



KASIKORNTHAI

Sustainability
Report 2020

Bank of Sustainability



**GREEN
DNA**

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ

K

KASIKORNTHAI

ธนาคารกสิกรไทย

开泰银行 KASIKORNBANK



หลักทรัพย์จัดการกองทุนกสิกรไทย

开泰基金管理 KASIKORN ASSET MANAGEMENT



ศูนย์วิจัยกสิกรไทย

开泰研究中心 KASIKORN RESEARCH CENTER



หลักทรัพย์กสิกรไทย

开泰证券 KASIKORN SECURITIES



ลีสซิ่งกสิกรไทย

开泰租赁 KASIKORN LEASING



แฟคเตอรี แอนด์ อีควิปเมนต์ กสิกรไทย

开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



กสิกร เทคโนโลยี กรุ๊ป เซครเทเรียต

开泰技术集团管理 KASIKORN TECHNOLOGY GROUP SECRETARIAT



กสิกร แล็บส์

开泰研发 KASIKORN LABS



กสิกร 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



กสิกร เอกซ์

开泰爱科思有限公司 KASIKORN X



Bank of Sustainability

KBank operates our business in line with the principles of a Bank of Sustainability, under good corporate governance, appropriate risk and cost management, accounting for the balance of economic, social, and environmental dimensions. Guided by our strategy of achieving growth and creating sustainable long-term returns, sustainable development practices are tangibly ingrained in all of our operations as part of our Green DNA, ensuring maximum benefits for all stakeholders.



CUSTOMER CENTRICITY

Multi-
Corporate
Business

Large
Corporate
Business

Mass

Medium
Business

K

KASIKORNTHAI

Middle
Income

Small and
Micro
Business

Affluent

High
Net Worth
Individual

Vision

KASIKORNBANK aims to be the most innovative, proactive, and customer centric financial institution, delivering world class financial services and sustainable value for all stakeholders by harmoniously combining technology and talent.

Core Values



Customer
at Heart

Agility

Collaboration

Innovativeness

KASIKORNBANK

A Bank of

SUSTAINABILITY

With **our strong organizational mindset and culture,**

KASIKORNBANK proudly enters its fifth year as a **World-Class Bank of Sustainability.**



Dow Jones Sustainability Indices (DJSI)
The first bank in Thailand and ASEAN selected as a member of the DJSI for five consecutive years (2016 - 2020)

Sustainability Award
Silver Class 2021
S&P Global

Sustainability Award, Silver Class of the banking industry (2021)
Bronze Class (2018 - 2020)



FTSE4Good

FTSE4 Good Emerging Index
Selected as a member of the FTSE4Good Emerging Index for five consecutive years (2016 - 2020)



MSCI ESG Ratings at "AA"
A leading company in the banking industry in emerging markets in ESG operations (2020)



Bloomberg Gender Equality Index (GEI)
The first company in Thailand selected as a member of the Bloomberg Gender-Equality Index for three consecutive years (2019 - 2021)



Carbon Disclosure Project (CDP)
KBank assigned B (Management level) (2020)



Carbon Neutral Certification
The first commercial bank in Thailand granted this certification for three consecutive years (2018 - 2020)



The ESG 100 Certificate
One of 100 companies selected as having outstanding ESG performance for five consecutive years (2016 - 2020)



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



Thailand Sustainability Investment (THSI)
Included in THSI for five years (2015, 2017 - 2020)

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Statement of the Board of Directors

Members of the Board of Directors are proud to work with an organization of outstanding professionalism and to supervise the operations of KBank with independence and neutrality for long-term benefit of all stakeholders.



Today's business operations are encountering plenty of new fluctuations and emerging risks. Apart from the generation of business growth, KASIKORNBANK (KBank) has to pay due care to benefits of all stakeholders and impacts on our interconnected business supply chains, which will lead the organization towards stable and sustainable growth. In the past year, the COVID-19 pandemic has had widespread impacts on economic and social systems, as well as people's ways of life, both directly and indirectly. Meanwhile, developments in digital technologies have influenced consumers' rapidly changing lives and behaviors. These are some of the challenges businesses are presently facing.

While the global economy was persistently sluggish over the previous year, KBank remained fully committed to conducting business with adherence to the principles of a Bank of Sustainability, under good corporate governance and appropriate risk management. We also emphasized balanced economic, social, and environmental aspects in order to achieve growth targets and generate long-term, sustainable returns for the maximum benefit of all stakeholders as well as the creation of benefit for society and the nation as a whole.

The Board of Directors considered and approved key business strategies in relation to the directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE and supervised Management's effective administration processes. We have in place sound internal controls and risk management as well as adequate capital funds for present and future business operations. The Board of Directors reviewed KBank's corporate governance policy, practices, and systems to enhance efficiency and uplift standards of corporate governance in tune with regulatory requirements and international benchmarks. The Board of Directors also reviewed and approved the sustainability development framework and policy as being on a par with global criteria and standards as well as corresponding to the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. Our goals related to the different dimensions include: Economic Dimension – to be an accountable bank to create sustainable profitability; Social Dimension – to be a responsible corporate citizen to create a sustainable society; and Environmental Dimension – to be an environmental stewardship towards a zero-carbon society. Additionally, we conducted an annual review of our human rights policy to encourage all units of KBank and other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, suppliers, and joint venture to concretely implement those concepts in their business undertakings.

Speaking for all members of the Board of Directors, we are proud to work with an organization of outstanding professionalism, to take part in supervising KBank's businesses with independence and neutrality for long-term benefit of shareholders and other stakeholders, and to join in driving forward KBank's missions based on correctness, transparency, and compliance with the laws, KBank's Articles of Association and resolutions of shareholders' meetings, as well as the Statement of Business Conduct.

On behalf of the Board of Directors, I would like to express our appreciation for your continued confidence and trust in our business.



(Ms. Kobkarn Wattanavrangkul)
Chairperson of the Board

Statement of Chief Executive Officer

KBank operates our business in line with the principles of a Bank of Sustainability, with good corporate governance, as well as appropriate risk and cost management, allowing us to achieve growth and create sustainable long-term returns for all stakeholders.



KBank has operated our business in line with the principles of a Bank of Sustainability, along with good corporate governance, as well as appropriate risk and cost management, with an aim of achieving growth and sustainable long-term returns for all our stakeholders. We have been determined to maintaining our position as a leading Thai bank and to continue our responsibility to society and the environment for more than seven decades. The COVID-19 pandemic has had wide-ranging impacts on the economy, society, and people's ways of life. With care and concern for crisis-hit customers, we have given support to both retail and business clients through a myriad of measures in order to buoy up organizations and employees in weathering this difficult time. All our endeavors aim to ensure sustainable growth of the Thai economy and society.

In 2020, beset by the COVID-19 pandemic, the Thai economy contracted in line with the global economy. In spite of this, KBank continues to operate our business in line with the principles of a Bank of Sustainability. We are committed to delivering an excellent customer experience based on the Customer Centricity strategy, in order to empower every customer's life and business. KBank's strategic imperatives focus on the development of business growth and customer responsiveness. To this end, we aim to dominate digital payments, reimagine commercial and consumer lending, democratize investment and insurance focusing on retail customers, penetrate regional markets within the AEC+3 region, strengthen harmonized sales and service experiences, and improve value-based productivity by optimizing resources and capabilities. Our endeavors are achieved through collaboration and synergy with other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms, and our business partners. Moreover, we have worked with KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) in developing innovative technology for the happiness and betterment of every customer's life and business while also creating new business opportunities, thus maintaining our competitiveness and position at the forefront as a digital banking service provider. In parallel, KBank prioritizes effective risk management, cyber security, and data analytics for enhancement of our strategic capabilities with the aim of becoming a Regional Digital Bank.

Regarding our role as a Bank of Sustainability, KBank has determined sustainability goals for each dimension. **In terms of the economy**, KBank has a goal of being an accountable bank in order to create sustainable profitability by collaborating with companies in the e-commerce platform to develop products and services that meet current lifestyle needs. This goal will be achieved through steady improvement in various functions on K PLUS so that customers can use our services more conveniently anywhere and anytime. Additionally, KBank has launched various platforms – namely the “KhunThong” social chatbot, MAKE by KBank, Eatable, FinVest, and LINE BK, developed service channels to cover all customer segments, and pressed ahead with our strategy to become Regional Digital Bank. Moreover, KBank’s lending and investments are considered based on environmental, social, and governance (ESG) criteria. KBank has also promoted concrete changes and sustainable development in society and the environment at large. **In terms of social contribution**, KBank’s goal is to be a responsible corporate citizen in order to create a sustainable society via a number of projects. These include the provision of financial literacy for youth via the AFTERKLASS website, the Nan Cultivation of Wisdom program, providing assistance to customers affected by COVID-19, encouraging employees to join volunteer activities under the “Make Every Day the Day of Doing Good Deeds” project under the “Green DNA” resolution, introducing health and safety measures in accordance with the standards of the Ministry of Public Health to ensure the well-being and safety of customers using services at KBank branches, implementing occupational health and safety measures at the workplace, and ensuring adequate supplies of resources for employees working at home so as to protect them from the pandemic. **In terms of the environment**, the Chief Executive Officer, in the role of Chief Environmental Officer, aims for KBank to be an environmental stewardship towards a zero-carbon society in alignment with KBank’s strategy and global sustainability trends. KBank is the first and only commercial bank in Thailand to become a signatory of the UN Principles for Responsible Banking of the United Nations Environmental Program Finance Initiative (UNEP FI) and a supporter of the Task Force on Climate-Related Financial Disclosure (TCFD). KBank has supported operations of the Rak Pa Nan Project, which works with communities in preserving watershed forests in Thailand’s Nan Province. Moreover, as a representative of the private sector, KBank has steered the Nan Sandbox project in collaboration with the public and private sectors, as well as the local people of Nan Province.

Through the past year, KBank and its subsidiaries reported net profit of Baht 29,487 million, a decrease of 23.86 percent from the previous year. The decrease can chiefly be attributed to the prudent approach by KBank and its subsidiaries amid the COVID-19 pandemic. In 2020, KBank set aside higher expected credit loss of Baht 9,536 million, an increase of 28.04 percent compared to the preceding year, due to the highly uncertain circumstance triggered by COVID-19. Meanwhile, the capital adequacy ratio (CAR) of KASIKORNBANK FINANCIAL CONGLOMERATE according to the Basel III Accord was 18.80 percent, with a Tier 1 capital ratio of 16.13 percent; both figures were greater than the Bank of Thailand’s requirement, reflecting our robust capital position which is adequate for continuously operating business under both normal and stressed situations. Through its efficient capital management, KBank can conduct business with optimal capital structure.

Additionally, KBank has gained wide acceptance and recognition at home and abroad as the first commercial bank in Thailand and ASEAN to be selected for inclusion in the Dow Jones Sustainability Indices (DJSI) for the fifth consecutive year and selected for inclusion in the FTSE4Good Emerging Index for the fifth year running. KBank is also rated B (Management level) in the assessment of climate change management under the 2020 Carbon Disclosure Project (CDP). Furthermore, KBank was selected to be on the 2020 Thailand Sustainability Investment (THSI) list by The Stock Exchange of Thailand for the fifth year, as well as receiving many awards in other areas. These achievements reflect our sustainable development practices as a Bank of Sustainability which are tangibly ingrained in all our work processes and KBank’s own organizational culture.

On behalf of all our executives and employees, I would like to express our appreciation for your continued trust and confidence in us.



(Ms. Kattiya Indaravijaya)
Chief Executive Officer

KASIKORNBANK

one of Thailand's largest commercial banks – conducts business with the principles of a Bank of Sustainability, supported by good corporate governance principles, appropriate risk management to balance economic, environmental and social dimension



Information of KASIKORNBANK

KASIKORNBANK – one of Thailand's largest commercial banks – conducts business with the principles of a Bank of Sustainability, supported by good corporate governance principles, as well as appropriate risk and cost management to balance economic, environmental and social dimension and the Customer Centricity strategy with an aim of achieving balanced and stable growth in all dimensions in order to foster sustainable returns and maintain our leadership over the long term.

Established on June 8, 1945, conducting commercial banking business, securities business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related notifications. KBank has 41 subsidiaries, a service network of 860 domestic branches across Thailand and 16 overseas offices in 8 countries. KBank's Head Office is located in Bangkok; the total number of employees stands at 33,034*. Our financial network provides service solutions in response to customers' financial requirements and lifestyles, with respect to banking, fund management, economic and financial analyses, securities brokerage and financial advisory, as well as auto financing and leasing services. KBank endeavors to deliver an excellent experience for our customers.

KASIKORNBANK PUBLIC COMPANY LIMITED

- Established on June 8, 1945
- A financial conglomerate that offers comprehensive financial solutions to accommodate customer demands

KASIKORN ASSET MANAGEMENT COMPANY LIMITED

- Established on March 18, 1992
- Providing fund management business, offering integrated services related to mutual funds, private funds and provident funds for individual and business customers, as well as funds, foundations, commercial banks, public agencies and large-scale foreign institutional investors

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

KASIKORN RESEARCH CENTER COMPANY LIMITED

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

KASIKORN SECURITIES PUBLIC COMPANY LIMITED

- Established on July 10, 2002
- Providing a complete range of financial solutions and services of investment in equity and derivatives markets, including securities brokerage, investment banking and in-depth analyses based on reliable data sources and a team of experienced analysts

KASIKORN LEASING COMPANY LIMITED

- Established on December 24, 2004
- Providing a complete range of financial services to the auto industry, including hire purchase loans for individual and corporate customers, commercial auto loan for fleet customers, auto loan (dealer floor plan), and Car to Cash (car registration transferred and car registration loan) for individuals and business entities that own lien-free cars and need cash to boost their liquidity. KLeasing's financial products continue to grow in line with market demands

KASIKORN FACTORY AND EQUIPMENT COMPANY LIMITED

- Established on July 9, 1990
- Providing a complete range of machinery and equipment leasing business, consisting of three key services, i.e., hire purchase, financial lease and operating lease for business entities and operators in trade, commerce and all types of manufacturing; and acting as an intermediary between machinery distributors and customers in need of funding for acquisition of machinery and equipment for their business operations

KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG)

- Supporting KBank's business-technology strategies and serving customer demands that have changed significantly due to technology transformation, in order to enhance efficiency of KBank's IT management and raise

our potential in dealing with any form of disruptive forces and in building competitiveness amidst constant changes in financial technologies in the global market

KBTG consists of the following six companies:

KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED

- Established on October 13, 2015
- Planning and overseeing KBTG operations; providing support for financial and human resource management; and facilitating the alignment of the Group and KBank

KASIKORN LABS COMPANY LIMITED

- Established on October 13, 2015
- Focusing on research and development of new technologies that embrace digital banking and the digital economy; and development of prototypes of in-house innovations for beta testing prior to rolling them out to expand the range of KBank products

KASIKORN SOFT COMPANY LIMITED

- Established on October 13, 2015
- Being responsible for designing and building KBank's IT system and ensuring that it supports KBank's operations and innovations used by KBank to attain maximum speed and quality

KASIKORN PRO COMPANY LIMITED

- Established on October 13, 2015
- Being responsible for KBank's new and modified IT infrastructure and systems; and ensuring that such infrastructure is up-to-date and in well-maintained condition for maximum efficiency

KASIKORN SERVE COMPANY LIMITED

- Established on March 16, 1993
- Providing support services for KBTG, in regard to IT system development, testing and operation

KASIKORN X COMPANY LIMITED

- Established on June 30, 2017
- Conducting business operations using the Divergent Business Model to secure new revenue streams from the New S-Curve industries which differ from KBank's traditional transactions

Strategic Directions of KASIKORNBANK

KBank's organizational structure comprises 16 divisions. The Finance and Control Division is responsible for determining the overall directions and strategies of KBank for proposal to the Board of Directors, with the aim of promoting corporate image and fruitful collaboration across KASIKORNBANK FINANCIAL CONGLOMERATE. KBank's business directions and strategies are announced to all stakeholders every year.

The K-Strategy

KBank operates our business in line with the principles of a Bank of Sustainability under good corporate governance, appropriate risk management and effective cost management, accounting for the balance of three dimensions – economy, society and environment, to ensure maximum benefits for all stakeholders. Our business strategies are consistent with the United Nations' Sustainable Development Goals (SDGs). Under our continuous resolution to deliver excellent services and the "Customer Centricity" strategy, we intend to empower every customer's life and business through delivering the best possible experience to our customers and collaboration with other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms and our business partners, under the single brand of KASIKORNBANK.

KBank's strategic imperatives are as follows:

- Dominate Digital Payment in order to embed in select financially relevant ecosystems, to serve customers whenever they need
- Reimagine Commercial and Consumer Lending to meet customers' lifestyle and business needs while also increasing income for KBank with acceptable risk appetite
- Democratize Investment and Insurance, focusing on retail customers and previously inaccessible groups

- Penetrate Regional Market through provision of payment service to all customer segments and extension of digital lending with partners
- Strengthen Harmonized Sales and Service Experience via both online and offline channels
- Improve Value-Based Productivity by optimizing human resources, data, financial and technological capabilities

KBank has prioritized strategic capabilities which comprise eight transformation journeys:





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

The K-Strategy

KASIKORNBANK Vision, Purpose and Culture

Vision	BANK OF SUSTAINABILITY			
	"KASIKORNBANK aims to be the most innovative, proactive, and customer centric financial institution, delivering world class financial services and sustainable value for all stakeholders by harmoniously combining technology and talent"			
Purpose	To Empower Every Customer's Life and Business			
Customer Promise	Total Solution	Attentive & Inclusive	Any Time & Any Where	Trustworthy
K-Culture	A PIONEER FOR THE BETTER, A STEP AHEAD FOREVER			
	Customer at Heart / Agility / Collaboration / Innovativeness			

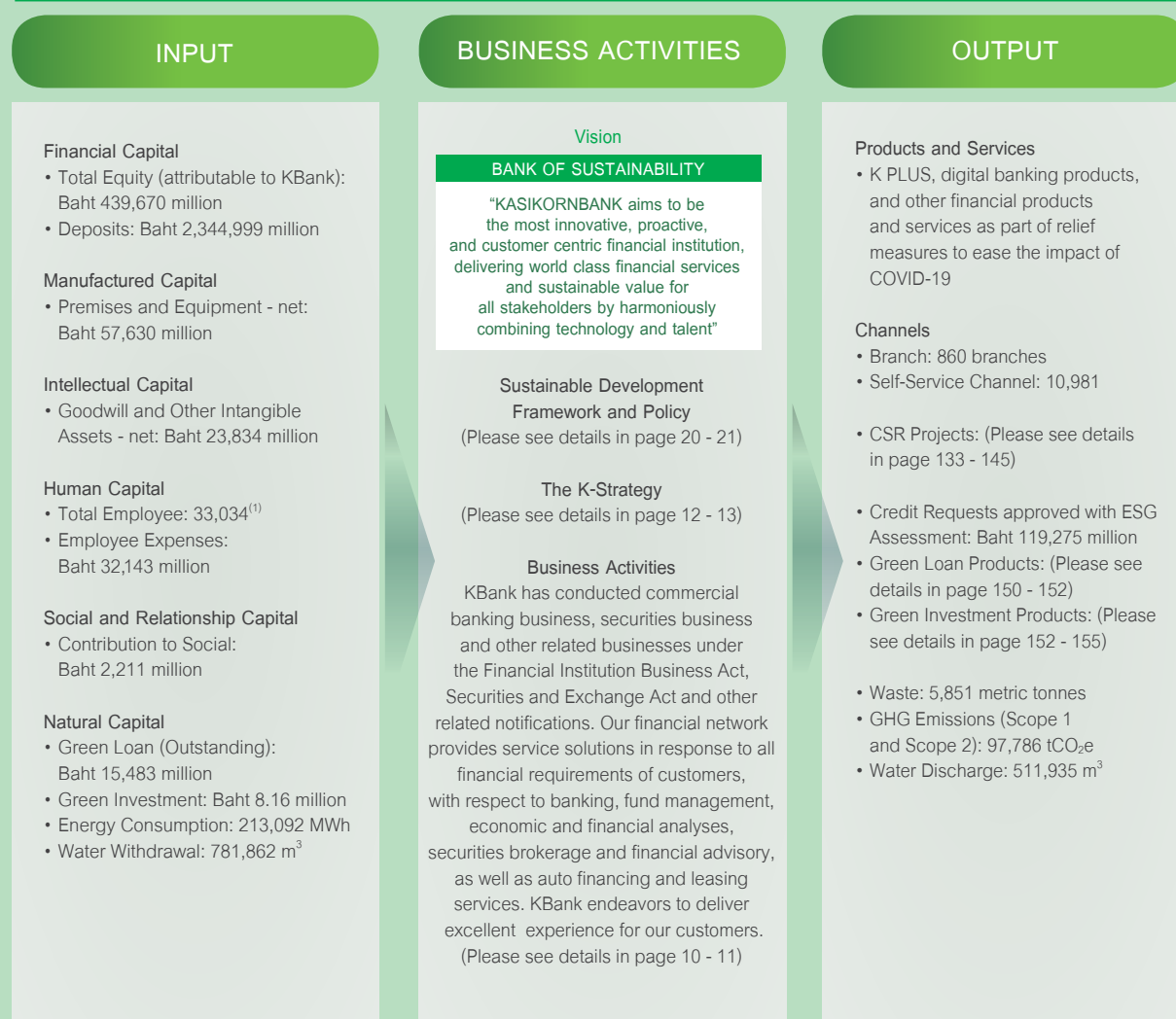
K-Strategy is reimaged to drive growth and empower customer

Purpose	To Empower Every Customer's Life and Business			
Strong Brand	STRONG TRUSTWORTHY BRAND			
Growth Strategy				
	Dominate Digital Payment	Reimagine Commercial & Consumer Lending	Democratize Investment & Insurance	Penetrate Regional Market
	Strengthen Harmonized Sales and Service Experience			
	Improve Value-Based Productivity			
Key Capabilities	8 TRANSFORMATION JOURNEYS			
	1. Ecosystem Partnership & Harmonized Channel	2. Intelligent Lending	3. Proactive Risk & Compliance Management	4. Regional Payment & Settlement
	5. Data Analytics	6. Cyber Security	7. Performing Talent and Agile Organization	8. Modern World Class Technology Capability

KBank Value Creation Model

KBank has disclosed data on management and value creation from six types of capital, i.e., financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital. Key issues that influence assessment of impacts on KBank's ability to create value over the short, medium and long term are identified. Analyses will shed light on financially material topics in order to manage existing capital via operational framework and the policy of sustainable development and K-Strategy to ensure that KBank can achieve the highest performance efficiency in alignment with our vision while also bringing about sustainable value creation for all stakeholders.

KBank Value Creation Model



Notes:

- (1) Number of employees includes employees of KBank, the wholly-owned subsidiaries of KBank and support service providers of KBank.
- (2) Return on average equity (ROE) = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by average equity of equity excluded other equity instruments
- (3) Loans market share is based on C.B.1.1 (monthly statement of assets and liabilities) of 14 Thai commercial banks as of December 2020.
- (4) Annual performance
- (5) Transaction includes only cash deposit, cash withdrawal, payment and transfer.

Disclosure of data on management and value creation is in alignment with guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, which intend to encourage listed companies to upgrade the disclosure of business operations that focuses more on environmental, social and governance criteria as well as management of impacts on stakeholders within the value chain – from upstream to downstream. Emphasis must be placed on creating value for products and services to meet stakeholders' expectations, and minimizing risk, while also appropriately increasing business opportunities for KBank; all of this must be done in accordance with international guidelines and practices.

OUTCOME

KBank

Financial Capital

- Total Operating Income - net: Baht 154,891 million
- Cost to Income Ratio: 45.19%
- Return on Average Equity (ROE): 7.10%⁽²⁾

Manufactured Capital

- Market share (Loans): 16.4%⁽³⁾

Intellectual Capital

- New platforms e.g. Eatable, KhunThong, MAKE by KBank, LINE BK, etc.

Human Capital

- Employee Engagement Score: 75%
- Turnover Rate: 3.16%
- Absentee Rate: 0.69%
- HCROI: 4.15

Social and Relationship Capital

- Overall evaluation of KBank: NPS at 35
- NPS in mobile banking channel at 67
- Employee Volunteer Hours: 349,108 hours
- PR Value: Baht 98.78 million

Natural Capital

- New revenue stream of green finance
- New business opportunities of green finance
- Mitigation to climate risks
- Reduction of GHG emissions: 5.97%⁽⁴⁾

Stakeholders

Financial Capital

- Dividend (Baht per share): 2.50

Manufactured Capital

- Transactions: 3.8 billion⁽⁵⁾
- Approved Projects (ESG Assessment): 50 projects
- Customers: 17.9 million

Intellectual Capital

- People and customers have a better understanding on financial literacy.

Human Capital

- Middle Female Management who Advance to Top Management: 76.35%
- Internal Fill Rate: 84.62%
- Employees have higher competency and skill developments

Social and Relationship Capital

- People Benefit from Social Service Activities: 355,136 people

Natural Capital

- Reduction on environmental footprint of green products and green process
- Reduction on GHG emission
- Increasing source of renewable energy

Strategy of Becoming the Bank of AEC+3

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

1. Conventional Expansion

We have expanded business network and services within the AEC+3 region. In response to customers seeking to venture into other Asian countries, we set our sights on expanding business operations in the People’s Republic of China, Lao People’s Democratic Republic, and Kingdom of Cambodia, and adjusted our plan for upgrading representative offices in Ho Chi Minh City, the Socialist Republic of Vietnam, to the status of an international branch, while also increasing our shares held in a local bank in the Republic of Indonesia. We set a plan to invest in a local bank in the Republic of the Union of Myanmar in 2021.

2. Digital Expansion

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

- Development of “QR KBank” – an e-wallet application available in Lao People’s Democratic Republic (Lao PDR). We aim to upgrade the service and add more functions to better meet the needs of both customers and merchants.
- Introduction of “Salary Advance” – a personal loan available via mobile application of Wing – KBank’s partner in the Kingdom of Cambodia.
- “Borderless Payments for All”, which was introduced to provide greater convenience to customers of all segments in the region wanting to make international funds transfer and payment – especially low-value transactions – at reduced fees.

- Establishment of KASIKORN VISION Information Technology Co., Ltd. (KTECH) in the People’s Republic of China. Its main tasks involve research, testing and development of IT systems, and searching for new business models conducive to digital banking services and digital economic systems.

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

We have sought opportunities to foster collaboration with new tech partners to provide Thai and local businesses improved access to financial services. In 2020, KBank teamed with an e-commerce partner in the Socialist Republic of Vietnam and payment business partner in the Republic of Indonesia to implement a pilot project that aims to push Thai businesses and products to compete in the regional arena. One notable endeavor was digital lending for operators conducting their business on e-commerce platforms.

Adhering to the strategies of becoming the Bank of AEC+3 and Regional Life Platform of Choice for customers in both Thailand and other countries in the region via digital channels and mobile solutions, we established KASIKORN VISION COMPANY LIMITED (KVision) as an investment holding company to be responsible for scouting innovations, tech partners and tech talents to collaborate and develop new technological capabilities for enhancement of our services in the CCLMVI bloc. At present, innovation labs have been established in Thailand and four other countries including the State of Israel, the People’s Republic of China, the Republic of Indonesia and the Socialist Republic of Vietnam.

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

KASIKORNBANK (CHINA) COMPANY LIMITED

In 2020, KASIKORNBANK (CHINA) CO., LTD. or Kai Tai Yin Hang (Zhong Guo) – a locally incorporated institution in the People’s Republic of China – still focused on providing services to both corporate and retail customers via online and offline channels in response to the ‘new normal’ era. For corporate clients, KBank has offered value chain financing to leading companies in Thailand and the People’s Republic of China. KBank has worked with a partner bank to develop an online supply chain system that provides customers greater convenience when it comes to documentation, accounts receivable management as well as online loan disbursement.

Meanwhile, KBank also teamed with a partner bank to extend loans to retail customers as part of our efforts to better reach out to this group of clients, allowing them improved access to financial resources. This endeavor can fully meet their demand for spending. In addition, KBank developed multiple new products in alignment with customers’ needs. To upgrade online banking services, we introduced our own online lending and mobile banking platforms. To this end, KBank joined with a leading firm in the People’s Republic of China in designing a flexible system that allows KBank to connect with other platforms for improved access to customers.



Performance Assessment

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

KASIKORNBANK and Sustainable Development

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





Sustainable Development of KASIKORNBANK

KBank operates business in line with the principles of a Bank of Sustainability, covering three aspects, namely the economy, society and environment. The Sustainable Development Policy was implemented in 2014. All units of KBank have adopted this policy in their business operations in a concrete manner. Our sustainable development structure serves as the key driver for all divisions to translate the Bank’s sustainable development goals into well-defined actions and integrate the work plans into common directions for the maximum benefit of all stakeholders.

In 2020, the Corporate Governance Committee proposed the sustainable development policy for KBank Board of Directors’ review and approval. The Board of Directors deemed it appropriate to update the policy in consonance with the international sustainable criteria and standards, Sustainable Development Goals (SDGs) of the United Nations (UN) and the Paris Agreement on Climate Change. Additionally, the policy was made more concise by including 10 issues instead of the previous 13 issues, as follows:

Sustainable Development Framework and Policy

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



Sustainable Development Framework and Policy

Goal

Commitment

Sustainable Development Policy



ECONOMIC ASPECT

Being an accountable bank to create sustainable profitability

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

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



SOCIAL ASPECT

Being a responsible corporate citizen to create a sustainable society

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

- Financial inclusion and financial literacy
- Fairness of labor relations management and development of employee skills, knowledge and welfare
- Respect for human rights and diversity
- Development of youth potential as well as pursuit of environmental, public, and social activities



ENVIRONMENTAL ASPECT

Ensuring environmental stewardship towards a zero-carbon society

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

- Financial support to environmentally-friendly businesses
- Environmentally friendly and reducing the environmental impacts of our own operations



Sustainable Development Target and Operating Performance

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

Sustainable Development Policy	2021 - 2025 Long-Term Targets	2020 Targets	2020 Performance
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Economic Aspect: Being an accountable bank to create sustainable profitability

Business operations defined by good corporate governance practices	<ul style="list-style-type: none"> • “Excellent” in CG level (Measured by external agencies) 	<ul style="list-style-type: none"> • “Excellent” in CG level (Measured by external agencies) 	<ul style="list-style-type: none"> • “Excellent” level in Corporate Governance Report of Thai Listed Companies by the Thai Institute of Directors (IOD) • “Excellent” level of General Meeting of Shareholders granted by the Annual General Shareholders Meeting Quality Assessment Program, organized by the Thai Investors Association, the Office of the Securities and Exchange Commission and the Thai Listed Companies Association
	<ul style="list-style-type: none"> • No significant warning issues/ findings on KBank from regulators 	<ul style="list-style-type: none"> • No significant warning issues/ findings on KBank from regulators 	<ul style="list-style-type: none"> • No significant warning issues/ findings on KBank from regulators
Adherence to Customer Centricity by initiating financial innovations to meet every aspect of customers’ needs	<ul style="list-style-type: none"> • Net Promoter Score (NPS)* increased steadily and achieved the highest in the Thai banking industry 	<ul style="list-style-type: none"> • Net Promoter Score (NPS)* achieved at 33 	<ul style="list-style-type: none"> • Net Promoter Score (NPS)* achieved at 35
	<ul style="list-style-type: none"> • Digital banking leadership (NPS in mobile banking channel) increased steadily and achieved the highest in the Thai banking industry 	<ul style="list-style-type: none"> • Digital banking leadership (NPS in mobile banking channel) achieved the highest in the Thai banking industry 	<ul style="list-style-type: none"> • Digital banking leadership (NPS in mobile banking channel) stood at 67, classified in the leader group with the highest NPS score in the Thai banking industry**
	<ul style="list-style-type: none"> • Number of K PLUS users 28.70 million persons 	<ul style="list-style-type: none"> • Number of K PLUS users 15.00 million persons 	<ul style="list-style-type: none"> • Number of K PLUS users 14.40 million persons
	<ul style="list-style-type: none"> • Maintain percentage of issues and complaints against the continuous growth of the number of transaction 	<ul style="list-style-type: none"> • Maintain issues and complaints against the increased number of transactions = 0.0020% 	<ul style="list-style-type: none"> • Issues and complaints against the increased number of transactions = 0.0015%

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

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

Sustainable Development Policy	2021 - 2025 Long-Term Targets	2020 Targets	2020 Performance
	<ul style="list-style-type: none"> KBank Regional Branding: 1,750,000 followers on social media *** Transaction volume of corporate clients on the K-Cash Connect Plus system: 78.2 million transactions *** 		
Efficient risk management focusing on environmental, social, and governance (ESG) issues	<ul style="list-style-type: none"> Regular Risk Management Monitoring and Identifications reported as required by laws and regulations; measured by CAR; adequate Tier 1 Capital Ratio* as required under the Basel III, and sufficient to support business growth 	<ul style="list-style-type: none"> Adequate Tier 1 Capital Ratio*, as required under the Basel III, and sufficient to support business growth 	<ul style="list-style-type: none"> Tier 1 Capital Ratio* stood at 16.13% (Minimum regulatory Tier 1 Capital Ratio at 9.5%)
	<ul style="list-style-type: none"> 100% of Project Finance and medium enterprises (and above) requests must be processed through the Environmental, Social and Governance (ESG) assessment procedure 	<ul style="list-style-type: none"> 100% of Project Finance requests must be processed through the Environmental, Social and Governance (ESG) assessment procedure. 	<ul style="list-style-type: none"> 100% of Project Finance requests were processed through the Environmental, Social and Governance (ESG) assessment procedure.
	<ul style="list-style-type: none"> 100% of suppliers must be processed through the Environmental, Social and Governance (ESG) risk assessment. (Tier 1 and Tier 2) 	<ul style="list-style-type: none"> 100% of suppliers acknowledged the Supplier Code of Conduct which identifies the issues of environment, society, labor and human rights. 100% of Tier 1 and Tier 2 suppliers undertook the annual supplier risk assessment. 	<ul style="list-style-type: none"> 100% of suppliers have acknowledged the Supplier Code of Conduct which identifies the issues of environment, society, labor and human rights. 100% of Tier 1 and Tier 2 suppliers have undertaken the annual supplier risk assessment.
Market Conduct and Customer data security and privacy	<ul style="list-style-type: none"> No significant** non-compliance issues related to market conduct*** 	-	-
	<ul style="list-style-type: none"> Extensively increase customer data security and privacy awareness to relatively high exposure and relevant stakeholders of KASIKORNBANK including Board of Directors, employees, customers, and counterparties. Moreover, KASIKORNBANK intends to transform employee behaviors to perform in a cyber-resilient manner by cultivating cyber hygiene culture 	<ul style="list-style-type: none"> Extensively increase customer data security and privacy awareness to relatively high exposure and relevant stakeholders of KASIKORNBANK including Board of Directors, employees, customers, and counterparties. Moreover, KASIKORNBANK intends to transform employee behaviors to perform in a cyber-resilient manner by cultivating cyber hygiene culture 	<ul style="list-style-type: none"> Extensively increase customer data security and privacy awareness to relatively high exposure and relevant stakeholders of KASIKORNBANK including Board of Directors, employees, customers, and counterparties. Moreover, KASIKORNBANK intends to transform employee behaviors to perform in a cyber-resilient manner by cultivating cyber hygiene culture

* KASIKORNBANK FINANCIAL CONGLOMERATE

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

*** New target

Sustainable Development Policy	2021 - 2025 Long-Term Targets	2020 Targets	2020 Performance
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Social Aspect: Being a responsible corporate citizen to create a sustainable society

Financial inclusion and financial literacy	<ul style="list-style-type: none"> Satisfaction level of retail customers who gained financial knowledge: at least 90% 	<ul style="list-style-type: none"> Satisfaction level of retail customers who gained financial knowledge: at least 90% 	<ul style="list-style-type: none"> Satisfaction level of retail customers who gained financial knowledge: 94%
	<ul style="list-style-type: none"> Financial Literacy for underprivileged = 6,500 persons 	<ul style="list-style-type: none"> Financial Literacy for underprivileged = 4,300 persons 	<ul style="list-style-type: none"> Financial Literacy for underprivileged = 5,870 persons
		<ul style="list-style-type: none"> Financial inclusion for retail customers and underprivileged: growth of at least 5% 	<ul style="list-style-type: none"> Financial inclusion for retail customers and underprivileged: growth of 153%*
Fairness of labor relations management and development of employee skills, knowledge and welfare	<ul style="list-style-type: none"> To win national or international award reflects the excellence in HR management 	<ul style="list-style-type: none"> To win national or international award reflects the excellence in HR management 	<ul style="list-style-type: none"> Excellence Labour Relations and Welfare Award given for 15th consecutive year, granted by the Ministry of Labour Brandon Hall Group's award for excellence in human resource management
	<ul style="list-style-type: none"> No complaint of discriminatory labor treatment or violence that leads to a lawsuit 	<ul style="list-style-type: none"> No complaint of discriminatory labor treatment or violence that leads to a lawsuit 	<ul style="list-style-type: none"> No complaint of discriminatory labor treatment or violence that led to a lawsuit
	<ul style="list-style-type: none"> Internal filled rate: 80% 	<ul style="list-style-type: none"> Internal filled rate: 80% 	<ul style="list-style-type: none"> Internal filled rate: 84.62%
	<ul style="list-style-type: none"> Female in leadership position: at least 45% 	<ul style="list-style-type: none"> Female in leadership position: at least 45% 	<ul style="list-style-type: none"> Female in leadership position: 47%
	<ul style="list-style-type: none"> Engagement score: 77% 	<ul style="list-style-type: none"> Engagement score: higher or equal to 73% 	<ul style="list-style-type: none"> Engagement score: 75%
	<ul style="list-style-type: none"> To maintain HCROI** at equal or higher than 4.05 Average hours per FTE of training and development = 40 hours/year/person 	<ul style="list-style-type: none"> To maintain HCROI at equal or higher than 4.05 Average hours per FTE of training and development = 40 hours/year/person 	<ul style="list-style-type: none"> HCROI level: 4.15 Average hours per FTE of training and development = 42.80 hours/year/person
	<ul style="list-style-type: none"> Employee absentee rate: not more than 1 day 	<ul style="list-style-type: none"> Employee absentee rate: not more than 1 day 	<ul style="list-style-type: none"> Employee absentee rate: 0.69 day

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

** HCROI = Human Capital Return on Investment

Sustainable Development Policy	2021 - 2025 Long-Term Targets	2020 Targets	2020 Performance
Respect for human rights and diversity	<ul style="list-style-type: none"> Human rights risk assessment in all business activities: 100% of KBank and joint ventures of KBank 	<ul style="list-style-type: none"> Human rights risk assessment in all business activities: 100% of KBank and joint ventures of KBank 	<ul style="list-style-type: none"> KBank has processed human rights risk assessment in all business activities: 100% of KBank and joint ventures of KBank
Development of youth potential as well as pursuit of environmental, public, and social activities	<ul style="list-style-type: none"> Number of employee volunteer hours: 300,000 hours per year 	<ul style="list-style-type: none"> Number of employee volunteer hours: 300,000 hours 	<ul style="list-style-type: none"> Number of employee volunteer hours: 349,108 hours
	<ul style="list-style-type: none"> Number of beneficiaries from CSR projects: 800,000 persons 	<ul style="list-style-type: none"> Number of beneficiaries from CSR projects: 300,000 persons 	<ul style="list-style-type: none"> Number of beneficiaries from CSR projects: 355,136 persons

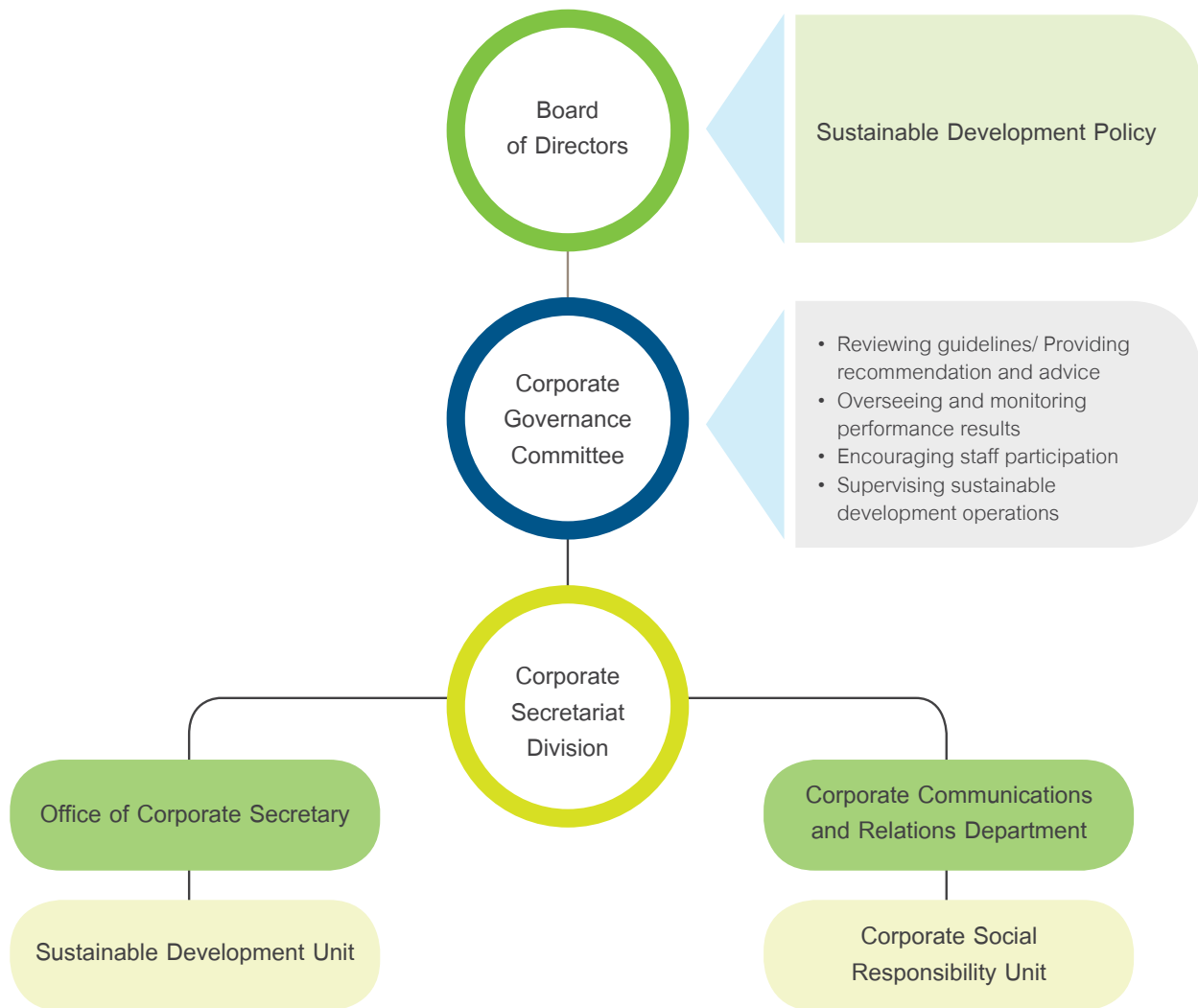
Environmental Aspect: Ensuring environmental stewardship towards a zero-carbon society

Financial support to environmentally-friendly businesses	<ul style="list-style-type: none"> Total megawatts (MW) 15% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand's Alternative Energy Development Plan 	<ul style="list-style-type: none"> Total megawatts (MW) 15% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand's Alternative Energy Development Plan 	<ul style="list-style-type: none"> Total megawatts (MW) 14.80% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand's Alternative Energy Development Plan
	<ul style="list-style-type: none"> 10% loan growth per year in Energy and Environmental Conservation Projects Funding 	<ul style="list-style-type: none"> 1.60 times growth in Energy and Environmental Conservation Project Financing from the 2018 base year 	<ul style="list-style-type: none"> 1.26 times growth in Energy and Environmental Conservation Project Financing from the 2018 base year
	<ul style="list-style-type: none"> Support Green/Social/Sustainability/other Environmental and Society related projects via financing/re-financing and/or via the issuance of Green bonds, whose net proceeds will be finance/re-finance to the eligible projects, as targeted in each period* 		
Environmentally friendly and reducing the environmental impacts of our own operations	2016 - 2020 <ul style="list-style-type: none"> 20% reduction of GHG emissions (Baseline year 2012) 2019 - 2023 <ul style="list-style-type: none"> 6.1% reduction of GHG emissions (Baseline year 2018) 	<ul style="list-style-type: none"> 20% reduction of GHG emissions (Baseline year 2012) 4.8% reduction of GHG emissions (Annual target) 	<ul style="list-style-type: none"> 21.34% reduction of GHG emissions (Baseline year 2012) 5.97% reduction of GHG emissions (Annual performance)

* New target

Sustainable Development Structure

In our sustainable development structure, KBank Board of Directors supervises strategies and business directions which cover sustainability and has assigned the Corporate Governance Committee to supervise sustainable development operations; the Committee holds a meeting every quarter to determine operational guidelines, monitor and submit reports to the Board of Directors. The Chief Executive Officer acts as a leader in steering the Bank towards sustainable development. The Sustainable Development Unit, Office of Corporate Secretary, Corporate Secretariat Division, provides support for and collaborates with the Sustainable Development Working Group, which comprises representatives of KBank departments, and pursues the Board of Director's instructions to ensure consistency within all operational processes, which thus leads to the achievement of targets and responds to all stakeholders' needs.



In 2020, the Corporate Governance Committee considered the important Strategic Directions in response to the Sustainable Development Goals, and reported to the Board of Directors, as follows:

1. Review of sustainable development framework and policy, which is shown in the diagram on page 20 - 21.
2. Approval of sustainable development operational plans for 2020 with the aim of providing knowledge on ESG compliance at the national and international levels, including the analysis, comparison and evaluation of KBank's related operational results against international guidelines.
3. Approval of KBank's participation as a signatory to the UN Principles for Responsible Banking of the United Nations Environmental Program Finance Initiative, or UNEP FI. We are the first and only Thai bank to join more than 170 banks worldwide in signing the Principles, in order to develop our operations in accordance with world-class standards and to determine our strategies in alignment with the UN SDGs and the Paris Agreement on Climate Change.
4. Approval of KBank's membership in the United Nations Environmental Program Finance Initiative, or UNEP FI.
5. Approval of KBank's participation as a Supporter of the Task Force on Climate-related Financial Disclosures (TCFD), the first and only Thai bank to be an official supporter, to develop our comprehensive information disclosure related to climate conditions.

Moreover, KBank carried out sustainable development operations in collaboration with public and private sector agencies, regulatory agencies, non-profit organizations and civil society in alignment with the strategic directions set by the Board of Directors, as follows:

1. KBank joined the working team along with the Bank of Thailand and Thai Bankers' Association to conduct a feasibility study on Taxonomy in order to help the financial sector with implementing policies, and developing products and services related to the environment, which will in turn support sustainable growth of the Thai economy. In 2020, KBank participated in meetings to acknowledge strategic and policy development directions, and measures to drive Thailand's environmental and energy policies. KBank also joined a session to listen to opinions on which industry or business that the financial sector should urgently support in order to create a green priority sector, and recommendations on the Taxonomy definition in order to promote entrepreneurs to carry out environmentally-friendly businesses.
2. KBank joined the UNEP FI's working team together with other banks around the world to exchange knowledge and experience in order to ensure that their operations meet the UN Principles for Responsible Banking.
3. Seminars were organized to offer employees in the relevant divisions knowledge on ESG compliance in collaboration with experts from domestic and international organizations, namely the UNEP Finance Initiative (UNEP FI), Fair Finance Guide International (FFGI), Carbon Trust, World Wide Fund for Nature (WWF), the Bank of Thailand, the Stock Exchange of Thailand and Thailand Greenhouse Gas Management Organization (Public Organization). Such seminars were intended to enhance the capacity of employees in risk management and seeking ESG-related business opportunities.

Communications on Sustainable Development

To share and exchange experience on sustainable development, KBank has offered all stakeholders knowledge on this matter, as follows:

Communication Channels

Channels	Stakeholders								
	Shareholders	Board of Directors	Employees	Customers	Counterparties/ Business Partners	Competitors	Creditors	Communities/ Environment	Regulatory Agencies
KBank website	•	•	•	•	•	•	•	•	•
Management Discussion and Analysis (MD&A)	•	•	•	•	•	•	•	•	•
Annual Report	•	•	•	•	•	•	•	•	•
Sustainability Report	•	•	•	•	•	•	•	•	•
Investor Presentation	•	•	•	•	•	•	•	•	•
Shareholder Newsletter	•								
CG Journal		•							
KASIKORN TV, Office 365, LINE Official and KONNECT+			•						
Facebook (KBankSmiles)	•	•	•	•	•	•	•	•	•
Visit, online and in-person meetings*	•					•			•

* Including non-profit organizations, such as UNICEF, UNEP FI, WWF, Fair Finance Thailand and Sal Forest

Communication Activities

Activities	Stakeholders								
	Shareholders	Board of Directors	Employees	Customers	Counterparties/ Business Partners	Competitors	Creditors	Communities/ Environment	Regulatory Agencies
“Sustainability Bond Forum” on “Thai Green Bond, Social Bond and Sustainability Bond” to encourage financial institutions and other companies to place emphasis on green and social bond issuance	•			•		•	•		•
“Sustainability Revolution: A Call for Action” seminar to promote sustainable investment, provide concept and facts about climate change, plus details on the impacts of excess use of resources and environmental damage caused by human action	•	•	•	•	•	•	•	•	•
KBank Chief Executive Officer gave a talk on “Leaders on Sustainability in Action” at “Circular Living Symposium 2020: Tomorrow Together”	•			•	•	•	•	•	
Annual Counterparty Seminar 2020 to communicate sustainable development operations to suppliers					•				



KBank hosted a seminar titled “Sustainability Revolution: A Call for Action” for Private Wealth customers to promote sustainability investment and awareness of climate change.



KBank’s Chief Executive Officer took part in a panel discussion on “Leaders on Sustainability in Action” during ‘Circular Living Symposium 2020’, organized by PTT Global Chemical PCL.

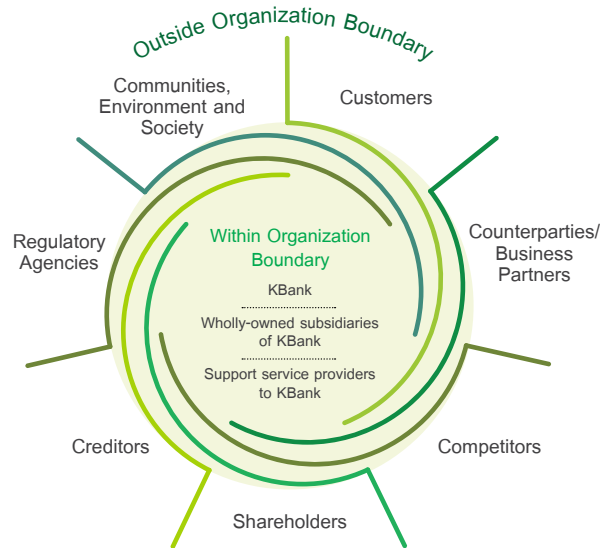
Material Topics and Boundaries

KBank has compiled and prioritized material topics that affect the economy, society and environment, as well as those influencing stakeholders' decision against global sustainability standards and important issues adopted by Thai regulatory agencies, leading domestic and global banks, and material issues of KBank in 2019 which cover all issues. We have also considered present and future risk factors that may affect our operations based on the opinions of all stakeholders, including shareholders, Board of Directors, employees, customers, suppliers/business partners, competitors, creditors, regulatory agencies, communities, environment and society via participation processes, such as surveys and discussion. These viewpoints were then analyzed and prioritized, and concluded into operational guidelines that respond to stakeholders' concerns in an appropriate manner.

Material Assessment Processes



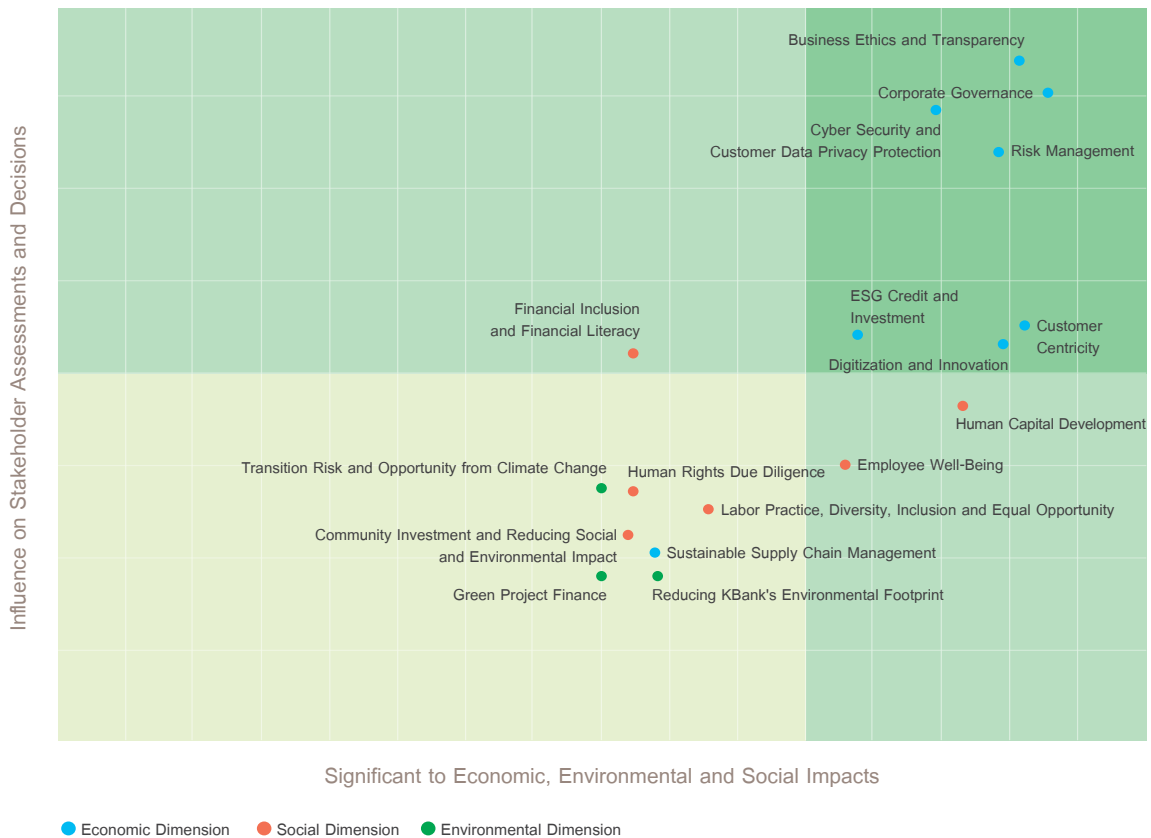
Internal and External Stakeholders



Changes in Material Topics

Important material issues in 2020 remained unchanged from 2019.











2020 Material Topics Prioritization



Material Topics and Boundaries

Material Topics	GRI Topics	Within Organization	Outside Organization	Topics Stated in the Report	Sustainable Development Goals
<p>Corporate Governance Organization governance with good corporate governance principles, supervision policy and processes to ensure sustainable returns in the long term</p>	Governance (GRI 102-18, GRI 102-19)	All businesses	Customers, Shareholders, Regulatory Agencies	Corporate Governance Economic Dimension	
<p>Business Ethics and Transparency Business ethics, Employee ethics, organizational culture, compliance with ethical and transparency principles, Market Conduct, Anti-Corruption and prevention of frauds</p>	Ethics and Integrity (GRI 102-16) Anti-Corruption (GRI 205)	All businesses	Customers, Shareholders, Regulatory Agencies	Business Ethics Economic Dimension	
<p>Risk Management Management of risks from operations and regulatory changes, credit risk, reputation risk, assessment of emerging risks that may affect KBank's business operations</p>	Product and Services (GRI 103)	All businesses	Customers, Shareholders, Counterparties/ Business Partners, Regulatory Agencies	Risk Management Economic Dimension	
<p>Customer Centricity Products and services that meets customers' needs, satisfaction and expectations</p>	Product and Services (GRI 103)	All businesses	Customers	Financial Innovations and Services Economic Dimension	  
<p>ESG Credit and Investment Lending and investment with consideration of environmental, social and governance (ESG) factors to ensure that all projects financed by KBank do not create any environmental and social impact and comply with good corporate governance principles</p>	Governance (GRI 102-30, GRI 102-31)	All businesses	Customers, Shareholders, Regulatory Agencies	Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) Economic Dimension	 

Material Topics	GRI Topics	Within Organization	Outside Organization	Topics Stated in the Report	Sustainable Development Goals
<p>Digitization and Innovation Utilization of technologies to develop products and services that are appropriate, convenient, rapid and responsive to customers' needs</p>	Product and Services (GRI 103)	All businesses	Customers, Counter parties/ Business Partners	Financial Innovations and Services Economic Dimension	
<p>Cyber Security and Customer Data Privacy Protection Customer data security and privacy, including cyber risk management with policy, structure, risk identification and assessment, monitoring, prevention, examination, correction, remedy processes in place if risks occur</p>	Governance (GRI 102-30) Customer Privacy (GRI 103, GRI 418)	All businesses	Customers, Shareholders, Counter parties/ Business Partners, Competitors	Cyber Security and Data Privacy Economic Dimension	
<p>Sustainable Supply Chain Management Supply chain management, with consideration of environmental, social and governance impacts to ensure that KBank's counterparties will not create any environmental and social impacts, and conduct business operations with good corporate governance principles</p>	Supply Chain (GRI 102-9) Environmental and Social Assessment to Suppliers (GRI 103, GRI 308, GRI 414)	All businesses	Counter-parties/ Business Partners	Sustainable Supply Chain Management Economic Dimension	  
<p>Labor Practice, Diversity, Inclusion and Equal Opportunity Respect for diversity of employees and equal opportunity among employees, equitable treatment and fair compensation, complaint acceptance mechanism and channels</p>	Employment (GRI 103, GRI 401) Labor / Management Relations (GRI 103, GRI 402) Diversity and Equality Opportunity (GRI 103, GRI 405)	All businesses	Counter-parties/ Business Partners	Human Resource Management Social Dimension	   

Material Topics	GRI Topics	Within Organization	Outside Organization	Topics Stated in the Report	Sustainable Development Goals
<p>Human Capital Development Enhancement of employees' knowledge and potential</p>	Training and Education (GRI 103, GRI 404)	All businesses	Counterparties/ Business Partners	Human Resource Management Social Dimension	
<p>Employee Well-Being Supervision of occupational health and safety to employees both physically and mentally, office and equipment allocation to facilitate operations, provision of knowledge on health and safety at workplace</p>	Occupational Health and Safety (GRI 103, GRI 403)	All businesses	Counterparties/ Business Partners	Human Resource Management Social Dimension	
<p>Human Rights Due Diligence Respect for and management of human rights related to employees, customers and counterparties/ business partners</p>	Human Rights Assessment (GRI 103, GRI 412)	All businesses	Customers, Counterparties/ Business Partners	Human Rights Operations Social Dimension	 
<p>Financial Inclusion and Financial Literacy Promotion of financial inclusion for customers and underprivileged persons, as well as provision of financial literacy to promote financial management potential of customers and underprivileged persons</p>	Indirect Economic Impacts (GRI 103, GRI 203) GRI G4 Product Portfolio (GRI 103, FS 7) GRI G4 Local Communities (GRI 103, FS 13, FS 14) Financial Literacy (GRI 103, Former FS 16)	All businesses	Customers, Communities, Society and Regulatory Agencies	Financial Inclusion and Financial Literacy Social Dimension	     

Material Topics	GRI Topics	Within Organization	Outside Organization	Topics Stated in the Report	Sustainable Development Goals
<p>Community Investment and Reducing Social and Environmental Impact Community activities, volunteer activities and activities to promote and stimulate community economic growth</p>	Economic Performance (GRI 103, GRI 201)	All businesses	Communities, Environment and Society	Social Contributions Social Dimension	
<p>Green Project Finance Provision of credits to support and promote environmentally friendly projects or businesses in order to mitigate climate change impacts</p>	GRI G4 Product Portfolio (GRI 103, FS 8)	All businesses	Customers and Regulatory Agencies	Financial Support towards Low-Carbon Economy Environmental Dimension	
<p>Reducing KBank's Environmental Footprint Reduction of GHG emissions, energy management, water management and waste management</p>	Energy, Water, Emissions, Effluent and Waste (GRI 302, GRI 303, GRI 305, GRI 306)	All businesses	Communities, Environment and Society	Environmental Management Environmental Dimension	
<p>Transition Risk and Opportunity from Climate Change Analysis and assessment of opportunities and risks arising from climate change</p>	Emissions (GRI 103, GRI 305)	All businesses	Customers, Communities, Environment and Society	Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) Economic Dimension	

Stakeholders Engagement

Engagement of our stakeholders, including the shareholders, Board of Directors, employees, regulatory agencies, customers, counterparties/business partners, competitors, creditors, communities, environment and society, is key to KBank's ability to understand stakeholders' requirements and expectations in order that the Bank may map out effective operational guidelines to prevent risks or impacts that could occur due to what might be deemed improper performances. The Bank has adopted the AA 1000 Stakeholders Engagement Standard (AA1000SES) and created stakeholder participation via related units and designed processes to identify their needs and concerns through various forms of activities, as follows:

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
Shareholders 	<ul style="list-style-type: none"> • Holding Ordinary and Extraordinary Meetings of Shareholders* • Disclosure via the SETLink system of the Stock Exchange of Thailand, KBank website and internal and external publications • Meeting with and providing information to shareholders, investors and general public, either one-on-one or in a group, both domestic and abroad • Inquiry channel via website • Answering questionnaires 	<ul style="list-style-type: none"> • High, stable and sustainable growth in return on investment • Sound and stable growth in operating results • Transparent and fair operations • Prudent risk management • Ethical operation and consideration of ESG issues • Knowledge sharing of new regulations of regulatory agencies • Communicating various measures of KBank in coping with COVID-19 	<ul style="list-style-type: none"> • Creating sustainable and balanced growth in operating results under cautious and prudent risk management • Disclosure to shareholders and SET via activities or other communication channels with transparency and verifiability • Inviting shareholders to Annual Meetings of Shareholders and encouraging them to express their views in meetings • Announcing policy, structure and measures related to credit underwriting processes for strict compliance of employees and offering such training to related employees • Monitoring and providing knowledge concerning new regulation in compliance with international standards, such as TFRS 9 – Financial Instruments • Establishing measures in auditing, monitoring and disclosing information to enhance transparency • Communicating KBank's measures in bracing for COVID-19 to enhance the confidence of shareholders 	<ul style="list-style-type: none"> • In all chapters of the Sustainability Report 2020

* Details about the meetings and patterns of meetings with shareholders are in the 2020 Form 56-1 One Report, page 129 - 137

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
<p>Board of Directors</p> 	<ul style="list-style-type: none"> • Holding a board meeting every month (with the exception of force majeure) • Arranging an independent directors meeting to compile opinions and suggestions before board meetings • Providing information and news via KBank's various channels 	<ul style="list-style-type: none"> • Transparent operations and adherence to the Good Corporate Governance principles • Equitable treatment of all stakeholders • Sustainable growth in performance 	<ul style="list-style-type: none"> • Effective, transparent and verifiable management, based on corporate governance and sustainable development guidelines • Operating business with recognition of all stakeholders 	<ul style="list-style-type: none"> • In all chapters of the Sustainability Report 2020
<p>Regulatory agencies</p> 	<ul style="list-style-type: none"> • Participating in meetings to acknowledge supervisory policies and guidelines • Collaborating with supervisory agencies through KBank's compliance units 	<ul style="list-style-type: none"> • Business operations with adherence to the principles of corporate governance and sustainable development and in compliance with related laws under appropriate risk management 	<ul style="list-style-type: none"> • Compliance with related laws, rules and regulations • Development of work processes in accordance with related supervisory agencies' requirements, suggestions and remarks 	<ul style="list-style-type: none"> • In all chapters of the Sustainability Report 2020




Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
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Employees



- | | | | | |
|-------------------------|---|--|--|--|
| <p>Employees</p> | <ul style="list-style-type: none"> • Holding orientation for employees at all levels • Enquiring into the requirements of employees and supervisors to prepare appropriate learning courses that are in line with KBank's business growth • Having in place channels for receiving opinions and suggestions • Conducting employee satisfaction surveys • Organizing employee engagement activities and boosting employee morale with an aim to become "The Best Employer" • Managing communications to create correct understanding on business operations and promoting corporate engagement based on KBank culture via various online and offline channels to access all employees, such as Office 365, Email, Yammer, MS Teams, LINE and Facebook • Organizing meetings of supervisors and employees to share opinions and recommendations on work improvement guidelines | <ul style="list-style-type: none"> • Fair and appropriate remuneration and welfare in line with economic conditions • Career path and advancement • Continued development of employees' knowledge and life skills • Occupational health and safety at work • Having in place necessary equipment to facilitate employees' operations • Offer of opportunities to employees to allocate their time for work-life balance • Providing safe, healthy, and away from COVID-19 workplaces • Working from home as part of social distancing measures and providing work-from-home equipments • Providing assistance to relieve increased expenditures resulting from liquidity problems of family members | <ul style="list-style-type: none"> • Setting up policies and operational guidelines for HR department, and compliance with labor law • Setting up a human rights policy and guidelines to manage diversity in the workplace • Setting up a roadmap to promote staff career paths • Undertaking annual salary surveys in the markets to come up with appropriate remunerations and benefits • Organizing training courses suitable to staff in different divisions and levels • Conducting annual employee satisfaction surveys and performance assessment • Enhancing occupational hygiene and safety • Answering inquiries via different communication channels in a consistent manner • Introducing occupational health measures, control measures for workplace access, work-from-home practices and setting staggered working hours • Issuing assistance measures for employees and their families, who have been affected by COVID-19 | <ul style="list-style-type: none"> • Human Resource Management Chapter • Human Rights Operations Chapter |
|-------------------------|---|--|--|--|

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
<p>Customers</p> 	<ul style="list-style-type: none"> • Assisting customers via Relationship Managers • Conducting customer visits every month to strengthen relationships with them • Producing public relations media to disseminate information on KBank products and services in an accurate, complete, clearly defined and transparent manner • Having in place channels for customers to file their viewpoints, recommendations and complaints • Organizing training sessions and seminars to provide knowledge and advice on finance, trade and investment, as well as self-protection against cyber threats for customers in Thailand and foreign countries • Conducting customer satisfaction surveys on a regular basis • Creating a diverse range of digital channels for flexible and swift communications and are in line with customers' lifestyles such as LINE Group, Facebook, Twitter, YouTube, plus answering service questions on Pantip website • Providing services through KBank branches and service points such as banking agents 	<ul style="list-style-type: none"> • Customer service provision with responsibility and fairness • A variety of quality and responsive products and services • Convenient access to financial products and services • Provision of financial advice and knowledge • Protection of customer data privacy • Preparedness and swiftness in responding to customers' demands • Availability and stability of mobile application to enhance continued, swift and smooth services • Measures to alleviate the impacts of COVID-19 	<ul style="list-style-type: none"> • Establishing basic principles and standards on customer service provision with responsibility and fairness (Market Conduct) • Conducting staff training to maintain service quality • Delivering products and services that respond to customers' demands and lifestyles • Promoting a good corporate governance culture, business ethics and employee code of conduct, in order to deliver accurate, honest and transparent products and services to customers • Adding channels to offer varied and convenient access to financial products and services that match customers' lifestyles • Launching training and seminar sessions to provide knowledge on financial products, financial discipline and prevention of cyber threats • Cyber risk management • Implementing policies, structures and measures of IT management, and protection of data security and customer data privacy, which the employees shall strictly comply with • Conducting regular surveys on customers' opinions and satisfaction, answering questions via different communication channels • Allowing customers to participate in the development of financial products and services • Issuing relief measures to help customers mitigate the impacts of COVID-19 	<ul style="list-style-type: none"> • Financial Innovations and Services Chapter • Cyber Security and Data Privacy Chapter • Financial Inclusion and Financial Literacy Chapter

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KIBank's Actions	Details on Actions to Meet Stakeholders' Needs
<p>Counter parties/ Business Partners</p> 	<p>Counterparties</p> <ul style="list-style-type: none"> Communicating the annual counterparty manual Holding the annual seminar to communicate sustainable development policy, operational guidelines and directions, along with providing updated and useful information on sustainable development Holding meetings to brainstorm ideas in creating and developing innovations or new operational models Conducting counterparty visits to receive their viewpoints and recommendations Establishing channels to receive recommendations or complaints Evaluating ESG performances of counterparties on an annual basis <p>Business partners</p> <ul style="list-style-type: none"> Holding meetings to exchange information and opinions Organizing relationship enhancement activities every year 	<p>Counterparties</p> <ul style="list-style-type: none"> Procurement policy and regulations, counterparty management guidelines, and related news Business ethics, code of conduct and transparent business operations Fair trade Collaborating in seeking creative ideas and developing innovations Assistance measures to help alleviate the impacts of COVID-19 <p>Business partners</p> <ul style="list-style-type: none"> Business cooperation based on good corporate governance 	<p>Counterparties</p> <ul style="list-style-type: none"> Establishing counterparty recruitment and selection criteria, based on ESG factors Establishing clear audit processes as specified in the Supplier Code of Conduct Reviewing and improving procurement procedures and communication methods to achieve common goals Undertaking problem examination and rectification in a timely and appropriate manner, and preventing problems that may arise in the future Providing various fields of knowledge for sustainable development of counterparties Issuing relief measures to help mitigate the impacts of COVID-19 <p>Business partners</p> <ul style="list-style-type: none"> Entering into agreement to define cooperation framework with business partners 	<ul style="list-style-type: none"> Sustainable Supply Chain Management Chapter Human Rights Operations Chapter
<p>Competitors</p> 	<ul style="list-style-type: none"> Joining meetings to exchange opinions and foster cooperation 	<ul style="list-style-type: none"> Fair and transparent business operations and competition, compliance with a fair and honest competitive framework 	<ul style="list-style-type: none"> Creating fair competitive conditions 	<ul style="list-style-type: none"> Business Ethics Chapter
<p>Creditors</p> 	<ul style="list-style-type: none"> Arranging annual activities in various forms to promote relationships and provide useful knowledge Having in place channels to accept recommendations or complaints 	<ul style="list-style-type: none"> Interest and loan payments within due date Continuing communications and disclosure 	<ul style="list-style-type: none"> Interest and loan payments within due date Continuing activities and communications to provide accurate and complete information, news and knowledge 	<ul style="list-style-type: none"> Economic Performance Chapter

Stakeholders	Forms and Communication Channels	Interest and Expectation of Stakeholders	KBank's Actions	Details on Actions to Meet Stakeholders' Needs
<p>Communities, Environment and Society</p> 	<ul style="list-style-type: none"> Conducting surveys and discussions to understand viewpoints and requirements of communities and society on a yearly basis Organizing community relations activities via employees' volunteer projects and CSR projects of KBank 	<ul style="list-style-type: none"> Financial literacy Products, services and financial service channels that match communities' requirements and ways of life Development and promotion of community economic growth, and environmental protection for communities Support to social and community activities Assistance in times of natural disasters Offering assistance to people affected by COVID-19 	<ul style="list-style-type: none"> Providing financial knowledge for communities via electronic channels, bank branches, public relations media of KBank, training activities and volunteer activities of employees Providing knowledge for local communities, promoting their skills development, as well as natural resource and environmental preservation Providing continuous budget support for development of communities, society and the environment Offering assistance to people affected by COVID-19 and natural disasters via donation channels in the form of money and necessary items, and rehabilitation after such disasters 	<ul style="list-style-type: none"> Social Contributions Chapter

Membership of Various Organizations

KBank has entered into membership of various organizations established for economic and social benefits, and has adopted their policies for implementation within the Bank. We have taken part in developing work systems with those organizations, and have employed knowledge, experiences and lessons learnt shared with them to drive forward our own organization. Our executives have been appointed directors and members of agencies and organizations related to enhancement of the financial institution system and sustainable development. These organizations and agencies include the following:



Economic Dimension

Being an Accountable Bank
to Create Sustainable Profitability

- 044 Corporate Governance
- 047 Business Ethics
- 054 Risk Management
- 060 Financial Innovations and Services
- 074 Responsible Lending and Investment:
ESG Credit and Investment and Reporting
under the Task Force on Climate-related
Financial Disclosures (TCFD)
- 090 Cyber Security and Data Privacy
- 096 Sustainable Supply Chain Management





Number of K PLUS users

14.4 million
Rising **19%** compared to 2019



Real-time inward funds transfer valued more than Baht

2.8 million

Examples of innovative financial products and services in 2020



Eatable a novel platform for food ordering



MAKE by KBank mobile banking application designed for the new generation's financial management



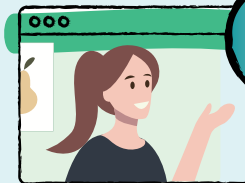
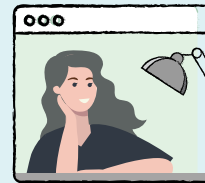
KhunThong funds collection and cashless payment via LINE



Upgraded ESG operations

100%

of requests for Project Finance and commercial loan for medium-sized enterprises or larger must be processed through the Environmental, Social and Governance (ESG) assessment procedure



Achieved overall Net Promoter Score (NPS)

of **35** the highest level in the Thai banking industry



KBank participated as a Supporter of the Task Force on Climate-related Financial Disclosures (TCFD Supporter)

Corporate Governance



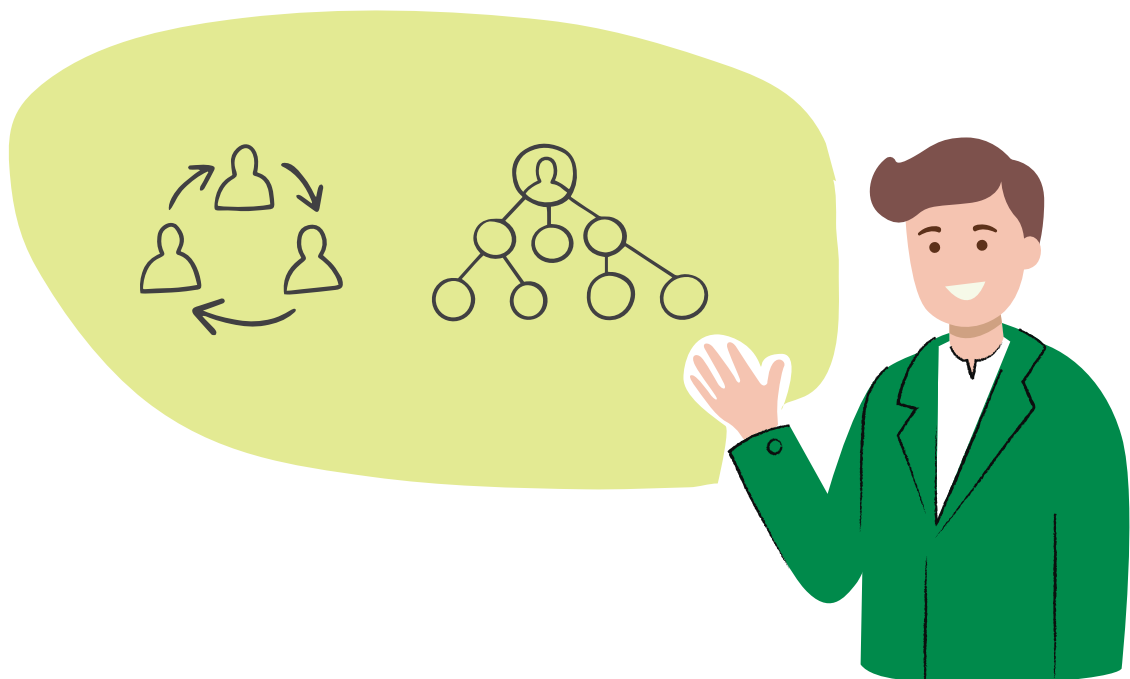
Risks

If KBank were to operate its business by taking into account only benefits, with no proper management, it would not be able to create sustainable value.

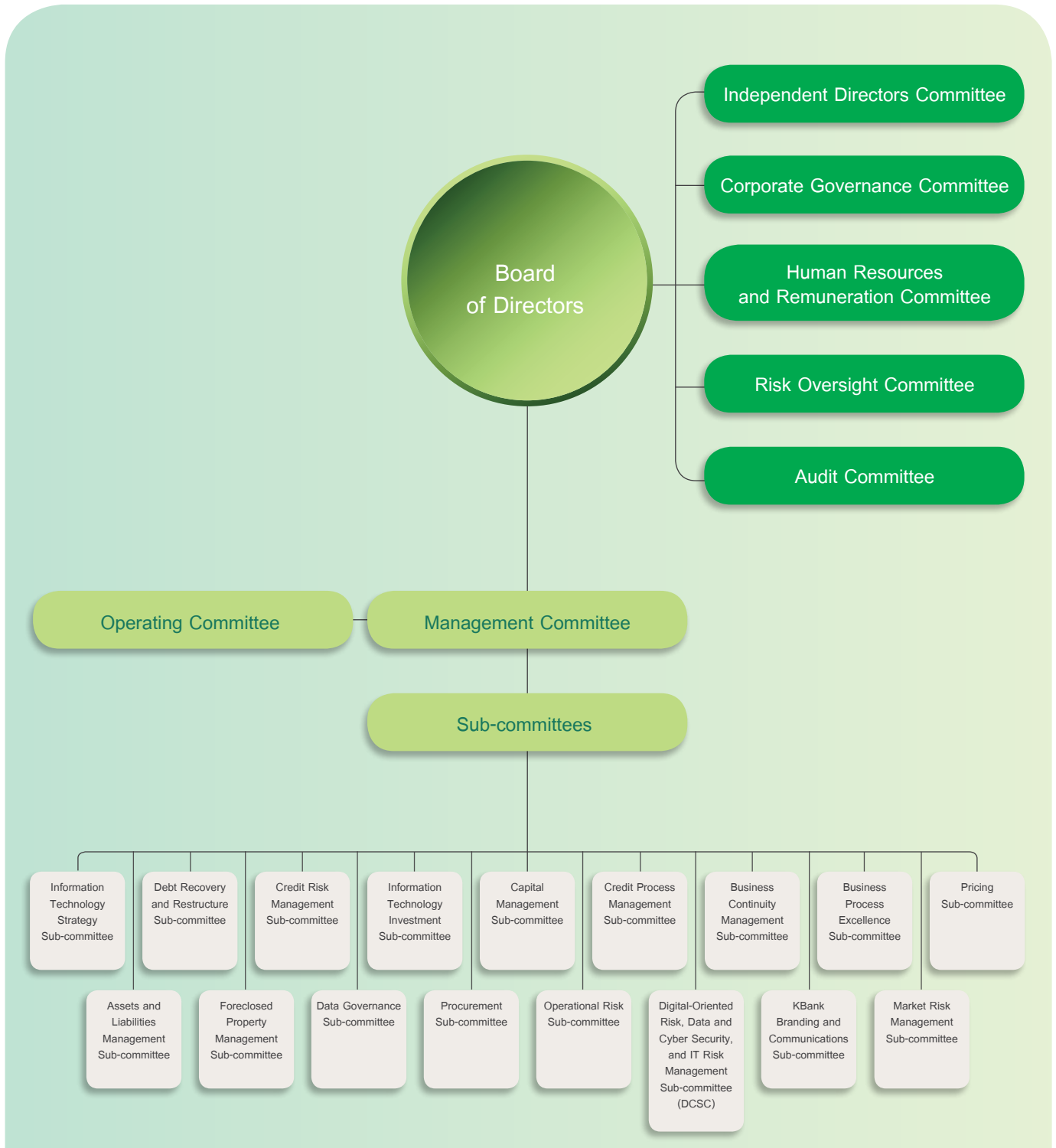
Opportunities

Transparent, fair and ethical business operation is instrumental in driving KBank to be a Bank of Sustainability and creating confidence among all shareholders and stakeholders.

The Board of Directors' role and duty are to manage KBank business operations. The Board's decisions are independent, taking into account the highest benefit of KBank and stakeholders. Every year, the Board reviews and approves the Vision, Core Values, and operational strategies. The Board also approves strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, reviews the annual business plan and budget, and monitors and oversees the Bank's management in effectively carrying out actions that are in line with designated policies, corporate strategy and business plans, in accordance with the rules and regulatory requirements of related government agencies and the resolutions of shareholders meeting. Moreover, the Board ensures the existence of an effective internal control system and appropriate risk management, and cooperates with the management in business undertakings in order to continuously attain the excellent results with current and future risks taken into consideration. Risk assessment has thus been conducted organization-wide, covering 87 departments, 7 networks and 16 divisions.



Corporate Governance Structure



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

Independent Directors Committee

The Independent Directors Committee has been established to support the Board of Directors' work in accordance with Statement of Corporate Governance Principles in order to assure all shareholders, investors and stakeholders that KBank management is transparent and protects all parties' interest with fairness. The Committee's role is to oversee KBank's overall interests, maintain checks and balances between the Board of Directors and the management, and protect shareholders' rights by offering recommendations and views on significant matters beneficial to KBank, investors and minor shareholders, with independence, transparency and freedom from involvement in any interest. This will assist the Board of Directors in performing with greater efficiency and effectiveness. The Committee holds at least once a quarter. In 2020, the Committee held a total of 12 meetings.

Audit Committee

The Audit Committee oversees the financial reporting, risk management, internal control system and internal audit, as well as compliance with laws, regulatory requirements and ethical standards. The Audit Committee holds at least 6 meetings per year. In 2020, the Committee held a total of 12 meetings.

Corporate Governance Committee

The Corporate Governance Committee oversees KBank's business practice and the conduct of the management and personnel to ensure compliance with the corporate governance principles and Sustainable Development set by the Bank and official governing agencies consistent with international standards. The Corporate Governance Committee holds at least 4 meetings each year. In 2020, the Committee held 4 meetings.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee's role is to propose to the Board of Directors views on remuneration and nomination of directors, taking into account the composition, size and diversity, and recommendation of qualified successors for the position of Chief Executive Officer and President. The Committee also reviews a succession plan and monitors operation to ensure that it is aligned with KBank's vision and strategy on human resources as well as executive development plan. The Human Resources and Remuneration Committee holds at least 3 meetings each year. In 2020, the Committee held 10 meetings.

Risk Oversight Committee

The Risk Oversight Committee is responsible for reviewing and examining adequacy and effectiveness of the overall risk management policies and strategies, acceptable risk appetite as well as compliance with rules and regulations. The Committee must ensure that top management complies with risk management policies and strategies and shall supervise the strategy of capital and liquidity management to be consistent with the acceptable risk appetite. The Risk Oversight Committee meets at least once a quarter. In 2020, the Committee held 6 meetings.

Management Committee

The Management Committee manages and conducts KBank's business as designated by the Board of Directors to attain sustained performance excellence, by conscientiously accounting for the prevalent and future risk environment, consistent with the Vision and the Statement of Business Conduct, and in accordance with good corporate governance principles. The Management Committee holds at least one meeting a month, except for cases where an additional meeting is necessary, or there is no basis or insufficient reason for holding a meeting. In 2020, the Committee held 12 meetings.

Business Ethics



Risks

If KBank does not comply with ethical standards, it will not achieve the set target, which may in turn affect its business operation and the economy at large.

Opportunities

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

Business ethics are the core component of KBank's business operations. With strict adherence to the expected ethical standards, KBank employees are committed to delivering products and services in an appropriate and transparent manner and in response to stakeholders' requirements. This commitment has been reflected in KBank's practices towards our customers, employees, suppliers and other stakeholders. Compliance with the Statement of Business Conduct and Code of Conduct is compulsory for all permanent and contracted employees of KBank, including dealings with KBank's suppliers, in order to prevent risks that may affect KBank's business operations, directly and indirectly via supply chains. The Board of Directors has approved the Statement of Business Conduct and Code of Conduct as a set of principles that all directors and employees are expected to follow in all activities within the scope of their responsibilities for all stakeholders, for example, shareholders, Board members, employees, customers, suppliers, competitors, creditors, communities, the environment and society. It is our common obligation to perform our functions with integrity and honesty, in compliance with applicable laws and KBank rules and regulations. The Corporate Governance Committee has been assigned to establish principles and effective practices for corporate governance at KBank. The Statement of Business Conduct* and Code of Conduct ** are subject to an annual review.

Business Operation Oversight

KBank operates in compliance with the laws, rules and relevant regulatory requirements. KBank's Board of Directors is tasked with overseeing risk management to ensure that operations are in compliance with rules and regulations of KBank. The Board of Directors has assigned the Risk Oversight Committee to supervise risk management in alignment with the risk management policy. High-level executives are responsible for ensuring effective compliance. All employees are required to perform their duties and responsibilities completely, accurately and in strict compliance with established regulations. Additionally, KBank has assured that the Compliance Department can perform its duties with independence and report to the Enterprise Risk Management Division and the Risk Oversight Committee.

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

** Details about the Code of Conduct are available at KBank's website <https://www.kasikornbank.com/en/IR/CorporateGovernance/principles-core-values/Pages/Principles-and-Guidelines.aspx>

The Compliance Department carries out a process to evaluate compliance-related risks of KBank and oversees the preparation and revisions of policies and regulations related to compliance in line with the current regulatory requirements while communicating to staff and persons in charge of our representatives, regarding the compliance and fair treatment of our customers. Also, the department shall give notice of any changes or revisions in law and regulations to KBank's staff members, persons in charge of overseeing representatives, senior management and KBank's Board of Directors while providing recommendations and advice there of to ensure compliance with such requirements. The Department will also follow, monitor and analyze the accounting

lists and transactions of customers to prevent illegal practices, namely, money laundering, financial support of terrorism and proliferation of weapons of mass destruction, while also making revisions to comply with regulatory requirements. The Department shall present guidelines to improve non-compliant practices or reduce compliance-related risks and report the results of risk evaluation regarding non-compliance and changing risks while summarizing the results and causes. Such guidelines shall be presented to senior management, the Risk Oversight Committee and/or the Audit Committee on a regular basis and submitted to regulatory agencies as required.

Persons who were communicated with and trained in Code of Conduct, Anti-Corruption Policy and Process in 2020	Number (Persons)	Percentage of total employees or suppliers*
Number of employees who were trained through 2020	19,626	99.03
<ul style="list-style-type: none"> • Top management • Middle management • Operating and staff level 	<p style="text-align: center;">44</p> <p style="text-align: center;">909</p> <p style="text-align: center;">18,673</p>	<p style="text-align: center;">0.22</p> <p style="text-align: center;">4.59</p> <p style="text-align: center;">94.22</p>
Number of employees who attended briefings	19,819	100
<ul style="list-style-type: none"> • Top management • Middle management • Operating and staff level 	<p style="text-align: center;">81</p> <p style="text-align: center;">938</p> <p style="text-align: center;">18,800</p>	<p style="text-align: center;">0.41</p> <p style="text-align: center;">4.73</p> <p style="text-align: center;">94.86</p>
Suppliers that received briefings	1,333	100

* Total employees means KBank employees.

Total suppliers means suppliers of KBank in Thailand.

Communication on Code of Conduct and Anti-Corruption Policy

Honest KBank People Campaign

KBank adheres strictly to good corporate governance through transparency and fairness as detailed in our Statement of Business Conduct and in conformity to the law. Throughout 2020, KBank promoted the “Honest KBank People” campaign to reinforce a culture of providing fair service to customers and operating the business with integrity, based on market conduct that serves as a foundation for sustainable growth and enabling corporate culture cultivation. The campaign was promoted through the following themes:

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



KBank organized the “Reality” program wherein high-ranking executives served as branch officers to present products to customers based on market conduct principles. The program was communicated to employees via various KBank channels.

To make KBank staff aware of the importance of implementing responsibility, transparency and fairness in the workplace, KBank communicated these practical guidelines to staff members through various forms including video and audio clips, and direct communication from top management. In 2020, KBank organized the “Reality” program wherein high-ranking executives served as branch officers to present products to customers based on market conduct principles. The program was communicated to various KBank channels as part of its effort to continually instill organizational culture to employees in accordance with the “Honest KBank People” campaign.

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



KBank launched an internal campaign to promote the Code of Conduct among employees.

Support for Internal Control and Auditing System

KBank places particular emphasis on effective corporate governance, risk management process and internal control systems to ensure that business undertakings of KASIKORNBANK FINANCIAL CONGLOMERATE will achieve long-term corporate-wide goals and objectives. The roles and responsibilities of employees at all levels and a management structure have thus been set. The Audit Committee is responsible for supervising risk management, internal control and compliance, while the management is tasked with steering KBank to achieve the set goals through the established ethics and policies, including the Code of Conduct, Statement of Corporate Governance Principles, Internal Control Policy, Information and Complaint Receiving Policy, Anti-Corruption Policy and Employee Operational Handbook.

KBank has undertaken risk identification and assessment as well as stipulating that internal controls be part of our operational process. KBank has an appropriate internal control structure as duties within the organization are segregated to ensure cross control and audit. Internal control assessment and monitoring are in place to ensure that the internal control system continues to operate efficiently in line with its original design and is able to cope with new risks emerging during any period. Regarding internal control, the Internal Audit Department is directly accountable to the Audit Committee to ensure that it performs its tasks independently, justly and transparently. Such tasks include the assessment of risk management, internal control and corporate governance to ensure that those operations are effective and efficient in conformity with KBank's policy, and relevant regulatory requirements. To prevent and reduce losses from corruption, the assessment results of those operations shall be reported directly to responsible persons, and any loopholes shall be monitored to ensure that they are rectified in a timely manner. Significant issues shall be reported to the Board of Directors, the Audit Committee and/or the top management within an appropriate period. KBank may submit the audit results upon

request from regulatory agencies. The internal audit process takes into account new risks and applies continuous audit principles, data analytics and integrated audits. Also, employees are encouraged to develop their capacity in terms of new technology and financial innovations in line with KBank's strategy and business direction.

KBank attaches significance to market conduct in our sales and services, asset quality which may be affected by economic conditions, and customer data privacy to earn the trust of our customers in safeguarding the customers' data. Also, KBank has placed importance on measures to deal with cyber threats and IT risk management to ensure that customers can use our services with confidence and security. Study courses on governance, risk management and compliance have been organized for executives, while operating employees have taken an e-learning course on internal controls.

Anti-Corruption

The Board of Directors has approved the Anti-Corruption Policy to ensure that all operational processes are in compliance with regulatory requirements. The Corporate Governance Committee is responsible for promoting compliance with the policy, KBank's operational procedures, relevant regulatory requirements, the Statement of Business Conduct and the Code of Conduct among employees at all levels. The policy shall be subject to annual review.

KBank, KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset) and KASIKORN SECURITIES PCL. (KSecurities) co-signed a declaration of the Private Sector Collective Action Coalition against Corruption (CAC), jointly initiated by the Thai Institute of Directors (IOD), Thai Chamber of Commerce, Joint Foreign Chambers of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of the Thai Capital Market Organizations and Federation of the Thai Industries. The project's major objective is to raise anti-corruption awareness. Since 2013, KBank, KAsset and KSecurities have been certified by the CAC Council.

Additionally, KBank recognizes the importance of communications on the Anti-Corruption Policy for appropriate practices and actions both within and outside the organization. The Anti-Corruption Policy is posted on the KBank website. KBank has regularly communicated the Anti-Corruption Policy to directors, executives and employees via internal media and channels, including the Corporate Governance Journal, electronic network and KASIKORN TV.

To show our staunch commitment to anti-corruption in all forms and to ensure transparency in our operations and promote good governance, the No Gift Policy has been introduced at KBank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE.

KBank has consistently supported and promoted our suppliers to refrain from dealings with businesses involved in corruption. Related actions undertaken in 2020 included:

- Communicate KBank Supplier Code of Conduct, covering business ethics, human rights and labor, anti-corruption, occupational health and safety, and environment, for acknowledgement and as operational guidelines. Encourage suppliers to join the anti-corruption network.
- Communicate the No Gift Policy for all festivals and occasions to the customers and suppliers.
- Hold a seminar for suppliers to inform them of our procurement policies and procedures while also encouraging them to follow the anti-corruption policy and operational guidelines.
- Hold a meeting for employees to equip them with knowledge on the Code of Conduct and Anti-Corruption Policy with a focus on their understanding, acknowledgement and strict compliance.
- Provide various communication channels for receiving information, complaints or whistleblowing.

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

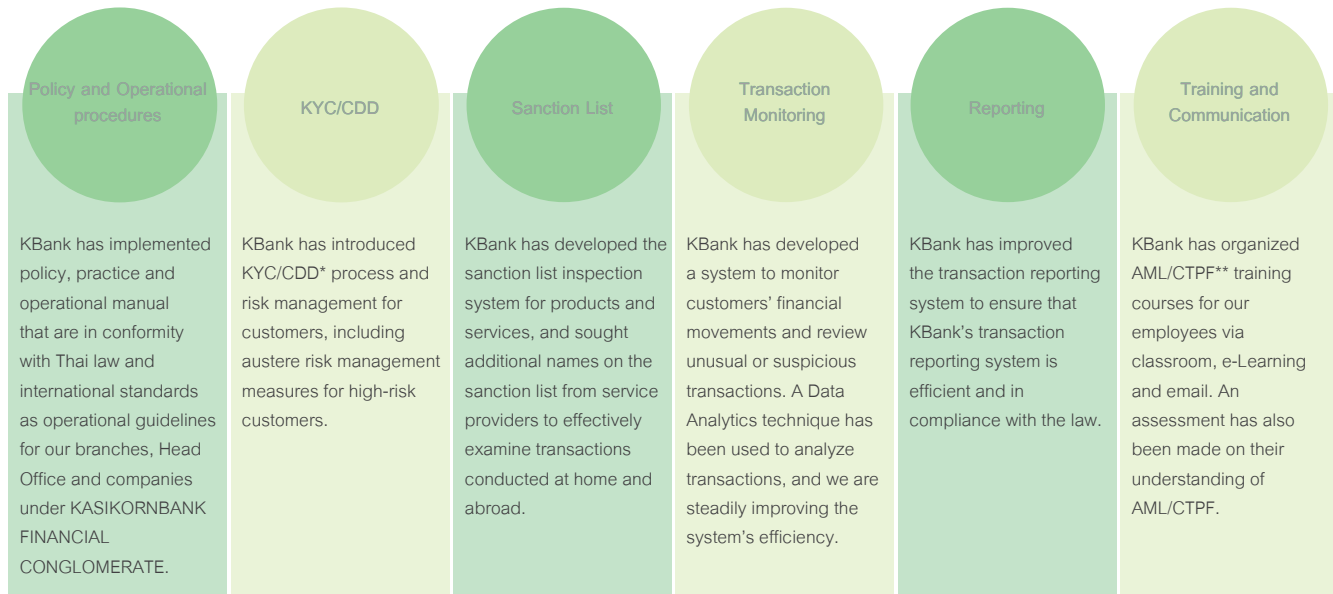
KBank is determined to be a bank with trusted financial transaction security and mechanisms for the prevention of money laundering, and financing of terrorism and proliferation of weapons of mass destruction. The Board of Directors has approved our Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF) Policy along with related procedures and handbooks to which all employees are required to strictly adhere, under the supervision of top management, for effective compliance.

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



KBank conducted a PR campaign on the 'No Gift Policy', refraining from accepting gifts regardless of festival or occasion. This policy is intended to promote good corporate governance and operation in line with a Bank of Sustainability.

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



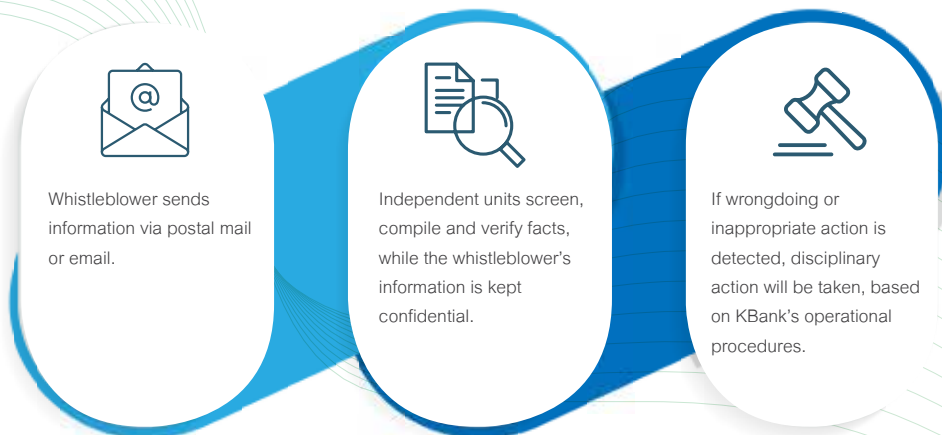
* KYC: Know Your Customer/CDD: Customer Due Dilligence

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

Receiving Information, Complaints or Whistleblowing

KBank has established a Whistle-Blowing Policy with channels for receiving information or evidence of wrongdoing, a process for handling of such information or tips and measures to protect the rights of information providers. We protect confidential information; only authorized persons have access to such information. The Audit Committee is assigned to issue instructions and report to the Board of Directors on confidential information. Fair measures have been established for stakeholders to whom losses are incurred due to violation of their legal rights. KBank has communicated our Whistle-Blowing Policy to employees via various channels to make them understand its importance, and be aware of their roles, duties and practices. KBank also encourages companies under KASIKORNBANK FINANCIAL CONGLOMERATE to establish channels for reporting any information or evidence of wrongdoing.

Process for handling information and whistleblowing



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

Communication Channel

KASIKORNBANK PUBLIC COMPANY LIMITED

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

Complaint Hotline

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

Investor Relations Unit, Office of Corporate Secretary

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

Information and Whistleblowing Channel

Board of Directors

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

Internal Audit Department, Audit Division

E-mail : InternalAudit@kasikornbank.com
Address : Co-Department Head-Internal Audit Department
Muang Thai-Phatra Complex 1,
32nd Floor, 252/40-41, Ratchadaphisek Road,
Huai Khwang Sub-District,
Huai Khwang District, Bangkok 10310





Risk Management

Risks

Amid ongoing economic volatility, KBank is aware that unless appropriate risk management is in place, our operating performance will be jeopardized, which will in turn adversely affect the long-term stability of both KBank and the financial institution system.

Opportunities

Effective risk management will create confidence among stakeholders, which will bring about business opportunities and secure long-term growth.

Three Lines of Defense

KBank has applied the Three Lines of Defense guidelines to our risk management, starting from the Board of Directors to the operational level to ensure that our risk management process has been efficiently supervised, controlled and examined by responsible units.

Risk Management Process

KBank has in place a risk management process comprising risk identification, assessment, monitoring, controlling and reporting. We have steadily improved our risk management process so that it is consistent with the new business environment and international standards. KBank also places significance on early warning and monitoring of risk position and overall concentration. We have also regularly reviewed the adequacy of our risk management system and efficiency of risk management via relevant committees. The reviews have shown that our overall risk management is appropriate.

Risk Identification

Key risks are proactively identified in detail, including types and sources of risk, as well as other risk-related factors, both internal and external. Assessments and projections of the Bank's current and expected risks are also reviewed.



Risk Assessment

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

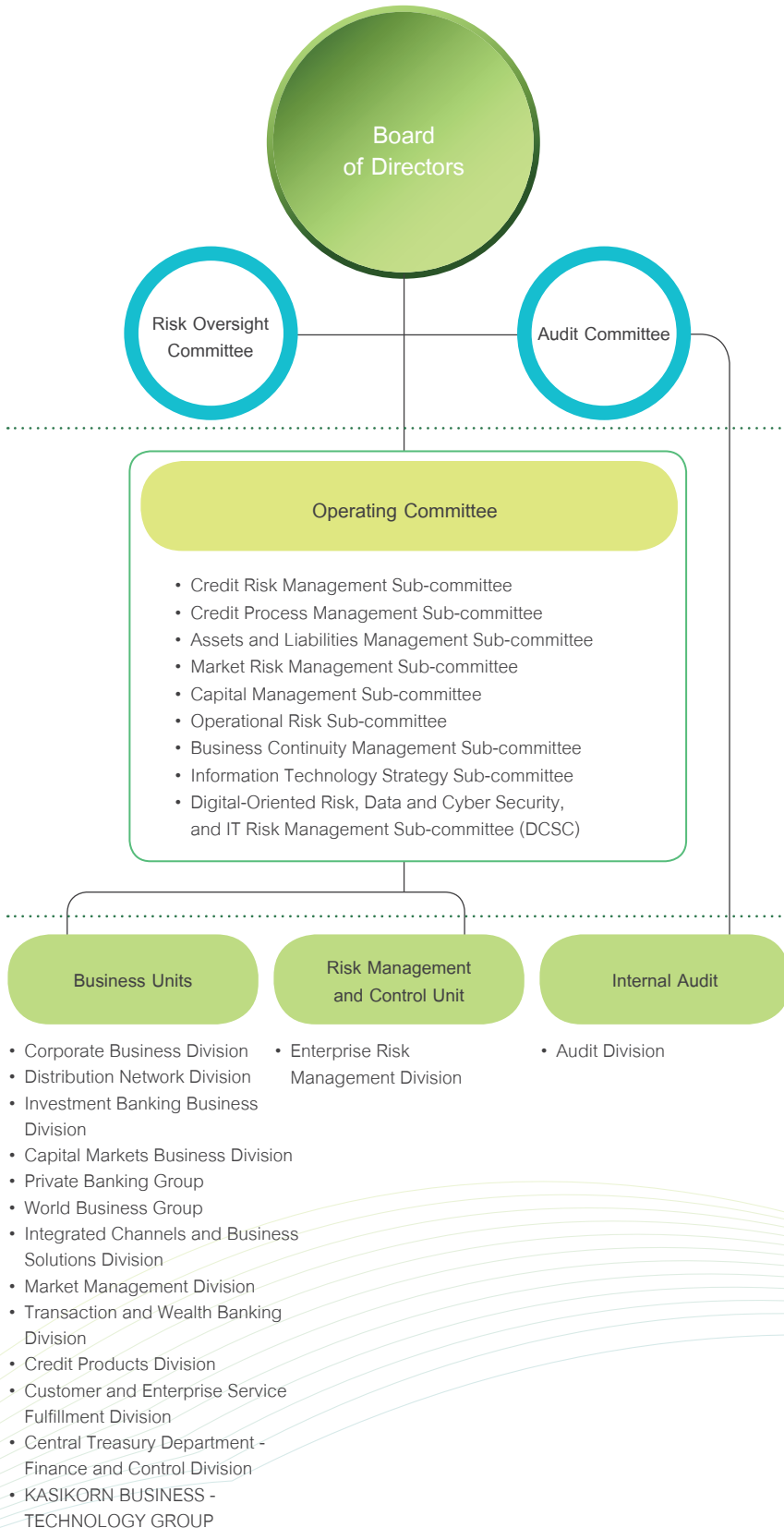
Risk Reporting

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

Risk Monitoring and Control

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

Risk Management Structure



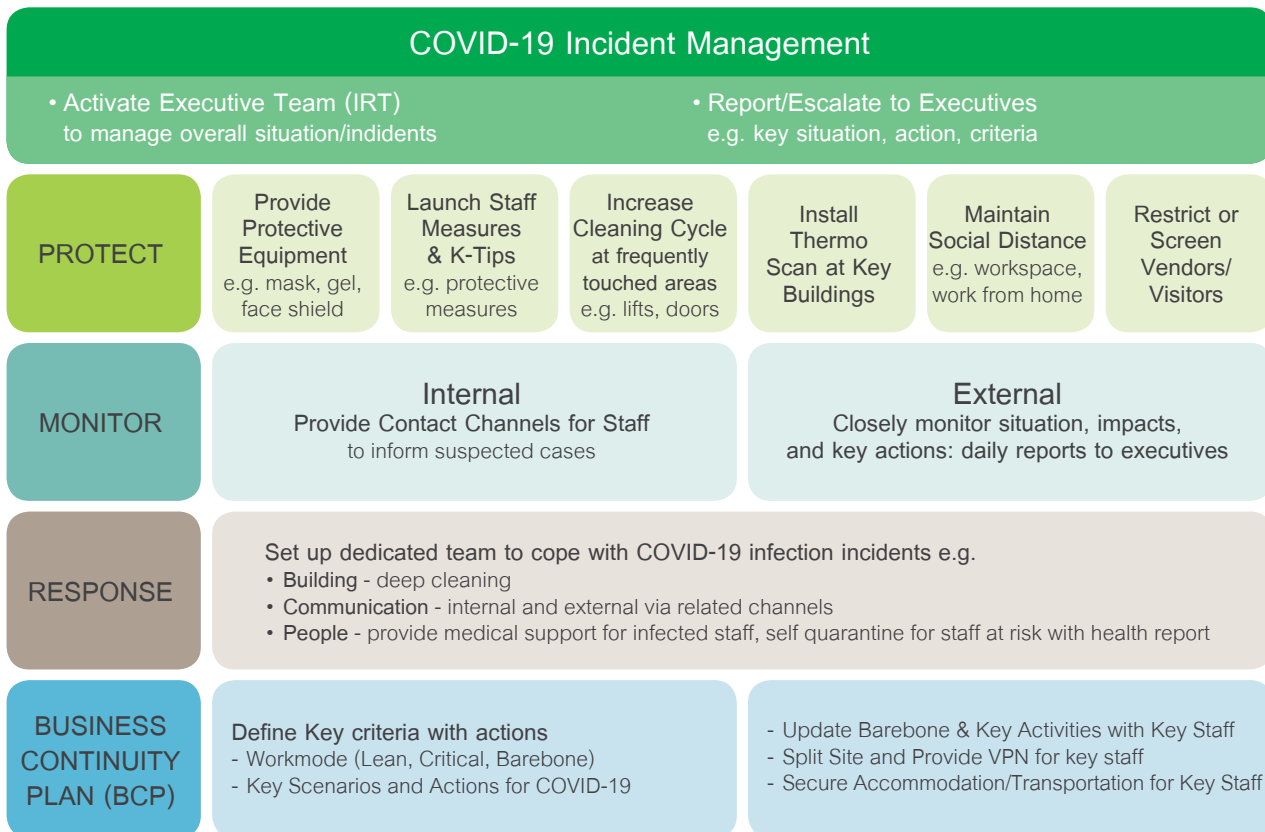
- Approve risk appetite and all risk management policies and guidelines
- Oversee overall risk management of the Financial Conglomerate to ensure its effectiveness
- Ensure effectiveness of overall risk management of the Financial Conglomerate
- Establish risk management policies and risk appetites. Set risk limits for the significant aspects of the various risks
- Formulate strategy on the organization and resources to be used for risk management operations, in line with risk management policy. This strategy must enable effective analysis, assessment, evaluation and monitoring of risk management
- Credit Risk Management Sub-committee and Corporate Governance Committee oversee project financing requests that could have adverse impacts on the environment and society
- **Business units** are responsible for continuous and active management of all relevant risk exposure to be in line with its returns and risk appetite
- **Risk management and control units** are responsible for providing independent and objective views on specific risk-bearing activities to safeguard the integrity of the entire risk process, as well as controlling risk levels to ensure that they are in line with our risk appetite
- **Internal Audit** is independent and responsible for evaluation to add value and improve the effectiveness of risk management, internal control, and corporate governance processes

Management of Risk from COVID-19

KBank acknowledges the risks and impacts of COVID-19 on the lives and safety of our customers and employees as well as KBank’s business continuity and services together with the business operations of our customers, suppliers and other related stakeholders.

KBank has thus conducted proactive operational risk management for prevention, monitoring and handling of the COVID-19 pandemic since its emergence. The situation has therefore been effectively managed and received a timely response; as of this writing, no significant impacts on the Bank’s business operations, the quality of life and hygiene of our employee had been reported.

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



Implement preventive measures

- Provide personal protective equipment (PPE) such as surgical masks, hand sanitizer, etc. to employees who are in at-risk groups.
- Announce practical guidelines on hygiene measures in accordance with guidance of the Ministry of Public Health and related agencies, with a focus on social distancing practice.
- Increase frequency of cleaning and disinfecting touch points.
- Install thermoscan cameras to measure body temperature of all employees at the entrance of KBank main branches. Entrance and exit points of buildings are limited to ensure screening efficiency.
- Adjust work format to minimize the risk of COVID-19 transmission through implementation of IT facilities to support employees in working from home, and improve service system capacity to accommodate the use of services appropriate for volume of work and customer demand.
- Strictly implement procedure for screening visitors and vendors at KBank main branches.
- Prohibit employees from traveling to at-risk countries. In case of essential trips, approval must be granted by related heads. Recommend employees to avoid traveling between buildings during the height of any COVID-19 outbreak.

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

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

Respond to incidents

- An incident response team (IRT) comprising top management and representatives from related divisions has been activated to be responsible for monitoring the overall situation both within and outside KBank, making decisions to ensure effective incident management and operations to mitigate potential impacts through employment of technology for swift communication to related parties and timely actions.
- A special task force has been set up wherein preventive measures have been comprehensively implemented in terms of personnel, places and internal/external communications to ensure effective actions when customers or employees are found to be at risk of infection or are diagnosed with COVID-19.
- Prepare medical personnel to provide detailed advice on implementation of safety measures.
- Consider and review trigger points designated in a pandemic contingency plan to be consistent with the government's announcements and directives, to ensure management's timely decision-making and proactive measures.

Business Continuity Plan: BCP

Business and support units assess the situation and possible impacts on products, services and operations under their responsibility in order to be prepared in case the situation escalates. Business impact assessment and business continuity plan have been reviewed and revised to ensure that they are responsive to any potential COVID-19 transmission. In detail:

- Determine Mission Critical Activities (MCA) to cover certain transactions that must be undertaken in accordance with the Bank of Thailand's additional guidelines, including assistance measures for borrowers affected by the COVID-19 pandemic.
- Mitigate the risk of COVID-19 transmission which could affect mission critical employees. To this end, employees are divided to work from split sites to ensure continuity of mission critical activities at not less than two buildings, in case one of the two sites must be closed or employees are ordered to self-quarantine.
- Adjust work formats and methods to assist pandemic-hit customers in conducting transactions with a minimized degree of risk.
- Provide employees accommodation near their workplace and prepare shuttle transportation service for key employees as a precautionary measure in case travel between buildings or between provinces is restricted by the government.

Relief measures for stakeholders affected by COVID-19

Stakeholders	Relief Measures
Customersf 	<ul style="list-style-type: none"> • Suspension of principal payment only or rescheduling of loan payment for borrowers affected by COVID-19 • Granting additional loans to business operators • Debt holiday for business operators • Interest rate reduction • Reduction of monthly repayment or reduction of minimum payment
Employees 	<ul style="list-style-type: none"> • Arrange a survey on impacts of COVID-19 on employees • Implement measures for pandemic prevention and mitigation of its impact on employees and their families <ul style="list-style-type: none"> - Provide alcohol-based hand sanitizer and other personal protective equipment (PPE) while also increasing frequency of cleaning and disinfecting touch points; put in place adequate hygiene measures to protect employees from the viral infection - Offer interest-free loan to assist COVID-19-hit employees and their families with established loan repayment period - Allow employees to defer repayment of welfare loan per the established period
Suppliers 	<ul style="list-style-type: none"> • Apply hygiene measures equal or equivalent to those used with KBank employees to service providers' staff members who have been screened to work onsite • Put in place processes to accommodate the extension of payment period for suppliers affected by COVID-19 • Reassess service contracts during branch closure at the height of the COVID-19 pandemic by considering payment as appropriate to ensure that staff members of service providers impacted by the crisis are able to resume work as normal. Rather than making no payment, we have made partial payment to service providers to keep their businesses running. • Provide assistance to service providers' foreign employees who are unable to return to their home countries through temporary visa extension, and provision of accommodation or additional work projects in case the existing one is set to expire
Shareholders 	<ul style="list-style-type: none"> • Communicate to shareholders KBank's measures to cope with the COVID-19 pandemic via multiple channels, such as KBank website, Facebook, LINE Official, shareholders' meeting, and the quarterly reports of Management Discussion and Analysis • Arrange for various channels to receive comments from shareholders, such as email and telephone
Society and Community 	<p>KBank provided assistance to COVID-19 affected organizations by implemented programs, as follows:</p> <ul style="list-style-type: none"> • Launched the "Generous (Business) Owners - Empathetic Creditor" program (Details of the program can be found in the Financial Inclusion and Financial Literacy section) • Implemented the "Zero Interest-rate Loan to Retain SME Staff" program (Details of the program can be found in the Financial Inclusion and Financial Literacy section) • Introduced the "Special Stipend for Front-line Medical Personnel" program (Details of the program can be found in the Social Operations section)

Building and Instilling Risk Culture

KBank prioritizes the creation of a risk culture. We have established risk management policy and guidelines as well as a defined risk appetite which is in line with our strategies and business operations, and have communicated them to all employees. Clearly defined and proper risk governance and management structure have been established. Risk management and control units are responsible for providing independent and objective views on specific risk-bearing activities, whereas other business units are responsible for continuous and active management of all relevant risk exposure to be in line with its returns and risk appetite.

Moreover, we have instilled a risk culture in all employees through communications, training and KPI establishment, while also putting in place processes and channels for reporting of suspicious incidents to ensure timely monitoring, prevention and rectification. To this end, reports can be sent to the Internal Audit Department or the “Voice from Detective” channel established by KBank.

In 2020, we continued the “Honest KBank People” project as part of our endeavor to build an organizational culture that embraces the provision of fair services with integrity under the Principles of Market Conduct, which serve as a foundation for achieving sustainable growth and promoting risk culture to employees at all levels. KBank has regularly communicated operational guidelines to employees, as follows:

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

To ensure that our employees recognize the importance of operational guidelines, based on responsibility, transparency and fairness, these messages have been communicated with them via

video and audio clips, while top management has communicated such operational guidelines through KASIKORN TV, Office 365 and other channels that target specific employees. An assessment has been made to ascertain whether our staff members understand operational guidelines.

Top management places importance on the creation of risk culture. All committees of KBank, including senior executives at the President position to the First Senior Vice President position, have pushed forward various operations and participated in the “Honest KBank People” campaign, aimed at creating a risk culture for enhanced efficiency by communicating with employees at all levels. We instill risk culture in all employees, beginning at the new employee orientation and throughout their employment period with us, via internal communications and study courses. Key performance indicators and assessments have been established to ensure that our employees comply with the Principles of Market Conduct and carry out their tasks in accordance with our expectations.

KBank has established and promoted compliance with the risk management policy as prevention against risk from non-compliance with operational procedures, regulations and Code of Conduct, ensuring that our conduct of risk management covers the entire operations of KBank and helps create the risk culture. Guidelines and processes have been established to allow our employees to report loss events for immediate rectification. We have also put whistleblowing channels in place for our employees to report events that could potentially lead to fraud, including email, letter and telephone.

Regarding our credit operations, KBank has introduced a credit management structure that recognizes checks and balances, plus credit policy and process, clear guidelines on desirable and undesirable credit behaviors and credit communication channels. Training sessions and revisions on credit knowledge have been organized regularly to ensure that related operating staff members are updated with the current practice. We have also established a process to monitor credit events. Such results are reported to the Credit Practice Review Working Group for undertaking operation as appropriate in order to improve our credit policy and process, as well as mapping out actions to address non-compliance with the Code of Conduct. This effort is aimed at building good credit operating discipline and culture within our organization.





Financial Innovations and Services

Risks

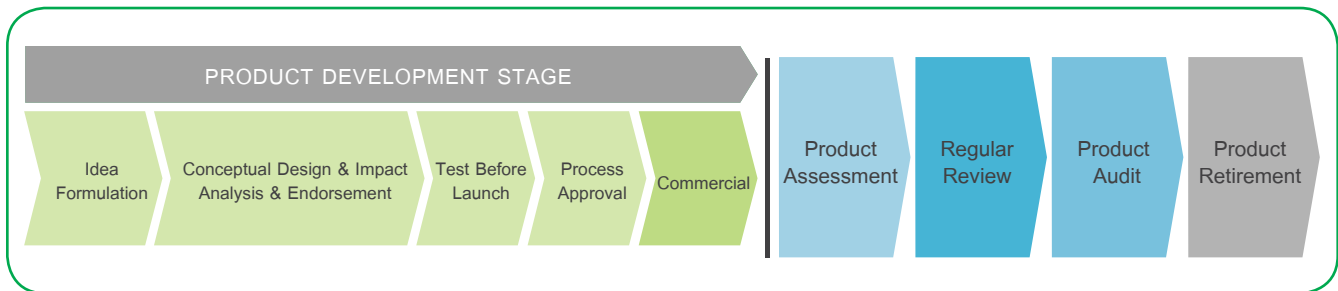
Consumer behavior and business competition have changed rapidly. Unless KBank understands customer needs, we will not be able to create financial products and services that are aligned with their demands or maintain our competitiveness, which will eventually affect our financial standing and performance.

Opportunities

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

Product Management Framework

Product Management Framework A framework for managing product throughout its life-cycle



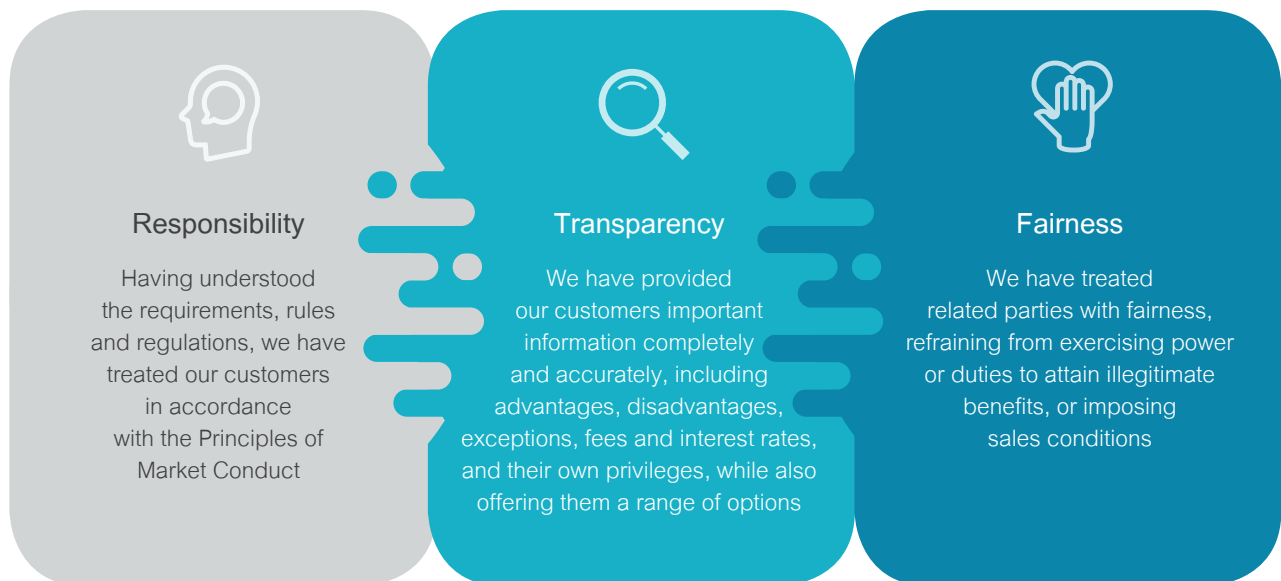
KBank has established a product management framework and procedure as a guideline for managing products throughout their life cycle. The framework and procedure will cover every stage of product development, from idea formulation, to business feasibility analysis, product assessment/regular review/audit after launch and product retirement, as well as compliance with related regulatory requirements. The procedure has been undertaken under significant collaboration of related departments based on the Three Lines of Defense principle, keeping all stakeholders in mind to ensure that products are developed and improved efficiently in alignment with customer needs and in compliance with key regulatory requirements, such as those of the Bank of Thailand, within acceptable risk appetite.

Guided by the K-Strategy that focuses on empowering every customer's life and business, KBank has prioritized our financial product and service development process through customer deep listening or customer workshops organized by our relationship managers (RMs) in order to truly understand their pain points and needs for further analysis and development of products to ensure customer responsiveness.

Market Conduct

The Board of Directors has announced the market conduct policy and assigned the Operational Risk Management Sub-committee to review it at least once a year. The market conduct policy serves as guidelines for determining sales and service processes and management to be systematically responsive to customer expectations, which are deemed an integral part of operational risk management.

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



KBank aims to elevate our customer experiences to ensure service delivery in response to their needs based on the Principles of Market Conduct, and is always prepared to comply with new or updated regulatory requirements.

Financial Innovations and Services

Mobile banking application and internet banking

Products/Services	Details of Financial Innovations	Operating Performance
K PLUS: KBank mobile banking application	<p>K PLUS has been continually developed to fully meet customer needs. In parallel, KBank has upgraded technological infrastructure in the form of an open platform to facilitate its linkage with our business partners' platforms to ensure that K PLUS is an application fit for our customers' everyday use.</p> <p>In 2020, K PLUS offered new services including cardless withdrawal and Xpress Cash, money collection which include payment via LINE by KhunThong – a social chatbot, Share to K PLUS, and Wealth PLUS which features automatic portfolio management.</p>	<ul style="list-style-type: none"> • Number of transactions: 14,516 million, an increase of 71 percent from 2019 • Value of transactions: Baht 13.9 trillion, an increase of 22 percent from 2019 • Number of K PLUS users: 14.4 million, an increase of 19 percent from 2019
K PLUS SHOP: KBank mobile banking application for merchants	<p>K PLUS SHOP features payment for goods and services via QR code under the Thai QR Payment standard, PromptPay, Visa, Mastercard, UnionPay and QR code of Alipay and WeChat Pay to accommodate Chinese visitors. This service can also accept payment via mPOS (Mobile Point of Sale) under the Payment Card Industry Software-based PIN Entry on COTS (PCI SPoC) security standard.</p>	<ul style="list-style-type: none"> • Number of transactions: More than 53.4 million • Value of transactions: More than Baht 70,000 million • Number of participating merchants: 1.84 million
K PLUS SME: KBank mobile banking application for SMEs	<p>K PLUS SME mobile banking application helps SMEs manage their businesses with flexibility. Services available include account inquiry, account classification, cheque management, loan report, funds transfer and bill payment, all of which can be done swiftly and conveniently.</p>	<ul style="list-style-type: none"> • Number of transactions: More than 292 million • Value of transactions: More than Baht 0.78 trillion • Number of users: 0.63 million
Financial transactions via K Cyber	<p>Funds transfer, top-up and bill payment services have been consolidated in one place on the Internet via K-Cyber, which has been upgraded to ensure that our customers have confidence that their transactions are conducted through a secure and stable system.</p>	<ul style="list-style-type: none"> • Number of transactions: More than 52 million (only financial transactions) • Value of transactions: More than Baht 0.75 trillion • Number of users: 2.2 million

K+ Sample of New K PLUS Services in 2020



- Smart Pay and Smart Cash for K-Credit Card and Xpress Cash



- Loan payment via K PLUS



- Wealth PLUS: Automatic portfolio management



- Money collection and payment via LINE by KhunThong – a social chatbot, and Share to K PLUS



- Cardless withdrawal for K-Credit Card and Xpress Cash



- International funds transfer: increased service to include 6 more currencies, covering a total of 12 currencies in 30 countries worldwide

- Top-up and payment services from KBank partners' applications (Switch App)



รับเงินง่าย ด้วย QR

ได้ทุกธนาคาร ทั้งหน้าร้านและร้านออนไลน์
จัดการร้านค้าครบ จบในแอปเดียว

K PLUS SHOP

K PLUS SHOP

- Generate QR code for receiving payment
 - Accommodate payment via QR code, PromptPay/Visa/Mastercard/UnionPay
 - Accommodate card payment via mPOS (Mobile Point of Sale)
- Address the needs of merchants via various payment channels:

 - Via K PLUS SHOP
 - Via EDC
 - Via linkage to QR API

Letter of Guarantee via blockchain

Products/Services	Details of Financial Innovations	Operating Performance
<p>K e-LG via e-GP: Blockchain-based e-LG for government procurement</p>	<p>KBank unveiled K e-LG via e-GP, an e-LG service for government procurement. The service can now link with the e-GP on Blockchain of the Comptroller General's Department via the platform of BCI (Thailand) Co., Ltd. A world's first, the service allows swift issuance of e-LG to be submitted to the Comptroller General's Department, as the LG result can be known within just 10 minutes.</p> <p>KBank also joined BCI (Thailand) Co., Ltd. to link e-LG on blockchain with beneficiaries which are leading companies in various industries including automobiles, cement, construction materials, energy, telecommunications, as well as the Provincial Electricity Authority (PEA) which is a state enterprise. The collaboration aims to promote the widespread use of e-LG with a world-class data security system.</p>	<ul style="list-style-type: none"> • Number of customers requesting issuance and renewal of e-LG on blockchain: 4,310 persons
<p>Bank confirmation via blockchain</p>	<p>The Bank of Thailand, the Office of the Securities and Exchange Commission, Federation of Accounting Professions of Thailand under the Royal Patronage of His Majesty the King, audit offices and commercial banks joined with BCI (Thailand) Co., Ltd. in applying blockchain technology to the bank confirmation service with the aim of streamlining the process for issuance of a bank confirmation letter.</p>	

Benefits from the use of blockchain technology

For KBank

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

For customers

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



KBank and the Comptroller General's Department linked their systems via the blockchain-based platform of BCI (Thailand) Co., Ltd. – technology that has been adopted for issuance of e-LG on blockchain – a world first.

Products and Service Development

Products/Services	Details of Financial Innovations	Operating Performance
Use of facial recognition technology for identity verification	KBank has introduced facial recognition technology to verify customer identity when opening deposit accounts at branches. The move is aimed at enhancing the security standards and precision in customer identity verification while also creating new security standards for the digital era to help mitigate risks stemming from identity theft in account opening. KBank is scheduled to link data across all banks to allow customers to conduct financial transactions via digital channels with greater convenience, including loan application and new account opening across banks. The National Digital ID platform will serve as an intermediary infrastructure to ensure that data transmission among banks complies with the relevant rules and regulations. KBank is planning to integrate the system with that of government agencies to enable customers seeking government services to verify their identities via this technology, as well.	<ul style="list-style-type: none"> Number of customers opening account via facial recognition: 2.4 million accounts
e-Donation	E-Donation features donation made via mobile banking applications of any participating bank to agencies or organizations, namely hospitals, educational institutions and charitable organizations. Donors are entitled to tax deductions without the need to send evidence of their donations.	<ul style="list-style-type: none"> Value of transactions: More than Baht 60 million Number of organizations accepting donations: 286
e-Tax Invoice	Under this service, e-tax invoices are sent to merchants via email, and KBank submits tax to the Revenue Department via electronic channel. The service helps reduce the use of paper for printing tax invoices while also providing merchants greater convenience and swiftness in receiving tax invoice.	<ul style="list-style-type: none"> Number of merchants using e-Tax Invoice: More than 133,700
e-Tax Invoice and e-Tax Receipt in alignment with the Revenue Department's standards	KBank has teamed with the Electronic Transactions Development Agency (ETDA) and the Revenue Department to develop a payment system that can accommodate e-payment in a comprehensive manner, especially e-tax invoice and e-tax receipt, in alignment with the Revenue Department's standards.	
KBank Open API	KBank Open API features a self-service financial product via KBank's API portal that allows customers to use KBank products of their interest on a trial basis in order to choose the products suited to their own or their clients' needs. The portal also generates new products to better meet customer needs, such as payment via QR code, check details of slips, online bill payment and shared data.	<ul style="list-style-type: none"> Number of participating products: 7

Products/Services	Details of Financial Innovations	Operating Performance
e-KYC via self-service machine	KBank launched e-KYC via self-service machine to provide greater convenience for customers wishing to open an account without going to a Bank branch during business hours. The service is available at around 4,800 K-ATM and K-CDM terminals covering all provinces.	<ul style="list-style-type: none"> Number of transactions: More than 576,000
Automated currency exchange machines	KBank increased the number of automated currency exchange machines to nine at Suvarnabhumi Airport, Don Mueang International Airport and King Power Mahanakhon. This service channel is suited to customer needs during the COVID-19 outbreak, after KBank temporarily suspended the foreign exchange services at branches and foreign exchange booths.	<ul style="list-style-type: none"> Number of transactions: More than 25,000 Value of transactions: More than Baht 206 million Number of users: Approximately 17,300
Cross-Bank Bill Payment	Cross-Bank Bill Payment using PromptPay system infrastructure allows the business sector to accept bill payment across other banks. This innovation helps streamline relevant processes of each bank without entering into an agreement for bill payment. It also provides greater convenience to payers through the additional payment option. A Request to Pay feature has been added to the service, which allows the seller to send a message to the buyer, requesting them to make payment.	<ul style="list-style-type: none"> Number of companies registering for Cross-Bank Bill Payment: 675 (based on taxpayer ID)
K CONNECT-LG	K CONNECT-LG is a web application-based LG service, allowing customers to request the issuance, renewal and amendment of LG, track outstanding balance and transaction status, and print receipts. The service, which is available 24 hours a day, can issue an LG within the same day, providing more convenience and speed to customers without the need to go to a Bank branch.	<ul style="list-style-type: none"> Number of customers using K CONNECT-LG increased by 36 percent from year-end 2019



KBank launched e-KYC to offer identity verification via its self-service machines.



KBank increased the number of automated currency exchange machines to nine at Suvarnabhumi Airport, Don Mueang International Airport and King Power Mahanakhon to provide greater customer convenience.

Products/Services	Details of Financial Innovations	Operating Performance
K e-LG via e-GP	K e-LG via e-GP guarantees bidding in compliance with contracts or obligations, wherein customers who have LG line of credit may apply for and use the e-LG service via the electronic system of the Comptroller General's Department.	<ul style="list-style-type: none"> Number of K e-LG via e-GP transactions accounted for 22 percent of total LG issuance transactions
K CONNECT - Supply Chain	K CONNECT-Supply Chain offers revolving credit facility via electronic channel with invoice displayed online. The innovative service allows loan withdrawal, payment to trade partners, funds transfer to recipient's account of both KBank and other banks as well as loan payment via electronic channel. This comprehensive service can therefore provide greater convenience for both buyers and suppliers.	<ul style="list-style-type: none"> Number of customers using K CONNECT-Supply Chain: 4,146
KhunThong: A social chatbot on LINE platform	KBank launched KhunThong, a social chatbot, on the LINE platform with the concept of "KhunThong – A New Breed of Treasurer" that offer financial services that meet the lifestyle of the new generation, including funds collection, cashless payment and bill splitting with the use of Optical Character Recognition (OCR) technology to scan receipts among LINE group friends. In addition, the latest features include collection of monthly bills that require shared payment such as Netflix bills, as well as multiple bills.	<ul style="list-style-type: none"> Number of monthly active users: 81,000 Number of users: 0.68 million
MAKE by KBank: A mobile banking application	KBank launched MAKE by KBank a mobile banking application designed especially for the new generation in which life is connected via technology. The application offers 3 main features 1) Pop Pay: funds transfer via Bluetooth 2) Chat Banking: save transaction history in the form of social chat, and 3) Cloud Pocket: e-wallets/pockets categorization into various groups according to their objectives without opening multiple accounts.	<ul style="list-style-type: none"> MAKE by KBank was launched in the fourth quarter of 2020
Eatable: A fully-functional food ordering platform	KASIKORN Business-Technology Group or KBTG launched Eatable a novel platform for food ordering designed to meet the needs of consumers in food ordering who prefer dining in, dining out or delivery, and making contactless payment in alignment with the New Normal era, whereas restaurateurs can manage their back-office system online, on a real-time basis.	<ul style="list-style-type: none"> Eatable was launched to public in the third quarter of 2020

Debit cards

Products/Services	Details of Financial Innovations	Operating Performance
Xpress Cash – a cash card that gives you even more	Xpress Cash transfers funds to cardholders in need of emergency cash via K PLUS 24 hours a day with no limitation of number of transactions and no card required. Aside from making bill payment at participating merchants nationwide, cardholders may choose to make installment payment with a period of 3-36 months to increase their liquidity.	<ul style="list-style-type: none"> Number of purchase transactions via Xpress Cash: More than 70,000 Value of purchase transactions via Xpress Cash: More than Baht 220 million
LINE BK Debit Card	Under joint investment with LINE Corporation Ltd., KBank launched banking service on the LINE platform. Customers using this service can apply for a LINE BK debit card available in three types, i.e., LINE BK Debit Card, LINE BK Online Debit Card and LINE BK Debit Card with Credit Line. Cardholders get 0.5 percent cash back whenever they spend online.	<ul style="list-style-type: none"> Number of transactions: More than 42,500 Value of transactions via LINE BK debit card: More than Baht 22.2 million Number of LINE BK debit cards: 486,300

Health insurance

Products/Services	Details of Financial Innovations	Operating Performance
COVID-19 life insurance	To ease our customers' concerns and burdens, and mitigate potential losses of the insured from the COVID-19 pandemic, KBank introduced COVID-19 life insurance to the general public at affordable prices.	<ul style="list-style-type: none"> Number of insurance: More than 245,000 Premiums: Approximately Baht 190 million
Delight Health	Delight Health offers greater options for middle-income earners , including company employees or those with insurance coverage seeking to purchase life insurance with increased coverage (medical expense coverage of 5 million Baht) at reasonable prices.	<ul style="list-style-type: none"> Number of insurance: More than 4,100 Premiums: Approximately Baht 140 million



KBank introduced a COVID-19 insurance product to ease our customers' concerns and burdens, and mitigate potential losses of those insured from the COVID-19 pandemic.



KBank introduced "Delight Health" life insurance plus health rider, offering greater options with increased coverage.



KBank introduced the "Sick but Safe - Dengue Fever Insurance" program to meet the needs of parents and others who are concerned about dengue fever.

Products/Services	Details of Financial Innovations	Operating Performance
'Sick but Safe' dengue fever insurance	This life insurance product can meet the needs of parents and others who are concerned about dengue fever, especially among children who are at heightened risk from this disease.	<ul style="list-style-type: none"> • Number of insurance: More than 6,000 • Premiums: Approximately Baht 1 million

Collaboration with partners

Products/Services	Details of Financial Innovations	Operating Performance
Real-time inward funds transfer	<p>In cooperation with DBS Bank of Singapore, KBank introduced an inward funds transfer service to accept remittance from Singapore, Europe, America and other Asian countries, which allows senders to send their funds transfer instruction to 21 banks in Thailand on a real-time basis. This is the first time that senders in foreign countries can check the status of destination accounts in Thailand before conducting their transactions, while also being advised of the exact service fees and exchange rates. Recipients will receive the full amount of transferred funds at up to 1.5 million Baht/transaction. This service offers more convenience for both senders and recipients.</p> <p>KBank worked with partners from various countries in Europe, the Americas and Asia to provide this service with the same format. In 2020, the service was available at KASIKORNTHAI BANK LIMITED (Lao PDR) and KBank in Cambodia to allow our customers in the two countries to transfer a full amount of funds to recipients in Thailand on a real-time basis.</p>	<ul style="list-style-type: none"> • Value of transactions: More than Baht 2.8 million
International funds transfer via K PLUS	<p>In 2019, KBank joined with NIUM, a Singapore-based cross-border funds transfer service provider, to develop international funds transfer technology via application programming interface (API) to allow customers to make outward remittance of not more than Baht 1.5 million per transaction via K PLUS. The service allows senders to make a swift funds transfer at a reduced cost, with no documents required, and recipients can receive the full amount of transferred funds.</p> <p>KBank has increased the number of currencies under this service from 6 to 12, comprising USD, SGD, AUD, HKD, GBP, EUR, PHP, INR, IDR, VND, KRW and MYR, covering 30 destination countries.</p>	<ul style="list-style-type: none"> • Number of transactions: 47,000

Products/Services	Details of Financial Innovations	Operating Performance
<p>FinVest: application for investment</p>	<p>FinVest is a digital investment platform jointly launched by KBank and Lu International, a Singapore-based company under Ping An Group - a large Chinese company that is well-versed in investment technology - and Robowealth Mutual Fund Brokerage Securities Co., Ltd., the first Thai company to provide robo-advisory and owner of the Odini application. Customers can open a fund account with no need to use KBank account, and can buy or sell mutual funds of any asset management companies other than KAsset via this application.</p>	<ul style="list-style-type: none"> • FinVest was launched in the fourth quarter of 2020
<p>Dolphin Wallet application</p>	<p>The Dolphin Wallet application is offered by Central JD Fintech Holding Company Limited, a joint venture of Central Group and JD.com, an e-commerce giant from China. In 2020, KBank launched additional services to include an online banking agent for accepting payment of utility bills, payment gateway, and a co-branded digital personal loan service.</p>	<ul style="list-style-type: none"> • Number of customers downloading the application: 2.2 million • Number of active users: 1 million
<p>CBH PLUS application</p>	<p>KBank improved CBH PLUS application that allows patients to check their medical benefits directly with the National Health Security Office (NHSO) before visiting the hospital. The application provides a real-time queuing and alert system together with payment functions for settling medical service fees.</p>	<ul style="list-style-type: none"> • Number of customers downloading the application: More than 41,000



KBank launched FinVest, an application for investment, wherein customers can open a fund account without having a KBank account, and can buy or sell mutual funds of asset management companies other than KAsset.

Products/Services	Details of Financial Innovations	Operating Performance
<p>Loan for online business via Shopee and Lazada platforms</p>	<p>KBank partnered with Shopee and Lazada – two leading e-commerce platforms in Southeast Asia – in integrating the Xpress Loan service to the two partners’ platforms to allow online traders easier access to loans. Customers can apply for this low-interest loan without documents or collateral required.</p>	
<p>GrabPay Wallet Powered by KBank</p>	<p>KBank joined with Grab in developing the GrabPay Wallet Powered by KBank that allows users to apply and top-up via K PLUS without switching between the applications. The service provides greater convenience and speed to users in paying for Grab services, making mobile top-up and QR payment at stores in response to the government’s policy of driving Thailand towards a cashless society.</p>	<ul style="list-style-type: none"> • Number of users: More than 1.4 million
<p>YouTrip application and YouTrip card</p>	<p>KBank teamed with YouTrip, a leading multi-currency travel wallet in Singapore, to launch an electronic wallet service. Customers can top-up the YouTrip application and YouTrip card via K PLUS. They can exchange 10 currencies in advance via the YouTrip application while also spending with the YouTrip card via EDC, purchasing goods online worldwide and making cash withdrawal at ATMs in other countries.</p>	<ul style="list-style-type: none"> • Number of transactions: More than 0.39 million • Value of transactions via YouTrip card: More than Baht 634 million • Number of currencies exchange transactions: 4.5 million • Value of currencies exchange transactions: Baht 6,700 million • Number of users: More than 83,400



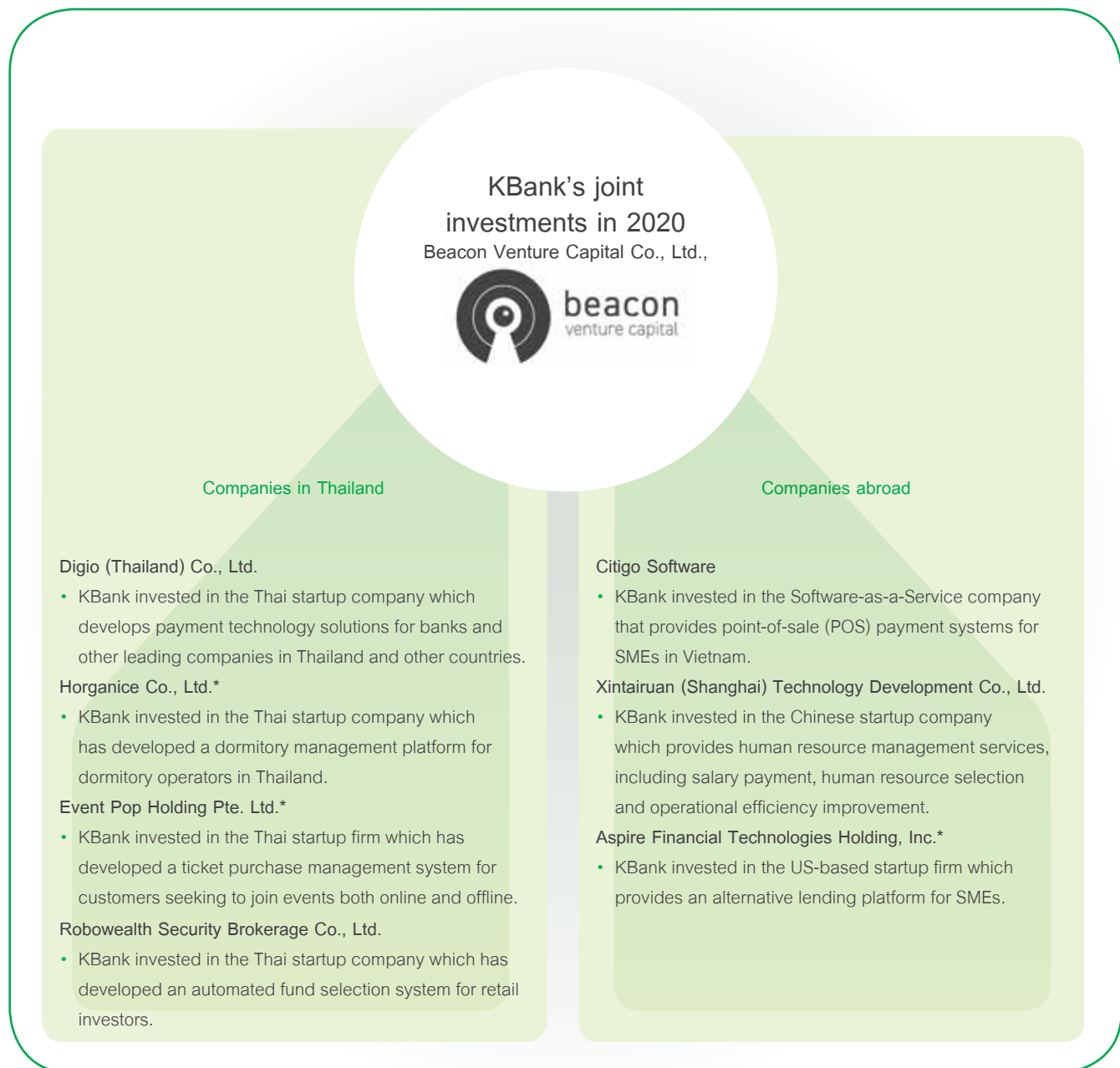
KBank partnered with Shopee and Lazada in integrating the Xpress Loan service to the two partners' platforms.



KBank joined Grab in developing the GrabPay Wallet Powered by KBank.

Digital Partnership

In collaboration with business partners to create financial ecosystems with the use of advanced technology, KBank has set our sights on becoming a leading financial service provider of the Asian region. In 2020, KBank teamed with multiple partners via joint investments both in Thailand and other countries through Beacon Venture Capital Co., Ltd., which is a wholly-owned venture capital arm of KBank. The move aims to develop new financial technology to allow our customers improved access to financial products and services via our partners' platforms to address their needs and provide them with long-term sustainable returns.



* KBank has co-invested in the company since 2019.

Customer Satisfaction Evaluation

Net Promoter Score: NPS

- Overall evaluation of KBank: Net Promoter Score (NPS) at 35, which is the highest level in Thailand's banking business and within the target set by KBank.
- Evaluation of digital banking leadership image (NPS in mobile banking channel): score of 67, which is the highest level in Thailand's banking business in this category.

Customer Satisfaction Score

- Use of services via the K-Contact Center: score of 96.90 based on End Call Survey questionnaire

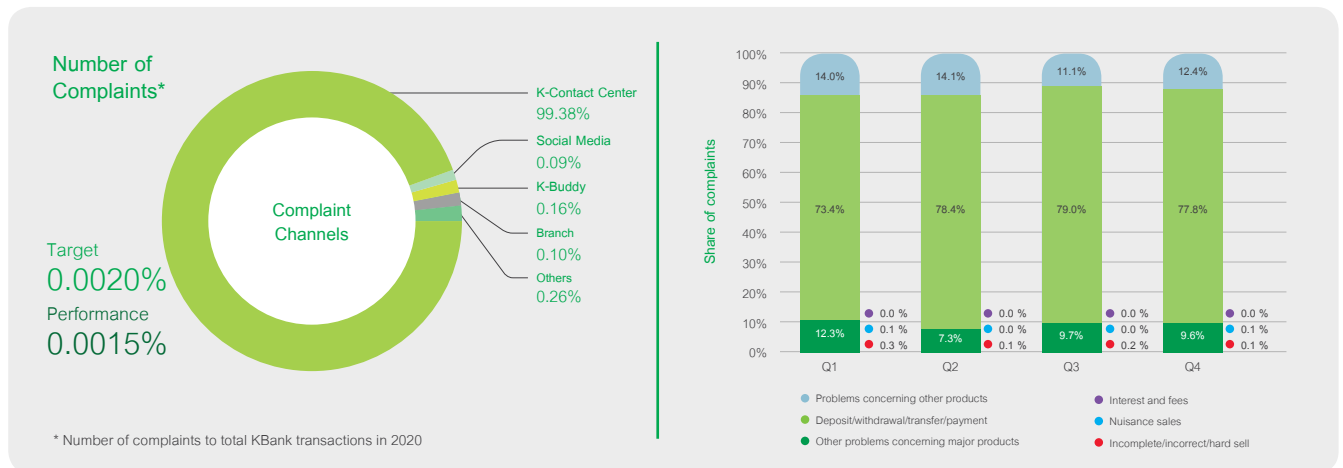
Complaint Management

KBank emphasizes speedy and efficient management of problems, mainly based on customers' requirements. Complaint management and recovery mechanisms have been set up to ensure systematic, transparent and timely management via the Complaint Resolution Center. A unit was set up to manage customer incidents in order to closely monitor KBank service provision along with compiling data on social media via the Social Listener tool. To this end, KBank is able to learn customers' problems or needs and provide timely assistance and control so as to efficiently prevent widespread impacts on our customers.

KBank also prioritizes service quality. We have thus established service level agreement (SLA)^{*} while setting up an inspection and control unit to ensure that KBank can deliver services to customers per the set target and avoid tail management. In 2020, KBank's problem-solving and service delivery were in accordance with business standards, as proven by the number of complaints to total transactions that was less than the set forecast.

KBank aims for service quality improvement in order to elevate customer experiences. We have collected data regarding customers' problems for further analysis to shed light on the causes, which will be applied to the improvement of relevant processes and products to ensure that KBank services can better meet customers' demand, which will help reduce the volume of complaints and lead to continuous business growth.

Complaints in 2020



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

Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD)



Risks

If KBank does not include the environmental, social and governance (ESG) factors in loan consideration, some projects approved by KBank may have impacts on the environment and society, and create reputational risk to customers and KBank, which will eventually cause financial risks.

Opportunities

Lending and investment consideration processes that take into account the environmental, social and governance (ESG) factors will help minimize risks in portfolio management, while opening up new business opportunities for KBank via financial innovations related to the environment, extending new customer segments and securing new revenue stream for KBank in the future.

Financial institutions could be a part of the starting point of support or prevention of business operations that may have environmental and social impacts. Therefore, financial institutions have an important role to promote changes towards a low-carbon society, while generating positive effects and minimizing negative impacts from banking business undertakings, which could also be an opportunity to develop financial innovations for their income generation and reputation. Understanding about environmental and social impact management is crucial for consideration of credit extension and investment of each customer segment, for example, retail customers, business customers, asset management business and private banking business. KBank has incorporated ESG risk factors in our processes, including the processes of Know Your Customer (KYC) and Customer Due Diligence (CDD) along with other issues in credit underwriting function, namely customer characteristics, borrowing objectives that benefit the economic system, sources of income and income consistency, debt servicing ability that matches borrowers' income, debt burdens and expenses and related regulatory criteria. We pay particular attention to retail customers in order to prevent the over-indebtedness problem, allowing them to live within their means. A validation process is also in place to ensure that customers are granted a proper credit limit that will not have any adverse effect on the economy, society and environment. As for the post-approval processes, customers will be monitored to ensure that their credit utilization complies with their objectives, of which KBank will be notified, and that their payments meet the schedules. Impacts of any economic incident or natural disaster will be assessed in terms of whether they are harmful to our customers and their repayment capacity, and to prepare necessary assistance for the affected customers.

To affirm the importance of environmental and social impact management, KBank has formulated a policy of responsible lending and investment, along with the consideration processes that take into account the ESG factors in conformity with international practices, via an operational structure that is divided into management and transaction levels. An Exclusion List has been established for projects that are ineligible for KBank credits, along with a Sector-Specific Guideline and intensive risk management measures for high-risk customers, to ensure that no projects that have been supported by KBank will have any adverse effect on the environment or society, as well as KBank's image and operations, while enhancing stable business advancement and sustainable returns for all stakeholders in the long term



In addition, KBank became a signatory to the UN Principles for Responsible Banking of the United Nations Environmental Program Finance Initiative, or UNEP FI, and participated as a Supporter of the Task Force on Climate-related Financial Disclosures (TCFD Supporter). These will ensure that, in the long-term, the Bank's operations will be in line with international standards, business strategies will be consistent with the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change, and information disclosure will be developed to align with international principles.

Reporting per TCFD Framework*

KBank prepared a report as recommended by TCFD, consisting of four aspects of information:



Governance

The organization's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

* More details can be found in Task-Force on Climate-related Financial Disclosures (June 2017).

Governance

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

Structure of Credit Operations Demonstrating ESG Responsibility

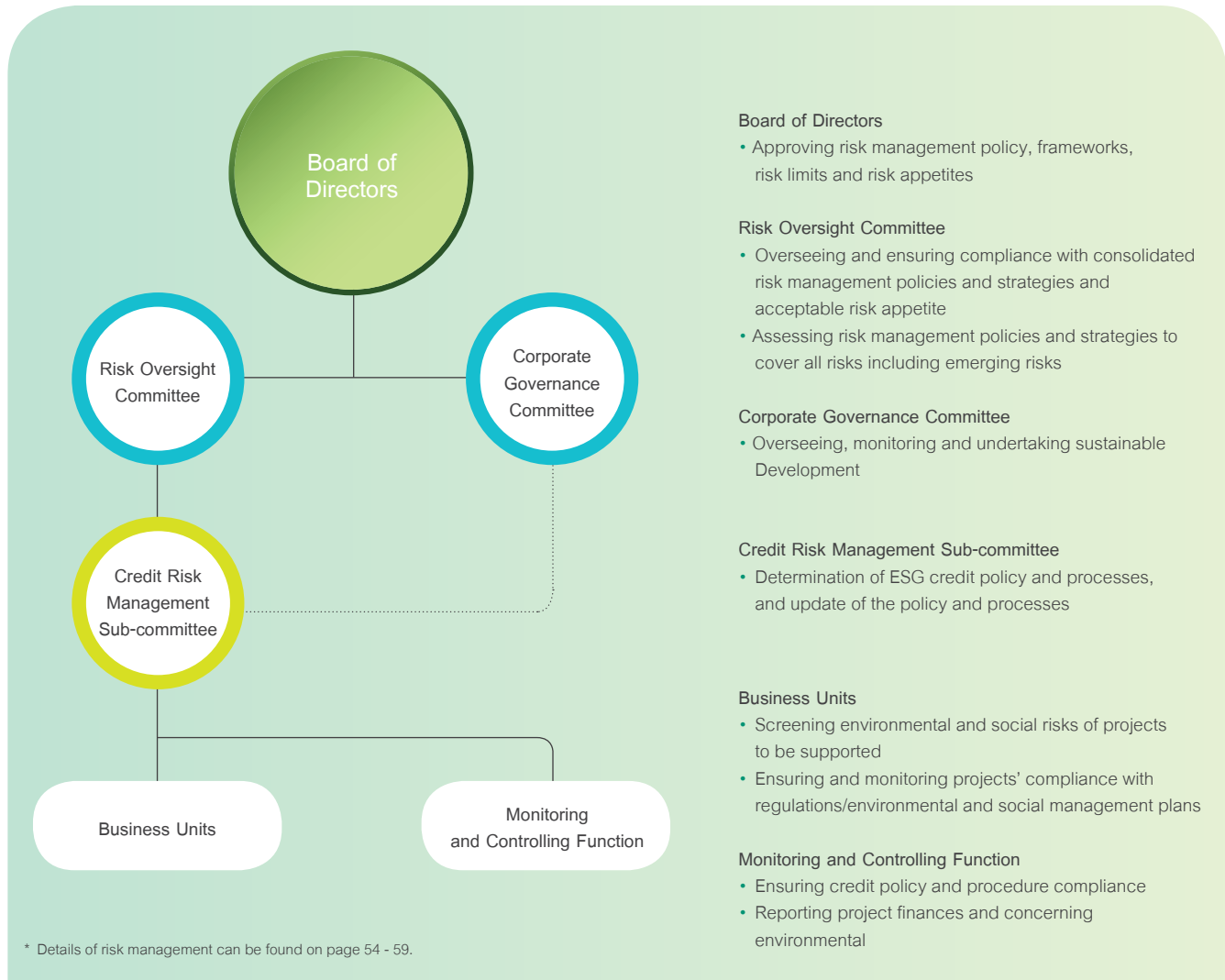
Recommended disclosures

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

KBank has established credit policies and operations that manifest ESG responsibility with an operational structure divided into management and transaction levels, as follows:

Management level

Lending activities are structured so as to demonstrate ESG responsibility, as follows:



The Board of Directors is tasked with determination or approval of a risk management framework, and supervision of a risk culture, risk management policy and ESG risks. The Board of Directors also monitors capital fund and processes to assess capital fund adequacy in support of present and future business operations.

The Risk Oversight Committee has the duties to advise the Board of Directors on the Financial Conglomerate's risk supervision framework, to supervise top management and heads of risk management units to comply with risk management policy and strategies, and to examine the adequacy of the overall risk management policy and strategies in order to ensure that the risk management policy and strategies cover all types of existing and emerging risks, as well as ESG risks.

The Corporate Governance Committee engages in supervision of sustainable development operations related to ESG aspects, by reviewing and providing advice on the operational guidelines and improvements for reporting to the Board of Directors.

Transaction level

KBank has recognized the importance of the potential impacts of our credit activities. Our credit policy has placed an emphasis on management of ESG impacts that may be incurred from our customers or projects financed by KBank's credits, as follows:

Environmental aspect

Consideration of credit for applicants or enterprises that operate businesses or projects that may be associated with risks to and create impacts on the environment and natural resources, such as water resources, forests, biodiversity and communities' living conditions

Social aspect

Consideration of credit for applicants or enterprises that operate businesses or projects that may be associated with social risks, such as exploitation of illegal labor, or create impacts on communities' living conditions and ways of life

Governance aspect

Consideration of credit for applicants or enterprises that may operate businesses that do not comply with the good corporate governance principles, requiring consideration of responsibility towards all stakeholders and non-involvement with fraud or corruption.

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

1. Applicants with records of being involved with or that are suspected of being involved with offences under the Anti-Money Laundering Act, for example, offences related to narcotics, public fraud, embezzlement, or cheating and fraud involving assets, acts of dishonesty or deception, terrorism, gambling, exploitation of natural resources or the environment through the illegal use or taking possession of natural resources for commercial purposes, weapons and war materials, as well as human trafficking
2. Offences related to illegal activities or activities that risk violation of laws including domestic environmental laws and international agreements, for example:
 - Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
 - Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (Basel Convention) or related rules and regulations
 - Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade or Stockholm Convention on Persistent Organic Pollutants (POPs)

3. Credits related to destroying or encroaching upon important ecosystems, such as mangrove forests and conservation areas, for example:
 - Natural parks, conservation areas and animal sanctuaries per related public notifications
 - UNESCO World Heritage Sites
 - Conservation areas under the Ramsar Convention on Wetlands
 - Protected areas specified by the International Union for Conservation of Nature (IUCN) and High Conservation Value (HCV) areas
4. Credits related to destroying or encroaching upon cultural areas, such as archeological sites and cultural heritage sites
5. Credits related to violation of human rights, human trafficking, forced labor, illegal migrant labor, child labor or occupational conditions that do not meet related standards
6. Credits in support of activities contrary to morality or social norms, such as massage parlors, love hotels, prostitution, pornography, gambling and media related to racism
7. Activities believed to have been approved to carry out such operations as procurement, and to receive a concession or license via misuse of public and political office for private gain or bribe, brokerage fee or remuneration in other forms
8. Bid bonds for government projects wherein the bidders connive among themselves to allow one of them to win the bids
9. Credits related to speculation
10. Credits related to arms trade with importing from or exporting to the Socialist People's Libyan Arab Jamahiriya
11. Credits related to manufacturing or trading of weapons of mass destruction, for example:
 - Anti-personnel land mines
 - Cluster munitions
 - Nuclear weapons
 - Biological and chemical weapons
12. Credits for projects in foreign countries that may create extensive environmental and social impacts, and do not comply with the host countries' environmental requirements or those of related national agencies, as well as other globally accepted standards, such as the Equator Principle, IFC Performance Standards & Environmental, Health, and Safety Guidelines (EHS Guidelines), ADB Safe Guard Policy, JBIC's Guidelines for Confirmation of Environmental and Social Considerations, EBRD Performance Requirements - Environmental and Social Sustainability (European Standard)
13. Credits for dam projects, which have significant adverse effects on the environment and society, that have neither management measures nor action plans in accordance with the Equator Principles, nor support from multilateral development banks (MDBs) or international banks (effective April 2, 2020)
14. Any credits that may adversely affect KBank's reputation

Types of Rejected Credits and Credit Applicants (Exclusion List)



Offences relating to gambling



Offences relating to embezzlement



Offences relating to Human trafficking



Offences relating to exploitation of natural resources



Offences relating to narcotics



Offences relating to terrorism

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Responsible Lending Strategy

Recommended disclosures

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

KBank's loans have been extended to various industries, some of which may affect climate change due to greenhouse gas emissions and may use considerable amounts of resources and energy in their business operations. KBank is aware of the importance of determining management guidelines to add positive impacts and alleviate negative impacts of projects involving power generation and property development, etc. A climate-related scenario analysis has been conducted in terms of qualitative and quantitative aspects in accordance with the TCFD recommendations. The scenarios used in analyzing and evaluating related impacts include the following:

1. Scenario exhibiting the attempts to reduce climate change impacts in line with the goal to control the average increase in global temperature to below 2 degrees Celsius (2 Degrees Celsius Scenario)
2. Scenario exhibiting "Business As Usual" with the average increase in global temperature at 3.7 degrees Celsius

KBank has employed the tools designed and developed to analyse risks and opportunities arising from issuance of new regulations or policies of the government to cope with environmental problems, technological or market changes, or the so-called transition risk. The analysis starts from identification of expected changes in environmental policies, laws, technologies and market conditions under the established assumptions. Afterward, relationships of these factors are sought to determine whether they are linked with financial factors of the industries expected to be affected by their changes, and data is analysed to come up with the value and directions that would likely occur.

The results display risks and opportunities of different energy businesses in KBank's credit portfolio. The analysis is divided into three phases, namely the short, medium and long terms (2025, 2030 and 2040). The results are used as a factor to determine the strategies of risk management and credit portfolio management, and financial planning. In addition, KBank has formulated future plans for in-depth analysis of individual customers and expansion of analysis scope to include other industries for use in portfolio adjustment and support of control of average global temperature increase less than 2 degrees Celsius and the UN Sustainable Development Goals.

KBank is also undertaking an impact analysis of lending to different businesses at the portfolio level, using the Portfolio Impact Analysis Tool of the UNEP FI to assess possible impacts, and risks and opportunities of such lending to the Most Significant Impact Areas. The analysis tool takes into account KBank's current business operations, and Thailand's environmental, social and resource factors. The scope of impact analysis covers the domestic business lending portfolio which represents more than 50 percent of total lending portfolio in Thailand. The corporate banking business is prioritized because of its relative size in KBank's lending portfolio and the significant impacts that are made by funding provided to our corporate clients. Once the scope of the impact analysis is expanded to cover the rest of lending portfolio in Thailand, our methodology will fully align with UNEP FI recommendations. While the Corporate banking business are major portion of lending portfolio, the Bank's portfolios are well diversified to

* More details can be found in the Climate-Related Scenario Analysis Report at https://kasikornbank.com/SiteCollectionDocuments/sustainable-development/pdf/Climate-RelatedScenarioAnalysis2019_EN.pdf

several sectors, e.g., Electricity Generation, Real Estate, Construction, Manufacturing, Wholesale and Retail Trade, and Telecommunication. KBank has been studying the relations between the sectors we provided financing support and their impacts to the environmental, social and economic by using the Sector Impact Map within the Tool. For example, conventional electricity generation technologies may lead to negative impacts resulted from high GHG emission, while more modern technologies can minimize such adverse impacts. Also, for real estate development projects which may consume a large amount of energy and resources, the Bank has to focus more on the designs of efficient usage of resources and energy in line with international standards. The analysis proceeds with the identification of the most prioritized and concerning impact areas in Thailand. The most relevant impact areas for Thailand are identified, such as Climate Change and Resource/Energy Intensive, aligning with the strategies of the Thailand's Office of the National Economics and Social Development Council (Current Version) regarding the growth of environmentally-friendly businesses, aiming to reduce greenhouse gas (GHG) from major sectors, such as electricity generation, transportation, industrial including housing and buildings. This also supports the nation's Green City Project with the objectives to achieve efficient usage of energy and energy security in transportation, housing and buildings, infrastructure and logistics. The Bank is in the process of conducting further analysis of each significant impact sector to identify its carbon-reduction technology, regulatory changes, and available metrics to

measure environmental impacts. This information would allow the Bank to come up with appropriate measurements, targets, and portfolio actions to reduce negative impacts in these previously stated sectors. The assessment results will be used as a factor to determine the strategies of loan management and credit portfolio management in the short, medium and long terms, thus leading to target setting and establishing loan allocation for each industry, as well as indicators to identify and monitor lending impacts. This task is aimed at supporting Thailand's goal to minimize greenhouse gas emissions by 20 percent (in business-as-usual case) within 2030, in accordance with the Thailand's Nationally Determined Contribution (NDC) under the Paris Agreement to limit global warming to less than 2 degrees Celsius, the UN SDGs and other related policy frameworks and strategies at national level.

Following KBank's participation in the UN Principles for Responsible Banking of the UNEP FI, a working group has been established, consisting of the Sustainable Development Unit of the Corporate Secretary Division, Credit Policy and Risk Management Department, Active Credit Portfolio Management Department and related business units to review the policy and credit consideration processes, study the measuring tools, manage impacts of climate conditions that are in connection with lending decision-making, compile information to set up the indicators and operational plans, and consult with business units to seek guidelines of customer participation with adherence to the Principles.

Risk Management

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

Risk Management

Recommended disclosures

- a. Describe the organization’s processes for identifying and assessing climate-related risks.
- b. Describe the organization’s processes for managing climate-related risks.
- c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

KBank is aware of the importance of lending to businesses that may have impacts on the environment and society, which will in turn create credit risk to KBank. However, KBank’s cooperation with our customers will prevent and minimize such risks of those customers and impacts on the environment and society. In accordance with the TCFD framework, risks may be classified into two types:

- 1. Risk arising from regulatory changes, and technological and market changes (transition risk) for adaptation towards a low-carbon economy, e.g. impacts on the business sector from the carbon tax policy
- 2. Physical risk, such as impacts of droughts on farm products

- Risk of degrading the areas and surrounding locations
- Risk from using, storing or transporting raw materials that are chemicals and dangerous substances that may be harmful to communities
- Risk arising from area use that may affect communities’ ways of life
- Risk associated with exploitation of child labor, illegal labor or forced labor

In case of significant impacts, management guidelines must be proposed for credit consideration, along with issues for monitoring.

Credit Consideration Processes in accordance with ESG Risks

To ensure that KBank’s loans do not have adverse impacts on the environment, society and governance, relationship managers have been required to prepare the Environmental & Social Screening Tools for commercial credits, so that credit requests are examined per the Credit Policy, as follows:

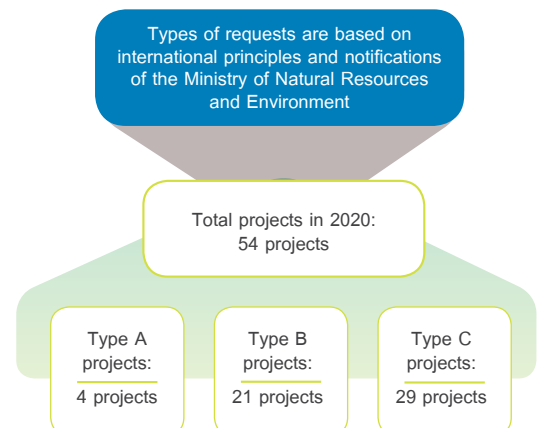
Project finance loan requests

With reference to international principles and notifications of the Ministry of Natural Resources and Environment, the requests for projects that may create environmental or social impacts are classified into three types:

- 1. Type A: Projects creating severe environmental and social impacts
- 2. Type B: Projects creating environmental and social impacts
- 3. Type C: Projects creating no or minimal environmental or social impacts

Commercial credit requests

- 1. Examination of industry types per the Exclusion List
- 2. ESG assessment with the General ESG Screening Form to consider ESG impacts in various aspects:



Environmental, Social and Governance (ESG) Credit Assessment Process



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

If risk assessment reveals that any projects requesting credit do not meet the environmental and social risk assessment criteria, KBank will notify the customers of the issues for improvement, related conditions and limitations for correction within an established timeline. Without timely proposal of improvement directions, KBank may terminate such financial support.

KBank has also put in place the practices of credit consideration for specific industries, in addition to the ESG factors in general credit consideration processes.

Sector-Specific Guidelines

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

Agricultural Industry

Agriculture

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

Livestock

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

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

KBank supports aquatic animal businesses with the following management:

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

Fishery

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

Forestry

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

Agro-processing, Food and Beverage Industries

KBank supports business operators with the following management:

- Procurement of raw materials with consideration of environmental impacts and in compliance with the accepted standards within the industry
- Being equipped with standardized wastewater treatment, and lawful elimination of waste and odor
- Compliance with the appropriate practices of slaughterhouses as required by national standards of agricultural products and food, and lawful operations related to slaughterhouses
- Lawful environmental management based on the ISO14001 standards and occupational safety and hygiene systems per the OHSAS18001, as well as the minimum labor standards per legal requirements
- Businesses related to palm oil in the entire value chain, including growers, traders, extractors and refineries that comply with Roundtable for Sustainable Palm Oil (RSPO)'s standards
- Processed seafood export businesses that meet with the standards accepted by the importing countries, e.g. Aquaculture Stewardship Council (ASC)'s standards

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

Chemicals, Tanning, Bleaching and Other Manufacturing

- KBank supports business operators with environment management that should meet ISO14001 standards and be equipped with occupational safety and hygiene systems per the OHSAS18001 standards, as well as minimum labor standards as required by law.

Electricity Generation

KBank supports the following operators:

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

KBank does not support nuclear power businesses.

Metal and Non-Metal Smelting and Melting

KBank supports business operators with the following management:

- Management of garbage and unused materials, with sustainable management and recycling of metal scraps to add economic value
- Management of air pollution from production processes, e.g. SO₂, CO, CO₂, and other pollution, e.g. heat, noise and vibration
- Planning to implement or to be certified with the ISO14001 for environmental management, OHSAS18001 for occupational safety and hygiene management and SA 8000 for social responsibility standards

Mining

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

KBank does not support the following business:

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

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Metrics and Targets

Recommended disclosures

- Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
- Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Following the identification of impacts of credit portfolios on the environment and society in various aspects, including risks and opportunities, by using the Portfolio Impact Analysis Tool of UNEP FI, the Bank is in the process of conducting further detailed analysis of each significant impact area and relevant sectors to come up with appropriate targets, measurements, and portfolio actions to reduce negative impacts or increase positive impacts. KBank will prioritize the targets setting, starting from environmental and social impact management, for financing of the Electricity Generation and Real Estate businesses.

Long-term Sustainability Targets 2021 - 2025

- Total megawatts (MW) 15% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand's Alternative Energy Development Plan
- 10% loan growth per year in Energy and Environmental Conservation Projects Funding
- 100% of Project Finance and medium enterprises (and above) requests must be processed through the Environmental, Social and Governance (ESG) assessment procedure
- Reduction of GHG emissions from Bank operation.
 - 2016 - 2020: 20% reduction of GHG emission (Baseline Year 2012)
 - 2019 - 2023: 6.1% reduction of GHG emission (Baseline Year 2018)

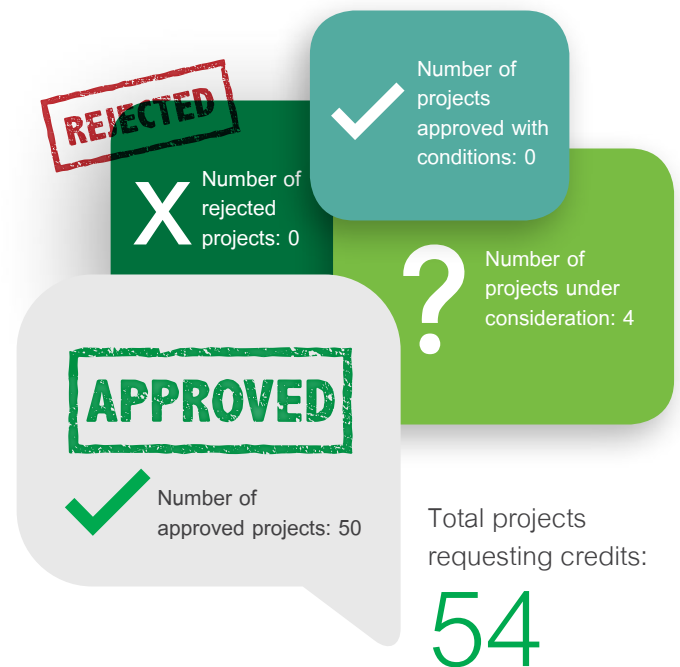
Operating Performance 2020

- Total megawatts (MW) 14.80% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand's Alternative Energy Development Plan
- 1.26 times growth in Energy and Environmental Conservation Project Financing from the 2018 base year
- 100% of Project Finance requests were processed through the Environmental Social and Governance (ESG) assessment procedure
- Reduction of GHG emissions from Bank operation
 - 21.34% reduction of GHG emission (Baseline Year 2012)
 - 5.97% reduction of GHG emission (Annual performance)

Target 2020

- Total megawatts (MW) 15% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand's Alternative Energy Development Plan
- 1.60 times growth in Energy and Environmental Conservation Project Financing from the 2018 base year
- 100% of Project Finance requests must be processed through the Environmental, Social and Governance (ESG) assessment procedure
- Reduction of GHG emissions from Bank operation
 - 20% reduction of GHG emission (Baseline Year 2012)
 - 4.8% reduction of GHG emission (Annual target)

Project Finance Result 2020



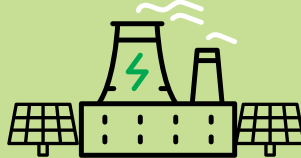
Examples of ESG Credit Assessment to Project Finance

KBank's credit consideration includes ESG criteria in the processes. Examples of project finance are as follows:



Solar Rooftop Installation

The government is encouraging solar rooftop installation at residential buildings and industrial factories as a campaign for environmental conservation, long-term electricity cost-saving and investment in renewable energy. In the past year, KBank continually provided financial support to industrial factories for their solar rooftop installation.



Solar Farm

Economic growth and trade agreements with other ASEAN countries have led to flourishing trade and industry, and rising demand for electricity use. Meanwhile, the government is supporting renewable energy generation towards becoming a low-carbon economy. KBank has been part of supporters for Thai businesses with experiences and skills in electricity generation to implement large-scale solar farms in national system. The project is equipped with environmental and social management at world-class standards and is able to reduce greenhouse gas emissions by 100,000 tons per year.



Sustainability Linked Credit Facility

Financial institutions have worked together to develop the Sustainability Linked Loan Principles, connecting businesses' sustainability goals with banks' financial assistance, in order to inspire them to operate environmentally and socially friendly businesses.

KBank aims to support business operators that are aware of the importance of impacts arising from their business operations, with respect to impacts on the environment and exploitation of limited resources, as well as impacts on community residents. Therefore, KBank has joined the support provision for large commodity product manufacturers of Thailand that produce diverse goods and pursue operations per the Sustainability Indicators, such as minimization of greenhouse gas emissions and reduced usage of energy and natural resources. For any operators that can meet their established goals, KBank will provide them special privileges.

Stakeholder Engagement for Communication of ESG Risk Consideration Criteria

KBank provides knowledge related to credit policy and processes based on the ESG risk consideration criteria for employees tasked with credit operations and related organizations, so that they are aware of environmental and social impacts through the entire lending and investment processes. Employees are required to pass the tests of credit policy and are encouraged to attend training courses on ESG risk assessment criteria of each business and industry so that they can manage such risks and report ESG risk issues correctly. Due to some complicated risks that may be associated with the supply chain of projects requesting loans, employees' correct understanding of such particular risks and assessment of each risk issue are very important. Skilled employees can act as our internal experts for customers' business analysis and for helping those customers through useful advice and recommendations.

KBank has established staff KPI at executive and operator levels with respect to climate conditions on both business and operations aspects. On the business side, KBank has developed low-carbon products and supported environmental loans, which have been set as a KPI of related units. In terms of our operations, cuts in greenhouse gas emissions have been included in our long-term targets. We have also presented awards, both monetary and non-monetary, to employees for development of projects in relation to the environment, society and governance, for example, the Star Award.

Employee Engagement for Communication of ESG Risk Consideration Criteria to Employee

KBank employees have been assigned to participate in training courses and seminars of academic organizations, public agencies and supervisory agencies to increase their knowledge on the environment and society, for example:

1. Seminar titled "International Market Mechanism (Article 6) under the Paris Agreement", organized by Thailand Greenhouse Gas Management Organization (Public Organization)
2. Seminars organized by Fair Finance Guide International
 - Seminar titled "Using the FFGI Methodology for Developing Responsible Credit and Investment Policies"
 - Seminar titled "Fair Finance Asia follow-up training for Thai bankers - power generation & mining"
3. Seminars under cooperation with the Bank of Thailand and Thai Bankers' Association
 - Capacity Building Workshop No. 1 titled "Impact of Climate Change"
 - Capacity Building Workshop No. 2 titled "Climate-Related Finance Risks"
4. Seminar titled "E&S Risk Management and Science-Based Target Initiative (SBTi)" organized by World Wide Fund for Nature (WWF)
5. Webinar raising business ambition for 1.5 degrees Celsius: practical guidance for setting science-based targets for corporates and financial institutions in Southeast Asia
6. Meetings and seminars of working group of UNEP FI
7. Meetings on taxonomy in the part of Green Finance definition and projects/activities in the Green Finance category organized by the Bank of Thailand and Thai Bankers' Association



Customer Engagement for Communication of ESG Risk Consideration Criteria

1. KBank held a seminar titled “Sustainability Revolution: A Call for Action” with Al Gore – the 45th Vice President of the US and winner of the Nobel Peace Prize 2007 – as a keynote speaker. Al Gore joined our efforts to raise attendees’ awareness of climate change impacts and to drive the world forward towards sustainability. KBank also launched the K-Climate Transition Fund - Thailand’s first and only fund that takes into account climate change issues and focuses on coping with environmental problems and climate change impacts, with the purpose of generating long-term returns from diverse businesses globally.
2. Seminar titled “Leaders on Sustainability in Action” in the Circular Living Symposium 2020 hosted by PTT Global Chemical PCL, wherein KBank Chief Executive Officer joined as a speaker



KBank held a seminar titled “Sustainability Revolution: A Call for Action” and also launched the K-Climate Transition Fund - Thailand’s first and only fund that takes into account climate change issues for Private Wealth customers.

3. KBank, in cooperation with the Faculty of Architecture and Faculty of Engineering, Chulalongkorn University, organized a contest for designing the Siam Square Branch Office under the concept of Sustainable Building with a balance in all dimensions; KBank provided knowledge on efficient resource conservation and consideration of building usefulness in response to all lifestyles of customers.



Chief Executive Officer was invited as a speaker on “Leaders on Sustainability in Action” at the Circular Living Symposium 2020, hosted by PTT Global Chemical PCL.



Supplier Engagement for Communication of ESG Risk Consideration Criteria

1. KBank organized the Annual Supplier Seminar 2020 on the topic of “Procurement Insights and Strategy 2021 in the Post-COVID Pandemic World” as a live event. The seminar presented information related to impacts of the COVID-19 pandemic on the overall economy, procurement strategies and sustainable development policy based on the ESG principles, and sustainable development operations under good corporate governance policy and responsible procurement. In addition, KBank prepared a questionnaire to gather suppliers’ opinions and recommendations for improvements of operational processes towards joint sustainable growth.
2. KBank monitored and examined suppliers’ compliance with the Business Code of Conduct. We arrange for self-assessment of our suppliers on an annual basis, and conduct our annual supplier risk assessment, as well as ESG assessment of 100 percent of Tier 1 and Tier 2 suppliers. We also visit our key suppliers at least once a year to ensure their compliance with the Supplier Code of Conduct. The self-assessment included environmental, social and governance issues to promote sustainable business operations of suppliers through the entire supply chain that are in line with KBank’s practices.

Engagement of Supervisory Agencies, Public Sector, Private Sector, Non-Profit Organizations and Civil Society for Communication of ESG Risk Consideration Criteria

1. KBank signed the Memorandum of Agreement on Sustainable Banking Guidelines – Responsible Lending with member banks of the Thai Bankers’ Association as guided by the Bank of Thailand, with the purpose of achieving sustainable lending of the Thai banking system.
2. KBank joined the Bank of Thailand and Thai Bankers’ Association in a working group to prepare taxonomy so that the financial sector can issue policies and develop products and services related to the environment, which in turn will promote sustainable growth of the Thai economy.
3. KBank attended a public hearing on the draft request for international financial support related to climate change (Thailand Country Program – TCP), held by the Office of Natural Resources and Environmental Policy and Planning (ONEP) as the main coordinator of Green Climate Fund (GCF), GCF Secretariat and the Federal Ministry for Economic Cooperation and Development of Germany.
4. KBank cooperated with the Thai Energy Services Company Association (ESCO), which provides consultations and comprehensive energy management services for operators under energy conservation measures. This cooperation ensures businesses that proceeds gained from energy saving can be efficiently used to repay loans (self-financing projects) and to enhance business competitiveness, while helping save energy costs and preserve the environment.
5. KBank joined hands with the Agence Francaise de Developpement (AFD) to implement the Green Building project and extend loans to business operators for transforming their premises into green buildings with lower energy use in order to battle global warming. Loans under the K-Green Building Program were provided as special loans. In addition, KBank held a seminar to offer knowledge and advice on energy-saving buildings to business operators.



Cyber Security and Data Privacy



Risks

If KBank's cyber security and data privacy systems are not effective, its business operations will likely be threatened. As a result, stakeholders may have little confidence and trust in KBank's business operations in terms of both monetary and non-monetary value. Moreover, there might be risks incurred to KBank's corporate image, reliability, trustworthiness, business relationships and various rules and regulations. If such risks cannot be controlled in an appropriate manner, KBank may experience business risks, including violation of data privacy, data insecurity and cyber threats, which will eventually hurt the Bank's financial position and operating performance.

Opportunities

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

With our intent to provide confidence and security for our customers when using KBank services, along with maintaining our digital banking leadership in Thailand, we prioritize cyber risk management, making cyber security one of our core operational targets, and incorporate cyber security and data privacy issues as part of the Group-wide Risk Management. The Board of Directors has considered and approved strategies, structures and policies related to cyber security such as IT and data security policy and IT risk management policy, taking into consideration customer data security, system security and financial service users' changing behavior. Measures for controlling and maintaining balance in the use of data – especially customer data – have been put in place; additionally, a cyber risk control development plan has been devised to ensure that our goals are met. Emphasis has been placed on risk control, including prevention, detection and response, which must cover our business processes and major work systems. Measures must be in place to cope with potential complaints or loss incidents caused by cyber threats, to ensure the stability of KBank's financial IT system as well as Thailand's present and future financial landscape.

KBank has established an organizational structure with a segregation of risk prevention duties, as follows: The 1st Line of Defense, which comprises operating units of all departments; the 2nd Line of Defense, which comprises units tasked with risk management; and the 3rd Line of Defense, which comprises units tasked with auditing, in accordance with the Three Lines of Defense guideline. In addition, indicators regarding cyber risk incidents, including number of incidents and duration of management, have been set as one of the main targets for assessing KBank's operational efficiency.

IT Management Structure and Data Privacy

The Board of Directors prioritizes data security and customer privacy. The Board is responsible for approving risk policy and management guidelines including risk appetite and risk limit. It has assigned various working groups to supervise risk management, as follows:

1. The Risk Oversight Committee supervises risk management in alignment with the risk management policy and strategy and consistent with acceptable risk levels, as well as review and audit adequacy and effectiveness of the overall risk management policy and strategy. Thus, ensuring that digital and cyber risks are systematically managed.
2. The Digital Oriented Risk, Data and Cyber Security and IT Risk Management (DCSC) is responsible for management of digital risk, data security and overall IT risk management, including identification of risks and risk analyses, monitoring and investigation of risks, along with giving recommendations for continual development of processes for risk control and loss prevention. Meetings are held on a monthly basis, and operation progress is reported to the Risk Oversight Committee every quarter.

3. On the operation front, KBank has established a Digital Risk Unit which is responsible for monitoring digital, cyber, technology and information risk management, as part of operational risk management. The unit assesses risks and provides advice regarding proper risk management measures to business and support units, and reports risks to the Enterprise Risk Management Division Head and relevant committees.
4. The Information Technology Strategy Sub-committee is responsible for devising overall IT system policies and strategies, as well as reviewing, approving and supervising related operations so that they are in alignment with the strategies, operational procedures and IT system architectural structure as well as IT security control standards of KBank. The Chairman of KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) supervises overall IT management, with the Chief Information Officer (CIO) and Chief Information Security Officer (CISO) being responsible for IT management and IT system and data security and directly reporting to the KBTG Chairman.
5. Cyber Security Management Unit, which is responsible for determining measures for cyber security control, monitoring of management to ensure appropriate practices, and maintaining vigilance against potential cyber-attacks while also giving advice to business and support units regarding appropriate security management. The Unit reports cyber security risk management to CISO, the Enterprise Risk Management Division Head and relevant committees. Main Sections

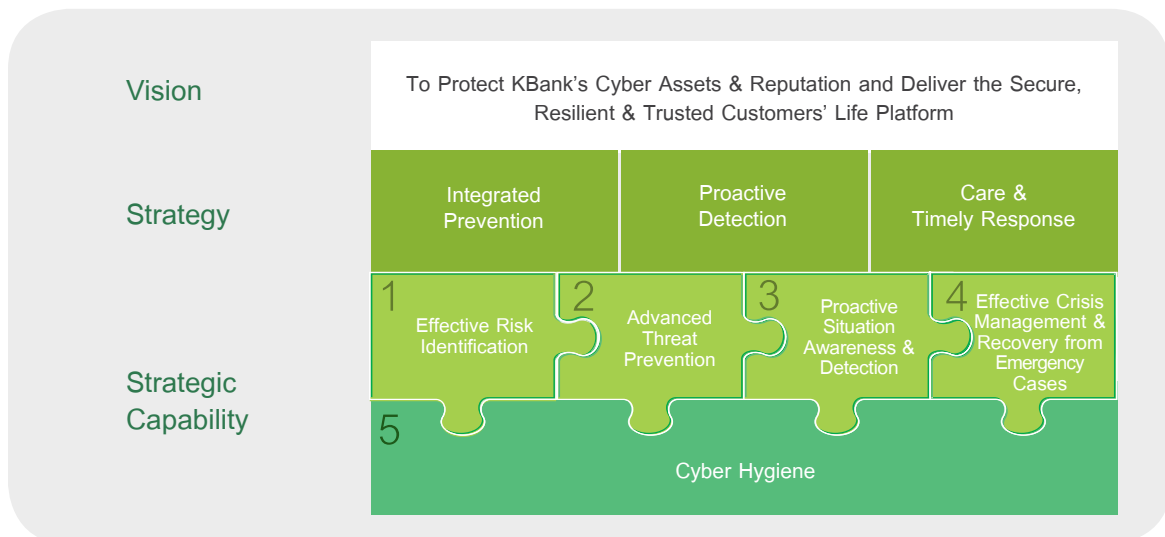
of this Unit include a Section responsible for policy setting, monitoring and supervising compliance with security measures, promoting IT security awareness, providing advice and establishing secure architectural structures and standards, a Section that acts as a center for cyber threat monitoring and surveillance, and a Section responsible for cyber security operations.

In preparation for the Personal Data Protection Act, which is set to take effect in 2021, KBank set up a working group to establish guidelines for personal data protection since 2019 and a structure to supervise the personal data protection policy and operational procedures in order to ensure proper protection of customers' data and the legal compliance of KBank. The working group is under supervision of the Data Governance Subcommittee. In addition, in 2020, KBank hired a consulting firm to aid in the recording of our personal data processing, which will be used as part of a tool for risk and personal data management within the Bank in a concrete manner prior to the enforcement of the new law.

Digital and Cyber Risk Management Framework

As cyber threats and cyber risks become more serious and significantly more complex, KBank prioritizes management of these challenges. We have therefore formulated a digital and cyber risk management framework in alignment with the strategy of maintaining our leadership in digital banking services. The KBank Cyber Risk Vision and Strategy is as follows:

The KBank Cyber Risk Vision and Strategy



Information Technology and Data Security Operations

KBank has improved operational systems, technologies and innovations together with our personnel potential, while also stepping up preventive measures to cope with cyber threats across all dimensions, including prevention, monitoring and detection, management and remedies in order to enhance customer confidence towards KBank services. Such operations are, as follows:

Customer Privacy Protection in Conformity with Good Governance Principles

1. The Data Governance Sub-committee was established, comprising high-ranking executives, to supervise information management as well as corporate and customer data protection in order to ensure maximum efficiency and security of information management systems, and to undertake organizational restructuring for greater efficiency of data management.
2. Policies and operational procedures related to information management and data security were implemented. They include, for example, a customer data protection policy, data quality policy, customer data access operational procedures, electronic document management operational procedures and policies, and customer data management operational procedures. All divisions must comply with these policies and operational procedures, which apply to the entire financial conglomerate and counterparty management, so as to minimize risks incurred from adverse events such as cyber threats and data leaks.
3. A working group was set up to study and carry out necessary preparations related to policies, work processes and systems to accommodate the Personal Data Protection Act, which is scheduled for enforcement in June 2021, with regular reports submitted to KBank's management. Actions taken include the following:
 - Determining policies and operational procedures in compliance with legal stipulations
 - Establishing standards and channels for customer consent
 - Having in place a Data Protection Officer (DPO) to be responsible for providing advice regarding compliance with the personal data protection law and investigation of personal data collection, usage or disclosure in line with legal stipulations
4. Offering all employees an understanding about the Personal Data Protection Act, related policies and practices so that they can carry out their tasks and provide service in line with the relevant laws.
5. Policies and operational procedures have been reviewed regularly so that they are consistent with changing regulatory requirements. KBank has also ensured that control, supervisory and audit operations are in compliance with the established policies and regulations.
6. Operational guidelines were formulated to cope with adverse events by means of gathering information of event development, assessing the situation by internal and external experts, and reporting to KBank's customers or related stakeholders, with KBank's full assistance regarding the fulfillment of legal requirements.

IT Data Security System Operations

1. KBank further installed a data leakage preventive system at various units for broader coverage, aimed at preventing leakage of IT data, especially that sent by operating units on KBank network systems. Significant efforts range from the classification and assessment of risks arising from data usage to the installation of standard systems, allowing KBank to more effectively detect and prevent potential data leaks. We also established

additional tools for preventing data leakage from employees' use of mobile devices to ensure that all KBank data transmission can be detected.

2. KBank's capability of proactive precaution and cyber threat detection has been increased, with more efficient work processes. A cyber threat surveillance center has been established, and a team has been assigned for rapid incident management in order to alleviate any adverse impacts on the customers in a timely manner.
3. KBank was awarded ISO 27001:2013 certification for the sixth consecutive year, attesting that our information security management system is on par with international standards.
4. KBank has been certified with the PCI DSS V3.2.1 standard for our credit card data security in the Payment Gateway On Cloud system, which provides service for merchants.
5. KBank has been certified with the PCI PIN Security V2.0 for our ATM security.

KBank attach importance to checks and balances in key operations, and set out security requirements in all system development processes, from service user screening, solution designs, and operating system development and testing, to system implementation. In 2020, no significant incident of customer data privacy infringement was detected*.

Collaboration with Regulatory Bodies and Other Sectors

KBank is a member of the Thailand Banking Sector Computer Emergency Response Team (TB-CERT), which is the center for upgrading cyber threat security. In 2020, KBank's major collaborative efforts on cyber threat security were, as follows:

1. Upgrade of readiness for cyber security incident response: KBank participated in a workshop and cyber drill exercise, jointly organized by TB-CERT under the Thai Bankers' Association, and the Bank of Thailand, to upgrade readiness for cyber security incident response, boost response and decision-making skills as well as exchanging information as part of a collaborative effort among relevant organizations and units in coping with cyber threats.

2. Upgrade of readiness for cyber security incident response: KBank participated in a workshop and cyber drill exercise, organized by the Bank of Thailand, to upgrade readiness for cyber threats, as part of a collaborative effort among regulatory agencies, namely the Office of Securities and Exchange Commission and Office of Insurance Commission.
3. KBank is now a member of the Financial Services Information Sharing and Analysis Center (FS-ISAC), which is a center of financial data and analysis of data related to cyber security of financial institutions worldwide. The membership provides KBank the opportunity to receive comprehensive information for use in the development and improvement of our security system to prevent any adverse incidents.

Operations to Create a Cyber Risk-Aware Culture

KBank emphasizes the creation of a cyber risk-aware culture. Stakeholders in this culture are divided into four target groups, as follows:

1. Board of Directors and high-level management
 - The board members attended the annual training forum for cyber threat management, organized by the Bank of Thailand, to acquire useful information about the guidelines and measures to deal with cyber threats in the finance and banking industry, and to share views with board members or high-level executives of other financial institutions.
 - Cyber News Alert has been provided to the Board to equip them with knowledge and news about cyber threats.
 - Cyber attack simulation was undertaken for high-level executives of KBank to familiarize them with such incidents, so they can create necessary processes to respond to any potential threats in the future.

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

2. Employees

- E-learning course on data security management excellence has been arranged for employees.
- Campaigns have been launched on a quarterly basis to provide employees with knowledge on cyber threats in different formats and contents. For instance, customer data security awareness has been promoted among staff members through infographics and online games to encourage them to participate in fun activities while also gaining knowledge.
- IT Newsletters on Security Tips and Security Alerts have been issued regularly in formats that are easily accessible to our employees, to ensure that they have better awareness and understanding of cyber threats.
- Phishing drills have been conducted on a regular basis. Fake emails have been sent to employees of KBank and K Companies as a way to put them to the test, ensuring their awareness and training them in how to cope with the situation. The drill results have shown that employees are increasingly aware of and cautious in spotting more phishing emails.
- A Cyber Hygiene Culture Program has been established to cultivate an organizational culture related to cyber security, with focus on adjustment of employee behaviors, concerning the foundation of cyber threat prevention and management. Communications have been made by high-level executives to employees in order to emphasize the importance of cyber security issues.

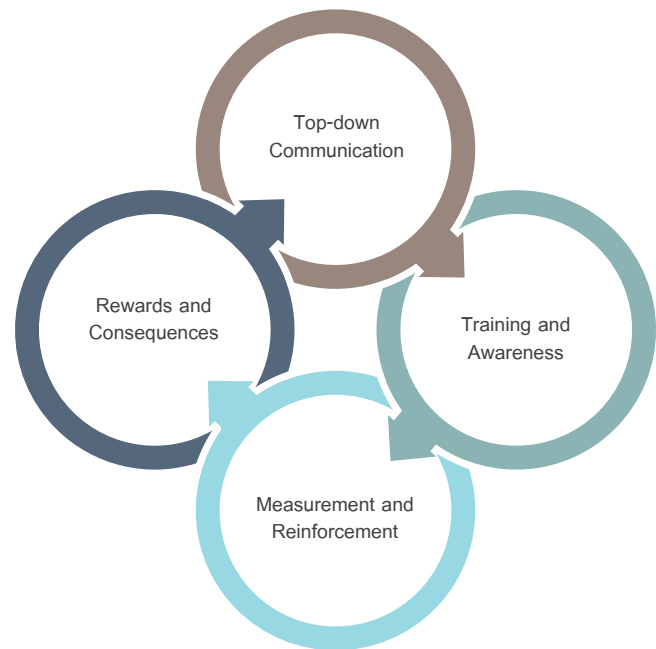
3. Customers

- Customers are provided with knowledge on how to safely conduct online transactions and protect themselves against cyber threats via several channels, e.g. KBank website, K-Contact Center, KBank branches, and social media.
- A “Sati” project has been implemented to communicate with customers, so they are aware of cyber threats and can protect themselves against those threats such as phishing emails, social media criminals and call center gangs.

4. KBank's Service Providers and Counterparties

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

Framework to Cultivate an Organizational Culture Related to Cyber Security



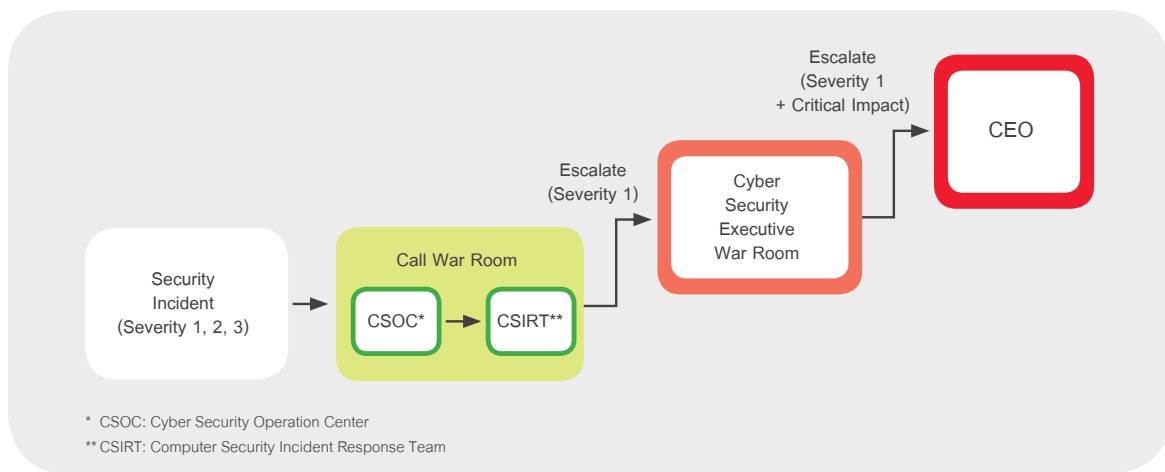
KBank launched the “Sati” campaign for customers to be aware of and prevent being a victim of cybercrime.

Data Used for Secondary Purposes

KBank uses customers' personal data for other purposes under operational framework, as follows: (1) Improvements of products and/or services; (2) marketing, but consent is required from customers for the use of their personal data of the aforementioned purposes; and (3) other necessary purposes under KBank's legitimate interests and customers' appropriate expectations such as data processing for risk management, audit, internal management and fraud prevention.

Monitoring Process of Breaches/Incidents

Cyber Security Incident Escalation Flow



KBank has established response and report processes for unauthorized or illegal transmission of data (data leakage), which cover loss of, access to, use of, change/amendment to or disclosure of personal data. If KBank has been notified of or found data leakage incidents, KBank shall examine the facts, analyze and assess those incidents, plus related risks and impacts in accordance with internal regulations that have been established by the Bank such as the number of affected owners of personal data, plus volume and sensitivity of personal data. Such incidents and risk assessment results shall be reported to the responsible committees for consideration in establishing recovery, response and relief guidelines, as well as the relevant government agencies in accordance with the laws as the case may be.

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

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

The management of Severity 2 and 3 incidents is undertaken by the Cyber Security Operation Center (CSOC). For Severity 1, the Computer Security Incident Response's (CSIRT) Team Lead shall report the matter to the Cyber Security Executive War Room for a higher level of IT security management. The Cyber Security Executive War Room, chaired by KBank's Presidents, comprises top executives of the relevant business units. However, if IT security incidents worsen beyond Severity 1 and critically impact the Bank, the Chairman of Cyber Security Executive War Room shall report the matter to KBank's Chief Executive Officer so that a higher level of management shall be undertaken by the Executive Crisis Management Team (ECMT), which is tasked with commanding and making decisions on related operations.

Sustainable Supply Chain Management



Risks

KBank's inefficient management of supply chain, violation of human rights, lack of business ethics, non-compliance with laws and regulations related to occupational health and hygiene, and the environment would produce adverse impacts and incur subsequent risks causing business disruption, operational risks and risks related to KBank's image.

Opportunities

Efficient management of supply chain would enhance KBank's potential in innovation development and cost effectiveness in the business processes, as well as sustainable development in the entire supply chain.

KBank has attached great importance to supply chain management, taking into account sustainability with respect to the environment, society and governance (ESG) as well as Statement of Business Conduct, to prevent any risk that could directly or indirectly affect KBank's image and business operations. Efficient management of supplier relations is therefore crucial to both parties in the development of our potential and adoption of innovations for the purpose of achieving sustainability and strong business partnerships in the long term.

KBank has put in place the annual supplier handbook to communicate with the suppliers our procurement policy and operational procedures, as well as related news and supplier management guidelines. Operational practices have been set up with transparency, equity and equality to ensure suppliers' confidence in our consideration and selection processes. In addition, such practices ensure that our suppliers maintain their business operations in compliance with laws and regulations of environmental conservation, human rights, equitable labor treatment, standards of occupational safety and hygiene, corporate governance, prevention of the use of positions to seek benefits, and anti-corruption in all forms. KBank also supports our suppliers in joining the anti-corruption coalition.

Operating Performance

In 2020, KBank had 1,333 suppliers, including 1,272 domestic suppliers, 61 international suppliers (accounting for 5 percent of all suppliers) and 101 new suppliers (accounting for 8 percent of all suppliers). All suppliers have acknowledged the Supplier Code of Conduct before their engagement, and all must conduct their businesses with transparency, consideration of human rights, and compliance with related laws, occupational safety and hygiene standards, as well as environmentally-friendly management practices. KBank has followed up and evaluated their strict compliance with the Supplier Code of Conduct, and in cases where any suppliers are found to have violated human rights and/or not compliance to the Supplier Code of Conduct, KBank will follow our related processes, whether discussing with them and/or delivering to them written warning notifications. A plan and timeframe would be set up for their corrections. If any supplier cannot fulfill the obligations, KBank may have to rescind the contracts and permanently withdraw them from our supplier list in order to prevent any risk that may affect our image and operations in the future.

KBank has developed a standard procurement contract with added stipulations and penalty clauses for violations as regards the environment, occupational safety and hygiene, and human rights, or involvements in illegal employment. Practices related to ESG principles were put in place in the business operations, to ensure our suppliers' strict adherence to the Supplier Code of Conduct.

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

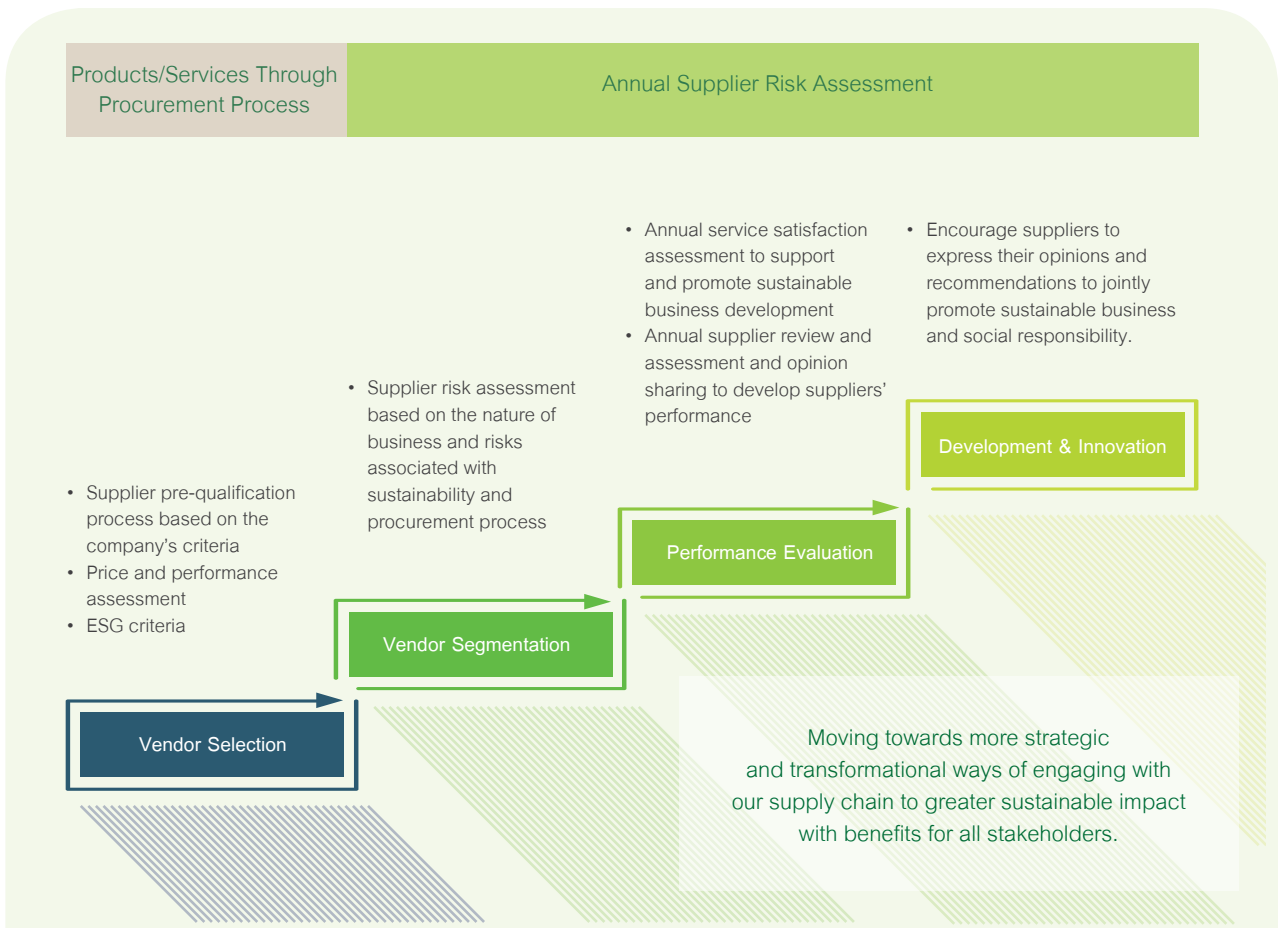


KBank organized the Annual Supplier Seminar 2020 on the topic of “Procurement Insights and Strategy 2021 in the Post-COVID Pandemic World”, which was broadcast live.

Supplier Communications Annual Supplier Seminar 2020

KBank organized the Annual Supplier Seminar 2020 on the topic of “Procurement Insights and Strategy 2021 in the Post-COVID Pandemic World” as a live event. The seminar presented information related to impacts of the COVID-19 pandemic on the overall economy, procurement strategies and sustainable development policy based on the ESG principles, and sustainable development operations under good corporate governance policy and responsible procurement. In addition, KBank prepared a questionnaire to gather suppliers’ opinions and recommendations for improvements of operational process towards joint sustainable growth.

Environmental, Social and Governance (ESG) Risk Assessment



Supplier Monitoring, Inspection and Assessment Procedures

Based on the analyses of our annual expenditures per each supplier, plus our ESG assessment, KBank has categorized our suppliers into Tier 1, Tier 2 and Tier 3. The performances of approximately 152 suppliers of Tier 1 and Tier 2, or 11.6 percent of all suppliers and equal to 80.7 percent of total procurement expenditures, have been assessed. Both Tier 1 and Tier 2 suppliers must prepare improvement plans for goods and services, and guidelines to prevent and mitigate possible risks. They must also monitor their operations to comply with the operational guidelines and business plans to ensure that risks are managed within appropriate levels that do not produce any impact on the business, communities and environment. In addition, KBank has improved our work processes with our strategic procurement methods to join hands with our suppliers in support of the development of financial products and services that match all customers' demands.

To inspect and monitor our suppliers, KBank arranges for self-assessment of our suppliers on an annual basis, and conducts our annual supplier risk assessment, as well as ESG assessment of 100 percent of Tier 1 and Tier 2 suppliers. We visit our key suppliers at least once a year to ensure that they comprehensively comply with KBank's Supplier Code of Conduct in terms of environment, social and corporate governance to ensure sustainable development throughout the supply chain.

To assess the operations of our suppliers, KBank makes a service satisfaction assessment of our suppliers via questionnaires of which the results are analyzed for further development and improvement. We provide diverse channels, for example, email, letters and phone, to receive opinions, complaints and/or any comments regarding the suppliers. Random visits, inspections and assessments are made on their operating performance to ensure that their operations comply with our sustainability guidelines and Supplier Code of Conduct, and that we receive their goods and services via sustainable procurement processes. In addition, KBank has a procurement supervisory and management team that works with various

The suppliers with tendency to produce adverse social impacts and having been warned by KBank for improvement accounted for **0** percent of all suppliers.

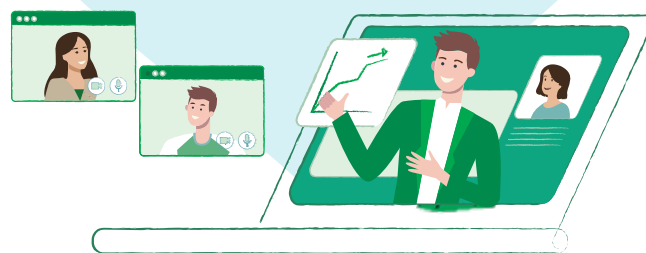
The suppliers with tendency to produce adverse social impacts and their contracts having been terminated accounted for **0** percent of all suppliers.

agencies to jointly check relevant facts and solve related problems, as well as offering advice to suppliers to improve and develop quality products and services. However, if suppliers are not able to comply with our set standards, they will be subject to appropriate penalties set by KBank. This is to ensure that our economic, social and environmental development is sustained in the long term.

Management of COVID-19 Situation for Suppliers

KBank has managed the COVID-19 situation by determining control guidelines and measures, and revising the operational methods in response to all changes to ensure continuation of suppliers' business operations and preventing any risks that could interrupt seamless operations. Key tasks include the following:

1. All suppliers have received communications on safety measures, policy to limit entries-exits of external persons, and guidelines to screen external persons. In case of any necessity to visit our offices and enter our Main Branch



- buildings, the visitors must comply with our screening guidelines and fill in the Medical Pre-Screening Form.
- Advanced technologies have been applied in work processes, such as meetings with suppliers, sessions for suppliers to be informed of work scopes, presentations and selection, all via online channels.
 - Our Crisis Management and Business Continuity Plans have been reviewed. Consideration has been made on products and services that may be or would tend to be affected, while risk assessment has been conducted with suppliers. KBank has also prepared a plan if products or services are not delivered, and has provided advice on business continuity planning so that our suppliers can efficiently manage all risks.

Innovations for Sustainability

- Reduction of orders and change of packaging of drinking water from plastic bottles to paper cartons

Paper that constitutes 70 percent of raw materials for water cartons is derived from commercial forests, considered as renewable resources. The products are certified and labeled by the Forest Stewardship Council (FSC) to affirm that paper pulp is obtained from commercial forests with certification of management, and other forests that are properly controlled. The carton lids and plastic used with paper are made from a bio-based polymer that is biodegradable and can be reused for manufacturing of other products. Such a change in packaging can reduce greenhouse gas emissions, waste and impacts of the greenhouse effect situation that causes global warming in the long term. It also promotes resource recycling and renewing. In addition, the packaging manufacturers engage in all processes from material procurement to final production with responsibility and awareness of society, the environment and business ethics, as well as factors of costs, quality and delivery time, with the aim to alleviate most negative impacts, along with helping people and communities. The packaging manufacturers also exploit renewable energy at more than 69 percent of total energy use in their operations.

- Installation of 63.24-kWh solar PV rooftop at Cash Service Center Udon Thani to save electricity costs with on-grid solar system

The system of solar power generation includes a set of solar cell panels to be installed on building roofs and to generate direct current into inverters connected to the grid, based on the specifications set by the Energy Regulatory Commission and in line with the promotion of renewable energy use to battle global warming, reduce pollution and save energy use.

- Improvement of air-conditioning systems

The VAV BOX and VAV Diffuser systems have been installed to control and adjust air volume, and control internal temperatures at appropriate levels automatically in response to different requirements to increase the efficiency of the air-conditioning systems. Such improvement has also saved energy for areas or meeting rooms that are not in use, while reducing CO₂ emissions that alter the atmosphere and cause greenhouse gas effects.

- Procurement of hybrid vehicles in place of gas engine only vehicles

Changes have been gradually undertaken for executive and company vehicles from being conventional gas engine-driven vehicles to hybrid vehicles that use both electric motors and gas engines (and are compatible with gasohol). Energy systems of hybrid vehicles shift between the use of electric motors and gas engines, i.e. use electric motors at low speeds and automatically shift to a gas engine under specified loads/speeds, thus using 10 to 50 percent less fuel oil than conventional vehicles (standard fuel economy is 20 kilometers per liter in all situations). Apart from resource conservation, using electric motors makes less noise and produces less CO₂; thus, less greenhouse gas.

Social Dimension

Being a Responsible
Corporate Citizen to Create
a Sustainable Society

- 102 Financial Inclusion and Financial Literacy
- 111 Human Resource Management
- 126 Human Rights Operations
- 130 Social Contributions





Zero Interest-rate Loan to Retain SME Staff Program

New loans

Baht

1,107
million

Number of participating companies

924

Number of employees under the program

36,427



An online platform that is intended to provide financial literacy and skills to Thai youth through various activities.

Number of online members

30,486



KBank Service via Banking Agents

Number of transactions

More than

24
million

Value of transactions more than

Baht

128,000
million

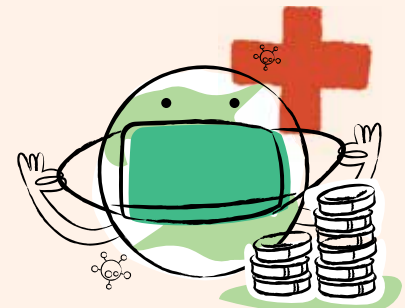


HR Asia Best Companies to Work for in Asia 2020 from HR Asia Magazine (Thailand Edition)



Ratio of female middle management who advance to become top management

76.35%



Special Stipend for Front-line Medical Personnel Program

5,083 medical personnel and healthcare workers, who are the main pillars of response in the fight against COVID-19, each of them received monthly support funds of

Baht

4,000
for three months

Total support funds

Baht

300
million

Financial Inclusion and Financial Literacy



Risks

Unless KBank focuses on thorough financial inclusion, people who presently have no access to financial services may shift to non-formal loan systems or consumer loans, which would exacerbate the household debt problem. This debt may turn sour, which would adversely affect KBank and perhaps finally derail the overall economic system.

If the general public lacks financial literacy, they will not be able to choose financial products suited to their needs and take benefit of the available financial products. This could cause KBank to lose business opportunity, and thus finally be exposed to financial risk.

Opportunities

KBank believes that financial inclusion and financial literacy are social responsibilities that we must give importance to. This is to allow the general public and the underprivileged to access financial services anywhere with convenience and to choose financial products suited to their needs, making their quality of life better. Meanwhile, financial inclusion and financial literacy provide business opportunity to KBank, leading to continually healthy financial performance.

Financial Inclusion

Products and Services for Financial Inclusion of Retail Customers

K PLUS: Expanding customer base of children aged 12 - 14

To expand the customer base, K PLUS allows youths aged 12 - 14 to apply for K PLUS and conduct financial transactions by themselves. Focus is on instilling discipline and providing financial knowledge to youths so that they learn about saving at an early age.



K PLUS: Expanding customer base of children aged 12 - 14

Products/Services	Details of Financial Innovations	Performance
K-eSavings Account Opening via K PLUS: No minimum amount for account opening	KBank unveiled K-eSavings account opening via K PLUS. Customers can apply for a K-eSavings account by themselves via mobile phone without the need to travel to a KBank branch, and there is no fee for opening an account. KBank has adopted authentication technology to upgrade our cyber security standards, including K CHECK ID or real-time verification of national ID cards at authentication service points, and face scan against photographs on K PLUS.	<ul style="list-style-type: none"> • Average of accounts opened: 1,656 accounts/day • Total value of deposit: Baht 4,615 million
Personal Loan via K PLUS	KBank Payroll customers can apply for personal loan via K PLUS with credit limit approved immediately. Applicants for personal loan must give consent to KBank to check their creditworthiness via K PLUS, and they will be informed of the result instantly. The personal loan is designed for customers seeking emergency cash.	<ul style="list-style-type: none"> • Outstanding loans: Baht 3,300 million
K-Personal Loan for Pensioners	K-Personal Loan for Pensioners was designed for government retirees and employees having inheritance rights. They are allowed to use their inheritance rights as collateral against loan from KBank. This service helps retirees gain access to financial services, allowing them to use money for consumption in accordance with the government's policy to assist retired officers.	<ul style="list-style-type: none"> • Outstanding loans: Baht 258 million
Super Senior Fixed Deposit	The 30-month fixed deposit service is designed for individuals aged 55 and above for a secure retirement. Customers are eligible for personal accident coverage (from Muang Thai Insurance Public Company Limited). Personal accident coverage is equal to the balance in Super Senior Fixed Deposit with a maximum insured amount of Baht 3 million, effective until age 70.	<ul style="list-style-type: none"> • Average accounts opened: 70 accounts/month • Average deposit amount: Baht 1.15 million/account
Basic Banking Account	In response to the Bank of Thailand and Thai Bankers' Association's financial sector master plan for the civil sector, aimed at promoting grassroots people to have greater access to financial services, KBank has introduced a basic deposit account service for individuals aged 65 years or older at the deposit date or those participating in the government welfare program. There is no minimum amount required for the account opening; nor are there application or annual fees.	<ul style="list-style-type: none"> • Number of accounts opened: 558 accounts, including 311 accounts of low-income earners under the government welfare program and 247 accounts of individuals aged 65 years or older
KBank Service via Banking Agents	KBank has expanded its KBank Service to provide greater convenience to customers living far from Bank branches so that they can conduct financial transactions across Thailand. KBank Service offers the following services: <ul style="list-style-type: none"> • Cash deposit available at Thailand Post, Family Mart, Inthanin Coffee (Bangchak), Big C, Srisawad and 7-Eleven • Cash withdrawal available at Thailand Post, Big C and 7-Eleven • Payment of goods and services available at CJ Supermarket, Jiffy, Srisawad, Siam Global House, Inthanin Coffee (Bangchak) and Big C • K CHECK ID available at Thailand Post, Kerry, Big C, CJ Supermarket, Jiffy, Siam Global House, AIS, Dtac and 7-Eleven 	<ul style="list-style-type: none"> • Number of transactions: 24 million • Value of transactions: Baht 128,000 million
White Label ATM	KBank and Government Savings Bank (GSB) jointly launched a pilot project for White Label ATM in five provinces, i.e., Sakon Nakhon, Nakhon Phanom, Pattani, Yala and Narathiwat, to provide greater convenience to customers of both banks in using shared ATM terminals, with no transaction fees. (The project ended in October 2020)	<ul style="list-style-type: none"> • Number of transactions increased approximately by 15,000 per month in the five provinces

Products/Services	Details of Financial Innovations	Performance
Myanmar Remit Card - a first in Thailand	KBank has entered into an agreement with Kanbawza Bank (KBZ), Myanmar’s commercial bank with the largest network and customer base in the country, to issue the Myanmar Remit Card offering cross-border funds transfer to Myanmar workers in Thailand.	<ul style="list-style-type: none"> • Number of transactions: More than 373 million
Takaful life insurance	Designed specifically for Muslim customers, this life insurance product is managed under Islamic religious rules and guaranteed by the Shariah Committee.	<ul style="list-style-type: none"> • Number of insurance: 31 • Value of premium: Baht 4.8 million
Payroll Plus with COVID-19 coverage	KBank offered special privileges for new Payroll Plus customers and existing Payroll clients who switched to Payroll Plus. During the height of the COVID-19 outbreak, Payroll customers who joined the program were offered increased coverage as part of KBank’s efforts to ease the impact of the COVID-19.	<ul style="list-style-type: none"> • Number of participating companies: More than 192
QR KBank: e-wallet application in Lao PDR	E-wallet technology has been adopted with the aim of enhancing payment system via digital channel of KBank’s business partner to promote increased and easier access to financial services for people in Lao PDR. Without the need of a bank account, QR KBank users can top-up for interbank funds transfer, make payment and do mobile top-up on a real-time basis.	<ul style="list-style-type: none"> • Number of transactions: 450,000 • Value of transactions: More than LAK 23,000 million (Baht 81 million) • Number of QR KBank users: More than 105,000 • Number of merchants using QR KBank Shop application: 1,600
Salary Advance: Personal loan via Wing mobile banking application	KBank worked with Wing, its partner in the Kingdom of Cambodia, to offer the Salary Advance – a short-term personal loan program that aims to provide greater convenience for customers of Wing e-wallet in their daily spending. The service – available 24 hours a day - was launched in August 2020. During the first six months after its introduction, the service was targeted specifically to Payroll customers of five Wing companies who reside in Phnom Penh. The service is expected to be rolled out nationwide soon.	<ul style="list-style-type: none"> • Outstanding loans: Baht 389,050 • Number of loan approved customers: 206



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

Products and Services for Financial Inclusion of Corporate Customers

Products/Services	Details of Financial Innovations	Performance
<p>Soft loan program to upgrade machinery and production efficiency for SMEs</p>	<p>The program offers long-term, low-interest loans for SMEs to upgrade their machinery and production efficiency through purchase of machinery, equipment, tools and computer programs, as well as construction of permanent structures for installation of new machinery, expansion, change, and improvement of properties related to their businesses. Total loan amount under the program is Baht 30 billion. This soft loan program aims to allow SMEs improved access to low-interest loan and bolster liquidity of small entrepreneurs who are a main driver for the country's economic growth.</p>	<ul style="list-style-type: none"> • Outstanding Loans: Baht 2,228 million
<p>Good Innovation, Zero-Interest Project</p>	<p>KBank collaborated with the National Innovation Agency (NIA) to support businesses that need capital to pursue innovations. NIA will finance interest costs incurred within a certain period during the initial phase of a project, while KBank considers loans for the customers' projects assessed as an innovation by the NIA. This loan aims to provide financial support to entrepreneurs seeking to develop innovations for their business.</p>	<ul style="list-style-type: none"> • Outstanding Loans: Baht 3 million (It is a continuous project, which will end on September 30, 2022)
<p>Interest compensation program for rice traders in maintaining rice stockpiles for 2019/2020 production season</p>	<p>The government interest compensation program for rice traders in maintaining rice stockpiles for the 2019/2020 production season is aimed at absorbing paddy that would otherwise enter the market. It is expected that this project will help stabilize paddy prices in the market.</p>	<ul style="list-style-type: none"> • New Loans: Baht 8,533 million



Products and Services as part of Relief Measures to Ease the Impact of COVID-19

Products/Services	Details of Financial Innovations	Performance
<p>“Generous (Business) Owners - Empathetic Creditor” program</p>	<p>This program aims to help low-income employees under business operators stay afloat during the COVID-19 pandemic. This initiative represents a cooperative effort between KBank and business operators to cut interest rates on existing loans in order to keep businesses running so that employees will not lose their jobs, allowing them to continue to earn income and shoulder a reduced burden; this could reduce the possibility of future layoffs. The program is transparent as participating companies use KBank Payroll service, which allows KBank to confirm whether employees remain employed and their salary is intact. Launched as a pilot program in Phuket, it is expected to expand to other provinces.</p>	<ul style="list-style-type: none"> • Number of participating companies: 156 • Number of employees benefited from the program: 10,743
<p>“Zero Interest-rate Loan to Retain SME Staff” program</p>	<p>The program was introduced to help small businesses with up to 200 employees so that they have funds to keep their workers and maintain business operations. KBank offered participating SMEs unsecured zero-interest loan with 10-year term. The financial support is free of interest and all types of fees, with a one-year grace period. Each employee earned Baht 8,000 a month for three months. This program aimed to help employees remain employed and have income for spending, thus reducing the unemployment rate and keeping businesses running so that they could pass the difficult times together.</p>	<ul style="list-style-type: none"> • New Loans: Baht 1,107 million • Number of participating companies: 924 • Number of employees benefited from the program: 36,427 <p>* The numbers shown above were the performance of the month with the highest operating results in 2020</p>



KBank launched the “Generous (Business) Owners – Empathetic Creditor” project to help SME customers weather the economic crisis and allow their workers to remain employed.



Products/Services	Details of Financial Innovations	Performance
GSB Soft Loan	KBank worked with the Government Savings Bank (GSB) to offer each business customer the maximum loan limit of Baht 20 million, with a five-year repayment period and a flat interest rate of 2 percent during the first two years. This loan program aims to bolster liquidity for business customers during the COVID-19 pandemic.	<ul style="list-style-type: none"> • New Loans: Baht 14,698 million • Number of participating business operators: 3,617 <p>* The numbers shown above were the performance of the month with the highest operating results in 2020</p>
The Portfolio Guarantee Scheme Phase 8 SMEs Sangthai program	In collaboration with the Thai Credit Guarantee Corporation (TCG), KBank offered each business customer loan of up to Baht 30 million with 7-year term to bolster liquidity. The loan, guaranteed by TCG, was intended to aid customers reeling from the COVID-19 to withstand the crisis together.	<ul style="list-style-type: none"> • New Loans: Baht 41,903 million • Number of participating business operators: 17,472 <p>* The numbers shown above were the performance of the month with the highest operating results in 2020</p>
COVID-19 insurance coverage, free of charge for three months	KBank offered COVID-19 insurance coverage free of charge for three months to K PLUS customers who registered via LINE KBank Live. Under the program, customers were to receive Baht 100,000 compensation in the event of their death from the disease, or Baht 1,000 per day in the event of disease-related in-patient hospitalization. The program aimed to ease customers' concerns and cushion their losses from COVID-19.	<ul style="list-style-type: none"> • Number of successfully registered customers: 600,000

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

- Development of electronic data capture (EDC) machines that can accommodate contactless payment for all types of cards (Visa/Mastercard/JCB/UnionPay): KBank is the first bank that allows customers to go cashless by tapping their credit card for making payment without the need to sign a sales slip, thus ensuring faster service delivery with greater convenience.
- Development of sales promotion program via Instant Discount of UnionPay card: The initiative – the first of its kind in Thailand – provides greater convenience to cardholders as they can receive discounts at the cashier, and merchants receive the full amount of bill payment.
- Waiver of fees and machine rental fee for EDC granted to COVID-19 hit customers
- Lump-sum fee payment: KBank is the first bank that accepts lump-sum fee payment in order to allow merchants with a low transaction volume to make electronic payment in lieu of cash.
- Encouraging merchants to change their practices in line with the new normal era: To this end, merchants were provided a PIN pad to allow them to accept contactless payment from customers, in order to avoid direct contact with them.
- Development of program for setting card-accepting amount/transaction and card-accepting amount/month on EDC for small and medium-sized merchants. Previously, card-accepting amount could be set only on mini-EDC and mobile point of sale (mPos). The initiative aims to reduce fraud risk for merchants.

Provision of Financial Knowledge for Individuals

In 2020, KBank held training courses to equip various groups of customers, especially retail clients, SMEs, and startups, with multiple facets of knowledge on finance, blockchain technology, and industry-specific insights in order to enhance their skills in business management to weather the COVID-19 pandemic. In detail:

Financial Knowledge for Customer Groups

Target Group	Details of Programs/Activities	Number of Participants	Positive Impact to Society
SMEs and individuals	<p>Business networking via K SME CARE and K SME sharing business knowledge</p> <ul style="list-style-type: none"> Due to the COVID-19 situation in 2020, K SME CARE activities cannot be held physically as usual. Consequently, K SME CARE activities were held as an online seminar. K SME CARE members shared their knowledge and experience and answered questions in the CARE TALK 3 program broadcast live on the K SME page and Facebook. Online seminar: K SME CARE members shared their experience to inspire participants, helping them to develop a thinking process for improvement of their businesses affected by the COVID-19 pandemic, in the How To Think program held on the online platform of the K SME page. Knowledge and movements of SME businesses were gathered and shared through K-Inspired e-magazine, offered to customers via Electronic Direct Email (EDM) <p>Sharing knowledge on personal investment with affluent customers</p> <ul style="list-style-type: none"> Seminar were held through online Investment knowledge was gathered and offered to customers on a monthly basis via THE WISDOM Onward and THE PREMIER NEXT 	<ul style="list-style-type: none"> Number of views/ attendances of seminars or articles on businesses and financial for SMEs and affluent customers: 286,000 	<p>To enhance customers' potential and expand their business network in order to upgrade capabilities of SMEs, which are essential to the Thai economic system. Meanwhile, these activities allow KBank to understand customers' needs and more efficiently develop products and services.</p> <p>In addition, customers were equipped with up-to-date knowledge on investment market conditions, used for support the decision in personal portfolios adjustment.</p>

Target Group	Details of Programs/Activities	Number of Participants	Positive Impact to Society
Startups	<p>KATALYST project</p> <p>This project aims to foster partnerships with tech startups that have potential. KBank is determined to expand its business through development of products suited to customers' needs, which will pave the way for broadening the customer base both in Thailand and other countries (via KASIKORN VISION Co., Ltd.) and creating innovation with KASIKORN-Business Technology Group (KBTG). Key initiatives in 2020 were:</p> <ul style="list-style-type: none"> • Training for tech startup community via online platforms such as Facebook and katalyst.kasikornbank.com • An e-Learning program was jointly held with the Stanford Thailand Research Consortium to equip 12 teams of startups with knowledge on innovations obtained from Stanford University, U.S.A. There were more than 100 applicants for the program, which lasted for 12 weeks. 	<ul style="list-style-type: none"> • Number of Facebook Fanpage followers: 17,007 (rising around 60 percent from 2019) • Number of projects in progress for business expansion: 5 • Number of potential startups: 5 	Startups were offered an opportunity to expand their businesses, customer bases and investment both in Thailand and other countries. They had a chance to exchange knowledge and seek advice from experts in various fields on matters such as regulations, marketing, in-depth knowledge about technology and organization management.
All customer segments and individuals	An online seminar was held for customers and other members of the public wherein knowledge was shared by experts from KBank's Capital Market Business and KASIKORN SECURITIES Public Company Limited.	Approximately 200 participants	Participants were equipped with knowledge on the economic outlook as well as trends of interest rates, exchange rates and Thai stock market. This would be beneficial for their business operation and risk management.
	An online seminar was held wherein a partner from ONE Law Office was invited to share his insights.	Approximately 50 participants	Customers were equipped with knowledge and understanding of law on debt settlement of insolvent debtors, which can be undertaken via equal and fair allocation of assets among creditors. This would benefit the economic system and society at large.

Target Group	Details of Programs/Activities	Number of Participants	Positive Impact to Society
All customer segments and individuals	<p>Online seminar to provide industry-specific insights by KResearch</p> <ul style="list-style-type: none"> • Agro-industrial sector • Technology industry • Automotive industry 	<p>Approximately 30 participants</p> <p>Approximately 20 participants</p> <p>Approximately 30 participants</p>	Customers learned about trends of their respective industries in order to appropriately adjust themselves and cope with potential risks.

Cooperation with Other Organizations

Activities	Number of Participants
KBank attended a workshop titled, “Financial Use Cases for Digital Businesses in Thailand No. 2”, wherein participants exchanged ideas on e-Documents for digital B2B trade and e-Documents for goods transport. The forum aimed to offer guidelines for development of financial innovations to facilitate trade procedures between organizations as well as transportation processes currently in use and those that may be used in the future.	57 participants
KBank gave a lecture on “Blockchain – Financial Transaction of the Future” during a meeting of committee members of the Economics and Academics Division, Federation of Thai Industries, to share knowledge and experience in applying blockchain to businesses and the financial industry both in Thailand and abroad.	50 participants
KBank took part in a seminar titled, “Next Step of Businesses in the COVID-19 Era” during “CEBIT X TechTalkThai Webinar: How to Use Technology to Tackle Impacts of COVID-19 on Businesses”. The event was attended by high-ranking executives of KBank and AIS who shared experience on how to brave the COVID-19 crisis. Such large organizations are regarded as part of Thailand’s critical infrastructure.	Highest number of participants: 500 Number of online participants (YouTube): More than 50 views
KBank gave a lecture on “How can CFOs use blockchain for driving up business value?” which was a part of “CFO Forum: Blockchain is here. What’s your next move?” in order to equip participants with knowledge and experience through the perspective of executives from large Thai organizations. In the event, they also discussed future scenarios.	Number of online participants (YouTube): More than 200 views
KBank attended a workshop titled, “Financial Use Cases for Digital Businesses in Thailand”, jointly organized by BCI (Thailand) Co., Ltd, the Bank of Thailand, and a team of lecturers from Chulalongkorn University. Forum participants exchanged ideas and conceived financial innovations that are in alignment with business needs to advance the business sector towards the digital era.	Number of representatives from leading organizations: More than 60



Human Resource Management

Risks

If KBank were to have inefficient labor management, disregard diversity and human rights, and lack equality, KBank could risk facing employee demands, and rising turnover rate, which lead to business discontinuity. Consequently, this may result in higher human resource management costs.

Amid rapid changes in the financial business sector and more complex customer demands, if employees' knowledge enhancement does not catch up with such developments, KBank may be unable to deliver financial products and services that respond to customers' desires, and may eventually encounter resulting business risks.

If KBank were to lack of concern for employees' living conditions and work environment, this could adversely affect their physical and mental health, which will make employees working unhappily. Consequently, KBank could risk facing employees' lower productivity, higher turnover, thus leading to rising expenditures related to employees.

Opportunities

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

If KBank develop staff potential in tune with the K-Strategy, KBank will be able to deliver financial products and services in response to customers' demands. Consequently, this will make business strategies to achieve the set targets, while employees also gain more knowledge and working skills, which help KBank's business operations to grow sustainably.

If KBank's care for employees' living conditions and work environment, this will lead to employees working happily, good occupational health, higher work efficiency and reduce the absentee rate, leading to greater efficiency of the organization.

Human Resource Management Strategies

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





Redefining K-Culture to match the current social context

Being aware of rapid changes in the social and business contexts, KBank has redefined the organizational culture, using the influence model to drive behavior change of employees towards the set targets. The influence model entails four actions as shown in the following graphic:

Tell me, make it clear:

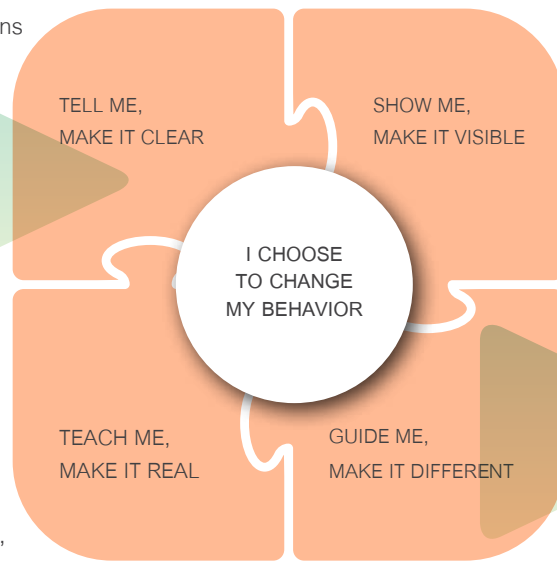
Expected behaviors are clearly defined to reflect each element of K-Culture (K-Culture Behavior Matrix Socialization), providing clearer understanding for employees on related definitions and their roles.

K-Culture Behavior Matrix Socialization

Teach me, make it real:

To drive forward K-Culture adoption and practices, employees must be granted useful knowledge, skills and on-the-job training. In addition, all new employees must be evaluated by the K-Culture Ambassador to make sure that they pass the K-Culture criteria and show K-Culture behaviors correctly.

The Influence Model Drives Behavior Change



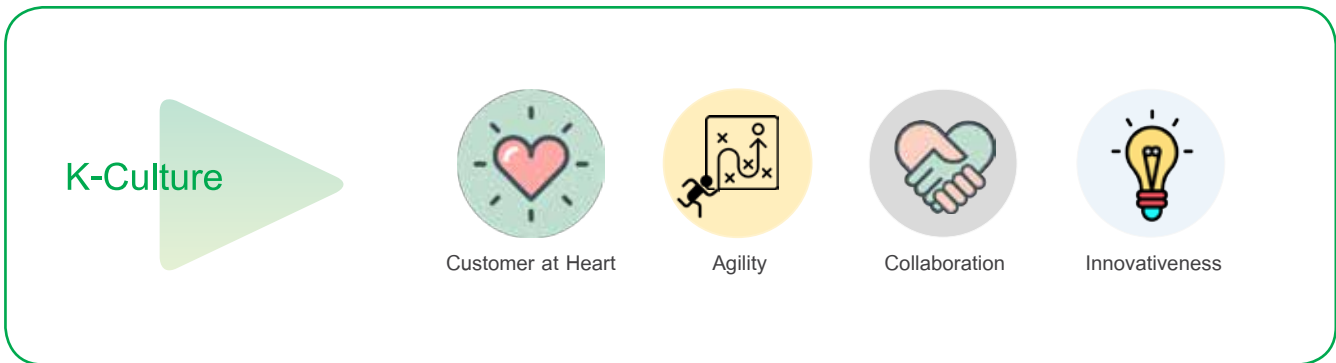
Show me, make it visible:

Role models are promoted via the K-Culture Representative (K-Rep) of each division who act as a communicator about the K-Culture within their division, and activities are designed to showcase the expected behaviors under the K-Culture.

K-Culture as a part of Performance Evaluation

Guide me, make it different:

K-Culture behaviors are encouraged by incorporating K-Culture in the Performance Evaluation. Such inclusion started in 2020 in the Human Resource Division and Corporate Secretariat Division, and will expand to other divisions next year.



In 2020, KBank organized activities to promote four new K-Culture behaviors via work processes based on the concepts of Customer at Heart, Agility, Collaboration and Innovativeness. In detail:

- **PossAbility Acceleration:** This project, which supported innovativeness, was jointly implemented by KBank and KBTG to offer employees the opportunity to showcase their potential in innovating products and services in conformity with KBank's strategies. There were 114 ideas submitted to the contest. The project consisted of three phases of activities, namely 1) Idea Submission; 2) Concept Presentation; and 3) Prototype Presentation. The judging committee's consideration was based on alignment with KBank's strategies, customer responsiveness and expected results. This year, three teams won the Best PossAbility Idea awards: Make a Wish (application to promote financial discipline among youths), Spotlight (platform to create transparency of donations), and K-Guarantee (an idea for solving problems of buyers and sellers in online markets).

- **Data Playground:** This project encouraged employees with capability in data usage to use data in creating innovations that add value for our customers and KBank. The Minimum Value Product (MVP) must create value for customers, and generate revenue for or reduce costs of KBank. Support was provided by KBank in terms of time, budget and consultation with experts in related topics with the aim of building an organization embedded with Data Driven DNA.
- **CEO Townhall:** On a monthly basis, the CEO shared with employees on KBank's strategies and goals, our operations during the COVID-19 pandemic and K-Culture via an online live broadcast to reemphasize the four elements of K-Culture: Customer at Heart, Agility, Collaboration and Innovativeness, to steer KBank towards achieving the shared goal, "To Empower Every Customer's Life and Business".



Chief Executive Officer communicated the strategies, goals and operations of KBank during the COVID-19 pandemic, as well as K-Culture, to employees online via the CEO Townhall program.



Transformation into agile organization to correspond with rapid changes in social context

To propel the organization forward with an agile working style and gain more successes than the set targets, KBank started to transform the organization with organizational restructuring, creation of a group of employees to support agile working, and increase of thinking capability for product development with agile methods. In 2020, key operations included the following:

Establishment of Agile Academy

KBank established the Agile Academy to prepare the entire organization to be ready for the agile way of work in four aspects:

- **Preparation of Agile Foundation (Know):** Agile online courses were organized to provide knowledge related to the agile way of working as a foundation for work process adjustment, thus leading to fast achievements and response in all operations in line with the agile objective.
- **Restructuring towards Agile Structure (Start):** An agile organization structure was fully adopted in the Human Resource Division and some business divisions have supported KBank's special projects. At present, there are 21 projects with 676 employees involved; each employee underwent basic training courses, for example, an agile workshop that was aimed at creating common understanding of works and goals. The course was conducted in the form of an agile working simulation so that the trainees could understand their roles and duties accordingly.
- **Creation of Agile Coaches (Be):** KBank was determined to create agile coaches to assist in an organization-wide adoption of agile working. The agile coaches will offer consultations related to the agile mindset and agile way of working to the units that adopted an agile organization structure. All participants in agile working will gain the qualifications and skills to develop themselves towards becoming agile facilitators and agile coaches. All agile coaches will be an agile COE (Center of Excellence) of the organization and engage in transforming KBank into an agile organization.

- **Creation of Agile Leader (Lead):** Agile leaders must understand the organization's roles and objectives of agile working, and spur all employees towards agile ability and a common goal.

Agile creation of communication network in accordance with agile working style

- **KONNECT+ Project:** HR Chatbot on the LINE application has been developed as a staff communication channel that is easy to access. With the system answering employees' questions related to working life, KBank expects the employees will think of KONNECT+ whenever they have problems and seek an assistant to help solve those problems. Questions may concern such topics as sick leave or vacation days, and entries into different systems concerning welfare, remuneration, and learning courses in a form of gamification. In addition, HR Chatbot serves as a channel to disseminate KBank's announcements and news to employees. At this time, 98 percent of employees have registered to the system. A Cyber Hygiene activity was also organized to create staff awareness of internet safety and danger of phishing emails, as well as secure data usage and storage.



Employee encouragement to reach their full potential (Performing Talent)

In response to the first objective, KBank is committed to becoming a "Top Employer" in the hearts of students and the general public to attract them to work with us, with focus on the creation of "Possibilities to Learn and Grow Together" in the following four dimensions:

- Working as a team to ensure that customers' goals are achieved and being part of KBank's transformation into a digital bank
- Learning and seeking new things boundlessly to create innovations amid a flexible and agile work environment
- Growing and flourishing together by pushing all to reach their full potential, being supportive of building a learning environment in line with world-class standards
- Creating a more livable world in adherence to the organization's commitment to give good things to communities and also to oneself

Because employees are the heart of organization, every day at KBank is a day of learning and growing to ensure that both KBank and our employees will gain success together. A number of activities and projects were held to emphasize the creation of “Possibilities to Learn and Grow Together”, as follows:



KBank organized activities and projects to emphasize the creation of “Possibilities to Learn and Grow Together”

Employee Recruitment

To select qualified candidates that match job requirements and implement an impartial selection and recruitment process, KBank has developed standardized procedures for employee recruitment. Representatives of each division have been nominated to join the K-Culture Ambassador Team with the role of selecting new employees having qualifications that are in tune with K-Culture, apart from their skills, knowledge and capabilities, in order to ensure that those new employees are able to adapt themselves and grow sustainably with the organization.

Selection Process for Recruiting Employees



Recruitment Activity

KBank has redefined our strategy to attract capable students and experienced persons overseas to join our workforce via creation of relations with alumni and student associations of various universities, for example, Sammagi Samagom (Thai Students Association) in the United Kingdom.

Scholarship Project

KBank has granted seven scholarships to fourth-year university students to further their MBA studies under the Young Scholarship Year 5 Project, and one scholarship in the technology field under the Young Tech Scholarship Year 2 Project.

KCapstone Project

This internship project, which has been organized for three consecutive years, offers students an opportunity to learn about startup businesses. In the first quarter, there were 54 persons selected from more than 1,200 applicants based on the Group Assessment method. However, the project was cancelled due to the COVID-19 pandemic.

Creation of Positive First Impression

To make a positive first impression among new employees, KBank offered them the Welcome Box Set and held an orientation activity to provide essential information related to KBank, so that they can adapt themselves to the work environment, work happily, and are able to respond to KBank's requirements.



To impress our new employees on their first day of work, KBank held an orientation and presented them with a welcome box set.

Promotion of Diversity, Inclusion and Equality

KBank has complied with related international laws and standards, including the UN Guiding Principles on Business and Human Rights, Principles of Humanity and Rights of the International Labor Organization (ILO) and Principles of the United Nations Global Compact (UNGC) in order to promote equitable treatment of employees as stated in the Code of Conduct*, Diversity Management Guidelines** and Human Rights Policy***. KBank does not accept any form of forced labor or child labor, discrimination in hiring or at the workplace regarding local or foreign workers, sexual discrimination or harassment ("Zero Tolerance"), or verbal or physical harassment, including any form of psychological abuse.

In order to develop the audit process and mitigate risks from discriminatory practices and human rights violations, KBank has in place various channels for complaints and suggestions, such as the labor relations hotline center, meetings to exchange views, advice and problem-solving guidelines for the benefit of employees and common understanding among the meeting participants. KBank also supports group negotiations and bilateral meetings between KBank management, KASIKORN Labor Union and Employee Committee of KASIKORNBANK at least once every quarter. In addition, other meetings can be called for at all times to ensure that all employees' complaints and recommendations are managed in a timely manner.

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

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

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

Support for People with Disabilities

KBank believes that giving people an opportunity is deemed as promoting inclusion and equality. In 2020, KBank provided career support to 202 disabled persons across Thailand, via more than a Baht 22.71 million budget donated to the Thai Red Cross Society for use in career promotion among disabled persons in Thailand.

Remuneration Management

KBank has cautiously and thoroughly revised remuneration management to prevent any risk of inclination, discrimination or inequitable treatment in the processes of performance assessment and remuneration payment. Emphasis has been placed on fairness and balance with regard to remuneration for male and female employees based on their respective performances and work values.

Remuneration for Board of Directors and Executives

Clear and transparent remuneration for the Board of Directors is stipulated by KBank and considered by the Human Resources and Remuneration Committee in accordance with appropriateness and the Board of Directors' scope of duties and responsibilities, comparable to that of the industry, before being proposed to the general shareholders' meeting for approval. Considered by the Human Resources and Remuneration Committee, appropriate executive remuneration is established with reference to policies and guidance provided by the Board of Directors, and is also related to KBank's operating results, as well as individual performance, before being proposed to the Board of Directors for approval.

Employee Compensation

Employee compensation is based on equality commensurate with staff competencies, with a focus on competitiveness. Employee compensation is reliant upon each employee's performance, regardless of their gender, nationality or religion. Regular compensation and benefit surveys are conducted for comparison with the industry, with annual salary raises, plus bonus payment, being issued in line with employee proficiencies. Special salary hikes during the year are considered for retention of capable personnel. As we expand service networks abroad, KBank has established a system of compensation, living wage and welfare for expatriate and local staff members in line with the respective local regulatory requirements. Competitiveness in the foreign job markets is also considered, in comparison with average local compensation and benefits, together with their cost of living index. Compensation and benefit handbooks are provided for domestic, expatriate and local employees.

Employee Benefits

Benefits are provided for all staff members* to ease concerns and promote good living quality that affects the operations and living conditions of our employees and their families. Employee benefits are provided for our employees and communicated via our online platforms (Kworkplace.com and KONNECT+), as follows:



Excellence in Labor Relations and Welfare Award granted by the Ministry of Labor for the 15th consecutive year

* All employees refers to full-time employees under KBank employment contract only. For staff members of K Companies and the Support Service Providers to KBank, they are eligible for such benefits as life insurance, medical expenses in case of injury and disability, maternity leave and financial assistance in case of retirement.

Healthcare



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

Medical treatment
by KBank physicians

Medical claims in case of treatment outside KBank:
An online platform has been created to allow our employees to disburse medical expenses via mobile application. We also issue a patient referral for employees' admission to hospital as an inpatient, to ease their concerns over medical bills.

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

Mental healthcare project:
KBank provides the "OOCA" platform for employees to seek advice from psychiatrists or psychologists, anytime, anywhere. Employees' information is treated as confidential between the employees and service providers only. The service is provided during July 1, 2020 – June 30, 2021.

Financial Assistance



Financial assistance in case
of retirement and children's education

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

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

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

Human Resource Development

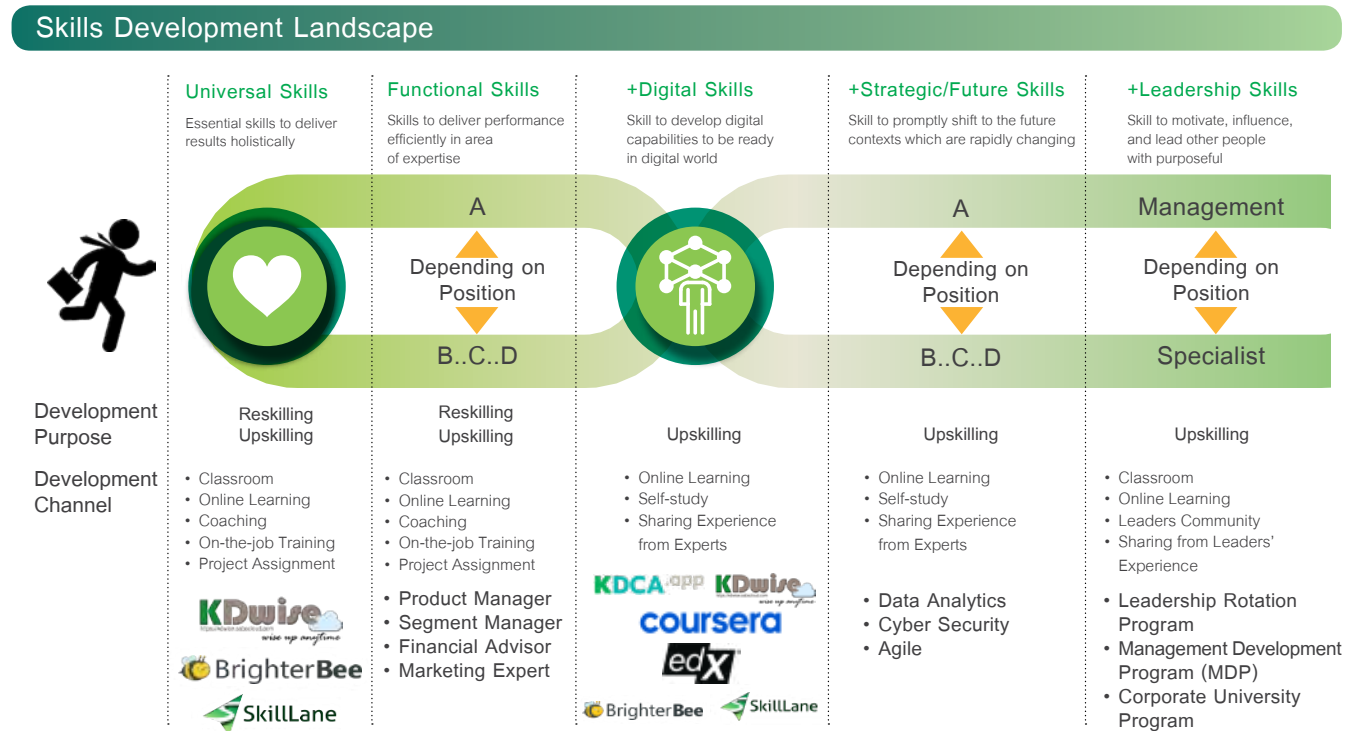
Staff Potential Development to Create Opportunities of Learning and Growing Together

KBank has placed an emphasis on development of different skills that match the job positions, including:

1. Universal Skills that all employees should possess
2. Functional Skills

3. Digital Skills
4. Future Skills
5. Leadership Skills

Skills development is made through upskilling and reskilling approaches via online and offline channels, such as self-learning and experience sharing of specialists. In 2020, KBank focused on the Universal Skills, and guidelines of upskilling and reskilling the employees.

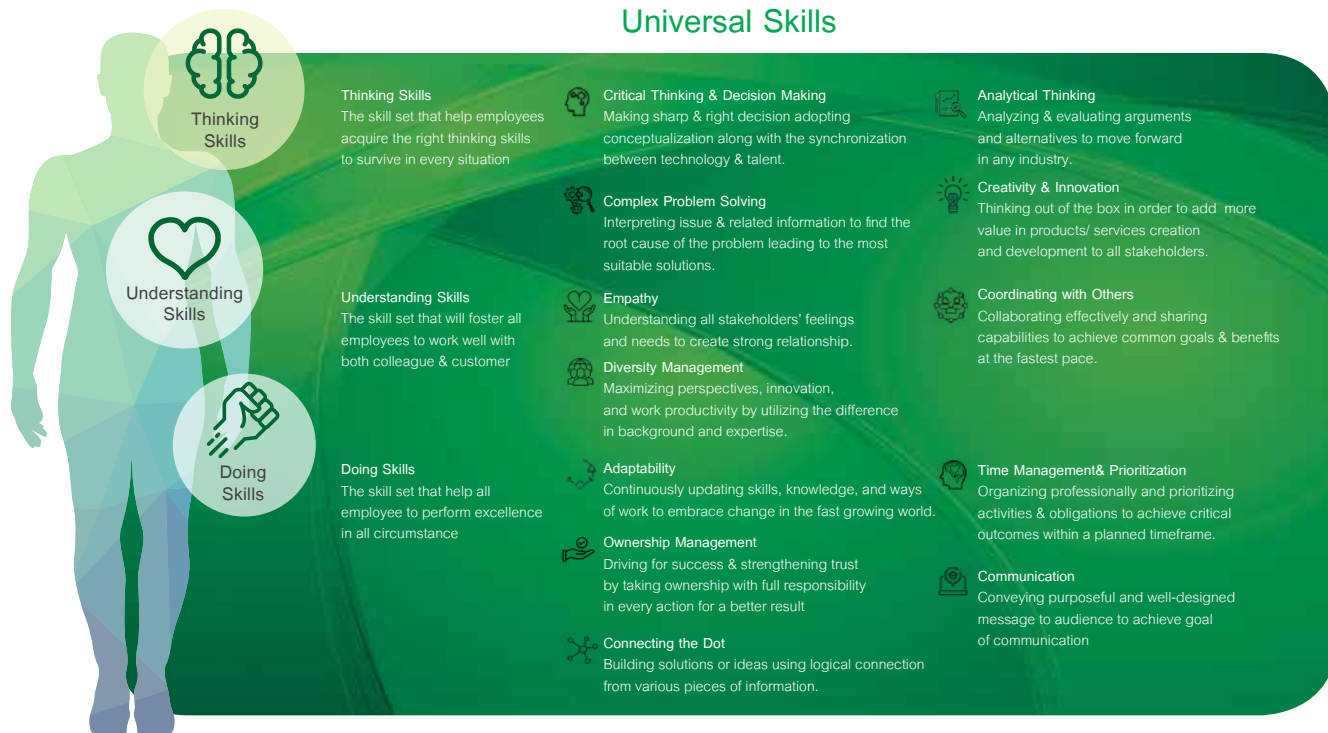


Development of Universal Skills that All Employees should possess

These skills help employees cope with and adapt themselves to future changes, consisting of three groups:

1. Thinking Skills: To help employees understand all situations correctly and be able to solve any problems
2. Understanding Skills: To help employees work with others efficiently
3. Doing Skills: To help employees deliver satisfactory performance in all situations

Universal Skills



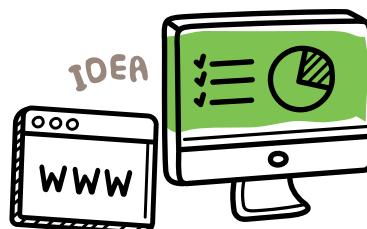
Upskill & Reskill Project

KBank has prepared the KBank Reskill Framework to be able to prioritize staff skills development tasks and prepare employees who may be affected by changes, and has established an internal marketplace to promote concrete staff development, based on the individual development plan, as follows:

1. A tool has been devised to measure and identify necessary skills that need improvement. Development has been planned for 10 percent of self-study, 20 percent of consultation with specialists and 70 percent of action learning.
2. KBank has supported staff skills development via the Digital Academy Project that offers modern learning facilities, for example, connectivity of external learning platforms with KBank's internal system, e.g. SkillLane and CHULA MOOC Achieve. Employees may select vacant positions in KBank Marketplace, and KBank assists in preparing their career matching while the system is under development.

3. KBank has given an opportunity to employees to design their own learning covering four subjects to upgrade their work skills, life skills and other skills in agreement with KBank's expected skills amid business changes:
 - Objectives and Key Results (OKR): Agile working style and common objectives of the entire organization
 - Digital and Data Analytics Skill: Use of basic programs in working and data management
 - Soft Skill: Development of emotional and social skills in thinking, analyzing and communicating
 - Life Skill: Learning of skills necessary for everyday life to empower employees' potentials in the context of an agile organization

KBank has improved 205 learning courses from classroom learning to online learning, which has saved Baht 82 million in travel costs from the attendance of employee 142,335 times throughout the year.



Number of learning hours via all channels: 847,516 hours
Average learning hours: 42.8 hours/person/year



The 2020 Brandon Hall Group Excellence in Learning Awards: a Gold Medal in Best Advance in Competencies and Skill Development

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

76.35%



Talent Development

KBank has encouraged highly capable employees to exhibit their potential, to feel valued and to be proud of their work, and focused on leadership skills development in line with K-Culture via different learning channels. Individual development has been planned under cooperation with high-ranking executives to enhance employees' engagement and their Change Catalyst role. Meanwhile, we have promoted female equality in the workplace, providing opportunities for women to hold management positions and directorships.

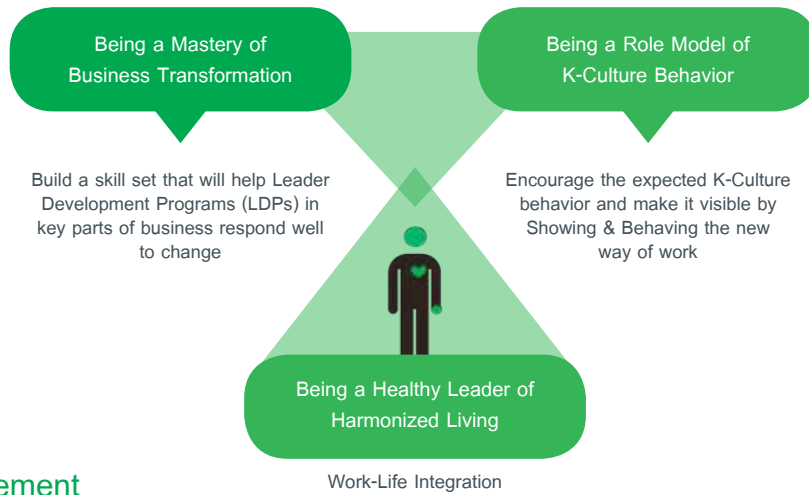


Winner of Best Staff Training and Development Programme from Retail Banker International (RBI)

Career Advancement

Career advancement is crucial to retaining employees in the long term and inspiring them to achieve their objectives with the organization, reducing the turnover rate that brings about high costs of staff replacement. Meanwhile, career advancement also responds to employees' expectations. KBank has a policy to promote employees with potential and give employees the opportunities to switch to other positions in accordance with their aptitude and interest. In addition, KBank has always placed importance on recruiting internal employees to fill vacancies in executive positions

Creation of Change Catalyst



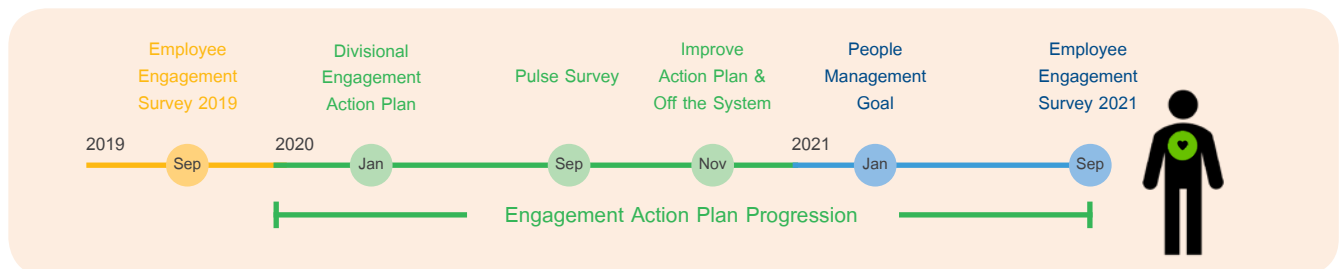
Employee Engagement

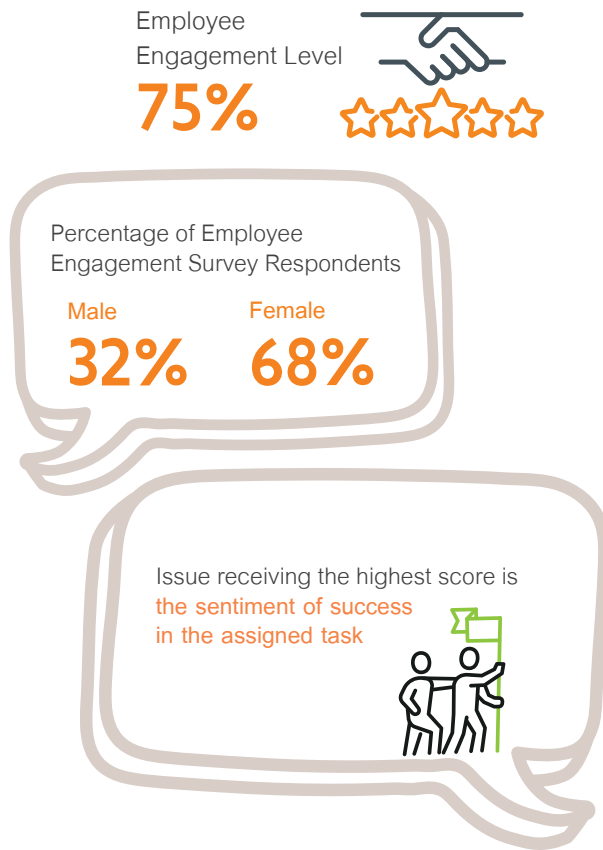
KBank has emphasized employee commitment to the organization. Employee engagement development has been incorporated in the People Management Goal of each division head. Engagement surveys have been conducted every two years, and the results of the latest survey were made known to the employees at the end of 2019. After the employees had acknowledged the survey results, all divisions were required to devise an employee engagement plan. To this end, the division heads were assigned to analyze those results and seek effective directions to increase the engagement level, in both short and long terms, in line with the principles of a Bank of Sustainability. Before the next survey is held at the end of 2021, employee engagement monitoring is being undertaken on a monthly basis. In addition, KBank has prepared a Pulse Survey to check the level of employee engagement in 2020 to use in redefining the engagement increase plan and preparing the next survey. The Engagement Ambassadors of all divisions have cooperated in survey planning and implementation of engagement activities.

Internal employees that filled vacant positions
84.62%



Engagement Survey Plan





Employee Well-Being

We have assigned the Occupational Safety, Health and Environment Working Team of KBank to promote workplace safety in order to prevent accidents, injuries, illness, and unsafe conditions related to KBank’s business operations. KBank has established the Occupational Safety and Health, and Workplace Environment Policy* as a practical guideline for employees, which is compliant with the ministerial regulation that establishes standards for occupational safety, health and environment management. In addition, an occupational safety, health and environment taskforce has been established for each building. The taskforce consists of at least five members, and it must hold at least one meeting a month to monitor and review operations related to occupational health and safety, thus ensuring continued development and improvement. The performance in 2020 is as follows:

Management of Occupational Safety and Health, and Workplace Environment

1. Preparation of equipment and workplace environment that are appropriate and safe, in accordance with the ministerial regulation that establishes standards for occupational safety, health and environment management, as follows:
 - Provision of office chairs that can be adjusted according to the user’s physical needs and the height of the desk in line with the principles of ergonomics.
 - Copy rooms and spaces for destroying documents are located separately from work areas.
 - Specific spaces are allocated as document storage rooms and general storage rooms.
 - LED light bulbs have been installed with sufficient and appropriate light distribution for working.
 - Glass and walls of the buildings can adequately screen sunlight and noise to ensure that they will not disrupt the work atmosphere.
 - Air quality in the workplace is regularly measured, and air conditioners are regularly cleaned.
 - Temperature and humidity in the buildings are appropriately controlled, in accordance with the weather in different seasons.
 - The buildings are designed to accommodate a recreation area.



HR Asia Best Companies to Work for in Asia 2020 from HR Asia Magazine (Thailand Edition)

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



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



KBank offered employees opportunities to seek advice from psychiatrists and psychologists via Ooca platform, at no cost.

2. K Parking Care: There is a transportation service for employees to bring them to designated car parks near the Bank office to ensure their safe travel before and after work. KBank has also worked with such parking service providers to install electrical systems and closed-circuit television cameras for surveillance and safety.
3. KBank disseminates information and training about health care and nutrition via brochures and online courses.
4. KBank organizes activities to promote health and safety for the entire organization, such as provision of fitness facilities and annual health check-up.
5. Occupational health and safety training courses are held to comply with the law, including
 - Courses for executive-level safety staff
 - Courses for supervisory-level safety staff
 - Basic firefighting training course
 - Basic safety, occupational health and environment courses for general employees
6. KBank disseminates information about safety via public relations announcements, VTR to advise on fire evacuation routes in case of emergency, training and demonstration of first aid treatment (CPR), and organization of Safety Week @ KBank to affirm KBank's care for safety with the purpose to create safety awareness and employee participation.

7. Stress management with two approaches, as follows:
 - Self-learning via KBank's electronic system
 - Mental practice activities to cope with stress, for example, a mindfulness training course to relieve stress

Guidelines of Human Resource Management during the COVID-19 Pandemic

1. KBank has assigned the head of each unit to consider employees' operations in the office building each day for 50-60 percent of all employees, and arrangement of flexible working hours and lunch hours.
2. Healthcare measures have been implemented, including the points of body temperature measurement, limitation of entry into office buildings for external persons, determination of maximum number of people in an elevator, maximum number of meeting participants and time of meeting room usage, sterilization of office equipment, e.g. desks, toilets and public touch points,



and ozone disinfection in office buildings on a weekly basis. As for the canteens, the cooks must wear face shields and gloves, and QR Code payment is required instead of cash payment.

3. All persons have been asked to wear a mask at all times, refrain from talking in the elevators, keep an appropriate distance while waiting for meals, refrain from bringing food for eating together and refrain from bringing children into the main office buildings or branch offices.
4. Meetings via Microsoft Teams from employees' desks or homes have been recommended.

During this year, KBank implements measures to control the spread of COVID-19 strictly and concisely. Consequently, the impact of the epidemic situation had no significant impact on the quality of life, well-being of the employees and the operations of the Bank.

Furthermore, a survey was issued which led to the following improvements and assistance:

- **Financial Assistance for Employees and Families**
To alleviate economic impacts and to give employees the opportunity to file their request for a 6-month delay of welfare loan repayment
- **Advice on Agile Way of Work while Employees are Working from Home**
To increase work efficiency, for example, setup of each day's to-do lists, interaction via all channels to share, ask and confirm their tasks, regular updates of performance, problem-solving planning and job prioritization, via the online system
- **Employee Recruitment**
KBank has changed the job application pattern, "A Day @ KBank", from acceptance of applications at the Head Office to online interviews.
- **Staff Development**
Learning processes have been revised from offline courses to focus on online courses, which have subsequently affected employees' learning behaviors. For example, KBank has been certified by the Office of Insurance Commission to be able to arrange online learning courses related to Life Insurance Broker License and Non-Life Insurance Broker License. In addition, during the branch closures when some employees were not working, KBank promoted learning courses among those employees, including online courses and video clips

that were delivered to them so that they could practice and upgrade their performance.

- **K NOW Activity**

This activity aimed to maintain good relations with employees during the period where some of them were working from home. News and information were provided via weekly virtual quizzes offering both knowledge and fun.

- **Lan Rueang Lao (A Million Stories) Program**

KBank has put emphasis on fostering staff relationships with the organization during the work-from-home period, and sharing the ways of work and life that are in harmony with the 'new normal' via online channels, on a weekly basis.

Flexible Working Arrangements and Work from Home

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



HR ASIA MOST CARING COMPANIES AWARD 2020 (Thailand Edition) from Business Media International for the guidelines of employee care during the COVID-19 pandemic, with focus on physical and mental well-being of employees



Human Rights Operations



Risks

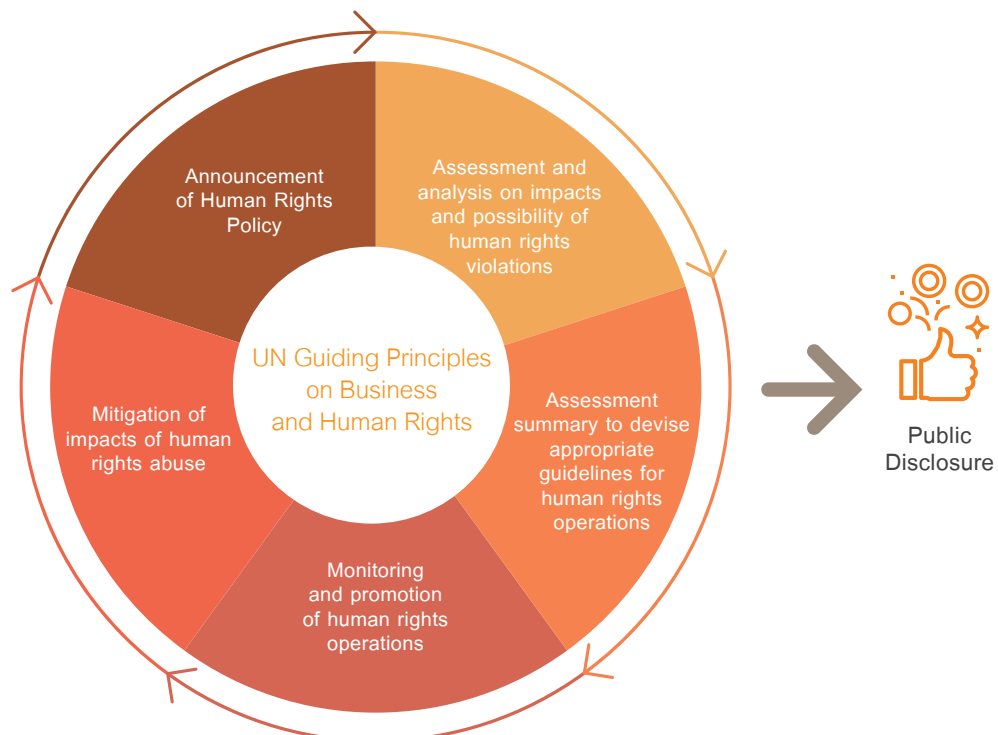
If KBank's human rights risk assessment process is ineffective, KBank could be implicated in the promotion of businesses that violate human rights, and thereby tarnish its image and operations.

Opportunities

If KBank has in place an effective human rights risk assessment process, potential risks from KBank's business activities could be averted. This would reflect positively on KBank's image for providing assistance to businesses that uphold human rights principles.

Business entities worldwide have increasingly embraced greater respect for human rights because the business sector plays a key role in promoting human rights through their business operations which improve the quality of life, while their products and services are developed to facilitate the convenience of the public. However, any inappropriate operation may become a threat to business operations. KBank, as a financial service provider, fully recognizes that respect for human rights is an important corporate responsibility which relates to employees, customers, suppliers and joint ventures. KBank's business activities could potentially either prevent or support human rights violations. For this reason, the Board of Directors reviews our human rights policy every year*. Relevant work teams from various departments also work together every year to assess human rights risks and impacts, examine operational processes to prevent such risks and find appropriate solutions and remediation actions to brace for any impacts stemming from human rights violations.

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



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

Human Rights Risk Assessment Process

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

1. The Board of Directors considered, reviewed and supervised implementation of human rights policies, covering all operations of KBank, K Companies, P Companies, suppliers and joint ventures.
2. KBank conducted a study and considered human rights issues from such international regulations as the Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR), and International Covenant on Economic, Social and Cultural Rights (ICESCR). KBank also considered our own human rights risks in 2019, as well as issues concerning human rights risks posed by the COVID-19 pandemic, analyzing and assessing potential impacts on stakeholders who are expected to be exposed to such risks, including customers, employees, suppliers, youth, alien workers, the underprivileged and local communities, in order to determine the salient human rights risks issues involved in such operations.
3. KBank undertook human rights risk assessment and risk register based on the specific risks above by holding meetings with various internal units responsible for business activities related to human rights issues, namely, the Corporate Secretariat Division, Credit Policy and Risk Management Department, Operational Risk and Fraud Management Department, Employee Relations Department, Procurement Management Department and Building, and extending to KASIKORN LINE COMPANY LIMITED, which is a joint venture company of KBank. The human rights risk assessment was carried out under the objective of identifying potential risks as well as implementing relief measures and corrective actions in cases of human rights violations – encompassing all activities, accounting for 100 percent of our operations. The assessment covered four business activities: lending and investment, customer treatment, treatment of employees, and supply chain management.



Salient Human Rights Issues

KASIKORNBANK and KASIKORNBANK FINANCIAL CONGLOMERATE

Activities	Salient Human Rights Risk Issues	Related Stakeholders	Additional Measures for Reducing Potentially Significant Risks
Treatment of Customers: Lending and Investment	Quality of life for local communities and relocation caused by projects that receive loans or investments from KBank	Project finance customers, corporate customers, SME customers, local communities and the environment	<ul style="list-style-type: none"> Encourage public participation in all projects that receive loans from KBank Put in place third-party monitoring and auditing of issues relevant to community rights
	Quality of the environment affected by projects that receive loans or investments from KBank	Project finance customers, corporate customers, SME customers, local communities and the environment	<ul style="list-style-type: none"> Upgrade credit policy for high-risk projects Arrange a more suitable and stringent credit underwriting process, along with development of risk assessment and auditing tools Stipulate measures for occupational safety and health (OHS) management
Treatment of Customers: Security and protection of customer data	The protection of customer data privacy (online channels) including the use of customer data for marketing purposes without their consent, and data leak by insiders	Online customers	<ul style="list-style-type: none"> Develop channels to allow customers to grant/revoke their consent for data usage via K PLUS Implement clear policy and process for data usage in accordance with the Personal Data Protection Act (PDPA), encompassing data governance and IT security
	The security of customer data (online channels) including customer data leak by insiders and potential cyber attacks by third parties	Online customers	<ul style="list-style-type: none"> Develop Data Leak Protection (DLP) system to ensure rapid incident investigation
Treatment of Employees	None reported	Employees of KBank and KASIKORNBANK FINANCIAL CONGLOMERATE	-
Supply Chain Management	None reported	Suppliers	-

Joint Venture: KASIKORN LINE COMPANY LIMITED

Activities	Salient Human Rights Risk Issues	Related Stakeholders	Additional Measures for Reducing Potentially Significant Risks
Treatment of Customers	None reported*	Customers of KASIKORN LINE COMPANY LIMITED	-
Treatment of Employees	Employees' working conditions including work-related stress and overtime	Employees of KASIKORN LINE COMPANY LIMITED	<ul style="list-style-type: none"> Elevate workplace safety standards Set a plan to review manpower and personnel recruitment to be presented to Board of Directors
	Employees' workplace well-being, such as employees experiencing office syndrome due to long working hours and overtime meetings during work-from-home period amid the COVID-19 pandemic	Employees of KASIKORN LINE COMPANY LIMITED	<ul style="list-style-type: none"> Communicate healthcare knowledge and appropriate work and time management
Supply Chain Management	None reported	Suppliers of KASIKORN LINE COMPANY LIMITED	-

* As KASIKORN LINE COMPANY LIMITED has a duty of sending customer data to KBank and LINE Company (Thailand) Co.,Ltd., and KASIKORN LINE COMPANY LIMITED has no right to access those data.

Social Contributions



Risks

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

Opportunities

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

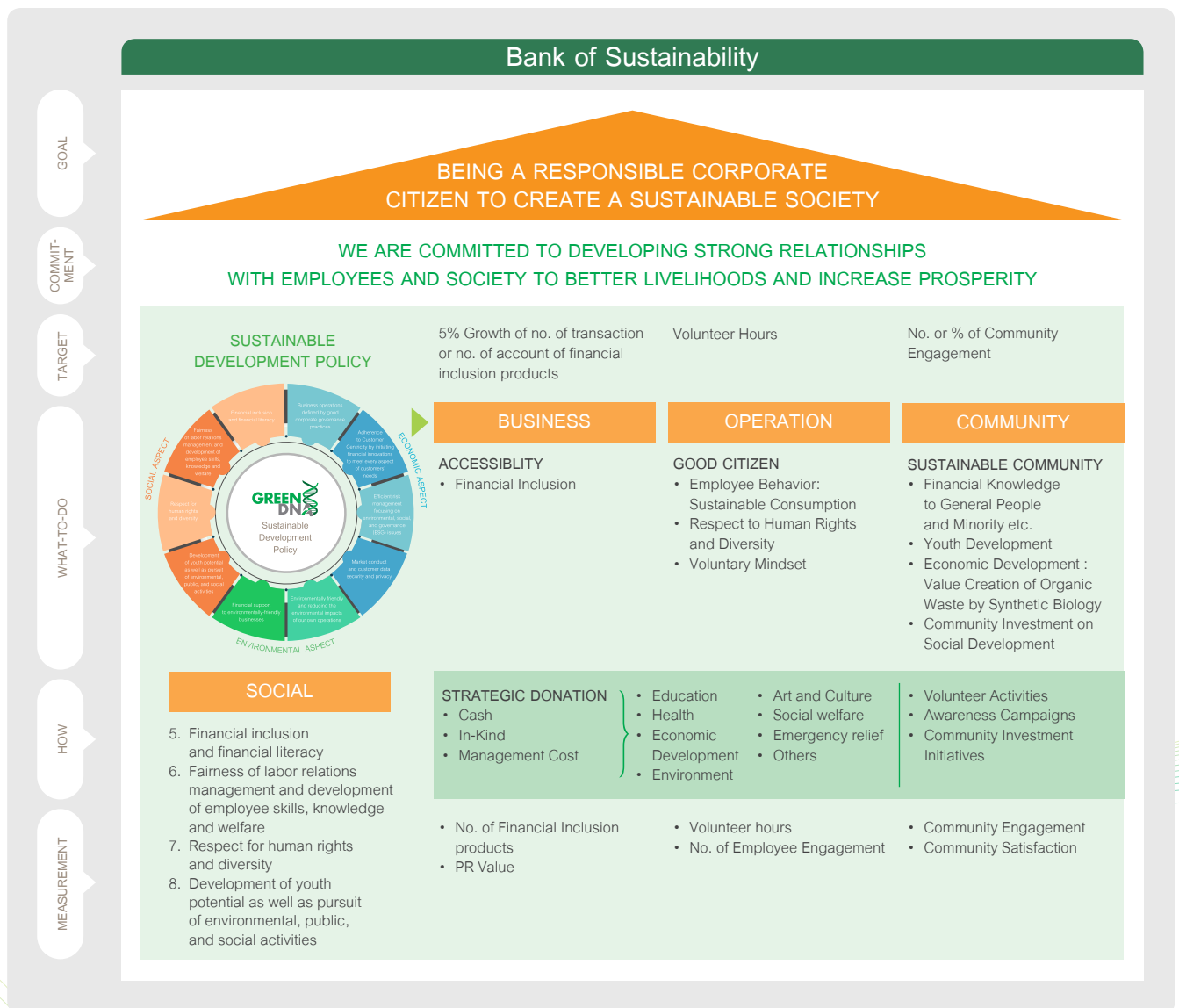
KBank carries out our business operations by considering duties and responsibilities to the country in terms of economic, social and environmental aspects. KBank aims to create positive changes for society, which is beneficiary for our public service activities. KBank has supported various projects by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

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

In 2020, KBank carried out social activities in accordance with our Corporate Citizenship Strategy for 2019 - 2023, with the aim of achieving the ultimate goal of creating positive changes for society. KBank has applied the social activity framework, based on the London Benchmarking Group (LBG)* as the implementation guideline since 2015, in order to evaluate the results of activities, and their impact on stakeholders in society more tangibly. Our activities included financial support, volunteer activities, donations and transfer of knowledge and expertise through various forms of working with our partners, customers and the KASIKORNBANK Foundation in implementing public service activities throughout the year.

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

Corporate Citizenship Strategy 2019 - 2023



Social Operation Performance

Form of Contribution

Total Baht

2,210.5

million



Cash Baht
801.3 million



In-Kind Baht
4.2 million

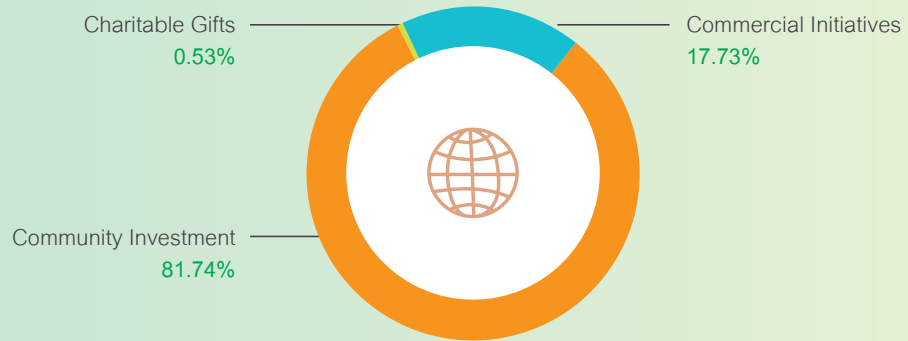


Management Cost Baht
1,291.4 million

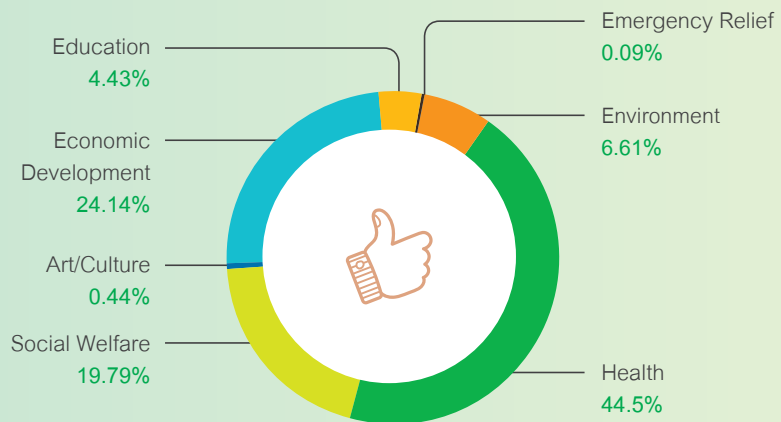


Time (Volunteer hours) Baht
113.6 million

Driver for Contribution



Program Category



Make Every Day the Day of Doing Good Deeds Project

Project Details

KBank allows employees to take a day of leave per year to participate in any volunteer activity. These include offering financial literacy, which is considered as their expertise, to residents in nearby communities so that they can choose appropriate financial products that meet their financial goals while also gaining financial discipline and being aware of financial threats, thus allowing them to avoid related risks.

Objectives

- To assist communities, in particular those located near KBank offices so that their residents have better quality of life.
- To offer employees opportunities to get acquainted with residents in nearby communities so that they can better understand the needs of these communities. Such insights will then be used to improve KBank's products and services for the betterment of society and enhance KBank's corporate image.
- To promote the SDGs.



Operations in 2020

In 2020, KBank continued volunteer program under the Make Every Day the Day of Doing Good Deeds project. Although the COVID-19 pandemic disrupted many volunteer activities of our employees, CSR remained an important mission of KBank. To ensure that our employees can make every day the day of doing good deeds, KBank required those wishing to carry out their volunteer activities to protect both themselves and people around them from COVID-19 by wearing surgical masks, maintaining a safe distance from one another, avoiding touching and providing alcohol-based hand sanitizers to those participating in volunteer activities.

Our employees could carry out volunteer activities alone or in a group, and could invite externals, their families, customers and suppliers to do volunteer work for the sustainable improvement of the society. KBank provided financial support worth Baht 5,000 per activity, for a group of 10 persons or more. They could participate in activities with issues that are consistent with the Sustainable Development Goals (SDGs) or the context of local communities, where KBank branches are located, such as educational development and healthcare promotion or other volunteer activities aimed at promoting economic growth, environmental and cultural conservation, social problem prevention as well as disaster relief-related activities.



KBank employees participated in volunteer activities under the "Make Every Day the Day of Doing Good Deeds" project for the benefit of society and the environment.



Outputs

- Number of employees engaging in volunteer activities and volunteer hours: 19,798 persons, 349,108 hours
- Volunteer activities inside business hours: 324,212 hours
- Volunteer activities outside business hours: 24,896 hours
- Number of employees at the vice president level and higher: 967 persons, 16,266 hours
- Number of employees at operating level: 18,831 persons, 307,946 hours
- Employees who invited outsiders to join volunteer projects: 7,698 persons 55,448 hours
- Percentage of employees participating in 250 projects:
 - Environmental protection: 29%
 - Educational development: 25%
 - Welfare promotion and social problem prevention: 12%
 - Healthcare promotion: 18%
 - Art and cultural preservation: 6%
 - Disaster relief: 7%
 - Economic development 3%
- KBank donations to support volunteer projects: Baht 1,170,584.70
- Staff donations to support volunteer projects (other than budgetary support of KBank): Baht 2,049,844.47
- Monetary donation: Baht 1,383,121.25
- Value of donated items: Baht 2,255,311.40
- Media and PR value: Baht 703,500
- Number of people in communities benefited from volunteer projects: 225,659 persons



KBank donated relief supply kits to aid households that were affected by COVID-19 across the communities of Bang Mueang Mai Sub-district, Mueang District, Samut Prakan.

Number of employees engaging in volunteer activities

19,798 persons
349,108 hours

Volunteer activities inside business hours

324,212 hours

Volunteer activities outside business hours

24,896 hours

Impacts

KBank believes that by encouraging employees to engage in volunteer activities will not only embed the collective conscious in KBank employees, but also allow them to spend time in nearby communities so that they can better understand community problems; thereafter, creating new activities or projects to help address those issues. In addition, our employees will be able to understand consumers' needs in nearby communities. Such insights can then be used to develop financial products and services that better match their needs. Ultimately, KBank employees can take pride in their contribution to community service while the community members will have a positive attitude towards KBank, thus helping enhance KBank's corporate image.

In addition, volunteer projects carried out by KBank employees will not only help forge cordial relationships between KBank and communities, but also offer community members understanding about personal finance, financial threats and environmental conservation.



Nan Cultivation of Wisdom project

Background

KBank collaborated with the Thailand Research Fund (TRF) to implement the Cultivation of Wisdom project during the past six years (2012-2018). With empirical results, this project triggered changes in the educational approach at participating schools because they adopted research-based teaching, based on analytical, synthetic and logical thinking, and scientific skills and processes, as an essential tool to encourage students in their learning and seeking solutions. Such changes are in alignment with the government's development guidelines, which require scientific knowledge as a foundation for creating innovation and enhancing the country's global competitiveness. The success of the Cultivation of Wisdom project has prompted KBank to continue the initiative by creating the Nan Cultivation of Wisdom project in collaboration with the University of Phayao.

Objectives

- To promote the Cultivation of Wisdom project as a mechanism for creating a society of knowledge and technology. To ensure that this project is appropriate within the context of participating schools. To create common understanding with the relevant local agencies regarding the implementation of the project.
- To offer youths analytical, synthetic and logical thinking skills so that they can manage their life and become qualified personnel for the country's economic and financial systems in the future.
- To promote the SDGs.



Project Details

KBank has collaborated with the University of Phayao, which has been tasked as a coaching center of the Nan Cultivation of Wisdom project, to implement the project for three years (2019-2021). The project offers research-based teaching, based on the local context of students, with core teachers directing the learning process. KBank aims to create 30 research-based prototype schools in Nan during this three-year period. The teaching process is based on Late His Majesty



Building off the success of the "Cultivation of Wisdom" project, KBank has joined hands with the University of Phayao to implement the "Nan Cultivation of Wisdom" project in Nan province, with the aim of promoting research-based learning.

King Bhumibol Adulyadej's Sufficiency Economy Philosophy, which is an important principle of sustainable development. This approach has been combined with science, technology, engineering and mathematics (STEM) academic disciplines for the development of both science, technology, engineering, mathematics and Sufficiency Economy Philosophy (STEM+SP) curricula, and science, economics, ecology, engineering, mathematics (SEEEM) curricula. The learning process is based on raising questions to students (questioning is teaching), encouraging students to reflect on what they have learned from their findings (reflecting is learning), and asking the students to process their thoughts in writing with a summary in an academic paper and their opinions (writing is thinking). The students will gain skills in working as a team by setting the topics for their projects and designing approaches to find solutions through research-based learning (RBL).

Outputs

- Participating schools: 30 schools
- Participating teachers: 152 teachers
- Participating students: 1,082 students
- Number of projects from the initiative: 195 projects

Impacts

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

AFTERKLASS Project

Background

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

Objectives

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



Project Details

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

Operations in 2020

- AFTERKLASS introduced an activity under the 'Super Hero' theme in which more than 18 senior members, who were successful in various fields, were invited to share various tips, including business and life management, self-training, financial management and systems thinking. Members could talk and seek advice from these super heroes on any matter. In addition, AFTERKLASS organized both online and offline seminars throughout the year, including stocks and funds management, presentation making, lecture note taking, English communication like a native speaker, techniques and advertising purchase techniques to bolster sales.
- The business camp under the AFTERKLASS Young Tech Startup 2020 was organized to offer a three-day intensive business workshop for selected youths. A team from KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) and other experts, such as KBank's successful K SME customers, were invited to provide advice to the participants on how to create and present business plans. The winning team was given a cash prize worth more than 90,000 Baht to set up a business in the future.

The project has expanded public relations to recruit members at upper-secondary schools upcountry, in such places as Nan, to promote the awareness of the KBank brand and expand AFTERKLASS membership.

Outputs

- Number of online members: 30,486 persons
- Number of youths participating in workshops: 503 persons (Due to the COVID-19 situation, the format of the workshops must be changed to online)
- Social media followers:
 - 43,195 Facebook followers
 - 3,521 LINE@ followers
 - 787 Twitter followers
 - Media and PR value: Baht 2.48 million

Impacts

- Youths equipped with skills in savings, spending and financial management accounted for 95.14 percent of total members.
- Youths equipped with skills in business and investment accounted for 90.93 percent of total members.
- Youths equipped with knowledge of daily financial products accounted for 92.70 percent of total members.
- KBank expects that participating youths will be keen to use KBank services and tell their friends and family members to use KBank services in the future accounted for 79.66 percent of total members.



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

The Project to add Value to Organic Waste via Biosynthesis Process

Background

Nan has limited agricultural land and a relatively low population, but the amount of waste is set to increase every year. With the rising number of tourists, limited technological know-how and workforce, it has been found that waste in Nan cannot be completely disposed of through appropriate methods. The undisposed waste is sent to landfills without sorting and this has resulted in increased greenhouse gas emissions. As a result, Nan is running out of landfill sites faster than expected, and there may not be adequate sites in the future.

Objectives

- To promote Nan as a zero-waste prototype province through waste segregation and adding value to organic waste.
- To convert organic waste into bioenergy so that communities have greater access to renewable energy while reducing the amount of waste sent to landfills, thus helping cut greenhouse gas emissions.
- To promote the SDGs.



ZERO
WASTE

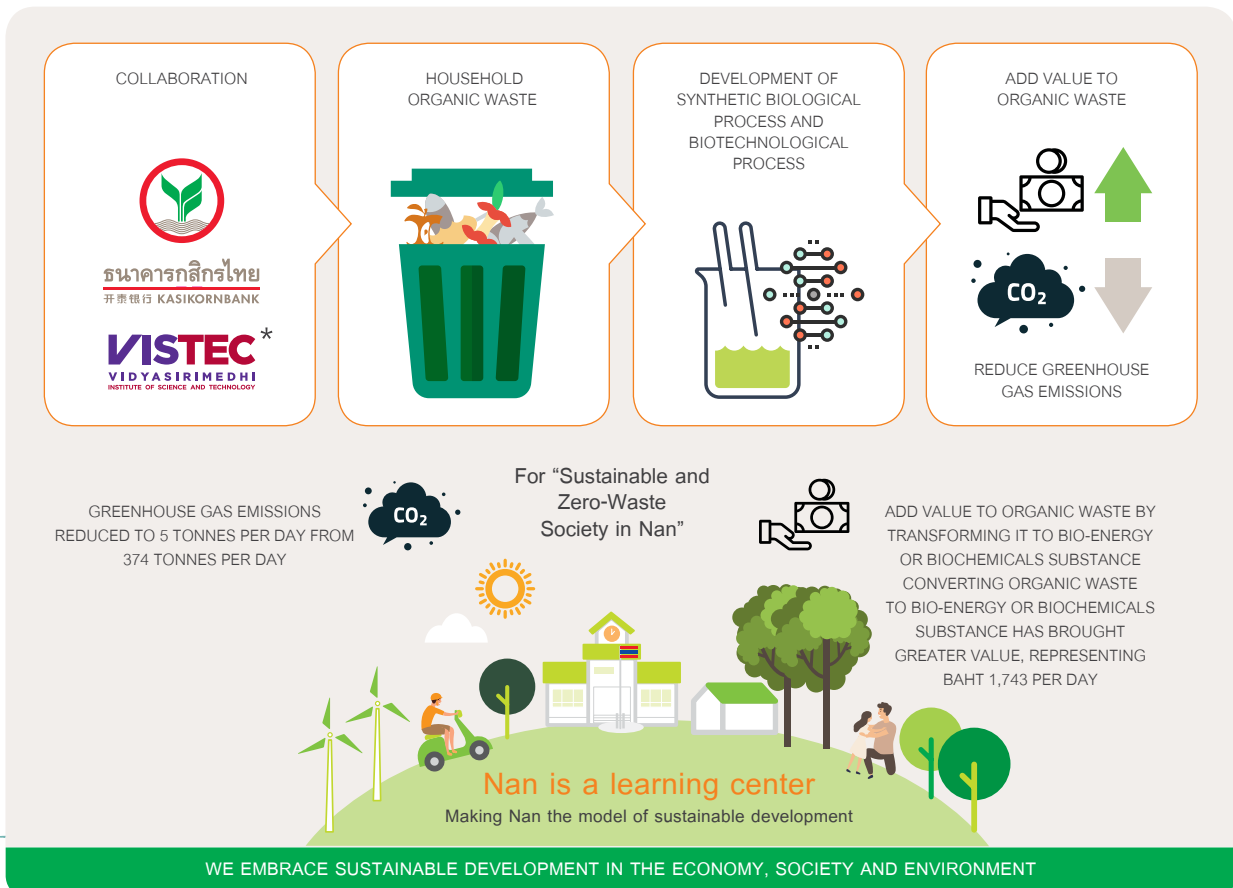
Project Details

KBank has collaborated with the Cash Return from Zero Waste and Segregation of Trash (C-ROS) research team of the School of Biomolecular Science and Engineering of Vidyasirimedhi Institute of Science and Technology (VISTEC) in setting up the project to add value to organic waste via a biosynthetic process at Baan Maha Phot, Chumphee Wanidaphon School and Aranyawat Temple in Nan, which will be used as a prototype for converting waste from households and communities into bioenergy for electricity generation and biochemical production. Such electricity and biochemicals are added value products derived from various processes as follows:

- Selection of natural microorganisms to create a prototype for waste-to-clean energy conversion.
- Fermentation of waste together with highly efficient microorganisms to synthesize biofuels and bio-substances for practical use in communities. The system can produce up to 70 - 80 percent methane within a short period (25 - 30 days). Additionally, remaining waste from the fermentation process can be used as bio-nutrients, including both primary and secondary nutrients, plus key hormones for plants.

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

Project to add value to organic waste via synthetic biological process



* Vidyasirimedhi Institute of Science and Technology (VISTEC) is an academic research institute in science and technology, which creates knowledge and cutting-edge innovation and shares KBank's commitment to change the society for the better and mitigate the global warming effects.

Output

- Local residents were encouraged to exchange useful waste, such as organic and plastic waste, for bio-nutrients, which were valued at more than Baht 100,000. The public health volunteer centers earned more than Baht 35,000 per year from plastic waste donated by local residents.
- More than 50-100 households practiced waste segregation and helped promote the benefit of waste segregation for waste reduction to young people (at Chumphee Wanidaphon School).
- There were 3 local agencies, namely Baan Maha Phot, Chumphee Wanidaphon School and Aranyawat Temple, supporting the project.
- The project helped increase renewable energy consumption and reduce greenhouse gas emissions by up to 400 kilograms CO₂ equivalent/month.
- Media and PR value: Baht 2.03 million

Impacts

- Community
 - This project serves as a comprehensive model for solving all problems at their root causes. KBank hopes that our assistance will create a stable foundation for communities, so they can help themselves in a sustainable manner in the future.
 - The project has been supported by other funding sources to create an organic waste disposal technology and management system at a large scale of 500-1,000 kilograms/day.
 - The project has attracted interest from many sectors, including educational institutions, hospitals, agricultural agencies, and other communities, which wanted to use this technology in addressing their organic waste problems for the direct benefit of their communities. This project has been implemented in Muang Nan Municipality and at 10 locations in the Eastern Economic Corridor (EEC), such as hospitals, military camps, schools and temples. Aside from the direct benefit to various municipalities and communities, their residents have increasingly seen the value of waste segregation and management, which is consistent with KBank's commitment of promoting waste segregation among households to promote a zero waste society in Nan and the EEC.
- Environment
 - Students at Chumpee Wanidaphon School helped disseminate good environmental management practices to their parents, who in turn helped promote waste segregation.
 - The amount of waste sent to landfills has been reduced.
 - Greenhouse gas emissions in Nan has been reduced.

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



KBank and Vidyasirimedhi Institute continued their operations on a project to add value to organic waste via biosynthesis with the aim of moving communities towards sustainable growth and reducing waste in Nan province.

Nan Sandbox

Background

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



The forested areas of Nan province are home to some of Thailand's most important watersheds.

Objectives

- To conserve watershed forests and cope with climate change, which is the responsibility of KBank as a good citizen of the country.
- To encourage farmers in Nan to stop monoculture, particularly maize cultivation, in favor of a new form of agriculture that offers higher added value and is more environmentally friendly.
- To address land rights and deforestation problems in Nan, which is home to the country's important watershed forests.
- To promote the SDGs.



Operations in 2020

Three projects were implemented under Nan Sandbox, with the aim of promoting the awareness of problems related to climate change as follows:

- **Climate change** campaigns were introduced to create better understanding about climate change and raise problem awareness, which have become much worse and have increasingly affected our well-being and

society. Increased understanding and awareness of climate change will likely lead to cooperation in addressing related problems. To this end, a series of climate change campaigns was launched in 2020, as follows:

- 1) Climate Change from Far Away advertising, which featured world professional golfers Ms. Ariya and Ms. Moriya Jutanugarn (aka Pro May and Pro Mo).
- 2) A series of music videos was introduced for children to learn about climate change. A total of six songs with melodies popular with children were recomposed to promote climate change.
- 3) Three music videos were introduced for adults, with the aim of raising awareness of climate change. A total of three songs with popular melodies was remade and sung by famous singers, namely Mr. Saksit Vejsupaporn (Tor), Ms. Supakchaya Sukbaiyen (Wonder Frame) and Bill-billy X Alyn.
- 4) Videos on real-life situations were introduced to feature erratic weather conditions, resulting from climate change. The videos were narrated in a sports-program style to make it more interesting to the audience.



- 5) A cartoon animation video “Animals Want You to Know about Climate Change” was launched to offer children an understanding about the impact of climate change on living matters.

Outputs

- The ‘Climate Change from Far Away’ advertising reached 35 million persons, accounting for 73 percent of the target audience, and there were 39.9 million views.
- Climate change music videos for children reached 2.5 million children and parents altogether, and there were 7.8 million views. Such music videos received positive responses and reviews.
- Climate change dance competition garnered 80 video entries across the country.
- Climate change music videos for adults reached 38.4 million persons and received 28.6 million views. Such music video received positive reviews and up to 70 percent of total audiences liked the music video.
- Videos on real-life situations about the impact of climate change reached 8.3 million persons, and received 6.4 million views with 1,340 organic shares within only 7 days of its introduction.
- The cartoon animation video also attracted 8 million children and parents altogether, and there were 19.2 million views.
- Media and PR value: Baht 59.5 million
- **Climate Change Kid’s Camp** was organized during October 2-4, 2020 to offer youths an opportunity to gain real-life experience of climate change and understand its impact in the natural environment of Khao Yai so that they could tell related problems to their friends and families to help the world survive the climate change crisis through changing our daily habits. The participants promised to conserve the forest, cherish its value and promote awareness of climate change.

Outputs

- Number of participants: 40 families (selection based)
- Media and PR value: Baht 3.86 million



KBank introduced a series of music videos, aimed at adults, under the “Music Changes The World” project, with the goal of raising their awareness of climate change.



KBank organized the Climate Change Kids' camp to offer youth an opportunity to gain real-life experience in the natural learning environment of Khao Yai.

- **Words Change the World program:** Due to insufficient information, knowledge and understanding about climate change along with a lack of communication methods for youths to be aware of its impacts while also promoting Nan Sandbox as a complete source of climate change information for Thais to combat this crisis, Nan Sandbox invited the general public to join the competition to create Thai words for climate change, which must be precise and easy to understand. The grand prize winner of the competition was awarded a cash prize of Baht 1 million.

Outputs

- Number of participants: 4,306 persons
- Media and PR value: Baht 30.2 million

Impacts

Creating broad-based awareness of the climate change crisis among the general public is imperative for not only environmentalists, volunteers or environment-related agencies, but also for all of us to help in mitigating related problems. Once they fully understand its impacts, they will likely take steps to help address global warming problems in the future. KBank anticipates that this project will help build our image as an organization that protects and conserves the environment in order to create a zero-carbon society in accordance with the sustainable development framework and policy of KBank.



KBank organized the "Words Change the World" program to raise awareness of and campaign for the mitigation of climate change.



Klasssi: KBank's Learning Platform

Project Details

As part of KBank's strategy to empower every customer's life and business, KBank has developed a learning platform with the aim of offering communities necessary knowledge and skills. To this end, KBank has designed Klasssi, an online learning platform, to meet the lifestyles of digital natives. Klasssi places emphasis on the skills that are needed today and in the future, such as business technology and human relations skills for the marketplace. These skills are KBank's expertise. Additionally, Klasssi serves as a learning source, based on the real needs of the marketplace, in order to create new knowledge and professional skills, enhance business capability, and build a knowledge-sharing system.

Objectives

- To offer community members access to knowledge anywhere and anytime via online channels, and improve their skills and capabilities.
- To promote the SDGs.



Outputs

- Number of courses: 57 courses
- Number of participants: 1,108 persons

Impacts

KBank believes that participants will gain the needed knowledge to improve their professional and business skills.



Klasssi, an online learning platform powered by KBank, has teamed up with GrabAcademy and the Digital Economy Promotion Agency (DEPA) with the aim of providing opportunities for businesses to access a wide range of knowledge resources.



Special Stipend for Front-line Medical Personnel Program

Background

Healthcare personnel and workers are the main pillar of response in the fight against COVID-19. They work their hearts out, dedicated to care for the general public regardless of their race and religion. Aside from risk of being exposed to the virus, many of them have to work in hospitals located in high-risk areas. They are dedicated to delivering essential healthcare services for the sake of their patients' lives while also having to take care of themselves and their families.

Objectives

- To support frontline health personnel and workers, who are the main pillars of response in the fight against COVID-19.
- To promote the SDGs.



Project Details

The Special Stipend for Front-line Medical Personnel program was administered by the KASIKORNBANK Foundation in collaboration with Provincial Public Health Officers in Songkhla, Yala, Narathiwat, Pattani, Satun and the Faculty of Medical, Prince of Songkla University. These Provincial Public Health Officers had compiled a list of 45 hospitals in the five southernmost provinces, which were already high-risk areas and facing widespread viral transmission. The program offered funds to boost morale and provide support for healthcare personnel and officers. The funds could be used as they deemed necessary. Given the efficient fund distribution system, they were assured of receiving the assistance. This program was implemented from May to July 2020.

Outputs

- Support funds were granted to 5,083 medical personnel and healthcare workers; each of them received monthly support funds of Baht 4,000 for three months.
- Total support funds: Baht 300 million
- Media and PR value: Baht 20.9 million

Impacts

Medical personnel and healthcare workers received morale support, and they could use the funds to support their families during the COVID-19 pandemic. Ultimately, community members, medical personnel, healthcare workers and the general public would have a positive attitude and create good image towards KBank.



The KASIKORNBANK Foundation has offered funds to support frontline health workers during the COVID-19 outbreak through the establishment of the "Special Stipend for Front-line Medical Personnel" program. This pilot project will be implemented at public hospitals in the five southernmost provinces where there is a high rate of COVID-19 transmission.

Environmental Dimension

Ensuring Environmental Stewardship towards a Zero-Carbon Society

148 Financial Support towards Low-Carbon Economy

156 Environmental Management





KBank invested in Green Bonds totaling
Baht
1,308
million

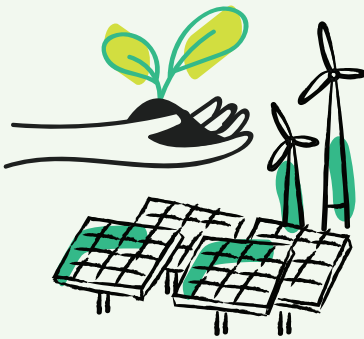


Total loans for energy and environmental conservation
Baht
1,921
million



Sustainability Bonds totaling
US Dollar
100
million

Number of operators that benefit from energy and environmental conservation loans
134

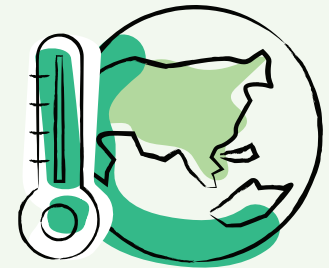


Total Renewable Energy Loans
Baht
9,383
million

Number of households benefiting from loans for renewable energy projects
503,808



K-CLIMATE Transition Fund
Total value
Baht
1,098
million



CO₂

Greenhouse Gas Emissions (Scope 1 and 2) at
97,786
Tonnes CO₂e

(a **21.34%** reduction from baseline year 2012)

Financial Support towards Low-Carbon Economy



Risks:

Without development of financial products in support of environmentally friendly businesses, KBank may not be able to catch up with changing global business trends that have placed more emphasis on environmental issues, and thus could lose business opportunities in this market and face risks arising from regulatory changes related to climate change that could create financial impacts on KBank in the future.

Opportunities:

If KBank were to place importance on developing financial products in support of environmentally friendly businesses, this will generate future business opportunities and revenues from new forms of products, and will also expand opportunities in new customer segments and funding sources.

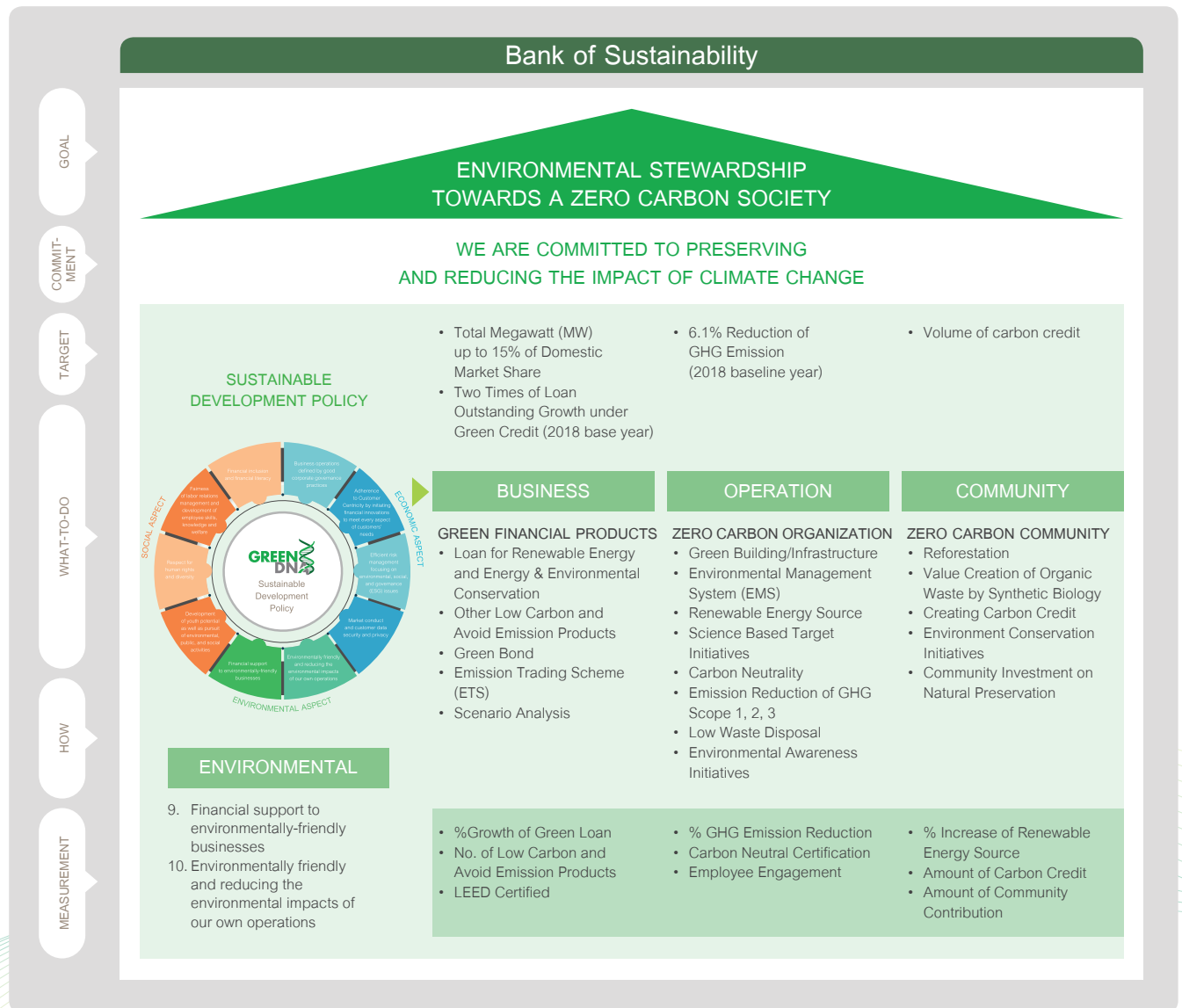
Financial and banking businesses have an important role in mitigating and adapting to climate change via lending, investment and collaboration with customers to solve related problems based on the Paris Agreement adopted at the twenty-first session of the Conference of the Parties (COP21) that aims to limit the increase in global average temperature to less than 2 degrees Celsius and achieving Goal 13: Climate Action that is one of the Sustainable Development Goals (SDGs).

In 2020, the Corporate Governance Committee considered the important Strategic Directions in response to the Sustainable Development Goals, and reported to the Board of Directors, as follows:

1. Review of sustainable development framework and policy, by setting the following goal and commitment:
 - Goal: Ensuring environmental stewardship towards a zero-carbon society
 - Commitment: We are committed to preserving and reducing the impact of climate change
2. Approval of KBank's participation as a signatory to the UN Principles for Responsible Banking of the United Nations Environmental Program Finance Initiative, or UNEP FI: We are the first and only Thai bank to join more than 170 banks worldwide in signing the Principles, in order to develop our operations in accordance with world-class standards and to determine our strategies in alignment with the UN SDGs and the Paris Agreement on Climate Change.
3. Approval of KBank's membership in the United Nations Environmental Program Finance Initiative, or UNEP FI.
4. Approval of KBank's participation as a Supporter of the Task Force on Climate-related Financial Disclosures (TCFD), the first and only Thai bank to be an official supporter, to develop our comprehensive information disclosure related to climate conditions and assessment of impact value that connects with climate change, qualitatively and quantitatively.
5. Determination of environmental strategies to guide our operations towards achieving the objectives, consisting of:
 - Business operations with emphasis on financial products and services that promote environmental preservation
 - Internal environmental management towards becoming a zero-carbon organization
 - Community operations to promote zero-carbon communities

It is our hope that these guidelines will help us move forward to a zero-carbon society and create sustainability for all stakeholders.

Environmental Strategy 2019 - 2023



To encourage self-adaptation amid climate change, key operations of KBank included the following:

1. K PLUS mobile banking application has been promoted as an innovation to alleviate global warming via reduced fuel consumption as customers do not have to visit branch offices and there is less paper used in conducting transactions, thus enhancing energy and resource conservation, as well as water usage, sustainable waste management, forest management and land use, which help promote minimization of greenhouse gas emissions.
2. Financial assistance has been provided in loans and investments to support businesses' use of renewable energy and energy/environmental conservation.
3. KBank has begun to study tools to measure and manage climate change impacts that are related to lending decisions.
4. KBank has joined Thailand's taxonomy working group as regards definitions of Green Finance and projects or activities in the Green Finance category, together with the Bank of Thailand and the Thai Bankers' Association.
5. KBank has managed operations to reduce greenhouse gas emissions from our business undertakings.
6. KBank has cooperated with business partners in the forms of training courses and consultations to seek effective guidelines to minimize impacts from climate change.

Provision of Green Loans

With the importance placed on environmental conservation, KBank has provided loans to individual and business customers of which their operations are environmentally friendly, namely:

1. Loans for renewable energy in Thailand, e.g. solar, wind and hydroelectric power plants
2. Overseas Renewable Energy Loans
In 2020, KASIKORNBANK (CHINA) Co., Ltd. granted renewable energy loans in the People's Republic of China to power plants of 508 megawatts using natural energy and discharging minimal air pollution. The plants have total capacity of 25,710 tons per day of waste incineration. There are 26 power plants that have started operations and four power plants that are under

construction, as well as another 26 power plants that are expected to operate. Most electricity will be sold to local electricity authorities in China. Loans from KBank have been provided for use as working capital totaling RMB 23 million or Baht 107 million. All projects have been supported by local governments of China.

3. Loans for large-scale property projects with an environmentally friendly concept, e.g. ecosystem/ecoplex projects and Green Buildings that pursue LEED certification from the United States Green Building Council (USGBC)
4. Loans for energy and environmental conservation for individual and business customers, with the following details:

- **Projects of individual customers**

- SCG HEIM home loans for energy-saving projects that use environmentally friendly materials
- Solar Rooftop Loans with special interest rates for solar rooftop installation in cooperation with the Provincial Electricity Authority under the PEA Solar Hero Application Project to promote households' solar energy use

- **Project for business customers**

KBank has supported business operators that are aware of energy and environmental conservation by offering funds for use as working capital for building and production process improvement towards greater energy saving, changing light bulbs to LED, solar rooftop installation and advisory service for projects at risk of being affected by climate change to enhance their energy efficiency and competitiveness. Financial products under this project include the following:

- Improvement of systems and processes to minimize energy use in business premises
- Solar rooftop installation
- Building renovation for energy conservation and environmental friendliness
- Energy conservation loans

Operating Performance of Green Loans



Domestic Renewable Energy Loans	Number of Projects	Outstanding Loans (Million Baht)	Production Capacity (Megawatts)
Solar energy loans	40	7,649.30	719.70
Hydroelectricity loans	0	0	0
Biomass energy loans	5	384.64	72.90
Waste-to-energy loans	4	984.75	20.50
Biogas energy loans	1	136.76	4.00
Energy from farm products loans	0	0	0
Wind energy loans	1	227.97	189.00
Total Renewable Energy Loans	51	9,383.42	1,006.10



Social Benefits

Number of households that benefit from loans for domestic renewable energy projects

503,808

Overseas Renewable Energy Loans	Outstanding Loans (Million Baht)	Production Capacity (Megawatts)
---------------------------------	----------------------------------	---------------------------------

Renewable energy loans in the People's Republic of China



Social Benefits

Number of community residents in 14 provinces of China that benefit from renewable energy

850.31 million

Large-Scale Property Projects with an Environmentally Friendly Concept Loans	Outstanding Loans (Million Baht)
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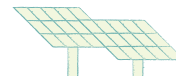
Green Building 4,072.25



Social Benefits

Number of users of buildings that benefit from large property projects with an environmentally friendly concept

15,450



Energy and Environmental Conservation Loans	Outstanding Loans (Million Baht)
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Modification of product systems and processes to save energy in the workplace 120.10

Installation of solar panels as alternative energy source for operations 1,379.23

Green building renovation 281.26

Energy and environmental conservative project financing 87.19

Green Home SCG HEIM Project 53.00

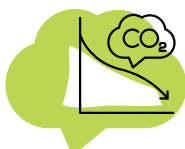
Total Energy and Environmental Conservation Loans 1,920.78



Social Benefits

Number of operators that benefit from energy and environmental conservation loans

134



Greenhouse gas emissions reduction following domestic and overseas renewable energy loans, and large-scale property projects with an environmentally friendly concept loans

1,302,077 Tonnes CO₂e

5. Sustainability Linked Credit Facility

KBank has inspired operators of environmentally and socially friendly businesses to be aware of the extent of impacts arising from their operations, including pollution and use of limited natural resources, as well as impacts on community residents. We have also encouraged them to adhere to the UN Sustainable Development Goals, such as reduction of greenhouse gas emissions, and minimization of energy and natural resource use, by granting special privileges to any customers that can meet their set targets. Loans from KBank have been provided totaling Baht 690.85 million.

Green Investment

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

Issuance of Sustainability Bonds*

KBank had launched sustainability bonds totaling USD 100 million to promote financing of environmentally and socially friendly projects, such as provision of energy and environmental conservation loans, renewable energy loans and loans that promote employment in society. We are the first bank in Thailand and ASEAN to issue sustainability bonds in accordance with global standards set up by the International Capital Market Association (ICMA).

Operating Performance

Bonds have been managed by lending the full amount to environmental and social projects approved by the Board of Directors based on their benefits in various fields, as follows:

- Nine environmental projects:
 - Seven solar energy projects and one waste-to-energy project having a total production capacity of 47 megawatts and generating electricity of 122 million kilowatt-hours
 - One large-scale property project with an environmentally friendly concept and design (Green Building), which takes into account efficient use of resources, energy and environment, and is expected to be granted the Gold level of Leadership in Energy and Environmental Design (LEED) certification from leading organizations, including the United States Green Building Council (USGBC) and WELL Building Standard



* More details of sustainability bonds and second-party opinions at <https://kasikornbank.com/en/sustainable-development/Sustainability-Bond>

- Three social projects
 - Two projects promoting employment generation and supporting SMEs and retail shops in communities, which have extended loans to 2,363 retail customers
 - One project supporting access to essential services, which has extended loans to 212 retirees

Investment in Green Bonds

KBank's investments in green bonds totaled Baht 1,308.16 million, with the following details:

- **Investment in Green Bonds in USD**

KBank has invested in USD-denominated green bonds issued by large financial institutions in foreign countries and certified by the Climate Bonds Standard (CBS). Apart from appropriate returns, these bonds promote minimization of climate change impacts.

- **Investment in Green Bonds in THB**

KBank has invested in THB-denominated green bonds issued by leading energy companies in Thailand and certified by the Climate Bonds Standard (CBS) and ASEAN Green Bond Standards (ASEAN GBS) for investing in wind energy projects that are environmentally friendly. KBank has also invested in Thailand Government Bonds to finance the MRT Orange Line (East Section): Thailand Cultural Center – Min Buri (Suwinthawong), which is aimed at reducing traffic congestion and air pollution caused by the use of private cars.

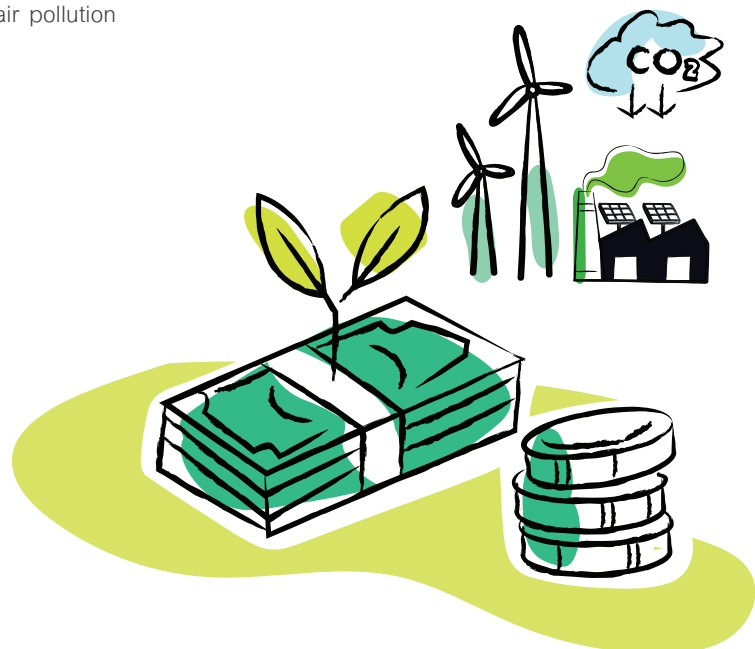
Issuance and Underwriting of Green Bonds

- **Issuance of short-term bonds based on Thai Overnight Repurchase Rate (THOR)**

KBank is Thailand's first issuer of THOR-linked short-term bonds under Thailand's Capital Market Development Program that is aimed at giving businesses more options to launch new floating rate bonds. With this bond issuance, KBank has more funding channels to finance various projects, including environmental projects in the long term.

- **Issuance of foreign currency bonds via blockchain**

KBank is the first commercial bank in Thailand to offer foreign currency-denominated short-term bonds via blockchain, as part of the innovations supporting capital market services towards the digital era. The Distributed Ledger Technology (DLT) or blockchain is used to enhance efficiency in processes of bond issuance, while cutting costs and increasing data security from the processes of bond issuance, and facilitating the tasks of Register and Custodian, which help reducing greenhouse gas emissions from related operations.



- **Green Bond Underwriting**

KBank was one of the underwriters of PTT PLC's environmental conservation bonds No. 1/2020, with a credit rating of AAA (tha) granted by Fitch Ratings (Thailand) Co., Ltd., totaling Baht 2,000 million. The bonds, which were offered to the general public, were deemed the world's first green bonds that were certified by the Forest Conservation Project of the Climate Bonds Initiative (CBI) – an international independent organization tasked with environmental missions. They were also Thailand's first green bonds offered to the general public. Proceeds from the bond issuance are to be used in natural resource and environmental projects, such as reforestation for ecosystem rehabilitation and global warming alleviation, and the Learning Center of PTT Reforestation Institute. Such projects aim to help absorb carbon dioxide that is the cause of global warming, expand forest areas and green areas in cities, and assist in improving people's quality of life.

- **Co-underwriting of Savings Bonds via Blockchain**

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

Sales of Investment Units of Environmental and Social Funds

- **K-CLIMATE Transition Fund**

The K-CLIMATE Transition Fund is Thailand's first and only fund dedicated to awareness of climate change issues, focusing on alleviation of environmental problems and climate change impacts, while offering opportunities to earn satisfactory long-term returns from diverse businesses across the globe. The Fund believes that businesses having awareness of environmental issues and social responsibility will generate sustainable returns. Total value of the Fund is Baht 1,098 million.

- **K-CHANGE Fund**

The K-CHANGE Fund invests in businesses that create positive impacts to the world. Its investments are placed in global stocks via the master fund: Baillie Gifford Positive Change Fund – Class B accumulation (GBP) that selects companies having four major policies, namely participation with society and education, environmental responsibility, promotion of quality of life, and assistance for socially underprivileged people. The Fund is valued at Baht 9,111 million.



KBank launched the K-CLIMATE Transition Fund, which is dedicated to raising awareness of climate change issues.



KBank launched the K-CHANGE Fund, which invests in businesses that make positive impacts on the world.

- **K Global High Impact Thematic Equity Fund (K-HIT)**
K-HIT invests via the master fund: Allianz Global Investors Fund – Allianz Thematica Share Class P (EUR) that emphasizes investment diversification in businesses consistent with four megatrends, namely urbanization, technological innovation, resource scarcity, and demographic & social change. The Fund's value amounts to Baht 1,238 million.

Cooperation with Partners to Alleviate Climate Change Impacts

KBank has joined hands with public and private agencies in Thailand and foreign countries to share information and knowledge, and to seek methods for alleviation of climate change impacts.

Cooperation with Domestic Agencies

- KBank and the Thai Energy Services Company Association (Thai ESCO) have promoted tangible energy conservation. Thai ESCO engages in providing comprehensive services of consultation and energy management for business operators, which serve as an important mechanism to ensure businesses that the proceeds earned from energy conservation can be efficiently used for debt repayment and enhancement of competitiveness, and help conserving energy and preserving the environment.
- KBank is taking part in a working group of the Institute of Industrial Energy, Federation of Thai Industries, to determine and drive forward the policies of public and private sectors for efficient use of energy in the industrial sector.

- KBank and the Provincial Electricity Authority have jointly developed the PEA Solar Hero application to serve as a channel to facilitate access to renewable energy via solar rooftop installation. The application provides analysis of electricity use, advice on proper production capacity, investment types and funding sources from KBank, calculation of breakeven point, and standardized products and installers, in order to encourage households' shift to clean energy use.
- KBank was one of the panelists of the "Green Bond, Social Bond and Sustainability Bond of Thailand" seminar in the Sustainability Bond Forum to promote financing of environmental and social sustainability projects by means of issuance of green bonds, social bonds and sustainability bonds. The event was aimed at stimulating financial institutions and companies towards launches of environmental and social bonds.

Cooperation with Foreign Organizations

- KBank has cooperated with the Agence Francaise de Developpement (AFD) under the Green Building Project to offer loans to business operators for transforming their buildings into green buildings to reduce energy use and minimize global warming. Special loans under the K-Green Building Program have been granted for this purpose. In addition, seminars were held to disseminate knowledge and advice on energy saving buildings to business operators.



Environmental Management



Risks

If KBank were to have inefficient environmental management, KBank's business operations in the future could be directly affected, and operating costs could potentially increase.

Opportunities

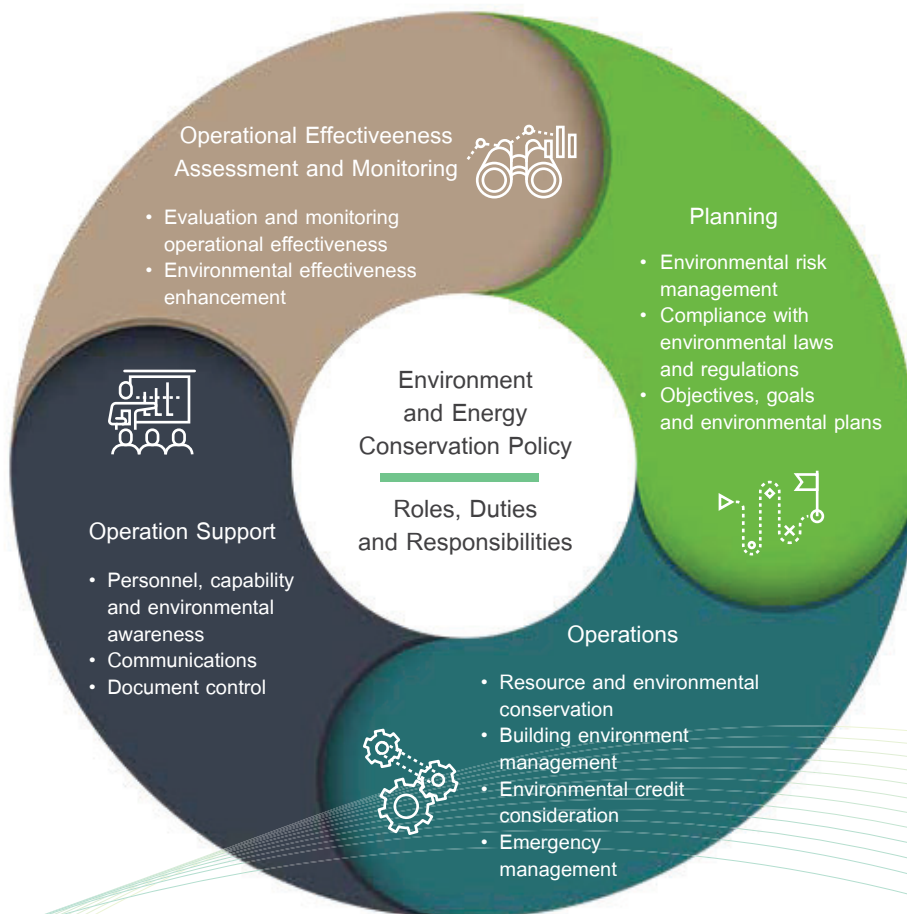
If effective environmental management is in place, KBank will be able to save on operating costs while also help easing impacts from climate change.

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



Environmental Management

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

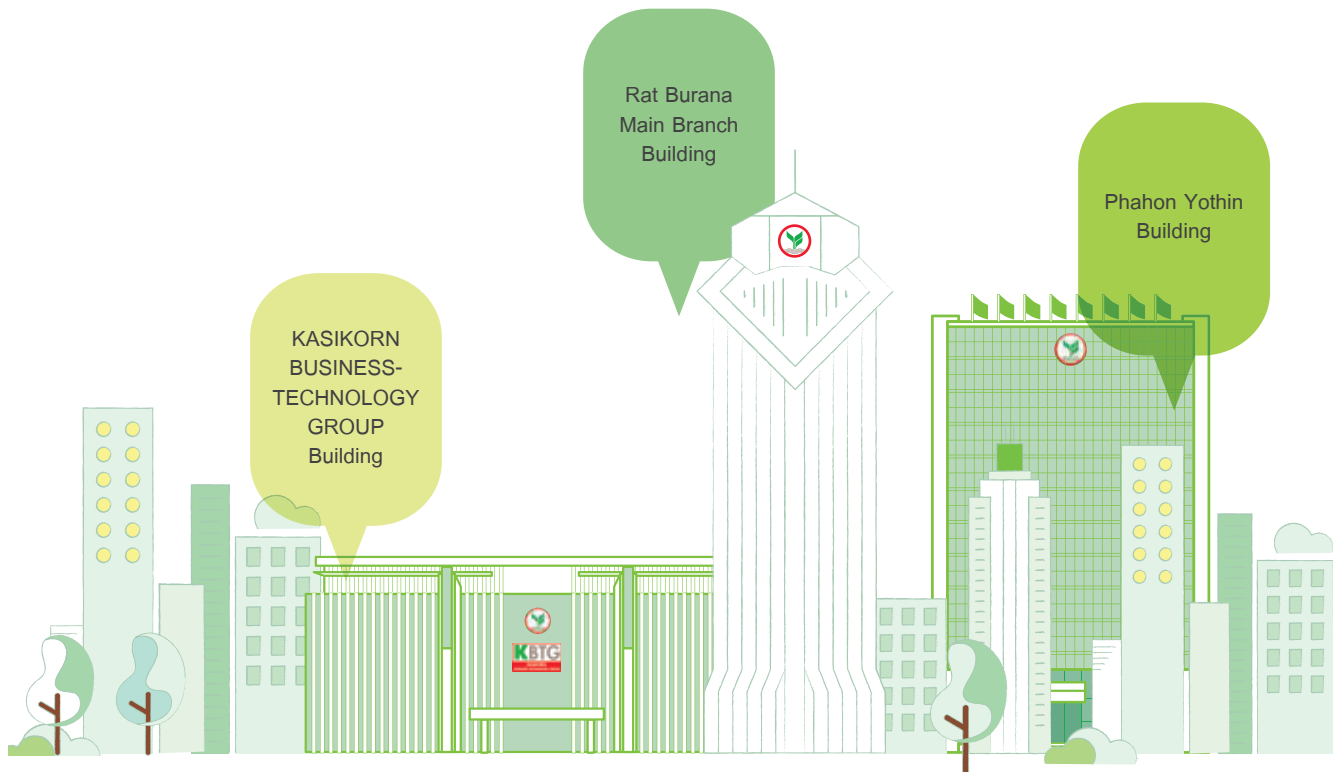


Management Approach

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

Green Building Design

KBank attaches great importance to construction design and selection of environmentally friendly materials, based on the concept of Green Building Design, under the guidelines for energy and environmental conservation. This is in accordance with the Leadership in Energy and Environmental Design (LEED) international standard which is a certification of green buildings that takes into account environmental impacts, energy efficiency, and quality of life of occupants. In addition, KBank has installed a system to support people with disabilities in accordance with the principles of Universal Design.



Green Process Design

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

Green Facility

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

Environmental Management



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

1. Lighting System Management

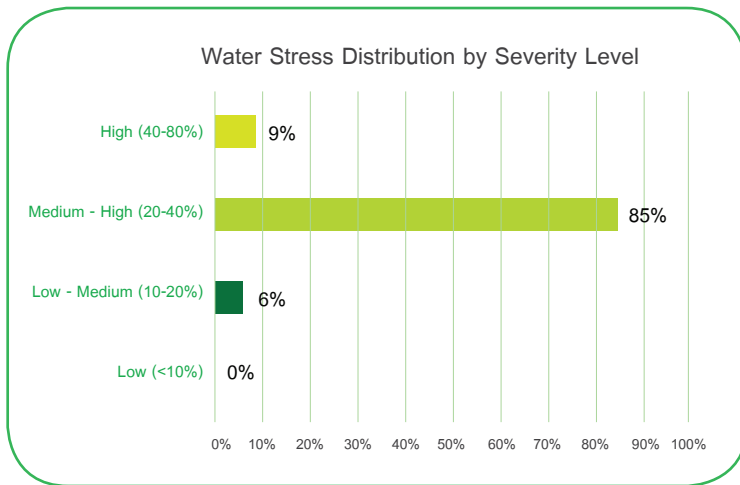
KBank has replaced 33,112 interior lighting lamps and 3,681 exterior lighting modules with LED bulbs, which reduced energy consumption by 1,817,213 kilowatt-hours. The KASIKORN BUSINESS-TECHNOLOGY GROUP building is equipped with a solar rooftop system that supplies power, with a capacity of 350 kilowatts. In 2020, a total of 434,105 kilowatt-hours of electricity was generated. Thanks to this effort, KBank was able to reduce total greenhouse gas emissions by 1,288 tonnes of CO₂ equivalent, thus cutting electricity costs by Baht 8,960,246.

2. Air Conditioning System Management

KBank installed a control system for the operation of the chiller plant that includes a control device for cold-air dispenser and diffuser. The system helps reduce electricity consumption by 328,007 kilowatt-hours. From this process, KBank was able to reduce total greenhouse gas emissions by 188 tonnes of CO₂ equivalent and save electricity costs by Baht 1,606,647.

3. Water Usage Management

Water flow rates of faucets and toilets in every building have been adjusted to reduce water consumption. Waste water is effectively treated and reused in sanitary and plant watering systems to ensure energy efficiency and optimize benefits. In 2020, 30,853 cubic meters of recycled water were used at KBank and save cost total of Baht 502,904. In accordance with water security situation in certain areas of the country, KBank has prepared risk assessment reports on all of the Bank's buildings for enhanced efficiency in water use management in risk areas as shown in the figure below. In 2020, water consumption in risk-prone areas represented 9 percent of total water consumption.



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

350 kilowatts



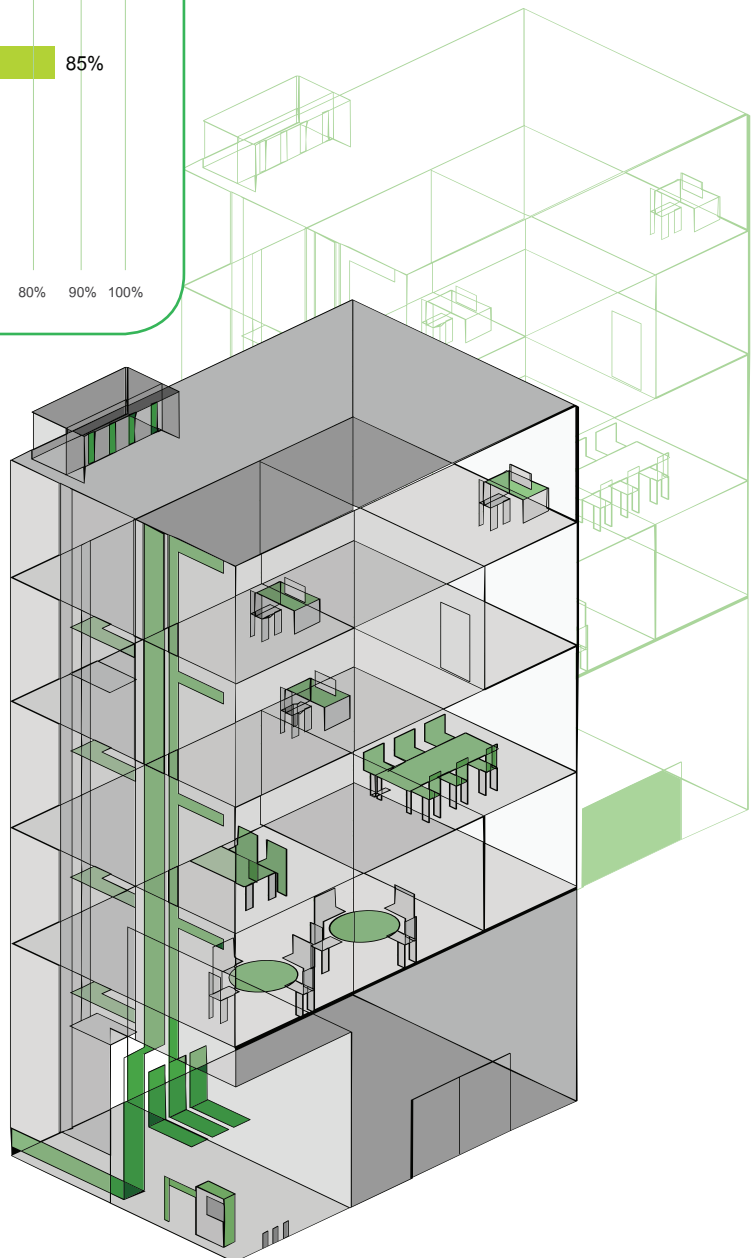
Water Usage Management has used recycled water by

30,853 m³



Air Conditioning System Management has helped lower energy consumption by

328,007 kilowatt-hours



4. Green Waste Management

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

KBank manages paper recycling by saving recyclable paper from buildings with the cooperation of service providers, who collect the paper waste to turn it into pulp for reuse. In 2020, KBank recycled 1,366 tonnes of paper.



The amount of paper sent to be recycled in 2020 is

1,366 tonnes



Green Behavior

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



Carbon Footprint Program

KBank has received Carbon Footprint for Organization certification; its carbon footprint label was registered by the Thailand Greenhouse Gas Management Organization (Public Organization), Certificate No. TGO CFO FY20-02-027 on March 26, 2020. KBank's carbon footprint of 103,997 tonnes of carbon dioxide equivalent was registered.

Carbon Neutral Program

KBank participated in the Thailand Voluntary Emission Reduction Program (T-VER) and received a Carbon Neutral certificate from the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO for the 3rd consecutive year, thanks to KBank's success in implementing carbon offsetting schemes by joining a carbon credit program with Mitr Phol Bio-Power (Danchang) Co., Ltd. (Block 2) and a community-level biogas program from pig farms in Tha Manao Sub-district, Chai Badan District, Lop Buri. The cooperation is aimed at driving Thailand towards the status of a Low-Carbon Economy to ensure sustainable growth in terms of economy, society and environment. This will not only benefit Thailand but also the world, now and in the future.

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











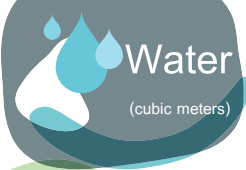














Green Behavior Program

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

In addition, KBank has promoted change in the behavior of KBank's executive employees, in choosing to use less fossil-based automotive fuels. The program has successfully increased the number of employees using clean fuels from 16 percent to 92 percent of total number of such employees.

Operating Performance

KBank is developing an Environmental Management System (EMS) to serve as a database on KBank's greenhouse gas emissions and energy consumption in line with our strategies and objectives. In 2020, KBank reduced energy consumption by 6.8 percent (compared to the target of 4.8-percent reduction from year 2019), water consumption by 10 percent (compared to the target of 5-percent reduction from year 2019) and greenhouse gas emissions by 9 percent (compared to the target of 5-percent reduction from year 2019). The table below provides statistics documenting our environmental performance.

	Target 2020	2020	2019	2018	2017
 Total Energy (renewable and nonrenewable energy) (megawatt-hours)		 6.45	 6.71	 7.88	 7.92
	217,648.79	213,091.98	228,646.07	237,486.19	240,383.34
Employee** Travel (kilometers) 		 145.54	 128.74	 121.80	 28.67
	-	4,807,722.26	4,386,303.89	3,668,803.42	869,865.18
Water (cubic meters) 		 23.67	 25.59	 27.45	 26.01
	828,214.75	781,861.73	871,805.00	826,714.00	789,099.00
Waste (metric tonnes) 		 0.18	 0.21	 0.25	 0.16
	6,698.26	5,851.33	7,050.80	7,599.67	5,780.97
Greenhouse Gas Emissions* (Scope 1 and 2) (tonnes of CO ₂ equivalent) 		 2.96	 3.05	 3.58	 3.45
	98,994.60	97,785.73	103,996.95	107,775.31	104,805.85

 Per Full Time Employee (FTE) which is based on the monthly average for the year 2020 of KBank, K Companies, KASIKORN BUSINESS-TECHNOLOGY GROUP and P Companies.

Note:

* In 2020, KBank's greenhouse gas emissions (Scope 1) report provided information on refrigerant and extinguishing agent leakage only.

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

Economic, Social and Environmental Performance



Thousand Baht

Economic Performance	2020	
	Consolidated	KBank
Revenues*	173,461,247	150,702,687
Other operating expenses**	31,200,879	31,587,475
Employee expenses***	32,143,480	22,923,404
Payments to providers of capital****	29,231,950	28,814,204
Tax payment to government*****	15,132,918	10,586,299
Cash donation for supporting community and education	1,564,120	1,520,987
Economic value retained	64,187,900	55,270,318
Total assets	3,658,797,759	3,061,407,131
Total liabilities	3,167,511,710	2,670,230,929
Total equity	491,286,049	391,176,202

* Revenue include net operating income, exclusive of interest expenses.

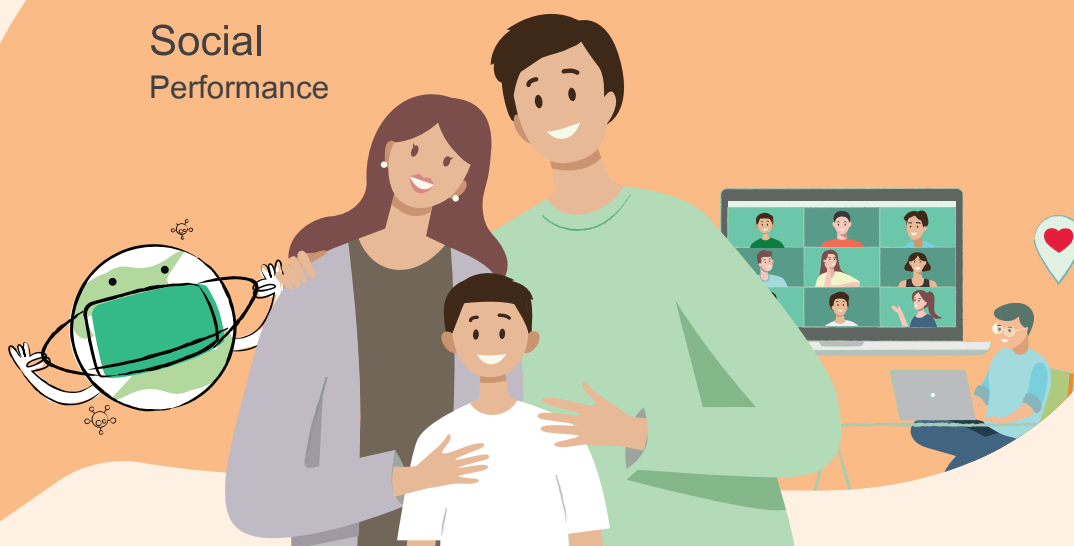
** Other operating expenses exclude expense associated with employees, tax, charitable donations and donations to support public services and educational projects.


*** Employee expenses include salaries, wages, overtime pay, bonuses, pension, cost of living subsidies, employee benefits, Bank contributions to provident funds, welfares and other benefits, e.g., health insurance and annual health checkup.

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

***** Tax payment to government includes direct and indirect taxes, e.g., corporate income tax, land and building tax, and special business tax.

Social Performance









Item	2017		2018		2019		2020	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
 Number of employees*	20,839		20,646		20,407		19,819	
By Gender								
• Male	6,579	31.57%	6,452	31.25%	6,262	30.69%	5,999	30.27%
• Female	14,260	68.43%	14,194	68.75%	14,145	69.31%	13,820	69.73%
By Age								
• < 30 years	8,166	39.19%	7,244	35.09%	6,228	30.52%	4,747	23.95%
• 30-50 years	9,601	46.07%	10,181	49.31%	10,811	52.98%	11,677	58.92%
• > 50 years	3,072	14.74%	3,221	15.60%	3,368	16.50%	3,395	17.13%
By Nationality								
• Thai	20,809	99.86%	20,611	99.83%	20,377	99.85%	19,790	99.85%
• Foreigner	30	0.14%	35	0.17%	30	0.15%	29	0.15%


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

Item	2017		2018		2019		2020	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
By others								
• People with disability	1	0.00%	2	0.01%	2	0.01%	2	0.01%
By Type of Employment								
• Permanent	20,767	99.65%	20,548	99.53%	20,283	99.39%	19,755	99.68%
• Contracted	72	0.35%	98	0.47%	124	0.61%	64	0.32%
By Workplace								
• Head office and main buildings	9,787	46.96%	9,920	48.05%	11,156	54.67%	11,490	57.97%
• Elsewhere	11,052	53.04%	10,726	51.95%	9,251	45.33%	8,329	42.03%
By Country								
• Thailand	20,815	99.88%	20,622	99.88%	20,379	99.86%	19,795	99.88%
• Elsewhere	24	0.12%	24	0.12%	28	0.14%	24	0.12%
By Level of Education								
• High school (lower than bachelor's degree)	401	1.92%	357	1.73%	313	1.53%	282	1.42%
• Bachelor's degree	14,358	68.90%	14,127	68.42%	13,795	67.60%	13,247	66.84%
• Master's degree	6,046	29.01%	6,124	29.66%	6,263	30.69%	6,251	31.54%
• Doctoral degree	34	0.16%	38	0.18%	36	0.18%	39	0.20%
By Employee Level								
Top Management Level	62		63		74		81	
• Male	45	72.58%	45	71.43%	50	67.57%	56	69.14%
• Female	17	27.42%	18	28.57%	24	32.43%	25	30.86%
• < 30 years	0	0.00%	0	0.00%	0	0.00%	0	0.00%
• 30-50 years	32	51.61%	29	46.03%	36	48.65%	37	45.68%
• > 50 years	30	48.39%	34	53.97%	38	51.35%	44	54.32%

Item	2017		2018		2019		2020	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
Middle Management Level	846		887		929		943	
• Male	462	54.61%	477	53.78%	488	52.53%	484	51.33%
• Female	384	45.39%	410	46.22%	441	47.47%	459	48.67%
• < 30 years	0	0.00%	0	0.00%	0	0.00%	0	0.00%
• 30-50 years	493	58.27%	507	57.16%	527	56.73%	519	55.04%
• > 50 years	353	41.73%	380	42.84%	402	43.27%	424	44.96%
Junior Management Level	7,032		6,998		7,139		7,248	
• Male	2,865	40.74%	2,797	39.97%	2,808	39.33%	2,777	38.31%
• Female	4,167	59.26%	4,201	60.03%	4,331	60.67%	4,471	61.69%
• < 30 years	474	6.74%	324	4.63%	211	2.96%	126	1.74%
• 30-50 years	4,792	68.15%	4,789	68.43%	4,935	69.13%	5,124	70.69%
• > 50 years	1,766	25.11%	1,885	26.94%	1,993	27.92%	1,998	27.57%
Junior Officer	12,899		12,698		12,265		11,547	
• Male	9,726	75.40%	3,133	24.67%	2,916	23.77%	2,682	23.23%
• Female	3,173	24.60%	9,565	75.33%	9,349	76.23%	8,865	76.77%
• < 30 years	7,692	59.63%	6,920	54.50%	6,017	49.06%	4,621	40.02%
• 30-50 years	4,315	33.45%	4,856	38.24%	5,342	43.55%	5,997	51.94%
• > 50 years	892	6.92%	922	7.26%	906	7.39%	929	8.04%

Item	2017		2018		2019		2020	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
 New Hires	2,346	11.26%	1,771	8.58%	1,457	7.14%	395	1.99%
By Age								
• < 30 years	1,971	84.02%	1,315	74.25%	1,071	73.51%	227	57.47%
• 30-50 years	373	15.90%	455	25.69%	382	26.22%	167	42.28%
• > 50 years	2	0.09%	1	0.06%	4	0.27%	1	0.25%
By Gender								
• Male	498	21.23%	471	26.60%	412	28.28%	150	37.97%
• Female	1,848	78.77%	1,300	73.40%	1,045	71.72%	245	62.03%
By Employee Level								
• Top Management Level	0	0.00%	3	0.17%	3	0.21%	1	0.25%
• Middle Management Level	22	0.94%	27	1.52%	23	1.58%	19	4.81%
• Junior Management Level	142	6.05%	199	11.24%	180	12.35%	104	26.33%
• Junior Officer	2,182	93.01%	1,542	87.07%	1,251	85.86%	271	68.61%
By Workplace								
• Head office and main buildings	962	41.01%	1,016	57.37%	941	64.58%	343	86.84%
• Elsewhere	1,384	58.99%	755	42.63%	516	35.42%	52	13.16%
By Country								
• Thailand	2,346	100.00%	1,771	100.00%	1,457	100.00%	395	100.00%
• Elsewhere	0	0.00%	0	0.00%	0	0.00%	0	0.00%
By Nationality								
• Thai	2,338	99.66%	1,753	98.98%	1,456	99.93%	380	96.20%
• Foreigner	8	0.34%	18	1.02%	1	0.07%	15	3.80%
People with disabilities	0	0.00%	1	0.06%	0	0.00%	0	0.00%
 Open positions filled by internal candidates	83	81.92%	162	89.00%	87	81.31%	99	84.62%
 Average employee expense per FTE	9,065.40		10,990.79		20,079.10		61,155.36	

Item	2017		2018		2019		2020	
	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees	Number of employees	% of total employees
 Number of Turnover (not including retirement, early retirement, death, not qualified, disclaim, contract termination and termination of all kinds)	1,956	9.39%	1,558	7.55%	1,252	6.14%	627	3.16%
By Gender								
• Male	464	23.72%	377	24.20%	345	27.56%	189	30.14%
• Female	1,492	76.28%	1,181	75.80%	907	72.44%	438	69.86%
By Age								
• < 30 years	1,360	69.53%	1,008	64.70%	662	52.88%	288	45.93%
• 30-50 years	592	30.27%	546	35.04%	588	46.96%	336	53.59%
• > 50 years	4	0.20%	4	0.26%	2	0.16%	3	0.48%
By Employee Level								
• Top Management Level	5	0.26%	1	0.06%	0	0.00%	2	0.32%
• Middle Management Level	22	1.12%	23	1.48%	18	1.44%	14	2.23%
• Junior Management Level	303	15.49%	285	18.29%	212	16.93%	116	18.50%
• Junior Officer	1,626	83.13%	1,249	80.17%	1,022	81.63%	495	78.95%
By Workplace								
• Head office and main buildings	755	38.60%	714	45.83%	667	53.27%	374	59.65%
• Elsewhere	1,201	61.40%	844	54.17%	585	46.73%	253	40.35%
By Country								
• Thailand	1,956	100.00%	1,558	100.00%	1,252	100.00%	627	100.00%
• Elsewhere	0	0.00%	0	0.00%	0	0.00%	0	0.00%
By Nationality								
• Thai	1,949	99.64%	1,549	99.42%	1,247	99.60%	626	99.84%
• Foreigner	7	0.36%	9	0.58%	5	0.40%	1	0.16%
People with disabilities	0	0.00%	0	0.00%	0	0.00%	0	0.00%
 Number of employees who are labor union members	8,687	41.69%	8,433	40.85%	8,497	41.64%	8,753	44.16%
 Number of employees under supervision of the Welfare and Labor Union Committee	20,839	100.00%	20,646	100.00%	20,407	100.00%	19,819	100.00%

Item	2017	2018	2019	2020
 Ratio of Salary and Basic Remuneration of Male and Female Employees				
Head Office				
• Top Management (Executive)	1 : 0.76	1 : 0.78	1 : 0.76	1 : 0.86
• Middle Management	1 : 1.04	1 : 1.04	1 : 1.04	1 : 1.05
• Operating and Staff Level	1 : 0.75	1 : 0.77	1 : 0.77	1 : 0.77
Elsewhere				
• Top Management (Executive)	-	-	-	-
• Middle Management	No Female	No Female	No Female	No Female
• Operating and Staff Level	1 : 0.69	1 : 0.69	1 : 0.70	1 : 0.68

Item	2017		2018		2019		2020	
	Male	Female	Male	Female	Male	Female	Male	Female
• Number of employees having the right of maternity/parental leave	20,839		20,646		20,407		19,819	
	6,579	14,260	6,452	14,194	6,262	14,145	5,999	13,820
• Number of employees using the right of maternity/parental leave (classified by gender)	766		893		945		863	
	36	730	53	840	65	880	68	795
• Number of employees returning to work after maternity/parental leave (classified by gender)	727		849		903		835	
	35	692	49	800	61	842	66	769
• Percentage of employees returning to work and remaining at work after maternity/parental leave	94.91%		95.07%		95.56%		96.76%	
	97.22%	94.79%	92.45%	95.24%	93.85%	95.68%	97.06%	96.73%

Item	2017	2018	2019	2020
Employee Engagement*				
• Engagement Score*	68%	68%	75%	75%
• Information Coverage (%)	100%	100%	100%	100%
• Percentage of actively engaged employees	100%	100%	100%	100%
By Gender				
• Male	69%	69%	75%	75%
• Female	67%	67%	75%	75%
By Employee Level				
• Top Management Level	75%	75%	67%	67%
• Middle Management Level	N/A	N/A	77%	77%
• Junior Management Level	N/A	N/A	76%	76%
• Junior Officer	N/A	N/A	75%	75%
Minimum notice period before effective operational changes that potentially affect job title/type of employment, e.g., organizational restructuring, business merger and branch expansion				
• Job changes	2 weeks			
• Business merger, branch expansion	60 days			
• Organizational restructuring, e.g., addition or reduction of divisions	2 weeks			
Employee Complaints in Relation to Labor Practices				
• Number of employee complaints in relation to labor practices	2	8	7	2
• Number of resolved complaints	2	8	7	2
• Number of pending complaints	-	-	-	-

* The Engagement Score assessment is conducted every 2 years

Training

Item	Hours per year per person			
	2017	2018	2019	2020
Total training hours	1,094,591	881,469	928,507	847,516
Average training hours	52.5	42.2	45.5	42.8
By Employee Level				
• Management level (First Vice President and higher)	81.6	67.6	95.4	42.6
• Operating and staff level (below First Vice President)	52.1	41.8	44.6	42.8
By Gender				
• Male	50.7	41.0	45.7	40.2
• Female	53.4	42.8	45.4	43.9

Item	Percentage of total employees			
	2017	2018	2019	2020
Employee Performance Evaluation				
Percentage of evaluated employees	100%	100%	100%	100%
By Employee Level				
• Top Management	100%	100%	100%	100%
• Junior Management	100%	100%	100%	100%
• Operating and staff level	100%	100%	100%	100%
By Gender				
• Male	100%	100%	100%	100%
• Female	100%	100%	100%	100%
Training Expenses (Baht)				
Staff Productivity (Revenue/Personnel Expense)	5.81	5.75	5.66	5.78
Human Capital Return on Investment	4.31	4.15	4.08	4.15

Occupational Health and Safety

Item	Unit	2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Injury Rate (IR)	Number of employees per 200,000 operating hours	0.00		0.00		0.01		0.00	
		0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Lost Time Injury Rate (LTIR)	Number of employees per 200,000 operating hours	0.00		0.00		0.01		0.00	
		0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Lost Day Injury Rate (LDIR)	Number of lost days per 200,000 operating hours	0.00		0.00		0.01		0.00	
		0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Occupational Disease Rate (ODR)	Number of employees per 200,000 operating hours	0.00		0.00		0.00		0.00*	
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Absentee Rate (AR)	Percentage	0.74		0.78		0.83		0.69	
		0.68	0.77	0.75	0.79	0.81	0.83	0.64	0.71
Number of Fatalities	Person	0	0	0	0	0	0	0	0
Sick Leave									
Number of sick leave days	Day	10,990	26,638	11,902	27,495	12,325.5	28,805	9,327	23,779.5
By Workplace									
• Head office and main buildings	Day	25,258		27,180		30,021		23,653	
• Elsewhere	Day	12,370		12,217		11,110		9,454	
Number of time lost due to non-work related illness	Hours (Day x 8 hours)	87,916	213,100	95,212	219,960	98,604	230,440	74,616	190,236

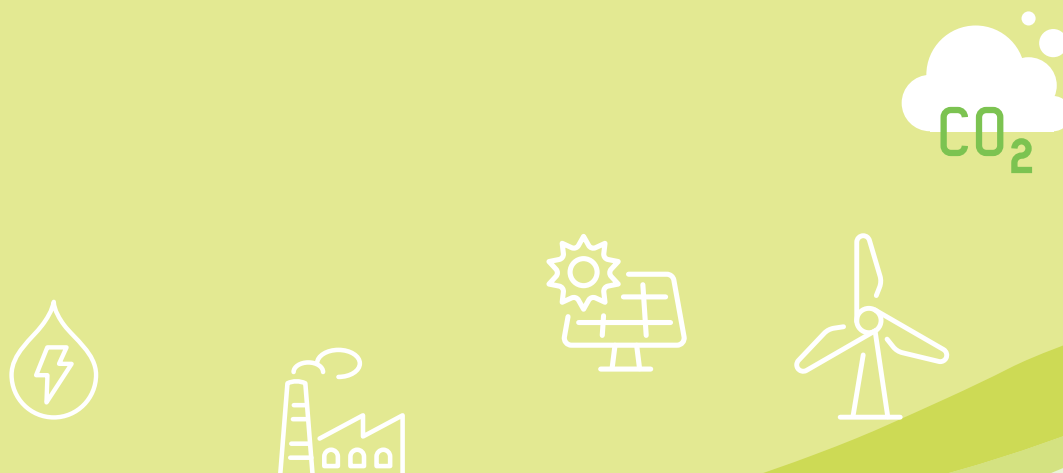
Remark:

The number of cases of recordable work-related ill health was recorded from opinions of the Social Security Office. In 2020, the number of employees who received the Social Security Office opinion that they had work-related ill health was 0.

Environmental Performance



Assessment Parameter	
Baseline year	2012, 2018
Consolidation approach	Operation controls
Boundary summary	All entities and facilities either owned or under operation control
Emission factor data source	IPCC 2006, DEDE 2010 and TGO update Jan 2017
Materiality threshold	10%
Intensity ratio	per FTE
Independent assurance	YES



Parameter	Performance 2012 (Baseline Year)	Performance 2017	Performance 2018 (Baseline Year)	Performance 2019	Performance 2020	Target 2020	% Change 2019 VS 2020 (% change YoY)	Long-term Target		Accumulative performance against long term target	
								2016 - 2020 (Base year 2012)	2019 - 2023 (Base year 2018)	2016 - 2020 (Base year 2012)	2019 - 2020 (Base year 2018)
Greenhouse Gas Emission (GHG Emission)											
Total Scope 1 emissions* (Tonnes CO ₂ e)	18,249.98	24,583.26	21,160.73	21,145.20	18,727.05	8%	-11.44%			2.61%	-11.50%
Total Scope 2 emissions (Tonnes CO ₂ e)	95,259.34	80,222.59	86,614.58	82,851.75	79,058.67	4%	-4.58%			-25.92%	-8.72%
Total Scopes 1&2 emissions (Tonnes CO ₂ e)	113,509.32	104,805.85	107,775.31	103,996.95	97,785.73	-4.8%	-5.97%	-20%	-6.1%	-21.34%**	-9.27%
Total Scopes 1&2 emissions intensity (Tonnes CO ₂ e per FTE)	5.06	3.45	3.58	3.05	2.96					-41.50%**	-17.32%
Full Time *** Employee (FTE)	22,441	30,344	30,121	34,072	33,034						

* In 2020, KBank reported GHG Emission (Scope 1) specifically for the leakage of refrigerant and fire extinguishing substances in only major buildings of KBank.

** KBank has adjusted the scope of the 2020 Report so that it can be compared with the data reported in 2012,

e.g. GHG Emission (Scope 2) includes consumption of energy directly purchased from the Provincial Electricity Authority and Metropolitan Electricity Authority only.

*** Full Time Employee is based on the monthly average for the year 2020 of KBank, K Companies, KASIKORN BUSINESS-TECHNOLOGY GROUP and P Companies.

Parameter	Performance 2017	Performance 2018	Performance 2019	Performance 2020	Target 2020	% Change 2019 VS 2020 (% change YoY)
Energy						
Total energy consumption within organization from renewable and non-renewable sources (MWh)	240,383.34	237,486.19	228,646.07	213,091.98	-4.8%	-6.8%
- Total fuel consumption within the organization from non-renewable sources (MWh)	229,191.07	226,827.43	221,435.77	203,592.31		-8.06%
- Total fuel consumption within the organization from renewable sources (MWh)	11,192.27	10,658.76	7,210.30	9,499.68		32%
Total energy consumption intensity from renewable and non-renewable sources (MWh per FTE)	7.92	7.88	6.71	6.45		-3.87%
Total energy consumption within organization from renewable and non-renewable sources (GJ)	865,380.02	854,950.28	823,125.84	767,131.14	-4.8%	-6.8%
- Total energy consumption within the organization from non-renewable sources (GJ)	825,087.85	816,578.74	797,168.76	732,932.31		-8.06%
- Total energy consumption within the organization from renewable sources (GJ)	40,292.16	38,371.54	25,957.08	34,198.83		32%
Total energy consumption intensity from renewable and non-renewable sources (GJ per FTE)	28.52	28.38	24.16	23.22		-4%
Water and Effluents						
Total water withdrawal (million m ³)	0.79	0.83	0.87	0.78	-5%	-10%
- In all area						
Third-party water (Total) (≤ 1,000 mg/L Total Dissolved Solids)				0.78		
- In areas with water stress						
Third-party water (Total) (million m ³)				0.07		
- Freshwater (≤ 1,000 mg/L Total Dissolved Solids);				0.07		
- Groundwater (≥ 1,000 mg/L Total Dissolved Solids);				0		
Water withdrawal intensity (m ³ per FTE)	26.01	27.45	25.59	23.67		-8%
Total CO ₂ emission from water withdrawal (Tonnes CO ₂ e)	-	559.16	588.44	534.56	-5%	-9%
Total CO ₂ emission from water withdrawal per FTE (Tonnes CO ₂ e per FTE)	-	0.02 (0.0186)	0.02 (0.0173)	0.02 (0.01618)		-6%
Total water discharge to surface water (m ³)				511,935.07		
- Volume (m ³) (≤ 1,000 mg/L Total Dissolved Solids)				511,935.07		
- Volume (m ³) (≥ 1,000 mg/L Total Dissolved Solids)						
Total water consumption (m ³)				269,891.66		

Parameter	Performance 2017	Performance 2018	Performance 2019	Performance 2020	Target 2020	% Change 2019 VS 2020 (% change YoY)
Waste						
Total Waste generate (Metric Tonnes)	5,780.97	7,599.67	7,050.80	5,851.33	-5%	-17%
- Disposal method of hazardous waste (Metric Tonnes)			720.90	581.35		-19%
- Total waste reused (Metric Tonnes)			0.30	1.31		337%
- Total waste recycled (Metric Tonnes)			713.12	577.46		-19%
- Total waste landfill (Metric Tonnes)			7.48	2.59		-65%
- Disposal method of non-hazardous waste (Metric Tonnes)	5,780.96	7,599.25	6,329.89	5,269.98		-17%
- Total waste reused (Metric Tonnes)	0	0	0	0		0%
- Total waste recycled (Metric Tonnes)	0	0	1,111.29	1,377.24		24%
- Total waste landfill (Metric Tonnes)	4,870.38	6,575.36	5,218.60	3,892.74		-25%
Waste generated intensity (kg per FTE)	190.51	252.30	206.94	177.13		-14%
Travel						
Total business travel from road (km)	869,865.18	3,668,803.42	4,386,303.89	4,807,722.26		10%
Total CO ₂ e emission from road travel (Tonnes CO ₂ e)	159.35	593.35	686.61	752.58		10%
Total CO ₂ e emission from road travel per FTE (Tonnes CO ₂ e per FTE)	0.01 (0.0053)	0.02 (0.0197)	0.02 (0.0202)	0.02 (0.0228)		
Full Time Employee* (FTE)	30,344	30,121	34,072	33,034		

* Full Time Employee is based on the monthly average for the year 2020 of KBank, K Companies, KASIKORN BUSINESS-TECHNOLOGY GROUP and P Companies.

About This Report

The Sustainability Report of KASIKORNBANK PUBLIC COMPANY LIMITED has been prepared annually since 2012 as a channel to report on our sustainable development performance. The Sustainability Report 2020 was published in March 2021. As for the 2020 report, its boundaries include information disclosure on the performance of KBank, subsidiaries, associates and related companies of which KBank holds at least 50 percent of shares or companies for which KBank holds management authority, and companies that wish to disclose such information. Types of information and coverage are elaborated below:

- **Economic Aspect Information**

Performance of KBank, subsidiaries, associated and related companies in consistence with our Form 56-1 One Report 2020

- **Social Aspect Information**

Performance of KBank only

- **Environmental Aspect Information**

Performance of KBank, K Companies, KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) and P Companies in Thailand as shown on page 182.

Report Boundaries

The report boundaries cover KBank's performance during January 1 – December 31, 2020. This report has been prepared in accordance with the GRI Standards: Core option. Furthermore, the boundaries cover guidelines for practices under the United Nations Global Compact (UNGC): Active Level voluntarily, as shown on page 198 - 201.

External Assurance for the Report

The economic aspect information boundaries in this report was compiled from the accounting recording system, as utilized in our Form 56-1 One Report 2020 and audited by Certified Public Accountant. In addition, in order to ensure the credibility and transparency of the environmental and social aspect information in this report, Lloyd's Register International (Thailand) Limited certified the correctness of energy consumption (GRI 302-1), water withdrawal (GRI 303-3), water discharge (GRI 303-4), water consumption (GRI 303-5), direct GHG emissions (Scope 1) (GRI 305-1), energy indirect GHG emissions (Scope 2) (GRI 305-2), other indirect GHG emissions (Scope 3) (GRI 305-3 : category 6 - business travel by taxicab only), waste by type and disposal method (GRI 306-2), total employees' absenteeism only (GRI 403-9) and monetary value of products and services designed to deliver a specific social business for each business line broken down by purpose (FS7) per GRI Standards, as shown on page 183 - 189.

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

Quality Control of Report Preparation

The Sustainable Development Unit of the Office of Corporate Secretary is the center for supervising the quality of report preparation to ensure the correctness and completeness of the report. The unit is responsible for compiling and verifying related information in compliance with the guidelines. All operational directions and processes have been reported to KBank's Corporate Governance Committee.

All inquiries regarding this report should be addressed to

Sustainable Development Unit
Office of Corporate Secretary, Corporate Secretariat Division
KASIKORNBANK PUBLIC COMPANY LIMITED
1 Soi Rat Burana 27/1, Rat Burana Road
Rat Burana Sub-District, Rat Burana District
Bangkok 10140, Thailand
Tel. +662-4702984

Environmental Aspect Information

The environmental aspect information in this report covers activities considered by KBank to have significant impacts on the environment, and has been compiled from KBank that produce environmental impacts. The environmental aspect information comes from different sources, e.g., recording gauges, accounting evidences, operating processes and data evaluation on quality principles.



Energy

Total energy consumption consists of non-renewable energy, including electricity and energy from fuel combustion – and renewable energy, including solar power as well as the amounts of bio-diesel and bio-gasoline in the fuel ratio. The information is derived from accounting data and energy unit conversion based on the annual energy report of Department of Alternative Energy Department and Efficiency.



Greenhouse Gas

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

1. Report Boundaries

- 1.1 Direct emissions (Scope 1) occur through operating processes and activities under KBank's monitoring, control and management, including fuel or natural gas combustion and the leakage of methane gas from Septic Tank and refrigerant links only.
- 1.2 Indirect emissions (Scope 2) occur mainly from the amount of electricity, bought from external sources for KBank's operations, including power purchased from Metropolitan Electricity Authority and Provincial Electricity Authority only.
- 1.3 Other indirect emissions (Scope 3) occur from KBank business travels by land transport and water consumption only.
 - Avoided emission occurring from reduced emission from customer activities due to low carbon loans, being used to construct low carbon infrastructure such as renewable energy and energy efficient buildings.

2. Report on Intensity

- 2.1 The calculation of Scope 1 GHG emissions is based on fuel consumption (by weight or quantity), e.g., the quantity of oil or natural gas x GHG emission factor and the leakage of methane gas from septic tank and refrigerant leaks.
- 2.2 The calculation of Scope 2 GHG emissions is based on the quantity of purchased electricity and emission factor.
- 2.3 The calculation of GHG emissions incurred indirectly through other means (Scope 3) is based on KBank business travels by land transport and acquisition of tap water x emission factor.

3. Greenhouse Gas Emission (GHG)

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

4. Emission Factor

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

5. Assessment Method

- 5.1 Based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition and corporate carbon footprint assessment of Thailand Greenhouse Gas Management Organization (Public Organization), Third Revision, October 3, 2016.
- 5.2 Calculation of decline in GHG emissions resulting from the use of financial products and services via digital channels based on the Attributional approaches on Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA 2015)

6. Assumption of GHG

Business travels by land transport to carry out KBank businesses, including taxi travels based on the proportion of NGV and LPG consumption of the number of participating taxis registered with the Department of Land Transport and the distance of the trips.



Water

Water management involves water from external sources, recycled water and reused water. Evaluation of water utilization efficiency and risk from different water sources is in place. Water from external sources is used for KBank's activities. The information is extracted from the accounting data or water supply meter reading.



Waste

Waste management covers total waste generated through KBank's operations and activities. The quantity of waste refers to the quantity of waste generated through KBank's operations and activities, and the quantity of waste recorded in this report was based on valid estimation of the quantity of municipal solid waste from Rat Burana Building, Phahon Yothin Building, Chaeng Watthana Building, KBTG Building and KASIKORN Learning Center in Bang Pakong, and based on theoretical estimation of waste generation from other buildings apart from the aforementioned.

Social Aspect Information

Number of KBank Employees

KBank employees are workers under employment contracts with KASIKORNBANK PUBLIC COMPANY LIMITED; they are classified into four groups, as below:

1. “Top Management Level” includes Chief Executive Officer, Presidents, Senior Executive Vice Presidents, Executive Vice Presidents and First Senior Vice Presidents.
2. “Middle Management Level” includes Department Head or equivalents, and Head of Unit/Division
3. “Junior Management Level” includes Senior Officers/ Team Leader or equivalents.
4. “Junior Officer” includes Officers

The above employees are also classified in accordance with the employee contracts, i.e., permanent and contract employees.

Calculation of Working Hours

1. The data is extracted from the time recording system and data record at Human Resources Management Department.
2. In case the companies or factories do not have a time recording system, average working hours will be used for the calculation, as follows:

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

Safety Data Recording

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

Definition

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

Calculation

$$\text{Injury Rate: IR} = \frac{\text{Number of all injuries (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$$

$$\text{Lost Time Injury Rate: LTIR} = \frac{\text{Number of Lost Time Injuries (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$$

$$\text{Lost Day Injury Rate: LDIR} = \frac{\text{Number of Lost Day Injuries (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$$

$$\text{Occupational Disease Rate: ODR} = \frac{\text{Number of Occupational Diseases (as of the day the report is prepared)} \times 200,000 \text{ (operating hours)}}{\text{Operating hours (as of the day the report is prepared)}}$$

$$\text{Absentee Rate: AR} = \frac{\text{Number of Lost Day Injuries and other Occupational Diseases that are not excused (as of the day the report is prepared)} \times 100}{\text{Total number of operating days in one year}}$$



Social and Environmental Information Disclosure Boundaries

	Social Aspect			Environmental Aspect			
	Labor Practice	Training	Safety	Fuel	Electricity	Water	Waste
1. KASIKORNBANK PUBLIC COMPANY LIMITED	●	●	●	●	●	●	●
2. KASIKORN ASSET MANAGEMENT CO., LTD.	○	○	○	●	●	●	●
3. KASIKORN RESEARCH CENTER CO., LTD.	○	○	○	●	●	●	●
4. KASIKORN SECURITIES PCL.	○	○	○	●	●	●	●
5. KASIKORN LEASING CO., LTD.	○	○	○	●	●	●	●
6. KASIKORN FACTORY AND EQUIPMENT CO., LTD	○	○	○	●	●	●	●
7. PROGRESS PLUS CO., LTD.	○	○	○	●	●	●	●
8. PROGRESS APPRAISAL CO., LTD.	○	○	○	●	●	●	●
9. PROGRESS GUNPAI CO., LTD.	○	○	○	●	●	●	●
10. PROGRESS MANAGEMENT CO., LTD.	○	○	○	●	●	●	●
11. PROGRESS FACILITIES MANAGEMENT CO., LTD	○	○	○	●	●	●	●
12. PROGRESS SERVICE CO., LTD.	○	○	○	●	●	●	●
13. PROGRESS STORAGE CO., LTD.	○	○	○	●	●	●	●
14. PROGRESS H R CO., LTD.	○	○	○	●	●	●	●
15. PROGRESS SERVICE SUPPORT CO., LTD.	○	○	○	●	●	●	●
16. PROGRESS COLLECTION CO., LTD.	○	○	○	●	●	●	●
17. PROGRESS TRAINING CO., LTD.	○	○	○	●	●	●	●
18. PROGRESS MULTI INSURANCE BROKER CO., LTD.	○	○	○	●	●	●	●
19. KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD.	○	○	○	●	●	●	●
20. KASIKORN LABS CO., LTD.	○	○	○	●	●	●	●
21. KASIKORN SOFT CO., LTD.	○	○	○	●	●	●	●
22. KASIKORN PRO CO., LTD.	○	○	○	●	●	●	●
23. KASIKORN SERVE CO., LTD. (Former name: PROGRESS SOFTWARE CO., LTD.)	○	○	○	●	●	●	●
24. KASIKORN X CO., LTD.	○	○	○	●	●	●	●

Note:

Economic aspect information covers the performance of KBank, subsidiaries, associated and related companies in consistence with our Form 56-1 One Report 2020.

GRI Content Index



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

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

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

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

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s) and / or URL (s)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGS
		ANNUAL REPORT	SUSTAINABILITY REPORT			
GRI 101: Foundation 2016	Reporting principles		30 - 41			
	Using the GRI Standards for sustainability reporting		178			
	Making claims related to the use of the GRI Standards		183 - 189			
General Disclosures						
GRI 102: General disclosures 2016	Organizational profile					
	102-1 Name of the organization		10			
	102-2 Activities, brands, products, and services		10 - 11			
	102-3 Location of headquarters		53			
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	102-5 Ownership and legal form		10			
	102-6 Markets served		10, 13, 16 - 17			
	102-7 Scale of the organization		10, 164			
	102-8 Information on employees and other workers		165 - 166			SDG 8
	102-9 Supply chain		96 - 99			
	102-10 Significant changes to the organization and its supply chain		16, 72			
	102-11 Precautionary principle or approach		75 - 85, 190 - 197			
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102-13 Membership of associations		41				

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	Strategy					
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	102-16 Values, principles, standards, and norms of behavior		47			SDG 16
	Governance					
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	102-19 Delegating authority		26, 45 - 46, 54 - 55, 76, 90 - 91			
	102-20 Executive-level responsibility for economic, environmental, and social topics		9			
	102-22 Composition of the highest governance body and its committees	101, 103 - 107				
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	102-26 Role of highest governance body in setting purpose, values, and strategy		12, 20, 26 - 27, 148			
	102-29 Identifying and managing economic, environment, and social impacts		76 - 77			
	102-30 Effectiveness of risk management processes		54 - 56, 76 - 77, 82			
	102-31 Review of economic, environmental, and social topics		82			
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	Stakeholder engagement					
	102-40 List of stakeholder groups		36 - 41			
	102-41 Collective bargaining agreements		169			SDG 8
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	102-45 Entities included in the consolidated financial statements		30, 182			
	102-46 Defining report content and topic boundaries		30 - 31			
	102-47 List of material topics		31 - 35			
	102-48 Restatements of information		No significant change observed			
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	102-50 Reporting period		178			
	102-51 Date of most recent report		178			
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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		12 - 13, 60			
	103-2 The management approach and its components		12 - 13, 22, 25, 60 - 61			
	103-3 Evaluation of the management approach		17, 22, 25, 62 - 71, 73			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed		14 - 15, 132, 164			SDG 8, SDG 9
Indirect economic impacts						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		102, 130			
	103-2 The management approach and its components		24 - 25, 102 - 107, 130 - 131			
	103-3 Evaluation of the management approach		24 - 25, 103 - 107, 132, 137, 139 - 140			
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts		14, 103 - 107, 137, 139			SDG 1, SDG 3, SDG 8

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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		47			
	103-2 The management approach and its components		22, 47 - 52			
	103-3 Evaluation of the management approach		22, 48			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures		48			SDG 16
Energy						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		156			
	103-2 The management approach and its components		156 - 159, 162			
	103-3 Evaluation of the management approach		159 - 160, 163			
GRI 302: Energy 2016	302-1 Energy consumption within the organization		14, 163, 174, 176, 179		YES	SDG 8, SDG 13
	302-3 Energy intensity		163, 174, 176			SDG 8, SDG 13
	302-4 Reduction of energy consumption		174, 176			SDG 8, SDG 13
Water						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		156			
	103-2 The management approach and its components		156 - 157, 159 - 160			
	103-3 Evaluation of the management approach		160, 163			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource		160, 174, 180			
	303-2 Management of water discharge-related impacts		160			
	303-3 Water withdrawal		14, 176		YES	
	303-4 Water discharge		14, 176		YES	
	303-5 Water consumption		176		YES	
Emissions						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		156			
	103-2 The management approach and its components		25, 85, 156 - 159, 162			
	103-3 Evaluation of the management approach		25, 85, 159, 163			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		174 - 175, 179 - 180		YES	SDG 3, SDG 13
	305-2 Energy indirect (Scope 2) GHG emissions		174 - 175, 179 - 180		YES	SDG 3, SDG 13
	305-3 Other indirect (Scope 3) GHG emissions		174, 177, 179 - 180		YES	SDG 3, SDG 13
	305-4 GHG emissions intensity		174 - 175, 177			SDG 13

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s) and / or URL (s)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGS
		ANNUAL REPORT	SUSTAINABILITY REPORT			
Effluents and Waste						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		156			
	103-2 The management approach and its components		156 - 159, 161			
	103-3 Evaluation of the management approach		161, 163			
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method		163, 174, 177, 180		YES	
Environmental assessment to suppliers						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		96			
	103-2 The management approach and its components		23, 96 - 99			
	103-3 Evaluation of the management approach		23, 96, 98			
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria		96			
Employment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		111, 116			
	103-2 The management approach and its components		24, 111 - 118			
	103-3 Evaluation of the management approach		24, 113 - 114, 117, 121			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		15, 168 - 169			SDG 5, SDG 8
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		117 - 118			SDG 8
	401-3 Parental leave		170			SDG 5, SDG 8
Labor/Management relations						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		111, 116			
	103-2 The management approach and its components		24, 111 - 118, 122 - 123			
	103-3 Evaluation of the management approach		24, 121 - 123			
GRI 402: Labor/Management relations 2016	402-1 Minimum notice periods regarding operational changes		171			SDG 8

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s) and / or URL (s)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGS
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Occupational health and safety						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		111, 123			
	103-2 The management approach and its components		24, 56, 123 - 125, 145			
	103-3 Evaluation of the management approach		24, 56, 125, 145			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system		123 - 125			
	403-2 Hazard identification, risk assessment, and incident investigation		57, 98 - 99			
	403-3 Occupational health services		123			
	403-4 Worker participation, consultation, and communication on occupational health and safety		57			
	403-5 Worker training on occupational health and safety		124			
	403-6 Promotion of worker health		124			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		58, 68, 106 - 107, 124 - 125, 145			
	403-10 Work-related ill health (Employee only)		173			SDG 3, SDG 8
Training and education						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		111			
	103-2 The management approach and its components		24, 119 - 122			
	103-3 Evaluation of the management approach		24, 120 - 121			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee		120, 172			SDG 4, SDG 5, SDG 8
	404-3 Percentage of employees receiving regular performance and career development reviews		172			SDG 5, SDG 8
Diversity and equal opportunity						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		111, 116			
	103-2 The management approach and its components		24, 116 - 117			
	103-3 Evaluation of the management approach		24, 117			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees		166 - 167			SDG 5, SDG 8
	405-2 Ratio of basic salary and remuneration of women to men		170			SDG 5, SDG 8, SDG 10
Human rights assessment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		126			
	103-2 The management approach and its components		25, 126 - 129			
	103-3 Evaluation of the management approach		25, 127 - 129			
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments		128 - 129			

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s) and / or URL (s)		OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGS
		ANNUAL REPORT	SUSTAINABILITY REPORT			
Supplier social assessment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		96			
	103-2 The management approach and its components		23, 96 - 99			
	103-3 Evaluation of the management approach		23, 96, 98			
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria		96			
	414-2 Negative social impacts in the supply chain and actions taken		98			
Customer privacy						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		90 - 91			
	103-2 The management approach and its components		23, 90 - 95			
	103-3 Evaluation of the management approach		23, 93			
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		93			SDG 16
Specific standard disclosures for the financial services sector						
Product portfolio						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		102, 148			
	103-2 The management approach and its components		24 - 25, 102 - 107, 148 - 150,			
	103-3 Evaluation of the management approach		24 - 25, 103 - 107, 150 - 155			
FS 7	Monetary value of products and services designed to deliver a specific social business for each business line broken down by purpose		106 - 107		YES	SDG 1, SDG 8, SDG 9, SDG 10
FS 8	Monetary value of products and services designed to deliver a specific environmental business for each business line broken down by purpose		14, 150 - 155			
Local communities						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		102			
	103-2 The management approach and its components		102 - 107			
	103-3 Evaluation of the management approach		103 - 107			
FS 13	Access points in low-populated or economically disadvantaged areas by types		103			SDG 1, SDG 8, SDG 10
FS 14	Initiatives to improve access to financial services for disadvantaged people		103 - 107			SDG 1, SDG 8, SDG 10
Financial Literacy (Former FS 16)						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries		102			
	103-2 The management approach and its components		24, 108 - 110, 144			
	103-3 Evaluation of the management approach		24, 108 - 110, 144			
FS 16	Initiatives to enhance financial literacy by type of beneficiary (former FS 16)		108 - 110, 144			



Reporting under the UN Principles for Responsible Banking

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Established on June 8, 1945, KBank has been in business for over 70 years, conducting commercial banking business, securities business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related notifications. KBank Head Office is located in Bangkok with 41 subsidiaries, a service network of 860 domestic branches across Thailand and 16 overseas offices in 8 countries, as of December 2020.</p> <p>Our financial network provides service solutions in response to all financial requirements of customers, with respect to banking, fund management, economic and financial analyses, securities brokerage and financial advisory, as well as auto financing and leasing services. KBank endeavors to deliver excellent experience for our customers.</p>	<p>See details in Information of KASIKORNBANK chapter on p. 10 of KBank Sustainability Report 2020.</p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>KBank operates business in line with the principles of a Bank of Sustainability under good corporate governance and appropriate risk management for the balance of three dimensions - economy, society and environment.</p> <p>We are on the impact analysis process in our lending portfolio. Once we identify the most significant impact areas, we will reviewed our strategy to response to the outcome and to be consistent with the national and international goals in order to support financial resources to our clients towards a climate-resilience.</p>	<p>See details in Strategic Directions of KASIKORNBANK chapter on p. 12 - 13 of KBank Sustainability Report 2020.</p>

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information
<p>Principle 2: Impact and Target Setting We will work to continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <ul style="list-style-type: none"> a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1, have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)) <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts/ reduction of negative impacts 	<p>KBank is undertaking an impact analysis of lending to different businesses at the portfolio level. The bank has utilized the Portfolio Impact Analysis Tool of the UNEP FI to assess possible impacts, risks, and opportunities of such lending to the most significant impact areas. The analysis tool takes into account KBank's current business operations and Thailand's environmental, social and resource factors. The scope of impact analysis covers the domestic business lending portfolio which represents more than 50% of total lending portfolio in Thailand. The corporate banking business is prioritized because of its relative size in KBank's lending portfolio and the significant impacts that are made by funding provided to our corporate clients. Once the scope of the impact analysis is expanded to cover the rest of lending portfolio in Thailand, our methodology will fully align with UNEP FI recommendations. While the Corporate banking business are major portion of lending portfolio, the Bank's portfolios are well diversified to several sectors, e.g., Power Generation, Real Estate, Construction, Manufacturing, Wholesale and Retail Trade, and Telecommunication. KBank has been studying the relations between the sectors we provided financing support and their impacts to the environmental, social and economic by using the Sector Impact Map within the Tool. For example, conventional electricity generation technologies may lead to negative impacts resulted from high GHG emission, while more modern technologies and renewable energy technology can minimize such adverse impacts. Also, for real estate development projects which may consume a large amount of energy and resources, the Bank has to focus more on the designs of efficient usage of resources and energy in line with international standards.</p> <p>The analysis proceeds with the identification of the most prioritized and concerning impact areas for Thailand. The most relevant impact areas for Thailand are identified such as Climate Change and Resource/Energy Intensive, aligning with the strategies of the Thailand's Office of the National Economics and Social Development Council (Current Version) regarding the growth of environmentally-friendly businesses, aiming to reduce greenhouse gas (GHG) from major sectors such as, Power Generation, Transportation, Industrial including Housing and Buildings. This also supports the nation's Green City Project with the objectives to achieve efficient usage of energy and energy security in Transportation, Housing and Buildings, Infrastructure and Logistics.</p> <p>The bank is in the process of conducting further analysis of each significant impact sector to identify its carbon-reduction technology, regulatory changes, and available metrics to measure environmental and social impacts. These information would allow the bank to come up with appropriate measurements, targets, and portfolio actions to reduce negative impacts in these previously stated sectors.</p>	<p>See details in Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 79 - 85 of KBank Sustainability Report 2020.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p>We have undertaken our impact analysis to identify most significant impact areas resulting from our lending activities, assess and prioritize and set targets relevant to the impact areas to increase positive impacts and reduce negative impacts. Our corporate lending is the first segment we assessed because of its significant impacts. The next step in our process could later be applied across the Bank's lending portfolio.</p>		

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information
<p>2.2 Target Setting <i>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</i></p> <p><i>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</i></p> <p><i>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</i></p>	<p>The bank is in the process of conducting further analysis of each significant impact area and the sectors that contribute to it to identify its carbon-reduction technology, regulatory changes, and available metrics to measure environmental impacts. These information would allow the bank to come up with appropriate measurements, targets, and portfolio actions to reduce negative impacts in these previously stated sectors.</p>	<p>See details in Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 85 and 87 of KBank Sustainability Report 2020.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>We have undertaken our impact analysis to identify most significant impact areas resulting from our lending activities, assess and prioritise and set targets relevant to the impact areas to increase positive impacts and reduce negative impacts. And we will set the implementation, monitoring and plan to manage the impacts in our portfolio onwards.</p>		

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>KBank has established staff KPI at executive and operator levels with respect to climate conditions. With respect to lending, KBank has developed low-carbon products, renewable loans and environmental loans, which have been set as a KPI of related units. In addition, loan consideration guidelines have been established for the specific industries in line with their significant impacts on the environment and society, by including ESG factors in credit consideration for each industry in addition to other factors, so that risk management at the portfolio and transaction levels are in harmony with the goal towards a low-carbon economy for industries with a risk of creating environmental and social impacts. Once we find the most significant impact areas identified by impact analysis, we will plan for target setting, implementation and monitoring.</p>	<p>See details in Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 85 and 87 of KBank Sustainability Report 2020.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>Once the targets has been set to reflect the findings from the Impact Analysis, KBank will further define implementation plan, milestone and monitoring process to meet the set targets.</p>		
<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show that your bank has implemented the actions it had previously defined to meet the set target.</i></p> <p><i>Or explain why actions could not be implemented/ needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p>	<p>KBank will report the progress in Sustainability Report 2021.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>Once the targets has been set to reflect the findings from the Impact Analysis, KBank will further define implementation plan, milestone and monitoring process in order to meet the set targets. And we will report the progress in Sustainability Report 2021.</p>		

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information
<p>Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Based on our K-Strategy that focuses on empowering every customer's life and business, KBank has organized Customer Deep Listening sessions or workshops with customers and SME Relationship Managers to understand customers' pain points and needs for use in our analyses and development of products in response with those customers' needs.</p> <p>KBank has also included ESG risks and opportunities as a factor for loan consideration through the processes of Know Your Customer (KYC) and Customer Due Diligence (CDD). In the post-approval period, KBank has monitored customers' loan uses per the objectives notified to KBank and their repayments per the due dates. We have also monitored impacts of economic conditions, COVID-19 and natural disasters on our customers, and prepared effective assistance guidelines for those affected customers. Such operations have complied with our Market Conduct Policy, which serves as a framework for establishing KBank's sale and service processes.</p>	<p>See details in Financial Innovations and Services chapter on p. 60 - 61 and Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 74 of KBank Sustainability Report 2020.</p>
<p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>KBank has provided training related to assessment criteria of ESG risks of each business and industry to ensure that our employees have relevant knowledge and understanding of such risks. As a result, our employees can act as the Internal Experts for customers' business analysis and for helping those customers through useful advice and recommendations. In case that any projects fail to meet the ESG risk assessment criteria, KBank will notify them of issues for improvements, related conditions and limitations, along with suggestions so that the customers can achieve necessary improvements and corrections within the specified timeline.</p> <p>KBank has also communicated with our customers and held the activities related to sustainable development operations in the forms of online events and year-round seminars to raise their awareness on environmental and social issues.</p>	<p>See details in Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 74, 82, 87 - 88 of KBank Sustainability Report 2020.</p>

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/ results achieved.</p>	<p>Following impact analysis of lending to different businesses at the portfolio level, KBank and related stakeholders, including policymakers, trade associations, non-profit organizations and civil society have discussed about updating the Thai Sustainable Lending Guidelines and a possibility of a green Taxonomy preparation, so that KBank can develop financial policies and products related to the environment in harmony with domestic and international criteria and practices, and apply the acquired information in impact analysis of lending to businesses at the portfolio level.</p>	<p>See details in Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 87 - 89 of KBank Sustainability Report 2020.</p>
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<p>5.1 <i>Describe</i> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>KBank has established credit policies and operations that manifest ESG responsibility with an operational structure divided into management and transaction levels, consisting of: 1) the Board of Directors, which is tasked with determination or approval of a framework and policy of risk management, including ESG risks; 2) the Risk Oversight Committee with the duties to advise the Board of Directors on the risk supervision framework, to supervise top management and head of risk management units to comply with risk management policies and strategies, and to examine the adequacy of the risk management policy and strategies in order to ensure that risk management policies and strategies cover all types of existing and emerging risks, as well as ESG risks; and 3) the Corporate Governance Committee engaging in supervision of sustainable development operations related to ESG aspects, by reviewing and providing advice on the operational guidelines and improvements for reporting to the Board of Directors, and holding at least four meetings a year.</p>	<p>See details in Sustainable Development of KASIKORNBANK chapter on p. 26 - 27, Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 76 - 78 of KBank Sustainability Report 2020.</p>

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information
<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>In 2020, the Corporate Governance Committee considered the important Strategic Directions in response to the Sustainable Development Goals and reported to the Board of Directors with respect to: 1) Consideration of sustainable development framework and policy; 2) Approval of 2020 sustainable development work plan with focus on provision of knowledge and ESG compliance; 3) Approval of KBank's participation as a signatory of the UN Principles for Responsible Banking of the United Nations Environmental Program Finance Initiative (UNEPFI) and as a supporter of the Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>In addition, KBank has communicated and provided knowledge on sustainable development operations to all stakeholders to transfer, share and exchange related experiences via various channels and activities.</p>	<p>See details in Sustainable Development of KASIKORNBANK chapter on p. 26 - 27 of KBank Sustainability Report 2020.</p>
<p>5.3 Governance Structure for Implementation of the Principles</p> <p><i>Show</i> that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set</p> <p>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>KBank Board of Directors has assigned the Corporate Governance Committee to supervise sustainable development operations; including the PRB target implementation.</p> <p>A working team has been set up which is consisted of Credit Risk Management Team, Sustainable Development team and other related business units that is in charge of the day to day implementation of the Principles, to report on progress made to achieve targets and general implementation of the Principles to Corporate Governance Committee.</p>	<p>See details in Sustainable Development of KASIKORNBANK chapter on p. 26 - 27, Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 76 - 78 of KBank Sustainability Report 2020.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>KBank has established a governance structure for ensuring that the Principles are implemented effectively, including the setting and monitoring of targets. We have assembled a working team which is consisted of Credit Risk Management Team, Sustainable Development team and other related business units that is in charge of the day to day implementation of the Principles, to report on progress made to achieve targets and general implementation of the Principles to Corporate Governance Committee.</p>		

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Bank's Full Response/ Relevant Information
<p>Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1 - 2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>MANAGEMENT LEVEL: The Corporate Governance Committee considered the important Strategic Directions in response to the Sustainable Development Goals and reported to the Board of Directors, as follows:</p> <ol style="list-style-type: none"> 1. Review of sustainable development framework and policy 2. Approval of 2020 sustainable development work plan with focus on provision of knowledge and ESG compliance 3. Approval of KBank's participation as a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) <p>OPERATIONAL LEVEL:</p> <ol style="list-style-type: none"> 1. KBank developed the consideration guidelines for specific industrial sectors (Sector-Specific Guidelines) and identified additional business types in the Exclusion List, as well as preparing the General ESG Screen Form based on internationally accepted guidelines and standards. 2. KBank analysed and assessed risks, opportunities and impacts related to climate conditions under various assumptions (Climate-Related Scenario Analysis), qualitatively and quantitatively, in accordance with TCFD recommendations. 3. KBank is now undertaking an impact analysis of lending to different businesses at the portfolio level, by using the Portfolio Impact Analysis Tool of UNEP FI. 4. KBank prepared the assessment processes of human rights risk in line with the UN Guiding Principles on Business and Human Rights. 5. KBank discussed with related business units to jointly develop additional goal of lending to the business segments of power generation and property development. 6. KBank provided knowledge related to sustainable development and ESG risks for employees involved with the credit operations, related agencies, customers and suppliers. 7. KBank joined hands with regulatory agencies, public sector, private sector, non-profit organizations and civil society to discuss and share views, as well as study the possibility of preparing ESG responsible lending guidelines and framework. 	<p>See details in Sustainable Development of KASIKORNBANK chapter on p. 20 - 29, Responsible Lending and Investment: ESG Credit and Investment and Reporting under the Task Force on Climate-related Financial Disclosures (TCFD) chapter on p. 74 - 89 of KBank Sustainability Report 2020.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>		
<p>KBank made considerable progress over the first 10 months of implementing the Principles for Responsible Banking. Actions were taken at the policy and operation levels to drive forward the Principles, with respect to reviews of policy, operational guidelines and risk assessment tools, and impact analysis at the portfolio level. Training courses were organized for related employees so that they are able to offer correct advice to customers. KBank and other stakeholders held discussions on the potential and cooperation to attain the targets under the Principles for Responsible Banking.</p>		

Practices under the United Nations Global Compact

Area	Principles of Global Compact	Implementation
Human Rights	<ol style="list-style-type: none"> 1. Business should support and respect the protection of internationally proclaimed human rights and 2. Make sure that they are not complicit in human right abuses 	<ul style="list-style-type: none"> • KBank Board of Directors reviews the Human Rights Policy annually. • KBank Board of Directors reviews the sustainable development framework and policy annually. In 2020, respecting for human rights and diversity is pointed in the policy. • Establish 5-year sustainability indicators in respecting for human rights and diversity in order to translate the policy into actions. • Include respect for human rights in the Employee Code of Conduct • Set up a policy to grant credits to businesses that do not violate laws or good morals of society; credit applicants that are not supported by KBank include business involved with human rights violation, employment of illegal workers, illegal alien workers, slavery or child labor that is not subjected to related labor standards • Ensure that all Project Finance in foreign countries that may produce significant environmental and social impacts must comply with the host countries' environmental and social stipulations, as well as globally accepted environmental and social requirements or standards • Prepare the processes of Human Rights Risk Assessment and Risks Register, and Human Rights Due Diligence, via meetings with internal stakeholders and joint ventures (K LINE) to jointly assess human rights risks related to KBank's business operations • Set up additional measures to inspect, prevent, mitigate and manage key human rights issues • KBank announces Corporate Citizenship 2019-2023 by including human rights as one of its key strategies. • Hold "Sustainability Sharing 2020" meeting with suppliers, with labor and human rights being some of the topics during the meeting • In 2019, KBank signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending, jointly with other members of the Thai Bankers' Association in line with the Bank of Thailand's direction in order to uplift the Thai banking system's sustainable lending.

Area	Principles of Global Compact	Implementation
Labor	<p>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>4. The elimination of all forms of forced and compulsory labor;</p> <p>5. The effective abolition of child labor; and</p> <p>6. The elimination of discrimination with respect to employment and occupation.</p>	<ul style="list-style-type: none"> • Set up a policy to grant credits to businesses that do not violate laws or good morals of society; credit applicants that are not supported by KBank include business involved with human rights violation, employment of illegal workers, illegal alien workers, slavery or child labor that is not subjected to related labor standards • Ensure that all Project Finance in foreign countries that may produce significant environmental and social impacts must comply with the host countries' environmental and social stipulations, as well as globally accepted environmental and social requirements or standards • Include employee practice in the Statement of Business Conduct related to equal treatment of employees, whereby employees are protected against discrimination and are offered good benefits comparable to leading companies, as well as proper welfare and work environment • Encourage establishment of KASIKORNBANK Labor Union and KASIKORNBANK Officer Labor Union in order to foster good relationship between employer and employees, and among employees • KBank does not accept any form of forced labor or child labor, discrimination in hiring or at the workplace regarding local or foreign workers, sexual discrimination or harassment ("Zero Tolerance"), or verbal or physical harassment, including any form of psychological abuse • Announce the Diversity Management Policy for organization-wide compliance • Provide career opportunities for the disabled, allowing them to be able to live with dignity in society, in compliance with the Persons with Disabilities Empowerment Act B.E. 2550 (2007) • Develop a policy related to complaint acceptance and employee grievance procedures and have in place effective channels for employees to offer their opinions and suggestions, for example Employee Relations Hotline • Participate in meetings to exchange opinions on employee relations with other Thai commercial banks to enhance greater efficiency of employee relations management of overall industry • Hold "Sustainability Sharing 2020" with suppliers, with labor and human rights being one of the topics of the meeting • KBank signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending, jointly with other members of the Thai Bankers' Association in line with the Bank of Thailand's direction in order to uplift the Thai banking system's sustainable lending practices.

Area	Principles of Global Compact	Implementation
Environment	<p>7. Businesses should support a precautionary approach to business operations that may affect the environment</p> <p>8. Undertake initiatives to promote greater environmental responsibility; and</p> <p>9. Encourage the development and diffusion of environmentally-friendly technologies.</p>	<ul style="list-style-type: none"> • KBank Board of Directors approved KBank's membership in the United Nations Environmental Program Finance Initiative, or UNEP FI. • KBank Board of Directors approved KBank's participation as a Supporter of the Task Force on Climate-related Financial Disclosures (TCFD). • Set up a policy to grant credits to businesses that do not violate laws or destroy the environment; credit applicants that are not supported by KBank include businesses with offences related to natural resources or the environment by using, possessing or occupying natural resources or procedures to illegally exploit natural resources, businesses that are contrary to environmental laws of the country, and businesses involved with encroachment into mangrove forests or plans to change mangrove forests' conditions, etc. • Ensure that all Project Finance in foreign countries that may produce significant environmental and social impacts must comply with the host countries' environmental and social stipulations, as well as globally accepted environmental and social requirements or standards • Provide knowledge on environmental friendliness for operators in various businesses. • Extend credits and investment for projects of renewable energy and energy/environmental conservation to support green business operators • KBank Board of Directors reviews the Environmental and Energy Conservation Policy • Set up a target to reduce GHG emissions of KBank's operations by 20 percent within 2020 (compared to the base year of 2012) • Set up a target to reduce GHG emissions of KBank's operations by 6.1 percent in 2023 (compared to the base year of 2018) • Announce Environmental Strategy for 2019 - 2023 • Carry out carbon offset schemes to achieve carbon neutrality • Establish environmental management guidelines and plans to reduce GHG emissions • Align office development with "Green Building" standards, with focus on energy-saving and environmentally-friendly features • Specify use of building equipment and systems associated with high technology and efficiency to preserve energy and the environment, e.g., the Solar Rooftop Project to generate electricity for internal usage • Organize energy conservation campaigns to enhance knowledge and compliance of employees across the organization • Organize the environmental activity to promote waste sorting, and to reduce the use of plastic bags • Promote "Green Building" knowledge related to energy saving and environmental friendliness, through training and company visits for various organizations and educational institutions • Organize the "Make Every Day the Day of Doing Good Deeds" project, a volunteer activities for employees on environmental conservation at nationwide communities wherein KBank branches are located • Hold "Sustainability Sharing 2020" meeting with suppliers with the environmental issue being one of the topics of the meeting • KBank signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending, jointly with other members of the Thai Bankers' Association in line with the Bank of Thailand's direction in order to uplift the Thai banking system's sustainable lending practices

Area	Principles of Global Compact	Implementation
Anti-Corruption	10. Businesses should oppose corruption in all forms, including extortion and bribery.	<ul style="list-style-type: none"> • Be part of a collaborative effort of Thai private sector to fight corruption by joining the Private Sector Collective Action Coalition against Corruption. Receive a Certificate of Membership of Thailand's Private Sector Collective Action Coalition against Corruption, as well as continuous membership renewal • Set up a policy to grant credits to businesses that do not violate laws or good morals of society • Announce a No-Gift Policy and the Anti-Corruption Policy, and include them in the Employee Code of Conduct • Establish a Whistle Blowing Policy to receive information or complaints on illegal or wrongful acts with measures that safeguard informers against reprisal • Communicate continuously on the No-Gift Policy and the Anti-Corruption Policy to directors, executives and employees • Organize meeting with counterparties under the topic of Sustainability Sharing 2020 to reiterate KBank's procurement processes and to encourage counterparties to conduct anti-corruption policies and practices • KBank signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending, jointly with other members of the Thai Bankers' Association in line with the Bank of Thailand's direction in order to uplift the Thai banking system's sustainable lending practices.

Sustainability Awards and Assessment



Selected for the fifth year
(2015, 2017-2020)

KBank was selected to be included in the Thailand Sustainability Investment (THSI) 2020 by the Stock Exchange of Thailand.



Selected for the fifth consecutive year
(2016 – 2020)

ESG 100 Certificate 2020

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



Certified for the third consecutive year
(2018 – 2020)

Sustainability Report Award 2020

granted Sustainability Disclosure Award by the Thaipat Institute.



Certified for the third consecutive year
(2018 – 2020)

The first Thai commercial bank to offset carbon to achieve net zero carbon emissions

and transform into a carbon neutral organization, becoming a corporate model for easing the global warming problem, contributing towards a low-carbon society, and propelling Thai businesses towards sustainability.



“Excellent”, based on the Corporate Governance Report of Thai Listed Companies for 2020

by the Thai Institute of Directors Association (IOD).



“Excellent”, based on the AGM Quality Assessment Program for 2020

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



FTSE4Good

Selected as a member for the fifth consecutive year (2016 – 2020)

KBank was selected to be a constituent of the FTSE4Good Emerging Index 2020 for the fifth year running. The FTSE4Good Series is designed to help investors integrate environmental, social and governance (ESG) factors into their investment decisions. The indices identify companies that better manage ESG risks and are used as a basis for tracker funds and structured products, and as a performance benchmark.

MSCI



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

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Selected as a member for the fifth consecutive year (2016 – 2020)

KBank was selected to be a member of the Dow Jones Sustainability Indices (DJSI) 2020, including the DJSI World Index and DJSI Emerging Markets Index, for the fifth year running. KBank is the first commercial bank in Thailand and ASEAN to be a component of the DJSI World Index.

Sustainability Award

Silver Class 2021

S&P Global

KBank garnered a Silver Class distinction from S&P Global Sustainability Awards announced in the Sustainability Yearbook 2021, with the highest S&P Global ESG Score in the banking sector in ASEAN.



Selected as a member for the third consecutive year (2019 – 2021)

KBank was included as a member of the 2021 Bloomberg Gender-Equality Index (GEI), the first GEI member from Thailand. KBank is one of 380 companies selected for the 2021 Bloomberg GEI, which distinguishes companies committed to transparency in gender reporting and advancing women’s equality



KBank earned a B score (Management Level) from the Carbon Disclosure Project (CDP) in 2020. CDP is a benchmark for global carbon disclosure and climate change mitigation efforts. It is an important online GHG information source for the world’s leading organizations. International investors have confidence in the use of CDP data for their decision-making.

Investor Relations Awards 2020

Institutional Investor magazine

- Best CEO: Mr. Banthoon Lamsam, KASIKORNBANK (Rank 3)
- Best CFO: Mr. Chongrak Rattanapian, KASIKORNBANK (Rank 2)
- Best IR Professionals: KASIKORNBANK (Rank 3)
- Best IR Team: KASIKORNBANK (Rank 2)

The Asset ESG Corporate Awards 2020

- Platinum Award: Excellence in Environmental, Social and Governance

ASEAN CG Scorecard Award

KBank earned “ASEAN Asset Class Publicly Listed Companies 2019” from ASEAN CG Scorecard 2019 by ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB)

Assurance Statement



LR Independent Assurance Statement Relating to KASIKORNBANK PUBLIC COMPANY LIMITED's Sustainability Report for the calendar year 2020

This Assurance Statement has been prepared for KASIKORNBANK PUBLIC COMPANY LIMITED in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by KASIKORNBANK PUBLIC COMPANY LIMITED (KBank), to provide independent assurance on its Sustainability Report 2020 ("the report") against the assurance criteria and basis below;

- A high level of assurance and at 5% materiality for direct and indirect GHG emission data only¹.
- A moderate level of assurance for others selected topic specific data at professional judgment of the Verifier
- Using AccountAbility's AA1000AS v3, where the scope was a Type 2 engagement.

Our assurance engagement covered KBank's operations and activities in Thailand only and specifically the following requirements

Evaluating the nature and extent of KBank's adherence to AA1000 AccountAbility Principles (2018) of Inclusivity, Materiality, Responsiveness and Impact.

- Confirming that the Report is in accordance with:
 - GRI Standards (2016) and core option, and
 - GRI Financial Services Sector Disclosure.
- Evaluating the reliability of data and information for the following topic specific standards:
 - Environmental:
 - GRI 302-1 Energy consumption within the organization
 - GRI 303-3 to 5 Total water withdrawal, discharge and consumption (2018 edition)
 - GRI 305-1 Direct (Scope 1) GHG emissions
 - GRI 305-2 Energy (Scope 2) indirect GHG emissions
 - GRI 305-3 Other (Scope 3) indirect GHG emissions: Category 6 - business travel by taxicab only, and
 - GRI 306-2 Waste by type and disposal method
 - Social:
 - GRI 403-9 Total employees' absenteeism only (2018 edition), and
 - Initiatives to enhance financial inclusions (FS7)

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

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

LR's Opinion

Based on LR's approach;

- The direct and energy indirect GHG emission data and information in the report are materially correct.
- Nothing has come to our attention that would cause us to believe that KBank has not;
 - +disclosed reliable performance data and information for the selected topic specific standards and
 - +covered all the issues that are important to the stakeholders and readers of this Report.

Note: The extent of evidence-gathering for a moderate level of assurance engagement is less than for a high level of assurance engagement. Moderate level assurance engagements focus on aggregated data rather than physically checking source data at sites.

¹GHG quantification is subject to inherent uncertainty.



LR's approach

LR's assurance engagements are carried out in accordance with AA1000AS v3. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing KBank's approach to stakeholder engagement and determining material issues to confirm that this information had been used to prepare their Report. We did this by benchmarking reports written by KBank and its peers to establish whether the majority of sector issues were included in this Report. We also tested the filters used in determining material issues to evaluate whether KBank makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing KBank's data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling process and systems. We also spoke with key people responsible for compiling the data and drafting the Report.
- Sampling of evidence presented at KBank's head office in Bangkok to confirm the reliability of the topic specific standards and traced data back to;
 - + source-level to cover the direct and indirect GHG emissions data
 - + aggregated levels to cover for others selected topic specific data

Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder inclusivity:**
We are not aware of any key stakeholder groups that have been excluded from KBank's stakeholder engagement process. KBank has addressed the key stakeholder groups opinion from their impacts.
- **Materiality:**
We are not aware of any material issues concerning KBank's sustainability performance that have been excluded from the Report. KBank has processes for identifying and determining material issues based on a set of unbiased criteria and qualitative impact valuation.
- **Responsiveness:**
KBank has processes for responding to its various stakeholder groups and the Report remains readily accessible to all. However, we believe that the future reports should disclose impact valuation for related environmental and social performance.
- **Impact:**
KBank should further address quantitative impacts regard stakeholder groups as well as materiality in the future reports
- **Reliability:**
KBank has improved its data management system for environmental topic specific standards; for example, water consumptions and waste divert from disposal. However, we believe that future reports should extend the disclosure of safety and occupational health impacts; for example, in KBank's subsidiaries and contractors.

LR's standards, competence and independence

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LR for KBank and as such does not compromise our independence or impartiality.

Dated: 12 February 2021

Opart Charuratana
LR Lead Verifier
On behalf of Lloyd's Register Quality Assurance Ltd
Lloyd's Register International (Thailand) Limited
22nd Floor, Sirinrat Building, 3388/78 Rama IV Road
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Certain statements shown in this report are forward-looking statements in respect of the financial position or the performance of KASIKORNBANK PUBLIC COMPANY LIMITED ("KBank"). KBank has prepared such forward-looking statements based on several assumptions, and has relied on financial and other information available from public sources as of the date such statements were made. Statements containing words such as "expect", "believe", "estimate", etc. and other similar expressions, are considered as forward-looking statements which involve uncertainties and are subject to changes at any time due to future events, including but not limited to, changes in global/national economic, political and regulatory environment. Accordingly, the readers or the recipients of information shall carefully review this report and make their own independent decision as well as thoroughly evaluate such fact or information which may have changed prior to making any investment or entering into any transaction.

KASIKORNBANK Sustainability Report 2020 Questionnaire

To Our Stakeholders

We would like to express our sincere appreciation for your long-standing patronage of KASIKORNBANK. We are pleased to announce the availability of our Sustainability Report 2020, compiled from the perspective of what kind of contributions KASIKORNBANK has made in FY2020 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 2020 and complete the questionnaire or from our website. Your opinion and comments are great value and will help us developing future reports.



What were your thoughts after reading the Sustainability Report 2020

Level of understanding:

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

Overall satisfaction:

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

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

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

Do you have a different impression of KASIKORNBANK after reading the Sustainability Report 2020?

- More favorable
- Same
- Less favorable

Which of the following best describe you or your affiliation?

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

Please feel free to write down your evaluation and thoughts on KASIKORNBANK Sustainability Report 2020.

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All inquiries regarding the report should be addressed to:

Sustainable Development Unit,
Office of Corporate Secretary,
Corporate Secretariat Division
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10140

กรมส่งเสริมการค้าระหว่างประเทศ

กระทรวงพาณิชย์

ชั้น 1399

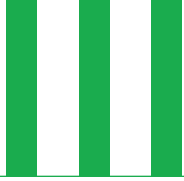
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In adherence to our “Green DNA” resolution, this report is printed on paper made from trees grown in sustainably managed forests and processed with concern for the environment. The use of soy-based ink reduces greenhouse gas emissions and is environmentally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



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开泰银行 KASIKORNBANK

