Human Rights Due Diligence
2022 Report
KBank’s Human Rights Due Diligence process has been developed in accordance with the UN Guiding Principles on Business and Human Rights (UNGP).

1. **Policy Commitment**: The first Human Rights Policy was announced in 2016 in which the organization reviews and updated annually. (slide page 4)

2. **Risk and Impact Assessment**: Assessment and analysis of actual and potential human rights impacts. (slide page 5-11)

3. **Integration and Internal Management**: Integrate findings to activities, act upon findings (i.e. mitigation measures), and ensure effective implementation of actions. (slide page 12-16)

4. **Monitoring and Reporting**: Regularly monitor, track and report on the company’s actions related to human rights (i.e. risks, effectiveness of mitigation measures). (slide page 17)

5. **Remediation**: Remediate the stakeholders and vulnerable groups, who are affected by the company’s adverse human rights impacts. (slide page 18-19)

Reference: UN Guiding Principles on Business and Human Rights (UNGP)
Since organizing our first corporate human rights risk assessment in 2017, KBank has embarked on a human rights journey to integrate human rights principles into all our activities. The process is on-going. In 2022, we kept monitoring human rights risks from the passed years which potentially impact to stakeholders, including customers, employees, suppliers, and vulnerable group in our business activities and supply chain. Specifically, we focused on emerging human rights risks in the bank sector.

KBank's Human Rights Journey

2016

Announcement of Human Rights Policy

2017

Revising of Human Rights Policy to be aligned with policy guidelines and stakeholders’ expectations

First corporate Human Rights risk assessment

2019

Human Rights Policy was reviewed to cover all operations of KBank, K Companies, P Companies, suppliers and joint ventures.

Corporate human rights risk assessment was expanded to include representatives from a new joint venture, KASIKORN LINE Company Ltd.

2020 – 2022

Human Rights Impact Assessment
KBank is committed to sustainable business operations. We recognize that respect for human rights is an important responsibility associated with employees, customers, suppliers, and business partners including agents, joint venture (Incorporated), government, and local communities related to our business activities.

KBank has established a human rights policy that conforms to key legal principles and international standards, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), principles of humanity and rights in accordance with the International Labor Organization (ILO), International Covenant on Civil and Political Rights - ICCPR and International Covenant on Economic, Social and Cultural Rights - ICESCR, and Principles of the United Nations Global Compact (UNGc). Bank’s human rights policy is designed as the guideline for corporate-wide implementation.

This policy applies to all operations of KBank and other companies in KASIKORNBANK FINANCIAL CONGLOMERATE as well as employees, customers, suppliers, and business partners. All have the responsibility to respect human rights and to comply with the laws and regulations governing the protection of human rights at the national and international levels. KBank expected that all relevant stakeholders, as per mentioned, adhere to these human rights principles that are consistent with their own.

KBank commits to prevent and respect the following human rights issues: child labor, forced labor, human trafficking, freedom of association, the right to collective bargaining, equal remuneration, and discrimination.
KBank has reviewed and identified human rights risks, associated with KBank business activities, value chain and new business relations (mergers, acquisitions, joint ventures), on an annual basis. KBank has done these systematically via the following steps:

### 1A). RISK IDENTIFICATION

Identify all actual or potential human rights issues associated with KBank business activities, value chain and new business relations (mergers, acquisitions, joint ventures). The actual or potential human rights issues that are covered in the process include, for example, human trafficking, forced labor, child labor, working conditions, equal remuneration, freedom of association, right to collective bargaining, discrimination and harassment, environmental issues and community rights, and right to privacy.

Consider right holders and vulnerable groups, including employees, customers, local communities, third-party employees, women, pregnant women, children, customers, migrant workers, indigenous people, LGBTQI+, elderly, people with disabilities, in the process.

### 1B). SCOPE OF ASSESSMENT

Define scope of human rights assessment including own operations, value chain activities and associated activities involved. Identify significant human rights issues, obtained from risk identification - 1A), to be assessed in the risk assessment.

### 2). RANK INHERENT RISKS

Risk level **before** considering its existing mitigation measures and/or controls.

Conduct human rights inherent risk assessment.

Remark: In 2022, KBank revisited human rights risks identified in 2020-2021 and updated their risk levels if necessary.

### 3). IDENTIFY MITIGATION MEASURES

Identify how each inherent risk is being managed through existing mitigation measures and/or controls.

### 4). RANK RESIDUAL RISKS

(Risk level after considering its exiting mitigation measures and/or controls)

Rank residual risks and prioritize human rights salient issues. For each human rights salient issue, KBank develops additional mitigation measures to reduce risk likelihood and/or severity to low level.
**SCOPE OF ASSESSMENT**

- **KBank** identified all actual or potential human rights issues associated with KBank functions through peer benchmarking, media analysis, review of existing human rights risks and impacts, and concerns communicated by civil society actors.
- In 2022, the scope of risk assessment covered KASIKORN LINE Company Limited as a joint venture with management control.

### Risk and Impact Assessment (1B)

<table>
<thead>
<tr>
<th>Customer</th>
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<th>Employee</th>
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<th>Supplier</th>
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</thead>
<tbody>
<tr>
<td><strong>Customer</strong></td>
<td><strong>Corporate Banking: Project Finance</strong></td>
<td><strong>Working Conditions and Health &amp; Safety</strong></td>
<td><strong>Screening Activities</strong></td>
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<tr>
<td>• Discrimination in Lending Practices</td>
<td>• Labor Practices: Illegal labor in supply chain (i.e. human trafficking, forced labor, child labor)</td>
<td>• Improper and Unsafe Working Environment</td>
<td>• Supplier’s Discrimination in Screening Process</td>
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<tr>
<td>• Data Breaches and Information Misuse</td>
<td>• Labor Practices: Working Condition/ Health &amp; Safety/ Security</td>
<td>• Employee Data Privacy</td>
<td>• Data and Information</td>
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<tr>
<td>• Anti-Money Laundering Practice</td>
<td>• Labor Practices: Collective Bargaining</td>
<td>• Emerging Communicable Disease</td>
<td>• Operating and Retaining Activities</td>
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<tr>
<td>• Health &amp; Safety</td>
<td>• Community Rights: Emergency Response &amp; Safety</td>
<td>• Discrimination in the Hiring Process</td>
<td>• Working Conditions and Health &amp; Safety (including human trafficking, forced labor, child labor)</td>
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<td></td>
<td>• Community Rights: Standard of Living (Environment, Resources, Human Rights)</td>
<td>• Unfair Dismissal and Termination</td>
<td>• Supplier’s Discrimination in Operating Process</td>
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<td></td>
<td>• Community Rights: Land Acquisition and Resettlement</td>
<td>• Unequal Pay to Employees (equal remuneration)</td>
<td>• Supplier’s Discrimination in Retaining Process</td>
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<td></td>
<td>• Bribery &amp; Corruption</td>
<td>• Workplace Harassment</td>
<td>• Data and Information</td>
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</tbody>
</table>

**Remark:** Freedom of association and Right to collective bargaining and illegal forms of labor (i.e. human trafficking, forced labor, child labor) are considered to be extremely low risk within KBank operating activities (relating to KBank employees) due to the nature of business and the compliance of local laws, as well as existing mitigations KBank has implemented. Thus, they are not significant risks but have been considered in the risk identification process.
Human Rights Matrix

Human rights risk assessment is done based on the impacts created on rights holders, especially considering vulnerable groups. Risks are placed on a 4x4 matrix, whereby the y-axis is severity of risk and impact and the x-axis is likelihood of the risk occurring.

Risks are assessed and categorized as one of three levels:

- **High**: High risks are human rights salient issues that need to be addressed with additional mitigation measures.
- **Medium**: Medium risks are human rights salient issues that are mitigated to some extent, but need additional mitigation measures.
- **Low**: Low risks are human rights risks that are presently adequately mitigated, and should be monitored regularly for changes.

**In 2022, human right issues that were ranked at high and medium levels will be considered as salient issues for KBank**
Risk and Impact Assessment (3):

Salient Issues

Identified Human Rights Issues

Customer

- Human rights issues that were ranked at high and medium risks will be considered as salient issues for KBank

Remarks: The rest of human rights issues were ranked at low risks that are presently adequately mitigated and should be monitored regularly for changes.

Customer

- Data Breaches and improper use of customer data
- Labor Practices: Form an identity or a group to negotiate employment-related matters
- Community Rights: Emergency Response & community Safety

Employee

- Emerging infectious diseases (EID) such as COVID-19

Supplier

- Labor Practices: Occupational health and safety in the workplace
- Labor Practices: Employment of illegal labor such as child and forced workers

* No Salient Issues in associated companies and joint ventures (including stakes above 10%)

Salient Issues in KBank’s Own Operations

- Retail Banking
  - Data Breaches and improper use of customer data
- Corporate Banking*
  - Labor Practices: Form an identity or a group to negotiate employment-related matters
  - Community Rights: Emergency Response & community Safety

* Remarks: Corporate Banking including Project Finance
Risk and Impact Assessment (4):

Overview of Results for KBANK’S OWN OPERATIONS

100% of KBank functions bases on revenue generation were assessed, including joint ventures with management control

- Corporate Banking*
- Asset Management
- Wealth Management
- Retail Banking
- Global Business

95.3% of assessed functions of KBank have human rights risks

Customer
- Retail Banking
  - Data Breaches and improper use of customer data
- Corporate Banking: Project Finance
  - Labor Practices: Form an identity or a group to negotiate employment-related matters
  - Community Rights: Emergency Response & community Safety

Employee
- Emerging infectious diseases (EID) such as COVID - 19

100% of KBank functions with human rights risk have mitigation measures and remediation process implemented

* Remarks: Corporate Banking including Project Finance
Risk and Impact Assessment (5):

Overview of Results for SUPPLY CHAIN

100%

100% of total KBank’ Tier-1 & 2 suppliers were assessed.
878 suppliers of Tier-1 and Tier-2

1.4%

2.6% (23 out of 878) of assessed Tier-1 & 2 suppliers of KBank have human rights risk
- Occupational health and safety in the workplace
- Employment of illegal labor such as child and forced workers

100%

100% of assessed suppliers with human rights risk have mitigation measures and remediation process implemented
Risk and Impact Assessment (6):

Overview of Results for joint ventures not included in Own Operations

100% of total KBank’ associated companies and joint ventures were assessed.

0% of assessed associated companies and joint ventures of KBank have human rights risk.

100% of assessed KBank’ associated companies and joint ventures with human rights risk have mitigation measures and remediation process implemented.

KBank has established policies and measures to ensure that operations of associated companies and joint ventures do not violate human rights. These include communicating KBank’s human rights policy for their acknowledgement and compliance, supervising, auditing and monitoring their compliance with human rights regulations via KBank’s executives who have been assigned to manage associated companies and joint ventures, plus providing them recommendations on the development of a comprehensive human rights review process in accordance with international standards.
Integration & Internal Management: KBank’s 2022 Salient Issues

1. Data Breaches and Information Misuse (Customer)

- KBank may engage in human rights violations on data leakage and misuse of customer information.

Relevant human rights based on the principles from International Bill of Rights: Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR)

11) Right to privacy (UDHR 12, ICCPR 17)

Mitigation and additional measures to ensure that customers’ rights are protected:

- Strictly comply with regulations and develop appropriate practices.
- Establish a legitimate Interest assessment for the processing of personal data.
- Establish a standard platform for the transfer of data between KBank and third parties.
- Provide training to all employees on data privacy and data breach.
- Organize the ‘SATI’ (Mindfulness) campaign to raise the awareness of data leakage prevention and misuse of information for employees and customers.
- Regularly review third-party frameworks.
- Regularly improve data leakage prevention tools and increase data transfer detection to external endpoints such as enhancing the capability to close loopholes that may cause personal data breaches in accordance with the Personal Data Protection Act (PDPA).
- Monitor and detect cyber threats.
- Develop a response plan and test the plan regularly.

KBank’s Own Operations

Retail Banking
Integration & Internal Management: KBank’s 2022 Salient Issues


(Customer)

Corporate Banking

RISK

Mitigation and additional measures to ensure that customers’ rights are protected

- Establish Credit Policy on Environment, Social and Governance and practices related to credit underwriting for a specific industry in accordance with domestic and international standards and practices
- Applicants for project financing and medium-sized business operators are subject to ESG risk assessment accounting for 100 percent
- Loan applicants must comply with labor, and occupational health and safety regulations
- Consider customers who have received ISO certifications such as ISO 45001 Occupational Health and Safety Management System standards

Working Condition, Health & Safety, and Security

- KBank may engage in human rights violations on poor working conditions, health and safety from project finance

Collective Bargaining

- KBank may engage in human rights violations on labor association and collective bargaining from project finance

Relevant human rights based on the principles from International Bill of Rights: Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR)

1) Right to life (UDHR 3, ICCPR6)
20) Right to freedom of assembly (UDHR 20, ICCPR 21)
21) Right to freedom of association (UDHR 20, ICCPR 22)
25) Right to enjoy just and favorable conditions of work (UDHR 23 and 24, ICESCR 7)

KBank’s Own Operations

MITIGATION

* Remarks: Corporate Banking including Project Finance
3. Integration & Internal Management: KBank’s 2022 Salient Issues

3. Community Rights: Emergency Response & Safety

(Customers)

Corporate Banking*

RISK

Mitigation and additional measures to ensure that communities’ rights of project finance are protected

- Establish Credit Policy on Environment Social and Governance and practices related to credit underwriting for a specific industry in accordance with domestic and international standards and practices
- Applicants for project financing and medium-sized business operators are subject to ESG risk assessment accounting for 100 percent
- Loan applicants must comply with the laws and regulations related to the environment and society in the country where they operate their projects, including other relevant international standards
- Loan applicants are required to prepare an Environmental Impact Assessment (EIA) report
- Loan applicants are required to have emergency plans that may occur, mechanism to follow up on complaints and remediation measures

Bank may engage in human rights violations on community due to unplanned events or accidents from project finance

Relevant human rights based on the principles from International Bill of Rights: Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR)

1) Right to life (UDHR 3, ICCPR6)
27) Right to an adequate standard of living (UDHR 25, ICESCR 11 and 24)
28) Right to health (UDHR 25, ICESCR 12)

* Remarks: Corporate Banking including Project Finance
4. Emerging Communicable Disease (Employee)

RISK

- Bank may engage in human rights violations on lack of measures to prevent employees from communicable disease e.g. no timeline check, no provision of alcohol gel, mask, or COVID-19 testing kit

Relevant human rights based on the principles from International Bill of Rights: Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR)

1) Right to life (UDHR 3, ICCPR6)
25) Right to enjoy just and favorable conditions of work (UDHR 23 and 24, ICESCR 7)
28) Right to health (UDHR 25, ICESCR 12)

Mitigation and additional measures to ensure that employees’ rights are protected

- Provide protective equipment for employees, with a high risk of contracting COVID - 19, such as surgical masks and hand sanitizer gel
- Announce guidelines on good hygiene measures in accordance with the guidelines of the Ministry of Public Health and related agencies, as well as emphasizing social distancing
- Step up cleaning on various contact points with disinfectant
- Adjust a work format to reduce the risk of COVID - 19 transmission such as working from home through KBank’s online system, and optimize the capacity of services to suit workloads and the provision of customer services
Integration & Internal Management: KBank’s 2022 Salient Issues

5. Labor Practices: Child Labor, Forced Labor, and Occupational Health and Safety (Tier-1 and Tier-2 Supplier)

- Bank may engage in human rights violations in the business operations of Tier-1 and Tier-2 suppliers through illegal form of labors such as child labor, forced labor, and the health and safety of workers during their operations.

Relevant human rights based on the principles from International Bill of Rights: Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR)

1) Right to life (UDHR 3, ICCPR 6)
2) Right to enjoy just and favorable conditions of work (UDHR 23 and 24, ICESCR 7)
3) Right to health (UDHR 25, ICESCR 12)

Mitigation and additional measures to ensure that suppliers’ rights are protected:
- Require all suppliers to strictly comply with the Supplier Code of Conduct
- Establish a procurement process for suppliers to ensure that suppliers have adopted practices that meet the required standards
- Examine safety, occupational health and environmental measures of suppliers such as their compliance with the regulations related to the use of personal protective equipment (PPE)
- Certificates are required for people who need to perform specific tasks, such as working in high places
- Annual inspection and visit to suppliers’ sites
- ESG risk assessment of suppliers
KBank is committed to respecting the human rights of all stakeholders and vulnerable groups, as well as take the necessary actions to prevent any possible human rights violation by developing new mitigation measures and enhancing the existing ones. In order to do so, KBank reviews human rights due diligence annually. Results from the human rights due diligence are utilized for more effective prevention, whereas performance are communicated to internal and external stakeholders.

Therefore, KBank provides communication channel for both internal and external stakeholders and vulnerable groups to report human rights violations or make complaints. This gives KBank an opportunity to conduct further investigation, as well as provide adequate remediation to affected stakeholders and vulnerable groups.

## Remediation

Process implemented to mitigate human rights risks and to take remediation actions

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<tbody>
<tr>
<td>Register human rights risks (including human rights salient issues) that are identified during human rights due diligence process.</td>
<td><strong>Develop additional mitigation measures</strong> (i.e. using leverage to handle human rights issues of the associated third party, divestment decision) for the identified human rights salient issues; and</td>
<td><strong>Execute the developed action plans</strong> for additional mitigation measures by the responsible functions; and</td>
<td><strong>Monitor the effectiveness of existing and additional mitigation measures through various ways (i.e. grievance mechanism, whistleblowing, community/customer/employee engagement);</strong></td>
<td><strong>Immediately initiate remediation actions</strong> (i.e. publicly official apologies, financial or nonfinancial compensation, persuading the associated third party to remedy affected persons), after receive approval;</td>
</tr>
<tr>
<td>• Inform responsible functions to develop actions plans for implementation of additional mitigation measure.</td>
<td>• Inform relevant stakeholders and vulnerable groups about mitigation measures implemented for human rights salient issues.</td>
<td>• Report the progress to higher positions; and</td>
<td>• Report remediation taken to affected persons in order to receive feedbacks; and</td>
<td>• Consult with higher position on the approach for remedying affected persons when human rights adverse impacts occur and affect persons (mitigation measures cannot handle/alleviate risks).</td>
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<td>• Execute the developed action plans for additional mitigation measures by the responsible functions; and</td>
<td>• Report the progress to higher positions; and</td>
<td>• Consult with higher position on the approach for remedying affected persons when human rights adverse impacts occur and affect persons (mitigation measures cannot handle/alleviate risks).</td>
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<td>• Inform relevant stakeholders and vulnerable groups about mitigation measures implemented for human rights salient issues.</td>
<td>• Regularly monitor and communicate with affected persons until they return to the previous state before being affected by human rights adverse impact.</td>
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After implementing mitigation measures as well as monitoring and tracking human rights violation in 2022, KBank had no case of human rights violation, nor concerns or grievances related to human rights submitted. Thus, there were no remediation action taken in any forms (i.e. publicly official apologies, financial or non-financial compensation, persuading the associated third party to remedy affected persons).