ISS-CORPORATE

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

Kasikornbank

25 March 2025

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	▪ Green finance assets[1]
Relevant standards	▪ Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1) ▪ Green Loan Principles, LMA, February 2023 ▪ Thailand Taxonomy Phase 1, Thailand Taxonomy Board, June 2023
Scope of verification	▪ Kasikornbank's Green Finance Framework (as of Mar. 25, 2025) ▪ Kasikornbank's eligibility criteria (as of Mar. 25, 2025)
Lifecycle	▪ Pre-issuance verification
Validity	▪ Valid as long as the cited Framework remains unchanged

[1] Bonds, loans and deposits.

CONTENTS

SCOPE OF WORK

Kasikornbank ("the Issuer," "the Bank" or "KBank") commissioned ISS-Corporate to assist with its green finance assets by assessing four core elements to determine the sustainability quality of the instruments:

1. KBank's Green Finance Framework (as of Mar. 25, 2025), benchmarked against the Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA), and against the Green Loan Principles (GLP), as administered by the Loan Market Association (LMA).
2. The eligibility criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
3. The alignment of the project categories with the Thailand Taxonomy on a best-efforts basis[2] — whether the nominated project categories are aligned with the Thailand Taxonomy's metrics and thresholds, including Significant Contribution to Climate Change Mitigation criteria, Do No Significant Harm (DNSH) criteria and Minimum Social Safeguards (MSS) requirements, as included in the Thailand Taxonomy Phase 1 (June 2023).
4. Consistency of green finance assets with Kasikornbank's sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

[2] If the activity, project or company in question does not comply with the DNSH and/or MSS criteria but otherwise passes relevant technical screening criteria and metrics, it may be considered compliant for the corresponding green or amber category if the operating company submits an additional plan indicating how it will correct the deficiencies within three years after the assessment. The operating company is encouraged to publish the plan in a public domain or public space where it can be seen and tracked by the general public.

KASIKORNBANK OVERVIEW

Kasikornbank Public Co. Ltd. engages in commercial banking, securities and other related businesses. It operates through the following segments: Corporate Business, Retail Business, Treasury and Capital Markets Business and World Business Group, Muang Thai Group Holding Businesses, and Others. The Corporate Business segment provides financial products and services to high-net-worth individuals, government and state enterprises, and financial institutions. The Retail Business segment consists of individual customers who use deposit account, debit and credit card, personal and housing loan, investment product and financial advisory services, and transactional banking services. The Treasury and Capital Markets Business and World Business Group segment involves capital markets and treasury business and supervises the bank's business in overseas countries. The Muang Thai Group Holding Business segment includes a group of companies that operate insurance and brokerage businesses. The Others segment covers the other items that are not directly attributable to the main business groups. The company was founded by Choti Lamsam on June 8, 1945, and is headquartered in Bangkok.

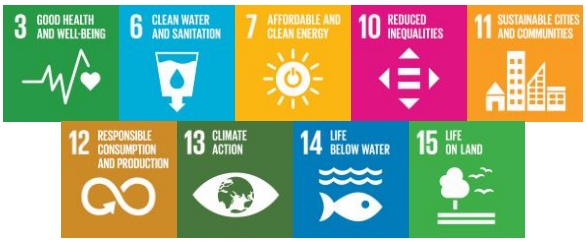
ESG risks associated with the Issuer's industry

Kasikornbank is classified in the commercial banks and capital markets industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies[3] in this industry are business ethics, labor standards and working conditions, customer and product responsibility, sustainability impacts of lending and other financial services/products, and sustainable investment criteria.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

[3] Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within this industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION[4]
Part I: **Alignment with GBP/GLP**	The Issuer has defined a formal concept for its green finance assets regarding the use of proceeds, processes for project evaluation and selection, management of proceeds, and reporting. This concept is in line with the GBP and GLP. ** The project categories identified by KBank are aligned with the principles, except for certain criteria of the category Clean Transportation which are assessed as providing no clear environmental benefits according to our methodology (see Part IIA of this report for the details of the assets/activities assessed with NNI).*	**Aligned with exceptions***
Part II: **Sustainability quality of the eligibility criteria**	The green finance assets will (re)finance the following eligible asset categories: Renewable Energy; Energy Efficiency; Pollution Prevention and Control; Environmentally Sustainable Management of Living Natural Resources and Land Use; Terrestrial and Aquatic Biodiversity Conservation; Clean Transportation; Sustainable Water and Wastewater Management; Climate Change Adaptation; Circular Economy Adapted Products, Production Technologies and Processes; Green Buildings; and Green Technologies. Product and/or service-related use of proceeds categories[5] individually contribute to one or more of the following SDGs:  Other use of proceeds categories[6] improve the operational impacts of KBank's borrower(s) and mitigate potential	**Positive**

[4] The evaluation is based on Kasikornbank's Green Finance Framework (Mar. 25, 2025, version), on the selection criteria as received on Mar. 25, 2025.
[5] Renewable Energy, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Terrestrial and Aquatic Biodiversity Conservation, Clean Transportation, Sustainable Water and Wastewater Management, Climate Change Adaptation, Circular Economy Adapted Products, Production Technologies and Processes, Green Building, Green Technologies.
[6] Renewable Energy; Energy Efficiency; Environmentally Sustainable Management of Living Natural Resources and Land Use; Clean Transportation; Sustainable Water and Wastewater Management; and Green Buildings

SPO SECTION	SUMMARY	EVALUATION[4]
	negative externalities of their sectors on one or more of the following SDGs:  For some activities from Clean Transportation[7] there is no evidence of an environmental contribution or of an improvement on the Issuer's and/or end users' potential negative externalities. The environmental and social risks associated with the use of proceeds categories and the financial institution are managed.	
Part III: Alignment with Thailand Taxonomy	KBank's project characteristics, due diligence processes and policies have been assessed against the requirements of the Thailand Taxonomy (as of June 2023), on a best-efforts basis.[8] The nominated project categories are considered to be: ▪ Aligned with the Climate Change Mitigation criteria ▪ Aligned with the DNSH criteria ▪ Aligned with the MSS requirements	
Part IV: **Consistency of green finance assets with Kasikornbank's sustainability strategy**	The key sustainability objectives and rationale for issuing green finance assets are clearly described by the Issuer. Most of the project categories considered are in line with the Issuer's sustainability objectives.	**Consistent with Issuer's sustainability strategy**

[7] The eligibility details can be found in Part II.A.
[8] The evaluation is based on Kasikornbank's Green Finance Framework (Mar. 25, 2025, version), on the selection criteria as received on Mar. 25, 2025.

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of Kasikornbank's Green Finance Framework (as of Mar. 25, 2025) with the GBP and GLP.

GBP AND GLP	ALIGNMENT	OPINION
1. Use of proceeds	✓	The use of proceeds description provided by Kasikornbank's Green Finance Framework is **aligned* with exceptions)** with the GBP and GLP. The Issuer's green categories align with the project categories as proposed by the GBP and GLP. Criteria are defined clearly and transparently, and the evaluation process of the sustainability quality of the eligible deposits is the same as bonds and loans. Disclosure of an allocation period and commitment to report by project category has been provided, and environmental benefits are described. The Issuer provides a quantitative analysis of the environmental benefits of the project categories, in line with the best market practices. ** The project categories identified by KBank are aligned with the principles, except for certain criteria of Clean Transportation which are assessed as providing no clear environmental benefits according to our methodology (see Part IIA of this report for the details of the assets/activities assessed with NNI).*

GBP AND GLP	ALIGNMENT	OPINION
2. Process for project evaluation and selection	✓	The process for project evaluation and selection provided by Kasikornbank's Green Finance Framework is **aligned** with the GBP and GLP. The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer's sustainability strategy. The Issuer defines exclusion criteria for harmful project categories. The Issuer clearly defines responsibilities in the process for project evaluation and selection and is transparent about it. The Issuer involves various stakeholders in this process. Additionally, the Issuer identifies the alignment of its Green Finance Framework and green projects with the Thailand Taxonomy, in line with the best market practice.
3. Management of proceeds	✓	The management of proceeds provided by Kasikornbank's Green Finance Framework is **aligned** with the GBP and GLP. The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately. The process and frequency for monitoring green deposits are disclosed, and the Issuer's eligible asset pool exceeds the aggregate value of the outstanding deposits. The Issuer also has a mechanism in place to allocate outstanding proceeds if the asset pool does not meet or exceed the net proceeds of the outstanding deposits. The net proceeds are managed per bond (bond-by-bond approach) and per loan (loan-by-loan approach). The Issuer confirms that where a green loan takes the form of one or more tranches of a loan facility, each tranche applicable to the green project will be clearly labeled, with proceeds of the green tranche(s) credited to a separate account and tracked appropriately.

GBP AND GLP	ALIGNMENT	OPINION
		KBank commits to segregating the proceeds collected by having them earmarked toward specific projects as a temporary measure.
4. Reporting	✓	The allocation and impact reporting provided by Kasikornbank's Green Finance Framework is **aligned** with the GBP and GLP. The Issuer commits to disclose the allocation of proceeds transparently and report with appropriate frequency. The reporting will be publicly available on the Issuer's website and available to the institutions participating in the loan. Kasikornbank disclosed the type of information that will be reported and explains that the level of expected reporting will be at the portfolio level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated. Additionally, the Issuer defines the reporting process and frequency for deposits and confirms that it is same as the bond/loan portfolio. The Issuer is transparent on the information reported and further defines the duration and frequency of the impact reporting, commits to get the allocation report verified by an external party, and discloses the location and link of the report, in line with best market practices.

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN FINANCE ASSETS TO THE U.N. SDGs[9]

The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being a responsible actor, working to minimize negative externalities in its operations along the entire value chain. This section assesses the SDG impact of the use of proceeds (UoP) categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- Specific products/services
- Improvements of operational performance

1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as ISS ESG's SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer's products or services on the U.N. SDGs, as well as other ESG benchmarks (the EU taxonomy Climate Delegated Act, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:

Obstruction	No Net Impact	Contribution

Each of the green finance assets' use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy ▪ *All energy generation by solar panels, solar farms and concentrated solar power* ▪ *All energy generation by wind (onshore and offshore)*	**Contribution**	

[9] The impact of the UoP categories on U.N. SDGs is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Hydropower generation with a capacity less than 1,000 MW: ▪ *Construction and operation of hydropower generation before Jan. 1, 2024, with power density >5 W/m^2 or GHG emissions intensity <100 gCO_2e/kWh during the life cycle of the power plant* ▪ *Construction and operation of hydropower generation on Jan. 1, 2024, or after this date with power density >10 W/m^2 or GHG emissions intensity <50 gCO_2e/kWh during the life cycle of the power plant* ▪ *Construction and maintenance of run-of-river projects with power density >10 W/m^2 or GHG emissions intensity <50 gCO_2e/kWh* ▪ *Installation of pumped storage hydropower that is demonstrably purposefully built in conjunction with intermittent renewables and/or contributing to a grid that already has a share of intermittent renewables deployment of at least 20% or has credible evidence that increases the share of intermittent renewables to this level within the next 10 years.* ***Geothermal power generation*** ▪ *New construction of geothermal power facilities with emissions intensity <100 gCO_2e/kWh (until 2040, after 2040 it should be 50 gCO_2e/kWh)*		
Renewable Energy	**Contribution**	

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Bioenergy[10] generation and production (both new and existing facilities) that have specific life cycle emissions intensity thresholds depending on asset type below: ▪ *Facilities producing liquid biofuel, solid and gaseous biomass for heating and cogeneration with life cycle emission intensity <57.6 gCO_2e/kWh* ▪ *Facilities producing biofuel for transport with life cycle emission intensity <67.7 gCO_2e/kWh* ▪ *Heating/cooling and co-generation facilities using biofuel/biomass with life cycle emission intensity <57.6 gCO_2e/kWh, or with energy efficiency >80%*		
Renewable Energy *All marine (or ocean) energy generation facilities producing electricity, heating and cooling from marine energy.*	**Contribution**	
Renewable Energy *Electricity generation from renewable non-fossil gaseous and liquid fuels including green hydrogen with life cycle GHG emissions intensity <100 gCO2e/kWh (until 2040; beyond 2040, it should be <50 gCO2e/kWh). The life cycle GHG emissions are calculated based on ISO 14067:2018 or 14064-2:2018 or ISO 14064-2:2019 or equivalents. The quantified life cycle GHG emissions are verified by an independent third party.[11]*	**Contribution**	
Renewable Energy *Construction/operation of cogeneration of heating/cooling and power using RE (solar, wind, geothermal, bioenergy, ocean energy, renewable liquid, gaseous fuels and green hydrogen) with life cycle GHG emissions <100 gCO_2e/kWh (until*	**Contribution**	

[10] Bioenergy means biomass, biogas and biofuels. The eligible feedstocks include residues, energy crops and lignocellulosic biomass such as straw, with three exclusions: wood and all woody biomass, algae and biodegradable municipal solid waste, including sewage sludge and food waste. The feedstocks used for bioenergy should comply with international guidelines such as FSC, 2BSvs, Bonsucro, ISCC Plus, RSB, RTRS or equivalent recognized standards.

[11] The activity aligned with the metrics and thresholds from Thailand Taxonomy Activity 4.1.8.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
2040; beyond 2040, it should be <50 gCO_2e/kWh). The life cycle GHG emissions are calculated based on ISO 14064-1:2018 or 14064-2:2019 or equivalents.[12]		
Renewable Energy ▪ *Production of heating and cooling using waste heat*[13] ▪ *Installation and operation of electric heat pumps that use refrigerants GWP ≤675 and implementation and adherence to a recognized environmental system (ISO14001 or equivalent)*[14]	**Contribution**	
Renewable Energy *Transmission and distribution networks for renewable and low-carbon gases, including green hydrogen* ▪ *Transmission and distribution networks for low-carbon gases and green hydrogen*[15] *The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.*	**Contribution**	
Renewable Energy *Construction and operation of the facilities that store electricity, thermal energy and green hydrogen*[16] ▪ *Construction and operation of electricity and green hydrogen storage systems* ▪ *Construction and operation of the thermal energy storage systems or geothermal energy storage systems where the generated energy with life cycle emissions intensity <100 gCO_2e/kWh*	**Contribution**	

[12] The activity aligned with the metrics and thresholds from Thailand Taxonomy Activity 4.1.9.
[13] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.1.10.
[14] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.1.11.
[15] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.1.13.
[16] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.1.14.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy *Transmission and distribution of electricity*[17] ▪ *Transmission and distribution infrastructure dedicated to a direct connection or an expansion of connection between power plants with energy intensity < 100 gCO_2e/kWh (life cycle emissions)* ▪ *Transmission and distribution of electricity infrastructures that are on the decarbonization trajectory where >67% of the newly connected generation capacity in the system is below the emission intensity < 100 gCO_2e/kWh (based on product carbon footprint measurement over a rolling five-year period)* ▪ *In average system grid emissions factor is below the threshold value of 100 gCO_2e/kWh measured based on product carbon footprint over a rolling five-year average period* ▪ *Includes all enabling ICT systems and smart management systems for the eligible infrastructure*	**Contribution**	
Renewable Energy *The enabling activities for renewable energy production such as PV or photovoltaic manufacturing, wind, and turbines, or energy storage (battery) manufacturing that supports Renewable energy.*	**Contribution**	
Pollution Prevention and Control *Any activities that reduce, eliminate or prevent pollution at its source (e.g., installation of wastewater treatment, water conservation).*[18]	**Contribution**	

[17] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.1.15.
[18] The review is limited to the examples of projects spelled out in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Pollution Prevention and Control *Activities that relate to waste treatment include preparation, collection, separation, reuse and recycling.*	**Contribution**	
Pollution Prevention and Control *Activities that align with the IFC Blue Finance Guidelines Category B. Water sanitation:* ▪ *New or expansion of water treatment infrastructure* ▪ *Rehabilitation or retrofit of existing water treatment infrastructure* ▪ *Wastewater treatment plants, including industrial, agri-business, commercial, residential or city level. This also includes biogas and heat exchange systems at wastewater treatment plants to increase their efficiency and effectiveness.*	**Contribution**	
Environmentally Sustainable Management of Living Natural Resources and Land Use *Activities that are IFC climate-smart agriculture eligible:* ▪ *Sustainable greenhouses: Vegetables grown in sustainable greenhouses that are protected against extreme weather events. Adaptation projects from Thailand's National Adaptation Plan*	**Contribution**	
Environmentally Sustainable Management of Living Natural Resources and Land Use *Activities that are IFC climate-smart agriculture eligible:* ▪ *Production of biomaterials and bioenergy: Use of agricultural residues and byproducts[19] in the production of market-valued processed products*	**Contribution**	

[19] The review is limited to the examples of rice husk, straw, palm oil shell and residue wood chips from the paper mill/furniture industries.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Environmentally Sustainable Management of Living Natural Resources and Land Use *Activities that are IFC climate-smart agriculture eligible:* ▪ *Biodigester: System that collects and processes livestock manure as biogas for heating and electricity purposes*	**Contribution**	
Terrestrial and Aquatic Biodiversity Conservation *Activities that protect or remediate coastal, marine, watershed environments and terrestrial biodiversity:*[20] ▪ *Mangrove restoration: the project should focus on planting mangroves to restore coastal ecosystems, protect against erosion, provide habitats for various marine species and maintain the restored ecosystems.* ▪ *Coral reef restoration: the project works to restore damaged coral reefs by transplanting healthy corals, which helps maintain biodiversity.* ▪ *River basin management: the project involves protecting and restoring marine habitats, such as seagrasses and coral reefs,*[21] *to support biodiversity and enhancing ecosystem services.* ▪ *Reforestation project in national park: the project focuses on reforesting degraded areas within national parks. It involves planting native tree species to restore habitats for wildlife.* *Comprehensive documentation is needed to select projects that benefit biodiversity.*	**Contribution**	

[20] Projects that were previously deteriorated by the same company and "restoration projects" implemented by stakeholders who run activities that were detrimental to the restored location are excluded.
[21] The review is limited to the examples of projects spelled out in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Terrestrial and Aquatic Biodiversity Conservation ▪ *Sustainable land use and management. Projects that promote sustainable land use through agroforestry certified by an external party. The certifications and standards that ensure the benefits include the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification, Voluntary Carbon Standard and the Clean Development Mechanism.* ▪ *Commercial forestry projects certified by FSC Stewardship Standards (FSS) for Thailand, the Programme for the Endorsement of Forest Certification, or certified by the Thailand Forest Certification Council[22] or international standards such as Voluntary Carbon Standard and the Clean Development Mechanism.* *It aims to restore degraded forest areas, improve soil fertility, prevent soil erosion and support biodiversity.*	**Contribution**	
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.* *Transport via railways:*[23] ▪ *The train and passenger coaches/wagons have zero direct (tailpipe) CO_2 emissions* ▪ *The train and passenger coaches/wagons have zero direct (tailpipe) CO_2 emissions when operated*	**Contribution**	

[22] Ibid.
[23] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.2.1.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimodal)		
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.* *Other passenger land transport includes scheduled long-distance bus services, charters, excursions and other occasional coach services, taxi operation, passenger cars, airport shuttles and other renting of private cars with drivers, operation of school buses and buses for transport or employees, passenger transport by man-or animal-drawn vehicles with zero direct (tailpipe) CO_2 emissions*[24]	**Contribution**	
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.* *Other passenger land transport includes scheduled long-distance bus services, charters, excursions and other occasional coach services, taxi operation, passenger cars, airport shuttles and other renting of private cars with drivers, operation of school buses and buses for transport or employees, passenger transport by man-or animal-drawn vehicles with direct (tailpipe) CO_2 emissions below 75 gCO2e/pkm until 2040 (after this year, passenger land transport with zero direct tail emission is eligible)*	**No Net Impact**	
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport*	**Contribution**	

[24] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.2.2.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
or storage of fossil fuels and fossil fuel filling stations. *Urban and suburban passenger land transport includes town-to-airport or town-to-station lines, operation of funicular railways, aerial cableways, etc. This may include different modes of land transport (e.g., motorbus, tramway, streetcar, trolley bus, underground, elevated railways).*[25] ▪ *For scheduled passenger road transport, zero direct (tailpipe) CO_2 emissions* ▪ *For scheduled passenger urban-suburban rail transport, zero direct (tailpipe) CO_2 emissions, or zero direct emissions when operated on a track with necessary infrastructure and using a conventional engine where such infrastructure is not available (bimodal)*		
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.* *Freight transport by road includes logging haulage, heavy haulage, renting of trucks with drivers, transport of waste and waste materials without collection or disposal, or furniture removal, etc..*[26] ▪ *Freight transport with zero direct (tailpipe) CO_2 emissions*	**Contribution**	
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.*	**Contribution**	

[25] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.2.3.
[26] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.2.4.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Enabling infrastructure for low-emission transport not solely to support internal combustion engine vehicles, as well as transport or storage of fossil fuels: ▪ *Rail transport: activities that support the electrified trackside infrastructure and associated subsystems, trackside control-command, signaling subsystems, infrastructure dedicated to transshipping freight between modes* ▪ *Activities and infrastructure that support the personal mobility or cycle logistics (e.g., pavements, bike lanes and pedestrian zones, electrical charging and hydrogen refueling installations)* ▪ *Road transport: activities that support electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric road systems or infrastructure installations that are dedicated to transshipping freight between modes or dedicated to urban and suburban passenger transport* ▪ *Water transport: activities that support electricity charging, hydrogen-based refueling or infrastructure dedicated to the provision of shore side electrical power to vessels* ▪ *Airports: activities that support electricity charging and hydrogen refueling stations*		
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.* *Manufacturing or production of electric and hybrid vehicles, EV batteries, automotive parts for*	**Contribution**	

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
EVs, EV charging stations, hydrogen fueling stations, electric road systems.		
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.* *Sea and coastal water transport (passengers or freight):* ▪ *Sea and coastal water transport that complies with the green thresholds established for the specific kinds of ships (Table 15), as well as additional criteria in Section 3.5.1 of Thailand Taxonomy Phase 1*	**Contribution**	
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.* *Inland water transport (passenger or freight) via rivers, canals, lakes and other inland waterways, including inside harbors and ports and rental of pleasure boats with crews for inland water transport.*[27] ▪ *Inland water transport or vessels (freight) with zero direct (tailpipe) CO_2 emissions* ▪ *For passenger inland water transport: Hybrid and dual fuel vessels deriving at least 50% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation (until Dec. 31, 2027)*	**Contribution**	

[27] The positive assessment of the activity is linked with the alignment with Thailand Taxonomy Activity 4.2.7.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.* *Specialty EVs that are designed to perform specific tasks or purposes that have zero direct tailpipe emissions and/or used advanced battery technologies that can charge using RE sources such as:* ▪ *Electric forklifts used in warehouses and industrial for material handling* ▪ *Electric golf carts used in golf courses, resorts and gated communities*	**Contribution**	
Sustainable Water and Wastewater Management *Infrastructure for clean and/or drinking water (i.e., construction and rehabilitating water wells, improvements of the rainwater catchment systems and clean drinking water).*	**Contribution**	 
Sustainable Water and Wastewater Management *Infrastructure for river training of flood mitigation (i.e., infrastructure using engineering techniques to control river flow to mitigate flooding and riverbank erosion).* *Comprehensive documentation is needed to select projects that align with local, regional and national adaptation plans.*	**Contribution**	
Sustainable Water and Wastewater Management ▪ *Infrastructure for wastewater treatment and sustainable urban drainage systems* ▪ *Installation equipment for improving efficiency of water consumption including high-efficiency toilets,*	**Contribution**	

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
industrial high-pressure, low-volume nozzles, and water-saving appliance replacements. Information from third parties or technical sources would be required.[28]		
Sustainable Water and Wastewater Management *Investments that address water supply and water sanitation that align with the IFC Blue Finance Guidelines for water supply and water sanitation detailed below:* ▪ *Water supply: investments in research, design, development, and implementation of efficient and clean water supply.* ▪ *Water efficiency technologies and equipment and water management activities that reduce water footprint. This includes the financing or refinancing of technologies where the manufacturers show the respective substantial water efficiency benefits or a documented reduction in water consumption in land-based aquaculture, agriculture and irrigation, and residential, commercial and industrial uses. For example, drip irrigation or sprinklers deliver water directly to the roots of plants, reducing waste and saving up at least 20% of water compared to traditional irrigation methods.*[29]	**Contribution**	

[28] The Issuer confirms that it requires these activities to be certified by relevant water efficiency standards and states that key certifying labels include labels from the Thailand Business Council for Sustainable Development, the Thailand Environment Institute, the Thailand Industrial Standards Institute and the Thailand Greenhouse Gas Management Organization. Additionally, ISO 46001:2019 includes specific standards pertaining to water efficiency.

[29] The review is limited to the examples of projects spelled out in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Sustainable Water and Wastewater Management *Investments that address water supply and water sanitation that align with the IFC Blue Finance Guidelines for water supply and water sanitation detailed below:* ▪ *Water supply: investments in research, design, development and implementation of efficient and clean water supply.* ▪ *New drinking water treatment, storage and sustainable supply infrastructure that documents at least 20% water savings per unit of service compared to a documented baseline*[30] ▪ *Rehabilitation of existing water infrastructure that documents at least 20% water savings per unit of service compared to a documented baseline*[31] ▪ *Water sanitation: investments in research, design, development and implementation of water treatment solutions:* ▪ *New or expansion of water treatment infrastructure* ▪ *Rehabilitation or retrofit of existing water treatment infrastructure*[32]	**Contribution**	
Sustainable Water and Wastewater Management *Investments that address water supply and water sanitation that align with the IFC Blue Finance Guidelines for water supply and water sanitation detailed below:*	**Contribution**	

[30] The specific activities are provided to areas where water services have no coverage yet.
[31] Ibid.
[32] Ibid.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS

▪ *Water supply: investments in research, design, development and implementation of efficient and clean water supply.*
  ▪ *More sustainable desalination plants that help protect groundwater depletion and wetlands and avoid hypersaline pollution of the environment*[33]
▪ *Water sanitation: investments in research, design, development and implementation of water treatment solutions.*
  ▪ *Wastewater treatment plants, including industrial, agri-business, commercial, residential or city level. This also includes biogas and heat exchange systems at wastewater treatment plants to increase their efficiency and effectiveness*		

Climate Change Adaptation ▪ *Buying, selling, owning and renting real estate with certain adaptation characteristics* ▪ *Building seawalls to protect against sea-level rise or constructing flood defenses* ▪ *Maintenance/setting up early warning systems* ▪ *Diversifying crops for changing conditions, managing natural resources wisely and promoting climate-resilient practices* ▪ *Mangrove planting, habitat conservation and selective breeding for drought-resistant crops or other nature-based solutions or rely on blue or green infrastructure whenever possible*	**Contribution**	

[33] The Bank confirms that desalination plants conform with the Climate Bond Initiative's requirements for desalination plants.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Circular Economy Adapted Products, Production Technologies and Processes *These activities/adapted products that enhance usability, facilitate disassembly and support biodegradability or recycling, thereby reducing the need for new resources and minimizing waste. Additionally, sufficient documentation is required. The adapted products, production technologies and processes are as follows:* ▪ *Design products for durability, repairability, recyclability, and biodegradability. For example, the textile industry uses materials like recycled polyester 100% from post-consumer waste.*	**Contribution**	
Circular Economy Adapted Products, Production Technologies and Processes *Activities/adapted products that enhance usability, facilitate disassembly and support biodegradability or recycling, thereby reducing the need for new resources and minimizing waste. Sufficient documentation is required. The adapted products, production technologies and processes are as follows:* ▪ *Utilize renewable energy sources and aim for carbon-neutral manufacturing (e.g., installing solar panels to generate electricity independently).* ▪ *Use logistics strategies that reduce the carbon footprint (e.g., electric delivery vehicles)* ▪ *Waste-to-energy plants that convert waste materials into usable forms of energy such as electricity or heat (e.g., the anaerobic digestion method converts wastewater into biogas that can generate electricity).* ▪ *The incineration plants to convert waste (biogenic or sludge) into energy, producing electricity and heat.*	**Contribution**	

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Circular Economy Adapted Products, Production Technologies and Processes *Activities/adapted products that enhance usability, facilitate disassembly and support biodegradability or recycling, thereby reducing the need for new resources and minimizing waste. Sufficient documentation is required. The adapted products, production technologies and processes are as follows:* ▪ *Implement the food waste composter to convert food waste (organic waste materials) into nutrient-rich compost that can be used further for soil improvement material* ▪ *Implement processes that minimize waste and energy consumption (e.g., incorporating recycled materials into the new production process). For example: The recycling program or process collects and processes recyclable materials such as glass, paper, aluminum to manufacture new products, thereby reducing reliance on virgin materials. KBank will establish recycling thresholds based on the specific material, taking into account available technologies and market demand for recycled products. The following recycling rate thresholds for new production processes are specific to each material e.g. glass (90-100%), paper (90-100%), Aluminum (90-100%).*	**Contribution**	
Green Buildings ▪ *Construction of new buildings that comply with international, regional and/or national recognized green building certifications (at all levels) such as LEED, BREEAM, EDGE, TREES.* ▪ *Construction of data centers that comply with international, regional and/or national recognized green building*	**Contribution**	

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
certifications and standards (at all levels) (i.e., LEED, TREES) ▪ *Acquisition or ownership of buildings (new and/or existing) under green home mortgage criteria that meet the green housing standard certification from international and/or national building standards (at all levels) such as LEED, BREEAM, EDGE, TREES.* ▪ *Green condo mortgage criteria that meet the green building standard certification from national and/or international (at all levels) such as LEED, BREEAM, EDGE, TREES.* ▪ *Internal green home mortgage criteria for homes that meet the green housing standard certification from international and/or national building standards such as LEED, BREEAM, EDGE, TREES.*		
Green Buildings ▪ *Acquisition or ownership of buildings (new buildings) under green home mortgage criteria that require installing a solar rooftop.*	**Contribution**	
Green Technologies ▪ *Carbon extraction technologies include direct air capture and carbon capture storage facilities.[34] The facilities require the capture and processing of CO_2 from the air or flue gas from the industrial processes, but include measures to ensure the CO_2 is stored and processed properly.*	**Contribution**	

[34] The review is limited to the technologies spelled out in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Green Technologies ▪ *Energy storage systems such as pumped hydro storage that pump water to a higher elevation during periods of low energy demand to generate electricity* ▪ *Hydrogen storage facilities that support the electrolysis reactor*	**Contribution**	

2. Improvements of operational performance (processes)

The below assessment qualifies the direction of change (or "operational impact improvement") resulting from the operational performance projects (re)financed by the UoP categories, as well as related SDGs impacted. The assessment displays how the UoP categories mitigate the exposure to the negative externalities relevant to the Issuer's business model and sector.

Kasikornbank finances operations/processes in a variety of third-party sectors. For clarity, ISS ESG does not display the exposure to negative externalities linked to the sectors of the operations/processes financed.

The table below displays the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy *Retrofitting of pumped storage hydropower that improves either power density or decreases emission intensity of the existing hydropower plant by at least 15%.*	✓	
Renewable Energy *Geothermal power generation*	✓	

[35] Only the direction of change is displayed. The scale of improvement is not assessed.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
Existing facilities with emission intensity are aligned with the decarbonization pathways for the energy sector detailed in Table 1.[36]		
Renewable Energy *Energy production from existing natural gas:* ▪ *Conversion of the existing natural gas power plant by using green hydrogen leading to emissions intensity <100 gCO2e/kWh (until 2040; beyond 2040, it should be <50 gCO2e/kWh)* ▪ *Retrofitting of the existing natural gas power plant that leads to meeting the life cycle emissions intensity aligned with the decarbonization pathways for energy sector detailed in Table 1. The life cycle GHG emissions are calculated based on ISO 14067:2018 or 14064-2:2019 or equivalent. Measurement equipment for methane leakage or leak detection is installed and monitored during operation. An independent third party verifies compliance with criteria and publishes the results.*	✓	
Renewable Energy *Retrofitting of the existing cogeneration of heating/cooling and power using RE (solar, wind, geothermal, bioenergy, ocean energy, renewable liquid and gaseous fuels, and green hydrogen) with emissions intensity aligned with the decarbonization pathways for the energy sector detailed in Table 1.*	✓	

[36] Table 1: Thresholds for certain energy sector activities, gCO_2e/kWh:

Thresholds for energy sector	2022-2025	2026-2030	2031-2035	2036-2040
Life cycle emission intensity (gCO2e/kWh)	<381	<225	<191	<148

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy *Heating and cooling distribution* *Operation of pipelines and infrastructure for distribution of heating, ending at the substation or heat exchanger at least 50% renewable energy, or 50% waste heat, or 75% cogenerated heat or 50% of a combination of such energy and heat.*	✓	
Renewable Energy *Transmission and distribution networks for renewable and low-carbon gases, including green hydrogen:*[37] ▪ *Retrofit of natural gas distribution lines to use 100% green hydrogen or other low carbon gases whose emissions when used to generate electricity with emissions intensity < 100 gCO_2e/kWh*	✓	
Energy Efficiency ▪ *Promoting activities that enhance energy conservation or saving (e.g. buying efficient energy-saving products like EGAT Label No. 5)*[38] ▪ *Implementing technologies or measures that align with international, regional or national standards for energy efficiency that have been awarded for energy efficiency:* *Examples of technologies or measures include using LED lighting instead of traditional bulbs, implementing an energy management system for better energy monitoring and optimization, and using energy-efficient appliances that use less electricity. The energy efficiency will be measured with international standards like*	✓	

[37] The activity includes leak detection and repair of existing gas pipelines and other networks to reduce methane leakage.
[38] The review is limited to certifications spelled out in the Framework.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
Energy STAR and national standards such as Thailand's EGAT Label No. 5.[39]		
Energy Efficiency *Buying equipment/technology with proven energy efficiency more than 20% compared to baseline (referenced from K-Energy Saving Guarantee Program)*	✓	
Energy Efficiency *Grid integration and smart grid technologies that involve implementing new/advanced technology for the grid connection (e.g., transformers, inverters, smart meters, energy storage systems and a grid management system). These technologies should either reduce electrical system faults and interference, ensure reliable transmission of power grid information, or enhance fault response time.*	✓	
Environmentally Sustainable Management of Living Natural Resources and Land Use *Implementing techniques like:* ▪ *Smart farming (also known as precision farming), which incorporates advanced technologies such as sensors and IoT, drones and aerial imaging, automated machinery, data analytics, AI, and smart irrigation systems. This enables farmers to adapt to climate variability and maximize the efficiency of limited resources. For example, drones applying fertilizers, pesticides, or herbicides, spraying with pinpoint accuracy, reducing environmental impact, that helps with precision spraying for saving fertilizer, pesticides, or herbicides usage at least 20% or even improving crop yields at least 20%.*[40]	✓	

[39] Ibid.
[40] The review is limited to the examples of projects spelled out in the Framework.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
▪ *Smart farming that produces the organic products accredited by the official organic farming logo i.e. G-Mark, Organic Agriculture Certification Thailand (ACT) and International Federation of Organic Agriculture Movements (IFOAM)*[41]		
Environmentally Sustainable Management of Living Natural Resources and Land Use *Implementing techniques like:* ▪ *Water conservation (to ensure the sustainable management of freshwater resources and preventing water scarcity in some rural areas).* *This enables farmers to adapt to climate variability and to maximize the efficiency of limited resources. For example, real-time sensors with a control unit to regulate the irrigation amount. These sensors can monitor/detect the rainfall and prevent over-irrigation by pausing the irrigation system when rain is detected or determine the optimal irrigation schedule, ensuring precise water saving at least 20% compared to traditional methods and verified by an external party .*	✓	
Environmentally Sustainable Management of Living Natural Resources and Land Use *Activities that are IFC climate-smart agriculture eligible:* ▪ *Water-efficient irrigation system: rainwater harvesting and storage for future use* ▪ *Solar and electric water pumps that are powered by solar energy or renewable energy*	✓	

[41] Ibid.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
▪ *Water-efficient irrigation system: use of more efficient irrigation technologies*		
Environmentally Sustainable Management of Living Natural Resources and Land Use *Activities that are IFC climate-smart agriculture eligible:* *Tractors powered with alternative fuels: new tractors powered with sustainable biofuel/ biodiesel (e.g., used cooking oil)*	✓	
Environmentally Sustainable Management of Living Natural Resources and Land Use *Activities that are IFC climate-smart agriculture eligible:* *Tractors powered with alternative fuels: new tractors powered with low-carbon energy sources (EVs or PHEVs).*	✓	
Environmentally Sustainable Management of Living Natural Resources and Land Use *Activities that are IFC climate-smart agriculture eligible:* *Machinery for precision agriculture and conservation agriculture (no-till): technologies that optimize input and enhance operation timeliness such as no-till planters and no-till drills.*[42]	✓	
Clean Transportation *Activities related to clean transportation infrastructure that are not supported by internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.*	✓	

[42] No-till planters, no-till drills and no-till seeders using EV tractors.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
Retrofitting sea and coastal freight and passenger water transport (not allow the vessels carrying fossil fuels). ▪ *Retrofitting of vessels that leads to zero direct (tailpipe) CO_2 emissions* ▪ *Retrofitting of vessels with direct (tailpipe) CO_2 emissions that are aligned with Table 3* **Transportation sector (Shipping)** / **2022 - 2025** / **2026 - 2030** / **2031 - 2035** / **2036 - 2040** Emission Intensity (gCO2/t-km) / < 8.9 / < 7.92 / < 7 / < 6		
Sustainable Water and Wastewater Management *Installation equipment for improving efficiency of water consumption including high-efficiency toilets, industrial high-pressure, low-volume nozzles and water-saving appliance replacements. Information from third parties or technical sources would be required.*[43]	✓	
Green Buildings ▪ *Renovation of existing residential or commercial buildings that comply with international, regional and/or national recognized green building certifications (at all levels) such as LEED, BREEAM, EDGE, TREES.*	✓	
Green Buildings ▪ *Renovation of existing buildings that help achieve at least 30% reduction in emission intensity or energy usage intensity against baseline defined at the start of the project (sunset date until 2040).* ▪ *Green condo mortgage criteria that achieve at least 30% energy efficiency improvement over Thailand's Building Energy Code*	✓	

[43] The Issuer confirms that it requires these activities to be certified by relevant water efficiency standards, and states that key certifying labels include labels from the Thailand Business Council for Sustainable Development, the Thailand Environment Institute, the Thailand Industrial Standards Institute and the Thailand Greenhouse Gas Management Organization. Additionally, ISO 46001:2019 includes specific standards pertaining to water efficiency.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
established by the Department of Alternative Energy Development and Efficiency (DEDE)[44] ▪ *Acquisition or ownership of buildings (existing buildings) under green home mortgage criteria requires installation of solar rooftops* ▪ *Maintenance and repair of special-purpose building equipment that achieves energy or resource savings*[45] ▪ *Installation of special-purpose building equipment that achieves energy or resource savings*[46] ▪ *Internal green mortgage for home installation of solar rooftops*		
Green Buildings ▪ *Internal green mortgage for home installation of other techniques related to green innovations that are proven to save energy, such as smart thermostats or AI-controlled systems (e.g., motion- and light-controlled sensing equipment to reduce household energy consumption). These measures can significantly reduce household energy consumption.*	✓	
Green Buildings ▪ *Internal green mortgage for homes- To be eligible for the internal green mortgage, the loan must satisfy at least seven of 11 requirements:* • *Water and waste management: Installation of water-efficient equipment (showerheads for bathroom and faucets for kitchen sinks)*	✓	

[44] DEDE has established the Building Energy Code (BEC), which sets minimum energy efficiency requirements for new and renovated buildings

[45] The following projects might be installation of the equipment/infrastructure relevant to resource saving or insulation system improvement, replacement of existing windows with new energy-efficiency windows, replacement of energy-efficiency light sources, or replacement of existing external doors with new energy-efficient doors.

[46] Ibid.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
• *Water and waste management: Installation of grease traps for managing wastewater from kitchens* • *Materials and resources: Use environmentally friendly materials with certified green or carbon labels of Thailand and at least five items such as eco-friendly paints, eco-cement or recycled paper products and equivalent. These are certified with green labels such as Green Label Thailand by TEI and EGAT Label No. 5.* • *Energy management: Design fresh air volume into the building that meets the minimum requirements specified in the Thai laws, including provisions for both mechanical air conditioning and natural methods.* • *Energy management: Design the insulation thickness for exterior walls and roofs to ensure that the overall thermal transfer value is less than 40 W/m², in accordance with Thailand's BEC standard.* • *Energy management: Use air conditions with EGAT Label No. 5 energy efficiency (or above) rating.* • *Energy management: Window positions can be designed to optimize natural light, reduce glare and minimize heat gain based on various conditions. This includes achieving a daylight factor of more than 1.5% or designing windows in such a way that the total window area exceeds 15%.* • *Energy management: Design efficient lighting with lighting power density less than 8 W/m², in accordance with Thailand's BEC standard.*		

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[35]	SUSTAINABLE DEVELOPMENT GOALS
• *Energy management: Use lights with EGAT Label No. 5 energy efficiency (or above) rating.* • *Heating and ventilation system: Design good ventilation (natural and/or mechanical ventilation) to ensure a healthy indoor environment such as installation of hood in kitchen, or exhaust fans in bathrooms complying with the Thailand Building Control Act. The heating and ventilation criteria depend on whether the area is air-conditioned or not. This includes specific settings for air volume (measured as units of air volume per area) based on room functions such as bedrooms (>2 $m^3/h/m^2$), toilets (>10 $m^3/h/m^2$) and kitchens (>30 $m^3/h/m^2$).* • *Green innovations: Other techniques such as installation of renewable energy systems such as solar, wind or smart home systems that automate household functions and can significantly enhance energy or water savings. Examples of smart home devices include smart thermostats that adjust settings when the home is unoccupied, smart lighting systems that can be controlled remotely or via motion sensors, energy monitoring systems, smart appliances that operate during off-peak hours, and leak detector devices that prevent energy waste.*		

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ELIGIBILITY CRITERIA

The table below evaluates the eligibility criteria against issuance-specific KPIs and covers the project categories that have not been assessed against the DNSH and MSS of the Thailand Taxonomy. The majority of the assets are and will be located in Thailand.

ASSESSMENT AGAINST KPIs

Integration of ESG guidelines into the financing process

The Issuer set up an ESG screening process for its lending and investment activities, as stated in its Credit Policy on Environment, Social and Governance and Sector-Specific Guidelines. ESG factors are incorporated as criteria for credit underwriting of corporate and project finance and investment in debt instruments, and KBank established an exclusion list and sector-specific guidelines while having in place appropriate risk management measures for high-risk customers to ensure that credit supported by the Issuer will involve effective management of environmental and social impacts. The Issuer also developed loan consideration guidelines for specific industrial sectors in accordance with the 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 complies with the target to achieve a low-carbon economy, especially for industries with risks of environmental and social impacts. The industries covered by the sector-specific guidelines include:

- Power generation
- Mining
- Oil and gas (excluded from the financing under the framework)
- Agricultural, agro-processing and food, and other industries using agricultural products as raw materials
- Forestry and related businesses that use forest products for the processing of pulp, paper products and printed materials
- Chemicals, tanning, bleaching and other manufacturing
- Real estate
- Construction materials
- Automotive and parts
- Transport
- Service

The Issuer's ESG screening process applies to commercial credits for medium businesses and corporate customers and project finance. For commercial credits for medium businesses and corporate customers,[47] the Issuer conducts ESG screening through the following steps:

- Checking the industry type against the exclusion list
- Assessing ESG impacts via General ESG Screening Form[48]
- Approving or rejecting the applications in accordance with the delegated authority, and determining environmental and social conditions

The Issuer conducts ESG screening for project finance through the following steps:

- Checking the industry type against the exclusion list
- Classifying the credit application types for projects that may create environmental or social impacts, based on global principles and notifications of the Thailand Ministry of Natural Resources and Environment
- Assessing ESG impacts via the initial ESG risk assessment form to be delivered to responsible officers for assessment of project management
- Requesting approval of heads of business divisions and enterprise risk management division for detailed study of the projects (without approval, the processes terminate)
- Reporting to the Corporate Governance Committee for recommendations
- Studying details and negotiating project feasibility in terms of credit and environmental management
- Approving or rejecting the applications in accordance with the approval authority, and determining environmental and social conditions

The Issuer also conducts human rights risk assessments to identify potential human rights violations. The human rights due diligence process includes assessing human rights risks and impacts, integrating and acting on identified risks, monitoring and reporting on human rights actions, and remediating stakeholders and vulnerable groups affected by adverse human rights impacts.

Furthermore, the Issuer has a risk management process comprising risk identification, assessment, monitoring, controlling and reporting, which includes ESG risks. This risk management system is applied across all activities financed by this Framework. The Issuer also places significance on early warning and monitoring of risk position and overall concentration and regularly reviews the adequacy of its risk management system and efficiency of risk management via relevant committees. For transaction-level risk management of environmental and social impacts, the Issuer's enterprise risk management division conducts regular monitoring and control, and reports to the Corporate Governance Committee every

[47] KBank confirms that business size is determined based on annual sales: companies with annual sales more than THB 5 billion are classified as multi-corporate businesses, companies with annual sales between THB 400 million and THB 5 billion are classified as large corporate businesses, individuals or companies with annual sales between THB 50 million and THB 400 million are medium businesses, individuals or companies with less than THB 50 million annual sales and with commercial credit limit of less than THB 10 million are small and micro businesses.

[48] The Bank confirms that this screening process includes checking for environmental, occupational health and safety and other E&S aspects (e.g., labor law compliance, fire safety, community impacts, pollution control, emergency preparedness and response).

three months to receive the committee's recommendations before credit underwriting is conducted. If any project is considered to be non-compliant with the environmental and social risk assessment criteria, the Issuer will give notice of the issues for improvement, along with conditions and limitations, to the customers for improvement and revision within a specified timeline. In the absence of customers' proposed directions for improvement and revision within the stipulated period, the Issuer may terminate its financial support to the projects.

Integration of ESG guidelines into the financing process for most sensitive sectors[49] financed under the Framework

As part of its risk assessment, environmental and social risks are required considerations for credit facilities and capital market transactions. KBank's approach to environmental risk management addresses both direct and indirect risks across 11 different sectors.

Integration of ESG guidelines into the financing process for forestry

In the Issuer's sector-specific guidelines, the Issuer states the project types within the forestry industry that it does not support, including forestry projects involving deforestation, and states that it only supports commercial forestry that has been permitted by law and complies with the requirements of forestry organizations such as the FSC. The Issuer also has a list of supporting businesses that meet sustainability standards. KBank states that the key steps to evaluate and support financing in the forestry sector follow the same concept as other high ESG risk sectors: i) conducting the E&S assessment; ii) performing due diligence (site visit if possible) to understand stakeholder expectations; iii) evaluating risk mitigations for biodiversity, soil and water protection, and other identified risks; and iv) assessing the project's compliance with laws and standards.

However, it is not clear whether the Issuer has tailored environmental and social risk assessments for forestry projects and related risks, such as surface and groundwater management; responsible use of fertilizers and pesticides; alternatives to pesticides, herbicides and fertilizers; hazardous materials management; soil erosion, compaction and productivity; fire management; reforestation with native species; and multi-age and multi-species instead of monocultures.

Integration of ESG guidelines into the financing process for agriculture

The Issuer's sector-specific guidelines list out businesses that KBank does not finance because the business activities may be associated with environmental and social risks and negative impacts, such as air and water pollution, odors, wastes or greenhouse gases. The guidelines also list out the businesses KBank specifically supports in the agriculture sector, including businesses involving sustainable procurement of raw materials, recognition of labor rights and measures to meet minimum labor requirements, awareness of environmental impacts,

[49] The categorization of a sector as "most sensitive" follows an evaluation of the number of controversies prevalent in the context of the financing operations of a financial institution.

and environmental management at global standards. KBank states that the key steps to evaluate and support financing in the agriculture sector follow the same concept as other high ESG risk sectors: i) conducting the E&S assessment; ii) performing due diligence (site visit if possible) to understand stakeholder expectations; iii) evaluating risk mitigations for biodiversity, soil and water protection, and other identified risks; and iv) assessing the project's compliance with laws and standards.

However, it is not clear whether the Issuer has tailored environmental and social risk assessments for agriculture projects and related risks, such as managed grazing and prevention of overgrazing; position on large-scale livestock farming; wastewater and waste management; air emissions; animal feed; disease control; minimal and responsible use of antibiotics; animal hunger and thirst; animal discomfort, fear and distress; animal pain and injury; and expression of normal behavior.

Health and safety

✓

The Issuer's Occupational Safety and Health, and Workplace Environment Policy addresses the Bank's internal operations, encompassing employees, contractors and visitors, and incorporates the health and safety policy into project finance by implementing additional environmental, social and health and safety risk assessment processes. The Issuer implements health and safety standards checks during its credit preapproval process. Steps within this process include checking and identifying whether health and safety is a material risk for the project in terms of the borrower's business sector via SASB materiality check and the Issuer's ESG risk policy. If health and safety are not considered to be material issues, KBank will still review these matters in accordance with legal compliance, industry standards and market practices. After ESG risk identification, the Issuer conducts a deep dive investigation into the key risks, focusing on investigating the borrower's workplace safety programs, health programs, incident reporting and safety culture. The Issuer also requires the submission of all licenses related to national laws and regulations[50] and will consider whether health and safety plans are adequately prepared after confirmation that the borrower complies with national laws.

The Issuer states that all projects financed by this Framework are required to have conducted an environmental assessment, including Initial Environmental Examination, Code of Practice, Environmental Safety Assessment, Environmental Impact Assessment, and Environmental and Health Impact Assessment. The Issuer also checks for whether or not the borrower is ISO

[50] The Issuer explains that, in Thailand, the Department of Labour Protection and Welfare governs safety licenses and certifications. This department enforces occupational safety and health regulations, requiring employers to comply with its standards and obtain necessary licenses or certifications for their industries. Relevant laws that look to ensure workplaces in Thailand meet minimum safety standards to protect employees include the Occupational Safety, Health, and Environment Act B.E. 2554 (2011) and the Labour Protection Act B.E. 2541 (1998).

45001 certified, and places priority on borrowers and projects that are certified. The Bank encourages borrowers without ISO 45001 certification to adopt ISO 45001 standards and obtain certification. For medium- and low-risk sectors, the Bank will consider several health and safety aspects depending on their activity and risk, considering aspects including workplace safety, occupational health, emergency preparedness and compliance with Thailand's laws and regulations for employees.

The Issuer also states that it verifies whether the borrower has any health, safety, or legal issues regarding health and safety within a three-year timeframe. If a borrower or project is considered as non-compliant with environmental and social risk assessment criteria (including health and safety), the Bank will issue notice of improvement with conditions and limitations, to let borrowers revise and improve within a specified timeline. In cases where borrowers fail to propose and reflect improvement on non-compliance within the stipulated period, the Bank may terminate financing to the borrower and its projects.

Labor standards

✓

The Issuer developed multiple guidance for its current environmental and social management system implementation, which includes labor standards such as legal compliance and the International Labour Organization (ILO) core conventions.[51] The Issuer established a human rights policy that is implemented throughout the company, and conforms to key legal principles and international standards, such as the United Nations Guiding Principles on Business and Human Rights, principles of humanity and rights in accordance with the ILO, the International Bill of Human Rights (comprised of the Universal Declaration of Human Rights; International Covenant on Civil and Political Rights; and the International Covenant on Economic, Social and Cultural Rights), and the principles of the United Nations Global Compact. The Issuer's human rights policy applies to all operations of other companies in its group conglomerate, as well as employees, customers, suppliers, business partners and borrowers.

The Issuer requires all projects financed under this Framework to comply with Thailand's labor laws, and will also check for whether the borrower has adopted and certified by voluntary standards including Thai Labor Standard (TLS8001) and Good Labor Practice (GLP). The Issuer states that it prioritizes borrowers and projects that are certified by TLS8001 or GLP, and encourages borrowers and projects without certification to adopt and obtain certification.Most of the Issuer's borrowers and investees are located in Thailand, which is aligned with

[51] The Issuer confirms that the laws and regulations complied with include i) the Labour Protection Act B.E. 2541 (1998); ii) the Labour Relations Act B.E. 2518 (1975); iii) the Social Security Act B.E. 2533 (1990); iv) the Workmen's Compensation Act B.E. 2537 (1994); and v) the Alien Employment Act B.E. 2521 (1978).

some of the ILO conventions, having adopted several ILO conventions and actively collaborating with the ILO. The Issuer fully adopted the International Financial Corporation (IFC) Performance Standards in its environmental and social screening process in some Project Finance Type A projects (i.e., power generation projects), as classified based on Thailand's environmental impact assessment (EIA) criteria. Also, KBank confirms that it will engage on a second-party opinion or with technical advisors for Type A projects.

The Issuer also states that it verifies whether the borrower has any legal issues related to labor practices within a three-year timeframe. If a borrower or project is considered as non-compliant with environmental and social risk assessment criteria (including labor standards), the Bank will issue notice of improvement with conditions and limitations, to let borrowers revise and improve within a specified timeline. In cases where borrowers fail to propose and reflect improvement on non-compliance within the stipulated period, the Bank may terminate financing to the borrower and its projects.

Biodiversity

✓ The Issuer states that environmental and social risk management procedures for lending operations are in place, including an exclusion list including biodiversity risk. KBank requests its borrowers to perform EIAs, risk mitigation plans, stakeholder engagement reports, and monitoring and reporting documents. The key biodiversity risks the Issuer considers are habitat destruction, species displacement, pollution and contamination, invasive species, climate change, and resource overexploitation. The Issuer fully adopted the IFC Performance Standards in its environmental and social screening process in some Project Finance Type A projects (i.e., power generation projects), as classified based on Thailand's EIA criteria. Also, Type A projects will engage on a second-party opinion or with technical advisors. For projects not classified as Type A projects, a special environmental and social impact assessment will be conducted with a qualified specialist or consultant, where projects that are determined to result in the degradation of biodiversity are excluded from this Framework. Furthermore, KBank adheres to various national laws and legislations regarding the protection of diversity and critically endangered and vulnerable species.[52]

Community dialogue

✓ The Issuer ensures that its impacts on communities have been mitigated and reduced through its environmental and social impact assessment. All borrowers must engage in community dialogue before starting a project. As part of

[52] Relevant legislations include the Wildlife Preservation and Protection Act (2019), the National Parks Act (2019), the Draft Biodiversity Act, the Plant Varieties Protection Act, the National Reserved Forest Act, and the Pathogens and Animal Toxin Act.

KBank's environmental and social screening, various questionnaires, including the topic of community concerns, are shared. The questionnaires are used for stakeholder engagement and shared with stakeholders during the site visits. For power generation and hydropower plant projects, considered projects are Type A, which are projects with severe environmental and social impacts based on Thailand's EIA criteria, the IFC Performance Standards are adopted as part of its environmental and social screening process.

Inclusion

✓ The Issuer states that vulnerable or disadvantaged populations are considered when granting a loan. KBank does not discriminate against its customers based on age, disability, ethnic origin, family status, race, religion, gender, sexual orientation, nationality or social origin in its loan process and in accessing essential services.

Data protection and information security

✓ The Issuer has measures in place systematically ensuring that data collection processes on borrowers meet minimum requirements for data and information security. The Issuer implemented an ISO 27001 certified IT security management system. KBank has a comprehensive framework to manage and protect its information.

Responsible treatment of customers with debt repayment problems

✓ The Issuer has measures in place systematically ensuring that assets financed under the Framework provide for preemptive actions to prevent client debt repayment problems such as keeping a conservative loan-to-value ratio to reduce the risks, offering internal debt counseling services by conducting credit assessments and setting repayment targets to manage their borrower's debt, monitoring potential debt issues and intervening to address them, offering debt-restructuring under non-detrimental conditions, and including responsible policies for mortgages sale and foreclosure.

Sales practices

✓ The Issuer follows SASB ESG materiality issue checking and has a training plan for the sales staff to ensure accurate and reliable customer advice. It also checks the feedback, complaints, reports, and disclosures. The Issuer monitors its reward practices and has a structured reward system. While the Issuer confirms responsible sales practices, as part of its reward system, employees set sales targets with their management team, which can lead to pressure over sales numbers. Furthermore, the Issuer confirms that it does not implement a commission system for its sales team.

Responsible marketing

✓ The Issuer has some measures in place systematically ensuring that assets financed under this Framework provide for responsible marketing. KBank provides accurate, complete and transparent information about pricing and fees, clearly communicates the potential risks of its products, and is committed to transparently informing customers about the reasons for the rejection of loans or insurance applications. The Issuer commits to ensuring all of its products are easily readable, clear and transparent.

Exclusion criteria

The Issuer's policies exclude companies that have a strong environmental impact, have lobbying activities against climate regulations, or have climate-denial activities. Additionally, credits related to illegal activities, the destruction of ecosystems and cultural areas, tobacco, nuclear weapons, or any credit that could adversely affect KBank's reputation are excluded. For the full list of activities and sectors excluded, visit this link.

PART III: ALIGNMENT OF THE ELIGIBLITY CRITERIA WITH THE THAILAND TAXONOMY

The alignment of KBank's project characteristics, due diligence processes and policies for the nominated use of proceeds project categories have been assessed against the relevant Significant Contribution to Climate Change Mitigation metrics and thresholds and DNSH and MSS requirements of the Thailand Taxonomy Phase 1 (June 2023), based on information provided by KBank. Where KBank's project characteristics, due diligence processes and policies meet the Thailand Taxonomy criteria requirements, a tick is shown in the table below.

KBank's project selection criteria overlap with the following economic activities in the Thailand Taxonomy:

- 4.1.1 Solar energy generation
- 4.1.2 Wind energy generation
- 4.1.3 Hydropower generation
- 4.1.4 Geothermal power generation
- 4.1.5 Bioenergy generation and production
- 4.1.6 Energy production from natural gas
- 4.1.7 Marine energy generation
- 4.1.8 Electricity generation from renewable non-fossil gaseous and liquid fuels, including green hydrogen
- 4.1.9 Cogeneration of heating/cooling and power using renewable sources of energy
- 4.1.10 Production of heating and cooling using waste heat
- 4.1.11 Installation and operation of electric heat pumps
- 4.1.12 Heating and cooling distribution
- 4.1.13 Transmission and distribution networks for renewable and low-carbon gases, including green hydrogen
- 4.1.14 Storage of electricity, thermal energy, and green hydrogen
- 4.1.15 Transmission and distribution of electricity
- 4.2.1 Transport via railways
- 4.2.2 Other passenger land transport
- 4.2.3 Urban and suburban passenger land transport
- 4.2.4 Freight transport by road
- 4.2.5 Enabling infrastructure for low-emission transport
- 4.2.7 Inland water transport
- 4.2.8 Retrofitting of sea and coastal freight and passenger water transport

All projects financed under the Green Finance Framework are and will be located in Thailand.

Furthermore, this analysis only displays how the Thailand Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the Thailand Taxonomy criteria is not shown. Readers can recover the original criteria at the following link.

a) 4.1.1 Solar energy generation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[53]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity generates energy using solar PV technology.	✓

b) 4.1.2 Wind energy generation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[54]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity generates electricity from wind power using onshore and/or offshore wind power plants.	✓

c) 4.1.3 Hydropower generation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[55]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of constructing and operating electricity generation facilities producing electricity, heating and cooling from hydropower. The Issuer confirms that the borrowers will comply with the taxonomy's metrics and thresholds.	✓

[53] This column is based on input provided by the Issuer.
[54] Ibid.
[55] Ibid.

d) 4.1.4 Geothermal power generation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[56]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of building and operating electricity generation facilities to produce electricity, heating and cooling from geothermal power. The new facilities will meet the thresholds for life cycle GHG emissions from Table 11 of the taxonomy.	✓

e) 4.1.5 Bioenergy generation and production

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[57]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of building and operating electricity generation facilities to produce electricity, heating and cooling from bioenergy (biomass, biogas and biofuels). The Issuer confirms that the borrowers will comply with the taxonomy's metrics and thresholds. KBank will monitor credit and impact performance during the post-issuance process. If a borrower does not meet the requirements from the taxonomy, it will be excluded from the financing.	✓

f) 4.1.6 Energy production from natural gas

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[58]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	

[56] Ibid.
[57] Ibid.
[58] Ibid.

The activity consists of the conversion of facilities that produce energy from natural gas to use green hydrogen leading to an emission intensity of the plant within the thresholds indicated in Table 11 of the taxonomy.	✓

g) 4.1.7 Marine energy generation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[59]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity generates electricity and heat using marine energy.	✓

h) 4.1.8 Electricity generation from renewable non-fossil gaseous and liquid fuels, including green hydrogen

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[60]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of building and operating electricity generation facilities to produce electricity using gaseous and liquid fuels of renewable origin, including green hydrogen. This activity does not include electricity generation from the exclusive use of biogas and bioliquid fuels. The Issuer confirms that the borrowers will comply with the taxonomy's metrics and thresholds.	✓

i) 4.1.9 Cogeneration of heating/cooling and power using renewable sources of energy

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[61]	ALIGNMENT WITH THE THAILAND TAXONOMY'S

[59] Ibid.
[60] Ibid.
[61] Ibid.

	METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of the construction and operation of installations used for cogeneration of heat/cool and power exclusively from renewable sources of energy, indicated in the present taxonomy (solar, wind, geothermal, bioenergy, ocean energy, renewable liquid and gaseous fuels, including green hydrogen). The Issuer confirms that the borrowers will comply with the taxonomy's metrics and thresholds.	✓

j) 4.1.10 Production of heating and cooling using waste heat

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[62]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity generates heating/cooling from waste heat.	✓

k) 4.1.11 Installation and operation of electric heat pumps

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[63]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of the installation and operation of electric heat pumps.	✓

l) 4.1.12 Heating and cooling distribution

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[64]	ALIGNMENT WITH THE THAILAND

[62] Ibid.
[63] Ibid.
[64] Ibid.

	TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of operating heating and cooling systems using waste heat following the criteria of using at least 50% renewable energy, or at least 50% waste heat, or at least 75% cogenerated heat, or at least 50% of a combination of such.	✓

m) 4.1.13 Transmission and distribution networks for renewable and low-carbon gases, including green hydrogen

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[65]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of repurposing gas networks for low-carbon gases and green hydrogen. The Issuer confirms that the activity includes methane leak detection and repair of gas pipelines or other network elements.	✓

n) 4.1.14 Storage of electricity, thermal energy, and green hydrogen

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[66]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of building and operating facilities that store electricity, thermal energy and green hydrogen and return them later. The life cycle emissions intensity of all thermal energy storage systems is below 100 gCO_2/kWh.	✓

[65] Ibid.
[66] Ibid.

o) 4.1.15 Transmission and distribution of electricity

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[67]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity consists of the construction and operation of transmission systems that transport electricity on the extra high-voltage, high-voltage, medium-voltage, and low-voltage. The Issuer confirms that the borrowers will comply with the taxonomy's metrics and thresholds.	✓

p) 4.2.1 Transport via railways

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[68]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity covers transport via railway where the trains and passenger coaches and wagons have zero direct (tailpipe) CO_2 emissions or have zero direct (tailpipe) CO_2 emissions when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimodal). The activity also does not cover internal combustion engine vehicles or the transport or storage of fossil fuels and fossil fuel filling stations.	✓

q) 4.2.2 Other passenger land transport

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[69]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	

[67] Ibid.
[68] Ibid.
[69] Ibid.

The activity covers vehicles that have zero direct (tailpipe) CO_2 emissions.	✓

r) 4.2.3 Urban and suburban passenger land transport

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[70]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity covers urban or suburban passenger transport with zero direct (tailpipe) CO_2 emissions. For the scheduled passenger urban-suburban rail transport, direct (tailpipe) CO_2 emissions are zero or become zero when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimodal).	✓

s) 4.2.4 Freight transport by road

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[71]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity covers freight transport by road with zero direct (tailpipe) CO_2 emissions and that does not support internal combustion engine vehicles, as well as transport or storage of fossil fuels and fossil fuel filling stations.	✓

t) 4.2.5 Enabling infrastructure for low-emission transport

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[72]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	

[70] Ibid.
[71] Ibid.
[72] Ibid.

The activity covers activities that support personal mobility or cycle logistics such as pavements, bike lanes and pedestrian zones, and electrical charging and hydrogen refueling installations. This activity covers rail transport activities that support the electrified trackside infrastructure and associated subsystems, trackside control-command, signaling subsystems, or infrastructure dedicated to transshipping freight between the modes for rail transport. This activity covers road transport activities that support electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric road systems, or infrastructure installations dedicated to transshipping freight between modes or to urban and suburban passenger transport for road transport. This activity covers water transport activities that support electricity charging, hydrogen-based refueling or infrastructure dedicated to the provision of shoreside electrical power to vessels for water transport. This activity covers airport activities that support electricity charging and hydrogen refueling for airports.	✓

u) 4.2.7 Inland water transport

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[73]	ALIGNMENT WITH THE THAILAND TAXONOMY'S METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity covers vessels that have zero direct (tailpipe) CO_2 emissions. For passenger inland water transport, the activity also covers hybrid and dual fuel vessels that derive at least 50% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation (until Dec. 31, 2027).	✓

v) 4.2.8 Retrofitting of sea and coastal freight and passenger water transport

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[74]	ALIGNMENT WITH THE THAILAND TAXONOMY'S

[73] Ibid.
[74] Ibid.

	METRICS AND THRESHOLDS
1. SIGNIFICANT CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity covers retrofitting vessels (excluding vessels carrying fossil fuels) with zero direct (tailpipe) CO_2 emissions, which fulfills the criteria outlined in Table 15 of the Thailand Taxonomy.	✓

v) Generic Criteria for DNSH to Climate Change Adaptation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[75]	ALIGNMENT WITH THE THAILAND TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
KBank performed an analysis of climate-related risks as part of its materiality assessment. Regarding the physical risks identified, droughts, floods and the rising global temperature were categorized as acute and chronic physical risks. The impacts on the business were detailed, with timeframes of the risks and guidelines for damage control. The results were published in KBank's TCFD Report. The Issuer identified a high risk of flooding for its operations. To assess the future flood risk, RCP 2.6 and RCP 8.5, two risk indicators from Climate Impact Explorer, were used to evaluate rising flood risk by 2050 by forecasting relative changes in annual maximum river flood depth and relative changes in land fraction annually exposed to river floods. The solutions identified involved reviewing the risks arising from natural disasters and incorporating risk factors when determining acceptable risk appetites. KBank developed a flood mitigation action plan as part of the mitigation measures. The expected lifespans of the assets were within five years for the short term, between five and 10 years for the medium term, and more than 10 years for the long term. KBank adapts its climate-related risks and opportunities assessment to the different time horizons, following the Task Force on Climate-related Financial Disclosures (TCFD). The Issuer performed a scenario analysis to assess the impacts of climate change on its portfolio. The Issuer employed Climate Financial Driver Analysis to analyze climate-related risks and opportunities. For the assessment, three scenarios were identified: a well below 2 degrees Celsius scenario, using sustainable development scenarios for ASEAN; a net-zero scenario; and a business-as-usual scenario, using the IEA's	✓

[75] Ibid.

Stated Policies Scenario. Additionally, it has participated with experts and advisors to analyze different adaptation scenarios of the Network for Greening the Financial System. The Issuer implemented physical and non-physical solutions, integrated adaption measures, and included climate-related risks in its credit underwriting process to assess the impact of its credit portfolio. Also, Kbank identified a climate-related opportunity regarding its resilience, a self-adjustment to climate change. The guidelines to respond to the opportunity include revising business strategies, analyzing climate risks and setting up an operational structure with a data storage system to support climate-related management. The Business Continuity Management Subcommittee is responsible for activating the plans to resume operations after an extreme climate event.	

w) Generic Criteria for DNSH to Sustainable Use and Protection of Marine and Water Resources

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[76]	ALIGNMENT WITH THAILAND TAXONOMY
3. SUSTAINABLE USE AND PROTECTION OF MARINE AND WATER RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
KBank undergoes risk assessments and identification of risks associated with water consumption and water quality and implements measures to address the identified water risks. Additionally, it ensures that if assets are in water-stressed areas, water use and conservation management plans are developed. Most of the measures are implemented at the corporate level. The Issuer confirms there are no assets located in water-stressed areas.	✓

x) Generic Criteria for DNSH to Resource Resilience and Transition to a Circular Economy

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[77]	ALIGNMENT WITH THAILAND TAXONOMY
4. RESOURCE RESILIENCE AND TRANSITION TO A CIRCULAR ECONOMY– DO NO SIGNIFICANT HARM CRITERIA	

[76] Ibid.
[77] Ibid.

KBank confirms all projects will undergo an EIA that will include the retirement and dismantlement plans. The EIA will cover the efficient use, reduction, repair, recycling and reuse of materials, ensuring proper waste disposal. Repair and interchangeability of equipment components are ensured. The Issuer will comply with existing laws related to construction and demolition waste under the Bangkok Metropolitan Administration.	✓

y) Generic Criteria for DNSH to Pollution Prevention and Control

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[78]	ALIGNMENT WITH THAILAND TAXONOMY
5. POLLUTION PREVENTION AND CONTROL – DO NO SIGNIFICANT HARM CRITERIA	
KBank confirms that the EIA process ensures that water discharge is done in compliance with water discharge permits from local authorities. It also assesses that air emissions and waste generated are managed according to local permits and relevant regulations. Depending on the project location and type of project, different environmental assessments are required. The Issuer will comply with the necessary permits for each project. Permits that are considered when relevant are air quality, water discharge, hazardous waste, hazardous substance control, land use, fire safety certificate, health and safety, Industrial Estate Authority of Thailand permit, and construction.	✓

z) Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[79]	ALIGNMENT WITH THAILAND TAXONOMY
6. PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
KBank confirms that all projects will have an EIA, and the location of the project is part of the assessment, ensuring it is not located in ecosystems that are important for food security, rich in biodiversity or are a habitat for endangered species. Museums and technical facilities are exempt but will follow IFC Performance Standard 6 as part of the EIA.	✓

[78] Ibid.
[79] Ibid.

Minimum Social Safeguards

The alignment of the project characteristics and selection processes in place with the Thailand Taxonomy MSS have been assessed. The results of this assessment are applicable for every project category financed under this Framework and are displayed below:

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[80]	ALIGNMENT WITH THE THAILAND TAXONOMY REQUIREMENT
KBank's Human Rights Policy applies to all the Bank's operations and companies in the Kasikornbank financial conglomerate, and to employees, customers, suppliers and business partners. The policy serves as a guideline for corporate-wide implementation and includes the commitment to prevent and respect the following human rights: child labor, forced labor, human trafficking, freedom of association, the right to collective bargaining, equal remuneration, and discrimination. Additionally, KBank has a human rights due diligence process and a risk and impact assessment. The Issuer has an environmental and social impact assessment process applicable to the project selection process, including an environmental and social risks assessment toolkit. The Issuer does not have a specific policy regarding the IFC Performance Standards but does have policies to ensure compliance such as a policy outlining environmental and social goals in its loan evaluation process. An environmental and social management system will be implemented. To minimize environmental and social impacts, the Issuer has an ESG Credit Policy in which the E&S impacts are assessed, managed and mitigated. There are specific guidelines for some industrial sectors, with ESG factors included in the credit consideration, and for some projects, technical experts are engaged to provide opinions. Biodiversity risks and key ecosystem services are part of the loan evaluation process. Credits related to destroying or encroaching upon important ecosystems are not allowed in the exclusion list of activities. KBank has implemented safety measures including: 1. Management and operations related to occupational health and safety and the workplace environment 2. Fire prevention and extinguishing practices and fire drills 3. Communications with personnel	✓

[80] Ibid.

4. Risk assessments related to occupational safety and the workplace environment
5. Risk assessment procedures
6. Inspections for workplace safety and environment and health checks

As part of its human rights due diligence process, stakeholders are engaged and potential impacts related to human rights in the operations, value chain, mergers, acquisitions and joint ventures are assessed. Open dialogue with Indigenous communities is part of the EIA needed for the loan evaluation process.

KBank confirms that it will consider community health and security management through implementing measures to minimize disease exposure with health education programs and security protocols. Also, it will consider compensation for displaced people affected by projects and create procedures for consultation with Indigenous communities regarding cultural heritage.

The Issuer also confirms that the loan evaluation process will be conducted prior to financing and will include all IFC Performance Standards. The following aspects will be considered in the loan evaluation process:

- Resource efficiency: As part of its due diligence, the Issuer conducts a materiality check and, for the projects KBank considers necessary, will conduct an in-depth assessment of resource efficiency, including energy and water audits. For Type A projects, which are those with severe environmental and social impacts, the in-depth assessment is always done. For any other project that is not Type A but also has materiality issues, the ESG team will consider them as well.
- Greenhouse gas emissions: KBank will use the Partnership for Carbon Accounting Financials (PCAF) methodology to calculate standards for financial institutions' credit support and investments to evaluate the GHG emissions of industries in its portfolio. The GHG emissions of KBank's loan and investment portfolio will be reported in the annual sustainability report.
- Pollution prevention plans: The Issuer will include pollution prevention plans in its loan evaluation process as part of an in-depth assessment of resource efficiency.
- Waste management plans: The Issuer will include waste management plans focused on reducing, reusing and recycling materials in its loan evaluation process as part of an in-depth assessment of resource efficiency.
- Hazardous materials management: KBank will include training on safe handling and transportation of hazardous materials.

- Integrated pest management: The Issuer will implement integrated pest management practices.
- Biodiversity protection: KBank will conduct an environmental assessment including biodiversity protection.
- Ecosystem services management: The loan evaluation process will include the monitoring and managing of ecosystem services.
- Sustainable practices in resource production
- Emergency preparedness systems: KBank will assess emergency preparedness systems, engaging with experts when necessary.

KBank commits to maintaining an internal audit program to ensure environmental and social compliance. The Issuer established an exclusion list for activities related to or located in cultural heritage sites and areas with resettlement concerns. As part of the project screening process, project locations are evaluated, and those falling under the exclusion criteria are excluded from financing through this Framework.

PART IV: CONSISTENCY OF GREEN FINANCE ASSETS WITH KASIKORNBANK'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Strategic ESG topics	The Issuer focuses on green operations and sustainable finance (environment); financial inclusion and financial/ cyber literacy, customer data security and privacy, and respect for human rights (society); and ESG risk management and compliance (governance). These sustainability pillars have been defined through conducting double materiality assessment that references the Global Reporting Initiative (GRI) topics.
ESG goals/targets	To achieve its strategic ESG topics, the Issuer set long-term ESG targets with target years of 2024, 2025 and 2026. The goals are public and updated and internally monitored annually. Annual performance is published on the Issuer's website and in the Sustainability Report. Environmental targets: Percentage of GHG Scope 1 and 2 reduction compared to 2020, glidepath and sector strategies completely developed, total green loan and investment. Social targets: Financial literacy for the underprivileged, number of audience reached by cyber literacy campaign, national or international award on excellence of HR management, number of complaints of discriminatory labor treatment or violence that leads to a lawsuit, percentage of open positions filled by internal candidates, percentage of females in leadership positions, employee engagement level, human capital return on investment, average hours per FTE of training and development, employee absentee rate, human rights risk assessment in all business activities, number of employee volunteer hours, number of beneficiaries from KBank's CSR projects. Governance targets: The results of corporate governance assessment measured by external agencies, no significant warning issues/findings from regulators, no significant non-compliance issues related to market conduct, highest Net Promoter Score and digital banking leadership in the Thai banking industry, maintain issues and complaints against the total number of transactions, number of K PLUS users, online payment adoption, maintain adequate Tier 1 capital ratio as required under Basel III and sufficient for business growth, 100% of project finance and medium enterprises processed

TOPIC	ISSUER APPROACH
	through the ESG assessment procedure, 100% of Tier 1 and Tier 2 suppliers have undertaken the annual ESG supplier risk assessment.
Action plan	With the commitment to achieving zero emissions in its operations, the Issuer will transition to biofuels and electric vehicles to reduce direct emissions. Moreover, KBank will rely on renewable energy sources and optimize its operational processes to ensure eco-efficiency across energy, water, waste, business travel and material usage. Science-based targets and an internal carbon price will also be set to track progress and guide sustainable decision-making. The Issuer has invested more than THB 16 billion and intends to invest THB 200 billion in sustainable funding by 2030. To decarbonize its financed portfolio, the Issuer will assess climate risks, develop a glidepath and prioritize high-carbon sectors for action. It will also increase investments in green and transition finance to accelerate the low-carbon shift. A customer engagement plan will assist clients in transitioning to net zero, offering solutions beyond finance to support their decarbonization efforts. KBank aims to improve financial inclusion by refining its credit processes, offering risk-based products, affordability assessments and efficient collection procedures. Through collaborations with partners, the Issuer plans to build customer capabilities for sustainable growth. To protect customer assets and ensure secure services, the Issuer will continue to strengthen third-party risk management and enhance detection and response capabilities to safeguard data and ensure trust. KBank will adhere to international human rights standards, including the UN Guiding Principles on Business and Human Rights, in its operations with employees, customers, suppliers and business partners, ensuring fairness and ethical conduct in all business activities. To ensure ESG compliance across its value chain, KBank will comply with national regulations. It also follows international standards and frameworks to guide its ESG practices including Dow Jones Sustainability Indices, CDP, TCFD, PCAF, the Principles for Responsible Banking, the United Nations Global Compact and GRI Standards. In addition, KBank is enhancing its ESG credit assessment process to strengthen its ESG approach.
Climate transition strategy	The Issuer has a net-zero emissions target that includes net-zero emissions from its operations by 2030 (Scope 1 and 2) and net-zero

TOPIC	ISSUER APPROACH
	emissions in its portfolio in line with Thailand's target. Moreover, the Issuer aims for at least THB 100-200 billion in sustainable financing and investment by 2030. To this end, the Issuer launched KBank Climate Strategy 2024 with the following focuses: Green Operation: The Issuer revamped its operational processes, beginning with the development of a GHG database system and carbon credit-related operations. The action plan includes installing solar rooftops at 78 branch offices and replacing internal combustion engine vehicles in the fleet with electric vehicles. Green Finance: The Issuer plans to leverage its strengths in loans and investments to support the business sector's transition, focusing on i) green loans and transition finance, ii) allocating investments to businesses and startups that generate positive impacts, and iii) offering investment products through KBank and its global partners to attract funds for ESG-focused businesses. Climate Solutions: Comprehensive environmental solutions are being developed in collaboration with partners to provide advisory services and valuable information for business transitions, as well as reduction solutions for both consumers and businesses. Moreover, the Issuer will continue to leverage its experience in measuring carbon footprint to develop new solutions to assist businesses with measurement, reporting and verification of their greenhouse gas emissions in conformity with national and international standards. Carbon Ecosystem: The Issuer intends to expand services related to carbon credit transactions. This includes researching and acquiring carbon credits to offset its own emissions, acting as a carbon credit broker/dealer and exploring carbon credit tokenization.
Sustainability reporting	The Issuer reports on its ESG performance and initiatives annually. The report is prepared in accordance with GRI Standards (2021), the TCFD recommendations and IFRS S1 and S2. Additionally, the Issuer publishes an annual TCFD Report and responses to both the CDP and the United Nations Global Compact.
Industry associations,	The Issuer is a member of the United Nations Global Compact and a signatory to PCAF.

TOPIC	ISSUER APPROACH
collective commitments	
Previous sustainable or sustainability-linked issuances or transactions and publication of sustainable financing framework	The Issuer issued its inaugural USD 100 million sustainable bond in 2018, and subsequently USD 84 million in 2022. The funds were directed toward investments in renewable energy, green building, employment generation and enhancing access to essential services. The Sustainability Bond Framework was first published in 2018 and updated in 2020. Both Frameworks were verified by an external third party.

Rationale for issuance

KBank aims to balance economic, social and environmental dimensions to create sustainability for all stakeholders and be consistent with the U.N. SDGs. The philosophy of sustainable development is integrated in all operations ensuring maximum benefit for all stakeholders and enabling sustainable growth.

The Sustainable Development Policy was established as a set of guidelines for the operating processes of all KBank units under the sustainable development structure, which cascades the long-term sustainability targets to the implementation level. KBank has also set a sustainable financing and investment target of at least THB 100-200 billion by 2030.

The credit lending policy was developed in alignment with KBank's commitment to ensure environmental stewardship toward net zero in the Issuer's own operations by 2030, as well as to reduce greenhouse gas emissions in its financed portfolio in line with Thailand's aspirations of reducing greenhouse gas emissions in significantly impacted sectors, both in terms of greenhouse gas emission volume and proportion of loans extended to each sector, and reinforcing this journey where possible.

Opinion: *The key sustainability objectives and the rationale for issuing green finance assets are clearly described by the Issuer. All the project categories financed are in line with the Issuer's sustainability objectives.*

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
2. ISS-Corporate, a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues Second Party Opinion, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
3. Second Party Opinion are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate's methodology. ISS-Corporate does not warrant that the information presented in this Second Party Opinion is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these Second Party Opinion, or any information provided therein. If the Second Party Opinion is provided in English and other languages, in case of conflicts, the English version shall prevail.
4. Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the Second Party Opinion is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to social and environmental criteria.
5. This Second Party Opinion, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property requires the express prior written consent of ISS-Corporate. The use shall be deemed to refer in particular to the copying or duplication of the Second Party Opinion wholly or in part, the distribution of the Second Party Opinion, either free of charge or against payment, or the exploitation of this Second Party Opinion in any other conceivable manner.

ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary methodology.

Thailand Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Finance Framework meet the criteria listed in relevant activities in the Thailand Taxonomy (June 2023).

The evaluation shows if KBank's project categories are indicatively in line with the entirety (or some of) the requirements listed in the Thailand Taxonomy technical annex.

The evaluation was carried out using information and documents provided confidentially by KBank (e.g., due diligence reports). Furthermore, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

KBank commissioned ISS-Corporate to compile a green finance asset SPO. The second-party opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles and Green Loan Principles and assessing the sustainability credentials of its green finance assets, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1)
- Green Loan Principles, LMA, February 2023
- Thailand Taxonomy Phase 1, Thailand Taxonomy Board, June 2023

ISSUER'S RESPONSIBILITY

Kasikornbank's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risk management at the framework level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green finance assets to be issued by Kasikornbank has been conducted based on proprietary methodology and in line with the Green Bond Principles and Green Loan Principles.

The engagement with Kasikornbank took place from December 2024 to March 2025.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's website to learn more about our services for bond issuers.

For more information on SPO services, please contact SPOsales@iss-corporate.com.

Project team

Project lead

Claudia Muñoz Carmona
Senior Associate
Sustainable Finance Research

Project support

Jason Yu
Associate
Sustainable Finance Research

Project supervision

Marie-Bénédicte Beaudoin
Executive Director
Head of Sustainable Finance Research

Project support

Sakshi Gharat
Analyst
Sustainable Finance Research