



การรายงานตามหลักการ ธนาคารที่รับผิดชอบ ประจำปี 2565

2022 Principles for Responsible Banking
Reporting and Self-Assessment





Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Government Savings Bank's Information

Government Savings Bank (GSB) is a juristic person under the supervision of the Ministry of Finance. It operates in accordance with the stated mission under the Government Savings Bank Act B.E. 2489 and the Statement of Direction of state enterprise which requires GSB to focus on creating added value for the community and grassroots economy as well as promoting savings among the people. GSB's management is supported by an efficient information system.

Products and Services

- Deposits: deposits, GSB savings certificates, relief and family fund deposits, and funds.
- Loans: government and state enterprise loans, business loans, personal loans and grassroots loans.
- Financial Services: electronic card products, electronic financial products and insurance.

Customer Groups

GSB has 23.44 million customers, comprising the grassroots customer and government policy support group (61%) and retail customer group (38%), corporate and public sector customer group (0.5%), and others (0.2%).

Business area coverage and location of the head office

GSB has its head office in Bangkok. There are 1,045 branches across all regions of Thailand; 161 service units (at district offices, mobile vehicles and boats); 6,871 self-service machines (ATM / PASSBOOK UPDATE / ADM); and 1,256 school banks. These diverse service points offer greater convenience to access financial services for all GSB customer groups. In addition, there are 13.32 million customers using GSB Mobile Banking service (MyMo).

Links and references

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The Government Savings
Bank Act B.E. 2489



Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- ☒ Yes
☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ☐ UN Guiding Principles on Business and Human Rights
☐ International Labour Organization fundamental conventions
☐ UN Global Compact
☐ UN Declaration on the Rights of Indigenous Peoples
☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----
 - UNEP FI Principles for Responsible Banking
 - GRI Standards☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
 - UNEP FI Principles for Responsible Banking
 - GRI Standards☐ None of the above

Response

GSB has prepared the 2022 - 2026 Government Savings Bank Enterprise Plan to serve as a framework for operational direction in comprehensive transitioning toward a "Social Bank", with the aim of "reducing inequality and creating opportunities to access fair sources of funding". The plan takes into account internationally standardized goals and guidelines as well as linkage with Thailand's key action plans. It focuses, in particular, on two of the Sustainable Development Goals (SDGs) of the United Nations: "Goal 1 - No Poverty" and "Goal 10 - Reduced Inequalities" as well as adopting UNEP FI's "Principles for Responsible Banking (PRB)". Moreover, the plan is aligned with the 20-year National Strategy, the 12th National Economic and Social Development Plan, the National Reform Plans, the Thailand 4.0 policy, the digital economy and society plan, the BCG national development plan, the strategic plan for state enterprises in financial institutions and operational policies of Specialized Financial Institutions (SFIs), as well as trends in various situations, with a view to achieving internationally-recognized management standards and sustainable growth for the organization

Links and references

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Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

GSB's business areas are divided into 4 segments as follows:

- 1) consumer banking,
- 2) business banking
- 3) corporate banking
- 4) investment banking

However, the investment banking segment is a service provided through being an underwriter of debt instruments. Therefore, its percentage of gross income is much lower than other business segments. Therefore, the impact analysis of GSB is based on 3 business segments: consumer banking, business banking and corporate banking. The products and services used in the analysis are: 1) deposit products such as current accounts, savings accounts, and savings certificates and 2) loan products such as home loans/mortgages, consumer loans and overdrafts.

Links and references

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the Interactive Guidance on impact analysis and target setting.

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

Response

Consumer Banking Portfolios:

The composition of the consumer banking portfolios, used in the impact analysis, is as follows:

	Unspecified* (%)	(%) Low-Income Group	(%) Medium-Income Group	(%) High-Income Group
Current accounts	35%	35%	29%	1%
Savings accounts	24%	56%	20%	-
Savings certificates	44%	31%	24%	1%
Consumer loans	5%	73%	22%	-
Home loans	48%	5%	47%	-
Total number of customers: 23.18 million customers				

* Unspecified includes students, first jobbers, retirees, and senior civil servants.

Business Banking Portfolios:

The composition of the business banking portfolios, used in the impact analysis, is as follows:

- Financial and insurance activities 46%
- Wholesale and retail trade; repair of motor vehicles and motorcycles 18%
- Manufacturing 8%
- Electricity, gas, steam and air conditioning supply 6%
- Accommodation and food service activities 5%
- Others 17%

Corporate Banking Portfolios:

The composition of the corporate banking portfolios, used in the impact analysis, is as follows:

- Public administration and defence; compulsory social security 93%
- Financial and insurance activities 5%
- Others 2%

Data as of December 2021

Links and references

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

Response

According to the World Bank's Little Data Book on Financial Inclusion 2022, Thailand's data on access to financial services can be summarized as follows:

- 95.6% have a financial account with a formal financial service provider (from total population aged 15 and above)
- 92.0% use digital channels for transactions
- 67.1% have savings with a financial institution
- 30.4% have access to loan services from formal loan providers

Evidently, Thailand still faces a challenge regarding access to formal loans, which is consistent with the findings of 2022 Thai Digital Generation report on financial access in the digital era, produced by Sea Group and World Economic Forum (WEF):

- 94% want to use more digital financial services for various daily activities.
- 72% lack access to advanced financial products such as loans, investments and insurance. The "unable to access to financial services" category typically includes be women, those below the age of 30, those living in rural areas, those without an undergraduate degree, and those who rarely use digital services.
- 20% of loan seekers do not have access to formal loans and more than 31% have to borrow from informal sources such as family members and friends as well as informal lenders.
- The knowledge and understanding of financial products vary according to location. In rural areas, there is a large knowledge gap in financial management, and 32% have insufficient knowledge about applying for loans.

Consequently, GSB sees opportunities in the application of digital technology to develop products and services, further enhancing the efficiency of and access to financial services, especially loan services, for all areas. Financial literacy is simultaneously promoted through online channels. These efforts strive to strengthen the financial health of the Thai people and enable them to have equitable and fair access to financial services.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)?⁵ Please disclose.

Response

In applying UNEP FI's impact analysis tools, it was found that there are 2 impact areas on which GSB can have significant impact: "Inclusive, Healthy Economies" and "Economic Convergence". The operational guidelines for each area are as follows:

1. "Inclusive, Healthy Economies"

GSB recognizes the importance of grassroots customers by offering opportunities to access funding sources with fair interest rates and promoting lifelong savings and financial discipline, with a view to sustainably enhancing the quality of life.

2. "Economic Convergence"

GSB recognizes the importance of offering opportunities to the public, students and startup SMEs to access funding sources and providing them with knowledge to further career advancement to generate income and reduce per capital income inequality.

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Links and references

The Little Data Book on Financial Inclusion 2022 — World Bank



THAI DIGITAL GENERATION SURVEY - "Financial Access in the Digital Era"



Links and references

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d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response

GSB analyzed and assessed the impacts using UNEP FI's tools, the details of which can be found in 2.1 Impact Analysis (Scope & Portfolio Composition). Details of target setting and evaluation can be found in 2.2 Target Setting (Baseline).

Links and references

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Scope:	<input checked="" type="radio"/> Yes	<input type="radio"/> In progress	<input type="radio"/> No
Portfolio composition:	<input checked="" type="radio"/> Yes	<input type="radio"/> In progress	<input type="radio"/> No
Context:	<input checked="" type="radio"/> Yes	<input type="radio"/> In progress	<input type="radio"/> No
Performance measurement:	<input type="radio"/> Yes	<input checked="" type="radio"/> In progress	<input type="radio"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?
financial health & inclusion

How recent is the data used for and disclosed in the impact analysis?⁶

- ☐ Up to 6 months prior to publication
- ☒ Up to 12 months prior to publication
- ☐ Up to 18 months prior to publication
- ☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. You can build upon the context items under 2.1.

Response

Additional details can be found in 2.1 Impact Analysis (Context)

Links and references

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target. A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	-	
	-	
	-	

Impact area	Indicator code	Response
Financial health & inclusion	-	
	-	
	-	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

Response

In 2022, the determined baseline data used for target setting can be summarized as follows:

Impact area	Indicator code	Response
Financial health & inclusion	B.2.1	# of individuals supported with dedicated and
	C.2.1	effective financial and/or digital education
		initiatives
		223,522 Person
	C.2.3	#average of new customers per month
		75,221 persons
	C.4.1	% of customers with 2 or more active financial
		products, from different categories, with the bank
		64.23%

Links and references

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

GSB's targets in terms of significant impact area are as follows:

1. Inclusive, Healthy Economies:

- 10% increase of grassroots and retail customers who can access to GSB's loan products by 2027
- Improve financial literacy for 80,000 retail customers and small business owners per year

2. Economic Convergence:

GSB is in the process of target setting and will report the results in the 2023 self-assessment.

Links and references

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d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Response

To achieve the target on financial health and inclusion, referring to the GSB 2022-2026 operational strategies, GSB remains committed to focusing on being a social bank to realize the goals of inequality reduction and creating opportunities to access fair sources of funding through building sustainability and balancing the needs of various stakeholders. In addition, social mission is integrated in every key process to drive the organization towards sustainability under the GSB sustainability approach, which is aligned with GSB's core operational strategies. The development of mechanisms to mobilize social missions is one of the key strategies to mobilize social missions in full. This is to be achieved by promoting access to sources of funding with fair interest rates and comprehensively enhancing the career capacity of the grassroots people, small business owners and communities, in order to be strong and self-reliant as well as providing financial knowledge, encouraging savings and cultivating financial discipline to raise the quality of life in a sustainable manner. Moreover, GSB also proactively works in response to government policies as guided by the principle of "being a responsible bank". GSB is committed to developing products to help and support our customers, for example:

- Developing 7 innovative savings products
- Enabling access to funding sources for grassroots individuals and small business owners affected by COVID-19
- Launching land consignment and mortgage products to help target customers, namely individuals, small SMEs and farmers to access financial services and formal funding sources with fair interest rates
- Maintaining existing interest rates for all loan types to help retail customers

Links and references

GSB Sustainability
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Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... <i>(Inclusive, Healthy Economies)</i>	... second area of most significant impact: ... <i>(Economic Convergence)</i>	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Baseline	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
SMART targets	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Action plan	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> In progress <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

GSB is in the process of target implementation and result monitoring and will report the results in the 2023 self-assessment.

Links and references



Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☐ Yes ☐ In progress ☒ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

GSB recognizes the importance of customer relations management and customer satisfaction. That is why GSB prioritizes the development of products that meet the needs of customers, providing services that enable customers to conveniently and quickly access GSB products and services, and delivering satisfaction and good experience at every touch point between GSB and the customer. These elements are instrumental in retaining existing customer groups as well as creating and expanding competitiveness in attracting new customer groups, and are to be achieved through:

- Customer satisfaction and good experience target setting
- Customer satisfaction and good experience management guidelines according to the 2022-2026 customer and market strategic plan

In addition, GSB recognizes the importance of delivering maximum customer satisfaction. It also integrates social mission into product design, resulting in products that generate a positive impact on society. GSB also utilizes proactive voice of customer analytics (VOC Proactive), which has enabled it to offer products and services that directly address the needs and pain points of customers. This has led to successful attainment of the set target and is in line with GSB's vision of enhancing the people's happiness and security as well as reinforcing its role as a social bank according to Strategy 1 (Social Mission Integration) to create positive, tangible results for society. In 2022, GSB developed products aimed at helping and supporting our customers such as

- Developing of 7 innovative savings products
- Enabling access to funding sources for grassroots individuals and small business owners affected by COVID-19
- Launching land consignment and mortgage products to help target customers, namely individuals, small SMEs and farmers to access financial services and formal funding sources with fair interest rates
- Maintaining existing interest rates for all loan types to help retail customers

Links and references

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¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages — climate, social bonds — financial inclusion, etc.).

Response

Access to formal funding sources for Thais remains limited. It is an opportunity for GSB to develop products/services that help low-income earners access formal funding sources with fair interest rates and lessen their financial burden. The key operating results in 2022 can be summarized as follows:

- Enabling access to funding for more than 1,858,000 customers, amounting to 127,000 million baht; the aggregate loan approvals in 2022 are divided into 1,812,362 grassroots and retail customers, amounting to 60,759 million baht, and 45,937 business owners, amounting to 66,608 million baht.
- Promoting responsible lending & investment through key loan operations as follows:
 - Land and consignment loan: to help all groups of people equally access funding sources at a fair cost and offer flexibility in the provision of services to the public.
 - GSB for BCG Economy loan: 1,699 customers were approved for GSB for BCG Economy loan, amounting to 5,828 million baht. Additional 1,533 customers whose business falls under the BCG definition were approved other types of loan.
 - Social/ESG Bond: 10,000 million baht of bonds were offered for purchase.
- Promoting Savings and Instill Financial Discipline
 1. School Bank Project in 2022
 - There are a total of 1,274 school banks, up from 1,231 in the previous year.
 - 6 training sessions were organized to raise awareness about the school bank system.
 2. From School Bank (existing/new) to Digital School Bank
 - There are a total of 156 digital school banks (350,000 users; 160,000 accounts; amounting to 8.74 million baht)
 - 100 digital school banks were approved to open in 2022, leading to new GSB accounts exceeding the target of 109,492 accounts; GSB also organized activities to support its services and promote savings and financial literacy.
 3. Financial Planning Mobile Application Tool: “Coach Aom”
 - A target was set at more than 5,000 users. After the launch of the Android mobile application on 31 December 2022, the number of users exceeded the set target at 6,362 users.
 4. Use of ESG Score for Corporate Loans to assess responsible business practices, positive impacts on the environment, society and governance. GSB will begin using ESG score in considering corporate loans by the end of 2023.

Links and references

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Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

GSB recognizes the importance of stakeholder relations/management as well as taking into account all groups of stakeholders who have impact on GSB and are impacted by GSB business operations. It is important to engage with key stakeholders to exchange views, and for them to express opinions and offer suggestions. It is also important for GSB to listen to the needs, expectations and concerns of all groups equally on an annual basis through interviews and meetings with responsible work units. The information gathered is crucial for formulating strategies, action plans and guidelines for the development of GSB business operations, which will help build a competitive advantage and lead to sustainable business development.

GSB has applied the principles of international standard AA1000 Stakeholder Engagement Standard: AA1000SES by Accountability as a framework for stakeholder management by analyzing the value chain and identifying key stakeholders therein, to know which stakeholders are involved in GSB's plans/projects/work processes along the value chain. The Power-Interest Matrix, which is based on the stakeholder's power level towards GSB and the stakeholder's interest level towards GSB operations, is used as the criteria for prioritizing key stakeholders at departmental/GSB regional branch levels. A list is then compiled from the stakeholders of all departments / GSB regional branches to identify key stakeholders of GSB. Factors taken into account include GSB's business direction and their significance for GSB business in different dimensions. The stakeholders are categorized, according to how their work / process related to GSB's core missions, into 6 groups: 1) regulators and government agencies; 2) partners and trading partners; 3) society and communities; 4) customers; 5) mass media; and 6) board of directors, executives, employees and staff members.

In addition, GSB reviews the stakeholder engagement policy and the stakeholder regulatory framework annually, ensuring that they align with the needs, expectations and concerns of all groups of stakeholders. It also ensures that an appropriate mechanism and process for engaging with GSB stakeholders are in place. The objectives and scope of stakeholder relationship building and management are formulated based on the goals of stakeholder relationship building and outcomes of that GSB wants to achieve.

Links and references

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¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations



Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

GSB's sustainability management structure is as follows:

GSB Board of Directors

- Consider and review key sustainability issues
- Approve and support the implementation of the sustainable development policy, strategies, targets and action plans on sustainable development
- Monitor and ensure that resources are allocated efficiently and effectively
- Monitor and ensure that operating results are in accordance with the strategies, goals and action plans on sustainable development

Good Governance Committee

- Formulate or review the sustainable development policy, strategies, goals and action plans on sustainable development, ensuring that they comply with the laws and regulations, and present them to GSB Board of Directors
- Promote and disseminate a culture of sustainability
- Regularly control and monitor operations on sustainability and report to GSB Board of Directors for their information.
- Recommend necessary measures or guidelines to promote sustainability Sustainable Development Committee
- Consider operational and monitoring frameworks as well as policies, strategies, goals and action plans to achieve the Sustainable Development Goals (SDGs) that are appropriate to the GSB context.

Links and references

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- Consider, make decision, solve problems and give direction to drive operations in accordance with international sustainability frameworks, e.g. the Principles for Responsible Banking (PRB), ESG, and organizational growth in accordance with the Triple Bottom Line framework
- Review and report the performance on sustainability and its monitoring to the Good Governance Committee, including offering views and suggestions for improvement as appropriate

Senior Executives

- Set or review sustainable development policies, strategies, goals and action plans on sustainable development, and present to the Good Governance Committee
- Communicate GSB's sustainable development policy and operational strategies to employees and relevant stakeholders
- Regularly control and monitor operations on sustainability

Responsible Work Units

- Prepare a master plan, business plan or action plan as well as setting targets that align with GSB's operational strategy
- Implement the specified work plan and follow up on the performance against the set targets, and report to the senior executives

Sustainable Development Division

- Formulate and review GSB's sustainable development policy
- Promote and support work units to achieve sustainable development
- Follow up and report on GSB's performance on sustainable development
- Report GSB's performance on sustainable development to the Sustainable Development Committee at least once a quarter

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

GSB has taken steps to cultivate a culture of responsible banking as follows:

1. **Issuance of a policy / preparation of a manual for sustainable development** which serves as a guideline for GSB personnel at all levels to perform their respective assigned tasks in accordance with the principles of responsible banking
2. **Issuance of a good corporate governance policy**, GSB code of ethics, to foster good corporate governance and ethical conduct into an organizational culture
3. **Issuance of an anti-corruption policy** to serve as an operational framework for the Board of Directors, executives, employees and staff members of GSB; declaration of integrity and the "No Gift Policy", which have been disseminated to all stakeholders; declaration of intent to be an organization with good governance, strengthening a culture of integrity, corruption-free and transparency

Links and references

GSB Sustainability Report 2022 under the following topics:

- GSB Sustainability Policy Page 129-130
- Corporate Governance Page 150-163
- Ethics and Transparency in the Conduct of businesses Page 164-172

4. **Adopting the GSB Way value** to serve as a guideline for conduct, resulting in successful realization of GSB's vision, mission and goals

- Anti-corruption Efforts
Page 178-182

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio¹³. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

GSB recognizes the importance of conducting business with good governance and strict compliance with regulatory rules and requirements. GSB has adopted the Three Lines of Defense principle and fostered a risk culture, which have enabled us to prioritize and promote the organizational risk culture, in accordance with the Bank of Thailand's policy on risk culture, in order to attaining robust risk management culture. Fundamental factors taken into account include risk governance, risk management framework, risk appetite framework, and compensation practices which are consistent with the risk-taking behavior. This approach ensures that GSB will have a risk management process together with prompt and effective monitoring and reporting mechanism, to meet the challenges of emerging risks. This would enable GSB to operate in line with its social bank mission as well as expanding its commercial operations and achieving sustainable growth for the organization. Moreover, GSB has identified and adopted key risk indicators (KRIs) to be used as early warning when the risk appetite and/or risk tolerance levels are exceeded. A risk status report is sent to emails of executives of the relevant groups, departments and divisions to promptly monitor and review the risk level, so that measures / risk management plan can be adjusted accordingly and remain effective in reducing / controlling the risk, taking into account appropriate cost of risk.

In addition, GSB has conducted risk assessments and established risk management guidelines on issues of environmental and social sustainability which have a significant impact on GSB and its stakeholders as follows:

- **Epidemics, Natural Disasters and Other Disasters**

GSB have risk management tools to handle epidemics, natural disasters and other disasters in a sustainable manner, such as business continuity management procedure according to ISO 22301 and the Bank of Thailand's guidelines. It has assessed the risks and carried out business impact assessment (BIA) to analyze GSB's key transactions, to prepare the necessary resources for different stages of an emergency / a crisis. A business continuity plan (BCP)

Links and references

GSB Sustainability
Report 2022 Page 183-203

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

is in place. A virtual simulation test of the BCP and disaster recovery plan (DRP) of the core systems is conducted annually. Every 3 years, a bank-wide test is required. The test is participated by senior executives and all the plans are tested simultaneously. In 2022, a bank-wide testing was conducted based on a simulation of a protest in front of GSB Head Office and a DDos attack on the core systems. This is in accordance with the Bank of Thailand's guidelines on business continuity management policy for banks and to ensure that GSB can operate uninterrupted and effectively in a sustainable manner.

- **Climate Change**

GSB has adjusted the role of the environmental aspect of the financial sector by establishing standards to assess green activities, formulating policies and strategic plans as well as developing financial products and services which would enable equitable climate change adaptation for businesses, including the responsibility to help the public properly and sustainably manage their finance and debts. The aim is to manage the risks, especially climate-related risks, in a timely manner, safeguarding the financial stability of GSB.

GSB's approach to climate change risk management uses business continuity management (BCM) as a tool to mitigate the impact of GSB's risk events, as well as providing financial support to the business and social sectors in their environmental, social and governance efforts. GSB also has a regulation on green loan policy.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ In progress ☐ No



Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☐ Yes ☐ Partially ☒ No

If applicable, please include the link or description of the assurance statement.

Response

UNEP FI requires that a self-assessment report be assured within a period of 4 years (which means that the self-assessment report must be assured at the latest in the 3rd report). GSB is committed to fulfilling this requirement.

Links and references

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☒ GRI
☐ SASB
☐ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☐ TCFD
☐ Other:

Response

GSB's sustainability reports are produced in accordance with internationally recognized standards, such as the Global Reporting Initiative (GRI), to communicate its sustainability operations to the public and stakeholders annually.

Links and references

GSB Sustainability
Report 2022 Page 68

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

Response

GSB undertakes to implement its action plans to achieve the set targets, including targets according to the impact areas on economic convergence. The self-assessment report will be assured in the next report.

Links and references

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|---|
| <ul style="list-style-type: none"> <input type="radio"/> Embedding PRB oversight into governance <input type="radio"/> Gaining or maintaining momentum in the bank <input type="radio"/> Getting started: where to start and what to focus on in the beginning <input type="radio"/> Conducting an impact analysis <input type="radio"/> Assessing negative environmental and social impacts <input type="radio"/> Choosing the right performance measurement methodology/ies <input type="radio"/> Setting targets <input type="radio"/> Other: ... | <ul style="list-style-type: none"> <input type="radio"/> Customer engagement <input type="radio"/> Stakeholder engagement <input checked="" type="radio"/> Data availability <input checked="" type="radio"/> Data quality <input checked="" type="radio"/> Access to resources <input type="radio"/> Reporting <input type="radio"/> Assurance <input type="radio"/> Prioritizing actions internally |
|--|---|

If desired, you can elaborate on challenges and how you are tackling these:



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