

## Materiality Analysis 2022

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 at annual basis. The assessment conducted is based on the principle of double materiality and 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.

The material issues identified through the materiality assessment are integrated in company’s ERM process, enabling us to prioritize and address significant risks to 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.

### Voice of Stakeholders

**Stakeholders Survey and Interview Process**

- 1 **Align on survey approach:** Interviews, Focus groups, Online/ paper surveys
- 2 **Survey launch and interviews**
- 3 **Data analysis**
- 4 **Visualize materiality in terms of importance and impact**
- 5 **Supplement qualitative information**



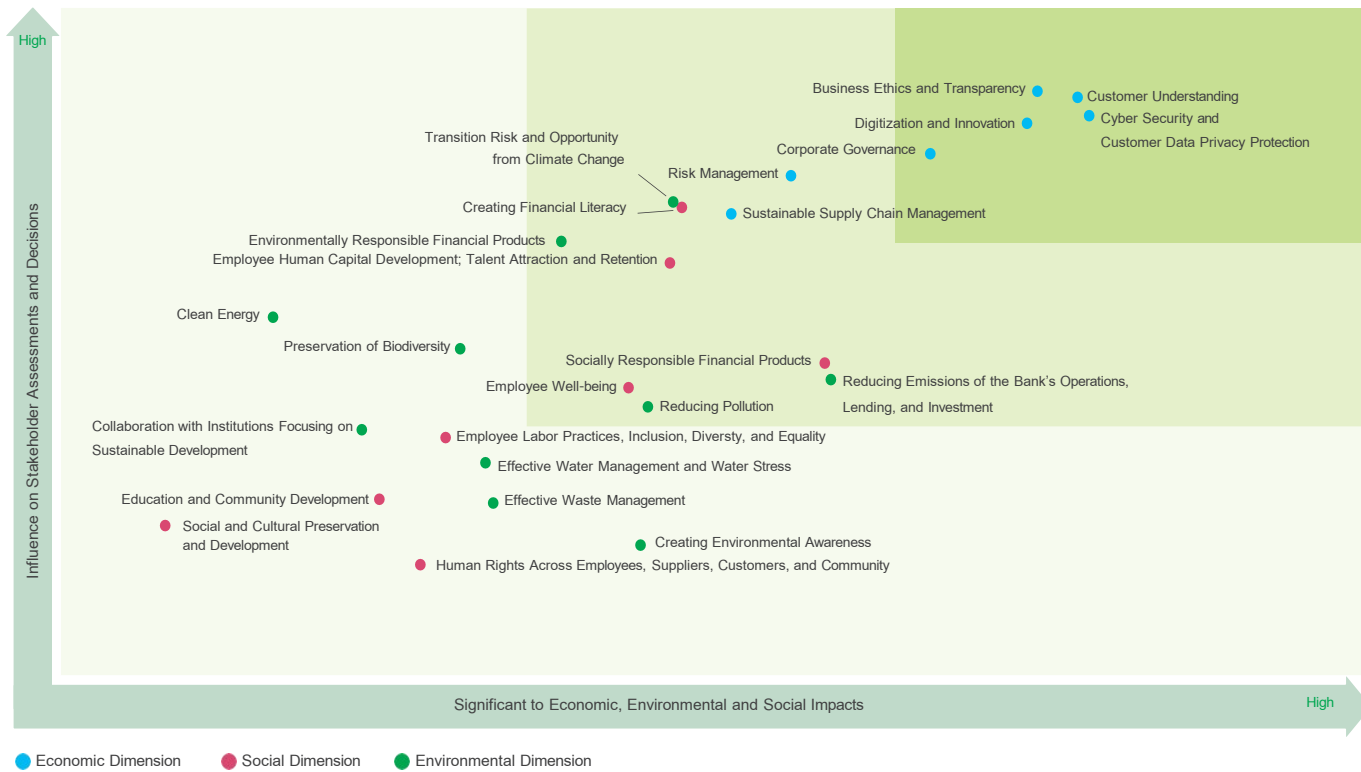
### Material Assessment Processes



- The material topics in 2021 were reviewed.
- Studies were conducted on related aspects set out in national and international sustainability standards, for example, GRI Standards, Sustainability Accounting Standard Board (SASB), Stock Exchange of Thailand (SET), and environmental and banking specialists.
- The material aspects deemed important by leading domestic and global banks were reviewed and assessed.
- Studies were conducted on the material aspects and were assessed against SDGs Impact by Financial Sectors
- Recommendations from stakeholders were sought on the screened material topics.
- Information gained from internal and external stakeholders, such as shareholders, regulatory agencies, customers, suppliers, residents in communities, employees through surveys and questionnaires were analyzed and reviewed. An in-depth interview was conducted with KBank’s Board of Directors and top management so that the results were used to prioritize materials topics.
- The derived prioritization was explained to all divisions so that they acknowledged the stakeholders’ opinions and used them to define the operational guidelines of KBank.
- The material aspects were reported to the Corporate Governance Committee for endorsement for further submission to the KBank Board of Directors for acknowledgment and disclosure in KBank’s Sustainable Report and website.
- Views and recommendations from stakeholders across multiple channels will be used to develop KBank’s operations and disclose information within subsequent reports.



## Material Topics Prioritization



## 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:



\* 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