

Climate Strategy

Moving Towards Greater Impact



Introduction

Climate change presents significant challenges and opportunities for businesses, driven by the increasing impacts of physical climate events, the transition to a low-carbon economy, evolving regulations, technological developments, and changing stakeholder expectations. As a financial services provider, KTC recognizes that climate-related factors may affect its business environment, operations, customers, and long-term value creation.

KTC is committed to conducting its business responsibly and creating long-term value for all stakeholders while contributing to the transition toward a low-carbon and climate-resilient economy. KTC recognizes climate change as a key environmental and business consideration and continuously strengthens its approach to managing climate-related risks and opportunities, as well as greenhouse gas (GHG) emissions across its operations. To support this commitment, KTC has established a Decarbonization Roadmap with near- and long-term GHG emissions reduction targets, including a Net Zero target by 2050, aligned with the goals of the Paris Agreement and developed with reference to the Science Based Targets initiative (SBTi) criteria.

KTC will monitor and assess climate-related risks and opportunities, including physical and transition risks, as well as opportunities arising from the low-carbon transition. KTC will also track GHG emissions and progress against its targets and continuously enhance its climate and decarbonization strategies in line with evolving climate science, regulatory developments, and recognized climate-related practices. Through these efforts, KTC aims to strengthen business resilience, competitiveness, and sustainable growth while providing transparent disclosure of its climate-related performance and progress.



Climate Governance



KTC's climate governance is implemented through an integrated governance framework that aligns the strategic oversight of the Board of Directors with management-level execution and cross-functional collaboration. The governance structure is designed to ensure effective oversight of climate-related risks and opportunities while supporting informed decision-making, regulatory readiness, and long-term business operation.

Oversight of climate-related matters begins at the Board level through the Board of Directors and the Audit, Corporate Governance and Sustainability Committee, which oversee the Company's climate-related strategy, risk management approach, performance, and disclosures. Responsibilities are cascaded to the President and Chief Executive Officer and the Management and Sustainability Committee, and the Management which oversee the implementation of climate-related initiatives, monitor progress, and integrate climate considerations into business planning and risk management. Climate issues are on the agenda of the board of directors at least annually.

The Sustainability Working Group supports the implementation of climate-related activities across the organization by coordinating with relevant business units and functional teams to identify, assess, monitor, and report climate-related risks and opportunities, while supporting climate scenario analysis, greenhouse gas data management, and climate-related disclosures. This cross-functional approach strengthens the quality and reliability of climate-related information by integrating climate-related considerations into business and financial decision-making, while supporting disclosures aligned with the framework and evolving regulatory expectations.

Reporting Boundary

The reporting boundary encompasses KTC's own operations, subsidiaries, and relevant value chain activities, including upstream and downstream activities. It covers the assessment of climate-related risks and opportunities, including material physical and transition risks and opportunities across relevant time horizons. KTC reports GHG emissions across Scope 1, Scope 2, and Scope 3 and develops a decarbonization roadmap to support its climate-related targets and transition toward a lower-carbon business model. The assessment considers material climate-related impacts and their potential implications for KTC's business, strategy, and financial position across short-, medium-, and long-term time horizons.



Credit Card Business

- Card Issuing Business
- Merchant Acquiring Business



Personal Loan Business

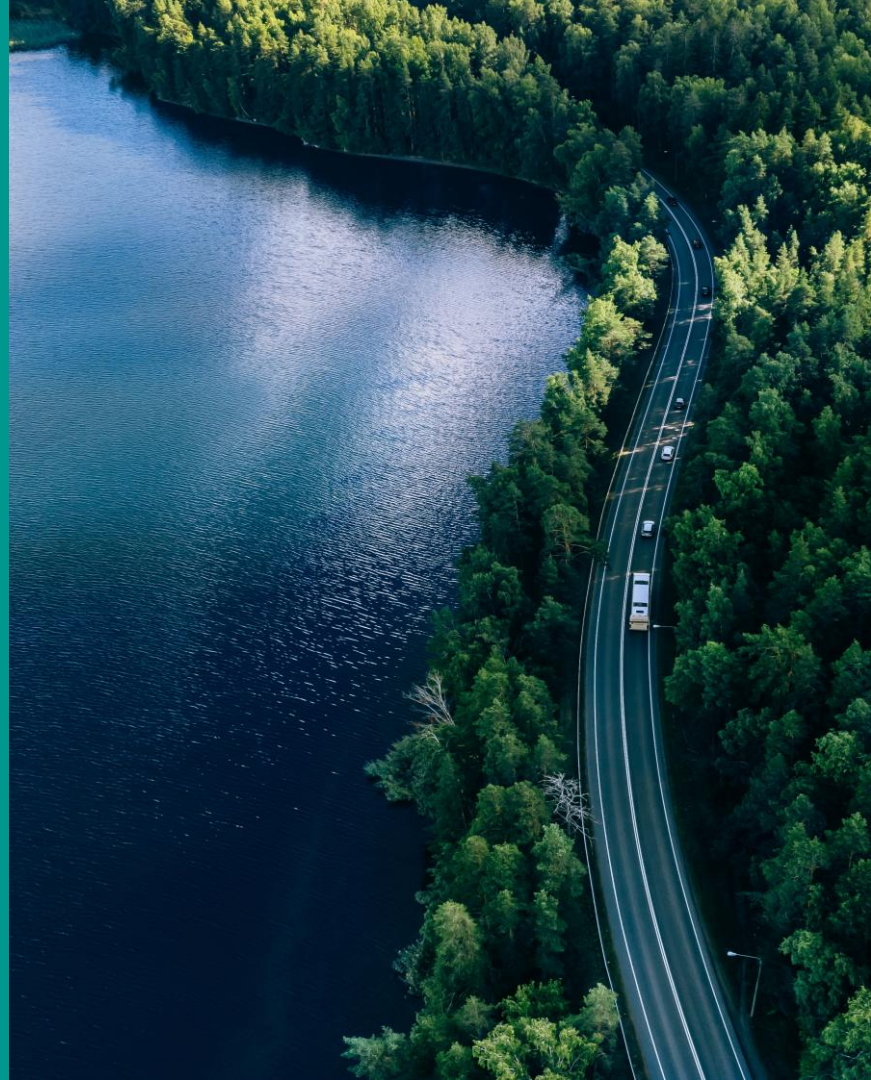
- Personal Loan
- Auto Title Loan



Business by Subsidiaries

- KTB Leasing Company Limited
- KTC Nano Company Limited
- KTC Prepaid Company Limited

Climate Risk Assessment and Scenario Analysis



Climate Scenarios Applied for Analysis

To assess the resilience of KTC's business and identify climate-related risks and opportunities, the Company applies climate scenario analysis using a range of plausible climate futures. The selected scenarios support the assessment of potential impacts across short-, medium-, and long-term time horizons and inform the Company's strategic planning, risk management and climate-related decision-making.

Type of Climate Risks	Worst Cases	Business-as-usual (BAU)	Best Cases
Physical Risks (Aligned with <i>IPCC</i>)	SSP5-8.5 (3.3°C–5.7°C) Very high GHG emissions: <i>CO₂ emissions triple by 2075</i>	SSP2-4.5 (2.1°C–3.5°C) Intermediate GHG emissions: <i>CO₂ emissions around current level until 2050, then falling but not reach net zero around 2100</i>	SSP1-2.6 (1.3°C–2.4°C) Low GHG emissions: <i>CO₂ emissions cut to net zero around 2075</i>
Physical Impacts on Credit Risk (Clients) (Aligned with <i>NGFS</i>)	Fragmented World <i>Align with SSP5-8.5</i>	NDCs <i>Align with SSP2-4.5</i>	Delayed Transition & Net Zero 2050 <i>Align with SSP1-2.6</i>
Transition Risks (Aligned with <i>NGFS</i>)	Fragmented World <i>High physical and transition risks</i>	NDCs <i>Aligned with Thailand NDCs</i>	Delayed Transition <i>Limiting warming to below 2°C</i> Net Zero 2050 <i>Reaching Net Zero Emission around 2050</i>
Time horizons used for analysis	  	  	  

Remark:

-  **Short-term (Up to 2030):** Aligned with corporate targets and national target (NDC)
-  **Medium-term (2031-2040):** Aligned with Paris Agreement
-  **Long-term (2041-2050):** Aligned with corporate targets and Paris Agreement

Overview of Material Climate Risks

Material climate risks have been identified and their impacts have been evaluated through scenario analysis.

Physical risks

All Identified Physical Risks

Acute



Storm-induced
Flood/flooding



Extreme Winds/
Storms

Chronic



Water stress/
Water scarcity/
Drought



Sea Level Rise/
Changes in
Precipitation
Patterns



Rising
Temperature/
Extreme Heat
and Heatwave

Material Physical Risks for KTC



Storm-induced
Flood/flooding



Extreme Winds/
Storms



Rising Temperature/ Extreme Heat
and Heatwave

Data coverage for analysis: Asset level, Credit Risk

All Assets: Offices, Warehouse, Data Centers, and Branches
Credit Risk: Customers across all 77 provinces in Thailand

Transition risks

Policy

New climate policies in Thailand—including emissions trading requirements and PDP 2024 pushing over 51% renewable capacity—may increase carbon-related costs and influence KTC's competitive positioning and REC considerations.



Carbon cost

Reputation

Technology

Renewable energy technology costs and IEA cost trends may drive faster transition expectations, shape KTC's decarbonization investments, and shift market and customer expectations.



Technology cost

Market

Data coverage for analysis: Corporate level

Using historical GHG inventory data, energy consumption, investment plan in accordance with KTC decarbonization plan

Key Assumptions Used for Physical Risk

The physical risk assessment evaluates potential impacts of climate-related hazards on assets and operations. It considers both acute risks and chronic risks. The assessment integrates historical data, climate projections, and hazard probability and potential damage.

Physical Risks	Key Indicators	Scenario	Time horizons	Description	Reference of Historical Data	Reference of climatology period
Flooding	Precipitation	- SSP1-2.6 - SSP2-4.5 - SSP5-8.5	S M L	- Precipitation indicator reflect the potential flood impacts - The projection of precipitation and sea level rise data conducted by CIMP6 in Thailand. - Probability of climate impact per year conducted by ThinkHazard!	- World Bank Group - Department of Disaster Prevention and Mitigation (DDPM)	- World Bank Group - ThinkHazard!
Storm Winds and Storm Floods	- Storm Frequency - Storm path - Storm category	SSP2-4.5 <i>Data available only for SSP2-4.5</i>	<i>Data available only in period 2035-2064</i> M L	- These indicators provide information on the frequency and storm path based on data from Thai Meteorological Department. - Probability of climate impact per year conducted by ThinkHazard! - The projection of storm count and categories data conducted by CIMP6 and CHAZ in Thailand.	Thai Meteorological Department	- World Bank Group - ThinkHazard!
Rising Temperature/ Extreme Heat and Heatwave	- Number of hot day more than 35°C - Average mean temperature	- SSP1-2.6 - SSP2-4.5 - SSP5-8.5	S M L	- Number of hot day from the World Bank Climate Change Knowledge Portal (CCKP) represents the count of hot days ($\geq 35^{\circ}\text{C}$) during a specified period — useful for assessing heat-related physical climate risks and identifying trends in extreme temperature events. - The projection of number of hot day data conducted by CIMP6 in Thailand. - Planning of electricity price (PDP2018)	- World Bank Group - Energy Policy and Planning Office, Ministry of Energy	- World Bank Group - Energy Policy and Planning Office, Ministry of Energy
Forecast Macroeconomic Data	Gross Domestic Product	- NZE2050 - Delayed Transition - NDCs - Fragmented World	S M L	- Forecast Gross Domestic Product (GDP) - Historical Thailand Gross Domestic Product (GDP) - Historical Thailand Sectoral Gross Domestic Product (GDP) - Historical Thailand Gross Provincial Product (GPP)	Office of the National Economic and Social Development Council (NESDC)	Network for Greening the Financial System (NGFS)

Results of Physical Risk Assessment

Risks	Key Exposed Assets	Key Findings	Potential Business and Financial Impacts
 Flooding	KTC - Office Buildings - Warehouse KTBL - Warehouse Key Exposed Areas - Bangkok	- The assessment focuses on flooding probability in Bangkok, where KTC and KTBL have relevant assets in. Across all scenarios, the projected probability of flooding remains broadly within the range of 13%-14%, indicating a comparable level of flooding exposure across the assessed scenarios. - The rising projections indicate an upward trend in flooding probability across all scenarios and time horizons, resulting in heightened long-term exposure. To mitigate potential operational impacts, KTC and KTBL will integrate flood resilience strategies and business continuity measures, particularly for assets situated in flood-prone areas.	- Flooding may damage ground-floor areas, warehouse facilities, equipment, and internal systems, resulting in operational disruptions and additional expenditures for repair, restoration, or asset replacement. - As KTC and KTBL primarily operate from leased properties, flood events may lead to additional costs related to temporary relocation, higher rental expenses, and the replacement or restoration of damaged assets, thereby increasing operating expenditures. - The total potential financial impact of flooding risk comprises two key components: (1) Expected Annual Physical Losses (EAPL) arising from physical damage caused by flooding and (2) Relocation Costs resulting from restricted access to flood-affected office buildings.
 Storm Floods	KTC - Office Buildings - Warehouse KTBL - Warehouse Key Exposed Areas - Bangkok	- Storm events in Bangkok are projected to decrease slightly to approximately 2.84 events under SSP2-4.5 compared with the historical period (1951-2014). However, the average annual frequency is expected to increase from 0.05 to 0.09 events per year, indicating that storm events may occur more frequently on an annual basis despite the lower total number of events. - Although the projected frequency remains relatively low, storm events may trigger fluvial flooding, potentially causing physical damage to assets located in flood-prone areas.	- Storm-induced flooding may damage ground-floor areas of KTC's office buildings, warehouse facilities, equipment, and critical internal systems, resulting in operational disruptions and additional expenditures for repair, restoration, or asset replacement. - As KTC and KTBL primarily operate from leased office buildings and warehouses, storm-induced flooding may result in additional costs related to temporary relocation arrangements, increased rental expenses, and the repair, replacement, or restoration of damaged equipment, systems, and other operational assets, thereby increasing operating expenditures.

Results of Physical Risk Assessment

Risks	Key Exposed Assets	Key Findings	Potential Business and Financial Impacts
 Storm Winds	KTC - Office Buildings - Warehouse KTBL - Warehouse Key Exposed Areas - Bangkok	- Storm wind risk is associated with Category 4 and 5 storms, which are characterized by extreme wind speeds capable of causing significant physical damage to buildings, equipment, and other exposed assets. - Although Category 4 and 5 storm events have historically occurred infrequently in Bangkok and are projected to remain rare under the SSP2-4.5 scenario, the increasing frequency of such events may elevate exposure to storm wind-related physical damage over the medium- to long-term.	- Extreme wind events may damage warehouse structures operated by KTC and KTBL, including roofs, walls, doors, loading areas, and other exposed infrastructure, potentially disrupting operations and requiring repair, restoration, or asset replacement activities. - Potential financial impacts from storm wind events are primarily driven by physical damage to warehouse buildings, equipment, and other exposed assets, resulting in additional expenditures for repair, restoration, and asset replacement. - The scenario analysis indicates an increase in Expected Annual Physical Losses (EAPL) from storm wind risk under the SSP2-4.5 scenario compared with the historical baseline.
 Extreme Heat <i>(Increased Energy Demand Costs)</i>	KTC - Office Buildings - Data Center KTBL - Warehouse Key Exposed Areas - Bangkok - Saraburi	- Rising temperatures and an increasing number of days with temperatures exceeding 35°C may increase cooling demand across KTC's office buildings and data centers, resulting in higher electricity consumption and operating expenditures. - Prolonged periods of extreme heat may exceed existing cooling capacity, potentially affecting the performance and reliability of critical equipment and systems, leading to operational disruptions or data center downtime.	- Potential financial impacts from extreme heat are primarily driven by increased electricity consumption associated with higher cooling demand and additional capital expenditures required to maintain adequate cooling capacity and operational reliability. - The scenario analysis indicates that increased energy demand may result in higher operating costs across assessed facilities, with the majority of the impact attributable to locations with a larger concentration of office buildings and data center assets.

Physical Risk Response

To ensure operational business continuity and resilience, KTC has established measures to prevent and mitigate the impacts of physical climate risks, covering both short-term (2030) and long-term (2050) time horizons, with plans covering all existing operations. This framework encompasses both acute and chronic hazards, as well as climate-induced credit risks that could affect customer livelihoods and ultimately impact core business.

Risk Category	Physical Risk	Risk Response Measures
Acute	- Flooding - Storm Flood - Storm Wind	- Establish Business Continuity Plan (BCP) for sudden climate-related disasters - Establish backup data centers and alternative sites - Obtain insurance coverage for asset and climate-related disaster impacts - Conduct emergency preparedness and response drills - Monitor and analyze risks related to the customer base and brand networks to develop appropriate management plans
Chronic	Increased Energy Demand (Extreme Heat & Heatwaves)	- Adopt energy-efficient technology and renewable energy sources - Collaborate with building owner to enhance building structure and systems to withstand extreme heat and unseasonal rain - Monitor and analyze risks related to the customer base and brand networks to develop appropriate management plans

As KTC primarily operates from leased facilities, its ability to undertake structural modifications or major infrastructure upgrades is limited. However, the Company remains committed to implementing feasible operational and non-structural adaptation measures, while collaborating with property owners and working within contractual arrangements to enhance business continuity and resilience to physical climate risks.

Based on the assessment conducted in 2025, KTC identified no material climate-related effects or financial impacts arising from physical risks. Nevertheless, the Company will incorporate insights from its physical climate risk assessment into future budgeting and resource allocation processes to support climate resilience. KTC will also continue to monitor climate-related events and assess their potential financial implications on an ongoing basis.

Key Assumptions Used for Transition Risk Assessment

Transition Risk Assessment focuses on identifying and evaluating the potential financial impacts arising from the transition to a low-carbon economy. Key transition drivers include climate-related policies and regulations (current and emerging), technological developments, market changes, and stakeholder expectations which may affect KTC's operating costs, investment requirements, business operations, and financial performance.

Transition Risks	Key Drivers	Scenario	Time horizons	Key Assumptions	References	Assessment Methodology
Policy and Legal Risk	Carbon Cost	- Net Zero 2050 - Delayed Transition - NDCs - Fragmented World	S M L	- Emission Target Pathways - Thailand NDC 3.0 - Estimated Carbon Price - Forecasted Growth Rate	- NGFS - Department of Climate Change and Environment - IEA	Quantitative Assessment
Technology Risk	Technology Cost	- Net Zero 2050 - Delayed Transition - NDCs - Fragmented World	S M L	- Emission Target Pathways - Thailand NDC 3.0 - Technology Abatement Cost - IEA Energy Outlook	- NGFS - IEA - Scientific Research and publications, including The Climate Drive and Multidisciplinary Digital Publishing Institute (MDPI)	Quantitative Assessment
Market Risk	Changes in Customer Preferences	- Net Zero 2050 - Delayed Transition - NDCs - Fragmented World	S M L	- NGFS scenario assumptions - Sustainability survey - KTC's sustainability strategy and direction	- KTC's sustainable strategies - The Thai Securities and Exchange Commission (SEC)	Qualitative Assessment
Reputational Risk	Increasing Stakeholder Expectations and Climate Scrutiny	- Net Zero 2050 - Delayed Transition - NDCs - Fragmented World	S M L	Sustainability-related regulatory and reporting standard requirements	Relevant sustainability-related reporting standards, including IFRS S1 and S2 standards	Qualitative Assessment

Results of Transition Risk Assessment

Risks	Value Chain Exposure	Key Findings	Potential Business and Financial Impacts
 Policy and Legal Risk (Estimated Carbon Costs)	Group wide	- Carbon price exposure varies significantly across scenarios. - Net Zero 2050 presents the highest and fastest-rising carbon prices, creating the greatest potential financial burden for KTC, while NDCs represents a more gradual increase that allows greater time for adaptation. - Fragmented World results in relatively low carbon costs but higher transition uncertainty, whereas Delayed Transition creates significant long-term cost exposure due to a sharp increase in carbon prices following delayed climate action.	- Rising carbon prices may increase KTC's operating and transition costs, potentially placing additional pressure on profitability, particularly over the medium- to long-term under scenarios involving significant carbon price escalation. - The transition to a low-carbon economy may require increased investment in emissions reduction initiatives, energy efficiency improvements, and low-carbon technologies, resulting in additional capital and operating expenditures. - To support the achievement of its net-zero targets, KTC will incorporate the potential financial implications of rising carbon prices into its long-term financial planning, investment evaluation, and capital allocation processes.
 Technology Risk (Estimated Technology Costs)	Group wide	- Estimated technology costs are derived by applying the estimated technology-specific abatement cost to the corresponding GHG emissions reduction targets under KTC's decarbonization pathways. - The technology cost assessment covers EVs, FCVs, HVAC upgrades, lighting efficiency improvements, and solar PV installations. Based on the assessed marginal abatement costs, investments in HVAC, lighting, and solar PV initiatives are expected to generate net cost savings across the assessed time horizons.	- The implementation of decarbonization measures may result in additional capital and operating expenditures. However, certain initiatives are expected to deliver cost savings through improved energy efficiency and reduced energy consumption. - Early adoption of mitigation measures may help optimize overall technology-related costs, enhance operational efficiency, and reduce exposure to future carbon pricing impacts, while supporting KTC's long-term decarbonization and net-zero objectives.

Results of Transition Risk & Opportunity Assessment

Risks & Opportunity	Value Chain Exposure	Key Findings	Potential Business and Financial Impacts
 Market Risk	Group wide	Market risk arises because customers are increasingly seeking environmentally responsible products and services. As awareness of climate change grows, customers may prefer green financial products, digital and paperless services, and companies that demonstrate strong ESG performance. If KTC does not adapt its products, services, and customer value proposition to meet these evolving expectations, it could experience reduced customer acquisition, lower retention rates, and declining transaction volumes.	Customer preference risk, or market risk, becomes more significant over time, indicating that KTC's ability to develop sustainable products, strengthen ESG positioning, and enhance digital and low-carbon customer solutions may be essential for maintaining competitiveness and supporting long-term business growth.
 Reputation Risk	Group wide	The key issue is that stakeholders are placing increasing expectations on KTC's climate-related commitments, actions, and disclosures. Regulators, investors, customers, rating agencies, and civil society organizations are paying closer attention to how financial institutions manage climate-related risks and opportunities. If KTC is perceived as lacking sufficient climate ambition, transparency, or progress, the company could face reputational damage that may affect stakeholder trust, customer confidence, and overall business value.	The assessment indicates that reputational risk associated with stakeholder expectations and climate scrutiny is expected to increase under all scenarios, particularly over the medium and long term. This highlights the importance of maintaining robust climate governance, transparent disclosures, credible transition strategies, and clear communication with stakeholders to preserve trust and support KTC's long-term resilience and reputation.
 Green Awareness	Group wide	Growing environmental awareness among consumers presents a strategic opportunity for KTC to expand its group-wide market presence. As sustainability increasingly influences financial and purchasing decisions, KTC can leverage this shift by offering green-oriented credit card products, sustainability-linked rewards programs, eco-friendly merchant partnerships, and customer engagement initiatives that incentivize environmentally responsible behavior. Given its broad applicability across KTC's portfolio, this opportunity is evaluated on a group-wide basis.	Increasing environmental awareness among customers presents a meaningful business opportunity for KTC, particularly over the medium and long term. Proactively launching sustainable financial products, strengthening eco-centric customer engagement, and expanding ESG-related merchant partnerships may help KTC boost customer acquisition and retention, drive transaction volume growth, and reinforce its market position in an evolving low-carbon economy.

Transition Risk Response

To ensure that the Company can minimize negative impacts and keep creating meaningful value to the stakeholders amidst changing climate regulatory landscape, market shifts towards low-carbon economy, and growing cost of investments in low-carbon technology, KTC has planned and implemented response measures for the transition risks that it has identified.

Transition Risk	Risk Response Measures
• Carbon Cost • Technology Cost	• Formulated and deployed the decarbonization roadmap to guide systematic GHG emission reductions through 2050. • Accelerated early adoption of energy-efficient solutions, including LED upgrades, EVs, and solar PV, to unlock progressive operational cost savings. • Partnered with key stakeholders and facility landlords to implement and scale joint decarbonization initiatives across operational sites. • Collaborated closely with key suppliers to promote low-carbon practices across the supply chain, aligning vendor operations with KTC's long-term net-zero goals.
• Market Risk • Reputational Risk	• Regularly track market trends, shifting customer preferences, and evolving regulatory landscapes to identify emerging stakeholder needs across short-, medium-, and long-term horizons. • Innovate and design low-carbon, eco-friendly products and services to fulfill growing market demand and capitalize on green consumer trends. • Integrate climate risk assessments into product lifecycles and supply chain sourcing to ensure operational resilience against market disruptions.

Based on the assessment conducted in 2025, KTC identified no material climate-related effects or financial impacts arising from transition risks. Nevertheless, the Company has invested in climate-related initiatives and will continue to integrate climate-related investments into its annual financial planning and capital allocation processes to support climate adaptation and mitigation efforts, including the implementation of its decarbonization roadmap and the pursuit of opportunities arising from the transition to a low-carbon economy.

Climate-related Impacts on Credit Risk and ECL

Climate-related physical and transition risks may affect KTC's credit risk through their impacts on borrowers' financial condition and repayment capacity. Physical risks, such as floods and storms, may disrupt borrowers' operations and income, while transition risks may influence macroeconomic factors, including GDP and CPI, thereby affecting creditworthiness and default risk.

KTC is assessing how these climate-related factors may be reflected in credit risk and Expected Credit Loss (ECL), including the potential integration of climate-related scenarios into key risk parameters such as Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), where appropriate. The methodology remains under development and will continue to be refined as climate-related data, risk information, and analytical approaches evolve.

Risk Management

Recognizing that climate change may have significant financial impacts on its business operations, KTC has established a systematic Climate Risk Management Process to ensure that climate-related risks and opportunities are comprehensively identified, assessed, managed and monitored.



1. Identification

Identify climate-related risks and opportunities through market monitoring, regulatory scanning, stakeholder engagement, asset exposure assessment, and climate scenario analysis across short-, medium-, and long-term horizons.

2. Assessment

Assess the likelihood and potential impact of identified climate-related risks and opportunities using exposure, vulnerability, feasibility, cost-benefit, and climate scenario analyses.

3. Prioritization

Prioritize climate-related risks and opportunities based on their significance to KTC and integrate the results into the Enterprise Risk Management (ERM) framework.

4. Management & Response

Implement risk mitigation and opportunity management actions aligned with risk levels, including action plans, KRIs, KPIs, and integration into business planning and decision-making processes.

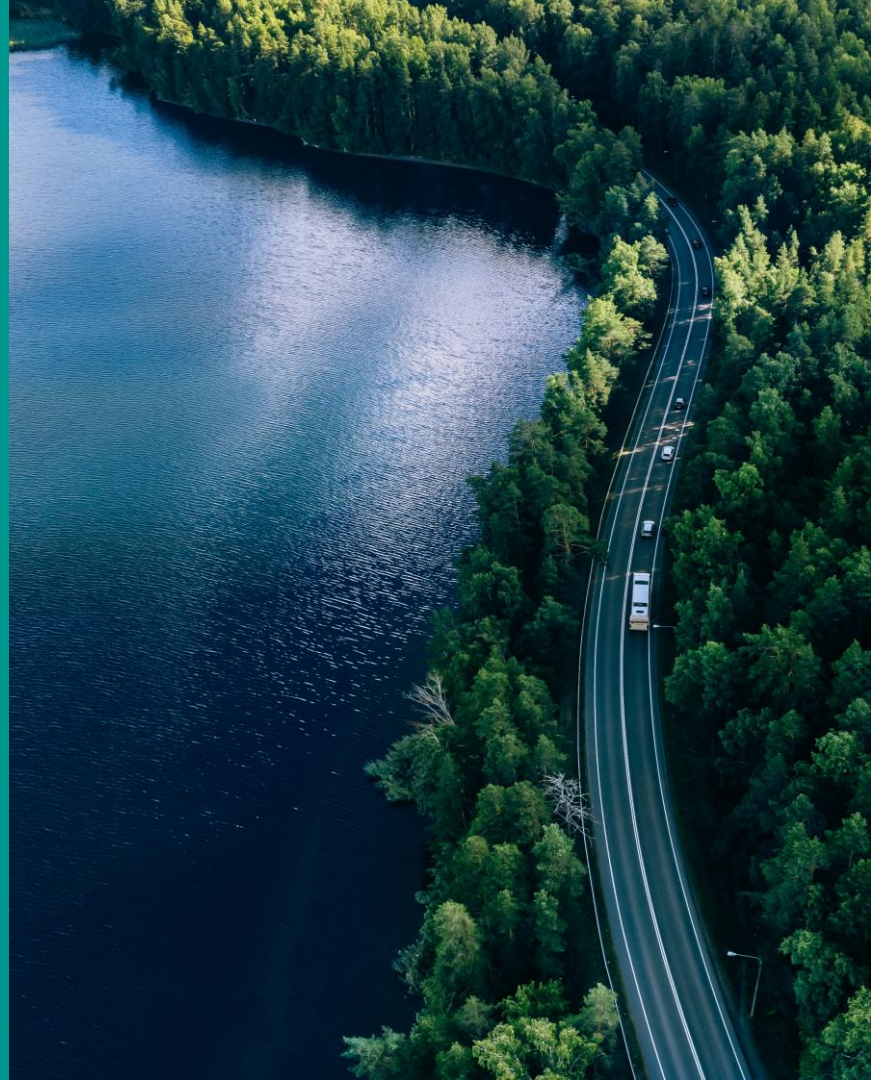
5. Monitoring

Continuously monitor climate-related risks, opportunities, and response effectiveness through KRIs, KPIs, scenario assumptions, and emerging developments, with periodic reassessment and updates to risk management strategies.

The Integration of Climate-related Risks and Opportunities into Enterprise Risk Management Framework

Climate-related risks and opportunities are integrated into KTC's Enterprise Risk Management (ERM) framework and managed through the Company's established risk management processes. The Climate Risk Management Process begins with the identification of climate-related risks and opportunities that may affect its business model and value chain. These risks and opportunities are subsequently assessed and prioritized based on their magnitude and likelihood over the short-, medium- and long-term. Appropriate mitigation and adaptation measures are then developed and implemented to address material climate-related risks and opportunities, while progress and emerging developments are continuously monitored to evaluate the effectiveness of risk responses and support continuous improvement. This integrated approach strengthens the Company's resilience and supports sustainable long-term value creation.

Decarbonization Roadmap



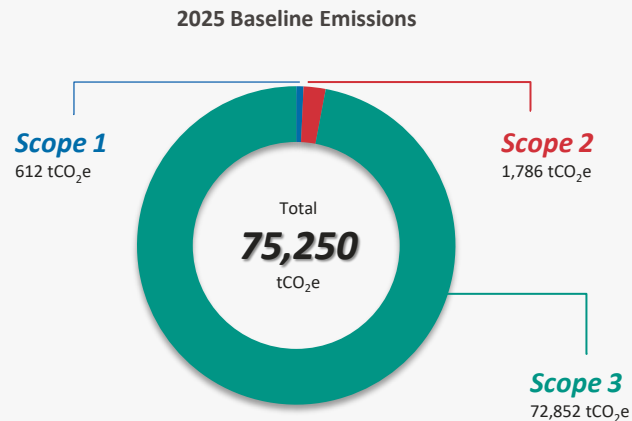
Baseline Emission

KTC has established 2025 as the baseline year for its greenhouse gas (GHG) emissions. KTC calculates and reports its GHG emissions with reference to internationally recognized GHG accounting standards and guidelines, as well as relevant national requirements. KTC applies consistent and transparent methodologies across relevant emission sources and scopes, based on the following standards, guidelines, and approaches:

- GHG Protocol: A Corporate Accounting and Reporting Standard
- GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- The Global GHG Accounting and Reporting Standard for the Financial Industry (Second Edition) developed by the Partnership for Carbon Accounting Financials (PCAF)
- ISO 14064-1
- Thailand Greenhouse Gas Management Organization (TGO)
- Emission Factors from the Intergovernmental Panel on Climate Change (IPCC), TGO, and other internationally recognized databases, including the U.S. Environmentally-Extended Input-Output (USEEIO) and UK Department for Environment, Food & Rural Affairs (UK Defra)
- Global Warming Potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC)

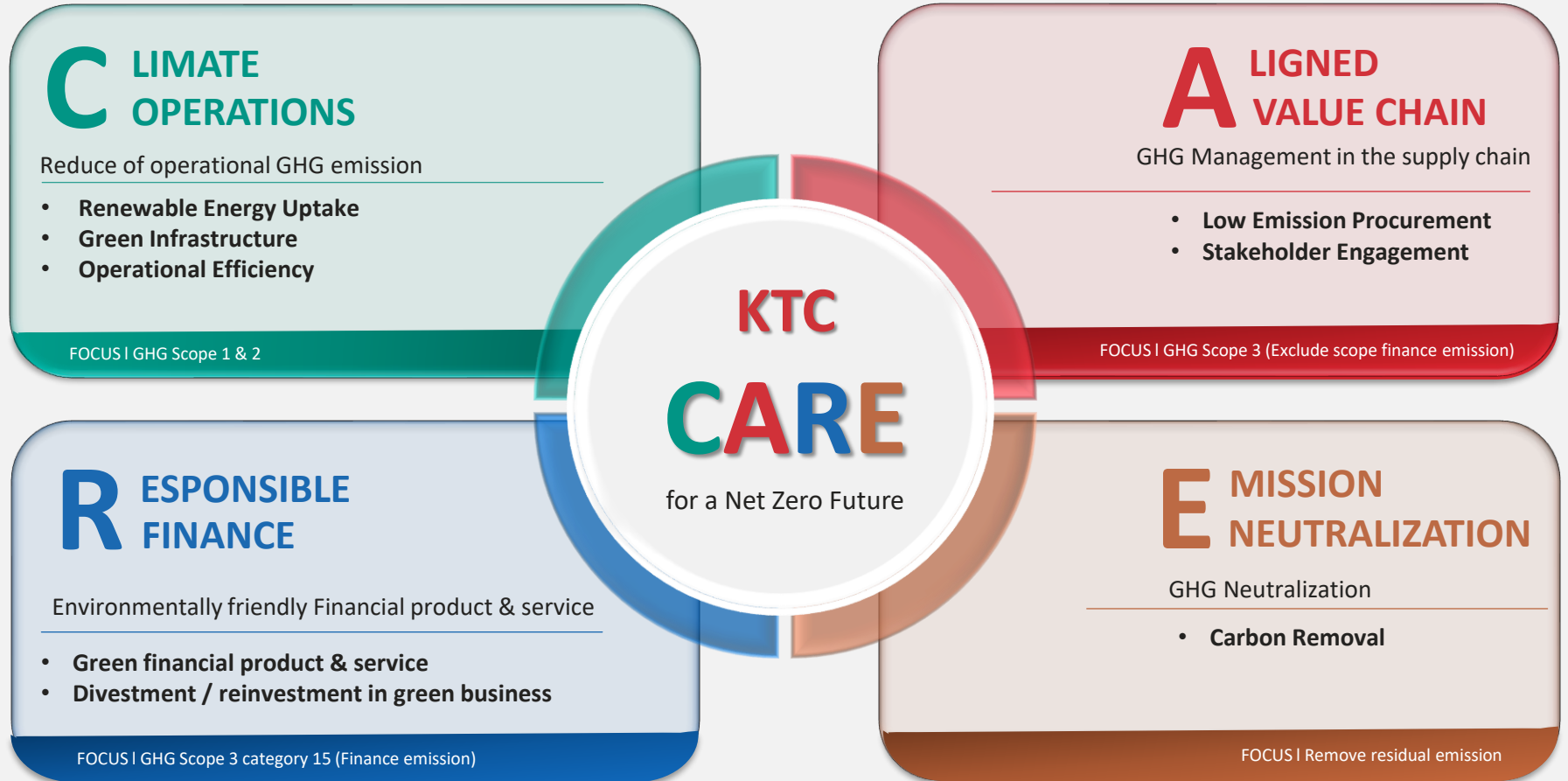
KTC's GHG inventory covers Scope 1, Scope 2, and Scope 3 emissions within its reporting boundary. Scope 3 includes financed emissions calculated in accordance with the PCAF Standard, covering Motor Vehicle Loans, Business Loans, and Sovereign Debt, with the underlying financing activities located in Thailand. These activities represent 100% of KTC's calculated financed emissions within the defined reporting boundary.

Remarks: The reported data differ from those disclosed in the SD Report, as KTC has recalculated its GHG emissions by expanding the data collection boundary for Scope 1, 2, 3 emissions.



Scope 3 emission category breakdown		Unit: tCO ₂ e
Category 1: Purchased goods and services		12,964
Category 3: Fuel- and energy-related activities		505
Category 5: Waste		144
Category 6: Business travel		2,864
Category 7: Employee commuting		2,019
Category 15: Investment (Financed Emissions)		54,356

KTC Climate Strategy



KTC Climate Strategy Framework

Our Climate Ambition

NEAR-TERM

- Reduce 42% of scope 1 and scope 2 by 2030, compared to the base year
- Reduce 25% of scope 3 by 2030, compared to the base year

LONG-TERM

Reduce 90% of scope 1, scope 2 and scope 3 by 2050, compared to the base year



Net-Zero
by 2050



Climate Strategy Pillars

C CLIMATE OPERATIONS

A ALIGNED VALUE CHAIN

R RESPONSIBLE FINANCE

E EMISSION NEUTRALIZATION



Focus Areas

Renewable Energy Uptake

Green Infrastructure

Operational Efficiency

Low Emission Procurement

Stakeholder Engagement

Green financial product & Service

Divestment / reinvestment in green business

Carbon Removal



Key KPI

- Share of Renewable Energy Consumption

- Co-optimization initiatives designed to reduce emissions

- Energy Reduction
- Waste Reduction
- Share of low-Emission Vehicles
- Share of low GWP refrigerant

- Share of Strategic Suppliers with 2.0°C-Aligned Climate Target

- Share of Priority Suppliers Engaged on Climate Performance

- Growth of the sustainable product and service

- Reduce outstanding exposure to high-carbon clients or portfolios

- Neutralize residual emissions at the Net Zero target year



Key Initiatives

- Increase the adoption of renewable energy through solar power
- Renewable energy contracts
- Green electricity solutions

- Develop low-carbon infrastructure and integrate energy-efficient solutions across facilities and operations

- Reduce energy and waste consumption while increasing the use of low-emission vehicles and low-GWP refrigerants

- Embed climate and emissions criteria into supplier selection, sourcing, and procurement decisions

- Engage suppliers and business partners to establish climate targets, build capabilities, and improve climate performance

- Develop and scale green financial products and services that support customers in their transition to a low-carbon economy

- Reduce exposure to high-carbon activities and increase investment in sustainable and low-carbon businesses

- Develop and procure high-quality carbon removal solutions to neutralize residual emissions toward the Net Zero target

KTC Decarbonization Roadmap

ACCELERATE DECARBONIZATION

- Improve energy efficiency across offices and facilities.
- Increase the use of renewable energy and low-carbon solutions.
- Reduce business-related emissions through more efficient operations and resource use.
- Engage employees and stakeholders in emissions reduction initiatives.
- Strengthen GHG data collection, monitoring, and performance tracking.

TRANSFORM TO NET ZERO

- Achieve deep decarbonization across operations and relevant value-chain activities.
- Transition to renewable energy and low-carbon technologies.
- Embed climate considerations into business strategy and decision-making.
- Collaborate with business partners and stakeholders to accelerate value-chain decarbonization.
- Address residual emissions in line with recognized Net Zero principles.

Total
75,250
tCO₂e

Scope 3
72,852 tCO₂e

Scope 1&2
2,398 tCO₂e

25%

of Scope 3 reduction

42%

of Scope 1&2 reduction

Aligned with 1.5 °C ambition

— Scope 1&2

— Scope 3
(including financed
emissions)

..... BAU



Net-Zero
by 2050

2025
Baseline

2030
Short term

2050
Long term

*KTC has established a Decarbonization Roadmap aligned with reference to the Science Based Targets initiative (SBTi) criteria.

Scope 1&2 Emission Reduction Plan

2030

2050

Fleet electrification

- Increase EV adoption to 50% of the fleet by 2030.
- Achieve a fleet composition of 100% EVs by 2050.

Installation of high-efficiency split-type air conditioners

- Plan to stop using high-emitting air conditioners.
- Install high-efficiency split-type air conditioners, reducing annual refrigerant leakage by 10% in 2030.
- Install high-efficiency split-type air conditioners, reducing annual refrigerant leakage by 20% in 2040 to 2050.

Low-global warming potential refrigerant replacement

- Replace refrigerants with low-Global Warming Potential (GWP) alternatives, targeting a 30% reduction in GWP in 2035 compared with the current refrigerants.
- Replace refrigerants with low-Global Warming Potential (GWP) alternatives, targeting 50% reduction in GWP in 2040 compared with the current refrigerants and 70% in 2045 to 2050.

Occupancy-based HVAC

- Install Occupancy-based HVAC, such as temperature adjustment depending on people in the room, reducing electricity consumption by 3% from baseline technology in 2030.
- Install Occupancy-based HVAC, reducing electricity consumption by 3% from baseline technology in 2040 and maintain this reduction until 2050.

Higher-efficiency split-type ACs installation

- Wall insulation, reduce operation time, weekend shut down, controlled valves for AC, temperature setpoint, air flow balancing, LED retrofit, lighting controls, rooftop solar.
- Set high level 20% electricity consumption reduction target by 2030 compared to 2025 base year.
- Install high-efficiency split-type air conditioners, reducing electricity consumption by 10% in 2040 from baseline technology and maintain this reduction until 2050.



Scope 1&2 Emission Reduction Plan

2030

2050

Timer on lighting/equipment

- Weekend lighting shut down, LED retrofit, lighting controls.
- Install timer on lighting and applicable equipment, reducing electricity consumption by 5% in 2030 compared with the baseline technology.

High-efficiency lighting

- implemented LED retrofit.
- Install high-efficiency lighting, reducing electricity consumption by 10% in 2040 compared with the baseline technology and maintain this reduction until 2050.

Collaboration with the landlord - Solar PV installation

- Solar PV in the office building since 2025.
- Expand the existing solar PV system, reducing Scope 2 emissions by 3% in 2026 compared with the baseline technology and maintaining this reduction through 2044.
- Replace the existing solar PV system installed in 2025, reducing Scope 2 emissions 4% in 2045 compared with the baseline technology.
- Replace the expanded solar PV system, reducing Scope 2 emissions 8% in 2046 compared with the baseline technology and maintaining this reduction until 2050.

RECs/UGT (utility green tariff)

- Begin annual procurement of RECs or Utility Green Tariffs (UGT) from 2030 onwards to offset residual electricity consumption, with an indicative requirement of approximately 1,389.6 MWh in 2030.
- Continue annual procurement of RECs or UGT based on projected residual electricity demand, with indicative volumes of approximately 1,669 MWh in 2040 and 1,840 MWh in 2050.



Scope 3 Emission Reduction Plan

2030

2050

Low carbon footprint procurement policy and supplier screening

- Encourage the procurement of the product which emit less GHG emission through life cycle.
- Supplier Requirement: Criteria and standards that suppliers must meet to be considered for partnership
- Classify suppliers according to their level of readiness and commitment to achieving net zero emissions.

Supplier climate-related engagement to promote target setting

- Proactive engagement and tailored support define the program for each supplier group.
- Supplier Climate-related Awareness Training and technical support.
- Supplier emissions target: consider setting target of 50% of suppliers to set emission reduction targets in line with KTC by 2030.
- Engagement with supplier to conduct Life Cycle Assessment (LCA) to estimate the carbon footprint product.
- Regular desktop audit to assesses supplier climate-related information and evaluate performance.
- Supplier emissions target: consider setting target of 75% of suppliers to set emission reduction targets in line with KTC by 2040 and 100% by 2050 (to reduce 90% of emissions compared with the baseline).

Sustainable travel and employee mobility

- Flight for the employee is in economy class.
- Promote online conferences, hybrid meetings and digital collaboration to reduce travel demand.
- Encourage low-carbon travel choices (e.g., rail, public transport, EVs, and sustainable aviation fuel (SAF) airlines where applicable) and prioritise low-carbon travel vendors.
- Launch employee engagement programmes to encourage carpooling, ride-sharing, and sustainable commuting.
- Introduce travel approval processes that consider carbon impacts for business travel.
- Integrate carbon considerations into corporate travel and mobility policies.
- Explore internal carbon pricing or travel carbon budgets for business travel.
- Periodically review travel and commuting patterns to identify further emissions reduction opportunities.
- Enhance travel and commuting data collection to improve emissions tracking and reporting.



Scope 3 Emission Reduction Plan

	2030	2050
Waste reduction and circular resource management	• Expand paperless workflows and digital documents to reduce waste generation. • Implement waste segregation at source (e.g., paper, plastic, organic waste and e-waste). And the use of a water bottle instead of one-time plastic water • Expand recycling and e-waste collection programmes through licensed contractors. • Promote reuse of office furniture, equipment and packaging materials where feasible.	• Collaborate with suppliers and waste contractors on take-back and recycling initiatives. • Periodically review waste reduction and recycling performance to identify improvement opportunities.
Responsible waste disposal and vendor management	• Engage licensed and environmentally responsible waste contractors. • Track waste generation, recycling and disposal volumes. • Establish waste disposal traceability and reporting.	• Prioritise waste-to-energy over landfill where appropriate. • Progressively work towards zero waste to landfill. • Integrate waste management performance into carbon accounting and supplier performance reviews. • Collaborate with waste contractors to improve waste treatment data and use activity-specific emission factors where available.
Finance emission: Portfolio run-off validation and emissions pathway monitoring	• Plan to phase-out the outstanding of the Hire purchase portfolio. • Validate that the planned Hire Purchase portfolio run-off is aligned with KTC's financed emissions reduction pathway and long-term climate ambition.	• Continue the planned portfolio run-off and periodically validate the financed emissions trajectory against business performance and climate targets.



