various locations established by KBank, scanning documents that are to be sent via email, setting up self-service barcode sticker registration and pick-up points, and work submission via electronic channels or use of e-signature in work delivery receipts, as well as use of barcode in purchasing orders and invoices.
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.

Initiatives for Sustainable Operation

Red envelope (Ang Pao) for the Year of the Tiger

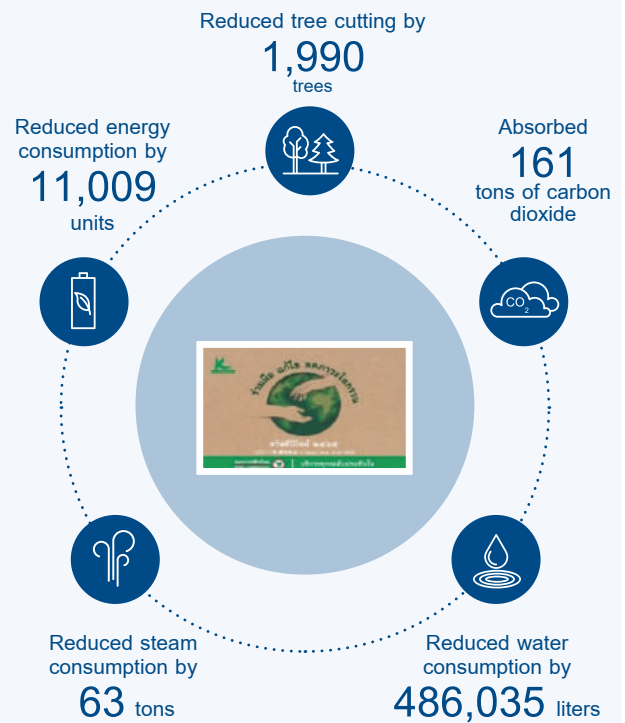
KBank used uncoated 100 percent ecofiber paper - an environmentally friendly innovation - for the production of red envelopes. The use of tree-free ecofiber contributes to the reduction of natural resource consumption as part of our effort to combat climate change.



KBank's environmental conservation and reduction of energy
Based on volume of paper purchased,
2,508,320 red envelopes (Ang Pao)
which equivalent to 19.7 tons

Production of table and hanging calendars of 2022

KBank used environmentally friendly paper, which made from 100-percent ecofiber and 50 percent ecofiber. The use of this paper, which is domestically produced, helps to cut our expenses and reliance on imported raw materials.



KBank's environmental conservation and reduction of energy consumption
Based on volume of paper purchased,
1,132,000 table calendars
and 444,000 hanging calendars

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 2022 was published in March 2023. As for the 2022 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 2022 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

Environmental Aspect Information

Performance of KBank, K Companies, KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) and P Companies in Thailand as shown on page 202.

Report Boundaries

The report boundaries cover KBank's performance during January 1- December 31, 2022. This report has been prepared on a yearly basis, in accordance with the GRI Standards and its latest Universal Standards 2021.

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
Tel. 02-4702984

External Assurance for the Report

The economic aspect information boundaries in this report was compiled from the accounting recording system, as utilized in our 2022 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, Lloyd's Register International (Thailand) Co., Ltd. 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 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 (FS7) per GRI Standards, 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 2022 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 in sync with and respond to the needs of stakeholders more effectively.



KASIKORNBANK
Sustainability Report
2022 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, discharge 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 Emission

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, and excluding GHG emission from chilled water of branches located in department store.
- 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 taxicab, 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 travels from road 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, Corporate Bond, and Equity which covered 100% of total loans and investment from the mentioned asset class in 2022.

3. Greenhouse Gas Emission

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

4. Emission Factor

4.1 Scope 1 and 2 GHG emissions: Based on the reference rates of the IPCC 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). Emission 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 and asset are sourced from PCAF web-based emission factor database.

5. Assessment Method

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) are calculated 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 emission from the borrower, investee, and project.

The amount of GHG emissions from the borrower, investee and project could be estimated from 3 main approaches respectively depending on availability of data as follows:

1. Option 1: reported emissions
2. Option 2: physical activity-based emissions for example energy consumption
3. Option 3: economic activity-based emissions

PCAF : The general approach to calculate financed emissions

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

$$^* \text{Attribution Factor}_i = \frac{\text{Outstanding amount}_i}{\text{Total equity} + \text{debt}_i}$$

(i = Borrower or investee)

6. Assumption of GHG

Business travel by land transport to carry out KBank businesses, including taxi travels based on the proportion of NGV and LPG consumption of the number of participating taxis registered with the Department of Land Transport and the distance of the trips.

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 Officers/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 (headcount) was collected at the end of the reporting period. Workers who are not employees includes 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 hours 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	Means scheduled work day
Injury	are on-site injuries, including injuries requiring first aid and injuries that lead to absence of one day or more
Lost Time Injuries	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

Injury Rate: IR
$= \frac{\text{Number of all injuries (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$
Lost Time Injury Rate: LTIR
$= \frac{\text{Number of Lost Time Injuries (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$
Operating hours (as of the day the report is prepared)
$= \frac{\text{Number of Lost Day Injuries (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$
Occupational Disease Rate: ODR
$= \frac{\text{Number of Occupational Diseases (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$
Absentee Rate: AR
$= \frac{\text{Number of Lost Day Injuries and other Occupational Diseases that are not excused (as of the day the report is prepared)} \times 100}{\text{Total number of operating days in one year}}$

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. KASAKORN PRO CO., LTD.				●	●	●	●
11. KASIKORN SERVE CO., LTD.				●	●	●	●
12. KASIKORN X CO., LTD.				●	●	●	●
13. PROGRESS PLUS CO., LTD.				●	●	●	●
14. PROGRESS APPRAISAL CO., LTD.				●	●	●	●
15. PROGRESS GUNPAI CO., LTD.				●	●	●	●
16. PROGRESS MANAGEMENT CO., LTD.				●	●	●	●
17. PROGRESS FACILITIES MANAGEMENT CO., LTD.				●	●	●	●
18. PROGRESS SERVICE CO., LTD.				●	●	●	●
19. PROGRESS STORAGE CO., LTD.				●	●	●	●
20. PROGRESS H R CO., LTD.				●	●	●	●
21. PROGRESS SERVICE SUPPORT CO., LTD.				●	●	●	●
22. PROGRESS COLLECTION CO., LTD.				●	●	●	●
23. PROGRESS TRAINING CO., LTD.				●	●	●	●
24. 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 2022 (Form 56-1 One Report).

Environmental, Social, and Governance/Economic 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 Updated July 2022
Materiality threshold	5%
Intensity ratio	per FTE
Independent assurance	YES

Parameter	Unit	Performance 2019	Performance 2020 (Base year)	Performance 2021	Performance 2022	Target 2022	% Change 2021 VS 2022 (% change YoY)	Long-term Target 2021-2030 (Base year 2020)	Accumulative Performance against Long-term Target 2021-2030 (Base year 2020)
Greenhouse Gas Emission (GHG Emission)									
Total Scope 1 emission*	Tonnes CO ₂ e	21,145.20	18,727.05	15,833.59	11,232.01		-29.06		
Total Scope 2 emission	Tonnes CO ₂ e	82,851.75	79,058.67	74,339.32	70,170.16		-5.61		
Total Scopes 1&2 emission	Tonnes CO ₂ e	103,996.95	97,785.72	90,172.91	81,402.17	89,571.73	-9.73	-42%	-16.75%
Total Scopes 1&2 emission intensity	Tonnes CO ₂ e per FTE	3.05	2.96	2.84	2.59		-8.80		
Full Time Employee	FTE	34,072	33,034	31,706	31,469				

* In 2022, 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.

Parameter	Unit	Performance 2019	Performance 2020	Performance 2021	Performance 2022	Target 2022	% Change 2021 VS 2022 (% change YoY)
Energy							
Total energy consumption within organization from renewable and non-renewable sources	MWh	228,646.07	213,091.99	186,564.30	188,807.49		1.20
Total Energy consumption within the organization from non-renewable sources	MWh	221,435.77	203,592.31	178,397.24	161,522.03		-9.46
Total energy consumption within the organization from renewable sources	MWh	7,210.30	9,499.68	8,167.06	27,285.46		234.10
Total energy consumption intensity from renewable and non-renewable sources	MWh per FTE	6.71	6.45	5.88	6.00		
Total renewable energy consumption/ Total Energy Consumption within Organization	%	3.15%	4.46%	4.38%	14.45%	10%	230.12
Water and Effluents							
Total water withdrawal	m ³	871,805	781,862	615,550	571,827	597,084	-7.10
- In all area							
Third-party water (Total) (≤ 1,000 mg/L Total Dissolved Solids)	m ³		781,862	615,550	571,827		-7.10
- In areas with water stress							
Third-party water (Total) ≤ 1,000 mg/L Total Dissolved Solids	m ³		70,368	72,081	62,729		-12.97
Water withdrawal intensity	m ³ per FTE	25.59	23.67	19.41	18.17		-6.38
Total CO ₂ emission from water withdrawal	Tonnes CO ₂ e	588.44	534.56	403.14	370.15		
Total CO ₂ emission from water withdrawal per FTE	Tonnes CO ₂ e per FTE	0.02 (0.0173)	0.02 (0.0161)	0.01 (0.0127)	0.01 (0.0118)		-7.38
Total water discharge to surface water	m ³		511,935	332,963	413,497		24.00
- Volume (≤ 1,000 mg/L Total Dissolved Solids)	m ³		511,935	332,963	413,497		
- Volume (>1,000mg/L Total Dissolved Solids)	m ³		0	0	0		
Total water consumption	m ³		269,927	282,587	158,330		
Waste							
Total waste generate	Metric Tonnes	7,050.79	5,851.33	5,494.61	4,918.38	5,055	-10.49
- Disposal method of hazardous waste	Metric Tonnes	720.90	581.35	1,659.14	95.24		-94.26
- Disposal method of non-hazardous waste	Metric Tonnes	6,329.89	5,269.98	3,835.47	4,823.14		25.75
Total waste used / recycled / sold / others	Metric Tonnes	1,825	1,956	2,948	1,504.82		-48.95
- Hazardous waste							
- Preparation for reuse	Metric Tonnes	0.30	1.31	12.09	1.06		-91.23
- Recycling	Metric Tonnes	713.12	577.46	1,646.70	93.34		-94.33

Parameter	Unit	Performance 2019	Performance 2020	Performance 2021	Performance 2022	Target 2022	% Change 2021 VS 2022 (% change YoY)
- Non-hazardous waste							
- Recycling	Metric Tonnes	1,111.29	1,377.24	1,288.80	1,410.42		9.44
- Total waste disposed	Metric Tonnes	5,226.08	3,895.33	2,547.03	3,413.56		34.02
- Hazardous waste							
- Landfilling	Metric Tonnes	7.48	2.59	0.35	0.84		140.00
- Non-hazardous waste							
- Landfilling	Metric Tonnes	5,218.60	3,892.74	2,546.68	3,412.72		34.01
Waste generated intensity	kg per FTE	206.94	177.13	173.30	156.29		-9.82
Business Travel from Road							
Total business travel from road	km	4,386,304	4,807,722	3,913,550	3,919,990		0.16
Total CO ₂ e emission from road travel	Tonnes CO ₂ e	686.61	752.58	612.61	613.62		0.16
Total CO ₂ e emission from road travel per FTE	Tonnes CO ₂ e per FTE	0.02 0.0202	0.02 0.0228	0.02 0.0194	0.02 0.0195		0.52
Full Time Employee	FTE	34,072	33,034	31,706	31,469		-0.75

Social

Performance

Item	2019		2020		2021		2022	
	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*	20,407		19,819		19,029		18,648	
By Gender								
• Male	6,262	30.69	5,999	30.27	5,703	29.97	5,516	29.58
• Female	14,145	69.31	13,820	69.73	13,326	70.03	13,132	70.42
By Age								
• < 30 years	6,228	30.52	4,747	23.95	3,220	16.92	2,381	12.77
• 30 - 50 years	10,811	52.98	11,677	58.92	12,441	65.38	13,060	70.03
• > 50 years	3,368	16.50	3,395	17.13	3,368	17.70	3,207	17.20
By Nationality								
• Thai	20,377	99.85	19,970	99.85	19,001	99.85	18,621	99.86
• Foreigner	30	0.15	29	0.15	28	0.15	27	0.14
By Others								
• People with disability	2	0.01	2	0.01	2	0.01	3	0.02
By Type of Employment								
• Permanent	20,283	99.39	19,755	99.68	18,849	99.05	18,506	99.24
• Temporary	124	0.61	64	0.32	180	0.95	142	0.76
By Workplace								
• Head office and main buildings	11,156	54.67	11,490	57.97	12,228	64.26	12,048	64.61
• Elsewhere	9,251	45.33	8,329	42.03	6,801	35.74	6,600	35.39
By Country								
• Thailand	20,379	99.86	19,795	99.88	19,004	99.87	18,612	99.81
• Elsewhere	28	0.14	24	0.12	25	0.13	36	0.19
By Level of Education								
• High school (lower than bachelor's degree)	313	1.53	282	1.42	241	1.27	210	1.13
• Bachelor's degree	13,795	67.60	13,247	66.84	12,496	65.67	12,036	64.54
• Master's degree	6,263	30.69	6,251	31.54	6,245	32.82	6,346	34.03
• Doctoral degree	36	0.18	39	0.20	47	0.25	56	0.30

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

Item	2019		2020		2021		2022	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
By Employee Level								
Top Management Level	74		81		79		89	
• Male	50	67.57	56	69.14	55	69.62	57	64.04
• Female	24	32.43	25	30.86	24	30.38	32	35.96
• < 30 years	0	0.00	0	0.00	0	0.00	0	0.00
• 30 - 50 years	36	48.65	37	45.68	26	32.91	34	38.20
• > 50 years	38	51.35	44	54.32	53	67.09	55	61.80
Middle Management Level	929		943		968		1,037	
• Male	488	52.53	484	51.33	488	50.41	511	49.28
• Female	441	47.47	459	48.67	480	49.59	526	50.72
• < 30 years	0	0.00	0	0.00	0	0.00	0	0.00
• 30 - 50 years	527	56.73	519	55.04	540	55.79	433	41.76
• > 50 years	402	43.27	424	44.96	428	44.21	604	58.24
Junior Management Level	7,139		7,248		7,257		7,471	
• Male	2,808	39.33	2,777	38.31	2,713	37.38	2,697	36.10
• Female	4,331	60.67	4,471	61.69	4,544	62.62	4,774	63.90
• < 30 years	211	2.96	126	1.74	52	0.72	60	0.80
• 30 - 50 years	4,935	69.13	5,124	70.69	5,221	71.94	1,880	25.17
• > 50 years	1,993	27.92	1,998	27.57	1,984	27.34	5,531	74.03
Junior Officer	12,265		11,547		10,725		10,051	
• Male	2,916	23.77	2,682	23.23	2,447	22.82	2,251	22.40
• Female	9,349	76.23	8,865	76.77	8,278	77.18	7,800	77.60
• < 30 years	6,017	49.06	4,621	40.02	3,168	29.54	2,321	23.09
• 30 - 50 years	5,342	43.55	5,997	51.94	6,654	62.04	6,891	68.56
• > 50 years	906	7.39	929	8.04	903	8.42	839	8.35
Number of Employees by Type of Employment								
Permanent Employees	20,283	99.39	19,755	99.68	18,849	99.05	18,506	99.24
By Gender								
• Male	-	-	-	-	-	-	5,459	29.50
• Female	-	-	-	-	-	-	13,047	70.50
By Country								
• Thailand	-	-	-	-	-	-	18,495	99.94
• Elsewhere	-	-	-	-	-	-	11	0.06

Item	2019		2020		2021		2022	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
Temporary Employees	124	0.61	64	0.32	180	0.95	142	0.76
By Gender								
• Male	-	-	-	-	-	-	54	38.03
• Female	-	-	-	-	-	-	88	61.97
By Country								
• Thailand	-	-	-	-	-	-	142	100.00
• Elsewhere	-	-	-	-	-	-	0	0.00
Full-time Employees	-	-	-	-	-	-	18,648	100.00
By Gender								
• Male	-	-	-	-	-	-	5,513	29.56
• Female	-	-	-	-	-	-	13,135	70.44
By Country								
• Thailand	-	-	-	-	-	-	18,637	99.94
• Elsewhere	-	-	-	-	-	-	11	0.06
Non-guaranteed Hours Employees	N/A		N/A		N/A		N/A	
Part-time Employees	N/A		N/A		N/A		N/A	
Workers who are not employees*	13,903		13,215		12,677		12,821	
New Hires	1,457	7.14	395	1.99	531	2.79	1,204	6.46
By Gender								
• Male	412	28.28	150	37.97	229	43.13	438	36.38
• Female	1,045	71.72	245	62.03	302	56.87	766	63.62
By Age								
• < 30 years	1,071	73.51	227	57.47	188	35.40	563	46.76
• 30 - 50 years	382	26.22	167	42.28	338	63.65	634	52.66
• > 50 years	4	0.27	1	0.25	5	0.94	7	0.58
By Employee Level								
• Top Management Level	3	0.21	1	0.25	3	0.57	2	0.17
• Middle Management Level	23	1.58	19	4.81	34	6.40	62	5.15
• Junior Management Level	180	12.35	104	26.33	256	48.21	409	33.97
• Junior Officer	1,251	85.86	271	68.61	238	44.82	731	60.71
By Workplace								
• Head office and main buildings	941	64.58	343	86.84	531	100.00	1,111	92.28
• Elsewhere	516	35.42	52	13.16	0	0.00	93	7.72

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

Item	2019		2020		2021		2022	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
By Country								
• Thailand	1,457	100.00	395	100.00	531	100.00	1,204	100.00
• Elsewhere	0	0.00	0	0.00	0	0.00	0	0.00
By Nationality								
• Thai	1,456	99.93	380	96.20	525	98.87	1,191	98.92
• Foreigner	1	0.07	15	3.80	6	1.13	13	1.08
By Others								
People with disability	0	0.00	0	0.00	0	0.00	0	0.00
Open positions filled by internal candidates	87	81.31	99	84.22	89	78.76	285	85.59
By Gender								
• Male	37	42.53	48	48.48	42	47.19	141	49.47
• Female	50	57.47	51	51.52	47	52.81	144	50.53
By Age								
• < 30 years	0	0.00	0	0.00	0	0.00	0	0.00
• 30 - 50 years	67	77.01	73	73.74	66	74.16	184	64.56
• > 50 years	20	22.99	26	26.26	23	25.84	101	35.44
Average employee expense per FTE (Baht)	20,079.10		61,155.36		51,919.62		25,245.73	
Number of Turnover (including resignation, retirement, early retirement, death, contract termination and termination of all kinds)	1,629	7.98	955	4.82	1,289	6.77	1,584	8.49
By Gender								
• Male	577	35.42	405	42.41	510	39.57	625	39.46
• Female	1,052	64.58	550	57.59	779	60.43	959	60.54
By Age								
• < 30 years	-	-	-	-	336	26.07	320	20.20
• 30 - 50 years	-	-	-	-	630	48.88	914	57.70
• > 50 years	-	-	-	-	323	25.06	350	22.10
By Employee Level								
• Top Management Level	4	0.25	5	0.52	5	0.39	4	0.25
• Middle Management Level	50	3.07	52	5.45	60	4.65	79	4.99
• Junior Management Level	381	23.39	271	28.38	418	32.43	575	36.30
• Junior Officer	1,194	73.30	627	65.65	806	62.53	926	58.46
By Nationality								
• Thai	1,623	99.63	941	98.53	1,282	99.46	1,573	99.31

Item	2019		2020		2021		2022	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
• Foreigner	6	0.37	14	1.47	7	0.54	11	0.69
Number of Voluntary Turnover (including resignation, retirement, and early retirement)	1,498	7.34	880	4.44	1,221	6.42	1,486	7.97
By Gender								
• Male	523	34.91	372	42.27	487	39.89	601	40.44
• Female	975	65.09	508	57.73	734	60.11	885	59.56
By Age								
• < 30 years	N/A	N/A	N/A	N/A	334	27.35	312	21.00
• 30 - 50 years	N/A	N/A	N/A	N/A	575	47.10	348	23.42
• > 50 years	N/A	N/A	N/A	N/A	312	25.55	826	55.58
By Employee Level								
• Top Management Level	4	0.26	4	0.45	5	0.41	4	0.27
• Middle Management Level	47	3.14	51	5.80	59	4.83	78	5.25
• Junior Management Level	349	23.30	254	28.86	414	33.91	533	35.87
• Junior Officer	1,098	73.30	571	64.89	743	60.85	871	58.61
By Nationality								
• Thai	1,493	99.67	879	99.89	1,215	99.51	1,475	99.26
• Foreigner	5	0.33	1	0.11	6	0.49	11	0.74
Number of Employees who are Labor Union Members	8,497	41.64	8,753	44.16	8,055	42.33	8,287	44.44
Number of Employees Under Supervision of The Welfare and Labor Union Committee	20,407	100.00	19,819	100.00	19,029	100.00	18,648	100.00
Ratio of Salary and Basic Remuneration of Male and Female Employees								
Head Office								
• Top Management (Executive)	1 : 0.76		1 : 0.86		1 : 0.86		1:0.83	
• Middle Management	1 : 1.04		1 : 1.05		1 : 1.04		1:1.02	
• Junior Officer	1 : 0.77		1 : 0.77		1 : 0.77		1:0.79	
Elsewhere								
• Top Management (Executive)	N/A		N/A		N/A		N/A	
• Middle Management	No Female		No Female		No Female		No Female	
• Junior Officer	1 : 0.70		1 : 0.68		1 : 0.71		1:0.72	

Item	2019		2020		2021		2022	
	Male	Female	Male	Female	Male	Female	Male	Female
• Number of employees having the right of maternity/parental leave	20,407		19,819		19,029		18,648	
	6,262	14,145	5,999	13,820	5,703	13,326	5,516	13,132
• Number of employees using the right of maternity/parental leave (classified by gender)	945		863		830		695	
	65	880	68	795	45	785	42	653
• Number of employees returning to work after maternity/parental leave (classified by gender)	903		835		803		673	
	61	842	66	769	45	758	40	633
• Percentage of employees returning to work and remaining at work after maternity/parental leave (%)	95.56		96.76		96.75		96.83	
	93.85	95.68	97.06	96.73	100.00	96.56	95.24	96.94

Item	2019	2020	2021	2022
Employee Engagement*				
• Engagement Score* (%)	75	75	77	77
• Information Coverage (%)	100	100	100	100
• Percentage of actively engaged employees	100	100	100	100
By Gender				
• Male (%)	75	75	75	75
• Female (%)	75	75	79	79
By Employee Level				
• Top Management Level (%)	67	67	76	76
• Middle Management Level (%)	77	77	75	75
• Junior Management Level (%)	76	76	79	79
• Junior Officer (%)	75	75	77	77
Minimum Notice Period Before Effective Operational Changes That Potentially Affect Job Title/Type of Employment, e.g., organizational restructuring, business merger and branch expansion				
• Job changes	2 weeks			
• Business merger, branch expansion	60 days			
• Organizational restructuring, e.g., addition or reduction of divisions	2 weeks			
Employee Complaints in Relation to Labor Practices				
• Number of employee complaints in relation to labor practices	7	2	0	1
• Number of resolved complaints	7	2	0	1
• Number of pending complaints	0	0	0	0

* The Engagement Score assessment is conducted every 2 years

Training

Item	Hours per year per person			
	2019	2020	2021	2022
Training hours				
Total training hours	928,507	847,516	712,474	753,600
Average training hours	45.5	42.8	37.4	40.4
By Gender				
• Male	45.7	40.2	31.9	37.1
• Female	45.4	43.9	39.8	41.8
By Employee Level				
• Management level (First Vice President and higher)	95.4	42.6	30.0	35.0
• Operating and staff level (below First Vice President)	44.6	42.8	37.6	40.6

item	Percentage of total employees			
	2019	2020	2021	2022
Employee Performance Evaluation				
Percentage of evaluated employees	100	100	100	100
By Gender				
• Male	100	100	100	100
• Female	100	100	100	100
By Employee Level				
• Top Management Level	100	100	100	100
• Middle Management Level	100	100	100	100
• Junior Management Level	100	100	100	100
• Junior Officer	100	100	100	100
Training Expenses				
Staff Productivity (Revenue/Personnel Expense)	5.66	5.78	5.67	6.51
Human Capital Return on Investment	4.08	4.15	4.21	4.85

Occupational Health and Safety

Item	Unit	2019		2020		2021		2022	
		Male	Female	Male	Female	Male	Female	Male	Female
Injury Rate (IR)	Number of employees per 200,000 operating hours	0.01		0.00		0.00		0.00	
		0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Injury Rate (LTIR)	Number of employees per 200,000 operating hours	0.01		0.00		0.00		0.00	
		0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Lost Day Injury Rate (LDIR)	Number of lost days per 200,000 operating hours	0.01		0.00		0.00		0.00	
		0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Occupational Disease Rate (ODR)	Number of employees per 200,000 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	0.83		0.69		0.67		1.53	
		0.81	0.83	0.64	0.71	0.62	0.70	1.12	1.70
Number of Fatalities	Person	0	0	0	0	0	0	0	0
Sick Leave									
Number of sick leave days	Day	12,325	28,805	9,327	23,779	8,478	22,367	14,911	53,674
By Workplace									
• Head office and main buildings	Day	30,021		23,653		19,232		34,895	
• Elsewhere	Day	11,110		9,454		11,613		33,691	
Number of time lost due to non-work related illness	Hours (Day x 8 hours)	98,604	230,440	74,616	190,236	67,820	178,932	119,288	429,392

Note: The number of cases of recordable work-related ill health was recorded from opinions of the Social Security Office. In 2022, 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

Economic Performance	2022	
	Consolidated	KBank
Revenues*	191,591,931	171,839,043
Other operating expenses**	33,046,532	33,182,561
Employee expenses***	34,602,347	23,824,934
Payments to providers of capital****	26,034,641	24,502,494
Tax payment to government*****	12,931,340	10,048,808
Cash donation for supporting community and education	1,136,588	1,092,630
Economic value retained	83,840,483	79,187,616
Total assets	4,246,368,882	3,541,413,243
Total liabilities	3,679,289,448	3,094,732,024
Total equity	567,079,434	446,681,219

* 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 Content Index



CONTENT INDEX ESSENTIAL SERVICE + SDG MAPPING ADD-ON

2023

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.

The KBank Annual Report 2022 (56-1 One Report) can be found

https://www.kasikornbank.com/en/IR/FinanInfoReports/financialReports/Y2022_OneReport_EN.pdf

Statement of use	KASIKORNBANK PUBLIC COMPANY LIMITED has reported in accordance with the GRI Standards for the period 1 January - 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	We will be validating our list of material issues with the latest GRI Sector Standard for our industry when it is published by GRI.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
General disclosures								
GRI 2: General Disclosures 2021	2-1 Organizational details		10, 15, 17					
	2-2 Entities included in the organization's sustainability reporting		33, 198, 202					
	2-3 Reporting period, frequency and contact point		198 - 199					
	2-4 Restatements of information		68					
	2-5 External assurance		198, 236 - 237					
	2-6 Activities, value chain and other business relationships		10 - 17, 25, 180 - 181, 191 - 197, 214					
	2-7 Employees		200, 206 - 207				SDG 8	
	2-8 Workers who are not employees		200, 208				SDG 8	
	2-9 Governance structure and composition	102 - 103	22, 51 - 52, 150 - 151, 158 - 160, 182 - 183					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	2-10 Nomination and selection of the highest governance body	120 - 124						
	2-11 Chair of the highest governance body	109						
	2-12 Role of the highest governance body in overseeing the management of impacts	110	13 - 14, 20, 22 - 24, 51 - 52, 160, 182 - 183, 233					
	2-13 Delegation of responsibility for managing impacts	47, 65	22, 51 - 52, 105, 150 - 151, 160, 182 - 183, 231 - 232					
	2-14 Role of the highest governance body in sustainability reporting	64 - 65	33, 198					
	2-15 Conflict of interest	135 - 137						
	2-16 Communication of critical concerns	140	121, 156 - 157, 180 - 181					
	2-17 Collective knowledge of the highest governance body	124 - 127	153					
	2-18 Evaluation of the performance of the highest governance body	128 - 129						
	2-19 Remuneration policies	117	122					
	2-20 Process to determine remuneration	114 - 115, 120 - 124	122					
	2-21 Annual total compensation ratio		210					
	2-22 Statement on sustainable development strategy	9, 11	7, 9					
	2-23 Policy commitments	64	21, 48 - 69, 152, 221 - 233					
	2-24 Embedding policy commitments	65, 69	21, 25					
	2-25 Processes to remediate negative impacts	46 - 63	132 - 135, 158 - 165					
	2-26 Mechanisms for seeking advice and raising concerns	140	121, 156 - 157, 180 - 181					
	2-27 Compliance with laws and regulations	71	29					
	2-28 Membership associations		32, 45, 64, 79 - 80, 87 - 88, 175 - 179, 188 - 190					
	2-29 Approach to stakeholder engagement	143 - 144	39 - 44					
	2-30 Collective bargaining agreements		210				SDG 8	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Material Topics								
GRI 3: Material Topics 2021	3-1 Process to determine material topics		33 - 34					
	3-2 List of material topics		34 - 38					
Corporate Governance								
GRI 3: Material Topics 2021	3-3 Management of material topics		150					
Business Ethics and Transparency								
GRI 3: Material Topics 2021	3-3 Management of material topics		152, 155					
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures		153, 155				SDG 16	
Risk Management								
GRI 3: Material Topics 2021	3-3 Management of material topics		158 - 159					
Customer Understandings								
GRI 3: Material Topics 2021	3-3 Management of material topics		166-167					
Environmentally Responsible Financial Products								
GRI 3: Material Topics 2021	3-3 Management of material topics		48 - 77, 182 - 185					
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions		68 - 69				SDG 3, SDG 13	YES
	305-4 GHG emissions intensity		69				SDG 13	YES
Digitization and Innovation								
GRI 3: Material Topics 2021	3-3 Management of material topics		166 - 167					
Sustainable Supply Chain Management								
GRI 3: Material Topics 2021	3-3 Management of material topics		191 - 195					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		191 - 195					
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation		193 - 197					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		191 - 195					
	414-2 Negative social impacts in the supply chain and actions taken		193 - 195					
Cybersecurity and Customer Data Privacy Protection								
GRI 3: Material Topics 2021	3-3 Management of material topics		104 - 113					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		108				SDG 16	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Employee Labor Practices, Inclusion, Diversity, and Equality								
GRI 3: Material Topics 2021	3-3 Management of material topics		114 - 131					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		208 - 210				SDG 5, SDG 8	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		122 - 124				SDG 8	
	401-3 Parental leave		211				SDG 5, SDG 8	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		211				SDG 8	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		206 - 207				SDG 5, SDG 8	
	405-2 Ratio of basic salary and remuneration of women to men		210				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		117-118					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		28, 212				SDG 4, SDG 5, SDG 8	
	404-3 Percentage of employees receiving regular performance and career development reviews		212				SDG 5, SDG 8	
Employee Well-Being								
GRI 3: Material Topics 2021	3-3 Management of material topics		127-131					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		126 - 131					
	403-2 Hazard identification, risk assessment, and incident investigation		162 - 163					
	403-3 Occupational health services		126 - 127					
	403-4 Worker participation, consultation, and communication on occupational health and safety		126 - 127, 162 - 163					
	403-5 Worker training on occupational health and safety		126 - 130					
	403-6 Promotion of worker health		126 - 130					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		131, 162 - 164					
	403-10 Work-related ill health		213				SDG 3, SDG 8	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Human Rights Across Employees, Suppliers, and Customers								
GRI 3: Material Topics 2021	3-3 Management of material topics		132 - 135					
Socially Responsible Financial Products/Creating Financial Literacy								
GRI 3: Material Topics 2021	3-3 Management of material topics		94, 136 - 137					
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts		94 - 100, 140 - 144				SDG 1, SDG 3, SDG 8	
Education and Community Development / Social and Cultural Preservation and Development								
GRI 3: Material Topics 2021	3-3 Management of material topics		136 - 137					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		138, 140, 142, 214				SDG 8, SDG 9	
Reducing Emissions of the Bank’s Operations, Lending, and Investment / Reducing Pollution /Creating Environmental Awareness / Effective Waste Management / Effective Water Manageent and Water Stress / Preservation of Biodiversity / Collaboration with Institutions Focusing on Sustainable Development / Clean Energy								
GRI 3: Material Topics 2021	3-3 Management of material topics		48 - 77, 81 - 91					
GRI 302: Energy 2016	302-1 Energy consumption within the organization		89, 199, 203 - 204				SDG 8, SDG 13	YES
	302-3 Energy intensity		203 - 204				SDG 8, SDG 13	
	302-4 Reduction of energy consumption		89, 203 - 204				SDG 8, SDG 13	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		85, 200, 203					
	303-2 Management of water discharge-related impacts		85					
	303-3 Water withdrawal		204					YES
	303-4 Water discharge		204					YES
	303-5 Water consumption		89, 204					YES
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		25 - 26, 89, 199 - 200, 203				SDG 3, SDG 13	YES
	305-2 Energy indirect (Scope 2) GHG emissions		25 - 26, 89, 199 - 200, 203				SDG 3, SDG 13	YES
	305-3 Other indirect (Scope 3) GHG emissions		68 - 69, 199 - 200, 203, 205				SDG 3, SDG 13	YES
	305-4 GHG emissions intensity		69, 199, 203, 205				SDG 13	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		86, 199 - 200					
	306-2 Management of significant waste-related impacts		86, 199 - 200					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION			MAPPED TO UN SDGs	EXTERNAL VERIFICATION
		ANNUAL REPORT	SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	306-3 Waste generated		89, 199 - 200, 203 - 205					YES
	306-4 Waste diverted from disposal		199 - 200, 204 - 205					YES
	306-5 Waste directed to disposal		199 - 200, 205					YES
Transition Risks and Opportunity from Climate Change								
GRI 3: Material Topics 2021	3-3 Management of material topics		48 - 77, 222 - 223					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		25 - 26, 89, 199 - 200, 203				SDG 3, SDG 13	YES
	305-2 Energy indirect (Scope 2) GHG emissions		25 - 26, 89, 199 - 200, 203				SDG 3, SDG 13	YES
	305-3 Other indirect (Scope 3) GHG emissions		68 - 69, 199 - 200, 203, 205				SDG 3, SDG 13	YES
	305-4 GHG emissions intensity		69, 199, 203, 205				SDG 13	
Specific standard disclosures for the financial services sector								
Product portfolio								
GRI 3: Material Topics 2021	3-3 Management of material topics		70 - 77, 94 - 103					
FS 7	Monetary value of products and services designed to deliver a specific social business for each business line broken down by purpose		97				SDG 1, SDG 8, SDG 9, SDG 10	YES
FS 8	Monetary value of products and services designed to deliver a specific environmental business for each business line broken down by purpose		70 - 77					
Local communities								
GRI 3: Material Topics 2021	3-3 Management of material topics		94 - 103					
FS 13	Access point in low-populated or economically disadvantaged areas by types		99				SDG 1, SDG 8, SDG 10	
FS 14	Initiatives to improve access to financial services for disadvantaged people		94 - 100				SDG 1, SDG 8, SDG 10	
Financial Literacy (Former FS 16)								
GRI 3: Material Topics 2021	3-3 Management of material topics		94					
FS 16	Initiatives to enhance financial literacy by type of beneficiary (former FS 16)		101 - 103					

Signatory of:

PRINCIPLES FOR
RESPONSIBLE
BANKING

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 been in business for over 70 years. KBank conducts commercial banking business, securities business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related notifications. At present, KBank has 50 subsidiaries, a service network of 824 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 31,469.

Our financial network provides service solutions in response to customers' financial requirements 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 endeavors to deliver an excellent experience for all of our customers.

In 2022, our loan portfolio approximately 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 41%, housing loans 16%, infrastructure and services 12%, property development and construction 8%, agriculture and mining 1%, and others 22%, 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 2022 p. 10, and Annual Report 2022 (Form 56-1 One Report) p. 305.

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.

In 2021, the Board of Directors had approved the Bank's Net Zero Commitment in order to mitigate the impacts of climate change in consonance with the Sustainable Development Goals (SDGs), the Paris Agreement and Thailand's aspirations.

Links and references

See details in Sustainability Report 2022 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 and fulfil the following requirements/elements (a-d):

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) to assess current and possible positive and negative impacts, risks and opportunities on environment, society and economy in our main country; Thailand, the main country that the Bank operates in, as more than 90% of our loan portfolio was generated from Thailand. The analysis is based on 2021 data, and mainly focused in corporate and business lending portfolio which represents approximately 70% of total lending portfolio.

Links and references

See details in Annual Report 2022 (Form 56-1 One Report) p. 305.

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

i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
ii) 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 2021, approximately consisted of manufacturing and commerce 40%, housing loans 18%, infrastructure and services 13%, property development and construction 8%, agriculture and mining 2%, and others 19%.

Links and references

See details in Annual Report 2022 (Form 56-1 One Report) p. 305.

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? 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

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. 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, quality of resources & services
- Socio-economic impact areas: Strong institutions, Peace & stability and Socio-economic convergence

Links and references

See details in Sustainability Report 2022 p. 66.



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)? Please disclose.

Response

Based on our portfolio, the most significant positive and negative impact areas are as followed;
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 considered others factors including;

- methodology availability
- counterparty data availability
- decarbonization trends in Thailand
- complexity to execute
- local context consideration, for instance, Thailand's National Strategy 2018-2037, Thailand's Nationally Contribution (NDC), and Thailand's Long-term Low Greenhouse Gas Development Strategy (LT-LEDS), and Bio-Circular-Green Economic Model.

Those important factors have impacts on businesses' practicality and abilities, technology availability, customers readiness and economic impacts of implementing the target set. As a results, KBank has determined Climate stability and Circularity to be our 2 majors impact areas.

Links and references

-

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:

KBank has assessed its financed emissions of our lending activities by adopting Partnership for Carbon Accounting Financials (PCAF) methodology. KBank has prioritized three carbon-intensive sectors including power generation, coal, and oil and gas (upstream). The remaining sectors will be included in subsequent rounds of target setting if data, methodology, and sector-specific scenarios allow.

Resource efficiency & circular:

KBank is in progress of performance measurement step to quantify impacts and identify important sectors. The processed are expected to be completed and disclosed in the next report.

Links and references

See details in Sustainability Report 2022 p. 68-69.

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?

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 and Resource efficiency & circular

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)

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 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 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 committed to carbon neutral target by 2050 and Net Zero by 2065 referenced to the 26th Conference of the Parties (COP26). Therefore, Thailand hereby communicates its 2nd updated Nationally Determined Contribution (NDC) and the relevant information to support that long-term temperature goal set and Thailand's achievement.

In order to attain carbon neutrality and net zero goals, Thailand has revised and published the national Long-Term Low Greenhouse Gas Emission Development Strategy (LT-LEDS) in November 2022 to accelerate the decarbonization pathway and to put words into a clear plan of mitigation action. The revised LT-LEDS is a key mitigation action that KBank will undertake in striving toward such a goal. In addition, KBank is also committed to aligning with the IEA Sustainable Development Scenario (SDS) and thus the Paris Agreement of keeping the global warming well-below 2°C. Nonetheless, KBank will consider and incorporate any material changes to Thailand's GHG reduction pathways strategies as they arise into KBank's decarbonization pathway.

Links and references

See details in Sustainability Report 2022 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:



Impact area	Indicator code	Response
Climate change mitigation	A 1.1 Climate strategy: Does your bank have a climate strategy in place?	Yes, in 2021, our Board of Directors had approved the Bank's ESG Strategy and Net Zero Commitment in order to mitigate the impacts of climate change in consonance with the Sustainable Development Goals (SDGs), the Paris Agreement and Thailand's aspirations.
	A 1.2 Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes, KBank commit to contribute the global Net Zero effort in line with Thailand's aspirations. - Emissions baseline / base year: What is the emissions baseline / base year for your target?: 2020 - Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used?: IEA SDS
	A 1.3 Policy and process for client relationships: Has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes, KBank has incorporated ESG risk factors in our lending processes which can be seen in the Sustainability Report 2022 p. 182-186.
	A 2.1 Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes, KBank promoted customer engagement in various groups of customers including corporate, SMEs, and retail customers, with mainly focused in Thailand which is the main geographies that the bank operates in. Please refer to the Sustainability Report 2022 p. 78-79.
	A 2.2 Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or	Our financed emissions has been reported in the Sustainability Report 2022 p. 68-69.
	A 2.3 Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Our emission intensity consists of 5.3 tCO ₂ e to Baht 1 million of investment or loans which covers 100% of commercial loan portfolio. Please refer to the Sustainability Report 2022 p. 69.
	A 3.1 Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	In 2022, KBank granted sustainable financing and investment worth more than Baht 26,000 million, and intends to achieve Baht 100-200 billion in sustainable funding by 2030. (Various products offered to our customers can be seen in the Sustainability Report 2022 p. 70-77.)
In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.		
Response KBank has assessed its financed emissions of our lending activities by adopting Partnership for Carbon Accounting Financials (PCAF) methodology. Our financed emissions has been reported in the Sustainability Report 2022 p. 68-69		Links and references See details in Sustainability Report 2022 p. 68-69.

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

Response

We measured our financed emissions of our commercial lending portfolio as of 2022-year end, with a coverage of 100% of corporate lending portfolio. We began by setting targets in our three most carbon-intensive sectors, including power generation, oil and gas, and coal, which covered 43% of our overall absolute financed emissions as of 2022. This is in line with the priorities of the countries we are active in.

KBank has adopted the IEA SDS pathway as the decarbonization glidepath of the power generation portfolio. The target for major sectors are as follow;

Power generation: KBank used 'emission intensity' (tCO₂e/GWh) as the portfolio indicator for setting decarbonization of Power generation sector. We aim to reduce its financed emissions by 90% in 2050 from baseline.

Coal: We used the absolute finance in the portfolio indicator for target setting, incorporating the limitation of thermal coal alternatives. Then, we aim to gradually reduce its financed emissions and the provision of existing loans to zero by 2030.

Oil and gas: We used the absolute finance to set up decarbonized target, considered risk-based exposure reflecting an absolute reduction in oil and gas financing and we aim to reduce 44% of its financed emissions by 2050 from baseline.

Links and references

-



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

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

Response

Power generation: The emission intensity targets of the power generation portfolio can be achieved via the below key strategies.

- Reduce the exposure of high carbon-intensive power plants
- Increase the exposure of low carbon or zero emission or green power plants
- Stop financing project of new coal-fired power generation
- KBank will gradually reduce provision of existing loans to coal-fired power plants and coal to zero by 2030. KBank will continuously and dynamically monitor and assess the decarbonization pathways and targets as financing opportunities present. And the reassessment of these targets and decarbonization strategies will be reassess if there is significant or material development of Power Development Plan, Alternate Energy Development Plan, and other relevant Thailand's Energy Plans.

Coal: KBank has committed to the following decarbonization targets:

- By 2030, KBank will gradually reduce the provision of existing loans and investments to coal to zero. Under these financing commitments, it is implied that the absolute emissions of coal lending will also be gradually reduced and reached Net Zero by 2030 throughout the supply chain. Moreover, KBank will continuously and dynamically review these targets with conjunction with assessments of coal related clients' transition plan. Therefore, these financing commitments and their implications on absolute emissions are well-aligned with UNEP FI Climate change target setting guidelines.

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

In addition, KBank will gradually expand the scope of sector decarbonization strategy to other high GHG emission sectors in the portfolio. KBank has conducted significant activities of sustainable development in response to the guidelines and strategies established by the Board of Directors, including the following:

- Announcement of ESG Aspiration to achieve the leading ESG role among banks in Southeast Asia with business strategies focusing on the environment, society and governance, which has been set as the Objective and Key Results (OKRs) for ESG operations in 2023 – 2025
- Establishment of a working group on climate conditions – Climate Pillar to specifically manage greenhouse gas issues, from both KBank's operations and financing and investment portfolio.
- Formulation of work plan in accordance with the Net Zero Commitment, involving alleviation of greenhouse gas emissions from KBank's operations, e.g., use of energy-saving office equipment, solar panel installation on bank offices and branches, use of electric vehicles, and acquisition of carbon credits and Renewable Energy Certificate (REC). As for alleviation of GHG emissions from KBank's financed portfolio, important operations include the following:
 - KBank has the policy to terminate lending to new coal-fired power plants and coal, and to gradually reduce the outstanding loans of coal-fired power plants and coal to zero within 2030, and has formulated a Customer Engagement Plan to ensure that customers and KBank have consistent operational guidelines towards net zero achievement.
 - Determination of Sector Decarbonization Strategy for three industries, namely power generation, oil and gas (upstream), and coal, to fulfil the Net Zero Commitment
 - Support to loan innovation and sustainability investment in the amount of Baht 25 billion – the GO GREEN Together project has been launched to create connectivity and promote a Green Ecosystem in a bid to encourage the civil sector to take part in Thailand's net zero aspirations.
 - Building the capability on GHG management for employees: KBank has cooperated with the Stock Exchange of Thailand and Thailand Greenhouse Gas Management Organization (Public Organization) to design an exclusive learning course for executives and officers related to self-adaptation and alleviation of impacts from climate change.
 - Partnering with other organizations for cooperation in sustainable development promotion, namely:
 - United Nations Global Compact (UNGC) to upgrade KBank's business operations in line with globally recognized principles in four topics, including human rights, labor, environment and anti-corruption
 - 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

Links and references

See details in Sustainability Report 2022 p. 23-24.

Self-assessment summary

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

	... first area of most significant impact: ... (please name it) Climate change mitigation	... second area of most significant impact: ... (please name it) Resource efficiency & circular	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<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 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

KBank's targets were announced at the end of 2022. The implementation plan has been continually conducted throughout the year and it is expected to have a progress and disclose in the next report.

Links and references

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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 customers¹ 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 activities². 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 Principle 2).

Response

Based on our K-Strategy that focuses on empowering every customer's life and business, KBank has organized Customer Deep Listening sessions or workshops with customers and Relationship Managers to understand customers' pain points and needs for use in our analyses and development of products in response with those customers' needs.

KBank has also included ESG risks and opportunities as a factor for loan consideration through the processes of Know Your Customer (KYC) and Customer Due Diligence (CDD). In the post-approval period, KBank has monitored customers' loan uses per the objectives notified to KBank and their repayments per the due dates. We have also monitored impacts of economic conditions, COVID-19 and natural disasters on our customers, and prepared effective assistance guidelines for those affected customers. Such operations have complied with our Market Conduct Policy, which serves as a framework for establishing KBank's sales and service processes. 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. Besides, our Relationship Managers also engage with customers, to let them realize on the Bank's direction and to work with them on the transition journey.

Moreover, KBank promoted customer engagement in various groups of customers including corporate, SMEs, and retail customers, with mainly focused in Thailand which is the main geographies that the bank operates in. Please refer to Sustainability Report 2022 p. 78-79.

Links and references

See details in Sustainability Report 2022 p. 78-79, 182-186.

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.).

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. In this circumstance, KBank seeks to empower its customers and Thai businesses in the drive towards a sustainable economic system. In 2022, KBank has thus far granted sustainable financing and investment worth more than Baht 26,000 million, and intends to achieve Baht 100-200 billion in sustainable funding within 2030.

Various products offered to our customers which can be seen in Sustainability Report 2022 p. 70-77.

Links and references

See details in Sustainability Report 2022 p. 70-77.

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) 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.

Response

KBank evaluate and identifies stakeholders by analyzing the financial, ESG impacts of business activities across the Bank's value chain on stakeholders, as well as stakeholders' effect on the Bank's operations to be evaluated in order to identify stakeholders, including the shareholders, Board of Directors, employees, regulatory agencies, customers, counterparties/business partners, competitors, creditors, communities, environment and society. The results from voice of stakeholders show that material topics and boundaries that most stakeholders attached importance to in environmental dimension is weather condition.

In addition, KBank has worked with other organizations for cooperation in sustainable development promotion – Major operations are as follows:

1. Being a member of the United Nations Global Compact (UNGC) to uplift our business operations in conformity with the globally accepted principles, covering four key areas of human rights, labor, environment and anti-corruption.
2. Being a signatory to the Partnership for Carbon Accounting Financials (PCAF), which is an initiative under the cooperation of the global financial sector to formulate standards for assessment and disclosure of GHG emissions financed from loans and investments portfolio.
3. Participating in a project to promote GHG reduction in the business sector with the use of science-based targets (SBT) for 2022: This project was initiated by the Center of Excellence for Eco-Efficiency Faculty of Engineering, Thammasat University, and the Thailand Greenhouse Gas Management Organization (TGO) (Public Organization).
4. Taking part in the Climate Action Leading Organization initiative under the cooperation of the Thailand Greenhouse Gas Management Organization (Public Organization) and the United Nations Framework Convention on Climate Change (UNFCCC), which reflects our intent to lead in GHG management.
5. Working with the Thai Bankers' Association (TBA) in advancing sustainable development of the Thai banking sector: KBank has taken the role of Lead Facilitator in sustainability with key missions, including preparation of the ESG Declaration and development of impact assessment tools and an industry handbook.
6. 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' which will serve as a common guideline in classifying environmentally sustainable economic activities.

Links and references

See details in Sustainability Report 2022 p. 24, 34.

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.

Response

Governance structure:

KBank has established the structure, policies and management related to climate change as part of the sustainability operational processes that manifest ESG responsibility. Please refer to Sustainability Report 2022 p. 51-52.

Policies and procedures:

KBank has established credit policies and procedures that manifest ESG responsibility with an operational structure divided into management and transaction levels. Please refer to Sustainability Report 2022 p. 182-186.

Links and references

See details in Sustainability Report 2022 p. 51-52, 182-186.

5.2 Promoting a culture of responsible banking:

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

Response

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

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

KBank also collaborated with the Thailand Greenhouse Gas Management Organization (Public Organization) in organizing a seminar to provide the Climate Pillar and relevant employees knowledge about GHG management, so they know how to adjust to and reduce the impacts of climate change. There were more than 200 attendees at the seminar. Moreover, the Bank worked with our strategic partners and experts from various organizations in organizing a Live Talk to offer employees an understanding about environmentally friendly lifestyles. Various topics were featured in the Live Talk, such as "WFH can help save electricity bills through the installation of environmentally friendly solar rooftops", "Ways to save on power" "An understanding about Time of Use (TOU) electricity rate & solar power purchase from private households.

Links and references

See details in Sustainability Report 2022 p. 67-68, 88, 182-186.

5.3 Policies and due diligence processes

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

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

Response

KBank has incorporated ESG risk factors in our lending processes, including the processes of Know Your Customer (KYC) and Customer Due Diligence (CDD), along with other issues in credit underwriting function, namely customer characteristics, borrowing objectives that benefit the economic system, sources of income and income consistency, debt servicing ability that matches borrowers' income, debt burdens and expenses.

To affirm the importance of environmental and social impact management in our lending and investment, KBank has formulated an Environmental and Social Risk Management Policy and Framework (ESRM) that incorporates ESG consideration in risk management processes via an operational structure of well-defined roles and responsibilities. International practices have been adopted in our credit consideration processes for commercial credits and Project Finance, and securities investment. 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, to ensure that no projects that have been supported by KBank will have any adverse effect on the environment or society, as well as KBank's image and operations, while enhancing stable business advancement and sustainable returns for all stakeholders in the long term.

In addition, KBank has set target that 100% of Project Finance and medium enterprises (and above) requests must be processed through the Environmental, Social and Governance (ESG) assessment procedure.

Links and references

See details in Sustainability Report 2022 p. 182-186.

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 2022 p. 236-237.

6.2 Reporting on other frameworks

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

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

Response

KBank has disclosed our sustainability information align with various international standards as mentioned above.

Links and references

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6.3 Outlook

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

Response

Climate change mitigation: KBank will continuously and dynamically monitor and assess the decarbonization pathways and targets as financing opportunities present.
Resource efficiency & circular: KBank plan to conduct performance measurement to quantify impacts and identify important sectors. The processed are expected to be completed and disclosed in the next report.
Assurance: The next report disclosed information on our PRB commitments will be assured by an independent assurer.

Links and references

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6.4 Challenges

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

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

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

- ☐ Embedding PRB oversight into governance
☐ Gaining or maintaining momentum in the bank
☒ Getting started: where to start and what to focus on in the beginning
☒ Conducting an impact analysis
☒ Assessing negative environmental and social impacts
☒ Choosing the right performance measurement methodology/ies
☒ Setting targets
☐ Other: ...

- ☒ Customer engagement
☒ Stakeholder engagement
☒ Data availability
☒ Data quality
☐ Access to resources
☒ Reporting
☐ Assurance
☒ Prioritizing actions internally

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

Sustainability Awards and Assessment



National



KBank was selected to be included in the Thailand Sustainability Investment (THSI) 2022 by the Stock Exchange of Thailand.
Selected for seven years (2015, 2017 - 2022)



Best Sustainability Awards 2022
KBank was selected as one of the listed companies with market capitalization exceeding Baht 100 billion, from the 2022 SET Awards (Sustainability Excellence). The event was organized by the Stock Exchange of Thailand.



ESG 100 Certificate 2022
KBank was selected as one of the 100 Thai companies with outstanding ESG performance by the Thaipat Institute.
Selected for seven consecutive years (2016 - 2022)



The first Thai commercial bank to offset carbon to achieve net zero carbon emissions
To transform into a carbon neutral organization, becoming a corporate model for easing the global warming, contributing towards a low - carbon society, and propelling Thai businesses towards sustainability
Selected for five consecutive years (2018 - 2022)



The first Thai commercial bank to receive an "Excellent" award under the Low Carbon and Sustainable Business Index (LCSI) project of 2022
This award is given to exemplary organizations that have incorporated a low - carbon and sustainable business model, while displaying firm commitment to the efficient reduction of greenhouse gas emissions for sustainable business development. The awards ceremony was organized by the Thailand Greenhouse Gas Management Organization (Public Organization).
Selected for two consecutive years (2021 - 2022)



"Excellent" based on the Corporate Governance Report of Thai Listed Companies for 2022
by the Thai Institute of Directors Association (IOD)



"Excellent and worthy as an example" based on the AGM Quality Assessment Program for 2022
by the Thai Investors Association in cooperation with the Office of the Securities and Exchange Commission and the Thai Listed Companies Association.



International

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

KBank was selected to be a member of the Dow Jones Sustainability Indices (DJSI) 2022, including the DJSI World Index and DJSI Emerging Markets Index, for the seventh year running – the first commercial bank in Thailand and ASEAN to be a component of the DJSI World Index.

Selected as a member for seven consecutive years (2016 - 2022)



86/100 in the S&P Corporate Sustainability Assessments 2022.

KBank was ranked in the top 5% of the S&P Global ESG Score 2022 for the banking industry with score of



KBank earned the CDP A List (Leadership Level) from the Carbon Disclosure Project (CDP) in 2022, 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.



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



KBank was included as a member of the 2023 Bloomberg Gender - Equality Index (GEI), the first Thai financial institution to be chosen. KBank is one of 484 global companies selected for the 2023 Bloomberg GEI, which distinguishes companies committed to transparency in gender reporting and advancing women's quality.

Selected as a member for five consecutive years (2019 - 2023)



KBank was received 5 awards from the 12th Asian Excellence Awards 2022-Digital Ceremony by Corporate Governance Asia magazine.

- 1) Asia's Best CEO (Investor Relations) Miss Kattiya Indaravijaya, Chief Executive Officer
- 2) Asia's Best CFO (Investor Relations) Mr. Chongrak Rattanapian, Senior Executive Vice President and Chief Financial Officer
- 3) Asia's Best CSR
- 4) Best Investor Relations Professional
Dr. Adit Laixuthai, Corporate Secretary and Senior Executive Vice President
- 5) Best Investor Relations Company (Thailand)

Assurance Statement



LRQA Independent Assurance Statement Relating to KASIKORNBANK PUBLIC COMPANY LIMITED's Sustainability Report for the calendar year 2022 (1st January 2022 – 31st December 2022)

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 2022 ("the report") using AccountAbility's AA1000AS v3, where the scope was a Type 2 engagement, and the assurance criteria below¹.

A moderate 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:
 - 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)²
 - GRI 305-2: Energy indirect GHG emissions (scope 2)
 - GRI 305-3: Other Indirect GHG emission (Cat. 6 – business travel by Taxicab and Cat. 15 investments only)
 - GRI 306-3: Waste generated
 - GRI 306-4: Waste diverted from disposal
 - GRI 306-5: Waste directed to disposal
 - GRI 403-9 Work-related injuries (absenteeism only)
 - Initiatives to enhance financial inclusions (FS7)

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

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

LRQA's Opinion

Based on LRQA's approach

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

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

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

¹ <https://www.globalreporting.org>

² GHG quantification is subject to inherent uncertainty.



LRQA's approach

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

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

Observations

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

- **Stakeholder inclusivity:**
We are not aware of any key stakeholder groups that have been excluded from KBank's stakeholder engagement process. KBank has open dialogue with all of its stakeholders though the frequency with trade unions would benefit from more regular time intervals.
- **Materiality:**
We are not aware of any material issues concerning KBank's sustainability performance that have been excluded from the report. It should be noted that KBank has established extensive criteria for determining which issue/aspect is material to its stakeholders and that these criteria are not biased to the company's management.
- **Responsiveness:**
KBANK has established and implemented processes for responding to the concerns of various stakeholder groups in relation to GHG emissions data. KBank has announced its Net Zero emissions in own operations by 2030 and in financed portfolio in line with Thailand's aspiration, accelerating this journey where possible.
- **Impact:**
KBANK should further address quantitative impacts and performances regard human right topics in the future report.
- **Reliability:**
Data management systems are properly defined for the selected GRI disclosure. 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: 10 February 2023

LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited
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Rama 9 Rd., HuayKwang, Bangkok, 10310, THAILAND
LRQA reference: BGK00000907

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

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