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**KASIKORNTHAI**

Sustainability Report

# 2015

Green DNA



## Bank of Sustainability

ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ

# CUSTOMER CENTRICITY



**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 เซครเทเรียด**  
开泰技术集团管理 KASIKORN TECHNOLOGY GROUP SECRETARIAT



**กสิกร แล็บส์**  
开泰研发 KASIKORN LABS



**กสิกร ซอฟต์แวร์**  
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



- Multi-Corporate Business • Large Corporate Business • Medium Business
- Small and Micro Business • High Net Worth Individual • Affluent • Middle Income • Mass

Green DNA is our resolution to pursue sustainable development in the economy, society, and environment as a central building block of our organizational culture.

This resolution guides us in all our operations and serves to create our identity as “Bank of Sustainability”



## Bank of Sustainability

KBank embraces sustainable development in the economy, society, and environment as the foundation of our operations. This guiding concept enhances our business innovation and ensures maximum benefit to all stakeholders, thus paving the way towards being a “Bank of Sustainability” for our society and nation.



**KASIKORNTHAI**



Mission



Vision



Core Values

KASIKORNBANK aims to be a strong financial institution that provides a variety of financial services of world-class quality responsive to customers' needs by harmoniously combining technology and human resources so as to achieve optimal benefits for customers, shareholders, employees and society.

KASIKORNBANK aims to be the strongest, the most innovative and the most proactive financial institution in serving customers.

- Customer Centricity
- Organization-Wide Teamwork
- Professionalism
- Innovation

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## Green DNA

Green DNA is our resolution to pursue sustainable development in the economy, society, and environment as a central building block of our organizational culture. This resolution guides us in all our operations and serves to create our identity as a “Bank of Sustainability” for our society and nation.

## Message from Chairman of the Board and Chief Executive Officer

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In 2015, the United Nations announced 17 Sustainable Development Goals (SDGs) designed to guide sustainable development in economic, social, and environmental spheres over the next 15 years. KASIKORNBANK PUBLIC COMPANY LIMITED (KBank) is a leading financial institution in Thailand, playing an important role in driving national economy and fortifying sound fundamentals in our economic and social systems. We have embraced these SDGs in our own sustainable development actions, in harmony with global targets. Notable achievements on the path towards sustainability in 2015 and plans going forward include:

### Economic Aspect

The year 2015 was another challenging year for the Thai economy, withstanding many impacts from the slowing global economy. To address the challenging economic situation, the government opted for a key interest policy rate cut measure” as a means to revive the economy. KBank was the first bank to support the government directive by lowering our lending rates.

Going forward, we will focus on the implementation of digital business strategies, in line with the Thai government’s promotion of the digital economy and changing consumer behaviors. We now have a multitude of innovative financial transaction options to satisfy the needs of all customer segments, including the less-privileged segments of society and those in remote areas. These innovative options serve as a strong base for our more stability, accuracy and efficient digital banking systems, allowing our customers to conduct anytime, borderless transactions and trade around the world - enhancing their ability to deal with rapid changes in global markets. We place equal importance on the accuracy and safety of our customers’ private data, and, thus, we have earned their confidence and trust in our services. Our digital banking leadership has resulted in our holding the largest market share at 39 percent. Our digital banking leadership extends to include service connectivity as an “AEC+3 Bank,” offering seamless cross-border solutions to capitalize on new regional opportunities. Our AEC+3 customers can enjoy smoother business networking and conduct financial transactions via cross-border funds transfers and payment services using KBank’s digital platform, thus bolstering convenience, speed, and access through our extensive service network. Beyond our cross-border services, we have been successful in improving our customers’ financial literacy through educational facilities over digital channels, e.g., the KBank website, Twitter, Facebook, Line, and many blogs, as part of our entire dedication to service excellence.

All our operations are in alignment with our sustainable development initiative, with equal importance given to all stakeholders throughout our supply chain. We emphasize the development of partnerships with environmentally-friendly businesses and those that respect human rights. This is only a first step towards enhancing our business partners’ sustainable development.

### Social Aspect

KBank realizes that our personnel are crucial to attaining and assuring our digital banking leadership and “AEC+3 Bank” status success. This year, our employee preparatory programs are aimed at upgrading staff knowledge and skills towards digital banking technologies; our K-Transformation and other related courses are held year-round. A number of foreign nationals have been employed at our domestic and foreign offices; TAKSILA ASEAN+ BANKING FORUM has been provided for them as well as AEC+3 partner bank staff. The average staff study hours increased 13.7 hours per person from 2014.

With respect to labor relations and human rights, KBank supports occupational training for people with disabilities via the Social Innovation Foundation. With an aim to assist in improving job skills towards greater, sustainable self-reliance, this project has been exemplary in creating jobs for people with disabilities. KBank is confident that these members of our society will gain considerable benefits, while the gap between business employment requirements and disabled citizens’ needs for employment will diminish over the long term.

KBank has initiated a “Corporate Citizenship Strategy” as a framework to promote social and community development in line with our sustainable development policy. Our educational activities are ongoing, e.g., the Cultivation of Wisdom Project, Pho Phan Phanya Kamp, a baccalaureate scholarship program for students in Nan Province in honor of Her Royal Highness Princess Maha Chakri Sirindhorn, and the AFTERCLASS website – an online society for Thai youths nationwide to gain useful knowledge and refine their skills - as well as various activities for youth development through the KASIKORNTHAI Foundation. Apart from enhancing the potential of our youth, KBank has launched more projects for environmental conservation in communities, e.g., our “Care for Nan Forest” and



“KBank Caring for The Urban Oasis of Bangkok” projects that reflects our sustainable development responsibility principles towards the communities surrounding KBank facilities, so that we can advance together in sustainability pursuit.

## Environmental Aspect

Being aware of the global concern over climate change, the Board of Directors appointed “Chief Environmental Officer” to represent the organization in environmental tasks. Our ultimate goal is to reduce greenhouse gas emissions from our operations by 20-25 percent by 2020, consistent with Thailand’s pledge at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change to reduce greenhouse gas emissions.

KBank has carefully defined a framework for environmental and energy conservation for the efficient utilization of energy and to determine guidelines for building construction/renovation to fulfill our long-term energy-saving plans; we have also undertaken a campaign to involve our staff in reducing paper use and segregating waste. These practices have extended into many communities as KBank officers hold joint activities with residents to rehabilitate their environment and create a sounder ecological system. A notable example of this is the Care for Nan Forest Project, which was designed to encourage communities to guard the forest and wellspring. In regards to product and service development, digital banking strategies have been adopted to facilitate customers’ financial transactions and mitigate resource utilization, resulting in a significant drop in greenhouse gas emissions. Furthermore, KBank gives full support to environmentally-friendly businesses via the energy saving production process improvement project, the solar rooftop project, and the installation of LED light bulbs. Most recently, a K-Green Building Program was launched to promote energy-efficient buildings. KBank also adheres to environmental regulations, both domestic and international, and our lending criteria for renewable energy projects, e.g., solar, wind, and biomass programs, pave the way for integration of sustainable development.

Because of our firm commitment towards conducting business per our sustainable development strategies, KBank was included on the “Thailand Sustainability Investment 2015” list of the Stock Exchange of Thailand as a “Sustainable Stock.” The Top 50 ASEAN Publicly Listed Companies” award bestowed on us by the ASEAN CG Scorecard Project also confirms our consistent alignment with good corporate governance principles. Moreover, KBank discloses information on sustainable development to all stakeholders, in compliance with internationally recognized G4 guidelines within the Global Reporting Initiative (GRI).

It is our aspiration to instill the sustainable development concept into our “staff DNA,” integrating it into all our business processes. Our “Green at Heart” resolution has been redefined as “Green DNA” to reflect our intent to incorporate sustainable development initiatives into every element of our business. We believe this will generate stable growth for all stakeholders. Our dedication to the Sustainable Development Goals and our incorporation of these goals into every aspect of our business and community involvement will reassure stakeholders that we have the capability to satisfy the demands and expectations of all, which is an identity for Bank of Sustainability.



Mr. Banthoon Lamsam

Chairman of the Board and Chief Executive Officer

# KASIKORNBANK and Sustainable Development

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KASIKORNBANK PUBLIC COMPANY LIMITED (KBank) conducts commercial banking business, securities business, and other related businesses. With more than 70 years of business operations in Thailand, KBank expanded our coverage to foreign countries in 1975, now having service networks in nine nations. KBank is among Thailand's largest banks and focuses on achieving the status of "Main Bank" of all customer segments. Our satisfactory performances have been supported by cautious risk management and transparent corporate governance with aspiration towards sustainable business advancement.

Number of shareholders

60,276 Million Shares



Digital banking leadership, with top market share at

39%<sup>2</sup>



Number of employees<sup>3</sup>

34,598 people



Renewable energy project finance

3,970 Megawatt (Since 2005)



Net profit

39,474 Million Baht

Serving more than

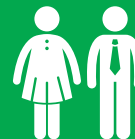
13.4

Million Customers



Female : Male employees at management level<sup>4</sup>

1 : 1.45



CO<sub>2</sub>e reduction from renewable energy project finance

1.5 Million Tonnes (Since 2005)



Cost to income ratio

45.19%



Customer satisfaction level

90%



Employee engagement score

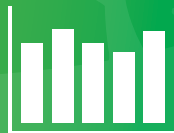
61%

Total scope 1&2 CO<sub>2</sub> emission



2.9

Tonnes per FTE



Loan growth<sup>1</sup>

5.42%



Reduction in customer complaints

17%

Donations for development of communities and society<sup>5</sup>



182.3 Million Baht

Energy consumption per FTE

7.0%



<sup>1</sup> Loan refers to lending to debtors less deferred income

<sup>2</sup> Based on the number of digital banking users as reported by the Bank of Thailand, as of the end of September 2015

<sup>3</sup> Including KBank, K Companies and P Companies employees

<sup>4</sup> Management level refers to high- and mid-level executives of KBank

<sup>5</sup> These donations were made in cash for development of communities, society and education

## About KASIKORNBANK



Established on June 8, 1945, KBank conducts commercial banking business, securities business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related regulations. KBank has more than 31 subsidiaries, a service network of 1,132 domestic branches<sup>6</sup> across Thailand and 16 overseas offices. KBank Headquarters located in Bangkok; total number of employees stand at 34,598. 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.

### KASIKORNBANK PUBLIC COMPANY LIMITED

- Established on June 8, 1945
- Thailand's first financial conglomerate that offers the most comprehensive financial solutions to accommodate all customer demands.

### KASIKORN ASSET MANAGEMENT COMPANY LIMITED

- Established on March 18, 1992
- Skillful investment advisor of Thailand, offering integrated

services related to mutual funds, private funds and provident funds for individual and business customers, as well as funds, foundations, commercial banks, public agencies and large-scale foreign institutional investors.

### KASIKORN RESEARCH CENTER COMPANY LIMITED

- Established on December 16, 1994
- Providing economic, business, financial and banking knowledge for KBank staff and customers, as well as the general public; preparing accurate, useful and up-to-date academic information for the purpose of public relations and dissemination of academic reputation as a KBank subsidiary.

### KASIKORN SECURITIES PUBLIC COMPANY LIMITED

- Established on July 29, 2005
- Supplying full-circuit 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.

<sup>6</sup> In 2015, KBank opened 10 new branches and closed 12 branches. Branch details can be found in the Annual Report 2015, page 272.

### KASIKORN LEASING COMPANY LIMITED

- Established on August 8, 2005
- Offering integrated and diverse 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<sup>7</sup>

- Established on July 9, 1990
- Operating a full circuit of machinery and equipment leasing business, consisting of three key services, i.e., hire purchase, financial lease and operating lease for individuals and business entities.

On October 9, 2015, KBank set up KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) to support the Bank's business-technology strategies and answer customer demand that has changed significantly due to technology infrastructure transformation. The KBTG establishment is also intended to enhance efficiency of KBank's IT management, raising our potential in dealing with any form of disruptive forces and enhancing greater competitiveness amidst constant changes in financial technologies in the global market. KBTG consists of the following five companies.

### KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED

- Plans and oversees KBTG operations; provides support for financial and human resource management; and facilitates the alignment of the Group and KBank.

### KASIKORN LABS COMPANY LIMITED

- Focuses on research and development of new technologies and innovative business models that embrace digital banking and the digital economy; and develops prototypes of in-house innovations for beta testing prior to rolling them out as KBank products.

### KASIKORN SOFT COMPANY LIMITED

- Designs and builds the IT systems that accommodate business requirements of KBank; and successfully supports innovations towards provision of quality services.

### KASIKORN PRO COMPANY LIMITED

- Is responsible for KBank's new and modified IT infrastructure and systems; and ensures that such infrastructure is up-to-date and in well-maintained conditions for maximum efficiency.

### KASIKORN SERVE COMPANY LIMITED

- Provides support services for KBTG, in regard to IT system development, testing and implementation.



KBank participates as a partner, networker and member of organizations or agencies established for economic and social benefits, and adopts their best practices for implementation within the Bank, including participation in the development of work processes and knowledge sharing.

KBank executives also participate as members and directors of organizations or agencies responsible for the development of financial institutions and sustainable development, such as:

Thai Bankers' Association (since 1958)

CSR Club of the Thai Listed Companies Association (since 1989)

Thailand Business Council for Sustainable Development: TBCSD (since 1993)

Thailand Management Association: TMA (since 2010)

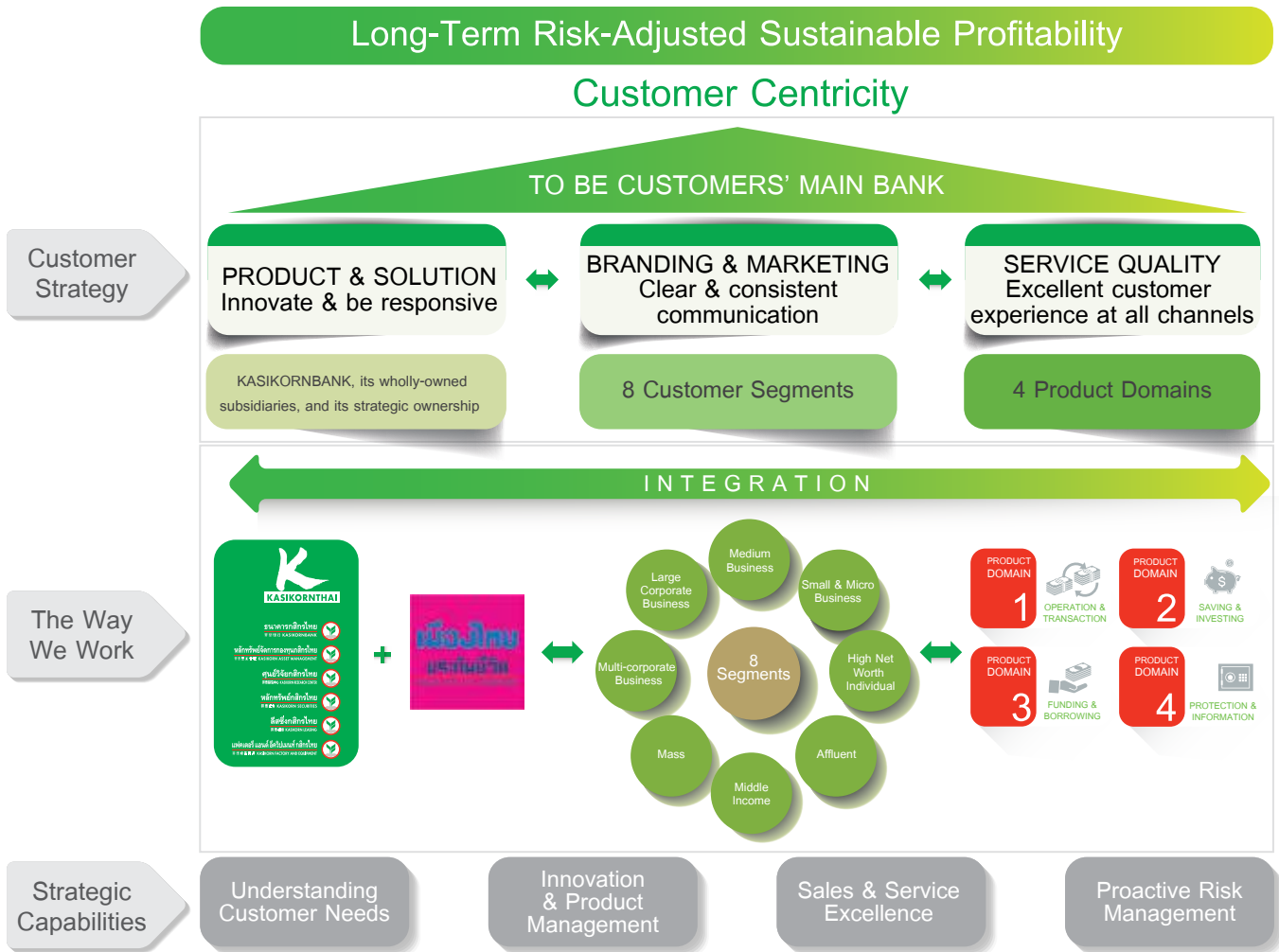
CSR Club of the Thai Bankers' Association (since 2012)

Private Sector Collective Action Coalition Against Corruption (since 2013)

<sup>7</sup> KASIKORN FACTORING CO., LTD. was founded in 1990 and renamed KASIKORN FACTORY & EQUIPMENT CO., LTD. in 2009.

<sup>7 (G4-16)</sup> KASIKORN FACTORING CO., LTD. was founded in 1990 and renamed KASIKORN FACTORY & EQUIPMENT CO., LTD. in 2009.

Strategic Directions of KASIKORNBANK







KBank and our subsidiaries always adhere to the Customer Centricity strategy, striving to become the Customers' Main Bank by satisfying their needs with comprehensive financial service plus delivery of good experience for all customer segments via three main areas, including Product & Solution with focus on creation of innovative products to meet customer needs in a timely manner, Branding & Marketing through clarity and consistency of the brand at all levels, and Service Quality by delivery of the

finest service experience for all customers through our various service channels. These three prongs are based on the following key strategic directions:

- Understanding Customer Needs
- Innovation and Product Management
- Sales & Service Excellence
- Proactive Risk Management

In 2015, KBank's business strategies are aimed at attaining four aspirations:

 <p>To be "Customers' Main Bank" across all segments with strong branding</p>	 <p>To keep its leadership in digital and transaction banking services</p>	 <p>To become the "AEC+3 Bank"</p>	 <p>To place importance on business operations under the "excellent service" concept and to strengthen this market position</p>
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### Sustainable "AEC+3 Bank"

To capitalize on stellar economic growth in this region, expected to be boosted by the advent of ASEAN Economic Community (AEC), KBank has been moving forward with network expansion across the region and innovation of products and services in perfect response to the desires of ASEAN people. With this roadmap, we are poised to accommodate growing volumes of investment funds and cross-border transactions, while standing ready to offer financial support to corporate and SME establishments, as well as retail customers, anywhere and anytime.

Considering economic directions in the region and business opportunities in China, Japan and South Korea, KBank is confident that our service connectivity in the country and abroad will assist in our strong, stable and sustainable growth.



## Management Directions

KBank's Corporate Strategy Division has been assigned for determining the overall directions and strategies of the organization, promoting the corporate image and consistent collaboration across KASIKORNBANK FINANCIAL CONGLOMERATE. The determined strategies are proposed for KBank Board of Directors' approval; they are announced to the stakeholders at the end of each year's last quarter and presented the Bank's performance at the General Meeting of Shareholders, as well as regular tracking and monitoring.

For achievement of KBank's targets and enhancement of operational efficiency, a "Strategy Management Process" has been adopted, which is devised on an annual basis or revised during the year, given changes in economic conditions or competitive environment, to ensure that KBank is always equipped with proper strategic directions. Effective implementation of such strategies is ensured, so that all business goals are reached and our leadership in the commercial banking business is maintained in the long-term. The Strategy Management Process is composed of six procedures<sup>8</sup>, namely Develop the Strategy, Plan the Strategy, Align the Organization, Plan Operations, Monitor and Learn, and Test and Adapt.

## 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- and long-term indicators to measure success through four key dimensions, including:

- Finance
- Customers
- Internal processes
- 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 enable the attainment of established objectives.



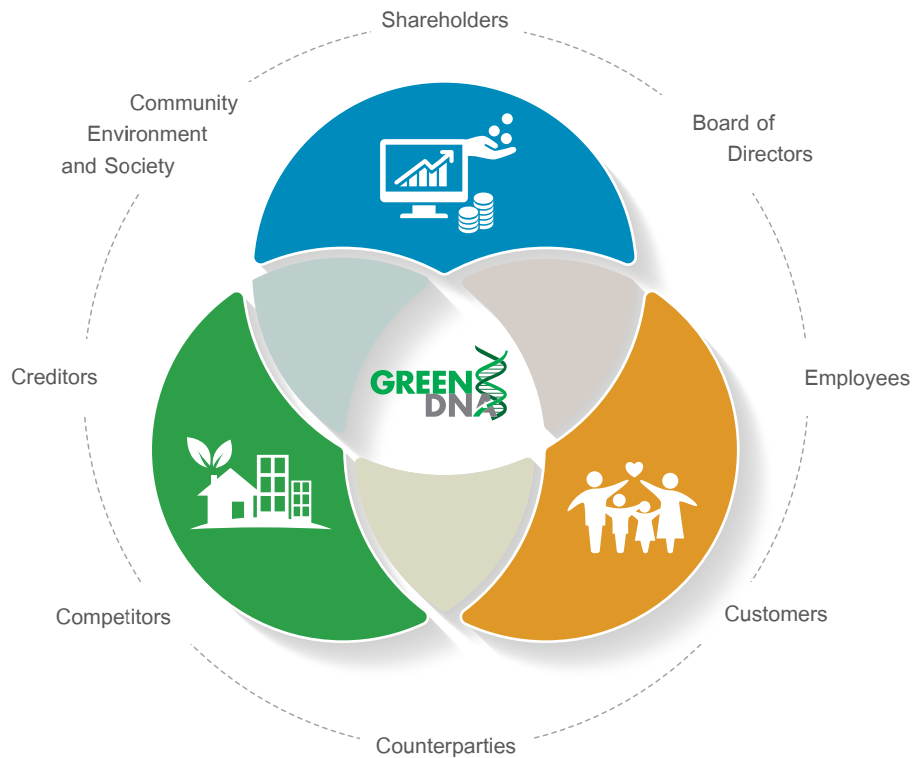
<sup>8</sup> The Execution Premium by Robert S. Kaplan and David P. Norton



## Sustainable Development

It is KBank's firm intent to ingrain the sustainable development concept in all work processes and to nurture it as our identity at the "DNA" level, which will serve as a foundation for our excellent service delivery. To this end, our "Green at Heart" resolution has been transformed to a "Green DNA", reflecting our determination to embrace the sustainable development initiative in all operational components and to generate sustainable benefits to our stakeholders. We have built a strong foundation in staff knowledge and understanding through e-Learning courses and activities to

promote staff awareness and responsibility that have become the organizational culture of KBank people. From this fundamental, we further our undertaking in sharing our experience of sustainable business operations to various customer segments and publicizing sustainable development knowledge for our stakeholders on the sustainable development webpage of [www.kasikornbank.com](http://www.kasikornbank.com). All these tasks reaffirm our determination to activate the sustainable development concept for ultimate benefits of all stakeholders and sustainable advancement of society and nation.



**Sustainable Economy**

To generate stable, strong and sustainable economic growth

**Sustainable Society**

To render good living conditions for employees and communities in a sustainable manner

**Sustainable Environment**

To preserve a sustainable balance in natural resources and the environment for next generations

## Sustainability in Action

KBank's Sustainable Development Policy has been set out as guidelines towards sustainable business growth in three dimensions related to the economy, society and environment. The sustainable development concept has been fostered in all operating processes of KBank units under the sustainable

development structure, which cascades the targets to the implementation level. Action plan integration has created effectiveness of the concept, which in turn generates the maximum benefits to all stakeholders.



### Economic Aspect

- Business operations defined by good corporate governance practices
- Adherence to a "Customer Centricity" philosophy and effective customer responsiveness
- Professionalism and operational excellence
- Product and service enhancements via value-added innovations
- Sharing of financial knowledge with the general public
- Efficient risk management
- Participation in development of a sustainable economy



### Social Aspect

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



### Environmental Aspect

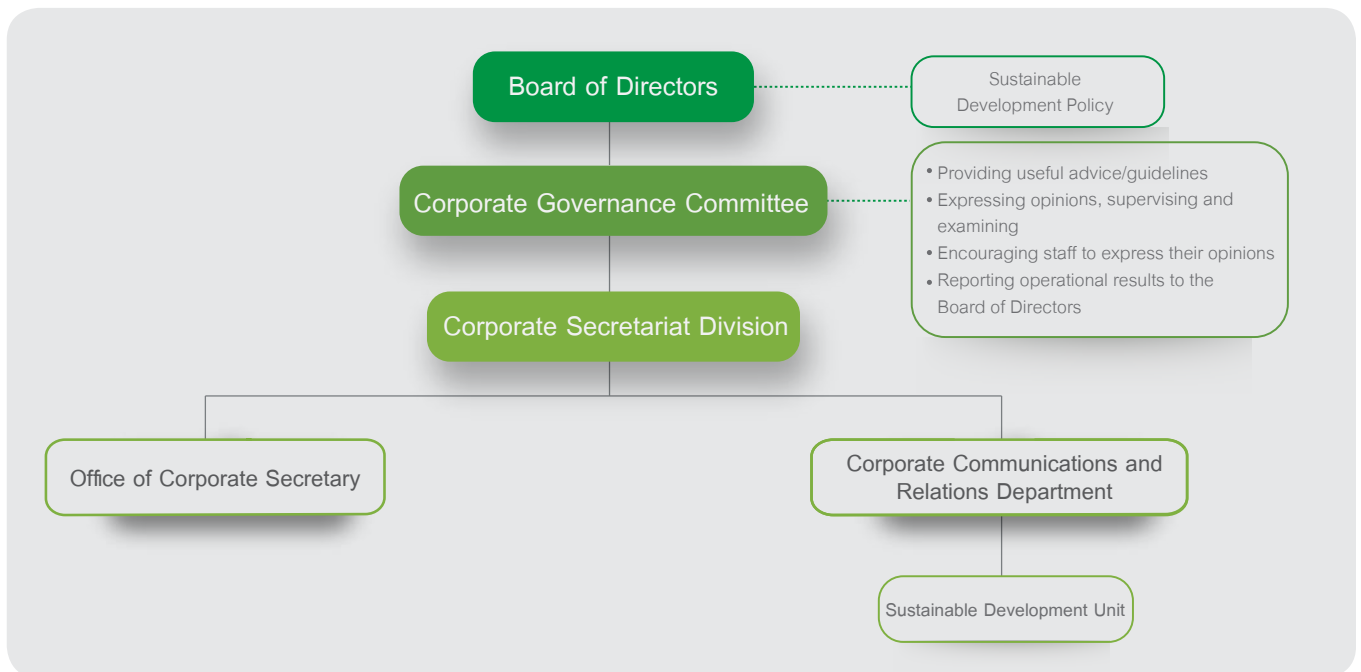
- Environmentally-friendly business operations
- Conservation and reduction of use of natural resources and waste reduction
- Building on awareness and organizational culture in environmental protection



### Sustainable Development Structure

According to KBank's sustainable development structure, the Chairman of the Board and Chief Executive Officer represents KBank in driving the organization towards sustainable development. The Corporate Governance Committee, responsible for supervising sustainable development operations, holds a meeting every two months with reports to be submitted

to the Board of Directors. The Corporate Secretariat Division's Corporate Communications and Relations Department promotes and supports KBank operations per the guidelines assigned by the Board of Directors. This structure has enhanced a harmony in all operating processes, leading to sustainable growth of KBank and responsiveness to all stakeholders' needs.



### Material Aspects

This year is the second year wherein KBank uses the Global Reporting Initiative (GRI) version G4 as the framework of our Sustainability Report, with a significant emphasis on materiality assessment. Throughout such assessment, we have learnt about the important issues shared by KBank and our stakeholders.

In 2015, our extensive materiality assessment process includes official meetings between KBank units and stakeholders to discuss in details the qualitative and quantitative dimensions

of each material aspect, in order to come up with the connectivity and relationship of such aspects. With this systematic approach, we are able to identify, prioritize and validate the contents of material aspects that are involved with KBank's business operations and stakeholders. In addition, the approach produces efficient reporting of our sustainable development performances and assists in outlining future strategies and activities of sustainable development.

### Materiality Assessment Processes (G4-18)

- Organization of meetings with key stakeholders to define the scope and processes for identification of material aspects and stakeholder groups that will take part in determining KBank's sustainable development issues and aspect boundary
- Studies of information that may affect KBank's operations and interest of our stakeholders, including our internal, basic information, news from both domestic and foreign media, public consultation forums and satisfaction surveys to compile into sustainable development issues
- Assignment of stakeholders, e.g. customers, employees, investors, researchers, and representatives of public and private organizations and institutions, to share their views and take part in prioritization of sustainable development issues, as well as determination of details of each material aspect, in the forms of meetings, seminars, one-on-one interviews, etc.
- Analysis and consideration of information gained from stakeholders for prioritization of sustainable development issues into 11 aspects of three magnitudes of impact significance: large, moderate and small
- Organization of meetings with all KBank units to communicate on the above-stated prioritization, operational guidelines and information submission; proposition of material aspects to the Corporate Governance Committee and Management Level for consideration and validation; and approval of operational guidelines and identification of material aspects in KBank's Sustainability Report and website
- Preparation for information review after Sustainability Report has been disseminated to the stakeholders and their views and recommendations have been acquired

### Material Aspects and Boundaries

#### (G4-18, G4-19, G4-20 and G4-21)

KBank has assessed the significance of impacts of all stakeholder groups on the organization's sustainability. Three magnitudes of impact significance are determined, which are large, moderate and small, for 11 aspects. Boundaries of each aspect within and outside the organization have been defined, as shown in the following tables, with details covering KBank's operations both within and outside the organization.

#### "Within Organization" boundary:

- KBank
- Wholly-owned subsidiaries of KBank (K Companies)
- Support service providers to KBank (P Companies)

#### "Outside Organization" boundary:

- Customers
- Suppliers/ Counterparties
- Competitors
- Shareholders
- Creditors
- Government Agencies
- Mass media
- Civil society/Academics
- Community and Society

The 11 GRI aspects stated in this report have been elaborated from the 2014 Sustainability Report that contained 15 aspects, with a merger of certain aspects, i.e. Environmental Products and Services, Energy/ Water/ Waste Management and Climate Change and Environmental Footprint into the aspect of Reducing Environmental Footprint.

### Material Issues (G4-19)



Material Issues	GRI Aspect (G4-19)	Within Organization (G4-20)	Outside Organization (G4-21)	Aspects stated in the report
<b>Risk Management</b>				
Changes in regulatory requirements/ Fortification of risk management/ Overall risk assessment/ Consideration of environmental, social and governance factors	Compliance/ Audit	All businesses	Not significant	Corporate Governance and Risk Management Sustainable Economy
<b>Responsible Products and Services</b>				
Lending with responsibility/ Environmentally-friendly products and services	Products and Services	All businesses	Customers Counterparties	Sustainable Economy
<b>Customer Centricity</b>				
Product labeling management/ Customers' satisfaction and expectation towards products and services/ Safety of information and technologies	Product and Service Labeling/ Marketing Communications/ Customer Privacy/ Compliance	All businesses	Customers Counterparties	Sustainable Economy
<b>Anti-corruption and Fraud Prevention/ Corporate Governance</b>				
Corporate governance and inspectability/ Organizational culture and compliance with ethical principles/ Transparency/ Effort of anti-corruption, anti-money laundering and combat financing of terrorism / Promotion of internal audit and reporting systems	Anti-corruption	All businesses	Not significant	Corporate Governance and Risk Management
<b>Financial Inclusion and Capacity Building</b>				
Access to financial services/ Development of access to financial services for less privileged people/ Provision of services and credits for small and medium enterprises/ Provision of financial knowledge	Products and Services/ Economic Results/ Indirect Economic Impacts	All businesses	Customers Community and Society	Sustainable Economy
<b>Reducing Environmental Footprint</b>				
Climate change mitigation/ Energy management/ Water management/ Waste management	Emissions/ Energy/ Water/ Effluents and Waste	All businesses	Community and Society	Sustainable Environment

Material Issues	GRI Aspect (G4-19)	Within Organization (G4-20)	Outside Organization (G4-21)	Aspects stated in the report
<b>Labor Practices</b>				
Promotion of diversity/ Employee attraction and retention/ Labor relations management/ Employee remuneration/ Promotion of association and collective bargaining rights/ Organizational culture/ Employee engagement	Employment/ Labor/ Management Relations/ Diversity and Equal Opportunity/ Equal Remuneration between Women and Men/Labor Practices Grievance Mechanisms	All businesses	Counterparties	Sustainable Society
<b>Training and Development</b>				
Employee performance assessment/ Personnel development per established plans/ Development of high-potential employees/ Knowledge management/ Job engagement	Training and Education	All businesses	Not significant	Sustainable Society
<b>Work-life Balance and Well-being</b>				
Promotion of sound work environment/ Promotion of employee well-being/ Promotion of employees' work-life balance	Occupational Health and Safety	All businesses	Counterparties	Sustainable Society
<b>Empowering Community and Society</b>				
Operations with stakeholders/ Arrangement of activities for the benefits of communities undertaken by KBank officers and employees/ Support of activities that stimulate economic growth	Local Communities/ Products and Services** /Indirect Economic Impacts	All businesses	Customers Community and Society	Sustainable Economy Sustainable Society
<b>Supply Chain Management</b>				
Risk management with respect to society, environment and governance in supply chains	Counterparty Assessment in regard to Environment/ Employment/ Human Rights/ Impacts on Society	All businesses	Counterparties	Sustainable Economy

\*\* GRI G4 Finance Sector Supplement

## Stakeholder Engagement (G4-24, G4-25, G4-26, G4-27)

Placing importance on stakeholder engagement, KBank's operational guidelines for stakeholders are stipulated in our Statement of Business Conduct, Code of Conduct and Annual Report. Stakeholders are classified into eight groups: shareholders, the Board of Directors, employees, customers, counterparties, competitors, creditors, the community, the environment and society, according to relevancy to our business processes. Stakeholder engagement has been fostered via related units, with

focus on equal rights of all stakeholders by integrating the AA1000 Stakeholders Engagements Standards (AA1000SES). We have designed processes and procedures to identify stakeholders' needs and concerns via various forms of activities, with defined frequencies, e.g., meetings, seminars, customer and employee surveys. Results have been adopted to determine harmonized guidelines, as follows:

Stakeholders (G4-24)	Interests and Expectations (G4-27)	Communications and Channels (G4-26)
Shareholders	<ul style="list-style-type: none"> <li>• Appropriate return on investment in KBank stock, sound and sustainable growth of the organization</li> <li>• Satisfactory performances and stable growth</li> <li>• Transparent and fair operations</li> <li>• Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Holding Meeting of Shareholders <sup>9</sup></li> <li>• Announcing quarterly operating results and information disclosure on KBank websites and publications</li> <li>• Investor road show</li> <li>• Enquiring via website</li> <li>• Meeting with and providing information for shareholders and investors</li> </ul>
Board of Directors	<ul style="list-style-type: none"> <li>• Transparent operations and adherence to the Good Corporate Governance principles</li> <li>• Equitable treatment of all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Holding board meeting every month (except for force majeure cases) <sup>10</sup></li> <li>• Providing adequate, complete and timely information and encouraging practice of corporate governance</li> <li>• Developing knowledge related to directors' discharge of duty</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Appropriate remuneration and welfare</li> <li>• Career advancement and security</li> <li>• Continued employee development</li> <li>• Security and safety at work</li> </ul>	<ul style="list-style-type: none"> <li>• Holding employee orientation</li> <li>• Arranging for a safe and hygienic work environment conducive to working efficiency</li> <li>• Organizing suitable learning courses for employees</li> <li>• Conducting annual employee satisfaction survey</li> <li>• Having in place channels for receiving opinions and suggestions</li> <li>• Undertaking regular salary surveys in the market every year</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Quality products and services</li> <li>• Convenient use of products and services, available financial advice</li> <li>• Protection of customers' confidential information</li> <li>• Preparedness and swiftness in responding to customers' demands</li> </ul>	<ul style="list-style-type: none"> <li>• Assisting customers via Relationship Managers</li> <li>• Holding customer relation activities on a monthly basis</li> <li>• Holding regular activities to offer information about KBank products and services</li> <li>• Having in place channels for receiving suggestions and complaints</li> <li>• Providing recommendations on domestic and international trade and investment</li> <li>• Conducting annual customer satisfaction survey</li> </ul>

<sup>9</sup> Details of communication frequency and shareholder participation channels can be found in the 2015 Annual Report, page 200

<sup>10</sup> Details of communication frequency and shareholder participation channels can be found in the 2015 Annual Report, page 207



Stakeholders (G4-24)	Interest and Expectation (G4-27)	Communications and Channels (G4-26)
Counterparties	Counterparties <ul style="list-style-type: none"> <li>• Business ethics and transparent business operations</li> </ul> Business partners <ul style="list-style-type: none"> <li>• Business cooperation with partner banks in various aspects</li> </ul>	<ul style="list-style-type: none"> <li>• Arranging annual meeting with counterparties to communicate on KBank's operational directions</li> <li>• Visiting counterparties to acquire their opinions and suggestions</li> <li>• Having in place channels for receiving opinions and suggestions</li> <li>• Conducting annual counterparty satisfaction survey</li>   <li>• Entering into agreement to prepare cooperation frameworks with business partners</li> <li>• Organizing relationship enhancement activities every year</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>• Fair and transparent business operations and competition</li> </ul>	<ul style="list-style-type: none"> <li>• Creating fair competitive conditions</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>• Interest and loan payment within due date</li> <li>• Appropriate and continual communications</li> </ul>	<ul style="list-style-type: none"> <li>• Arranging various forms of activities, including learning-based ones, to strengthen relationships</li> <li>• Accepting suggestions and complaints</li> </ul>
Community, Environment and Society	<ul style="list-style-type: none"> <li>• Financial literacy</li> <li>• Services and products suitable for daily life</li> <li>• Development and promotion of community economic growth</li> <li>• Environmental protection</li> <li>• Support to social and community activities</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring needs of communities and society every year</li> <li>• Organizing activities with communities and visit to KBank</li> <li>• Offering financial knowledge via KBank activities</li> </ul>

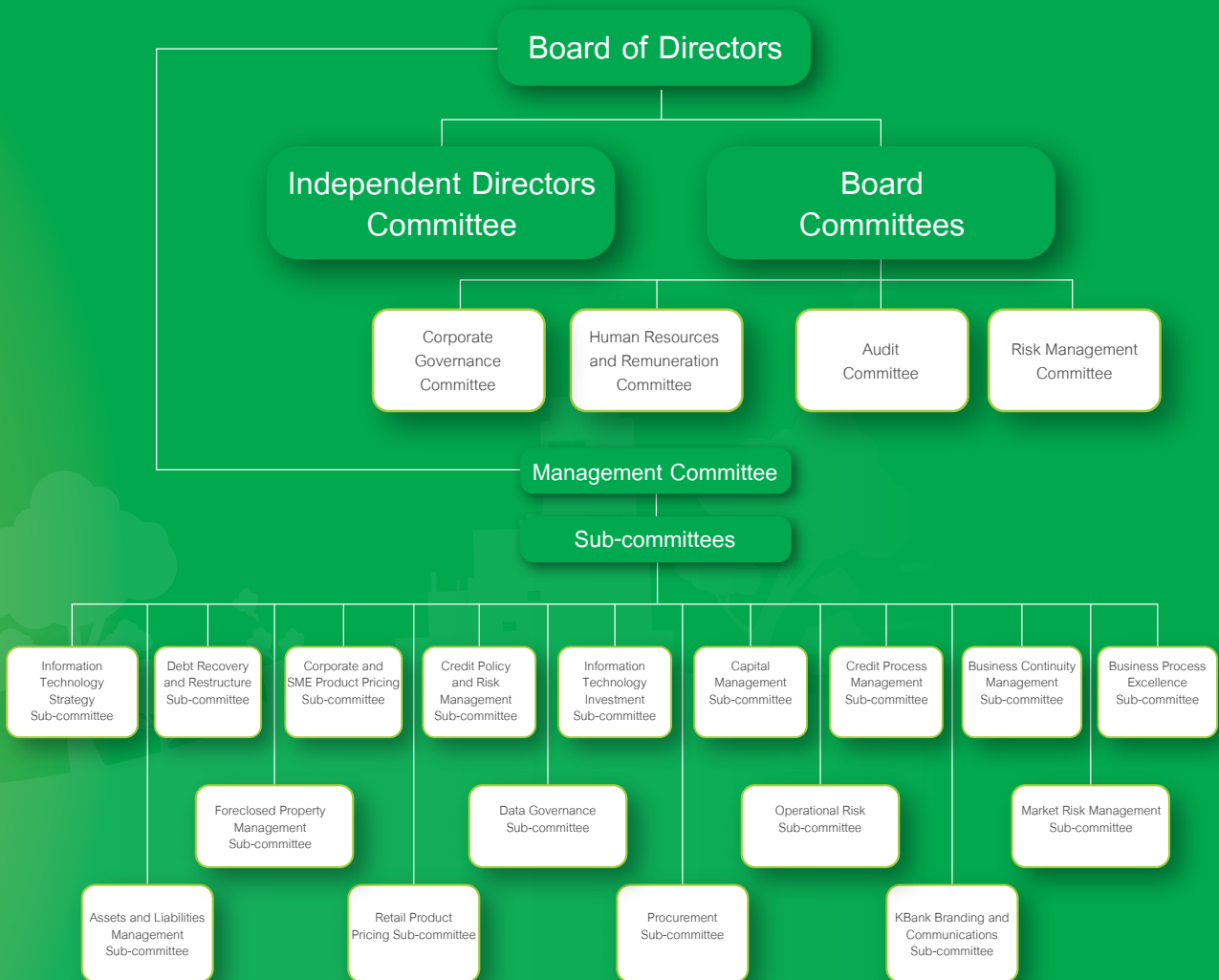
## Corporate Governance and Risk Management

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Good corporate governance and effective risk management along with systemic monitoring and evaluation are instrumental to driving KBank towards the set goal. To work responsibly and operate our business in conformity with the ethical standards is conducive to the Bank’s balanced and sustainable growth.



Corporate Governance Structure

## Corporate Governance

A bank of good practices is made up of directors and employees who all conform to the expected ethical standards. This is the basis of the Bank's success. Continuing and sustainable success results from the conduct of every one of us. In carrying out our duties, each must uphold the Bank's ethical standards in our daily tasks and in all of our decisions.

The Board of Directors' role is to oversee the management of KBank business operation. The Board of Directors' decisions are independent, taking into account the highest benefit of the Bank and all stakeholders. The Board approves the Mission, Vision and Core Values, as well as operational strategies, which are reviewed on an annual basis. The Board also approves major decisions with respect to directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, as well as annual business plan and budget. The Board oversees management in effectively carrying out actions that are in line with the designated policies, corporate strategy and business plans and are in compliance with the laws, regulations 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 best results with current and future risks taken into consideration. Risk assessments have been operated over 87 departments, 5 networks and 16 divisions.

The Chairman of the Board and Chief Executive Officer is currently the same person, so as to fulfill ongoing missions and to create new generation of qualified leaders who can drive the organization towards stability and sustainability. The Board of Directors has appointed the Independent Directors Committee to maintain a check-and-balance and between the Board of Directors and the management, to protect shareholders' rights.

Moreover, the Board has appointed the Board Committees, with the specific duty to study and pre-screen matters that need prudent attention prior to submission to the Board of Directors. The Board has also established a Management Committee consisting of the Chief Executive Officer, the Presidents and other Bank officers to manage and operate the Bank's business as defined by the Board.

### Independent Directors Committee

The Independent Directors Committee's role is to oversee the Bank'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 the Bank, 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 Independent Directors Committee holds at least 1 meeting in each quarter. In 2015, the Committee held a total of 12 meetings.

### Corporate Governance Committee

The Corporate Governance Committee oversees the Bank's operation and performance of executives and employees in accordance with the Statement of Corporate Governance Principles, Sustainable Development Principles and regulatory requirements which are consistent with the international standards. The Corporate Governance Committee holds at least 4 meetings each year. In 2015, the Committee held 6 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, as well as on recommendation of qualified successors to the Board 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 the Bank'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 2015, the Committee held 9 meetings.

### Risk Management Committee

The Risk Management Committee oversees the overall risk management framework to ensure that it is at an appropriate level. The Committee formulates the KASIKORNBANK FINANCIAL CONGLOMERATE risk management policy and risk appetite to present to the Board of Directors for consideration of overall risk management. The Risk Management Committee meets at least 1 in a month. In 2015, the Committee held 12 meetings.

### Audit Committee

The Audit Committee oversees the preparation of financial reports, risk management, internal control and internal audit, as well as compliance with laws, regulatory requirements and ethical standards to ensure that good governance practices are implemented within KASIKORNBANK FINANCIAL CONGLOMERATE. The Audit Committee holds at least 6 meetings per year. In 2015, the Committee held a total of 12 meetings.

### Management Committee

The Management Committee oversees the Bank's day-to-day business operations for continual excellent performance, with present and future risks taken into account, which must be in conformity with the Bank's Vision, Mission, the Statement of Business Conduct and Statement of Corporate Governance Principles. The Management Committee holds at least 1 meeting a week, except when there is compelling reason or when there is no required meeting agenda or other justifiable reason. In 2015, the Committee held 50 meetings.

More details of Corporate Governance indicated in Annual Report 2015 page 189 to 227

### Building an Organizational Culture and Conforming to Ethical Principles

The Board of Directors has approved the Statement of Business Conduct and Code of Conduct for directors and employees. All directors, executives and employee share common goals in carrying out their designated duties and responsibilities to the Bank and its stakeholders. They perform their duties with integrity, and in compliance with applicable laws and KBank's rules and regulations. The Board has assigned the Corporate Governance Committee to establish principles and effective practices for corporate governance at KBank. Those policies are subject to an annual review.

### Statement of Business Conduct

1. Aiming to satisfy customers by offering quality products and excellent services.
2. Continually striving for superior performance.
3. Attracting and recruiting people with skills and experience, continually developing human resources, and offering salaries and benefits comparable to other leading companies.
4. Performing as a good corporate citizen, conducting business with impartiality and contributing to social development and environmental preservation.

5. Ensuring fairness for all.
6. Believing strong ethical standards and carrying out our business with integrity and honesty.
7. Protecting customer confidentiality using professional standards.
8. Being dedicated to carrying out responsibilities in a professional manner.
9. Being responsive to customers' needs.
10. Being committed to discipline in business execution, conforming to related laws and regulations.

### Principles and Guidelines of KASIKORNBANK 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 efforts 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 imbued with respect for the honor, dignity, and individual rights for all employees.
6. Leadership: We emphasize that our employees attain the leadership objectives and exercise leadership approaches in their functions.
7. Ownership: We share a common responsibility to attain maximum efficiency and effectiveness of the Bank'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.

KBank encourages all employees to perform their duties diligently in strict compliance with rules and regulations through our stated compliance policies, employee orientations, e-Learning, internal PR media, meetings and video presentations to aid in their understanding towards proper and continuous compliance with our good corporate governance philosophy.

## Business Operation Oversight

KBank operates in compliance with the laws, rules and relevant regulatory requirements, and requires all employees to perform their duties and responsibilities completely, accurately and in strict compliance with established regulations.

The Board of Directors approves a compliance policy, while the Audit Committee approves the Compliance Department Charter, which requires the Compliance Department to monitor regulatory changes and inform senior management, the Audit Committee and Board of Directors of such changes. The Compliance Department is an independent unit that reports directly to the Executive Vice President in charge of supervising the Compliance and Audit Division. The Executive Vice President reports further to the Audit Committee.

KBank requires that all employees perform their duties in accordance with our Compliance Policy, Compliance Department Charter, Compliance Manual, Compliance Program and other operational procedures, as well as each unit's handbook so that we can achieve our goals.

The Compliance Department monitors changes in rules and regulations based on data received from the competent authorities, and analyzes the impacts of such changes that may exist for KBank before communicating to relevant departments. If there are significant changes, meeting with related departments are arranged to ensure their understanding and compliance. The Compliance Department also assists in establishment or review and revision of KBank's policies and procedures, so that they comply with the effective regulatory requirements, and perform review on staff operations to ensure correct and complete undertakings.

In 2015, major changes to rules and regulations were seen in the Anti-Money Laundering, Combating financing of terrorism, Debt Collection and Life Insurance Acts, as well as in outsourcing criteria, measures to prevent Thai Baht speculation and foreign exchange control regulations, etc., through internal database of the Bank. Meetings were held to enhance staff understanding while KBank's policies and regulations were reviewed and amended in accordance with regulatory changes. KBank has also monitored staff compliance with all those stipulations.

KBank has put in place an examination of effectiveness and adequacy of risk management and internal control, including compliance with related laws and regulations, as well as KBank's policies, operational procedures and processes, and Statement of Business Conduct. Audit results and the Audit Department's recommendations have been reported to responsible persons, and monitoring has been conducted to ensure timely corrections. Significant weaknesses have been notified to the Board of Directors, the Audit Committee and/or Management within an appropriate period. Upon request, KBank forwards the audit results to regulatory agencies.

### Employee Code of Conduct and Anti-Corruption Policy Courses

	Persons	Percent of Total Employees
<b>Number of Attendants until 2015</b>	<b>19,366</b>	<b>88.01</b>

• Management	2,363	10.74
• Operating and staff level	17,003	77.27

	Persons	Percent of Total Employees
<b>Number of Attendants in 2015</b>	<b>12,128</b>	<b>55.11</b>

• Management	749	3.40
• Operating and staff level	11,379	51.71



### "Honest KBank People" Campaign

With adherence to our Good Corporate Governance principles that feature transparency and fairness in accordance with our Statement of Business Conduct, and the laws, in 2015, KBank has launched an "Honest KBank People" campaign to build a culture of integrity, which will serve to prevent corruption internally and externally, which may be harmful to KBank image and operations. The campaign is being conducted using a slogan

- Dare to Withstand: Work with integrity, transparency, compliance and inspectability
- Dare to Refuse: Refuse any involvement in fraud
- Dare to Inform: Notify responsible units of suspicious behavior that may lead to fraud

The Campaign result evaluation has been conducted through the records of notifications of events that may lead to fraud and the number of non-compliant staff, or those having improper behavior, has declined.



## Anti-Corruption, Anti-Money Laundering & Combating the Financing of Terrorism

KBank recognizes the importance of preventing corruption, the financing of terrorism as well as money laundering that all have wide-ranging impacts on a financial business. KBank has therefore established an operational structure to assure all stakeholders that KBank operates our business in a fair and transparent manner.

### Anti-Corruption

The Board of Directors establishes 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.

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 Thai Industries. The project's major objective is to fight corruption. Since 2013, KBank, KAsset and KSecurities have been certified by the CAC Council.

KBank has established the Anti-Corruption Policy and the Code of Conduct as guideline for performance of duties and responsibilities of employees so that the Bank can attain our set goal. The Policy is subject to annual review. The Bank 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.

Since 2015, KBank has encouraged suppliers to conduct business without involvement with corruption. To this end, KBank Supplier Code of Conduct was devised to cover business ethics, and human rights and labor, occupational health and safety and environment. KBank's suppliers are required to sign this document as acknowledgement. KBank also revised our procurement handbook and established guidelines for anti-corruption practices by suppliers and service providers. To make all KBank stakeholders understand the anti-corruption policy for appropriate practices and effective prevention, KBank has:

- Organized training courses on the Code of Conduct and Anti-Corruption Policy, and assessed their knowledge and understanding via electronic system after the training.
- Communicated the Anti-Corruption Policy to KBank directors via the Corporate Governance Journal.
- Held supplier meetings to clarify about our procurement processes, to encourage suppliers to follow the anti-corruption policy and operational guidelines.
- Provided various communication channels for receiving information or complaints.
- Sought the cooperation of suppliers to abstain from giving gifts or monetary gratuities, and regularly communicated with them about such policies and procedures.

### Anti-Money Laundering & Combating the Financing of Terrorism

KBank is committed to be equipped with a secure financial transaction system that meets generally accepted international standards and mechanisms for the prevention of money laundering and financing of terrorism. The Board of Directors has approved our Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy to which all employees are required to strictly adhere, under the supervision of senior management, for effective compliance.

KBank has established Anti-Money Laundering & Combating the Financing of Terrorism Policy, and relevant operational procedures and handbooks for each department to ensure that all employees perform their duties in accordance with KBank's established principles.

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

### Supporting Internal Control and Auditing System

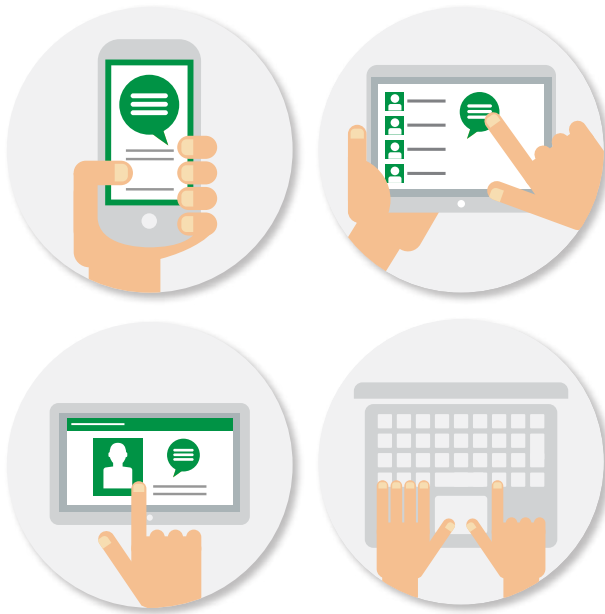
KBank has placed particular emphasis on an efficient internal control system to ensure that KASIKORNBANK FINANCIAL CONGLOMERATE will achieve corporate-wide goals and objectives, as well as sustainable profitability. The roles and responsibilities of employees at all levels, and a management structure set to maintain internal control and support regular auditing. The Board of Directors arranges for, and reviews, our risk management system, internal controls and auditing, as well as appropriate and efficient supervision. The Audit Committee is responsible for the internal control system wherein Management promotes internal control system efficiency. Internal audit has been in place to assess internal control effectiveness and provide recommendations for improvements. To attain our established targets, we have prepared the Code of Conduct, Statement of Corporate Governance Principles, Best Practices for Internal Control, Information and Complaint Receiving Policy, Anti-Corruption Policy and Employee Operational Handbook.

In 2015, KBank approved the Conduct Risk Management Policy to ensure that all parties concerned, including staff, Management and relevant operational teams recognize and collaboratively manage operational risks in compliance with operational procedures, regulatory requirements and our Code of Conduct, allowing them to perform their work appropriately and efficiently. Also, our Governance Risk Management and Compliance program was revised so that mid-level management and can apply such principles to their work for enhanced efficiency. Knowledge concerning internal control principles and risk management at branches has been communicated to Assistant Branch Managers and Branch Managers, and all employees must attend study courses on internal control guidelines.



## Information or Complaint Receiving

The Bank has established a written policy of information or complaint receiving (Whistle-blowing Policy), identifying the receiving channels, information or complaint management processes, measure to protect the rights of information providers, 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. For further enquiries, suggestions or to submit complaints, please contact KBank at:



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**Fax :** +662-4701144

**e-mail :** info@kasikornbank.com,  
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**K-Contact Center :** +662-8888888 Thai,

(Personal) +662-8888888

Press 878 Mandarin.

+662-8888800 English,

+662-8888826 Japanese

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(Business)

**e-mail :** Complaint.Center@kasikornbank.com

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#### • Individual Investors and Shareholders

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#### • Institutional Investors and Shareholders

**Tel :** +662-4706900 to 1 and

+662-4702690 to 1

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### Board of Directors

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1 Soi Rat Burana 27/1,  
Rat Burana Road, Rat Burana Sub-District,  
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### Internal Audit Department, Compliance and Audit Division

**e-mail :** InternalAudit@kasikornbank.com

**Address :** Internal Audit Head  
Muang Thai-Phatra Complex 1, 31<sup>st</sup> Floor  
252/40-41, Ratchadaphisek Road,  
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Huai Khwang District,  
Bangkok 10320 Thailand

## Complaint Management

Dealing with customer complaints made through every service channel has been one of KBank's priorities. To handle the customer complaints, several divisions concerned, i.e., Retail Business Division, SME Business Division, Corporate Business Division, Enterprise Risk Management Division and Systems Division, have collaborated to establish the Complaint Working Team. The Complaint Working Team is tasked with drawing up guidelines for complaint management and monitoring in order to assure that the customers' complaints/problems have been addressed in a timely manner, thus leading to customer satisfaction. These include a move to prevent any future incidents, by determining KPIs, to measure performance and define operational strategies in four areas.



### Case Handling

We have devised a format and process for handling customer complaints which comprises:

- Prioritization - judgment on the importance and urgency of each case
- Escalation for Approval - monitoring and resolution
- Quality Control - assurance of customer satisfaction
- Reporting for Performance Measurement
- Performance Report & Analysis - preparation of report to measure work efficiency, analysis of the results and review of the process for rapid management



### Case Acquiring

We have set up a Complaint Hotline as a center for receiving customer complaints. With a team working around the clock, the hotline helps systemize and hasten our complaint management through a standardized process. Customers can also lodge their complaints to ComplaintCenter@kasikornbank.com. In addition, the Bank has established an Executive Complaint Hotline which operational units of the Bank have been linked for management of potential complaints.



### Problem Management

Coordination with the Business Process Excellence Sub-committee has been established for comprehensive problem management. In so doing, the team focuses on problems/ cases that keep recurring or ones that cause extensive damages to KBank's image and/or have profound effects on customers; then finding appropriate solutions that end the problems in an appropriate and sustainable manner.



### Reputational Risk Management

This involves setting up protocols to handle complaints that may seriously damage KBank's reputation. The Social Network Management Team (SNMT) has been formed and assigned for complaint consideration. Furthermore, we have cooperated with the Bank of Thailand (BOT) to establish a process to handle complaints submitted through the BOT for greater efficiency and long-term solutions.



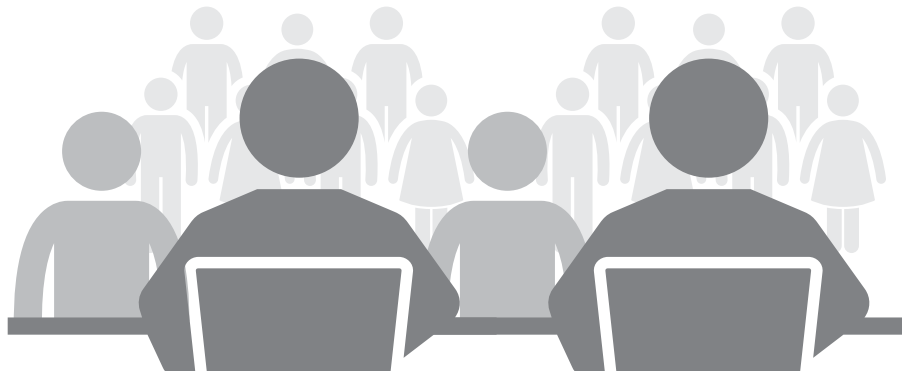
Issues/ Complaint Cases that were managed within the established timeline totaled

96%



The number of complaints related to customer privacy totaled

0.00009%



## Sustainable Economy

- 36 Environmental, Social and Governance Risk Management
- 38 Responsibility towards Customers
- 45 Responsibility for Taxes
- 46 Responsibility towards Suppliers in Supply Chain



KASIKORNBANK designs and implements strategies consistent with overall regional trends as Thailand enters the digital economy and the ASEAN Economic Community. We have upgraded our digital banking services so as to become an AEC+3 Bank making the most of regional market potential. All our endeavors have included prudent risk management measures as well as close monitoring and analysis of the overall situation in order to attain sustainable growth and to be responsive to the needs of all stakeholders.

Our determination to contribute to strong, sustained economic growth dictates specific attention to certain areas: environmental, social and governance (ESG) risk management, and responsibility towards customers, taxation and supplier in supply chain. Responsibility towards customers includes financial service accessibility for all customer groups at all levels, whether retail or business customers, small, medium and large, and including those engaged in international trade. KBank has developed a wide variety of products and services that best meet the needs of our customers in every segments. These include innovative financial services via digital banking platforms giving enhanced customer experience with services that are accessible anywhere, anytime and that resonate with the lifestyles of customers in our fast-paced world. The Bank is always vigilant in monitoring and assessing risk so as to stay ahead of any eventuality and mitigate possible adverse impacts in a timely manner. These efforts ensure our stakeholders that the Bank will continue our sustainable growth record with long-term profitability.

KBank has also enhanced financial service accessibility for those who may otherwise find it difficult to utilize our products and services. These measures serve retirees, the disadvantaged, those living in remote areas, foreign laborers, and others, reducing social inequality. Beyond financial services, the Bank offers advisory services, for example through the K-Expert Center - Thailand's first fully-integrated advisory center. In addition to individual consultation, financial seminars and training courses are held for our Thai and foreign customers while social media, such as [www.askkbank.com](http://www.askkbank.com), [www.pantip.com](http://www.pantip.com), [bloggang](http://bloggang), Twitter and Facebook are used as widely inclusive forums imparting knowledge to the general public. These efforts have helped to give KBank a customer satisfaction rate of 90 percent and a market share of 39 percent. As solid proof of our strong brand, KBank has maintained leadership in almost all customer segments, on the basis of the Bank's responsibility in data security management and accuracy. KBank is determined to be the most trusted provider of banking products and services, in alignment with our commitment to offering excellent products and services designed for customer satisfaction and long-term risk-adjusted sustainable profitability.

KBank served



13.4  
Million Customers



The number of K-Expert  
advisors increased by  
57%



Total loans extended to

- Corporate Business  
468 Billion Baht
- SME Business  
618 Billion Baht
- Retail Business  
422 Billion Baht



100%  
of suppliers were assessed  
for social and environmental impacts,  
labor practice and human rights



Digital banking transaction<sup>11</sup>  
were up  
57%

<sup>11</sup> Digital banking platform include K-Mobile Banking and K-Cyber Banking transactions

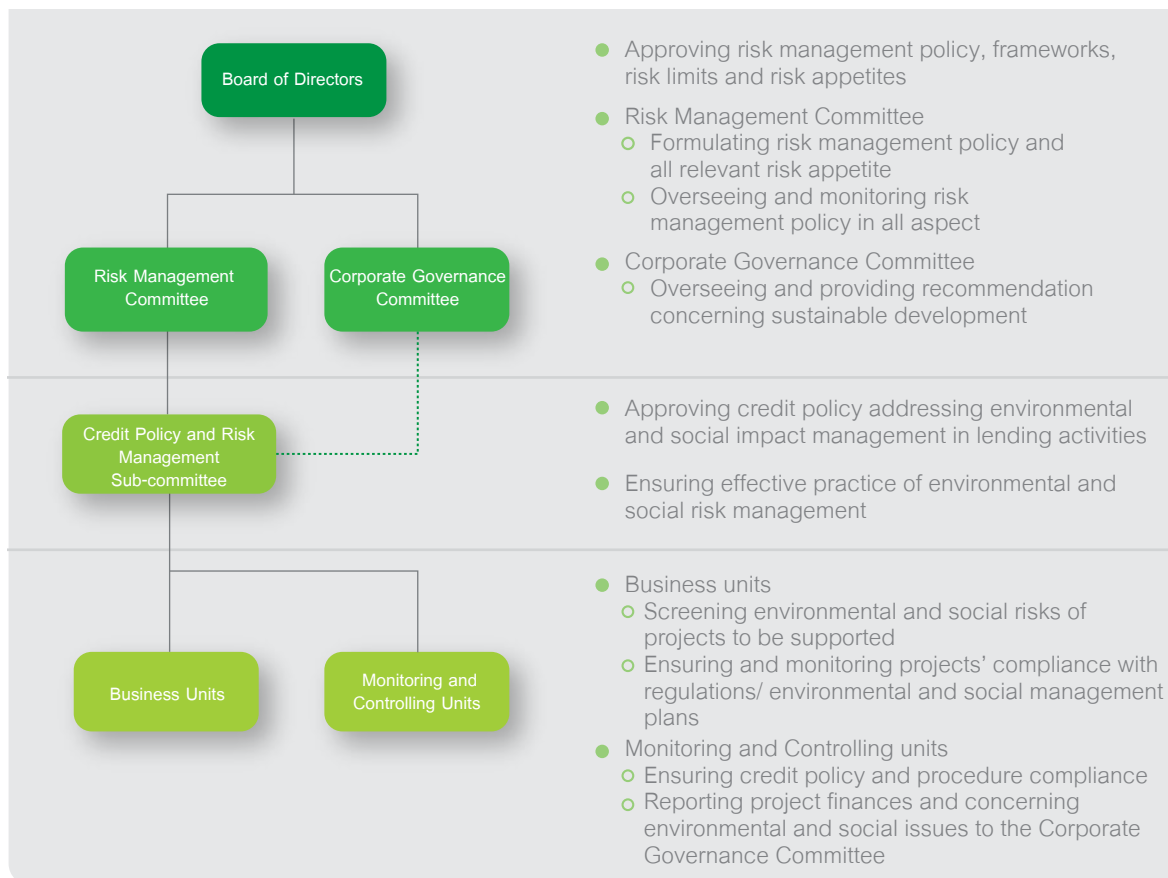
## Environmental, Social and Governance Risk Management

The Bank is determined to conform to the principles of Sustainable Development in all our operations. We expect employees to perform their duties with professionalism and integrity, in compliance with related laws, regulatory requirements, and international best practices. KBank has integrated ESG considerations into the risk management framework, with particular attention given to risks related to lending, products, and services. Recognizing that the Bank can play a vital role in promoting or resisting projects with potential environmental and social impact, the Bank has given prudent consideration to all undertakings so as to avoid involvement with those activities.

### Management Approach

The Bank's lending policies and procedures are designed to ensure not only business success but also the sustainability of economic growth in ways that do not negatively impact the environment and society. The Bank has thus established credit operations that manifest environmental and social responsibility. Those operations may be divided into management and transaction levels.

At the management level, lending activities are structured so as to demonstrate environmental and social responsibility as follows:

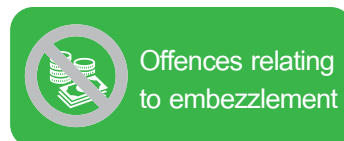


Monitoring and Controlling unit (in this case is Credit Policy and Risk Management Department) reports on a bi-monthly basis to the Corporate Governance Committee on projects to be supported by the Bank concerning environmental and social issues, for comments and recommendations before proceeding to other processes. The Bank's monitoring and control unit or the Credit Policy and Risk Management Department, reports every two months to the Corporate Governance Committee on projects seeking financing

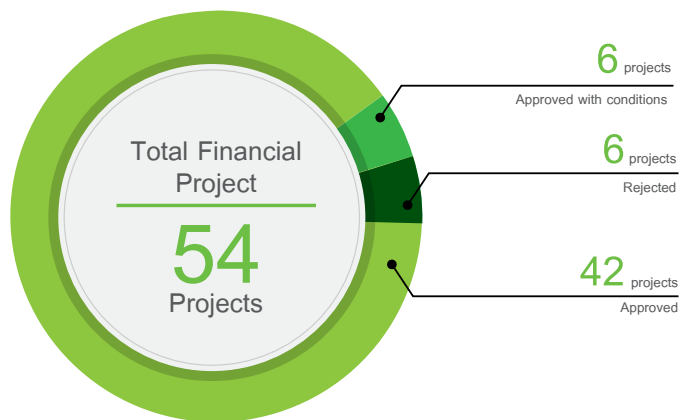
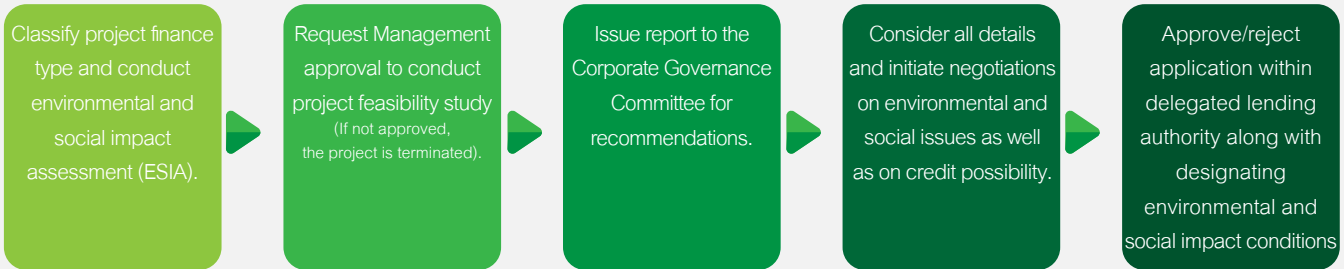
that may have environmental or social impacts, for comments and recommendations before proceeding to other steps in the process.

At the transaction level, the Bank ensures that lending transactions violate neither the law nor social ethics.

- The Bank has established procedures for assessing environmental and social impacts prior to credit underwriting process to ensure that any such concerns are properly managed.
- Projects identified as having possible environmental and social impact must be approved by Heads of the relevant Business Divisions and the Enterprise Risk Management Division before initiating the credit underwriting process.
- The Bank may designate environmental and social regulations and management plans for credit requests of industries/ businesses with potential environmental and social impacts. In case a credit applicant fails to comply with them or to correct violations, the Bank shall take such an action as is inappropriate.
- Projects seeking credit support from the Bank must be regularly reported to the Corporate Governance Committee for recommendations and further actions.
- Project activities abroad must comply with the environmental and social regulations of the host countries and relevant national agencies as well as internationally accepted standards.
- A credit policy has been established to refuse credits and credit applicants, whose activities may have adverse impacts on the economy, society or the environment. They are, i.e.,
  - Applicants involved or expected to be involved with offences under the Anti-Money Laundering Act, B.E. 2542 (1999), offences relating to narcotics, public fraud, embezzlement, or cheating and fraud involving assets, acts of dishonesty or deception, terrorism, gambling, exploitation of natural resources or the environment through the illegal use or taking possession of natural resources for commercial purposes, weapons and war material, including offences under the Anti-Trafficking in Persons Act, B.E. 2551 (2008) and/or any other illegal activities.
  - Market speculation.
  - Activities contrary to morality and/or social norms such as massage parlors and love hotels.
  - Activities in violation of national environmental laws.
  - Activities that may encroach upon or potentially damage natural coastal wetlands.
  - Activities that may damage the Bank's reputation.



## Environmental and Social Assessment



## Responsibility towards Customers

### Management Approach

With responsibility towards consumer rights, KBank has prepared plans in accordance with laws and regulations related to consumer protection, including those enforced by the BOT, SET and SEC, as well as laws relevant to advertising and public relations. We have emphasized disclosure of complete, correct and clear information on products and services via different media, e.g., brochures, posters, handbooks and direct mails. In addition, our advertising and public relations policy has been developed with commitment to transparent management, good corporate governance, business integrity and regulatory compliance. Fair business practices have been observed in our PR planning, utilization of advertising media and promotional strategies. In this regard, the success of KBank products and services is based on our quality, performance and reputation.

Organizational and divisional marketing communication committees have been set up, with members being KBank executives from business divisions and marketing communication departments. These committees, through brainstorming, work to review marketing communication strategies on a monthly and

quarterly basis to ensure that they are consistent with KBank business directions and current situations that change rapidly.

KBank places importance on information disclosure, business operations with transparency and compliance with relevant laws and principles of good corporate governance, where principal concerns are for benefits and fairness of stakeholders, especially the customers in order that they stay informed with fair, accurate, clear and adequate information. Our employees make sales presentations based on guidelines provided by KBank. In the meantime, the Board of Directors formulates strategies, and approves policies and operational framework for executives to comply with and closely follow up. Product/ service information must be provided for customers before and during their purchases, or upon contract conclusion, and during contract validity. KBank also places stress on protection of customers' confidential information, prohibiting information disclosure to third party unless a written consent has been given by the customer, or unless such disclosure is required by laws.

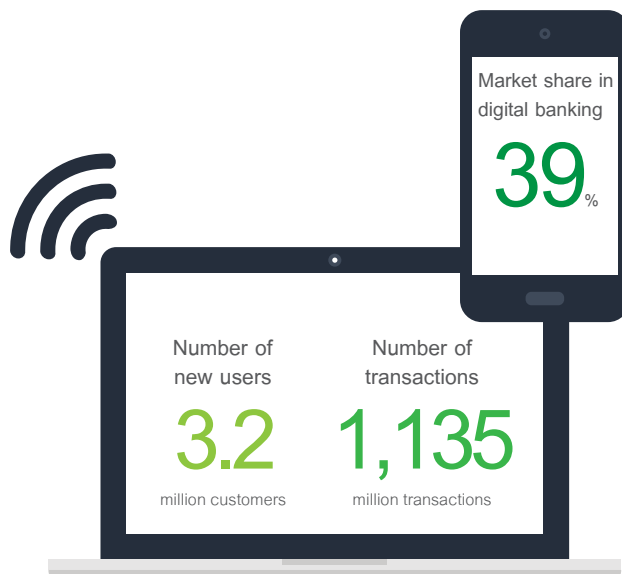


## Products and Services

With adherence to the “Customer Centricity” philosophy, KBank has established guidelines for the creation of variable products and services to meet our customers’ diverse needs and their changing lifestyles. We have capitalized on our leadership in digital banking to offer greater convenience for our customers to conduct financial transactions regardless of time and place, thus helping bolster the number of our digital banking customers to 3.2 million in 2015, being over three million customers for the second consecutive year. As a result, KBank’s share of the digital innovation market has increased to 39 percent. In addition, KBank has provided greater access to financial services for our underprivileged customers by tailoring appropriate financial products and services for them. KBank also places importance on financial literacy as demonstrated by the numerous training programs and seminars provided, as well as advisory services via various channels, e.g., roadshow social media and websites, to create the most satisfying experience for our Thai and foreign customers.

## Accessibility

In the digital economy era, KBank has developed digital banking services, e.g., K-MOBILE BANKING PLUS and K-Cyber Banking, to meet all lifestyle needs and offer greater access to financial services for our customers, anywhere, anytime, on the basis of accuracy and the highest information security. The targets and achievements are as follows:



## Services for Retail Business customers

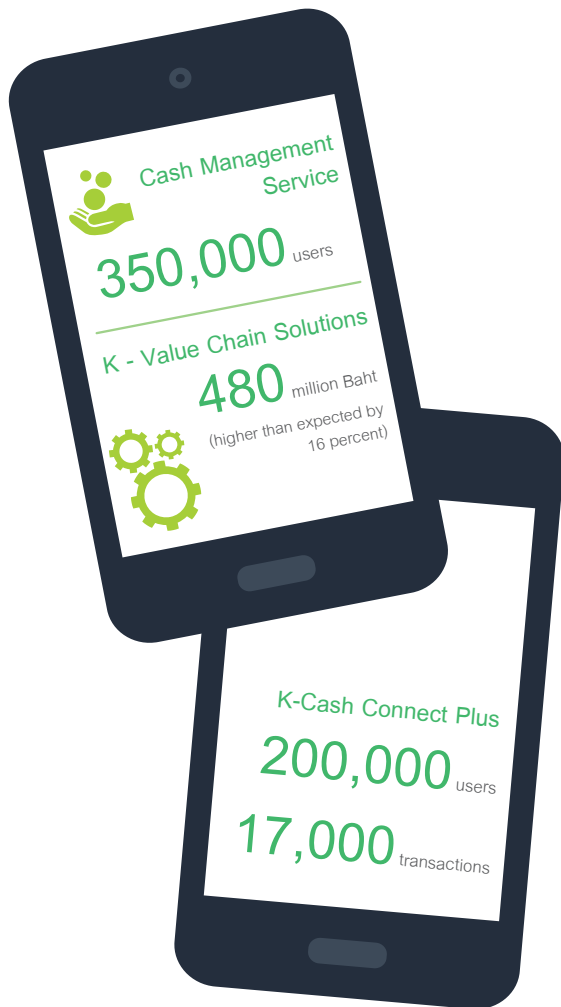
- Basic financial services via mobile phone, e.g., account inquiries, funds transfer to own accounts or other accounts, interbank money transfer and bill payments.
- K-Speed Top Up - an instant mobile top up service.
- K-Expert MyPort - an online personal management service that gathers all customers’ assets with KBank, e.g., savings deposits, fixed deposits, monthly deposits, mutual funds, stocks and more in one page. Our customers can track their assets, e.g., land, gold and more, held with other financial institutions via K-Cyber Banking.
- PayPLUS - a bill payment service via K-MOBILE BANKING PLUS app with an alert on LifePLUS for each spending via credit card. Our customers can receive financial news updates, as well.
- K-Personal Loan application service with quick approval process via K-MOBILE BANKING PLUS.
- K-Payment Gateway is an online payment service for processing credit card and debit card transactions, allowing e-commerce business to process settlements more conveniently and faster with greater security.
- Crowdfunding website for artists in Thailand – Asiola which is an online platform for artists to realize their dreams by utilizing funds raised from backers who later get their returns from a reward-based program.

## Services for SME Business customers

- K-Cyber for SME is a service designed for our SME customers to conduct online transactions, including accounting management, cheque-related services, funds transfer, online tax payment and bill payment, with daily transaction limit up to 10 million Baht. This service is aimed at enhancing the flexibility of doing business for customers, both individuals and juristic persons. It is an extension of our K-Cyber Banking and can respond better to the needs of SME customers, who wish to conduct online transactions without showing up in person at bank branches. K-Cyber for SME offers secure transactions with QR-OTP (One-Time-Password) - the most advanced security protocol that KBank is introducing to SME customers for the very first time.

### Services for Corporate Business customers

- K-Cash Connect Plus is an online financial service for our Corporate Business customers to conduct transactions in either real time and/or scheduled for later. The service allows our customers more time to conduct such transactions as bill payments and account inquiries or retrieve financial reports and information about collections, offering them to get better control over their financial system with greater flexibility, swiftness and lower expenses.
- K-Value Chain is our key strategy in offering a transaction banking service to create value-added to business chain of our customers from upstream to downstream with the development of products and services linking with their financial and non-financial transactions.



### Services for International Business customers

KBank strives to be a bank that offers financial opportunities for people of any races and nationalities, especially in ASEAN, so that they have greater access to financial services. Our objective is to improve the quality of life among ASEAN populace through cooperation with partner banks in developing financial products that meet their needs.

- [www.askkbank.com/aecplusmatching](http://www.askkbank.com/aecplusmatching) is a business matching website service for Thai and international companies to find business partners for building international business networks. KBank has more than 40 partner banks across AEC + 3 bloc. A user login system is provided for website members to enhance the security of their information used for business negotiations.



Number of visitors  
more than  
**7,900** people



Business under match deal  
and preparation stage  
more than  
**120** deals



- KBank and Wing Cambodia Limited Specialised Bank (WING) offer a Thai-Cambodian cross-border payment solution as a new payment channel to serve bilateral trade and people in any country ahead of the AEC inception.

## Financial Inclusion

KBank aims to offer underprivileged customers greater access to our financial services as part of our effort to improve the quality of their life.

- KBank and WING offer a Thai-Cambodian cross-border money transfer solution via K-MOBILE BANKING PLUS for Cambodian workers in Thailand who wish to remit money to Cambodia. A WING dealer<sup>12</sup> as a money collector in Cambodia will then offer convenient, fast and secure funds transfer to recipients in Cambodia.
- K-Bank to Post and K-ATM to 7-Eleven are funds transfer services, whereby funds transferred via K-ATMs can be received at post offices and 7-Eleven convenience stores nationwide. With these services, recipients can collect money anywhere in the country.
- “Transfer Made Easy, Collect Money at mPAY STATIONS” is a funds transfer service, allowing customers to transfer money to recipients who - with or without a KBank account - can collect transferred money at mPAY STATIONS nationwide.
- K-Personal Loan for Pensioners has been designed to assist government retirees receiving monthly pensions. They can pledge their pension inheritance rights to obtain loans with fixed repayment terms from the Bank.

## Customer Relationship Management

To ensure efficient customer relationship management, KBank places importance on improving our customer service quality for we are committed to offering excellent service experience for our customers.

- KBank continuously conducts a customer satisfaction survey at branches every year. Survey results are utilized to improve and develop services that meet the customers' needs in a timely manner. The survey is based on a random customer interviews by phone<sup>13</sup>, conducted at selected branches each month. Survey results are later used to develop various service tools for branches.

<sup>12</sup> A WING dealer is an agent of WING (Wing Cambodia Limited Specialised Bank) who provide mobile payment, money transfers, as well as payroll management services for retail and business customers in Cambodia


<sup>13</sup> In 2015, the customer satisfaction survey was conducted on a sampling group of customers nationwide. Survey questions included convenience of services and expertise of staff

- KBank has devised a complaint management system by establishing the Complaint Working Team to handle customer complaints. It is also tasked with drawing up guidelines for complaint management and monitoring to assure that customer complaints/problems have been addressed in a timely manner. The Complaint Working Team is required to find solutions to redress related issues that keep recurring.



Customer satisfaction level  
90% 



Number of complaints declines by  
17% 



Customer complaint management satisfaction level  
97%

## Financial Literacy

KBank as a pioneer in providing financial advisory service has moved up another step beyond offering financial planning service with the introduction of our life solutions that meet all lifestyle needs. Life solutions, aimed at fulfilling customers' demands and lifestyle needs, are provided by our certified financial planners who have in-depth understanding about the needs of targeted customers, reinforcing our leadership in providing financial literacy and financial advisory services.

KBank has established K-Expert Center to help fulfill the needs of our customers having different goals in life and financial status under the "Place for Life Fulfillment" concept.



K-Expert Center, financial advisory center

In addition, to reach a wider audience, K-Expert has disseminated financial knowledge and advisory service via various digital channels in line with KBank business strategies, as follows:

- Dissemination of financial knowledge
  - [www.askkbank.com/k-expert](http://www.askkbank.com/k-expert) is an online platform housing an array of financial knowledge, financial handbooks, financial tips and calculation tools.
  - Bloggang: <http://k-expert.bloggang.com> features information and articles on financial topics.
  - Twitter: @KBank Expert provides financial news and lifestyle updates.
  - Facebook: KBank Live and Line: KBank Live features financial tips and activities offered by K-Expert.
- Financial advisory
  - E-mail : [k-expert@kasikornbank.com](mailto:k-expert@kasikornbank.com)
  - Website: [www.pantip.com](http://www.pantip.com) offers financial advice and knowledge via main chat room, clubs and organizations and personal messages.

Number of participants in financial seminars

**27,452** people

Number of customers attending financial advisory service

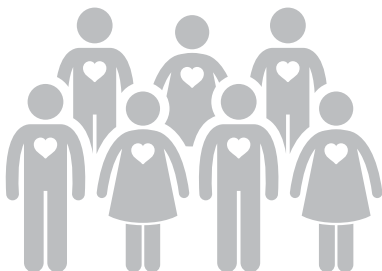
**629** people

Customer satisfaction level from attending financial seminars

**89**%

Customer satisfaction level from receiving financial advisory service

**95**%



Number of [www.askkbank.com/k-expert](http://www.askkbank.com/k-expert) visitors more than

**200,000** person/month



Number of Twitter followers more than

**10,000** user/month



Customer satisfaction level (advice sought via e-mail)

**93**%



### The Professional of Family Business Management

KBank recognizes challenges facing Thai families passing their businesses from one generation to another. As a result, we have set up the Professional Family Business Management Program in collaboration with Switzerland's International Institute Management Development (IMD) Global Family Business Center - KBank's global partner renowned for its family business know-hows - and Lombard Odier Bank, one of the oldest providers of private banking in Europe for more than 128 years, whose wealth management expertise will help Thai families transfer their businesses to the next generation more efficiently and sustainably. The program, which focuses on successors having different business concepts from their founders, offers opportunities for them to share related experience and gain insight into world-class family business management knowledge from IMD Global Family Business Center and Lombard Odier Bank.



### Financial Knowledge Dissemination for Customers in AEC+ 3 Bloc

TAKSILA ASEAN+ BANKING FORUM LEADERSHIP PROGRAM 2015 under "the BANGKOK DECLARATION: ASEAN+3 BANKING INITIATIVE" was organized to enhance knowledge for high-ranking executives from the public and private sectors, who play an important role in regional economic developments, in ASEAN+3 bloc. The program is a platform for knowledge exchange, aimed at promoting cooperation to develop financial innovations, thus leading to the upgrade of banking services to world-class level ahead of the AEC inception. It has been organized through two uniquely designed programs:

- TAKSILA BANKING FORUM: BANKING EXPERTISE PROGRAM 2015 (February 24-27, 2015)
- TAKSILA ASEAN+ BANKING FORUM LEADERSHIP PROGRAM 2015: EPISODE 1: IN THE TIME OF A PERFECT FINANCIAL STORM (September 13-16, 2015)

The 1<sup>st</sup> TAKSILA ASEAN+ BANKING FORUM LEADERSHIP PROGRAM 2015 was organized by KBank for 60 high-ranking executives from leading public sector agencies and financial institutions in AEC + 3 bloc under the theme, "IN THE TIME OF A PERFECT FINANCIAL STORM," featuring the Asian financial crisis that had been recorded as one of the global financial catastrophes, creating substantial losses to many Asian countries. The program was centered on the case of Thailand where the Asian financial crisis began, as well as solutions to subsequent problems implemented by affected countries and their public and private financial institutions.





### Financial Knowledge Dissemination for High Net Worth Individual Customers KBank Private Banking Academy: Private Wealth Management Program

KBank continues to focus on offering in-depth financial advisory services to High Net Worth Individual customers. Since these customers are important mechanisms in steering economic growth given that most of them own businesses with high asset value, KBank, therefore, stresses the importance of offering world-class services to them via our professional financial advisors. To this end, KBank organized a pilot focus group seminar offering in-depth and comprehensive financial information together with 360-degree luxury lifestyle activities via KBank Private Banking Academy: Private Wealth Management Program to successors of our High Net Worth Individual customers. In addition, this program aims to endow attendants with the principles of investment analysis that are practical for asset and portfolio management, as well as insight into world-class and professional investors. These are the strengths featured in this program that our customers can apply in their family business operations to achieve sustainable growth in the future. KBank expects that deposits and investments of the seminar attendants will increase and the results will be published in the next Sustainability Report.

conditions, prior to undertaking global investments. The seminar, which was conducted by experts from Lombard Odier Bank and KBank, attracted over 1,000 attendants. The results will be published in the next Sustainability Report.

### Brand Management

KBank places importance on corporate image and brand management because a good corporate image will bolster confidence among stakeholders, leading to sustainable business operations in the future. To this end, KBank has set up a Marketing Working Group to provide guidelines and approve marketing communications operations under capital management and brand effectiveness to ensure brand alignment. The Marketing Working Group comprises Presidents and high-ranking executives of business, brand management, finance and other relevant divisions. The committee holds meetings and reports KBank Brand Equity Index quarterly and annually, as well as assigning the Corporate Communications and Relations Department to monitor and conduct a brand audit to ensure that related operations are in line with the established guidelines.

### Information Technology System

To align with KBank strategy of developing a full-fledged digital banking business, we have implemented a new core IT system to facilitate a substantial increase in digital banking customers. The new core IT system is equipped with the highest security system meeting the required international standards. Our core IT system has been certified by ISO/IEC 27001/2013 for the second consecutive year, thus enhancing customer confidence towards KBank financial services.



### “Global Investment Solutions and Wealth Management” Seminar

KBank in collaboration with Lombard Odier Bank organized the “Global Investment Solutions and Wealth Management” seminar to share knowledge and experience at international level with our High Net Worth Individual customers, thus allowing them to see a broader picture of the global economy, e.g. inflation



**Triple Lock Security** is the highest security system approved by the BOT and IT security companies. Triple lock security featured in K-MOBILE BANKING PLUS comprises:

- User protection
- Transaction protection
- High security customer data protection.

KBank's leadership in digital banking is supported by our new core IT system that is on a par with world-class security standards, allowing us to implement business strategies. We set up KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) to support the Bank's business-technology strategies and answer customer demand that has changed significantly due to IT infrastructure transformation. The KBTG establishment is also intended to enhance KBank's IT management, raising our potential in dealing with any form of disruptive forces and enhancing greater competitiveness amidst constant changes in financial technologies in the global market. Our strategies are as follows:

- Expanding our customer database system and ensuring that it is stable, accurate and integrated.
- Introducing an array of new products and services that meet targeted customers faster.
- Speeding up our business operations in response to rapid changes in the market.
- Offering real time reports of financial information.
- Creating various innovations via digital channels in an efficient manner.



## Responsibility for Taxes

Accurate and timely tax payment is one of the duties and responsibilities of KBank and our subsidiaries as a contribution to the sustainable development of the economy and society. It is KBank's policy to strictly comply with tax laws and our expert team is working with advisory firms on domestic and international taxation laws to supervise our tax-related functions, and closely monitor developments in tax matters. To ensure that our tax operations are efficient, transparent and in compliance with local

laws, they are regularly audited by senior executives, as well as internal and external auditors.

Details of compliance with tax laws can be found at: <http://www.kasikornbank.com/EN/Investors/CorporateGovernance/DisclosureandTransparency/Pages/TaxPrinciples.aspx>

## Responsibility towards Suppliers in Supply Chain

KBank operates business in line with our sustainable development guidelines throughout the supply chain, starting from the management of social and environmental impacts through our procurement along with steadily assisting our suppliers<sup>14</sup> to achieve sustainable business growth with honesty, integrity, transparency and accountability. KBank also ensures that our suppliers enhance their operational processes in tandem with improving social and environmental standards.

### Management Approach

In 2015, KBank revised the framework for our procurement management to gain maximum operational efficiency throughout the supply chain. Under the new framework, KBank implemented a policy of establishing a procurement center, which is under the responsibility of the Procurement Management Department, to ensure that our procurement process is transparent. We have also evaluated our suppliers' performances steadily.

Under KBank sustainable development policy, the Procurement Management Department has supported our suppliers to place importance on social and environmental responsibility as this will help them attain sustainable procurement process. KBank has prepared the Supplier Code of Conduct and improved cooperative processes with them.

### Supplier Code of Conduct

KBank has developed Supplier Code of Conduct to upgrade our procurement management. It is based on relevant social and environmental factors, e.g., fair trade, human rights and labor issues, occupational health and safety, eco-friendly production process and internal environmental management process, in conformity with our Statement of Business Conduct and Code of Conduct to ensure sustainable development throughout the supply chain.

Details of supplier code of conduct can be found at

<http://www.kasikornbank.com/EN/Investors/CorporateGovernance/>

[DisclosureandTransparency/Pages/KBankSupplierCodeOfConduct.aspx](http://www.kasikornbank.com/EN/Investors/CorporateGovernance/DisclosureandTransparency/Pages/KBankSupplierCodeOfConduct.aspx)

### Supplier Relationship Management

KBank has adopted a systematic supplier relationship management that correlates with overall business results. The Bank has cooperated with suppliers in improving products and services that meet the business needs, which helps enhance KBank's competitiveness and suppliers' business growth.



**1,006** suppliers

assessed on social and environmental impacts and human rights practices



**181** new suppliers  
assessed on social and environmental impacts and human rights practices

(account for 100%)

<sup>14</sup> Supplier refers to any entity selling goods, serving and/or providing services to KBank including local (supplier in Thailand) and global supplier.



KBank has not only examined operational results of our suppliers every year, but also assessed their satisfaction towards us. In 2015, KBank had 1006 suppliers in total, 987 domestic suppliers and 19 foreign suppliers, accounting for 96 percent of our domestic support expenses. At the same time, we have advised users to file complaints about service quality of our suppliers. In 2015, there were petitions of service quality by users, totality 43 cases, more than 98 percent of complaints were addressed.

### Promotion of Sustainable Development Concept in Supply Chain

KBank has promoted sustainable development concept throughout the supply chain by collaborating with our suppliers in upgrading procurement standards with priority placed on economic, social and environmental factors. This has resulted in the successful implementation of various procurement programs, e.g., product purchases from charitable organizations and disabled people's associations for use as souvenirs for various occasions and hiring staff from the War Veterans Organization of Thailand as our security officers at various branches in Narathiwat, Yala and Pattani Provinces. Moreover, KBank and our suppliers have cooperated in overhauling printed matters of KBank by switching to nature-friendly materials and inventing new procurement processes regularly to ensure that we have socially and environmentally responsible innovations consistent with our sustainable development policy.



#### Security Printing

KBank has collaborated with our suppliers in developing a new passbook that is smaller than the previous 17.8 x 15.2 cm and 17.8 x 12.6 cm passbooks. This endeavor allows KBank to reduce paper usage in printing 17.8 x 15.2 cm passbooks by more than 15 percent, thus saving about 8.2 million Baht per year.

More than  
**15%**



### Annual Report and Sustainability Report

In publishing such reports, KBank has established new guidelines on the materials used, i.e., they must be eco-friendly and help reduce carbon dioxide emissions. For instance, the paper must be EPO (European Patent Office) paper because it is produced by environmentally-friendly process and requires 50 percent less wood pulp than normal paper. Wood trees used to produce EPO paper are grown under sustainable woodland management and the land under their cultivation must not have adverse effects on humans later on. Most importantly, its production process is fueled by hydroelectric power instead of fuels or coals to conserve the environment and reduce emissions. EPO paper is also totally chlorine free. In normal paper, chlorine is used to bleach wood pulp, leaving hazardous residues in the environment. In addition, the ink used must be soy ink due to its low volatile organic compounds (VOCs) which help reduce air pollution. Publications using soy ink can be recycled easily as the ink can be separated from the paper without having to go through many processes. With these eco-friendly materials, KBank can reduce publishing expenses by 500,000 Baht compared to the publishing expenses for publications using normal paper.

500,000 Baht



EPO



Soy Ink

## Sustainable Society

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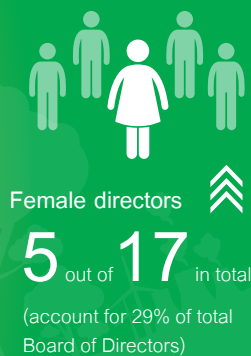
- 50 Responsibility towards Employees
- 54 Human Resource Development
- 58 Responsibility towards Society and Communities



KBank has given thorough consideration to staff recruitment, compensation management, employee welfare and development, performance management and development plans, labor management and human rights. It is KBank policy to ensure equal and fair treatment of all employees, as well as respect for their diversity and abstention from any form of discrimination on the basis of gender, age or physical appearance, while we also value employees' right to assemble. In addition, KBank has emphasized occupational health and safety, along with provision of favorable workplace environment, promoting work inspiration among staff members.

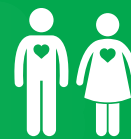
Employee participation and engagement is promoted through regular opinion surveys and relevant activities, while teamwork within or across divisions has been enhanced for the most excellent product and service provision.

KBank – as a good citizen of the country and the world – continues to embrace its CSR endeavor as another key duty to uphold. A precise framework in supporting and engaging with communities and society has long been in place. This year, KBank made public our Corporate Citizenship Strategy as an operational guidance for the entire organization, while promoting sustainable development of communities, society and the environment in accordance with our main business strategy. We strive for youth educational and skill enhancement, through many relevant programs jointly organized with parties specializing in related fields, for practical and concrete results. This will lead to true social change, value creation and social development in diverse dimensions, thereby sustainably improving the living standards of the members of society.



Annual scholarships for our employees and the general public

**13** scholarships



Employee Engagement Score

**61%** 



More than **10,000** youths were developed under Cultivation of wisdom Project (Since 2013)



More than **700** courses of learning programs

## Responsibility towards Employees

KBank has always recognized the value of our “human resources”. We, thus, place importance on recruitment and equal treatment of employees, while focusing on consistent employee enhancement. Career opportunities are open for capable personnel, so that potential staff members can grow along with us. Attractive and competitive rewards and compensation are offered to recognize our employees’ value. Emphasis has been put on internal communication and staff participation, thus keeping them happy with sufficient work inspiration; while best value is delivered to our stakeholders.

### Management Approach

As we believe that personnel are our most valuable assets, emphasis has been placed on taking care of employees in many aspects. The KBank Board of Directors has appointed the Human Resources and Remuneration Committee with duties to review and propose directions and strategies in relation to human resources, regarding occupational health, employee participation, remuneration, diversity and cultures in accordance with KBank’s business directions, regulatory requirements, and regulations on employment, labor relations, principle of humanity and human rights.

### Employee Diversity

KBank puts importance on managing diversity in the workplace with equality regarding gender, age, education and nationality. It is our policy to ensure equal and fair treatment of all employees, as well as adherence to principles of human rights and abstention from any form of discrimination, harassment or

abuse on basis of race, color, religion, gender, age, nationality, citizenship, sexual orientation or disability. Child labor or other illegal labor is prohibited; while we recognize human rights against all types of discrimination.

KBank encourages employee assembly and negotiation, as we regularly hold meetings with the Employee Committee of KASIKORNBANK to promote bilateral cooperation, four times a year. In addition to strengthening mutual relations, these meetings provide an opportunity for our employees to make suggestions beneficial to our business operations, which will finally lead to the rendering of impressive services to our customers. Through our labor union<sup>15</sup>, we welcome petitions and suggestions that eventually result in enhancements useful to KBank and our employees under better bilateral understanding. In 2015, at least 34 petitions from staff members related to labor practices have been fully resolved.

### Employee Communication and Participation

KBank’s focus on employees is always involved with their participation and engagement towards the organization. Each year, an annual employee opinion survey is conducted, while diverse internal communication channels are available to ensure thorough information access and sharing among staff members, both local and international, in accordance with our strategy towards serving as the AEC+3 Bank. Relevant activities have been organized to promote employee involvement, a pleasant work atmosphere and building of experience. Cross-division teamwork is promoted as our organizational culture.

#### Internal communication channels



Intranet:  
Lotus Notes  
internal system



eMagazine:  
KASOKORNBANK Newsletter



KASIKORNTV Station  
broadcasting nationwide



Activities to promote  
engagement within the  
organization and support  
KBank’s business



Public Address



Command Center



Line Group

<sup>15</sup> Staff members who have joined the labor union account for 33.12% of all employees.

## Organizational Culture (K-Culture)

 <p><b>Customer Centricity</b></p> <ul style="list-style-type: none"> <li>• Being Friendly and Approachable</li> <li>• Delivering Products and Services beyond Customer Expectation</li> <li>• Striving for Customer Success and Satisfaction</li> </ul>	 <p><b>Organization-Wide Teamwork</b></p> <ul style="list-style-type: none"> <li>• Trust and Respect</li> <li>• Constructive Communication</li> <li>• Collaboration</li> </ul>	 <p><b>Professionalism</b></p> <ul style="list-style-type: none"> <li>• Competence</li> <li>• Ownership Spirit</li> <li>• Integrity and Ethics</li> <li>• Social Responsibility</li> </ul>	 <p><b>Innovation</b></p> <ul style="list-style-type: none"> <li>• Courage to Initiate and Implement</li> <li>• Courage to Embrace Change</li> <li>• Continuous Development</li> </ul>
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Established in 1945, organizational culture has been a major mechanism shaping KBank ever since. Its importance and development has been emphasized by our senior executives, led by the Chief Executive Officer, while our Presidents regularly communicate the significance of K-Culture with staff members accordingly.

To create a successful organizational culture, the “K-Culture Representative” taskforce has been set up, the members of which are First Vice Presidents from each division. Their meetings are scheduled every two months.

Main duties of K-Culture Representatives:

1. To be a role model with behaviors in line with our organizational culture
2. To attend a K-Culture Meeting every two months
3. To support activities related to organizational culture creation
4. To share knowledge and experience in creating and promoting K-Culture activities in order to inspire and motivate all divisions to follow suit for sustainable organizational culture

Diverse annual K-Culture activities are the responsibility of and planned by the Human Resource Division:

1. The “K-Culture on Tour” activity is held to communicate and reinforce our organizational culture among staff members of KBank branches, business units and subsidiaries rotating in both Bangkok and the provinces, wherein our executives also share their views and work attitudes.
2. The “Miracle of K-Culture” activity is a series of interview video clips with the head of each division explaining the achievement of their respective team under the four core values, broadcast through KASIKORNTV for the whole year to highlight K-Culture achievement.
3. The “K-Wow Inno Campaign” upholds teamwork among staff members of each division to create innovative activities for the entire organization, organized regularly throughout the year.
4. The “Talent Show” activity gives an opportunity for employees to show their talents and creativity, while promoting teamwork among them. This activity has been held three years in a row, with this year’s show entitled “K-Digital Challenges: Search for the Brave”.

Tools enhancing staff behaviors in accordance with our organizational culture are provided as follows:

1. **Value U**

Developed by the taskforce since 2011, the “Value U” electronic template is aimed at persuading employees to admire their colleagues who follow the four core values for a positive work environment.

2. **K-Oops Magazine**

Sent through internal communication channels every two months, the electronic magazine is used for communication and presentation of the diverse K-Culture-promoting activities organized by each division, along with related views expressed by executives and staff members.

### Evaluation and Assessment

An Employee Engagement Survey is carried out annually by an external advisor, through which employees can provide feedback and opinions towards organization improvement. Summarized and analyzed by the advisor, survey results are used to create an index of employee engagement towards KBank and our subsidiaries in comparison to the industry at home and abroad. Information derived from the survey results will be used for related operational process enhancement for greater work efficiency, as well as better quality of working life. All data will be kept confidential, assuring that their comments will not affect their performance evaluation at KBank.

### Remuneration Management

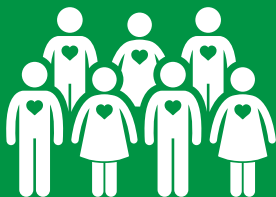
Remuneration has been thoroughly considered for our Board of Directors, executives and staff members. Supervised by the Board of Directors, precise policies are stipulated to ensure transparent and fair remuneration appropriate for each individual employee.

#### 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 management is carried out based on our strategies, policies and practical approaches, with a focus on fairness and competitiveness in the job market, as well as equality<sup>16</sup> commensurate with staff competencies. It must encourage staff behaviors that match KBank expectations, and create employee engagement, thereby attracting and retaining talented employees for the Bank’s achievement and excellent customer service.



The 2015 Employee Engagement Survey showed that the level of engagement was higher compared to the Thai market average (during 2009-2013) and the financial segment norm (APAC, 2009-2013). KBank has strived to attain an employee engagement level at above or equal to that of the firms included Best Employers Thailand 2017.

<sup>16</sup> "Equality" refers to no significant difference of salary base between male and female staff members (1:1).

Regular compensation and benefits surveys are conducted for comparison with the industry, with annual salary raises, plus bonus payment, being issued in line with staff competencies. Special salary hikes during the year are considered in accordance with appropriateness. As we expand service networks abroad, KBank has established compensation and benefits for expatriate and local staff members in line with 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 benefits handbooks are provided for domestic, expatriate and local employees.

### Employee Recruitment and Allocation

KBank recruits employees via a variety of channels; they are allocated in accordance with their qualifications appropriate for their respective positions. Rotations offer them opportunities for further career learning, enhancement, new experiences and challenges.

#### Employee Recruitment

KBank's staff recruitment through e-Recruitment System policy puts emphasis on competencies and qualifications suited to vacant positions, without discrimination based on race, nationality, ethnicity, color, origin, religion, social status, gender, age, disability, political stance and marital status. Diverse activities and effective communication channels are provided for job seekers' convenience, e.g., K-Executive Ambassador, Referral Program (Friend Gets Friend), and KBank Career Day, etc.

#### Rotations for Advancement

Staff members are encouraged to pursue additional knowledge and challenges in work, so that they can move ahead with new experiences such as working abroad, thus advancing their professional or personal skills. With regard to internal job changes, KBank must notify the employees involved at least two weeks in advance and one month before any merger or expansion of branches. Any organizational restructuring, such as departmental/ divisional reshuffling, will be announced at least two weeks beforehand.



Employees assuming a new role within KBank in 2015

**8,856** people

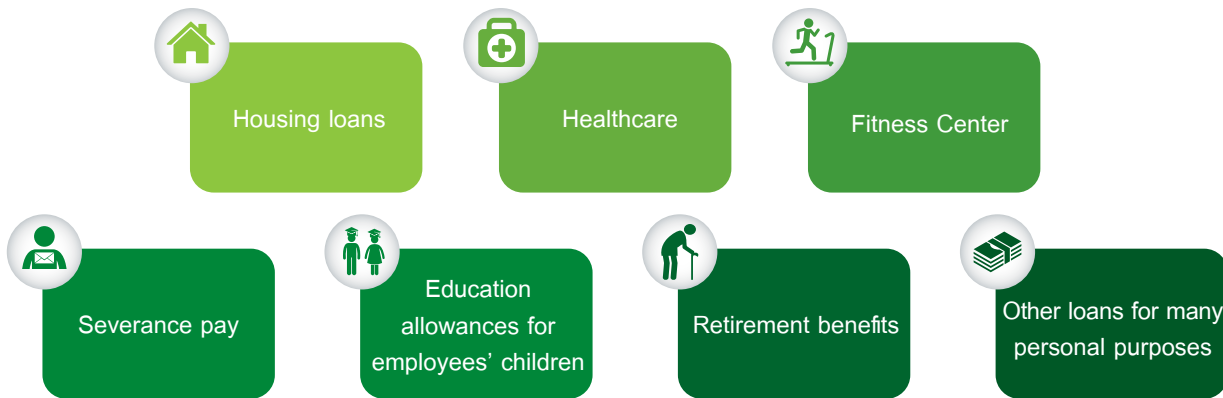


**22** positions

were filled through the "Friend Gets Friend" initiative.

## Employee Welfares

Welfares are provided for all staff members<sup>17</sup>, with some differences concerning the expenditure rate, e.g. hospital room rates. Diverse benefits are provided with an aim of improving employee living standards. In upholding the sufficiency economy philosophy, we constantly promote a sustainable self-reliance among our staff, by encouraging them to save through the Provident Fund system in accordance with the Provident Fund Act B.E. 2530 (1987).



### "KBank People Care for One Another"

KBank genuinely cares about employee occupational health and safety. This has given rise to the "KBank People Care for One Another" project that highlights our concern for employee welfares in three key areas: safe driving, good health, and workplace safety. KBank has created short videos to promote this project. We encourage good health among employees via sports clubs, e.g., bicycle club, badminton club and running club, with many sports matches and activities held.



## Human Resource Development

KBank has always seen personnel as our crucial resource for sustainable success and business growth, and has therefore systematically implemented an employee development plan on a continual basis. Human Resource Development policies, strategies, targets and performance indicators have been stipulated in accordance with KBank's business directions and strategies. Staff competency has been advanced in preparation for further business expansion, e.g., digital banking, as well as our strategic direction of serving as an AEC+3 Bank. A variety of employee learning channels are available, including in-house and outside learning, self-study and e-Learning.

We have enhanced our staff members with knowledge and skills relevant to their current positions, while improving their professional and leadership potential to guarantee readiness for further career promotion. Consequently, they will grow along with KBank.

<sup>17</sup> "Staff members" refer to full-time employees under KBank employment contracts only. For those under employment contracts of KBank's wholly-owned subsidiaries, and support companies, benefits are including life Insurance, healthcare, disability and invalidity coverage, parental leave and retirement provision .



### Management Approach

KBank’s human resource development has been undertaken in accordance with our well-devised plans to ensure efficiency and consistency, and can be categorized into four key areas, i.e.,

1. Human Resource Development Plan
2. Leadership Development Program & Scholarship
3. Career Development
4. Knowledge Management (KM)

We have a policy of communicating with our employees to ensure their understanding and knowledge about our products, and benefits offered by KBank. New employees are required to attend a 1.5 day orientation to familiarize themselves with topics like financial knowledge, work principles, values and actions in compliance with the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) law, as well as the organization’s provisions for their well-being. As a result, they will understand KBank’s overall business profile, directions and strategies, so that they can adjust well to the Bank’s operations.

### Employee Performance Assessment

We put great significance on performance management procedure, ensuring that KBank and its employees work towards the same goals, together with good relations between supervisors and staff members, measurable and differentiable performance for each individual employee, and fair compensation commensurate with staff performance.

To evaluate staff performance, individual scores will first be compared with respective targets and then with same-job responsibility peers, to eliminate assessment deviation. Other comparison dimensions include other expected operations, staff behaviors, and compliance with stipulated policies, etc. Assessment results must be achieved from well-targeted plans, clear assessment principles and fair procedures. Assessment weighting must be conducted appropriately, as stipulated by KBank.

Each year, the “360 Walk the Talk” assessment is implemented in order to evaluate leadership among executives at the Assistant Vice President position or higher, by direct supervisors, colleagues, customers or service recipients, and subordinates. The assessment results will be used for further leadership improvement among the assessed executives.

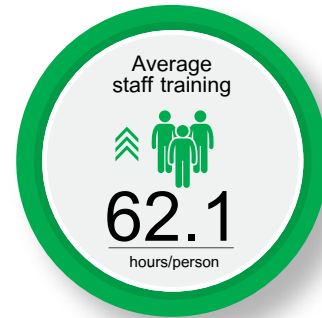
Assessment Type	Assessed Employee Level	Percentage of Assessed Employees	
 Management by Objective	All employee levels	 100	 100
 Formal Comparative ranking of employees within one employee category	All employee levels	 100	 100

**Human Resource Development**

KBank has systematically implemented an employee development plan on a continual basis. Training roadmaps have been prepared for all positions to enhance knowledge and skills, while supervisors and staff members are required to make a joint

Competency Assessment for individual staff improvement. An Annual Training Plan is also devised early in the year for each department's staff training within a set budget and timeframe, in accordance with topics for individual employee enhancement.

2015 Study Courses	Course Number	Class Number	Total Staff Attending Study Courses
Internal study courses**	248	1,053	49,688
External study courses**	319	382	1,109
e-Learning study courses**	155	155	173,088

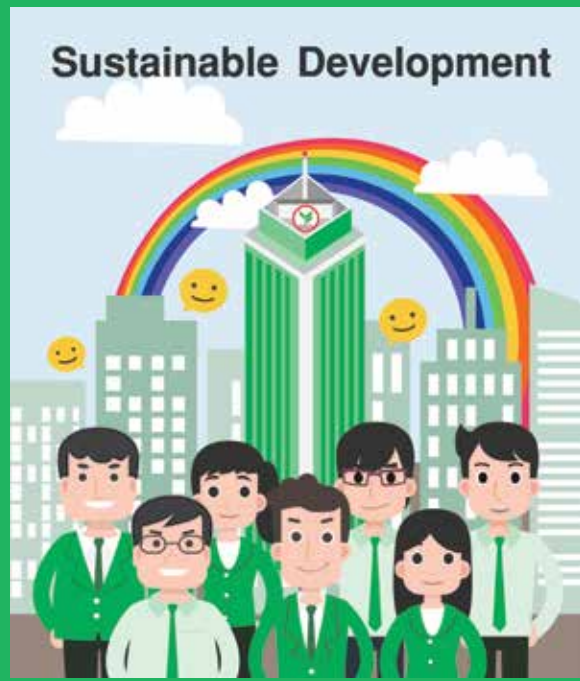


\*\* Internal study courses, external study courses and e-Learning courses, e.g. Leadership development program, Essential of Leadership, Digital Commerce: The future Banking and Excellence in cost management



**Sustainable Development Training Course**

The Sustainable Development Training Course is provided for staff understanding and awareness of sustainable development's significance with respect to the economy, society and the environment, in all business processes, suitably applicable to their respective scopes of operational responsibilities. In line with the Bank's policy, this will subsequently lead to sustainable development.



### Leadership Development Program

It is KBank's policy to continually implement a leadership development plan, given that leaders are key to the Bank's sustainable advancement and accomplishments. Preferred qualifications for leaders have been adjusted in accordance with the organization's main competencies, and business directions and strategies, commensurate with the business environment. Exemplary leadership competencies, upon establishment, have been set as guidelines for selection and development of a group of employees. Our Leadership Development Program Roadmap has been clearly stipulated, accordingly. In addition, every staff member is required to employ an Individual Development Plan (IDP), while individual staff and leadership development has become a part of executives' performance indicators. The Bank's leaders are defined as those who care for and observe staff values under the concept of "giving", comprising "giving heart, showing respect, and providing knowledge together with a chance to grow". This idea has been disseminated through consistent communication to make their awareness become a permanent behavior.



### Potential VP Special Project Proposal

In 2015, the Potential VP Special Project Proposal program was initiated to enable staff members at the Vice President position to advance their career by showing their skills, knowledge and competencies via their ideas and presentations to the Management. Taking this as a major opportunity to showcase their ideas, knowledge and capabilities as valuable assets of KBank, participants selected by their respective divisions may choose to present to senior executives development projects that could help improve their division, as well as the Bank. Their efforts will in turn make them grow further in their career path towards becoming senior executives.

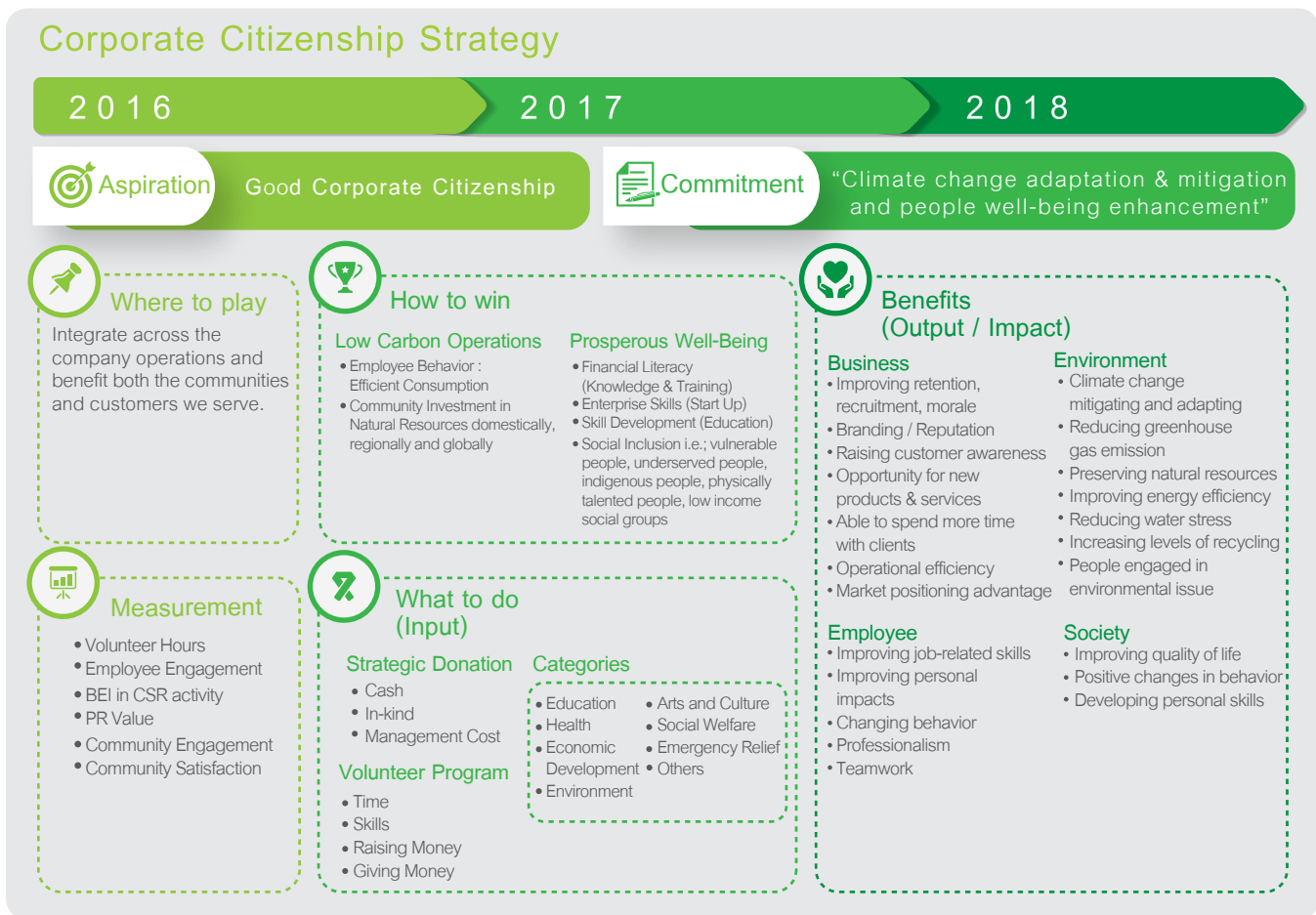


## Responsibility towards Society and Communities

Being aware of our role as a good corporate citizen of the society and the nation, KBank has put considerable effort into strengthening the society, while making public our “Corporate Citizenship Strategy” for organization-wide implementation to promote sustainable growth of communities, society and the environment, and to align with our business strategy. To date, our focus has been on youth educational and skill development through many projects, partnering with related parties specializing in their respective fields. It is hoped that this will bring about concrete achievements, with respect to social change, social values and development in diverse dimensions, while leading to sustainably improved living standards. Our notable relevant activities include financial knowledge provision, inspiring the general public in starting their own businesses, and promoting charitable activities among staff members and customers.

### Management Approach

KBank has announced the Corporate Citizenship Strategy and adopted the London Benchmarking Group, an international standard recognized worldwide for Corporate Social Responsibility (CSR) activities, as our guidance for related activities, thereby boosting CSR assessment efficiency. The Corporate Citizenship Strategy has been put into action by the Corporate Secretariat Division with the ultimate aim of fortifying social prosperity through many forms of activities including funding support, staff charitable activities, donations of necessities, and knowledge dissemination activities, jointly held by business partners, related parties, customers and the KASIKORNTHAI Foundation.



### KASIKORNBANK Donation Policy

KBank is determined to contribute to the betterment of communities and the society at large via coordination with organizations in all sectors, e.g., government and non-governmental agencies, non-profit organizations, educational institutions and experts, to implement beneficial activities towards positive change, as well as value creation and social development in various dimensions. KBank also promotes a volunteer spirit among our staff, who can employ their skills to help benefit the public and improve the quality of life in our society. We have a well-defined support policy, wherein we do not fund the following entities:

- Organizations, agencies, projects or activities that are involved in politics.
- Organizations, agencies, projects or activities that are not in compliance with the law, or are immoral, unethical or non-transparent.
- Organizations, agencies, projects or activities that do not respect or preserve our nation, religion or monarchy.
- Organizations, agencies, projects or activities that are in conflict with KBank’s operational directions and principles.

### Contributions

As KBank has aimed to help build a society and communities with good quality of life, so that they become the key mechanisms driving the country’s advancement, a number of contributions have been carried out, e.g., funding support, donation of necessities, joint campaigns with our customers, emergency assistance, internal activities to raise funds for charitable organizations, and philanthropic efforts through the KASIKORNTHAI Foundation.

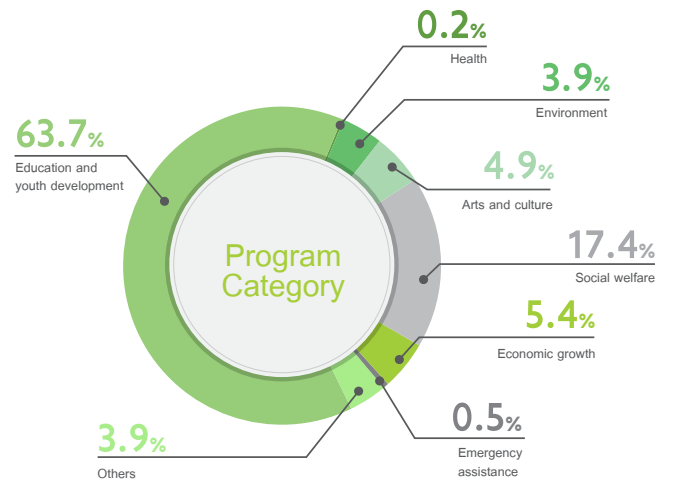


### Contributions by Type (Million Baht)



Remark: Reference to the London Benchmarking Group (LBG)

### Community investment expenditure by program category



## Sustainable Development via the KASIKORNTHAI Foundation

Based on our Sustainable Development Policy, we have devised a Corporate Citizenship Strategy with focus on youth development through the KASIKORNTHAI Foundation. Charitable activities aimed at building the capabilities and health of underprivileged Thai youths have been consistently organized by the foundation, as follows:



### "Thai Youth Camp" (initiated in 1994)

The Thai Youth Camp offers a chance for productivity among disadvantaged children from shelters and/or detention homes with training in music, sports and the arts, cultivating positive attitudes.



### "Lunch Box" (initiated in 1998)

This project aims to relieve hunger among preschool children, students and disadvantaged children in shelters, by providing a nutritious lunch served daily.



### "Thai School Bus" (initiated in 2000)

This project offers a safe driving service for kindergarten and primary school children of Rat Burana District, and provides a school bus of exemplary quality and efficiency which can be applied further by responsible parties.



### "Mettadhamma" (initiated in 2006)

The Mettadhamma project represents those with a philanthropic spirit wishing to donate necessities or provide other forms of assistance, and thus better living standards, to the less fortunate, including disadvantaged women and children, the handicapped and the elderly nationwide who are struggling with everyday difficulties, illnesses, or catastrophic events.

In 2015, under the "Thai Rice for Thais" program, which was conducted for the third straight year, KBank staff members were invited to donate for the purchase of 9,000 bags of rice to be presented to disadvantaged and handicapped children, as well as the elderly, in 99 schools and shelters across the country.



### Clean Water for Thai Children (initiated in 2007)

Drinking water purification systems have been installed at schools in remote areas to provide clean water for the hygiene of teachers and students. In 2015, such water purification systems were installed at 50 schools in 47 provinces nationwide.



### "Libraries for Schools" (initiated in 2009)

This program has been implemented to promote reading, self-enhancement, self-reliance and self-learning skills among Thai students. In 2015, 12 school libraries have been established. More than 80 school libraries were delivered over 77 provinces since 2009.



### Assistance Programs for Schools in the Three Southern Border Provinces (initiated in 2015)

With support from the Southern Border Provinces Administrative Center, assistance has been offered on three fronts - namely library improvement, computer room renovation, and installation of drinking water purification systems - for 10 schools in the three southern border provinces of Pattani, Yala, and Narathiwat, which have been hit by violence in an ongoing conflict.

Apart from funding support from KBank, the KASIKORNTHAI Foundation has also received donations from KBank employees as well as the general public, through the foundation's website, [www.kasikornfoundation.org](http://www.kasikornfoundation.org).

## Youth Educational Development Programs

### Cultivation of Wisdom Project (2012-2017)

The fourth year of cooperation with the Office of the Thailand Research Fund (TRF) in the “Cultivation of Wisdom” Project was aimed at developing and reforming the thinking processes of youth, enhancing systemic thinking skills, instilling a positive conscience and strengthening adherence to local ways of life. Project implementation includes the preparation of Research-Based Learning (RBL) involving communal histories and economies, and creative science, to bring about strong and sustainable communities. Courses related to financial skills and knowledge have been initiated for teachers and students that participate in research projects, with focus on earning income to enable the project’s advancement. Other courses of financial management have been given to participating schools for the benefit of personal financial management capability. KBank and TRF believe that these research projects will create productive thinking processes and will foster the youths’ consciousness, based on communal histories and ways of life, which will lead to their sustainable success in the future.



Cultivation of Wisdom Project Annual Presentation



### Pho Phan Panya Kamp (initiated in 2014)

Implemented for the second consecutive year, the Pho Phan Panya Kamp - which promotes productive thinking processes and systemic thinking skills - was launched for 50 KBank employees’ children, at 13-15 years of age. Organized at the KASIKORNTHAI Learning Center, the Pho Phan Panya Kamp is based on the concept of building a new generation with thinking and research skills, in line with the exemplary Cultivation of Wisdom Project, so that these children can “think, understand and smile” via experience gained in this activity. Apart from systemic thinking skills, project participants will be encouraged to have good self-understanding and a better understanding of others’ lives as well, with constructive attitudes towards the world, thereby feeling energized to live their future life and be their parents’ pride. In the meantime, this will create love and loyalty to the organization among our employees. At present, 100 KBank employees’ children nationwide have participated in this project.



Pho Phan Panya Kamp in 2015

### AFTERKLASS (initiated in 2014)

KBank is committed to endowing children and youth with financial knowledge which can provide them efficient personal and family financial discipline for their adulthood. A website, [www.afterclass.com](http://www.afterclass.com), was thus launched in 2014, with the purpose of promoting financial learning among youths 12-20 years of age. Members of the website, a channel often visited by the new generation, can enjoy relevant knowledge and news, while sharing experience of activities they love with new friends who share the same passions. Apart from topics of music, sports,



[www.afterclass.com](http://www.afterclass.com)



H.R.H. Princess Maha Chakri Sirindhorn presided over a seminar on  
"Care for Nan Forest" in 2015



Nan students who received the bachelor's degree scholarships in honor of H.R.H.  
Princess Maha Chakri Sirindhorn.

arts, cooking, fashion, and photography, members receive financial knowledge, e.g., saving and spending discipline, inserted in all activities through a daily spending simulation, the KOINS SYSTEM. At least 15,000 members nationwide have joined the website.

### Bachelor's Degree Scholarships for Nan youths in honor of Her Royal Highness Princess Maha Chakri Sirindhorn (initiated in 2015)

KBank, along with Nation University, offers higher education opportunities for students from Nan province in honor of Her Royal Highness Princess Maha Chakri Sirindhorn's 60<sup>th</sup> birth anniversary, and to share the legacy of the princess' royal projects, remarkable talents, and prestige devoted to the country. Under this program, scholarships are given to Nan youths for the purpose of manpower cultivation to develop local economies, societies, communities and environments; while the new generation will be encouraged to carry on with the Rak Pa Nan Project for sustainable, self-sufficient communities.

### Projects for Public Benefit

#### Rak Pa Nan (Care for Nan Forest) (initiated in 2014)

The Rak Pa Nan Project was initiated in 2014, with the ultimate aim of forest conservation and rehabilitation in Nan province, while raising awareness among all related local parties in the upkeep of forest watersheds. The Nan River, in particular, provides at least 40 percent of the water supply for the Chao Phraya River, the main river system of central Thailand. Realizing the importance of the Nan River to the Thai people, KBank has supported relevant training for locals, as well as related parties in Nan province. Moreover, in 2015, KBank, together with the Office of Her Royal Highness Princess Maha Chakri Sirindhorn's Projects, Chulakongkorn University, and the Royal Thai Army, moved forward with the Nan Forest Conservation and Rehabilitation Strategy. Action plans under the strategy comprise forest rehabilitation to increase forest area, forest encroachment prevention, creation of cooperative networks among Nan communities and related parties, increasing youth awareness of natural resource conservation, and development of alternative careers for locals. In light of this, Nan communities will have a sustainable future with their forests. KBank has also allocated substantial budgets for this ten-year development plan.



### KBank Caring for the Urban Oasis of Bangkok (initiated in 2010)

Being a good corporate citizen of the society and communities surrounding the Bank's headquarters, KBank implemented the KBank Caring for the Urban Oasis of Bangkok Project for the sixth consecutive year. This year's project was organized in Bang Nam Pheung Sub-district, Phra Pradaeng District, Samut Prakan. Located close to KBank, the Bang Nam Pheung community has been dubbed the last "Urban Oasis" of Bangkok residents, given its relative abundance of forest space. From a survey of community expectations, the Bank found that locals wished for KBank to help improving the quality of public water sources for the community's good health. We, together with our staff members in the volunteer spirit, raised funds to build pedal-power water purifying bicycles for the community. Other activities include learning local wisdom from community scholars, and maintaining forested areas together with communities for the past five years, as sites to learn about nature, and as Bangkok's "Urban Oasis".



KBank employees participated in "KBank Caring for the Urban Oasis of Bangkok" at Bang Nam Pheung community.

## Sustainable Environment

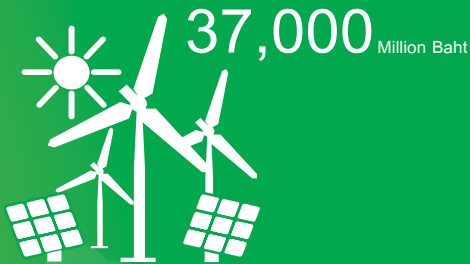
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As the country's leading financial institution, KBank is well aware of the role we must play as a good citizen - to be responsible for prudent resource utilization and promote efforts to halt global climate change. To this end, the Board of Directors has designated Mr. Banthoon Lamsam, Chairman of the Board and Chief Executive Officer as the Chief Environmental Officer to oversee KBank green initiatives and environmental projects. Among our ongoing projects are: reducing greenhouse gas (GHG) emissions from KBank's business activities by 20-25 percent within 2020. We have also developed organizational policies relating to environmental protection and energy conservation, to be implemented by every units. The Bank remains committed to supporting environmentally friendly businesses and projects. By granting financial assistance to renewable energy projects or environmentally friendly businesses, KBank is showing our commitment to see Thailand progresses towards becoming a low-carbon economy, where the environment is safeguarded and natural resources conserved for future generations.

Total value of renewable energy project financing: more than



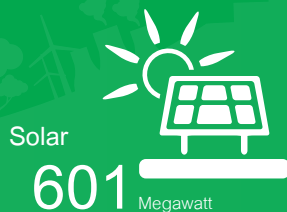
Energy and environmental conservation credits: more than



Indirect GHG emissions (Scope 2)



Capacity of renewable energy projects supported by KBank



## Support to Low-Carbon Economy

Today, conservation of natural resource and efficient energy utilization has become a focus of prime concern, setting in motion cooperation from all parties in attaining sustainability through various initiatives. KBank has long been a primary lender for green projects and environmentally-friendly businesses, maintaining our constructive role in fostering awareness of energy saving within the business sector.

### Management Approach

As a key supporter of green credit facility programs, KBank has clearly laid out our credit policies for businesses in relation to renewable energy and energy efficiency. During credit approval process, we take into account environmental and social risks to ensure that every single project financed by KBank is not harmful to the environment or society as a whole.

### Risks Associated with Credit Extension to Renewable Energy Projects

Risks associated with credit extension to renewable energy projects, e.g. solar, wind, hydro and biomass power generation, have been assessed as follows:

- Construction risks: Certain types of power plants, such as hydropower facilities, require longer-than-usual construction times and are exceptionally costly. Thus, effective construction and budget management is essential.
- Major risks of biomass power plants: Raw material prices and availability must be assessed amid a growing number of power plant projects, given limited raw material resources used in several other industries, as well.
- Climate change risks: Global climate changes increase risk for of the operations of solar, wind and hydropower plants, which rely chiefly on natural resources.
- Technology/machinery risks: This entails design features, e.g. boilers, turbines and generators (preliminary inspection in IE reports by independent engineers.)
- Civil unrest risks: Mass protests, occurring while credit requests are being considered, could prevent a power plant from being commissioned.

- Environmental impact risks: Matters to be investigated include security systems, initial environmental examinations (IEE), environmental impact assessments (EIA), environmental and social impact assessments (ESIA) by responsible agencies, plus certification of preventive measures and remedies to ensure against environmental and security issues affecting operations.

### Monitoring and Evaluation

After credit approval, continual monitoring is conducted by independent consulting engineers, i.e., Team Consulting Engineering and Management Co., Ltd., ATT Consultants Co., Ltd., EGCO Engineering and Service Co., Ltd., Energy for Environment Foundation, Matt MacDonald (Thailand) Co., Ltd., Sinclair Knight Merz (Thailand) Co., Ltd. and other key energy consultants. Monitoring and supervision is undertaken from the project start point until one year after operators begin to supply electricity to the national power grid. Typically there are three phrases



## Monitoring and Evaluation Process

1

**Prior to construction and initial credit request:**

Credit applicants shall report on technical data, construction plans, technical assumptions and detailed recommendations towards issues of concern.

**During the period of construction and power grid connection:**

Credit applicants shall report on operational progress against established plans; invoices presented for loan drawdown must have costs vis-à-vis that particular phase of the project properly itemized and consistent with the construction schedule, and connections to the power grid must proceed satisfactorily, including assessments on the quality of the electricity generated, heat values and the efficiency of the overall generating system.

2

**During initial commissioned service to the power grid:**

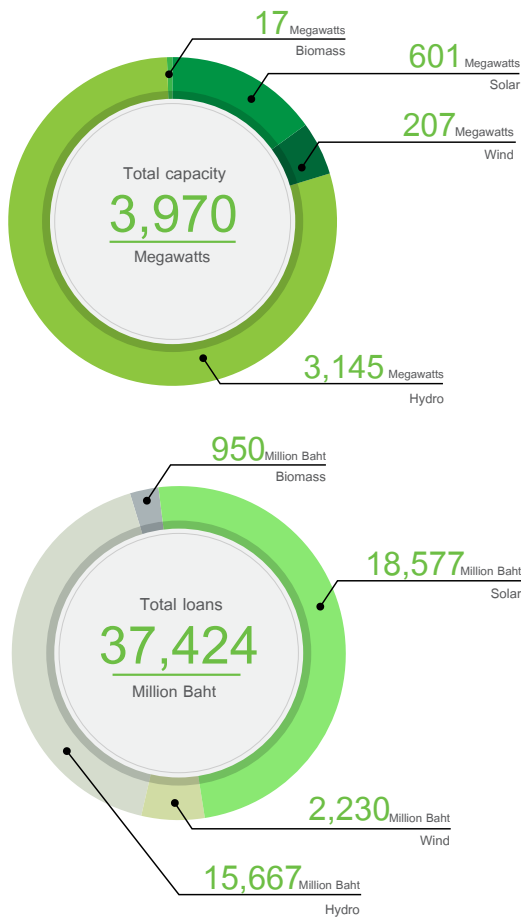
Credit applicants shall report twice annually on operational results over the first year and submit quarterly reports for a second year, involving technical aspects of the electricity generation, e.g., volume of power generated, volume delivered to the grid, problems during generation and resolutions undertaken to exhibit the viability of system controls and supervision, plus use of raw materials, e.g., volume used. Such reports would ensure that the finished project meets with their original plans.

3



**Renewable Energy Financing**

KBank has been keeping watch on the country's energy management initiatives. We have granted loans for numerous renewable energy (solar, wind, hydro and biomass) projects, which have generated 3,970 megawatts combined. Total loans taken by these projects came to 37 billion Baht



**Energy and Environment Conservation Project Financing**

KBank has established goals to promote growth for businesses that are eco-friendly and steadfast in using energy efficiently. Support is given through loans, ensuring operators have easy access to funds with which they can utilize to make their business greener. In addition, we intend to assist them in achieving effective cost management, reducing energy use, contributing to the problem of global warming and raising their competitiveness over the long run. The Bank has developed credit programs totaling 3 billion Baht for entrepreneurs. At present, we have implemented four credit programs for eco-friendly businesses, comprising:

-  K-Energy Saving Guarantee Program
-  K-Energy Saving Guarantee Program (Solar Rooftop)
-  K-Top Up Loan for Energy Saving (Lighting Solution)
-  K-Green Building Program which is a financial resource for entrepreneurs who wish to turn their office buildings into green facilities, along with other initiatives to conserve energy and help save the environment.

Implementation of these programs has been pursued in collaboration with a number of local and international organizations, engaging in energy saving and environmental conservation projects. The Bank has also networked with energy service companies, as well as manufacturers of energy-saving devices and products. In doing so, we are able to offer integrated eco-friendly business solutions to customers.



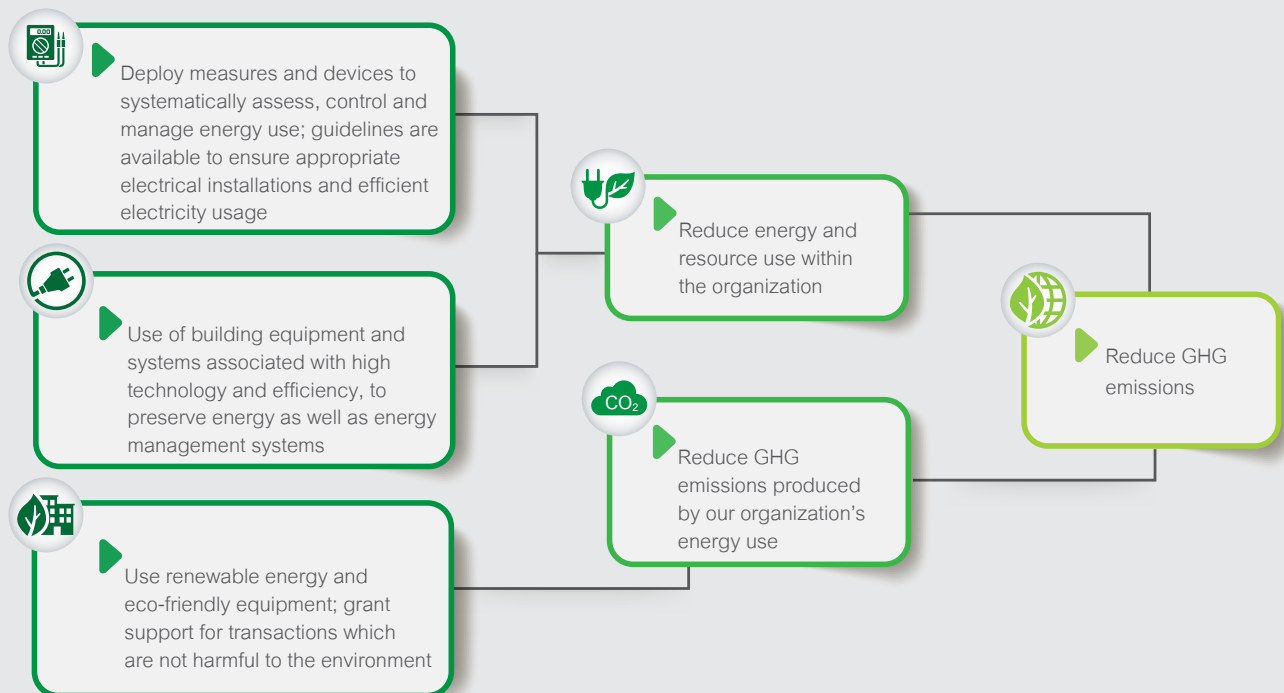
## Environmental Impact Management

KBank is determined to attach great importance to the environment. This year, we announced the KBank energy conservation policy, while looking to reduce GHG (greenhouse gas) emissions from the Bank's operations by 20-25 percent (from 2012) before the end of 2020, consistent with Thailand's pledge at the 21<sup>st</sup> Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change to reduce greenhouse gas emissions. In working towards that goal, KBank has adopted the concept of Green Buildings for the Environment under the Leadership in Energy and Environmental Design (LEED) standards, while undertaking plans to manage the efficiency of energy use and foster staff awareness of energy sustainability.

### Management Approach

KBank has defined clear environmental and energy use policies, outlining strategies as operational guidelines for all units, with a goal to reduce GHG emissions. In addition, we are conducting internal communications and organizing campaigns to raise awareness of environmental conservation among our employees.

### Environmental Management at KBank

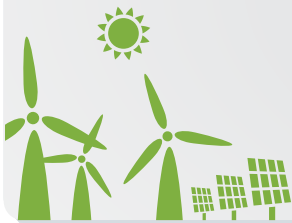


## Environmental and Energy Conservation Policies

KBank is committed to environmental awareness and preservation. Our commitment is tangible in many ways. We encourage staff to use up resources wholly, in order to maximize benefits from scarce resources, which will help reduce GHG emissions.

The Bank aims at steering our organization towards a lower carbon use and environmentally friendly community, where a **zero or near-zero carbon** management plan is being implemented. Under the plan, our own buildings must be designed with a central focus on efficient energy use, choosing cleaner technologies and high-performance building management systems, which take into account environmental preservation and the optimum use of natural resources. In doing so, we hope to create a genuine environmentally sustainable business. KBank's energy conservation and environmental impact management plan is as follows:

### Energy Conservation



- Energy conservation is stipulated as an integral part of our operations, in conformity with relevant laws and regulations.
- Energy conservation plans and goals are established.
- KBank will provide necessary support including manpower, budgets, training and participation in power management. We will deploy initiatives to ensure continuous improvements in energy efficiency and renewable energy usage, while also developing energy-saving systems and equipment accordingly.
- It is the duty of executives at all levels to conserve energy and participate in implementing stipulated measures, monitoring, examining and reporting relevant matters to the Energy Management Working Group.
- Energy policies, goals and operational plans will be reviewed and adjusted every year by executives and the Energy Management Working Group.

### Water Management



- Water management plans and goals are established.
- Patterns, procedures and management of water resources, including tap water, stored rainwater and wastewater recycled for consumption use are well defined.
- It is stipulated that wastewater from our buildings must be processed to meet the standards required by related laws and regulations.
- KBank will provide necessary support including manpower and budgets, and will always improve the effectiveness of water equipment in a timely and appropriate manner.

### Waste and Effluent Management

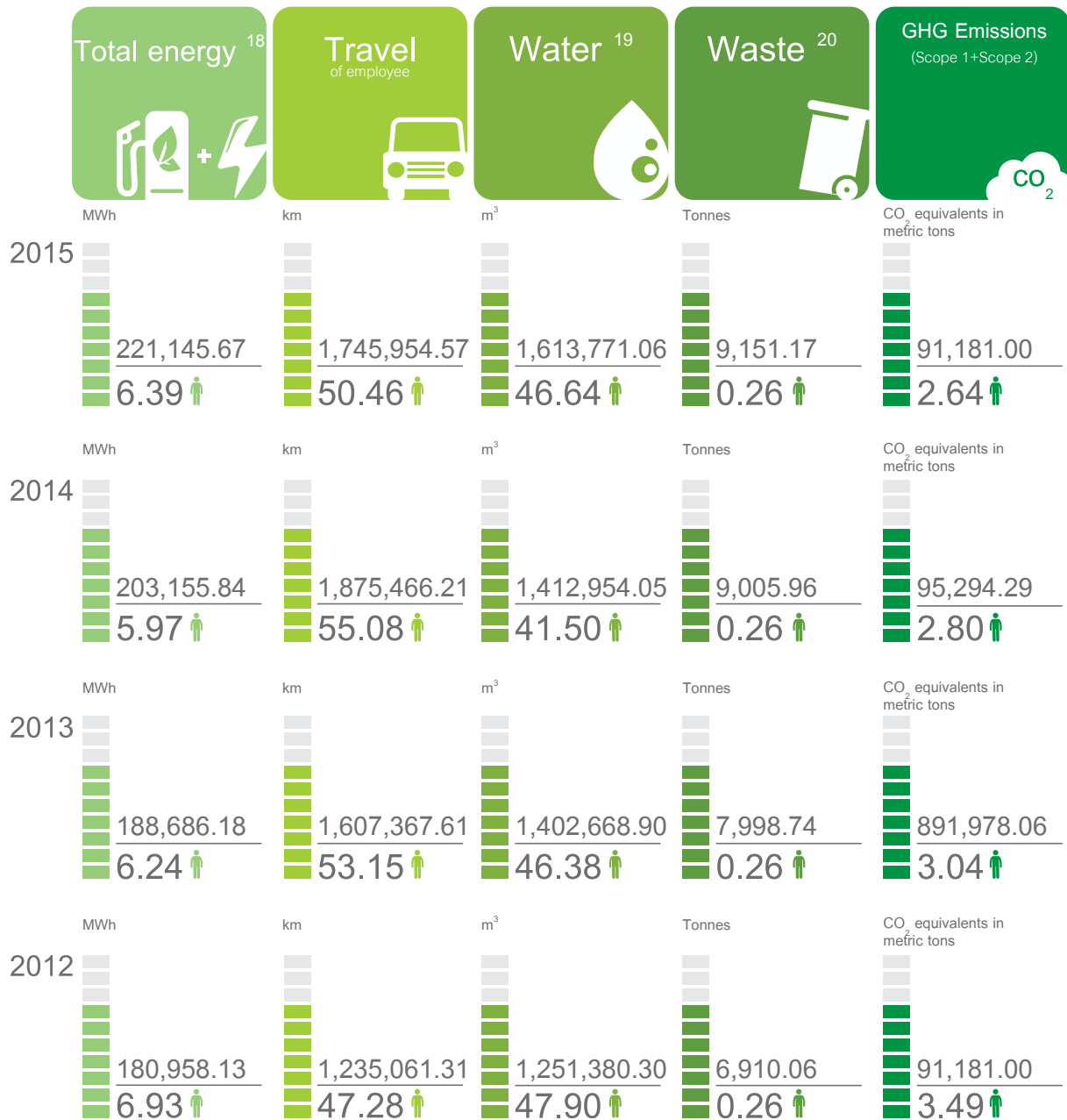


- Waste and effluent management plans and goals are established.
- Waste and effluent management is handled in compliance with sanitation principles, covering collection, transportation, recovery and disposal.
- Employees are supported to gain more knowledge and participate in waste and effluent management activities.



### Environmental Performance

KBank has put in place the database management system on environment-related information. Collected data is processed, and used to keep track of the Bank's environmental management, to ensure that all implementation is in compliance with our strategies and objectives. During 2015, the following indicators were used to evaluate our environmental management policies.



**Remarks**

As a result of digital banking strategy, KBank has installed new IT system (Core Banking). During the preparing stage, the system was run over 24 hours a day to ensure that it will operate efficiently. Staffs who involves in the new IT system also have a Saturday and Sunday training which reflect to the high energy and water consumption for the cooling system.  
Environmental performance above calculated by using full time employee which including employee of KBank, K Companies and P Companies.

<sup>18</sup> Denotes energy consumption within and outside the organization

<sup>19</sup> Denotes tap water only

<sup>20</sup> Waste which is managed by sanitary landfill carried out by relevant governmental unit in each building and branch locale

### KASIKORNBANK Chaeng Watthana Building 2

Our Chaeng Watthana Building 2 is an office building equipped with a parking area. The 11-floor building's entire space of 70,000 square meters can station over 4,000 employees. Designed under the "KBank Innovation Campus" (KIC) concept - enjoyment and creativity can be found anywhere - the building adopts a contemporary look, at the same time being environmentally friendly. Fully recognizing that a pleasant work environment encourages creativity, promotes employee efficiency and improves performance, KBank has commissioned an agile workplace for employees in the IT units, allowing them maximum free-range. They can choose to work in any area, on any floor and from any corner of the building, where relaxing workspaces are enabled to promote inspiration. These arrangements have been implemented based on occupational safety standards consistent with recognized international standards.

The Chaeng Watthana Building 2 was designed using the USGBC (United States Green Building Council)'s LEED concept and was certified 'platinum level'. This concept takes into consideration environmental impacts, energy efficiency and local residents' quality of life. The building became the first building owned by a financial institution to be awarded LEED Platinum. It was also built based on the "universal design" concept, whereby a number of disabled-friendly facilities were installed, such as toilets, parking spaces, ramps and lifts. Chaeng Watthana Building 2 is scheduled to open in January 2016.

Core elements of the Chaeng Watthana 2 Building that demonstrate the characteristics of the "KBank Innovation Campus":



**Mobility Workplace:** Designs have been carried out to allow the "mobile office" concept.



**VDO conferencing room:** Engage as many as 20 calls and helps reduce CO<sub>2</sub> emissions caused by transportation from different locations.



**High-speed Wi-Fi:** A wireless technology that covers the entire building supports smooth workflow.



**Structures and architecture:** The building has been renovated from an older construction, of which the foundations and core structures were retained. Most of materials used for building the new structure's frame were prefabricated in factories and delivered to the site for installation. This way, the construction time has been considerably reduced while the surrounding environment was less compromised.

**System engineering:** Designs for the building have been made to facilitate various usage and to best address user demands. Involved systems include the electrical system, the IT and telephone systems, the lighting system and the zone control air-conditioning system which affords reasonable energy consumption.

**Environmental conservation innovations:** Innovations used in the design of this building were chosen with a main focus on user-friendliness and efficient energy use. For example:



**Renewable energy:** A large solar panel covering the entire building roof was mounted to generate solar power which then will be utilized in parts of the building. This helps save energy and preserve the environment.



**Lighting system:** The lighting control system and the motion sensors were installed to support smart lighting controls which automatically switch the lights on and off in the building's common restrooms.



**Uninterruptible power supply:** The building deploys a dynamic uninterrupted power system (DUPS) that can supply energy instantly, cutting down on use of toxicity-laden batteries which are harmful to the environment.



**Air-conditioning system:** The system is equipped with variable air volume (VAV) diffusers, which offers user-defined temperature controls in respective areas. The main device is engineered to use a Variable Speed Drive (VSD) controller as a system regulator, controlling devices to work more efficiently and bring about maximum energy-saving efficiency.



**Building automation system:** The automation system is designed to ensure that different control disciplines, including power supply, air-conditioning, sanitation, security and fire alarms, among others, are functioning well. The system is regulated by computers for maximum convenience and managerial efficacy.



**Elevator system:** Elevators in the building are operated with the destination control system, thereby reducing waiting times and traffic. This is intended to indirectly cut down energy waste in elevators.



**Green areas:** A large open space in front of the building is designated as green space where employees can exercise in the green surroundings.



**Paints and adhesive substances:** Types of paints and coatings used within the building must have low levels of volatile organic content (VOC) to reduce the health impact on staff.



**Ventilation system:** The system is designed to bring in sufficient outside air into the building to maintain air quality in accordance with ventilation rate standard, with CO<sub>2</sub> sensors being installed. The introduction of outside air is controlled by the building's automation systems.



**Waste and effluent management system:** To reduce water consumption and promote sustainable water use, the sanitation system recycles purified wastewater for general use in the building and for watering plants. Waste is managed in compliance with LEED standards which require the building to have waste sorting facilities.



**Lavatories, the elevator system and other relevant facilities** are designed to be disabled-friendly.

## Economic, Social and Environmental Performance

### Economic Performance



Economic	Unit	2015	
		Consolidated	KBank
Revenues <sup>21</sup>	Thousand Baht	176,856,536	155,927,694
Operating costs <sup>22</sup>	Thousand Baht	33,273,067	32,568,639
Employee wages and benefit <sup>23</sup>	Thousand Baht	28,928,689	22,281,198
Payments to providers of capital <sup>24</sup>	Thousand Baht	38,914,451	38,801,009
Tax payment to government <sup>25</sup>	Thousand Baht	14,750,052	11,570,928
Cash donation for supporting community and education	Thousand Baht	231,462	110,539
Economic value retained	Thousand Baht	60,758,815	50,595,381

<sup>21</sup> Income includes net operating income, exclusive of operating expenses

<sup>22</sup> Other operating expenses include director remuneration, premise and equipment expenses, and other operating expenses (exclusive of donations and education projects)

<sup>23</sup> Personnel expenses include salaries, wages, overtime pay, bonuses, retirement pay, cost of living subsidies, employee benefits, Bank contributions to provident funds, welfares and other benefits, e.g., health insurance and annual health checkup

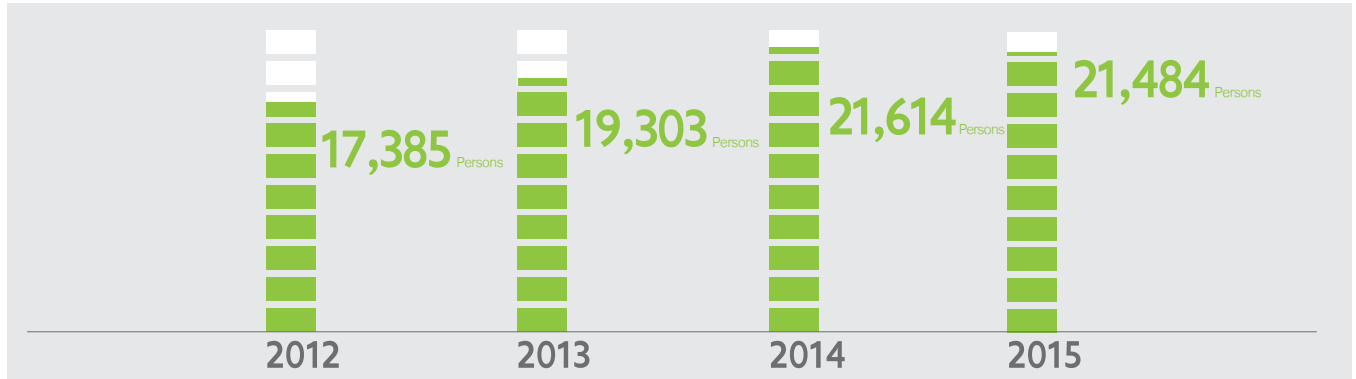
<sup>24</sup> Payments to providers of capital refer to dividends paid to shareholders and interest expenses

<sup>25</sup> Tax payment to government includes direct and indirect taxes, e.g., corporate income tax, property tax, value-added tax and special business tax

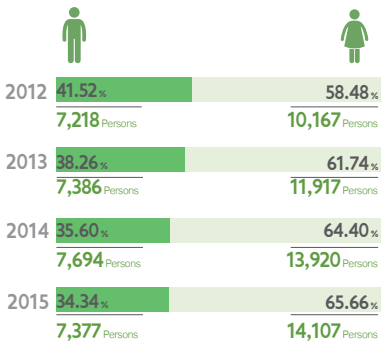
## Social Performance



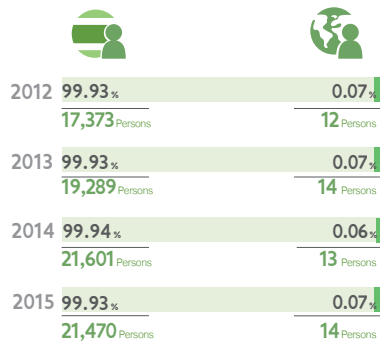
Total Number of Employees <sup>26</sup> 



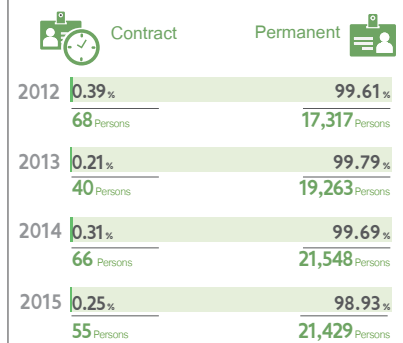
### By Gender



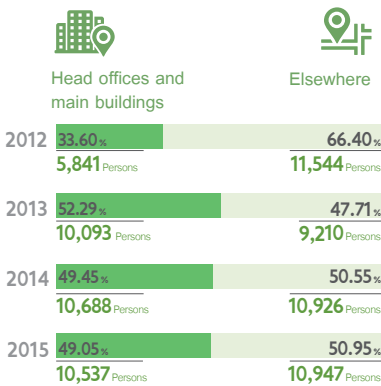
### By Nationality



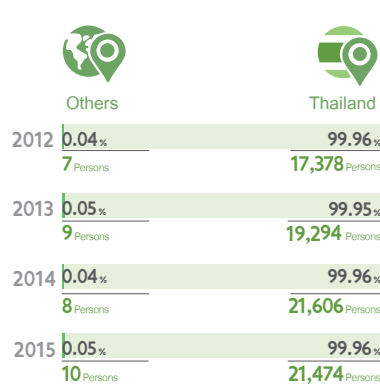
### By Type of Employment



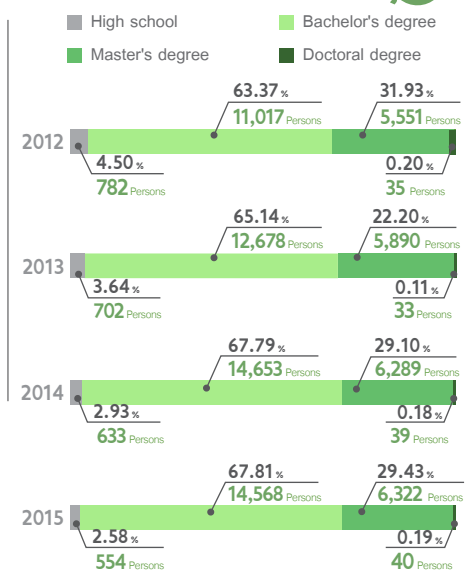
### By Workplace



### By Country

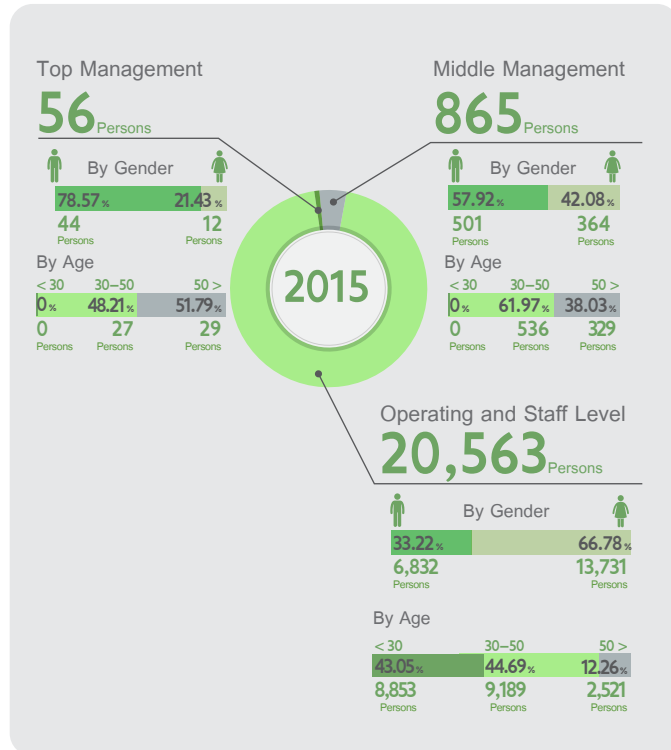
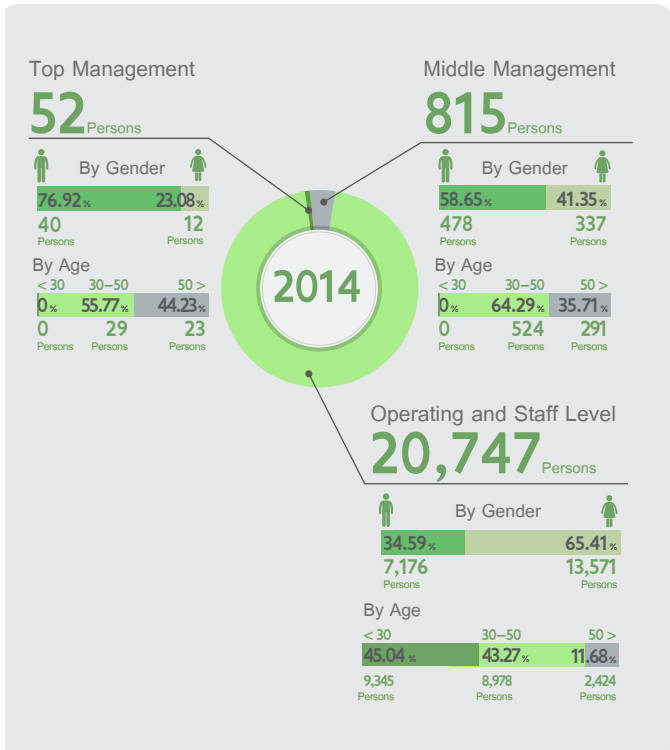
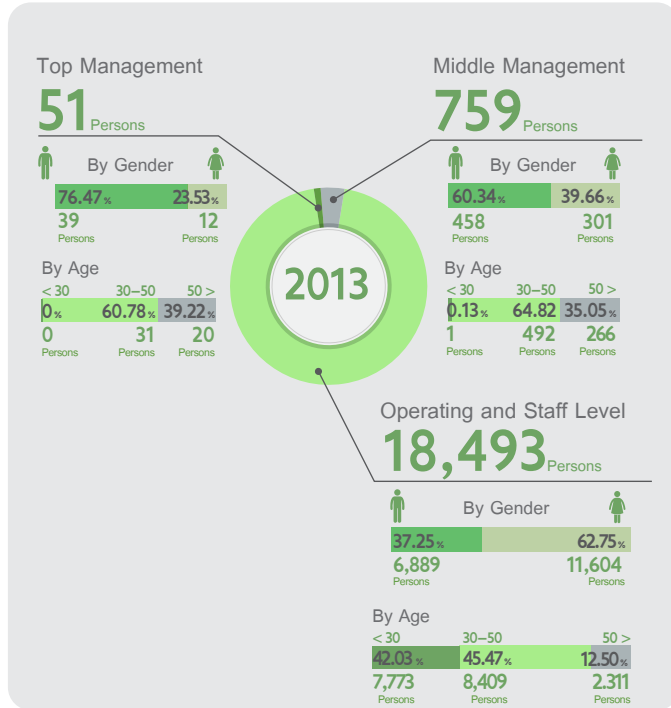
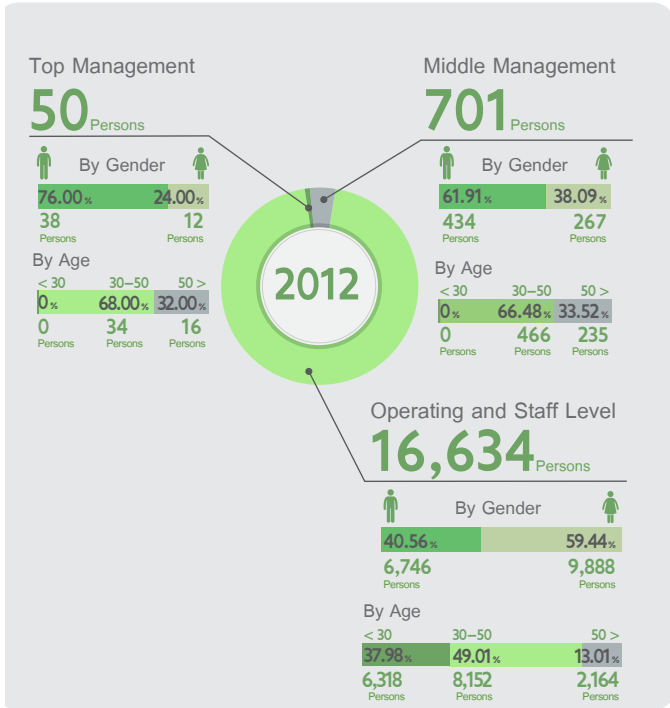


### By Level of Education

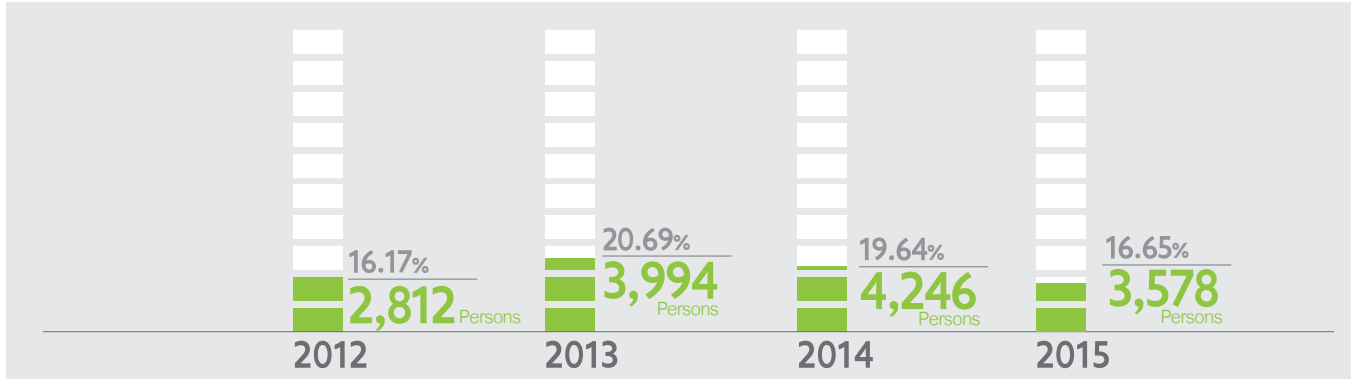


<sup>26</sup> Total Number of Employees refer to employee of KASIKORNBANK (Bank only).

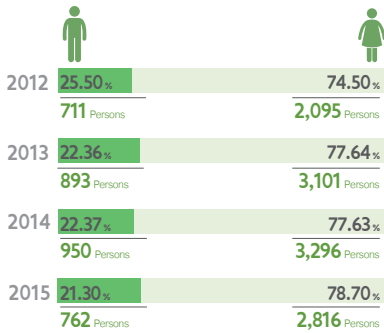
Classified by Employee Level



Number of New Employees 



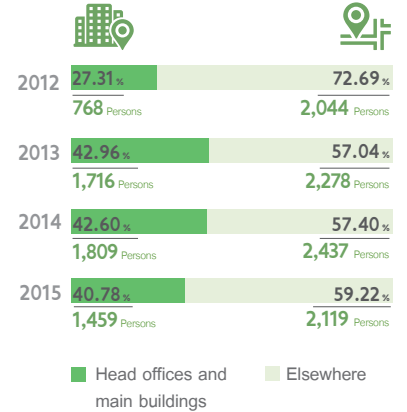
By Gender



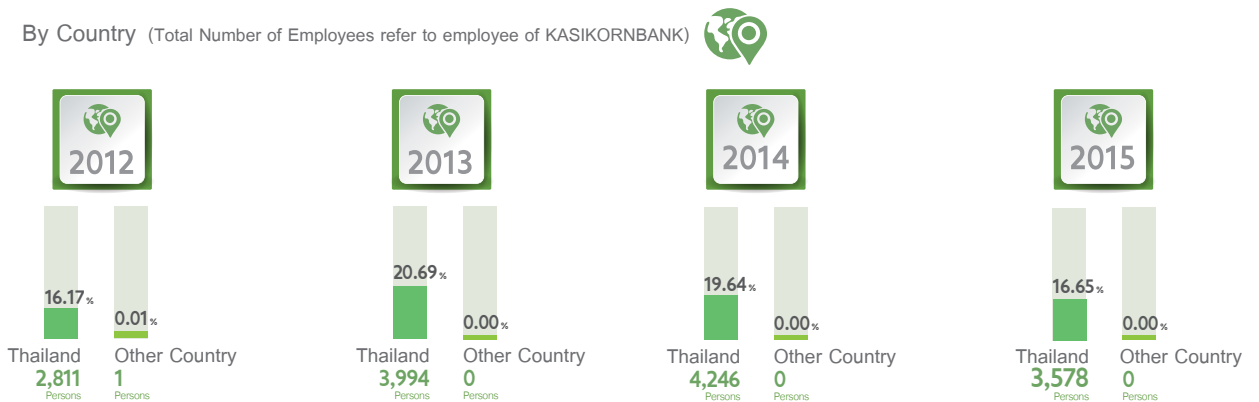
By Age



By Workplace

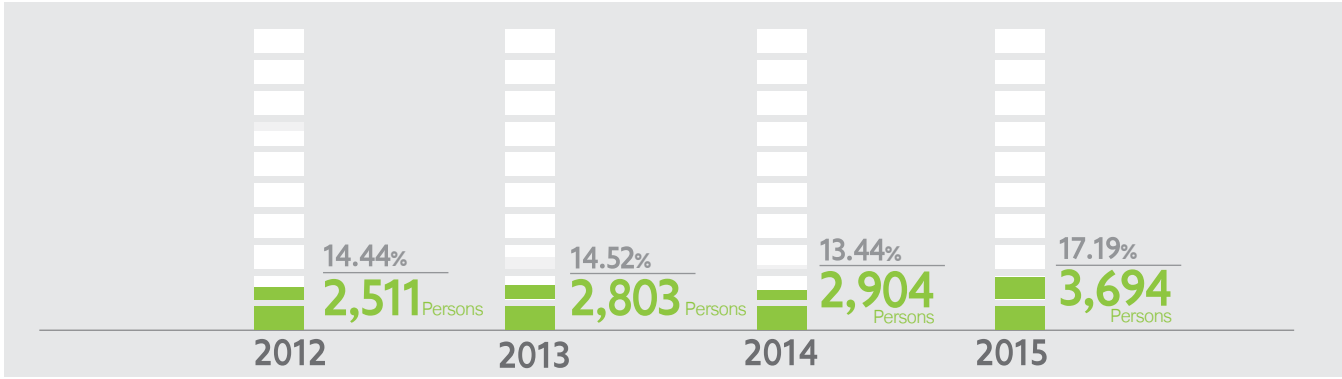


By Country (Total Number of Employees refer to employee of KASIKORNBANK)

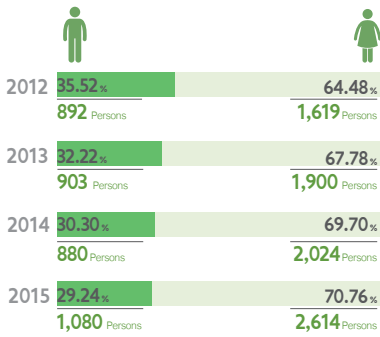


Number of Turnover 

Include employee retirement, early retirement, dead, not qualified, disclaim, contract end and terminated all kinds.



By Gender

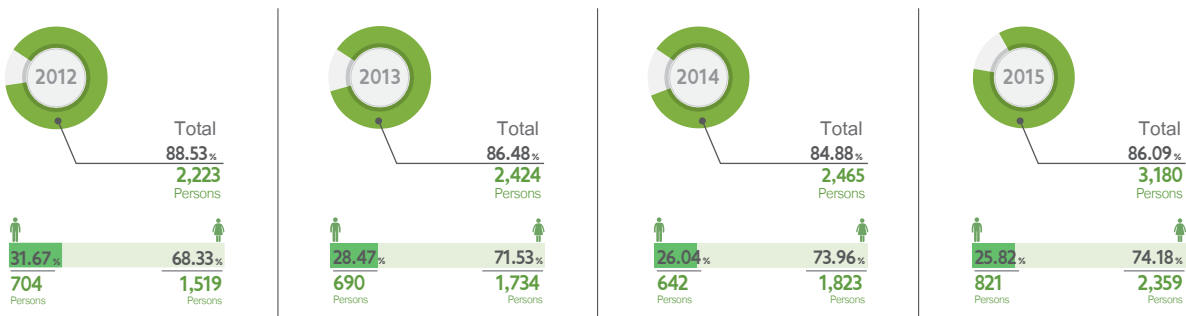


By Age



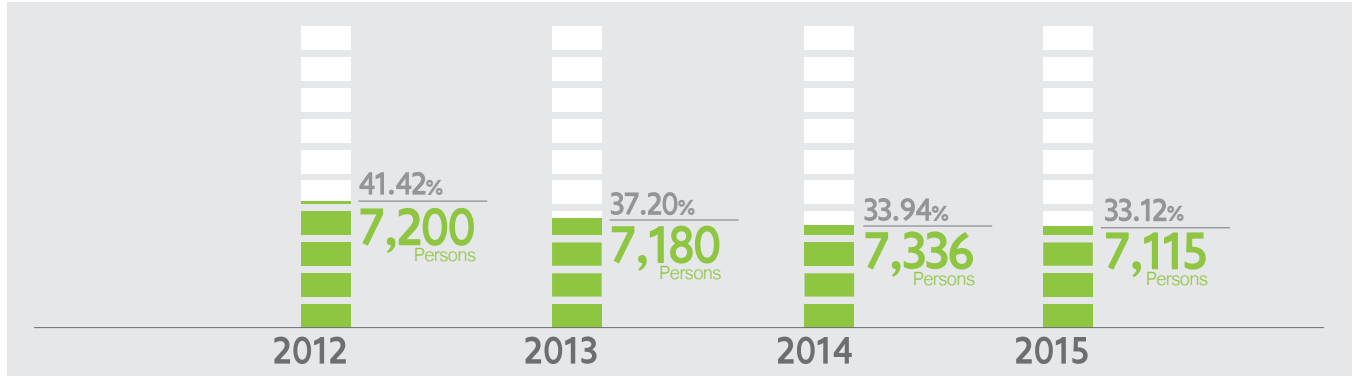
Number of Turnover 

Not include employee retirement, early retirement, dead, not qualified, disclaim, contract end and terminated all kinds.





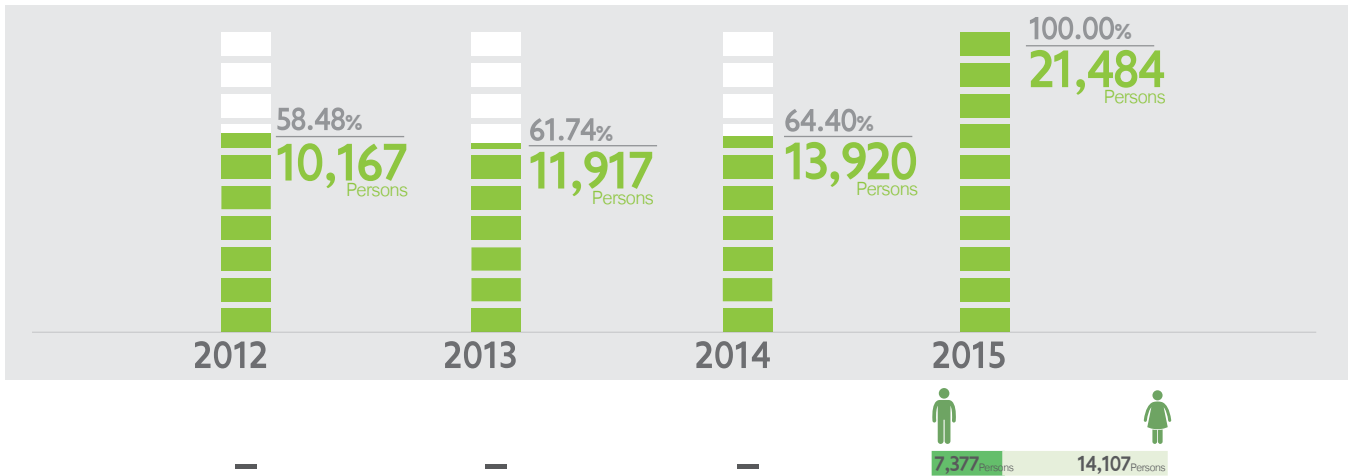
Number of Employees who are Labor Union Members



Salary and Basic Remuneration Female and Male Employees Ratio



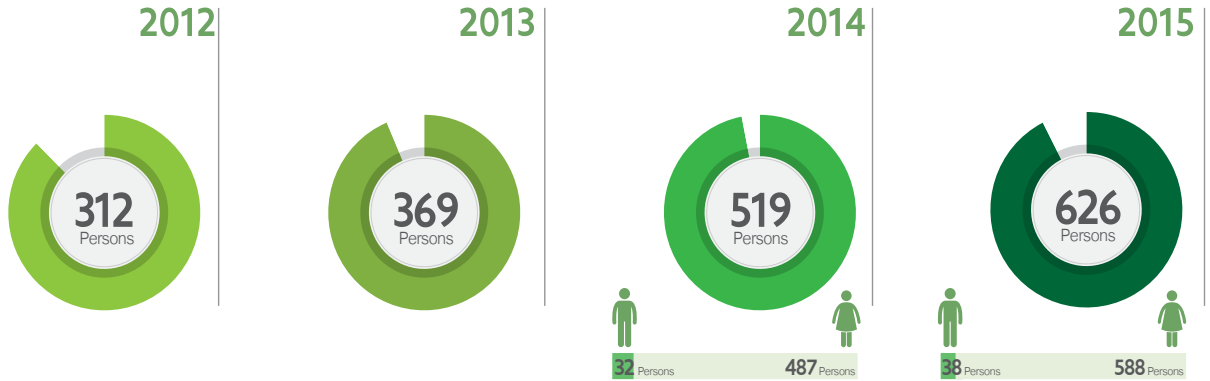
Number of employees having the right of maternity/parental leave 



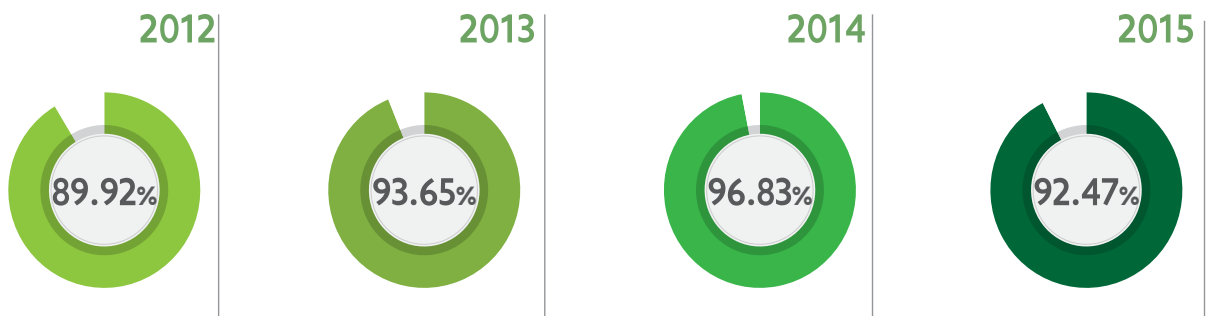
Number of employees using the right of maternity/parental leave



Number of employees returning to work after maternity/parental leave (classified by gender)

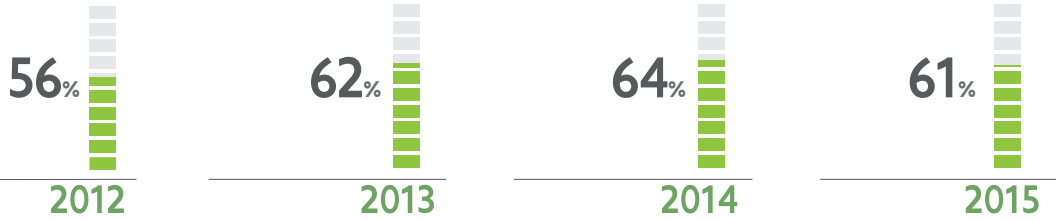


Number of employees who return to work after parental leave ended who were still employed after their return to work

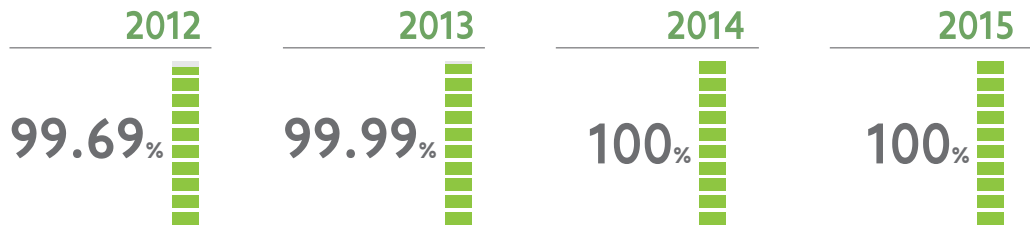


Employee Engagement 

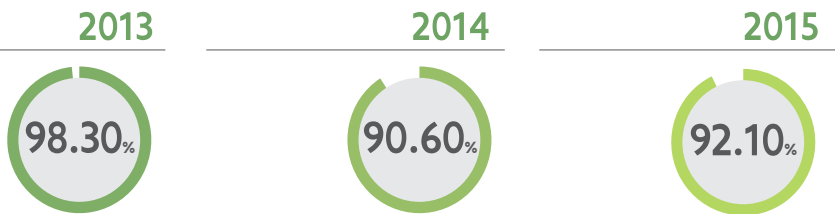
Level of employee engagement



Information coverage



Level of satisfaction in relation to dissemination of information and employee engagement activities



The minimum notice before effective operational changes that potentially affect job title/type of employment, e.g., divisional/departmental reshuffling, merger decision, extension of branches.

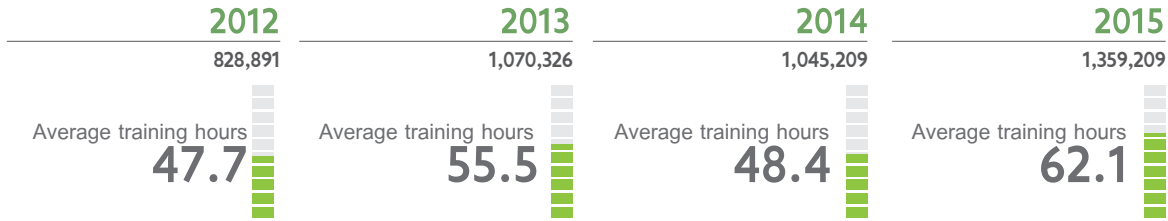


#### Employees' Complaints in Relation to Labor Practices



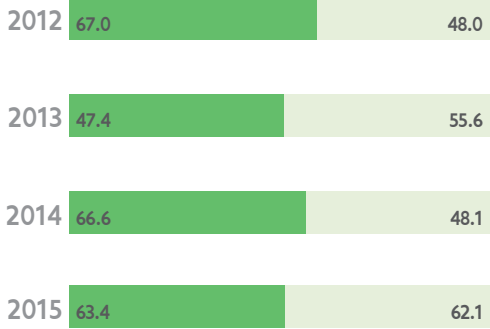
	2012	2013	2014	2015
Number of employees' complaints in relation to labor practices	23	23	23	34
Number of resolved complaints	23	23	23	34
Number of pending complaints	0	0	0	0

Average Training Hours of Total Employee

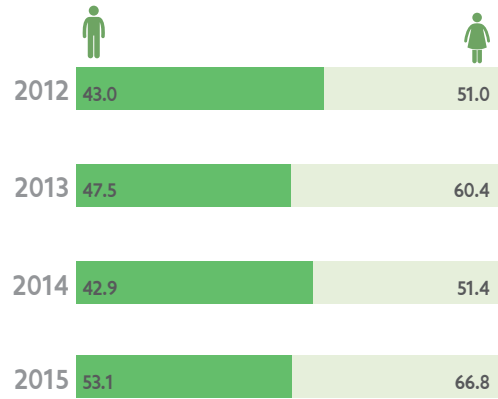


By Level

- Executive level (First Vice President and Higher)
- Operating and staff level (below First Vice President)



By Gender

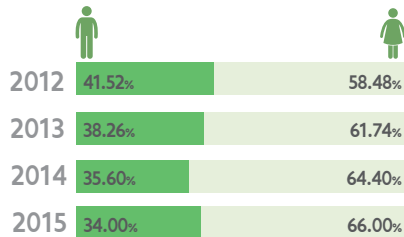


Employee Performance Evaluation



Percentage of employees who were evaluated per total employee

By Gender



By Program

- Management by Objectives
- Formal comparative ranking of employees within one employee category

100%

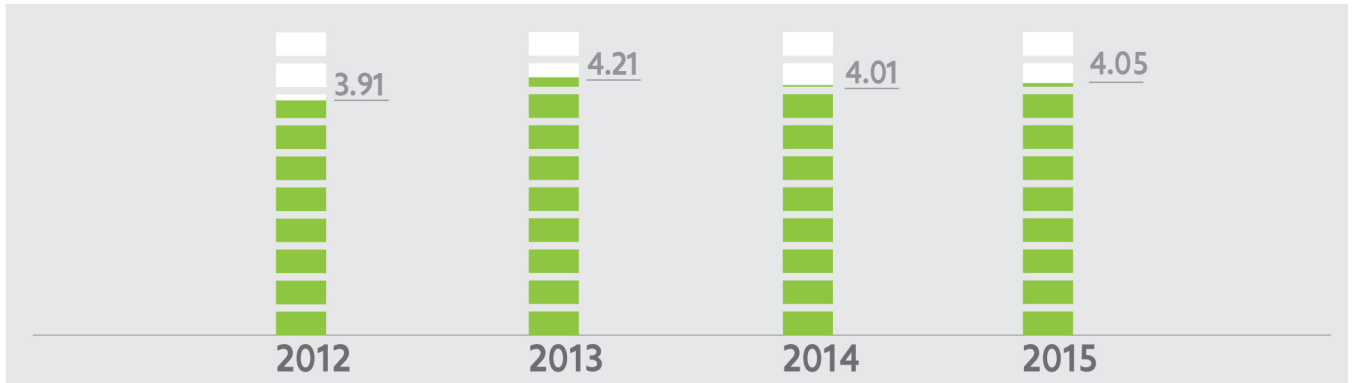


By Level

- Top management Level
- Middle management Level
- Operating and staff Level









100%

Human Capital Return on Investment (HCROI)



## Occupational Health and Safety



		2012		2013		2014		2015	
Information	Unit								
Injury Rate (IR)	Number of Employees per 200,000 Operating Hours	0.01		0.02		0.01		0.01	
		0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.00
Lost Time Injury Rate (LTIR)	Number of Employees per 200,000 Operating Hours	0.01		0.02		0.01		0.01	
		0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.00
Lost Day Injury Rate (LDIR)	Number of Lost Days per 200,000 Operating Hours	0.38		2.69		0.17		0.80	
		0.21	0.17	0.17	2.52	0.00	0.17	0.80	0.00
Occupational Diseases Rate (ODR)	Number of Employees per 200,000 Operating Hours	0		0		0		0	
		0	0	0	0	0	0	0	0
Absentee Rate (AR)	Percentage	0		0		0.61		0.70	
		0	0	0	0	0.53	0.65	0.64	0.74
Number of Fatalities	Person	0	0	0	0	0	0	0	0
Number of Sick Leave Days	Day	N/A	N/A	N/A	N/A	10,001	22,037	11,442	25,335
Amount of time lost due to non-work related illness (non-work related illness)	Day x 8 Hours	N/A	N/A	N/A	N/A	80,008	176,292	91,532	202,680































## Environmental Performance



## 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 and DEDE 2010
Materiality threshold	10%
Intensity ratio	Emission per FTE
Independent assurance	NO

Parameter	2012	2013	2014	2015	% change 2012 vs 2013	% change 2013 vs 2014	% change 2014 vs 2015
Greenhouse Gas Emissions (GHG Emissions) 							
Total Scope 1 CO <sub>2</sub> emissions							
Tonnes	4,579.50	5,518.15	7,322.55	8,926.43 	20.50% 	32.70% 	21.90% 
Tonnes per FTE	0.18	0.19	0.23	0.29 	11.04% 	18.12% 	26.86% 
Total Scope 2 CO <sub>2</sub> emissions							
Tonnes	86,601.50	86,459.91	87,971.74	91,458.00 	0.16% 	1.75% 	3.96% 
Tonnes per FTE	3.31	3.05	2.76	2.99 	8.00% 	9.43% 	8.19% 
Total Scope 1&2 CO <sub>2</sub> emissions							
Tonnes	91,181.00	91,978.06	95,294.29	100,384.43 	0.87% 	3.16% 	5.34% 
Tonnes per FTE	3.49	3.04	2.80	2.90 	12.86% 	7.98% 	3.67% 

Parameter	2012	2013	2014	2015	% change 2012 vs 2013	% change 2013 vs 2014	% change 2014 vs 2015
<b>Energy</b> 							
Energy consumption within the organization (MWh)	180,405.79	187,967.34	202,317.10	220,364.85	↑ 4.19%	↑ 7.63%	↑ 8.92%
Energy consumption outside of the organization (MWh)	552.34	718.84	838.74	780.82	↑ 30.14%	↓ 16.68%	↓ 6.91%
Total energy consumption (MWh)	180,958.13	188,686.18	203,155.84	221,145.67	↑ 4.27%	↑ 7.67%	↑ 8.86%
Energy consumption within the organization per FTE (MWh per FTE)	6.91	6.22	5.94	6.37	↓ 9.99%	↑ 4.40%	↑ 7.19%
Energy consumption outside of the organization per FTE (MWh per FTE)	0.02	0.02	0.02	0.02	↑ 12.43%	↓ 3.63%	↓ 8.38%
Total energy consumption per FTE (MWh per FTE)	6.93	6.24	5.97	6.39	↓ 9.92%	↑ 4.37%	↑ 7.13%
<b>Water</b> 							
Water consumption (mil m <sup>3</sup> )	1.25	1.40	1.41	1.61	↑ 12.09%	↑ 0.73%	↑ 14.21%
Water consumption per FTE (m <sup>3</sup> per FTE)	47.90	46.38	41.50	46.64	↓ 3.17%	↓ 10.53%	↑ 12.40%
<b>Waste</b> 							
Total waste generated (Metric Tones)	6,910.06	7,998.74	9,005.96	9,151.17	↑ 15.75%	↑ 12.59%	↑ 1.61%
Waste generated (kg per FTE)	264.50	264.50	264.50	264.50	-	-	-
<b>Travel</b> 							
Total CO <sub>2</sub> emissions from road travel (Tonnes)	228.63	297.55	347.18	323.20	↑ 30.14%	↓ 16.68%	↓ 6.91%
Total CO <sub>2</sub> emissions from road travel (Tonnes per FTE)	0.01	0.01	0.01	0.01	↑ 12.43%	↓ 3.63%	↓ 8.38%
<b>Full Time Employee <sup>27</sup>(FTE)</b>	<b>26,125</b>	<b>30,241</b>	<b>34,049</b>	<b>34,598</b>	<b>↑ 15.76%</b>	<b>↑ 12.59%</b>	<b>↑ 1.61%</b>

**Remarks**

As a result of digital banking strategy, KBank has installed new IT system (Core Banking). During the preparing stage, the system was run over 24 hours a day to ensure that it will operate efficiently. Staffs who involves in the new IT system also have a Saturday and Sunday training which reflect to the high energy and water consumption for the cooling system.  
Environmental performance above calculated by using full time employee which including employee of KBank, K Companies and P Companies.

<sup>27</sup> Full Time Employees include the employees of KBank, K Companies and P Companies

## About This Report

The Sustainability Report of KASIKORNBANK PUBLIC COMPANY LIMITED (KBank) has been prepared annually since 2012 as a channel to report about our sustainable development performance. The 2014 Sustainability Report was published in March 2015. The first three reports' (2012-2014) boundaries fully covered the sustainable development performance. In the 2015 report, the report's boundaries have been expanded to cover information disclosure on the performance of KBank's subsidiaries, associates and relevant companies of which KBank holds a minimum 50-percent share, 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 covers performance of KBank and our subsidiaries, associates, as well as relevant companies in consistence with our 2015 Annual Report.
- Social aspect information covers performance of KBank, only
- Environmental aspect information covers performance of KBank, K Companies and P Companies in Thailand

As shown on page 92

### Report Boundaries

The report boundaries cover KBank's performance during January 1-December 31, 2015, under the guidelines of Global Reporting Initiative (GRI) version G4 with the "Core" option. Furthermore, the boundaries cover guidelines for practices under the United Nations Global Compact (UNGC), voluntarily, as shown on 101-102.

### Certification of the Report

The economic aspect information featured in this report was compiled from the accounting recording system, as utilized in our 2015 Annual Report and audited by Certified Public Accountant. Furthermore, in order to ensure the credibility and transparency of the environmental and social aspect information, an external consulting company certified the correctness of the information and KBank's practices under the GRI G4 guidelines, with details as shown on page 93-100.

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, Corporate Communications and Relations Department, 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 the report should be addressed to:

Sustainable Development Unit  
Corporate Communications and Relations Department  
Corporate Secretariat Division  
KASIKORNBANK PUBLIC COMPANY LIMITED  
1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District,  
Rat Burana District, Bangkok 10140  
Tel.: +662-4702984



## Environmental Aspect Information (G4-22)

The environmental aspect information in this report covers activities considered to have significant impacts on the environment, and has been compiled by KBank.

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 sources for consumption include fuel combustion and electricity.

### Greenhouse Gas (GHG)

This exhibits greenhouse gas (GHG) emissions from operations or activities of the Bank, calculated in compliance with Intergovernmental Panel on Climate Change (IPCC) guidelines, with the following principles:

1. Report boundaries
  - 1.1 Direct emissions (Scope 1) occur from fuel oil or natural gas combustion only, through operating processes and activities under the Bank's monitoring, control and management.
  - 1.2 Indirect emissions (Scope 2) occur mainly from electricity, bought from external sources for the Bank's operations.
  - 1.3 Other indirect emission (Scope 3) occur from fuel oil or natural gas combustion, through operating process and activities over the Bank's monitoring, control and management.
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 rate, as suggested in the 2006 IPCC guidelines.
  - 2.2 The calculation of Scope 2 GHG emissions is based on the quantity of purchased electricity, and the GHG emission rate is suggested by the power plant or distributor.

- 2.3 The calculation of Scope 3 GHG emissions is based on fuel consumption (by weight or quantity), e.g., the quantity of oil or natural gas x GHG emission rate, as suggested in the 2006 IPCC guidelines.
3. The GHG emissions report covers CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>, calculated and illustrated in the form of carbon dioxide equivalent (CO<sub>2</sub>e), indicating Global Warming Potential (GWP) as designated by IPCC.

### Water

Water management comprises external water sources, recycled water, discharged wastewater and reused water. Evaluation of water utilization efficiency and risks from different water sources is in place. Water from external sources is for the Bank's activities. The information is extracted from the accounting evidence or water meter reading.

Used water<sup>28</sup> means the amount of reused water consumption after wastewater is treated through the wastewater management process. Water management is in place at KBank's three main buildings, which are the Rat Burana Building, Phahon Yothin Building and Chaeng Watthana Building 1 and 2. The activated-sludge wastewater treatment system receives appropriate levels of oxygen to ensure that at least 12 percent of water consumed within the buildings is recycled and reused. The system avoids the production of greenhouse gases during the wastewater management process.

### Waste

Waste management covers total waste generated through the Bank operations and activities. The quantity of waste is extracted from the actual weight or valid estimation.

<sup>28</sup> In 2015, the reused water system is being improved, hence the omission of reused water data report.

## Social Aspect Information (G4-22)

### Number of KBank Employees

KBank employees are workers under employment contracts with KBank and K Companies; they are classified into three groups, as below:

- “Top Management” includes those from the level of First Senior Vice President to the Chief Executive Officer
- “Middle Management” are Department Heads and Function Heads
- “Officers” are officers and Senior Officers/Supervisors

The above employees are also classified in accordance with the employment 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 or related units.
2. In case the companies or factories lack a time recording system, average working hours will be used for the calculation, as shown below:

Working hours (hours-employees) = Number of employees x working days x normal working hours (per day) + total overtime hours (only applicable to Operating Level employees)

### Safety Data Recording

Work safety data concerning health and hygiene is calculated and recorded as shown below:

### Definition

Day	means scheduled work days.
Injuries	are on-site injuries, including injuries requiring first aid, and injuries that lead to 1-day absence and up.
Lost Time Injuries	are injuries that lead to 1-day absence or more (starting from the absent day after the day the incident occurs).
Lost Day Injuries	are actual absent days.

### 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 Diseases 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 (G4-17)

Name of Company	Social Aspect			Environmental Aspect			
	Labor Relations	Training	Safety	Fuel*	Electricity	Water	Waste
1 KASIKORN ASSET MANAGEMENT CO., LTD.	○	○	○	○	●	●	●
2 KASIKORN RESEARCH CENTER CO., LTD.	○	○	○	○	●	●	●
3 KASIKORN SECURITIES PCL	○	○	○	○	●	●	●
4 KASIKORN LEASING CO., LTD.	○	○	○	○	●	●	●
5 KASIKORN FACTORY & EQUIPMENT CO., LTD.	○	○	○	○	●	●	●
6 KASIKORNTHAI BANK 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.** (formerly PROGRESS SOFTWARE CO., LTD.)	○	○	○	○	●	●	●

Economic data is related to the operating results of KBank, subsidiaries, associated and related companies as indicated in the Annual Report 2015.

\* Information regarding fuels used of other company is under development

\*\* Company operated less than 3 year and social information is under development.

## GRI G4 Content Index

 <b>Materiality Disclosures</b> KASIKORNBANK PUBLIC COMPANY LIMITED Feb 2016 <b>Service</b>		 <b>Content Index</b> KASIKORNBANK PUBLIC COMPANY LIMITED Feb 2016 <b>Service</b>		
GENERAL STANDARD DISCLOSURES				
General Standard Disclosures	Page		Direct Answer	External Assurance
	Annual Report	Sustainability Report		
STRATEGY AND ANALYSIS				
G4-1	007	006 - 007		
G4-2	012 - 013			
ORGANIZATIONAL PROFILE				
G4-3	268	010		
G4-4		010 - 012		
G4-5	268	031		
G4-6	272, 294 - 296			
G4-7	268 - 269			
G4-8		012 - 013		
G4-9	004	010		
G4-10		075		
G4-11		079		

## GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page		Direct Answer	External Assurance
	Annual Report	Sustainability Report		
G4-12		046 - 047		
G4-13	026 - 027			
G4-14		066 - 069	KBank supports the development of low-carbon economy by providing green loans as well as promoting resource efficiency in its operations.	
G4-15		101 - 102	KBank has participated in the United Nations Global Compact (UNGC) and upheld its principles on human rights, labor standards, environmental issues and anti-bribery & corruption.	
G4-16	198	011		
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17		092		
G4-18		018		
G4-19		019		
G4-20		020 - 021		
G4-21		018, 020 - 021		
G4-22		089 - 091		
G4-23		089		



GENERAL STANDARD DISCLOSURES				
General Standard Disclosures	Page		Direct Answer	External Assurance
	Annual Report	Sustainability Report		
STAKEHOLDER ENGAGEMENT				
G4-24		022 - 023		
G4-25	196 - 197	022		
G4-26		022 - 023		
G4-27	196 - 197	022 - 023		
REPORT PROFILE				
G4-28		089		
G4-29		089		
G4-30		089		
G4-31		089		
G4-32		089, 093 - 100		
G4-33	060	089, 104 - 105		Financial data in Annual Report was verified by KPMG and Sustainability Report was assured by Thaipat Institute.
GOVERNANCE				
G4-34		017, 025 - 027		
ETHICS AND INTEGRITY				
G4-56		027		

## SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Page		Omissions	External Assurance
		Annual Report	Sustainability Report		
CATEGORY: ECONOMIC					
ECONOMIC PERFORMANCE	G4-DMA	010 - 011	035, 038 - 039		
	G4-EC1	062 - 063	058 - 059, 074		
	G4-EC2	012 - 013			
INDIRECT ECONOMIC IMPACTS	G4-DMA		041, 058 - 059		
	G4-EC8		041, 058 - 059		
PROCUREMENT PRACTICES	G4-DMA		046		
	G4-EC9		046 - 047		
CATEGORY: ENVIRONMENTAL					
ENERGY	G4-DMA		069 - 070, 090		
	G4-EN3		071, 087 - 088, 090		
	G4-EN4		071, 087 - 088, 090		
	G4-EN5		071, 087 - 088, 090		

## SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Page		Omissions	External Assurance
		Annual Report	Sustainability Report		
WATER	G4-DMA		070		
	G4-EN8		071, 087 - 088, 090		
EMISSIONS	G4-DMA		070, 072		
	G4-EN15		087, 090		
	G4-EN16		087, 090		
	G4-EN17		087 - 088, 090		
	G4-EN18		087, 090		
EFFLUENTS AND WASTE	G4-DMA		070		
	G4-EN22		-	Information is currently unavailable as its under discussion process will report next year.	
SUPPLIER ENVIRONMENTAL ASSESSMENT	G4-DMA		046		
	G4-EN32		046		

## SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Page		Omissions	External Assurance
		Annual Report	Sustainability Report		
CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
EMPLOYMENT	G4-DMA	046, 196	050, 053		
	G4-LA1		077 - 078		
	G4-LA2		054		
	G4-LA3		081		
LABOR/ MANAGEMENT RELATIONS	G4-DMA	046	049, 050, 052		
	G4-LA4		050, 083		
OCCUPATIONAL HEALTH AND SAFETY	G4-DMA	196	054		
	G4-LA6		086		
TRAINING AND EDUCATION	G4-DMA	046	054 - 057		
	G4-LA9		084		
	G4-LA11		084		

SPECIFIC STANDARD DISCLOSURES					
Material Aspects	DMA and Indicators	Page		Omissions	External Assurance
		Annual Report	Sustainability Report		
DIVERSITY AND EQUAL OPPORTUNITY	G4-DMA		050		
	G4-LA12	240 - 241	075 - 076		
EQUAL REMUNERATION FOR WOMEN AND MEN	G4-DMA		052		
	G4-LA13		079		
SUPPLIER ASSESSMENT FOR LABOR PRACTICES	G4-DMA		046		
	G4-LA14		046		
LABOR PRACTICES GRIEVANCE MECHANISMS	G4-DMA		050		
	G4-LA16		050		
SUB-CATEGORY: HUMAN RIGHTS					
SUPPLIER HUMAN RIGHTS ASSESSMENT	G4-DMA		046		
	G4-HR10		046		
SUB-CATEGORY: SOCIETY					
LOCAL COMMUNITIES	G4-DMA		041, 058 -059		
	G4-SO2		-	Indicator is not applicable for KBank as our location of operations has no significant negative impacts on local communities	
	FS13		041		

## SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Page		Omissions	External Assurance
		Annual Report	Sustainability Report		
ANTI-CORRUPTION	G4-DMA		029 - 031		
	G4-SO4		028 - 030		
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY	G4-DMA		046		
	G4-SO9		046		
SUB-CATEGORY: PRODUCT RESPONSIBILITY					
PRODUCT AND SERVICE LABELING	G4-DMA		041 - 043		
	G4-PR5		041		
PRODUCT PORTFOLIO	G4-DMA		039 - 041		
	FS8		068		
CUSTOMER PRIVACY	G4-DMA		044 - 045		
	G4-PR8		-	Confidentiality constraints. Total number of customer privacy and losses of customer data are confidential information, thus only percentage can be indicated.	

## Practices under the United Nations Global Compact

Area	Principles of Global Compact	Implementation
Human Rights	<ol style="list-style-type: none"> <li>1. Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>2. Make sure that they are not complicit in human rights abuses.</li> </ol>	<ul style="list-style-type: none"> <li>• Include respect for human rights in the Code of Conduct.</li> <li>• Have in place effective channels for the Bank to obtain suggestions and information useful for business operations, including complaints about unlawful or improper actions - which could be conveyed directly to the Bank's Board of Directors. Measures that safeguard informers against reprisal must also be available.</li> </ul>
Labor	<ol style="list-style-type: none"> <li>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>4. The elimination of all forms of forced and compulsory labor;</li> <li>5. The effective abolition of child labor; and</li> <li>6. The elimination of discrimination in respect of employment and occupation.</li> </ol>	<ul style="list-style-type: none"> <li>• Include employee practices in the Statement of Business Conduct and the Code of Conduct, whereby employees are protected against discrimination, have access to knowledge building opportunities, and are offered a proper welfare and security, good benefits comparable to leading companies.</li> <li>• Encourage establishment of KASIKORNBANK Labor Union and KASIKORNBANK Officer Labor Union in order to foster good relationships between employers and employees, and among employees.</li> <li>• Foster good relationships between the Bank 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.</li> <li>• Have in place a policy against forced and child labor as prescribed by law and to international standards such as Ruggie Framework.</li> <li>• 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).</li> <li>• Have in place effective channels for employees to offer their opinions and suggestions.</li> <li>• Develop a policy related to complaint acceptance and employee grievance procedures.</li> </ul>

Area	Principles of Global Compact	Implementation
Environment	<ol style="list-style-type: none"> <li>7. Businesses should support a precautionary approach to environmental challenges;</li> <li>8. Undertake initiatives to promote greater environmental responsibility; and</li> <li>9. Encourage the development and diffusion of environmentally friendly technologies.</li> </ol>	<ul style="list-style-type: none"> <li>• Include participation in environmental protection and preservation in the Statement of Business Conduct and Code of Conduct.</li> <li>• Include in the Sustainable Development Policy the issues of environmentally-friendly business operations, conservation and reduction of use of natural resources and waste reduction as well as building on awareness and corporate culture in environmental protection.</li> <li>• Align office development with "Green Building" standards, with focus on energy-saving and environmentally-friendly features.</li> <li>• 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 (construction pending).</li> <li>• Promote "Green Building" knowledge, concerning energy saving and environmental friendliness, through seminars and company visits for organizations and educational institutions.</li> </ul>
Anti-Corruption	<ol style="list-style-type: none"> <li>10. Business should work against corruption in all its forms, including extortion and bribery.</li> </ol>	<ul style="list-style-type: none"> <li>• Be part of a collaborative effort to fight corruption in Thailand's private sector by joining the Private Sector Collective</li> <li>• Enforce the Anti-Corruption Policy and include it in the Code of Conduct.</li> <li>• Establish a policy to receive information or complaints against unethical behaviors or fraudulent acts within the Bank.</li> <li>• Disseminate and provide knowledge on the Anti-Corruption Policy to directors, executives and employees and on a continual basis.</li> <li>• Have in place effective channels for direct communication with, and provision of useful recommendation or information to, the Bank's Board of Directors, as well as measures that safeguard informers against reprisal.</li> <li>• Be part of the "Sustainable and Green Procurement Initiative" with the Thailand Business Council for Sustainable Development (TBCSD).</li> </ul>



# Sustainability Awards

**KASIKORNBANK**  
ธนาคารกสิกรไทย  
KASIKORNBANK

- IR Magazine Global Top 50**  
Global Investor Relations Forum  
Award for IR Magazine and Investor Investor Relations Institute in 2015
- Best IR by a Thai Company Award**  
IR Magazine Award, Best Thai and 2015 year 10-15 Ranking
- Asia's Best CEO (Investor Relations)**  
The FT Top 1000 Awards Award 2015  
Award for Corporate Secretary Asia region
- Best Investor Relations Professional (Thailand)**  
The FT Asia Summer Award 2015  
Award for Corporate Secretary Asia region
- Best Investor Relations Company (Thailand)**  
The FT Top 1000 Awards Award 2015  
Award for Corporate Secretary Asia region

- ASEAN Corporate Governance Awards - TOP 50 Publicly Listed Companies from ASEAN**  
The ASEAN Corporate Governance Institute  
Award given to Progress Securities and Exchange Corporation and KASIKORNBANK Publicly Listed Company
- Corporate Governance Rated "Excellence"**  
The Issuance Sustainability Report of Thai Listed Companies 2015  
Award for Top Award  
Award for Excellence

- Thailand Sustainability Investment 2015**  
The 2015 Sustainability Award 2015  
Award for The Stock Exchange of Thailand
- Outstanding Sustainability Report Award 2015**  
Award for the Stock Exchange of Thailand  
The Securities and Exchange Commission  
Award for the Best Sustainability Report  
Award for The Best Report

- Platinum Awards 2015 - Financial Performance, Corporate Governance, Social Responsibility, Environmental Responsibility and Investor Relations**  
The Best Company  
Award for The Best Company
- Best CEO Award**  
The FT Awards 2015  
Award for The Best Executive in Finance and Money & Banking Industry

**KASIKORNBANK**  
**BANK OF SUSTAINABILITY**

Green DNA is our resolution to pursue sustainable development in the economy, society, and environment as a central building block of our organizational culture. This resolution guides us in all our operations and serves to create our identity as "Bank of Sustainability".

www.kasikornbank.com  
K-Contact Center 32-668888

f KBank Live | t KBank Live | y KBank Live | KBank Live

บริการทุกระดับประทับใจ

## Assurance Statement



### Independent Assurance Statement

#### To KASIKORNBANK PCL on the Sustainability Report 2015

KASIKORNBANK PCL or KBANK requested Thaipat Institute (the Foundation for Thailand Rural Reconstruction Movement under Royal Patronage) to carry out an assurance engagement response to the Sustainability Report 2015

##### Criteria for report preparation

- The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 4, in accordance with the Guidelines using 'Core' option

##### Criteria for assurance standards

- The AA1000 Assurance Standard (AA1000AS 2008)

##### Addressee

The intended users of this assurance statement are the management of KBANK and its associated stakeholders.

##### Scope of Assurance

The scope of this assurance engagement based on Type 1, AccountAbility Principles: evaluation of adherence to the AA1000 AccountAbility Principles and to the GRI Sustainability Reporting Guidelines version 4 in accordance with 'Core' option. The scope of this assurance engagement does not provide conclusions on the reliability of the performance information.

##### Disclosures Covered

The assurance engagement is based on information that is publicly disclosed on the Sustainability Report 2015 of KBANK for the year ended 31 December 2015.

##### Methodology

We carried out Type 1 moderate assurance in accordance with AA1000AS. The Type 1 engagement requires us to report on the nature and extent of adherence to AA1000 APS. To achieve moderate level assurance we have used the criteria in AA1000AS to evaluate adherence to AA1000APS. We undertook

- Reviewed the policies, practices, management systems and processes and performance information to be included within the Sustainability Report 2015 of KBANK
- Analyzed information on performance provided in the Sustainability Report 2015 of KBANK as a source of evidence to evaluate adherence to the principles and guidelines
- Inquired the processes KBANK undertaken to adhere to the principles of inclusivity, materiality and responsiveness
- Assessed the extent to which KBANK has applied the GRI Reporting Framework including the Reporting Principles and GRI G4 Financial Services Sector Disclosures
- Provided observations/recommendations to KBANK in accordance with the Scope of Assurance based on defined criteria

##### Findings and Conclusions

- Based on the scope of assurance using the AA1000AS (2008), we conclude that KBANK has applied processes and procedures that adhere with the principles of inclusivity, materiality and responsiveness as set out in the AA1000APS (2008); and
- Based on the scope of assurance using the GRI G4 Reporting Framework, we conclude that KBANK has followed Reporting Principle and Standard Disclosures in a reasonable and balanced presentation of information and consideration of underlying processes for preparing the report

##### Observations and Recommendations

Nothing came to our attention which caused us to believe that the Sustainability Report 2015 of KBANK did not adhere to the Principles. To improve future reporting of Sustainability in accordance with AA1000APS, we have made following observations:

*Inclusivity:* The report shows engagement of stakeholders in various channels as well as brief practices to stakeholders. However, It is also recommended that clearly respond practices by

interest and expectation stakeholders group should be included in the next reporting period.

**Materiality:** Kbank clearly illustrates its process to acquire material aspect (both moderate and large level) and to determine boundary (within and outside organization)

**Responsiveness:** KBANK demonstrates its intensive response to the material issues that affect sustainability performance through governance structure, strategies, risk management, SD actions and performances. However, to determine target and timeline should consider S.M.A.R.T. concept.

To improve future sustainability reporting in relation to GRI Reporting Framework, we have made the following observations:

KBANK has in place the underlying processes for preparing the report content indicated on Standard Disclosures (Strategy and Profile, Management Approach, and Performance Indicators) including Financial Services Sector Supplement. It is observed that KBANK has room to improve on principles for ensuring report content and quality, such as balance and comparability

In addition to the recommendations, there are a number of suggestions:

- In general standard disclosure part should be indicated the organization's supply chain and basis for selection of stakeholders with whom to engage and not to engage.
- Performance on energy should be indicated in term of energy type consumption and energy intensity divided by energy type.
- Performance on Diversity and Equal Opportunity should be indicated in term of percentage of individuals within the organization's governance bodies and employees per employee category in each of the following such as gender, age group, minority group membership, and other indicators of diversity
- Performance on Anti-Corruption should be indicated in terms of numbers and percentages of higher executives, employees, and business partners who receive communications of anti-corruption policies and procedures Furthermore, its evidence should identify and collect as a process.
- Performance on Occupational health and safety should be indicated in term of types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors.
- Performance on Customer Privacy should be indicated in term of number of substantiated complaints regarding breaches of customer

privacy and losses of customer data which identified leaks, thefts, or losses of customer data.

### Competencies and Independence

Thaipat Institute is a public organization established in 1999 with its roles in researching, training, and consulting in corporate responsibility and sustainability practices. Thaipat Institute is an AA1000AS (2008) Licensed Providers granted by AccountAbility, the creator and proprietor of the AA1000 Assurance Standard. Thaipat Institute has become the first GRI Organizational Stakeholder in Thailand since 2010 and has been certified as GRI training partner in Thailand, Indonesia, Malaysia, Philippines, Vietnam, and Singapore. Our team has the relevant professional and technical competencies and experience in corporate responsibility and sustainability for several years. During FY2014, we did not provide any services that relate to the report writing process to KBANK that could conflict with the independence of this work.

For Thaipat Institute



By Vorranut Piantam

Bangkok  
17 february 2016



**K**

**KASIKORNTHAI**

# KASIKORNBANK Sustainability Report 2015

## 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 2015, compiled from the perspective of what kind of contributions KASIKORNBANK has made in FY2015 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 2015 and complete the questionnaire or from our website. Your opinion and comments are great value and will help us publishing future reports.

All inquiries regarding the reports should be address to:

Sustainable Development Unit, Corporate Communications and Relations Department

KASIKORNBANK PUBLIC COMPANY LIMITED

1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub District, Rat Burana District, Bangkok 10140, Thailand

Tel: +662-4702984 Fax: +662-4702746

### What were your thoughts after reading the Sustainability Report 2015?

#### 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

- KASIKORNBANK and Sustainable Development
- Corporate Governance and Risk Management
- Sustainable Economy
- Sustainable Society
- Sustainable Environment

#### Do you have a different impression of KASIKORNBANK after reading the Sustainability Report 2015?

- More Favorable
- Same
- Less Favorable

#### Which of the following best describes 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
- Investment
- NGO/NPO
- Student
- Others (.....)

Please feel free to write down your evaluation and thoughts on KASIKORNBANK Sustainability Report 2015.

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กรุงเทพมหานคร

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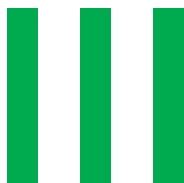
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กรมการปกครอง

สำนักงานปลัดกระทรวงมหาดไทย

สำนักงานปลัดกระทรวงมหาดไทย

กรมการปกครอง



ข้อมูลเปรียบเทียบจำนวนผู้ร้องเรียน  
 ๒๕๖๕ (๑) ๒๕๖๕ (๒) ๒๕๖๕ (๓)

## KASIKORNBANK PUBLIC COMPANY LIMITED

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Website: [www.kasikornbank.com](http://www.kasikornbank.com)

Under a resolution: “Green DNA”, this report uses paper, vegetable oil-based ink and printing process, which is environmentally-friendly, reducing greenhouse gas emissions, as against the normal paper and printing process.



**ธนาคารกสิกรไทย**  
**开泰银行 KASIKORNBANK**

