

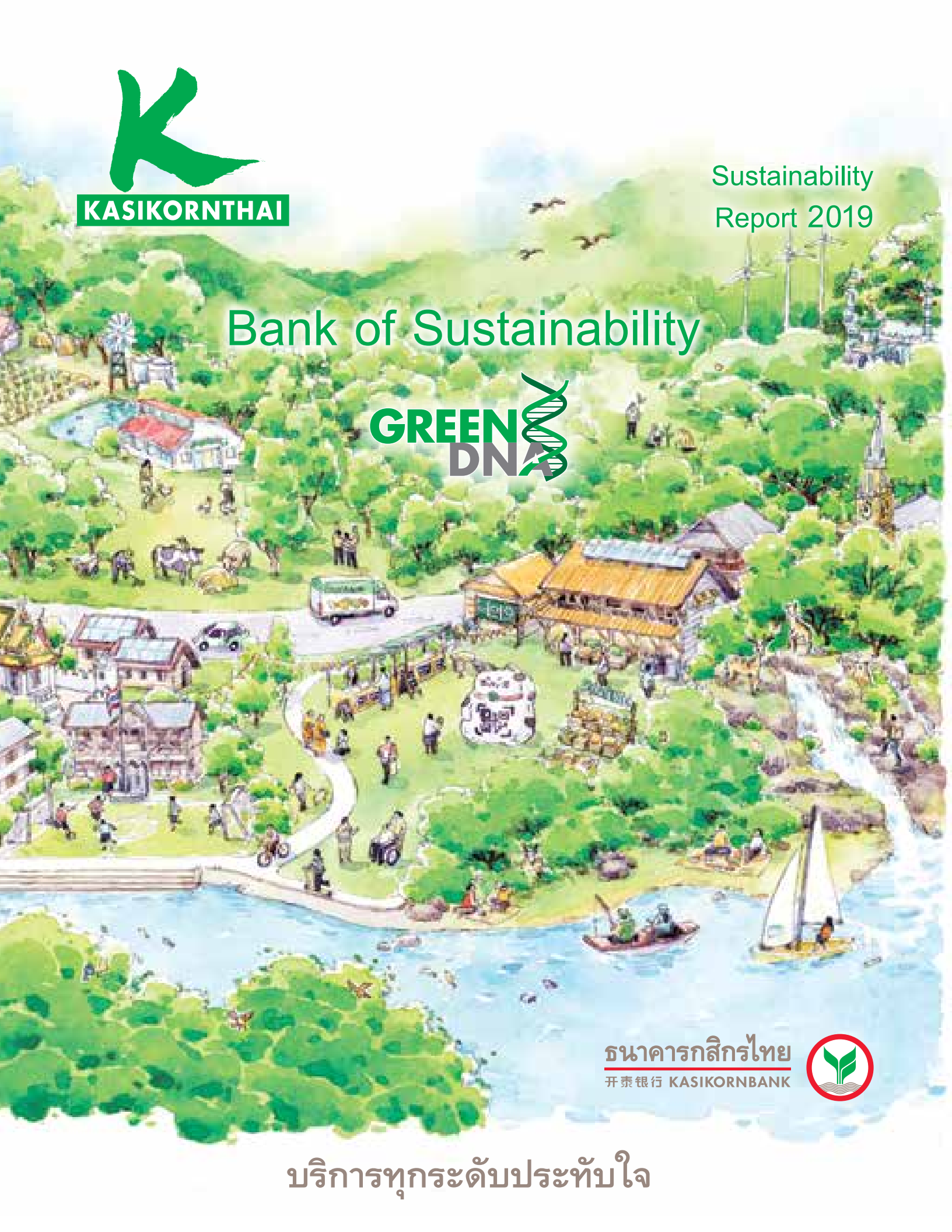


KASIKORNTHAI

Sustainability
Report 2019

Bank of Sustainability

GREEN
DNA



ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ



ธนาคารกสิกรไทย

开泰银行 KASIKORNBANK



หลักทรัพย์จัดการกองทุนกสิกรไทย

开泰基金管理 KASIKORN ASSET MANAGEMENT



ศูนย์วิจัยกสิกรไทย

开泰研究中心 KASIKORN RESEARCH CENTER



หลักทรัพย์กสิกรไทย

开泰证券 KASIKORN SECURITIES



ลีสซิ่งกสิกรไทย

开泰租赁 KASIKORN LEASING



แฟคเตอรี แอนด์ อีควิปเมนต์ กสิกรไทย

开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



กสิกร เทคโนโลยี กรุ๊ป เซครเทรียต

开泰技术集团管理 KASIKORN TECHNOLOGY GROUP SECRETARIAT



กสิกร แล็บส์

开泰研发 KASIKORN LABS



กสิกร ซอฟต์

开泰软件 KASIKORN SOFT



กสิกร โปร

开泰信息基础设施 KASIKORN PRO



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 conducts business with the foundation of Bank of Sustainability, with appropriate risk management and good corporate governance principles. We strive to balance economic, social, and environmental dimensions to achieve goals and create sustainable long-term returns.

The philosophy of sustainable development is instilled in all our operations as part of our Green DNA, ensuring maximum benefit for all stakeholders and paving the way for sustainable growth.



CUSTOMER CENTRICITY



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.

Core Values

Customer
at Heart

Agility

Collaboration

Innovativeness

KASIKORNBANK

A Bank of Sustainability



Over the past 70 years, we have developed into Thailand's leading and strong financial conglomerate in Thailand, based on sustainable development in the economy, society and environment. Sustainable development is our organizational culture and the foundation of all we do because sustainable development ensures the maximum benefit for all stakeholders and paves the way for the sustainable growth of Thailand.



Bloomberg Gender-Equality Index (GEI)
The first and only company in Thailand selected as a member of the Bloomberg Gender-Equality Index for two consecutive years (2019 - 2020)



Carbon Disclosure Project (CDP)
The first and only bank assigned A- (Leadership Level) (2019)



Dow Jones Sustainability Indices (DJSI)
The first and only bank in Thailand and ASEAN selected as a member of the DJSI for four consecutive years (2016 - 2019)



Sustainability Award, Bronze Class of the banking industry
for three consecutive years (2018 - 2020)



FTSE4 Good Emerging Index
Selected as a member of the FTSE4Good Emerging Index for four consecutive years (2016 - 2019)



MSCI ESG Ratings at "AA"
A leading company in the banking industry in emerging markets in ESG operations (2019)



Carbon Neutral Certification
The first commercial bank in Thailand granted this certification for two consecutive years (2018 - 2019)



The ESG 100 Certificate
One of 100 companies selected as having outstanding ESG performance for four consecutive years (2016 - 2019)



SET Sustainability Awards Outstanding Sustainability Awards
for two consecutive years (2018 - 2019)



Sustainability Disclosure Award
(2018)



Distinguished Awards Sustainable Development Excellence
(2019)



Thailand Sustainability Investment (THSI)
Included in THSI for four years (2016, 2017 - 2019)

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Statement of the Board of Directors

Through the past year, the global economy experienced a slowdown from the US-China trade dispute, changing consumer behaviors, and heightened competition. Additionally, climate change is a key challenge faced by communities worldwide, with its direct impacts on daily lives and future business undertakings. In Thailand, with recovery signals having not yet to emerge, business operations will likely face more challenges amid Thailand's economic recovery efforts that will require full cooperation from both the public and private sectors. Financial institutions will be a key mechanism driving the economic system and generating business growth. Rapid developments in the digital world also present new challenges to business operators.

KASIKORNBANK (KBank) conducts business with the foundation of a Bank of Sustainability, with good corporate governance principles and appropriate risk and cost management. We balance three key dimensions, namely the economy, society, and environment, to create sustainability for all stakeholders and to be consistent with the United Nations' Sustainable Development Goals (SDGs). KBank has been widely recognized as a leading financial institution taking responsibility towards society and the environment, and as a customer centric financial conglomerate. Guided by our commitment to deliver service excellence, we aim "To Empower Every Customer's Life and Business" with total service solutions through the synergy of cooperation among companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup businesses, and business partners. We also join with KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) to innovate financial products and services, along with efficient risk management and digital security. Concurrently, KBank has upgraded strategic imperatives and capabilities to become the top regional financial service provider.

KBank strives for sustainability in all three dimensions. In the economic dimension, KBank introduced a wide range of products and services including cooperation with companies on e-Commerce platform, development of functions on K PLUS (a mobile banking platform) to offer best experiences anytime and anywhere, electronic letters of guarantee via blockchain, MADHUB – a comprehensive solutions center for online shops, promotion of efficient use of financial resources, and enhancement of service channels to meet the requirements of all customer segments. Also, KBank adheres to our strategy of becoming a Regional Digital Bank. Beyond the economic dimension, KBank conducts business as a decent citizen and has a social imperative to ignite changes that are significant to society and the environment. In the social dimension, KBank continues to provide financial knowledge to youth via the AFTERCLASS website. Through the Nan Cultivation of Wisdom project, we support new learning and teaching processes designed to develop systematic thinking skills in students and teachers. Other works include supporting a project to add value to organic waste in Nan, providing assistance after disasters, and encouraging staff members' CSR activities under the Tham Di Tham Dai (Employee Volunteer Hours) Project based on KBank's Green DNA resolution. KBank also places importance on human resource management, equal opportunities, respect for diversity, human rights, and a happy and healthy workplace environment.

In the environmental dimension, the issues of climate change and the careless disposal of hazardous waste impact our living conditions and business operations, now and in the future. Cooperation to ensure that we can pass on a clean world to the next generations is essential. KBank has adopted new policies related to the adaptation and mitigation of the impacts of climate change. We have also revised and clarified our policies related to environmentally friendly businesses, to bring them into compliance with KBank's key issues and global sustainability directions. We have created a goal to reduce greenhouse gas emissions by 20 percent by 2020 (relative to the base year of 2012), to do our part in the transformation to a low carbon society, with the aim of being part of a zero carbon society in the long-term. KBank also signed a memorandum of agreement on Sustainable Banking Guidelines – Responsible Lending in accordance with the Bank of Thailand's guidelines, and together with the community has supported the Rak Pa Nan (Care for Nan Forest) Project to preserve the watershed forest area in Nan province. In addition, KBank joined

in the Nan Sandbox Project as a representative of the private sector. The project is a cooperation between the public sector, private sector, and citizens to solve the problem of natural resource depletion, based on the Pracharat (Civil Society) scheme involving collaboration from all parties, to serve as a prototype for other provinces of Thailand.

This constant striving towards balance is reflected in our successful operational results. In 2019, KBank and subsidiaries reported Baht 38,727 million in net profit, rising 0.70 percent over the previous year. Net operating income increased 3.22 percent over-year, and our allowance for impairment loss on loans was higher than the year before, in tune with the economic situation and prudent management by KBank. The capital adequacy ratio according to the Basel III Accord was 19.62 percent, while the Tier 1 capital ratio stood at 16.19 percent, higher than the Bank of Thailand's requirement and reflecting our robust capital position. Moreover, we have been recognized by domestic and international institutions. KBank is the first Thai and ASEAN bank to be selected as a component of the Dow Jones Sustainability Indices (DJSI) for the fourth consecutive year. It has also been included as a constituent of the FTSE4Good Emerging Index for a fourth consecutive year. Furthermore, KBank was granted an A- score in the assessment of climate change management under the 2019 Carbon Disclosure Project (CDP) and is the first and only Thai bank to earn a score at the Leadership level. In addition, KBank was included in the Thailand Sustainability Investment List 2019 of the Stock Exchange of Thailand for a fourth year. Our efforts were affirmed by many other accolades over the past year.

On behalf of the Board of Directors, executives, and employees, I would like to express our appreciation for your confidence and trust in our business. We are making an important change in our management structure, wherein Ms. Kattiya Indaravijaya has been appointed Chief Executive Officer in place of me, with the appointment effective the day after the General Meeting of Shareholders 2020. Given the Board of Directors' trust in Ms. Kattiya Indaravijaya's qualifications, skills, knowledge, capabilities, and vast experience in various key operations of KBank, it is our belief that KBank will be guided towards stable and sustainable growth through present and future challenges.



(Mr. Banthoon Lamsam)

Chairman of the Board and Chief Executive Officer



About KASIKORNBANK

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Information of KASIKORNBANK

KASIKORNBANK

One of Thailand's largest commercial banks conducting business with the foundation of good corporate governance principles and appropriate risk management to balance the three dimensions, namely the economy, society, and environment.

KASIKORNBANK – one of Thailand's largest commercial banks – conducts our business as a Bank of Sustainability, supported by good corporate governance principles, appropriate risk management and the Customer Centricity strategy in all dimensions with aspiration towards sustainable business achievement.

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 has 40 subsidiaries, a service network of 886 domestic branches across Thailand and 16 overseas offices in 8 countries. KBank Head Office is located in Bangkok; a total number of employees stands at 34,310*. 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.

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 business, 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

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

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 accurate, useful and up-to-date academic information for the purpose of public relations; and dissemination of academic reputation as a KBank's subsidiary

KASIKORN SECURITIES PUBLIC COMPANY LIMITED

- Established on July 10, 2002
- Providing a complete range of financial solutions and services of investment 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 range of financial services to the auto industry, including hire purchase loans for individual, corporate and fleet customers; financing for dealers; and car-for-cash loans for individuals and business entities

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 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

KASIKORN BUSINESS – TECHNOLOGY GROUP (KBTG)

Supporting KBank's business-technology strategies and serving customer demand that has 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, 2016
- 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, 2016
- Focusing on research and development of new technologies and innovative business models that embrace digital banking and the digital economy; and development of prototypes of in-house innovations for beta testing prior to rolling them out as KBank products

KASIKORN SOFT COMPANY LIMITED

- Established on October 13, 2016
- Being responsible for KBank's new and modified IT infrastructure and systems; and ensuring that such infrastructure is up-to-date and in well-maintained conditions for maximum efficiency

KASIKORN PRO COMPANY LIMITED

- Established on October 13, 2016
- Being responsible for KBank's new and modified IT infrastructure and systems; and ensuring that such infrastructure is up-to-date and in well-maintained conditions 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 implementation

KASIKORN X COMPANY LIMITED

- Established on June 30, 2017
- Focusing on research and development of new technologies and innovative business models that embrace digital banking and the digital economy; and development of prototypes of in-house innovations for beta testing prior to rolling them out as KBank products

Strategic Directions of KASIKORNBANK

KBank's organizational structure comprises 15 divisions. The Strategy and Analytics Division is responsible for determining the overall directions and strategies of the organization for proposal to KBank 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

KBank operates our business on the foundation of a Bank of Sustainability under good corporate governance and appropriate risk management for the balance of three dimensions - economy, society and environment, to ensure the maximum benefits for all stakeholders. Our business strategies are consistent with the United Nations' Sustainable Development Goals (SDGs). Guided by the "Customer Centricity" strategy under our resolution to offer excellence in service, we intend to empower every customer's life and business via total solutions, attentive and inclusive services, and offering a positive experience anytime and anywhere as a trustworthy service provider. Our endeavors are achieved through collaboration and synergy with other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms and our business partners, under the single brand of KASIKORNBANK.

KBank has strategic imperatives as follows:

- Lend successfully using data analytics
- Embed in select financially relevant ecosystems
- Ensure cyber security and data confidentiality

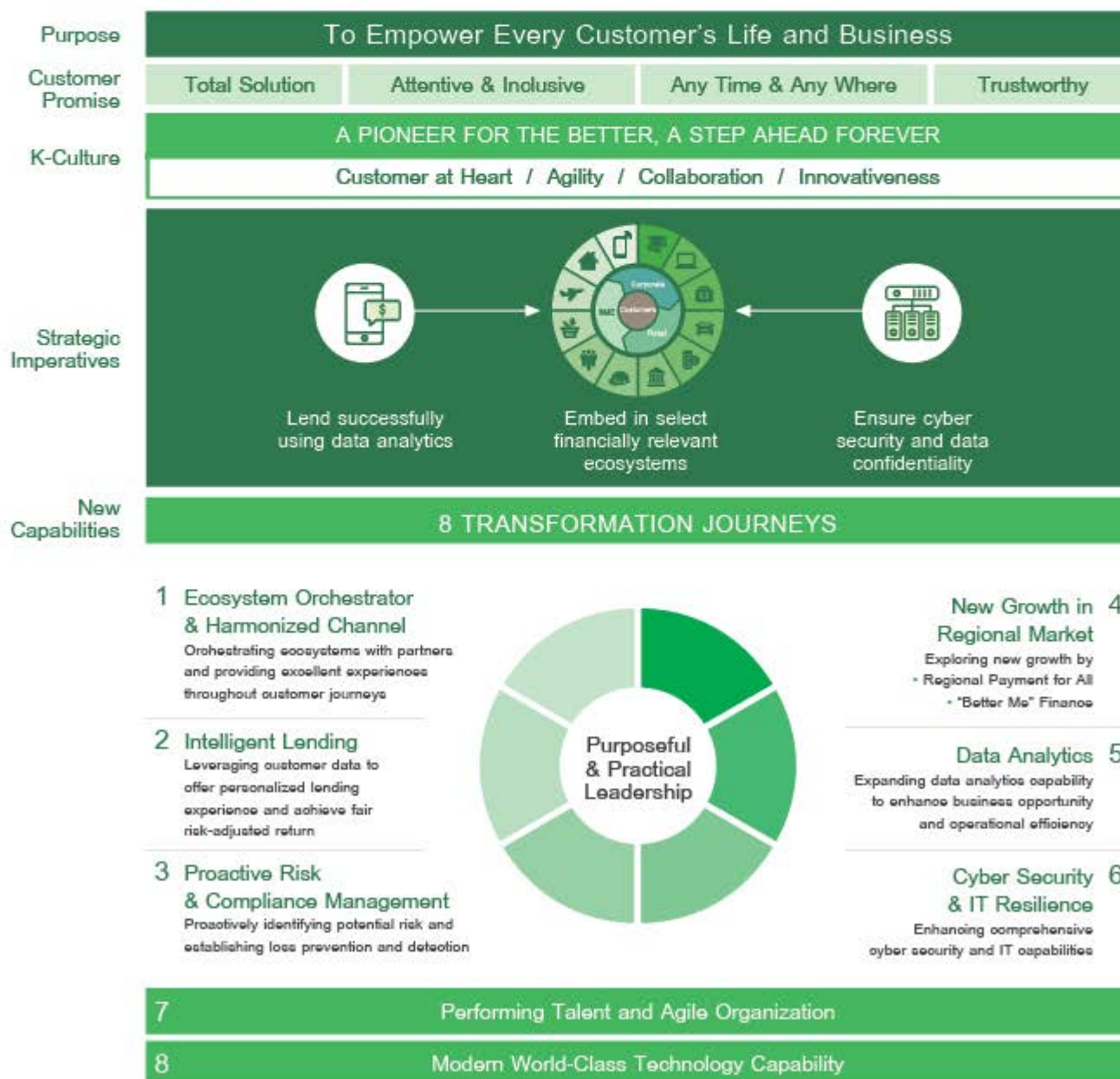
KBank has strategic capabilities which comprise eight transformation journeys:

- Ecosystem Orchestrator & Harmonized Channel: Orchestrating ecosystems with partners and providing excellent experiences throughout customer journeys
- Intelligent Lending: Leverage customer data to offer personalized lending experience and achieve fair risk-adjusted return
- Proactive Risk & Compliance Management: Proactively identifying potential risk and establishing loss prevention and detection
- New Growth in Regional Market: Exploring new growth opportunities in other countries
- Data Analytics: Expanding data analytics capability to enhance business opportunity and operational efficiency
- Cyber Security & IT Resilience: Enhancing comprehensive cyber security and IT capabilities
- Performing Talent and Agile Organization: Developing employee potential in the drive towards an agile organization
- Modern World-Class Technology Capability: Adopting modern world-class technology to make KBank the top regional financial service provider

The K-Strategy

KASIKORNBANK Guiding Foundation

- Remain a top tier size with strong brand, distribution, and capital base
- Acquire enduring customers and ensure excellent customer experience across all segments
- Be a digital-oriented AEC+3 Bank
- Be a data-driven bank and ensure data confidentiality
- Be a cost competitive operator
- Be a Bank of Sustainability



Strategy of becoming the Regional Digital Bank

In adherence to our strategy of becoming "Regional Digital Bank", KBank remained committed to expanding our business operations within the region through the 3-Track Regional Digital Expansion. In detail:

1. Conventional Expansion

We have expanded our business network and services within the AEC+3 region while setting our sights on upgrading the representative offices in the Socialist Republic of Vietnam and the Republic of the Union of Myanmar to the status of a branch within 2020.

2. Digital Expansion

We have focused on Mobile Digital service in target countries within the CCLMVI* bloc. Major initiatives included:

- Development of the QR KBank – an e-wallet application available in Lao People's Democratic Republic (Lao PDR). We aim to upgrade the service and add more functions to better meet the needs of both customers and merchants.
- Development of personal loan via mobile application in the Kingdom of Cambodia
- Planning of digital banking business expansion in the People's Republic of China

3. Industry Solutions and Ecosystem Expansion

We have sought opportunities to foster collaboration with new partners, namely tech partners, to allow Thai and local businesses to gain better access to financial services. In 2019, KBank teamed with an e-commerce partner in the Republic of Indonesia to implement a pilot project that aims to push Thai businesses and products to compete in the regional arena.

Adhering to the strategies of becoming the Bank of the region 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) in 2018 as an investment holding company 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.

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



KASIKORNBANK (CHINA) COMPANY LIMITED

In 2019, KASIKORNBANK (CHINA) COMPANY LIMITED or 'Kai Tai Yin Hang (Zhong Guo)', locally incorporated institution in China, continued to upgrade its services provided to clients. Aside from equipping Chinese customers with knowledge about KBank financial services and business matchmaking activities for Thai business operators seeking to branch out into the People's Republic of China, KBank provided the following services to both Thai and Chinese corporate clients.

- Acting as a lead arranger to provide syndicated loans to Chinese corporate customers
- Acting as a financial advisor for Chinese corporate customers and Thai businesses wishing to establish their presence in the People's Republic of China
- Introducing entrusted loan, which features a financial service that offers greater flexibility to Thai companies with ample investment that are ready to provide loan support to their subsidiaries for their business operations

Aside from corporate clients, KBank plans to expand our retail customer base. In 2019, KBank and our partner banks offered syndicated loans to retail clients to assist them in gaining easier access to funding sources at an affordable cost. Designed specifically for each individual customer's behavior, the loan program can comprehensively respond to their spending needs. Meanwhile, we set our sights on adopting digital technology to enhance financial literacy and discipline for these clients as we aim to offer investment service, life insurance products, etc. in order to meet their needs at different life stages, whether for career advancement, life quality enhancement or financial freedom.

Performance Assessment

KBank's supervision towards the achievement of our established goals and sustainable success is based on the Balanced Scorecard (BSC) system, as a tool for strategic implementation. KBank Strategy Map has been drawn up, with short-term and long-term indicators to measure success through four key dimensions, including: Finance, Customers, Internal Processes, and Learning & Development.

The Strategy Map has been communicated to all divisions, so that they can devise their own Division Strategy Maps that 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 President level to the Division Head level and other parties involved with successful performances. Operating results were monitored to attain the established objectives.



KBank strives

to become "Regional Digital Bank"
by expanding business
operations throughout the region.



KASIKORNBANK and Sustainable Development

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Performance of Sustainable Development 2019

Economic Dimension

Thailand's number one mobile banking provider, with

12.1

million K PLUS users

Achieved Net Promoter Score (NPS) of

54

in mobile banking channel, highest in the Thai banking industry

Initiated **Thailand Blockchain Community Initiative (BCI)**, wherein blockchain technology is applied to the letter of guarantee issuance service - a first for Thailand



Social Dimension

100%

of KBank's operations
have undergone
human rights risk
assessment

Ratio of female
directors at

38.9%

Number of employee volunteer
hours total

248,180

Brandon Hall Group
award for excellence
in human resource
management

Environmental Dimension

Renewable energy loan
projects amounting to

801.5
megawatts

The first bank
in ASEAN to issue
sustainability bonds
with a total value of
USD

100 million
to promote sustainable
development
(issued in 2018)

Granted
Carbon Neutral
Certification by
the Thailand Greenhouse
Gas Management
Organization
(a public organization)
for the second
consecutive year

KASIKORN BANK and Sustainable Development

Since 2014, KBank has implemented the Sustainable Development Policy in three aspects with respect to the economy, society and environment, in consistent with the United Nations Sustainable Development Goals (SDGs). All units of KBank have adhered to the Sustainable Development Policy in their concrete business operations. Our sustainable development structure serves as the key driver to translate the Bank's sustainable development goals into actions of all divisions and to integrate the work plans into common directions for the maximum benefit of all stakeholders.

In 2019, the Corporate Governance Committee proposed to the Board of Directors a review the Sustainable Development Policy to comply with KBank's major issues and global trends. A policy of adaptation and mitigation of the impact of climate change has been incorporated, and the policy related to financial support to environmentally-friendly businesses has been revised for further clarification.



KBank Sustainability Framework



KBank is giving particular attention to nine United Nations Sustainable Development Goals (SDGs) as being in perfect agreement with our Material Topics, while providing full support for the other eight goals, to help us generate sustainable value to all stakeholders.



Goals

Sustainable Development Policy

Sustainable Profitability

Economic Aspect

- Business operations defined by good corporate governance practices
- Adherence to a "Customer Centricity" philosophy and effective customer responsiveness
- Efficient risk management
- Sharing of financial knowledge with the general public
- Customer data security and privacy
- Product and service enhancements via value-added innovations

Good Corporate Citizenship

Social Aspect

- Fairness of labor relations management and employee caring
- Employee development
- Promotion of occupational health and safety for employees
- Youth education development and community and social development

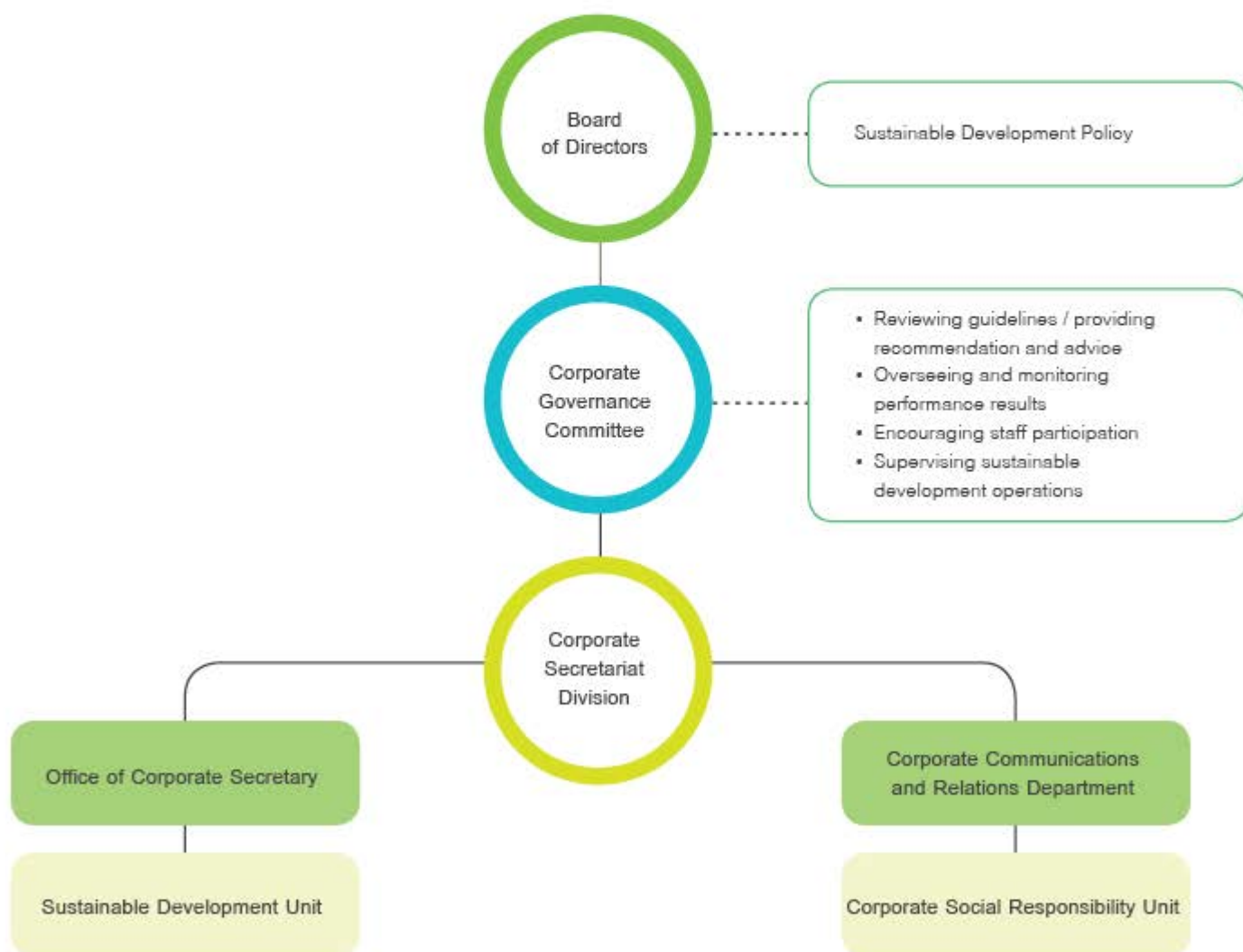
Zero Carbon Society

Environmental Aspect

- Adaptation and mitigation of the impact of climate change
- Environmentally friendly and reducing the environmental impacts of our own operations
- Financial support to environmentally-friendly businesses

Sustainable Development Structure

In our sustainable development structure, the Chairman of the Board and Chief Executive Officer drives the organization towards sustainable development. KBank Board of Directors has assigned the Corporate Governance Committee to supervise sustainable development operations; the Committee holds a meeting each quarter to determine operational guidelines, monitor and submit reports to the Board of Directors. The Sustainable Development Unit, 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, which thus leads to the achievement of targets and responds to stakeholders' needs.



Communications on Sustainable Development

KBank has communicated on sustainable development operations with all stakeholders to share and exchange experiences on sustainable development with them.



Our Chief Executive Officer was invited to present KBank's vision, policies, and future plans on the topic of "Bank of Sustainability: The New Identity of Financial Services", organized as part of the "19th MFA CEO Forum" by the Department of International Economic Affairs, Ministry of Foreign Affairs.



KBank participated in a panel discussion and exhibition on the theme of a Bank of Sustainability at the Bangkok Sustainable Banking Forum 2019, hosted by the Bank of Thailand.



Participation in a seminar on "Business Investments in Environment, Social and Governance (ESG) Trends" at TEA Annual Forum 2019 held by Thammasat Economics Association



Briefings on sustainable development at various seminars, for example:

- National Conference on Business and Human Rights No. 3 on "Sustainable Finance: What should the business sector know?"
- Special seminar on Royal Initiative concerning social immunity - sustainable business vaccine
- Presentation titled "Communicate the Value of Sustainability to Investors"



Dissemination of sustainable development news via KBank's PR channels, including KASIKORNTV, MS Office 365, Line, exhibition boards, Corporate Governance Journal, Shareholders' Newsletter, etc.



Visits of external agencies to observe KBank's sustainable development operations



Communication on sustainable development operations to KBank's counterparties at the Annual Counterparty Seminar 2019



Stakeholders



Material Topics and Boundaries

KBank has compiled and prioritized material topics that affect the economy, society and environment, as well as those influencing stakeholders' decision against global sustainability standards and important issues adopted by leading global banks. We have also considered all of our material topics of 2018, along with present and future risk factors and may effect business undertaking based on the opinions of all stakeholders, including shareholders, Board of Directors, employees, customers, counterparties/business partners, competitors, creditors, regulatory agencies, communities, environment and society via participation processes, such as surveys and face-to-face interviews. These viewpoints were then analyzed and prioritized, and concluded into operational guidelines that respond to stakeholders' concerns.

Materiality Assessment Processes



Internal and External Stakeholders



Changes in Material Topics

In this report, there are 17 material topics per the GRI Standards: Core option, compared to 20 material topics in the Sustainability Report 2018, with the following details:

1. The topics of "Customer Data Security and Privacy" and "Cyber Risk Management" in the Sustainability Report 2018 were included as part of the topic concerning "Cyber Security and Customer Data Privacy Protection" in the Sustainability Report 2019.
2. The topics of "Financial Inclusion" and "Financial Literacy" in the Sustainability Report 2018 were included as part of the topic concerning "Financial Inclusion and Financial Literacy" in the Sustainability Report 2019.
3. The topic of "Impact Measurement and Valuation" in the Sustainability Report 2018 was not considered as a material topic in the Sustainability Report 2019.

Prioritization of Material Topics



Material Topics and Boundaries

Material Topics	GRI Topics	Within Organization	Outside Organization	Topics stated in the Report	Sustainable Development Goals
Corporate Governance Organizational governance with good corporate governance principles, supervision policy and processes to ensure sustainable returns in the long term	Governance (GRI 102-18, GRI 102-19)	All Businesses	Customers Shareholders	Corporate Governance Economic Dimension	
Business Ethics and Transparency Statement of Business Conduct, Code of Conduct, organizational culture, compliance with ethical and transparency principles, Market Conduct, prevention of frauds and anti-corruption	Ethics and Integrity (GRI 102-16) Anti-Corruption (GRI 205)	All Businesses	Customers Shareholders	Business Ethics Economic Dimension	
Risk Management Management of risks from operations and regulatory changes, credit risk, reputation risk, assessment of emerging risks that may affect KBank's business operations	Governance (GRI 102-30)	All Businesses	Customers Shareholders Counterparties	Risk Management Economic Dimension	
Customer Centricity Products and services that meet customers' needs, satisfaction and expectations	Product and Services (GRI 103)	All Businesses	Customers	Customer Centricity Economic Dimension	  
ESG Credit and Investment Lending with responsibility and consideration of environmental, social and governance (ESG) factors to ensure that all projects financed by KBank do not create any environmental and social impact and comply with good corporate governance principles	Governance (GRI 102-30, GRI 102-31)	All Businesses	Customers Shareholders	Responsible Lending and Investment: ESG Credit and Investment Economic Dimension	 
Digitization and Innovation Utilization of technologies to develop products and services that are appropriate, convenient, rapid and responsive to customers' needs	Product and Services (GRI 103)	All Businesses	Customers	Customer Centricity Economic Dimension	

Material Topics	GRI Topics	Within Organization	Outside Organization	Topics stated in the Report	Sustainable Development Goals
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	Governance (GRI 102-30) Customer Privacy (GRI 103, GRI 418)	All Businesses	Customers Shareholders Counterparties/ Business Partners Competitors	Cyber Security and Data Privacy Economic Dimension	
Sustainable Supply Chain Management Supply chain management, with consideration of environmental, social and governance impacts to ensure that KBank's counterparties will not create any environmental and social impacts, and conduct business operations with good corporate governance principles	Supply Chain (GRI 102-8) Environmental and Social Assessment to Suppliers (GRI 103, GRI 308, GRI 414)	All Businesses	Counterparties/ Business Partners	Sustainable Supply Chain Management Economic Dimension	 
Labor Practice, Diversity, Inclusion and Equal Opportunity Respect for diversity of employees and equal opportunity among employees, equitable treatment and fair compensation, complaint acceptance mechanism and channels	Employment (GRI 103, GRI 401) Labor / Management Relations (GRI 103, GRI 402) Diversity and Equality Opportunity (GRI 103, GRI 405)	All Businesses	Counterparties/ Business Partners	Human Resource Management Social Dimension	   
Human Capital Development Enhancement of employees' knowledge and potential	Training and Education (GRI 103, GRI 404)	All Businesses	Counterparties/ Business Partners	Human Resource Management Social Dimension	
Employee Well-Being Supervision of occupational health and safety to employees, physically and mentally, office and equipment allocation to facilitate operations, provision of knowledge on health and safety at workplace	Occupational Health and Safety (GRI 103, GRI 403)	All Businesses	Counterparties/ Business Partners	Human Resource Management Social Dimension	
Human Rights Due Diligence Respect for and management of human rights related to employees, customers and counterparties/business partners	Human Rights Assessment (GRI 103, GRI 412)	All Businesses	Customers Counterparties/ Business Partners	Human Rights Operations Social Dimension	 

Material Topics	GRI Topics	Within Organization	Outside Organization	Topics stated in the Report	Sustainable Development Goals
Financial Inclusion and Financial Literacy Promotion of financial inclusion for customers and underprivileged persons, as well as provision of financial literacy to promote financial management potential of customers and underprivileged persons	Indirect Economic Impacts (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)	All Businesses	Customers Communities, Environment and Society	Financial Inclusion and Financial Literacy Social Dimension	     
Community Investment and Reducing Social Impact Community activities, volunteer activities and activities to stimulate community economic growth	Economic Performance (GRI 103, GRI 201)	All Businesses	Communities, Environment and Society	Social Contributions Social Dimension	     
Green Project Finance Provision of credits to support and promote environmentally friendly projects or businesses in order to mitigate climate change impacts	GRI G4 Product Portfolio (GRI 103, FS 8)	All Businesses	Customers	Financial Support to Environmentally Friendly Businesses	
Reducing KBank's Environmental Footprint Reduction of greenhouse gas emissions, energy management, water management and waste management	Energy, Water, Emissions, Effluent and Waste (GRI 302, GRI 303, GRI 305, GRI 306)	All Businesses	Communities, Environment and Society	Environmental Management Environmental Dimension	
Transition Risk and Opportunity from Climate Change Analysis and assessment of opportunities and risks arising from climate change	Emissions (GRI 103, GRI 305)	All Businesses	Customers Communities, Environment and Society	Management of Risks and Opportunities Arising from Climate Change Environmental Dimension	

Stakeholders Engagement

Engagement of stakeholders, including the shareholders, Board of Directors, employees, regulatory agencies, customers, counterparties/business partners, competitors, creditors, communities, environment and society, is key to KBank's ability to understand stakeholders' requirement and expectations in order that the bank may map out effective operational guidelines to prevent risks or impacts that could occur due to what might be deemed improper performances. The bank has adopted the AA 1000 Stakeholders Engagement Standard (AA1000SES) and created stakeholders 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
Shareholders 	<ul style="list-style-type: none"> • Holding Ordinary and Extraordinary Meeting of Shareholders* • Information disclosure via the SET Portal Straight Through system of the Stock Exchange of Thailand, KBank websites and publications within and outside KBank • Meeting with and providing information for shareholders, investors and general public, either one-on-one or in group, in Thailand and foreign countries • Enquiring via website • Answering questionnaires 	<ul style="list-style-type: none"> • Appropriate return on investment in KBank stock, sound and sustainable growth of the organization • Sustainable performance and stable growth • Transparent and fair operations • Sound risk management • Ethical operations and consideration of ESG issues • Knowledge sharing on new regulations of supervisory agencies 	<ul style="list-style-type: none"> • Creating sustainable and balanced returns based on sound risk management • Disclosing company information disclosure to shareholders and SET via various activities and other communication channels to enhance transparency and inspectability • Inviting shareholders to Annual Shareholders Meeting and encouraging them to express their view in the meeting • Announcing policy, structure and measures related to the processes of lending consideration for strict compliance of employees and conducting staff training on such processes • Monitoring and providing knowledge concerning new regulations in compliance with international standards, e.g. TFRS 9 – Financial Instruments • Setting up measures of auditing, monitoring and information disclosure to enhance transparency

* Details about the meetings and patterns of meetings with shareholders are in the 2019 Annual Report, page 208 - 209

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions
Board of Directors 	<ul style="list-style-type: none"> Holding board meeting every month (except for force majeure cases) Arranging independent directors meeting to compile opinions and suggestions before board meeting 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 Satisfactory performances and consistent growth 	<ul style="list-style-type: none"> Management in accordance with corporate governance and sustainable development guidelines Providing for directors adequate, complete and timely information
Regulatory Agencies 	<ul style="list-style-type: none"> Participating in meetings to acknowledge supervisory policies and guidelines Contacting with supervisory agencies by 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
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 an aim to become "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 (Yammer, Teams Sway, Podcasts), Line, Facebook Organizing meeting of supervisors and employees to share opinions and recommendations on work improvement guidelines 	<ul style="list-style-type: none"> Appropriate remuneration and welfare Career path and advancement Continued development of employees' knowledge and life skills Security and safety at work Having in place necessary equipment to facilitate employees' operations Offer of opportunities to employees to allocate their time for work-life balance 	<ul style="list-style-type: none"> Setting up policies and operational guidelines for HR departments, 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 path 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 performance assessment Enhancing occupational hygiene and safety Answering inquiries via different communication channels in a consistent manner

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions
Customers 	<ul style="list-style-type: none"> Assisting customers via Relationship Managers Conducting customer visits every month 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 file their viewpoints, recommendations and 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 in Thailand and foreign countries Conducting regular and continued customer satisfaction surveys Creating new digital channels for rapid communications with customers that are in line with their lifestyles, such as Line Group, Facebook, Twitter and 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 and responsive products and services Convenient access to financial products and services Provision of financial advice and knowledge Protection of customers' confidential information Preparedness and swiftness in responding to customers' demands Availability and stability of mobile application to enhance continued, swift and smooth services 	<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 service quality Delivering products and services that respond to customers' demands and lifestyles Promoting good corporate governance culture, business ethics and employee code of conduct, 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 that match customers' lifestyles Launching training and seminar sessions to provide knowledge on financial products, financial discipline and prevention of cyber threats Cyber risk management Implementing policies, structures and measures of IT management, and protection of data security and customer data privacy, which the employees shall strictly comply with Conducting regular surveys on customers' opinions and satisfaction, answering questions via different communication channels Involving customers in the development of financial products and services

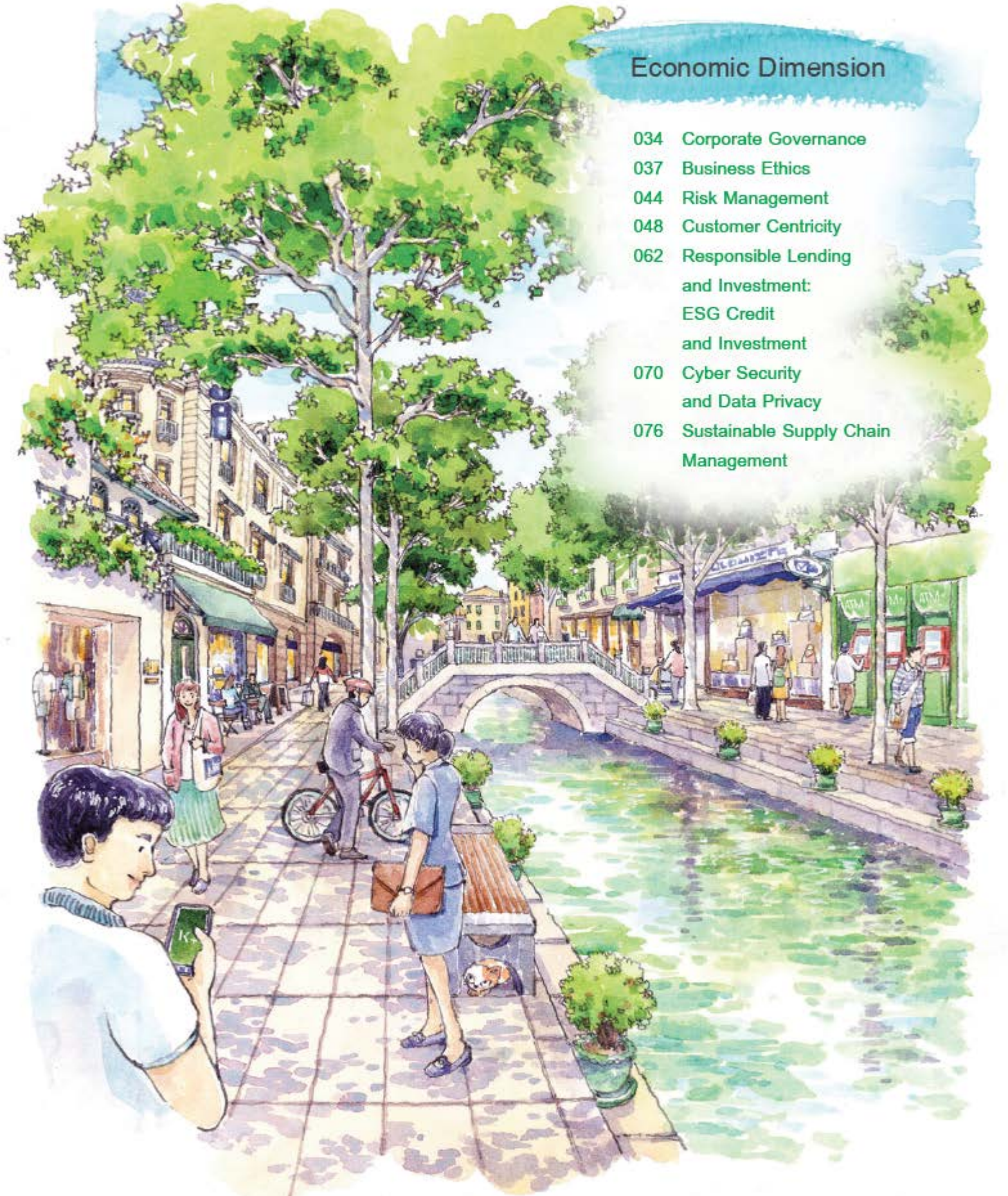
Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions
Counterparties/ Business Partners 	Counterparties <ul style="list-style-type: none"> Arranging annual meeting with counterparties Holding meetings to brainstorm on innovation development or new work patterns in a creative manner Providing up-to-date information and useful for counterparties so that they may apply in their businesses and keep up with rapid changes Conducting counterparty visits to receive their viewpoints and recommendations Having in place channels for receiving recommendations or complaints Conducting annual counterparty satisfaction survey Business partners <ul style="list-style-type: none"> Holding meetings to exchange information and opinions Organizing relationship enhancement activities every year 	Counterparties <ul style="list-style-type: none"> Business ethics, code of conduct and transparent business operations Fair trade Business partners <ul style="list-style-type: none"> Business cooperation based on good corporate governance 	Counterparties <ul style="list-style-type: none"> Having in place criteria to select suppliers based on environmental, social and governance (ESG) factors Having in place definitive audit processes as specified in the Supplier Code of Conduct Reviewing and improving procurement procedures and communication methods to achieve common goals Undertaking problem examinations and solving in a timely manner Providing knowledge on various fields for sustainable development of counterparties Business partners <ul style="list-style-type: none"> Entering into agreement to define cooperation framework with business partners
Competitors 	<ul style="list-style-type: none"> Joining meetings to exchange opinions and cooperation 	<ul style="list-style-type: none"> Fair and transparent business operations and competition, compliance with fair and honest competitive framework 	<ul style="list-style-type: none"> Creating fair competitive conditions
Creditors 	<ul style="list-style-type: none"> Arranging annual activities in various forms to promote relationships and provide useful knowledge Having in place channels to accept recommendations or complaints 	<ul style="list-style-type: none"> Interest and loan payment within due date Continual communications and information 	<ul style="list-style-type: none"> Interest and loan payment within due date Arranging continual activities and communications to provide accurate and complete information, news and knowledge

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions
Communities, Environment and Society 	<ul style="list-style-type: none"> Conducting surveys and discussions to understand viewpoints and requirements of communities and society on a yearly basis Organizing community relations activities via employees' volunteer projects and CSR projects of KBank 	<ul style="list-style-type: none"> Financial literacy Products, services and financial service channels that match communities' requirements and ways of life Development and promotion of community economic growth, and environmental protection for communities Support to social and community activities Assistance in times of natural disasters 	<ul style="list-style-type: none"> Providing financial knowledge for communities via electronic channels, bank branches, public relations media of KBank, training activities and volunteer activities of employees Providing knowledge for local communities, promoting their skills development, as well as natural resource and environmental preservation Providing continuous budget support for development of communities, society and environment Providing assistance to persons affected by natural disasters via donation channels in the forms of money and necessary items, and rehabilitation after such disasters

Membership of Various Organizations

KBank has entered into membership of various organizations established for economic and social benefits, and has adopted their policies for implementation within the bank. We have taken part in developing work systems with those organizations, and have employed knowledge, experiences and lessons learnt shared with them to drive forward our 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:

First year of membership	Organization/Agency
1958	Thai Bankers' Association
1989	CSR Club of Thai Listed Companies Association (The Association has been upgraded to become Thailand Responsible Business Network (TRBN), with key objective to serve as a business network with responsibility towards the general public, to cooperate, exchange, drive forward and integrate with other sectors in order to generate positive impacts at the national level that would clearly respond to SDGs 2030.)
1993	Thailand Business Council for Sustainable Development
2010	Thailand Management Association
2012	Club of Thai Bankers' Association
2013	Thailand's Private Sector Collective Action against Corruption



Economic Dimension

- 034 Corporate Governance
- 037 Business Ethics
- 044 Risk Management
- 048 Customer Centricity
- 062 Responsible Lending
and Investment:
ESG Credit
and Investment
- 070 Cyber Security
and Data Privacy
- 076 Sustainable Supply Chain
Management



23 million
K PLUS SHOP
transactions,
rising **153%**
compared to 2018



Outbound real-time funds transfers via K PLUS
to recipients, with full amount received and
no minimum amount required,



Signed
"Sustainable Banking
Guidelines - Responsible Lending"
with the Bank of Thailand,
Thai Bankers' Association,
and other commercial banks
in order to promote
ESG loans

covering **6** currencies and more than
20,000 banks
in **24** countries worldwide

Achieved overall
Net Promoter Score (NPS)

30,
of
the highest level
in the Thai
banking industry
(Nielsen)



"SATI" campaign
launched to
warn Thais of
online scams

Corporate Governance

Sustainability Long-Term Target 2019 - 2023

Excellent in CG level

Target 2019

Excellent in CG level
(Measured by external agencies)

Performance 2019

- "Excellent" level in Corporate Governance Report of Thai Listed Companies by the Thai Institute of Directors (IOD)
- "Excellent" level of General Meeting of Shareholders granted by the Annual General Shareholders Meeting Quality Assessment Program, organized by the Thai Investors Association, the Office of the Securities and Exchange Commission and the Thai Listed Companies Association



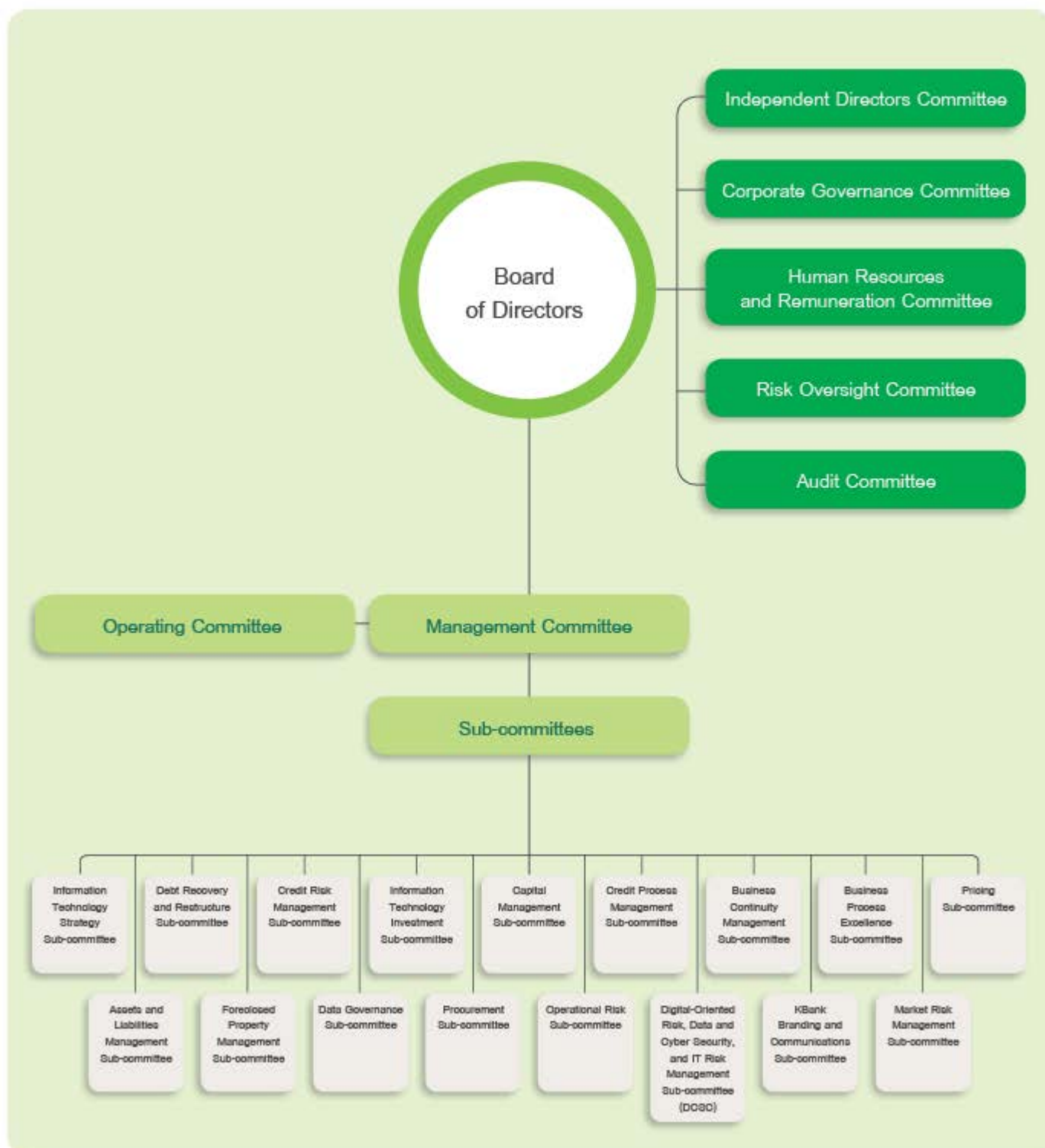
KBank is committed to conducting business in conformity with the Statement of Corporate Governance Principles, with the aim of creating sustainable value to KBank. The Board of Directors attaches importance to corporate governance, based on transparency, verifiability, ethical value and recognition to all stakeholders.

Corporate Governance

The 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, Mission and Core Values, as well as operational strategies. The Board also approves strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, reviews 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 85 departments, 7 networks and 15 divisions.*

* Organizational structure as of December 31, 2019

Governance Structure*



* Governance Structure as of December 31, 2019

The Human Resources and Remuneration Committee has been assigned by the Board of Directors to select and review candidates nominated to the position of director under director nomination policy, taking into consideration appropriate composition, size and diversity of the Board, i.e. gender, race, nationality, age, skills, knowledge, expertise, experience and independence, which must be in compliance with KBank's strategies of business operations and sustainable development and conforms to regulatory requirements, KBank's Articles of Association, and the Statement of Corporate Governance Principles. KBank also gives shareholders the opportunity to propose candidates for consideration and election as directors in the General Meeting of Shareholders.

Independent Directors Committee

The Independent Directors Committee has been established to support the Board of Directors' work in accordance with Statement of Corporate Governance Principles in order to assure all shareholders, investors and stakeholders that KBank management is transparent and protects all parties' interest with fairness. The Committee's role is to oversee KBank's overall interests, maintain checks and balances between the Board of Directors and the management, and protect shareholders' rights by offering recommendations and views on significant matters beneficial to KBank, investors and minor shareholders, with independence, transparency and freedom from involvement in any interest. This will assist the Board of Directors in performing with greater efficiency and effectiveness. The Committee holds at least 1 meeting in each quarter. In 2019, the Committee held a total of 11 meetings.

Corporate Governance Committee

The Corporate Governance Committee oversees KBank's business practice and the conduct of the management and personnel to ensure compliance with the Corporate Governance and Sustainable Development principles set by the Bank and official governing agencies consistent with international standards. The Corporate Governance Committee holds at least 4 meetings each year. In 2019, the Committee held 5 meetings.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee's role is to propose to the Board of Directors views on remuneration and nomination of directors, taking into account the composition, size and diversity, and recommendation of qualified successors for the position of Chief Executive Officer and President. The Committee also reviews a succession plan and monitors operation to ensure that it is aligned with KBank's vision and strategy on human resources as well as executive development plan. The Human Resources and Remuneration Committee holds at least 3 meetings each year. In 2019, the Committee held 9 meetings.

Risk Oversight Committee

The Risk Oversight Committee provides recommendations on the KASIKORNBANK FINANCIAL CONGLOMERATE's risk governance framework, supervises the strategy of capital and liquidity management to cope with risks which must be consistent with the acceptable risk appetite, as well as reviewing and examining the adequacy and effectiveness of the overall risk management policies and strategies. The Risk Oversight Committee meets at least once a quarter. In 2019, the Committee held 4 meetings.

Audit Committee

The Audit Committee oversees the financial reporting, risk management, internal control system and internal audit, as well as compliance with laws, regulatory requirements and ethical standards. The Audit Committee holds at least 6 meetings per year. In 2019, the Committee held a total of 12 meetings.

Management Committee

The Management Committee manages and conducts KBank's business as designated by the Board of Directors to attain sustained performance excellence, by conscientiously taking into account prevalent and future risk environment, consistent with Vision, Mission, the Statement of Business Conduct and in accordance with good corporate governance principles. The Management Committee holds at least 1 meeting a month, except when there is compelling reason to do otherwise or when there is no required meeting agenda, or other justifiable reasons. In 2019, the Committee held 11 meetings.

Business Ethics

Sustainability Long-Term Target 2019 - 2023

No significant warnings issues/findings
on KBank from regulators

Target 2019

No significant warnings issues/findings
on KBank from regulators

Performance 2019

No significant warnings issues/findings
on KBank from regulators



"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, counterparties 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 the treatment of KBank's counterparties in order to prevent risks that may affect KBank's image and 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 KBank and all stakeholders, for example, shareholders, Board members, employees, customers, suppliers, competitors, creditors, communities, 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.

Statement of Business Conduct*

1. KBank strives to achieve customer satisfaction by providing excellent products and services.
2. KBank continually strives for superior performance.
3. KBank attracts and recruits people with skills and experience, continually develops employees and provides them with salaries and benefits comparable to leading companies.
4. KBank performs our duties as a good citizen, remains non-partisan, enhances society and acts to preserve the environment.
5. KBank believes in being fair to all parties having business relationships with us.
6. KBank believes in ethical standards and carries out our business with integrity and honesty.
7. KBank safeguards confidentiality of our customers in accordance with professional standards.
8. KBank is dedicated to carrying out our responsibilities in a professional manner.
9. KBank is responsive to customer needs.
10. KBank is committed to discipline in the operation of our business, which is in compliance with all applicable laws and regulations.

* Details of Statement of Business Conduct can be found at <https://www.kasikornbank.com/en/IR/CorporateGovernance/Pages/ethics.aspx>

Employee Code of Conduct*

1. Integrity: We are committed to doing the right thing and to carrying out our duties in an honest, ethical and straightforward manner, adhering to all anti-corruption principles.
2. Trust: We shall give our utmost effort to perform duties on a basis of mutual trust.
3. Confidentiality: We will handle customer business data, whether individual or organization, with professionalism, thus leading to trustworthiness.
4. Professionalism: We shall fulfill our duties based on the principles of professionalism at all times.
5. People: Our conduct towards colleagues shall be based on mutual respect of honor and individual rights of employees.
6. Leadership: We emphasize that our employees attain the leadership objectives and exercise leadership approaches in their functions.
7. Ownership: We shall prevent deterioration and loss of KBank's assets, using them to their full advantage.
8. Compliance: We shall expect that the decisions and operations of all employees will be taken in strict conformity to laws, and to relevant rules and regulations, along with adhering to ethical standards in our own individual conduct.

KBank encourages all employees to perform their duties diligently in strict compliance with rules and regulations through circulation of the Code of Conduct and operational procedures for revision and employees' acknowledgment. KBank also organizes orientation for new board members, executives and employees, e-Learning, internal PR media, training courses, meetings and video presentations to aid in their understanding towards proper and continuous compliance with our good corporate governance philosophy, and learning/testing sessions on the Code of Conduct and Anti-Corruption Policy. Furthermore, executives at all levels must be responsible for any staff issues with regard to the Statement of Business Conduct and Code of Conduct as well as any significant non-compliance. Overall, the Compliance Department has been assigned for supervising staff compliance with the Code of Conduct. For KBank's suppliers, new suppliers must sign for their acknowledgement and compliance with the Supplier Code of Conduct.

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 the operation is 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 to ensure effective compliance. All employees are required to perform their duties and responsibilities completely, accurately and in strict compliance with established regulations. Additionally, KBank has assured that the Compliance Department can perform its duties with independence and report to the Enterprise Risk Management Division and the Risk Oversight Committee.

The Compliance Department carries out a process to evaluate compliance-related risks of KBank and oversees the preparation and revisions of policies and regulations related to compliance in line with the current regulatory requirements while communicating to staff and persons in charge of our representatives, regarding the compliance and fair treatment of our customers. Also, the department shall inform 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 recommendation and advise thereof to ensure the compliance with such requirements. The Department will also follow, monitor and analyze the accounting lists and transactions of the customers to prevent illegal practices, namely, money laundering, financial support of terrorism. The Department shall review practices in compliance with regulatory requirements as well as present guidelines to improve the non-compliance practices or reduce the compliance-related risks and report the results of risk evaluation regarding non-compliance and changing risks while summarizing the results and causes. Such guidelines and results 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.

* Details are available at KBank website: <https://www.kasikornbank.com/en/IR/CorporateGovernance/Pages/principles-core-values.aspx>

Persons who were communicated with and trained in Anti-Corruption Policy and Process in 2019	Number (Person)	Percentage of total employees or suppliers*
Number of employee attendants	19,428	95.20
• Top Management	31	0.15
• Middle Management	898	4.40
• Operating and staff level	18,499	90.65
Number of employees who were communicated with	20,407	100
• Top Management	62	0.30
• Middle Management	941	4.61
• Operating and staff level	19,404	95.09
Suppliers that were communicated with	1,286	100

* Total employees refer to the employees of KBank and total suppliers refer to KBank's suppliers in Thailand

Communication on Code of Conduct and Anti-Corruption Policy

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 to the law. Throughout 2019, 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 principle.
- **Transparency:** Disclose complete and accurate information including: benefits, restrictive conditions, exemptions, fees, interest rates and rights that customers should understand clearly while presenting options for customers
- **Fairness:** Equitable treatment of all stakeholders, and non-exploitation of authority or duty for one's own benefits, while sales must not be attached to any condition.



Communication on "Honest KBank People" campaign to KBank employees.

To make KBank staff aware of the importance of implementing "Responsibility, Transparency and Fairness" in the workplace, KBank senior management has communicated these themes to staff through video, audio and other channels of KBank

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

Support to 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 control 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 they perform their 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 have been rectified in a timely manner. Issues of significant importance shall be reported to the Board of Directors, the Audit Committee and/or the senior management within an appropriate period. KBank may submit the audit results upon the request from regulatory agencies. The internal audit process takes into account new risks and applies

continuous audit principles, data analytics and integrated audits. Also, employees are encouraged to develop their capacity in terms of new technology and financial innovations in line with KBank's strategy and business expansion in the digital age.

KBank attaches significance to market conduct as evidenced by our sales and services that are fair to the customers by consideration of the customers' needs and capacity, together with customer data privacy under safe protection by KBank 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 the customers use our services with confidence and security. Study courses on governance, risk management and compliance have been organized for our executives while operating employees have taken an e-learning course on internal control.

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.



KBank adopted a no gift policy, refraining from accepting gifts regardless of festival or occasion. This policy is intended to promote good corporate governance, a foundation of a Bank of Sustainability.

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 KBank website. KBank has regularly communicated the Anti-Corruption Policy to directors, executives and employees via our internal media and channels, including the Corporate Governance Journal, electronic network and KASIKORNTV.

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 conducting businesses involved with corruption. Related actions undertaken in 2019 included:

- Communicate KBank Supplier Code of Conduct, covering business ethics, human rights and labor, occupational health and safety, and environment, for acknowledgement and as operational guidelines.
- Communicate the No Gift Policy for all festivals and occasions to the customers and suppliers.
- Hold supplier meetings to clarify our procurement processes, to encourage suppliers to follow the anti-corruption policy and operational guidelines.
- Provide various communication channels for receiving information, complaints or whistle-blowing.

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 weapons of mass destruction. The Board of Directors has approved our Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF) Policy along with related procedures and handbooks to which all employees are required to strictly adhere, under the supervision of senior management, for effective compliance.

Moreover, KBank has established an AML Monitoring System for tracking suspicious financial transactions or behavior. Training sessions have been arranged to educate our employees about AML criteria. A sanction list audit system has been put in place with transaction reporting as required by the Anti-Money Laundering Office (AMLO).

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

Policy and Practice	KYC/CDD	Sanction List	Transaction Monitoring	Reporting	Training and Communication
KBank has implemented policy, practice and operational manual that are in conformity with Thai law and international standards as operational guidelines for our branches, Head Office and companies under KASIKORNBANK FINANCIAL CONGLOMERATE.	KBank has introduced KYC/CDD* process and risk management for customers, including austere risk management measures for high-risk customers.	KBank has developed the sanction list inspection system for products and services, and sought additional names on the sanction list from service providers to effectively examine transactions conducted at home and abroad.	KBank has developed a system to monitor customers' financial movements and review unusual or suspicious transactions. A Data Analytics technique has been used to analyze transactions, and we are steadily improving the system efficiency.	KBank has improved a transaction reporting system to ensure that KBank's transaction reporting system is efficient and in compliance with the law.	KBank has organized AML/CTPF** training courses for our employees via classroom, e-learning and e-mail. An assessment has also been made on their understanding of AML/CTPF.

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

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

Receiving Information Complaints or Whistle-blowing

KBank has established a whistle-blowing policy to receive information or suspicious conduct, and a process to respond to such information or tips, measures to protect the rights of information providers, and protection of confidential information - only authorized persons can have access to such information, and 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 clues. In addition, KBank has provided whistle blowing channels for our stakeholders. For further enquiries, suggestions or to submit complaints, please contact KBank at:

Communication Channel

KASIKORNBANK PUBLIC COMPANY LIMITED

Head Office	: 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District, Rat Burana District, Bangkok 10140, Thailand
E-mail	: info@kasikornbank.com
Telephone	: +662-2220000
Fax	: +662-4701144 to 5
K-Contact Center (Personal)	: +662-8888888 Press 1 Thai, Press 2 English, Press 877 Japanese, Press 878 Mandarin, Press 879 Burmese
K-BIZ Contact Center (Business)	: +662-8888822 Press 1 Thai, Press 2 English, Press 3 Mandarin, Press 4 Japanese

Board of Directors

Address : Corporate Secretary
1 Soi Rat Burana 27/1, Rat Burana Road,
Rat Burana Sub-District,
Rat Burana District, Bangkok 10140

Complaint Hotline

Personal : +662-8888888 Press 9
Business : +662-8888822 Press 9

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

Investor Relations Unit, Office of Corporate Secretary

- Individual Investors and Shareholders
E-mail : Shareholder_IR@kasikornbank.com
Telephone : +662-4706116
Fax : +662-4702690
- Institutional Investors and Shareholders
E-mail : IR@kasikornbank.com
Telephone : +662-4706900 to 1,
+662-4702660 to 1
Fax : +662-4702690

Risk Management

Sustainability Long-Term Target 2019 - 2023

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

Target 2019

Adequate Tier 1 Capital Ratio*, as required under the Basel III, and sufficient to support business growth

Performance 2019

Tier 1 Capital Ratio* at 16.19
(Minimum regulatory Tier 1
Capital Ratio at 9.0%)



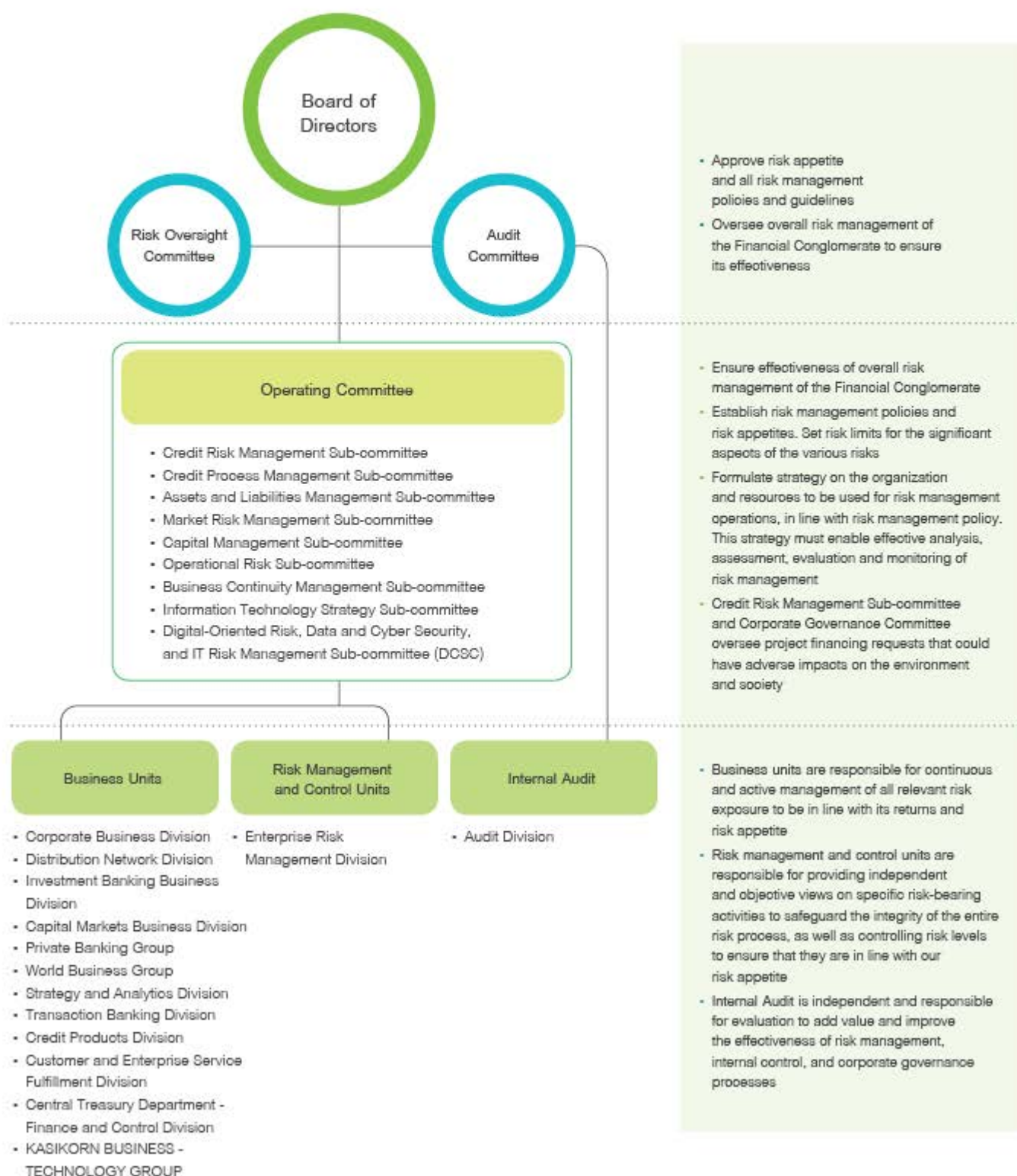
KBank always attaches importance to appropriate risk management, focusing on promoting risk management as an integral part of our organizational culture via the implementation of risk management policy, together with risk appetite and risk management guidelines at the Board and Senior Management levels. Potential risks are taken into account when formulating our strategies and business undertakings to support business growth, thus ensuring sustainable profitability and maximization of returns to stakeholders, as well as preventing any adverse impacts on Bank's business operations and stability. KBank's risk management strategy has been established in line with international guidelines and applied throughout the Conglomerate. We engage in a consolidated risk management framework that emphasizes management of major risks, namely credit, market, liquidity, operational, digital and strategic risks. KBank's risk management structure clearly determines duties and responsibilities of relevant units, including independent risk management unit. Business units are evaluated based on performance assessments, taking risk factors into account.

In addition, the Board reviews and considers details of risk management, and established risk appetite of the Conglomerate every year. The Board is also tasked with monitoring various risk positions and ensuring that an analysis on the impact of changes in various factors, including economy, politics, regulatory requirements, technology and cyber threats, on the Conglomerate is in place to ensure that our present and future capital is at an appropriate level.

Meanwhile, Senior Management ensures that policy, process and system for controlling, monitoring and reporting risk and capital are in place where segregation of duties and reporting lines are clearly defined in conformity with the good internal control principle. We also emphasize thorough, accurate and regular disclosure on risk management capital to the public.

* KASIKORNBANK FINANCIAL CONGLOMERATE

Risk Management Structure*



* Organization Structure as of December 31, 2019

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. Such guidelines have been used as a tool for Risk Control Self-Assessment (RCSA) to ensure that our risk management process has been efficiently supervised, controlled and examined by responsible units.

Risk Management Process

To ensure effective risk management, KBank has a risk management process, comprising risk identification, assessment, monitoring, controlling and reporting, in place. We have steadily improved our risk management process so that it is consistent with the new environment and international standards. KBank also places significance on early warning, and monitoring of risk position and concentration overall. 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.



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 Management Process

Risk Reporting

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



Risk Monitoring and Control

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.



Building and Instilling Risk Culture

Bank prioritizes the creation of a risk culture. We have established risk management policy and guidelines as well as a defined risk appetite 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 instilled a risk culture in all employees through communications, training and KPI establishment, while also putting in place processes and channels to allow employees who encounter suspicious activity to report to the Internal Audit Department or via the Whistle-blowing Hotline established by KBank to ensure that we can monitor, prevent or resolve the situation in a timely manner.

In 2019, we continued the "Honest KBank People" campaign 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 with employees, as follows:

- **Responsibility:** 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.

- **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 voice clip, while senior executives have communicated such operational guidelines through KASIKORN TV, Office 365 and other channels that target specific employees. An assessment has been made to ascertain if our staff members understand operational guidelines.

Senior executives place 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 pushed forward various operations and participated in the "Honest KBank People" campaign, aimed at creating the risk culture 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 indicator and assessment have been established to ensure that our employees comply with Market Conduct and carry out their tasks in accordance with our expectations.

KBank has established and promoted compliance with the risk management policy to ensure 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 for immediate rectifications. We have also put whistle-blowing channels in place for our employees to report events that may potentially lead to frauds, including e-mail, letter and telephone.

Regarding our credit operations, KBank has introduced the credit management structure that recognizes checks and balances, plus credit policy and process, clear guidelines on desirable and undesirable credit behavior 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 and used to improve our credit policy and process, as well as mapping out actions towards non-compliance with the Code of Conduct. This effort is aimed at building good credit operating discipline and culture within our organization.



Communication on "Honest KBank People" campaign to KBank employees.

Customer Centricity

Sustainability Long-Term Target 2019 - 2023

- Net Promoter Score (NPS) increased steadily and achieved the highest in the Thai banking industry.
- Digital banking leadership (NPS in mobile banking channel) increased steadily and achieved the highest in the Thai banking industry.

Target 2019

- Net Promoter Score (NPS) achieved the highest in the Thai banking industry.
- Digital banking leadership (NPS in mobile banking channel) achieved the highest in the Thai banking industry.

Performance 2019

- Net Promoter Score (NPS) stood at 30 – the highest level in the Thai banking industry.*
- Digital banking leadership (NPS in mobile banking channel) stood at 54, classified in the leader group with the highest NPS score in the Thai banking industry.**

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



Amid the fast-changing technology of the digital era, customers' lifestyles and their use of financial services have also changed very quickly. As evidenced, customers increasingly rely on digital banking services that allow them to conduct transactions with greater convenience, speed and security at world-class standards, anywhere, anytime. KBank has therefore adopted innovative technology to enhance our capabilities for the development of financial products and services so as to better meet each individual customer's needs.

In 2019, KBank adhered to the strategy of providing attentive and inclusive services in order to empower every customer's life and business with the aim of delivering an excellent customer experience. Focusing on the Customer Centricity concept in the development of products and services, we have enhanced our capability in data analytics so as to gain in-depth understanding of each customer segment's behavior. Aside from improving our work processes and products to ensure the optimum benefits, we have innovated product development processes that can truly accommodate customers' lifestyles and business needs in the digital era, accounting for transparency and accountability. In parallel, we have had in place measures to control risks in different dimensions, allowing us to seamlessly conduct customers' transactions for both their daily lives and business needs under appropriate risk management.

Financial products and services

K PLUS Mobile Banking Application

K PLUS is a service channel that helps customers access KBank's financial products with greater convenience and swiftness. Various functions have been developed to better meet clients' needs, thus simplifying every transaction in line with all customers' lifestyles. These developments reaffirm KBank's status as the digital banking leader and our aspiration to become "Customers' Life Platform of Choice", meaning the most-preferred platform that can meet customers' needs in every aspect of their lives, anywhere, anytime.

* The Net Promoter Score (NPS) results came from the research by The Nielsen Company (Thailand) Co., Ltd. which collected and analyzed data to prevent bias scores. The customer data collection was carried out in proportion to the population to reflect the market of domestic financial institution customers as efficiently as possible. The data was collected from sufficient samples to produce credible results based on the statistical principles.

** The collection of customer data on the Online Survey Platform to measure NPS for mobile banking channel is an appropriate method for customers using smartphones and mobile applications on a regular basis. The company with specific expertise has been hired to collect the customer data from various applications and use the findings for internal analysis to speed up the reporting and monitoring process.



In 2019, KBank developed numerous functions on K PLUS to fully serve customers. They included the opening of K-eSavings Account, cardless withdrawal, outward funds transfer, opening of mutual funds and purchase/sale/switching of mutual funds. Moreover, we have developed technological infrastructure in the form of an open platform to facilitate linkage with our business partners' platforms and thus ensure that K PLUS is an application fit for our customers' everyday use that offers them a full array of benefits.

Operating Performance of K PLUS

- Target of users: 11.8 million
- Number of K PLUS users: 12.1 million (rising 21% YoY)
- Number of transactions: 8,477 million (rising 63% YoY)
- Value of transactions: Baht 11 trillion (rising 27% YoY)

Pay with K PLUS

To provide greater convenience through a seamless payment experience, customers using Pay with K PLUS just click the 'Pay with K PLUS' button without having to memorize an account number or switch screens to open the payment application. The service has been extended to our business partners including Facebook Messenger, PTT Blue CONNECT, Dolphin Wallet, GrabPay and YouTrip. Transactions conducted via Pay with K PLUS topped 2.24 million.

Opening of K-eSavings Account on K PLUS

Customers can open K-eSavings account on K PLUS by themselves, and their identity can be verified at K CHECK ID wherein a face scan can be made with the use of their picture on K PLUS, allowing enhanced security and accuracy for identity authentication and verification. More than 183,300 K-eSavings accounts were opened on K PLUS.

K PLUS - a mobile banking application with new functions to better meet customers' needs and simplify transactions in response to all customers' lifestyles.

Cardless withdrawal via K PLUS

Customers are provided greater convenience in their cash withdrawal with the use of K PLUS. They can now conduct cardless withdrawal by scanning QR code on K PLUS at any K-ATM or KBank Service agents available at 7-Eleven outlets, Big C and post offices nationwide. More than 90 million cardless withdrawal transactions were conducted via K PLUS.

Outward funds transfer via K PLUS

KBank has joined with a leading fintech company to develop an outward funds transfer feature on K PLUS that allows customers to make funds transfer with greater convenience anytime, anywhere, covering six currencies and more than 77,000 branches of 20,000 banks in 24 countries worldwide. The service allows recipients to receive the full amount of funds transferred with no fee charged, while senders are alerted when the recipient's account is credited.

Operating Performance (Operational in May 2019)

- Value of outbound funds transfer transactions via K PLUS: More than Baht 370 million per month

Opening of mutual fund account and purchase/sale/switching of mutual fund via K PLUS

KBank developed a system that allows customers to conduct mutual fund-related transactions via K PLUS anywhere, anytime. Artificial Intelligence technology has also been used for analyzing customers' behavior in order to offer tailored mutual funds products that better meet their needs. The number of customers using mutual fund services via K PLUS increased 20% YoY.

K PLUS SHOP

KBank developed K PLUS SHOP in 2018, with the aim of facilitating payments for goods and services via QR code per the Thai QR Payment standard and QR code from Alipay and WeChat Pay e-Wallets by Chinese tourists. Other key features include a real-time audio notification for incoming funds, and tips for store management. In addition, merchants using K PLUS SHOP can authorize additional shop assistants to receive incoming funds notifications, create reward point accumulation and sales promotional programs, plus delivery service in a single application. KBank has expanded the service area of K PLUS SHOP across Thailand to boost QR code payment.

Operating performance

- Number of participating merchants: Approximately 1.84 million
- Number of transactions: Approximately 23 million
- Transaction value: Baht 31,200 million

QR Code Payment

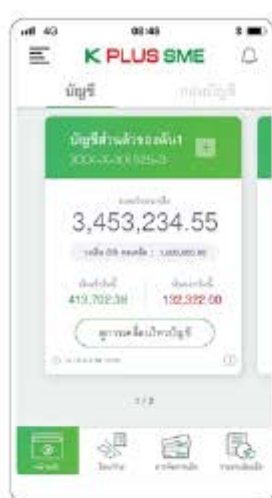
KBank has launched QR code payment to increase payment acceptance channels for merchants, including electronic data capture (EDC) and EDC linked with merchants' payment systems, direct transactions from the point of sale (POS) to various e-Wallets and K PLUS SHOP mobile application. The customer base has been expanded as payments can also be made via mobile application by scanning QR code or barcode from Alipay and WeChat Pay e-Wallets among Chinese tourists making payments in Thailand.

Operating Performance

- Number of merchants offering payment service via Alipay and WeChat Pay: Approximately 124,000 shops
- Number of transactions: Approximately 11 million
- Transaction value: Over Baht 25,450 million



K PLUS SHOP Application-facilitating payments for goods and services via QR code



K PLUS SME application helps SMEs manage their businesses with greater convenience and flexibility.

K PLUS SME

K PLUS SME application helps SMEs manage their businesses, including working capital, plus debt payment and collection as they can keep track of their incoming and outgoing funds or cheque deposit and payment status. New features have been introduced to help SMEs manage their businesses with greater convenience and flexibility in a timely manner, including cheque status inquiry, cheque suspension, real-time account movement, account classification, plus loan, funds transfer and bill payment reports. Such data is protected in accordance with the triple-lock security standard.

Operating Performance

- Number of K PLUS SME users: 580,000
- Number of transactions: 205 million
- Transaction value: Over Baht 478,000 million

K-Cyber

Funds transfer, top-up and bill payment services have been consolidated on the K-Cyber website, which has been upgraded to ensure that our customers have confidence that their transactions are conducted through a secure and stable system.

Letter of Guarantee

Blockchain-based e-LG service

The Thailand Blockchain Community Initiative (BCI) has been implemented along with the first project of blockchain-based e-Letter of Guarantee (e-LG) in Thailand and the world.

KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) has developed a blockchain platform, and KBank has collaborated with Thailand's leading financial institutions, public and private organizations to establish BCI (Thailand) Co., Ltd., which has been tasked to develop and conduct studies on blockchain-based technology, as well as introducing advanced services in conformity with good corporate governance. BCI (Thailand) Co., Ltd. is a national cooperative effort helping link all banks into a single platform and upgrade the blockchain system to be part of the country's basic infrastructure while promoting the use of the technology in all business segments and enhancing the efficiency and competitiveness of the Thai business sector and economy for sustainable growth.

Beneficiaries linking with the blockchain system can request LG, renew LG and instantly verify all documents sent directly by KBank. This helps reduce costs associated with document management and data supervision, as well as unnecessary operating procedures, based on world-class security standards. The new service also helps eliminate LG forgery, and provide efficient service delivery and document verification, while transaction status can be tracked around the clock.

Operating Performance

- Number of customers requesting the issuance and renewal of LG via the blockchain system: 451 customers with transaction value worth over Baht 31 million.

Number of customers requesting the issuance and renewal of LG

via the blockchain system:

with transaction value worth over Baht

451
31 million



K CONNECT-LG

K CONNECT-LG is a channel to provide LG service in the form of web application, allowing customers to request the issuance, renewal and amendment of LG, track outstanding balances and transaction status online, as well as obtaining LG within the same day.

Operating Performance

- Number of applicants via K CONNECT-LG:
5,664 companies, increasing over 1,700 companies

K Electronic Letter of Guarantee for Electronic Government Procurement (K e-LG for e-GP)

K e-LG for e-GP guarantees 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.

Operating Performance

- Total Electronic Government Procurement transactions:
18 percent of all K Electronic Letter of Guarantee.

Use of Face Recognition for Customer Identity Verification

KBank has introduced face recognition technology to verify customer identity when opening deposit accounts at branches. The move is aimed at enhancing the security standards and precision in customer identity verification while also creating new security standards for the digital era to help mitigate risks stemming from identity theft in account opening.

KBank is scheduled to link data across all banks to allow customers to conduct financial transactions via digital channels with greater convenience, including loan application and new account opening across banks. The National Digital ID platform will serve as an intermediary infrastructure to ensure that data transmission among banks complies with the relevant rules and regulations. KBank is planning to integrate the system with that of government agencies to enable customers seeking government services to verify their identities via this technology, as well.

Operating Performance

- Number of customers opening deposit accounts via the face recognition system: 939,010



KBank employed facial recognition technology for enhanced security and accuracy in customer identity verification to serve customers opening deposit accounts at bank branches.





KBank developed an e-Donation system to support the government's policy of steering Thailand towards a cashless society.

Electronic Donation (e-Donation)

KBank has developed Electronic Donation (e-Donation) to promote the government policy of upgrading the country's digital infrastructure, with the aim of steering Thailand towards a cashless society. Donations can be made via mobile banking applications of participating banks to agencies or organizations meeting the Revenue Department's criteria, namely hospitals, educational institutions and charitable organizations. Donors are entitled to tax deductions without the need to send evidence of their donations, helping enhance the efficiency and transparency of donation mechanisms, as well as helping create sustainability within the Thai society.

Operating Performance

- Number of donation units using the service: Approximately 150 units
- Number of transactions: Over 19,200 transactions
- Transaction value: Approximately Baht 9.25 million

Electronic Tax Invoice (e-Tax Invoice)

KBank has launched e-Tax Invoice service for card accepting merchants. Under this service, e-Tax Invoices are sent to those merchants via email for greater convenience and preventing loss while also helping reduce operational processes and the use of paper.

Operating Performance

- Number of merchants using e-Tax Invoice: 86,500

SME Loans

KBank has offered loans to SMEs via a number of channels, including digital and Relationship Manager, with the focus placed on tapping new customer segments, namely online entrepreneurs or those finding it difficult to access funding sources via other means. Aside from our collaboration with Thai Credit Guarantee Corporation (TCG) in providing credit guarantee, KBank has also joined forces with our partners to bolster digital lending. To maintain our customer base, KBank has streamlined our credit application process and reduced the documents required, while also enhancing the efficiency of our credit quality management and credit-related skills of our employees.

Operating Performance

- New Loans: Over Baht 140,000 million

KBank Open API

KBank has developed KBank Open API to allow agencies, organizations, program developers and companies to link their websites with our API for the application of our financial products and services, namely QR PAYMENT API, which enables applications to create QR code to accept payments.

PromptPay

PromptPay for Individuals

KBank has opened registration for PromptPay via branches, K-ATMs, K PLUS and K-Cyber while also promoting the service via media. In 2019, the number of daily funds transfer transactions via PromptPay grew substantially.

Operating Performance

- Number of transactions registered for PromptPay: Approximately 7.7 million PromptPay codes, 75% of which were registered by phone numbers via K PLUS.
- Number of daily funds transfer transactions via PromptPay: Approximately 690,000 transactions per day, increasing 38% YoY.

PromptPay for Juristic Persons

To support the government policy of mobilizing Thailand towards the digital era, KBank has introduced PromptPay for juristic persons, with the aim of reducing their business costs. It is expected that the volume of PromptPay transactions conducted by juristic persons will increase when the government promotes the service at large organizations and implements the e-Payment system at all government agencies.

Operating Performance

- Number of companies registered for PromptPay for juristic persons: 10,872 (per taxpayer identification numbers)

Debit Card

Contactless Debit Card

KBank has introduced contactless debit card for customers applying for new debit cards, with the aim of offering the most satisfying shopping experience with a simple "Tap and Pay" at the electronic data capture (EDC) reader. The move is intended to respond to the government policy of upgrading the National E-Payment system and facilitating future mass transit systems, namely Mangmoom 4.0.

Operating Performance

- Number of contactless debit cards issued:
Over 3.2 million

JOURNEY Debit Card

KBank has launched the JOURNEY debit card to meet the needs of globetrotters. To ensure that debit cardholders have the most satisfying experience before and during their overseas trips, numerous privileges are offered, namely travel insurance from Cigna, discounts when using GrabCar for airport transfer, access to the airports' Miracle Lounge, and special exchange rate and payments in all foreign currencies via EDC reader without a 2.50-percent conversion charge.

Operating Performance (Operational in 4Q19)

- Number of JOURNEY debit cards issued:
Over 39,000 cards
- Total spending via JOURNEY debit cards locally and internationally: Over Baht 600 million



KBank introduced the JOURNEY debit card, specifically designed for globetrotters, with a broad range of privileges.

KBank x BLACKPINK Debit Card

KBank launched the "Empower Your Belief" campaign in partnership with world-renowned girl group BLACKPINK who represent the new generation who started with their belief, determination and dedication and have been able to prove themselves to succeed. KBank x BLACKPINK debit card is the first product of the campaign. It comes in five styles and in a KBank x BLACKPINK pouch. It offers various benefits to accommodate the lifestyle of the new generation.

Operating Performance (Operational in 4Q19)

- Number of KBank x BLACKPINK debit cards issued:
Over 68,000 cards
- Total spending via KBank x BLACKPINK debit cards:
Over Baht 87 million

Xpress Cash Card

In 2019, KBank renamed K-Express Cash card as Xpress Cash card and added functions to facilitate the transactions of cardholders to buy goods and services of vendors which accept UnionPay. The customers can choose installment plans from participating merchants. There are various choices of installment timeframe.

Operating Performance (Operational in 3Q19)

- Total spending via Xpress Cash card: Over Baht 50 million



KBank launched Automated Currency Exchange Machines to offer greater customer convenience and better exchange rates than other commercial banks and money-exchange stores.

Automated Currency Exchange Machine*

KBank launched an automated machine, offering better exchange rates than those of other commercial banks' exchange booths and other money-exchange stores, free of charge and available 24 hours a day. In 2019, KBank installed five automatic currency exchange machines at B1 floor of Airport Rail Link, Suvarnabhumi Station.

Operating Performance

- Over 5,100 transactions were carried out via the automated currency exchange machines each month with an average transaction value per month of Baht 45.8 million



KBank's ATM Drive Thru provides a brand-new customer experience with greater convenience, as users conduct transactions without leaving their car.

KBank ATM Drive Thru

KBank has tested the installation of K-ATM in a drive-through format where the customers can easily withdraw, transfer, top-up and make payment without having to leave their car, 24 hours a day at the PTT gas station on inbound Borommaratchachonnani Road.

Operating Performance

- Number of transactions:
Approximately 10,000 per month

Cross-Bank Bill Payment

Cross-Bank Bill Payment service uses the PromptPay system infrastructure to provide a channel for businesses to receive cross-bank billing and reduce the process in settling the bill payment with each bank. The service facilitates customers in settling their bill payments. Moreover, KBank has added the Request to Pay service to enable businesses to send a message to the buyer to request payment.

Operating Performance

- 627 companies have registered to use the Cross-Bank Bill Payment service (according to tax identification numbers)

* Foreign exchange service to convert Thai Baht to three currencies, namely, USD, EUR and JPY, and convert 12 currencies, namely, USD, EUR, GBP, AUD, GGD, ONY, HKD, KRW, TWD, JPY, MYR and CHF to Thai Baht.

Digital Partnership

KBank has a strategy to collaborate with business partners to create a financial ecosystem and adopt modern technology to propel KBank to become a leading financial service provider in the Asian region, and cater to every lifestyle of customers in the digital age. In 2019, KBank teamed with our partners to develop new financial technology and thus boost our standing as a leader in financial innovation, add value to KBank's products and services, and deliver the most convenient service for our customers to address their needs and provide them sustainable, long-term returns.

Beacon Venture Capital

KBank announced that it is teaming with other venture capital funds to participate in various strategic investments in Thailand and overseas through Beacon Venture Capital, which is a wholly-owned corporate venture capital arm of KBank. Beacon Venture Capital has invested in local startups which incorporate new concepts and technologies to foster positive experiences among all stakeholders.

Jitta Dot Com Company Limited

- KBank has co-invested in Thailand's leading WealthTech startup that offer high-tech solutions for investors worldwide.
- Create innovation to enable investors to access quality investment insights by incorporating algorithm in stock-analysis to create good return on investment.

Workmate Company Limited

- KBank has co-invested in an end-to-end staffing platform that offers 100 million workers in Southeast Asia access to hundreds of job opportunities.
- Push for betterment of informal labor economy and help workers having steady and stable income, while also providing businesses with instant access to qualified personnel for temporary and/or contract hiring needs.

2019
Business Partnership

Beacon Venture Capital Company Limited



beacon
venture capital

Aspire Financial Technologies Holdings, Inc.

- KBank has invested in the SME neo banking platform which offers financial services, i.e., credit, payment, funds acceptance and bill settlement, via the platforms of Aspire's partners.
- Addresses the needs and facilitates the business of SMEs, especially online merchants affiliated with KBank.

Horganice Company Limited

- KBank has co-invested in the startup, which develops technology to manage rental spaces, such as apartments, dormitories and market stalls.
- Improve property management in Thailand through Horganice Application.
- Expand the service base for Horganice customers who are also KBank clients, and present new financial products and innovations of KBank to Horganice customers.

KASIKORN LINE Company Limited

KASIKORN VISION Company Limited or KVision (a subsidiary of KBank) and LINE Financial Asia (a company under LINE Corporation) formed "KASIKORN LINE Company Limited" to develop products and services under the "LINE BK" brand to promote easier access to financial services and expand KBank's customer base to cover 44 million LINE users in Thailand. In 2020, the company will officially start providing comprehensive financial services via LINE, starting from opening an account, applying for debit card, and expediting funds transfer of KBank and personal loan approvals by KASIKORN LINE. In the long run, the company will be able to provide other forms of financial service, such as insurance and mutual funds as savings alternatives for users. The company aims to provide user-friendly service which is as simple as sending a LINE message. The service is secure, while the related data will be used for analyzing customers' needs.

Top-up RoV Game by K PLUS at termgame.com

KBank has partnered with Garena, a leading online game provider and communication platform, to provide the top-up service for Garena via termgame.com by K PLUS. Customers can top-up using the credit and debit cards of KBank via AirPay. KBank also sponsors RoV Pro League Season 4, which is the biggest e-sports event in Thailand.

Operating Performance (Operational in September 2019)

- Top-up transactions for Garena games via K PLUS amounted to over Baht 105 million.

Electricity bill payment via K PLUS

KBank has collaborated with the Provincial Electricity Authority (PEA) to increase efficiency of electricity payment through K PLUS and allow customers to check outstanding balances up to the past 36 billing cycles.

Operating Performance

- Total transactions to pay electricity bills via K PLUS:
Average 600,000 items per month
- Total value of transactions:
Over Baht 812 million per month

TAGTHAI Mobile Application

KBank and KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) has teamed up with over 40 state and private organizations to promote the Digital Tourism Platform project which develops the digital platform titled TAGTHAI to provide tourism information,

trip planning, as well as goods and services of hospitality operators in the Thai tourism industry. The platform utilizes digital technology to bolster tourism activities throughout the journey. The service upgrades the tourism experiences comprehensively in every dimensions, while boosting cost and time efficiency. It helps support the growth of the Thai tourism industry sustainably and creates revenue to other related businesses.

KBank upgrades BeWallet to facilitate funds transfer via PromptPay and payments with QR Code

KBank supports the potential growth of BeWallet, an electronic wallet of Forth Smart Service PCL (FSMART). The partnership allows retail customers to transfer funds via PromptPay and settle bills for products and services via QR Code from their KBank accounts linked to the BeWallet service.

Operating Performance (Operational in May 2019)

- Over Baht 680,000 in total value of transactions

Dolphin Wallet Application

KBank teamed with Central JD Fintech Holding Company Limited, a joint venture of Central Group and JD.com, an e-commerce giant from China. KBank provides the top-up service for Dolphin Wallet by linking the top-up account via K PLUS and KBank debit cards and linking credit/debit cards for payment of products and services. Additionally, KBank plans to launch additional services every quarter, including payment acceptance for product and service purchase by Dolphin Wallet via KBank payment acceptance device, online banking service to accept the payment for consumption fees, as well as future cooperation in the area of personal loan.

Operating Performance (Operational in September 2019)

- Approximately 1 million customers have downloaded the Dolphin Wallet application and approximately 500,000 persons have successfully carried out identity verification.

CBH PLUS Mobile Application

KBank partnered with Chonburi Hospital to launch the CBH PLUS application to speed the process of patient medical treatment through analysis of patients' medical issues. Moreover, it provides a link to the database of the National Health Security Office (NHSO), which allows patients to check their medical benefits before visiting the hospital. The application provides a real-time queuing and alert system together with payment functions for settling medical service fees.

Operating Performance

- The number of patients using CBH PLUS to check their medical benefits and schedule the appointment for medical treatment represents more than 80 percent of the total patients with appointment. The app reduces the number of patients in the waiting area and increases satisfaction for patients using medical services at Chonburi Hospital.

Online Lending Services for e-Commerce Platform Merchants

KBank partnered with Shopee and Lazada, leading e-Commerce platforms in Southeast Asia, to provide online lending services for merchants on the platforms of Shopee and Lazada. This will enable online sellers to access financing without having to submit any documents. The lending carries a low interest rate without collateral. The cooperation facilitates business of customers and caters to their needs and lifestyle.

Blue Connect Application

KBank and PTT Oil and Retail Business PCL. (PTTOR) developed the Blue Connect application to offer an e-Wallet service facilitating

the business of consumers when purchasing merchandise of PTTOR brands conveniently, quickly and safely. Customers can review past transactions and link with their PTT Blue Card to collect points. The service also comes with promotions and privileges.

Operating Performance

- Over 47,000 Blue Connect Application users

GrabPay Wallet

KBank joined with Grab to offer the GrabPay Wallet service in Thailand in July 2019. Customers can apply for the GrabPay Wallet service by simply connecting with K PLUS to increase convenience and speed in paying for Grab services. The service also comes with privileges according to the prescribed conditions and responds to the government's cashless society ambitions.

YouTrip Prepaid Multi-Currency Card and YouTrip Application

KBank teamed with YouTrip, a leading multi-currency travel wallet in Singapore, to launch an e-Wallet service for traveling in Thailand and the Prepaid Multi-Currency Card, which can be used in more than 150 currencies worldwide and for advance foreign exchange of 10 currencies via YouTrip application. The card is also available for payment by swiping or tapping the card, and cash withdrawal at ATMs in foreign countries.

Operating Performance (Operational in November 2019)

- Approximately 40,600 YouTrip Prepaid Multi-Currency cards have been issued.



KBank partnered with PTT Oil and Retail Business PCL. (PTTOR) in developing the Blue CONNECT application to facilitate consumers purchasing goods at PTTOR outlets.



KBank teamed with YouTrip, a leading multi-currency travel wallet in Singapore, to launch an electronic wallet service designed for travel enthusiasts as well as a Prepaid Multi-Currency Card.

Real-time Funds Transfer from Singapore

Under cooperation with DBS Bank of Singapore, KBank introduced a service to accept funds transfer from Singapore wherein the senders send their instructions of real-time funds transfer to banks in Thailand. This is the first time that 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. This service offers more convenience for both senders and recipients.

Operating Performance

- Funds transfer from Singapore to Thailand via KBank increased to more than 126,000 transactions

One Plus 10/1 Insurance

In response to customers' requirements and access to life insurance in this digital era, KBank and Muang Thai Life Assurance PCL have developed One Plus 10/1 Insurance, which customers can access via K PLUS. This life insurance plan is simple, with no health questionnaire or check-up. The program requires only one-time premium payment and offers 10-year coverage. In addition, it is tax-deductible.

Operating Performance (Operational in November 2019)

- Number of insurance policies: 706 policies
- Insurance premium: Baht 32 million

Customer Relationship Management

Amid the digital era and customer behavior changes, KBank has focused on customer relationship management with the aim of providing convenient and swift services that are in tune with their daily lives. Digital and social media channels, for example, Facebook, LINE, Twitter, Instagram and YouTube, serve as the center for us to interact with our customers, disseminate our news and marketing activities, and provide knowledge related to finance and investment, KBank products and services, and transaction security. We also offer a help service via the K-Buddy, which is our chatbot program to answer customers' inquiries on a real-time basis.

With regard to personnel development, we aim to upgrade our staff's ability in offering more diverse and complex services. Regular training courses have been given by our internal employees, while external specialists from various service industries are invited to share their knowledge and experiences with our staff at least once a year. Other efforts involve the development of technologies and knowledge-based systems for staff self-learning. Apart from improving their skills in delivering excellent services to our customers, our employees learn to make our customers smile, and to give them non-discriminatory treatment as well as their full attention. Meanwhile, they must be able to give our customers correct and comprehensive knowledge.

In 2019, KBank conducted customer satisfaction surveys via all channels, including branches, K-Contact Center and social media, to compile information from real customer experience for in-depth analysis and service enhancement. The task was under responsibility of the Customer Experience Management Working Group (CXM), which is working towards delivering excellent service experience.



Customer Satisfaction Evaluation

In 2019, KBank adopted the Net Promoter Score (NPS) method to measure customer satisfaction, with respect to their recommendations to friends/families or acquaintances based on their experiences.*

In this social media era, the measurement of NPS is more diverse and specific. KBank has applied this evaluation in various methods and channels to gather customers' real opinions towards their use of our financial products and services. In 2019, KBank's customer satisfaction evaluation included the following:

Net Promoter Score: NPS

- Overall evaluation of KBank: Net Promoter Score at 30, which is the highest level in the Thai banking industry
- Evaluation of digital banking leadership image (NPS in mobile banking channel): score of 54, classified in the leader group with the highest NPS score in the Thai banking industry

Customer Satisfaction Score towards the K-Contact Center: score of 96.98 based on End Call Survey questionnaire

KBank has used the evaluation results to improve our services in all channels, for example, staff services to make our customers smile and to give them non-discriminatory treatment and full attention, swift responses to customers' desires, proper staff etiquette and enthusiasm, and knowledge and skills to offer customers correct, comprehensive and sufficient advice related to financial products. Such efforts are consistent with KBank's purpose "To Empower Every Customer's Life and Business".

Net Promoter Score

stood at **30**
the highest level in
the Thai banking industry



* The Net Promoter Scores and their implications are as follows: Score 0-6: Detractor (not satisfied) – This group of customers is no longer interested in buying products or using services, and usually turns to competitors, while trying to use the services that they think are better and cheaper. Score 7-8: Passive (neutral) – This group of customers is satisfied with products and services, but is not enthusiastic in recommending such products or services to other people. Score 9-10: Promoters (satisfied) – This group of customers is satisfied with products and services, and is enthusiastic in recommending such products and services to other people.

Complaint Management

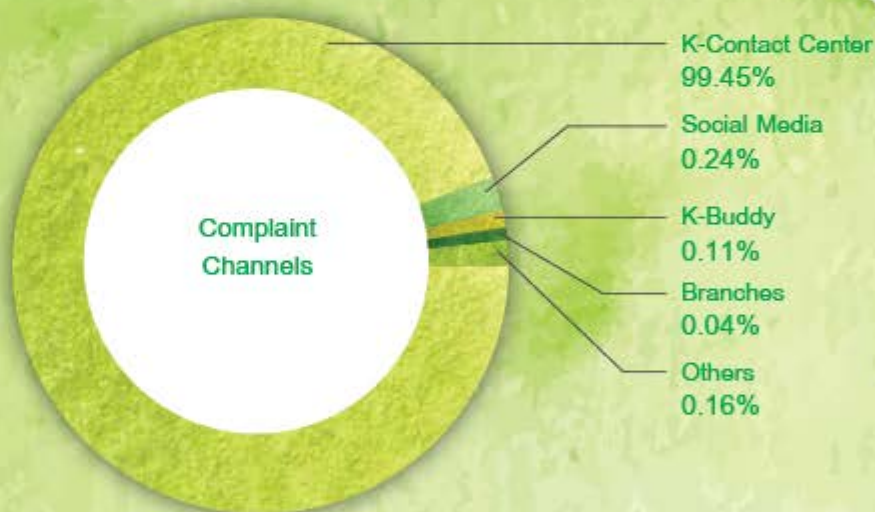
KBank emphasizes speedy management of problems, mainly based on customers' requirements. The complaint management and recovery mechanisms have been set up to ensure systematic, transparent and timely management in accordance with acceptable business standards. To ensure that all customers' problems are properly addressed and that the number of complaints to total transactions is under the set target, a unit has been established for investigation of service quality and rapid management of complaints, as well as preventing a rise in complaints amid continued business growth. KBank has also adopted social listening tools to track customers' questions or needs on social media, along with a mechanism to manage customer incidents to provide fast assistance and avoid widespread impacts on our customers.

Details of Customer Complaints

The number of complaints to total transactions*

Target
Less than
0.0020%

Performance
0.0017%



* Details of the financial service problem solving and complaints types can be viewed at <https://www.kasikornbank.com/th/announcement/Pages/Solving-financial-service.aspx>

Responsible Lending and Investment: ESG Credit and Investment

Sustainability Long-Term Target 2019 - 2023

100% of Project Finance requests must be processed through the Environmental, Social and Governance (ESG) assessment procedure

Target 2019

100% of Project Finance requests must be processed through the Environmental, Social and Governance (ESG) assessment procedure

Performance 2019

100% of Project Finance requests were processed through the Environmental, Social and Governance (ESG) assessment procedure



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 undertakings, which could also be an opportunity to develop financial innovations for their income generation and reputation. An understanding about environmental and social impact management is crucial for consideration of credit extension and investment of customers of each business segment, for example, retail customers, business customers, asset management business and private banking business. KBank has incorporated risk factors with respect to the environment, society and governance (ESG) in our processes, including the processes of Know Your Customer (KYC) and Customer Due Diligence (CDD) along with other issues in credit underwriting function, namely Customer Characters, borrowing objectives that benefit the economic system, sources of income and income consistency, debt payment capacity that matches borrowers' income, debt burdens and expenses and related regulatory criteria. A validation process is also in place to ensure that customers are granted a proper credit limit that will not produce any adverse effect to 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, of which KBank will be notified, and that their payments meet the schedules. Impacts of any economic incident or natural disaster will be assessed whether they are harmful to our customers and their repayment capacity, and to prepare necessary assistance for the effected 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. 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 all projects that have been supported by KBank will not produce any adverse effect on the environment and society, as well as KBank's image and operations, while enhancing stable business advancement and sustainable returns for all stakeholders in the long term.

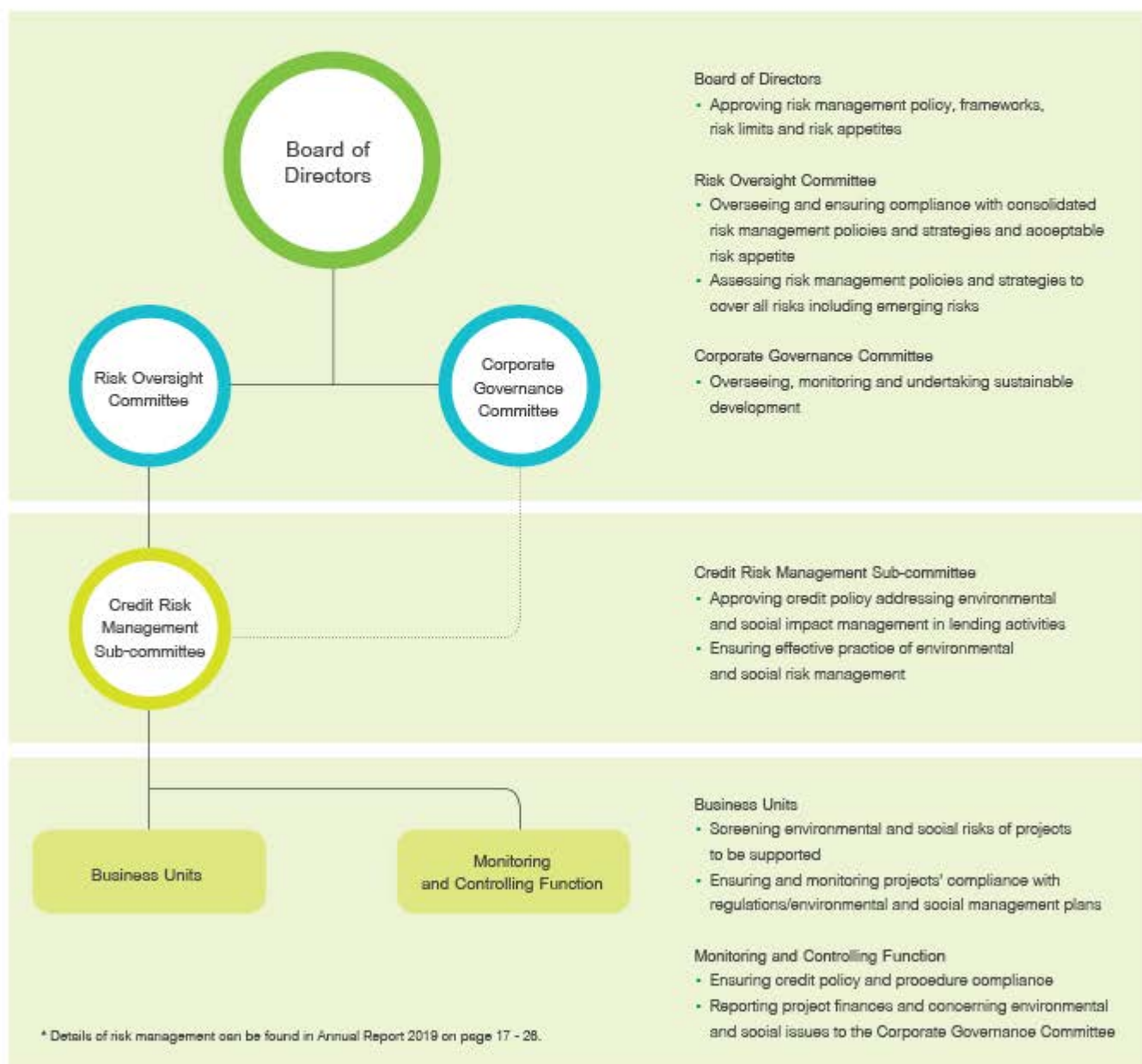
In 2019, KBank signed a memorandum of agreement on Sustainable Banking Guidelines – Responsible Lending with member banks of the Thai Bankers' Association with the aim of upgrading sustainable lending guidelines of the Thai commercial banking system.

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

Lending activities are structured so as to not violate the law and social norms, as follows:

1. A credit policy has been established to reject credit and credit applicants, whose activities may have adverse impacts on the economy, society and the environment as follows:

- Applicants involved or expected to be involved with offences as follows:
 - Offences under the Anti-Money Laundering Act, B.E. 2542 (1999) including
 - Offences relating 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 or deforestation
 - Weapons and war materials

- Offences under the Anti-Trafficking in Person Act, B.E. 2551 (2008)
 - Any other illegal activity.
 - Market speculation.
 - Activities contrary to morality and/or social norms such as massage parlors, love hotels and businesses that violate human rights.
 - Applicants employing illegal workers, migrant workers, forced labor, child labor in violation of relevant labor standards.
 - Activities in violation of national environmental laws.
 - Activities that may encroach upon or potentially damage natural coastal wetlands.
 - Activities that may damage KBank's reputation.
2. 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 incumbency for private gain or bribe, brokerage fee or remuneration in other forms.
 3. Project finances abroad must comply with the environmental and social regulations of the host countries and relevant national agencies as well as internationally accepted standards.

Types of Rejected Credits and Credit Applicants (Exclusion List)



Offences relating to gambling



Offences relating to embezzlement



Offences relating to Human trafficking



Offences relating to exploitation of natural resources

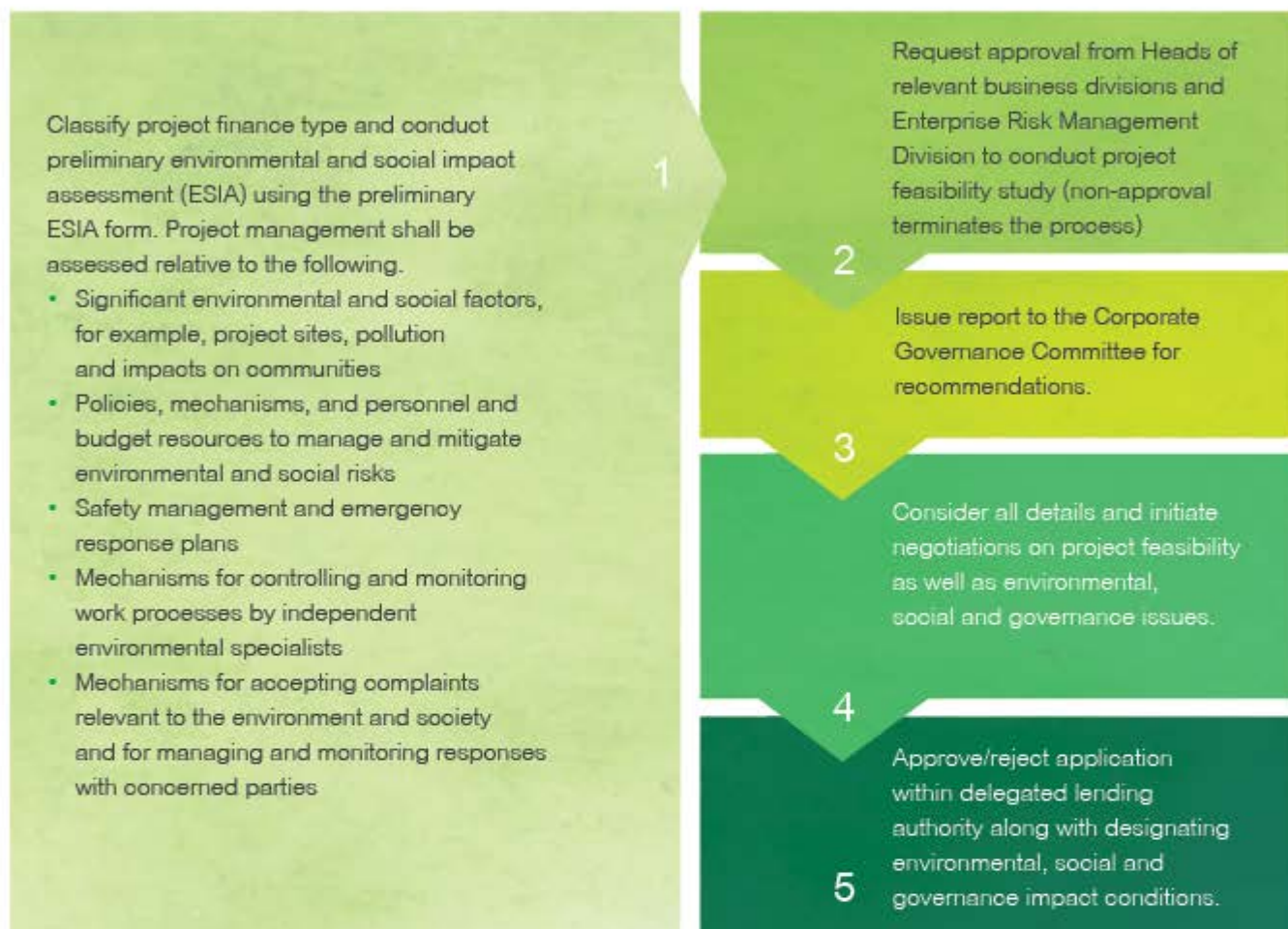


Offences relating to narcotics



Offences relating to terrorism

Environmental, Social and Governance (ESG) Credit Assessment Process



Regarding project finances that may produce environmental and social impacts, the Enterprise Risk Management Division will monitor, control and report related credit requests to the Corporate Governance Committee every three months before proposing recommendations for KBank's consideration.

To ensure that all projects financed by KBank will not produce any environmental and social impacts, and comply with good corporate governance principles, customers must comply with the laws, recognize human rights, treat their employees with fairness, reject discrimination in employment and at the workplace, while also having approaches to migrant workers, occupational health and safety policy, an environmentally friendly policy and complaint handling monitoring and examination

processes in conformity with the labor laws and standards in place. In addition, all related employees are required to use the established environmental and social screening tools with projects that may create significant impacts. Training courses have also been arranged on environmental and social risk management criteria of each business/industry to provide useful knowledge and understanding on risk identification and management, as well as reporting of those risk factors, especially complex risks that may exist in the supply chains of projects requesting credits. Correct understanding on risk factors of each business/management and assessment of each important risk are crucial for credit underwriting tasks.

If a project is found to be noncompliant with the environmental and social risk assessment criteria, KBank will notify the customer of the issues for improvement or correction, related conditions and constraints so that the customers can manage those issues within the specified timeframe. If the customers fail to propose improvement or correction guidelines with an appropriate timeframe, KBank may terminate our support for such credits.

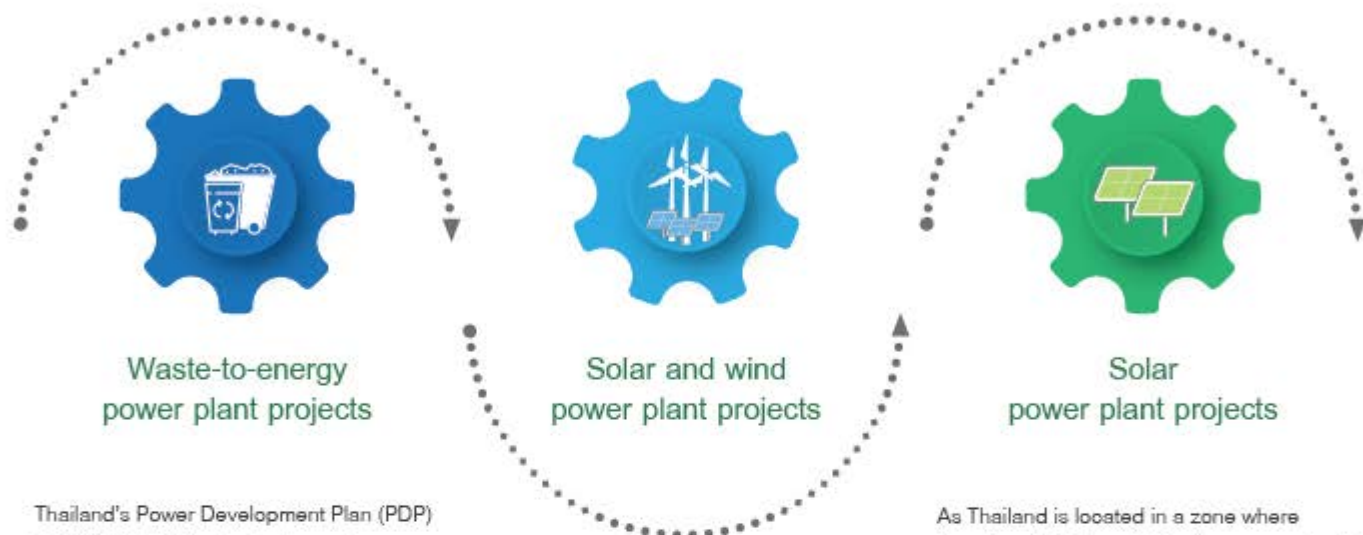
In addition, KBank has classified the types of credit requests for specific project finances that may produce adverse impacts on the environment or society, based on international principles

and announcements of the Ministry of Natural Resources and Environment as follows:

- Type A includes projects that produce severe environmental and social impacts.
- Type B includes projects that produce environmental and social impacts.
- Type C includes projects that do not produce or produce little environmental and social impacts.



Examples of ESG Credit Assessment to Project Finance



Thailand's Power Development Plan (PDP) for 2018 - 2037 is aimed at ensuring the country's security in its electricity generating capacity and procurement of alternative energy sources, plus enhancing the electricity consumption efficiency and promoting environmental conservation. The PDP also promotes power generation from industrial waste, biomass, wind and solar energy. Waste-to-energy power generation helps reduce a substantial amount of industrial waste in Thailand. KBank has supported a power producer, with experience in the business for more than 25 years, to build such waste-to-energy power plants, with each having an installed capacity of less than 10 megawatts. The power produced is sold to the Provincial Electricity Authority under the 20-year power purchase agreement. Such power plants, which are located in industrial estates across the country, use internationally-accepted technologies and meet the stringent environmental requirements of industrial estates. Waste management from electricity generation is under international standard, which is higher than Thailand's national standard.

A Thai conglomerate specializing in electricity generation and management, and previously operating a power plant, with an installed capacity of thousands of megawatts, has invested in a number of countries, including our ASEAN neighboring nations, where electricity demand is growing steadily on the back of substantial growth seen in their economies and industrial sectors. KBank has offered this conglomerate financial facility for the development of power plants, using renewable and clean energy sources, i.e., solar and wind. Each of such power plants has an installed capacity of over 400 megawatts in line with the host countries' energy master plans with the aim of ensuring sufficient energy supply for economic growth, and their geographical conditions that have the potential in solar farm and wind power plant. Our endeavor is considered important with regard to the environment and communities.

As Thailand is located in a zone where there is sufficient sunlight all year round, while the government has the policy of developing renewable energy and encouraging the private sector to generate electricity from renewable energy, KBank has introduced a long-term loan program with the aim of supporting the private sector to invest in solar rooftops for generating clean energy for their own use. With "a company specializing in solar projects" as an energy consultant and manager, borrowers are assured that they will get returns in the form of energy savings from the solar rooftop program. In addition, they can use proceeds from the program to repay loans. Among such borrowers is an entrepreneur, who has been in the healthcare business for more than 60 years. The entrepreneur's office is located in the upper central region of Thailand and KBank offered this entrepreneur financial facility for the construction of a new plant and purchase of machinery. This entrepreneur has applied for a long-term loan program under the solar rooftop project with the objective of reducing operating costs and selling the remaining electricity to programs determined by the government. The long-term loan program is part of our commitment to operating an environmentally friendly business.

Sector-Specific Guideline for Credit Assessment

KBank has placed great emphasis on environmental and social issues. We have adopted a prudent lending policy towards businesses that may be environmentally and/or socially harmful as follows:

- Credit shall not be granted to businesses with certain potential exploitation of environment or natural resources.
- Credit shall not be granted to businesses that potentially have adverse social impacts such as use of illegal labor or forced labor, no work safety standards, or operations negatively impacting communities' ways of life.

KBank has assessed these risks and put in place guidelines for effective handling of such risks that may adversely affect business operations of our customers, during their credit request and throughout the period they maintain a relationship with KBank, based on types of businesses/industries as follows:

Sector-Specific Guideline for Credit Assessment

Environmental and social impacts		Power plant		Mining	Chemical plants that caused harm to the environment	Metal/non-metal smelters	Tanneries	Agriculture (plants/ animals including fisheries and aquatic animals)*	Labor intensive business/industries such as frozen/ processed seafood, construction, footwear, garments and toys
		Non-renewable energy	Renewable energy (solar/ wind/ hydro power)						
Environmental impacts	Emission of pollution such as poisonous substances, gases, dust, noise, heat, wastewater	✓	✓	✓	✓	✓	✓	✓	
	Excessive use of non-renewable resources	✓		✓		✓		✓	
	Use of large areas	✓	✓	✓				✓	
	Located near sensitive areas (biological and cultural diversity) such as water sources, communities or historical sites	✓	✓	✓	✓	✓	✓	✓	
Social impacts	Change in way of living, migration	✓	✓	✓			✓		
	Use of illegal labor such as forced or child labor			✓				✓	✓
	Working conditions and occupational health	✓	✓	✓	✓	✓	✓	✓	✓

Remark:

* Including palm oil plantation and palm oil production

Communications on credit per environmental, social and governance risks

KBank has offered knowledge related to credit for the environment and society for credit staff members. To ensure that they fully understand and recognize environmental and social issues throughout the lending and investment processes, they are required to pass the test on credit policy.

In addition, KBank requires related employees to attend seminars organized by academic units, the public sector and regulatory agencies for enhanced knowledge about environmental and social risks, such as:

- A seminar on "The impact of climate change on Thailand's agricultural and food processing sectors", by an honorable expert from Faculty of Economics, Kasetsart University, so that they recognize the impact of climate change on lending offered to related industrial businesses and can use the information to communicate with our customers, which will eventually help maintain our asset quality in the future.
- A seminar on "Sustainable Banking Workshop", which is organized every quarter by the Bank of Thailand, Thai Bankers' Association and World Wide Fund for Nature (WWF). It is intended to equip our employees with knowledge on economic, social and environmental risks for enhanced credit underwriting efficiency and recognition of business operations with responsibility for the environment and society, as well as compliance with good corporate governance principles that will eventually help sustain KBank's business and the Thai financial system over the long term.



Cyber Security and Data Privacy

Sustainability Long-Term Target 2019 - 2023

Create effective cyber security awareness by increase the number of employees passing criteria for cyber security awareness and bolster cyber security awareness among relevant stakeholders of KASIKORNBANK including the Board of Directors, employees, customers, and counterparties.

Target 2019

Extensively increase customer data security and privacy awareness among relatively high-exposure and relevant stakeholders of KASIKORNBANK including the Board of Directors, employees, customers, and counterparties.

Performance 2019

Extensively increase customer data security and privacy awareness among relatively high-exposure and relevant stakeholders of KASIKORNBANK including the Board of Directors, employees, customers, and counterparties.



Cyber security and data privacy are keys in establishing confidence and trust in services provided by financial institutions, as well as in the financial and banking system. With the growth in technology-driven enterprises where databases are analyzed for business decision-making, technological advancement offers opportunities and competitive advantages. Without proper controls, however, businesses may be exposed to risks, such as data breaches, cyber attacks and data fraud. These substantial risks bear wide-ranging potential consequences, including financial and non-financial loss to KBank and its customers, either directly or indirectly, together with tainted public image, thus affecting customer trust, business relations, as well as laws and operational procedures.

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 behaviors. Measures for controlling and maintaining balance in the use of data – especially customer data – have been put in place, while 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.

In 2019, KBank undertook an internal restructuring for more definitive separation of risk prevention duties into the 1st, 2nd and 3rd lines of defense in accordance with the Three Lines of Defense guideline. Reduction of cyber risk incidents has also been set as one of the main targets for assessing KBank's operational efficiency.

IT Management Structure and Data Security

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 the Risk Oversight Committee to supervise risk management in alignment with the risk management policy and strategy and consistent with acceptable risk level, as well as review and audit adequacy and effectiveness of the overall risk management policy and strategy. To ensure that digital and cyber risks are systematically managed, KBank set up the Digital-Oriented Risk, Data and Cyber Security, and IT Risk Management Sub-committee (DCSC) which reports directly to the Risk Oversight Committee and 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. 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.

The Information Technology Strategy Sub-committee has been established to devise 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. KBank is presently selecting a person with appropriate qualifications to be nominated as CISO, and during this period, the KBTG Chairman is in charge of cyber security management. In addition, KBank has in place a 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, 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.

In preparation for the Personal Data Protection Act taking effect in 2020, KBank has set up a working group to establish guidelines for personal data protection and a structure to supervise the personal data protection policy and operational procedures, in order to ensure proper protection of customers' data and legal compliance of KBank. The working group is under supervision of the Data Governance Sub-committee. In addition, KBank has hired a consulting firm to assess our readiness before the new law takes effect.

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 Operation

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 has been 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 have been 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 has been set up to study and carry out necessary preparations related to policies, work processes and systems ahead of the Personal Data Protection Act taking effect in May 2020, 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

- Having in place a Data Protection Officer (DPO) to be responsible for providing advice and investigating customer data operations in compliance with legal stipulations
 - Developing important IT infrastructure, e.g., development of data anonymization technology to protect customers' privacy, development of data storage and consent systems to allow for data verification before data usage and to support customers in exercising their rights per related laws.
4. Information disclosure standards have been 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.
 5. Policies and operational procedures have been reviewed regularly to be up-to-date with the fast-changing technology, in line with our dynamic performance. Our operations have been controlled, managed and examined for compliance with the established policies and operational procedures.
 6. Operational guidelines have been 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.

In addition, KBank has developed a system of customer consent request to provide customers the choice of granting their consent. Customers may express their intent to access, correct and delete their data, and permit KBank to use the data for analyzing, researching, developing and improving products

and services to better match the customers' desires, or choose to receive the privileges that have been exclusively selected for them. Customers may also receive relevant notifications and recommendations. These elements give customers better control of their personal data.

IT Data Security System Operations

1. KBank further installed a data leakage preventive system at various units for broader coverage, aimed at preventing leakage of IT data, 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 precaution and cyber threat detection has been increased, with more efficient work processes. A cyber threat surveillance center has been established, and a team has been assigned for rapid incident management in order to alleviate any adverse impacts on the customers in a timely manner.
3. KBank has been awarded ISO 27001: 2013 certification for the sixth consecutive year, attesting that our information security management system is on par with international standards.
4. KBank has been certified with the PCI DSS V3.2.1 standard for our credit card data security in the Payment Gateway On Cloud system, which provides service for merchants.
5. 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 2019, no significant incident of customer data privacy infringement was detected*.

* Significant complaint of customer data privacy infringement means unauthorized access to customer data which has a highly adverse effect upon the customer and KBank. According to an investigation, the incident is determined to be KBank's fault.

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 to upgrade cyber threat security. In 2019, KBank's major collaborative efforts on cyber threat security were, as follows:

1. Upgrade of readiness for cyber security incident response: KBank participated in a workshop and cyber drill exercise, jointly organized by 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. KBank is now 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.

Operations to Create 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.
 - Cyber News Alert has been provided to the Board to equip them with knowledge and news about cyber threats.

- Cyber attack simulation was undertaken for high-level executives of KBank to familiarize them with such incidents, so that 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.



KBank launched the IT Security Newsletter to communicate to employees how to safely and ethically use KBank software and internet.

Framework to Cultivate an Organizational Culture Related to Cyber Security



- 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 more aware of and cautious in spotting phishing emails.
 - A Cyber Hygiene Culture Program has been established to cultivate an organizational culture related to cyber security, with focus on adjustment of employee behaviors concerning the foundation of cyber threat prevention and management. Communications have been made by high-level executives to employees, in order to emphasize the importance of cyber security issues.
- Customers
 - Customers are provided with knowledge on how to safely conduct transactions online and cyber threat prevention via all KBank channels, such as KBank's websites, 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 criminals and call center gangs.
 - 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.



KBank communicated to employees how to be prepared for and properly deal with phishing emails for efficient prevention.

Sustainable Supply Chain Management

Sustainability Long-Term Target 2019 - 2023

- 100% of suppliers acknowledge the Supplier Code of Conduct, which identifies the issues of environment, society, labor practice and human rights.
- 100% of annual suppliers risk assessment is conducted with Tier 1 & 2 supplier segments.

Target 2019

- 100% of suppliers acknowledge the Supplier Code of Conduct, which identifies the issues of environment, society, labor practice and human rights.
- 100% of annual suppliers risk assessment is conducted with Tier 1 & 2 supplier segments.

Performance 2019

- 100% of suppliers have acknowledged the Supplier Code of Conduct, which identifies the issues of environment, society, labor practice and human rights.
- 100% of annual suppliers risk assessment was conducted with Tier 1 & 2 supplier segments.



KBank has attached great importance to supply chain management, taking into account sustainability with respect to the environment, society and governance (ESG), to prevent any risk that may directly and indirectly affect KBank's image and business operations. Efficient management of supplier relations is therefore crucial to both parties in the development of our potentials and adoption of new innovations for the purpose of delivering the best financial products and services to our customers, based on our Customer Centricity strategy. We have been committed to transparent, fair and inspectable procurement, with adherence to well-defined policies and criteria in choosing suppliers in conformity with the Supplier Code of Conduct. KBank has also been committed to anti-corruption in all forms, and have regularly communicated with our suppliers and undertaken continuous monitoring to ensure their strict compliance with the ethical principles.

Operating Performance

In 2019, KBank had 1,232 suppliers, including 1,182 domestic suppliers and 50 international suppliers, among which 148 suppliers are new, accounting for 12 percent of all suppliers. All suppliers have acknowledged the Supplier Code of Conduct before their engagement and all must conduct their businesses with transparency, consideration of human rights, and compliance with related laws, occupational safety and hygiene standards, as well as environmentally-friendly management practices. KBank has followed up and evaluated their strict compliance with the Supplier Code of Conduct and in case where any suppliers are found to have violated human rights, KBank will follow our related processes, whether discussing with them and/or delivering to them written warning notifications. A plan and time frame would be set up for their corrections. If any supplier cannot fulfill the obligations, KBank may have 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.

KBank has developed a standard procurement contract with added stipulations and penalty clauses for violation as regards the environment, human rights, illegal and unfair employment, and lack of governance in business operations, to ensure our suppliers' strict adherence to the Supplier Code of Conduct.

* Details are available at KBank website: https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/KBank_Supplier_Code_of_Conduct.aspx

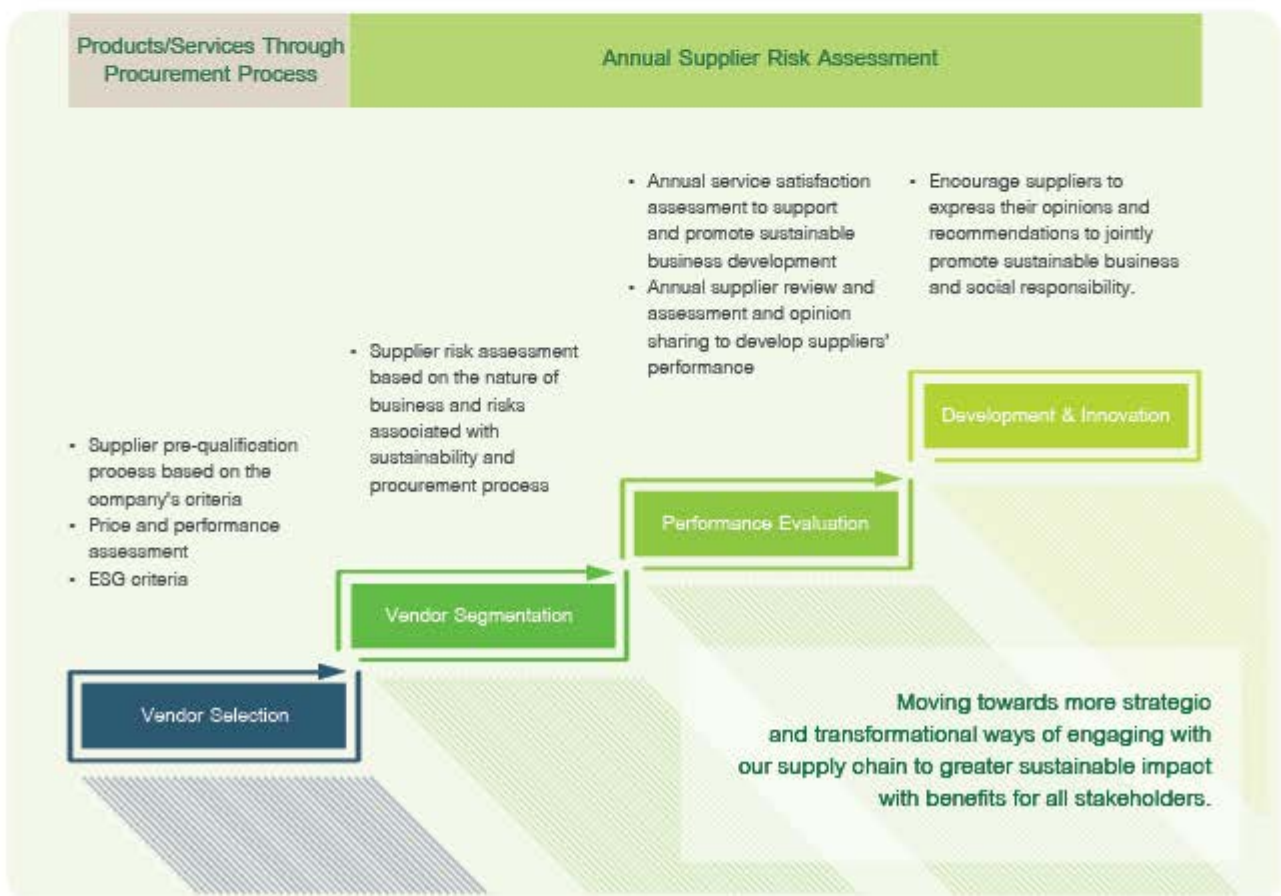
Communication with Suppliers

KBank held the 2019 Supplier Seminar titled "Suppliers' Service Provision and Innovation via Viewpoint on Procurement in the Digital Era" to present KBank's policies, practices and guidelines towards sustainable business operations, and to share views related to joint operations. Discussions were also made with respect to new innovations for efficient creation of financial products and services, and tips to select suppliers that respond to KBank's requirements. The seminar participants were given a questionnaire so that KBank could compile their opinions and recommendations for further improvements of work processes to attain sustainable growth of all parties.



KBank held a 2019 supplier seminar titled, "Supplier Services and Innovations: From the Perspective of Procurement in the Digital Era".

Environmental, Social and Governance (ESG) Risk Assessment




Supplier Monitoring, Inspection and Assessment Procedures

Based on the analyses of our annual expenditures per each supplier, plus ESG assessment, KBank has categorized suppliers into Tier 1, Tier 2 and Tier 3. The performances of 105 suppliers of Tier 1 and Tier 2, or 9 percent of all suppliers and equal to 80 percent of total procurement expenditures, have been assessed. Both Tier 1 and Tier 2 suppliers must prepare improvement plans for goods and services, and guidelines to prevent and mitigate possible risks. They must also monitor their operations to comply with the operational guidelines and business plans to ensure that risks are managed within appropriate levels that do not produce any impact on the business, communities and environment. In addition, KBank has improved work processes with strategic procurement methods to join hands with suppliers in support of the development of financial products and services that match all customers' demand.

To inspect and monitor our suppliers, KBank visits key suppliers at least once a year to ensure that they comprehensively comply with KBank Supplier Code of Conduct in terms of environment, social and corporate governance to ensure the sustainable development throughout the supply chain.

To assess the operations of our suppliers, KBank makes a service satisfaction assessment on suppliers via questionnaires, developing channels to receive complaints towards the suppliers, and making random visit, inspection and assessment on their operating performances to ensure that KBank receives goods and services via sustainable procurement processes from them. In addition, KBank has a procurement supervisory and management team that works with various agencies to jointly check relevant facts and solve related problems, as well as offering advice to suppliers to improve and develop quality products and services. However, if suppliers are not able to comply with our set standards, they will be subject to appropriate penalties set by KBank. This is to ensure that our economic, social and environmental developments are sustained in the long term.



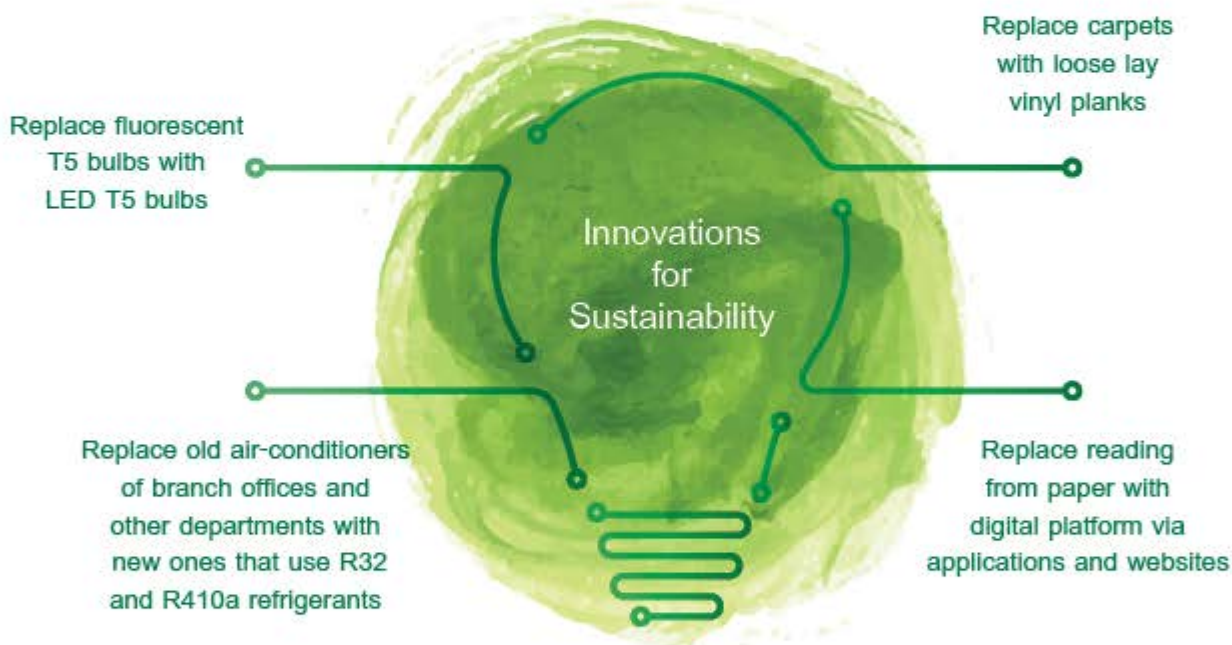
The suppliers with tendency to product social impacts and having been warned by KBank for improvements accounted for 0 percent of all suppliers.

The suppliers with tendency to produce social impacts and the contracts having been terminated accounted for 0 percent of all suppliers.

Innovations for Sustainability

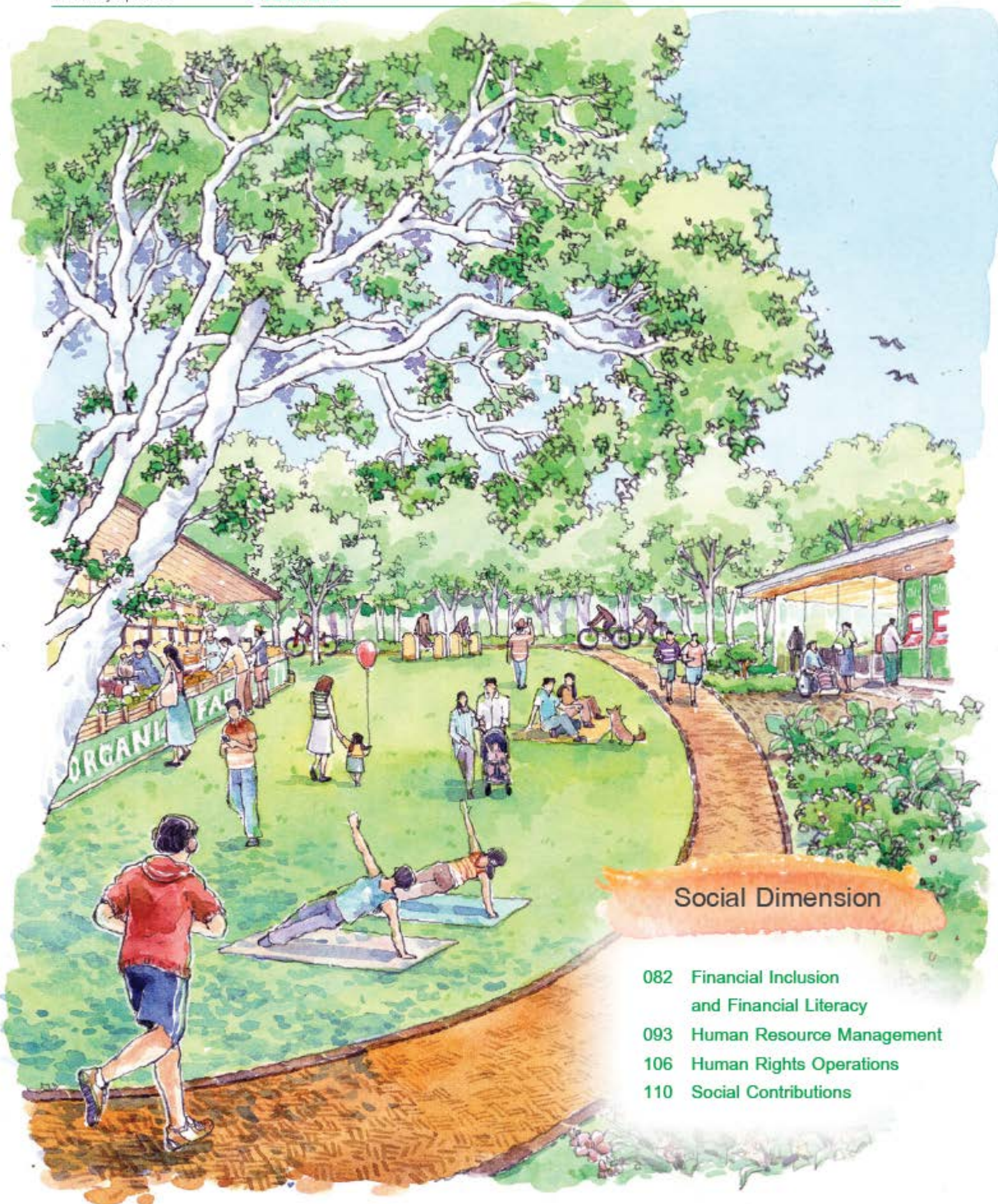
1. Fluorescent T5 light bulbs were replaced with LED T5 bulbs that consume less power and have a longer lifespan, while creating the same amount of light, therefore saving 50 percent of energy, reducing waste and cutting annual maintenance costs. In addition, LED T5 bulbs generate less heat and cool down more rapidly, which help minimize air-conditioners' workload. Because they are made of plastic and polymer, LED T5 bulbs degrade more easily than fluorescent bulbs and do not release UV ray, mercury or halogen substances that are toxic, contributing to reducing global warming, releasing less pollution and saving energy use.

2. Carpets were replaced with loose lay vinyl planks. This new flooring method does not need any glue or other adhesive substances. The products have been certified by GREENGUARD Environmental Institute and Eco Test for their compliance with the standards of chemical release, pollution control, alleviation of indoor air pollution and risk of contact with chemical substances. The raw materials and packages, which are made of reused materials, can also be recycled.



3. The old air-conditioners of branch offices and other departments at branch offices that used R22 refrigerant were replaced. The R22 refrigerant has the Ozone Depletion Potential (ODP) that could result in degradation of the ozone layer, causing the greenhouse effect. Leakage of R22 refrigerant is also harmful to our respiratory system. Those air-conditioners were replaced with the new ones that use R32 and R410a refrigerants that contain less fluorine and have lower Global Warming Potential, while being more efficient and cost-saving, and not damaging the atmosphere and minimizing greenhouse gas emission.

4. For reduction of paper use, forest conservation, alleviation of substances released during the printing processes and minimization of global warming, purchases of newspapers and magazines were cancelled; now they are read on the digital platform via applications and websites. This effort reduced the number of newspapers and magazines from 1,135 per year.



Social Dimension

- 082 Financial Inclusion and Financial Literacy
- 093 Human Resource Management
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- 110 Social Contributions



MADHUB

is a center of solutions
to enhance the experience
of online traders

Payday Loan

service designed for
customers residing
in Phnom Penh,
the Kingdom of Cambodia,
seeking small
and short-term loans



Myanmar Remit Card was
issued for the first time in Thailand
to allow Myanmar workers
in Thailand to make funds
transfers to their homeland



Educated more than

1,512

underprivileged people



Level of employee
engagement at

75%

Number of employee
volunteer hours totals

248,180

Financial Inclusion and Financial Literacy

Sustainability Long-Term Target 2019 - 2023

Financial inclusion for retail customers and underprivileged: growth of at least 5%

Target 2019

Financial inclusion for retail customers and underprivileged: growth of at least 5%

Performance 2019

Financial inclusion for retail customers and underprivileged: growth 7,000%*



KBank believes that creation of access to decent financial services will help alleviate financial disparity and subsequently improve the quality of life of communities, while enhancing overall economic and social advancement. To this end, KBank promote customers' financial skills and knowledge, and financial discipline, which we believe are crucial to their financial access and their ability to consider and choose financial products that match their requirements. Their well-chosen financial products would then generate satisfactory returns and build up a stable and sustainable financial status.

In addition, KBank attaches importance to building a solid financial base for customers and the underprivileged, including those facing financial difficulties as a result of natural disasters and economic woes, as well as low-income earners, foreign workers and those residing in remote areas, ethnic groups and those having limited ability to earn income, for example, senior citizens, people who need special care and the disabled. As a result, KBank has developed financial products and added new channels of financial access for all customer categories and less-privileged groups to prevent their dependence on non-formal lending. KBank has strengthened our customers' financial literacy so that they can select proper financial products and manage their finance soundly. Additionally, we have assisted them in their financial discipline to prevent excessive spending or borrowing, which will then alleviate the volume of household debts and impede the increase of NPLs caused by low debt servicing ability. These efforts of KBank are hoped to produce positive effects on the entire economic system of Thailand.

Financial Inclusion for Retail Customers

Personal Loan via K PLUS

KBank Payroll customers can apply for personal loan via K PLUS with credit limit approved immediately. Applicants for personal loan must give consent to KBank to check their creditworthiness via K PLUS and they will be informed of the result instantly. The personal loan which is designed for customers seeking emergency cash allows them to have better access to funding sources and effectively manage their finance. The product has been overwhelmingly received by clients.

Operating Performance

- Outstanding Loans: Baht 5,000 million

* In 2019, KBank has appointed new banking agents, and has expanded the service scope to all around countries.

K-eSavings Account Opening via K PLUS (No minimum amount required)

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 a basic banking 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, and face scan against photographs on K PLUS.

Performance

- Average accounts opened: 960 accounts/day
- Total account deposit: Baht 1,341 million

KBank Service via banking agents

This service offers new channels to provide financial services other than bank branches to add convenience for customers to conduct cash transactions across Thailand, including cash deposit/withdrawal, payment of goods and services, and deposit account opening for retail customers. The service scope has been extended to KBank agents via appointment of more partners for service provision. These partners may be classified as follows:

- Cash deposit: Thailand Post, FamilyMart, Café Amazon, SPAR and Inthanin Coffee (Bangohak), Big C and 7-Eleven
- Cash withdrawal: Thailand Post, Big C and 7-Eleven

- Payment of goods and services: CJ Supermarket, Jiffy and Big C, etc.
- Deposit account opening (K CHECK ID): Thailand Post and Big C

Through cooperation with potential partners, KBank plans to continue expanding our service coverage in response to all customers' lifestyles.

Performance

- Number of financial transactions: 9.7 million
- Value of financial transactions: Baht 45,500 million

Takaful Insurance

KBank and Muang Thai Life Assurance PCL (MTL) introduced Takaful insurance product for the benefit of Muslim customers' financial planning, with respect to savings, and life and health protection. The product is managed under Islamic religious rules and guaranteed by the Sharia Committee. In addition, customers can feel assured via MTL's leadership in Thailand's Takaful market.

Performance

- Number of insurance: 906
- Value of premium: Baht 238 million



KBank and Muang Thai Life Assurance PCL (MTL) introduced the Takaful insurance product for the benefit of Muslim customers.

White Label ATM

KBank and Government Savings Bank (GSB) have signed an agreement to offer joint automated teller machine (ATM) service. The cooperation, the first of its kind in Thailand, is designed to manage ATMs and implement the White Label ATM policy of the Bank of Thailand and the Thai Bankers' Association to provide greater satisfaction and convenience to customers. Clients of each bank can conduct transactions via the other bank as if they were using the bank of their card. This service has been started in five provinces, namely Sakon Nakhon, Nakhon Phanom, Pattani, Yala, and Narathiwat.



KBank and Government Savings Bank (GSB) signed an agreement to launch white-label ATMs, providing ATM terminals shared by the two banks, to enhance customer convenience and financial resource efficiency.



MADHUB

MADHUB is a center of solutions to enhance online traders' business professionalism and assist them in tackling problems efficiently. MADHUB consists of six services, as follows:

- **MADCARD**
Debit card to help out online business costs via various privileges, e.g., cash back for payment of Google ads and Facebook ads via MADCARD
- **MADFUND**
Loans and working capital with low interest rates to enhance business agility and growth
- **MADDEAL**
Special discounts to cut business costs, e.g., discounts on packaging and transport costs
- **MADCOURSE**
Center of online business knowledge, open 24 hours and offering free courses from basic to advanced level by highly skilled and experienced coaches
- **MADVISOR**
Advisory service related to problem-solving tools or applications of KBank's partners that match each target group in such matters as online shop management, goods transport and general administration
- **MADSPACE**
Venue to provide advice and knowledge with respect to online business operations via training and seminars



KBank unveiled MADHUB, a center of solutions for online traders to propel their growth in a professional manner.

Super Senior Fixed Deposit

This 30-month fixed deposit service is designed for individuals aged 65 and above. Customers are eligible for personal accident coverage (from Muang Thai Insurance PCL). Personal accident coverage is equal to the balance in Super Senior Fixed Deposit with a maximum insured amount of Baht 3 million, effective until age 70.

Performance

- Average accounts opened: 620 accounts/month
- Average deposit amount: Baht 985,300/account



KBank introduced Super Senior Fixed Deposit, specifically designed for elderly customers, which offers personal accident coverage until age 70.

K-Personal Loan for Pensioners

K-Personal Loan for Pensioners was introduced to offer greater financial access to government retirees in accordance with the government's policy to assist retired officers so that they can use the money for expenses. In 2019, the program was extended to the group of government employees having inheritance rights to get more access to financial services, by using their inheritance rights as collateral to obtain loan from KBank.

Operating Performance

- Outstanding Loans: Baht 288 million

Basic Banking Account

In response to the Bank of Thailand and Thai Bankers' Association's financial sector master plan for the civil sector, aimed at promoting grassroots people to have greater access to financial services, KBank has introduced a basic deposit 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 account maintenance, application or annual fees.

Performance

- Number of accounts opened: 3,300 accounts, including 2,339 accounts of low-income earners under the government welfare program and 961 accounts of individuals aged 65 years or older



KBank debuted the Basic Banking Account to ensure greater financial inclusion for grassroots communities.

First Card for Funds Transfer to Myanmar

KBank has entered into an agreement with Kanbawza Bank (KBZ), Myanmar's commercial bank with the largest network and customer base in the country, to issue the Myanmar Remit Card for over 4 million Myanmar workers in Thailand. In 2019, the number of customers using this service increased substantially, reporting over-year growth in terms of both number of transactions and transfer volume.

Performance

- Value of transactions: Over Baht 80 million (rising 60% compare to 2018)
- Number of transactions: Over 1,300



KBank teamed with Lao Telecommunications PCL to unveil a mobile top-up feature via the QR KBank application for the enhanced convenience of Lao customers.

QR KBank – e-Wallet Application in Lao PDR

KBank is the first Thai commercial bank to introduce an e-Wallet service in Lao PDR. This service – QR KBank – was launched in Lao PDR in 2018 with the aim of providing Vientiane residents convenient access to financial services via a cashless innovation, based on the concept of convenient top-up, payment, transfer and withdrawal for buyers and sellers.

In 2019, KBank teamed with Lao Telecommunications PCL to implement a feature of mobile top-up via the QR KBank application for greater customer convenience. We have also undertaken an ongoing local consumer behavior study to prepare for further expansion of our merchant customer base and service coverage throughout Vientiane. In 2020, the bank will add cross-border funds transfer (Lao PDR and Thailand) feature via QR KBank, and expand the services throughout Laos PDR by aiming to increase the customer to 200,000 people at the end of 2020.

Performance

Beneficiaries of usage of financial products and services

- Number of QR KBank application users: over 50,000 persons
- Number of merchants using QR KBank Shop application: 1,600 merchants

Personal Loan (Payday Loan) in the Kingdom of Cambodia

This short-term personal loan project is aimed at customers requiring a small amount of loan for only 2-14 days. Key customers are Wing's e-Wallet customers. As collateral is not required, loan request is convenient. In addition, the outstanding balance can be checked by the customers themselves anytime via the Wing mobile application.

At the initial stage, KBank plans to introduce this project to customers in Phnom Penh, with the aim to attain at least 10,000 loan applicants within six months, and expects to expand the service across Cambodia within two years in order to promote greater customer access to financial products and stimulate the country's economic and social growth.

Financial Inclusion for Business Customers

Loan Project for Retail Merchants

This project offers collateral-free overdraft loans for SME operators, especially those in the target areas or under projects of KBank's partners, for example, Chatuchak Sunday Market, Siam Square and MBK Center.

Operating Performance

- New loans: Baht 1,252 million

Soft loan program to upgrade machinery and production efficiency for SMEs

Low-interest and long-term loans for SMEs to upgrade their machinery and production efficiency through buying machinery, equipment, tools and computer programs, as well as constructing permanent structures to install new machinery, or expanding, changing, and improving properties related to their businesses. This soft loan program is aimed at bolstering business capacities of SMEs and bolstering domestic investment for sustainable growth of the Thai economy. The total loan amount was Baht 30,000 million.

Operating Performance

- Outstanding Loans: Baht 2,995 million

Good Innovation, Zero Interest Project

KBank has collaborated with the National Innovation Agency (NIA) to support businesses that need capital to pursue innovations. NIA will finance interest costs incurred within a certain period during the initial phase of a project, while KBank considers loans for the customers' projects assessed as an innovation by the NIA.

Operating Performance

- Outstanding Loans: Baht 3 million
(It is a continuous project originally ending in the third quarter of 2019, which has been extended to September 30, 2022.)

Interest compensation program for rice traders in maintaining rice stockpiles for 2018/2019 crop year

The government interest compensation program for rice traders in maintaining rice stockpiles for the 2018/2019 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.

Operating Performance

- New loans: Baht 7,717 million

Interest reduction for victims of natural disasters

A number of KBank customers in various provinces were affected by natural disasters, including the storms Pabuk and Podul. KBank launched several measures of assistance, including the following:

Assistance measures for business loans

Assistance Format

- Grace period for principal
- New loans for repair of business venues or business rehabilitation
(only for customers who were directly affected)

Assistance Period

- Up to 6 months
- 5 years (up to 6-month grace period for principal)

Assistance measures for consumer loans

K-Home Loan and other home loans with collateral

- Installment payment of interest only for up to 6 months
- Loans for home repair with 6-month grace period for principal

Credit card loan

- Up to 6-month grace period for principal

KEC loan

- Up to 6-month grace period for principal

Auto loan

- Reduction of up to 50% of installment payment for up to 6 months
- Waiver of fee and late payment fee



Sustainability Long-Term Target 2019 - 2023

- Number of SME customers who gained financial knowledge: growth at least 5%
- Satisfaction level of retail customers who gained financial knowledge: 94%
- Satisfaction level of business customers who gained financial knowledge: 85%

Target 2019

- Number of SME customers who gained financial knowledge: 10,500 persons
- Number of retail customers and underprivileged persons who participated in financial knowledge training: 1,755 persons

Performance 2019

- Number of SME customers who gained financial knowledge: 15,000 persons
- Number of retail customers and underprivileged persons who participated in financial knowledge training: 1,512 persons*



Financial Literacy

Provision of Financial Knowledge for Individuals

KBank focuses on continuous provision of financial knowledge for individuals, including KBank employees, customers, underprivileged persons and persons in need of special care. In 2019, emphasis was placed on persons who would be able to further transfer such knowledge, for example:

KBank salespersons and branch officers

The K-Expert team delivers the know-how and techniques of knowledge transfer, such as production of media to disseminate knowledge to salespersons and branch officers. The team also selects persons with efficient communication skills to act as gurus who will help other employees, teach them and answer their questions. Salespersons are encouraged to take part in a project to provide knowledge for customers, so that this group of employees can follow up on and take care of those customers, as well as answering their inquiries in an ongoing manner.

Performance

- Number of retail customers who participated in financial knowledge training with K-Expert 13,668 persons
- Number of retail customers and underprivileged persons who participated in financial knowledge training 1,512 persons
- Conversion rate of retail customers participated in financial training courses at 12.20%



Number of retail customers and underprivileged persons who participated in financial knowledge training

1,512 persons

Conversion rate of retail customers participated in financial training courses at

12.20%

* This is due to the set target does not include employees who received financial knowledge. During the year, K-Expert team was assigned to focus more on providing financial knowledge to branch staff and sales teams to support the change of business. As a result, financial literacy to customers and society does not meet the target.

Provision of Financial Knowledge for Students

- The K-Expert team, with the cooperation of the Thai Bankers' Association (TBA), has implemented a project with the theme, "New generation of Thais is cautious with financial matters". The team acts as trainers to directly coach students and lecturers to teach the trainers from TBA member banks who will provide knowledge for students nationwide under this project.
- Provision of Knowledge for University Students, e.g., Department of Law and Department of Economics, University of the Thai Chamber of Commerce
 - KBank disseminated knowledge related to finance, investment, taxation, saving, blockchain, the Internet of Things and mobile applications as part of the LW412 Course: Business Law Seminar.
 - KBank disseminated knowledge related to business strategies, blockchain and business operations, and Bitcoin as part of the EC423 Course: Marketing in the 4.0 Era.



KBank and the Thai Bankers' Association (TBA) organized a project with the theme, "New generation of Thais is cautious with financial matters" with the K-Expert Team and trainers from member banks providing financial literacy to university students nationwide.

Provision of Knowledge for Businesses

KBank supports and promotes business customers by providing knowledge and sharing experience in diverse aspects, such as finance and blockchain technology, to improve their business potential. Notable examples are as follows:

Provision of knowledge related to economic situations and foreign exchange

For customers in import and export business.

Provision of knowledge related to business planning strategies

For 150 participants to prepare customers for tax measures of the Revenue Department, business model adaptation towards business expansion, acquisition or sale, and tax planning strategies.

Provision of knowledge related to impacts of the US-China trade war

Under cooperation with the Department of International Trade Promotion of the Ministry of Commerce, the event offered various viewpoints from the financial and banking sector, including investment and business directions of different industries, particularly the technology industry.



KBank and the Ministry of Commerce's Department of International Trade Promotion offered knowledge on the impacts of the US-China trade war.

Knowledge sharing on property management

Given the potential and growth of the property technology business, KASIKORN VISION Co., Ltd. and Deloitte Israel, which is skillful in property technology, organized a seminar titled "Global PropTech Innovation and Smart Living in Thailand" to disseminate useful information from the finance and banking sectors viewpoint in regard to market expansion and financial support for Thai startups in this industry.

Knowledge sharing with Bank of Thailand officers

A KBank executive took part in the Fundamental Course 2019 as a lecturer on the topic of "Transactional Banking and E-Payment for Business Customers" for 80 participants.

Provision of knowledge for foreign customers

A KBank executive gave a presentation titled "Case Study – The Thailand Perspective: Technology and the Potential Disruption to Cash Management" in the GFMI Conference "8th Edition Innovation and New Technology in Cash Management", held by Marous Evans Company, Singapore.

Provision of knowledge on 'Unchain the Blockchain' and related financial transactions

KBank has adopted blockchain technology to create financial innovations and upgrade our service provision in various aspects, and has shared its knowledge and experience with sectors outside the financial sector in order to promote national competitiveness. Notable actions included presentations by KBank's top executives, blockchain experts from KBTG and related product managers in many leading seminars in Thailand and foreign countries, advisory service for various projects and dissemination of knowledge in the forms of articles or video clips via electronic media. In 2019, KBank undertook more than 50 knowledge provision activities, which reached more than 10,000 interested persons. For example;

- Technological Journey: from Blockchain to Digital Currency for KBank customers
- Unchain the Blockchain with customers of PTT PLC
- Blockchain the Series No.3 organized by the Bank of Thailand
- Unlock Your Business with Blockchain organized by OPEN-TECC
- IMF-BOT High Level Conference Balancing Fintech Opportunities and Risks organized by the Bank of Thailand and the International Monetary Fund



A KBank executive shared knowledge at the "Unlock Your Business with Blockchain" seminar organized by OPEN-TECC.

Provision of Financial Knowledge for SMEs and Startups

KBank has offered support and promotion for SMEs and startups via knowledge provision to build business foundations towards stable growth and long-term returns. Throughout 2019, KBank organized regular knowledge provision activities, for example;

Business networking via K SME Care

KBank organized more than 25 classes under the K SME Care program in five regions across Thailand, attended by more than 14,509 persons. There were also activities to share knowledge by SME operators who had attained business success after participating in the program with other SMEs in a wider circle. By means of such knowledge sharing, a friendship marketplace has been created, offline and online, for our customers to buy and sell, and to exchange both goods and experiences. The friendship marketplace also serves as a relationship management mechanism between SMEs and helps create new opportunities for KBank to sell our financial products.



KBank launched the "Business Networking via K SME Care" project, with the aim of sharing knowledge and fostering cordial relations with SMEs.

Provision of knowledge related to accounting and taxation management, online marketing, economic conditions and property investment

KBank continuously organized seminars all year long to offer our customers news and knowledge updates which are beneficial for business advancement. For example, food, retail, apartment and construction businesses.

Provision of knowledge for Thai entrepreneurs to expand businesses to Indonesia's online market

KBank in cooperation with Blibli.com, which is one of the top five e-Commerce market leaders of Indonesia with more than 40 million users, arranged a seminar titled "The Cross-Border E-Commerce Opportunity in Indonesia". The event was aimed at disseminating knowledge to Thai SMEs for their business expansion in Indonesia via e-commerce channels, with respect to product preparation, trends of Thai goods in Indonesia's online market, local laws and taxation, by online market experts and Indonesia's transport operators. Other useful information that was offered, including cross-border funds transfer and payment channels.



KBank and Blibli.com organized
"The Cross-Border E-Commerce Opportunity in Indonesia" seminar.

ASEAN SME Service Provider Network

KASIKORNBANK (CHINA) joined hands with the E-SAAN Center for Business and Economic Research, Faculty of Economics, Khon Kaen University, and the Office of Small and Medium Enterprise Promotion (OSMEP), to organize a seminar for Thai SMEs interested in business expansion in China. The seminar focused on useful tips of business operations and current economic conditions in China, investment guidelines and market details of Shenzhen, as well as initial preparations for investment in China. The seminar was part of the ASEAN SME Service Provider Network, which acts as a linkage between SMEs in Thailand and those of the ASEAN+8 nations.



KASIKORNBANK (CHINA) joined hands with the E-SAAN Center for Business and Economic Research, Faculty of Economics, Khon Kaen University, and the Office of Small and Medium Enterprise Promotion (OSMEP) to organize a seminar for Thai SMEs interested in business expansion in China.

KASIKORN VISION Company Limited signed a cooperation agreement with the Business Startup Support Center (BSSC), a startup support and development organization of the Vietnamese government

KASIKORN VISION Co., Ltd. signed a cooperation agreement with the Business Startup Support Center (BSSC), a Vietnamese government agency specializing in the field of startup support, and held a seminar on "Vietnam: A New Greenfield Market with Exponential Growth" to provide knowledge and share experience with interested Thai startups. The seminar was conducted by experts from the Thai and Vietnamese public and private sectors.



KASIKORN VISION Co., Ltd. signed a cooperation agreement with the Business Startup Support Center (BSSC) to hold a seminar on "Vietnam: A New Greenfield Market with Exponential Growth", with the aim of offering related knowledge to interested Thai startups.

KASIKORN VISION Co., Ltd. and Vietnam Innovative Startup Accelerator (VIISA)

KASIKORN VISION Co., Ltd. and Vietnam Innovative Startup Accelerator (VIISA), a company that promotes startup growth in Vietnam, organized a 'hackathon' in Ho Chi Minh City to seek proper guidelines of financial technology adoption in the banking system, aimed at dealing with the issues of transaction safety and customer access with cutting-edge technology and easy-to-use features. The winner was awarded the initial capital to develop their business, along with advice from leading international startups. Fifteen startups participated in the event.



KASIKORN VISION Co., Ltd. and Vietnam Innovative Startup Accelerator (VIISA), a company that promotes startups in Vietnam, organized a "hackathon" in Ho Chi Minh City.

KATALYST Project

Having recognized the importance and potential of technology startups in Thailand as one of the main drivers to create digital innovations for commercial use, KBank has implemented the KATALYST Project to seek potential tech startups that are determined to expand their businesses and have products that match KBank customers' demand. This project is also aimed at expanding our domestic and international customer bases (via KASIKORN VISION Co., Ltd.) and creating further innovations through collaboration with KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG), which will assist in offering exclusive advice related to business models and business insights from KBank's partners. In addition, it will open up new opportunities towards cooperating with a number of tech startups in various industries. In 2019, KBank joined with partners to educate the tech startups 5 times and there were more than 300 startups in the event.

GRI 103-2, GRI 103-3

KASIKORNBANK (CHINA) held a lecture to give knowledge under Topic: Things to know in order to do business in China for startups.

KASIKORNBANK (CHINA) gave a presentation to provide tips for startups' business operations in China. The participants were Thai students in Guangdong Province who were preparing to complete their studies under the "Young Entrepreneurship Program: Meet the Executive Series", organized by the Royal Thai Consulate-General in Guangzhou. Apart from knowledge on China's economy, market and economic development policy, the event offered the opportunity to exchange information and tips of business operations via various trade channels, and cautions and preparations for business undertaking in China, as well as cultural differences and business etiquette, all provided through case studies and business examples.



KASIKORNBANK (CHINA) offered knowledge to Thai students participating in the "Young Entrepreneurship Program: Meet the Executive Series" organized by the Royal Thai Consulate-General, Guangzhou, China.



KBank launched the KATALYST project to find tech startups with capabilities to expand business and introduce products in line with KBank's customer segments.

Performance

- Startups who created a Strategic Tech Startup Partner to expand their businesses: 4 cases
- Startups that are currently being discussed on their business opportunities: 4 cases

Human Resource Management

Sustainability Long-Term Target 2019 - 2023

- Brandon Hall Group's award for excellence in human resource management
- No complaint of discriminatory labor treatment or violence that leads to a lawsuit

Target 2019

- Brandon Hall Group's award for excellence in human resource management
- No complaint of discriminatory labor treatment or violence that leads to a lawsuit

Performance 2019

- Brandon Hall Group's award for excellence in human resource management
- No complaint of discriminatory labor treatment or violence that led to a lawsuit



Promotion of Diversity, Inclusion and Equality (Labor Practice, Diversity, Inclusion and Equality)

KBank recognizes that the workplace will move forward healthily if all parties concerned have understanding, confidence and respect for one another. We have embraced equitable treatment for employee recruitment, benefits, career path, employee retention and potential development, regardless of their gender, age, education, racial or ethnic origin, skin color, religion, citizenship, sexual orientation and disability. Given our respect for differences and equitable rights, employees are allowed to express their creative ideas in their work with freedom in order to deliver financial products and create sustainable value propositions to all stakeholders.

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 Guideline** and Human Rights Policy***. KBank does not accept any form of forced labor and child labor, discrimination in employment and at workplace regarding local and foreign workers, and gender discrimination.



Excellence Labour Relations and Welfare Award given for 14th consecutive year, granted by the Department of Labour Protection and Welfare, Ministry of Labour

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

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

*** Details of Human Rights Policy can be found at KBank 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 benefits of employees and common understanding among the meeting participants. KBank also supports and endorses group negotiations and bilateral meetings between KBank management, KASIKORN Labor Union and Employee Committee of KASIKORNBANK at least once every quarter. In addition, other meetings can be called for at all times to ensure that all employees' complaints and recommendations are timely managed.

Support for People with Disabilities

KBank believes that "to give someone an opportunity" is deemed as promoting "Inclusion and Equality". In 2019, KBank provided career support to 204 disabled persons across Thailand, via more than a Baht 23 million budget donated to the Thai Red Cross Society for use in career promotion for disabled persons.

Remuneration Management

KBank has cautiously and thoroughly revised remuneration management to prevent any risk of inordination, 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 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. 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 price index. Compensation and benefit handbooks are provided for domestic, expatriate and local employees.

Employee Benefits

Benefits are provided for all employees* to ease concerns and promote good living quality that affect the operations and living conditions of our employees and their families. Employee benefits are provided for our employees and communicated via our online platform, Kworkplace.com, as follows:

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)
- Medical treatment by KBank physicians (including an orthopedist, an obstetrician and an allergist)
- 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. KBank also issue a patient referral for employees' admission to hospital as an inpatient, to ease their concerns over medical bills.

* All employees refer to full-time employees under KBank employment contract only.

For employees of K Companies and the Support Service Providers to KBank, they are eligible to such benefits as life insurance, medical expenses in case of injury and disability, maternity leave and financial assistance in case of retirement.

- KBank has provided support for physical exercise in various forms. Employees may work out at fitness centers, Ratchaphruek Club, KASIKORN Learning Center and the Suk Samakkhi 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. These clubs have established online communities to allow employees nationwide to take part in sports activities as part of our effort to foster relationships among staff members and a teamwork environment.

Financial assistance

- Financial assistance in case of retirement and children's education
- Loans 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
- Funds: provident fund, compensation fund, social security fund, cremation welfare fund

Employee Recruitment

Communication channels to attract persons interested in working with KBank

KBank has focused on communications to showcase our work format and organizational culture in order to attract the target group of the digital era to work with us.

- To attract people interested in working with KBank to join our workforce, we arranged channels for communicating with them via social media such as Facebook, Instagram and YouTube under the KASIKORN CAREER brand. Through these outlets, we showcased activities, work styles and employees' actual lives at KBank to allow the public to get a taste of the real workplace environment, in alignment with the concept, "Everything is POSSIBLE here".
- A career matching game was developed as a simulation platform via KASIKORN CAREER on the LINE application without any fees or conditions attached, allowing job applicants, students and the general public to find the right career based on their preferences, interests and abilities. The initiative represents a new experience for KBank in applying a game to the personnel recruitment process, which will help us to find the personnel who are best suited to the available jobs.



The 2019 Brandon Hall Group
Excellence in Talent Acquisition Awards
and Learning Awards

Activities held with university students to encourage them to work with KBank

- **KCapstone Year 2:** The project aims to support students from universities both in Thailand and abroad to broaden their horizons in our internship program for startup businesses, wherein they are assigned to create a new business perspective via a tangible communication platform. The champion was the Share-milly Team, which developed a sharing platform that assists online buyers in teaming with other buyers who also seek to purchase promotional products of leading brands, in line with the "collaborative consumption" trend of the new generation's lifestyle.



The K-Capstone program, launched for the second year in 2019, offers university students the opportunity to join our internship program and propose projects reflecting new perspectives in building businesses.

- **KBank Young Scholarship 2019 and KBTG Young Tech Scholarship 2019:** The projects were held for fourth-year students who wish to further their studies in Master of Business Administration (MBA) and technology in the world's leading universities, thus providing them opportunities to join our workforce.
- **KBank granted support to Machine Learning Research School (MLRS) 2019**—an activity held for fourth-year students, graduates and the general public who are interested in machine learning R&D, as part of our effort to foster technology advancement for the nation. We also conducted PR campaigns to advertise job vacancies at KBank and KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) among the target groups participating in the activity.

Moreover, KBank awarded 16 scholarships to high-caliber persons including our present KBank employees as part of our effort to nurture talents and develop leaders for KBank.

Attracting people living abroad to work with KBank

KBank has fine-tuned strategies to attract students who are studying abroad by fostering relationships with various universities' alumni through activities held with them. Of note was Samaggi Careers Fair 2019 at Imperial College London, which KBank jointly held with Samaggi Samagom in the UK. Meanwhile, K Talent Engagement and Networking was also organized in Boston, New York and Chicago in the US to draw high-potential personnel including university students and experienced workers to join our workforce and to promote KBank's image.



KBank launched career matching gamification via LINE@KASIKORNCAREER, offering a test to interested persons to match them to the right career.

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 as follows:

Selection Process for Recruiting Employees



Opportunities for Advancement

Career advancement is instrumental in retaining personnel and helping them thrive together with the organization. This also lowers the employee turnover rate; high turnover can be costly to an organization because of the expenses involved in replacing employees who leave. The program can respond to employee expectations regarding career paths. It is KBank's policy to provide internal promotion of talented personnel, and internal job transfers appropriate for their skills and interests. We also focus on internal filling, especially for vacant executive positions.

Positive Employee Experience and Engagement

Based on an employee engagement survey, KBank developed a plan to promote positive employee experience across all dimensions and in alignment with the Employee Life Cycle at each generation, and to enhance employee engagement at the division and corporate-wide levels. Division heads were assigned to analyze the data obtained from this survey in order to find ways to foster employee bonds with the organization over the short and long term, as part of our drive towards a Bank of Sustainability. Major initiatives in 2019 were as follows:

- **Digital Academy program:** KBank launched the Data Science Pathway in order to enhance employees' learning skills via the KDwise platform, especially via collaboration with CHULA Massive Open Online Courses (CHULA MOOC). In addition, we have linked to other famous online learning platforms, such as edX.org and coursera.org in order to broaden employees' perspectives and knowledge.
- **YES Talk:** This program involves inspirational talks given by representative employees who share their experiences and inspiring stories from different perspectives. This TED Talk-style forum aims to ignite ideas and foster positive attitude at work.



KBank unveiled the "YES Talk" program to provide a forum for our employees to share experiences and positive attitudes at work.

- **K-Style DIY:** This program invited successful persons from various fields to share with our participating employees their life perspectives and experiences, which could be further applied to our employees' work and life.

- **K-Spirit 2019 Green Culture:** This year, the activity for strengthening relationships among employees was held under the theme "Thai Culture X Go Green" to conserve Thai culture and the environment with creativity, making our employees feel proud of local culture of each region. The GO GREEN TOGETHER activity is now being held, as part of our effort to encourage staff members to do good deeds that are beneficial to the economy, society and environment so that they earn points which will then be converted to donations for various foundations nationwide.



- KBank held the "K-Spirit 2019 Green Culture" activity under the "Thai local traditional conservation and doing good deeds with your heart" theme, with the aim of strengthening cordial relations among staff members nationwide.

- **AED Virtual Run 10,000,000 Km. campaign:** KBank joined the "Run One Km. Each" activity to raise funds for the Thai Red Cross Society to purchase Automated External Defibrillators (AEDs) which were distributed to needy organizations nationwide. Our employees who joined the race contributed 179,000 km. to the program, as against the goal of an 88,888 km. distance.

Employee Engagement Level

75%

Issue receiving the highest score is

The feeling of success in their assigned worked

Internal Job Transfer

81.31%



KBank received HR Asia Best Companies to Work for in Asia™ 2019 (Thailand Edition) from Business Media International



KBank received Human Resource Management Excellence Award and Leadership Excellence Award in THAILAND CORPORATE EXCELLENCE AWARD 2019

Sustainability Long-Term Target 2019 - 2023

Maintain Human Capital Return on
Investment (HCROI) rate at
4.05 or higher

Target 2019

Maintain Human Capital Return on
Investment (HCROI) rate at
4.05 or higher

Performance 2019

Human Capital Return on Investment
(HCROI) rate at 4.08



Human Resource Development

To empower every customer's life and business, KBank has fine-tuned our business operations accordingly. Our human resource management has thus been adjusted in all dimensions to drive KBank towards an agile organization. Realizing that human resource management is at the heart of our business operations, we have prepared our employees to be ready for and flexible in the fast-changing world for enhanced work efficiency.

KBank thus prioritizes talent management. To this end, we set up a working team to supervise an agile way of working while focusing on the design of an organizational structure to accommodate project-based work, staff allocation to sufficiently and effectively meet business needs, enhancement of employees' capability, organizational culture change, performance and compensation management to match the agile work format, as well as purposeful and practical leadership. All of these operations have been undertaken throughout 2019.

Developing employee skills and abilities in alignment with KBank's strategies

Development of digital competency

KBank organized the "Content Creation for Everyone" training course under the FLIP program, which was designed to hone our employees' skills in creating quality content via online media and digital channels.

Development of skills towards data-driven decision making

Aiming to be a data-driven organization, KBank arranged training courses on Qlik Sense and Python – the two major data analytics tools – for employees at all levels in order to develop their skills in this field. Meanwhile, learning courses on data science were organized specifically for staff members needing in-depth analytical skills. KBank invited an expert from Microsoft's U.S. operations to give a talk, "Data-Driven for Business Transformation", to share his experience in using data for enhancing organizational competitiveness.

Development of skills for agile way of working

To equip our employees with digital skills, KBank organized learning courses on agile ways of working with the aim of bolstering business capability and convenience, and speed of work. Work processes – especially documentation – have been streamlined, whereas focus will be on team communication to ensure that products and services will be developed within a shorter timeframe. KBank also arranged learning courses on human-centered design thinking, which is a mixture of creative thinking and business thinking for innovation development, as well as on Objective and Key Results (OKRs). We have set our sights on promoting an agile work style within KBank which requires teamwork of experts in various fields to experiment with new things through trial and error, working with regular communications and continuous improvement to ensure swift achievement. To this end, this concept has first been applied to key projects of KBank, including those of the Human Resource Division; the Bank plans to introduce the agile work format to other divisions in the future. To equip our employees with knowledge about the agile methodology, KBank, in this quarter, invited world-renowned experts to give a lecture entitled “Agile Transformation” in order to share their insights and experience about organizational development through agile solutions.



KBank held the “Beyond Agile by KBTG” seminar to provide knowledge on “Agile” methodology that can be used to completely change business organizations and technologies. Experts from world-renowned organizations were invited to share their experiences.

Development of work concept to maximize efficiency

To equip our employees with design thinking skills for creating innovation, we arranged the “Designing Your Life by Bill Burnett” workshop, conducted by Mr. Bill Burnett, Executive Director of the Design Program at Stanford University, which aimed to promote our staff members’ design thinking skills, which can be applied to both their work and life in order to maximize work efficiency and maintain work-life balance.

Enhancement of skills to accommodate present and future work

KBank has encouraged employees to participate in various e-learning programs, namely CHULA MOOC, SkillLane, Coursera and EdX, in order to broaden their perspectives and knowledge.

Reskilling and upskilling of employees

To better meet the specific needs of customers in each area, KBank organized the GURU Program – a learning course designed for our sales officers nationwide to bolster their skills in services and sales. The program was conducted by experts who are well-versed in products and customer demand.

Support for initiatives under the Possibility Award program

Employees were allowed to showcase their ideas for tangibly strengthening our organizational strategies, especially through income generation or cost reduction. 105 ideas were submitted to the program. Select staff members with distinctive initiatives had the chance to attend an idea development and pitching bootcamp, while the prototype that won first prize will be further developed for real-world use.



KBank introduced the “Possibility Award” program to encourage our employees to propose new ideas that can tangibly support strategies that create income or reduce costs.

Employees with High Potential Management and Development

KBank has prioritized development of employees with high potential, taking into account their ability and performance based on work guidelines that are in line with KBank's Core Values. Meanwhile, we have promoted female equality in the workplace, providing opportunities for women to hold management positions and directorships. In 2019, major initiatives included:

Activities for executives:

The K-Coaching Academy program: The Seniors Want to Coach – Juniors Want to Talk Season 3

The event was held as part of this program to allow employees of exceptional talent to be coached by department heads and other executives of higher rank up to Senior Executive Vice Presidents. Furthermore, we launched campaigns via various activities and media to promote a good coaching environment within the organization.

High Potential VP Development Program

The program was designed specifically for high-caliber executives at the Vice President (VP) level who have high potential, using case studies and business simulations in order to enhance their understanding of KBank business operations vis-à-vis current and future challenges, as a guideline for their self-improvement.

The AVP Retreat 2019 under the theme, Exponential Thinking Towards Exponential Growth

To strengthen relationships and collaboration among executives at the Assistant Vice President level or executives of equivalent positions of KBank and K Companies, the program featured volunteer activities to promote K-Culture in accordance with KBank's Core Values and for participants to learn how to work as an agile team.

Percentage of Junior Female Management
who advance to Top Management

81.96%

Average Hours of Training

45.5 hours/person/year

Activities under Leader Development Program (LDP):

The "Pan" for You

The event was held for LDP participants who had a chance to meet with KBank's Chief Executive Officer and executives. This was intended to make these selected employees feel proud of themselves and strengthen their bonds with executives.

Leader on Screen

KBank organized a movie viewing activity for employees to enable them to learn KBank strategies and directions through the film content in a new learning experience while also promoting interaction among participants, thus strengthening collaboration and work efficiency.

Leader on Stage

Successful, high-profile businesspersons were invited to share their experiences to participating employees so that they could further apply the knowledge gained to their own work and their work team.

Leader on Tour

KBank organized a company visit at leading organizations which were recognized for their outstanding innovations and employee management focusing on workplace happiness, to broaden our staff members' horizons and encourage them to apply what they learned to their work team and unit.

Mindfulness

The activity aimed to promote mindfulness and concentration practices among our staff members, with Buddhist teachings and dhamma viewed from a business perspective so that they can apply them to their daily lives.



Highly Commended:

Best Staff Training and Development Programme
from Retail Banker International (RBI)

Global Retail Banking Innovation Awards 2019:
Outstanding Staff Training, Learning & Development
Program from THE DIGITAL BANKER

Sustainability Long-Term Target 2019 - 2023

Employee absentee rate is no more than
one day/year

Target in 2019

Employee absentee rate is no more than
one day/year

Performance in 2019

Employee absentee rate is
0.83 day/year



Employee Well-Being

KBank has placed high priority on employee wellness, both physically and mentally, because KBank believes that efficient work comes from qualified personnel. Aside from selection of qualified employees, making them happy, safe and healthy at the workplace is crucial in maintaining work-life balance, which will lead to enhanced productivity and engagement with the organization.

We have assigned the occupational safety, health and environment committee 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 a policy on occupational safety, health and environment* 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 is established for each building. The taskforce consists of at least five members, and it must hold at least one meeting a month. The performance in 2019 is as follows:

1. In creating a desirable work environment, the occupational safety, health and environment taskforce of each building will evaluate the environment quality every month and report the findings to the occupation safety, health and environment committee of KBank for further improvement of the work environment.
2. In compliance with the Occupational Safety, Health and Environment Act, KBank has provided desirable equipment and environment as follows:
 - Provide office chairs that can be adjusted according to user's physical needs and the height of the desk.
 - Design a copy room and space for destroying documents to be separately located from the work area.
 - Allocate specific space for a document storage room and storage room.
 - Install LED light bulbs 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.
 - Regularly measure air quality in the workplace and regularly clean air conditioners.
 - Appropriately control temperature and humidity in the buildings, according to the weather in different seasons.
 - Design the buildings to accommodate a recreation area.

* Details of policy on occupational safety, health and environment can be found at KBank website:
https://www.kasikornbank.com/en/IR/CorporateGovernance/transparency/Pages/Occupational_Safety_and_Health.aspx

3. K Parking Care: There is a transportation service for employees to bring them to designated car parks nearby the bank office to ensure their safe travel before and after work. KBank also works with such parking service providers to install an electrical system and closed-circuit television cameras for surveillance and safety.
4. KBank disseminates information and training about health care and nutrition via brochures and SkillLane courses.
5. KBank organizes activities to promote health and safety for the entire organization, such as having a fitness facility, annual health check-up, annual table tennis tournament, a mini-marathon for health and color sports activities (K-Spirit) with a joint exercise mission to collect calorie data for a period of 1 month through mobile phone applications, etc.
6. Occupational health safety training courses to comply with the law, including
 - Courses for executive-level safety staff
 - Courses for supervisory-level safety staff
 - Basic fire fighting training course
 - Basic safety, occupational health and environment courses for general employees.
7. KBank disseminates information about safety via public relations announcements, VTR, advisory on fire evacuation routes in case of emergency, CPR training, etc.
8. Stress management with two approaches as follows:
 - Self-learning via KBank's electronic system.
 - Organizing activities to train employees how to deal with stress such as "Mindfulness" training and mediation to relieve stress.



KBank organized a training program on "Mindfulness", focusing on stress management for employees.



KBank introduced "K Tips", a brochure offering health care and hygiene information to employees.

Flexible working arrangements and work from home

KBank gives employees flexible working arrangements to encourage employees to manage their time in response to their professional and personal requirements. This flexible arrangement includes the flexibility of daily working hours for arriving at and leaving the workplace. The staff can work from any KBank building, work from home or work overtime. KBank also allows certain groups of employees to work from home, for example, in case a sick family member requires special care. The staff however needs to receive an approval from their immediate supervisor.

KBank has improved the information technology infrastructure so that our employees will be able to access information and work from anywhere and at anytime. Key operations included:

Development of digital tools for greater flexibility at work

- **Digital Workplace**
 - KBank provided secured equipment for mobile device management to employees authorized to use Microsoft Office 365 via their personal mobile devices, such as smartphones and tablets. Additionally, we produced a video to convey messages regarding the benefits of various tools.
- **Digital Working Tool**
 - KBank provided tools to employees to facilitate collaborative work teams in line with our data security standard as well as internal communication. Employees will thus adopt these tools via activities such as presentation of teamwork use cases and creation of online communities within the organization. These activities were disseminated via KBank's internal media in order to inspire other employees to increase their work efficiency and promote internal Bank communications.

Co-Working Space

- **Digital Academy**
 - The new format of working space inside KBank's Head Office, Rat Burana, aims to promote a happy workplace for employees. Aside from working, it is suited to varied formats of activities, namely, meetings and video conferencing, while a stadium can accommodate various events thanks to a full array of convenient equipment. The Digital Academy also features a library and resting area to allow staff members to enjoy snacks and drinks available from vending machines.



KBank set up the KBank Digital Academy, a tech learning space, at the Head Office building.

- **The Office Space**
 - The Office Space is located at Samyan Mitrtown. It is designed to facilitate our employees in remote work, thus cutting commuting time while maximizing work time. The area can accommodate various activities thanks to numerous facilities including a training room, meeting room, video conference room and private working zone.



KBank set up "The Office Space" at Samyan Mitrtown shopping complex for our employees to work outside of the office.

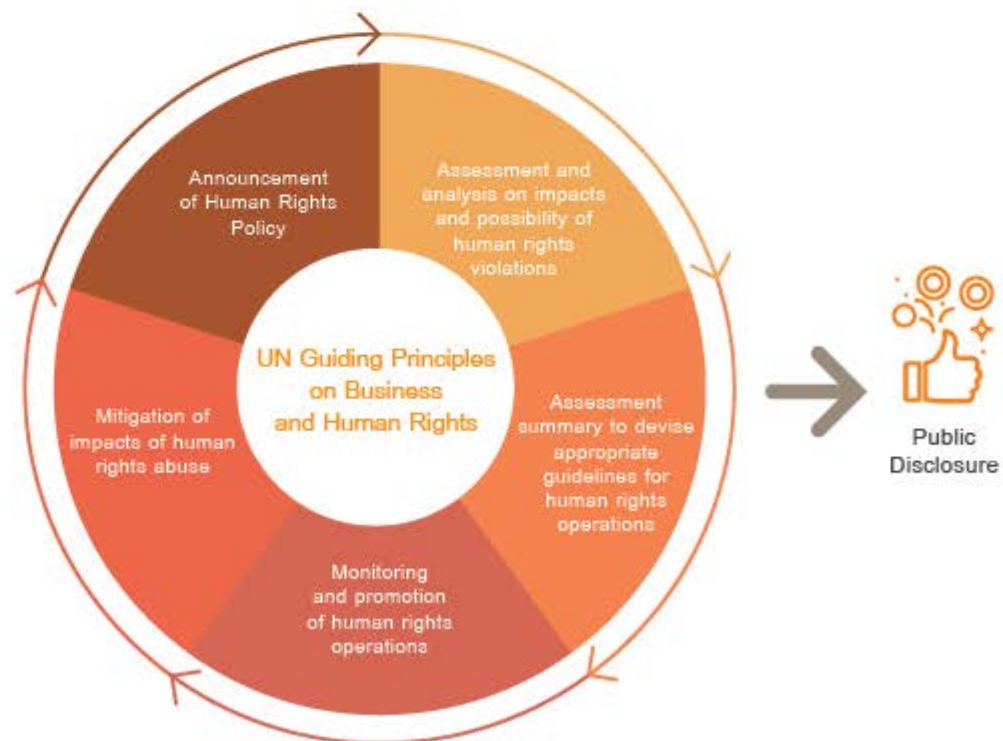
Human Rights Operations

KBank places importance on the respect for human rights in all business activities in conformity with important laws and international standards, namely the UN Guiding Principles on Business and Human Rights, Principles of Humanity and Rights of the International Labor (ILO), and Principles of the United Nations Global Compact (UNGC)



Business entities globally have increasingly embraced greater respect for human rights because the business sector 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 for the public. However, any inappropriate operation may become a threat to business operations. KBank, as a financial service provider, fully recognizes that respect for human rights is an important corporate responsibility which relates to employees, customers, suppliers and joint ventures. KBank's business activities may prevent, or result in the link with, human rights violations. For this reason, the Board of Directors reviews our Human Rights Policy every year*. Relevant work teams from various departments also work together every year to assess human rights risks and impacts, examine operational processes to prevent such risks and find appropriate solutions and remediation actions to brace for any impacts stemming from human rights violations.

KBank runs 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 the respect for human rights in all business activities in conformity with important laws and international standards, namely, the UN Guiding Principles on Business and Human Rights, Principles of Humanity and Rights of the International Labor Organization (ILO) and Principles of the United Nations Global Compact (UNGC). In 2019, KBank implemented our human rights assessment process in accordance with the UN Guiding Principles as follows:

1. The Board of Directors considered reviewing and supervising implementation of Human Rights Policy, covering all operations of KBank, K Companies, P Companies, suppliers and joint ventures.
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 various human rights risks of the banking business group so as to screen specific risks that may have significant impacts on our banking business operations.

3. KBank undertook human rights risk assessment and risks register based on the specific risks above by holding meetings with various internal units responsible for business activities related to human rights issues, namely, the Corporate Secretariat Division, Credit Policy and Risk Management Department, Operational Risk and Fraud Management Department, Employee Relations Department, Procurement Management Department and Building and Facilities Management Department, also extending to KASIKORN LINE Company Limited, which is a joint venture company of KBank. The human rights risk assessment was carried out with the objective to identify risks that may occur in the operations of KBank and review mitigation measures and remedial process if there are cases of human rights violations. It was carried on activities, which accounted for 100 percent of our operations, and cover four activities, including loan approval and investment, customer treatment, employee treatment and supply chain management.

Salient Human Rights Issues for Each Segment

Stakeholders	Customers	Employees	Suppliers
Salient Human Rights Issues	KBank and KASIKORNBANK FINANCIAL CONGLOMERATE		
	Retail customers <ul style="list-style-type: none"> Security and protection of customer data 	<ul style="list-style-type: none"> Occupational health and safety of employees related to stress 	Information technology (IT) suppliers <ul style="list-style-type: none"> Protection of customer data security and privacy
	Corporate customers <ul style="list-style-type: none"> Employment of legal workers and employee treatment based on recognized occupational health standards. Right to use land/ public water resources and communities' land ownership Impact on people's way of life, occupation, migration, health of local residents and compensation to the community. 		Non-IT suppliers <ul style="list-style-type: none"> Occupational health and safety of suppliers involved in transportation of goods Occupational health and safety of suppliers involved in billboard installation
	KASIKORN LINE Company Limited, a joint venture of KBank		
	<ul style="list-style-type: none"> Protection of customer data privacy 	<ul style="list-style-type: none"> Working conditions i.e. work stress and overtime 	<ul style="list-style-type: none"> Protection of data security and privacy

In addition, KBank implemented actions to cope with salient human rights issues and to remedy the violation of human rights as follows:

KBank and KASIKORNBANK FINANCIAL CONGLOMERATE

Customers

Customer data privacy and security

- KBank places significance on cyber security, with the governance structure covering the Board of Directors, Risk Oversight Committee, and Digital-Oriented Risk, Data and Cyber Security, and IT Risk Management Sub-committee (DCSC). The DCSC, which is tasked with supervising digital oriented risk, data and cyber security and IT risks, holds a meeting every month to monitor risk management operations, make decisions and provide recommendations on risk management to ensure that related risk management is carried out in an appropriate manner. In addition, the Data Governance Sub-committee was established to determine major data management operational plans and ensure that data accessibility and disclosure are in conformity with KBank's policies. The Data Governance Sub-committee holds a meeting every two months.
- KBank has implemented a policy to protect the privacy of customer data, customer data management/accessibility regulations and customer data disclosure guidelines to outside individuals and organizations, aimed at ensuring that our customer data management is appropriate and secure.
- KBank determined six cyber security risk management strategies, including effective risk identification, advanced threats prevention, proactive threat detection, timely and effective response, customer data security and protection and cyber risk-aware culture, to ensure that our risk management is extensive and timely.
- A data leakage detection and prevention system was installed to enhance our IT security system. KBank has also tightened security at offices of work units that need to use confidential customer data by introducing more stringent access controls, installing CCTV and prohibiting the use of personal mobile phones in certain areas to prevent data leakage.

- Promotion of security culture was made steadily to our Board of Directors, senior management, employees, customers and suppliers via various means, namely, e-Learning, Security Newsletter, Cyber News Alert, online games, infographic and phishing drill exercise, so that they recognize related risks and phishing treats.

Project finance for businesses with exposure to human rights violations

- KBank's credit policy takes into account environmental, social and governance (ESG) risks. Our credit underwriting is based on sector-specific guidelines, and we do not extend credit to applicants on the Exclusion List and credit types on the watch list.
- KBank's credit operations structure exhibits responsibility towards the environment, society and governance.
- KBank allows an external party to examine environmental and social issues related to project finance to ensure that operations of overseas projects are in conformity with the laws and required standards. Additionally, KBank has carried out risk assessment and established guidelines to manage human rights risks such as employment, workplace safety and occupational health of workers, as well as the impacts on their way of life, occupation, community health and sanitation together with guidelines for managing such impacts.
- KBank requires any large-scale project finance with overseas operations to pass internationally accepted environmental and social management standards in order to receive financial support from KBank.

Employees

Occupational health and safety of employees related to stress

- KBank sets an atmosphere or pleasant environment in the workplace that directly affects efficiency, mood, concentration and happiness of employees. For example, a co-working space is established while an audio program on Friday evening is broadcast to help employees relax and be happy in their workplace.

- KBank organizes various activities to promote physical and mental health in order for employees to relieve stress from the workplace such as:
 - Encourage staff to exercise by, for example, setting up gym facilities, sports clubs and activities, such as the K-Spirit color sports event.
 - Organize activities for stress management i.e. mental exercise for stress management and a Mindfulness course.
 - Provide training courses for e-learning on issues related to stress, such as workshops to get to know oneself.

Suppliers

Information Technology Suppliers

- KBank has closed loopholes to prevent violation of human rights by announcing the policy on the outsourcing of IT service to outside suppliers and on the management of the IT suppliers. Also, KBank assigns KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG), a subsidiary of KBank, to oversee the operations of key software to prevent data security from being compromised.

Non-IT Suppliers

- In order to prevent human rights risks, all suppliers had to be acknowledged by KBank before being our suppliers that in hiring workers, our suppliers must not violate human rights, use child labor and employ illegal labor. In addition, they must adopt environmentally-friendly management practices, good occupational health and safety, as well as adhering to business ethics and fair trade. KBank also improved our procurement contract standards by introducing new conditions and penalties should there be any breach of regulations, and/or laws related to the environment, human rights, or if suppliers employ illegal workers, exercise unfair labor practices and fail to meet occupational health and safety standards.

KASIKORN LINE Company Limited, a joint venture of KBank

Customers

Customer data privacy protection

The company sets security measures and policies and implements them to safeguard the customers' data as follows:

- Data Encryption on Personal Identity Information (PII) at field level or encrypt the data with personal information, such as the number of the national identification card.
- Installation of a firewall to protect the network infrastructure by guarding the IT infrastructure system.
- Implement threat detection and prevention.
- Endpoint detection restriction in both client/server or the installation of detection system for equipment and server.
- Use HTTPS communication between server to server.

Employees

Working conditions, work-related stress and overtime

The company has set up a flexi-hour policy to allow employees, who have to work overtime, to have sufficient rest time. The staff can start working later than usual if they have to work late the night before. Additionally, the company allows casual wear to help reduce stress for employees. In addition, the company has provided appropriate employees' welfare and benefits and organized activities for employees to build cordial relationships as follows:

- Birthday activities for every individual employee, who will receive blessings from the management and colleagues to show how the company has highly valued their contribution.
- Staff town hall meeting to update the employees and make them aware of the latest information and situation of the company, as well as raising awareness of how their participation has contributed to the growth of the company.

Suppliers

Data privacy protection

The company has carefully prevented the risks associated with security and privacy of customer data by choosing outside IT service providers with highly-regarded security policies for data management and software administration to prevent data leakage and unauthorized access to data.

Social Contributions

Sustainability Long-Term Target 2019 - 2023

- 300,000 employee volunteer hours*
- 2,000,000 people benefit from social service activities

Target 2019

- 200,000 employee volunteer hours*
- 250,000 people benefit from social service activities

Performance 2019

- 248,180 employee volunteer hours
- 280,262 people benefit from social service activities



KBank carries out our business operations by considering duties and responsibilities to the country in terms of economic, social and environmental aspects. KBank aims to create positive changes for society, which is the beneficiary of our public service activities. KBank has supported various projects by extending budgetary support, donated items and emergency assistance. KBank employees also participate in volunteer activities and in-house campaigns to donate money and assistance for charitable purposes, while cooperating with community representatives, the government's agencies both at the local and national levels to promote the well-being of communities. Our projects take into account the suitability to the local context to ensure that KBank's social-related activities are effective, creating benefits for society and communities in a sustainable manner.

In addition, KBank has transferred skills and knowledge in partnership with our partners, business networks, customer groups and various stakeholder groups in the communities where KBank operates with the belief that social work requires cooperation from all parties in order to produce concrete results and build good relationships between KBank, communities and society.

In 2019, KBank carried out social activities in accordance with our Corporate Citizenship Strategy from 2019 to 2023, aiming to achieve the ultimate goal of advancing society. KBank has applied the social activity framework based on the London Benchmarking Group (LBG)** as the implementing guideline since 2015, in order to evaluate the results of activities more tangibly. Our activities include financial support, volunteer activities, donations and transfer of knowledge and expertise through various forms by working with our partners, customers and the KASIKORN Foundation in implementing public service activities throughout the year.

* The Bank sets the target of employee volunteer hours in the year 2019 and 2020-2023 at 200,000 and 300,000 hours per year, respectively.

** London Benchmarking Group (LBG) Standard is used to evaluate the monetary value of corporate spending on social responsibility activities, including donations, hours of volunteer work and the proportion of community investment.

Corporate Citizenship Strategy 2019 - 2023



Social Operation Performance

Form of Contribution

Baht

266.5
millionCash
Baht
202.8
millionIn-Kind
Baht
10.9
millionManagement
Cost
Baht
11.4
millionTime
(Volunteer Hour)
Baht
41.4
million

Driver for Contribution

Charitable
Gifts
20.6%Commercial
Initiatives
34.4%Community
Investment
45%

Program Category

Economic
Development
12.8%Education
34.2%Art/Culture
6.4%Emergency
Relief
4.5%Social
Welfare
15.3%Environment
17.2%Health
9.6%

Tham Di Tham Dai (Employee Volunteer Hours) Project

In 2019, KBank continued to encourage staff to participate in volunteer activities during the business hours or in their spare time and invite their friends, families, customers and suppliers to do volunteer work for the sustainable improvement of the society under the Tham Di Tham Dai (Employee Volunteer Hours) project. KBank allows staff to take one day off each year to participate in various voluntary activities that are consistent with the local context of the community where KBank is located. The activities also address the community needs and develop the skills of youth and people in the community to be more diverse, such as education development, healthcare promotion, economic development, environmental conservation, art and culture preservation, social problem preventions and disaster relief. KBank encourages our staff to offer financial literacy to target groups so that they are able to choose appropriate financial products that meet their financial goals. The project promotes SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, as well as encouraging people to have financial discipline and be able to brace for financial threats, which is the best immunity amid rapid changes in financial innovations.

KBank believes that by encouraging employees to do volunteer activities, this will not only embed the collective conscience in KBank employees, but also allow them to spend time with the nearby communities so that they will better understand the needs of the members in the surrounding communities that are their customers. KBank can also use these insights to develop financial products and services that match the customers' needs, and to increase access to financial services aligned to the Corporate Citizenship Strategy. At the same time, KBank will better understand the problems in the community and address these issues by finding solutions or creating activities to promote social changes. Ultimately, KBank staff members can take pride in their contribution to community service, while the community members will have a positive attitude toward KBank, thus benefitting KBank's image.

ทำดี ทำได้
ทำด้วยกันกับอีกหนึ่ง



KBank employees participated in volunteer activities under the "Tham Di Tham Dai" program for the benefit of society and the environment.

Performance 2019

- Number of employees engaging in volunteer activities and volunteer hours: 23,519 persons 248,180 hours
- Volunteer activities inside business hours: 133,677 hours
- Volunteer activities outside business hours: 114,503 hours
- Number of staff at the vice president level and higher: 661 persons 3,741 hours
- Number of staff at the operational level: 22,858 persons 244,439 hours
- Employees who invited outsiders to join our volunteer projects: 4,233 persons 29,816 hours
- Employees have participated in 301 projects:
 - Environmental protection 41%
 - Educational development 26%
 - Welfare promotion and social problem prevention 17%
 - Healthcare promotion 9%
 - Art and culture preservation 4%
 - Disaster relief 2%
 - Economic development 1%
- KBank donations to support volunteer projects, totaling Baht 1,347,819
- Staff donations to support volunteer projects (other than budgetary support of KBank), totaling Baht 1,976,411
- Monetary donation Baht 1,318,270
- Value of donated items, totaling Baht 473,096

Number of employees engaging in volunteer activities

23,519 persons
248,180 hours

Volunteer activities inside business hours

133,677 hours

Volunteer activities outside business hours

114,503 hours



KBank employees participated in volunteer activities under the "Tham Di Tham Dai" program for the benefit of society and the environment.



Nan Cultivation of Wisdom Project

KBank has joined hands with the Thailand Research Fund (TRF) to implement the Cultivation of Wisdom project for the past six years (2012 - 2018) and showcased the empirical results that the initiative has triggered changes in the educational approach at participating schools. To this end, research-based projects are an essential tool to encourage students in their learning, seeking solutions with analytical and synthetic thinking through "Questioning is teaching, reflecting is learning, and writing is thinking" process in accordance with the scientific paradigm. Aligned with the country's development toward Thailand 4.0, this will pave the way for the creation of globally competitive innovations. The Cultivation of Wisdom project is, in essence, based on the Sufficiency Economy Philosophy (SEP), initiated by His Majesty the Late King Bhumibol Adulyadej, which is an approach for sustainable development through knowledge and virtue. The approach was combined with the STEM scientific method to develop the "SEEEM Concept of the Cultivation of Wisdom" project, comprising various knowledge branches including science, economics, ecology, engineering and mathematics.

The early success of the Cultivation of Wisdom project has prompted KBank to continue the initiative by creating the Nan Cultivation of Wisdom project in Nan province. KBank has collaborated with University of Phayao, one of the coaching centers of the Cultivation of Wisdom project in the northern region, to implement the project, covering the period of three years (2019 - 2021). The initiative showcases research-based learning, based on the local context of students. Teachers act as facilitators, who design the circumstances based on three major tools, namely, 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 of academic paper and their opinions (writing is thinking). The students will gain the skill in working as a team by starting from setting the topic for their project and designing approach to find solutions by academic research. The approach is called "Research-based Learning" (RBL).

KBank believes that the Cultivation of Wisdom project has remodeled the learning process of students and teachers, who can now apply logical process to understand problems in their communities and fix them effectively and in a tangible manner.



KBank capitalized on the success of the "Cultivation of Wisdom" project by cooperating with the University of Phayao to introduce the "Nan Cultivation of Wisdom" project, with the aim of reforming learning processes via a research-based program.

Projects from
the initiative

65



Participating
teachers

65

Participating
schools

13

Participating
students

701

AFTERKLASS Project

AFTERKLASS is an online platform to promote financial literacy among Thai youth by providing them knowledge about savings, spending plans, investment and business startups, in response to KBank's purpose, "To Empower Every Customer's Life and Business", and SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. The www.afterklass.com website features knowledge-based articles divided into three Klass topics: Biz Master, designed for members who are interested in trade business, financial management, investment, and income-earning tips, all of which are suited to young people aspiring to start their own business since they are in school; Smart Society, providing academic achievement techniques for those aiming to excel in their academic performance; and Play Yard, featuring topics about sports, music, technology, interesting careers and lifestyle tips – all designed for active youth. Members can share express views, write articles and share knowledge with their friends. Additionally, there is a simulation platform of a financial and banking system for young participants to try saving and investing on funds and stocks. The website also features mini-games with interesting tips for participants.

In 2019, AFTERKLASS presented the website under the theme "Super Hero", which incorporated a comic style in its design. The platform featured mentors in various fields, who shared their tips about how to run their business, lifestyle, financial management and thinking process to become successful in an intimate setting that enabled the participants to confide in these super heroes and seek advice. The project has provided knowledge through the online platform and promoted the young's lifestyle through various workshop activities, which were held continuously throughout the year. These activities include visual perceptual skills, public speaking, electronic commerce, investment in funds and stocks, among others.

In addition to these knowledge-based activities, AFTERKLASS has enhanced the participants' business experience by organizing the Young Gen Business Kamp 2019 to enable the youngsters to learn from business experts and get hands-on experience that can be applied in real-life. Thanks to the above-mentioned activities, KBank hopes that the participating youngsters will develop a bond with KBank and choose to use KBank services in the future, while encouraging other people to use KBank services as well.

AFTERKLASS



AFTERKLASS, an online platform, is intended to provide financial literacy and skills to Thai youths through various activities.



Online members

28,762

Performance 2019

- 28,762 online members
- 583 participants in the workshops
- Social media followers
 - 40,310 Facebook followers
 - 2,787 LINE@ followers
 - 815 TWITTER followers

Economic benefits

- The young people get to know financial products used in their daily life with the knowledge levels: low level 23%, average level 24%, good level 37%, and excellent level 18%. As a results, youths can make a better decision about choosing financial products for themselves in the future.

Social benefits

- Young participants have gained increased skill and knowledge in spending 96%
- Young participants have gained increased skill and knowledge in saving 97%
- Young participants have gained increased skill and knowledge in investment 91%
- Young participants have gained increased skill and knowledge in business 92%

The project to add value to organic waste via biosynthesis process

In response to our Sustainable Development Policy and Corporate Citizenship Strategy, aimed at promoting KBank to be a good citizen and improving communities with sustainable growth, KBank's social activities are primarily based on problems and needs of the communities. KBank has cooperated with School of Biomolecular Science and Engineering of Vidyasirimedhi Institute of Science and Technology, which strives towards world-class academic research, creates knowledge and cutting-edge innovation and shares KBank's commitment to change the society for the better and mitigate the global warming effects, to implement the project to add value to organic waste via the biosynthesis process. With the rising number of tourists, limited technological know-how and workforce, it has been found that waste in Nan cannot be disposed of completely through appropriate methods. Undisposed waste is sent to landfills without sorting. As a result, available landfills are full faster than expected and may not be adequate in the future. The waste crisis has adversely affected Nan residents, and it needs to be addressed quickly. KBank has teamed with Cash Return from Zero Waste and Segregation of Trash (C-ROS) of the Vidyasirimedhi Institute of Science and Technology (VISTEC) to conduct research, aimed at promoting "Sustainable and Waste-Free Society in Nan" under a project to add value to organic waste via the biosynthesis process, which will be used as a prototype to turn waste from households and communities into biofuel for use in household. The project promotes SDG 3 Ensure healthy lives and promote well-being, SDG 13 Take urgent action to combat climate change and its impacts, and SDG 17

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. The waste-to-energy conversion, is done through the following process:

1. Selecting natural microorganisms in order to create a prototype to convert household biodegradable waste into clean energy.
2. Install the waste fermented system together with highly efficient microorganisms to synthesize biofuels and bio substances for practical use at the community level in Nan: Ban Maha Photi community, Chumpee Wanidaphon School and Aranyawat Temple. The system can produce 70-80 percent methane.

The project has encouraged the community to change their behavior to increasingly separate waste and recycle waste, such as biodegradable waste and plastic waste in exchange for bio-fertilizer made from high-efficiency microorganisms from C-ROS. Bio-fertilizer can be used to increase output of agricultural produce more effectively. At the same time, the research team could collect the organic waste to be converted into value-added substances. After this, the research team will develop technology to fermented food waste and microorganisms at a larger level. There are plans to apply the technology at the municipality level. The project is designed to be developed further into a center for disseminating the knowledge and serving as a learning centre for village leaders and volunteers and be put into practice in other areas in Nan province. If successful, this project will serve as a learning source for communities to follow suit, thus helping add economic value at the household, community, sub-district and provincial levels.



A project to add value to organic waste via biosynthesis is a collaboration between KBank and the School of Biomolecular Science and Engineering of Vidyasirimedhi Institute of Science and Technology, with the aim of moving communities towards sustainable growth and reducing waste in Nan province.

Performance 2019

Economic benefits

- KBank and the research team implemented organic waste treatment projects in the three communities free of charge. Nonetheless, these communities have used bio fertilizer as an incentive to encourage villagers to exchange plastic waste with bio-fertilizer; the value of fertilizer is over Baht 100,000. Therefore, the project has indirectly encouraged villagers in the communities to donate plastic waste at the public health volunteer center, generating more than Baht 35,000 of income to the center annually.

Environmental benefits

- Reduce greenhouse gas emission in Ban Maha Photi residents, communities residing around Aranyawat, and Chumphee Wanidaphon School by up to 10 kilograms CO₂ equivalent/tonnes of waste/month
- Add value to organic waste by processing it into bio-energy or biochemicals

Social benefits

- Instill awareness among more than 50-100 households in Ban Maha Photi residents and communities residing around Aranyawat Temple on waste separation to help reduce the amount of waste, which is one of the problems at national level.
- Cultivate a green consciousness among youth (at Chumphee Wanidaphon School), who should see benefits from this process that waste separation is an essential behavior, in which everyone can participate. The students can transfer the knowledge to their parents that good environmental management can improve the community's well-being, and they will ultimately push their families to sort out waste.

Project to add value to organic waste via synthetic biological process



Nan Sandbox

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 environment, caused by deforestation, in Nan province. 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 form of the Pracharat format. It is also aimed at encouraging local farmers to adopt a new form of farming or environment-friendly occupations in place of monoculture a practical manner. With forest rehabilitation, as well as legal and fair forest land allocation in 99 sub-districts to farmers, the project ensures that local residents have sufficient income and a 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 this project is successful, it may be used as a prototype to address such problems in other provinces later on.



The Nan River, which originates in the Nan province watershed forest area, is one of the main tributaries of the Chao Phraya River, the main river in Thailand.

Rak Pa Nan Project

The Rak Pa Nan Project was officially launched in 2014 in accordance with the initiative of Her Royal Highness Princess Maha Chakri Sirindhorn, with the ultimate goal of ending deforestation, assuring peaceful co-existence between people and forests, educating youth about preservation and rehabilitation of Nan forest resources as well as promoting all sectors there to recognize and cooperate in preserving watershed forest, in particular the Nan River, because it contributes over 45 percent of the waters making up the Chao Phraya River, which is the main waterway for Thais. Therefore, the conservation of watershed forest in Nan province is very important for the Thai people.

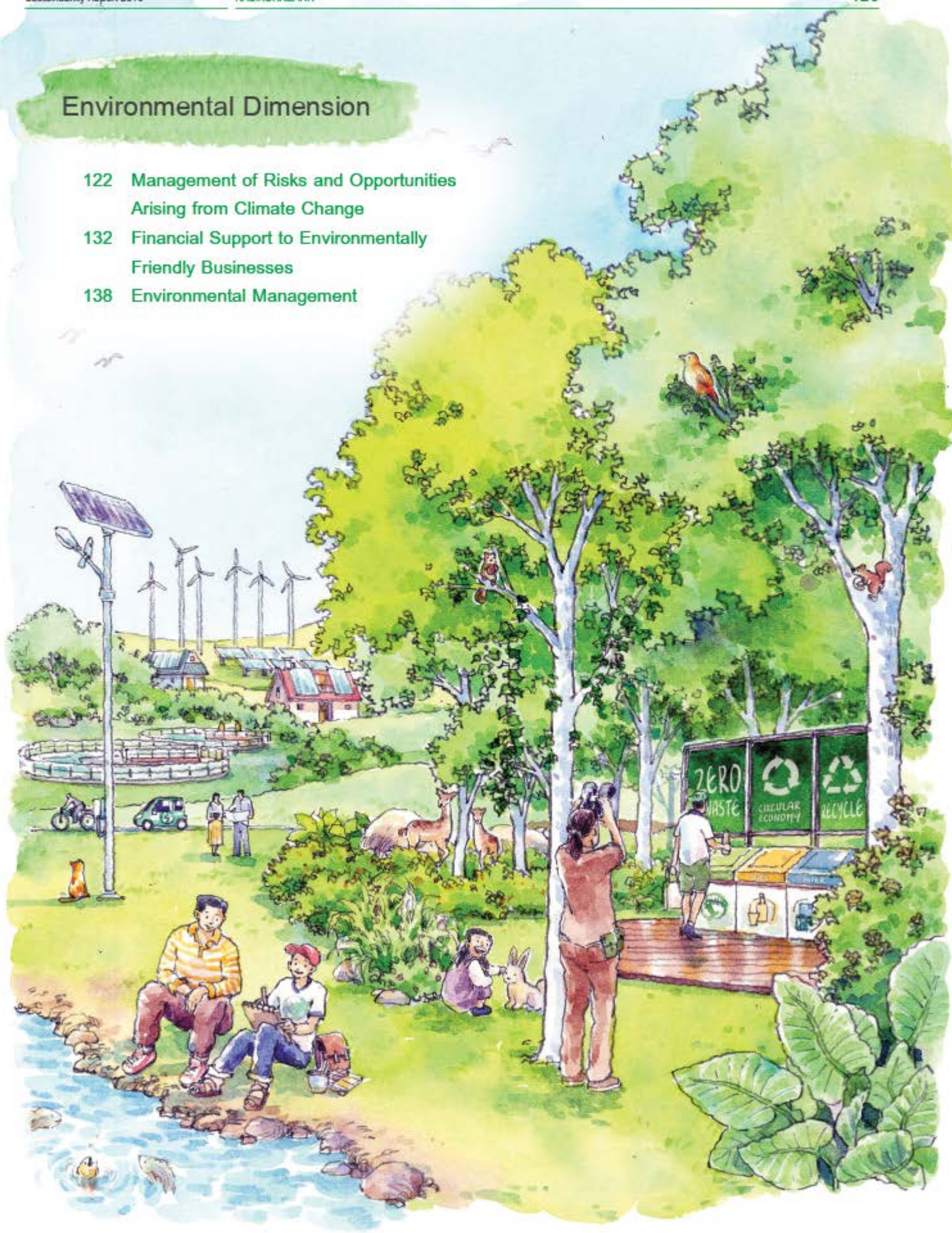
Recognizing this, KBank, in collaboration with Her Royal Highness Princess Maha Chakri Sirindhorn's Personal Affairs Division, Chulalongkorn University, Mae Fah Luang University, the Royal Thai Army and Nan Province, began implementing strategies to preserve and restore Nan forest resources in 2016. They included forest rehabilitation, prevention and suppression of forest encroachment, the building of a cooperative Nan community network with private and public sector agencies, instilling a sense of responsibility and awareness among the local people, especially children and youth, toward natural resources conservation and development of alternative occupations for local residents to ensure a sustainable cohabitation between man and the forest. KBank has a long-term development plan for this project that includes 10 years of financial support. The "Rak Pa Nan" academic seminar is organized every two years at Chulalongkorn University's Center of Learning Network for Region (CLNR) in Nan province, aimed at disseminating knowledge and mobilizing ideas for the project's implementation.



The Rak Pa Nan project implemented by KBank via cooperation with local communities and public and private sector agencies is intended to conserve and rehabilitate forest resources in Nan province.

Environmental Dimension

- 122 Management of Risks and Opportunities
Arising from Climate Change
- 132 Financial Support to Environmentally
Friendly Businesses
- 138 Environmental Management





Greenhouse Gas Emissions
(Scope 1 & 2) at

103,997

tonnes CO₂e,
a **15.7%**
reduction from baseline year 2012



Value of energy
and environmental
conservation credits:
Baht

2,044 million

Loans for environmentally friendly
real estate projects with
a total value of more than
Baht

3,044 million



450,000 households

benefiting from renewable
energy power plants



Invested
Baht

1,841 million

in green bonds issued by
leading Thai and foreign energy
companies certified by
Climate Bonds Standard (CBS)
and ASEAN Green Bond Standards
(ASEAN GBS)

Management of Risks and Opportunities Arising from Climate Change

Sustainability Long-Term Target 2019 - 2023

KBank has carried out risk and opportunity assessment and impact based on climate-related scenario analysis for assessing the implications for the operations of KBank and customers both in monetary and non-monetary forms, and used the evaluation results to formulate a strategy to address the situations, risks, and opportunities that may occur in the future.

As the members of the United Nations Framework Convention on Climate Change (UNFCCC) agreed at the COP 21 meeting in 2016 to keep the global average temperature rise within 2 degrees Celsius, it is evident that Greenhouse Gas (GHG) emission now stands at 1.5 percent. However if the world endeavors to limit the temperature increase to no more than 2 degrees Celsius by 2030, it has to reduce GHG emissions by 7.6 percent every year as stipulated by the United Nations in the Emission Gap Report 2019*, which is considered an ambitious target. Meanwhile, Thailand has announced an "Intended Nationally Determined Contribution" (INDC) target to reduce greenhouse gas reductions by 20 percent by 2030.

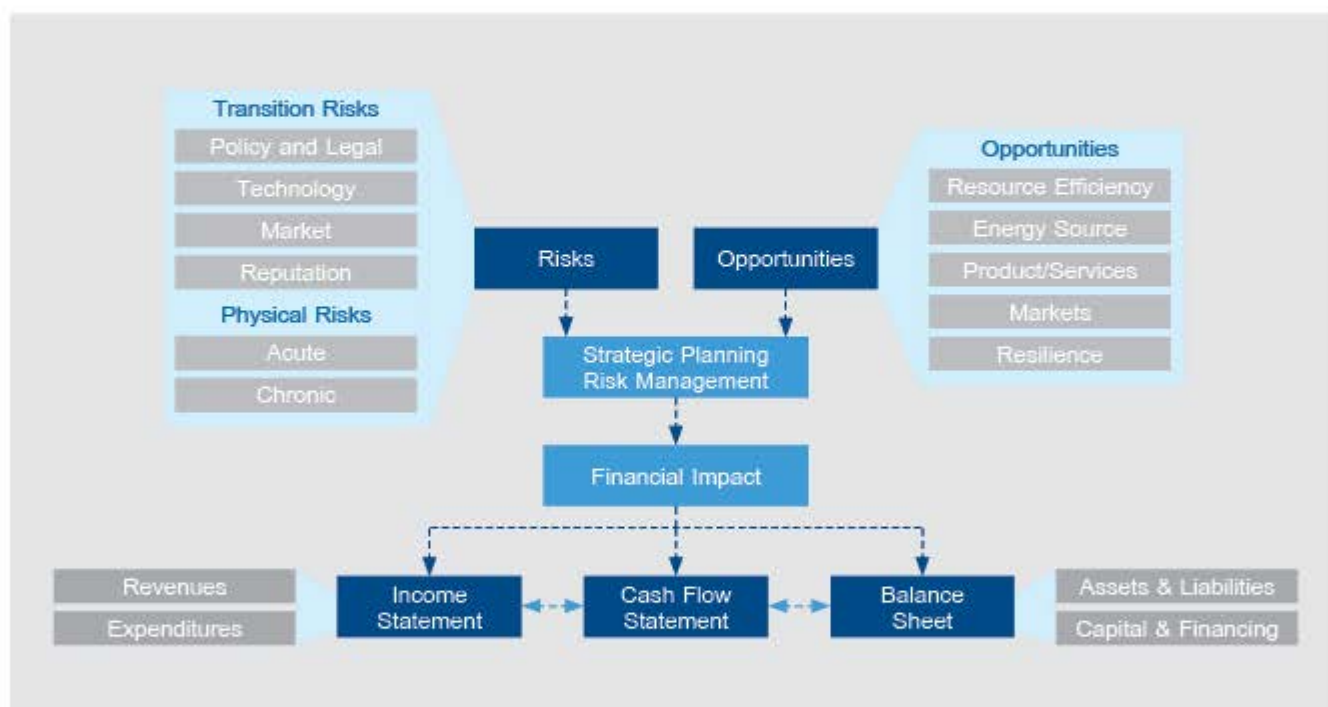
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CLIMATE
ACTION

* Additional information is available in Emission Gap Report 2019 on the website www.wedocs.unep.org.

Being a financial institution which is a key mechanism to drive the economic system and take good care of the environment, KBank realizes that climate change poses challenges in risks and opportunities for commercial bank operations and has financial impacts. For example, KBank's credit portfolio consists of a large number of industries which are affected by climate change; KBank may face an increase of non-performing loans and a decline of loan approvals in some industries. On the other hand, there are business opportunities for KBank to generate new sources of income from creating new products and services to support the changing circumstances. Therefore, in preparation to deal with the effects that may occur, KBank has analyzed and assessed risks, opportunities, and impact based on climate-related scenario analysis by incorporating the direct impact from environmental changes (Physical Risks), such as the direct effect on the agricultural sector from natural disasters, and the impact of the future rules and regulations to be issued by the government to solve environmental problems (Transition Risks), such as the impact on the business sector from a carbon tax policy. Therefore, climate change links and creates financial impacts in many dimensions.

Risk and Opportunity Assessment and Financial Impact based on Climate Change

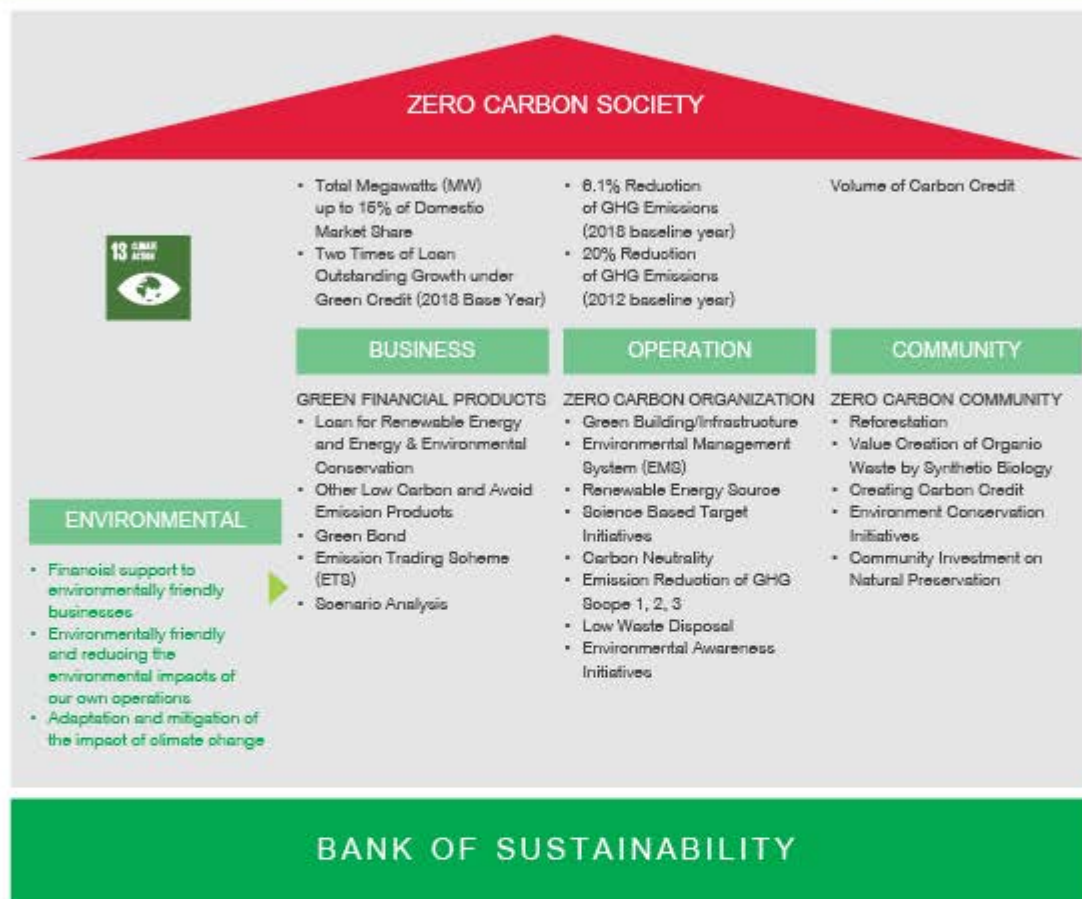


* Source: Task Force on Climate-related Financial Disclosures, www.fsb-tcfd.org

To get KBank prepared to deal with the changes tangibly, KBank's Board of Directors has named the Chief Executive Officer as KBank Chief Environmental Officer to drive our environmental missions. The environmental strategy and sustainability long-term targets have been established. Moreover, KBank has begun studying and implementing the climate-related scenario analysis to evaluate risks, opportunities and impact to identify factors that will drive future incidents and present options and plans to cope with uncertainty and unpredictable risks, such as a rise in temperature and flooding. These factors can affect industry in terms of acute and chronic physical effects. Additionally, they are connected with KBank's financial results and performance, and credit portfolio management.

Environment Strategy 2019 – 2023

Long-Term Risk-Adjusted Sustainable Profitability



KBank works to support and promote mitigation and adaptation to climate change as follows:

1. Encourage people to use the K PLUS mobile banking application which presents another example of using innovation to help mitigate global warming by reducing fuel consumption as customers no longer have to visit a KBank branch. Moreover, the mobile application has reduced the use of paper for financial transactions, leading to reduced consumption of energy, natural resources and water. It also contributes to waste treatment and sustainable forest management which will promote the reduction of greenhouse gas emissions.

2. Financial support to encourage the business sector to use alternative energy, and incorporate the principle of environmental conservation in their operations.
3. Management to reduce greenhouse gas emissions from KBank's operations by developing an Environmental Management System (EMS) to detect, report and review the amount of greenhouse gases systematically, based on Measurement Report Verification (MRV).

In 2019, KBank signed a memorandum of agreement on establishing responsible lending practices as part of sustainable business operations in collaboration with the Thai Bankers' Association, in accordance with the guidelines of the Bank of Thailand. KBank also prepared a report on the assessment of risks and climate-related impacts under various assumptions (Climate-Related Scenario Analysis Report)* based on the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), which shows awareness of risks and opportunities arising from the effects of climate change together with strategies to reduce risks and find new business opportunities in the future. TCFD also referred to climate change-related risks and opportunities for financial institutions and commercial banks as follows:

- Loan approval for, or investment in, a business that is directly involved in risks of climate change
- Loan approval for, or investment in, low carbon-related businesses and energy-efficient alternative business

KBank is aware of these factors and studying the business opportunities and preparation to mitigate risks that may incur in the future.

Task Force on Climate-related Financial Disclosures (TCFD)

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



Governance

The Board of Directors' supervision and its role in managing climate change-related risks and opportunities

Strategy

Impact from climate change-related risks and opportunities on business strategy and financial planning

Risk Management

Process to assess and manage climate change-related risks

Metrics and Targets

Metrics and targets to assess climate change-related risks and opportunities

* More details of Climate-related Scenario Analysis Report are available on KBank website: https://www.kasikornbank.com/th/sustainable-development/Documents/KBank_Scenario_Analysis_Report_2019.pdf

** More details are available in Task Force on Climate-related Financial Disclosures (June 2017), <https://www.fsb-tcfd.org/wp-content/uploads/2017/08/FINAL-2017-TCFD-Report-11052016.pdf>

Task Force on Climate-related Financial Disclosures (TCFD)

Four Elements of Recommended Climate-Related Financial Disclosures	Recommended Disclosures	KBank Information Disclosure
Governance	The Board of Directors' supervision and its role in managing climate-related risks and opportunities	<ul style="list-style-type: none"> The Board of Directors plays an important role in driving the effectiveness of climate change operations, reducing greenhouse gas emissions in the organization and monitoring the risks and opportunities that may arise from the effects of climate change, whereas these components will be integrated in KBank's environmental management process. The Risk Committee is responsible for overseeing the implementation of risk management policies and strategies and risk appetite in line with environmental, social, and governance risks. In addition, the committee is responsible for reviewing and monitoring risk issues related to climate change and the reduction of greenhouse gas emissions, creating financial products and services that promote environmental conservation as well as assessing risk management policies and establishing a business strategy that covers all risks of KBank including new risks that are likely to occur in the future. The Corporate Governance Committee is responsible for overseeing and monitoring KBank's sustainable development performance and the supervision of issues related to environment, society and governance (ESG). The Corporate Governance Committee carries out reviews and suggestions of issues related to climate change, including the reduction of greenhouse gas emissions and the innovation of financial products and services that promote environmental conservation. <p><i>Note: Additional information is available in Sustainability Report 2019, page 34 - 35, 45, and 63.</i></p>
Strategy	Regarding climate-related risks and opportunities, KBank has specified short-, medium- and long-term impacts of climate-related risks and opportunities on business strategy and financial planning. Also, KBank has analyzed and assessed risks related to risks and effects under various assumptions in accordance with the target to curb an increase of global temperature within 2 degrees Celsius	<p>KBank assesses and reviews our risk management system on an annual basis to drive the business forward effectively from the strategic to operational levels. KBank not only evaluates the climate-related risks but also takes into consideration the opportunities that may arise by considering and assessing the impact based on the climate-related scenario analysis, consisting of 2 Degree Scenario (2DS) and Representative Concentration Pathway (RCP 8.5) in the short, medium and long term.</p> <p>Factors for consideration include the following:</p> <ol style="list-style-type: none"> 1. Current regulations 2. Emerging regulations 3. Technology changing 4. Market risk 5. Acute physical effects 6. Chronic physical effects

Four Elements of Recommended Climate-Related Financial Disclosures	Recommended Disclosures	KBank Information Disclosure
		<p>Scenario analysis and identification of climate change-related risks and opportunities enable KBank to assess the implications on KBank's business, such as effects on the loan approval proportion, investment and impact that may result in non-performing loans. KBank has used these findings as factors to determine KBank's risk management strategy and financial planning, as follows:</p> <ol style="list-style-type: none"> 1. Proactive credit portfolio management strategies and lending strategies in line with climate change risks include screening for industries or regions that are vulnerable to climate change, such as agribusiness, renewable energy, energy conservation and transportation; and becoming more cautious in granting credits to high-risk businesses, such as real estate located in coastal areas and fossil fuel business, to create long-term sustainable returns under appropriate risk management. 2. Strategies for inventing and developing environmentally friendly products, such as the innovation of various banking online applications which showcase how innovation can be used to mitigate global warming by reducing fuel consumption. Thanks to online application, customers no longer have to visit a KBank branch to expedite financial transactions, not to mention the fact that paper use will be reduced. Also, products are designed for customers operating environmentally friendly businesses, such as K-Energy Saving Guarantee Program. 3. Investment and financing strategies, such as the issuance of sustainability bonds to contribute to the efforts to achieve a low-carbon economy and strengthen the confidence of stakeholders. 4. A study of the potential climate change risks that may happen in the future to get ready for the risks and to develop effective credit evaluation. <p><i>Note:</i> More details of Climate-Related Scenario Analysis Report are available on KBank website: https://www.kasikornbank.com/th/sustainable-development/Documents/KBank_Scenario_Analysis_Report_2018.pdf</p>
Risk Management	Climate-related risk assessment and management process through integration into centralized risk management	<p>KBank evaluates risks by incorporating environmental, social and governance (ESG) factors in our consideration to approve loans for customers. Assessments of material risks that a project may cause to the environment and society are conducted. For example, KBank has approved the project finance program based on internationally-recognized procedure and principles as well as the announcement of the Ministry of Natural Resources and Environment, as follows:</p> <ul style="list-style-type: none"> • Type A: Projects that cause material environmental and social impacts • Type B: Projects that cause environmental and social impacts • Type C: Projects that do not affect or cause only slight environmental and social impacts

Four Elements of Recommended Climate-Related Financial Disclosures	Recommended Disclosures	KBank Information Disclosure
		<p>Additionally, KBank has established risk assessment processes for specific business segments, for which KBank has enhanced knowledge of all staff members and created tools for loan consideration as follows:</p> <ol style="list-style-type: none"> 1. Credit assessment tools and financial activities related to environmental risks 2. Tools for checking and analyzing financial status and investment activities, including checking the status of environmental risks 3. Tools for assessing the impact of environmental risks 4. Reports on environment-related issues by specialized experts <p>KBank has integrated climate-related risks in the centralized risk management, and uses Business Continuity Management (BCM) framework in the risk management process. The Enterprise Risk Management Division (ERM) is responsible for overseeing and managing risks under the centralized system to manage risks of KASIKORNBANK FINANCIAL CONGLOMERATE.</p> <p><i>Note: More details are available in Sustainability Report 2019, page 62 - 69.</i></p>
Metrics and Targets	Indicators and targets used to assess climate-related risks and opportunities, which are in consistent with the risk management strategy and process	<p>KBank has established the sustainability target in 2019 - 2023 to mitigate impact from climate change, as follows:</p> <ol style="list-style-type: none"> 1. 2 times loan growth of energy saving and environmental funding projects in 2023 from the base year 2018. 2. 15 percent of domestic market share of financial facility to support renewable energy projects in accordance with Thailand's renewable energy roadmap. 3. Reduction in greenhouse gas emissions by 6.1 percent (2018 base year) <p><i>Note:</i> <i>More details are available in Sustainability Report 2019, page 132 and 138.</i></p>
	Greenhouse gas emissions under scope 1, 2 and 3 and other related risks	<p>The amount of greenhouse gas emissions in 2019</p> <p>Scope 1: 21,145.20 metric tonnes carbon dioxide equivalent</p> <p>Scope 2: 82,861.75 metric tonnes carbon dioxide equivalent</p> <p>The amounts of greenhouse gas emissions under Scope 1 and Scope 2 have been certified by Lloyd's Register International Company Limited (Thailand), which is an independent company, in accordance with the scope of the Sustainability Report 2019, Page 174-175, in line with the Core Level of the Global Reporting Initiative (GRI Standards).</p>

Study of greenhouse gas emission reduction through the use of financial products and services via digital transactions

In the midst of digital transformation, KBank has developed various financial products and services using a variety of digital transactions. Such innovation not only facilitates consumer convenience, but also helps alleviate global warming by reducing the use of resources. For example, it decreases the use of fuel because customers no longer have to visit a physical branch of KBank, in addition to its contribution to water use efficiency, waste treatment and forest management. In 2019, KBank conducted a comparative study of the greenhouse gas reduction from the use of financial products and services via digital transactions and came up with the following findings:

Financial Products and Services	Reduction Of Greenhouse Gas Emissions (Comparing Conventional Transactions With Digital Transactions)
Statements of KBank credit cards and Xpress Cash Card	86.86%
Online transactions via K PLUS	99.97%
Digital products and services*	98.46%
Total	99.96%

Assumptions and scope of study**

1. The above emissions figures are a theoretical estimate. The numbers are intended to serve as a guidance on how KBank products help reduce customers' greenhouse gas footprint.
2. Scope of study: The amount of greenhouse gas emissions from the lifecycle of KBank's operations including upstream (suppliers) and downstream (customers). The scope of emissions include raw material extraction (e.g. wood pulp for paper production), to manufacturing (e.g. of paper purchased by KBank or suppliers), to the process of KBank operations (e.g. fuel use and electricity use), product delivery to customers (e.g. fuel used in transportation of products), emission from customers (e.g. use of electronic devices to access K PLUS application), and end of life (e.g. emissions from disposal of paper waste).
3. KBank has used emission factor values from the Intergovernmental Panel on Climate Change 2006 (IPCC) and the Thailand Greenhouse Gas Management Organization.
4. The method for assessing and calculating the reduction of greenhouse gas is applied by the consultant, which refers to Attributional Approach based on the Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions from the Institute of Life Cycle Assessment (ILCA 2015). In this method the lifecycle emissions of the baseline case and the avoided emissions case (e.g. KBank's digital services) are multiplied by the volume of transactions or product use using the following equation: Total Avoided Emissions = (Lifecycle emissions under baseline case – Lifecycle emissions under avoided emissions product case) x Volume of avoided emissions transactions or products.
5. The volume of paper use based on conventional transactions is calculated on the average volume of paper used per transaction via every channel of KBank before the transactions were expedited online via K PLUS.
6. Online transactions via K PLUS: The baseline case for emissions were based on average emissions from traveling to KBank branches via land based transportation. The emission factor for land based transportation was based on the average of typical Thai modes of transportation including private car, bus, walking and train. These emissions were multiplied by number of transactions, assuming one branch visit per transaction. This method slightly overestimates the avoided emissions.

The study shows that the use of KBank's digital services can help reduce greenhouse gas emissions by 99.96 percent, when compared to the use of financial services via conventional transaction channels.

* KBank's digital products and services used in the calculation of greenhouse gas emission include K-Cash Connect Plus, PromptPay service for juristic persons, payroll payment service, Bulk Gateway Service, online mutual fund transactions via K-Cyber Invest or K-My Funds, international trade service via K-Trade Connect and K-Cyber Trade, as well as the international trade report via Trade e-Report and the blockchain-based e-Letter of Guarantee (e-LG).

** Additional reports on the assumptions and scope of the study are available in Sustainability Report 2019, Page 157.

Collaboration with business partners and capacity development to mitigate impacts of climate change

KBank has collaborated with domestic and international agencies from both the public and private sectors to transfer knowledge and seek cooperation to mitigate the effects of climate change as follows:

Domestic Cooperation

1. KBank teamed up with Thai Energy Services Company Association (ESCO) to promote energy conservation in a tangible manner. ESCO and its members are responsible for providing comprehensive consultation and energy management to help business enterprises implement their energy measures. This will provide a key mechanism to assure these entrepreneurs that the money they can save from energy consumption will be used to repay their loans effectively. The cooperation boosts their comparative advantage, while saving energy and conserving the environment.
2. KBank participated in a working group with the Institute of Industrial Energy and Federation of Thai Industries to determine and drive the energy efficiency policies of the government and private entities in the industrial sector.
3. KBank partnered with Provincial Electricity Authority (PEA) to develop the PEA Solar Hero Application program to facilitate the use of renewable energy via the installation of solar rooftops to produce solar power. The application features an analysis of primary power usage, recommendation for the appropriate capacity of power generation, investment partner, financial support from KBank, and calculation of the breakeven point, together with products and solar rooftop installing service providers with recognized standards to encourage households to shift to clean energy.
4. KBank and Kasetsart University held a seminar on the impact from climate change on Thailand's agriculture and food production to raise awareness of the effects of climate change that may be linked to lending to various industries. This activity is one of the driving forces to encourage companies to adopt earth-friendly business practices.



5. KBank participated in the Sustainable Banking Workshop seminar in collaboration with the Bank of Thailand, the Thai Bankers' Association and the World Wide Fund for Nature (WWF). The seminar was aimed at raising awareness of business operation with responsibility towards the environment and society in accordance with good corporate governance, and enhancing knowledge and understanding of staff members who will be able to apply the international insights in their workplace effectively, to produce tangible results.
6. KBank attended seminars with the Stock Exchange of Thailand to promote sustainability, such as the seminar entitled "ESG Performance: Strategic Management and Disclosure of ESG Information" and "Greenhouse Gas Reporting" to apply the knowledge in our operations.
4. KBank joined the Asian Development Bank and Thailand in a lecture to share our experience under the following topics: "New Opportunities in Financing Renewable Energy" and "Approaches to Financing Digitalization and Energy Efficiency", during the International Conference in Energy 4.0: Designing the Future of Thailand's Power Sector. The conference featured an exchange of energy-related information from international participants and the collection of recommendations and ideas to develop energy policy and business in order to help save the environment.
5. KBank and the Global Climate Partnership Fund gave a lecture and exchanged knowledge with domestic and international participants at the Green Lending Workshop.
6. KBank hosted a seminar on Energy Efficiency Financing for international participants as part of the Energy Efficiency and Conservation Promotion Financing Project for developing countries. The program was sponsored by Japan International Cooperation Agency.

International Cooperation

1. KBank, in cooperation with the Agence Française de Développement (AFD), provided financial support in form of special loans under the Green Building Credit Facility program, which aims at helping entrepreneurs to modify their building to become an energy-efficient building to reduce energy consumption and mitigate global warming, under the K-Green Building Program. Moreover, KBank organized seminars to provide knowledge and recommendations on green buildings to business operators.
2. KBank joined the UN Environment and Global Alliance for Buildings and Construction to share our experience in energy efficiency in the category of Asia Pacific Region buildings, during Asian Climate Week 2019.
3. KBank joined the Office of Natural Resources and Environmental Policy and Planning, the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), Green Climate Fund and Institute of Global Environment Strategy to share our experiences under the topic of investment opportunity in the Green Climate Fund.
7. KBank gave a lecture at the IFC & ICMA Green Bonds Executive Course in Bangkok to share knowledge and experience in issuing green debentures and sustainability bonds with other leading financial institutions and companies, as KBank is the first issuer of sustainability bonds in Thailand and the Southeast Asian region. The issuance helps promote green debentures and sustainability bonds in Thailand, extending financial tools and investment funds to business sectors with environmental and social consciousness in accordance with the guidelines of the Office of the Securities and Exchange Commission.

Financial Support to Environmentally Friendly Businesses

Sustainability Long-Term Target 2019 - 2023

- Total megawatts (MW) 15% of domestic market share by providing various types of financial support and services to renewable energy projects in accordance with Thailand's renewable energy roadmap.
- 2 times loan growth of Environmental Funding in 2023 from the 2018 base year.

Target 2019

- Total megawatts (MW) 15% of domestic market share by providing various types of financial support and services to renewable energy projects in accordance with Thailand's renewable energy roadmap.
- 1.3 times growth in Energy and Environmental Conservation Project Financing from the 2018 base year.

Performance 2019

- Total megawatts (MW) 11.8% of domestic market share by providing various types of financial support and services to renewable energy projects in accordance with Thailand's renewable energy roadmap.
- 1.3 times growth in Energy and Environmental Conservation Project Financing from the 2018 base year

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KBank shares the responsibility of addressing climate change problems to ensure that the average global temperature does not exceed 2 degrees Celsius by encouraging the business sector to carry out environmentally-friendly operations. To ensure that businesses have greater access to funds and are capable of managing working capital more efficiently without harming the environment while also reducing greenhouse gas emissions, KBank offers financial support to environmentally-friendly businesses, namely those operating renewable energy power plants, and Energy and Environmental Conservation Project Financing, for instance, to a building renovation project with the aim of conserving energy. Although such projects offer business opportunities in the future, they must pass a stringent credit underwriting process in accordance with environmental, social and governance (ESG) criteria to ensure that loans approved by KBank do not produce any adverse effect to the environment and society while preventing risks that may affect KBank's image and in turn our future financial health which may generate additional income associated with new forms of products and services, and at the same time it could increase opportunities of debt servicing on new industries, new forms of investing, and new source of fund such as financial support and services to renewable energy power plants, Energy and Environmental Conservation Project financing, issuing sustainability bond, and investing in green bond.



Renewable Energy Project Financing in Thailand

In 2019, KBank had outstanding loans Baht 6,358.8 million in Renewable Energy Project Financing, accounting for a total installed capacity of 801.5 megawatts. Details are as follows:

Operation Results of Renewable Energy Project Financing



Social Benefit

Number of households benefit from renewable energy power plants

450,000

Total Capacity
801.5 megawatts



Outstanding Loans
Baht **6,358.8** million



Renewable Energy Project Financing Overseas

In 2019, KASIKORNBANK (CHINA) provided Renewable Energy Project Financing worth over Baht 800 million to two conglomerates in China as follows:

Group 1

A conglomerate operating 52 solar, wind and power plant heating system of clean energy. Some of the electricity produced is sold to local electricity authorities while the rest is sold directly to local households and industrial plants. The financial facility offered to this conglomerate is worth over Hong Kong Dollar 70 million, equivalent to approximately Baht 275 million, and has a term of three years. KBank also approved over Yuan 80 million, equivalent to about Baht 348 million in working capital loans to this conglomerate.

Social Benefit

- A total of 718 million households in 12 provinces and three Autonomous Regions in People's Republic of China benefits from such renewable energy power projects.

Total number of renewable energy

power plant project **52** projects

Worth over Hong Kong Dollar **70** million
Approximately Baht **275** million

Social Benefit

718 million households

Group 2

A conglomerate operating waste incineration power plant, which helps reduce air pollution, with an installed capacity of 363.5 megawatts, and a waste-to-energy power plant that can burn waste of up to 18,610 tonnes per day. Currently, this conglomerate operates 20 power plants. It is in the process of constructing seven power plants and plans to build another 14 power plants in the future. Most of the electricity produced is sold to local electricity authorities. KBank approved a working capital loan of more than Yuan 41 million or approximately Baht 178 million to this conglomerate. All power plants of the conglomerate are supported by the respective provincial governments.

Social Benefit

- A total of 850 million households in 14 provinces benefits from such renewable energy power projects.

Total capacity of waste incineration
power plant project

363.5 megawatts

KBank provided a working capital
loan of more than

Yuan **41** million

Approximately Baht **178** million

Social Benefit

850 million households

Energy and Environmental Conservation Project Financing

Energy and Environmental Conservation Project Financing for Retail Customers

KBank encourages retail customers to pay great attention to energy saving and environmental conservation by presenting financial products that offer customers easy access to financial services that support environmentally friendly businesses. Operating results in 2019 are as follows:

Green Home SCG HEIM Project

KBank has continuously supported housing loans for the SCG HEIM Project to encourage customers to choose homes built with environmentally friendly innovations. KBank approved Baht 89.31 million in such loans in 2019.

Solar Rooftop Project Financing

KBank has supported households to use solar energy by joining hands with the Provincial Electricity Authority (PEA) to develop the PEA Solar Hero Application, the first of its kind in Thailand, aimed at facilitating interested households to install rooftop solar panels to generate power for their own use via a one-stop-service mobile application. The application offers complete information about the installation of rooftop solar panels, including breakeven point calculation, a list of service providers and after sales service.

Social Benefit

- KBank offers financial support to households interested in installing rooftop solar panels. According to the PEA's estimate, the program may attract approximately 1.5 million households, helping generate over Baht 180 billion for the solar rooftop business.

For Corporate Customers

KBank supports entrepreneurs who embrace an environmentally friendly approach in their operations. KBank provides Energy and Environmental Conservation Project Financing to ensure that they have sufficient working capital to operate their businesses efficiently, renovate buildings for energy conservation, improve manufacturing processes, install energy-saving LED light bulbs and rooftop solar panels for the reduction of energy consumption while also offering advisory services to projects exposed to risks stemming from climate change. Our efforts are aimed at promoting efficient energy consumption and bolstering competitiveness in the business sector. In 2019, outstanding loans offered by KBank totaled Baht 2,044 million.

Operating Results of Energy and Environmental Conservation Project Financing for Corporate Customers, four projects with total loans Baht 2,044 million



Social Benefit: A total of **124** entrepreneurs benefits from Energy and Environmental Project Financing

Loans Approved for Large-Scale Property Projects with Environmentally Friendly Guidelines

KBank realizes that it is important for large-scale property projects to incorporate eco-friendly concepts in their operations. Large-scale projects have many service users and therefore consume large amounts of resources and produce large amounts of waste. KBank, therefore, supports property projects with "Ecosystem Ecoplex" and "Green Building" management in accordance with the LEED standards of the U.S. Green Building Council (USGBC). This is to ensure that companies consume energy and resources efficiently, and are equipped with waste management treatment systems in their buildings. In 2019, KBank had outstanding loans over Baht 3.04 billion of credit to large-scale property projects with environmentally friendly operations.

Social Benefit

A total of **11,200** persons
benefits from large-scale property
projects with environmentally friendly
operations.

KBank Issues Sustainability Bonds

KBank embraces sustainable development in our operational processes to ensure maximum benefit for all stakeholders. In 2018, KBank was the first Thai and ASEAN bank to issue sustainability bonds totaling US Dollar 100 million in accordance with standards prescribed by the International Capital Market Association (ICMA) to finance green and social projects, namely the Energy and Environmental Conservation Project Financing and the Renewable Energy Project Financing. The total amount of loans derived from the issuance of US Dollar 100-million sustainability bonds was used to finance green and social projects. The projects eligible for the loans were considered by the relevant committee as supporting the environment and society, and offering benefits in other areas. They include:

Ten Environmentally Friendly Projects

- These include 7 solar power plant projects and 1 waste-to-energy power plant project with a combined installed capacity of 47 megawatts. They can produce electricity of up to 124 million kilowatt-hours.
- 2 large-scale green building projects designed to be environmentally friendly, with recognition placed on efficient use of natural resources and energy. Once completed, these projects are expected to receive Gold level certification under the U.S. Green Building Council's (USGBC) and International WELL Building Institute's (IWBI) Leadership in Energy and Environmental Design (LEED) program.

Solar Power Plant
7 projects

Waste-to-energy
Power Plant
1 project

Large-scale
Green Building
2 projects



* For more details on sustainability bonds and second party opinions, please visit: <https://kasikornbank.com/th/sustainable-development/Sustainability-Bond>

Four Social Projects

- These include 3 projects, with the aim of promoting employment generation, SMEs and small retail businesses in communities. Loans were approved to our 707 retail customers.
- One personal loan program for retirees with the aim of promoting access to essential services. Loans were approved to our 193 customers.

Projects Promoting
Employment Generation

3 projects

Project Promoting Access
to Essential Services

1 project

KBank Invested in Green Bonds

In 2019, KBank invested Baht 1,841 million in green bonds as follows:

1. US Dollar-denominated green bonds

KBank invested in US Dollar-denominated green bonds issued by large financial institutions abroad that meet the Climate Bonds Standard (CBS). Aside from appropriate returns, this type of green bond also promotes efforts to reduce the impact from climate change.

2. Baht-denominated green bonds

KBank also invested in Baht-denominated green bonds, issued by leading energy companies in Thailand that meet the Climate Bonds Standard (CBS) and ASEAN Green Bond Standards (ASEAN GBS) for use to invest in environmentally friendly wind power plant projects.



Invested

Baht 1,841 million

in green bonds issued by leading Thai and foreign energy companies certified by Climate Bond Standard (CBS) and ASEAN Green Bond Standards (ASEAN GBS)

Environmental Management

Sustainability Long-Term Target

2016 - 2020

- 20% reduction in GHG emissions (Baseline year 2012)

2019 - 2023

- 6.1% reduction in GHG emissions (Baseline year 2018)

Target 2019

- 3% reduction in GHG emissions (Baseline year 2018)

Performance 2019

- 3.7% reduction in GHG emissions (Baseline year 2018)
- 15.7% reduction in GHG emissions (Baseline year 2012)

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CLIMATE ACTION



Climate change is an ongoing problem that affects humanity and harms the ecosystem. KBank realizes the importance of this critical issue because KBank is part of society and the environment, and it relies on natural resources and energy consumption for business operations. As climate change affects KBank operations and business both in terms of monetary and non-monetary impacts, KBank has constantly improved our environmental management. KBank's Board of Directors reviews the Environmental and Energy Conservation Policy annually and uses it as a guideline for organization-wide implementation. Additionally, the Board has named our Chief Executive Officer to act as Chief Environmental Officer to drive KBank's environmental operations. KBank has also announced our intention to achieve a zero carbon footprint (carbon neutrality) by measuring and evaluating the greenhouse gas emissions occurring in the process of KBank activities while attempting to minimize the emission as much as possible. However, if it cannot be avoided, KBank will compensate for emissions through the "carbon offset" measure. This year is the second year that KBank has received the Carbon Neutrality certification from the Thailand Greenhouse Gas Management Organization (Public Organization).

KBank has developed an Environmental Management System (EMS) in order to run our environmental operations more systematically and effectively in terms of measurement, management, reporting and verifying the amount of greenhouse gas emission or Measurement Report Verification (MRV) while campaigning to raise awareness of greenhouse gas emissions and waste reduction through landfills. KBank has endeavored to reduce natural resource consumption such as electricity, water, waste segregation and fuel consumption from corporate travel to increase our capacity in reducing our environmental footprint most effectively in order to transform KBank into a zero carbon organization, according to KBank's environmental management strategy.



Environmental Management

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

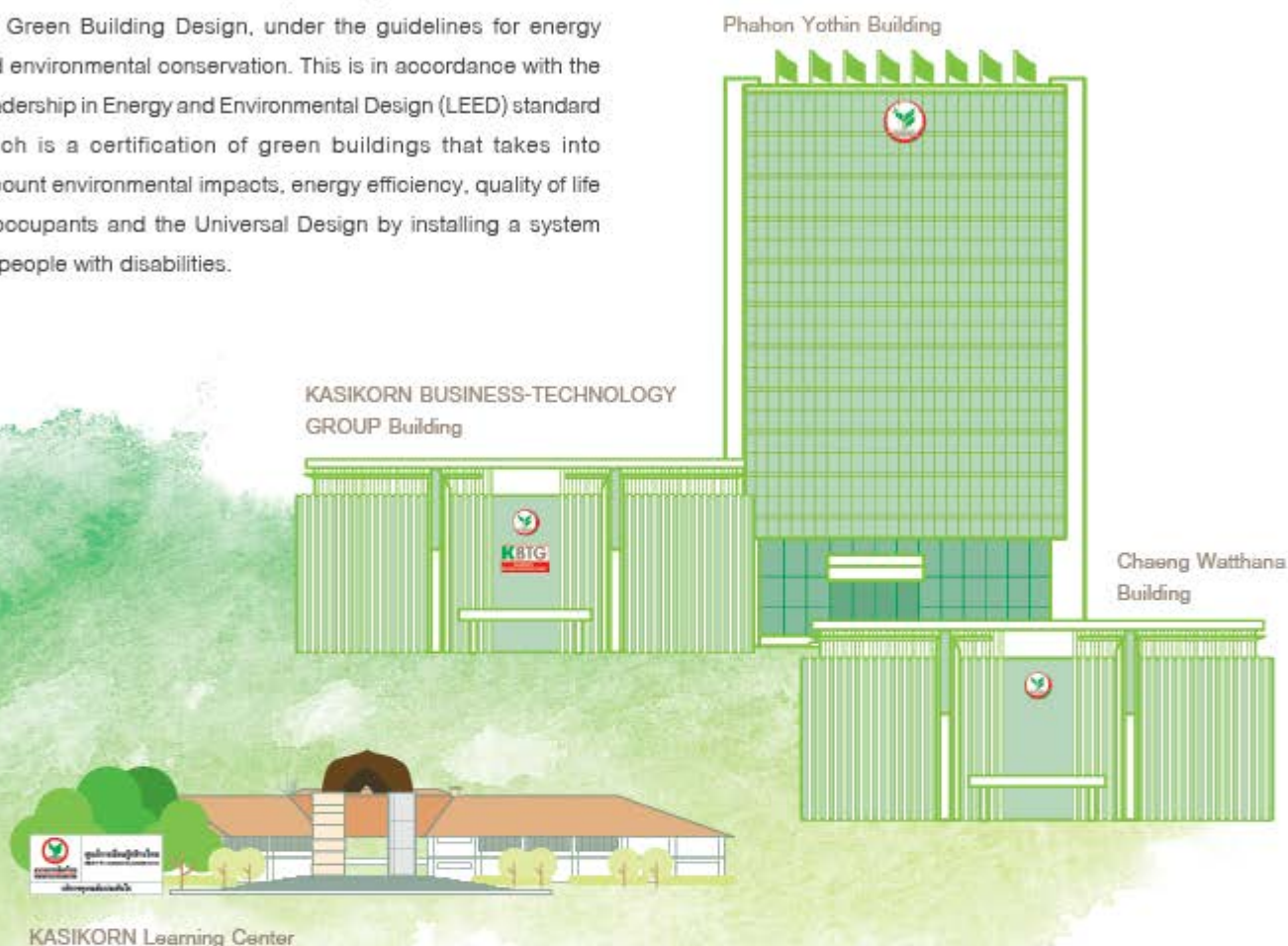


Management Approach

To become a zero carbon organization, according to our environmental management strategy, KBank manages energy and resources based on a Focus Acceleration Approach to promote efficiency of environmental management at all levels, covering every scope of KBank's services. 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 material selection and usage of green and energy-saving equipment. KBank has policies, plans and measures to carry out 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 Green Building Design, under the guidelines for energy and environmental conservation. This is in accordance with the Leadership in Energy and Environmental Design (LEED) standard which is a certification of green buildings that takes into account environmental impacts, energy efficiency, quality of life of occupants and the Universal Design by installing a system for people with disabilities.



Green Process Design

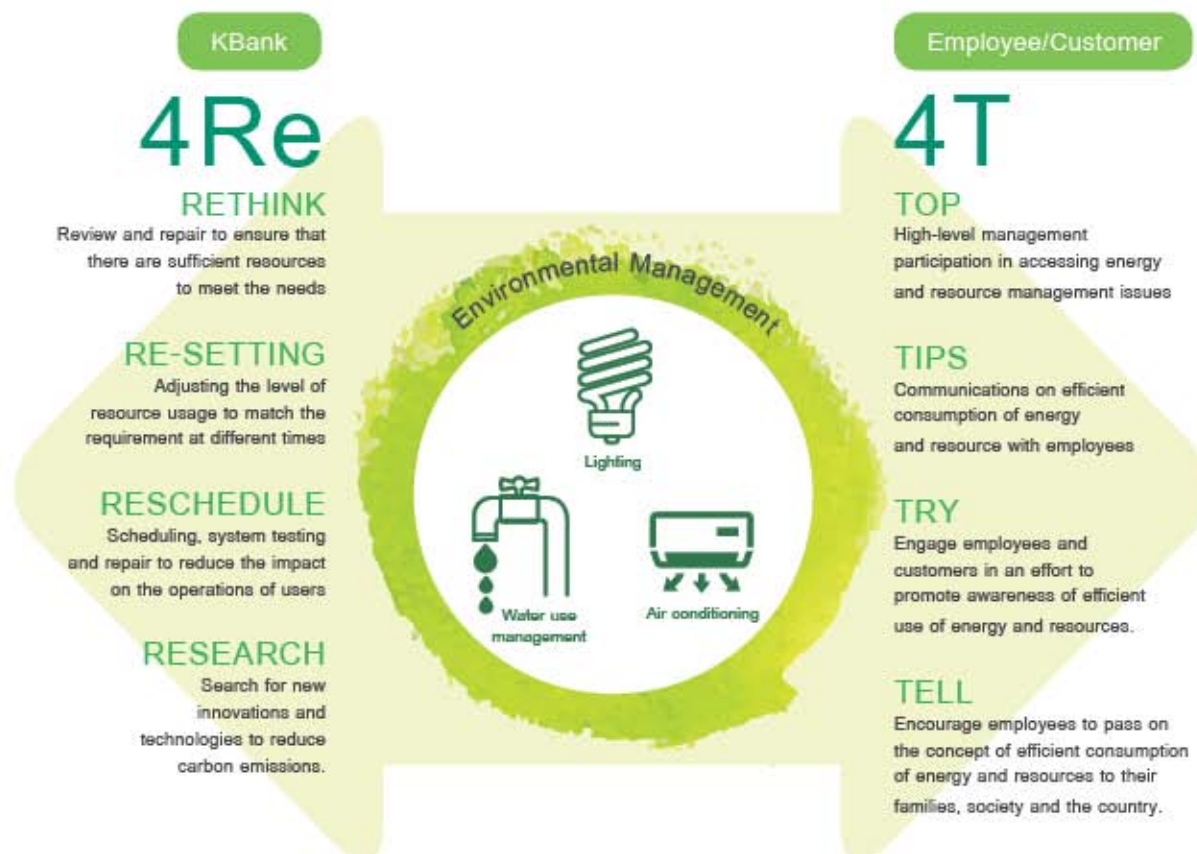
KBank continuously promotes green process design by incorporating digital technology, based on Green Process Design, in our operation to boost efficiency, lessen necessity to visit branches and enables KBank to reduce work procedures and use paper resources efficiently. KBank has designed processes and developed digital infrastructures for an exchange of documents that are used in operations between branch employees nationwide and employees at the head office. KBank uses digitized document instead of original paper copies and expands our paperless services to communicate with our customers

via email to reduce paper consumption and cost of document transportation for internal banking operation and for servicing our customers. In 2019, 2 projects became operational and reduced greenhouse gas emissions by a total of 639.21 tonnes carbon dioxide equivalent.

For paper-based transactions, KBank has set a Printing Clinic team to find an efficient usage strategy for paper, enhance green designs and serve as a consultant to establish resource consumption standards to ensure an efficient use of paper within the organization. KBank managed to reduce greenhouse gas emissions by a total of 975.17 tonnes carbon dioxide equivalent.

Green Facility

KBank has established the 4Re to 4T concept as a guideline for effective resource management. This will cover the organization-wide management of the lighting system, air conditioning system, water usage, and green waste management. The 4Re concept will help increase the efficiency of technical management and the 4T concept will create awareness among employees and customers about efficient energy and resource consumption.



KBank has regularly carried out the 4Re to 4T concept as the following:

1. Lighting System Management

KBank has installed control devices and various types of sensor devices to control the operation of the lighting system suitable specifically to different areas. Interior LED lamps have been replaced total of 36,924 bulbs and exterior 3,700 meters, thus reducing energy consumption by 1,778,232 kilowatt-hours. The KASIKORN BUSINESS-TECHNOLOGY GROUP building is also equipped with a solar rooftop system as a source of power supply with a capacity of 350 kilowatts. In 2019, a total of 453,896 kilowatt-hours of electricity was generated. Thanks to this effort, KBank is able to reduce the total greenhouse gas emissions by 1,276 tonnes carbon dioxide equivalent and save electricity cost total of Baht 8,462,094.

2. Air Conditioning System Management

The control system for the operation of the chiller plant has been installed. It is equipped with cold-air dispenser and diffuser to keep the temperature inside the building at an appropriate level. KBank has also replaced old devices with energy-saving ones to help reduce electricity consumption. This process includes changing chillers and condenser water pumps at the Rat Burana Building, the KASIKORN Learning Center and Sua Pa Building. This has helped lower energy consumption by 47,174 kilowatt-hours. Consequently, KBank is able to reduce the total greenhouse gas emissions by 27 tonnes carbon dioxide equivalent and save electricity cost total of Baht 179,273.

3. Water Usage Management

Water flow rates of faucets and toilet bowls in every building have been adjusted to save water consumption. Waste water is effectively treated and reused in sanitary and plant watering systems to ensure energy efficiency and optimize benefits. In 2019, 36,345 cubic meters of recycled water were used at KBank and save cost total of Baht 617,865.



Lighting System Management at KASIKORN BUSINESS-TECHNOLOGY GROUP equipped solar rooftop system with capacity of

350 kilowatts



Water Usage Management has used recycled water by

36,345 m³



Air Conditioning System Management has helped lower energy consumption by

47,174 kilowatt-hours



4. Green Waste Management

KBank has established an organization-wide waste management strategy by integrating technical management and installing 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. KBank raises awareness among our staff by encouraging them to apply the 8R (refuse, reduce, reuse, repair, regift, recover, recycle, rethink) technique by considering the effort from upstream that rejects products containing components which are harmful to the environment, the work process management that reduces trash or waste in various forms, the recycling of equipment to expand equipment lifetime, and the promotion of recycling and reuse of single-use containers. Moreover, KBank has promoted replacement of disposable packages with biodegradable materials and an efficient waste separation system. At the location 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 treating reusable paper from buildings with the cooperation of service providers, who collect waste documents to turn them into pulp for reuse. In 2019, KBank recycled 1,097 tonnes of paper. KBank also reused furniture and office supplies by reassigning them to other units within KBank and donated 4,239 items for charitable purposes.



KBank executives and employees joined forces in promoting greater use of cotton bags instead of plastic bags to reduce waste.

The amount of paper sent to be recycled in 2019 is

1,097 tonnes





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 outcomes and transform them into a role model for their families, society and the country.



Carbon Footprint Program

KBank received a "Carbon Footprint for Organization" certificate for being a "Carbon Neutral Organization" from the Thailand Greenhouse Gas Management Organization (Public Organization), according to its notification 62-5/2019 event on September 4, 2019, with KBank's total carbon footprint registered at 97,880.79 tonnes of carbon dioxide equivalent.



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, thanks to KBank's success in implementing carbon offsetting schemes by joining carbon credit program with Mitr Phol Bio-Power (Danchang) Co., Ltd. (Block 2). The cooperation is aimed at driving society towards a Low Carbon Economy to ensure sustainable growth in the economy, society and environment. This will not only benefit Thailand but also the world now and in the future.

Operating Performance

KBank is developing an Environmental Management System (EMS) to serve as the database on KBank's greenhouse gas emissions and energy consumption in line with our strategies and objectives. In 2019, KBank reduced total energy by 3.7% (compared to the set target of 2% reduction from 2018), water consumption per Full Time Employee (FTE) by 7.8% (compared to the set target of 5% reduction from 2018), and greenhouse gas emissions by 3.7% (compared to the set target of 3% reduction from 2018). Below is a depiction of our environmental performance.



 Per Full Time Employee (FTE) which is based on the monthly average for the year 2019 of KBank, K Companies, KASIKORN BUSINESS-TECHNOLOGY GROUP and P Companies, excluding branches in department stores.

Remarks:

- In 2019, KBank reported GHG Emission (Scope 1) specifically for the leakage of refrigerant and fire extinguishing substances in only major buildings of KBank.
- GHG Emission (Scope 3) was calculated from business travels by road and water consumption only.
- In the 2019 Report, KBank restated the data in the 2018 Report, causing the data to change from the previous year. In detail:
 - GHG Emission (Scope 2) was restated from 78,720.06 tonnes CO₂e to 88,614.58 tonnes CO₂e because KBank expanded the scope of the report to cover branches in rental buildings with electricity purchased via the lessors. As a result, the amount of electricity purchased increased 17,301,131.30 units, equivalent to GHG emission of 9,894.52 tonnes CO₂e.
 - The volume of water consumption was restated from 0.61 mil m³ to 0.83 mil m³ because KBank expanded the scope of the report to cover branches in rental buildings with water purchased via the lessors. As a result, the volume of water purchased increased 16,714.51 m³ and the total energy consumption increased 17,301.13 MWh.
- The total volume of wastes rose over that reported in 2018 because KBank expanded the scope of the data collection and report for hazardous wastes to cover electronic wastes. In 2019, the volume of electronic wastes totaled 713 tonnes, which were disposed of by donation and recycling.

Economic, Social and Environmental Performance



Unit: Thousand Baht

Economic	2019	
	Consolidated	KBank
Revenues*	187,981,027	165,307,588
Other operating expenses**	32,795,601	32,788,673
Personal's expenses***	33,261,168	24,395,262
Payments to providers of capital****	37,062,957	36,769,971
Tax payment to government*****	16,340,509	11,550,903
Cash donation for supporting community and education	1,641,221	1,492,993
Economic value retained	67,879,571	58,309,786
Total assets	3,293,888,989	2,724,055,445
Total liabilities	2,840,174,270	2,381,095,534
Total equity	453,714,719	382,959,911

* Revenues 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's expenses include salaries, wages, overtime pay, bonuses, pension, cost of living subsidies, employee benefits, bank contributions to provident funds, welfare and other benefits, e.g., health insurance and annual health checkup.

**** Payments to providers of capital refer to dividends paid to shareholders and interest expenses.





***** Tax payment to government includes direct and indirect taxes, e.g., corporate income tax, property tax, value-added tax and special business tax.




Item	2016		2017		2018		2019	
	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*	21,029		20,839		20,646		20,407	
By Gender								
• Male	6,831	32.48%	6,579	31.57%	6,452	31.25%	6,262	30.69%
• Female	14,198	67.52%	14,260	68.43%	14,194	68.75%	14,145	69.31%
By Age								
• < 30 years	8,662	41.19%	8,166	39.19%	7,244	35.09%	6,228	30.52%
• 30 - 50 years	9,420	44.80%	9,601	46.07%	10,181	49.31%	10,811	52.98%
• > 50 years	2,947	14.01%	3,072	14.74%	3,221	15.60%	3,368	16.50%
By Nationality								
• Thai	20,995	99.84%	20,809	99.86%	20,611	99.83%	20,377	99.85%
• Foreigner	34	0.16%	30	0.14%	35	0.17%	30	0.15%
By Type of Employment								
• Permanent	20,978	99.76%	20,767	99.65%	20,548	99.53%	20,283	99.39%
• Contracted	51	0.24%	72	0.35%	98	0.47%	124	0.61%
By Workplace								
• Head office and main buildings	9,940	47.27%	9,787	46.96%	9,920	48.05%	11,156	54.67%
• Elsewhere	11,089	52.73%	11,052	53.04%	10,726	51.95%	9,251	45.33%
By Country								
• Thailand	21,008	99.90%	20,815	99.88%	20,622	99.88%	20,379	99.86%
• Elsewhere	21	0.10%	24	0.12%	24	0.12%	28	0.14%

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

Item	2016		2017		2018		2019	
	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 Level of Education								
• High school (lower than bachelor's degree)	469	2.23%	401	1.92%	357	1.73%	313	1.53%
• Bachelor's degree	14,512	69.01%	14,358	68.90%	14,127	68.42%	13,795	67.60%
• Master's degree	6,010	28.58%	6,046	29.01%	6,124	29.66%	6,263	30.69%
• Doctoral degree	38	0.18%	34	0.16%	38	0.18%	36	0.18%
By Employee Level								
Executive Level	20		24		20		21	
• Male	18	54.55%	22	91.67%	19	95.00%	20	95.24%
• Female	2	6.06%	2	8.33%	1	5.00%	1	4.76%
• < 30 years	0	0.00%	0	0.00%	0	0.00%	0	0.00%
• 30 - 50 years	9	27.27%	10	41.67%	6	30.00%	7	33.33%
• > 50 years	11	33.33%	14	58.33%	14	70.00%	14	66.67%
Top Management Level	33		38		43		41	
• Male	24	72.73%	23	60.53%	26	60.47%	25	60.98%
• Female	9	27.27%	15	39.47%	17	39.53%	16	39.02%
• < 30 years	0	0.00%	0	0.00%	0	0.00%	0	0.00%
• 30 - 50 years	19	57.58%	22	57.89%	23	53.49%	19	46.34%
• > 50 years	14	42.42%	16	42.11%	20	46.51%	22	53.66%
Junior Management Level	827		846		887		941	
• Male	466	56.35%	462	54.61%	477	53.78%	493	52.39%
• Female	361	43.65%	384	45.39%	410	46.22%	448	47.61%
• < 30 years	0	0.00%	0	0.00%	0	0.00%	0	0.00%
• 30 - 50 years	487	58.89%	493	58.27%	507	57.16%	537	57.07%
• > 50 years	340	41.11%	353	41.73%	380	42.84%	404	42.93%
Operating Staff	20,149		19,931		19,896		19,404	
• Male	6,323	31.38%	6,072	30.47%	5,930	30.11%	5,724	29.50%
• Female	13,826	68.62%	13,859	69.53%	13,766	69.89%	13,680	70.50%
• < 30 years	8,662	42.99%	8,260	41.44%	7,244	36.78%	6,228	32.10%
• 30 - 50 years	8,947	44.40%	9,013	45.22%	9,645	48.97%	10,277	52.98%
• > 50 years	2,540	12.61%	2,658	13.34%	2,807	14.25%	2,899	14.94%

Item	2016		2017		2018		2019	
	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	2,825	13.43%	2,346	11.26%	1,771	8.58%	1,457	7.14%
By Age								
• < 30 years	2,515	89.03%	1,971	84.02%	1,315	74.25%	1,071	73.51%
• 30 - 50 years	309	10.94%	373	15.90%	455	25.69%	382	26.22%
• > 50 years	1	0.04%	2	0.09%	1	0.06%	4	0.27%
By Gender								
• Male	541	19.15%	498	21.23%	471	26.60%	412	28.28%
• Female	2,284	80.85%	1,848	78.77%	1,300	73.40%	1,045	71.72%
By Workplace								
• Head office and main buildings	880	31.15%	962	41.01%	1,016	57.37%	941	64.58%
• Elsewhere	1,945	68.85%	1,384	58.99%	755	42.63%	516	35.42%
By Country								
• Thailand	2,825	100%	2,346	100%	1,771	100%	1,457	100%
• Elsewhere	0	0.00%	0	0.00%	0	0.00%	0	0.00%
 Number of Turnover (not including retirement, early retirement, death, not qualified, disclaim, contract termination and termination of all kinds)	3,562	16.94%	2,074	9.95%	1,570	7.60%	1,252	6.14%
By Gender								
• Male	981	27.54%	541	26.08%	378	24.08%	345	21.97%
• Female	2,581	72.46%	1,533	73.92%	1,192	75.92%	907	72.44%
By Age								
• < 30 years	2,076	58.28%	1,250	60.27%	917	58.41%	662	42.17%
• 30 - 50 years	1,372	38.52%	762	36.74%	648	41.27%	588	37.45%
• > 50 years	114	3.20%	62	2.99%	5	0.32%	2	0.13%
 Number of employees who are labor union members	8,736	41.54%	8,687	41.69%	8,433	40.85%	8,497	41.64%
 Number of employees under supervision of the Welfare and Labor Union Committee	21,029	100%	20,839	100%	20,646	100%	20,407	100%

Item	2016	2017	2018	2019
 Ratio of Salary and Basic Remuneration of Male and Female Employees				
Head Office				
• Executive and Top Management	1:0.84	1:0.76	1 : 0.78	1:0.78
• Middle Management	1:1.08	1:1.04	1 : 1.04	1:1.04
• Operating and Staff	1:0.76	1:0.75	1 : 0.77	1:0.77
Elsewhere				
• Executive and Top Management	-	-	-	-
• Middle Management	1:1.73	No Female	No Female	No Female
• Operating and Staff	1:0.69	1:0.69	1 : 0.69	1:0.70

Item	2016		2017		2018		2019	
	Male	Female	Male	Female	Male	Female	Male	Female
• Number of employees having the right of maternity/parental leave	21,029		20,839		20,646		20,407	
	6,831	14,198	6,579	14,260	6,462	14,194	6,282	14,145
• Number of employees using the right of maternity/parental leave (classified by gender)	691		766		893		945	
	39	652	36	730	53	840	65	880
• Number of employees returning to work after maternity/parental leave (classified by gender)	629		727		849		903	
	32	597	35	692	49	800	61	842
• Percentage of employees returning to work and remaining at work after maternity/parental leave	91.03%		94.91%		96.07%		95.56%	
	82.06%	91.56%	97.22%	94.79%	92.45%	95.24%	93.85%	95.68%

Item	2016	2017	2018	2019
Employee Engagement*				
• Engagement Score*	81%	88%	88%	75%
• Information Coverage (%)	100%	100%	100%	100%
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	34	2	8	7
• Number of resolved complaints	34	2	8	7
• Number of pending complaints	-	-	-	-

Training

Item	Hours per year per person			
	2016	2017	2018	2019
Total training hours	1,186,243	1,094,691	881,469**	928,507
Average training hours	56.4	52.5	42.2**	45.5
By Level				
• Management level (First Vice President and higher)	116.6	81.6	67.6	95.4
• Operating and staff level (below First Vice President)	55.5	52.1	41.8	44.6
By Gender				
• Male	54.8	50.7	41.0	45.7
• Female	57.2	53.4	42.8	45.4

* The Engagement Score assessment is conducted every 2 years

** Training hours are shortened because KBank encourages our employees to study through online platform, decreasing the training process by three times when compared to classroom-format training.

Item	Hours per year per person			
	2016	2017	2018	2019
Employee Performance Evaluation				
Percentage of evaluated employees	100%	100%	100%	100%
By 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%
Staff Productivity (Revenue/Personnel Expense)				
Staff Productivity (Revenue/Personnel Expense)	5.90	5.81	5.75	5.66
Human Capital Return on Investment	4.39	4.31	4.15	4.08

Occupational Health and Safety






Item	Unit	2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Injury Rate (IR)	Number of employees per 200,000 operating hours	0.01		0.00		0.00		0.01	
		0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Lost Time Injury Rate (LTIR)	Number of employees per 200,000 operating hours	0.01		0.00		0.00		0.01	
		0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Lost Day Injury Rate (LDIR)	Number of lost days per 200,000 operating hours	0.00		0.00		0.00		0.01	
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
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	0.70		0.74		0.78		0.83	
		0.65	0.72	0.68	0.77	0.75	0.79	0.81	0.83
Number of Fatalities	Person	1	0	0	0	0	0	0	0
Sick Leave									
Number of sick leave days	Day	10,887	25,027	10,990	26,838	11,902	27,495	12,326	28,805
By Workplace									
• Head office and main buildings	Day	24,202		25,258		27,180		30,021	
• Elsewhere	Day	11,712		12,370		12,217		11,110	
Number of time lost due to non-work related illness	Hours (Day x 8 hours)	87,092	200,216	87,916	213,100	95,212	219,960	98,604	230,440

Remarks:

* KBank's absentee rate tends to increase, but it was lower than KBank's target and the average absentee rate of companies in financial sector.



Assessment Parameter	
Baseline year	2012
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	2012 (Baseline Year)	2018	2017	2018 (Baseline Year)	2019	% Change 2018 VS 2019 (Baseline Year 2018)	% Change 2012 VS 2019 (Baseline Year 2012)
 Greenhouse Gas Emission (GHG Emission)							
Total Scope 1 emission (Tonnes CO ₂ e)	18,249.95	31,257.32	24,583.26	21,160.73	21,145.20	-0.1%	15.9%
Total Scope 2 emission (Tonnes CO ₂ e)	95,259.34	81,872.83	80,222.59	88,814.58	82,851.75	-4.3%	-21.8%*
Total Scopes 1&2 emission (Tonnes CO ₂ e)	113,509.32	112,929.95	104,805.85	107,775.31	103,996.95	-3.7%	-15.7%*
Total Scopes 1&2 emission intensity (Tonnes CO ₂ e per FTE)	5.06	5.72	3.45	5.58	3.05	-14.8%	-44.5%*
 Energy							
Total energy consumption within organization from renewable and non-renewable sources (MWh)	238,063.88	271,050.29	240,383.34	237,498.19	228,648.07	-3.7%	-10.3%
- Total fuel consumption within the organization from non-renewable sources (MWh)	230,429.70	268,750.98	229,191.07	228,827.43	221,455.77	-2.4%	-10.2%
- Total fuel consumption within the organization from renewable sources (MWh)	7,634.18	14,299.31	11,192.27	10,658.76	7,210.30	-32.4%	-11.5%
Total energy consumption intensity from renewable and non-renewable sources (MWh per FTE)	10.61	8.93	7.92	7.88	8.71	-14.9%	-40.8%
Total energy consumption within organization from renewable and non-renewable sources (GJ)	857,029.97	976,781.08	866,380.02	854,950.28	823,125.84	-3.7%	-10.3%
- Total fuel consumption within the organization from non-renewable sources (GJ)	829,548.92	924,808.53	825,067.85	818,578.74	797,165.76	-2.4%	-10.2%
- Total fuel consumption within the organization from renewable sources (GJ)	27,481.05	51,472.53	40,292.18	38,371.54	25,957.08	-32.4%	-11.5%
Total energy consumption intensity from renewable and non-renewable sources (GJ per FTE)	33.19	32.16	26.52	28.38	24.16	-14.9%	-40.9%
 Water							
Water withdrawal (mil m ³)	1.27	0.75	0.79	0.83	0.87	4.7%	-36.5%*
Water withdrawal intensity (m ³ per FTE)	68.89	24.82	26.01	27.45	25.59	-8.8%	-68.2%*
Total CO ₂ emission from water withdrawal (Tonnes CO ₂)	-	-	-	559.18	588.44	5.2%	-
Total CO ₂ emission from water withdrawal per FTE (Tonnes CO ₂ per FTE)	-	-	-	0.02 (0.0168)	0.02 (0.0173)	-7.8%	-
 Waste							
Total Waste generate (Metric Tonnes)	7,080.14	6,178.95	5,780.97	7,599.87	7,050.80	-7.2%	-0.1%
- Total weight of hazardous waste (Metric Tonnes)	-	-	0.01	0.42	720.90	-	-
- Total weight of non-hazardous waste (Metric Tonnes)	-	-	5,780.96	7,599.25	6,329.89	-16.7%	-
- Total waste used/reycled/sold/other (Metric Tonnes)	150.08	474.90	910.59	1,024.31	1,824.71	78.1%	1,115.8%
- Total waste disposed (Metric Tonnes)	6,910.06	5,701.75	4,870.38	6,575.56	5,226.09	-20.5%	-24.4%
Waste generated intensity (kg per FTE)	314.61	208.59	190.51	252.30	208.84	-18.0%	-34.2%
 Travel							
Total business travel from road (km)	1,822,754.55	1,248,284.14	989,865.18	3,888,805.42	4,388,303.89	19.6%	140.8%
Total CO ₂ emission from road travel (Tonnes CO ₂)	282.84	180.00	159.35	598.35	608.61	16.7%	181.2%
Total CO ₂ emission from road travel per FTE (Tonnes CO ₂ per FTE)	0.01 (0.0117)	0.01 (0.0069)	0.01 (0.0063)	0.02 (0.0197)	0.02 (0.0202)	2.5%	72.8%
Full Time Employee (FTE)**	22,441	30,339	30,344	30,121	34,072	13.1%	51.8%

Remarks:

- In 2019, KBank reported GHG Emission (Scope 1) specifically for the leakage of refrigerant and fire extinguishing substances in only major buildings of KBank.
- GHG Emission (Scope 3) was calculated from business travels by road and water consumption only.
- In the 2019 Report, KBank restated the data in the 2018 Report, causing the data to change from the previous year. In detail:
 - GHG Emission (Scope 2) was restated from 78,720.08 tonnes CO₂e to 88,814.58 tonnes CO₂e because KBank expanded the scope of the report to cover branches in rental buildings with electricity purchased via the lessors. As a result, the amount of electricity purchased increased 17,301,131.30 units, equivalent to GHG emission of 8,894.52 tonnes CO₂e.
 - The volume of water consumption was restated from 0.81 mil m³ to 0.83 mil m³ because KBank expanded the scope of the report to cover branches in rental buildings with water purchased via the lessors. As a result, the volume of water purchased increased 16,714.51 m³ and the total energy consumption increased 17,301.13 MWh.
- The total volume of wastes rose over that reported in 2018 because KBank expanded the scope of the data collection and report for hazardous wastes to cover electronic wastes. In 2019, the volume of electronic wastes totaled 713 tonnes, which were disposed of by donation and recycling.

* KBank has adjusted the scope of the 2019 Report so that it can be compared with the data reported in 2012. In detail:

- GHG Emission (Scope 2) includes consumption of energy directly purchased from the Provincial Electricity Authority and Metropolitan Electricity Authority only.
- The report on water consumption includes water directly purchased from the Provincial Waterworks Authority and Metropolitan Waterworks Authority only.

** Full Time Employee is based on the monthly average for the year 2019 of KBank, K Companies, KASIKORN BUSINESS-TECHNOLOGY GROUP and P Companies, excluding branches in department stores.

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 2019 was published in March 2020. As for the 2019 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, associates and related companies in consistence with our 2019 Annual 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 160.

Report Boundaries

The report boundaries cover KBank's performance during January 1 – December 31, 2019. 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): voluntarily, as shown on page 168 - 171.

External Assurance for the Report

The economic aspect information boundaries in this report was compiled from the accounting recording system, as utilized in KBank's 2019 Annual Report and audited by Certified Public Accountant. In addition, in order to ensure the credibility and transparency of the environmental and social aspect information, Lloyd's Register International (Thailand) Co., Ltd. certified the correctness of energy consumption (GRI 302-1), water withdraw by source (GRI 303-1), 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 taxi/air only), waste by type and disposal method (GRI 306-2), total employees' absenteeism (GRI 403-2) and initiatives to enhance financial literacy by type of beneficiaries (former FS16) per the GRI Standards, as shown on page 161 - 167.

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 Preparation

The Sustainable Development Unit of the Office of 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
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Rat Burana Sub-District, Rat Burana District,
Bangkok 10140, Thailand
Tel. +662-4702984

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 from 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

This exhibits greenhouse gas (GHG) emissions from operations or activities of KBank, calculated in compliance with 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 links 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
- 1.3 Other indirect emissions (Scope 3) occur from KBank business travels by taxicab only and water consumption only.
- 1.4 The decline in GHG emissions from the use of financial products and services via digital channels is due to operational processes and activities within KBank, plus the delivery of products to customers. The study is based internal data.

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 emission factor.
- 2.3 The calculation of GHG emissions incurred indirectly through other means (Scope 3) is based on KBank business travels by road and acquisition of tap water x emission factor.

3. Greenhouse Gas (GHG) Emission

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

4. Emission Factor

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 Greenhouse Gas Management Organization (Public Organization), Third Revision, October 3, 2016.
- 5.2 The calculation of GHG emissions that have declined from the use of financial products and services via digital channels is based on attributional approaches per Guidelines for Assessing the Contribution of Products to Avoided Greenhouse gas Emissions from The Institute of Life Cycle Assessment (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 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 or water supply meter reading.



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 garbage delivered to the municipal authority for disposal from Rat Burana Building, Phahon Yothin Building, Chaeng Watthana Building, KBTG Building and KASIKORN Learning Center in Bang Pakong, and include electronic waste and paper managed by outsourced companies.

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. "Executive Level" includes CEO and those from the level President, Senior Executive Vice President, and Executive Vice President
2. "Top Management Level" includes those from the level of First Senior Vice President
3. "Junior Management Level" includes those from the level of Department Head or equivalent and Function/Unit Head
4. "Operating Staff" are Team Leader, Supervisors, Senior Officer, and 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 units, accounting units and other related units.

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)
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Working hours in a year	= Number of employees x working days in a year
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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-the-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. KASIKORNBANK PUBLIC COMPANY LIMITED	●	●	●	●	●	●	●
2. KASIKORN ASSET MANAGEMENT CO., LTD.	○	○	○	●	●	●	●
3. KASIKORN RESEARCH CENTER CO., LTD.	○	○	○	●	●	●	●
4. KASIKORN SECURITIES PCL.	○	○	○	●	●	●	●
5. KASIKORN LEASING CO., LTD.	○	○	○	●	●	●	●
6. KASIKORN FACTORY AND EQUIPMENT CO., LTD.	○	○	○	●	●	●	●
7. 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 PRO CO., LTD.*	○	○	○	●	●	●	●
23. KASIKORN SERVE CO., LTD. (Former name: PROGRESS SOFTWARE CO., LTD.)	○	○	○	●	●	●	●
24. KASIKORN X CO., LTD.*	○	○	○	●	●	●	●

Remarks:

Economic data relates to the operating results of KBank, subsidiaries, associates and related companies as indicated in the Annual Report 2019.

* Companies in operations for less than three years; social information in preparation process.

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		Page 22-31			
	Using the GRI Standards for sustainability reporting		Page 156			
	Making claims related to the use of the GRI Standards		Page 161-167			
General Disclosures						
GRI 102: General disclosures 2016	Organizational profile					
	102-1 Name of the organization		Page 10			
	102-2 Activities, brands, products, and services		Page 10-11			
	102-3 Location of headquarters		Page 43			
	102-4 Location of operations	Page 298-303	Page 10, 14, 15			
	102-5 Ownership and legal form	Page 293	Page 10			
	102-6 Markets served	Page 298-303	Page 10, 13, 14, 15			
	102-7 Scale of the organization	Page 4	Page 10, 146			
	102-8 Information on employees and other workers		Page 147			SDG 8
	102-9 Supply chain		Page 76-79			
	102-10 Significant changes to the organization and its supply chain		Page 14, 56			
	102-11 Precautionary principle or approach		Page 122, 125			
	102-12 External Initiatives		Page 19, 169-171			
	102-13 Membership of associations		Page 31			

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		Pages 6-7			
	102-15 Key impacts, risks and opportunities		Pages 6-7			
	Ethics and integrity					
	102-16 Values, principles, standards, and norms of behavior		Pages 37-38			SDG 16
	Governance					
	102-18 Governance Structure		Page 20, 35-36, 44-45, 63-64			
	102-19 Delegating authority		Page 20, 35-36, 44-45, 63-64, 71			
	102-20 Executive-level responsibility for economic, environmental, and social topics		Page 123, 138			
	102-22 Composition of the highest governance body and its committees	Page 221-222, 225-230				
	102-23 Chair of the highest governance body	Page 221-222				
	102-24 Nominating and selecting the highest governance body	Page 223-224, 229	Page 36			
	102-26 Role of highest governance body in setting purpose, values, and strategy		Page 12, 18, 20			
	102-29 Identifying and managing economic, environment, and social impacts		Page 126			
	102-30 Effectiveness of risk management processes		Page 45-46, 63-65, 126-128			
	102-31 Review of economic, environmental, and social topics		Page 65			
	102-32 Highest governance body's role in sustainability reporting		Page 22, 157			
	Stakeholder engagement					
	102-40 List of stakeholder groups		Page 27-31			
	102-41 Collective bargaining agreements		Page 149			SDG 8
	102-42 Identifying and selecting stakeholders		Page 23, 27-31			
	102-43 Approach to stakeholder engagement		Page 27-31			
	102-44 Key topics and concerns raised		Page 27-31			

GRI STANDARD	DISCLOSURE	PAGE NUMBER (a) and / or URL (a)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGS
		ANNUAL REPORT	SUSTAINABILITY REPORT			
	Reporting Practice					
	102-45 Entities included in the consolidated financial statements	Page 87, 114-117	Page 22, 160			
	102-46 Defining report content and topic boundaries		Page 22-23			
	102-47 List of material topics		Page 23-26			
	102-48 Restatements of information		Page 145, 155			
	102-49 Changes in reporting		Page 23, 155			
	102-50 Reporting period		Page 156			
	102-51 Date of most recent report		Page 156			
	102-52 Reporting cycle		Page 156			
	102-53 Contact point for questions regarding the report		Page 157			
	102-54 Claims of reporting in accordance with the GRI Standards		Page 156			
	102-55 GRI content index		Page 161-167			
	102-56 External assurance		Page 174-175			
Material topics						
Economic performance						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 12-13, 48			
	103-2 The management approach and its components		Page 12-13, 48			
	103-3 Evaluation of the management approach		Page 15, 48-61			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed		Page 112, 146			SDG 5, SDG 8, SDG 9
Indirect economic impacts						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 82, 110			
	103-2 The management approach and its components		Page 82-87, 110-111			
	103-3 Evaluation of the management approach		Page 82-83, 85-88, 110, 112, 116, 118			
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts		Page 83, 85-87, 116, 118			SDG 1, SDG 3, SDG 8, SDG 10

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 2018	103-1 Explanation of the material topic and its boundaries		Page 37			
	103-2 The management approach and its components		Page 37-42			
	103-3 Evaluation of the management approach		Page 37, 39			
GRI 205: Anti-corruption 2018	205-2 Communication and training about anti-corruption policies and procedures		Page 39			SDG 16
Energy						
GRI 103: Management approach 2018	103-1 Explanation of the material topic and its boundaries		Page 138			
	103-2 The management approach and its components		Page 138-141, 144			
	103-3 Evaluation of the management approach		Page 140-142, 145			
GRI 302: Energy 2018	302-1 Energy consumption within the organization		Page 145, 154-155, 157		YES	SDG 8, SDG 13
	302-3 Energy intensity		Page 145, 154-155			SDG 8, SDG 13
	302-4 Reduction of energy consumption		Page 154-155			SDG 8, SDG 13
Water						
GRI 103: Management approach 2018	103-1 Explanation of the material topic and its boundaries		Page 138			
	103-2 The management approach and its components		Page 138-139, 141-142, 144			
	103-3 Evaluation of the management approach		Page 142, 145			
GRI 303: Water 2018	303-1 Water withdrawal by source		Page 145, 154-155, 158		YES	
Emissions						
GRI 103: Management approach 2018	103-1 Explanation of the material topic and its boundaries		Page 123-125, 138			
	103-2 The management approach and its components		Page 123-131, 138-141, 144			
	103-3 Evaluation of the management approach		Page 128-129, 138, 140-141, 144-145			
GRI 305: Emissions 2018	305-1 Direct (Scope 1) GHG emissions		Page 154-155, 157-158		YES	SDG 3, SDG 13
	305-2 Energy indirect (Scope 2) GHG emissions		Page 154-155, 157-158		YES	SDG 3, SDG 13
	305-3 Other indirect (Scope 3) GHG emissions		Page 154-155, 157-158		YES	SDG 3, SDG 13
	305-4 GHG emissions intensity		Page 154-155, 158			SDG 13

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s) and / or URL (s)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGS
		ANNUAL REPORT	SUSTAINABILITY REPORT			
Effluents and Waste						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 138			
	103-2 The management approach and its components		Page 138-141, 143-144			
	103-3 Evaluation of the management approach		Page 143, 145			
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method		Page 145, 154-155, 158		YES	
Environmental assessment to suppliers						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 76			
	103-2 The management approach and its components		Page 76-79			
	103-3 Evaluation of the management approach		Page 76-78			
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria		Page 76			
Employment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 93			
	103-2 The management approach and its components		Page 93-95			
	103-3 Evaluation of the management approach		Page 93-94			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		Page 149			SDG 5, SDG 8
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Page 94-95			SDG 8
	401-3 Parental leave		Page 150			SDG 5, SDG 8
Labor/Management relations						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 93			
	103-2 The management approach and its components		Page 93-99			
	103-3 Evaluation of the management approach		Page 93-95, 99			
GRI 402: Labor/Management relations 2016	402-1 Minimum notice periods regarding operational changes		Page 151			SDG 8

GRI STANDARD	DISCLOSURE	PAGE NUMBER (a) 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		Page 103			
	103-2 The management approach and its components		Page 103-105			
	103-3 Evaluation of the management approach		Page 103			
GRI 403: Occupational health and safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		Page 153		YES	SDG 3, SDG 8
Training and education						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 100			
	103-2 The management approach and its components		Page 100-102			
	103-3 Evaluation of the management approach		Page 100-102			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee		Page 151			SDG 4, SDG 5, SDG 8
	404-3 Percentage of employees receiving regular performance and career development reviews		Page 152			SDG 5, SDG 8
Diversity and equal opportunity						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 93			
	103-2 The management approach and its components		Page 93-94			
	103-3 Evaluation of the management approach		Page 93-94			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees		Page 148			SDG 5, SDG 8
	405-2 Ratio of basic salary and remuneration of women to men		Page 150			SDG 5, SDG 8, SDG 10
Human rights assessment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 106			
	103-2 The management approach and its components		Page 106-109			
	103-3 Evaluation of the management approach		Page 106-107			
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments		Page 107			
Supplier social assessment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 76			
	103-2 The management approach and its components		Page 76-79			
	103-3 Evaluation of the management approach		Page 76-78			
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria		Page 76			
	414-2 Negative social impacts in the supply chain and actions taken		Page 78			

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s) and / or URL (s)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGS
		ANNUAL REPORT	SUSTAINABILITY REPORT			
Customer privacy						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 70, 72			
	103-2 The management approach and its components		Page 70-73, 75			
	103-3 Evaluation of the management approach		Page 73, 75			
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Page 73			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		Page 82, 132			
	103-2 The management approach and its components		Page 82-87, 132, 134-137			
	103-3 Evaluation of the management approach		Page 82-83, 85-87, 132-137			
FS 7	Monetary value of products and services designed to deliver a specific social business for each business line broken down by purpose		Page 82-83, 85-87			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		Page 133-137			
Local communities						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		Page 82			
	103-2 The management approach and its components		Page 82-87			
	103-3 Evaluation of the management approach		Page 82-83, 85-87			
FS 13	Access points in low-populated or economically disadvantaged areas by types		Page 83-84			SDG 1, SDG 8, SDG 10
FS 14	Initiatives to improve access to financial services for disadvantaged people		Page 83-87			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		Page 82			
	103-2 The management approach and its components		Page 88-92			
	103-3 Evaluation of the management approach		Page 88-92			
FS 16	Initiatives to enhance financial literacy by type of beneficiary (former FS 16)		Page 88-92		YES	

Practices under the United Nations Global Compact

Area	Principles of Global Compact	Implementation
Human Rights	<ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights; and 2. Make sure that they are not complicit in human rights abuses. 	<ul style="list-style-type: none"> • KBank Board of Directors reviews the Human Rights Policy annually. • Include 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; credit applicants that are not supported include the businesses involved with human rights violation, employment of illegal workers, illegal alien workers or child labor, etc. • Set up a requirement that all projects under Project Finance credits 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 • Prepare the processes of Human Rights Risk Assessment and Risks Register, and Human Rights Due Diligence, via meetings with internal stakeholders and joint ventures (K LINE) to jointly assess human rights risks related to KBank's business operations. • Set up additional measures to inspect, prevent, mitigate and manage key human rights issues. • KBank announces Corporate Citizenship 2019-2023 by including human rights as one of the key strategies. • Hold "Sustainability Sharing 2019" meeting with suppliers with labor and human rights 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.

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 elimination of child labor; and 6. The elimination of discrimination with respect to employment and occupation. 	<ul style="list-style-type: none"> • Include employee practice in the Statement of Business Conduct related to equal treatment of employees, whereby employees are protected against discrimination, have access to knowledge building opportunities, and are offered good benefits comparable to leading companies, as well as proper welfare and work environment. • Encourage establishment of KASIKORNBANK Labor Union and KASIKORNBANK Officer Labor Union in order to foster good relationship between employer and employees, and among employees. • Foster good relationships between KBank and labor unions, and between the Employee Committee and employees, promote bilateral system of labor relations, comply with regulatory requirements and provide equal treatment of all stakeholders. • Have in place a policy against forced and child labor. • Announce the Diversity Management Policy for organization-wide compliance. • Provide 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). • Have in place effective channels for employees to offer their opinions and suggestions, for example Employee Relations Hotline. • Develop a policy related to complaint acceptance and employee grievance procedures. • Participate in meetings to exchange opinions on employee relations with other Thai commercial banks to enhance greater efficiency of employee relations management of the overall industry. • Hold "Sustainability Sharing 2019" meeting with suppliers with labor and human rights being one of the topics of the meeting. • Set up a policy to grant credits to businesses that do not violate laws or good morals; credit applicants that are not supported include the businesses involved with human rights violation, employment of illegal workers, illegal alien workers or child labor, etc. • Set up a requirement that all projects under Project Finance credits 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 • 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
Environment	<p>7. Businesses should support a precautionary approach to environmental challenges;</p> <p>8. Undertake initiatives to promote greater environmental responsibility; and</p> <p>9. Encourage the development and diffusion of environmentally friendly technologies.</p>	<ul style="list-style-type: none"> • KBank Board of Directors reviews the Environment and Energy Conservation Policy. • Set up a target to reduce GHG emissions of KBank's operations by 20 percent within 2020 (compared to the based year of 2012). • Announce Environment Strategy for 2019-2023. • Carry out carbon offset schemes to achieve carbon neutrality. • Establish 5-year environmental management guidelines and plans to reduce GHG emissions. • Align office development with "Green Building" standards, with focus on energy-saving and environmentally friendly features. • Specify use of building equipment and systems associated with high technology and efficiency to preserve energy and the environment, e.g., the Solar Rooftop Project. • Organize energy conservation campaigns to enhance knowledge and compliance of employees across the organization. • Organize the Green DNA Save the World activity to reduce the use of plastic bags. • Promote "Green Building" knowledge related to energy saving and environmental friendliness, through training and company visits for various organizations and educational institutions. • Organize "Tham Di Tham Dai" employee volunteer projects on environmental conservation at nationwide communities wherein KBank branches are located. • Hold "Sustainability Sharing 2019" meeting with suppliers with the environmental issue being one of the topics of the meeting. • Provide knowledge on environmental friendliness for operators in various businesses. • Extend credits for projects of renewable energy and energy/environmental conservation to support renewable power producers and green business operators. • Set up a policy to grant credits to businesses that do not violate laws or destroy the environment; credit applicants that are not supported include the businesses with offences related to natural resources or the environment by 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. • Set up a requirement that all projects under Project Finance credits 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. • 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
Anti-Corruption	10. Businesses should oppose corruption in all forms, including extortion and bribery.	<ul style="list-style-type: none"> • Be part of a collaborative effort of Thai private sector to fight corruption by joining the Private Sector Collective Action Coalition against Corruption. • Enforce the Anti-Corruption Policy and include it in the Code of Conduct. • Establish a whistle blowing policy to receive information or complaints against unethical behaviors or fraudulent acts within KBank. • Communicate and provide knowledge on the Anti-Corruption Policy to directors, executives and employees on a continual basis. • Have in place effective channels for direct communication with KBank Board of Directors, in order to provide them with useful recommendations or information, or complaints on illegal or wrongful acts, with measures that safeguard informers against reprisal. • Organize meetings with counterparties to reiterate KBank's procurement processes and to encourage counterparties to conduct anti-corruption policies and practices. • Communicate continuously on the no-gift policy of directors, executives and employees of KBank in all festivals, and communicate this policy with counterparties via the Sustainability Sharing 2019 meeting. • Set up a policy to grant credits to businesses that do not violate laws or destroy the environment; credit applicants that are not supported include the businesses with offences related to frauds, embezzlements, thefts, robberies other fraudulent acts, acquisition of concession or permit by using governmental or political positions, or request of bribe, commission or other forms of returns, etc. • 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.

Sustainability Awards and Assessment

National



Sustainability Report Award 2019
granted by Thai Pat Institute



Distinguished Awards in Sustainable Development Excellence
from Thailand Corporate Excellence Awards 2019, organized by Thailand Management Association in collaboration with Sasin Graduate Institute of Business Administration of Chulalongkorn University



Selected by the Stock Exchange of Thailand to be included in the **Thailand Sustainability Investment (THSI) 2019**



SET Outstanding Sustainability Awards 2019, in the listed company category with market capitalization of more than Baht 100 billion, granted by the Stock Exchange of Thailand at the SET Awards 2019



The first Thai commercial bank to **offset carbon to achieve net zero carbon emission** and transform into a carbon neutral organization, becoming the corporate model for easing the global warming problem, contributing towards a low carbon society, and propelling Thai businesses toward sustainability.



ESG 100 Certificate 2019
with outstanding ESG performance
by Thai Pat Institute



"Excellence", based on Corporate Governance Report of Thai Listed Companies for 2019, by the Thai Institute of Directors Association (IOD)



"Excellence", based on the AGM Quality Assessment Program for 2019, by the Thai Investors Association in cooperation with the Office of the Securities and Exchange Commission and the Thai Listed Companies A

International



Assigned "AA" rating, a leadership level in ESG operations among banks in emerging markets, by MSCI



A member of the 2020 Bloomberg Gender-Equality Index (GEI), the first to become a GEI member from Thailand. It is one of 230 companies selected for 2020 Bloomberg GEI, which distinguishes companies committed to transparency in gender reporting and advancing women's equality.



FTSE4Good

A constituent of the FTSE4Good Emerging Index 2019 for the fourth year running. The FTSE4Good Series is designed to help investors integrate environmental, social and governance (ESG) factors into their investment decision. The indexes identify companies that better manage ESG risks and are used as a basis for tracker funds, structured products and as a performance benchmark.



In collaboration with



A member of the Dow Jones Sustainability Indices (DJSI) 2019, including DJSI World Index and DJSI Emerging Markets Index for the fourth year running. KBank is the first commercial bank in Thailand and ASEAN to be an index component of DJSI World Index. KBank also garnered the award classified in the Bronze Class of the banking industry by RobecoSAM for the third year running. The assessment results are published in RobecoSAM Sustainability Yearbook 2020.



"A-" grade in climate change management from the Carbon Disclosure Project (CDP). KBank is the first and only Thai commercial bank to make it onto CDP's A- list (Leadership Level), being an important disclosure standard for related to carbon emissions and climate change in the global market and serving as an online GHG emission database for the world largest organization. Investors use CDP's data as part of their investment and decision making in various matters.

Investor Relation (IR) Awards 2019

Institutional Investor magazine

- ASEAN Most Honored Companies (Best CEO, Best CFO and Best IR Programs categories)
- ASEAN Overall Best ESG/SRI Reporting
- Best CFO-Thailand

Kaohoon Newspaper, Stock Exchange of Thailand and University of the Thai Chamber of Commerce

- "Popular Stock Award" in financial business category

Assurance Statement



LRQA Assurance Statement

Relating to KASIKORNBANK PUBLIC COMPANY LIMITED's Sustainability Report for the calendar year 2019

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

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by KASIKORNBANK PUBLIC COMPANY LIMITED (KBank) to provide independent assurance on its Sustainability Report 2019 ("the Report") against the assurance criteria below to a moderate level of assurance and at the materiality of the professional judgement of the verifier, using AccountAbility's AA1000AS (2008), where the scope was a Type 2 engagement.

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 AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness.
- 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 the following topic specific standards:
 - Environmental:
 - GRI 302-1 Energy consumption within the organization
 - GRI 303-1 Total water withdrawal by source
 - GRI 305-1 Direct (Scope 1) GHG emissions
 - GRI 305-2 Energy (Scope 2) indirect GHG emissions
 - GRI 305-3 Other (Scope 3) indirect GHG emissions: Category 6 - business travel by taxicab only, and
 - GRI 306-2 Waste by type and disposal method
 - Social:
 - GRI 403-2 Total employees' absenteeism, and
 - Initiatives to enhance financial literacy by type of beneficiaries (former FS16).

Our assurance engagement excluded the data and information of KBank's operations and activities outside of Thailand.

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

LRQA's Opinion

Based on LRQA's approach 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 topic specific standards
- 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 moderate level of assurance and at the materiality of the professional judgement of the verifier.

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 rather than physically checking source data at sites.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with AA1000AS (2008). The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing KBank's approach to stakeholder engagement and determining material issues to confirm that this information had been used to prepare their Report. We did this by benchmarking reports written by KBank and its peers to establish whether the majority of sector issues were included in this Report. 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 process and systems. We also spoke with 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 topic specific standards.

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.
- **Materiality:**
We are not aware of any material issues concerning KBank's sustainability performance that have been excluded from the Report. KBank has processes for identifying and determining material issues based on a set of unbiased criteria.
- **Responsiveness:**
KBank has processes for responding to its various stakeholder groups and the Report remains readily accessible to all. However, we believe that the future reports should demonstrate how KBank uses its data & information to inform business decisions and improve its governance of environmental performance.
- **Reliability:**
KBank has improved its data management system for environmental topic specific standards; for example, waste disposal. However, we believe that future reports should extend the disclosure of how KBank's performance actually impacts or effects the local, regional or global environment.

LRQA's 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.

Signed

Opat Charuratana
LRQA Lead Verifier

Dated: 4 February 2020



AA1000
Licensed Assurance Provider
000-11

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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.

KASIKORNBANK Sustainability Report 2019 Questionnaire

To Our Stakeholders

We would like to express our sincere appreciation for your long-standing patronage of KASIKORNBANK. We are pleased to announce the availability of our Sustainability Report 2019, compiled from the perspective of what kind of contributions KASIKORNBANK has made in FY2019 to build the sustainable economy, society and environment. The report underpins our undertaking and activity on realizing a future where people are connected and created value in society. We thank all our stakeholders again for taking the time to read KASIKORNBANK Sustainability Report 2019 and complete the questionnaire or from our website. Your opinion and comments are great value and will help us developing future reports.

What were your thoughts after reading the Sustainability Report 2019?

Level of understanding:

- ☐ Very easy to understand
- ☐ Easy to understand
- ☐ Average
- ☐ Difficult to understand
- ☐ Very difficult to understand

Overall satisfaction:

- ☐ Very satisfied
- ☐ Satisfied
- ☐ Average
- ☐ Slightly satisfied
- ☐ Dissatisfied

Which areas were you interested in or which sections were you most impressed by

- ☐ Sustainable Development
- ☐ Economic Dimension
- ☐ Social Dimension
- ☐ Environmental Dimension
- ☐ Economic, Social and Environmental Performance

Do you have a different impression of KASIKORNBANK after reading the Sustainability Report 2019?

- ☐ More favorable
- ☐ Same
- ☐ Less favorable

Which of the following best describe you or your affiliation?

- ☐ Product/Service user
- ☐ Product purchaser
- ☐ In charge of SD/CSR at a different company
- ☐ In charge of environmental activities at a different company
- ☐ Environmental specialist
- ☐ Media
- ☐ Government official
- ☐ KBank employee
- ☐ KBank partner
- ☐ Shareholder/Investor
- ☐ NGO/NPO
- ☐ Student
- ☐ Others

Please feel free to write down your evaluation and thoughts on KASIKORNBANK Sustainability Report 2019.

All inquiries regarding the report should be addressed to:

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In adherence to our "Green DNA" resolution, this report is printed on paper made from trees grown in sustainably managed forests and processed with concern for the environment. The use of soy-based ink reduces greenhouse gas emissions and is environmentally friendly.



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