



Social Finance Framework

Version 1.0

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1. Introduction

KASIKORNBANK Public Company Limited (KBank) is one of Thailand's largest commercial banks, headquartered in Bangkok. It was established in 1945 and has been offering comprehensive financial solutions through its commercial banking business, securities business and other related businesses to its retails, Small and Medium Enterprises (SMEs), large corporates and institutions clients over 70 years. KBank operates business in line with the principles of a Bank of Sustainability, focusing on delivering sustainable value to all stakeholders and aiming to balance economic, social, and environmental dimensions to create sustainability in alignment with the United Nations' Sustainable Development Goals (SDGs). The philosophy of sustainable development is integrated in all operations ensuring maximum benefit for all stakeholders and paving the way for sustainable growth. The Sustainable Development Policy has been established as a set of guidelines for the operating processes of all KBank units under the sustainable development structure, which cascades the long-term sustainability targets to the implementation level. KBank has also set the target called Sustainable financing and investment at least THB 400-500 billion by 2030. With this target, KBank has been building a sustainable finance framework and expected to be regularly reviewed and updated subject to any significant changes from ICMA principles or related market practices.

Credit Policy on Environment, Social and Governance

KBank established the Exclusion List and Sector-Specific Guidelines¹ while having in place appropriate risk management measures for high-risk customers to ensure that credit supported by KBank will involve effective management of environmental and social impacts. This Credit Policy developed in alignment with KBank's commitment to ensure environmental stewardship towards Net Zero in our own operations by 2030, as well as to reduce greenhouse gas emissions in our financed portfolio in line with Thailand's aspirations²; reducing greenhouse gas emissions in significantly impacted sectors, both in terms of emission intensity

¹ The Exclusion List and Sector-Specific Guidelines are available in

<https://www.kasikornbank.com/en/ir/corporategovernance/transparency/pages/esg-credit-policy.aspx>

² Thailand's second updated Nationally Determined Contribution (NDC 3.0) declare the country's commitment to achieving net-zero greenhouse gas emissions by 2050

and proportion of loans extended to those sectors; and accelerating this journey where possible. Moreover, KBank's credit policy also emphasizes responsible, inclusive, and socially beneficial finance by integrating social risk management, promoting access to finance, supporting employment and essential services, and aligning sustainability standards.

2. Objectives

- To define clear eligibility criteria for social activities that can be financed under this framework
- To promote transparency, accountability, and impact measurement in social financing

KBank Social Finance Framework

KBank Social Finance Framework follows the ICMA Social Bond Principles (SBPs) and Social Loan Principles (SLPs) which cover four areas: use of proceeds, process for project evaluation and selection, management of proceeds, and reporting. KBank may offer social finance products including bonds, loans, deposits, structured notes, repurchase agreements (repos) and any other form of financial instruments under this framework.

Guiding Principle of the KBank Social Finance Framework

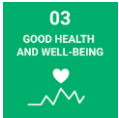


KBank Social Finance Framework for Eligible Social Activities is based on the following principles:

- Principles: Alignment with the ICMA Social Bond Principles, Social Loan Principles and the UN SDGs
- Transparency: Disclosure of use of proceeds criteria, project selection, allocation of proceeds, and impact reporting
- Inclusivity: Emphasis on initiatives that support underserved, marginalised, vulnerable populations as well as other target populations by ICMA
- Impact: Dedicated to tracking social benefits and indicators chosen from ICMA Harmonised Framework for Impact Reporting for Social Bonds
- Integrity: Robust governance and due diligence to prevent social-washing and ensure measurable positive impact

3. Definition of Eligible Social Activities

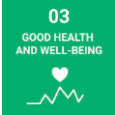
Eligible Social Activities are defined as initiatives, projects, or programs that primarily aim to generate social benefits for inclusive or underserved populations. However, proceeds must not be used for anything included in the KBank Exclusion List Policy³. The following categories are considered eligible use of proceeds under **Table 1**; however, these categories are indicative and do not represent an exhaustive list. This framework targets low-income individuals, identified on income levels below or around the national median income as reported by the National Statistical Office (NSO), and may also include other nationally defined vulnerable groups, such as State Welfare Card holders, the elderly, children, and women, in accordance with relevant government definitions and social policies.

Table 1: Eligibility Criteria for Social Project Categories




Category	Eligible Social Activities	SDG goal
<p>1. Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy)</p>	<p>Clean water</p> <ul style="list-style-type: none"> Development, construction, operation, renovation, and/or maintenance of infrastructure/services that improve access to drinking water in rural and sub-urban areas (either residential or at public-access facilities). For example, water drilling, modern equipped wells, mini drinking water supply, drinking water treatment plant, water towers and storage, drinking water fountains and special connections, supply and distribution pipes. <p>Sewers</p> <ul style="list-style-type: none"> Development, construction, operation, renovation, and/or maintenance of infrastructure/services and/or expansion of existing facilities that improve or boost wastewater or sewage treatment capacity and sanitation in rural and sub-urban areas, including sewage collection networks. For example, poor sewer systems in rural areas cause wastewater pollution and health risks; upgrading sewer networks or decentralized treatment systems to ensure safe sanitation and improve quality of life. 	  




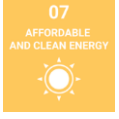


³ KBank Exclusion List Policy:


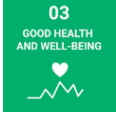
<https://www.kasikornbank.com/en/ir/corporategovernance/transparency/pages/esg-credit-policy.aspx>

Category	Eligible Social Activities	SDG goal
<p>1. Affordable basic infrastructure (Cont.)</p>	<p>Sanitation</p> <ul style="list-style-type: none"> Development, construction, operation, renovation, and/or maintenance of wastewater management systems, and sewage collection networks to improve access to safe sanitation in rural and sub-urban areas. For example, develop or upgrade safe, hygiene shared toilet facilities in rural communities or schools to ensure safety, clean, and long-term use. This helps eliminate the defecation while improving public health, personal dignity, and safety particularly for women and children <p><i>Target population: Underserved populations in rural and sub-urban areas⁴</i></p> <p><i>Impact indicators: Number of underserved populations</i></p>	
	<p>Sanitation (Cont.)</p> <ul style="list-style-type: none"> Development, construction, operation, renovation, and/or maintenance of sanitation infrastructure, toilets and services, including hygienic facilities, to improve access to safe sanitation in rural and sub-urban areas. For example, develop or upgrade safe, hygiene shared toilet facilities in rural communities or schools to ensure safety, clean, and long-term use. This helps eliminate the defecation while improving public health, personal dignity, and safety particularly for women and children. <p><i>Target population: Underserved populations in rural and sub-urban areas</i></p> <p><i>Impact indicators: Number of underserved populations</i></p>	



⁴ Low-income individuals and households identified with reference to Thailand's official income statistics published by the National Statistical Office (NSO). The Bank defines individuals with income below the national median income as low- and lower-middle-income individuals. While underserved populations are individuals or groups that face barriers in accessing essential services due to economic, geographic, or social constraints.

Category	Eligible Social Activities	SDG goal
<p>1. Affordable basic infrastructure (Cont.)</p>	<p>Transportation</p> <ul style="list-style-type: none"> Development and operation of accessible local public transport services such as public buses, electric buses, bus rapid transit, and regulated local or community transport designed to support elderly people and people with disabilities in sub-urban and provincial areas, addressing mobility constraints that limit equitable access to healthcare, hospitals, public services, schools and community participation. <p><i>Target population: Underserved populations in rural and sub-urban areas, people with disabilities</i></p> <p><i>Impact indicators: Number of underserved populations, people with disabilities</i></p>	 
	<p>Transportation (Cont.)</p> <ul style="list-style-type: none"> Development of accessible pedestrian and transport infrastructure that enables people with disabilities to travel safely and access public services independently including but not limited to: <ul style="list-style-type: none"> Tactile wayfinding infrastructure, including guiding and warning tactile paving on sidewalks, pedestrian crossings, and within public spaces Accessible pedestrian crossings, such as audible traffic signals and tactile or accessible push-buttons at signalized intersections Barrier-free public transport facilities, including step-free station entrances, lifts, and ramps Universal access to public buildings, including the installation of ramps, handrails, elevators, and accessible entrances in government offices, hospitals, district offices, and community centers <p><i>Target population: Underserved populations in rural and sub-urban areas, people with disabilities</i></p> <p><i>Impact indicators: Number of underserved populations, people with disabilities</i></p>	

Category	Eligible Social Activities	SDG goal
<p>1. Affordable basic infrastructure (Cont.)</p>	<p>Transportation (Cont.)</p> <ul style="list-style-type: none"> • Development of sidewalks for public use, including accessibility improvements for people with disabilities • Development, construction, equipping, or maintenance of clean transportation facilities, such as cycleways, pedestrian thoroughfares and other transportation infrastructure contributing to the reduction of harmful emissions <p><i>Target population: Underserved populations in rural and sub-urban areas, people with disabilities</i></p> <p><i>Impact indicators: Number of underserved populations, people with disabilities</i></p>	 
	<p>Electricity</p> <ul style="list-style-type: none"> • Development of transmission and distribution networks or infrastructure that improves access to electricity in remote rural areas where there is no access or access is substantially inadequate such as extending grid connections to villages. <p><i>Target population: Underserved populations in rural and sub-urban areas</i></p> <p><i>Impact indicators: Number of underserved populations</i></p>	
	<p>Electricity (Cont.)</p> <ul style="list-style-type: none"> • Installation of solar-based electricity solutions including backup solar systems for off-grid communities including schools, disabilities support facilities and healthcare facilities in rural areas to improve access to reliable and affordable power <p><i>Target population: Underserved populations in rural and sub-urban areas</i></p> <p><i>Impact indicators: Number of underserved populations</i></p>	  

Category	Eligible Social Activities	SDG goal
<p>1. Affordable basic infrastructure (Cont.)</p>	<p>Telecommunication</p> <ul style="list-style-type: none"> • Development of telecommunications infrastructure to expand internet and telecommunications coverage in rural communities with no, or limited service. This includes: <ul style="list-style-type: none"> - the installation of new telecommunications infrastructure in areas with no existing coverage • Provision of reliable internet connectivity and network equipment for rural and provincial schools. • Establishment of community internet centers providing shared access to digital services in rural and underserved areas. This will improve digital access for people who cannot afford private internet, supporting education, job search, and access to government services. • Provision of affordable mobile or internet services through the special prices for low-income people⁵, including individuals eligible under government social welfare programs (e.g. State Welfare Card holders) where individual internet access is not affordable or feasible <p><i>Target population: Underserved populations in rural and sub-urban areas, low-income people</i></p> <p><i>Impact indicators: Number of underserved populations, low-income people</i></p>	
<p>2. Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services)</p>	<p>Healthcare</p> <ul style="list-style-type: none"> • Construction, development or maintenance of public/free/subsidized healthcare facilities such as hospitals, clinics, health care centers, pharmacies, affiliated with the relevant national healthcare system and accessible to the public 	

⁵ Low-income individuals and households may be identified with reference to Thailand's official income statistics published by the National Statistical Office (NSO). KBank defines individuals with income below the national median income as low- and lower-middle-income individuals.



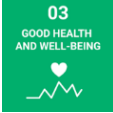
Category	Eligible Social Activities	SDG goal
<p>2. Access to essential services (Cont.)</p>	<ul style="list-style-type: none"> Renovation of healthcare facilities, developing healthcare facility infrastructure, and financing basic medical equipment and devices⁶ that are used in primary healthcare Provision of diagnostic services or distribution of essential medicines⁷ including prescription and/or over the counter medicines, vaccines, or medical supplies at subsidized cost to improve equitable access to essential healthcare <p><i>Target population: Underserved and vulnerable populations in rural and sub-urban areas, including elders, children and mothers</i></p> <p><i>Impact indicators: Number of underserved and vulnerable populations including elderly, children and mothers</i></p>	
	<p>Healthcare (Cont.)</p> <ul style="list-style-type: none"> Deployment of mobile clinics providing basic healthcare, screenings, vaccinations, and maternal care in remote or rural communities Development of telemedicine and digital health services to expand access to healthcare in underserved areas Expansion or upgrading of emergency medical services, ambulances, and response systems in provincial or rural areas <p><i>Target population: Underserved and vulnerable populations in rural and sub-urban areas, including elders, children and mothers</i></p>	 

⁶ Devices used in primary healthcare refer to basic, non-specialized medical equipment and devices that support first-contact, essential healthcare services, including health screening and diagnosis (i.e. blood pressure monitors, thermometers, pulse oximeters, blood glucose meters, stethoscopes, ECG machines, etc.), basic surgical devices (i.e. basic surgical instruments, scissors, forceps, etc.), basic treatment (i.e. oxygen concentrators, suction machines, infusion pumps, nebulizer, etc.), disease prevention (i.e. sterilization equipment, medical waste containers, disinfection equipment, etc.), and routine patient monitoring (i.e. vital signs, weighing scale, height measuring devices, etc.), typically delivered at community-level facilities such as clinics, health centers, or primary care units

⁷ Essential medicines are medicines that meet the priority healthcare needs of the population, selected based on public-health relevance, proven efficacy and safety, and cost-effectiveness, and intended to be continuously available, affordable, and accessible within primary and essential healthcare systems.



Category	Eligible Social Activities	SDG goal
<p>2. Access to essential services (Cont.)</p>	<p><i>Impact indicators:</i> Number of underserved and vulnerable populations including elderly, children and mothers</p>	
	<p>Education and vocational /Training</p> <ul style="list-style-type: none"> Development of public or subsidized education and childcare facilities and programs from early childhood education (kindergarten), elementary to secondary education institutions <p><i>Target population:</i> Underserved and vulnerable populations in rural and sub-urban areas including students and teachers</p> <p><i>Impact indicators:</i> Number of underserved and vulnerable populations including students and teachers</p>	 
	<p>Education and vocational /Training (Cont.)</p> <ul style="list-style-type: none"> Development of public or subsidized education and childcare facilities and programs including tertiary education institutions Development of public or subsidized vocational, technical training facilities and institutions Construction of campuses and student housing for public or subsidized schools and universities Education loans to low and moderate income (LMI)⁸ and/or marginalized individuals and/or communities to promote equitable access to education <p><i>Target population:</i> Underserved and vulnerable populations in rural and sub-urban areas including students and teachers</p> <p><i>Impact indicators:</i> Number of underserved and vulnerable populations including students and teachers</p>	






⁸ Low-income individuals and households identified with reference to Thailand's official income statistics published by the National Statistical Office (NSO). The Bank defines individuals with income below the national median income as low- and lower-middle-income individuals.

Category	Eligible Social Activities	SDG goal
2. Access to essential services (Cont.)	<p>Education and vocational /Training (Cont.)</p> <ul style="list-style-type: none"> Support schools in remote areas by providing computers to improve access to essential education services for underserved students⁹ <p><i>Target population: Underserved and vulnerable populations in rural and sub-urban areas including students and teachers</i></p> <p><i>Impact indicators: Number of underserved and vulnerable populations including students and teachers</i></p>	 
	<p>Education and vocational /Training (Cont.)</p> <ul style="list-style-type: none"> Provision of teachers, teacher training, and educational materials for health education programs or related initiatives to improve public health awareness, hygiene, nutrition, and disease prevention¹⁰ <ul style="list-style-type: none"> Medical equipment and healthcare supply companies (e.g. providers of basic medical equipment, diagnostic tools, PPE, and healthcare supplies distributed under public health programmes) Digital health and IT service providers (e.g. system developers, system integrators, or operators of health 	

⁹ KBank may provide financing directly to schools, government entities, or corporates to support educational initiatives aimed at improving access to learning for underserved and vulnerable populations. KBank explains that, for schools, financing is directly provided to educational institutions or schools to acquire computers and digital learning equipment; for corporates, KBank provides direct financing to companies that supply iPads and computers to schools and students in underserved and vulnerable communities; and for government entities, KBank may provide direct financing to the government to support educational initiatives that improve access to learning for underserved and vulnerable populations. KBank will ensure that funds are appropriately earmarked for eligible educational devices through use-of-proceeds restrictions, linkage to specific program expenditures or procurement, and supporting documentation (e.g., purchase orders, invoices, and delivery records), supported by internal tracking and monitoring processes.

¹⁰ KBank ensures alignment by assessing the borrower's activities and intended use of financing against its internal social eligibility criteria, supported by documentation linked to government public-health programmes, and monitored through standard credit and review process.




Category	Eligible Social Activities	SDG goal
<p>2. Access to essential services (Cont.)</p>	<p>information systems, mobile health applications, and disease monitoring platforms used by VHVs)</p> <p><i>Target population:</i> Underserved and vulnerable populations in rural and sub-urban areas including students and teachers</p> <p><i>Impact indicators:</i> Number of underserved and vulnerable populations including students and teachers</p>	
	<p>Education and vocational /Training (Cont.)</p> <ul style="list-style-type: none"> • Provision of teachers, teacher training, and educational materials for health education programs or related initiatives to improve public health awareness, hygiene, nutrition, and disease prevention <ul style="list-style-type: none"> - Training, education, and capacity building providers (e.g. institutions or service providers delivering training, workshops, and educational materials for VHVs under Ministry of Public Health programmes) - Public health nutrition and health education programme suppliers (e.g. providers of nutrition education, health promotion materials, and community health education services implemented under government initiatives) <p><i>Target population:</i> Underserved and vulnerable populations in rural and sub-urban areas including students and teachers</p> <p><i>Impact indicators:</i> Number of underserved and vulnerable populations including students and teachers</p>	
	<p>Financial services</p> <ul style="list-style-type: none"> • Support inclusive growth by offering loan and user-friendly digital platforms such as mobile or online banking applications and digital loan application platforms that improve access to financing for underserved populations or unbanked people. • Provides basic savings accounts with moderate terms, low-fee digital banking services <p><i>Target population:</i> Underserved populations, unbanked individuals, MSMEs, low-income people</p> <p><i>Impact indicators:</i> Number of loans</p>	

Category	Eligible Social Activities	SDG goal
<p>2. Access to essential services (Cont.)</p>	<p>Financial services (Cont.)</p> <ul style="list-style-type: none"> Provides education loans, healthcare loans, or livelihood loans¹¹ Provide micro-insurance products to support financial inclusion for low-to-moderate income and underserved populations <p><i>Target population: Underserved populations, unbanked individuals, MSMEs, low-income people</i></p> <p><i>Impact indicators: Number of loans</i></p>	 
<p>3. Affordable housing</p>	<p>Construction, development, acquisition of affordable housing</p> <ul style="list-style-type: none"> Financing of the construction, renovation, acquisition, or development of residential housing units that are designated as affordable for low-and/or moderate-income households¹² <p><i>Target population: Low-and moderated income people or vulnerable groups targeting affordable housing¹³</i></p> <p><i>Impact indicators: Number of loans</i></p>	  

¹¹ KBank confirms that this project category refers to personal loans that are offered under non-detrimental terms and conditions to borrowers. These loans are designed to support essential needs without causing financial hardship, through fair pricing, appropriate loan sizing, and flexible repayment arrangements.

¹² KBank confirms that this program includes financing for construction of housing provided at reduced or affordable rent rates. Additionally, KBank applies eligibility screening and safeguards such as alignment with government programs and contractual conditions to ensure the financing remains dedicated to affordable or social housing.

¹³ Target populations are selected according to household income criteria, with minimum thresholds varying by region, such as differences between metropolitan and rural areas.

Category	Eligible Social Activities	SDG goal
3. Affordable housing (Cont.)	<p>Mortgage lending that helps low/moderate-income people buy the first homes¹⁴</p> <ul style="list-style-type: none"> Financing residential mortgage loans to eligible low- and/or moderate-income households or the first-time homebuyers, where affordability criteria are met. <p><i>Target population:</i> Low- and moderated income people or vulnerable groups targeting affordable housing¹⁵</p> <p><i>Impact Indicators:</i> Number of Low- and moderated income people or vulnerable groups, Number of loans</p>	 
4. Employment generation and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, climate transition projects and/or other considerations for a 'just transition' (such provision and/or	<p>Finance loans that support employment creation and MSME development, including but not limited to:</p> <ul style="list-style-type: none"> Financing loans to MSMEs to support business continuity, expansion, and job creation or reducing unemployment Financing of MSMEs under dedicated programs aimed at improving access to finance for underserved groups, including micro-enterprises, and first-time entrepreneurs. <p><i>Target population:</i> Micro, Small and Medium Enterprises (MSMEs)¹⁶</p> <p><i>Impact Indicators:</i> Number of MSMEs financed¹⁷</p>	

¹⁴ the mortgages are only for households purchasing their primary residence, and that the property will not be used as an investment by the loan beneficiary

¹⁵ Target populations are selected according to household income criteria, with minimum thresholds varying by region, such as differences between metropolitan and rural areas

¹⁶ KBank's SME definition for segment reporting purposes is based on internal management criteria under TFRS8 and uses an annual turnover threshold of THB 400 million. While this differs from Thailand's official SME definition under the SME Promotion Act, it broadly overlaps with the small- and medium-enterprise categories and is consistent with common banking practice.





¹⁷ KBank uses an internally developed MSME definition tailored to its sustainability objectives, allowing flexibility beyond Thailand's official SME thresholds while maintaining alignment with ICMA





Category	Eligible Social Activities	SDG goal
promotion could include SME financing and microfinance)		
5. Food security and sustainable food systems (e.g. physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements; resilient agricultural practices; reduction of food loss and waste; and improved productivity of small-scale producers)	<ul style="list-style-type: none"> Financing loans to agricultural MSMEs <p><i>Target population:</i> Agricultural MSMEs</p> <p><i>Impact Indicators:</i> Number of agricultural MSMEs</p>	
	<ul style="list-style-type: none"> Financing loans to smallholder farmers, farmer groups, or agricultural MSMEs, in line with internationally recognized food security and smallholder farmer concepts (e.g. FAO), or engaged in the production of food products, including Fairtrade certified/or Organic Thailand/Thai Organic Logo (Q-Mark), and implemented in accordance with Thai national policies, definitions, and agricultural development programs that support the production of essential food crops or staple foods and contribute to local or national food security. <p><i>Target population:</i> FAO-aligned smallholder farmers</p> <p><i>Impact Indicators:</i> Number of FAO-aligned smallholder farmers</p>	 
	<ul style="list-style-type: none"> Financing loans to the small-scale farmers for inputs such as seeds¹⁸ and fertilizers¹⁹. For example, Modern technologies related to hydroponic farming/ organic farming methods²⁰ <p><i>Target population:</i> FAO-aligned smallholder farmers</p> <p><i>Impact Indicators:</i> Number of FAO-aligned smallholder farmers</p>	 

¹⁸ Provision of seeds to farmers is eligible for social purposes, provided that the seeds are non-GMO, legally permitted, and support farmer livelihoods or food security.

¹⁹ Eligible fertilizers are limited to organic fertilizers; chemical (nitrogen-, phosphate-based, and stabilized) fertilizers are excluded

²⁰ Organic farming may be classified either through recognized organic certification schemes or through verified organic farming practices (e.g. organic-by-practice), both of which are recognized by FAO-aligned frameworks.

Category	Eligible Social Activities	SDG goal
5. Food security and sustainable food systems (Cont.)	<ul style="list-style-type: none"> Financing loans of food value chain activities, including storage, processing, and distribution, that improve food availability, reduce food loss, and enhance access to affordable food. For example, Investments or projects related to infrastructure and facilities such as warehouses to provide adequate storage, improve food conservation or improve connectivity in the food chain to avoid food losses. <p><i>Target population: Small-scale producers, Underserved populations, low-income people and rural communities, FAO-aligned smallholder farmers</i></p> <p><i>Impact Indicators: Number of Small-scale producers/farmers, including of underserved people or food insecure populations</i></p>	 
	<ul style="list-style-type: none"> Financing initiatives that improve access to affordable and nutritious food for underserved or low-income or food insecure populations. Eligible initiatives may include projects and activities that increase the availability, affordability, distribution, or consumption of safe and nutritious food, particularly for vulnerable groups. Projects that improve physical access to food for underserved communities (i.e. Storage, cold-chain, or logistics solutions that reduce food loss and lower end-user prices) Initiatives that make nutritious food more affordable for low-income consumers (i.e. Support for cooperatives, community markets, or social enterprises selling affordable food) Initiatives that explicitly target nutritional outcomes (i.e. School meal programs) <p><i>Target population: Underserved populations, low-income people and rural communities</i></p> <p><i>Impact Indicators: Number of Underserved populations, low-income people and rural communities</i></p>	 

Category	Eligible Social Activities	SDG goal
6. Socioeconomic advancement and empowerment (e.g. equitable access to and control over assets, services, resources, and opportunities; equitable participation and integration into the market and society, including reduction of income inequality)	Financing loans that improve access to financial services for underserved or underbanked individuals and micro-enterprises, contributing to economic inclusion and income generation: <ul style="list-style-type: none"> Loans and financial services such as basic savings accounts with moderate terms (i.e. low minimum balance and moderate fees, working capital loans for MSMEs, etc.) for underbanked individuals²¹ <p><i>Target population:</i> Micro-enterprises/MSMEs, women with low income and disadvantaged female group, low-income households, Community-based entrepreneurs and workers</p> <p><i>Impact Indicators:</i> Number of Micro-enterprises/MSMEs, women with low income and disadvantaged female group, low-income households, Community-based entrepreneurs and workers</p>	
	Financing loans that improve access to financial services for underserved or underbanked individuals and micro-enterprises, contributing to economic inclusion and income generation: <ul style="list-style-type: none"> Loans and financial services for micro-enterprises/MSMEs <p><i>Target population:</i> Micro-enterprises/MSMEs</p> <p><i>Impact Indicators:</i> Number of Micro-enterprises/MSMEs</p>	
	Financing loans to women-owned or women-led enterprises that promote women's economic participation and financial independence. <ul style="list-style-type: none"> Loans and financial services to women-owned businesses (at least 51% owned by one or more women) Loans and financial services to women-led businesses, defined as enterprises where women own at least 51 of the equity <p><i>Target population:</i> Micro-enterprises/MSMEs, women owned MSMEs, women with low income and disadvantaged female group</p>	 

²¹ Underbanked i.e., individuals who may have a basic bank account but face barriers in accessing a full range of appropriate, affordable, and suitable financial services (e.g., credit, savings, insurance, or digital payments) due to income constraints, limited credit history, geographic access, documentation gaps, or low digital/financial literacy.

Category	Eligible Social Activities	SDG goal
<p>6. Socioeconomic advancement and empowerment (Cont.)</p>	<p><i>Impact Indicators:</i> Number of Micro-enterprises/MSMEs, women owned MSMEs, women with low income and disadvantaged female group</p>	
	<p>Financing loans to women-owned or women-led enterprises that promote women’s economic participation and financial independence.</p> <ul style="list-style-type: none"> Loans and financial services to women-led businesses, defined as enterprises where women own at least 51 of the equity, or at least one woman holds a senior executive position (CEO, COO, President, or Vice President), Loans and financial services to support women’s participation in economic activities including access to financing for women-owned or women-led MSMEs, women entrepreneurs, and women engaged in income-generating or self-employment activities. <p><i>Target population:</i> Micro-enterprises/MSMEs, women owned MSMEs, women with low income and disadvantaged female group</p> <p><i>Impact Indicators:</i> Number of Micro-enterprises/MSMEs, women owned MSMEs, women with low income and disadvantaged female group</p>	
	<ul style="list-style-type: none"> Financing social enterprises, and local economic initiatives that promote local value creation and strengthen local economies. These populations benefit through improved access to finance, job creation, income generation, and strengthened local economies. Eligible activities include enterprises that provide essential goods and services, strengthen local supply chains, support small-scale producers or entrepreneurs, and reinvest economic benefits within local communities. <p><i>Target population:</i> MSMEs particularly those operating in rural, provincial, or underserved areas, with limited access to formal financing</p> <p><i>Impact Indicators:</i> Number of MSMEs particularly those operating in rural, provincial, or underserved areas, with limited access to formal financing</p>	

The target populations for Eligible Social Activities under this Framework include underserved and vulnerable populations, as defined under the ICMA Social Bond Principles. Examples of the target population included, but not limited to the following:

- 1) People living below the poverty line;
- 2) Excluded and/or marginalized populations and/or communities;
- 3) People with disabilities;
- 4) Migrants and/or displaced persons;
- 5) The undereducated;
- 6) The underserved, owing to a lack of quality access to essential goods and services;
- 7) The unemployed;
- 8) Women and/or sexual and gender minorities;
- 9) Aging populations and vulnerable youth; and
- 10) Other vulnerable groups, including those impacted by natural disasters

4. Project Evaluation and Selection Process

KBank established the Credit Policy on Environment, Social and Governance and Sector-Specific Guidelines which provide information about the ESG exclusion list and Sector Specific Guidelines²² while having in place measures for risk management appropriate for high ESG risk sector to ensure that credit supported by KBank will effectively manage in environmental and social impacts over the loan term period.

• Step 1: Asset screening and selection

In the project evaluation and selection process, KBank first assesses the social eligibility of proposed projects under the Framework. Upon confirmation that the use of proceeds meets the eligible social objectives. KBank expects, as a minimum, that clients meet applicable environmental and social laws and regulations relevant to their business processes, consider the international and/or national practice approaches, and hold relevant licenses and permits. The social and governance standards encompass compliance with labour laws, human rights, anti-corruption measures, and fair business practices. These elements are evaluated to ensure

²² ESG Exclusion List and Sector-Specific Guidelines are available via website: <https://www.kasikornbank.com/en/ir/corporategovernance/transparency/pages/esg-credit-policy.aspx>

adherence to minimum safeguards. Additionally, KBank will take into consideration and make every effort to ensure that selected projects do not cause significant harm to the environment or society.

KBank employs the internal process for environmental and social screening which can be applied for all new credit lending as summarized in **Table 2**.

Table 2: ESG Screening Processes in Accordance with Project Type

Commercial finance to medium and larger enterprise customer	Project finance
<ol style="list-style-type: none"> 1. Checking the industry type against the Exclusion List 2. Assessing ESG impacts via General ESG Screening Form 3. Approving or rejecting the applications in accordance with the delegated authority, and determining environmental and social conditions 	<ol style="list-style-type: none"> 1. Checking the industry type against the Exclusion List 2. Classifying the credit application types for projects that may create environmental or social impacts, based on global principles and notifications of the Ministry of Natural Resources and Environment Assessing ESG impacts 3. (Only Type A Projects) Requesting approval of heads of business divisions and Enterprise Risk Management Division for detailed study of the projects (without approval, the processes terminate) 4. (Only Type A Projects) Reporting to the Corporate Governance and Sustainability Committee for recommendations 5. Studying details and negotiating about project feasibility in terms of credit and environmental management 6. Approving or rejecting the applications in accordance with the approval authority, and determining environmental and social conditions

- **Step 2: Internal validation**

Designated members of the working group are assigned specific responsibilities to oversee and manage the governance process of related eligible asset operations. Ensuring the adherence of selected assets to the social framework and its associated policies where not have a significant adverse impact on the environment and society.

These 2 steps ensure that the selected projects align with KBank's sustainability strategy and social finance framework. KBank ensures that eligible projects are consistent with and contribute to the Bank's overall sustainability strategy and environmental goals. Project selection is subject to internal evaluation and governance processes, including eligibility criteria, environmental risk screening, and oversight by relevant internal functions, to ensure strategic alignment and integrity of use of proceeds.

5. Management of Proceeds

The Working Group, which includes key functional teams such as the corporate banking teams (from business division), the Sustainability Strategy Chapter, the Central Treasury Department and the Sustainable Development Unit will collaborate to manage all eligible assets according to this framework. The Working Group will ensure the proceeds from social liabilities will be fully allocated to eligible social assets. Also, all the eligibility of the social proceeds will be flagged as "Social" in the internal information system for monitoring reason where the Working Group can review and monitor periodically to ensure full transparency and accountability throughout the loan duration. The social loans that flagged in the internal bank system will be selected further for bonds, structure notes, deposits, repurchase agreements (repos) issuance and any other form of financial instruments under this framework. The social assets are always monitored timely to ensure the eligibility criteria and not double counting.

This Social Finance Framework is implemented for all social eligibility proceeds. The Use of Proceeds can cover liabilities such as bonds, structure notes, deposits, repos issuance and any other form of financial instruments under this framework. The allocation and updating of eligible projects will be managed by the working group. KBank intends to fully allocate the net proceeds from social loans and other social finance instruments under this framework within 24–36 months of origination or issuance. KBank commits to maintaining a total eligible social loans portfolio that exceeds the net proceeds from its outstanding bonds, deposits, structure notes

and repos serving as a buffer mechanism. The working group will closely monitor that buffer amount to prevent unexpected decreases in outstanding eligible asset pool.

For management, if a loan facility is provided in multiple tranches, KBank will maintain separate accounts for each tranche and ensure proper tracking for transparency. Also, in the event that an eligible project does not meet the established social criteria, that associated proceeds will be reclassified as non-social benefit.

The net proceeds from social can be administered on an individual bond and loan basis (loan-by-loan approach and bond-by-bond approach). This approach ensures that the funds generated from each bond, loan, structure note, deposit and repo are monitored and managed separately, guaranteeing their allocation to their intended purpose.

6. Reporting

The allocation and impact reporting will be provided annually until the entire loan or financing amount has been fully allocated for eligible projects. Moreover, the social financing instruments including loans, bonds, deposits, structure notes, repurchase agreements (repos) etc. under this Social Finance Framework will be published and publicly disclosed on the official website and available download. The entirety of the assets to be financed will be reported on the aggregated/portfolio level. The monitoring and reporting concepts will apply equally to social loans, social bonds, social deposits and social structure notes. In the event that the Issuer would have solely other Social Financing Instruments than bonds outstanding, the reporting will be available to the institutions participating in the loan.

– Allocation report

The report will provide an allocated amount with detailed breakdown of eligible social projects with a brief description of projects. Also, the amount of unallocated proceeds and how they are managed. KBank will track all social eligibility projects with the project base. However, for the reporting manner, the social assets will aggregate into the portfolio basis, in the level of social category.

– Impact report

This report will provide the relevant social impact indicators of the eligible social projects. The report may include impact indicators such as number of loans for MSMEs, number of households with rent lower than the local/national average and number of affordable houses financed. However, the detailed indicators for impact reporting will be derived from ICMA's Harmonized Framework of Impact Reporting for Social Bonds²³.

The following are illustrative examples of impact reporting indicators, as presented in **Table 3** below.

Table 3: The examples of impact reporting indicators

Eligible social categories	Sample Impact indicators
1. Affordable basic infrastructure	<ul style="list-style-type: none"> - Number of water infrastructure projects built/upgraded - Number of new household water connections - Number of people provided with adequate and equitable sanitation - Number of new household power connections - Number of people provided access to clean and affordable energy or telecommunication system
2.1 Access to essential services - Healthcare	<ul style="list-style-type: none"> - Number of patients benefitting from healthcare or medical treatment - Number of individuals undergoing early detection tests - Number of hospital beds - Number of hospitals and other healthcare facilities built/upgraded - Number of units of medical equipment purchased - Number of people vaccinated (broken down by age, income-level, gender)

²³ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-for-Social-Bonds-June-2025.pdf>

Eligible social categories	Sample Impact indicators
2.2 Access to essential services -Education	<ul style="list-style-type: none"> - Students reached (breakdown by ages, gender) - Number of education facilities and/or initiatives
3. Affordable housing	<ul style="list-style-type: none"> - Number of affordable units/houses/dwellings constructed, improved, rented, financed, or acquired - Number of outstanding affordable housing loans/grants/subsidies - Number of households with rent lower than the local/national average
4. Employment generation and programs designed to prevent and/or alleviate unemployment	<ul style="list-style-type: none"> - Number of loans made to MSMEs - Number of MSMEs financed - Number of people trained in new vocational skills - Jobs created, supported, and/or retained
5. Food security and sustainable food systems	<ul style="list-style-type: none"> - Number of people provided with access to affordable, safe, nutritious, and sufficient food - Number of people benefiting from agricultural projects and using improved farming technology
6. Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> - Number of loans to MSMEs in low-income areas, or to women-owned MSMEs - Number of people provided with access to financial services - Number of loans made to Women-led business

7. External Review

Through this Social Finance Framework for eligible social activities, KBank reaffirms its commitment to driving sustainable and inclusive growth. By providing transparent, targeted, and impactful financing,

The second party opinion will be made publicly available and published on the KBank webpage²⁴. The social finance framework is subject to regular reviews and updates to ensure ongoing relevance, effectiveness, and alignment with evolving best practices and societal needs.

²⁴ <https://www.kasikornbank.com/EN/sustainable-development/sustainability-bond/Pages/Sustainable-Bond-Framework.aspx>