



**SET Awards 2023**  
**Sustainability Excellence**



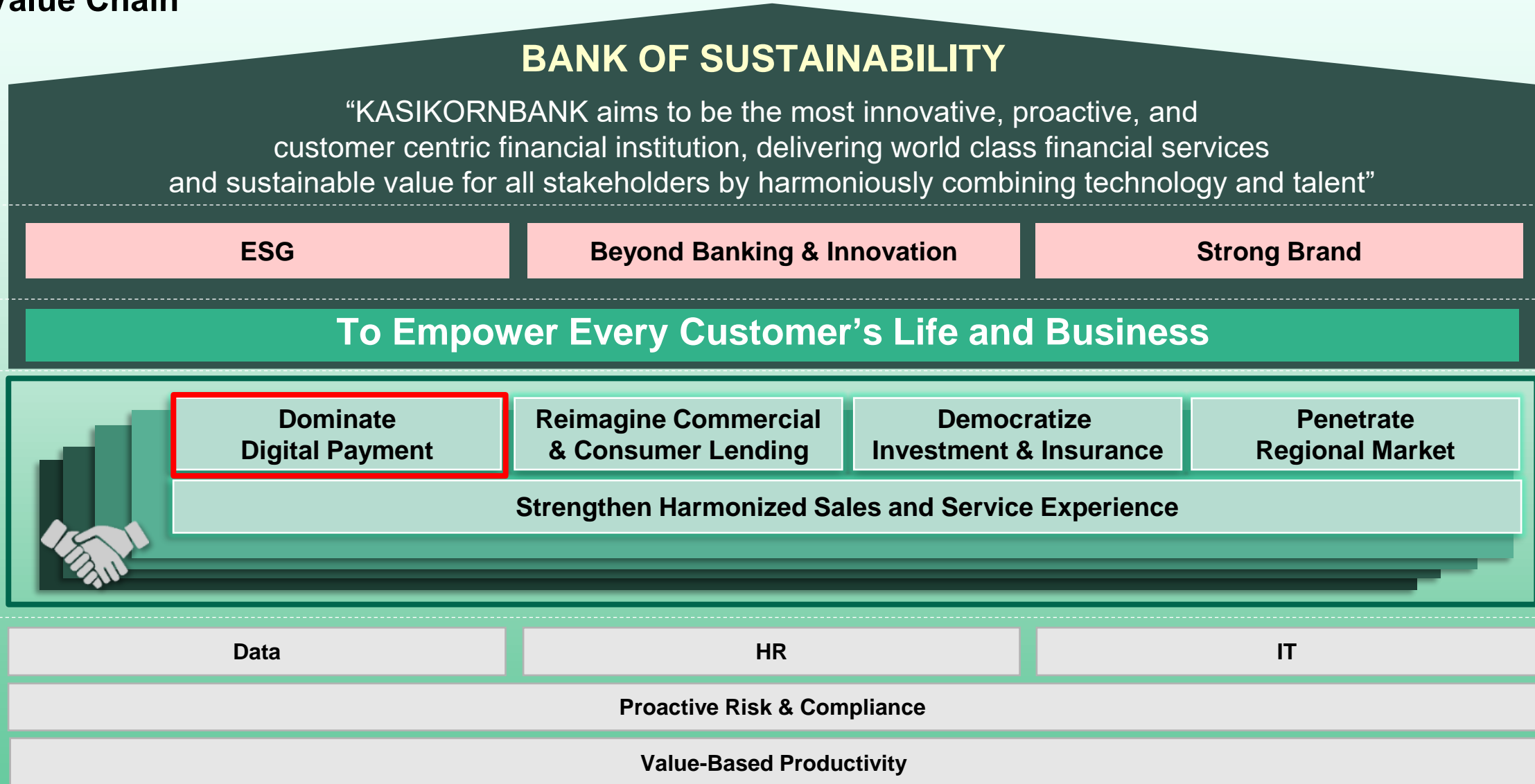
**KASIKORNTHAI**

บริการทุกระดับประทับใจ

# Economic Dimension

for sustainable growth  
& competitive advantage

# KBank Value Chain



# Climate Dimension

climate risk management:  
strategy, actions & outcomes



# Our Strategy

# NET

# Commitment

- Net Zero in **OUR OWN OPERATIONS** (Scope 1 & 2) by 2030
- Net Zero in **OUR FINANCED PORTFOLIO** (Scope 3) in line with Thailand's aspirations\*, accelerating this journey where possible.

Allocating at least **Baht 100 - 200 billion** in sustainable financing and investment by 2030

Supporting customers in the transition to a Net Zero economy



\*Thailand's ambition at COP 26:  
2050 Carbon Neutrality  
2065 Net Zero GHG Emissions

# Climate Actions



Net Zero in our OWN OPERATIONS by 2030



DECARBONIZED FINANCED PORTFOLIO EMISSIONS in line with Thailand's ambition



Leader of innovative GREEN FINANCE agenda in Thailand



BEYOND FINANCE SOLUTIONS to support decarbonization in Thailand

## Interim Targets 2030

**Net Zero** in KBank Own Operations (Target -4.2% per year)

- **Net Zero** in Coal-fired power plant and coal mining sector
- **-26%** of Emission intensity in Power generation\*
- **No new financing** to unconventional oil & gas

Sustainable financing and investment **THB 100-200 BN**

Building **Green / Sustainable Ecosystem**

## Snapshot 2022

GHG emission (SC1&2) **-16.75%** (Target -8.4%) Base year 2020

% Renewable energy consumption / total energy consumption **14.45%** (Target 10%)

### 3 Glidepaths

and sector strategies were completely developed. (Target 3 glidepaths)

Power generation, Oil and gas, and Coal industry.

Allocated **26,411 MB** in sustainable financing and investment (Target 25,000 MB)

Total NAV of Environmental and Sustainable Funds **16,091 MB**

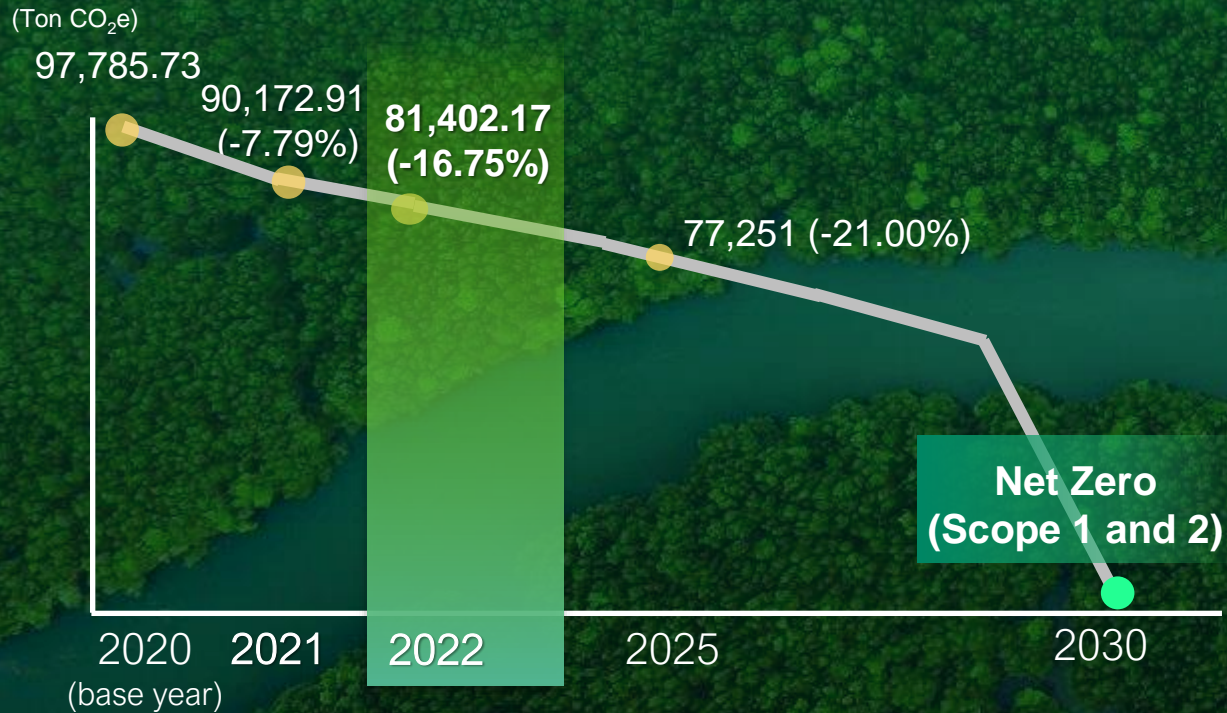


\*Against base year 2020, KBank has applied the IEA Sustainable Development Scenario (SDS) as the reference decarbonization pathways of our portfolio.

# Decarbonization Pathway

## KBank Own Operation

(Scope 1-2)



2023: onwards is minimum guideline align with 1.5 Degree Scenarios

This target is considered to align with SBTi.

**2030** Net Zero in our own operations (Scope 1, 2)

**2025** 21% reduction of GHG emissions

(Cumulative from base year 2020)

\* 4.2% Emission reduction per year

\* Baseline year 2020



Scope 1

Emission from **fossil fuel** burned from KBank own car fleet

- EV Fleet Conversion
- Adopt lower emission factor fuel (E85, B20)



Scope 2

Emission incurred from **electricity consumption**

- Consumed more renewable energy (Solar Rooftop)
- Energy Conservation Measures (Building Retrofit, BMIS, A/C)
- Space Optimization
- Renewable Energy Certificate (REC)



Carbon Removal

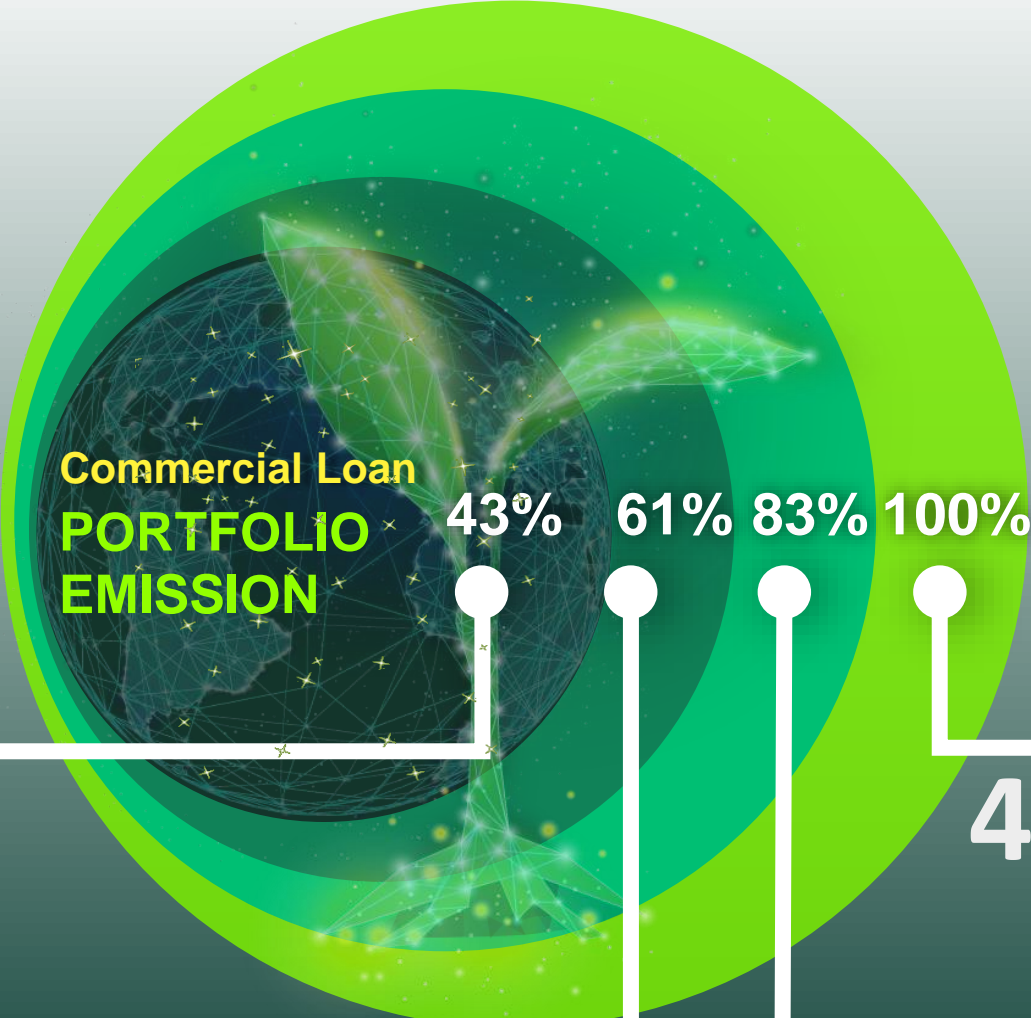
**Residual emission**

- Tree Planting
- Reforestation



# KBank Portfolio Emissions

(Scope 3: Investment)



## Sector Prioritization

1

- Power Generation
- Oil & Gas
- Coal

2

- Iron & Steel
- Aluminum
- Transportation
- Agriculture
- Commercial & Residential Real Estate
- Cement

3

- Packaging and Printing
- Chemical Products
- Automotive and Parts
- Industrial Agriculture
- Food and Beverage

4

- Metals
- Construction Materials
- Construction
- Hotels and Restaurants
- Furniture and Wood
- Etc.

\* GHG emission including scope 1,2,3 was calculated according to PCAF standard for financed emissions. See more details in KBank TCFD Report 2022.

# Customer's Pain Points

## Sustainability Challenges Faced

*Most challenges link to lack of knowledge, consistency and complexity of implementation.*



**Lack of Funding**  
External & Internal



**Lack of Consistency**  
Market  
Standardization



**Complexity**  
Implementing &  
Upgrading



**Lack of Knowledge**  
Terminology &  
ESG Strategy



**Reputational Risk**  
Customer, Regulator,  
Investor

## *underwriting of bonds* for environmental conservation

# *Helping our customers*

in transitioning to  
the net zero economy

### *Sustainability-linked Bond*

- The largest SLB issued in Thailand
- The first offered to both institutional and high net worth investors.

### *Requirement*

- To reflect IVL clear commitment to sustainability
- To create incentives for the company and its stakeholders
- To optimize the IVL's capital structure
- To give investors an opportunity to contribute to the positive transformation of the chemical industry
- To present the value IVL's ambitious sustainability effort

### *Offering*

- **Advisory service** for a sustainability-linked bond (SLB) **and underwriting** of three tranches of **SLBs totaling 10,000 MB**
- The different structure of these SLBs compared with the previous interest rate adjustments is an additional condition that all tranches must purchase Energy Attribute Certificates (EAC) or voluntary carbon offsets that will promote the sustainability commitment and showcase innovations to the Thailand capital market.

# Helping our customers

in transitioning to  
the net zero economy

Sustainability-linked Loan



## Sustainability-linked loan for better ESG performance

### Requirement

- To achieve its vision to of being the world's most trusted seafood leader
- To reaffirm TU's commitment and sustainability strategy
- To ensure sourcing transparency in its supply chains
- To seek low cost funding

### Offering

- Supporting **syndicated SLL loan 40MUSD**
- **Pre-defined 3 KPIs / SPTs :**
  - Inclusion in DJSI Index
  - Carbon intensity of Finished Goods
  - % of tuna vessels outfitted with electronic monitoring and/or human observers on board
- **Step-down of interest rate** is SPT(s) are achieved
- With **SPO assessment** and **Verification** by 3<sup>rd</sup> party



# Helping our customers in transitioning to the net zero economy

Green Loan

## Providing green loan to support environment-friendly projects

### Requirement

- To reaffirm the company's commitment to sustainable business.
- To response to AWC's environmental goals in driving the transition to carbon neutrality and to build a Circular Economy in its business operations
- To promote the energy efficiency, resource management and reduction of greenhouse gas emissions
- To use the funds for green retrofitting and refurbishment of energy efficiency technologies in its properties throughout Thailand

### Offering

- Supporting **green loan totaling 4,000 MB**



## *Escalating EV Bike Ecosystem*

EV Bike rental service and swapping battery on pay per use basis without maintenance cost for riders

### *Challenges*

- No consolidate EV Bike System
- Not sufficient range for usage
- High price in EV Bike

### *Solutions*

- WATT'S UP Ecosystem: E-Market Platform with integrated Bike & Battery SWAP Station and Rental Scheme

### *Benefits*

- Empowering Green Technology to the small customer
- GHG emission reduction and reduction of PM 2.5
- Job creation for riders
- Lower costs for customers
- New green opportunities for KBank



## Beacon Impact Fund

Empowering Entrepreneurs  
to build a better future

## Beacon Impact Fund

**Value:** \$30M impact investment fund

**Objective:** Making equity investments in for-profit startups seeking to create positive impact on ESG issues.

**Key ESG areas of interest include:**

- Environmental Issues: Decarbonization, Waste Reduction, and Climate Adaptation
- Social Issues: Financial and Digital Inclusion, Financial and Digital Literacy, and Access to Health Care
- Governance Issues: Consumer Protection, Supply Chain Visibility, and Business Transparency

# Social Dimension

Being a responsible corporate citizen to  
create a sustainable society:  
strategy, actions & outcomes

**AFTERKLASS**



# Sustainable Development Framework and Policy

## Bank of Sustainability

ASPIRATIONS

Be an ESG Leader among Banks in Southeast Asia

SD FRAMEWORK

 Environment

 Society

 Governance / Economy

GOAL

Ensuring environmental stewardship towards a net zero society

Being a responsible corporate citizen to create a sustainable society

Being an accountable bank to create sustainable profitability

COMMITMENT

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

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

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

SD POLICY

### STAKEHOLDER ENGAGEMENT

1. Committing to becoming Net Zero in our own operations by 2030

5. Ensuring financial inclusion and promoting financial literacy

10. Ensuring business operations under good corporate governance practices and delivering services to customers with fairness

2. Committing to reducing greenhouse gas emissions in our financed portfolio in line with Thailand's aspirations; reducing greenhouse gas emissions in significantly impacted sectors, both in terms of greenhouse gas emission volume and the proportion of loans extended to each sector; and accelerating this journey where possible

6. Safeguarding cyber security and customer data privacy

11. Adhering to customer centricity by initiating financial innovations that meet every aspect of customers' needs

3. Being the leader in innovative "Green Finance" in Thailand

7. Ensuring the "Best Place to Work, Learn and Lead" by embedding Green DNA and creating a future-ready workforce

12. Ensuring efficient risk management focusing on environmental, social, and governance (ESG) issues

4. Providing services beyond financial solutions to support decarbonization in Thailand

8. Respecting human rights and diversity

9. Promoting the development of youth potential as well as the pursuit of environmental, public and social activities

Material Areas

- GREEN OPERATIONS
- SUSTAINABLE FINANCE

- FINANCIAL INCLUSION & FINANCIAL/CYBER LITERACY
- CUSTOMER DATA SECURITY AND PRIVACY
- RESPECT FOR HUMAN RIGHTS

- ESG RISK MANAGEMENT AND COMPLIANCE



# KBank ESG Strategy 2023

## BANK OF SUSTAINABILITY

Purpose

To Empower Every Customer's Life and Business

Goal

Be an ESG Leader among Banks in Southeast Asia

ESG Pillar Aspiration

**E** Environment

**S** Society

**G** Governance / Economy

Ensuring environmental stewardship towards a net zero society

Being a responsible corporate citizen to create a sustainable society

Being an accountable bank to create sustainable profitability

Material Areas

1. Green Operations
2. Sustainable Finance

3. Financial Inclusion And Financial/Cyber Literacy
4. Customer Data Security And Privacy
5. Respect For Human Rights

6. ESG Risk Management And Compliance

Key Strategy

**Scope 1&2: Own operations**

1. Scope 1: Replace with biofuel and shift to EV car
2. Scope 2: Use renewable energy
3. Operational eco-efficiency by using eco-friendly materials and green process etc.
4. Set science-based target and internal carbon price

**Scope 3: Decarbonize financed portfolio emissions**

1. Develop glidepath and sector prioritization
2. Increase green finance and transition finance
3. Develop customer engagement plan for transition to Net Zero
4. Initiate beyond financial solutions to support decarbonization: green ecosystem, etc.
5. Quantify climate-risk impacts

**Financial Inclusion and Financial/Cyber Literacy**

1. Improve credit processes with risk-based offerings, affordability assessment, cost effectiveness, and fast collection & recovery
2. Collaborate with partners
3. Build customer capabilities

**Customer Data Security and Privacy**

1. Deliver secure and efficient services & workplace
2. Strengthen third party risk management
3. Expand detection and response

**Respect for Human Rights**

Run all business activities in conformity with laws and international standards: UN Guiding Principles for Business and Human Rights, etc.

**ESG Risk Management and Compliance**

1. Comply with national regulations: BOT, SET, SEC, etc.
2. Comply with international standards, frameworks and guidelines: DJSI, CDP, TCFD, PCAF, UNPRB, UNGC, GRI, etc.
3. Strengthen ESG credit assessment process

Key Capabilities

• **Building the ESG Data Infrastructure**

• **Building the capability** of our people and customers in decarbonization

• **Building ESG/climate communication and behavior** to internal and external stakeholders

# 2023 KBank ESG Corporate Scorecard

KBank ESG Corporate  
Scorecard = 17 KPIs  
*(Corporate Level)*

KBank  
Sustainability  
Targets = 53 KPIs  
*(Divisional level)*

## S

### Financial Inclusion and Financial/Cyber Literacy

1. Small pocket customers: 380,000 customers
2. Financial literacy for underprivileged: 52,500 people
3. Cyber literacy to reach 15 million people

### Customer Data Security and Privacy

1. No significant incident of customer data privacy  
(zero fine charged)

### Respect for Human Rights

100% Human rights risk assessment of KBank and joint ventures of KBank

# AFTERKLASS

AFTERKLASS is an online platform, with the aim of offering financial literacy for youths, aged 15-20 years); especially high school students, including savings, expenditure and investment planning as well as business startups, plus other useful matters related to learning, activities and technologies.



Free monthly workshop both online and on-site, with certificate



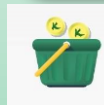
Financial contents, written with easy dialogue to digest, and based on their interests and lifestyles



Simulation of banking and financial system, user-friendly savings, fund and stock investment



Exclusivity of education Trip to create open-eyed experiences



Gamification to earn Koinz from tasks and mini-game & redeem reward delivered to their homes.



Business KAMP Hackathon, which is the first-ever hackathon for high school youth in Thailand, held as the main activity of the year. Participants will be trained and developed intensively during 3-days bootcamp and required to perform the pitch on stage for final competition on the last day.

Project Channel



# AFTERKLASS

Not only happening in online space, but also creating engagement with targets through on-ground channels/methods continuously. Working both harmoniously helps strengthen brand trust and loyalty.

Business KAMP  
hackathon



On-site  
workshop



School  
roadshow



# AFTERKLASS



## Output

- ▶ Number of online members: **10,543 Persons**
- ▶ Number of youth members participating in both online and in-person workshop: **1,433 Persons**
- ▶ Number of beneficiaries: **659,765 Persons**

## Impact

1. 90.05% of total youth members were equipped with savings, spending and financial management skills.
2. 91.5% of total youth members were equipped with business and investment skills.

## SROI

- ▶ Social return was valued at **Baht 1.31** (SROI at 1:1.31)

A glowing blue infinity symbol (∞) is centered on the page. The symbol is composed of two interlocking loops and has a translucent, glass-like appearance. Inside the loops, there are vibrant light trails in shades of blue, green, and yellow, suggesting a continuous, flowing process. The background is a solid, dark teal color.

SUSTAINABILITY

is a never-ending process

Seeking **INVOLVEMENT** and **ALIGNMENT**  
to create nationwide impacts and collaboration  
to enhance standards for ecosystems

A large, green, stylized letter 'K' logo with a brushstroke texture, positioned centrally at the top of the page.

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