



การรายงานตามหลักการ ธนาคารที่รับผิดชอบ ประจำปี 2566

2023 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

The Government Savings Bank (GSB) is a legal entity under the supervision of the Ministry of Finance, operating under the Government Savings Bank Act B.E. 2489 (1946). Our operations adhere to the mission outlined in the Act and the State Enterprise's Statement of Direction, which directs GSB to focus on creating added value for communities and the grassroots economy, as well as promoting public savings. The GSB's management is supported by an efficient information system.

Products and Services

- Deposits include deposits, Premium Savings Certificates (PSCs), and Life and Family Aid Fund.
- Loans include government and state enterprise loans, business loans, personal loans and grassroots economy loans.
- Financial Services include electronic card products, electronic financial products, and insurance through banking channels.

Customer Group

Regarding the overview of GSB's customers, there are a total of 24.53 million people, divided into 62% grassroots customers who support government policy, 37% individual customers, and 1% business and government customers.

Business Operation Areas and Head Office Location

The Government Savings Bank (GSB) has the Head Office in Bangkok and offers financial services through 1,036 branches spread across all regions of Thailand. GSB has 161 service units (located in districts, and mobile units including vehicles and boats), a total of 6,552 self-service machines (ATM/PASSBOOK UPDATE/ADM), and 1,285 school banks. These efforts are aimed at providing comprehensive financial services accessible to all customer groups. Furthermore, GSB has 14.53 million customers using our Mobile Banking service (MyMo).

Links and References:

Sustainability Report 2023
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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

The GSB Enterprise Plan for 2023 – 2027 has been developed by the Bank as a framework for becoming a full-fledged “Social Bank.” The plan aims to “reduce inequality and provide fair access to funding.” The plan is correspondent with international standards integrated with Thailand’s key strategic plans, focusing on the United Nations Sustainable Development Goals (SDGs), particularly Goal 1 (No Poverty) and Goal 10 (Reduced Inequalities). GSB also adheres to the “Principles for Responsible Banking” set by the United Nations Environment Programme Finance Initiative (UNEP FI). This plan is connected with Thailand’s 20-Year National Strategy, the 13th National Economic and Social Development Plan, the National Reform Plan, the Thailand 4.0 policy, the Digital Economy and Society Plan, the Bio-Circular-Green (BCG) Economic Development Plan, the Financial Institution State Enterprise Strategic Plan, and the operational approaches of State Financial Institutions (SFIs), while considering various situational trends to elevate management to international standards. The ultimate goal is to foster sustainable growth for the organization and deliver tangible positive impacts on society, encapsulated in the vision of “**Making POSITIVE impact on Society.**”

Links and References:

Sustainability Report 2023
Page 61-69



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%	-
Premium Savings Certificates (PSCs)	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.

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 of 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.

Links and References:

The Little Data Book on
Financial Inclusion
2022 - World Bank



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



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

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.

Links and References:

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:

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.

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?⁶

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 checked="" type="radio"/> Yes	<input 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?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

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

- ☐ 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)

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.

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.

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

Links and References:

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

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.

Response

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

Impact area	Indicator code	Response
	B.2.1 C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives 223,522 Persons
	C.2.3	Average number 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 2024 self-assessment.

Links and References:

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

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.

Response

To achieve the goals of Financial Health and Inclusion, GSB has outlined our operational strategic plan for 2023 - 2027, which continues to emphasize our role as a Social Bank, with the paramount aim of reducing inequality and ensuring fair access to funding through the promotion of sustainability and balanced stakeholder engagement. We integrate social missions into every key process to drive the organization toward sustainability, thereby making POSITIVE Impact, diminishing financial inequality, and enhancing fairness. This comprehensive approach involves the development of mechanisms to fully propel social missions including the creation of products and services that facilitate access to formal financial systems, the provision of fair-interest loans to assist those affected by natural disasters, and the holistic empowerment of small entrepreneurs and communities through professional skills development and financial support. This effort enable them to achieve sustainable strength and self-reliance. Concurrently, GSB also emphasizes the promotion of saving habits and financial discipline, offering financial education and developing savings products to provide security and assurance in life.

GSB aims to develop various products to assist and support customers, such as:

1. Product Development for Supporting Social Missions (Social Bank)
 - 1.1 Collaboration with partner organizations to promote fair access to funding, for example, the establishment of Mee Tee Mee Ngern Co., Ltd. to co-invest in land and mortgage loan businesses and the establishment of Good Money Co., Ltd. to provide Welfare/ P-Loan/Nano Finance/Digital P-Loan, etc.
 - 1.2 Development of environment-friendly products such as BCG (Bio-Circular-Green Economy) loans to support sustainable businesses, housing loans personal loans aiming at environmental benefits, etc.
 - 1.3 Development of deposit products for dpecific groups targeting children and youth, grassroots communities, and the elderly.
2. Promoting Savings and Financial Discipline
 - 2.1 The initiatives among children and youth are School Banks and Digital School Banks.
 - 2.2 For general public, the elderly, and grassroots communities, for example, Financial Literacy development via the Oomtang Website/ Application, and the development of “CoachAom” application for savings planning, etc.

Links and References:

Sustainability Report 2023
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3. Enhancement of Capabilities and Elevation of SMEs, SMEs Community, and SME Startups
 - 3.1 The “GSB Creates Jobs, Creates Careers” Project
 - 3.2 Enhancement of the SMEs Potential
 - 3.3 Community development such as upgrading homestays and community tourism, initiatives of GSB Youth Preservation and GSB Vocational Skills to Communities, etc.
 - 3.4 Development of SMEs and SME Startups such as providing business knowledge to students, the general public, and entrepreneurs including organizing the Smart Start Idea contest, etc.
 - 3.5 Establishment of Community Financial Institutions
4. Elevating to a Digital Organization such as developing new features, products, and services offered through the Mobile Application (MyMo), approving loans through Digital Lending (My Credit on MyMo), etc.

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: ... (Inclusive, Healthy Economies)	... second area of most significant impact: ... (Economic Convergence)	(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

In 2023, GSB has pursued our Inclusive, Healthy Economies goals as follows:

Goal 1: Increase the number of retail customers accessing funding from the Government Savings Bank by 10% by 2030 (compared to 2022). Currently, 6% of retail customers have accessed funding.

Goal 2: Develop financial knowledge for 80,000 retail customers and small entrepreneurs annually. This involves providing financial education, skill development, and financial/savings planning assistance through the “Oomtang” app and “Coach Aom” app to 120,048 individuals.

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

The Government Savings Bank places great importance on maintaining the relationship between GSB and our customers, striving to achieve the highest customer satisfaction. This involves developing products that meet customer needs and providing services that ensure customers to quickly and conveniently access GSB's products and services. We aim to create satisfaction and positive experience at every touchpoint between GSB and our customers. This approach is crucial for retaining GSB's existing customer base and expanding our capabilities to compete by reaching new customer groups in all segments.

- Setting goals for customer satisfaction and positive experiences.
- Customer satisfaction and experience management strategies according to the 2023-2030 Customer and Market Strategic Plan.
- Creating experiences and engagement for customers.

Links and References:

Sustainability Report 2023
Page 220-227

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.

Additionally, GSB emphasizes achieving the highest customer satisfaction. We integrate social missions into product design, resulting in products that create a positive impact on society. This includes proactive Voice of Customer (VOC) analysis, enabling GSB to develop products and services that accurately address customer needs and pain points, leading to the achievement of goals and alignment with GSB's vision of enhancing the happiness and security of the population. This also supports the role of GSB as a Social Bank under Strategy 1: Driving the Social Mission Integration to produce tangible positive social outcomes. In 2023, GSB has focused on developing various products and projects to assist and support customers, such as:

- **Developing three innovative savings products:** 1-Year Special GSB Savings Lottery (Children and Youth Group), Protect Life Deposits (Grassroots Community Group), and 9-Year Special Call Deposits for Retirement (Elderly Group)
- **Creating Opportunities for Access to Funding and Developing Commercial Loans:** This is reflected in the Bank's increased performance in deposits, loans, and fee income, surpassing the set targets. Four products are offered including GSB Green Home Loan, GSB Go Green Personal Loan, GSB Green Biz Business Loan, GSB EV Supply Chain Loan.

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

In 2023, the Government Savings Bank operated as a social bank with significant achievements summarized as follows:

- **Helping people and society by reducing inequality and providing fair access to financial resources.** GSB enabled more than 3.2 million people to access financial systems, over 2.3 million people to benefit from fair interest rates, and 360,000 people to gain employment and income. We provided 300 Billion Baht to enhance liquidity, facilitated 26.7 Billion Baht in funding for SMEs with land, and supported businesses that promote sustainability with a total of 119 Billion Baht.

Links and References:

Sustainability Report 2023
Page 11-12, 16-28, 135-143,
159-168

- **Developing products to help customers access funding** through providing vehicle title loans to 2.35 million clients totaling 53,577 Million Baht, land and sell-and-leaseback loans to 1,537 clients totaling 5,457 Million Baht, and small personal loans not exceeding 200,000 Baht to 604,306 clients totaling 33,617 Million Baht.
- **Developing products that support society and the environment** through the issuance of business loan products to 4,233 clients totaling 15,936 Million Baht, and personal and housing loans to 1,284 accounts totaling 3,152.64 Million Baht, ESG Score was applied to large business loans amounting to 33,782 Million Baht.
- **Promoting savings and financial discipline** through the introduction of three products, used by 244,539 individuals, and providing financial education to 120,048 individuals through the “Oomtang” app and “Coach Aom” app.
- **Enhancing the capabilities and elevating the potential** for over 508 communities.
- **Establishing six additional community financial institutions** (resulting in the total of 14 institutions).
- **Holistic Area-Based Development**
 - Government Savings Bank Project for Nan People covers the area of Khun Nan Sub-district, Nan Province, totaling 5 villages, with 11,598 beneficiaries.
 - Project to upgrade the market holistically. The bank has piloted markets in 18 locations in 16 provinces, with over 3,385 beneficiaries.
- **Enhance the capabilities of Digital Channel** through providing Digital Lending (MyMo Credit) approved with Alternative Credit Score to 120,140 cases.



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 places great importance on building and managing relationships with stakeholders, considering all stakeholder groups that impact or are impacted by GSB's business operations, both positively and negatively. GSB emphasizes providing opportunities for key stakeholders to participate in exchanging opinions, suggestions, and feedback. This process ensures that the needs, expectations, and concerns of all stakeholder groups are heard equally. Annually, GSB conducts interviews and meetings with relevant units to gather this information. This feedback is crucial for shaping strategies, operational plans, and development directions for GSB's business operations. It contributes to creating a competitive advantage and promotes sustainable business development.

Links and References:

Sustainability Report 2023
Page 84-91

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

Government Savings Bank has adopted the international AA1000 Stakeholder Engagement Standard (AA1000SES) by Accountability as a framework for stakeholder management. This involves analyzing the value chain and identifying key stakeholders within it. The goal is to understand which stakeholders are involved in GSB's plans, projects, and processes along the value chain. GSB uses the Power-Interest Matrix to prioritize stakeholders based on their power on the bank and their interest in GSB's operations. After identifying key stakeholders at the department and regional levels, GSB compiles a comprehensive list from all departments and regions to identify significant stakeholders at the entire bank level. This process also considers GSB's strategic direction and the importance of various business dimensions. Stakeholders are categorized into six groups based on their involvement in GSB's core missions and processes; 1) Regulatory and government agencies, 2) Partners and suppliers, 3) Society and key communities, 4) Customers, 5) Media group, 6) Board of directors, executives, employees, and workers. In addition, GSB reviews our Stakeholder Engagement Policy and governance framework for stakeholders annually. This ensures alignment with the needs, expectations, and concerns of all stakeholder groups. GSB oversees the establishment of appropriate mechanisms and processes for stakeholder engagement. We set the objectives and define the scope of relationship-building and stakeholder management based on the goals of stakeholder relationships and the outcomes GSB aims to achieve.



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.

Links and References:

Sustainability Report 2023
Page 96-97, 203-204

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.
- 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 Department

- 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 implemented measures to instill a culture of responsibility, as follows:

Issuing Policies and Sustainability Development Manuals:

1. These serve as guidelines for personnel at all levels in GSB ensuring that operations in each department align with the principles of responsible banking in various areas.
2. GSB has issued policies on good governance, the code of ethics, and the code of conduct to elevate the standards of governance, ethics, and conduct into an organizational culture.
3. The Anti-Corruption Policies are issued to provide a framework for the Board of Directors, executives, employees, and workers to follow uniformly. This includes publicly declaring an anti-corruption stance and the No Gift Policy to all stakeholder groups, affirming GSB's commitment to being a governance-oriented, transparent, and corruption-free organization.
4. Establishing the GSB Way Values: These values guide behavior and practice, ensuring that operations achieve GSB's vision, mission, and objectives.

Links and References:

Sustainability Report 2023
Page 35-37, 189-209,
228-235

5.3 Policies and Due Diligence Processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³
Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. 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.

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.

Response

GSB recognizes the importance of conducting business with good governance and strict adherence to regulatory requirements, guided by the 3 Lines of Defense principle. This also includes fostering a strong risk culture in line with the Bank of Thailand's Risk Culture policy, emphasizing robust risk management practices. GSB focuses on several key foundational elements; Risk Governance, Risk Management Framework, Risk Appetite Framework, Compensation Practices. This is correspondent with the Risk Taking Behavior to ensure timely monitoring and reporting. Furthermore, GSB also values integrated risk management across the entire organization. To maintain transparency and promote a risk management culture, GSB has established an independent unit responsible for monitoring and reviewing operations, separate from operational units.

Even though GSB has implemented an effective control system, there remain certain risks that may be unavoidable such as disasters, natural calamities due to climate change, and terrorism. Therefore, GSB has established policies and practices to prepare for and mitigate the negative impacts of such events under "Business Continuity Management (BCM)" with the following details:

1. The roles, responsibilities, and governance structures related to business continuity management are defined to ensure complete preparedness according to the systems and processes of BCM.
2. The executives, employees, and relevant stakeholders conduct risk assessments for disasters or threats, review plans, test plans, and regularly evaluate the effectiveness and efficiency of the BCM process at least once a year or when significant changes occur.
3. The business continuity management practices are communicated to all internal and external stakeholders.
4. The awareness about business continuity management is raised among executives, employees, and relevant stakeholders until it becomes a part of the organizational risk management culture. In addition, GSB has conducted risk assessments and established risk management guidelines related to sustainability issues in environmental and social aspects that significantly impact GSB and our stakeholders as follows:

Links and References:

Sustainability Report 2023
Page 107-116, 210-219

- **Climate Change**

Government Savings Bank has conducted an in-depth assessment to understand the physical risks and transition risks related to climate change. This includes analyzing potential impacts on operations, borrowers, and other stakeholders. GSB collaborates with experts, utilizing specific data and considering various scenario models with Scenario Analysis to improve the decision-making processes and develop strategies to mitigate climate-related risks. These strategies include setting targets for reducing greenhouse gas emissions, increasing energy efficiency, adopting renewable energy sources, promoting sustainable practices throughout the value chain, as well as implementing sustainable and environmentally friendly financial practices. Additionally, GSB allocates resources to drive positive change by integrating climate change considerations into our strategy. GSB aims to enhance resilience, optimize resource allocation, and play a crucial role in creating a sustainable future and supporting a low-carbon society.

More details can be studied from the GSB Climate Report 2023.

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



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

This self-assessment report is the third report and has been certified by a third party as specified in the Assurance Statement attached herewith. The reporting certification criteria are in accordance with the Guidance for assurance providers, Providing Limited Assurance for Reporting Principles for Responsible Banking Version 2 published by UNEP FI.

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 prepares sustainable development reports that are in line with international standards, such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD), to communicate sustainability performance of GSB to public and stakeholders annually.

Links and References:

Sustainability Report 2023
Page 105, 110

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.

Response

GSB will proceed according to the plan to achieve our goals along with setting targets according to impact areas in terms of Economic Convergence.

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:

- | | |
|---|---|
| <input type="radio"/> Embedding PRB oversight into governance | <input type="radio"/> Customer engagement |
| <input type="radio"/> Gaining or maintaining momentum in the bank | <input type="radio"/> Stakeholder engagement |
| <input type="radio"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="radio"/> Data availability |
| <input type="radio"/> Conducting an impact analysis | <input checked="" type="radio"/> Data quality |
| <input type="radio"/> Assessing negative environmental and social impacts | <input checked="" type="radio"/> Access to resources |
| <input type="radio"/> Choosing the right performance measurement methodology/ies | <input type="radio"/> Reporting |
| <input type="radio"/> Setting targets | <input type="radio"/> Assurance |
| <input type="radio"/> Other: ... | <input type="radio"/> Prioritizing actions internally |

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

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.



Independent Assurance Statement

For Government Savings Bank on the Self-Assessment of the Principles for Responsible Banking 2023.

Government Savings Bank (or GSB) requested Thaipat Institute (the Foundation for Thailand Rural Reconstruction Movement under Royal Patronage) to perform an assurance engagement in response to the UNEP Finance Initiative's Principles for Responsible Banking Self-Assessment Template and Guidance Document.

Criteria for Report Preparation

The UNEP FI's Principles for Responsible Banking Reporting Guidance for Banks (as presented on the UNEP FI's homepage) are the criteria used as the basis for this limited assurance engagement.

Selected Information

The scope of our responsibility includes only the information within GSB's Principles for Responsible Banking Report (PRB) 2023 for the year ended 31 December 2023. The selected information consists of GSB's data within the following sections of the UN PRB Report:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation for Monitoring
- 5.1 Governance Structure for Implementation of the Principles

GSB has prepared the UN PRB Report based on the United Nations Environment Programme Finance Initiative's Principles for Responsible Banking and Self-Assessment Template to fulfill GSB's reporting obligations as a signatory to the Principles for Responsible Banking.

We have not performed any work and do not express any conclusion regarding any other information that may be included in the UN PRB Report or displayed elsewhere on GSB's website for the current year. Our assurance engagement was strictly limited to the specified scope of work.

GSB's Responsibilities

GSB is responsible for ensuring that the Principle of Responsible Banking framework adequately meets their requirements as outlined in GSB's PRB Self-Assessment Report 2023. GSB also implements and maintains strong internal controls to guarantee the precision and reliability of the Self-Assessment, safeguarding against significant misstatements arising from fraud or error. Moreover, GSB is obliged to disclose any known or potentially controversial issues relevant to the information subject to the criteria of this assurance.

Our responsibilities

Our responsibility is to undertake a limited assurance engagement for the year concluding on 31 December 2023, resulting in the issuance of an assurance report that communicates our findings to GSB. This involves expressing an assurance conclusion grounded in the evidence gathered. We conducted our assurance engagement which is based on Type 1, Accountability Principles: evaluation of adherence to the AA1000 Accountability Principles and the Principles for Responsible Banking Reporting Guidance for Banks. The scope of this assurance engagement does not provide conclusions on the reliability of the performance information.

Methodology

We executed this assurance engagement in accordance with the standards for Providing Limited Assurance for Reporting. This necessitated an evaluation of the nature and extent of compliance with the specified criteria, aiming to achieve a moderate level of assurance with high data accuracy. The following procedures were conducted:

- Scrutinized the performance data provided within the response section of GSB's Self-Assessment Template and examined the references accompanying the responses, serving as evidence to assess adherence to the principles and guidelines.
- Investigated the procedures implemented by GSB to comply with Principle 2: Impact and Target Setting, as well as Principle 5: Governance and Culture.
- Offered observations and recommendations to GSB in alignment with the scope of our responsibilities, based on the established criteria.

Findings and Conclusions

Based on the scope of assurance using PRB, we concluded that GSB has implemented processes and procedures that comply with the Principles for Responsible Banking. These conclusions encompass impact analysis, target setting, target implementation and monitoring, and governance structure for implementation of the Principles.

Observations and Recommendations

Nothing came to our attention that caused us to believe that GSB's Self-Assessment did not adhere to the Principles of Responsible Banking. To enhance GSB's Self-Assessment, we have made the following suggestions:

- For target setting, These GSB's targets are formulated using the SMART criteria and are developed in consultation with specialists. Nonetheless, these targets should also be reinforced through public commitment.
- These GSB's targets should have been analyzed and disclosed whether there are potential significant negative impacts that the bank's targets might have on other UN SDGs and outline how it plans to mitigate these to the greatest extent possible.

- For Governance Structure for Implementation of the Principles, The GSB committee should be involved in the PRB implementation which consists of the processes of impact analysis, target setting, target implementation and monitoring.

Inherent Limitations

The Independent Assurance Statement for Government Saving Bank regarding the Self-Assessment of the Principles for Responsible Banking 2023, which are based on assurances derived from the draft of GSB's Self-Assessment report of the PRB 2023 and the draft of GSB's sustainability report 2023. And other documents.

Competencies and Independence

The Thaipat Institute, a public organization founded in 1999, focuses on research, training, and consulting in corporate responsibility and sustainability practices. As an AA1000AS Licensed Provider, accredited by AccountAbility—the developer of the AA1000 Assurance Standard—the Thaipat has become a signatory of the United Nations-supported Principles for Responsible Investment (PRI) in 2016, an endorser of the Principles for Responsible Banking (PRB) in 2019. We adhere to the relevant professional conduct rules and ethical codes applicable to public accounting and assurance engagements. Our team possesses the necessary professional and technical expertise, with extensive experience in corporate responsibility and sustainability. During the fiscal year 2023, we did not offer any other services to GSB that could compromise our independence in this engagement.

Sasiya Chanwiboonsri

Sasiya Chanwiboonsri

Sarunrat C.

Sarunrat Charoensaard

Thaipat Institute

Bangkok

June 26, 2024



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