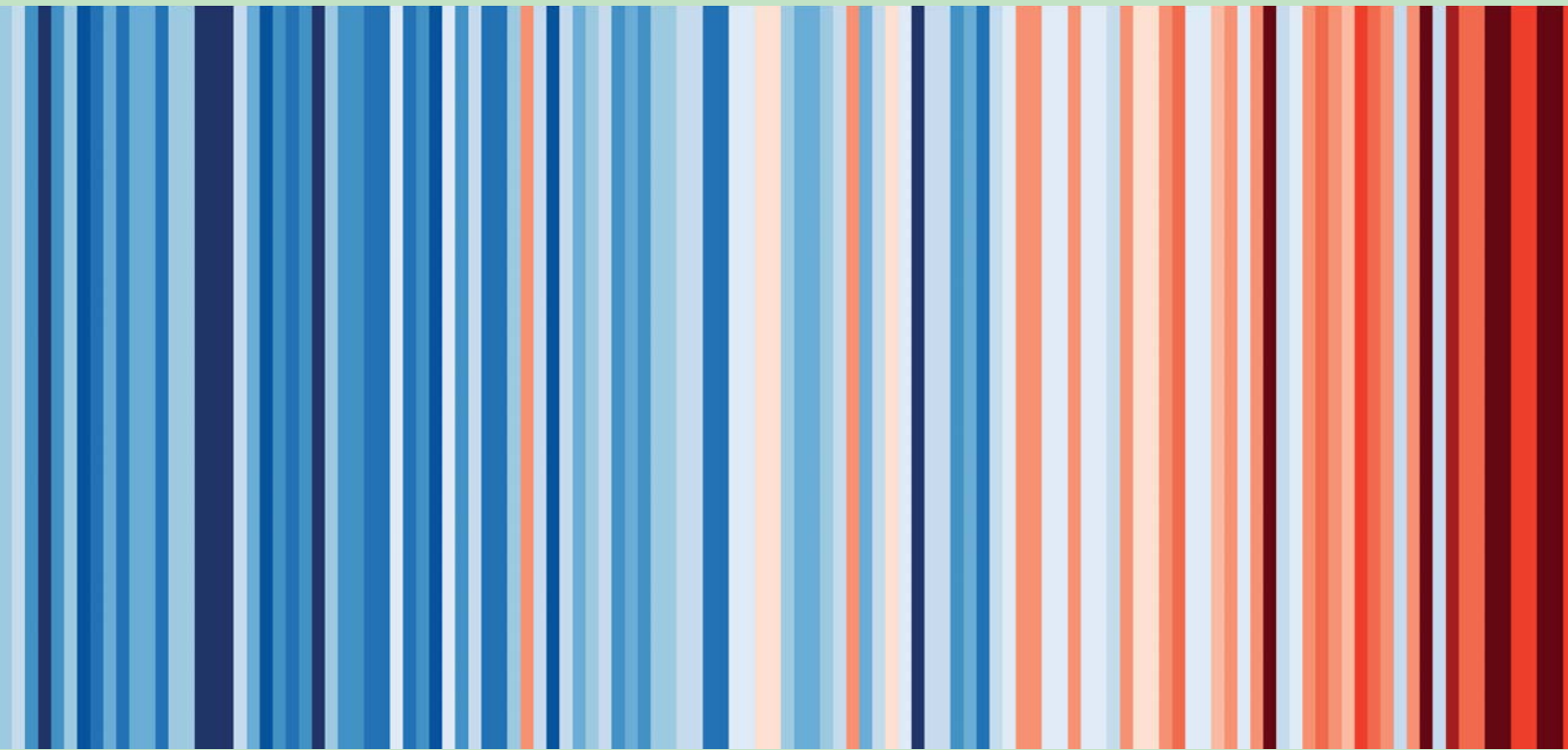




Sustainability
Report 2021

Bank of Sustainability

STRIVE TOWARDS NET ZERO SOCIETY



1901 1910 1930 1950 1970 1990 2010 2021

Average Temperature Change in Thailand since 1901 - 2021

Warming Stripes Image by Professor Ed Hawkins (University of Reading)

<https://showyourstripes.info/s/asia/thailand>



ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ



KASIKORNTHAI

ธนาคารกสิกรไทย

开泰银行 KASIKORNBANK



หลักทรัพย์จัดการกองทุนกสิกรไทย

开泰基金管理 KASIKORN ASSET MANAGEMENT



ศูนย์วิจัยกสิกรไทย

开泰研究中心 KASIKORN RESEARCH CENTER



หลักทรัพย์กสิกรไทย

开泰证券 KASIKORN SECURITIES



ลีสซิ่งกสิกรไทย

开泰租赁 KASIKORN LEASING



แฟคเตอรี แอนด์ อีควิปเมนต์ กสิกรไทย

开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



กสิกร เทคโนโลยี กรุ๊ป เซครเทเรียต

开泰技术集团管理 KASIKORN TECHNOLOGY GROUP SECRETARIAT



กสิกร แล็บส์

开泰研发 KASIKORN LABS



กสิกร 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 according to the principles of a Bank of Sustainability, under good corporate governance, appropriate risk management and effective cost management, accounting for the balance of economic, social, and environmental dimensions.

Guided by our strategy of achieving growth and creating sustainable long-term returns, sustainable development practices are tangibly ingrained in all of our operations as part of our Green DNA, ensuring maximum benefits for all stakeholders.





KASIKORNTHAI

CUSTOMER CENTRICITY

Multi-
Corporate
Business

Large
Corporate
Business

Medium
Business

Small and
Micro
Business

High
Net Worth
Individual

Affluent

Middle
Income

Mass



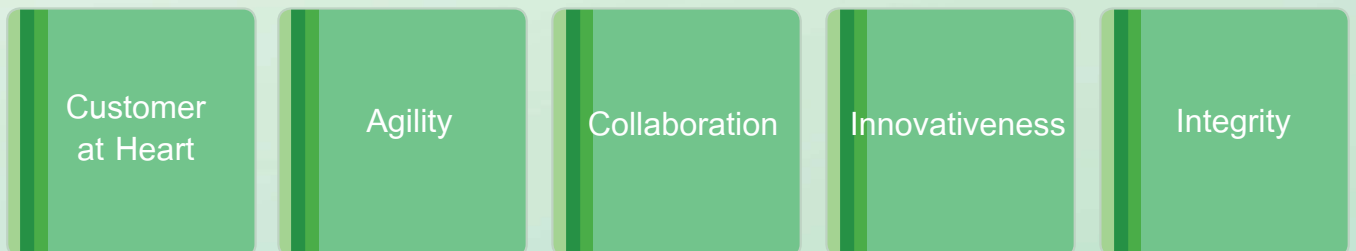
Vision

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





KASIKORN BANK

Bank of Sustainability



Dow Jones Sustainability Indices (DJSI)
The first bank in Thailand and ASEAN selected as a member of the DJSI for six consecutive years (2016 - 2021)



Sustainability Award, Gold Class of the banking industry (2022)



FTSE4 Good 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



Bloomberg Gender-Equality Index (GEI)
The first company in Thailand selected as a member of the Bloomberg Gender-Equality Index for four consecutive years (2019 - 2022)



Carbon Disclosure Project (CDP)
KBank assigned A- (Leadership Level) (2019, 2021)



Carbon Neutral Certification
The first commercial bank in Thailand granted this certification for four consecutive years (2018 - 2021)



The ESG 100 Certificate
One of 100 companies selected as having outstanding ESG performance for six consecutive years (2016 - 2021)



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



Thailand Sustainability Investment (THSI)
Included in THSI for six years (2015, 2017 - 2021)

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Statement of the Board of Directors

KASIKORNBANK (KBank) firmly believes that our commitment to conducting business, according to the principles of a Bank of Sustainability, with adherence to good corporate governance and appropriate risk management to achieve a balance in terms of the economy, society, and environment, has been deeply ingrained in our vigorous spirit and organizational culture. With those principles including our focus on environmental and social responsibility, KBank has achieved our goal of sustainable advancement over the past 70 years, and our efforts have been crucial in propelling the overall growth of the Thai economy.

In 2021, apart from persistent challenges arising from the COVID-19 pandemic, the global community is confronted with risks related to climate change. The Board of Directors is fully aware of the urgency of this matter and granted approval to KBank's Net Zero Commitment, in accordance with our actions to preserve the environment and to reduce the impact of climate change, with the aim of passing on a sustainable world to future generations. This is also in response to the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement.

All members of the Board of Directors have played an important role in supervising KBank's business with responsibility, cautiousness, integrity, and also protecting the benefits for the Bank and shareholders.

The Board has ensured transparent and lawful operations, and has approved the business strategies, goals, and policies of KASIKORNBANK FINANCIAL CONGLOMERATE that covered sustainable development policy and risk management under the environmental, social, and governance (ESG) principles, with prudent attention to impacts of climate-related risk. The awareness of which has become part of the organizational culture and is accounted for business risks and opportunities. This is to ensure effective business undertakings, allowing us to achieve our established targets and create sustainable returns, balancing our operations in all dimensions, while maximizing benefits to our shareholders and all stakeholders, thus contributing to the prosperity of KBank for the years to come.

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 Chief Executive Officer

In 2021, the overall Thai economy was on a recovery path. However, the rebound was uneven across all sectors. The course of the COVID-19 outbreak remained highly uncertain as multiple COVID variants continued to affect people's lives and economic activities.

The Board of Directors approved our business strategies, goals, and policies with the aim of guiding our business, according to the principles of a Bank of Sustainability under good corporate governance principles, as well as appropriate risk and cost management. KBank operates business by empowering every customer's life and business under our work pillars that aim to create sustainable business value in alignment with environmental, social, and governance (ESG) principles. We prioritize offering total solutions, with attentive and inclusive services anytime, anywhere, responsive to the needs of customers and society as a trustworthy service provider. Our endeavors are achieved through collaboration and synergy with other companies within the KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms, our business partners, as well as KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG). In this technology-driven business world, we aim to bolster our competitive capabilities and cyber security, while also maintaining our customer data privacy to enhance customer service and security in step with evolving technologies amid ever-changing consumer behaviors in the boundless business context of the new era.

At KBank, we operate our business in line with the strategy of achieving business growth and customer responsiveness. To this end, KBank strives to dominate digital payment across all platforms with the aim of embedding in customers' ecosystems, reimagining commercial and consumer lending, democratizing investment and insurance targeting previously inaccessible groups, penetrating regional markets to access customers in AEC+3 countries, and strengthening the harmonized sales and service experience, while also improving value-based productivity. KBank attaches great importance to respect for human rights, financial inclusion and financial literacy. KBank's human resource management is also consistent with our business strategy to allow the organization to enhance capabilities, build long-term competitiveness, and create meaningful and sustainable value for all stakeholders, together with a purposeful organization for society.

Additionally, KBank joins in a move to preserve the environment and to reduce the impact of climate change. With this in mind, the Board of Directors has approved KBank's Net Zero Commitment to become Net Zero in our own operations (Scopes 1 and 2), and allocating at least Baht 100-200 billion in sustainable financing and investment by 2030. We are committed to achieving Net Zero in our financed portfolio in line with Thailand's aspirations, pioneering environmentally friendly products and services, while also supporting customers and society in the transition towards a net zero economy. Along with this, we aim to create new business opportunities. As the Chief Executive Officer and Chief Environmental Officer, I have worked with KBank executives and staff members in drawing up plans and steering KBank's environmental operations to ensure that KBank can operate our business in line with the set target, and that such operations can be measured in a concrete manner.

Last year, KBank and subsidiaries reported increased net profit, attributable to our lower expected credit loss, being set aside under a prudent approach in line with the prevailing circumstances. At the same time, we focused on proactive and continuous assistance to our customers via various relief measures, while closely assessing the situation to prepare for uncertain economic circumstances. Our capital position remains strong and adequate for continuously operating business under both normal and stressed situations amid the COVID-19 pandemic.

With all of 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 according to the principles of a Bank of Sustainability, supported by good corporate governance principles, appropriate risk management to balance economic, environmental and social dimension



KASIKORNBANK – one of Thailand's largest commercial banks – conducts business according to 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 43 subsidiaries a service network of 839 domestic branches across Thailand and 17 overseas offices in 8 countries. KBank's Head Office is located in Bangkok and the total number of employees stands at 31,706*. 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.

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

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



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

- 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 (Former name: KASIKORN PRO 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

KBank's organizational structure comprises 18 divisions. The Corporate Strategy and Innovation Division is responsible for determining the overall directions and strategies of KBank for proposal to the Board of Directors, with the aim of promoting our corporate image and fruitful collaboration across KASIKORNBANK FINANCIAL CONGLOMERATE. KBank's business directions and strategies are announced to all stakeholders every year.

The K-Strategy

KASIKORNBANK has established business directions and strategic plans with the aim of becoming a Bank of Sustainability under good corporate governance, appropriate risk and cost management, accounting for the balance of three dimensions – economy, society and the environment. In order to empower every customer's life and business, we prioritize the offering of total solutions, with attentive and inclusive services anytime, anywhere, responsive to the needs of customers and society 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.

In alignment with the K-Strategy that aims to foster a sustainable bank, KBank focuses on development of competitive capabilities in a technology-driven business world that goes beyond banking and innovation. In parallel, we have built upon our traditional banking business in order to improve customer responsiveness and strengthen our service experience in sync with the ever-evolving technology, consumer behavior and environment. Our strategic imperatives are as follows:

- Dominate Digital Payment across all platforms with the aim of embedding in customers' ecosystems: Focus is on development of payment innovations both domestically and internationally to comprehensively meet the needs of business and retail customers with enhanced security and reliability. We also leverage data analytics to gain insights for the appropriate delivery of products and services.
- Reimagine Commercial and Consumer Lending: We have conducted data analytics based on financial transaction data of our customers and counterparties within business chains in order to acquire customers with sound debt servicing ability, who are interested in borrowing and offer products that meet their needs through appropriate channels to ensure cost effectiveness and enhanced risk management efficiency.
- Democratize Investment and Insurance targeting previously inaccessible groups: To serve our business and high net worth individual clients, our Relationship Managers (RMs) are always on hand to provide advisory services guided by our customer centricity strategy along with collaboration within KASIKORNBANK FINANCIAL CONGLOMERATE and our business partners. For low-income retail customers, KBank has developed investment platforms to facilitate them in making informed decisions from the perspective of cost-effectiveness.
- Penetrate Regional Market to access customers in AEC+3 countries through three strategic plays: They are (1) Aggressive Play in order to expand our loan products to corporate customers through regional connectivity, especially Thai-Chinese clients in the People's Republic of China and local large corporate (LLC) customers within the AEC region; (2) Mass Acquisition Play that aims to expand our customer base via collaboration with our partners in the People's Republic of China and development of digital channels for financial transactions in the AEC region, focusing mainly on the Socialist Republic of Vietnam; and (3) Disruptive Play through development of technological infrastructure to accommodate our venture into the digital lending space, especially by processing customers' data based on their transactions with our partners, and transactional banking services provided by KBank. A risk engine has also been developed, allowing us to adopt the lending-as-a-service model in both the People's Republic of China and the Socialist Republic of Vietnam.



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 | <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Total Solution</td> <td>Attentive & Inclusive</td> <td>Any Time & Any Where</td> <td>Trustworthy</td> </tr> </table> | Total Solution | Attentive & Inclusive | Any Time & Any Where | Trustworthy |
| 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 | | | | |

K-Strategy aims to be sustainable and the most customer-empowerment bank

| | | | | | | | | |
|-------------------------|---|---|---|---|-----|-----------------------------|--------------|--|
| Purpose | To Empower Every Customer’s Life and Business | | | | | | | |
| Sustainable Development | Sustainability <table border="1" style="width: 100%; text-align: center;"> <tr> <td>ESG</td> <td>Beyond Banking & Innovation</td> <td colspan="2">Strong Brand</td> </tr> </table> | | | | ESG | Beyond Banking & Innovation | Strong Brand | |
| ESG | Beyond Banking & Innovation | Strong Brand | | | | | | |
| Growth Strategy | Dominate Digital Payment | Reimagine Commercial & Consumer Lending | Democratize Investment & Insurance | Penetrate Regional Market | | | | |
| | Strengthen Harmonized Sales and Service Experience | | | | | | | |
| | Improve Value-Based Productivity | | | | | | | |
| Key Capabilities | 8 TRANSFORMATION JOURNEYS | | | | | | | |
| | 1. Ecosystem Partnership & Harmonized Channel | 2. Intelligent Lending | 3. Proactive Risk & Compliance Management | 4. Regional Payment & Settlement | | | | |
| | 5. Data Analytics | 6. Cyber Security | 7. Performing Talent and Agile Organization | 8. Modern World Class Technology Capability | | | | |



- Strengthen Harmonized Sales and Service Experience: By seamlessly integrating all service channels of KBank into those of our partners, customers can conduct transactions anytime, anywhere with our sales and service formats that are suited to each customer's demands.

Meanwhile, we also focus on enhancement of end-to-end work efficiency in order to improve value-based productivity by optimizing human resources, data, financial and technological capabilities with the aim of elevating our long-term competitiveness through the eight transformation journeys, as follows:

1. Ecosystem Partnership and Harmonized Channel: Orchestrating ecosystems with partners and providing excellent experiences throughout customer journeys
2. Intelligent Lending: Leveraging customer data to offer a personalized lending experience and achieve fair, risk-adjusted returns
3. Proactive Risk and Compliance Management: Proactively identifying potential risks and establishing loss prevention and detection
4. Regional Payment and Settlement
5. Data Analytics: Expanding data analytics capability to enhance business opportunities and operational efficiency
6. Cyber Security
7. Performing Talent and Agile Organization: Developing employee potential in the drive towards an agile organization
8. Modern, World Class Technology Capability: Adopting modern, world class technology to make KBank the top regional financial service provider

KBank has established concrete and continual practical guidelines to drive organizational success. We prioritize purposeful and practical leadership and K-Culture, which directs employees' attitudes and behaviors towards a shared goal. We adhere to our Core Values, i.e., Customer at Heart, Agility, Collaboration, Innovativeness and Integrity, while also creating a strong brand that meets the expectations and needs of all stakeholders, namely customers, the general public, investors, organizations, mass media and our employees.

The Regional Bank

In adherence to our strategy of becoming “the Regional 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. We have set our sights on expanding business operations in the People's Republic of China, Lao People's Democratic Republic (Lao PDR), and Kingdom of Cambodia. In 2021, KBank upgraded the Ho Chi Minh Representative Office in the Socialist Republic of Vietnam to an international branch, and it plans to invest in a local bank in the Republic of Indonesia by the end of 2022. However, KBank has delayed its plan to invest in a local bank in the Republic of the Union of Myanmar while closely monitoring its political situation.

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. Kingdom of Cambodia:
 - Introduction of “Salary Advance” – a personal loan available via mobile application of Wing – KBank's partner in the Kingdom of Cambodia. In 2022, KBank plans to develop an e-wallet on mobile banking application.
 - Development of KBank Connect which aims to serve SME clients via internet banking in the Kingdom of Cambodia.

* 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.



3. The Socialist Republic of Vietnam:
 - Development of digital channels including K PLUS, K Connect and Electronic Data Capture (EDC): KBank has developed these digital channels to accommodate services to be launched in 2022 onwards as we set our sights on becoming a digital banking service provider.
4. AEC region:
 - Development of internal infrastructure system to accommodate borderless funds transfer and payments for all customer groups in the region under the “Borderless Payments for All” concept. At the beginning, customers will be able to conduct low-value transactions with low fees charged to provide them greater convenience in their transactions.

3. Industry Solutions and Ecosystem Expansion, especially in target countries within the 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 2021, 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.

Adhering to the strategies of becoming the Regional Bank and Regional Life Platform of Choice for customers in both Thailand and other countries in the region via digital channels and mobile solutions, we established KASIKORN VISION COMPANY LIMITED (KVision) as an investment holding company under KBank to be 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. At present, innovation labs have been established 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.

Meanwhile, KBank also 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. To this end, 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.

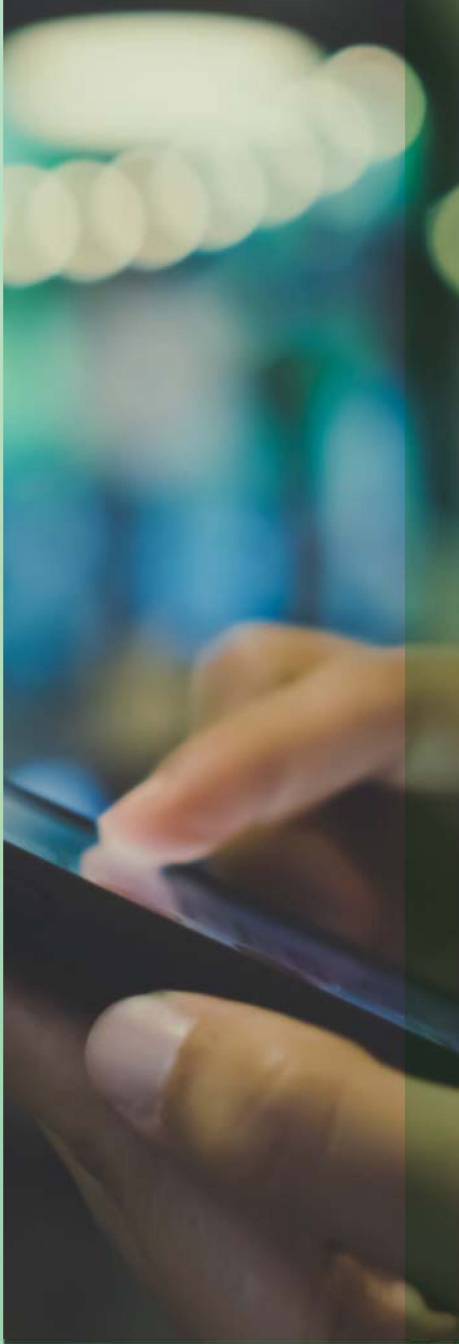
Performance Assessment

KBank has established Board of Directors KPIs based on the Balanced Scorecard (BSC) system, as a tool for strategic implementation. A KBank Strategy Map has been drawn up, with short- and long-term indicators to measure success through four key dimensions, including: Finance, Customers, Internal Processes, and Learning & Sustainable Development. The Strategy Map has been communicated to top management down to operation-level employees in all divisions, so that business strategies that account for environment, social and governance (ESG) factors are in harmony across the organization. The Central BSC team and division representatives jointly identified the key performance indicators of each dimension, which will be cascaded from the Chief Executive Officer, President level to the Division Head level and other parties involved with successful performances. Operating results were monitored to attain the established objectives.

KASIKORNBANK and Sustainable Development



- 018 Sustainable Development of KASIKORNBANK
- 030 Material Topics and Boundaries
- 036 Stakeholders Engagement

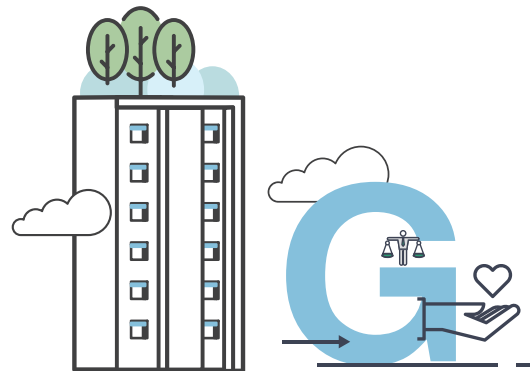
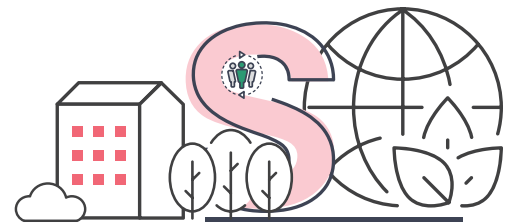
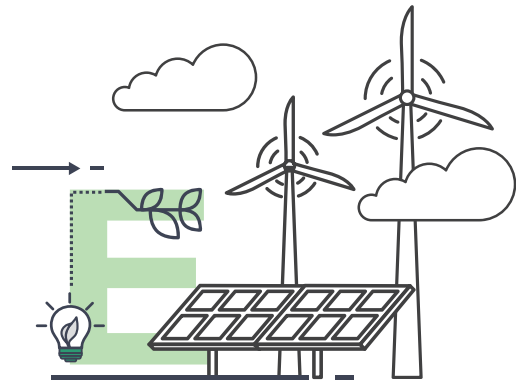




Sustainable Development of KASIKORNBANK

KBank operates business according to the principles of a Bank of Sustainability, covering three aspects, namely the economy, society, and environment. The Board of Directors announced the Sustainable Development Policy in 2014, and it is reviewed every year. 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.

In 2021, the Corporate Governance Committee proposed the sustainable development policy for KBank Board of Directors' review and approval. The Board of Directors deemed it appropriate to update the policy and thus announced the Bank's Net Zero Commitment, targeting achievement of Net Zero in our own operations (Scope 1 and 2)* within 2030 along with Net Zero in our financed portfolio in line with Thailand's aspirations, while accelerating this journey where possible. We will continually assess opportunities to take earlier actions as the technology, regulatory environment and external context evolves in order to mitigate the impacts of climate change in consonance with the Sustainable Development Goals (SDGs) of the United Nations (UN) and the Paris Agreement. Additionally, the policy was made more concise by including 12 issues instead of the previous 10 issues, as follows:



* 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.



Sustainable Development Framework and Policy

Goal

Commitment

Sustainable Development Policy

KBank places emphasis on the Sustainable Development Goals (SDGs) of the United Nations (UN) by giving priority to our Material Topics in order to create sustainable value to all stakeholders.



ECONOMIC ASPECT

SOCIAL ASPECT

ENVIRONMENTAL ASPECT

Being an accountable bank to create sustainable profitability



We are committed to strong ESG principles to be a responsible and accountable bank.

1. Business operations defined by good corporate governance practices
2. Adherence to customer centricity by initiating financial innovations to meet every aspect of customers' needs
3. Efficient risk management focusing on environmental, social, and governance (ESG) issues
4. Market conduct and customer data security and privacy

Being a responsible corporate citizen to create a sustainable society



We are committed to developing strong relationships with employees and society to better livelihoods and increase prosperity.

1. Financial inclusion and financial literacy
2. "Best Place to Work, Learn and Lead" by embedding Green DNA and creating future-ready workforce
3. Respect for human rights and diversity
4. Development of youth potential as well as pursuit of environmental, public and social activities

Ensuring environmental stewardship towards a Net Zero society



We are committed to preserving the environment and reducing the impact of climate change.

1. Net Zero bank in our own operations by 2030
2. Decarbonized financed portfolio emissions in line with Thailand's ambition, and at the earliest for key material sectors by 2050 where possible
3. Leader of innovative "Green Finance" agenda in Thailand
4. Beyond finance solutions to support decarbonization in Thailand



Sustainable Development Target and Operating Performance

KBank has established Board of Directors KPIs based on the Balanced Scorecard (BSC) system, as a tool for strategic implementation. Key performance indicators have been drawn up to measure success through four key dimensions, including: Finance, Customers, Internal Processes, and Learning & Sustainable Development. So that business strategies that account for environmental, social and governance (ESG) factors are in harmony across the organization. The key performance indicators of each dimension will be cascaded from the Chief Executive Officer, President level to the Division Head level and other parties involved with successful performances. Operating results were monitored to attain the established objectives.



Economic Aspect: Being an accountable bank to create sustainable profitability

| | | | |
|---|--|--|---|
| Business operations defined by good corporate governance practices | <ul style="list-style-type: none"> • “Excellent” in CG level (Measured by external agencies) | <ul style="list-style-type: none"> • Excellent in 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” 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 warnings issues/ findings on KBank from regulators | <ul style="list-style-type: none"> • No significant warnings issues/ findings on KBank from regulators | <ul style="list-style-type: none"> • No significant warnings issues/ findings on KBank from regulators |
| Adherence to Customer Centricity by initiating financial innovations to 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) achieved the highest in the Thai banking industry. | <ul style="list-style-type: none"> • Net Promoter Score (NPS)* achieved at 63 |
| | <ul style="list-style-type: none"> • Digital banking leadership (NPS in mobile banking channel) increased steadily and achieved the highest 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 83, classified in the leader group with the highest NPS score in the Thai banking industry** |
| | <ul style="list-style-type: none"> • Number of K PLUS users 30.7 million persons | <ul style="list-style-type: none"> • Number of K PLUS users 17.5 million persons | <ul style="list-style-type: none"> • Number of K PLUS users 17.1 million persons |
| | <ul style="list-style-type: none"> • Maintain percentage of issues and complaints against the continuous growth of the number of transaction | <ul style="list-style-type: none"> • Maintain issues and complaints against the increased 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 0.0006% |

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

** Customer data storage on the Online Survey Platform to measure NPS in mobile banking, which is the most appropriate method for customers who are regular users of smartphones and mobile applications; the survey was conducted by a skillful company and the survey results were analyzed at KBank for rapid reporting and continued monitoring.



| Sustainable Development Policy | 2022 - 2025 Long-Term Targets | 2021 Targets | 2021 Performance |
|--|--|--|--|
| | <ul style="list-style-type: none"> Transaction volume of corporate clients on the K-Cash Connect Plus system: 78.2 million transactions | <ul style="list-style-type: none"> Transaction volume of corporate clients on the K-Cash Connect Plus system: 53.8 million transactions | <ul style="list-style-type: none"> Transaction volume of corporate clients on the K-Cash Connect Plus system: 60.7 million transactions |
| Efficient risk management focusing on environmental, social, and governance (ESG) issues | <ul style="list-style-type: none"> Regularly Risk Management Monitoring and Identifications reported as required by laws and regulations: measured by CAR; adequate Tier 1 Capital Ratio*, as required under the Basel III, and sufficient to support business growth | <ul style="list-style-type: none"> Adequate Tier 1 Capital Ratio, as required under the Basel III, and sufficient to support business growth | <ul style="list-style-type: none"> Tier 1 Capital Ratio at 16.49 (Minimum regulatory Tier 1 Capital Ratio at 9.5%) |
| | <ul style="list-style-type: none"> 100% of Project Finance and medium enterprises (and above) requests 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) requests 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) requests were processed through the Environmental, Social and Governance (ESG) assessment procedure |
| | <ul style="list-style-type: none"> 100% of suppliers must be processed through the Environmental, Social and Governance (ESG) risk assessment. (Tier 1 and Tier 2) | <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. 100% of Tier 1 and Tier 2 suppliers have undertook the annual supplier risk assessment. | <ul style="list-style-type: none"> 100% of suppliers have acknowledged the Supplier Code of Conduct which identifies the issues of environment, society, labor and human rights. 100% of Tier 1 and Tier 2 suppliers have undertook the annual supplier risk assessment. |
| Market Conduct and Customer data security and privacy | <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 | <ul style="list-style-type: none"> No significant** non-compliance issues related to market conduct |
| | <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 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 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 cyber hygiene culture |
| | <p>-</p> | <ul style="list-style-type: none"> Percentage of misselling complaints = 0.01% | <ul style="list-style-type: none"> Percentage of misselling complaints = 0.001% |

* KASIKORNBANK FINANCIAL CONGLOMERATE

** Significant means fines or accusations are imposed by the Bank of Thailand in accordance to regulations on market conduct



Sustainable Development Policy

2022 - 2025 Long-Term Targets

2021 Targets

2021 Performance

Social Dimension: Being a responsible corporate citizen to create a sustainable society

| | | | |
|--|---|--|---|
| <p>Financial inclusion and financial literacy</p> | <ul style="list-style-type: none"> • Credit support for new customers who have difficult access to financial services, with the number of customers growing 3 times from 2021 over the next 5 years* | <p>-</p> | <p>-</p> |
| <p>"Best Place to Work, Learn and Lead" by embedding Green DNA and creating future-ready workforce</p> | <ul style="list-style-type: none"> • Financial Literacy for underprivileged = 58,000 persons per year | <ul style="list-style-type: none"> • Financial Literacy for underprivileged = 4,600 persons per year | <ul style="list-style-type: none"> • Financial Literacy for underprivileged = 15,473 persons |
| <p></p> | <ul style="list-style-type: none"> • To win national or international award reflects the excellence in HR management | <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 Labour Relations and Welfare Award given for 16th consecutive year, granted by the Ministry of Labour • EXCELLENCE IN LEADERSHIP DEVELOPMENT Award (Gold Level) in the category of Talent Development Journey • EXCELLENCE IN INNOVATIVE USE OF HR TECH (Bronze Level) recognizing the usage of HR technology |
| <p></p> | <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"> • No complaint of discriminatory labor treatment or violence that leads to a lawsuit |
| <p></p> | <ul style="list-style-type: none"> • Internal filled rate: 80% | <ul style="list-style-type: none"> • Internal filled rate: 80% | <ul style="list-style-type: none"> • Internal filled rate: 79% |
| <p></p> | <ul style="list-style-type: none"> • Female in leadership position: at least 45% | <ul style="list-style-type: none"> • Female in leadership position: at least 45% | <ul style="list-style-type: none"> • Female in leadership position: 61% |
| <p></p> | <ul style="list-style-type: none"> • Engagement score: 77% | <ul style="list-style-type: none"> • Engagement score: 77% | <ul style="list-style-type: none"> • Engagement score: 77% |

* New target



| Sustainable Development Policy | 2022 - 2025 Long-Term Targets | 2021 Targets | 2021 Performance |
|--|--|---|---|
| | <ul style="list-style-type: none"> To maintain HCROI* at equal or higher than 4.05 Average hours per FTE of training and development = 40 hours/year/person Employee absentee rate: not more than 1 day | <ul style="list-style-type: none"> To maintain HCROI at equal or higher than 4.05 Average hours per FTE of training and development = 40 hours/year/person Employee absentee rate: not more than 1 day | <ul style="list-style-type: none"> HCROI level: 4.21 Average hours per FTE of training and development = 37.4 hours/year/person Employee absentee rate: 0.67 day |
| Respect 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 | <ul style="list-style-type: none"> Human rights risk assessment in all business activities: 100% of KBank and joint ventures of KBank |
| Development of youth potential as well as pursuit of environmental, public and social activities | <ul style="list-style-type: none"> Number of employee volunteer hours: 300,000 hours per year Number of beneficiaries from CSR projects: 900,000 persons per year | <ul style="list-style-type: none"> Number of employee volunteer hours: 300,000 hours per year Number of beneficiaries from CSR projects: 400,000 persons per year | <ul style="list-style-type: none"> Number of employee volunteer hours: 210,937 hours Number of beneficiaries from CSR projects: 714,965 persons |

* HCROI = Human Capital Return on Investment



Sustainable Development Policy

2022 - 2025 Long-Term Targets

2021 Targets

2021 Performance

Environmental Dimension: Ensuring environmental stewardship towards a Net Zero society

| Net Zero bank in our own operations by 2030 | • 21% reduction of GHG emissions (Baseline year 2020) | • 4.2% reduction of GHG emissions (Baseline year 2020) | • 7.79% reduction of GHG emissions (Baseline year 2020) |
|---|--|--|---|
| Decarbonized financed portfolio emissions in line with Thailand's ambition, and at the earliest for key material sectors by 2050 where possible | • Emissions intensity of power utility sector controlled according to sector strategy and/or glidepaths* | - | - |
| | • The proportion of loans supported to coal-fired power plants in the portfolio decreased by 70% by 2025. (Baseline year 2021).* | - | - |

* New target



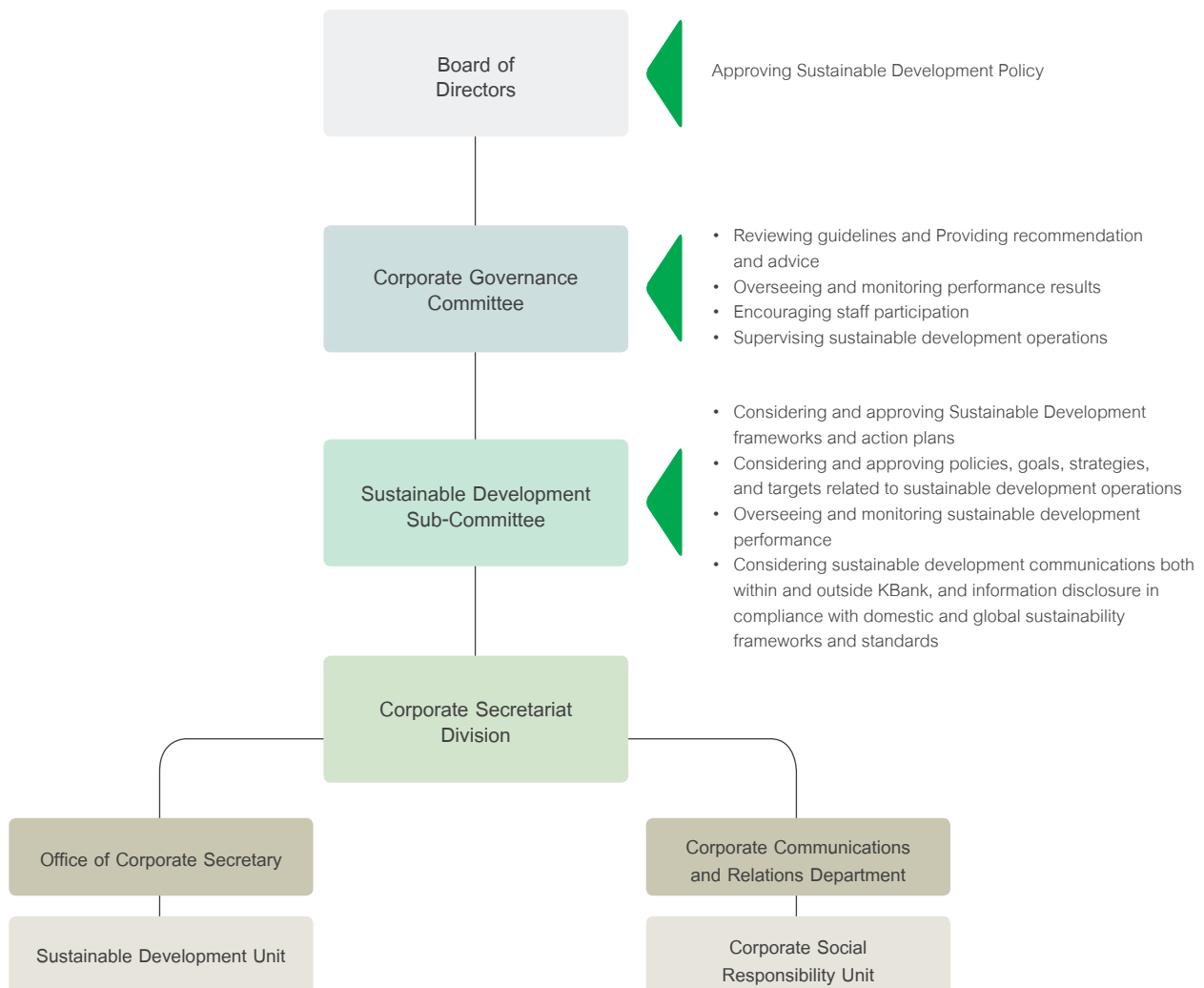
| Sustainable Development Policy | 2022 - 2025 Long-Term Targets | 2021 Targets | 2021 Performance |
|--|--|--|--|
| <p>Leader of innovative “Green Finance” agenda in Thailand</p> | <ul style="list-style-type: none"> Total megawatts (MW) 15% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand’s Alternative Energy Development Plan | <ul style="list-style-type: none"> Total megawatts (MW) 15% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand’s Alternative Energy Development Plan | <ul style="list-style-type: none"> Total megawatts (MW) 16% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand’s Alternative Energy Development Plan |
| | <ul style="list-style-type: none"> 10% loan growth per year in Energy and Environmental Conservation Projects Funding | <ul style="list-style-type: none"> 10% loan growth per year in Energy and Environmental Conservation Projects Funding | <ul style="list-style-type: none"> 15% loan growth in Energy and Environmental Conservation Projects Funding |
| | <ul style="list-style-type: none"> Provide financial support to green building projects to increase the proportion of loan outstanding of green building projects to total loan outstanding of real estate portfolio from 6.3% (in 2020) to 10% by 2025.* | - | - |
| | <ul style="list-style-type: none"> Support Green/Social/ Sustainability/other Environmental and Society related projects via borrowing and/or via the issuance of Green/ Social/ Sustainability bonds with remaining outstanding of USD 100 - 300 million | <ul style="list-style-type: none"> Support Green/Social/ Sustainability/other Environmental and Society related projects via borrowing and/or via the issuance of Green/ Social/ Sustainability bonds with remaining outstanding of USD 100 - 200 million | <ul style="list-style-type: none"> Support Green/Social/ Sustainability/other Environmental and Society related projects via the issuance of Sustainability bonds with remaining outstanding of USD 282 million |
| | <ul style="list-style-type: none"> Supports renewable energy loans in the People’s Republic of China for more than 5% of the loans for corporate customers in People’s Republic of China. | <ul style="list-style-type: none"> Supports renewable energy loans in the People’s Republic of China for more than 5% of the loans for corporate customers in People’s Republic of China. | <ul style="list-style-type: none"> Supports renewable energy loans in the People’s Republic of China for 8% of the loans for corporate customers in People’s Republic of China. |
| <p>Beyond finance solutions to support decarbonization in Thailand</p> | <ul style="list-style-type: none"> Satisfaction level of using Beyond banking solution: 80%* | - | - |

* New target



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 every quarter 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. 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 Sustainable Development Unit, the Office of Corporate Secretary, Corporate Secretariat Division, provides support for and collaborates with the Sustainable Development Working Group, which comprises representatives of KBank departments, and pursues the Board of Directors' instructions to ensure consistency within all operational processes, thus leading to the achievement of targets and responds to stakeholders' needs.





In 2021, the Board of Directors approved the strategic directions of KBank in order to meet the SDGs, as follows:

1. Consider and approve the framework and policy for sustainable development as seen in the diagram on page 18 - 19.
2. Approve the announcement on the Bank's Net Zero Commitment. In detail:
 - 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.
 - 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 emissions by 2050, and will align with the Paris Agreement goals.
 - 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.
 - We commit to becoming Net Zero in our own operations (Scope 1, 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.
3. Grant approval for KASIKORN ASSET MANAGEMENT Co., Ltd. to be a signatory to the United Nations Principles for Responsible Investment (UN PRI) in order to develop its operations in alignment with the UN Sustainable Development Goals (UN SDGs).

In 2021, KBank carried out material sustainable development operations in alignment with the strategic directions established by the Board of Directors, as follows:

1. KBank implemented sustainable development operational plans for 2021 with the aim of providing knowledge on ESG compliance at the national and international levels, including analysis, comparison and evaluation of KBank's related operational results against international guidelines.

2. KBank conducted an audit of our economic, social, and environmental operations covering sustainability management process, green finance, and management for reduction of greenhouse gas emissions from our own operations which is a pilot for audits in the first year to ensure efficiency and effectiveness in our economic, social, and environmental operations in line with the Sustainable Development Policy and relevant regulatory requirements as well as the international principles and standards.
3. KBank joined a working group to collaborate with the Bank of Thailand and the Thai Bankers' Association in conducting a feasibility study on green taxonomy to facilitate the financial sector in issuing policies/developing green products and services to support sustainable growth for the Thai economy.
4. KBank became a member of the Thailand Carbon Neutral Network (TCNN), initiated by Thailand Greenhouse Gas Management Organization (Public Organization) to promote collaboration among the public and private sectors as well as local communities in increasing efforts for GHG emissions reduction to ensure sustainable growth in a climate-friendly society in a drive towards Net Zero emissions in line with global aspirations, in order to achieve the goals of the Paris Agreement on climate change.
5. KBank was one of the founding members of the Carbon Markets Club, which aims to support the development of carbon credit and Renewable Energy Certificate (REC) trading to reduce greenhouse gases in Thailand.
6. KBank acted as a lead facilitator in the sustainability pillar under the new 3 years - strategic plan of the Thai Bankers' Association, which will be implemented in the Thai financial and banking industry.

* 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.



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 | • | • | • | • | • | • | • | • | • |
| Investor Presentation | • | • | • | • | • | • | • | • | • |
| CG Journal | | • | | | | | | | |
| KASIKORNTV, Office 365, LINE Official - KONNECT+ | | | • | | | | | | |
| Facebook - KBankSmiles | • | • | • | • | • | • | • | • | • |
| Visits, online meetings | • | • | • | • | • | | • | • | • |



Activities to communicate sustainable development to stakeholders

During the Sustainable Thailand 2021 Fair organized by the Government Pension Fund (GPF), the Ministry of Finance and the United Nations, KBank signed the Statement of Commitment for Sustainable Thailand 2021 to conduct responsible business operations based on the sustainable investment and banking principles in alignment with the United Nations Sustainable Development Goals and the Paris Agreement. As a financial service provider, KBank has encouraged businesses that operate according to the Bioeconomy, Circular Economy and Green Economy (BCG) principles.

KBank attended the Thailand Tomorrow 2021 seminar titled, "Driving Domestic Tourism to Weather the COVID-19 Crisis", organized by Workpoint Today to showcase our vision and perspectives on risks and sustainable tourism plans.

KBank joined the Climate Action Leaders Forum, initiated by the Thailand Greenhouse Gas Management Organization (Public Organization). National climate action leaders were present at the event to exchange their perspectives, ideas and experiences in their contribution to efforts to mitigate climate change and global warming. The forum aimed to set the climate action target of each participating organization, with the participants on measures to support Thailand's future climate action.

KBank organized the Annual Supplier Seminar 2021 on Procurement Insights and Strategic Approaches 2022 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



KBank signed the Statement of Commitment for Sustainable Thailand 2021 to conduct responsible business operations based on sustainable investment and banking principles, during Sustainable Thailand 2021 Fair.



KBank participated in the Thailand Tomorrow 2021 seminar titled, "Driving Domestic Tourism to Weather the COVID-19 Crisis".

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 joint sustainable growth.



KBank participated in the Climate Action Leaders Forum to join forces in combating global warming.



KBank organized the 2021 supplier communication press conference under the name, "Procurement Insights and Strategic Approaches 2022."



Material Topics and Boundaries

In 2021, KBank improved the assessment process for its material topics and boundaries in terms of both quality and quantity by compiling and prioritizing material aspects that affect the economy, society and environment, as well as those influencing stakeholders' decisions against global sustainability standards and important issues adopted by Thai regulatory agencies, leading domestic and global banks, and material issues of KBank in 2020. We have also assessed present and future risks that may 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, and communities, environment and society via participation processes, 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



- The material topics in 2020 were reviewed.
- Studies were conducted on related aspects set out in national and international sustainability standards, for example, the Global Reporting Initiative (GRI), 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 operational guidelines of KBank.
- The material aspects were reported to the Corporate Governance Committee for endorsement for further submission to 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.



Changes in Material Topics

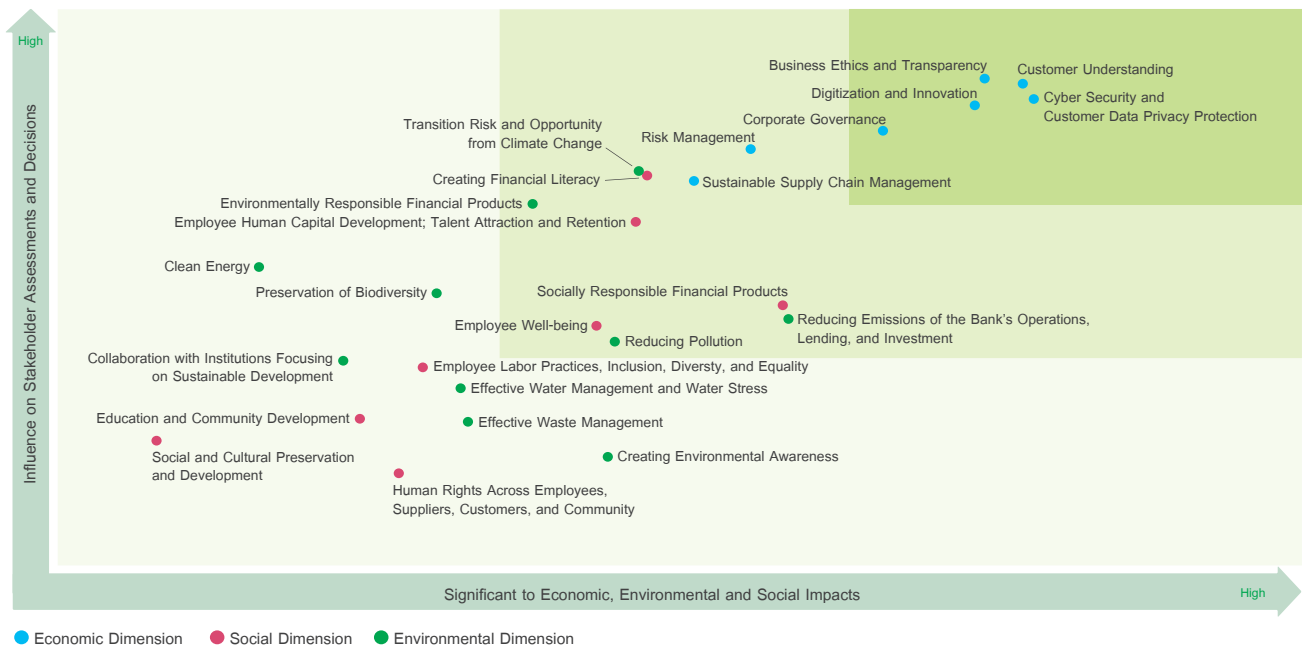
KBank's material topics and boundaries have become more concise after improvements were made to their assessment process in terms of both quality and quantity. Material topics and boundaries were still within the 2020 framework. There were 25 material topics in 2021, against the 17 material topics in 2020. Details are as follows:

1. Regarding the reduction of environmental impact under the 2020 framework, its definition was revised to cover additional material topics in 2021, namely reducing pollution, creating environmental awareness, effective waste management, effective water management and water stress, preservation of biodiversity, collaboration with institutions focusing on sustainable development and clean energy.
2. Regarding ESG credit and investment, green project finance and financial inclusion under the 2020 framework, their definitions were revised to cover additional material topics in 2021, namely green financial products and socially responsible financial products.
3. Regarding social activities and reducing social and environmental impacts under the 2020 framework, their definitions were revised to cover additional material topics in 2021, namely educational support and community development, and support for social and cultural conservation and development.

Internal and External Stakeholders



Material Topics Prioritization





Material Topics and Boundaries

| Material Topics | GRI Topics | Within Organization | Outside Organization | Topics Stated in the Report | Sustainable Development Goals |
|--|--|---------------------|--|---|-------------------------------|
| <p>Corporate Governance Organization governance with good corporate governance principles, supervision policy and processes to ensure sustainable returns in the long term</p> | Governance (GRI 102-18, GRI 102-19) | All businesses | Customers, Shareholders, Regulatory Agencies | Corporate Governance Economic Dimension | |
| <p>Business Ethics and Transparency Business ethics, Employee ethics, organizational culture, compliance with ethical and transparency principles, Market Conduct, Anti-Corruption and prevention of frauds</p> | Ethics and Integrity (GRI 102-16) Anti-Corruption (GRI 205) | All businesses | Customers, Shareholders, Regulatory Agencies | Business Ethics Economic Dimension | |
| <p>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</p> | Governance (GRI 102-30) | All businesses | Customers, Shareholders, Counter-parties/ Business Partners, Regulatory Agencies | Risk Management Economic Dimension | |
| <p>Customer Understanding Products and services that meet customers' needs, satisfaction and expectations</p> | Product and Services (GRI 103) | All businesses | Customers | Financial Innovations and Services Economic Dimension | |



| Material Topics | GRI Topics | Within Organization | Outside Organization | Topics Stated in the Report | Sustainable Development Goals |
|---|---|---------------------|---|---|---|
| <p>Environmentally Responsible Financial Products Lending, with the aim of supporting and promoting environmentally-friendly projects or businesses to mitigate the impact of climate change</p> | Governance (GRI 102-30, GRI 102-31, GRI 103, GRI 305) | All businesses | Customers, Shareholders, Regulatory Agencies | Responsible Lending and Investment: ESG Credit and Investment Task Force on Climate-related Financial Disclosure (TCFD) |    |
| <p>Digitization and Innovation Utilization of technologies to develop products and services that are appropriate, convenient, rapid and responsive to customers' needs</p> | Product and Services (GRI 103) | All businesses | Customers, Counterparties, Business Partners | Financial Innovations and Services |  |
| <p>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</p> | Governance (GRI 102-30) Customer Privacy (GRI 103, GRI 418) | All businesses | Customers, Shareholders, Counterparties/ Business Partners, Competitors | Cyber Security and Data Privacy |  |
| <p>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</p> | Supply Chain (GRI 102-9) Environmental and Social Assessment to Suppliers (GRI 103, GRI 308, GRI 414) | All businesses | Counterparties/ Business Partners | Sustainable Supply Chain Management |    |



| Material Topics | GRI Topics | Within Organization | Outside Organization | Topics Stated in the Report | Sustainable Development Goals |
|---|--|---------------------|---|--|-------------------------------|
| <p>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</p> | <p>Employment (GRI 103, GRI 401) Labor / Management Relations (GRI 103, GRI 402) Diversity and Equality Opportunity (GRI 103, GRI 405)</p> | All businesses | Counterparties/ Business Partners | Human Resource Management Social Dimension | |
| <p>Employee Human Capital Development; Talent Attraction and Retention Enhancement of employees' knowledge and potential</p> | <p>Training and Education (GRI 103, GRI 404)</p> | All businesses | Counterparties/ Business Partners | Human Resource Management Social Dimension | |
| <p>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</p> | <p>Occupational Health and Safety (GRI 103, GRI 403)</p> | All businesses | Counterparties/ Business Partners | Human Resource Management Social Dimension | |
| <p>Human Rights Across Employees, Supplier, Customers and Community Respect for and management of human rights related to employees, customers and counterparties/ business partners</p> | <p>Human Rights Assessment (GRI 103, GRI 412)</p> | All businesses | Customers, Counterparties/ Business Partners | Human rights operations Social Dimension | |
| <p>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.</p> | <p>Indirect Economic Impacts (GRI 103, GRI 203) GRI G4 Product Portfolio (GRI 103, FS 7) GRI G4 Local Communities (GRI 103, FS 13, FS 14) Financial Literacy (GRI 103, Former FS 16)</p> | All businesses | Customers, Communities, Society and Regulatory Agencies | Financial Inclusion and Financial Literacy Social Dimension | |



| Material Topics | GRI Topics | Within Organization | Outside Organization | Topics Stated in the Report | Sustainable Development Goals |
|---|---|-----------------------|--|---|-------------------------------|
| <p>Education and Community Development/ Social and Cultural Preservation and Development</p> <p>Community activities, volunteer activities and activities to promote and stimulate community economic growth</p> | <p>Economic Performance (GRI 103, GRI 201)</p> | <p>All businesses</p> | <p>Communities, Environment and Society</p> | <p>Social Contributions Social Dimension</p> | |
| <p>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</p> <p>Reducing Emissions of the Bank's Operations and Collaborating with Institutions Focusing on Sustainable Development</p> | <p>Energy, Water, Emissions, Waste (GRI 302, GRI 303, GRI 305, GRI 306)</p> | <p>All businesses</p> | <p>Communities, Environment and Society</p> | <p>Environmental Management Environmental Dimension Task Force on Climate-related Financial Disclosures (TCFD) Environmental Dimension</p> | |
| <p>Transition Risks and Opportunity from Climate Change</p> <p>Analysis and assessment of opportunities and risks arising from climate change</p> | <p>Emissions (GRI 103, GRI 305)</p> | <p>All businesses</p> | <p>Customers, Communities, Environment and Society</p> | <p>Responsible Lending and Investment: ESG Credit and Investment Economic Dimension Task Force on Climate-related Financial Disclosures (TCFD) Economic Dimension</p> | |



Stakeholders Engagement

The Bank evaluates and identifies stakeholders by analysing 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, and 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. The Bank 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 |
|--|---|---|---|---|
| <p>Shareholders</p>  | <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 • Online meetings and providing information to shareholders, investors, and general public, either one-on-one or in a group, both in Thailand and abroad • Inquiry channel via website • 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 2021 |

* Additional details on the meeting of shareholders and related format can be viewed in the Annual Report 2021 (56-1 One Report) on page 132 - 139



| Stakeholders | Forms and Communication Channels | Interest and Expectation of Stakeholders | KBank's Actions | Details on Actions to Meet Stakeholders' Needs |
|---|--|--|---|---|
| <p>Board of Directors</p>  | <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 2021 |
| <p>Regulatory Agencies</p>  | <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 2021 |




Employees



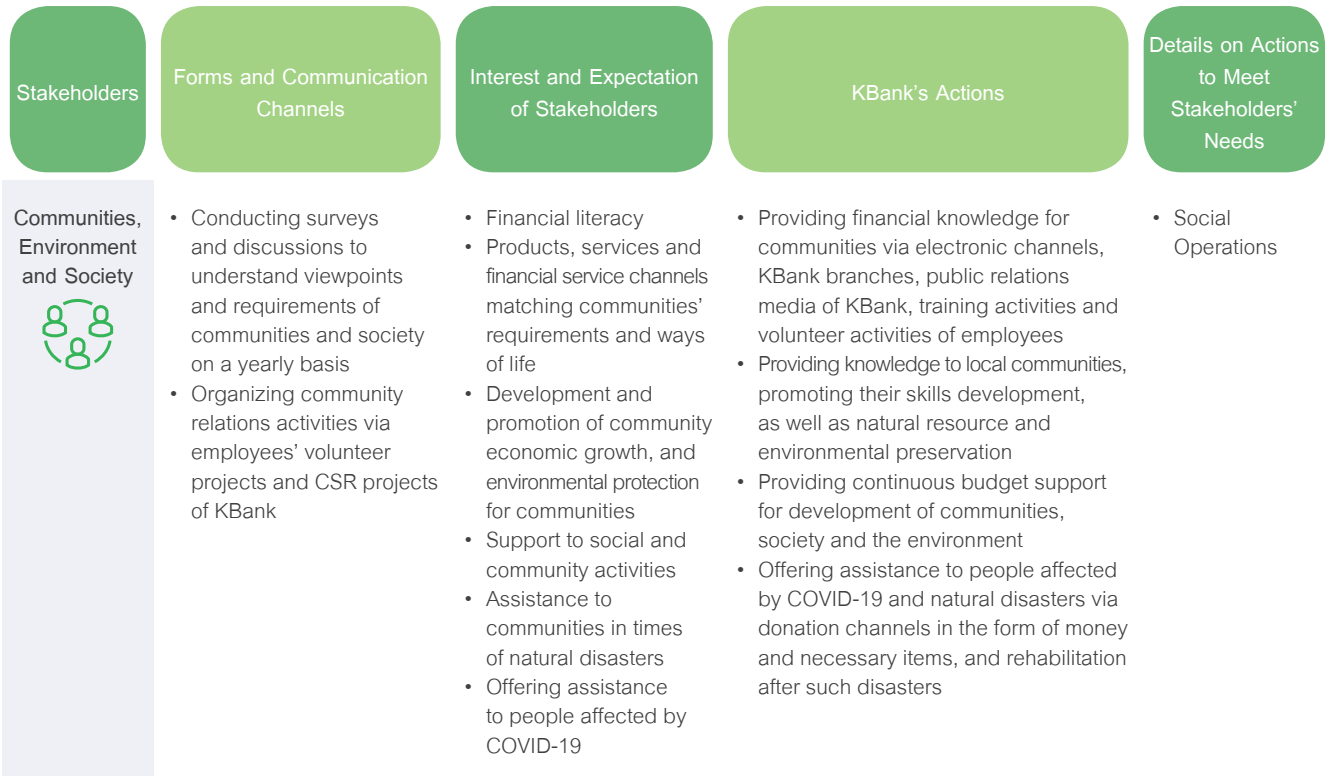
- | | | | |
|--|--|--|--|
| <ul style="list-style-type: none"> • Holding orientation for employees at all levels • Enquiring into the requirements of employees and supervisors to prepare appropriate learning courses that are in line with KBank's business growth • Having in place channels for receiving 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, e-mail, 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"> • Fair and appropriate remuneration and welfare in line with economic conditions • Planning career path and advancement • Continued development of employees' knowledge and life skills • Providing occupational health and safety at work • Providing appropriate equipment to facilitate employees' operations • Providing opportunities for employees to allocate their time for work-life balance • Preparing a safe, hygienic and COVID-19-free workplaces • Working from home as part of social distancing measures and providing work-from-home equipments • Providing assistance to relieve increased expenditures resulting from liquidity problems of 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 • Issuing assistance measures for employees and their families, who have been affected by COVID-19 | <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 |
|---|---|---|--|--|
| <p>Customers</p>  | <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, recommendations and 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 Disclosures: TCFD |

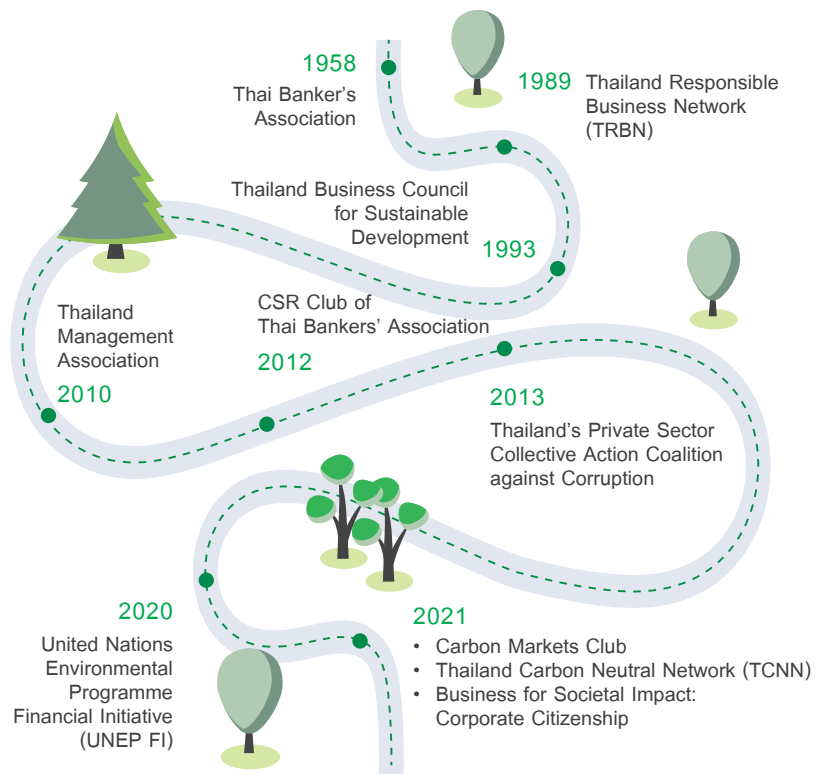


| Stakeholders | Forms and Communication Channels | Interest and Expectation of Stakeholders | KBank's Actions | Details on Actions to Meet Stakeholders' Needs |
|--|--|---|---|--|
| <p>Counterparties/ Business Partners</p>  | <p>Counterparties</p> <ul style="list-style-type: none"> • Communicating the annual counterparty manual • Holding the annual seminar to communicate sustainable development policy, operational guidelines and directions, along with providing updated and useful information on sustainable development • Holding meetings to discuss and brainstorm ideas and opinions in creating and developing innovations or new operational models • Communicating with counterparties via online channels instead of in-person visits • Establishing channels to receive recommendations or complaints • Evaluating ESG performances of counterparties on an annual basis <p>Business Partners</p> <ul style="list-style-type: none"> • Holding meetings to exchange information and opinions • Organizing relationship enhancement activities every year | <p>Counterparties</p> <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 • Collaborating in seeking creative ideas and developing innovations • Assistance measures to help alleviate the impacts of COVID-19 <p>Business Partners</p> <ul style="list-style-type: none"> • Business cooperation based on good corporate governance principles | <p>Counterparties</p> <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 <p>Business Partners</p> <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 |
| <p>Competitors</p>  | <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 |
| <p>Creditors</p>  | <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"> • Economic Performance |



Membership of Various Organizations

KBank has entered into membership of various organizations established for economic, social, and environmental 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 own 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:



Being and Accountable Bank
to Create Sustainable Profitability

Economic Dimension

- 044 Corporate Governance
- 046 Business Ethics
- 052 Risk Management
- 058 Financial Innovations and Services
- 073 Responsible Lending and Investment:
ESG Credit and Investment
- 084 Cyber Security and Data Privacy
- 092 Sustainable Supply Chain Management



The number of
K PLUS users:

17.1 million,
growing **19** percent
from 2020

Total transactions
of real-time international
funds transfer:

More than
3.6 million



Overall Net Promoter Score (NPS)

63 - the highest in the Thai banking industry

Total Project Finance and commercial credits for medium enterprises and above that were processed through ESG risk assessment amounted **Baht**

419,829 million

Examples of innovatives financial products and services in 2021

LINE BK provides financial services on the LINE application with 3.9 million applicants and total outstanding more than Baht 15,000 million.

KBank promotes the 'SATI' campaign to create awareness among customers and encourage them to continually protect themselves against cyber threats.



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 is instrumental in driving KBank to be a Bank of Sustainability and creating confidence among all shareholders and stakeholders.



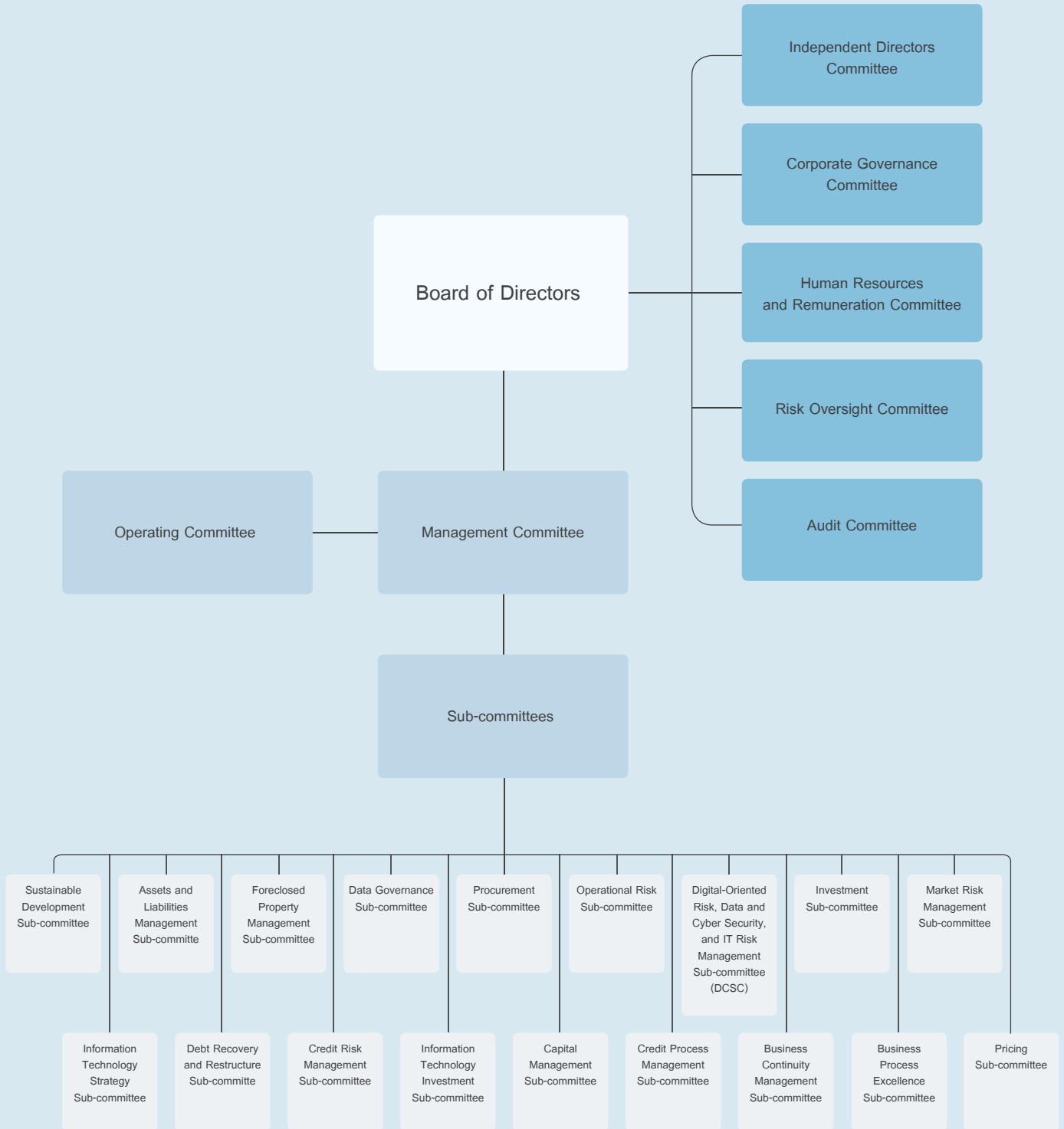
Transparent, fair, and ethical business operation complying with good corporate governance is instrumental in driving KBank to be a Bank of Sustainability and creating confidence among all shareholders and stakeholders. KBank Board of Directors' role and duty are to manage KBank business operations. The Board's decisions are independent, taking into account the highest benefit of KBank and all stakeholders. Every year, the Board reviews and approves the vision, purpose and operational strategies. The Board also approves strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, covering sustainable development operations, as well as the annual business plan and budget, and monitors and oversees the Bank's management in effectively carrying out actions that are in line with designated policies, corporate strategy and business plans and are in accordance with the rules and regulatory requirements of related government agencies and the resolutions of shareholders' meeting. 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 86 departments, 4 networks and 18 divisions*. Additionally, the Board has appointed the Independent Directors Committee, 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, under responsibilities as defined by the Board of Directors' Charter.**

* Structure as of December 31, 2021

** Details of roles and responsibilities and charters can be viewed on page 102 - 108 of our Annual Report 2021 (Form 56-1 One Report)



Corporate Governance Structure*



* Corporate Governance Structure as of December 31, 2021



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.



Opportunities

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



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, and 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 rules and regulations. The Corporate Governance Committee has been assigned to establish principles and effective practices for corporate governance at KBank. The Statement of Business Conduct* and Code of Conduct** are subject to an annual review.



Business Operation Oversight

KBank operates in compliance with the laws, rules and relevant regulatory requirements. KBank's Board of Directors is 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.

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

** Details about the Code of Conduct are available at KBank's website:

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



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.

Communication on the Code of Conduct and Anti-Corruption Policy

| Persons who attended briefing and training sessions | Number (Persons) | Percentage of total employees or suppliers* |
|---|------------------------------|---|
| Number of attendees through 2021 | 18,655 | 98.03 |
| <ul style="list-style-type: none"> • Top management • Middle management • Junior management • Operating staff or officers | 67 884 7,104 10,600 | 0.35 4.65 37.33 55.70 |
| Number of employees who attended briefing sessions | 19,029 | 100 |
| <ul style="list-style-type: none"> • Top management • Middle management • Junior management • Operating staff or officers | 79 968 7,257 10,725 | 0.41 5.09 38.14 56.36 |
| Suppliers that attended briefings | 1,050 | 100 |

* Total employees mean KBank employees.

Total suppliers mean suppliers of KBank in Thailand.

Additionally, KBank requires employees to review their operations every year so that they are in compliance with the Code of Conduct and anti-corruption policy. In 2021, KBank revised the formats for signing an acknowledgment of the Code of Conduct via the e-Learning system, and taking a test before acknowledging the Code of Conduct.



Honest KBank People Campaign

KBank adheres strictly to good corporate governance through transparency and fairness, as detailed in our Statement of Business Conduct and in conformity with the law. Throughout 2021, KBank promoted the Honest KBank People campaign to reinforce a culture of providing fair service to customers and operating the business with integrity, based on market conduct that serves as a foundation for sustainable growth and enabling corporate culture cultivation. The campaign was promoted through the following themes:

- **Responsibility:** Understand requirements and regulations and treat customers fairly, based on market conduct principles.
- **Transparency:** Disclose complete and accurate information including: benefits, restrictive conditions, exemptions, fees, interest rates and rights that customers should understand clearly, while presenting their options.
- **Fairness:** Equitable treatment of all stakeholders, and non-exploitation of authority or duty for one's own benefit, while sales must not be attached to any condition.

In 2021, KBank regularly communicated a key message from the top management with employees through various channels of the organization to ensure that they recognized the importance of "responsibility, transparency and fairness" in their operations.

Specific metrics for success are evaluated through a decrease in the number of non-compliant staff and incidents of staff engaging in misconduct.

Support for Internal Control and Auditing System

KBank places particular emphasis on effective corporate governance, risk management process and internal control systems to ensure that business undertakings of KASIKORNBANK FINANCIAL CONGLOMERATE will achieve long-term corporate-wide goals and objectives. The roles and responsibilities of employees at all levels and a management structure have thus been set. The Audit Committee is responsible for supervising risk management, internal control and compliance, while the management is tasked with steering KBank to achieve the set goals through the established ethics and policies,

including the Code of Conduct, Statement of Corporate Governance Principles, Internal Control Policy, Information and Complaint Receiving Policy, Anti-Corruption Policy and Employee Operational Handbook.

KBank has undertaken risk identification and assessment as well as stipulating that internal controls be part of our operational process. KBank has an appropriate internal control structure as duties within the organization are segregated to ensure cross control and audit. Internal control assessment and monitoring are in place to ensure that the internal control system continues to operate efficiently in line with its original design and is able to cope with new risks emerging during any period. Regarding internal control, the Internal Audit Department is directly accountable to the Audit Committee to ensure that it performs its tasks independently, justly 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. To prevent and reduce losses from corruption, the assessment results of those operations shall be reported directly to responsible persons, and any loopholes shall be monitored to ensure that they are rectified in a timely manner. Significant issues shall be reported to the Board of Directors, the Audit Committee and/or the top management within an appropriate period. KBank may submit the audit results upon request from regulatory agencies. The internal audit process takes into account risk sensing and a flexible audit plan, based on the integrated and continuous audit principles, as well as data analytics. Automated data analytics rules have been introduced to enhance the efficiency of data analytics. To enhance the capacity of KBank's employees, they have been continuously equipped with knowledge on new technologies, financial innovations.

KBank attaches significance to the provision of assistance to borrowers affected by economic conditions and COVID-19, plus market conduct in our sales and services, asset quality, and customer data privacy to earn the trust of our customers in safeguarding the customers' data. Also, KBank has placed importance on measures to deal with cyber threats and IT risk management to ensure that customers can use our services



with confidence and security. Study courses on governance, risk management and compliance have been organized for executives and employees, while operating employees have taken 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 promoting 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.

Additionally, 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 duties and responsibilities. Their knowledge and understanding are assessed after completing the courses.



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.

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 has consistently supported and promoted our suppliers to refrain from dealings with businesses involved in corruption. Related actions undertaken in 2021 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.
- Communicate with employees about the Code of Conduct and Anti-Corruption Policy with a focus on their understanding, acknowledgment and strict compliance.
- Provide various communication channels for receiving information, complaints or whistleblowing.



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

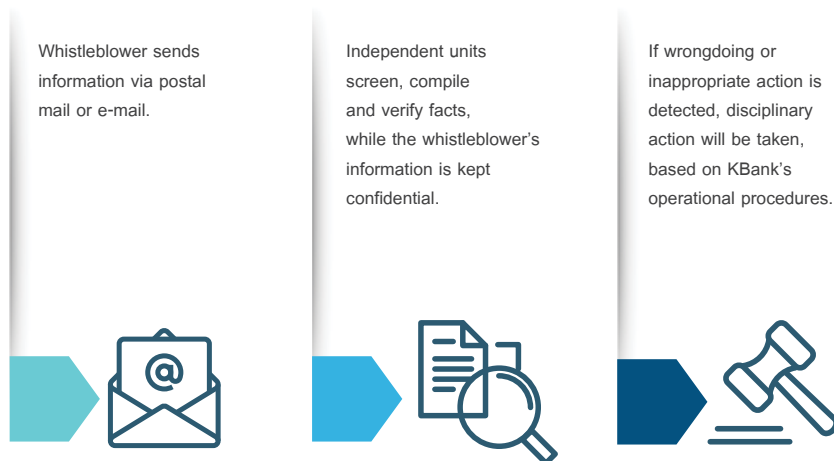
KBank is determined to be a bank with trusted financial transaction security and mechanisms for the prevention of money laundering, and financing of terrorism and proliferation of weapons of mass destruction. KBank has put in place the AML/CTPF* policies and regulations that are in line with the regulations 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 has been used to analyze transactions and steadily enhance the system efficiency and effectiveness. Additionally, KBank has organized training sessions and communicated with employees about compliance with the relevant laws. Their knowledge on AML/CTPF are assessed on a regular basis.

Receiving Information, Complaints or Whistleblowing

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

Process on Handling information and Whistleblowing



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

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



In addition, KBank has provided whistleblowing channels for our stakeholders. For further enquiries or suggestions, or to submit complaints, please contact KBank at:

Communication Channel

KASIKORNBANK PUBLIC COMPANY LIMITED

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

Complaint Hotline

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

Investor Relations Unit, Office of Corporate Secretary

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

Information and Whistleblowing Channel

Board of Directors

Address : Corporate Secretary
 The Office of Corporate Secretary,
 KASIKORNBANK PCL.
 No. 1, 33rd Floor, Soi Rat Burana 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, 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 Defense

KBank has applied the Three Lines of Defense guidelines 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, controlling and reporting. We have steadily improved our risk management process so that it is consistent with the new business environment and international standards. 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.

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, taking into account ESG factors.

Risk Reporting

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



Risk Assessment

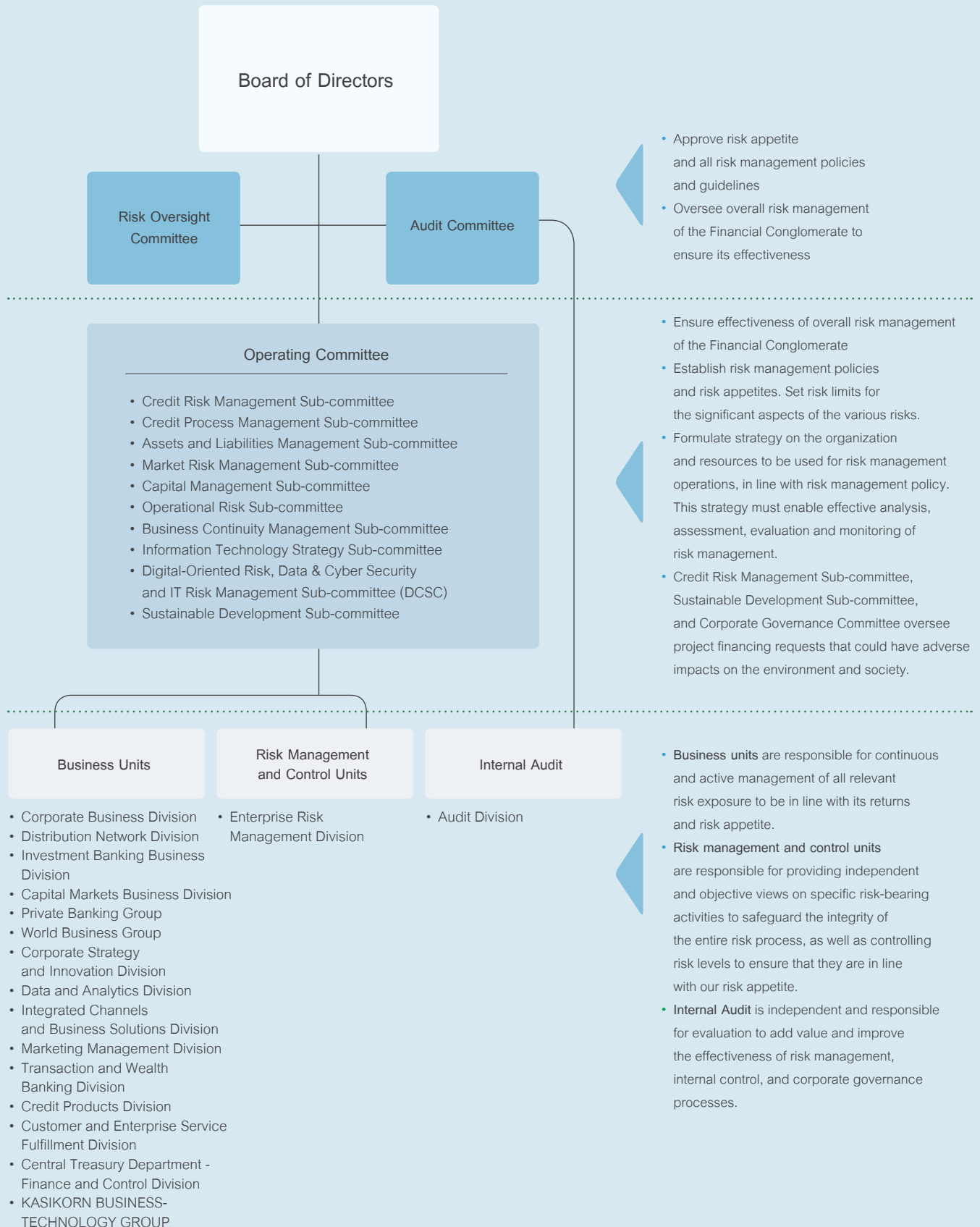
Various tools and methodologies for risk measurement suitable for different business characteristics are utilized. These tools and methodologies are verified, approved and reviewed within appropriate timeframes.

Risk Monitoring and Control

Operational monitoring and control per risk policies and regulations related to risks and risk limits as approved by the Board of Directors. Risk monitoring and control are undertaken regularly and continuously.



Risk Management Structure

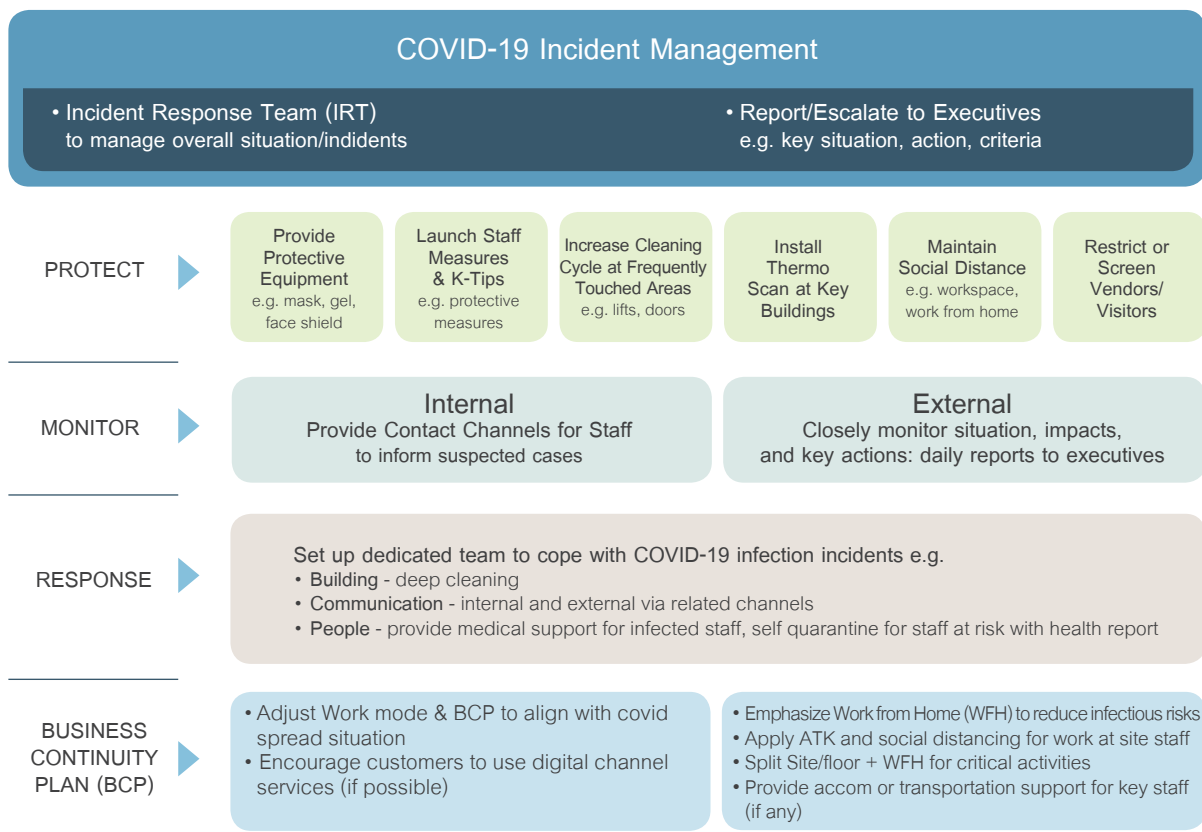




Management of Risk from COVID-19

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 has implemented COVID-19 preventive, monitoring and management measures to combat the spread of the virus. They include:





Implement preventive measures

- Announce practical guidelines on hygiene measures in accordance with guidance of the Ministry of Public Health and related agencies, which has been communicated to employees regularly.
- Adjust work format by reducing workplace attendance and focusing more on work from home to minimize the risk of virus transmission.
- Establish measures to take care of employees required to work onsite including regular ATK test screening, body temperature measurement at the entrance of KBank buildings, face mask wearing at all times, provision of hand sanitizer in work areas, increased frequency of cleaning and disinfecting touch points and social distancing-based reception areas, and installation of partitions at customer service points, units where telephones are regularly used and all assembly areas.
- Encourage employees to get fully vaccinated COVID-19 in accordance with the guidance of Ministry of Public Health to reduce the risk of infection and prevent severe illness.
- Prohibit employees from travelling to at-risk countries. In case of essential trips, approval must be granted by related heads. Recommend employees to avoid traveling between buildings during the height of any COVID-19 outbreak. Our preventive guidelines have been adjusted periodically in line with the government's measures.

Put in place a monitoring system to keep abreast of COVID-19 incidents

- Assign units to keep track of new developments and the overall COVID-19 situation to assess the trend and its potential impacts on employees and KBank in order to report to top management on a continual basis. If the situation escalates, a meeting of top management will be called to evaluate the incident and ensure timely decision-making.
- Provide employees channels for reporting COVID-19 incidents, such as email and a central telephone number. The Call Tree procedure has been applied to ensure thorough and swift communication of top management's directives and major issues.
- Assign team heads to monitor employees' health status and their surroundings periodically to provide them with appropriate care and support.

Respond to incidents

- An Incident Response Team (IRT) comprising top management and representatives from related divisions has been activated to be responsible for monitoring the overall situation both within and outside KBank, making decisions to ensure effective incident management and operations to mitigate potential impacts through employment of technology for swift communication to related parties and timely actions.
- A special task force has been set up wherein preventive measures have been implemented to ensure effective actions when customers or employees are found to be at risk of infection or are diagnosed with COVID-19.
- Put in place methods and guidelines for taking care of COVID-19 infected employees. After any staff member is diagnosed with the disease, KBank arranges for hospitalization and gives them support until they get well and can resume work. All medical expenses other than those provided by the government are under our responsibility.
- Prepare medical personnel and work team to provide advice on hygiene and employee welfare.

Business Continuity Plan: BCP

Business and support units assess the situation and possible impacts on products, services and operations under their responsibility in order to be prepared in case the situation escalates. Business impact assessment and business continuity plan have been reviewed and revised to ensure that they are responsive to any potential 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 the risk of COVID-19 transmission which could affect mission-critical employees. To this end, employees are divided to work from split sites/split floors while the work-from-home format is concurrently adopted to ensure continuity of mission-critical activities in case employees are required to self-quarantine or cannot perform work.
- Adjust work formats and methods to assist pandemic-hit customers in conducting transactions with a minimized degree of risk.
- Provide employees accommodation near their workplace and prepare shuttle transportation service for key employees as a precautionary measure in case travel between buildings or between provinces is restricted by the government.



Relief measures for stakeholders affected by COVID-19

| Stakeholders | Relief measures |
|---|--|
| <p>Customers</p>  | <ul style="list-style-type: none"> • Suspension of principal payment only or rescheduling of loan payment for borrowers affected by the pandemic • Granting additional loans to business operators • Debt holiday for business operators • Interest rate reduction • Reduction of monthly repayment or reduction of minimum payment |
| <p>Employees</p>  | <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 |
| <p>Suppliers</p>  | <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 |
| <p>Shareholders</p>  | <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 |
| <p>Society and community</p>  | <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.

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, reports can be sent to the Internal Audit Department or the “Voice from Detective” channel established by KBank.

In 2021, we continued the “Honest KBank People” project as part of our endeavor to build an organizational culture that embraces the provision of fair services with integrity under the Principles of Market Conduct, which serve as a foundation for achieving sustainable growth and promoting risk culture to employees at all levels. KBank has regularly communicated operational guidelines to employees, as follows:

- **Responsibility:** Having understood requirements, rules and regulations, we have treated our customers in accordance with the Principles of Market Conduct.
- **Transparency:** We have provided our customers important information completely and accurately, including advantages, disadvantages, exceptions, fees and interest rates, and their own privileges, while also offering them a range of options.
- **Fairness:** We have treated related parties with fairness, refraining from exercising power or duties to attain illegitimate benefits, or imposing sales conditions.

To ensure that our employees recognize the importance of operational guidelines, based on “responsibility, transparency and fairness”, these messages have been communicated with them via video and audio clips, while top management has communicated such operational guidelines through KASIKORN TV, Office 365 and other channels that target specific employees. An assessment has been made to ascertain whether our staff members understand operational guidelines.

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, while also participating in the Honest KBank People campaign, aimed at creating a risk culture for enhanced efficiency by communicating with employees at all levels. We instill risk culture in all employees, beginning at the new employee orientation and throughout their employment period with us, via internal communications and study courses. Key performance indicators and assessments have been established to ensure that our employees comply with the Principles of Market Conduct and carry out their tasks in accordance with our expectations.

KBank has established and promoted compliance with the risk management policy as prevention against risk from non-compliance with operational procedures, regulations and Code of Conduct, ensuring that our conduct of risk management covers the entire operations of KBank and helps create the risk culture. Guidelines and processes have been established to allow our employees to report loss events and other incidents that could potentially lead to fraud, via established channels through the escalation process to ensure immediate rectification. We have also taken adequate public disclosure measures.

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 operation as appropriate in order to improve our credit policy and process, as well as mapping out actions to address non-compliance with the Code of Conduct. This effort is aimed at building good credit operating discipline and culture within our organization.



Financial Innovations and Services



Risks

Consumer behavior and business competition have changed rapidly. Unless KBank studies and conducts data analysis to understand customers' behavior and needs, we will not be able to create financial products and services that are aligned with their demands or maintain our competitiveness, which will eventually affect our financial standing and performance.



Opportunities

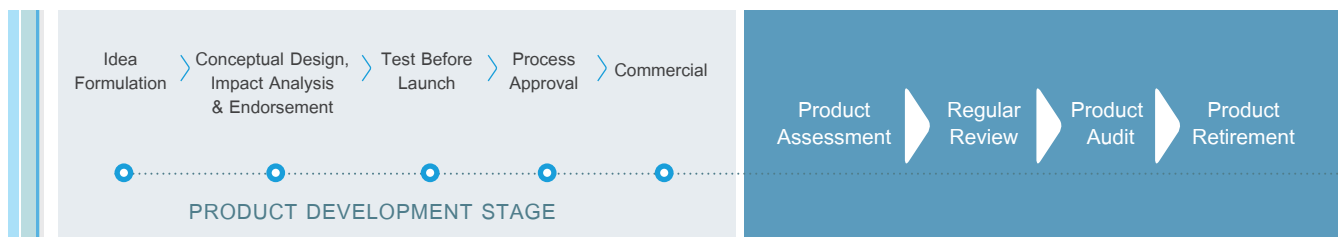
If KBank understands customers' behavior and their expectations, we will be able to develop products and services that are aligned with their needs. This will bolster our competitiveness, thus leading to enhanced business opportunities – a boon to KBank's operating results over the long term.



Technological advancement amid the fast pace of digital era has affected customers' lives and their use of financial services. Customers want to use services anywhere, anytime, with greater convenience, speed and worldclass security. In alignment with the current lifestyle, KBank has developed financial innovations to better meet customers' needs and expectations, while responding to their changing behavior. We have employed technologies for data analytics to shed light on customer behavior and for research and development in order to create new forms of financial innovations. So doing will also allow us to offer financial products and services under appropriate risk management, taking into account environmental, social and governance (ESG) issues. These endeavors have helped strengthen our competitiveness and business efficiency, allowing KBank to create sustainable returns over the long term.

Product Management Framework

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 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 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
- 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

KBank has abided by and continually improved the above principles to ensure appropriateness regardless of circumstances.

KBank has focused on creating a market conduct culture to ensure that our employees provide services to customers with fairness and integrity. We have regularly communicated operational guidelines to employees, as follows:

1. Responsibility: Having understood the requirements, rules and regulations, we have treated our customers in accordance with the Principles of Market Conduct.
2. Transparency: We have provided our customers important information completely and accurately, including advantages, disadvantages, exceptions, fees and interest rates, and their own privileges, while also offering them a range of options.
3. Fairness: We have treated related parties with fairness, refraining from exercising power or duties to attain illegitimate benefits, or imposing sales conditions.

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

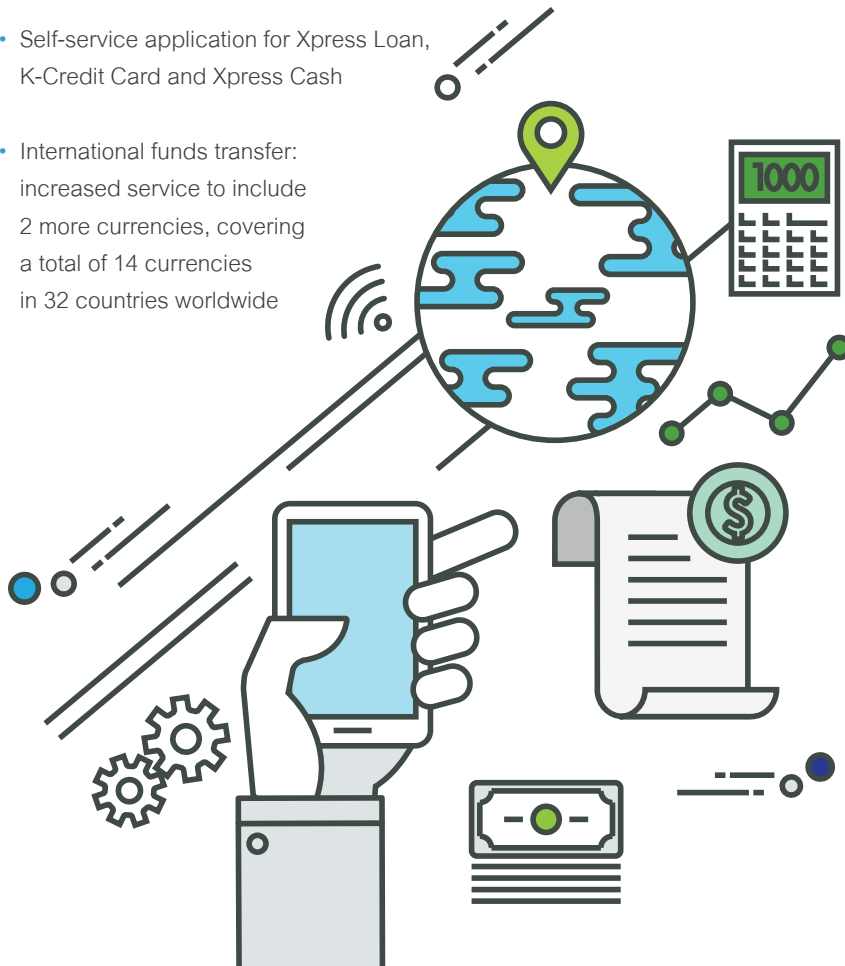
Mobile banking application and internet banking

| Products/Services | Details of financial innovations | Operating performance |
|---|--|--|
| <p>K PLUS: KBank mobile banking application</p> | <p>KBank has continually developed K PLUS, while also upgrading technological infrastructure in an open platform to facilitate its linkage with our business partners' platforms to ensure that K PLUS is an application fit for our customers' everyday use. These endeavors will allow our customers to spend on K PLUS either via cash in their account or accumulated points.</p> <p>In 2021, K PLUS offered new services, including QR code payment with K Points in lieu of cash, purchase on K+ market with The 1 Points, funds transfer to Japan and People's Republic of China, self-service loan application, K PLUS Lobby that allows customers to explore K PLUS features with no need of a KBank account or card, and change in mobile phone number linked to K PLUS, allowing uninterrupted services. We also launched K Pay Later - a credit line for payment for goods and services, which customers can apply for and make installment payments via K PLUS.</p> | <ul style="list-style-type: none"> • Number of transactions: 20,710 million, an increase of 43 percent from 2020 • Value of transactions: Baht 18.9 trillion, an increase of 36 percent from 2020 • Number of K PLUS users: 17.1 million, an increase of 19 percent from 2020 |
| <p>K PLUS SHOP: KBank mobile application for merchants</p> | <p>K PLUS SHOP features payment for goods and services via QR code under the Thai QR Payment standard, PromptPay, QR payment via Visa, Mastercard, UnionPay and QR code of Alipay and WeChat. This service can also accept payment via mPOS (Mobile Point of Sale) under the Payment Card Industry Software-based PIN Entry on COTS (PCI SPoC) security standard. Moreover, K PLUS SHOP is offered to physical and online stores using the application or QR API.</p> | <ul style="list-style-type: none"> • Number of transactions: More than 170 million • Value of transactions: More than Baht 0.18 trillion • Number of participating merchants: 1.9 million |
| <p>K PLUS SME: KBank mobile banking application for SMEs</p> | <p>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.</p> | <ul style="list-style-type: none"> • Number of transactions: More than 376 million • Value of transactions: More than Baht 1.31 trillion • Number of users: 670,000 |
| <p>Financial transactions via K-Cyber</p> | <p>Funds transfer, top-up and bill payment services have been consolidated in one place on the Internet via K-Cyber, which has been upgraded to ensure that our customers have confidence that their transactions are conducted through a secure and stable system.</p> | <ul style="list-style-type: none"> • Number of transactions: More than 4,161 million • Value of transactions: More than Baht 0.62 trillion • Number of users: 2.24 million |



New K PLUS services in 2021

- Self-service application for Xpress Loan, K-Credit Card and Xpress Cash
- International funds transfer: increased service to include 2 more currencies, covering a total of 14 currencies in 32 countries worldwide



- QR code payment with points in lieu of cash on K PLUS allows customers to pay by using K Points or purchase products on K+ market with The 1 Points.
- Funds transfer to Japan and People's Republic of China, which allows greater convenience in making funds transfer with no minimum transfer amount required and full amount received
- K PLUS Lobby, which allows customers to explore features on K PLUS and browse through products available on K+ market with no need for a KBank account or card
- New service allows users to change their mobile phone number linked to K PLUS by themselves. Users can also unlock K PLUS and reset password with the use of their ID card number at a K-ATM by themselves in case of forgotten password.



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



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



K PLUS SHOP

- Generate QR code for receiving payment
 - Accommodate payment via QR code, PromptPay/Visa/Mastercard/UnionPay
 - Accommodate card payment via mPOS (Mobile Point of Sale)
- Address the needs of merchants via various payment channels:
- Via K PLUS SHOP
 - Via EDC
 - Via linkage to QR API

Letter of Guarantee via blockchain

| Products/Services | Details of financial innovations | Operating performance |
|--------------------|--|--|
| e-LG on Blockchain | KBank worked with BCI (Thailand) Co., Ltd. in linking e-LG on blockchain with beneficiaries, which are leading companies in various industries and state enterprise to promote the widespread use of e-LG with a world-class data security system. | <ul style="list-style-type: none"> • Number of customers requesting issuance and renewal of e-LG on blockchain: 6,519 persons |

Benefits from the use of blockchain technology



For KBank

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

For customers

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



Product and Service Development

| Products/Services | Details of financial innovations | Operating performance |
|--|--|--|
| e-Donation | E-Donation features donation made via mobile banking applications of any participating bank to agencies or organizations, namely hospitals, educational institutions and charitable organizations. Donors are entitled to tax deductions without the need to send evidence of their donations. | <ul style="list-style-type: none"> Number of organizations accepting donations: 600 |
| e-Tax Invoice | Under this service, e-tax invoices are sent to merchants via email, and KBank submits tax to the Revenue Department via electronic channel. The service helps reduce the use of paper for printing tax invoices, while also providing merchants greater convenience and swiftness in receiving tax invoice. | <ul style="list-style-type: none"> Number of merchants using e-Tax Invoice: More than 190,000 |
| Tax Invoice and e-Tax Receipt in alignment with the Revenue Department's | KBank has teamed with the Electronic Transactions Development Agency (ETDA) and the Revenue Department to develop 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 transactions: 175,000 |
| KBank Open API | KBank Open API allows customers to study, test and apply for the service to connect their system to KBank's system in order to use KBank products and services of their interest or suited to their own or their clients' needs. The self-service portal offers QR Payment API, Slip Verification API, and Bill Payment API services that can be used via https://apiportal.kasikornbank.com | <ul style="list-style-type: none"> Number of services available: 8 including QR payment, bill payment and inward funds transfer, etc. Number of people signed up to use API on a trial basis: More than 4,000 Number of transactions via Open API: More than 50 million |
| Authentication Services | KBank has developed authentication services to provide greater convenience for our customers and partners in their identity verification via online format. They include: <ul style="list-style-type: none"> National Digital ID (NDID) service, which offers identity verification via NDID Platform Relying Party (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: 427,000 |



| Products/Services | Details of financial innovations | Operating performance |
|--------------------------------------|--|--|
| e-KYC via self-service machine | <p>KBank launched e-KYC via self-service machine to provide greater convenience for customers wishing to open an account without going to a Bank branch during business hours. The service is available more than 8,300 K-ATM and K-CDM terminals covering all provinces.</p> | <ul style="list-style-type: none"> Number of transactions: More than 2.3 million |
| Automated currency exchange machines | <p>KBank increased the number of automated currency exchange machines to eight at Suvarnabhumi Airport, Don Mueang International Airport and King Power Mahanakhon. This service channel aims to provide customers with greater convenience after KBank temporarily suspended the foreign exchange services at branches and foreign exchange booths.</p> | <ul style="list-style-type: none"> Number of transactions: More than 26,800 Value of transactions: More than Baht 224 million Number of users: Approximately 19,600 |
| Cross-Bank Bill Payment | <p>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.</p> | <ul style="list-style-type: none"> Number of companies registering for Cross-Bank Bill Payment: 1,182 (based on taxpayer ID) |
| K CONNECT-LG | <p>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.</p> | <ul style="list-style-type: none"> Number of customers using K-CONNECT-LG increased by 21% from year-end 2020 |
| K e-LG via e-GP | <p>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.</p> | <ul style="list-style-type: none"> Number of K e-LG via e-GP transactions accounted for 16 percent of total LG issuance transactions |
| K CONNECT - Supply Chain | <p>K CONNECT-Supply Chain offers revolving credit facility via electronic channel with invoice displayed online. The innovative service allows loan withdrawal, payment to trade partners, funds transfer to recipient's account of both KBank and other banks as well as loan payment via electronic channel. This service can therefore be provided in a comprehensive manner for both buyers and suppliers.</p> | <ul style="list-style-type: none"> Number of customers using K CONNECT-Supply Chain: 3,937 |



Products/Services

Details of financial innovations

Operating performance

| | | |
|--|--|---|
| <p>KhunThong: A social chatbot on LINE platform</p> | <p>KBank launched KhunThong, a social chatbot, on the LINE platform that offers financial services that meet the lifestyle of the new generation, including funds collection, cashless payment and bill splitting with the use of Optical Character Recognition (OCR) technology to scan receipts among LINE group friends. In addition, the latest features include collection of monthly bills that require shared payment such as Netflix bills, as well as multiple bills.</p> | <ul style="list-style-type: none"> • Average number of monthly active users: 131,000 • Number of users: 970,000 |
| <p>MAKE by KBank: A mobile banking application</p> | <p>KBank launched MAKE by KBank, 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.</p> | <ul style="list-style-type: none"> • Average number of customers per month: 21,000 • Number of accounts: 131,000 |
| <p>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</p> | <p>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 and LINE ID.</p> | <ul style="list-style-type: none"> • Number of applicants: 3.9 million • Outstanding loans: More than Baht 15,000 million |



LINE BK: Financial services on LINE application, Simply chat via LINE - enter bank name, account number, and amount and money transfers immediately.



Debit cards/Cash card

| Products/Services | Details of financial innovations | Operating performance |
|--------------------|---|--|
| Xpress Cash | <p>Xpress Cash transfers funds to cardholders in need of emergency cash via K PLUS 24 hours a day with no limitation of number of transactions, no card required and free of charge. Aside from making bill payment at participating merchants nationwide, cardholders may choose to make installment payment with a period of 3-36 months to increase their liquidity.</p> | <ul style="list-style-type: none"> • Number of purchase transactions via Xpress Cash: 330,000 • Value of purchase transactions via Xpress Cash: Baht 1,600 million |
| 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 2 million |

Health insurance

| Products/Services | Details of financial innovations | Operating performance |
|--|---|---|
| 'Sick but Safe' dengue fever insurance | <p>This life insurance product can meet the needs of parents and others who are concerned about dengue fever, especially those with children who are at heightened risk from this disease. 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.</p> | <ul style="list-style-type: none"> • Number of insurance policies: 1,496 • Premiums: Baht 0.26 million |
| COVID-19 vaccine allergy insurance | <p>To ease our customers' concerns and burdens, and mitigate potential losses from vaccine allergies, KBank introduced COVID-19 vaccine allergy insurance to the general public at affordable prices. The insurance provides coverage against a comatose state from vaccine allergies of up to Baht 1 million, with daily compensation up to Baht 1,000.</p> | <ul style="list-style-type: none"> • Number of insurance policies: 10,221 • Premiums: Baht 2.49 million |



Products/Services

Details of financial innovations

Operating performance

Pay when sick (IPD+OPD)

This life and health insurance plan offers middle to low customer segments, especially freelance workers/vendors, who have no welfare benefit, an option to access affordable insurance that can be purchased easily online.

The insurance provides coverage for medical expenses of up to Baht 50,000/visit (unlimited number of times) for inpatients department (IPD) and up to Baht 1,000/visit for outpatients department (OPD).

- Number of insurance policies: 1,444
- Premiums: Baht 5.45 million

Collaboration with partners

Products/Services

Details of financial innovations

Operating performance

Real-time inward funds transfer

In cooperation with DBS Bank of Singapore, KBank introduced an inward funds transfer service to accept remittance from Singapore, Europe, America and other Asian countries, which allows senders to send their funds transfer instruction to 21 banks in Thailand on a real-time basis. Senders in foreign countries can check the status of destination 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 1.5 million/transaction.

In collaboration with our partners abroad, KBank has extended the service with the same format to Europe, America and Asia. The service has launched at KBank's overseas branches in Lao People's Democratic Republic and Kingdom of Cambodia to allow customers to make funds transfer to accounts of recipients in Thailand, who can receive the full amount of funds transfer on a real-time basis.

- Number of transactions: 3.6 million

PromptPay-PayNow:
International funds transfer
with connectivity via
national payment operator
between Thailand
and Singapore

KBank has adopted a 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 SGD1,000 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.

- Number of transactions:
More than 70,000



| Products/Services | Details of financial innovations | Operating performance |
|--|---|--|
| International funds transfer via K PLUS | <p>KBank joined with Nium, a Singapore-based cross-border funds transfer service provider, to develop international funds transfer technology via application programming interface (API) to allow customers to make outward remittance of not more than USD 49,999 per transaction per day via K PLUS.</p> <p>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.</p> <p>KBank has increased the number of currencies under this service from 12 to 14, comprising USD, SGD, AUD, HKD, GBP, EUR, PHP, INR, IDR, VND, KRW, MYR, JPY and CNY, covering 32 destination countries.</p> | <ul style="list-style-type: none"> Number of transactions: More than 78,000 |
| FinVest: application for investment | <p>FinVest is a digital investment platform jointly launched by KBank and Lu International, a Singapore-based company under Ping An Group –and Robowealth Mutual Fund Brokerage Securities Co., Ltd., the first Thai company to provide robo-advisory service.</p> <p>Customers can open a fund account with no need to use KBank account, and can directly buy or sell mutual funds, both onshore and offshore funds, of any asset management companies via this application.</p> | <ul style="list-style-type: none"> Number of customers downloading the application: More than 230,000 Number of active users: More than 150,000 |
| Dolfin Wallet application | <p>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.</p> | <ul style="list-style-type: none"> Number of customers downloading the application: 2 million Number of active users: More than 26,000 |
| Smart OPD Hospital Application on Mobile | <p>KBank has developed healthcare mobile banking applications for outpatients using services at various hospitals, including CU Care, CBH PLUS, TUH for ALL, NIT PLUS and RJ Connect. 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. Moreover, patients can view their treatment history, make appointments and make payment via the application.</p> | <ul style="list-style-type: none"> Number of hospitals using mobile banking applications developed by KBank: Five, namely King Chulalongkorn Memorial Hospital, Chonburi Hospital, Thammasat University Hospital, Rajavithi Hospital, and the Neurological Institute of Thailand. Number of customers downloading the application: More than 811,000 |
| Loan for online business via Shopee and Lazada platforms | <p>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.</p> | |



| Products/Services | Details of financial innovations | Operating 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: 8,000 (2019 - 2021) |
| GrabPay Wallet Powered by KBank | KBank joined with Grab in developing the GrabPay Wallet Powered by KBank that allows users to apply and top-up via K PLUS without switching between the applications. The service provides greater convenience and speed to users in paying for Grab services, making mobile top-up and QR payment at stores. | <ul style="list-style-type: none"> Number of users: More than 2.3 million |
| Blue CONNECT Powered by KBank | KBank worked with PTT Oil and Retail Business Public Company Limited in developing and providing Blue CONNECT Powered by KBank for use at PTT service stations and PTTOR retail stores including Café Amazon, Texas Chicken, Pearly Tea, Hua Seng Hong Dim Sum, FIT Auto and Jiffy. The application can be linked to the loyalty program of PTT Blue Card. | <ul style="list-style-type: none"> Number of registered customers: More than 400,000 |
| 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 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 transactions: More than 1.9 million Value of transactions via YouTrip card: More than Baht 1,800 million Number of foreign exchange transactions: 3.94 million Value of foreign exchange transactions: Baht 6,810 million Number of users: Approximately 124,000 |



KBank collaborated with PPTOR to launch 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 | Operating performance |
|---|---|--|
| 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 Points for purchase of goods or use a credit card for goods payment on K+ market | <ul style="list-style-type: none"> The service was launched in November 2021. |
| 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"> Number of vaccine registration: More than 500,000 |
| COVID-19 Hospital Management Solution | KASIKORN Business-Technology Group (KBTG) has teamed with Praram 9 Hospital in pioneering the COVID-19 Hospital 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"> The service was launched in July 2021 Number of users: More than 55,000 |




KBank collaborated with Shopee and Lazada to launch Xpress Loan for online businesses on the platform.



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 2021, 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 2021

Beacon Venture Capital Co., Ltd.

| Companies in Thailand | Companies abroad |
|---|---|
| <p>Living Mobile Co., Ltd.</p> <ul style="list-style-type: none"> • KBank invested in the Thai startup company, which develops Point of Sale (POS) systems for restaurant business management. <p>Cryptomind Group Holdings Co., Ltd.</p> <ul style="list-style-type: none"> • KBank invested in the Thai startup, which is a holding company engaged in digital asset advisory service, digital asset fund management and digital asset broker and dealer. | <p>Trusty Cars PTE. LTD.</p> <ul style="list-style-type: none"> • KBank invested in the Singaporean startup company, which has developed a pre-owned car trading platform using artificial intelligence (AI) for car screening and quality assessment. <p>Pantera Blockchain Offshore Fund</p> <ul style="list-style-type: none"> • KBank invested in the US-based Blockchain Fund, which invests in cryptocurrency and blockchain technology <p>Ficus Asia Investments PTE. LTD.</p> <ul style="list-style-type: none"> • KBank invested in the Singapore-based startup company, which operates business as a venture builder. <p>Openspace Ventures</p> <ul style="list-style-type: none"> • Bank invested in the Cayman Islands venture capital fund, which focuses on investment in fintech and other businesses. |

Customer Satisfaction Evaluation

Net Promoter Score: NPS

- Overall evaluation of KBank: Net Promoter Score (NPS) at 63, 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 83, which is the highest level in Thailand's banking business in this category.

Customer Satisfaction Score

- Use of services via the K-Contact Center: score of 96.9 based on End Call Survey questionnaire



Complaint Management

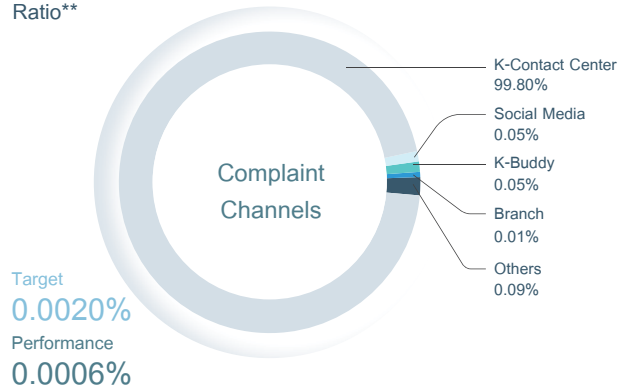
KBank emphasizes efficient management of problems and development of service quality for sustainable customer experience enhancement. Complaint management mechanisms have been set up to ensure systematic management via multiple service channels. We focus on consistent development and improvement of products 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.

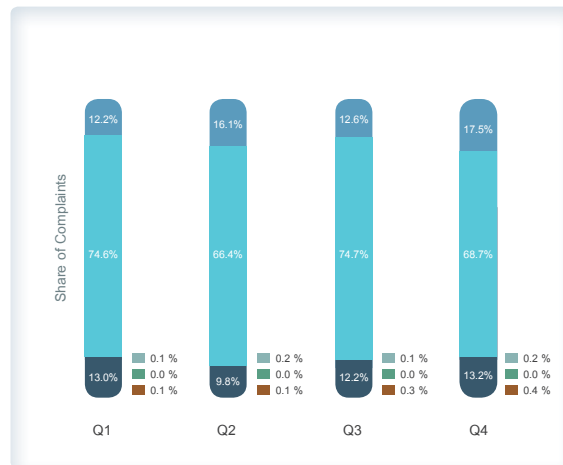
KBank places emphasis on sustainable problem-solving. We have established a systematic problem management mechanism by working in collaboration with related units inside and outside the Bank. We have conducted analysis to shed light on the causes, which will be applied to the improvement of relevant processes and products to prevent the repetition of problems and better meet customers' demands. In 2021, KBank has developed and improved our products, channels and service processes on a continual basis, which has helped reduce the volume of complaints and led to continuous business growth. In 2021, the number of complaints was reduced by more than 20 percent compared to 2020.

Complaint Data in 2021

Complaint Ratio**



** Ratio of total complaints to total transactions of KBank



- Problems concerning other products
- Deposit/withdrawal/transfer/payment
- Other problems concerning major products
- Interest and fees
- Nuisance sales
- Incomplete/incorrect/hard sell

* Details of reports on data about financial service problem-solving and Service Level Agreement (SLA) can be found at KBank's website, <https://www.kasikornbank.com/th/announcement/Pages/Solving-financial-service.aspx>



Responsible Lending and Investment: ESG Credit and Investment



Risks

If KBank does not include the 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, as well as creating reputational risk to both customers and KBank, while also adversely affecting customers' business competitiveness, and eventually leading to customers' deteriorating repayment capabilities and causing financial damages to KBank.



Opportunities

Lending and investment consideration processes that incorporate the ESG factors will help minimize risks in portfolio management, while opening up new opportunities and creating financial innovations for the Bank, for example, business expansion to new customer segments and also with existing customers that are adapting themselves to the low-carbon economy. Such new opportunities will secure new revenue streams for KBank and achieve portfolio management that can generate sustainable returns in the long term.



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 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, KBank has formulated a policy of responsible lending and investment, along with the consideration processes that take into account the ESG factors in conformity with international practices, via an operational structure that is divided into management and transaction levels. 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.

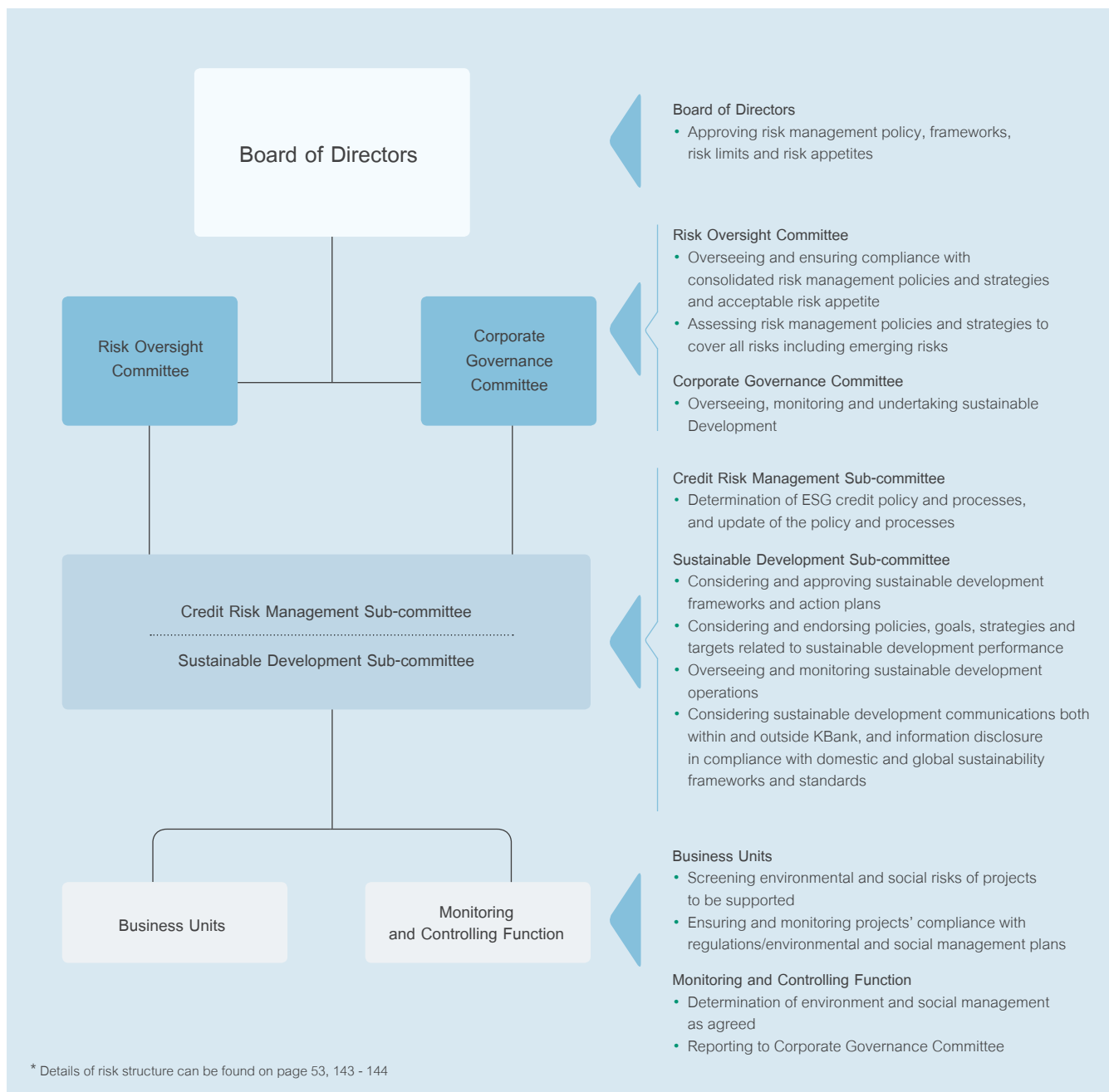


Structure of Credit Operations Demonstrating ESG Responsibility

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, biodiversity and communities' living conditions

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

KBank has included the qualifications of credit applicants and their types of businesses in the credit underwriting processes. The Exclusion List of different business types includes the following:

1. Applicants with records of being involved with or that are suspected of being involved with offences under the Anti-Money Laundering Act, for example, offences related to narcotics, public fraud, embezzlement, or cheating and fraud involving assets, acts of dishonesty or deception, terrorism, gambling, exploitation of natural resources or the environment through the illegal use or taking possession of natural resources for commercial purposes, weapons and war materials, as well as human trafficking
2. Offences related to illegal activities or activities that risk violation of laws including domestic environmental laws and international agreements, for example:
 - Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
 - Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (Basel Convention) or related rules and regulations
 - Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade or Stockholm Convention on Persistent Organic Pollutants (POPs)
3. Credits related to destroying or encroaching upon important ecosystems, such as mangrove forests and conservation areas, for example:
 - Natural parks, conservation areas and animal sanctuaries per related public notifications
 - UNESCO World Heritage Sites
 - Conservation areas under the Ramsar Convention on Wetlands
 - Protected areas specified by the International Union for Conservation of Nature (IUCN) and High Conservation Value (HCV) areas
4. Credits related to destroying or encroaching upon cultural areas, such as archeological sites and cultural heritage sites
5. Credits related to violation of human rights, human trafficking, forced labor, illegal migrant labor, child labor or occupational conditions that do not meet related standards



6. Credits in support of activities contrary to morality or social norms, such as massage parlors, love hotels, prostitution, pornography, gambling and media related to racism
7. Activities believed to have been approved to carry out such operations as procurement, and to receive a concession or license via misuse of public and political office for private gain or bribe, brokerage fee or remuneration in other forms
8. Bid bonds for government projects wherein the bidders connive among themselves to allow one of them to win the bids
9. Credits related to speculation
10. Credits related to arms trade with importing from or exporting to the Socialist People's Libyan Arab Jamahiriya
11. Credits related to manufacturing or trading of weapons of mass destruction, for example:
 - Anti-personnel land mines
 - Cluster munitions
 - Nuclear weapons
 - Biological and chemical weapons
12. Credits for projects in foreign countries that may create extensive environmental and social impacts, and do not comply with the host countries' environmental requirements or those of related national agencies, as well as other globally accepted standards, such as the Equator Principle, IFC Performance Standards & Environmental, Health, and Safety Guidelines (EHS Guidelines), ADB Safe Guard Policy, JBIC's Guidelines for Confirmation of Environmental and Social Considerations, EBRD Performance Requirements - Environmental and Social Sustainability (European Standard)
13. Credits for hydropower generation from dams that generate significant impacts on the environment and society, without management measures and work plans in accordance with the Equator Principles and without support from international financial institutions for development or foreign financial institutions that have accepted the Equator Principles
14. Stop financing project of new coal-fired power generation, unless there is a strategy to add or change to other low-carbon energy sources
15. Any credits that may adversely affect KBank's reputation

Types of Rejected Credits and Credit Applicants (Exclusion List)

| | |
|--|---|
| <p>Offences relating to gambling</p>  | <p>Offences relating to embezzlement</p>  |
| <p>Offences relating to Human trafficking</p>  | <p>Offences relating to exploitation of natural resources</p>  |
| <p>Offences relating to narcotics</p>  | <p>Offences relating to terrorism</p>  |



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:





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. In addition to the above-stated credit consideration processes in accordance with ESG risk factors, KBank has established the operational guidelines for specific industries.

Total Project Finance and commercial credits for medium enterprises and above that were processed through ESG risk assessment amounted

Baht
419,829
million

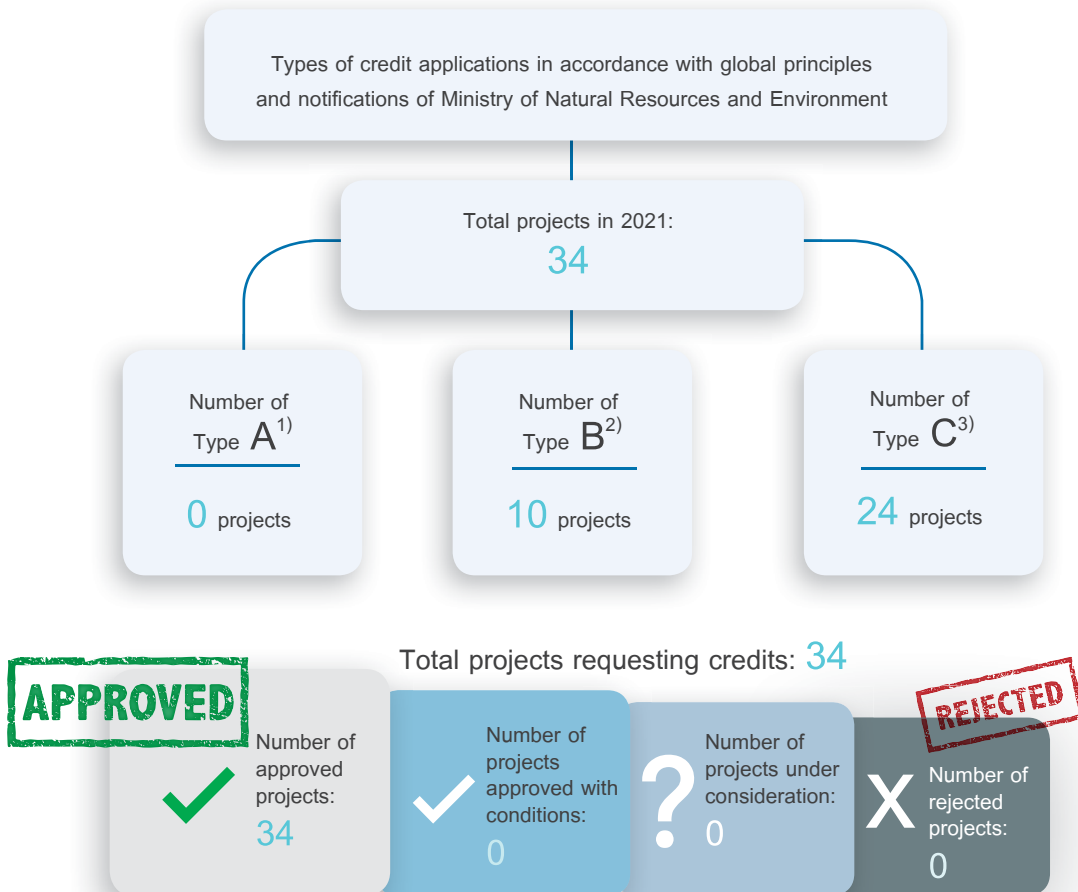
Project Finance:
Baht

12,871
million

Commercial credits for medium enterprises and above:
Baht

406,958
million

Project Finance Result 2021



¹⁾ Type A: Projects that create severe environmental and social impacts

²⁾ Type B: Projects that create environmental and social impacts

³⁾ Type C: Projects that do not create environmental and social impacts, or create minimal environmental and social impacts



Sector - Specific Guidelines

KBank has developed the loan consideration guidelines for specific industrial sectors in accordance with environmental and social impacts that they create, by including ESG factors in credit consideration for each industry in addition to other factors, to ensure that risk management at the credit portfolio and transaction levels comply with the target to achieve a low-carbon economy, especially for the industries with risks of environmental and social impacts.

Agricultural Industry

Agriculture

- KBank does not support business operators that encroach upon or destroy forest areas, or conduct slash-and-burn farming practices; land ownership documents must be checked in the processes of credit consideration.

Livestock

KBank supports the following operators (not including aquatic animals):

- Businesses located far from communities and equipped with appropriate waste management systems, with a specific focus on biogas system for wastewater treatment and odor minimization
- Businesses certified with Good Agricultural Practice (GAP) by the Department of Livestock Development (DLD) and other agencies certified by DLD

KBank supports aquatic animal businesses with the following management:

- Environmentally friendly farm management that can be tracked through the entire supply chain
- Appropriate production systems and products per Good Aquaculture Practice (GAP) standards

Fishery

- Support for businesses Conducting sustainable fishery in accordance with international standards of the Marine Stewardship Council (MSC) that can be tracked through the entire supply chain
- No support for businesses conducting unlawful operations, with no reporting or control, or Unregulated Fishing (IUU Fishing), or using unlawful fishing equipment, catching restricted animals or animals included in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

Forestry

KBank supports sustainable forestry businesses based on the Forest Stewardship Council (FSC)'s requirements and the Royal Forest Department's standards.

Agro-processing, Food and Beverage Industries

KBank supports business operators with the following management:

- Procurement of raw materials with consideration of environmental impacts and in compliance with the accepted standards of the industry
- Being equipped with standardized wastewater treatment, and lawful elimination of waste and odor
- Compliance with the appropriate practices of slaughterhouses as required by national standards of agricultural products and food, and lawful operations related to slaughterhouses
- Lawful environmental management based on the ISO 14001 standards and occupational safety and hygiene systems per the OHSAS 18001, as well as the minimum labor standards per legal requirements
- Businesses related to palm oil in the entire value chain, including growers, traders, extractors and refineries that comply with Roundtable for Sustainable Palm Oil (RSPO)'s standards
- Processed seafood export businesses that meet with the standards accepted by the importing countries, e.g. Aquaculture Stewardship Council (ASC)'s standards

KBank does not support business operators that buy agricultural products grown in the areas of forest encroachment or practicing slash-and-burn farming practices.



Chemicals, Tanning, Bleaching and Other Manufacturing

- KBank supports business operators with environment management that should meet ISO 14001 standards and be equipped with occupational safety and hygiene systems per the OHSAS 18001 standards, as well as minimum labor standards as required by law.

Electricity Generation

KBank supports the following operators:

- Renewable energy plants, e.g. solar energy and wind energy
- Power plants using other fuels, e.g. biomass and waste, with environmental impact assessment in accordance with the business types, information disclosure, greenhouse gas emission plan, prevention of environmental impacts, monitoring and examination of environmental qualities for the business premises and surrounding communities

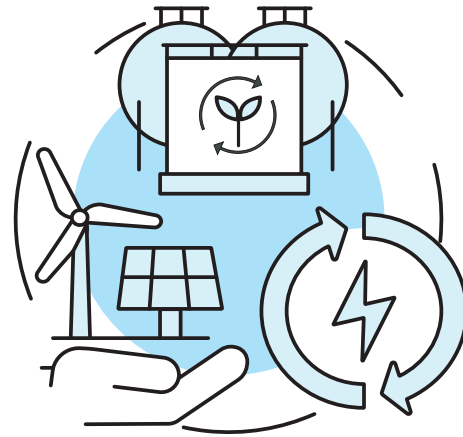
KBank does not support the following operators:

- Nuclear power plants
- Hydropower plants from dams without management measures and work plans in accordance with the Equator Principles, and without support from international financial institutions for development or foreign financial institutions
- New coal-fired power plants

Metal and Non-Metal Smelting and Melting

KBank supports business operators with the following management:

- Management of garbage and unused materials, with sustainable management and recycling of metal scraps to add economic value
- Management of air pollution from production processes, e.g. SO₂, CO, CO₂, and other pollution, e.g. heat, noise and vibration
- Planning to implement or to be certified with the ISO 14001 for environmental management, OHSAS 18001 for occupational safety and hygiene management and SA 8000 for social responsibility standards



Mining

KBank supports mining business operators that passed the green mining standards of the Ministry of Industry, which involve mining with limited environmental impacts and sustainable use of mining resources.

KBank does not support the following business:

- Asbestos mining and businesses related to production or trade of unbounded asbestos fibers
- Mining that pollutes freshwater and marine water resources
- Mountaintop removal mining

7. Real Estate

KBank supports construction and improvement of energy-saving and environmentally friendly buildings per the standards; ie. LEED, TREES etc.



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:



Solar Rooftop

In line with the government's policy that promotes renewable electricity generation and the growing popularity of solar panel installation, KBank has been a part of financial supports to enhance the efficiency of a number of electricity producers nationwide. Loans have been granted to projects of electricity generation via solar energy, including solar rooftop, solar panels on the ground, and floating solar panels to sell electricity to private businesses, with total capacity of 60 megawatts. These loans have passed KBank's credit consideration processes based on ESG risk assessment.



Solar Farm

Economic growth and trade agreements within and outside the ASEAN bloc have led to flourishing trade and industry, and rising demand for electricity consumption. In addition, each government is promoting renewable electricity generation in a drive towards becoming a low-carbon economy. KBank has been part of support for leading Thai businesses with experience and skills in electricity generation to implement large-scale solar farms in foreign countries. The projects are equipped with environmental and social management at world-class standards, and have passed KBank's credit consideration processes based on ESG risk assessment.

Sustainability-Linked Credit Facility



Financial institutions have worked together to develop the Sustainability-Linked Credit Principles, connecting businesses' sustainability goals with banks' financial assistance, in order to inspire them to operate environmentally and socially friendly businesses. KBank has supported business operators that are aware of the importance of sustainable operations, focusing on management to minimize adverse impacts caused by business operations, with respect to environmental pollution, usage of limited natural resources through the entire supply chain, impacts on community residents and human rights issues. KBank has also supported large commodity enterprises that produce diverse foodstuffs and other products and are committed to compliance with the sustainable development goals, for example, alleviation of greenhouse gas emissions, minimization of energy consumption and natural resource usage, raw material procurement, and responsible labor management. Throughout the loan terms, special privileges have been granted for business operators that can achieve the established targets.



Stakeholder Engagement for Communication of ESG Credit



Employee Engagement

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

- Thailand Carbon Neutral Network: Climate Action Partnership towards Carbon Neutrality seminar organized by Thailand Greenhouse Gas Management Organization (Public Organization)
- KBank's staff training courses in such topics as "Introduction to ESG Standards", "Carbon Neutral, Net Zero and Initiatives to increase Carbon Sink", "Greenhouse Gas Protocol", "Internal Carbon Price", etc. presented by international experts in various fields
- Seminars under cooperation with the Stock Exchange of Thailand and UK PACT Green Recovery Challenge Fund (GRCF), e.g., TCFD & SDGs Workshop
- Green and Sustainable Taxonomies and Definitions seminar organized by the Bank of Thailand
- Seminar of United Nations Environment Programme Financial Initiative (UNEP FI) working group
- Meeting related to Taxonomy on the definition of Green Finance and projects/activities under Green Finance organized by the Thai Bankers' Association



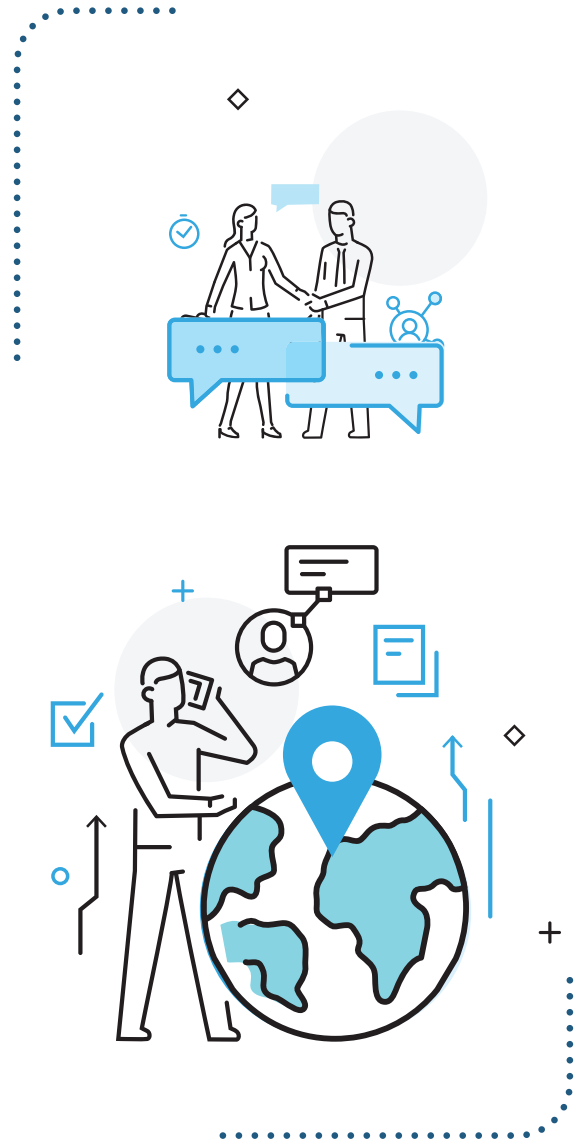
Engagement of Supervisory Agencies, Public Sector, Private Sector, Non-Profit Organizations and Civil Society

- KBank joined as a speaker in the TCFD & SDGs Workshop: ESG Risk Analysis and GHG Accounting organized by the Stock Exchange of Thailand to provide in-depth knowledge and understanding related to development of strategies of sustainable business operations and information disclosure per TCFD to comply with global disclosure standards.
- KBank joined a public hearing session on the draft determination of economic measures and tools to promote climate change investment of the private sector, organized by the Office of Natural Resources and Environmental Policy and Planning and Climate Change Management and Coordination Division.
- KBank cooperated with the Thai Energy Services Company Association (ESCO), which provides consultations and comprehensive energy management services for operators under energy conservation measures. This cooperation ensures businesses that proceeds gained from energy saving can be efficiently used to repay loans (self-financing projects) and to enhance business competitiveness, while helping save energy costs and preserve the environment.
- KBank joined hands with the Agence Francaise de Developpement (AFD) to implement the Green Building project and extend loans to business operators for transforming their premises into green buildings with lower energy use in order to battle global warming. Loans under the K-Green Building Program were provided as special loans. In addition, KBank held a seminar to offer knowledge and advice on energy-saving buildings to business operators.



Customer Engagement

- Exponential Path to Net Zero: Bangchak 100X - 100 Ideas for Sustainable World seminar organized by Bangchak Corporation PCL, with the CEO as a speaker





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 and service providers. In addition, operational patterns have changed amid the COVID-19 situation to accommodate remote working.

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, lack of information safety, 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.



Opportunities

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



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.

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.

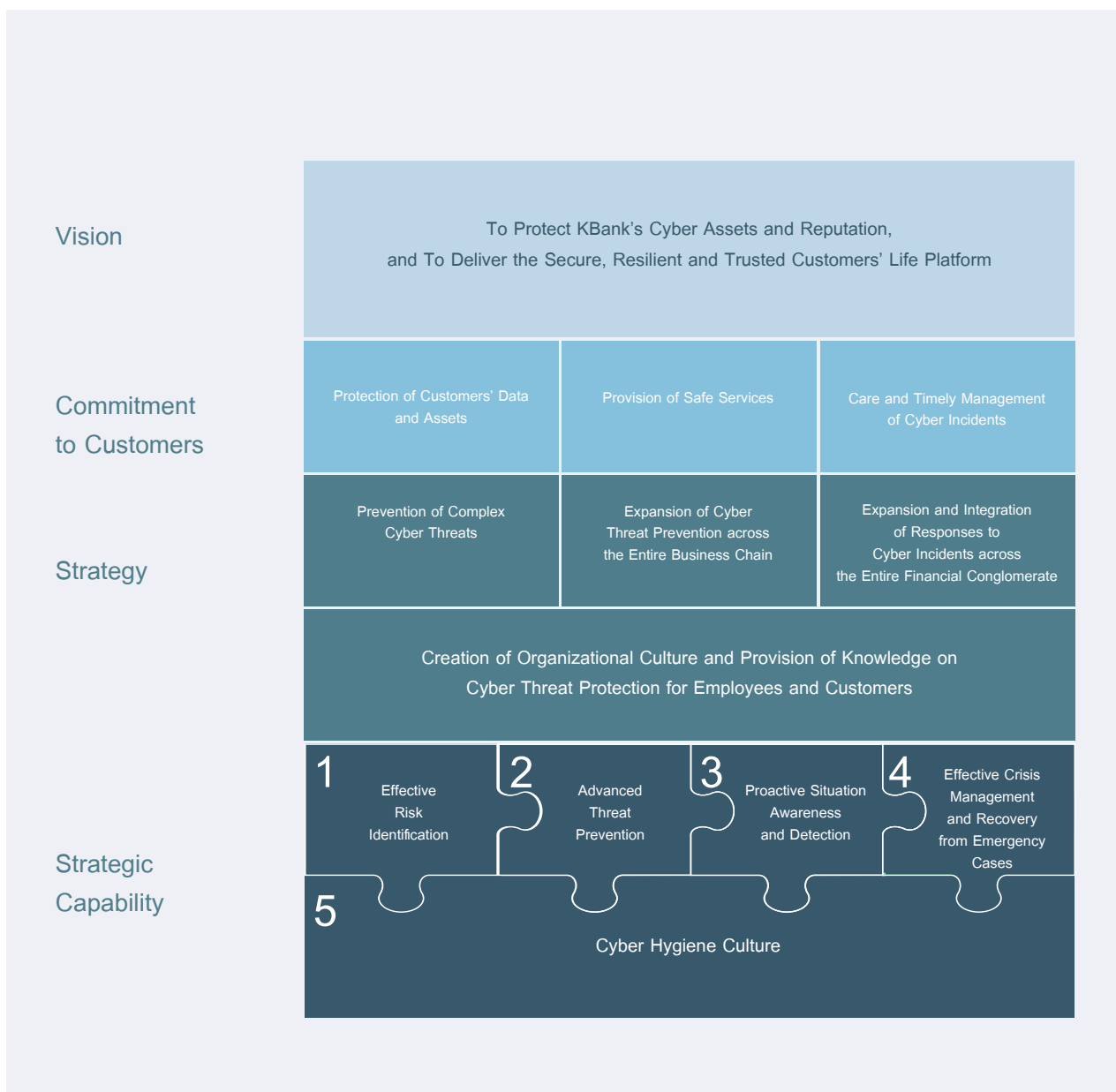
KBank has monitored and complied with the Cyber Security Act B.E. 2562 (2019), and prepared for the Personal Data Protection Act that will take full effect in 2022, by setting up a working group to establish guidelines for personal data protection since 2019 and a structure to supervise the personal data protection policy and operational procedures in order to ensure proper protection of customers' data and the legal compliance of KBank. The working group is under supervision of the Data Governance Sub-committee. In addition, in 2021, KBank hired a consulting firm to aid in the recording of our personal data processing, which will be used as part of a tool for risk and personal data management within the Bank in a concrete manner prior to the enforcement of the new 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:

KBank Cyber Risk Vision and Strategy





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, electronic document management operational procedures and policies, 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.
 3. A working group was set up to study and carry out necessary preparations related to policies, work processes and systems to accommodate the Personal Data Protection Act, which is scheduled for enforcement in June 2022, with regular reports submitted to KBank's management. Actions taken include the following:
 - Determining policies and operational procedures in compliance with legal stipulations
 - Establishing standards and channels for customer consent
 4. Offering all employees an 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 gathering information of event development, assessing the situation by internal and external experts, and reporting to KBank's customers or other stakeholders, with KBank's full assistance regarding the fulfillment of legal requirements.
- 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 data
 - Determining the levels of authorized persons before operations and reporting to the Data Governance Sub-committee on a quarterly basis



IT Data Security System Operations

1. KBank further adjusted the configuration values on the data leakage prevention system for broader coverage of diverse channels, especially that sent by operating units on KBank network systems. Significant efforts range from the classification and assessment of risks arising from data usage to the installation of standard systems, allowing KBank to more effectively detect and prevent potential data leaks. We also established additional tools for preventing data leakage from employees' use of mobile devices to ensure that all KBank data transmission can be detected.
2. KBank's capability of proactive prevention, precaution and cyber threat detection has been increased, with new technologies and more efficient work processes. The responsible team was enhanced with greater skills and capabilities for timely incident management in order to alleviate any adverse impacts on the customers and KBank, while the scope of cyber threat surveillance was expanded to cover K Companies.
3. Readiness in management and technical aspects was upgraded for incident responses between different units of KBank, e.g., searching for new gaps to use in rehearsing the respective incident response processes. Efficiency has been improved for internal communication plan and collaboration.
4. KBank was awarded ISO 27001:2013 certification for the seventh consecutive year, attesting that our information security management system is on par with international standards. In addition, the system was expanded to cover the Cyber Security Operation Center (CSOC)'s services.
5. KBank has been certified with the PCI DSS V3.2.1 standard for the fourth year for our credit card data security in the Payment Gateway On Cloud system, which provides service for merchants.
6. KBank has been certified with the PCI PIN Security V2.0 for our ATM security.

We attach 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, no significant incident of customer data privacy infringement was detected*.

Measures for Data Security and Confidentiality during Work-from-Home Period

Amid the COVID-19 crisis, KBank has placed importance on employees' health and safety, and therefore allowed employees to work from home under strict measures for data security and confidentiality. Employees have been permitted to do most of their work at home under KBank's acceptable risk limit and in compliance with regulatory requirements and KBank's cyber security measures, for example, work has to be done on KBank's computers only, mobile devices must be registered and installed with secure software, two-factor authentication has been adopted, and encrypted channels must be used, e.g. Virtual Private Network (VPN) or Virtual Desktop Infrastructure (VDI), to prevent information leakage. To this end, the solution formats have been considered to match the risk levels of the respective employee groups. Additionally, ethics for working from home have been set up, which must be thoroughly read and accepted by the employees so that they are allowed to work from home.

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 2021, KBank's major collaborative efforts on cyber threat security were, as follows:

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



1. Upgrade of readiness for cyber security incident response: KBank participated in a workshop and cyber drill exercise, jointly organized by the Thailand Banking Sector CERT (TB-CERT) under 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 collaborative effort among relevant organizations and units in coping with cyber threats.
 2. Upgrade of readiness for cyber security incident response and capability development of cyber security staff: KBank participated in the activities organized by financial regulatory agencies, including the Bank of Thailand, the Office of 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.
 3. KBank is a member 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 the development and improvement of our security system to prevent any adverse incidents.
- 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 has 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 e-mails.
 - 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.

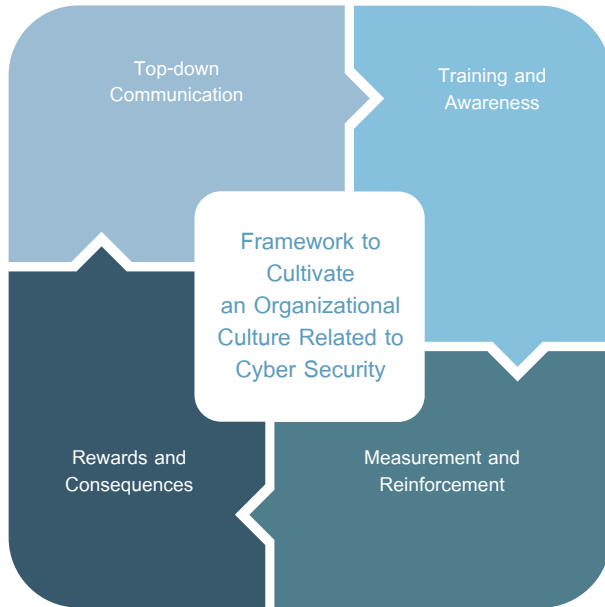
Creation of a Cyber Risk-Aware Culture

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 the Bank of Thailand, to acquire useful information about the guidelines and measures to deal with cyber threats in the finance and banking industry, and to share views with board members or high-level executives of other financial institutions.



Framework to Cultivate an Appropriate Organizational Culture Related to Cyber Security



KBank promotes the SATI campaign to create awareness among customers and encourage them to continually protect themselves against cyber threats.

3. Customers

- Customers have been provided with knowledge on safety of online transaction and cyber threat prevention 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 phishing emails, social media scams and call center gangs.

4. KBank's Service Providers and Counterparties

- KBank has formulated a cyber risk management framework to communicate to our service providers and counterparties, demonstrating that KBank has placed emphasis on cyber security and risk management.

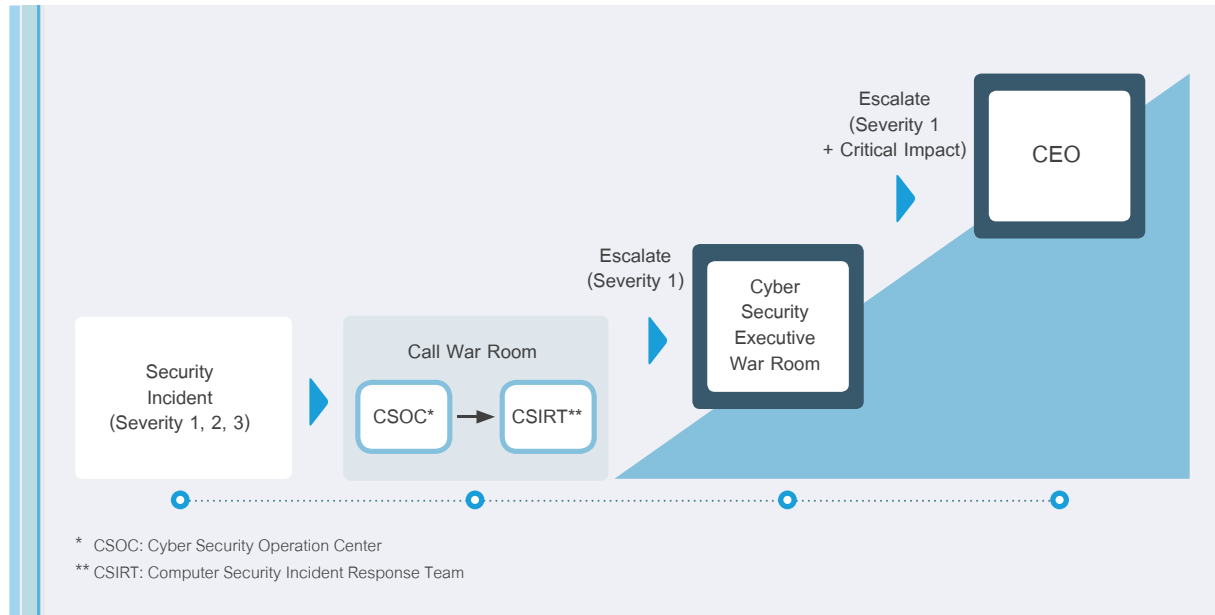
Data used for Secondary Purpose

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. Processing of personal data for such activities is in compliance with related laws.



Monitoring Process of Breaches/Incidents

Cyber Security Incident Escalation Flow



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 the Bank, 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.

KBank has classified the severity of IT security incidents into three levels, as follows:

1. Severity 1: Highest severity
2. Severity 2: Moderate severity
3. Severity 3: Lowest severity

The management of Severity 2 and 3 incidents is undertaken by the Cyber Security Operation Center (CSOC). For Severity 1, the Computer Security Incident Response's (CSIRT) Team Lead shall report the matter to the Cyber Security Executive War Room for a higher level of IT security management. The Cyber Security Executive War Room, chaired by KBank's Presidents, comprises top executives of the relevant business units. However, if IT security incidents worsen beyond Severity 1 and critically impact the Bank, the Chairman of Cyber Security Executive War Room shall report the matter to KBank's Chief Executive 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.



Sustainable Supply Chain Management



Risks

KBank's inefficient management of supply chain, non-compliance of suppliers, violations of laws and environmental, social and governance (ESG) regulations may give rise to risks and affect KBank's business operations and image.



Opportunities

KBank's efficient management of supply chain would help enhance its effectiveness, resulting in lower operating costs, plus shorter lead time in delivering products and services. It would also help enhance the potential in creating new innovations in alignment with the prevailing market conditions while also improving suppliers' capability to carry out their businesses in a sustainable manner throughout the supply chain.



KBank attaches great importance to supply chain management, based on the Statement of Business Conduct and KBank's policy of conducting businesses with suppliers with transparency, equity, fairness and verifiability. 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 has put in place 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 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. 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 and exchanges views and recommendations with suppliers in order to improve operational processes for sustainable growth with our suppliers.

Operating Performance

In 2021, KBank had 1,100 suppliers, including 1,050 domestic suppliers, 50 international suppliers (accounting for 5 percent of all suppliers) and 80 new suppliers (accounting for 7 percent of all suppliers). In compliance with the procurement policies and regulations, and consideration for the recruitment and selection of suppliers, all suppliers have acknowledged the Supplier Code of Conduct* prior to becoming suppliers of KBank. They must conduct their businesses with transparency in conformity with the relevant laws, rules and regulations, respect human rights, adopt equitable labor treatment practice, and comply with the management standards on occupational safety, health and workplace environment. KBank has followed up and evaluated their strict 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 and regulations, KBank shall consider the matter in accordance with their behavior that results in the impact and causes risks and damages. KBank will follow our related processes, whether discussing with them and/or delivering to them written warning notifications.

* For details of the Supplier Code of Conduct, please visit: https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/KBank_Supplier_Code_of_Conduct.aspx



A set of guidelines, plan and operational timeframe would be set up for their corrections. If any supplier cannot fulfill the obligations, KBank may have to impose 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.

Moreover, in entering into the service contract/sale contract with suppliers, KBank has signed the Green Contract with them. Regulations and conditions of the Green Contract are in line with KBank's regulations and policies on occupational safety, health and workplace environment, plus social responsibility. To ensure strict compliance with said regulations and conditions, a penalty will be imposed if suppliers violate them.



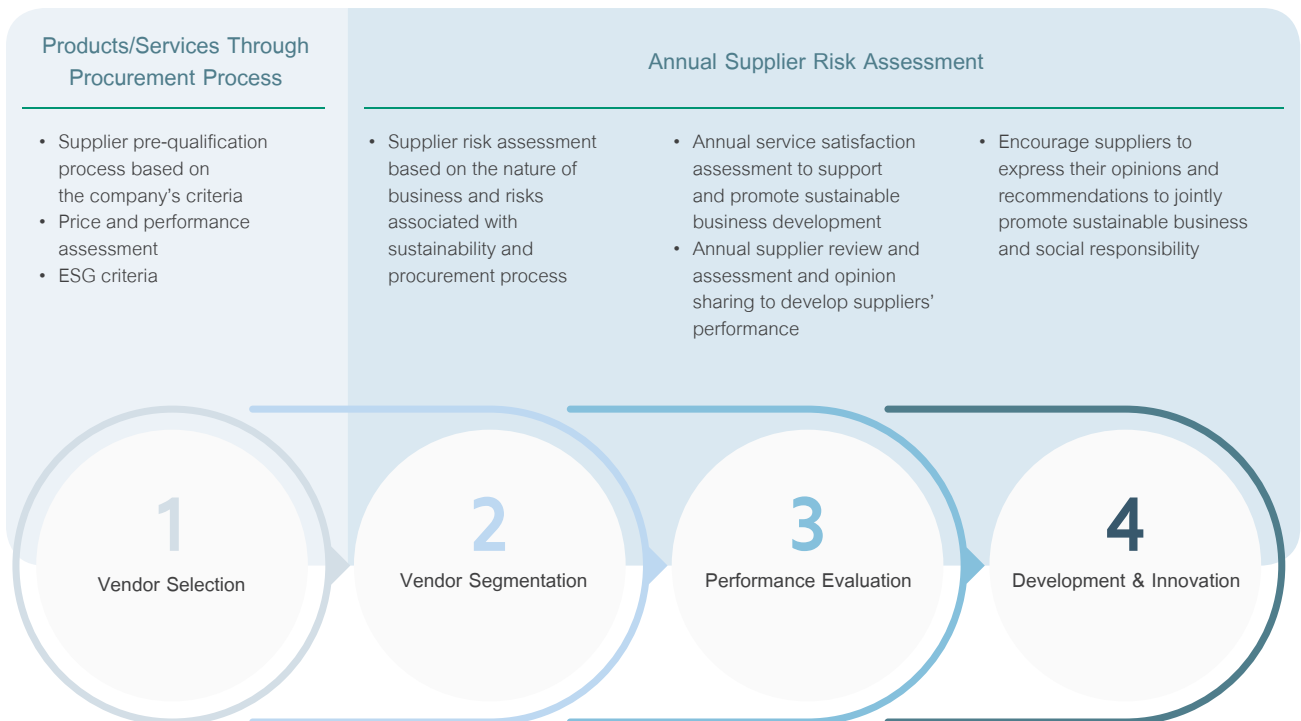
KBank organized the 2021 supplier communication press conference under the name, "Procurement Insights and Strategic Approaches 2022."

Supplier Communications

Annual Supplier Seminar 2021

KBank organized the Annual Supplier Seminar 2021 on Procurement Insights and Strategic Approaches 2022 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 joint sustainable growth.

Environmental, Social and Governance (ESG) Risk Assessment



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' importance. KBank has established a clear set of criteria for supplier segmentation by analyzing KBank's annual expenses for each supplier and assessing the potential crisis of important suppliers, plus ESG risks. Based on the analysis and classification of suppliers' importance, KBank has categorized our suppliers into Tier 1, Tier 2 and Tier 3, which are used in the annual supplier assessment process to determine strategies, management guidelines and plans in line with risks of suppliers in each level. The performances of approximately 113 suppliers of Tier 1 and Tier 2, or 11.08 percent of all suppliers and equal to 79.36 percent of total procurement expenditures, have been assessed. 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 hedge against 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 do not produce any impact on businesses, communities and 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 develop and improve our capacity to reduce risks that may arise, while working with suppliers, and enhance long-term relationships with suppliers, while also supporting the procurement of environmentally-friendly products and services to meet the customers' needs.

To inspect and monitor our suppliers' compliance with the Supplier Code of Conduct, KBank has arranged for 100 percent of Tier 1 and Tier 2 suppliers to conduct an annual ESG assessment. KBank also conducts a site visit evaluation at least once a year to ensure that our suppliers comply with the Supplier Code of Conduct. If anyone of our suppliers does not comply with the Supplier Code of Conduct, KBank shall request that the supplier make corrections within an established timeframe as planned; otherwise KBank shall suspend their purchase orders until that supplier completely and accurately addresses related issues/problems. This is intended to support and ensure that our suppliers adopt sustainable business operations throughout the supply chain in alignment with KBank's guidelines.



The suppliers with tendency to produce adverse social impacts and having been warned by KBank for improvement accounted for

0 percent
of all suppliers.

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

0 percent
of all suppliers.

Regarding the evaluation of our supplier's performances, KBank has sent questionnaires to service users to make a service satisfaction assessment of our suppliers. 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.

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 inspection, 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.



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 hedge against 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.
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.

Innovations for Sustainability

2021 New Year gift sets that have been designed and created from upcycling innovation for corporate clients

The upcycling project is not only the recycling or reusing of plastic wastes, but it is the upcycling of existing materials for the development or creation of new products while keeping their quality and components intact. Such materials can therefore be used for greater benefits and values. This upcycling innovation also helps extend the life of materials, thus helping slow down the creation of wastes, adding value to products, reducing the use of new products, developing environmentally-friendly products, and promoting social responsibility.

With the upcycling concept, PET bottle wastes dumped in the oceans have been reprocessed into clean and quality fibers, which are used to produce tablecloth sets for KBank's 2021 New Year gifts. A tablecloth set comprises a table runner, placemats, coasters and napkins, which are both beautiful and practical for daily life. This upcycling project helps reduce plastic bottle wastes by more than 9 million tons.

Replacement of vehicles used for KBank branches with eco cars, with 1,200 CC. engines (Phase 2)

Aside from the gradual replacement of vehicles at KBank branches with eco cars, with 1,200 CC. engines (Phase 2), KBank also requires that all the new eco cars use Gasohol E20 as a fuel. The features of eco cars (Phase 2) and the use of Gasohol E20 as a renewable fuel will allow KBank to save on energy costs and other expenses as compared to using other fuels. An eco car can save on fuel consumption by approximately 5 liters per 100 kilometers. The use of eco cars can partially help reduce the dependency on fuel imports and improve the livelihood of farmers as they can earn more income from growing the related energy producing crops. Additionally, eco cars can cut air pollution caused by carbon dioxide and hydrocarbon emissions, which account for 30 percent of greenhouse gas emissions that are responsible for global warming. Eco cars, therefore, help improve air quality as each eco car releases not more than 100 grams of CO₂ per kilometer, which is in line with the Euro5 standard. As KBank attaches great importance to the safety of our employees, the new eco car fleet is equipped with safety technologies, including both active and passive safety systems that are in conformity with the EU's highest safety standards.

Being a Responsible Corporate Citizen
to Create a Sustainable Society

Social Dimension

- 098 Financial Inclusion and Financial Literacy
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- 124 Human Rights Operations
- 128 Social Contributions

Home loan for applicants
with monthly income of
less than Baht 15,000
Outstanding loans:

Baht
1,694 million

Number of accounts:

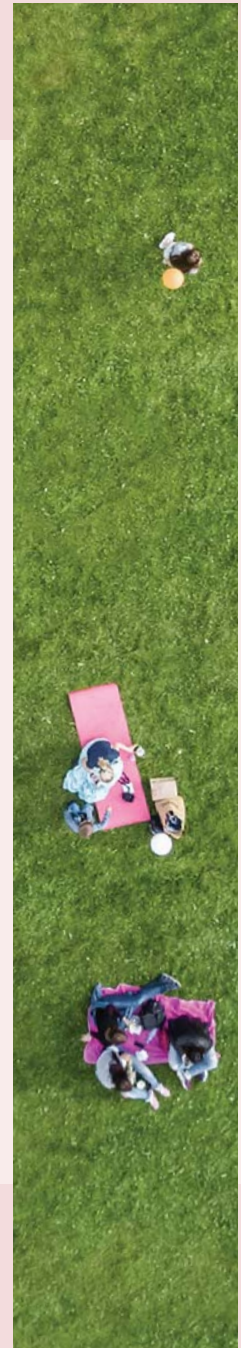
1,347

“Loan to Fight COVID-19”
program
New loans:

Baht
4,176 million

Participating entrepreneurs:

24,540



EXCELLENCE IN LEADERSHIP DEVELOPMENT (Gold Level) award granted to KBank thanks to their commitment to the talent development journey with the aim of leading businesses and people through a program designed primarily for attaining work-life balance

KBank conducted human rights risk assessment covering all activities, representing

100 percent of KBank and its joint venture.

AFTERKLASS an online platform for promoting financial literacy and training in other skills for youths via various forms of activities. The number of online members was

32,734



Financial Inclusion and Financial Literacy



Risks

Unless KBank focuses on thorough financial inclusion, people who have no access to financial services may shift to non-formal loan systems or consumption loans, which would exacerbate the household debt problem. This problem may incur higher risks to KBank's asset quality and NPLs, which may escalate and derail the overall economic system.

If the general public lacks financial literacy, they will not be able to choose financial products suited to their needs or even access the products that are available.

This could cause KBank to lose business opportunity, and thus finally be exposed to financial risk.



Opportunities

KBank is aware that the importance of promoting financial inclusion and financial literacy are social responsibility. This is to allow the general public and the underprivileged to access financial services anywhere with convenience and to choose financial products suited to their needs, making their quality of life better. Meanwhile, financial inclusion and financial literacy provide business opportunities to KBank, leading to consistent growth of financial performance.



Financial Inclusion

Healthier financial positions of the members of society would contribute to an improved quality of life in general, and more extensive growth of the overall economic and social systems. KBank believes that customers with proper financial skills, knowledge, and discipline would be able to gain reasonable returns via their selection of financial products and therefore foster their stable and sustainable financial health. In this connection, KBank has emphasized the establishment of a sound financial basis for our customers and different underprivileged groups, such as victims of natural disasters or economic impacts, low-income earners, alien workers, residents of remote areas, and people with low earning capabilities, e.g., aging persons, persons in need of special care and disabled persons. Diverse financial products have been developed, while more convenient channels have been offered for customers' access to our financial services. In addition, customers' financial skills and discipline have been promoted so that they are able to choose and manage financial products appropriately. Such attempts have in turn generated business benefits to KBank, the entire economic system, and livelihoods of the general public. Notable performances in 2021 include the following:



Products and services for financial inclusion of small and micro business customers: Baht 15,105.6 million

| Products/Services | Details of Financial Innovations | Performances |
|--|--|--|
| <p>Soft loan program to upgrade machinery and production efficiency for SMEs</p> | <p>The program, with total loan amount of Baht 30 billion, is aimed at providing more access to low-interest loans for SMEs.</p> | <ul style="list-style-type: none"> • Outstanding loans: Baht 1,124 million |
| <p>Good Innovation, Zero-interest Project</p> | <p>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.</p> | <ul style="list-style-type: none"> • Outstanding loans: Baht 32 million |
| <p>Interest compensation program for rice traders to maintain rice stockpiles for 2020/2021 production season</p> | <p>The government interest compensation program for rice traders in maintaining rice stockpiles for the 2020/2021 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.</p> | <ul style="list-style-type: none"> • New loans: Baht 9,258 million |
| <p>Generous (Business) Owners – Emphatic Creditor Program</p> | <p>This program aims to help low-income employees under business operators stay afloat during the COVID-19 crisis. This initiative represents a cooperative effort between KBank and business operators to cut interest rates on existing loans in order to keep businesses running so that employees will not lose their jobs, allowing them to continue to earn income and shoulder a reduced burden; this could reduce the possibility of future layoffs. The program is transparent as participating companies use KBank Payroll service, which allows KBank to confirm whether employees remain employed and their salary is intact. Launched as a pilot program in Phuket, it is expected to expand to other provinces nationwide.</p> | <ul style="list-style-type: none"> • Number of participating companies: 57 • Number of employees benefited from the program: 3,614 |



Products/Services

Details of Financial Innovations

Performances

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.

- New loans: Baht 4,176 million
- Participating entrepreneurs: 24,540

Loan Facility for CRC's Suppliers

The facility comprises two programs:

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.

- Rehabilitation loans
 - New loans: Baht 512 million
 - Participating entrepreneurs: 115
- Loans for sponsor's suppliers
 - New loans: Baht 3.6 million
 - Participating entrepreneurs: 2



KBank launched 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 Innovations | Performances |
|--|---|---|
| <p>K PLUS: Expanding customer base of youths aged 12 - 14</p> | <p>To expand the customer base, K PLUS allows youths aged 12 - 14 to apply for K PLUS and conduct financial transactions by themselves. Focus is on instilling discipline and providing financial knowledge to youths so that they learn about saving at an early age.</p> | <ul style="list-style-type: none"> • Number of young age group of K-PLUS users: 1.67 million |
| <p>K-eSavings Account Opening via K PLUS: No minimum amount for account opening</p> | <p>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.</p> | <ul style="list-style-type: none"> • Number of accounts opened: 4,700 accounts/day on average • Total deposit amount: Baht 13,000 million |
| <p>Super Senior Fixed Deposit</p> | <p>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.</p> | <ul style="list-style-type: none"> • Number of accounts: 8,600 • Total deposit amount: Baht 8,000 million |
| <p>Basic Banking Account</p> | <p>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 is no minimum amount required for the account opening; nor are there card application or annual fees.</p> | <ul style="list-style-type: none"> • Number of accounts: 3,200 • Total deposit amount: Baht 41 million |
| <p>K-Personal Loan for Pensioners</p> | <p>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.</p> | <ul style="list-style-type: none"> • Outstanding loans: Baht 245 million |



| Products/Services | Details of Financial Innovations | 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. Additionally, a study of local customers' behavior aims to expand nationwide services that can provide easier access to financial services and meet low transaction cost for customers, in order to drive the sustainable economy and society. | <ul style="list-style-type: none"> • Number of transactions: 1.9 million • Value of transactions: more than LAK 630,000 million • Number of users: more than 130,000 • Number of merchants: 1,663 |
| 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. The Bank has expanded loans more than 45 factories in Phnom Penh and Kandal. The service is expected to be rolled out nationwide later. | <ul style="list-style-type: none"> • Outstanding loans: Baht 30 million • Number of approved borrowers (Number of account): 4,000 |
| 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: 280,000 accounts • Approved credit cards: 200,000 accounts • Approved cash cards: 170,000 accounts <p>Note: 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: 29 • Outstanding loans: Baht 8 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: 631 • Outstanding loans: Baht 734 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: 1,347 • Outstanding loans: Baht 1,694 million |



Products and services for financial inclusion of disabled persons

| Products/Services | Details of Financial Innovations | Performances |
|-------------------|---|---|
| ATM for Blind Man | <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 • 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: 10,383 |

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

| Products/Services | Details of Financial Innovations | Performances |
|-------------------------------------|---|---|
| Takaful life insurance | <p>Designed specifically for Muslim customers, this life insurance product is managed under Islamic religious rules and guaranteed by the Shariah Committee.</p> | <ul style="list-style-type: none"> • Number of insurance policies: 20 • Value of premiums: Baht 0.85 million |
| Payroll Plus with COVID-19 coverage | <p>KBank offered special privileges for new Payroll Plus customers and existing Payroll clients, who switched to Payroll Plus. During the height of the COVID-19 outbreak, Payroll customers, who joined the program were offered increased coverage, as part of KBank's efforts to ease the impact of the pandemic.</p> | <ul style="list-style-type: none"> • Number of participating companies: More than 300 with coverage of 7,600 employees |
| Loan application on ATM machines | <p>KBank developed functions on electronic devices 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.</p> | <ul style="list-style-type: none"> • Service start: March 2021 • Number of loan applications: 12,430 |



KBank launched a loan application service on K-ATMs.



Products/Services

Details of Financial Innovations

Performances

KBank Service via banking agents

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:

- Cash deposit available at Thailand Post, Family Mart, Inthanin Coffee (Bangchak), Big C, Srisawad, 7-Eleven, Thaweeyont and Tesco Lotus
- Cash withdrawal available at Thailand Post, Big C, 7-Eleven and Boonterm kiosks
- Payment of goods and services available at Big C, CJ Supermarket, Jiffy, Srisawad, Siam Global House, Inthanin Coffee (Bangchak) and MaxValu
- K CHECK ID available at Big C, 7-Eleven, Thailand Post, Kerry, CJ Supermarket, Jiffy, Siam Global House, AIS, DTAC, Jay Mart, Family Mart, Tops, and Matsumoto

- Number of transactions: 34 million
- Value of transactions: Approximately Baht 129,100 million

To ensure that card accepting merchants remain competitive and are able to withstand the COVID-19 crisis, KBank has introduced the following initiatives:

- Development of electronic data capture (EDC) machines that can accommodate contactless payment for all types of cards (Visa/Mastercard/JCB/UnionPay): KBank is the first bank that allows customers to go cashless by tapping their credit card for making payment without the need to sign a sales slip, thus ensuring faster service delivery with greater convenience
- Development of sales promotion program via Instant Discount of UnionPay card: The initiative – the first of its kind in Thailand – provides greater convenience to cardholders as they can receive discounts at the cashier, and merchants receive the full amount of bill payment
- Waiver of fees and machine rental fee for EDC granted to COVID-19 hit customers
- Expansion of acceptance of QR Payment to cover all customer groups, e.g., fuel payment with QR Code, to promote cashless and touchless payment nationwide
- Encouraging merchants to change their practices in line with the new normal era: To this end, merchants were provided a PIN pad to allow them to accept contactless payment from customers, in order to avoid direct contact with them
- Development of EDC program with the Android EDC Pooling innovation so that a single EDC machine can accept customers' installment payments and point redemption through credit cards of different banks that are KBank's partners, instead of the previous pattern wherein each financial institution had to have their own EDC machine. The initiative provides greater convenience, speed and efficiency, while reducing burdens and costs of payment acceptance of the entire system, and minimize usage of electronic devices that may affect the environment



Service channels for KBank Service via banking agents



Provision of Financial Knowledge

In 2021, KBank held training courses to equip various groups of customers, for example, retail clients, SMEs, startups and corporate customers, with multiple facets of knowledge on finance, blockchain technology, and industry-specific insights in order to enhance their skills in business management to weather the COVID-19 crisis. In detail:

Financial knowledge for customer groups

| Target Groups | Details of Programs/Activities | Outputs | Positive Change to Society |
|------------------------------------|---|---|--|
| <p>SMEs and individuals</p> | <p>Business networking via K SME Care and K SME sharing business knowledge</p> <ul style="list-style-type: none"> • Due to the COVID-19 situation, KBank adjusted the seminar pattern into online seminars. Businesspersons and experts in various fields took part in 16 series of our live - Live Concern program, sharing knowledge and experiences in relation to crisis management, and necessary business skills, as well as answering questions via Zoom, the K SME page and YouTube. • In the online Talkazoom series via Zoom, K SME Care members of each region shared their crisis management experiences as an inspiration for their peers and a means for development of thinking processes related to business adjustment amid the COVID-19 situation. • Online seminar - Online but not Alone series to enhance sales skills was held via Zoom on a monthly basis to provide knowledge concerning e-Commerce businesses. • E-News - K SME FOCUS related to knowledge, concepts and methods of SME business management was delivered to customers via Electronic Direct Mail (EDM). <p>Sharing knowledge on personal investment with Affluent customers</p> <ul style="list-style-type: none"> • The seminars - 2021 Economic Outlook & Investment Forum, global trend updates, and THE WISDOM Wealth Decoded, interesting investments updates, were adjusted to be online seminars. • Monthly investment updates via THE WISDOM E-News and THE PREMIER E-News were delivered to customers via EDM. | <ul style="list-style-type: none"> • Number of views/ attendances of seminars or articles on businesses and finance for SMEs and affluent customers: 498,206 | <p>To enhance customers' potential and expand their business network in order to upgrade capabilities of 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.</p> |



Target Groups

Details of Programs/Activities

Outputs

Positive Change to Society

Startups

KATALYST project

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 (KBTG). Key initiatives in 2021 were:

- 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 and katalyst.kasikornbank.com
- The second year of the E-Learning program was jointly held with the Stanford Thailand Research Consortium to equip 63 teams of startups with knowledge on innovations obtained from Stanford University, USA, for a period of eight weeks. Total participants were more than 200 persons.

- Number of Facebook Fanpage followers: 17,938 (Rising around 5 percent from 2020)
- Number of projects in progress of tech startups for business expansion: 6
- Number of startups in the process of discussion for business expansion: 3
- 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.

All customer segments and individuals

An online seminar - Business Transformation was held for corporate customers, including the following topics:

- Adjustment strategies and reimagining of business strategies
- Opportunities to create innovations amid changes
- Tips for success and leaders' mindset

Number of participants: 65

Customers are able to adjust their businesses amid changing environments to create business sustainability.

All customer segments and individuals

A quarterly online seminar - Economic Outlook: Thailand Forecast was held to provide knowledge and updates on the global economy and Thai business sector, analyses of Thai industrial situation and stock exchange amid the COVID-19 pandemic, as well as outlooks of currencies, interest rates and exchange rates that affect customers' business operations.

Number of participants: 1,003

Customers are aware of global and domestic business directions and trends, in order to adjust their businesses or revise their strategies to match the prevailing circumstances and survive amid uncertainties.



| Target Groups | Details of Programs/Activities | Outputs | Positive Change to Society |
|----------------------|---|--|---|
| <p>Youths</p> | <p>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.</p> | <ul style="list-style-type: none"> • Number of online members: 32,734 persons • Number of youths participating in workshops: 1,430 persons (Due to the COVID-19 situation, the format of the workshops must be changed to online) • Social media followers: <ul style="list-style-type: none"> • 49,751 Facebook followers • 6,982 LINE@ followers • 775 Twitter followers • Number of beneficiaries: 559,588 persons • Media and PR value: Baht 4.74 million | <p>Youths equipped with skills in savings, spending, financial management, business, investment, and knowledge of daily financial products.</p> |

Cooperation with other organizations

| Activities | Number of participants (persons)/time(hours) |
|---|--|
| <p>KBank joined a briefing titled "Blockchain & Crypto Currency" organized by GDH 559 Co., Ltd.</p> | <p>2 hours</p> |
| <p>KBank joined a briefing titled "AOT Next Normal, Next Experience" to present viewpoints of the future after the COVID-19 crisis, changes amid the digital era and new experiences for airline passengers.</p> | <p>2 hours</p> |
| <p>KBank joined a briefing via Zoom titled "Creation of Innovation from Blockchain" for the training course for assistant judges, class 75, at the Judicial Training Institute.</p> | <p>50 persons</p> |
| <p>KBank joined an online briefing titled, "Banking Case Study: Moving Beyond the Blockchain Hype – Lessons from An Early Adopter", at the NIXT Southeast Asia Summit, organized by Infocomm South East Asia.</p> | <p>30 minutes</p> |
| <p>KBank and Electronic Transactions Development Agency (ETDA) held a talk via Clubhouse on Thailand's Digital ID Solution.</p> | <p>2 hours</p> |



Human Resource Management



Risks

If KBank were to have inefficient labor management, disregard diversity and human rights, and lack equality, KBank could risk facing employees' demands and rising turnover rate, which 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, KBank may be unable to deliver financial products and services that respond to customers' desires, and may eventually encountered business risks.

KBank's lack of proper concern for employees' living conditions and work environment, this could adversely affect their physical and mental health, causing low productivity and possibly higher turnover, and rising expenditures related to employees.



Opportunities

KBank's efficient labor practices, equal labor treatment, non-discrimination, and equitable remuneration management and welfare allocation will boost employees' dedication and loyalty, thus leading to greater productivity of the organization.

By means of employee potential development in tune with the K-Strategy, KBank will be able to deliver financial products and services in response to customers' desires, and achieve the set targets of business strategies, creating sustainable growth of business operations.

Proper care for employees' living conditions and work environment will lead to their healthiness, higher work efficiency, lower absentee rates, and greater efficiency of the organization.



Human Resource Management Strategies

Human Resource Management Strategies KBank has placed a strategic focus on human resource management in response to the K-Strategy and in harmony with the K-Culture, as follows:

Three-year Human Resource Management Strategies (2020 - 2022)

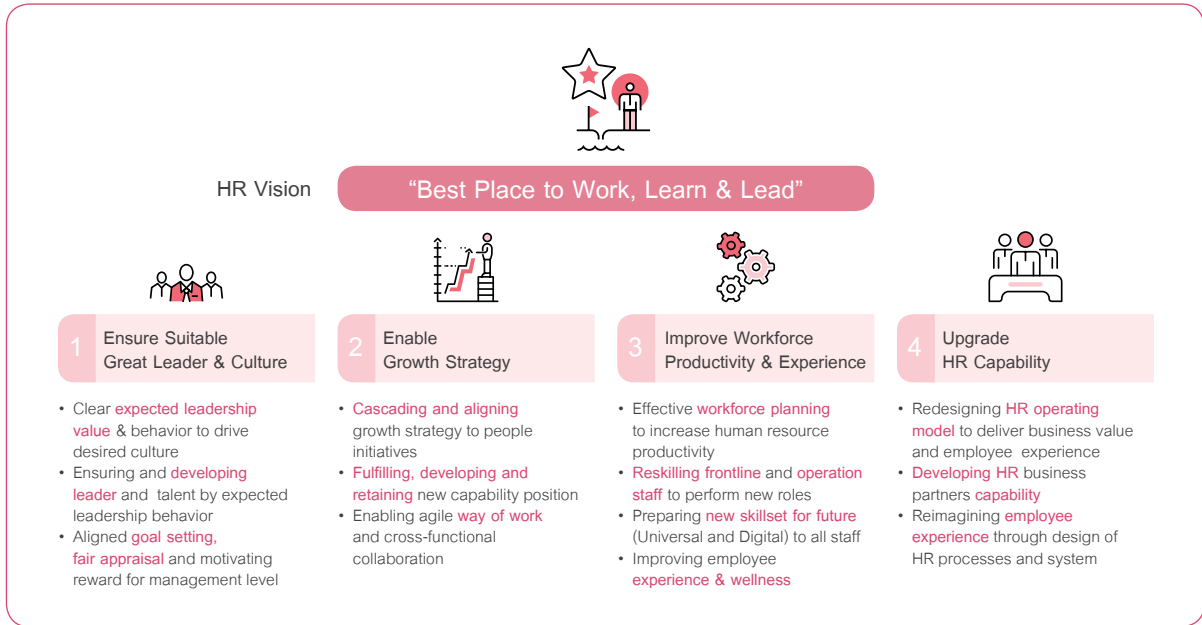
PURPOSE | To build the organization with full of positive energy and capable people who are committed to drive for mutual goals in order to ceaselessly deliver the best & timely solutions to customers

| Uplift People & Talent | Untangle Organization | Unify Culture |
|---|---|--|
| <p>01 Proactive Strategic Workforce Planning Data Driven workforce planning with flexible mobilization mechanism</p> <p>02 Effective Transition Workforce Profile Revamp holistic people learning and development journey</p> <p>03 Talent to Value Discipline on talent / leader development and utilization especially in critical areas & roles</p> | <p>04 Ambidextrous Organization Coexistence of traditional and agile organization with solid alignment</p> <p>05 Streamline Governance and decision-making Simplify governance bodies to create speed on decision making</p> <p>06 Effective Change Management Ensure effective communication and smooth transition on critical change management programs</p> | <p>07 Performance Motivation Performance & behavior driven measurement with effective alignment across bank-wide</p> <p>08 Enhance Culture Adoption Raise K-Culture awareness to adoption in all levels of staffs</p> <p>09 Productive Way of Work Enhance productivity via improvement on working ways</p> |
| <p>Upgrade to HR4.0</p> | <p>10 Capable HR Business Partners Strengthen capability of HR & business partnership</p> | <p>11 HR Work Process Drive better collaboration with business with principle-based process</p> <p>12 HR-as-a-platform Incorporating data, technology and analytics in applicable HR domains</p> |



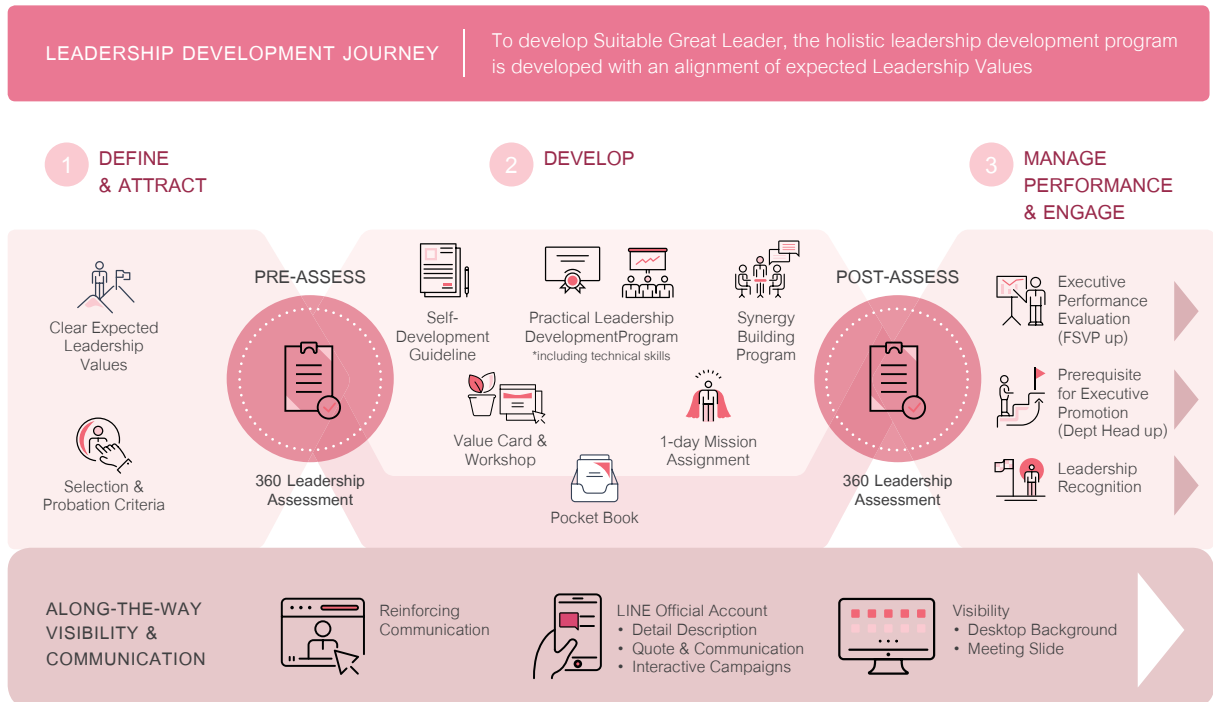
In 2021, KBank stressed human resource management to propel growth in accordance with the following goals:

Human Resource Management Strategies



1. Ensuring Suitable Great Leader & Culture

KBank set out a development program for leaders and potential employees with the aim of creating leaders' confidence and appropriate leadership culture, with emphasis on three aspects:





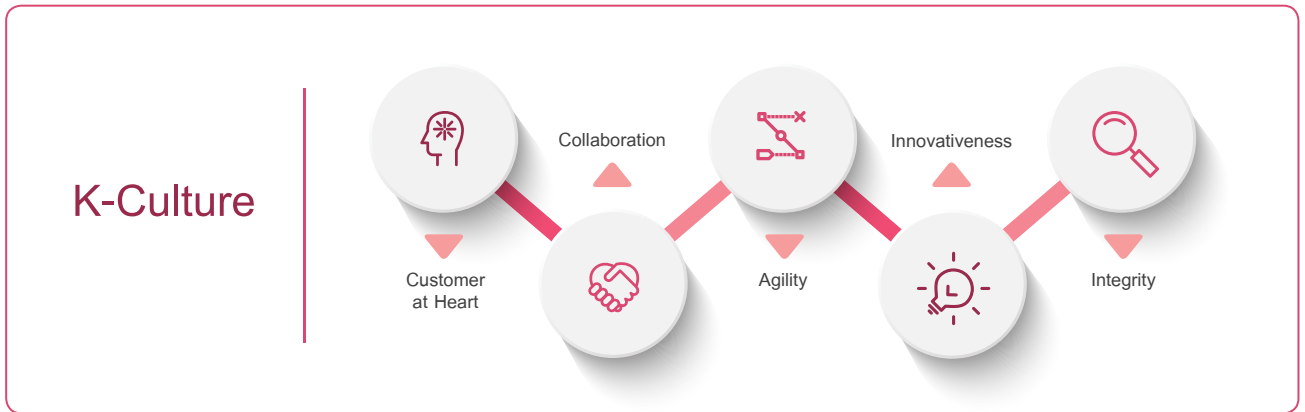
1. Determination of target groups and assessment of mid-level executives and higher, focusing on four qualities:
 - Dimension 1 - Self: Self-awareness, and awareness of others and prevailing situations
 - Dimension 2 – Result: Performance with definitive goals and good discretion to achieve the desired results
 - Dimension 3 – Team: Common goal to make work meaningful via promotion of courage to think and try, and to listen and pose questions towards opinion sharing, and provision of comments or useful viewpoints
 - Dimension 4 – Integration: Promotion of working in unison for the benefit of the organization and customers
2. Leadership development: With a focus on listening to opinions related to KBank management from all parties, a 360-Degree Feedback was held, based on the “Feedback is a gift” concept. Viewpoints and comments were compiled for leadership development and

preparation. Performance appraisal was also conducted to emphasize the importance of desired behaviors in the organization. The performance appraisal results led to the executives’ vulnerability appraisal for use in their self-development and in closing those gaps. The appraisal results were recorded on the Notepad platform, which can be monitored and supervised by respective supervisors. In addition, KBank held a Practical Leadership Development program to provide updates for the leaders to catch up with all incidents.

3. Performance monitoring and employee engagement: After entering the learning processes to develop knowledge and skills, the executives have to undertake the Executive Performance Evaluation, which is part of the criteria of promotion and recognition. During the processes, KBank organized activities to strengthen the participants’ learning development, for example, the “Leader in Action” program and communications to stimulate the eight leadership behaviors via KONNECT+ and K-Culture.



KBank organized an activity to boost learning among colleagues, gain new perspectives, and maximize benefit at work.



Activities that promote K-Culture in 2021 are as follows:

- CEO Townhall: KBank put emphasis on development of the ability to understand others among staff members across the organization, which serves as the starting point to cater to customers’ desires and to work together in harmony. To this end, the CEO Townhall activity titled, “Moving forward with Empower and responding with Empathy”, and an online learning course titled “Empathy: The Power of Deep Listening for Understanding” People”, were presented to create staff awareness of the power of understanding others and improve staff ability to provide services with customer understanding. These activities were attended by more than 2,200 persons, and were accessed by external persons via the Klasssi application.

Ratio of female middle management who advance to become top management:

76.35%

Ratio of internal staff members who fill vacant positions:

78.76%



KBank organized a CEO Townhall titled “Empowering with Empathy”, to promote awareness of empathy among our personnel.

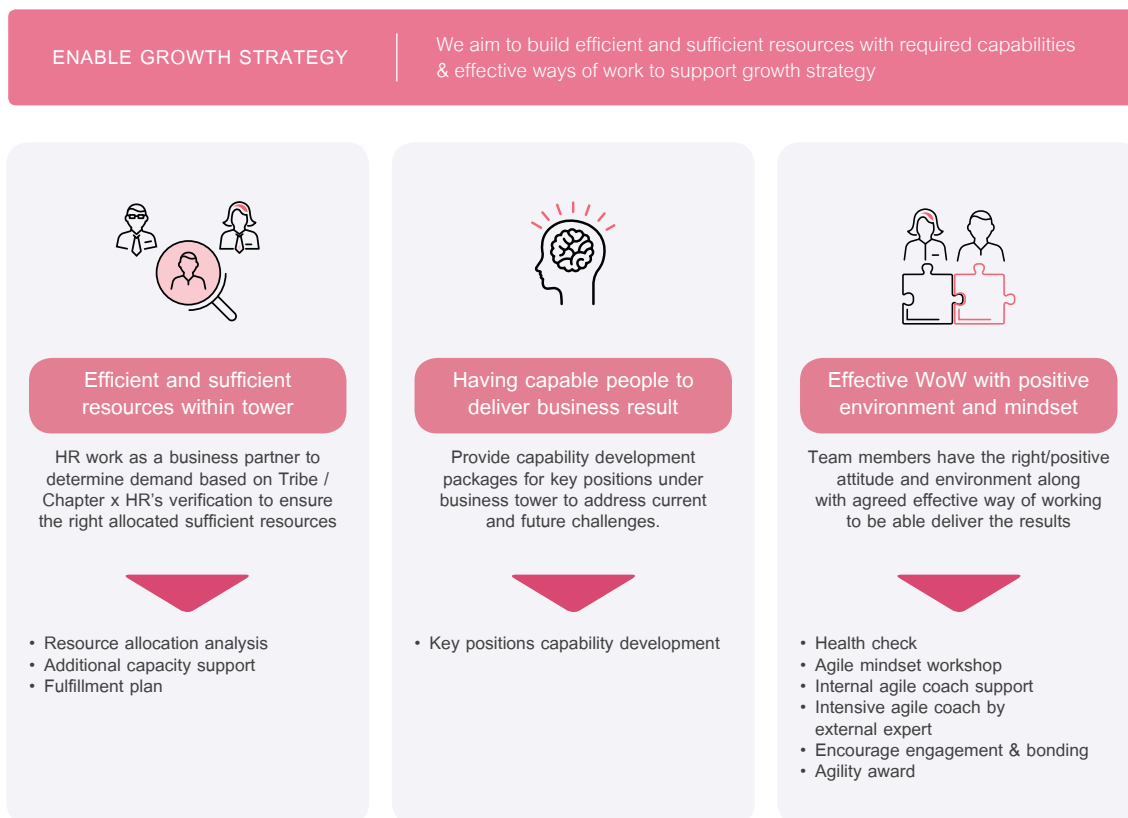


EXCELLENCE IN LEADERSHIP DEVELOPMENT Award (Gold Level) in the category of Talent Development Journey to lead the business and people towards the set targets via the design of a program to achieve a work-life balance



2. Enabling Growth Strategy

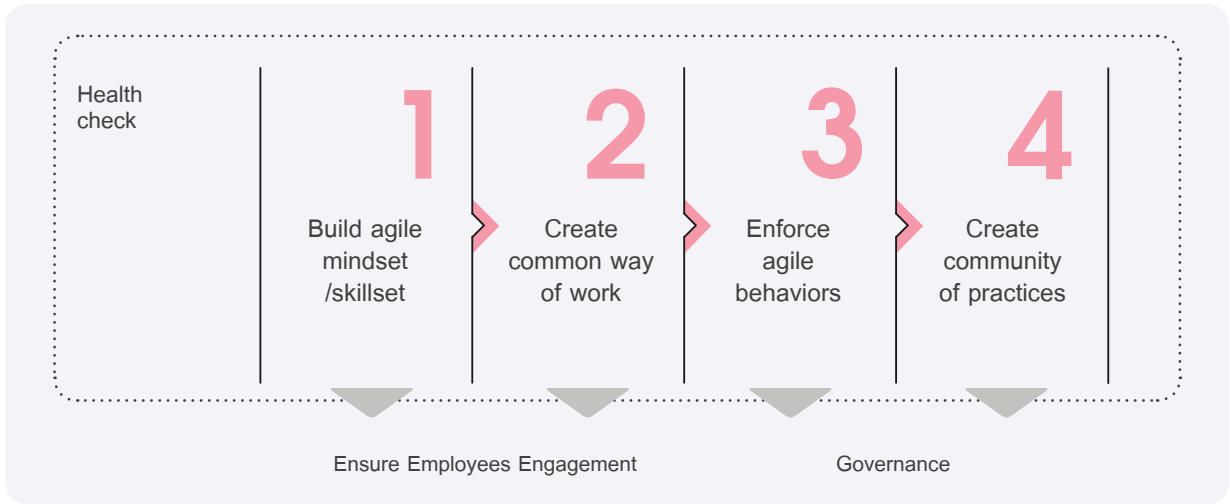
To be in tune with the prevailing situations, KBank has revised the operational processes and environment, as follows: 1) Dominate Digital Payment; 2) Reimagine Commercial & Consumer Lending; 3) Democratize Investment & Insurance; 4) Penetrate Regional Market; 5) Strengthen Harmonized Sales and Service Experience; and 6) Improve Value-Based Productivity, along with providing support for employees' operations in response to KBank's strategies.



KBank has conducted organizational restructuring and selected personnel equipped with a variety of skills, knowledge, experiences and concepts as part of our business development. Our personnel have been enhanced with useful skills to cope with any changes, in particular those engaged with regional tasks, data and analytics, and strategy formation. Training courses have been designed to upgrade employees' capabilities to meet the new work style and to perform their functions. The performance evaluation has also been revised to accommodate this new style. Meanwhile, temperature checks of employees working together have been consistently undertaken. The Agile Way of Work consists of the following processes:



Agile Way of Work Processes



1. Creation of Agile Mindset/Skillset through employee training by related experts (Agile Center of Excellence) and learning courses on Agile Work.
 2. Creation of Common Way of Work for actual operations to prepare for the new style of work
 3. Enforcement of Agile Behaviors to enable seamless and rapid cross-unit operations, and granting of the Way of Work (WoW) Award for employees with remarkable performances as an inspiration towards achievement of common goals
 4. Creation of Community of Practices to share the agile working matters with those who have not experienced such practices
- Employee engagement and good governance must be boosted in a systematic and fair manner in the processes of Agile Way of Work, while employee opinion surveys must be conducted for further improvement of work patterns and design of suitable activities that will serve as the prototype for other units later on.

Unlocking Potential in Regional Business Operations to Penetrate Regional Market

The Employee Value Proposition KBank (Best Place to Work, Learn and Lead) Project has been developed with the purpose of showcasing to external parties KBank’s determination to serves as a foundation for Thailand and the AEC region. The project has four aspects:

World Business Group

Employee Value Proposition

“A Meaningful Journey to Grow and Make Impacts to The World”



We are empowered to break through all limitations with unleashed potential



We play with the spirit of a winning team.



We learn through the tough time, therefore we grow



We care and participate in creating everyone’s better tomorrow



Creating Communication Network in conformity with Agile Way of Work to Strengthen Harmonized Sales and Service Experience and Improve Value-Based Productivity

- KONNECT+ Project:** HR Chatbot on the LINE application has been developed as a staff communication channel that is easy to access. With the system answering employees' questions related to working life, KBank expects the employees will think of KONNECT+ whenever they have problems and seek an assistant to help solve those problems. Questions may concern such topics as sick leave or vacation days, and entries into different systems concerning welfare, remuneration, and learning courses in a form of gamification. In addition, HR Chatbot serves as a channel to disseminate KBank's announcements and news to employees. At this time, more than 98 percent of employees have registered to the system. A Cyber Hygiene activity was also organized to create staff awareness of internet safety and danger of phishing emails, as well as secure data usage and storage.
- KIDEA Portal:** KBank has developed a platform for employees with out-of-the-box creativity to gain new concepts for all aspects of our business operations, for example, work processes, design and development of products and services, and employee remuneration and welfare benefits. In 2021, 291 concepts were proposed by KBank employees.



The HR Chatbot on the LINE application serves as an easily accessible channel of communication, which corresponds to employees' lifestyles



The KIDEA Portal offers a venue for employees to express ideas and create innovations to aid KBank in improving its operations.



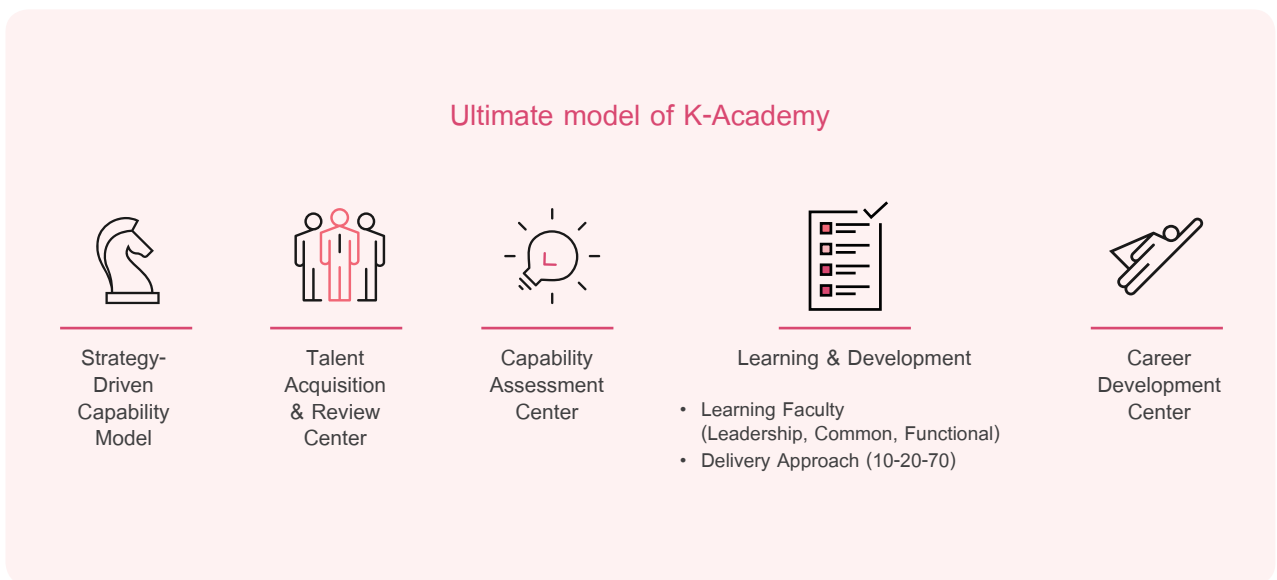
EXCELLENCE IN INNOVATIVE USE OF HR TECH Award (Bronze Level) recognizing the usage of HR technology in adapting KBank to become a digital workplace for work anywhere, analyzing employees' behaviors to enhance their efficiency, creating chatbot and employee communication channel on the LINE application to conform with employees' lifestyles, and creating assistant in career matching for students via the LINE application "KASIKORN CAREER" with the use of personality test and digital proficiency test



3. Improving Workforce Productivity & Experience

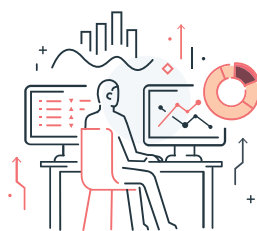
- K-Academy 2.0 Project:**

KBank is determined to uplift the capabilities of all employees to catch up with the changing environment and take a step forward to the future world. According to the employee development strategy, employee competence and skills have been specified via assessment and analysis of development opportunities. A learning platform has been provided with up-to-date content to increase all employees' potential in a concrete and efficient manner, thus enabling them to advance in their career paths. Basic courses for all employees included Business Innovation, and Digital and Agile Mindset.



- Reskill & Upskill Project:**

KBank has improved employees' skills and knowledge related to our products, and also necessary skills for different functions, such as relationship managers, credit analysts and telesales officers, which are considered the frontliners to get access to customers and support KBank's income earning.



Number of learning hours via all channels totale
712,474 hours

An average of
37.4 hours per person per year,



4. Upgrading HR Capability

KBank's people strategy has been redefined to match our strategies at the present and in the future, and set up a Control Tower to supervise all units in the Human Resource Division so that common goals can be achieved. The Human Resource Division has been restructured to enable swift operations in the agile working style, while reskilling has been done for HR personnel and HR business partners through relevant and timely learning programs. Human resource development has been upgraded with respect to performance management, leadership development, reskilling and recruitment, to keep pace with ever-changing situations.



Human Resource Division held Townhall under a concept of "Self-Transformation". The session was held via MS Teams for staff members of the to offer compliments to their works during the COVID-19 situation in the past year and to encourage them to join in the development and changes in response with the targets of KBank and the division.

Employee Engagement

With emphasis on building bond 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 were assigned to all divisions for analysis and planning for engagement promotion in both short and long terms, in line with the principles of being a Bank of Sustainability. Before the next survey, employee engagement monitoring is being undertaken on a monthly basis. In 2021, the employee engagement level stood at 77 percent, rising over the previous year's level of 75 percent. Activities to promote employee engagement included each division's Townhall event, sharing events and cross-division operations activities, resulting in the collaboration level that rose to 82 percent, compared to the 2019 level of 71 percent.

Employee engagement level:

77 percent

Number of respondents

19,132 persons

Respondents of Employee Engagement Survey accounted for 100 percent of the total number of employees



Male

5,659 persons

Female

13,473 persons

Issues receiving the highest score of

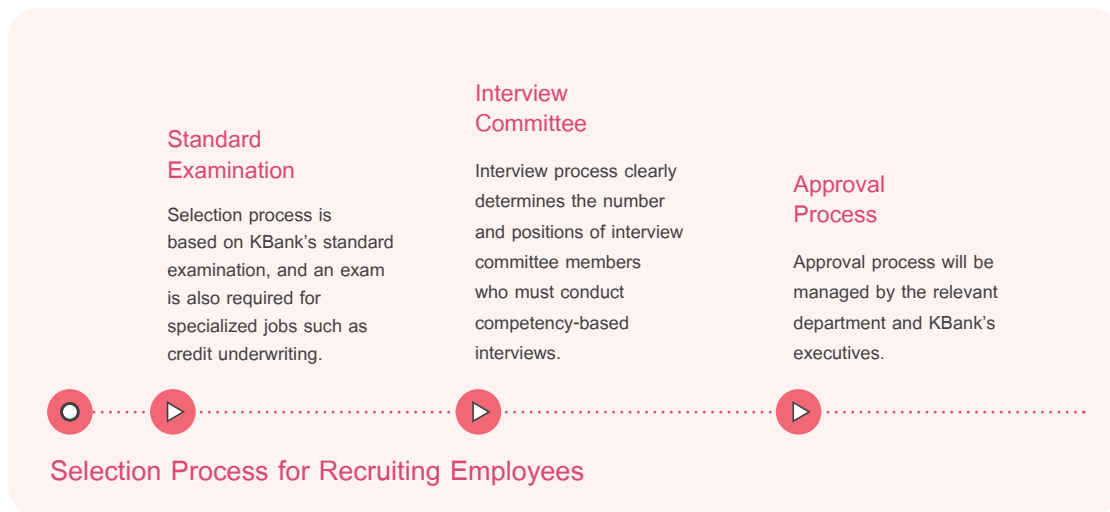
84 percent

are Brand, Communication, and Diversity & Inclusion



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.



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 has granted six scholarships to fourth-year university students to further their MBA studies under the Young Scholarship Year 6 Project, one scholarship in the technology field under the Young Tech Scholarship Year 3 Project, seven scholarships for MBA studies, four scholarships for other studies and three scholarships for Business Data Analytics studies under the Annual Scholarships for KBank employees and other persons with work experience.

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, sexual discrimination or harassment ("Zero Tolerance"), or verbal or physical harassment, including any form of psychological abuse.

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

** Details of Diversity Management Guidelines can be viewed at KBank's website:

https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/KBank_Diversity_Management.aspx

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



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 Union 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 2021, KBank provided career support to 197 disabled persons across Thailand, via a Baht 22,506,265 million budget donated to the Thai Red Cross Society for use in career promotion among disabled persons in Thailand.

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 staff members* to ease concerns and promote good living quality that affects the operations and living conditions of our employees and their families. Employee benefits are provided for our employees and communicated via the website <http://Kworkplace.com> and KONNECT+ application, as follows:



Excellence in Labor Relations and Welfare Award granted by the Ministry of Labour for the 16th consecutive year

Healthcare



Annual health checkup
(employees aged over 40 years old are entitled to additional checks for signs of illnesses such as cervical cancer, prostate cancer and colon cancer)



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



Medical treatment
by KBank physicians



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



Medical claims in case of treatment outside KBank:

- An online platform has been created to allow our employees to disburse medical expenses via mobile application.
- We also issue a patient referral for employees' admission to hospital as an inpatient, to ease their concerns over medical bills.

Financial Assistance



Financial assistance in case of retirement and children's education



Loans are offered for home, car, education, marriage and relief. In 2019, the relief scheme has been expanded to included loans for education of children and adopted children, medical treatment of parents, parents of spouses, spouses, children, close relatives and dependents.



Family matters:
98 days of maternity leave with wage payment throughout 98 days - higher than the regulatory requirement of 45 days and five days of paternity leave; arrangement of lactation room to promote infants' health.



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

* 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.



Employee Well-Being

We have assigned the Occupational Safety, Health and Environment Working Team of KBank to promote workplace safety in order to prevent accidents, injuries, illness, and unsafe conditions related to KBank's business operations. KBank has established the Occupational Safety and Health, and Workplace Environment Policy* as a practical guideline for employees, which is compliant with the ministerial regulation that establishes standards for occupational safety, health and environment management. In addition, an occupational safety, health and environment taskforce has been established for each building. 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.

Management of Occupational Safety and Health, and Workplace Environment

1. 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, as follows:
 - Provision of office chairs that can be adjusted according to the user's physical needs and the height of the desk in line with the principles of ergonomics.
 - Copy rooms and spaces for destroying documents are located separately from work areas.
 - Specific spaces are allocated as document storage rooms and general storage rooms.
 - LED light bulbs have been installed with sufficient and appropriate light distribution for working.
 - Glass and walls of the buildings can adequately screen sunlight and noise to ensure that they will not disrupt the work atmosphere.
 - Air quality in the workplace is regularly measured, and air conditioners are regularly cleaned.
 - Temperature and humidity in the buildings are appropriately controlled, in accordance with the weather in different seasons.
2. The buildings are designed to accommodate a recreation area.
- Lighting assessment is undertaken per regulatory requirements, and reports are submitted to regulatory agencies. In 2021, lighting assessment was conducted in 63 buildings, all of which, or 100 percent, met the related regulatory standards.
2. K Parking Care: There is a transportation service for employees to bring them to designated car parks near the Bank 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.
3. KBank disseminates information and training about health care and nutrition via brochures and online courses.
4. KBank organizes activities to promote health and safety for the entire organization, such as provision of fitness facilities and annual health check-up.
5. Occupational health and safety training courses are held to comply with the law, including:
 - Courses for executive-level safety staff
 - Courses for supervisory-level safety staff
 - Basic firefighting training course
 - Basic safety, occupational health and environment courses for general employees
 - Learning courses of the Occupational Safety and Health, and Workplace Environment Committee for the directors: Due to the COVID-19 situation and the government's extension of the Emergency Decree, operations related to occupational safety and health, and workplace environment, such as training or activities with a number of attendees, had to be conducted via electronic means in accordance with the notification of the Department of Labor Protection and Welfare. In 2021, two virtual training courses were approved by the Occupational Safety and Health, and Workplace Environment Committee, as follows:

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



1. Occupational Safety and Health, and Workplace Environment course for general employees: 33 classes for 1,411 participants – total participants were 1,407 persons or equal to 99.72 percent of the target
2. Course of the Occupational Safety and Health, and Workplace Environment Committee for the directors: 3 classes for 180 persons – total participants were 146 persons or equal to 81.11 percent of the target
6. 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), and organization of Safety Week @ KBank to affirm KBank's care for safety with the purpose to create safety awareness and employee participation.
7. 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

8. Employee Experience and Wellness Project
 KBank has paid attention to all employees' emotional and mental conditions during the COVID-19 pandemic and has provided programs for enhanced happiness to ease stress arising from working from home and from the prevailing situation for executives and employees. Activities were designed to create a balance of physical and mental health, and social interactions, including the 'Health Me Up' activity (yoga for 'office syndrome'), the 'Get Fit Burn Fat' activity (several kinds of exercise) and the 'Sharing' activity to share positive viewpoints with experts. 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.



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



KBank offered health care and hygiene information to employees via internal communication channels.



KBank arranges for its employees to be able to receive mental health counselling from a team of psychiatrists and psychologists via video calls on the OOCA application, rapidly and conveniently, in line with social distancing guidelines.



Guidelines of Human Resource Management during the COVID-19 Pandemic

1. KBank has assigned the head of each unit to consider employees' operations in the office building as necessary.
2. Healthcare measures have been implemented, including allocation of COVID-19 Antigen Self Testing Kits (ATK), arrangement of points of body temperature measurement, limitation of entry into office buildings for external persons, 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.
3. 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.
4. Meetings via Microsoft Teams from employees' desks or homes have been recommended.

Last year, 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 as moral support amid the COVID-19 situation:

KBank offered financial assistance and moral support to all employees for their full dedication amid the COVID-19 situation, of which the end cannot be predicted. Assistance was provided for both frontline officers that had to closely contact our customers and support officers that are also important for normal business continuity. Each employee received Baht 10,000 as moral support and Baht 300 each month for two years to alleviate their burdens.

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.



KBank implements its COVID-19 preventive measures in a strict and prudent manner.



Flexible Working Arrangements and Work from Home

KBank mapped out a plan to support hybrid work based on the FITS principle, which allows employees to better harmonize their work and personal lives. As employees can design their own work patterns, they are more happy and efficient, leading to improved engagement and lower turnover in the future.

Flexibility

More flexibility is offered for employees to choose various patterns of work, both at the office and at home, taking into account the job requirements. KBank is flexible in working time and encourages working at any place where the tools and systems are applicable, while workplaces have been modified to be in tune with the changing work behaviors. Collaboration space has been provided for better teamwork, and employees' personal life can be integrated with their work.

Care for employees amid the COVID-19 pandemic



Protection



Assistance



- Work from Home policy
- Social Distancing policy
- Call Center (02 470 5555 press 5)
- Support for employee vaccination
 - Establishment of vaccination center with the Social Security Office
 - Procurement of vaccines via various channels
 - Transportation expense assistance for employee vaccination and permission for time off for employee vaccination on working days

- Care provided by K-Care U for sick employees or employees infected with COVID-19
- An application for consultations related to mental health and stress
- Search for hospitals and hospitels (quarantine hotels)
- Procurement of rapid test kits
- Postponement of welfare loan repayment for six months; the program has been joined by 5,317 employees
- Provision of employee loans totaling approximately Baht 600 million



Human Rights Operations



Risks

If KBank's human rights risk assessment process is ineffective, KBank could be directly or indirectly implicated in the promotion of businesses that violate human rights, and thereby tarnish its image and operations.



Opportunities

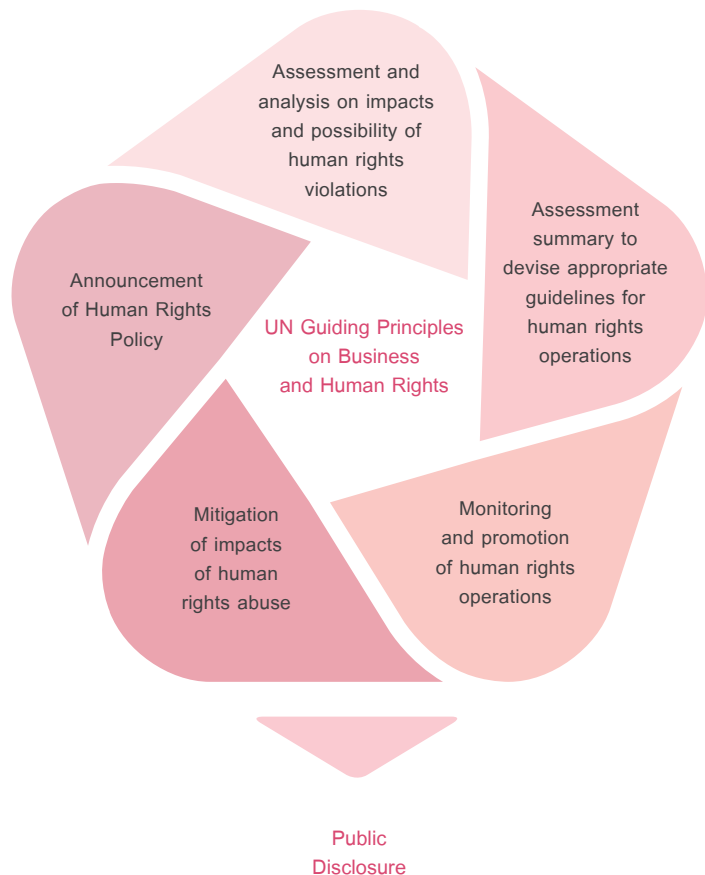
If KBank has in place an effective human rights risk assessment process, the potential impact from human rights violations can be prevented and mitigated. This would reflect positively on KBank's image by providing assistance to businesses that uphold human rights principles.



Business entities worldwide have increasingly embraced greater respect for human rights because the business sector at all levels plays a key role in promoting 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 business partners. KBank's business activities could potentially either prevent or support human rights violations.

For this reason, the Board of Directors attaches importance 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, 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.

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



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



KBank places importance on respect for human rights in all business activities, in conformity with laws and international standards, namely, the United Nations 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).

Human rights risk assessment process

KBank implements our human rights risk assessment process in accordance with the United Nations Guiding Principles on Business and Human Rights on an annual basis as follows:

1. The Board of Directors considered, reviewed and supervised implementation of human rights policies, covering all operations of KBank, K Companies, P Companies, suppliers and business partners.
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 our own human rights risks in 2020, as well as issues concerning human rights risks posed by the COVID-19 pandemic in order to analyze and assess their potential impact on stakeholders, who could be exposed to such risks, including customers, employees, suppliers, youth, alien workers, the underprivileged and local communities, 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, Commercial Credit Policy and Process Development Unit, Active Credit Portfolio Analysis and Stress Test Unit, Operational Risk Management Unit, Compliance Risk Management Unit, Enterprise Data Management Unit, Employee Relations Management Unit, People Development Strategy Unit, Procurement Management Unit and extending to KASIKORN LINE COMPANY LIMITED, which is a joint venture company of KBank. The human rights risk assessment was carried out under the objective of identifying potential risks as well as implementing relief measures and corrective actions in cases of human rights violations – encompassing all activities within the entire value chain, accounting for 100 percent of our operations. The assessment covered four business activities: lending and investment, treatment of customers, treatment of employees, and supply chain management.



Salient Human Rights Issues

KASIKORNBANK and KASIKORNBANK FINANCIAL CONGLOMERATE

| Activities | Salient Human Rights Risk Issues | Additional Measures for Reducing Potential Human Rights Risks |
|------------------------|---|--|
| Treatment of Customers | Money laundering | <ul style="list-style-type: none"> • Take strict actions under existing measures such as an examination by the Financial Action Task Force (FATF), compliance with the anti-corruption policy, and putting in place a monitoring system for suspicious transactions. • Monitor and examine Bitcoin platforms and implement various rules and regulations on online transactions. |
| | Data breach and misuse | <ul style="list-style-type: none"> • Strictly comply with the related rules and regulations, as well as developing appropriate practice. • Legitimate Interest Assessment for personal data processing. • Build a standard platform for the transfer of data between KBank and outsiders. • Organize a seminar on customer data privacy and data breach for all employees. • Introduce the “SATI” campaign to raise awareness of employees and customers about data leakage prevention and data misuse. • Review operational framework of outsiders. • Improve existing data leakage prevention tools that are used for detecting data transfers to external destinations, such as raising their capacity in closing any leakage loophole of personal insurance data per the Personal Data Protection Act (PDPA). |
| Lending and Investment | Working conditions, occupational health, and safety in workplace. The high-risk sectors are agricultural and mining industries. | <ul style="list-style-type: none"> • Loan applicants are required to comply with occupational health and safety rules and regulations. |
| | Environment and human rights, such as air pollution in the agricultural and mining industries | <ul style="list-style-type: none"> • Establish a policy not to support operators who encroach on forest areas or contribute to deforestation or practice slash-and-burn agriculture to reduce air pollution that may affect the surrounding communities. • Establish a policy not to support mountaintop removal mining to reduce air pollution that may affect the surrounding communities. • Establish measures to manage waste or residual toxic substances, and the storage of chemicals and hazardous materials. • Establish a policy not to support forced labor. |



| Activities | Salient Human Rights Risk Issues | Additional Measures for Reducing Potential Human Rights Risks |
|---|--|--|
| | Community rights and quality of life related to access to natural resources such as water and land in the agricultural, power plant and mining industries. | <ul style="list-style-type: none"> • Encourage public participation in all projects that have received loans from KBank. • Put in place reliable monitoring and auditing of issues relevant to community rights. |
| Treatment of Employees | None reported | - |
| Supply Chain Management (KBank's operations) | None reported | - |
| Supply Chain Management (Suppliers' operations) | Occupational health and safety | <ul style="list-style-type: none"> • Put in place a procurement process to ensure that suppliers comply with the required standards. • Examine occupational health, safety and environmental standards of suppliers such as their personal protective equipment (PPE). • Require to submit proof of certification for those are performing specific tasks, such as working in high places. • Conduct an annual audit and regular visits to suppliers' operating sites. |

Joint Venture: KASIKORN LINE COMPANY LIMITED

| Activities | Salient Human Rights Risk Issues | Additional Measures for Reducing Potential Human Rights Risks |
|-------------------------|----------------------------------|---|
| Treatment of Customers | None reported | - |
| Treatment of Employees | None reported | - |
| Supply Chain Management | None reported | - |



Social Contributions



Risks

Presently, stakeholders expect companies to be socially responsible. Therefore, if KBank carries out its businesses without recognition of its social responsibility, KBank may not be accepted by communities to operate businesses in their areas, leading to reputation and operational risks.



Opportunities

KBank's CSR activities and cordial relationships with communities will allow KBank to gain a social license. This will help enhance KBank's good corporate image which in turn bring opportunities for KBank to expand a new customer base in the future.



KBank's CSR activities are based on the implementation of KBank's sustainability policy (SD in Action) under the sustainable society development framework. Aside from the ESG principles and Net Zero target, KBank is committed to upgrading its CSR activities to be on par with the global Business for Societal Impact (B4SI) standard, formerly known as the London Benchmarking Group (LBG) that KBank has used as a guideline for operations since 2015 so that the results of CSR activities can be assessed in a concrete manner, especially the impact of KBank's CSR activities on stakeholders in society. These can be seen from budget support, volunteer activities, donations and transfer of knowledge and expertise via various forms of activities in collaboration with our strategic partners, customers and the KASIKORNTHAI FOUNDATION throughout the year. Regarding operations to support KBank's Net Zero target, KBank will promote the circular economy or 8Rs* concept among employees at all levels and within society as this will serve as an important foundation in addressing climate change problems in the future.

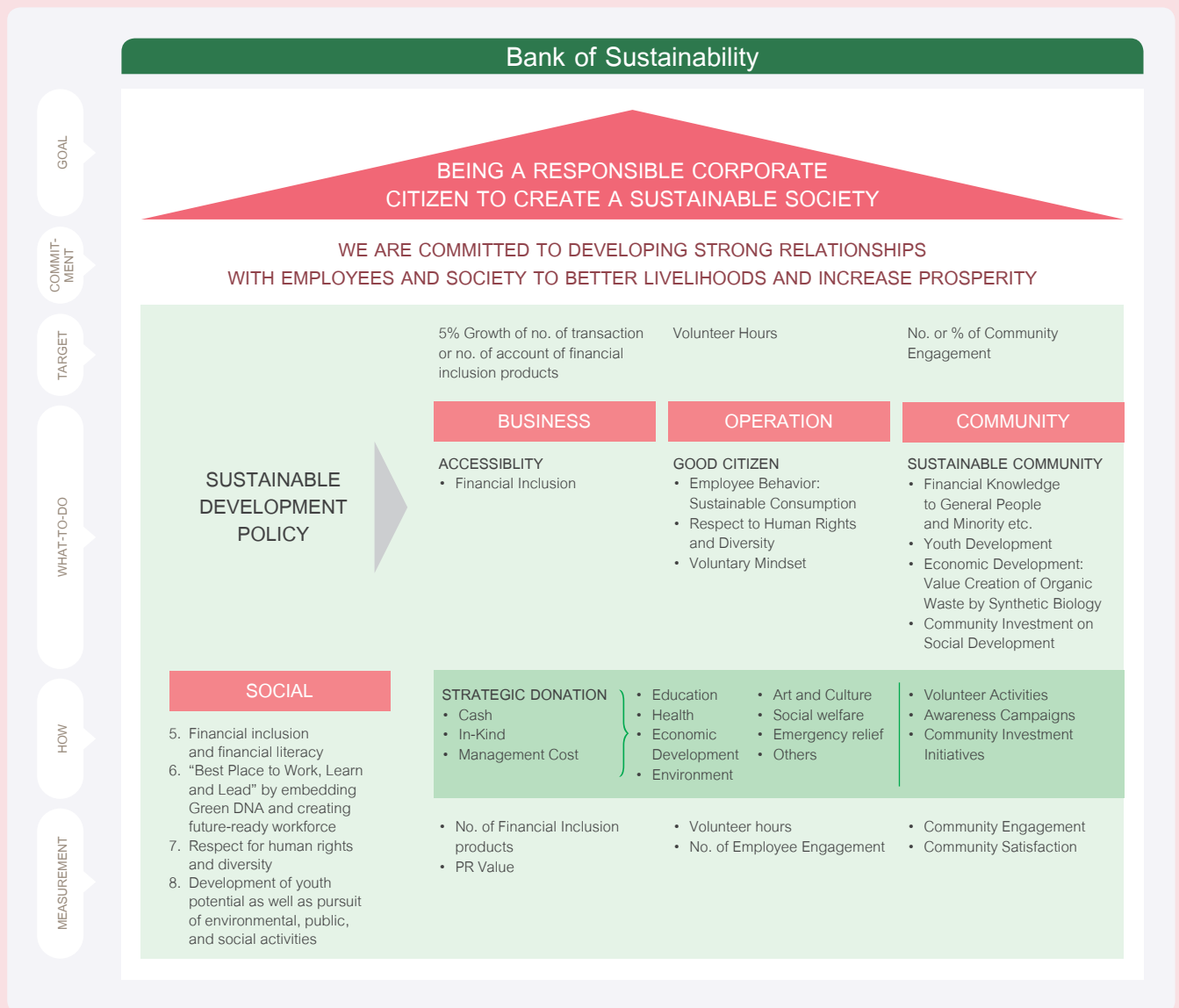
In 2021, despite the COVID-19 pandemic, KBank continued to carry out CSR activities, with emphasis placed on the safety of its employees and customers. With this in mind, KBank attached importance towards the prevention and control of the pandemic. Moreover, KBank arranged for the Rat Burana Building to be used as a COVID-19 vaccination center for its employees and nearby residents, who had registered for vaccination with the Social Security Office.

KBank's social contributions are based on the corporate citizenship strategy for 2019 - 2023, with the objective of achieving its target in creating positive changes to society by applying the CSR activity framework, based on the B4SI standard, as a guideline for operations since 2015. In so doing, the results of CSR activities can be assessed in a concrete manner.

* 8Rs comprises rethink, reduce, reuse, recycle, repair, regift, recover and refuse.



Corporate Citizenship Strategy 2019 - 2023





Social Operation Performance

Forms of Contribution



Cash
Baht
119.3
million



In-Kind
Baht
165.7
million



Management
Costs Baht
277.9
million



Time
(Volunteer hours)
Baht
62.3
million

Total
Baht

625.2

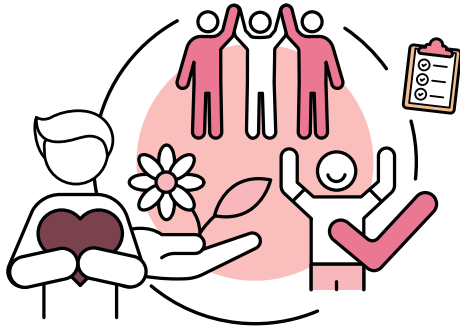
million



- Community Investment
56%
- Charitable Gifts
29%
- Commercial Initiatives
15%



- Education
26.04%
- Environment
25.08%
- Public health
24.39%
- Social Welfare
13.70%
- Economic Development
6.73%
- Art/Culture
3.98%
- Emergency Relief
0.08%



Tham Di Tham Dai (Employee Volunteer Hours) project

Project Details

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.

Objectives

- To assist communities, in particular those located near KBank offices so that their residents have 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 that they can use such information to improve KBank's products, services and corporate image.
- To promote the SDGs.



Operations in 2021

Due to the protracted COVID-19 pandemic from the previous year, KBank introduced measures requiring employees, who wished to engage in CSR activities, to strictly protect themselves and people surrounding them. Such measures include wearing a surgical mask and/or face shield, maintaining a safe distance from anyone, avoiding touching surfaces or objects and using alcohol hand gel. CSR activities continued to place importance on offering financial literacy to students who should receive financial knowledge and immunity prior to becoming the working-age population, and providing necessities to vulnerable groups as they could not leave their homes for work or lead a normal life because of the COVID-19 pandemic.

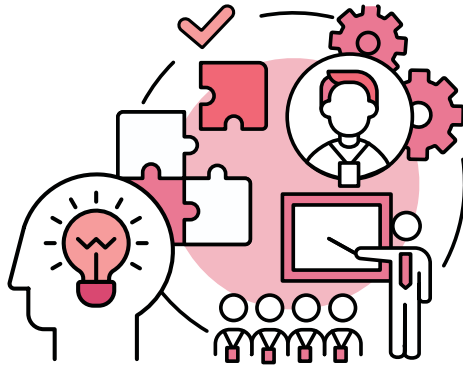
Additionally, KBank encouraged its employees to do good deeds, while working from home, including those related to environmental conservation such as waste segregation, planting trees, producing video clips on things they are good at and uploading such clips to social media as Tik Tok or YouTube, making exercise equipment for patients with amyotrophic lateral sclerosis, making plastic tube pillows for patients with pressure ulcers, reading for deaf people, making face shields and fabric masks for field hospitals and nearby communities, and preparing meals for COVID-19 medical personnel. All of these activities received good cooperation from employees.

Outputs

- Number of employees engaging in volunteer activities: 7,679 persons
- Volunteer hours: 210,937 hours
- Value of donated items: Baht 707,259
- Number of beneficiaries: 155,377 persons

Impacts

Amid the COVID-19 pandemic, KBank believes that encouraging employees to steadily engage in volunteer activities under new formats that place emphasis on doing good deeds at home will not only help raise their public consciousness, but also offer them opportunities to spend more time with their families and do good deeds for nearby communities, making them proud of themselves while communities also develop a positive attitude towards KBank.



Nan Cultivation of Wisdom project

Background

KBank collaborated with the Thailand Research Fund (TRF) 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 teaching, 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.

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 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

KBank has collaborated with the University of Phayao, which has been tasked as a coaching center of the Nan Cultivation of Wisdom project, to implement the project for three years (2019 - 2021). The project offers research-based teaching, based on the local context of students, with core teachers directing the learning process. KBank aims to create 30 research-based prototype schools in Nan during this three-year period. The teaching process is based on late His Majesty King Bhumibol Adulyadej's Sufficiency Economy Philosophy, which is an important principle of sustainable development. This approach has been combined with science, technology, engineering and mathematics (STEM) academic disciplines for the development of both science, technology, engineering, mathematics and Sufficiency Economy Philosophy (STEM+SP) curricula, and science, economics, ecology, engineering, mathematics (SEEM) curricula. The learning process is based on raising questions to students (questioning is teaching), encouraging students to reflect on what they have learned from their findings (reflecting is learning), and asking the students to process their thoughts in writing with a summary in an academic paper and their opinions (writing is thinking). The students will gain skills in working as a team by setting the topics for their projects and designing approaches to find solutions through research-based learning (RBL).

Outputs

- Participating schools: 30 schools
- Participating teachers: 161 teachers
- Participating students: 1,277 students
- Number of projects from the initiative: 195 projects

Impacts

Operational process of the Nan Cultivation of Wisdom project was revised to place emphasis on offering teachers greater knowledge via the online meeting system due to the COVID-19 pandemic. With the online meeting system, training sessions for teachers could be carried out throughout the year. Such sessions focused on providing online teaching skills and techniques in accordance with the competency-based curriculum. Regarding the 2021 operating results of the project, a total of 14 training sessions were organized and 80 teachers participated in such sessions. A total of 161 teachers and 1,277 students benefited from such training, and 195 student projects from the initiative.



KBank believes that the remodeling of the learning process will offer teachers opportunities to try new teaching methods, based on analytical, synthetic and logical thinking as well as the local context. As a result, students will be able to propose projects that are effective in addressing community issues such as environmental, economic and healthcare problems. Such teaching methods will also help improve their skills, such as interpersonal, presentation, project planning and management as well as those for solving immediate problems: thus serving as an essential foundation for them to grow during their future careers and become good citizens. KBank also believes that human resource development is a sustainable investment and imperative for national development while youths, communities and educational personnel develop a positive attitude towards KBank, thus benefiting our corporate image.



AFTERKLASS project

Background

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

Objectives

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



Project Details

AFTERKLASS is an online platform, with the aim of offering financial literacy for youths, including savings, expenditure and investment planning as well as business startups, plus other useful matters related to learning, activities and technologies. The WWW.AFTERKLASS.COM features 3 Classes: Biz Master for members who are interested in trade business, savings, financial management, investment and income-earning tips, all of which are suited to young people; Smart Society for those wanting to improve learning skills; and Play Yard for members who are interested in sports, music, trends, technologies, careers and lifestyle tips. Members can share their views and knowledge or submit articles to the website. Additionally, there is a simulation platform of a financial and banking system for young people to try saving and investing on funds and stocks. The website also features mini-games with interesting tips for members.

Operations in 2021

- AFTERKLASS continued to organize an activity under the 'SuperHero' theme, in which approximately 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 COVID-19 pandemic, AFTERKLASS organized online workshops throughout the year via the Zoom system. Such sessions focused on promoting interaction between teachers and participants. An evaluation was based on a pre-test and participants were required to submit assignments after each workshop in order to evaluate their results after learning. Numerous online workshops were organized, such as stock and fund investment, presentation making, techniques for lecture note taking, online sales, building a career that aligns with your passion, and cryptocurrency investment.



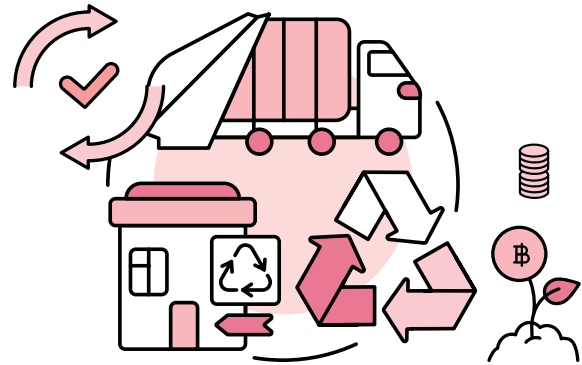
- In terms of education and learning, getting into the university of their choice is a major goal of young people. To this end, the AFTERKLASS Special Tutor Day was organized prior to the university examination schedules. Intensive tutorial sessions on five key subjects, namely, mathematics, English, social studies, Thai language and science, were conducted by well-known tutors in the country in the online format for two straight days. There were more than 698 young people in such sessions.
- In terms of environment, the AFTERKLASS project places emphasis on providing young people knowledge and an understanding about environmental conservation, climate change problems, supply chains and related effects, ways to cope and mitigate such problems. With such issues in mind, a special activity was organized in collaboration with the Environmental Education Centre. It was a one-day online workshop entitled “Learn How to Prevent and Mitigate Climate Change with AFTERKLASS”, in which Mr. Alexander Simon Rendell, the UN Environment Programme’s first National Goodwill Ambassador for Thailand, was invited to be a key speaker. More than 40 young people participated in the workshop.

Output

- The number of members in the online system: 32,734 persons
- The number of young people participating in online workshops: 1,430 persons (workshops had to be held online due to the COVID-19 pandemic.)
- The number of members who followed the project via social media channels
 - Facebook: 49,751 persons
 - LINE@: 6,892 persons
 - Twitter: 775 persons
- Number of beneficiaries: 559,588 persons
- Media and PR value: Baht 4.74 million

Impacts

- Young people were equipped with business and investment skills, amounting to 92 percent of all members.
- Young people were equipped with business and investment skills, amounting to 88.5 percent of all members.
- KBank expects that young people participating in the AFTERKLASS project will not only opt to use KBank’s services in the future, but also tell people around them to use KBank’s services, amounting to 82 percent of all members.



The project to add value to organic waste via biosynthesis process

Background

Waste management is a major problem at the national level. One of the most important measures in the Eastern Economic Corridor (EEC) and tourist attractions is related to the environment, especially how to address persistent waste problems as the area experienced a high level of industrial and business expansion, which caused the continuously growing population, resulting in substantial increases in waste from households, various communities and manufacturing plants. Such problems have a broad-based impact on the environment. Since most of the waste usually ends up at landfill sites without being segregated, this has resulted in substantial emissions of greenhouse gases, while those landfill sites are reaching their full capacities at a faster rate than previously expected, meaning their capacities may not be sufficient in the future.

Objectives

- To promote communities in the EEC and those in tourist attractions as a zero-waste prototype community through waste segregation and to add value to organic waste.
- To use an environmentally-friendly biological process in creating an organic waste degradation system for the production of bioenergy and organic fertilizer. To help communities gain access to renewable energy sources and reduce waste that will be landfilled because it is one of the causes of greenhouse gas emissions.
- To encourage households and communities to segregate waste and add value to organic waste.
- To promote the SDGs.





Project Details

KBank has collaborated with the Cash Return from Zero Waste and Segregation of Trash (C-ROS) research team of the School of Biomolecular Science and Engineering of Vidyasirimedhi Institute of Science and Technology (VISTEC) in setting up the project to add value to organic waste via a biosynthetic process at Baan Maha Phot community, Chumphee Wanidaphon School and Aranyawat Temple, army barrack's as part of their well-bred soldier project, Nan Hospital, Darunwittaya School, Muang Nan Municipality's Public Health Office, Baan Don Kaeo community in Nan, Headquarters of the Internal Security Operations Command, Ruen Ruedi Palace in Bangkok, Khao Sok Temple in Chon Buri, Payubnai Temple, Payubnai School and Baan Bueng Takad in Rayong, which will be used as a prototype for converting waste from households and communities into bioenergy for electricity generation and biochemical production. Such electricity and biochemicals are added value products derived from various processes as follows:

- Selection of natural microorganisms to create a prototype for waste-to-clean energy conversion.
- Fermentation of waste together with highly efficient microorganisms to synthesize biofuels and bio-substances for practical use in communities. The system can produce up to 70 - 80 percent methane within a short period (15 - 20 days). Additionally, remaining waste from the fermentation process can be used as bio-nutrients, including both primary and secondary nutrients, plus key hormones for plants.

Moreover, local residents have been encouraged to exchange useful waste, such as organic and plastic waste, for bio-nutrients derived from the highly efficient microorganisms of C-ROS. Bio-nutrients can be used to increase agricultural outputs more efficiently. At the same time, the research team could collect the organic waste for converting it into value-added compounds. The research team is planning to expand the scale of the organic waste fermentation and microorganism project with such technologies scheduled to be introduced in municipalities, hospitals and military camps. If this project is successful, the research team will set up a learning center for community leaders and volunteers, so they can put this project into practice throughout Nan and other provinces: thus helping add economic value at the household, community, sub-district and provincial levels, while also serving as a model for other provinces.

Outputs

- Local residents were encouraged to exchange useful waste, such as organic and plastic waste, for bio-nutrients, which were valued at more than Baht 1.4 million. The public health volunteer centers earned more than Baht 120,000 per year from plastic waste donated by local residents.
- More than 200 - 400 households practiced waste segregation and helped promote the benefit of waste segregation for waste reduction to young people (at Chumphee Wanidaphon School).
- There were 13 local communities/schools/temples and government agencies that participated in the project, namely Baan Maha Phot community, Chumphee Wanidaphon School and Aranyawat Temple, army barrack's as part of their well-bred soldier project, Nan Hospital, Darunwittaya School, Muang Nan Municipality's Public Health Office, Baan Don Kaeo community in Nan, Headquarters of the Internal Security Operations Command, Ruen Ruedi Palace in Bangkok, Khao Sok Temple in Chon Buri, Payubnai Temple, Payubnai School and Baan Bueng Takad School in Rayong.
- The project helped increase renewable energy consumption and reduce greenhouse gas emissions by up to 1,500 kilograms CO₂ equivalent/month.
- Media and PR value: Baht 3 million.

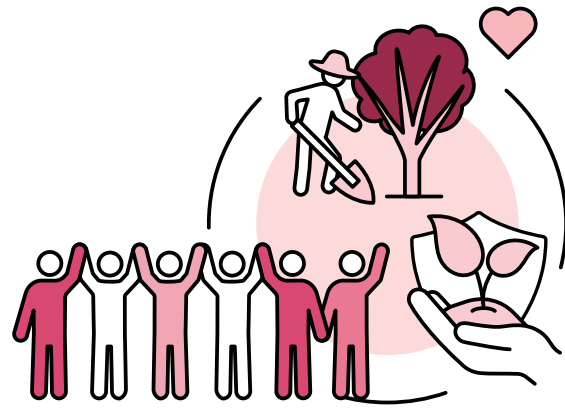
Impacts

- Community:
 - This project serves as a comprehensive model for solving all problems at their root causes, in order to create a stable foundation for communities and can help themselves in a sustainable manner in the future.
 - The project has been supported by other funding sources to create an organic waste disposal technology and management system at a large scale of 500-1,000 kilograms/day.



- The project has attracted interest from many sectors, including educational institutions, hospitals, agricultural agencies, military camps, and other communities from many provinces, which wanted to use this technology in addressing their organic waste problems for the direct benefit of their communities. There is also a system installation plan in 21 stations within 2022 - 2023. Aside from the direct benefit to various municipalities and communities, their residents have increasingly seen the value of waste segregation and management, to encourage and support households and communities to segregate waste in order to improve well-being of local residents and be a sustainable zero-waste society.
- Environment:
 - Students at schools participating in the project helped disseminate good environmental management practices to their parents, who in turn helped promote waste segregation
 - Reduction in the amount of waste sent to landfills
 - Reduction in greenhouse gas emissions seen in Nan, Bangkok and the EEC

KBank anticipates that this project, if successful, will help improve the environment and well-being of local residents. Additionally, it may help improve the community economy, thanks to the circulation of various activities, based on the circular economy concept, which will create business opportunities for KBank over the long term.



Nan Sandbox

Background

Nan Sandbox is a special project approved by the government, driven by a partnership between the public and private sectors and local people, who share the commitment to solve problems related to natural resources and the environment, caused by deforestation in Nan. KBank is a member of the private sector, which realizes the importance of the issue and acts as the focal point to encourage the government and the general public to reach a mutual agreement in addressing deforestation and land-use management in the Pracharat format. It is also aimed at encouraging local farmers to adopt a new form of farming or environmentally friendly occupations. With forest rehabilitation, as well as legal and fair forest land allocation in 90 sub-districts to farmers, the project ensures that local residents have sufficient income and better quality of life. Nan Sandbox, therefore, can address deforestation and land rights problems through the experiment of a novel integrated approach, whereby related rules, regulations and laws may be amended in order to achieve the set goals. If the project is successful, it may be used as a prototype to address such problems in other provinces 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 2021

The "Words Change the World" competition was carried out from 2000. Under this contest, the general public was invited to create Thai words for climate change and the winning Thai phrase for climate change, which translates as "Erratic global weather conditions", was selected. Another two campaigns were implemented under Nan Sandbox in 2021 to raise public awareness of climate change and related problems, plus encouraging the general public to help mitigate such issues, as follows:

- **A commercial on erratic global weather conditions**, with the aim of raising public awareness of climate change by reflecting the importance of related problems that have intensified and adversely affected all aspects of our lives, including the environment and society. Aside from raising public awareness and understanding about climate change, the campaign is intended to build a collective effort in effectively addressing such issues. Because this commercial is intended to attract the audience's attention towards the phrase - erratic global weather conditions, the lyrics of its background music were modified from the original "Dog Bites" song of the popular Thai singer, Mr. Ekachai Srivichai. Another commercial depicted three monsters, i.e., a drought monster, a flood monster and a storm monster that came into existence to give an understanding about these three problems of climate change. Such concepts were used to map out a comprehensive communication strategy as seen in the 2.30 minute-commercial on climate change, featuring

Ms. Ariya Jutanugarn and Ms. Moriya Jutanugarn ("Pro Mo" and "Pro May"), who are world-class female professional golfers.

Output

- "Climate change" commercial was viewed by 35.5 persons, amounting to 63 percent of the targeted audience and there were 21.5 million views.
- The number of articles that used phrase "Erratic global weather conditions" reached approximately 50,000 articles.
- Media and PR value: Baht 31.7 million.
- **Climate change heroes drawing contest** Based on the master campaign, this activity was intended to raise the awareness of climate change among kids via "Rayrairaiwan" Facebook page that targets those of Generation Alpha and their parents. Under the drawing contest, kids were asked to use their imagination to draw their own heroes, who have a special power, to fight the three climate change monsters. They were also required to write a short description of their heroes' special power and ways to fight with the three climate change monsters, with the objective of raising the awareness of climate change among kids and how to address related problems at a young age.

Output

- Number of participants: 65 persons.
- Media and PR value: Baht 0.7 million.

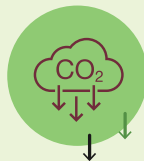
Impacts

KBank's endeavors to draw public attention to the words – erratic global weather conditions - are intended to create a broad-based awareness of the climate change crisis. Noticeably, the campaign has garnered substantial attention from the general public as such words have been widely used by various organizations, environmental conservationists, college students, young people and even media members. The campaign represents a good starting point for everyone to realize that climate change is not an issue that can be addressed by environmental conservationists, volunteers or agencies related to the environment alone, but the problem must be addressed by all of us. Once we understand related problems, we may dutifully help mitigate climate change problems in the future. KBank hopes that this project will help build its image as an environmental steward in order to create a zero-carbon society in line with KBank's sustainable development framework and policy.

Ensuring Environmental Stewardship
towards a Net Zero Society

Environmental Dimension

140 Task Force on Climate-related
Financial Disclosures: TCFD
166 Environmental Management



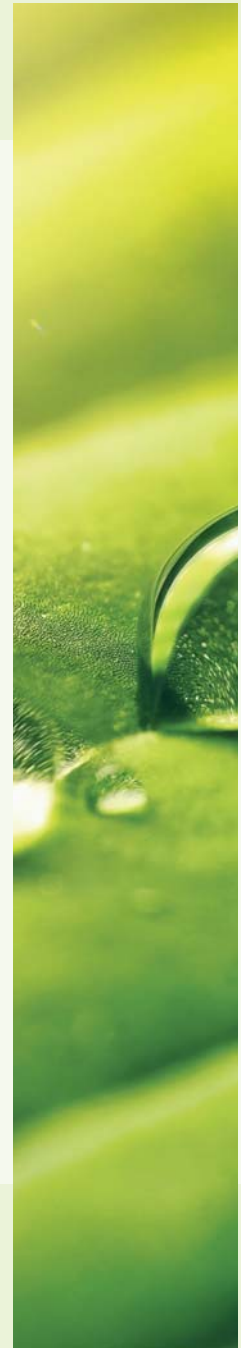
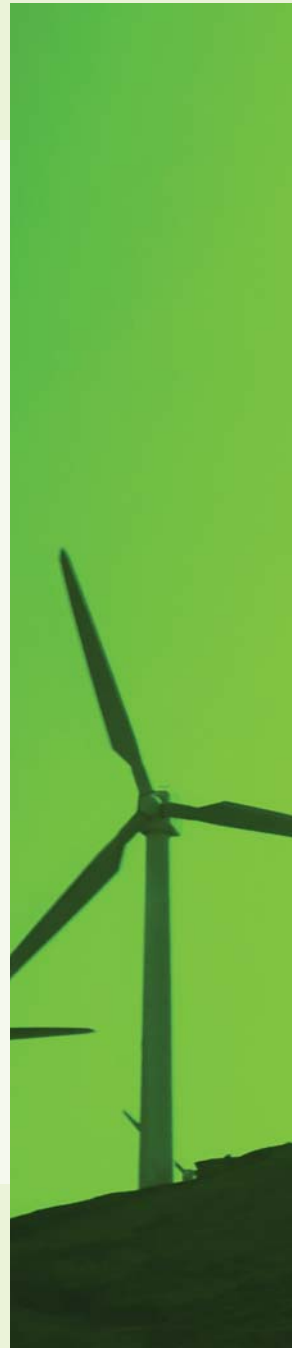
The first Thai commercial
bank to offset carbon to
achieve Net Zero carbon
emissions

Greenhouse Gas Emission
(Scope 1, 2) at

90,172.91

Tonnes CO₂e

(a **7.79%** reduction
from baseline year 2020)



Loans and Investments for
the Sustainability and Environment
Baht

65,077 million

Green Loans,
totaling
Baht

17,433 million

Funds, Issuance of Bonds,
and Investment for
the Environment
Baht

47,644 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.

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 26th UN Climate Change Conference of the Parties (COP 26) held at the end of 2021, around 450 financial institutions that command approximately USD130 trillion (approximately Baht 4,259 trillion) granted their approval in supporting clean technologies, including renewable energy, and declined to provide financial support to industries that are consuming fossil fuels, with the aim to achieve the Net Zero target.

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



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

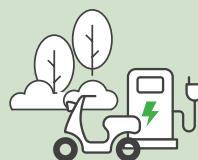
We are committed to supporting Thailand and our clients in regional economies on their decarbonization journeys. We will contribute to the global effort to transition to Net Zero emission by 2050 and will align with the Paris Agreement goals.

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

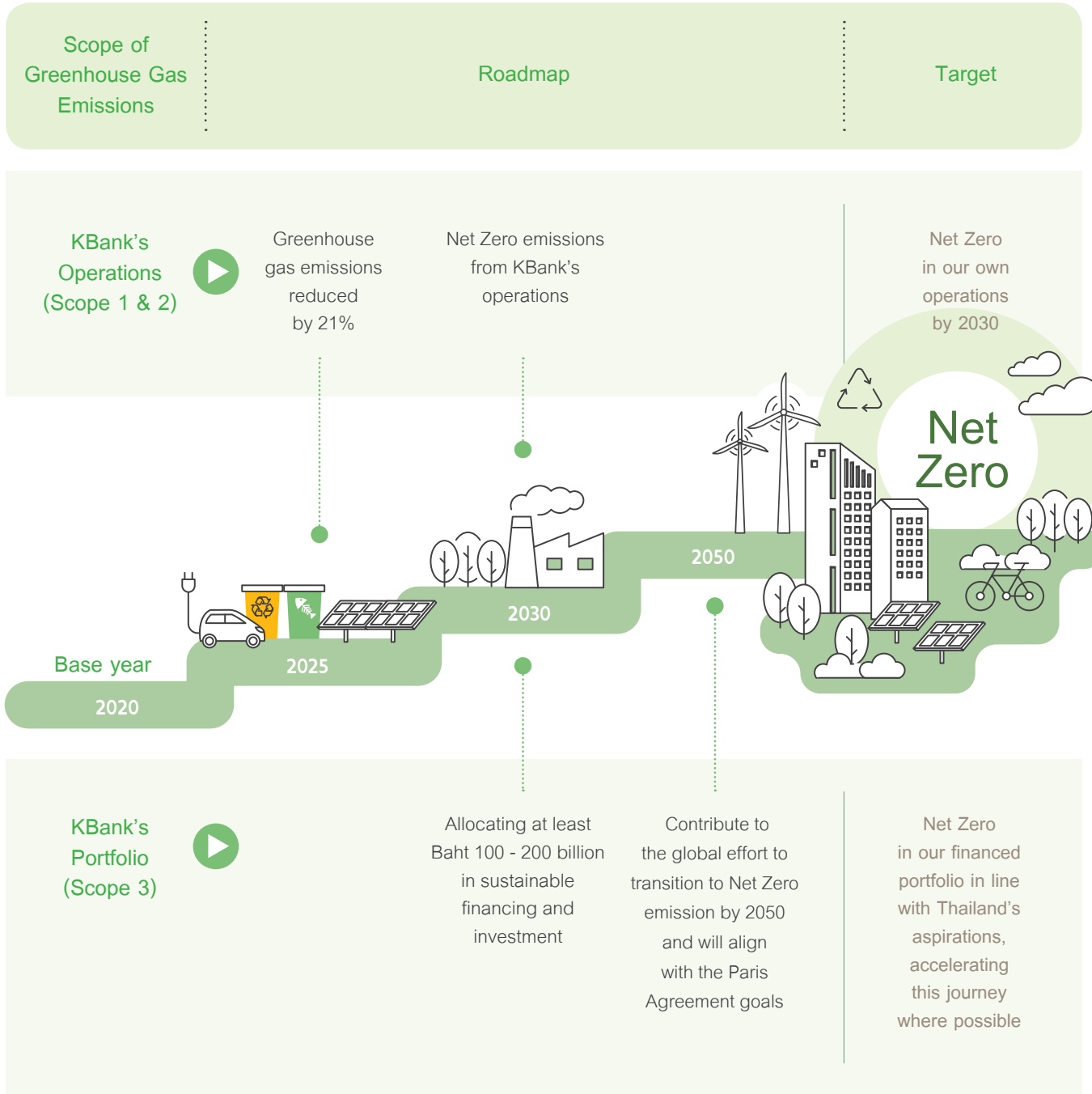
We commit to becoming Net Zero in our own operations (Scope 1, 2)* by 2030. We commit to achieving Net Zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible. We will continually assess opportunities to take earlier actions as the technology, regulatory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



* 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.

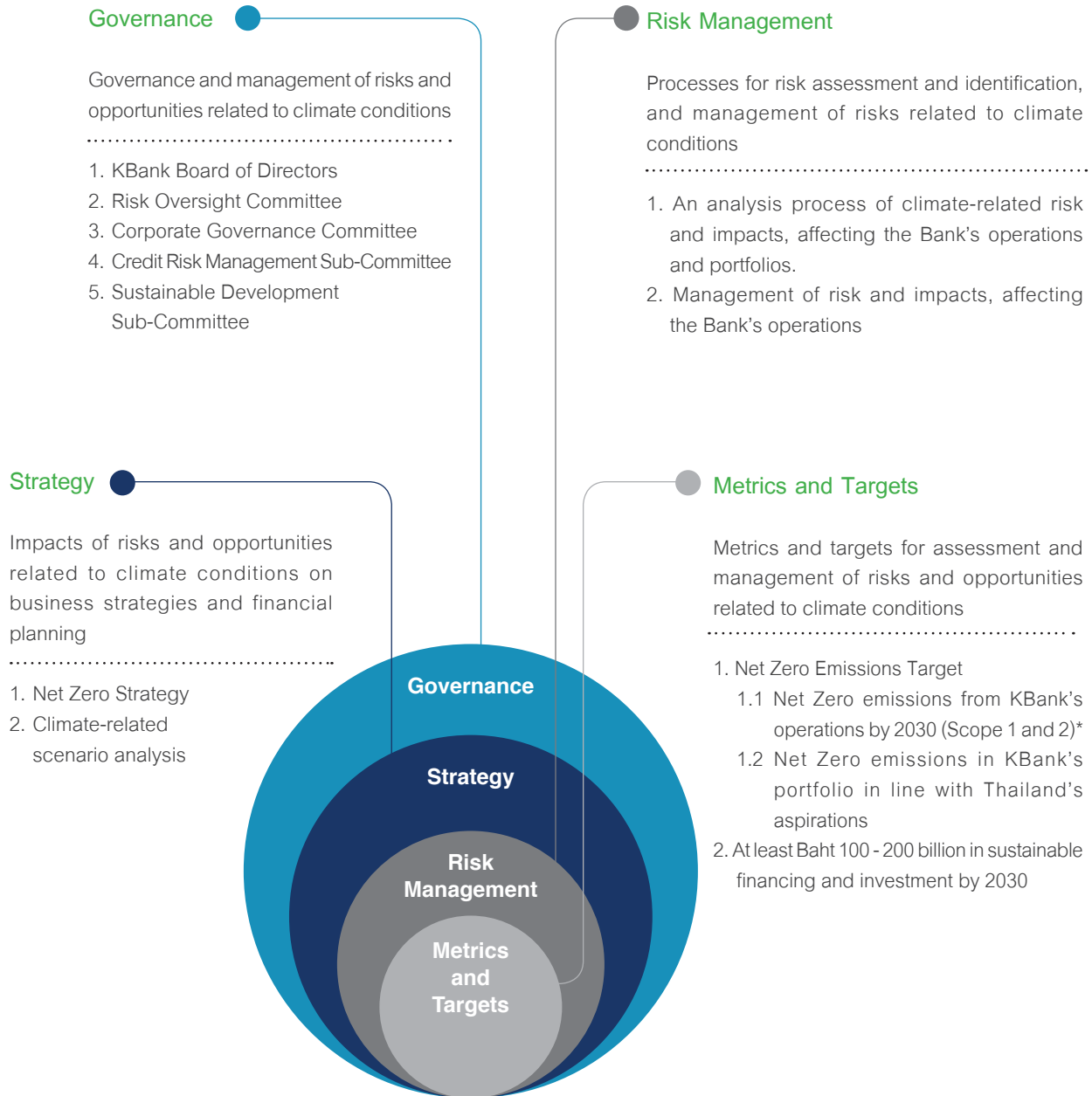


A Path to Net Zero Emissions





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



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



Governance

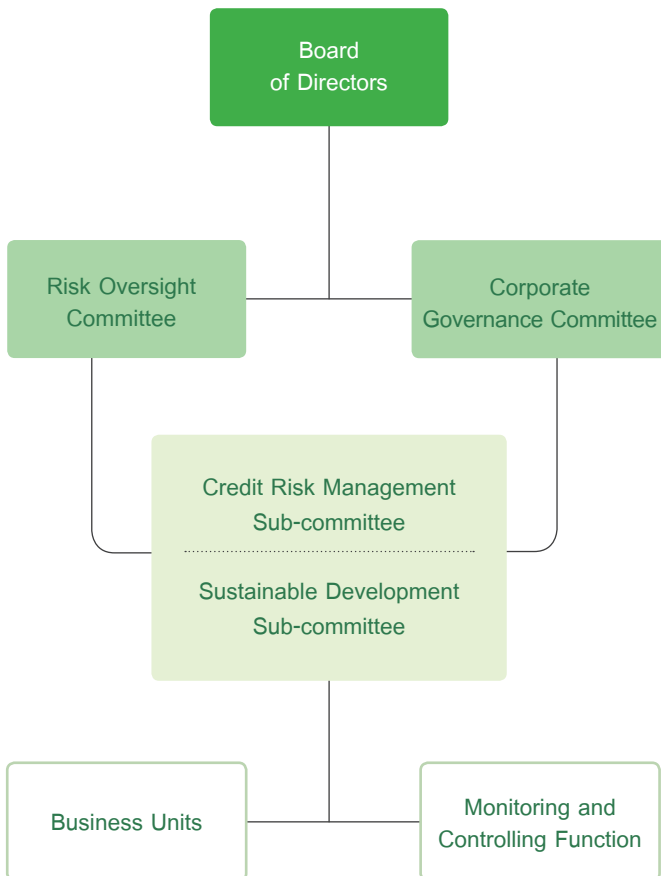
Describe the organization's governance around climate-related risks and opportunities.

Governance Structure

Recommended disclosures

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

KBank Board of Directors' role and duty are to manage KBank's business operations. The Board's decisions are independent, taking into account the highest benefit of KBank and stakeholders. Every year, the Board reviews and approves the Vision, Core Values and operational strategies. The Board also approves strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, reviews the annual business plans and budgets, and monitors KBank Management in effectively carrying out actions that are in line with designated policies, corporate strategy and business plans in accordance with related laws and regulations, and the United Nations' sustainable goals and Paris Agreement. As evidence of our responsibility towards the environment, society and governance, KBank's structure, policies and management with respect to climate change have been set up as part of the sustainability operational processes, as follows:



Board of Directors

- Approving risk management policy, frameworks, risk limits 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, monitoring and undertaking sustainable Development and governance

Credit Risk Management Sub-committee

- Determination of ESG credit policy and processes, and update of the policy and processes

Sustainable Development Sub-committee

- Considering and approving sustainable development frameworks and action plans
- Considering and approving policies, goals, strategies and targets related to sustainable development operations
- Overseeing and monitoring sustainable development operations
- Considering sustainable development communications 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 plans

Monitoring and Controlling Function

- Determination of environment and social management as agreed
- Reporting to Corporate Governance Committee



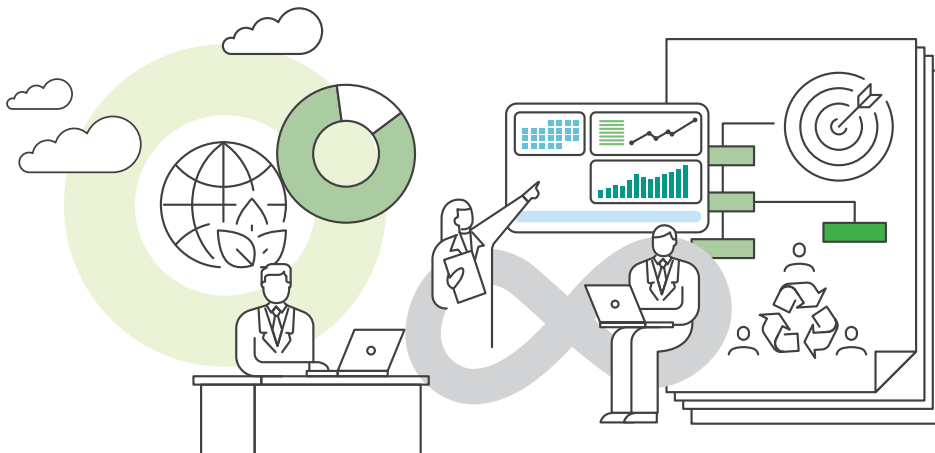
The Board of Directors approves business strategies, targets and policies that embrace sustainable development operations. The Board also approves risk management policies and frameworks, and acceptable risk limits and scopes that include risks and opportunities related to the environment, society and governance (ESG), as well as impacts of climate-related risks, which are subject to annual review. The Board of Directors has assigned to the Chief Executive Officer the role of Chief Environment Officer, based on KBank's goal of being an environmental stewardship to create Net Zero society, and setting targets of sustainability operations for the Chief Executive Officer, top management, and operating level to ensure that the goal will be achieved.

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

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

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

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





Strategy

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.

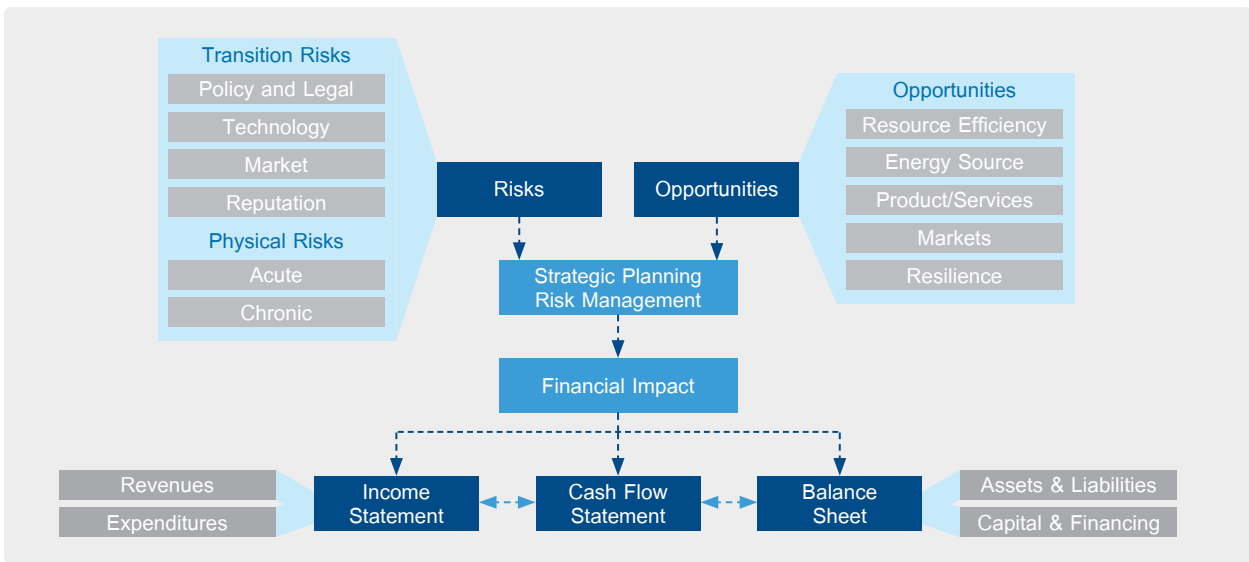
Management Strategies in relation to Climate Change

Recommended disclosures

- a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
- c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

KBank has announced the Net Zero Commitment with the aim of Net Zero in KBank's operations (Scope 1 & 2) by 2030. KBank is committed to achieving Net Zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible. To this end, KBank plans to revise our portfolio to conform to the Paris Agreement and Thailand's target by means of promoting the alleviation of greenhouse gas emissions and adaptation to climate change. KBank has added risks and opportunities arising from climate change as part of the risk management processes, including risk identification, risk assessment, risk monitoring and control, and risk reporting.

Identification of Climate-related Risks and Opportunities and Financial Impacts



Source: Task Force on Climate-related Financial Disclosures, www.fsb-tcfd.org

KBank has analysed climate-related risks and opportunities and important financial impacts, as follows:



Risk Analysis

Including transition risk arising from changes in policies and regulatory requirements, and changes in technologies and markets, for example, impacts of the carbon credit policy on the business sector, and physical risk arising from climate change, for example, impacts of drought on farm products



Opportunity Analysis

Including opportunity arising from resource efficiency, energy source, products/services, markets and resilience



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

Climate-related Risks and Financial Impacts

Climate-related Risks and Financial Impacts are challenging the business and banking sectors, and affecting their profitability, competition, 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.

| | Risks | Definitions of Risks | Impacts on KBank Businesses | Time Frames of Risks |
|--|---|---|--|---|
| Transition risks arising from changes in policies and regulatory requirements, and changes in technologies and marketing | Risk related to Policy and Legal Aspect | Non-compliance with laws or legal stipulations More stringent trend of laws and regulations related to the environment, e.g., carbon tax, environmental measures causing trade barriers | <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 Medium-long term |
| | Risk related to Technology Aspect | Technology development in transition to low greenhouse gas emissions, e.g., production technologies using renewable energy sources, energy storage technologies, energy efficiency enhancement technologies | <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 greenhouse gas emissions, adversely affecting customers' income and repayment capabilities Rising funds for research and development | Medium-long term |
| | Risk related to Market Aspect | Changing consumer behaviors resulting in changes in demand and supply; consumers considering environmental and global warming issues as another factor in their buying decisions, making changes to market conditions | <ul style="list-style-type: none"> 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 | Medium-long term |
| | Reputation Risk | Lending to businesses that are not environmentally friendly, pressures from stakeholders, e.g., customers and investors | <ul style="list-style-type: none"> Declining confidence of stakeholders Reduced customers' use of KBank services, affecting KBank revenues | Short-long term |
| Physical risks arising from climate change | Acute Natural Disasters | Droughts and 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 | Medium-long term |
| | Chronic Natural Disasters | Rising global temperatures, weather fluctuations, higher sea levels | <ul style="list-style-type: none"> Increased investment in research and development Write-off and depreciation of assets | Long term |



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 greenhouse gas 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.

| Opportunities | Definitions of Opportunities | Opportunities or Benefits on Bank Businesses |
|---------------------|--|---|
| Resource Efficiency | Efficient consumption of energy and resources, e.g., water recycling, use of energy-saving devices, construction of environmentally friendly buildings | <ul style="list-style-type: none"> Reduction of KBank's operating costs through strategic planning to enhance energy efficiency and minimize greenhouse gas emissions Increase of value of assets that are environmentally friendly Enhancement of employees' quality of life and livelihoods Reinforcement of positive image of KBank |
| Energy Source | 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 | |
| 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 changes | <ul style="list-style-type: none"> Income generation from financial products and services in support of environmentally friendly businesses Generation of new income from products that are beyond financial services Expansion of business opportunities, e.g., manufacturing of electric vehicles, establishment of carbon market, emission trading platform, carbon token |
| Markets | <ul style="list-style-type: none"> Market expansion with financial support that is environmentally friendly Creation of new market with products and services that are beyond financial services | <ul style="list-style-type: none"> Expansion of database to include customers acquired from new businesses that are beyond financial services Increase of competitiveness Risk diversification for KBank's financial assets |
| Resilience | Self-adjustment to climate change | <ul style="list-style-type: none"> Review of business strategies to focus on management of the environment and climate conditions Analysis of climate-related risks and business opportunities Arrangement of operational structure, development of employee potential and establishment of data storage system for climate-related management Enhancement of KBank's market value and reputation |

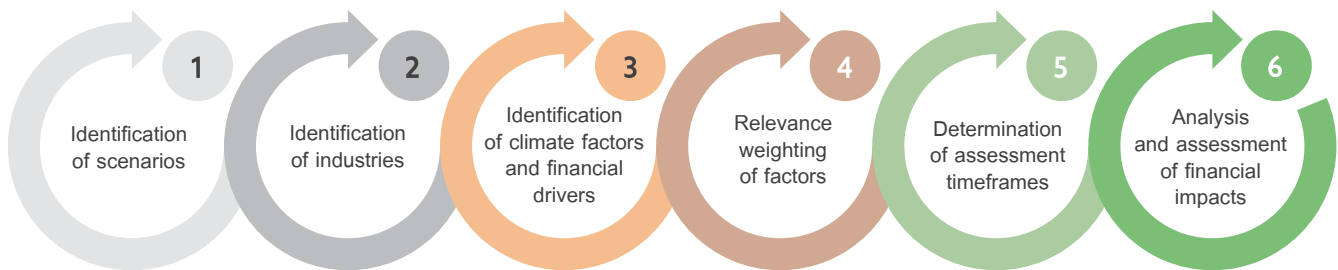
Climate-related Scenario Analysis

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.



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

1. Processes of Climate-related Financial Analysis



1.1 Identification of scenarios for analysis:

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

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

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

- 1) Climate Factors: for example, carbon credit price, future allocation of energy consumption, government subsidy, carbon storage technology, potential of energy storage system, electricity price setting mechanism, changes in government policies and regulatory requirements, and changes in technologies and markets

2) Financial Drivers: electricity price, electricity generation capacity, fuel cost, carbon credit price, investment in carbon technology that will drive revenues and costs, including operating expenses and investment expenses

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 1) Well-below 2 Degrees Celsius Scenario, 2) Net Zero Scenario, and 3) Business as Usual Scenario in each stipulated timeframe to come up with impacts on revenues and costs of each type of power plant



2. Results of Climate-related Financial Analysis

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



Natural Gas
Power Plants

Natural Gas Power Plants are indicated 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.



Hydro
Power Plants

Hydro Power Plants are indicated limited opportunities in the short term that will escalate to medium to high opportunities in the long term, based on a forecast of higher revenues following rising demand for electricity generated by low carbon sources in the medium and long terms.



Biomass
Power Plants

Biomass Power Plants are indicated limited opportunities in the short, medium and long terms; revenues risk would be in line with energy consumption that is expected to rise; however, electricity prices would tend to decrease.

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 degrees Celsius, net financial impacts can be summarized in terms of risks or opportunities of each type of power plant in a similar manner to net financial impacts under the Well-below 2 Degrees Celsius Scenario that signifies efforts to minimize impacts of climate change in accordance with the goal to limit global warming to less than 2 degrees Celsius. However, there will be some differences with respect to the levels of impacts. For example, revenues of natural gas power plants would fall, due to reduced demand for electricity (lower than the expected demand under the Well-below 2 Degrees Celsius Scenario), and costs would be higher, due to carbon credit

prices that are expected to rise (lower than the expected prices under the Well-below 2 Degrees Celsius Scenario). Therefore, net impacts indicate medium or high risk levels in the long term.

In this regard, KBank will expand the analysis scope of risks, opportunities and impacts related to climate conditions under different scenarios (Climate-related Scenario Analysis) to cover other industry groups in accordance with their priorities. The analysis results will be used in decision-making of KBank's credit portfolio management and financial planning. In addition, these analysis results will be incorporated in the processes of strategic planning and assistance for customers' net zero transition journey through the design of green financial products and services, for example, renewable energy loans.

Remark: More details can be found in the Climate-related Scenario Analysis Report on KBank's website:

<https://www.kasikornbank.com/SiteCollectionDocuments/sustainable-development/pdf/kbankscenarioanalysis2021-en.pdf>



Net Zero Strategy

| | |
|------------|---|
| Target | Environmental stewardship to promote Net Zero society |
| Commitment | We are determined to protect the environment and minimize impacts of climate change |

Net Zero emissions from KBank's operations (Scope 1 & 2)

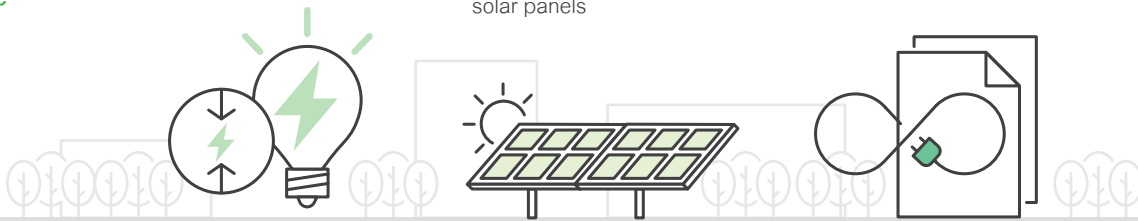
Scope 1

- Replacement of KBank's internal-combustion engine vehicles with electric vehicles
- Replacement of diesel fuel and gasoline with biofuels
- Compensation for carbon dioxide emissions via purchase of carbon credits from the Carbon Capture and Storage Project



Scope 2

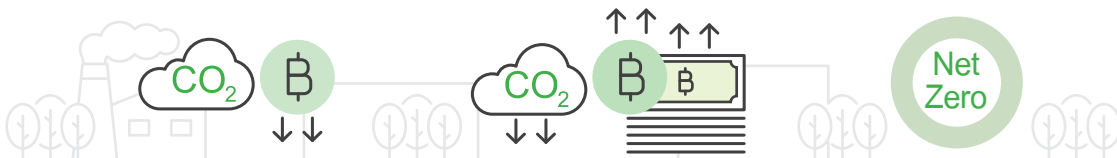
- Use of energy-saving technologies
- Use of electricity generated by renewable sources by installing solar panels
- Purchase of Renewable Energy Certificate (REC)



Net Zero emissions in KBank's financed portfolio (Scope 3)

Scope 3

- Minimizing lending to projects with high greenhouse gas emissions
- Increasing financial support to environmentally friendly projects or projects with no or low greenhouse gas emissions
- Presenting new styles of products and services that are beyond financial services to assist customers during the transition period towards Net Zero



| | |
|--|---|
| Establishment of Management Foundation | <ul style="list-style-type: none"> - Preparation of a climate database - Promotion of knowledge to increase the management potential related to greenhouse gas for employees and stakeholders - Study of international principles, standards and practices of sustainable development - Communications to promote staff understanding of practices related to sustainable development and greenhouse gas management |
|--|---|



Risk Management

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

Risk Management

Recommended disclosures

- a. Describe the organization’s processes for identifying and assessing climate-related risks.
- b. Describe the organization’s processes for managing climate-related risks.
- c. 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 of transition risk that arises from policy and regulatory changes and physical risk incurred by climate change, which will directly affect KBank’s major risks, for example, credit risk and operational risk. Consideration in relation to climate-related risk has been drawn in two items:

1. 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

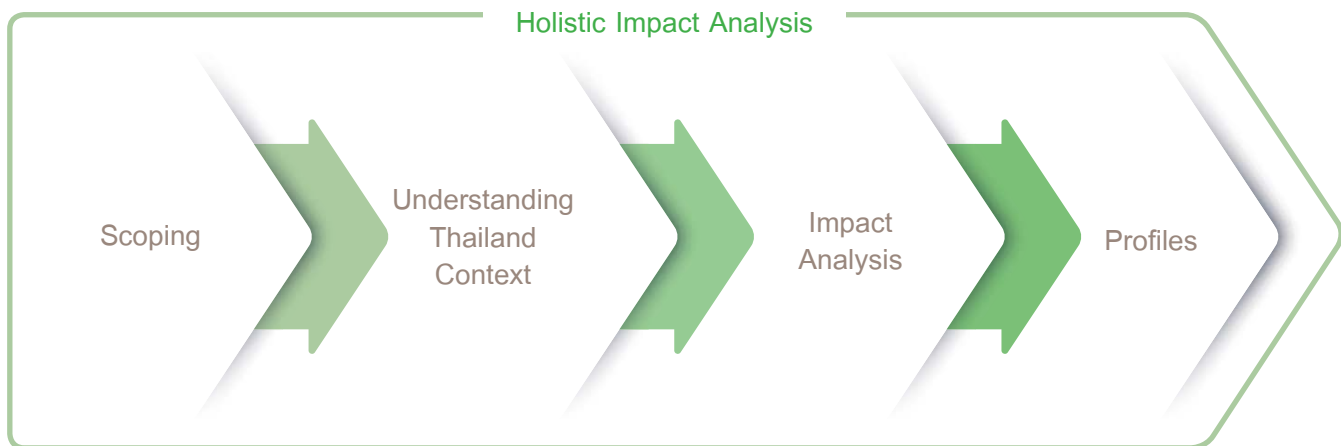
3. Risk Mitigation

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.

2. 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 sustainable returns to all stakeholders.

Consideration Processes for Credit Risk related to Climate Conditions



Holistic impact analysis is aimed at identifying statuses and impacts in the current time and possibilities of impacts in the future, both positive and negative, which are caused by lending to various businesses at a portfolio level. The analysis covers three aspects, namely the economy, society and environment. KBank is employing the Portfolio Impact Analysis Tool of the United Nations Environment Programme Finance Initiative (UNEP FI) in its holistic impact analysis, consisting of the following methods:



1. Scoping

Initial scope has been framed for large corporate customers in Thailand with KBank's financing; consideration is based on:

- 1.1 Outstanding loans: Total loans of large corporate customers account for more than 50 percent of KBank's overall credit portfolio.
- 1.2 Trends of customer segments and industries that may have significant impacts on the country
- 1.3 Potential and preparedness for self-adjustment of customer segments and industries

2. Understanding Thailand Context

Factors for consideration include the size of Thailand, its population, physical environment, climate conditions, types of land and land uses, biodiversity, etc.

3. Impact Analysis

3.1 Consideration is made at the country level of needs in 22 impact areas in accordance with the UNEP FI principles, which cover economic, social and environmental aspects. The country level of needs in each impact area is scored from the country's operations, using different indicators; such levels range from low needs to very high needs.

3.2 The Sector Impact Map is used to analyze the relations between the types of industries and impacts on 22 impact areas in accordance with the UNEP FI principles, both positively and negatively. The types of industries producing significant impacts are identified.

4. Profiles

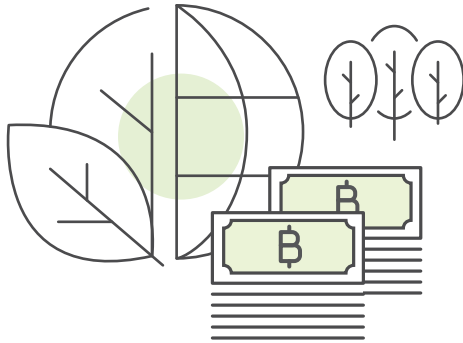
As a result of data integration and analysis, the Profiles are obtained to display the overview of impacts of lending to large corporate customers in each industry with positive and negative impact areas. KBank has prioritized the impact areas based on the following criteria:

4.1 The country levels of needs from high to very high: for Thailand, the impact areas with high to very high levels are comprised of:

- Environmental aspect: climate, resource and efficiency, air, water and waste
- Social aspect: housing and employment
- Economic aspect: economic convergence

4.2 The shares of loans in different industries: In 2021, the shares of KBank's loans allocated to different industrial segments were quite similar.

4.3 Other factors for additional consideration, e.g., the country's goals and plans, data readiness, customers' preparedness, technologies and standards of each industry



In accordance with our portfolio analysis and assessment, KBank has emphasized the issues with impacts in accordance with the UNEP FI principles, as follows:

1. **Climate:** Focus is placed on the power plant industry, which is one of the key sectors that has negative impacts on climate conditions, due to massive greenhouse gas emissions. In our credit portfolio, this industry employs a variety of production technologies, for example, natural gas, hydropower generation, coal-fired generation, solar energy and other technologies. As the original coal-fired power generation releases more greenhouse gas than other technologies, KBank has planned to revise our portfolio in line with the country's goal, referring to reduction of greenhouse gases, to minimize financing for this type of project and shift to renewable energy or alternative energy projects in order to minimize negative impacts of greenhouse gas emissions.

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 LEED and TREES, which certify efficiency of resource and energy consumption, and environmentally friendly building designs and material selection, as well as proper water resource management.

Climate change is an urgent issue that global communities are well aware of. KBank has submitted the Long-term Low Greenhouse Emissions Development Strategies (LT-LEDS) under the Paris Agreement (October 2021), with the purpose of reducing greenhouse gas emissions of the country and to achieve net zero emissions by 2065 in Thailand. In accordance with Thailand's target, KBank has set up the goal of net zero in our portfolio and will accelerate the parts of operations that are already viable. In 2021, initial operations were implemented, as follows:

1. Calculation of greenhouse gas emissions of each industry in KBank's portfolio in accordance with the loans that have been provided, in order to rank the industries with significant greenhouse gas emissions;

2. Study of assessment methods of each industry, which depend on the readiness of data for calculation and reference of scenario (Availability of Methodology) and the readiness of customers' data (Availability of Counterparty Data);

3. Consideration of each industry's ability to transition (Decarbonization Trend), complexity of operations and context of each industry for industry ranking;

4. Prioritization of industries to map out the strategy of portfolio transition towards net zero emissions, with focus on the industry segments with significant greenhouse gas emissions; such prioritization required discussions with customers to jointly set up the guidelines.

The study found that the first group of industries in KBank's portfolio with significant carbon emissions consists of power plants, oil and gas, and coal industry. The Bank prepared sector strategy plan and set targets for engagement strategy for offering advice to customers in a bid to jointly transition towards the net zero achievement.



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 environmental, social and governance factors are in harmony across the organization. The key performance indicators will be cascaded from the level of Chief Executive Officer to the level of President, Division Head and other parties involved. Operating results have been monitored to attain the established objectives.

Metrics and Targets to be a Net Zero Bank

| Sustainable Development Policy – Environmental Aspect | Metrics and long-term Targets | Target 2021 | Performance 2021 |
|---|---|--|---|
| Net zero bank in our own operations by 2030 | 21% reduction of GHG emissions by 2025 (Baseline year 2020) | 4.2% reduction of GHG emissions (Baseline year 2020) | 7.79% reduction of GHG emissions (Baseline year 2020) |
| Decarbonized financed portfolio emissions in line with Thailand's ambition, and at the earliest for key material sectors by 2050 where possible | <ul style="list-style-type: none"> Emissions intensity of power utility sector controlled according to sector strategy and/or glidepaths* The proportion of loans supported to coal-fired power plants in the portfolio decreased by 70% by 2025 (Baseline year 2021).* | - | - |

* New target



| Sustainable Development Policy – Environmental Aspect | Metrics and long-term Targets | Target 2021 | Performance 2021 |
|--|--|--|---|
| <p>Leader of innovative “Green Finance” agenda in Thailand</p> | <ul style="list-style-type: none"> Allocating at least Baht 100 - 200 billion in sustainable financing and investment by 2030 Provide financial support to green building projects to increase the proportion of loan outstanding of green building projects to total loan outstanding of real estate portfolio from 6.3% (in 2020) to 10% by 2025.* | <ul style="list-style-type: none"> Total megawatts (MW) 15% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand’s Alternative Energy Development Plan 10% loan growth per year in Energy and Environmental Conservation Projects Funding Support Green/Social/Sustainability/other Environmental and Society related projects via borrowing and/or via the issuance of Green/Social/Sustainability bonds with remaining outstanding of USD 100 - 200 million Supports renewable energy loans in the People’s Republic of China for more than 5 percent of the loans for corporate customers in People’s Republic of China. | <ul style="list-style-type: none"> Total megawatts (MW) 16% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand’s Alternative Energy Development Plan 15% loan growth in Energy and Environmental Conservation Projects Funding Support Green/Social/Sustainability/other Environmental and Society related projects via the issuance of Sustainability bonds with remaining outstanding of USD 282 million Supports renewable energy loans in the People’s Republic of China for 8 percent of the loans for corporate customers in People’s Republic of China. |
| <p>Beyond finance solutions to support decarbonization in Thailand</p> | <p>Satisfaction level of using Beyond banking solution: 80%</p> | <p>-</p> | <p>-</p> |

* New target



1. Financial Products and Services to Support Green Businesses

Green Loans, totaling
Baht **17,433.22** million



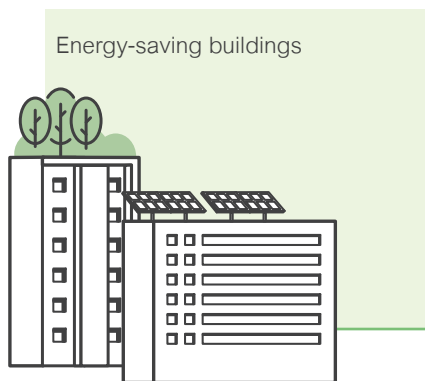
Lower greenhouse gas emissions following domestic and overseas renewable energy loans and large-scale property projects with environmentally friendly concept
715,604 tCO₂e

| Domestic Renewable Energy Loans | Number of Financed Projects | Production Capacity (MW) | Outstanding Loans (MB) |
|--|-----------------------------|--------------------------|------------------------|
| Solar energy loans | 29 | 820 | 3,101.5 |
| Biomass energy loans | 6 | 82 | 423 |
| Waste-to-energy loans | 4 | 21 | 805.2 |
| Biogas energy loans | 1 | 4 | 101 |
| Wind energy loans | 1 | 189 | 207.6 |
| Total domestic renewable energy loans | 41 | 1,116 | 4,638.3 |

| Overseas Environmental Loans | Production Capacity (MW) | Outstanding Loans (MB) |
|--|--------------------------|------------------------|
| Equipment purchase for solar power plants | - | 530.4 |
| Pollution prevention and control to minimize air pollution from power plants | 150 | 192.4 |
| Equipment purchase to minimise pollution | - | 1,300 |
| Water and wastewater disposal | - | 1,040 |
| Total overseas environmental loans | 150 | 3,062.8 |

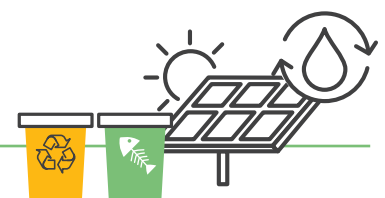


| Loans for Large-scale Property Projects with Environmentally Friendly Concept | Product Details | Number of Financed Projects | Number of Building Users | Outstanding Loans (MB) |
|---|-----------------|-----------------------------|--------------------------|------------------------|
|---|-----------------|-----------------------------|--------------------------|------------------------|



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)

| | | | | |
|-------------------------|---|---|--------|---------|
| 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) | 9 | 15,450 | 4,361.5 |
|-------------------------|---|---|--------|---------|

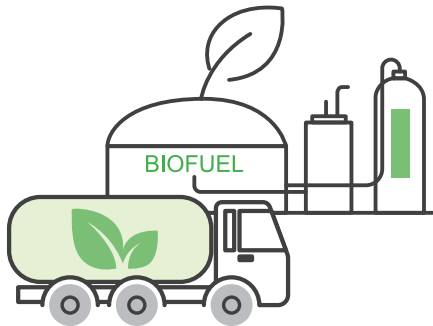
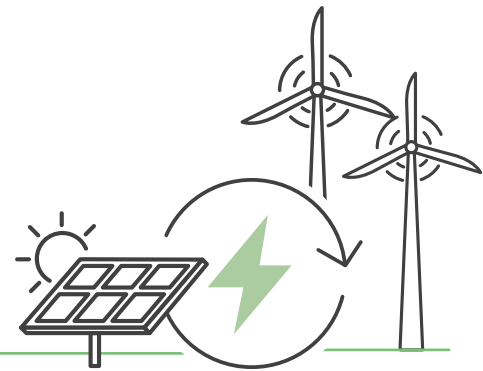




| Loans related to Sustainability Operations | Product Details | Number of Business Operators benefitting from the projects | Outstanding Loans (MB) |
|--|-----------------|--|------------------------|
|--|-----------------|--|------------------------|

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 greenhouse gas emissions, and reduced energy and natural resource consumption.



| Alternative Energy Loans | Number of Business Operators benefitting from the projects | Outstanding Loans (MB) |
|---------------------------------------|--|------------------------|
| Ethanol production plants | 3 | 100 |
| Plants of other biofuels | 9 | 14 |
| Total alternative energy loans | 12 | 114 |

| Products to Promote Electric Vehicles | Number of Business Operators benefitting from the projects | Outstanding Loans (MB) |
|---------------------------------------|--|------------------------|
|---------------------------------------|--|------------------------|

Auto loans for hybrid and electric vehicles

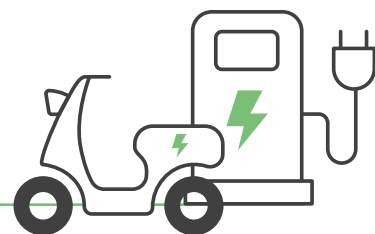
Electric bike rental service via K+ market

KBank has collaborated with H SEM Motor Co., Ltd., Thailand's leading manufacturer and distributor of electric bikes, to launch a rental service for H SEM EV bikes on K+ market. Under this cooperation, H SEM Power Stations for battery swapping service have been installed at 12 KBank branches in Greater Bangkok. KBank has also joined with Property and Innovation Management (PMCU) to add more power stations and with foodpanda to offer discounts on EV bike rental via K+ market. (Service started in November 2021)

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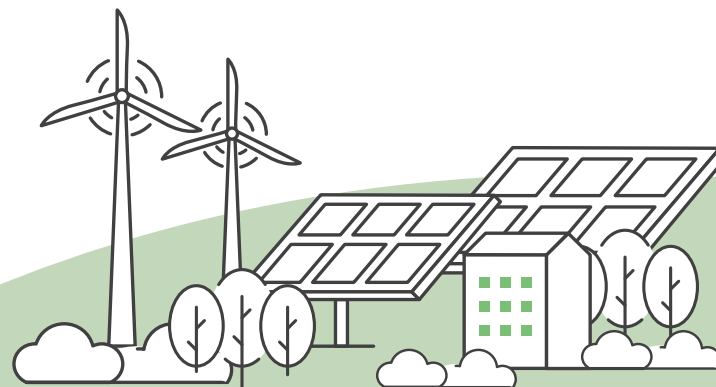
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EV bike rental 99 renters



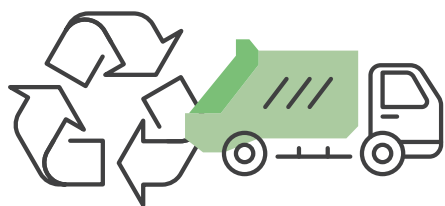


| Loans for Energy and Environmental Conservation | Product Details | Number of Business Operators benefitting from the projects | Outstanding Loans (MB) |
|--|--|--|------------------------|
| Projects of improvement of systems and operational processes to reduce energy consumption in business premises | 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. | 5 | 94 |
| 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 greenhouse gas 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. | 168 | 1,754 |
| 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 | 250 |
| 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. | 5 | 47 |
| Projects of loans for energy-saving homes of SCG HEIM | Loans have been extended for energy-saving homes built with environmentally friendly innovations. | 3 | 43 |
| Total loans for energy and environmental conservation | | 182 | 2,188 |





| Loans for Sustainable Management of Garbage and Waste Certified with Environmental Standards | Number of Business Operators benefitting from the projects | Outstanding Loans (MB) |
|--|--|------------------------|
| Collection of non-hazardous waste | 2 | 3.6 |
| Collection of hazardous waste | 2 | 0.32 |
| Treatment and disposal of non-hazardous waste by sanitary landfilling | 7 | 25 |
| Treatment and disposal of non-hazardous waste by incineration | 5 | 11 |
| Treatment and disposal of non-hazardous waste by biological methods | 5 | 313 |
| Treatment and disposal of non-hazardous waste by other methods | 14 | 12 |
| Treatment and disposal of hazardous waste (not including radioactive waste) | 4 | 22 |
| Other waste treatment activities and waste disposal services | 12 | 44 |



Total loans for sustainable management of garbage and waste, certified with environmental standards

51 430.92

| Loans for Products, Production Technologies and Production Processes with Environmental Efficiency and/or Improvement to Promote Circular Economy | Number of Business Operators benefitting from the projects | Outstanding Loans (MB) |
|---|--|------------------------|
| Production of basic chemical products | 4 | 7.7 |
| Production of recycled plastic pellets | 102 | 667 |
| Paper recycling | 10 | 32 |
| Reuse of materials | 14 | 19 |
| Production of biological fertilizers | 18 | 21 |
| Production of biological plastic products | 1 | 22 |
| Downstream petrochemical industry | 1 | 15 |
| Total loans for products, production technologies and production processes with environmental efficiency and/or improvement to promote circular economy | 150 | 783.70 |

Note: The above loan classification is in accordance with the Green Loan Principles (GLP), set by Loan Market Association (LMA).



2. Environmental and Social Funds

| Environmental and Social Funds | Details of Products | Net Asset Value* (NAV) |
|--|--|------------------------|
| K-Climate Transition Fund ⁽¹⁾ | The K-Climate Transition Fund is Thailand's first and only fund 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. | 3,485.01 |
| 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 companies having four major policies, namely participation with society and education, environmental responsibility, promotion of quality of life, and assistance for socially underprivileged people. | 16,235.86 |
| K Global High Impact Thematic (K-HIT) ⁽³⁾ | K-HIT invests via the master fund: Allianz Global Investors Fund – Allianz Thematica Share Class P (EUR) that emphasizes investment diversification in businesses consistent with four megatrends, namely urbanization, technological innovation, resource scarcity, and demographic and social change. | 1,637.08 |
| K-SUSTAIN Fund ⁽⁴⁾ | 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. | 387.11 |
| Total NAV of Environmental and Social Funds | | 21,745.06 |

* Net Asset Value is the value of buying via the channel of KBank agents only.

Net Asset Value of KASIKORN ASSET MANAGEMENT CO.,LTD.

⁽¹⁾ A total of net asset value of K-Climate Transition Fund is Baht 3,579.30 million.

⁽²⁾ A total of net asset value of K-CHANGE Fund is Baht 22,072.03 million.

⁽³⁾ A total of net asset value of K-HIT Fund is Baht 1,755.62 million.

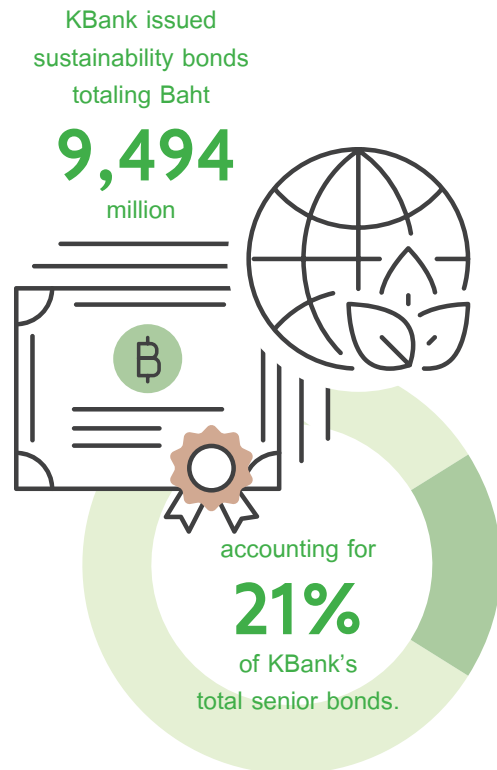
⁽⁴⁾ A total of net asset value of K-SUSTAIN Fund is Baht 394.93 million.



3. Green Investment

KBank has placed importance on green investment by means of issuance and investment in sustainability bonds.

Issuance of Sustainability Bonds*



KBank issued 5-year sustainability bonds totaling USD 100 million in 2018 and short-term, EUR-denominated sustainable bonds (6 months) totaling EUR155 million in 2021, 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

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, divided into 2 types of project, as follows:

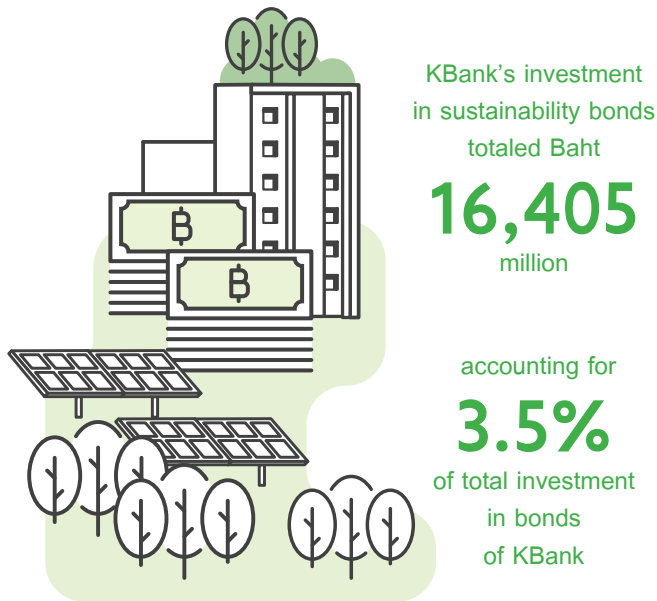
1. Seven environmental projects:
 - 1.1 Five solar energy projects and one waste-to-energy project having a total production capacity of 244 megawatts and generating electricity of 440 kilowatt-hours
 - 1.2 One large-scale property project with an environmentally friendly concept and design (Green Building), 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 8,525 retail customers
 - 2.2 One project supporting access to essential services, which has extended loans to 287 retirees



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



Investment in Bonds for the Environment, Society and Sustainability



KBank's total investment in sustainability bonds amounted to Baht 16,405 million, to support fund raising for projects that are environmentally friendly and energy saving, and for development and promotion of sustainability, divided into 2 types of investment with the following details:

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.

2. Investment in Social Bonds

KBank has invested in social bonds with the purpose of social development and enhancement of quality of life of community residents, especially those involved with sustainable agriculture, SMEs, businesses that are important to the economic system, for example, healthcare services, education and development of agricultural skills. These bonds have been certified by the International Capital Market Association Social Bond Principles (ICMA SBP).

3. 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).

Issuance and Underwriting of Green Bonds

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 2022", which is the first private business to issue THOR-linked bonds.

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. Co-underwriting of Savings Bonds via Blockchain

KBank has recognized the importance of participation in Thailand’s infrastructure development with regard to the bond market, and application of innovations for investor facilitation and increase of overall operational efficiency. Therefore, KBank has cooperated in system development and underwriting of Government Savings Bonds via blockchain in full scale for the first time in Thailand, and among the first such cases in the world. Underwriting was via the Distributed Ledger Technology (DLT) Scrippless Bond under cooperation of the Bank of Thailand, Public Debt Management Office, Thailand Securities Depository Co., Ltd., Thai Bond Market Association and four underwriting banks. In 2020, KBank joined the underwriting of savings bonds in the series of ‘Kao Pai Duay Kan’, with 7-year maturity, totaling Baht 45,000 million for individual and corporate investors.

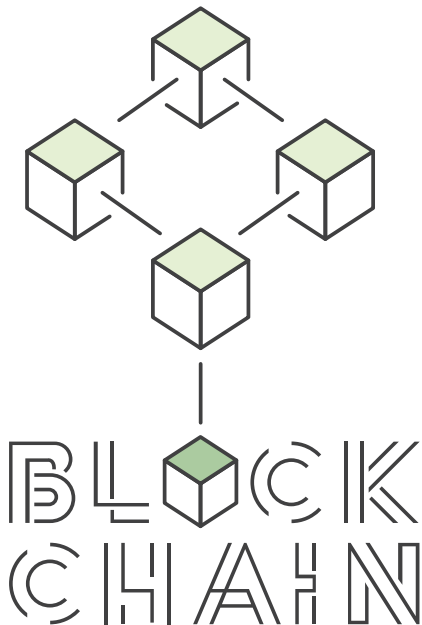
4. Green Bond Underwriting

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

- 4.1 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).
- 4.2 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.

5. 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.



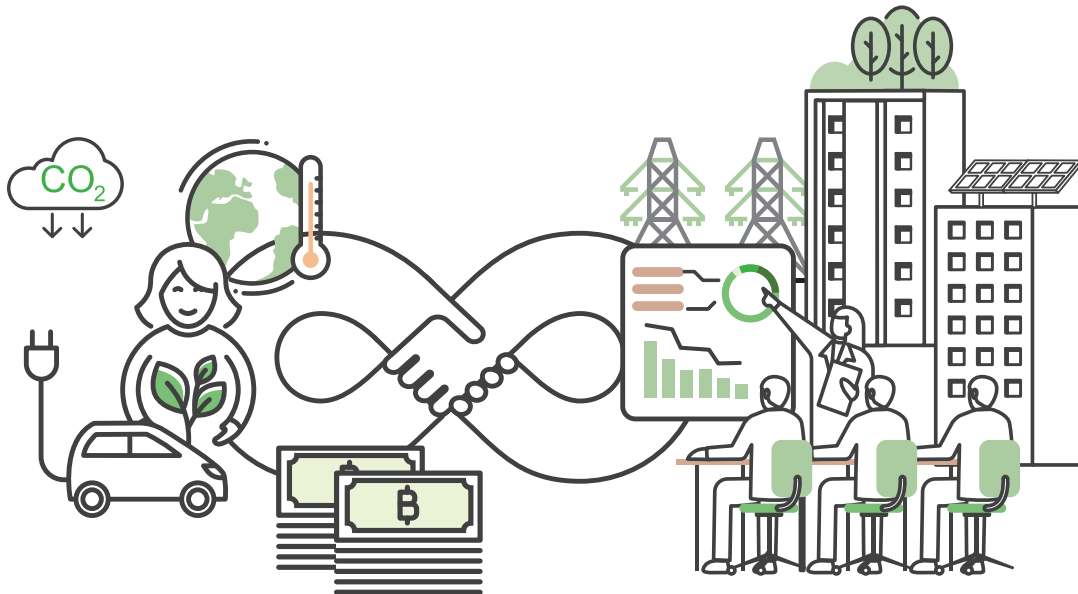


Cooperation with Partners to Alleviate Climate Change Impacts

1. Cooperation with Domestic Agencies

- 1.1 KBank and the Thai Energy Services Company Association (ESCO) have promoted tangible energy conservation. ESCO and its members engage in providing comprehensive services of consultation and energy management for business operators, which serve as an important mechanism to ensure businesses that the proceeds earned from energy conservation can be efficiently used for debt repayment and enhancement of competitiveness, as well as conserving energy and preserving the environment.
- 1.2 KBank's representative was a speaker on the topic of "CO₂ Emission Reduction with ESCO", organized by ESCO and its members to present viewpoints related to reduction of greenhouse gas emissions, minimization of energy costs and promotion of reduced energy consumption, as well as the outlook of future technologies to reduce greenhouse gas emissions.

- 1.3 KBank's representative was a speaker at "TCFD & SGDs Workshop: ESG Risk Analysis and GHG Accounting", hosted by the Stock Exchange of Thailand to promote knowledge and in-depth understanding in regard to strategic development for sustainable businesses and information disclosure in accordance with TCFD guidelines and in line with international disclosure standards.
- 1.4 KBank and the Provincial Electricity Authority have jointly developed the PEA Solar Hero application to serve as a channel to facilitate access to renewable energy via solar rooftop installation. The application provides analysis of electricity use, advice on proper production capacity, investment types and funding sources from KBank, calculation of breakeven point, and standardized products and installers, in order to encourage households' shift to clean energy use.



2. Cooperation with International Agencies

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.



Environmental Management

Risks

If KBank were to have inefficient environmental management, KBank's business continuity could be at risk in the future, and operating costs could potentially increase.



Opportunities

If effective environmental management is in place, KBank will be able to save on operating costs while also help easing impacts from climate change.



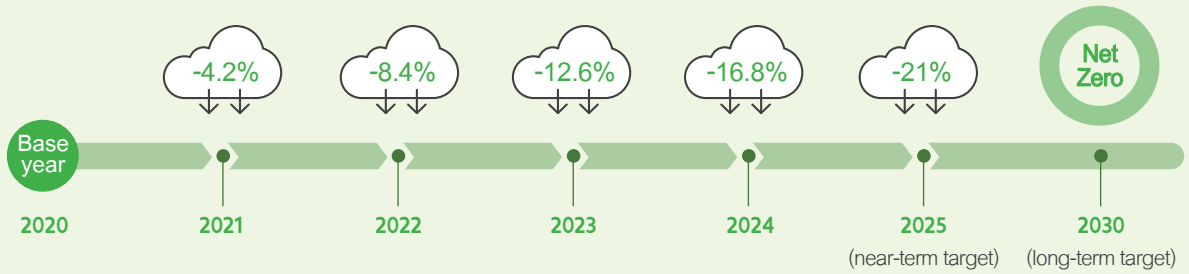
KBank has developed and expanded an Environmental Management System (EMS) in order to run our environmental operations more efficiently and effectively in terms of measurement, management, planning, verifying the amount of greenhouse gas emissions, or Measurement Report Verification (MRV), and standardized reporting. To this end, KBank has raised awareness of greenhouse gas emissions among employees and related parties in communities, including management of energy, water, and business travels by employees, and waste reduction as well as e-waste management. KBank has endeavored to reduce natural resource consumption for paper production through enhancement of capabilities in data management for planning, management and monitoring so as to ensure the highest efficiency in reducing our environmental footprint both within the organization and for our customers using KBank services, in order to transform KBank into a Net Zero bank, in accordance with KBank's environmental management strategy. KBank has set a target to become Net Zero in our own operations (Scope 1 and 2)* by 2030.

* 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's strategy to become Net Zero in its operations (Scope 1 and 2)



Net Zero Strategy in KBank Operations

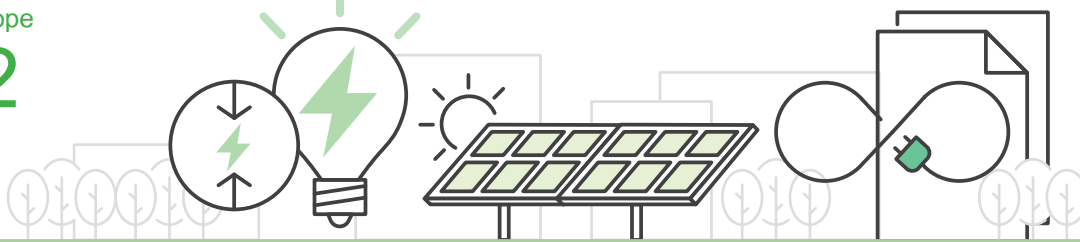
- Corporate vehicles will be replaced with electric vehicles
- Fuels for diesel and gasoline engines will be replaced with biofuels
- A carbon offset will be carried out by purchasing carbon credits from carbon capture and storage programs

Scope 1



- Use energy sufficient technologies
- Use power from renewable energy by installing solar panels
- Purchase a renewable energy certificate (REC)

Scope 2





Environmental Management

KBank has developed the Environmental Management System (EMS), based on international standards, with the procedure described by the following flow chart:

Environmental Management System

Operational Effectiveness Assessment and Monitoring

- Evaluation and monitoring operational effectiveness
- Environmental effectiveness enhancement



Planning

- Environmental risk management
- Compliance with environmental laws and regulations
- Objectives, goals and environmental plans



Operation Support

- Personnel, capability and environmental awareness
- Communications
- Document control
- Data management



Operations

- Resource and environmental conservation
- Building environment management
- Emergency management



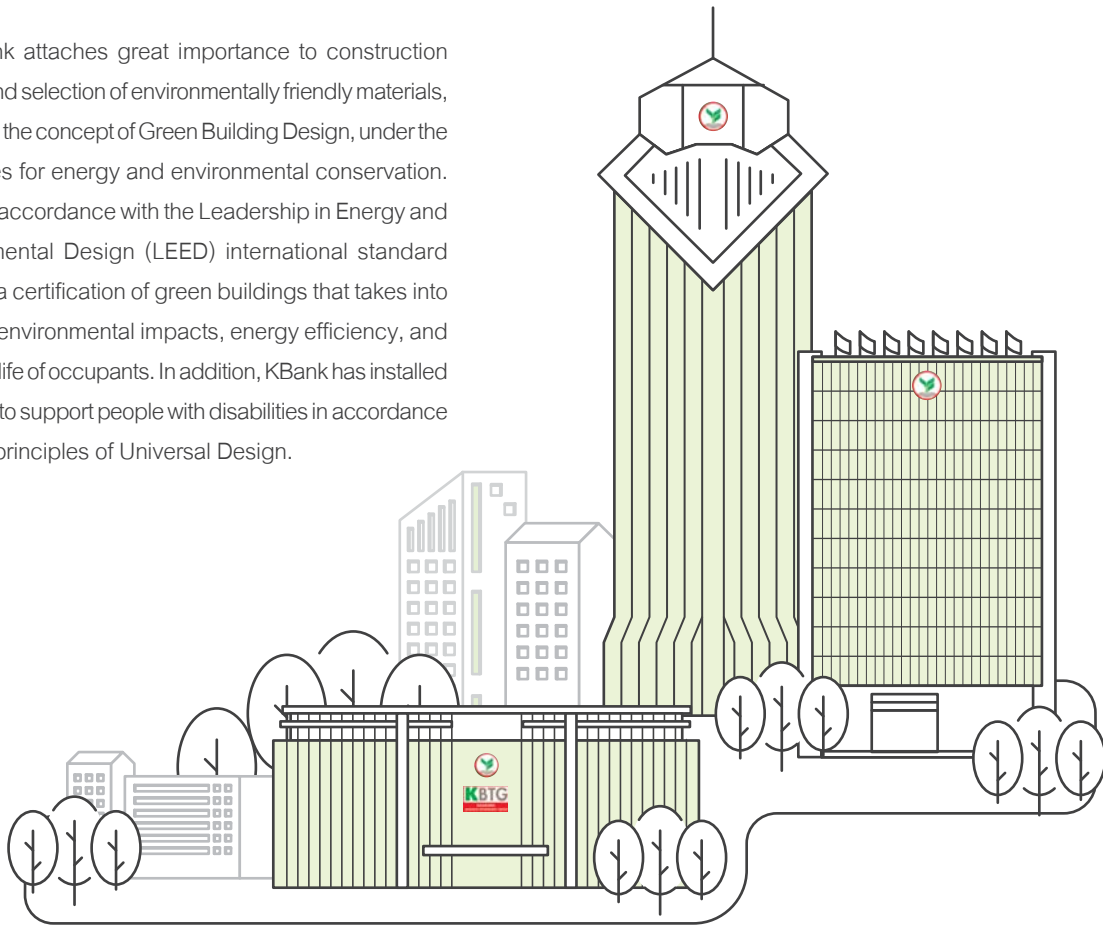
Management Approach

To become a net zero bank, in accordance with our environmental management strategy, KBank manages energy and resources based on a focused acceleration approach to promote efficiency of environmental management to ensure continuous, highly positive impacts. Our operations are based on the concept, “To waste little, consume efficiently and let nature rehabilitate the environment”, throughout the management process, from the design of management processes, to material selection and usage of green and energy-saving equipment. KBank has policies, plans, and measures to be an environmentally friendly business, as follows:



Green Building Design

KBank attaches great importance to construction design and selection of environmentally friendly materials, based on the concept of Green Building Design, under the guidelines for energy and environmental conservation. This is 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, KBank has installed a system to support people with disabilities in accordance with the principles of Universal Design.



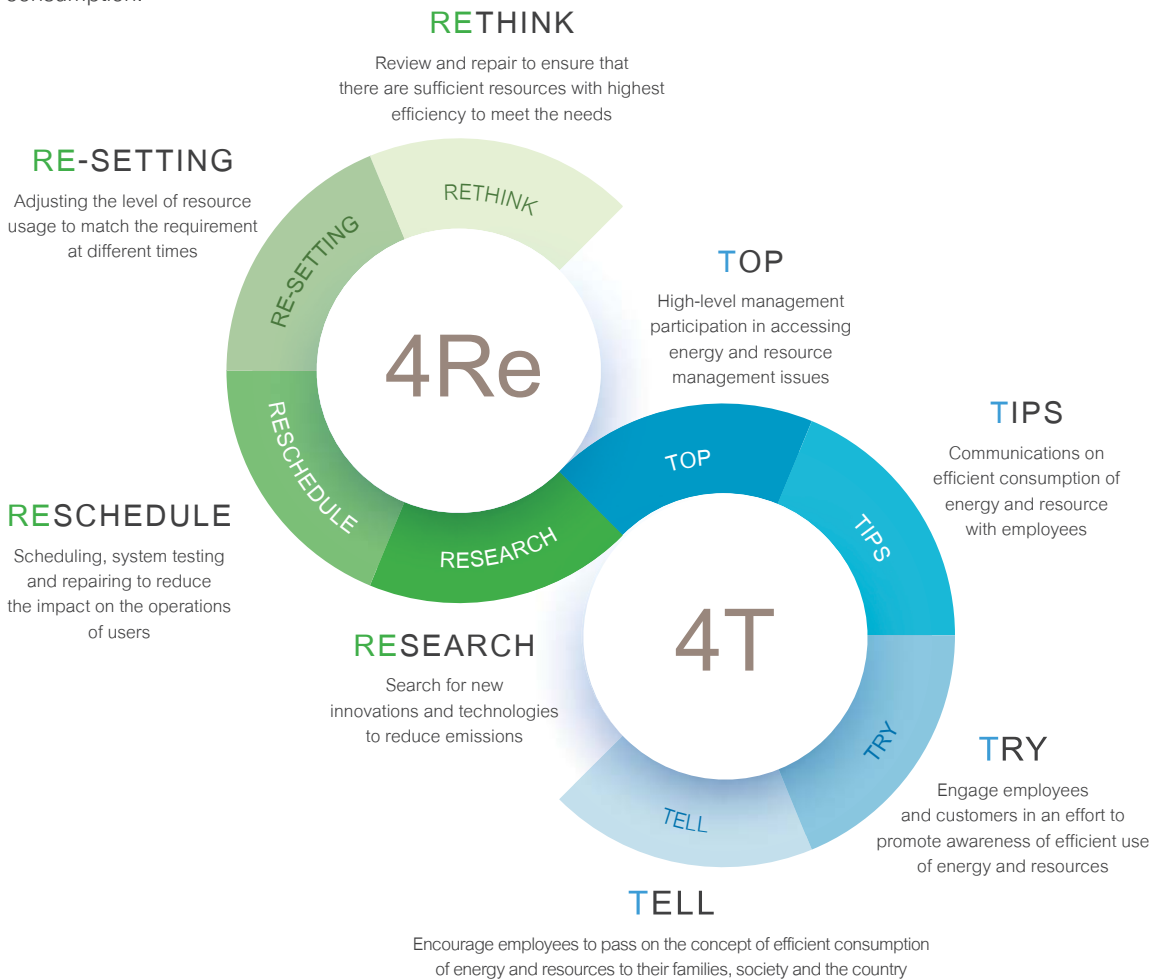
Green Process Design

KBank continuously promotes green process design by incorporating digital technology based on its principles in our operations to boost efficiency and customer convenience while also reducing work procedures and use of paper resources. KBank has designed a process and developed infrastructure for sending documents in the form of electronic files instead of original hard copies. This process was applied with our customers as we provided them with electronic print services via email to reduce paper consumption and frequency of document transport within the Bank and to customers.



Green Facility

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 system and water usage. The 4Re concept will help increase the efficiency of technical management, and the 4T concept will create awareness among employees and customers regarding efficient energy and resource consumption.



KBank has regularly taken actions under the 4Re to 4T concept, as follows:

1. Lighting System Management

KBank has replaced 25,102 interior lighting lamps which reduced energy consumption by 2,710,620 kilowatt-hours.

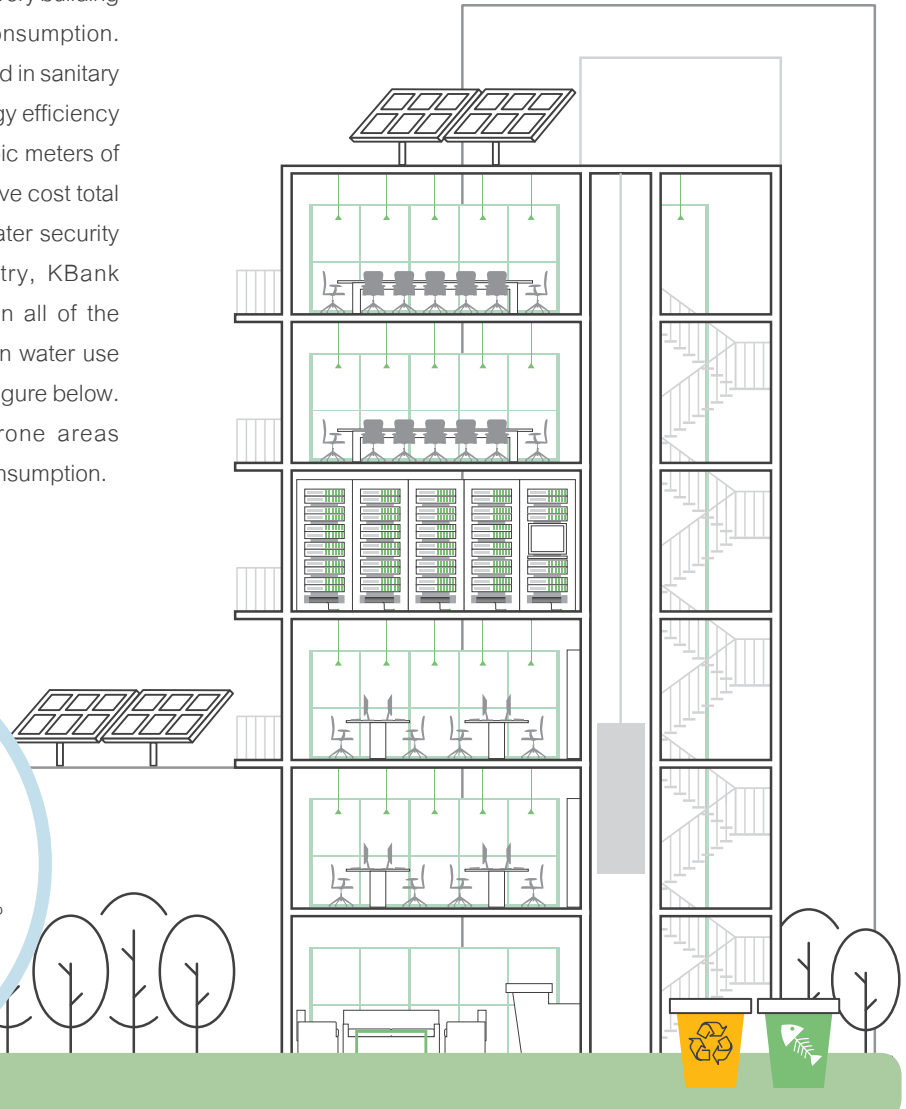
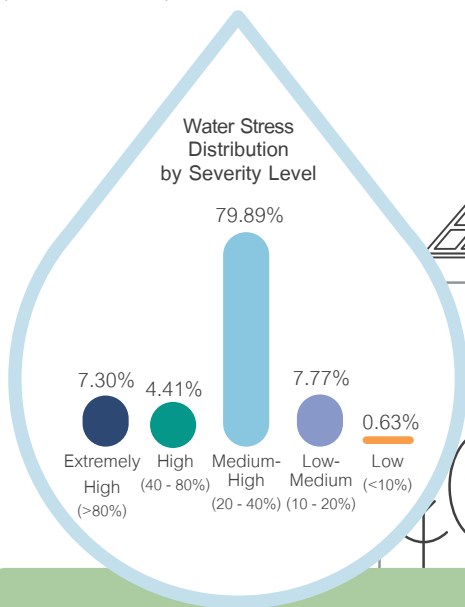
2. Clean Energy Management

The Bank building is equipped with a solar rooftop system that supplies power, with a capacity of 350 kilowatts. In 2021, a total of 453,435 kilowatt-hours of electricity was generated. Thanks to this effort, KBank was able to reduce total greenhouse gas emissions by 217.16 tonnes of CO₂ equivalent, thus cutting costs by Baht 1,904,427.



3. Water use management

Water flow rates of faucets and toilets in every building have been adjusted to reduce water consumption. Waste water is effectively treated and reused in sanitary and plant watering systems to ensure energy efficiency and optimize benefits. In 2021, 22,875 cubic meters of recycled water were used at KBank and save cost total of Baht 372,862.57. In accordance with water security situation in certain areas of the country, KBank has prepared risk assessment reports on all of the Bank's buildings for enhanced efficiency in water use management in risk areas as shown in the figure below. In 2021, water consumption in risk-prone areas represented 7.30 percent of total water consumption.



4. Green Waste Management

KBank has established an organization-wide waste, including hazardous waste, management strategy by integrating technical management and instilling eco awareness in every employee in order to reduce the amount of waste and trash caused by our business operations. Such waste is commonly disposed of in landfills to mitigate environmental impacts. KBank raises awareness among our employees by encouraging them to participate in waste separation process and refuse procurement that has products containing components that are harmful to the environment, and continuing with work process management that reduces trash or waste in various forms, recycling of equipment to extend equipment life, and promotion of the repair and reuse of certain types of waste. Moreover, KBank has promoted the replacement of single-used packaging with biodegradable materials and an efficient waste separation system. At locations for waste disposal, there is a clear waste classification for segregating trash, and there are appropriate disposal solutions for each type of waste.

KBank manages paper recycling by saving recyclable paper from buildings with the cooperation of service providers, who collect the paper waste to turn it into pulp for reuse. In 2021, KBank recycled 1,288 tonnes of paper.



Green Behavior

KBank encourages all employees to realize the importance of energy and environmental conservation, adopting Green Behavior, so that they will become good global citizens and help mitigate the effects of global warming. The focus is to change the behavior of employees throughout the organization in order to multiply the positive outcomes and transform them into a role model for their families, society and the country.



Carbon Footprint Program

KBank has 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 FY21-03-033 on May 27, 2021. KBank's carbon footprint of 97,786 tonnes 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) or TGO for the 3rd consecutive year, thanks to KBank's success in implementing carbon offsetting schemes by joining a carbon credit program with Mitr Phol Bio-Power (Danchang) Co., Ltd. (Block 2) and a community-level biogas program from pig farms in Tha Manao Sub-district, Chai Badan District, Lop Buri. The cooperation is aimed at driving Thailand towards the status of a Low-Carbon Economy to ensure sustainable growth in terms of economy, society and environment. This will not only benefit Thailand but also the world, now and in the future.

KBank has supported a carbon credit program. The credit earned from the program was used for its operating expenses and for running activities at community enterprises of biogas users in eight villages, such as meetings, village activities, kitchen garden planting project and purchase of vegetable seeds, fertilizer and farming equipment. KBank also arranged areas for providing villagers knowledge on cultivation and use of bagasse for fertilizer production.



Green Behavior Program














































KBank has waste sorting at source program at the canteens and two floors at Rat Burana Building as a prototype for waste management in the organization and a starting point for management guideline to reduce waste sending to landfills. The program has been successful in changing behavior of the facility users to properly sort the waste and is planned to cover other main buildings in the future.

In addition, KBank has promoted change in the behavior of KBank's executive employees, in choosing to use less fossil-based automotive fuels. The program has successfully increased the number of employees using clean fuels 96 percent of total number of such employees and the consumption of E20 increased from 72.75 percent to 87.13 percent, as a result, KBank was able to reduce total greenhouse gas emissions by 398.40 tonnes of CO₂ equivalent.



Operating Performance

KBank is developing an Environmental Management System (EMS) to serve as a database on KBank's greenhouse gas emissions and energy consumption in line with our strategies and objectives. In 2021, KBank reduced energy consumption by 5.97 percent (compared to the target of 4.2 percent reduction from year 2020), water consumption by 20.51 percent (compared to the target of 15 percent reduction from year 2019) and greenhouse gas emissions by 7.79 percent (compared to the target of 4.2 percent reduction from year 2020). The table below provides statistics documenting our environmental performance.

| | Operating Performance | | | | Target |
|--|--|--|--|--|--------|
| | 2018 | 2019 | 2020 | 2021 | 2021 |
|  Total energy (renewable and nonrenewable energy) (megawatt-hours)* |  7.88 |  6.71 |  6.45 |  5.88 | |
| |  237,486.19 |  228,646.07 |  213,091.98 |  186,564.29 | -4.2% |
|  Employee travel (kilometers)** |  121.8 |  128.74 |  145.54 |  123.43 | - |
| |  3,668,803 |  4,386,303.89 |  4,807,722.26 |  3,913,549.75 | - |
|  Water (cubic meters) |  27.45 |  25.59 |  23.67 |  19.41 | |
| |  826,714 |  871,805 |  781,861.73 |  615,550.04 | -15% |
|  Waste (metric tons) |  0.25 |  0.21 |  0.18 |  0.17 | - |
| |  7,599.67 |  7,050.80 |  5,851.33 |  5,494.62 | - |
|  Greenhouse gas emissions (Scope 1 and 2) (tonnes of CO ₂ equivalent) |  3.58 |  3.05 |  2.96 |  2.84 | |
| |  107,775.31 |  103,996.95 |  97,785.73 |  90,172.91 | -4.2% |

Note:

* In 2021, KBank's greenhouse gas emissions (Scope 1) report provided information on refrigerant and extinguishing agent leakage only.

**Greenhouse gas emissions (Scope 3) employee travel caused by energy use in KBank business travel by land transport only.



Economic, Social and Environmental Performance

Economic Performance

Unit: Thousand Baht

| Economic Performance | 2021 | |
|--|---------------|---------------|
| | Consolidated | KBank |
| Revenues* | 179,373,056 | 153,219,580 |
| Other operating expenses** | 30,467,640 | 30,051,794 |
| Employee expenses*** | 34,480,637 | 24,331,484 |
| Payments to providers of capital**** | 23,132,094 | 22,391,632 |
| Tax payment to government***** | 17,953,468 | 13,504,586 |
| Cash donation for supporting community and education | 652,379 | 589,723 |
| Economic value retained | 72,686,838 | 62,350,361 |
| Total assets | 4,103,398,520 | 3,437,503,960 |
| Total liabilities | 3,566,723,500 | 3,018,501,165 |
| Total equity | 536,675,020 | 419,002,795 |

* 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, land and building tax, and special business tax.



Social Performance



| Item | 2018 | | 2019 | | 2020 | | 2021 | |
|--|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | 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* | 20,646 | | 20,407 | | 19,819 | | 19,029 | |
| By Gender | | | | | | | | |
| • Male | 6,452 | 31.25% | 6,262 | 30.69% | 5,999 | 30.27% | 5,703 | 29.97% |
| • Female | 14,194 | 68.75% | 14,145 | 69.31% | 13,820 | 69.73% | 13,326 | 70.03% |
| By Age | | | | | | | | |
| • < 30 years | 7,244 | 35.09% | 6,228 | 30.52% | 4,747 | 23.95% | 3,220 | 16.92% |
| • 30 - 50 years | 10,181 | 49.31% | 10,811 | 52.98% | 11,677 | 58.92% | 12,441 | 65.38% |
| • > 50 years | 3,221 | 15.60% | 3,368 | 16.50% | 3,395 | 17.13% | 3,368 | 17.70% |
| By Nationality | | | | | | | | |
| • Thai | 20,611 | 99.83% | 20,377 | 99.85% | 19,790 | 99.85% | 19,001 | 99.85% |
| • Foreigner | 35 | 0.17% | 30 | 0.15% | 29 | 0.15% | 28 | 0.15% |
| By others | | | | | | | | |
| • People with disability | 2 | 0.01% | 2 | 0.01% | 2 | 0.01% | 2 | 0.01% |
| By Type of Employment | | | | | | | | |
| • Permanent | 20,548 | 99.53% | 20,283 | 99.39% | 19,755 | 99.68% | 18,849 | 99.05% |
| • Contracted | 98 | 0.47% | 124 | 0.61% | 64 | 0.32% | 180 | 0.95% |
| By Workplace | | | | | | | | |
| • Head office and main buildings | 9,920 | 48.05% | 11,156 | 54.67% | 11,490 | 57.97% | 12,228 | 64.26% |
| • Elsewhere | 10,726 | 51.95% | 9,251 | 45.33% | 8,329 | 42.03% | 6,801 | 35.74% |
| By Country | | | | | | | | |
| • Thailand | 20,622 | 99.88% | 20,379 | 99.86% | 19,795 | 99.88% | 19,004 | 99.87% |
| • Elsewhere | 24 | 0.12% | 28 | 0.14% | 24 | 0.12% | 25 | 0.13% |
| By Level of Education | | | | | | | | |
| • High school (lower than bachelor's degree) | 357 | 1.73% | 313 | 1.53% | 282 | 1.42% | 241 | 1.27% |
| • Bachelor's degree | 14,127 | 68.42% | 13,795 | 67.60% | 13,247 | 66.84% | 12,496 | 65.67% |
| • Master's degree | 6,124 | 29.66% | 6,263 | 30.69% | 6,251 | 31.54% | 6,245 | 32.82% |
| • Doctoral degree | 38 | 0.18% | 36 | 0.18% | 39 | 0.20% | 47 | 0.25% |

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



| Item | 2018 | | 2019 | | 2020 | | 2021 | |
|--------------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | 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 | 63 | | 74 | | 81 | | 79 | |
| • Male | 45 | 71.43% | 50 | 67.57% | 56 | 69.14% | 55 | 69.62% |
| • Female | 18 | 28.57% | 24 | 32.43% | 25 | 30.86% | 24 | 30.38% |
| • < 30 years | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| • 30 - 50 years | 29 | 46.03% | 36 | 48.65% | 37 | 45.68% | 26 | 32.91% |
| • > 50 years | 34 | 53.97% | 38 | 51.35% | 44 | 54.32% | 53 | 67.09% |
| Middle Management Level | 887 | | 929 | | 943 | | 968 | |
| • Male | 477 | 53.78% | 488 | 52.53% | 484 | 51.33% | 488 | 50.41% |
| • Female | 410 | 46.22% | 441 | 47.47% | 459 | 48.67% | 480 | 49.59% |
| • < 30 years | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| • 30 - 50 years | 507 | 57.16% | 527 | 56.73% | 519 | 55.04% | 540 | 55.79% |
| • > 50 years | 380 | 42.84% | 402 | 43.27% | 424 | 44.96% | 428 | 44.21% |
| Junior Management Level | 6,998 | | 7,139 | | 7,248 | | 7,257 | |
| • Male | 2,797 | 39.97% | 2,808 | 39.33% | 2,777 | 38.31% | 2,713 | 37.38% |
| • Female | 4,201 | 60.03% | 4,331 | 60.67% | 4,471 | 61.69% | 4,544 | 62.62% |
| • < 30 years | 324 | 4.63% | 211 | 2.96% | 126 | 1.74% | 52 | 0.72% |
| • 30 - 50 years | 4,789 | 68.43% | 4,935 | 69.13% | 5,124 | 70.69% | 5,221 | 71.94% |
| • > 50 years | 1,885 | 26.94% | 1,993 | 27.92% | 1,998 | 27.57% | 1,984 | 27.34% |
| Junior Officer | 12,698 | | 12,265 | | 11,547 | | 10,725 | |
| • Male | 3,133 | 24.67% | 2,916 | 23.77% | 2,682 | 23.23% | 2,447 | 22.82% |
| • Female | 9,565 | 75.33% | 9,349 | 76.23% | 8,865 | 76.77% | 8,278 | 77.18% |
| • < 30 years | 6,920 | 54.50% | 6,017 | 49.06% | 4,621 | 40.02% | 3,168 | 29.54% |
| • 30 - 50 years | 4,856 | 38.24% | 5,342 | 43.55% | 5,997 | 51.94% | 6,654 | 62.04% |
| • > 50 years | 922 | 7.26% | 906 | 7.39% | 929 | 8.04% | 903 | 8.42% |






| Item | 2018 | | 2019 | | 2020 | | 2021 | |
|--|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | Number of employees | % of total employees | Number of employees | % of total employees | Number of employees | % of total employees | Number of employees | % of total employees |
|  New Hires | 1,771 | 8.58% | 1,457 | 7.14% | 395 | 1.99% | 531 | 2.79% |
| By Age | | | | | | | | |
| • < 30 years | 1,315 | 74.25% | 1,071 | 73.51% | 227 | 57.47% | 188 | 35.40% |
| • 30 - 50 years | 455 | 25.69% | 382 | 26.22% | 167 | 42.28% | 338 | 63.65% |
| • > 50 years | 1 | 0.06% | 4 | 0.27% | 1 | 0.25% | 5 | 0.94% |
| By Gender | | | | | | | | |
| • Male | 471 | 26.60% | 412 | 28.28% | 150 | 37.97% | 229 | 43.13% |
| • Female | 1,300 | 73.40% | 1,045 | 71.72% | 245 | 62.03% | 302 | 56.87% |
| By Employee Level | | | | | | | | |
| • Top Management Level | 3 | 0.17% | 3 | 0.21% | 1 | 0.25% | 3 | 0.56% |
| • Middle Management Level | 27 | 1.52% | 23 | 1.58% | 19 | 4.81% | 34 | 6.40% |
| • Junior Management Level | 199 | 11.24% | 180 | 12.35% | 104 | 26.33% | 256 | 48.21% |
| • Junior Officer | 1,542 | 87.07% | 1,251 | 85.86% | 271 | 68.61% | 238 | 44.82% |
| By Workplace | | | | | | | | |
| • Head office and main buildings | 1,016 | 57.37% | 941 | 64.58% | 343 | 86.84% | 531 | 100.00% |
| • Elsewhere | 755 | 42.63% | 516 | 35.42% | 52 | 13.16% | 0 | 0.00% |
| By Country | | | | | | | | |
| • Thailand | 1,771 | 100.00% | 1,457 | 100.00% | 395 | 100.00% | 531 | 100.00% |
| • Elsewhere | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| By Nationality | | | | | | | | |
| • Thai | 1,753 | 98.98% | 1,456 | 99.93% | 380 | 96.20% | 525 | 98.87% |
| • Foreigner | 18 | 1.02% | 1 | 0.07% | 15 | 3.80% | 6 | 1.13% |
| People with disabilities | 1 | 0.06% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
|  Open positions filled by internal candidates | 162 | 89.00% | 87 | 81.31% | 99 | 84.62% | 89 | 78.76% |
| By Age | | | | | | | | |
| • < 30 years | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| • 30 - 50 years | 123 | 75.93% | 67 | 77.01% | 73 | 73.74% | 66 | 74.16% |
| • > 50 years | 39 | 24.07% | 20 | 22.99% | 26 | 26.26% | 323 | 25.84% |
| By Gender | | | | | | | | |
| • Male | 76 | 46.91% | 37 | 42.53% | 48 | 48.48% | 42 | 47.19% |
| • Female | 86 | 53.09% | 50 | 57.47% | 51 | 51.52% | 47 | 52.81% |



| Item | 2018 | | 2019 | | 2020 | | 2021 | |
|--|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | Number of employees | % of total employees | Number of employees | % of total employees | Number of employees | % of total employees | Number of employees | % of total employees |
| Average employee expense per FTE | | 10,990.79 | | 20,079.10 | | 61,155.36 | | 51,919.62 |
| Number of Turnover (including retirement, early retirement, death, not qualified, disclaim, contract termination and termination of all kinds) | 1,909 | 9.25% | 1,629 | 7.98% | 955 | 4.82% | 1,289 | 6.77% |
| By Gender | | | | | | | | |
| • Male | 578 | 30.28% | 577 | 35.42% | 405 | 42.41% | 510 | 39.57% |
| • Female | 1,331 | 69.72% | 1,052 | 64.58% | 550 | 57.59% | 779 | 60.43% |
| By Age | | | | | | | | |
| • < 30 years | N/A | N/A | N/A | N/A | N/A | N/A | 336 | 26.07% |
| • 30 - 50 years | N/A | N/A | N/A | N/A | N/A | N/A | 630 | 48.88% |
| • > 50 years | N/A | N/A | N/A | N/A | N/A | N/A | 323 | 25.06% |
| By Employee Level | | | | | | | | |
| • Top Management Level | 3 | 0.17% | 4 | 0.25% | 5 | 0.52% | 5 | 0.39% |
| • Middle Management Level | 51 | 2.67% | 50 | 3.07% | 52 | 5.45% | 60 | 4.65% |
| • Junior Management Level | 435 | 22.79% | 381 | 23.39% | 271 | 28.38% | 418 | 32.43% |
| • Junior Officer | 1,420 | 74.38% | 1,194 | 73.30% | 627 | 65.65% | 806 | 62.53% |
| By Nationality | | | | | | | | |
| • Thai | 1,889 | 99.48% | 1,623 | 99.63% | 941 | 98.53% | 1,282 | 99.46% |
| • Foreigner | 10 | 0.52% | 6 | 0.37% | 14 | 1.47% | 7 | 0.54% |
| Number of Turnover (including resignation, retirement and early retirement) | 1,806 | 8.75% | 1,498 | 7.34% | 880 | 4.44% | 1,221 | 6.42% |
| By Gender | | | | | | | | |
| • Male | 548 | 30.34% | 523 | 34.91% | 372 | 42.27% | 487 | 39.89% |
| • Female | 1,258 | 69.66% | 975 | 65.09% | 508 | 57.73% | 734 | 60.11% |
| By Age | | | | | | | | |
| • < 30 years | N/A | N/A | N/A | N/A | N/A | N/A | 334 | 27.35% |
| • 30 - 50 years | N/A | N/A | N/A | N/A | N/A | N/A | 575 | 47.09% |
| • > 50 years | N/A | N/A | N/A | N/A | N/A | N/A | 312 | 25.55% |



| Item | 2018 | | 2019 | | 2020 | | 2021 | |
|--|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | 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 | 3 | 0.17% | 4 | 0.27% | 4 | 0.45% | 5 | 0.41% |
| • Middle Management Level | 49 | 2.71% | 47 | 3.4% | 51 | 5.80% | 59 | 4.83% |
| • Junior Management Level | 412 | 22.81% | 349 | 23.30% | 254 | 28.86% | 414 | 33.91% |
| • Junior Officer | 1,342 | 74.31% | 1,098 | 73.30% | 571 | 64.89% | 743 | 60.85% |
| By Nationality | | | | | | | | |
| • Thai | 1,797 | 99.50% | 1,493 | 99.67% | 879 | 99.89% | 1,215 | 99.51% |
| • Foreigner | 9 | 0.5% | 5 | 0.33% | 1 | 0.11% | 6 | 0.49% |
|  Number of employees who are labor union members | 8,433 | 40.85% | 8,497 | 41.64% | 8,753 | 44.16% | 8,055 | 42.33% |
|  Number of employees under supervision of the Welfare and Labor Union Committee | 20,646 | 100.00% | 20,407 | 100.00% | 19,819 | 100.00% | 19,029 | 100.00% |
|  Ratio of Salary and Basic Remuneration of Male and Female Employees | | | | | | | | |
| Head Office | | | | | | | | |
| • Top Management (Executive) | 1 : 0.78 | | 1 : 0.76 | | 1 : 0.86 | | 1 : 0.86 | |
| • Middle Management | 1 : 1.04 | | 1 : 1.04 | | 1 : 1.05 | | 1 : 1.04 | |
| • Operating and Staff Level | 1 : 0.77 | | 1 : 0.77 | | 1 : 0.77 | | 1 : 0.77 | |
| Elsewhere | | | | | | | | |
| • Top Management (Executive) | - | | - | | - | | - | |
| • Middle Management | No Female | | No Female | | No Female | | No Female | |
| • Operating and Staff Level | 1 : 0.69 | | 1 : 0.70 | | 1 : 0.68 | | 1 : 0.71 | |



| Item | 2018 | | 2019 | | 2020 | | 2021 | |
|--|--------|--------|--------|--------|--------|--------|---------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female |
| • Number of employees having the right of maternity/parental leave | 20,646 | | 20,407 | | 19,819 | | 19,029 | |
| | 6,452 | 14,194 | 6,262 | 14,145 | 5,999 | 13,820 | 5,703 | 13,326 |
| • Number of employees using the right of maternity/parental leave (classified by gender) | 893 | | 945 | | 863 | | 830 | |
| | 53 | 840 | 65 | 880 | 68 | 795 | 45 | 785 |
| • Number of employees returning to work after maternity/parental leave (classified by gender) | 849 | | 903 | | 835 | | 803 | |
| | 49 | 800 | 61 | 842 | 66 | 769 | 45 | 758 |
| • Percentage of employees returning to work and remaining at work after maternity/parental leave | 95.07% | | 95.56% | | 96.76% | | 96.75% | |
| | 92.45% | 95.24% | 93.85% | 95.68% | 97.06% | 96.73% | 100.00% | 96.56% |

| Item | 2018 | 2019 | 2020 | 2021 |
|--|---------|------|------|------|
| Employee Engagement* | | | | |
| • Engagement Score* | 68% | 75% | 75% | 77% |
| • Information Coverage (%) | 100% | 100% | 100% | 100% |
| • Percentage of actively engaged employees | 100% | 100% | 100% | 100% |
| By Gender | | | | |
| • Male | 69% | 75% | 75% | 75% |
| • Female | 67% | 75% | 75% | 79% |
| By Employee Level | | | | |
| • Top Management Level (Highest) | 75% | 67% | 67% | 76% |
| • Top Management Level (Executive) | N/A | 77% | 77% | 75% |
| • Middle Management Level | N/A | 76% | 76% | 79% |
| • Operating and Staff Level | N/A | 75% | 75% | 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 | 8 | 7 | 2 | 0 |
| • Number of resolved complaints | 8 | 7 | 2 | 0 |
| • Number of pending complaints | 0 | 0 | 0 | 0 |

* The Engagement Score assessment is conducted every 2 years



Training

| Item | Hours per year per person | | | |
|---|---------------------------|---------|---------|---------|
| | 2018 | 2019 | 2020 | 2021 |
| Total training hours | 881,469 | 928,507 | 847,516 | 712,474 |
| Average training hours | 42.2 | 45.5 | 42.8 | 37.4 |
| By Employee Level | | | | |
| • Management level (First Vice President and higher) | 67.6 | 95.4 | 42.6 | 30.0 |
| • Operating and staff level (below First Vice President) | 41.8 | 44.6 | 42.8 | 37.6 |
| By Gender | | | | |
| • Male | 41.0 | 45.7 | 40.2 | 31.9 |
| • Female | 42.8 | 45.4 | 43.9 | 39.8 |

| Item | Percentage of total employees | | | |
|---|-------------------------------|-------|-------|-------|
| | 2018 | 2019 | 2020 | 2021 |
| Employee Performance Evaluation | | | | |
| Percentage of evaluated employees | 100% | 100% | 100% | 100% |
| By Employee Level | | | | |
| • Top Management | 100% | 100% | 100% | 100% |
| • Middle Management | 100% | 100% | 100% | 100% |
| • Operating and staff level | 100% | 100% | 100% | 100% |
| By Gender | | | | |
| • Male | 100% | 100% | 100% | 100% |
| • Female | 100% | 100% | 100% | 100% |
| Training Expenses (Baht) | | | | |
| Staff Productivity (Revenue/Personnel Expense) | 5.75% | 5.66% | 5.78% | 5.67% |
| Human Capital Return on Investment | 4.15% | 4.08% | 4.15% | 4.21% |



Occupational Health and Safety

| Item | Unit | 2018 | | 2019 | | 2020 | | 2021 | |
|---|---|--------|---------|----------|---------|--------|----------|--------|---------|
| | | Male | Female | Male | Female | Male | Female | Male | Female |
| Injury Rate (IR) | Number of employees per 200,000 operating hours | 0.00 | | 0.01 | | 0.00 | | 0.00 | |
| | | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 |
| Lost Time Injury Rate (LTIR) | Number of employees per 200,000 operating hours | 0.00 | | 0.01 | | 0.00 | | 0.00 | |
| | | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 |
| Lost Day Injury Rate (LDIR) | Number of lost days per 200,000 operating hours | 0.00 | | 0.01 | | 0.00 | | 0.00 | |
| | | 0.00 | 0.00 | 0.00 | 0.01 | 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) | Percentage | 0.78 | | 0.83 | | 0.69 | | 0.67 | |
| | | 0.75 | 0.79 | 0.81 | 0.83 | 0.64 | 0.71 | 0.62 | 0.70 |
| Number of Fatalities | Person | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sick Leave | | | | | | | | | |
| Number of sick leave days | Day | 11,902 | 27,495 | 12,325.5 | 28,805 | 9,327 | 23,779.5 | 8,478 | 22,367 |
| By Workplace | | | | | | | | | |
| • Head office and main buildings | Day | 27,180 | | 30,021 | | 23,653 | | 19,232 | |
| • Elsewhere | Day | 12,217 | | 11,110 | | 9,454 | | 11,613 | |
| Number of time lost due to non-work related illness | (Day x 8 hours) | 95,212 | 219,960 | 98,604 | 230,440 | 74,616 | 190,236 | 67,820 | 178,932 |

Note:

The number of cases of recordable work-related ill health was recorded from opinions of the Social Security Office. In 2021, the number of employees who received the Social Security Office opinion that they had work-related ill health was 0.



Environmental Performance

Assessment Parameter

| | |
|-----------------------------|---|
| Baseline year | 2020 |
| Consolidation approach | Operation controls |
| Boundary summary | All entities and facilities either owned or under operation control |
| Emission factor data source | IPCC 2006, DEDE 2010 and TGO update Jan 2017 |
| Materiality threshold | 10% |
| Intensity ratio | per FTE |
| Independent assurance | YES |

| Parameter | Performance 2018 | Performance 2019 | Performance 2020 (Baseline Year) | Performance 2021 | Target 2021 | % Change 2020 VS 2021 (% 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 emissions* (Tonnes CO ₂ e) | 21,160.73 | 21,145.20 | 18,727.05 | 15,833.59 | -3.00% | -15.45% | | -15.45% |
| Total Scope 2** emissions (Tonnes CO ₂ e) | 86,614.58 | 82,851.75 | 79,058.67 | 74,339.32 | -1.20% | -5.97% | | -5.97% |
| Total Scopes 1&2 emissions (Tonnes CO ₂ e) | 107,775.31 | 103,996.95 | 97,785.73 | 90,172.91 | -4.20% | -7.79% | -42% | -7.79% |
| Total Scopes 1&2 emissions intensity (Tonnes CO ₂ e per FTE) | 3.58 | 3.05 | 2.96 | 2.84 | | -4.05% | | -4.05% |
| Full Time Employee (FTE) | 30,121 | 34,072 | 33,034 | 31,706 | | | | |

* In 2021, GHG Emission (Scope 1) specifically for the leakage of refrigerant and fire extinguishing substances in only major buildings of KBank.

** In 2021, GHG Emission (Scope 2) excluding GHG emission from electricity consumption of ATM outside branches as the amount of electricity consumption was not recorded from ATM's space lessors.



| Parameter | Performance 2018 | Performance 2019 | Performance 2020 | Performance 2021 | Target 2021 | % Change 2020 VS 2021 (% change YoY) |
|---|------------------|------------------|------------------|------------------|-------------|--------------------------------------|
| Energy | | | | | | |
| Total energy consumption within organization from renewable and non-renewable sources (MWh) | 237,486.19 | 228,646.07 | 213,091.98 | 186,564.29 | -4.2% | -12.45% |
| - Total fuel consumption within the organization from non-renewable sources (MWh) | 226,827.43 | 221,435.77 | 203,592.31 | 178,397.24 | | -12.38% |
| - Total fuel consumption within the organization from renewable sources (MWh) | 10,658.76 | 7,210.30 | 9,499.68 | 8,167.06 | | -14.03% |
| Total energy consumption intensity from renewable and non-renewable sources (MWh per FTE) | 7.88 | 6.71 | 6.45 | 5.88 | | -8.84% |
| Total energy consumption within organization from renewable and non-renewable sources (GJ) | 854,950.28 | 823,125.84 | 767,131.14 | 671,631.46 | -4.2% | -12.45% |
| - Total energy consumption within the organization from non-renewable sources (GJ) | 816,578.74 | 797,168.76 | 732,932.31 | 642,230.06 | | -12.38% |
| - Total energy consumption within the organization from renewable sources (GJ) | 38,371.54 | 25,957.08 | 34,198.83 | 29,401.40 | | -14.03% |
| Total energy consumption intensity from renewable and non-renewable sources (GJ per FTE) | 28.38 | 24.16 | 23.22 | 21.18 | | -8.79% |
| Water and Effluents | | | | | | |
| Total water withdrawal (million m ³) | 0.83 | 0.87 | 0.78 | 0.62 | -15% | -20.51% |
| - In all area | | | | | | |
| Third-party water (Total) (≤ 1,000 mg/L Total Dissolved Solids) | | | 0.78 | 0.62 | | |
| - In areas with water stress | | | | | | |
| Third-party water (Total) (million m ³) | | | 0.07 | 0.07 | | |
| Water withdrawal intensity (m ³ per FTE) | 27.45 | 25.59 | 23.67 | 19.41 | | |
| Total CO ₂ emission from water withdrawal (Tonnes CO ₂ e) | 559.16 | 588.44 | 534.56 | 403.14 | | -24.58% |
| Total CO ₂ emission from water withdrawal per FTE (Tonnes CO ₂ e per FTE) | 0.02 (0.0186) | 0.02 (0.0173) | 0.02 (0.0161) | 0.01 (0.0127) | | -21.12% |
| Total water discharge to surface water (m ³) | | | 511,935.07 | 332,963.32 | | |
| - Volume (m ³) (≤ 1,000 mg/L Total Dissolved Solids) | | | 511,935.07 | 332,963.32 | | |
| - Volume (m ³) (≥ 1,000 mg/L Total Dissolved Solids) | | | | | | |
| Total water consumption (m ³) | | | 269,891.66 | 282,586.73 | | |



| Parameter | Performance 2018 | Performance 2019 | Performance 2020 | Performance 2021 | Target 2021 | % Change 2020 VS 2021 (% change YoY) |
|--|------------------|------------------|------------------|------------------|-------------|--------------------------------------|
| Waste | | | | | | |
| Total Waste generate (Metric Tonnes) | 7,599.67 | 7,050.80 | 5,851.33 | 5,494.62 | | -6.10% |
| - Disposal method of hazardous waste (Metric Tonnes) | | 720.90 | 581.35 | 1,659.14 | | 185.39%* |
| - Disposal method of non-hazardous waste (Metric Tonnes) | 7,599.25 | 6,329.89 | 5,269.98 | 3,835.47 | | -27.22% |
| Total waste used / recycled / sold / others (Metric Tonnes) | | | | | | |
| - Hazardous waste (Metric Tonnes) | | | | | | |
| - Preparation for reuse | | 0.30 | 1.31 | 12.09 | | 822.90% |
| - Recycling | | 713.12 | 577.46 | 1,646.70 | | 185.16% |
| - Non-hazardous waste (Metric Tonnes) | | | | | | |
| - Recycling | | 1,111.29 | 1,377.24 | 1,288.80 | | -6.42% |
| Total waste disposed (Metric Tonnes) | | | | | | |
| - Hazardous waste (Metric Tonnes) | | | | | | |
| - Landfilling | | 7.48 | 2.59 | 0.35 | -10% | -86.49% |
| - Non-hazardous waste (Metric Tonnes) | | | | | | |
| - Landfilling | 6,575.36 | 5,218.60 | 3,892.74 | 2,546.68 | -10% | -34.58% |
| Waste generated intensity (kg per FTE) | 252.30 | 206.94 | 177.13 | 173.30 | | -2.16% |
| Travel | | | | | | |
| Total business travel from road (km) | 3,668,803.42 | 4,386,303.89 | 4,807,722.26 | 3,913,549.75 | | -18.60% |
| Total CO ₂ e emission from road travel (Tonnes CO ₂ e) | 593.35 | 686.61 | 752.58 | 612.61 | | -18.60% |
| Total CO ₂ e emission from road travel per FTE (Tonnes CO ₂ e per FTE) | 0.02 (0.0197) | 0.02 (0.0202) | 0.02 (0.0228) | 0.012 (0.0194) | | |
| Full Time Employee (FTE) | 30,121 | 34,072 | 33,034 | 31,706 | | |

* An increase in quantity of hazardous waste was due to cancellation of using Automatic Teller Machine (ATM), Cash Deposit Machine (CDM), and Recycle Cash Machine (RCM).



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 2021 was published in March 2022. As for the 2021 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 2021 Annual Report (Form 56-1 One Report)

- **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 190.

Report Boundaries

The report boundaries cover KBank's performance during January 1-December 31, 2021. This report has been prepared in accordance with the GRI Standards: Core option. Furthermore, the boundaries cover guidelines for practices under the United Nations Global Compact (UNGC): Active Level voluntarily, as shown on page 208 - 211.

External Assurance for the Report

The economic aspect information boundaries in this report was compiled from the accounting recording system, as utilized in our 2021 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 (GRI302-1), water withdrawal (GRI303-3), water discharge (GRI303-4), 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 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 191 - 197.

The sustainable development performance disclosed in this report is under the responsibility of KBank and our executives, taking into consideration that the information is relevant and valuable to all stakeholders.



Quality Control of Report

The Sustainable Development Unit of the Office of the Corporate Secretary 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 Corporate Governance Committee.

All inquiries regarding this report should be addressed to:

Sustainable Development Unit
Office of Corporate Secretary, Corporate Secretariat Division
KASIKORNBANK PUBLIC COMPANY LIMITED
1 Soi Rat Burana 27/1, Rat Burana Road
Rat Burana Sub-District, Rat Burana District
Bangkok 10140, Thailand
Tel. 02-4702984

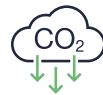
Environmental Aspect Information

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.



Greenhouse gases

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

1. Report Boundaries

- 1.1 Direct emissions (Scope 1) occur through operating processes and activities under KBank's monitoring, control and management, including fuel or natural gas combustion and the leakage of methane gas from septic tank and refrigerant leaks only.
- 1.2 Indirect emissions (Scope 2) occur mainly from the amount of electricity bought from external sources for KBank's operations, including power purchased from Metropolitan Electricity Authority and Provincial Electricity Authority only, excluding GHG emission from electricity consumption of ATM outside branches as the amount of electricity consumption was not recorded from ATM's space lessors.
- 1.3 Other indirect emissions (Scope 3) occur from KBank business travels by land transport and water consumption 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 GHG 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 and GHG emission factor
- 2.3 The calculation of GHG emissions incurred indirectly through other means (Scope 3) is based on KBank business travels by land transport and acquisition of tap water x GHG emission factor

3. Greenhouse Gas Emission (GHG)

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

Based on the reference rates of Intergovernmental Panel on Climate Change 2006 (IPCC) and Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) as well as fuel heat rate of Department of Alternative Energy Department and Efficiency

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), Third Revision, October 3, 2016
- 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)

6. Assumption of GHG

Business travels 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.



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.



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 contract employees.

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 Operating Level employees)) |
| 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 |
| $\frac{\text{= Number of Lost Time Injuries (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$ |
| Lost Day Injury Rate: LDIR |
| $\frac{\text{= Number of Lost Day Injuries (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$ |
| 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. KASIKORN 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. PROGRESS PLUS CO., LTD. | | | | ● | ● | ● | ● |
| 8. PROGRESS APPRAISAL CO., LTD. | | | | ● | ● | ● | ● |
| 9. PROGRESS GUNPAI CO., LTD. | | | | ● | ● | ● | ● |
| 10. PROGRESS MANAGEMENT CO., LTD. | | | | ● | ● | ● | ● |
| 11. PROGRESS FACILITIES MANAGEMENT CO., LTD. | | | | ● | ● | ● | ● |
| 12. PROGRESS SERVICE CO., LTD. | | | | ● | ● | ● | ● |
| 13. PROGRESS STORAGE CO., LTD. | | | | ● | ● | ● | ● |
| 14. PROGRESS H R CO., LTD. | | | | ● | ● | ● | ● |
| 15. PROGRESS SERVICE SUPPORT CO., LTD. | | | | ● | ● | ● | ● |
| 16. PROGRESS COLLECTION CO., LTD. | | | | ● | ● | ● | ● |
| 17. PROGRESS TRAINING CO., LTD. | | | | ● | ● | ● | ● |
| 18. PROGRESS MULTI INSURANCE BROKER CO., LTD. | | | | ● | ● | ● | ● |
| 19. KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD. | | | | ● | ● | ● | ● |
| 20. KASIKORN LABS CO., LTD. | | | | ● | ● | ● | ● |
| 21. KASIKORN SOFT CO., LTD. | | | | ● | ● | ● | ● |
| 22. KASIKORN INFRA CO., LTD. (Former name: KASAKORN PRO CO., LTD.) | | | | ● | ● | ● | ● |
| 23. KASIKORN SERVE CO., LTD. (Former name: PROGRESS SOFTWARE CO., LTD.) | | | | ● | ● | ● | ● |
| 24. KASIKORN X CO., LTD. | | | | ● | ● | ● | ● |

Note:

Economic aspect information covers the performance of KBank, subsidiaries, associated and related companies in consistence with our Annual Report 2021 (Form 56-1 One Report).



GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

For the SDG Mapping Service, GRI Services reviewed that the disclosures included in the content index are appropriately mapped against the SDGs.

The Materiality Disclosures Service, the Content Index Service and the SDG Mapping Service were performed on the English version of the report.

| GRI STANDARD | DISCLOSURE | PAGE NUMBER (s) and / or URL (s) | | OMISSION | EXTERNAL VERIFICATION | RELATION TO SDGS |
|-----------------------------------|---|-------------------------------------|---------------------------|----------|--------------------------|---------------------|
| | | ANNUAL REPORT | SUSTAINABILITY REPORT | | | |
| GRI 101: Foundation 2016 | Reporting principles | | 30 - 41 | | | |
| | Using the GRI Standards for sustainability reporting | | 186 | | | |
| | Making claims related to the use of the GRI Standards | | 191 - 197 | | | |
| General Disclosures | | | | | | |
| GRI 102: General disclosures 2016 | Organizational profile | | | | | |
| | 102-1 Name of the organization | | 10 | | | |
| | 102-2 Activities, brands, products, and services | | 10 - 11 | | | |
| | 102-3 Location of headquarters | | 51 | | | |
| | 102-4 Location of operations | | 10, 14 - 15 | | | |
| | 102-5 Ownership and legal form | | 10 | | | |
| | 102-6 Markets served | | 10, 13 - 15 | | | |
| | 102-7 Scale of the organization | | 10, 174 | | | |
| | 102-8 Information on employees and other workers | | 175 - 176 | | | SDG 8 |
| | 102-9 Supply chain | | 92 - 95 | | | |
| | 102-10 Significant changes to the organization and its supply chain | | 12 - 14, 71 | | | |
| | 102-11 Precautionary principle or approach | | 140 - 156, 198 - 207 | | | |
| | 102-12 External Initiatives | | 18, 27, 142, 198 - 211 | | | |
| 102-13 Membership of associations | | 41 | | | | |



| GRI STANDARD | DISCLOSURE | PAGE NUMBER (s) and / or URL (s) | | OMISSION | EXTERNAL VERIFICATION | RELATION TO SDGS |
|--------------|--|-------------------------------------|---------------------------------|----------|--------------------------|---------------------|
| | | ANNUAL REPORT | SUSTAINABILITY REPORT | | | |
| | Strategy | | | | | |
| | 102-14 Statement from senior decision-maker | | 7, 9 | | | |
| | 102-15 Key impacts, risks and opportunities | 50 - 61 | 7, 9, 145 - 147 | | | |
| | Ethics and integrity | | | | | |
| | 102-16 Values, principles, standards, and norms of behavior | 94 - 95 | 46 | | | SDG 16 |
| | Governance | | | | | |
| | 102-18 Governance Structure | 96 - 97 | 26, 45, 52 - 53, 74, 143 | | | |
| | 102-19 Delegating authority | 47 | 26, 45, 52 - 53, 74, 85, 143 | | | |
| | 102-20 Executive-level responsibility for economic, environmental, and social topics | 105 | 9, 26, 143 - 144, 205 | | | |
| | 102-22 Composition of the highest governance body and its committees | 103, 105 - 109 | | | | |
| | 102-23 Chair of the highest governance body | 103 | | | | |
| | 102-24 Nominating and selecting the highest governance body | 114 - 117 | | | | |
| | 102-26 Role of highest governance body in setting purpose, values, and strategy | 108 | 12, 18, 26 - 27, 207 | | | |
| | 102-29 Identifying and managing economic, environment, and social impacts | 108 | 74 - 75, 143 - 144 | | | |
| | 102-30 Effectiveness of risk management processes | | 52 - 54, 74 - 75, 77, 143 - 144 | | | |
| | 102-31 Review of economic, environmental, and social topics | 65, 107 | 78, 144, 206 | | | |
| | 102-32 Highest governance body's role in sustainability reporting | | 30, 187 | | | |
| | Stakeholder engagement | | | | | |
| | 102-40 List of stakeholder groups | | 36 - 41 | | | |
| | 102-41 Collective bargaining agreements | | 179 | | | SDG 8 |
| | 102-42 Identifying and selecting stakeholders | | 31, 36 - 41 | | | |
| | 102-43 Approach to stakeholder engagement | | 36 - 41 | | | |
| | 102-44 Key topics and concerns raised | | 36 - 41 | | | |



| GRI STANDARD | DISCLOSURE | PAGE NUMBER (s) and / or URL (s) | | OMISSION | EXTERNAL VERIFICATION | RELATION TO SDGS |
|---|---|-------------------------------------|-----------------------------------|----------|--------------------------|---------------------|
| | | ANNUAL REPORT | SUSTAINABILITY REPORT | | | |
| Reporting Practice | | | | | | |
| | 102-45 Entities included in the consolidated financial statements | | 30, 190 | | | |
| | 102-46 Defining report content and topic boundaries | | 30 - 31 | | | |
| | 102-47 List of material topics | | 31 - 35 | | | |
| | 102-48 Restatements of information | | No significant change observed | | | |
| | 102-49 Changes in reporting | | 31 | | | |
| | 102-50 Reporting period | | 186 | | | |
| | 102-51 Date of most recent report | | 186 | | | |
| | 102-52 Reporting cycle | | 186 | | | |
| | 102-53 Contact point for questions regarding the report | | 187 | | | |
| | 102-54 Claims of reporting in accordance with the GRI Standards | | 186 | | | |
| | 102-55 GRI content index | | 191 - 197 | | | |
| | 102-56 External assurance | | 214 - 215 | | | |
| Material topics | | | | | | |
| Economic performance | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 12 - 13, 58 | | | |
| | 103-2 The management approach and its components | | 12 - 13, 58 - 59 | | | |
| | 103-3 Evaluation of the management approach | | 15, 20, 60 - 70, 72 | | | |
| GRI 201: Economic performance 2016 | 201-1 Direct economic value generated and distributed | | 130, 174 | | | SDG 8, SDG 9 |
| Indirect economic impacts | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 98, 128 | | | |
| | 103-2 The management approach and its components | | 22 - 23, 99 - 104, 128 - 129 | | | |
| | 103-3 Evaluation of the management approach | | 22 - 23, 99 - 104, 130, 134 - 135 | | | |
| GRI 203: Indirect economic impacts 2016 | 203-2 Significant indirect economic impacts | | 99 - 104, 134 - 135 | | | SDG 1, SDG 3, SDG 8 |



| GRI STANDARD | DISCLOSURE | PAGE NUMBER (s) and / or URL (s) | | OMISSION | EXTERNAL VERIFICATION | RELATION TO SDGS |
|-----------------------------------|--|-------------------------------------|--------------------------|----------|--------------------------|---------------------|
| | | ANNUAL REPORT | SUSTAINABILITY REPORT | | | |
| Anti-corruption | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 46 | | | |
| | 103-2 The management approach and its components | | 20, 46 - 50 | | | |
| | 103-3 Evaluation of the management approach | | 20, 47 | | | |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | | 47 | | | SDG 16 |
| Energy | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 166 | | | |
| | 103-2 The management approach and its components | | 166 - 170 | | | |
| | 103-3 Evaluation of the management approach | | 170, 173 | | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | | 173, 183 - 184, 187 | | YES | SDG 8, SDG 13 |
| | 302-3 Energy intensity | | 173, 183 - 184 | | | SDG 8, SDG 13 |
| | 302-4 Reduction of energy consumption | | 183 - 184 | | | SDG 8, SDG 13 |
| Water | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 166 | | | |
| | 103-2 The management approach and its components | | 166, 168, 170 - 171 | | | |
| | 103-3 Evaluation of the management approach | | 171, 173 | | | |
| GRI 303: Water and effluents 2018 | 303-1 Interactions with water as a shared resource | | 171, 183, 188 | | | |
| | 303-2 Management of water discharge-related impacts | | 171 | | | |
| | 303-3 Water withdrawal | | 184 | | YES | |
| | 303-4 Water discharge | | 184 | | YES | |
| | 303-5 Water consumption | | 184 | | YES | |
| Emissions | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 166 | | | |
| | 103-2 The management approach and its components | | 24, 155, 166 - 172 | | | |
| | 103-3 Evaluation of the management approach | | 24, 155, 170, 173 | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | | 183, 187 - 188 | | YES | SDG 3, SDG 13 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | | 183, 187 - 188 | | YES | SDG 3, SDG 13 |
| | 305-3 Other indirect (Scope 3) GHG emissions | | 183, 185, 187 - 188 | | YES | SDG 3, SDG 13 |
| | 305-4 GHG emissions intensity | | 183, 185 | | | SDG 13 |



| GRI STANDARD | DISCLOSURE | PAGE NUMBER (s) and / or URL (s) | | OMISSION | EXTERNAL VERIFICATION | RELATION TO SDGS |
|---|--|-------------------------------------|-----------------------------|----------|--------------------------|---------------------|
| | | ANNUAL REPORT | SUSTAINABILITY REPORT | | | |
| Waste | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 166 | | | |
| | 103-2 The management approach and its components | | 166, 168, 170 - 171 | | | |
| | 103-3 Evaluation of the management approach | | 171, 173 | | | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | | 171, 188 | | | |
| | 306-2 Management of significant waste-related impacts | | 171, 188 | | | |
| | 306-3 Waste generated | | 173, 183, 185, 188 | | YES | |
| | 306-4 Waste diverted from disposal | | 185, 188 | | YES | |
| | 306-5 Waste directed to disposal | | 185, 188 | | YES | |
| Environmental assessment to suppliers | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 92 | | | |
| | 103-2 The management approach and its components | | 21, 92 - 95 | | | |
| | 103-3 Evaluation of the management approach | | 21, 92, 94 | | | |
| GRI 308: Supplier environmental assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | | 92 - 93 | | | |
| Employment | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 108, 117 | | | |
| | 103-2 The management approach and its components | | 22 - 23, 108 - 119 | | | |
| | 103-3 Evaluation of the management approach | | 22 - 23, 111, 114 - 116 | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | | 177 - 179 | | | SDG 5, SDG 8 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | | 118 - 119 | | | SDG 8 |
| | 401-3 Parental leave | | 180 | | | SDG 5, SDG 8 |
| Labor/Management relations | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 108, 117 | | | |
| | 103-2 The management approach and its components | | 22 - 23, 108 - 123 | | | |
| | 103-3 Evaluation of the management approach | | 22 - 23, 111, 114, 116, 119 | | | |
| GRI 402: Labor/Management relations 2016 | 402-1 Minimum notice periods regarding operational changes | | 180 | | | SDG 8 |



| GRI STANDARD | DISCLOSURE | PAGE NUMBER (s) and / or URL (s) | | OMISSION | EXTERNAL VERIFICATION | RELATION TO SDGS |
|---|---|-------------------------------------|----------------------------------|----------|--------------------------|----------------------|
| | | ANNUAL REPORT | SUSTAINABILITY REPORT | | | |
| Occupational health and safety | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 108, 120 | | | |
| | 103-2 The management approach and its components | | 23, 54, 120 - 123 | | | |
| | 103-3 Evaluation of the management approach | | 23, 120 - 121 | | | |
| GRI 403: Occupational health and safety 2018 | 403-1 Occupational health and safety management system | | 120 - 123 | | | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | | 55, 94 - 95 | | | |
| | 403-3 Occupational health services | | 120 | | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | | 55, 120 | | | |
| | 403-5 Worker training on occupational health and safety | | 120 - 121 | | | |
| | 403-6 Promotion of worker health | | 120 - 121 | | | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | | 56, 66 - 67, 100, 103, 122 - 123 | | | |
| | 403-10 Work-related ill health (Employee only) | | 182 | | | SDG 3, SDG 8 |
| Training and education | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 108 | | | |
| | 103-2 The management approach and its components | | 23, 108 - 115 | | | |
| | 103-3 Evaluation of the management approach | | 23, 115 | | | |
| GRI 404: Training and education 2016 | 404-1 Average hours of training per year per employee | | 115, 181 | | | SDG 4, SDG 5, SDG 8 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | | 181 | | | SDG 5, SDG 8 |
| Diversity and equal opportunity | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 108, 117 | | | |
| | 103-2 The management approach and its components | | 22, 117 - 119 | | | |
| | 103-3 Evaluation of the management approach | | 22, 118 | | | |
| GRI 405: Diversity and equal opportunity 2016 | 405-1 Diversity of governance bodies and employees | | 175 - 176 | | | SDG 5, SDG 8 |
| | 405-2 Ratio of basic salary and remuneration of women to men | | 179 | | | SDG 5, SDG 8, SDG 10 |
| Human rights assessment | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 124 | | | |
| | 103-2 The management approach and its components | | 21, 23, 124 - 127 | | | |
| | 103-3 Evaluation of the management approach | | 21, 23, 124 - 127 | | | |
| GRI 412: Human rights assessment 2016 | 412-1 Operations that have been subject to human rights reviews or impact assessments | | 125 - 127 | | | |



| GRI STANDARD | DISCLOSURE | PAGE NUMBER (s) and / or URL (s) | | OMISSION | EXTERNAL VERIFICATION | RELATION TO SDGS |
|--|---|-------------------------------------|-----------------------------|----------|--------------------------|-----------------------------|
| | | ANNUAL REPORT | SUSTAINABILITY REPORT | | | |
| Supplier social assessment | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 92 | | | |
| | 103-2 The management approach and its components | | 21, 92 - 95 | | | |
| | 103-3 Evaluation of the management approach | | 21, 92, 94 | | | |
| GRI 414: Supplier social assessment 2016 | 414-1 New suppliers that were screened using social criteria | | 92 - 93 | | | |
| | 414-2 Negative social impacts in the supply chain and actions taken | | 94 | | | |
| Customer privacy | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 84 | | | |
| | 103-2 The management approach and its components | | 21, 84 - 91 | | | |
| | 103-3 Evaluation of the management approach | | 21, 88 | | | |
| GRI 418: Customer privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | | 88 | | | SDG 16 |
| Specific standard disclosures for the financial services sector | | | | | | |
| Product portfolio | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 98 | | | |
| | 103-2 The management approach and its components | | 22, 25, 99 - 104, 156 | | | |
| | 103-3 Evaluation of the management approach | | 22, 25, 99 - 104, 156 - 165 | | | |
| FS 7 | Monetary value of products and services designed to deliver a specific social business for each business line broken down by purpose | | 100 | | YES | SDG 1, SDG 8, SDG 9, SDG 10 |
| FS 8 | Monetary value of products and services designed to deliver a specific environmental business for each business line broken down by purpose | | 157 - 164 | | | |
| Local communities | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 98 | | | |
| | 103-2 The management approach and its components | | 99 - 104 | | | |
| | 103-3 Evaluation of the management approach | | 99 - 104 | | | |
| FS 13 | Access points in low-populated or economically disadvantaged areas by types | | 104 | | | SDG 1, SDG 8, SDG 10 |
| FS 14 | Initiatives to improve access to financial services for disadvantaged people | | 99 - 104 | | | SDG 1, SDG 8, SDG 10 |
| Financial Literacy (Former FS 16) | | | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundaries | | 98 | | | |
| | 103-2 The management approach and its components | | 22, 105 - 107 | | | |
| | 103-3 Evaluation of the management approach | | 22, 105 - 107 | | | |
| FS 16 | Initiatives to enhance financial literacy by type of beneficiary (former FS 16) | | 105 - 107 | | | |



Reporting under the UN Principles for Responsible Banking

Reporting and Self-Assessment Requirements

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Relevant Information

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.

1.1 *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, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.

Established on June 8, 1945, KBank has been in business for over 70 years, conducting commercial banking business, securities business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related notifications. KBank Head Office is located in Bangkok with 43 subsidiaries, a service network of 839 domestic branches across Thailand and 17 overseas offices in 8 countries, as of December 2021. The Bank serves personal and corporate customers through our customer segments: Corporate Business, SME Business, and Retail Business.

See details in Information of KASIKORNBANK chapter on p. 10 - 11.

Our financial network provides service solutions in response to all financial requirements of customers, 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 excellent experience for our customers.

1.2 *Describe* how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

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.

See details in Sustainable Development of KASIKORNBANK chapter on p. 18 - 19.

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 announced 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.



Reporting and Self-Assessment Requirements

High-level Summary of Bank's Response

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Principle 2: Impact and Target Setting

We will work to 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:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- Scope:** The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1, have been considered in the scope of the analysis.
- Scale of Exposure:** In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts/ reduction of negative impacts

KBank is undertaking an impact analysis of lending to different businesses at the portfolio level using the Portfolio Impact Analysis Tool of the UNEP FI to assess current and possible positive and negative impacts, risks and opportunities of such lending to the impact areas on environment, society and economy in our main country of operation Thailand.

The analysis tool considers KBank's current business operations and Thailand's environmental, social and resource factors. The holistic impact analysis method is consisted of scoping, understanding Thailand context, impact analysis and profiles.

The analysis proceeds with the identification of the most prioritized and concerning impact areas for Thailand. From the profiles resulting from the assessment, a number of impact areas were identified. The Bank determines climate and resource efficiency as our most significant impact areas because of the high-country need scores which shown the challenges in Thailand and the loan proportion of the key sectors that contribute to the impact areas.

In accordance with our portfolio analysis and assessment, KBank has emphasized the issues with impacts, as follows:

- Climate:** Focus is placed on the power plant industry, which is one of the key sectors that has negative impacts on climate conditions, due to massive greenhouse gas emissions. In our credit portfolio, this industry employs a variety of production technologies, for example, natural gas, hydropower generation, coal-fired generation, solar energy, and other technologies. As the original coal-fired power generation releases more greenhouse gas than other technologies, KBank has planned to revise our portfolio in line with the country's goal, referring to reduction of greenhouse gases, to minimize financing for this type of project and shift to renewable energy or alternative energy projects in order to minimize negative impacts of greenhouse gas emissions.
- Resources and efficiency:** Focus is 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 LEED and TREES, which certify efficiency of resource and energy consumption, and environmentally friendly building designs and material selection, as well as proper water resource management.

See details in Taskforce on Climate-related Financial Disclosure chapter on p. 152 - 154

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We have undertaken our impact analysis to identify most significant impact areas resulting from our lending activities, assess and prioritize and set targets relevant to the impact areas to increase positive impacts and reduce negative impacts. Our corporate lending is the first segment we assessed because of its significant impacts. The next step is planning the implementation, engaging with customers, monitoring, and reporting.



| Reporting and Self-Assessment Requirements | High-level Summary of Bank's Response | Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information |
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2.2 Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.

Show that these 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. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

KBank set the targets in two most significant impact areas to reduce negative and increase positive impacts as follows:

1. **Impact Area: Climate**
 - Stop financing project of new coal-fired power generation unless there is a strategy to add or change to other low-carbon energy sources
 - Completely discharge existing loans on coal-fired power plant by 2030
 - Allocating at least Baht 100 - 200 billion in sustainable financing and investment by 2030.
 - Achieving Net Zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible.
2. **Impact Area: Resources and efficiency:**
 - Providing financial support to green building projects to increase the proportion of loan outstanding of green building projects to total loan outstanding of real estate portfolio from 6.3% (in 2020) to 10% by 2025

These goals align with the Thailand's NDC regarding the growth of environmentally friendly businesses, aiming to reduce greenhouse gas (GHG) from major sectors such as Power Generation, Transportation, Industrial including Housing and Buildings, and drive alignment with SDG7 Affordable and clean energy, SDG13 Climate action, and the Paris Agreement. The key performance indicators will be cascaded from CEO to President, Division Head and other parties involved. Operating results have been monitored to attain the established objectives.

See details in Responsible Lending and Investment: ESG Credit and Investment chapter on p. 76 no.14 and Taskforce on Climate-related Financial Disclosure chapter on p. 155 - 156.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

We have undertaken our impact analysis to identify most significant impact areas resulting from our lending activities, assess and prioritize and set targets relevant to the impact areas to increase positive impacts and reduce negative impacts. During this year, we continually develop the implementation plan to manage the impacts in our portfolio onwards. We will prepare sector strategy and engagement strategy for offering advice to customers in a bid to jointly transition towards the Net Zero commitment.



| Reporting and Self-Assessment Requirements | High-level Summary of Bank's Response | Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information |
|---|--|--|
| <p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p> | <p>According to the targets set in principle 2.2, KBank plans in the following:</p> <ol style="list-style-type: none"> 1. Impact Area: Climate <ol style="list-style-type: none"> 1.1 Stop financing project of new coal-fired power generation, KBank not only communicate to senior management and the related departments, but also plan to engage with our customers to let them realize on Bank's direction. 1.2 Setting annual targets to completely discharge existing loans on coal-fired power plant by 2030 1.3 To achieve Net Zero in our financed portfolio in line with Thailand's aspirations. KBank has planned to <ol style="list-style-type: none"> 1.3.1 Calculate greenhouse gas emissions of each industry in KBank's portfolio in accordance with the loans that have been provided, in order to prioritize the industries with significant greenhouse gas emissions 1.3.2 Study assessment methods of each industry, which depend on the readiness of data for calculation and reference of scenario (Availability of Methodology) and the readiness of customers' data (Availability of Counterparty Data) 1.3.3 Consider industry's ability to transition (Decarbonization Trend), complexity of operations and context of each industry for industry ranking 1.3.4 Prioritize industries to map out the strategy of portfolio transition towards Net Zero emissions, with focus on the industry segments with significant greenhouse gas emissions; such prioritization required discussions with customers to jointly set up the guidelines. 1.4 To allocate at least Baht 100 - 200 billion in sustainable financing and investment, KBank has studied and analyzed the trends and preparedness of customer segments and industries. We also discussed with the financial planning team, corporate strategy team, risk management team and the related business units to plan for the cost of this opportunity. 2. Impact Area: Resources and efficiency <ol style="list-style-type: none"> 2.1 To achieve 10 percent of loan outstanding of green building projects to total real estate portfolio by 2025, our Corporate Business Division has set annual target to monitor to attain the established target. | <p>See details in Taskforce on Climate-related Financial Disclosure chapter on p. 140 - 165.</p> |
| <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p> | | |
| <p>The targets has been set this year, KBank will further define implementation plan, milestone and monitoring process to meet the set targets.</p> | | |



Reporting and Self-Assessment Requirements

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2.4 Progress on Implementing Targets

For each target separately:

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

Or explain why actions could not be implemented/ needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)

KBank's commitment and targets were announced at the end of 2021. The implementation plan has been continually developed throughout the year and it is expected to have a progress and disclose in the next report.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.

To reflect the findings from the Impact Analysis, the targets have been set in 2021. KBank will further define implementation plan, milestone, and monitoring process in order to meet the set targets. And we will report the progress in Sustainability Report 2022.

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 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

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 SME Relationship Managers to understand customers' pain points and needs for use in our analyses and development of products in response with those customers' needs.

See details in Responsible Lending and Investment: ESG Credit and Investment chapter on p. 73, 77 - 78.

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 plan to engage with customers, to let them realize on the Bank's direction and to work with them on the transition journey.



| Reporting and Self-Assessment Requirements | High-level Summary of Bank's Response | Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information |
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| <p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p> | <p>KBank has provided training related to assessment criteria of ESG risks of each business and industry to ensure that our employees have relevant knowledge and understanding of such risks.</p> <p>As mentioned, our implementation plan has been developed throughout the year in which key business units have been involved. The Sustainable Development Unit, Commercial Credit Policy and Process Development Unit, and Active Credit Portfolio Management Department have been engaged to develop glidepath and strategy. The Corporate Business Division provides customers insight which have been considered and discussed to emerge in our plan. Additionally, our Relationship Managers have also been acknowledged on the Bank's directions to prepare their plans to engage with customers further.</p> <p>As a result, our employees can act as the Internal Experts for customers' business analysis and for helping those customers through useful advice and recommendations.</p> <p>In case that any projects fail to meet the ESG risk assessment criteria, KBank will notify them of issues for improvements, related conditions, and limitations, along with suggestions so that the customers can achieve necessary improvements and corrections within the specified timeline.</p> <p>KBank has also communicated with our customers and held the activities related to sustainable development operations in the forms of online events and year-round seminars to raise their awareness on environmental and social issues and engage with customers to help them transition to low carbon or Net Zero.</p> | <p>See details in Responsible Lending and Investment: ESG Credit and Investment chapter on p. 73, 77 - 78 and 82 - 83.</p> |



Reporting and Self-Assessment Requirements

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Principle 4: Stakeholders

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

4.1 *Describe* which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/ results achieved.

The Bank evaluate and identifies stakeholders by analyzing the financial, environment, social, and governance 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.

To do this, the Bank has compiled and prioritized material topics that affect the economy, society and environment, as well as those influencing stakeholders' decision. We have also considered present and future risk factors that may affect our operations based on the opinions of all stakeholders via participation processes, such as surveys and discussion. These viewpoints were then analyzed and prioritized and concluded into operational guidelines that respond to stakeholders' concerns in an appropriate manner.

In addition, the Bank has joint with various associations and clubs such as The Thai Bankers' Association, Carbon Markets Club, Thailand Carbon Neutral Network, to be a part of driving the Thai banking sector, other industries and relevant parties towards the concept and practice of 'sustainable development'.

See details in Material Topics and Boundaries chapter p. 30 - 31, Stakeholders Engagement chapter p. 36 - 41, and Responsible Lending and Investment: ESG Credit and Investment Chapter p. 82 - 83.



| Reporting and Self-Assessment Requirements | High-level Summary of Bank's Response | Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information |
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Principle 5: Governance & Culture
 We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

| | | |
|---|--|--|
| <p>5.1 <i>Describe</i> 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 effective implementation of the Principles.</p> | <p>KBank has established credit policies and procedures that manifest ESG responsibility with an operational structure divided into management and transaction levels, consisting of:</p> <p>1) the Board of Directors, which is tasked with determination or approval of a framework and policy of risk management, including ESG risks; 2) the Risk Oversight Committee with the duties to advise the Board of Directors on the risk supervision framework, to supervise top management and head of risk management units to comply with risk management policies and strategies, and to examine the adequacy of the risk management policy and strategies in order to ensure that risk management policies and strategies cover all types of existing and emerging risks, as well as ESG risks; 3) the Corporate Governance Committee engaging in supervision of sustainable development operations related to ESG aspects, by reviewing and providing advice on the operational guidelines and improvements for reporting to the Board of Directors, and holding at least four meetings a year; 4) Sustainable Development Sub-committee in which the Chief Executive Officer is the Chairperson, and the Presidents are members in order to drive ESG operations within the Sustainable Development Policy and Framework.</p> | <p>See details in Responsible Lending and Investment: ESG Credit and Investment chapter on p. 74 - 80 and Taskforce on Climate-related Financial Disclosure chapter on p. 143 - 144.</p> |
| <p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p> | <p>In 2021, knowledge sharing sessions on Responsible Banking and ESG compliance were organized to employee throughout the organization from the Board of Directors, Top Management Level, Middle Management Level, and other parties involved, in collaboration with experts from domestic and international organizations. Our Board of Directors have been acknowledged on sustainability relevant, e.g. climate change, corporate governance, through BOD retreat workshop.</p> <p>For Top Management Level, Middle Management Level, and other employees involved, various training sessions and seminars on green taxonomy, sustainable growth have been conducted via regulatory agencies e.g., Bank of Thailand (BOT), The Stock Exchange of Thailand (SET), Climate Bond Initiative (CBI). Moreover, the Bank also provided 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.</p> <p>In addition, sustainability indicators both short-term and long-term are included in the Balanced Scorecard (BSC) system of the Board of Directors' KPIs, which will be cascaded from the Chief Executive Officer, President level to the Division Head level and other parties involved with successful performances. Operating results were monitored to attain the established objectives.</p> | <p>See details in Responsible Lending and Investment: ESG Credit and Investment chapter on p. 74 - 80, 82 - 83 and Taskforce on Climate-related Financial Disclosure chapter on p. 143 - 144, 155-156 and 165.</p> |



| Reporting and Self-Assessment Requirements | High-level Summary of Bank's Response | Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information |
|--|---|--|
| <p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. | <p>The Board of Directors has assigned the Corporate Governance Committee to Overseeing sustainable development operations, meeting quarterly to determine guidelines for review performance and report to the Board of Directors.</p> <p>In 2021, KBank established the Sustainable Development Sub-committee in which the Chief Executive Officer is the Chairperson, and the Presidents are members in order to drive ESG operations within the Sustainable Development Policy and Framework. Its mission is to formulate frameworks and plans, supervise, monitor, and assess sustainable development performance in accordance with principles, requirements, and standards on sustainable development at national and international levels. A quarterly meeting is held to formulate guidelines for review performance including our Net Zero plan and the PRB target implementation, and report to the Corporate Governance Committee and the Board of Directors.</p> <p>Additionally, a working team has been set up which is consisted of Credit Risk Management team, Sustainable Development team and other related business units that is in charge of the day-to-day implementation of the Principles, to report on progress made to achieve targets and general implementation of the Principles to Sustainable Development Sub-committee and Corporate Governance Committee.</p> | <p>See details in Responsible Lending and Investment: ESG Credit and Investment chapter on p. 74 - 80, 82 - 83 and Taskforce on Climate-related Financial Disclosure chapter on p. 143 - 144, 155 - 156 and 165.</p> |

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

KBank has established a governance structure for ensuring that the Principles are implemented effectively, including the setting and monitoring of targets. We have assembled a working team which is consisted of Credit Risk Management Team, Sustainable Development team and other related business units that is in charge of the day-to-day implementation of the Principles, to report on progress made to achieve targets and implementation of the Principles to Sustainable Development Sub-committee and Corporate Governance Committee.



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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 Progress on Implementing the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1 - 2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

MANAGEMENT LEVEL:

- The Board of Directors and the Corporate Governance Committee has key role to approve the framework and policy relevant to ESG in the following:
 - The Board of Directors approved the Net Zero commitment.
 - The Corporate Governance Committee reviewed the sustainable development framework and policy and reported to the Board of Directors.
 - The Corporate Governance Committee approved sustainable development work plan with focus on provision of knowledge and ESG compliance.
- KBank established Sustainable Development Sub-committee. (Details explain in section: 5.3 Governance Structure)
- KBank has embedded climate-related risk into credit risk management policy and introduced Risk Appetite Statement.

OPERATIONAL LEVEL:

- KBank developed the consideration guidelines for specific industrial sectors (Sector-Specific Guidelines) and identified additional business types in the Exclusion List, as well as preparing the General ESG Screen Form based on internationally accepted guidelines and standards.
- KBank has implemented the Climate-related scenario analysis with qualitative and quantitative in accordance with TCFD recommendations.
- KBank is now undertaking an impact analysis of lending to different businesses at the portfolio level, by using the Portfolio Impact Analysis Tool of UNEP FI.
- KBank implemented the assessment processes of human rights risk in line with the UN Guiding Principles on Business and Human Rights.
- KBank provided knowledge related to sustainable development and ESG risks for employees involved with the credit operations, related agencies, customers, and suppliers.
- KBank studies various international standards and measuring tools e.g. SBTi, PCAF, PACTA, TCFD, etc. to quantify financed emissions and setting goals in order to achieve Net Zero commitment.
- KBank joined hands with regulatory agencies, public sector, private sector, non-profit organizations, and civil society to discuss and share views, as well as study the possibility of preparing ESG responsible lending guidelines and framework. To achieve Net Zero commitment, KBank along with 10 organizations, jointly established "the Carbon Markets Club". A first for Thailand, the club supports carbon credit and Renewable Energy Certificate (REC) trading to reduce greenhouse gases towards a Net Zero society. Moreover, the Bank also be the member of Thailand Carbon Neutral Network (TCNN) aims to build the capacity of the Bank to participate in the carbon credit market.

See details in Sustainable Development of KASIKORNBANK chapter on p. 27, Responsible Lending and Investment: ESG Credit and Investment chapter on p. 73 - 83 and Taskforce on Climate-related Financial Disclosure chapter on p. 140 - 165.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.

In 2021, the Board of Directors approved the strategic directions of KBank in order to meet the SDGs. KBank carried out material sustainable development operations in alignment with the strategic directions. We have considered the international principles and practices relevant for the principles such as SBTi, PCAF, ICP, etc. to help implementing the six Principles for Responsible Banking. In addition, we also joined hand with various organizations, for instance, Carbon Markets Club, Thailand Carbon Neutral Network to implement the Principles.



Practices under the United Nations Global Compact

| Area | Principles of Global Compact | Implementation |
|--------------|--|---|
| Human Rights | <ol style="list-style-type: none"> 1. Business should support and respect the protection of internationally proclaimed human rights. 2. make sure that they are not complicit in human right abuses. | <ul style="list-style-type: none"> • KBank Board of Directors reviewed the Human Rights Policy in accordance with the international standard to be consistent with the Dow Jones Sustainability Index (DJSI) and revised its long-term sustainability development target 2021 - 2025 in order to increase its clarity and ensure that it is more consistent with KBank's business directions. • Established the 5-year sustainability indicators regarding respect for human rights and diversity so as to put the human rights policy into practice in a more tangible manner. • Included respect for human rights in the Employee Code of Conduct. • Set up a policy to grant credits to businesses that do not violate laws or good morals of society; type of credits and credit applicants that are not supported by KBank include businesses involved with human rights violation, employment of illegal workers, slavery or child labor that is not subjected to related labor standards. • Ensured that Project Finance in foreign countries that may produce significant environmental and social impacts must comply with the host countries' environmental and social stipulations, as well as globally accepted environmental and social requirements or standards. • Prepared the processes of Human Rights Risk Assessment and Risks Register, and Human Rights Due Diligence, via meetings with internal stakeholders and joint venture (K LINE) to jointly assess human rights risk related to KBank's business operations. • Set up additional measures to inspect, prevent, mitigate and manage key human rights issues. • Announced Corporate Citizenship 2019 - 2023 by including human rights as one of its key strategies. • Held "Procurement insights and strategic approaches 2022" meeting with suppliers, with labor and human rights being some of the topics during the meeting. • In 2019, KBank signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending, jointly with other members of the Thai Bankers' Association in line with the Bank of Thailand's direction in order to uplift the Thai banking system's sustainable lending. |



| Area | Principles of Global Compact | Implementation |
|-------|--|--|
| Labor | <ol style="list-style-type: none"> 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. The elimination of all forms of forced and compulsory labor; 5. The effective abolition of child labor; and 6. The elimination of discrimination with respect to employment and occupation | <ul style="list-style-type: none"> • Set up a policy to grant credits to businesses that do not violate laws or good morals of society; credit applicants that are not supported by KBank include business involved with human rights violation, employment of illegal workers, illegal alien workers, slavery or child labor that is not subjected to related labor standards. • Ensured that all Project Finance in foreign countries that may produce significant environmental and social impacts must comply with the host countries' environmental and social requirements or standards, as well as globally accepted environmental and social requirements or standards. • Included employee practice in the Statement of Business Conduct related to equal treatment of employees, whereby employees are protected against discrimination and are offered good benefits comparable to leading companies, as well as proper welfare and work environment. • Encouraged establishment of KASIKORNBANK Labor Union and KASIKORNBANK Officer Labor Union in order to foster good relationship between employer and employees, and among employees. • KBank does not accept any form of forced labor or child labor, discrimination in hiring or at the workplace regarding local or foreign workers, sexual discrimination or harassment ('Zero Tolerance'), or verbal or physical harassment, including any form of psychological abuse. • Announced the Diversity Management Policy for organization-wide compliance. • Provided career opportunities for the disabled, allowing them to be able to live with dignity in society, in compliance with the Persons with Disabilities Empowerment Act B.E. 2550 (2007). • Developed a policy related to complaint acceptance and employee grievance procedures and have in place effective channels for employees to offer their opinions and suggestions, for example Employee Relations Hotline • Participated in meeting to exchange opinions on employee relations with other Thai commercial banks to enhance greater efficiency of employee relations management of overall industry. • Held "Procurement insights and strategic approaches 2022" meeting with suppliers, with labor and human rights being some of the topics of the meeting. • In 2019, KBank signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending, jointly with other members of the Thai Banker's Association in line with the Bank of Thailand's direction in order to uplift the Thai banking system's sustainable lending practices. |



| Area | Principles of Global Compact | Implementation |
|-------------|--|---|
| Environment | <ol style="list-style-type: none"> 7. Businesses should support a precautionary approach to business operations that may affect the environment. 8. undertake initiatives to promote greater environmental responsibility; and 9. encourage the development and diffusion of environmentally-friendly technologies. | <ul style="list-style-type: none"> • KBank Board of Directors approved of KBank's Net Zero Commitment, which includes, <ol style="list-style-type: none"> 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, 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. • In 2020, the Corporate Governance Committee granted approval for KBank to become a signatory to the "UN Principles for Responsible Banking" of the United Nations Environmental Program Finance Initiative, or UNEP FI. • In 2020, the Corporate Governance Committee approved KBank's participation as a Supporter of the Task Force on Climate-related Financial Disclosures (TCFD). • KBank sets up a policy to grant credits to businesses that do not violate laws or destroy the environment; types of credits and credit applicants that are not supported by KBank include businesses with offences related to natural resources or the environment by using, possessing or occupying natural resources or procedures to illegally exploit natural resources, businesses that are contrary to environmental laws of the country, and businesses involved with encroachment into mangrove forests or plans to change mangrove forests' conditions, etc. • Ensured that Project Finance in foreign countries that may produce significant environmental and social impacts must comply with the host countries' environmental and social requirements or standards, as well as globally accepted environmental and social requirements or standards. • Provided knowledge on environmental friendliness for operators in various businesses. • Extended credits and investment for projects of renewable energy and energy/environmental conservation to support green business operators • Set up a target to reduce GHG emissions of KBank's operations by 4.2 percent (compared to the base year of 2020) • Formulate Net Zero strategy. • Carried out carbon offset schemes to achieve carbon neutrality and receive a Certificate of Carbon Footprint for Organization. • Adjust 5 year environmental goal to drive operations in order to achieve the goal of Net Zero commitment. |



| Area | Principles of Global Compact | Implementation |
|-----------------|--|--|
| | | <ul style="list-style-type: none"> • Aligned office development with “Green Buildings” standards, with focus on energy-saving and environmentally-friendly features. • Specified use of building equipment and systems associated with high technology and efficiency to preserve energy and the environment, e.g., the Solar Rooftop Project to generate electricity for internal usage. • Organized “Make Every Day the Day of Doing Good Deeds”, a volunteer activities for employees on environmental conservation at nationwide communities wherein KBank branches are located. • Held “Procurement insights and strategic approaches 2022” meeting with suppliers with the environmental issue being one of the topics of the meeting. • In 2019, KBank signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending, jointly with other members of the Thai Bankers’ Association in line with the Bank of Thailand’s direction in order to uplift the Thai banking system’s sustainable lending practices. |
| Anti-Corruption | 10. Businesses should oppose corruption in all forms, including extortion and bribery. | <ul style="list-style-type: none"> • Declared and joined Thailand’s Private Sector Collective Action Coalition Against Corruption, and received a Certificate of Membership of Thailand’s Private Sector Collective Action Coalition Against Corruption, as well as continuous membership renewal. • Set up a policy to grant credits to businesses that do not violate laws or good morals of society • Announced a No-Gift Policy and the Anti-Corruption Policy, and include them in the Code of Conduct • Established a Whistle Blowing Policy with measures that safeguard informers against reprisal • Communicated continuously the No-Gift Policy and the Anti-Corruption Policy to directors, executives, employees and companies within KASIKORN BANK FINANCIAL CONGLOMERATE. • Organized meeting with suppliers under the topic of “Sustainability Sharing 2020” to reiterate KBank’s procurement processes and practical guidelines for avoidance of corruption, while encouraging suppliers to join the Thai Private Sector Collective Action Against Corruption. • Signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending, jointly with other members of Thai Bankers’ Association in line with the Bank of Thailand’s direction in order to uplift the Thai banking system’s sustainable lending practices. |



Sustainability Awards and Assessment



National



KBank was selected to be included in the Thailand Sustainability Investment (THSI) 2021 by the Stock Exchange of Thailand

Selected for the sixth year (2015, 2017 - 2021)



Selected for the third consecutive year (2018 - 2019, 2021)

Highly Commended in Sustainability Awards

(Formerly known as Outstanding Sustainability Awards)

KBank was selected as one of the listed companies with market capitalization exceeding Baht 100 billion, from the 2021 SET Awards. The event was organized by the Stock Exchange of Thailand.



The first Thai commercial bank to receive an 'Excellence' award under the Low Carbon and Sustainable Business Index (LCSI) project of 2021

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 the sixth consecutive year (2016 - 2021)

ESG 100 Certificate 2021

KBank was selected as one of the 100 Thai companies with outstanding ESG performance by the Thaipat Institute.



"Excellent" based on the Corporate Governance Report of Thai Listed Companies for 2021

by the Thai Institute of Directors Association (IOD)



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



"Excellent" based on the AGM Quality Assessment Program for 2021

by the Thai investors Association in cooperation with the Office of the Securities and Exchange Commission and the Thai Listed Companies Association



International



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



FTSE4Good

Selected as a member for the sixth consecutive year (2016 - 2021)

KBank was selected to be a constituent of the FTSE4Good Emerging Index 2021 for the sixth year running.

The FTSE4Good Series is designed to help investors to integrate ESG factors into their investment decisions. The indices identify companies that better manage ESG risks and are used as a basis for tracker funds and structured products, and as a performance benchmark.

Member of **Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

Selected as a member for the sixth consecutive year (2016 - 2021)

KBank was selected to be a member of the Dow Jones Sustainability Indices (DJSI) 2021, including the DJSI World Index and DJSI Emerging Markets Index, for the sixth year running. KBank is the first commercial bank in Thailand and ASEAN to be a component of the DJSI World Index.

Sustainability Award Gold Class 2022

S&P Global

KBank garnered an S&P Global Sustainability Award from S&P Global, earning the prestigious S&P Global ESG Score with Gold Class distinction announced in the Sustainability Yearbook 2022, with the highest S&P Global ESG Score in the banking sector in ASEAN.



Selected as a member for the fourth consecutive year (2019 - 2022)

KBank was included as a member of the 2022 Bloomberg Gender-Equality Index (GEI), the first and only Thai financial institution to be chosen. KBank is one of 418 companies selected for the 2022 Bloomberg GEI, which distinguishes companies committed to transparency in gender reporting and advancing women's quality.



KBank earned a A- score (Leadership Level) from the Carbon Disclosure Project (CDP) in 2021. CDP is a benchmark for global carbon disclosure and climate change mitigation efforts. It is an important online GHG information source for the world's leading organizations. International investors have confidence in the use of CDP data for their decision-making.



Assurance Statement



LRQA Independent Assurance Statement Relating to KASIKORNBANK PUBLIC COMPANY LIMITED's Sustainability Report for the calendar year 2021 (1st January 2021 – 31st December 2021)

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 was commissioned by KASIKORNBANK PUBLIC COMPANY LIMITED (KBank) to provide independent assurance on its Sustainability Report 2021 ("the report") using pr, 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 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 only 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 (2016) and core option, 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 withdrawal
 - 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 (Scope 3, Category 6 – business travel by taxicab only)
 - GRI 306-3: Waste generated (2020 edition)
 - GRI 306-4: Waste diverted from disposal (2020 edition)
 - GRI 306-5: Waste directed to disposal (2020 edition)
 - 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 LR's approach

- the direct and 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 environmental and social 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 check 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 environmental and social 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 of engagement with trade unions would benefit from more regular scheduling..
- 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 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 especially in relation to GHG emissions. For example: KBank has announced its Net Zero commitment.
- Impact: KBank should further address quantitative impacts regarding stakeholder groups, as well as materiality, in future reports.
- Reliability: Data management systems are properly defined for the selected environmental and social indicators. However, we believe that KBank's future reports should extend the boundary of GHGs emission disclosure to include fugitive emissions from branch operations and energy imported by tenants.

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.

Kamiga S.

Kamiga Sukkeaw
LRQA Lead Verifier

Dated: 9 February 2022

On behalf of Lloyd's Register Quality Assurance Ltd
Lloyd's Register International (Thailand) Limited
22nd Floor, Sirinrat Building, 3388/78 Rama IV Road
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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.



10140

กรุงเทพมหานคร

ปตท. จำกัด (มหาชน)

ตู้ ปณ. 1399

ปตท. จำกัด (มหาชน)

สำนักงานใหญ่

เลขที่ 1399 ถนนวิภาวดีรังสิต

แขวงจตุจักร กรุงเทพมหานคร 10140



ปตท. จำกัด (มหาชน)



ข้อมูลนี้จัดทำขึ้นโดยระบบอัตโนมัติ
ของสำนักงานใหญ่ ปตท. จำกัด (มหาชน) และ
อาจมีความคลาดเคลื่อนได้



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