

















Responsible Banking Progress Statement for PRB Signatories




Government Savings Bank




2024

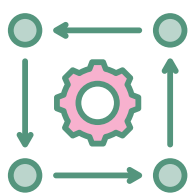
 Principle 1 Alignment	 Principle 2 Impact & Target Setting	 Principle 3 Clients & Customers
<p>Content</p> <p>The Government Savings Bank (GSB) reaffirms its role as a social bank by focusing on reducing financial inequality and expanding equitable access to capital. The Bank emphasizes strategic partnerships and innovation to deliver financial services that generate measurable social impact.</p> <p>GSB aligns its business direction with the UN Sustainable Development Goals (SDGs), particularly Goal 1: No Poverty and Goal 10: Reduced Inequality, while also adhering to the Principles for Responsible Banking (PRB) and sustainability standards such as the GRI Standards. Through its Triple Bottom Line approach, GSB balances external sustainability (supporting communities and the grassroots economy) with internal sustainability (ensuring financial stability). Measurable targets and performance indicators are established to ensure tangible, sustainable outcomes.</p> <p>Moreover, GSB enacted Regulation No. 825 on Human Rights Policy, reinforcing its commitment to responsible operations and</p>	<p>Content</p> <p>The Government Savings Bank (GSB) recognizes persistent financial inclusion challenges in Thailand, particularly limited access to formal credit. Underserved groups-such as low-income earners-continue to rely on informal lending due to inadequate access to suitable financial products and limited financial literacy. Therefore, GSB responds by promoting equitable access to capital, supporting SMEs, reducing financial inequality, and driving sustainable development in alignment with government priorities and global frameworks.</p> <p>In line with UNEP FI's impact analysis, GSB focuses on two key areas:</p> <ul style="list-style-type: none"> • Inclusive, Healthy Economies: <ul style="list-style-type: none"> • Expand retail customer access to GSB's financial services by 10% by 2027, compared to the 2022 baseline • Promote financial literacy for both retail customers and 80,000 small entrepreneurs annually 	<p>Content</p> <p>The Government Savings Bank (GSB) operates under a comprehensive sustainability framework aligned with the Paris Agreement, aiming for net-zero greenhouse gas emissions by 2050. GSB is committed to advancing sustainable and inclusive economic development in alignment with the Paris Agreement's goal of limiting global warming. Our pledge to achieve net-zero greenhouse gas emissions across our value chain by 2050 is outlined in our Net Zero Statement on the website and sustainability report. This includes proactive engagement with our business clients to support their transition toward low-carbon and environmentally responsible operations.</p> <p>The Bank's Corporate Credit Policy integrates ESG principles into credit evaluation through a structured ESG Score system for corporate borrowers with credit lines of THB 500 million or more. Businesses are categorized into positive, negative, and exclusion lists to guide lending decisions, incentivize sustainability, and restrict financing for high-impact</p>

 Principle 1 Alignment	 Principle 2 Impact & Target Setting	 Principle 3 Clients & Customers
<p>alignment with global human rights frameworks. This includes protections for vulnerable groups and ethical business practices across the value chain.</p>	<ul style="list-style-type: none"> • Economic Convergence: <ul style="list-style-type: none"> • Provide training and development for 50,000 small entrepreneurs per year, with a goal for at least 50% to successfully complete assessments and obtain certificates or diplomas <p>In 2024, GSB made strong progress toward its social impact goals. Under the Inclusive and Healthy Economies pillar, 7.55% of retail customers gained access to GSB funding, with over 120,000 individuals supported through financial literacy programs via the Oom Tang and Coach Aom platforms. In the Economic Convergence area, training for 50,000 small entrepreneurs is underway, aiming for at least half to earn certification or diplomas upon completion.</p>	<p>sectors such as coal. Enhanced due diligence is applied to large-scale loans with potential environmental or social risks.</p> <p>In its strategic role as a social bank, GSB prioritizes financial inclusion by balancing social impact with sustainable returns. The Bank promotes fair and equitable access to financial services for underserved and grassroots communities, and SMEs through inclusive lending practices, debt resolution, and partnerships with business partners. These efforts are central to GSB's mission to reduce financial inequality, support economic resilience, and contribute to long-term national development.</p> <p>Progress Indicators</p> <ul style="list-style-type: none"> • % of clients and/or customers engaged in key sectors in areas of significant impact. <ul style="list-style-type: none"> • 48.92% of power plant loan clients engaged (target: 30% in 2024). • 16% of commercial real estate loan clients engaged (target: 20% in 2025). • Over 30 SMEs participated in the SME Gear Up: Empowering Businesses with ESG program. • Sustainable finance volume mobilized and/or as a % of the global or sector portfolio <ul style="list-style-type: none"> • USD 716,020,540 (THB 23,290 million) of corporate loans assessed using the ESG Score.

 Principle 1 Alignment	 Principle 2 Impact & Target Setting	 Principle 3 Clients & Customers
		<ul style="list-style-type: none"> USD 124,341,073 (THB 4,042.95 million) of sustainable finance products to support the transition to low-carbon and circular economy such as GSB for BCG Economy Loan, GSB Green Biz Loan, GSB Green Home Loan, GSB Go Green Loan, and GSB EV Supply Chain.
Links & references GSB's Human rights policy Sustainability Report 2024, section: <ul style="list-style-type: none"> General information, Page 11 - 18 	Links & references The Little Data Book on Financial Inclusion 2022 - World Bank  Thai digital Generation Survey - "Financial Access in the Digital Era"  The ASEAN Monitoring Progress Report 2023: Financial inclusion in selected ASEAN countries  BOT's the results from financial access survey of Thai household  GSB's Social impact report Sustainability Report 2024, Section: <ul style="list-style-type: none"> General information, Page 11 - 12 Financial Literacy, Page 129 - 132 Creating opportunities for accessing financial products, Page 139 - 153 Responsible lending and investment for social and environmental, Page 161 - 163 Promoting and developing the capacity of communities, society, and environment, Page 179 - 188 	Links & references Sustainability Report 2024, Section: <ul style="list-style-type: none"> Climate change management and greenhouse gas emission reduction, Page 91, 94 - 99 Creating opportunities for accessing financial products, Page 139 - 153 Responsible lending and investment for social and environmental, Page 159 - 163 Promoting and developing the capacity of communities, society, and environment, Page 179 - 188 GSB's Net Zero Target 

 Principle 4 Stakeholders	 Principle 5 Governance & Culture	 Principle 6 Transparency & Accountability
<p>Content</p> <p>In 2024, the Government Savings Bank (GSB) placed strong emphasis on stakeholder relationship management, recognizing the impact of its operations on various groups. GSB adopted the AA1000 Stakeholder Engagement Standard and SE-AM criteria to systematically identify and prioritize stakeholders across its value chain. Engagement efforts were guided by a comprehensive governance framework, including the Stakeholder Master Plan stakeholder expectations and strategic goals.</p> <p>Stakeholders were categorized into six key groups:</p> <ol style="list-style-type: none"> 1) Regulatory bodies and government agencies 2) Partners and suppliers 3) Society and key communities 4) Customers (segmented into grassroots, individual, and business/governmental customers) 5) Media group 6) Board of directors, executives, employees, and workers <p>Through structured consultations, GSB addressed critical issues such as compliance, transparency, financial inclusion, product development, and community empowerment. These efforts led to tangible outcomes, including</p>	<p>Content</p> <p>The Government Savings Bank (GSB) has instituted a robust governance structure to uphold commitment to sustainable banking, in line with the Principles for Responsible Banking (PRB). GSB’s Sustainability Development Committee guides the formulation and implementation of ESG strategies and policies, directly addressing key issues such as climate change and human rights, aligning with both international standards and (2024-2031), ensuring alignment with the UN SDGs. The Committee ensures sustainable development is integrated into our operations, drives compliance with relevant regulatory expectations, and tracks progress through transparent disclosures. Our focus on key objectives-eliminating poverty and reducing inequalities-underlines our dedication to being a leading social bank. With these governance frameworks, GSB actively manages ESG risks and opportunities, ensuring responsible banking practices across the organization. Additionally, we engage in impactful ESG projects like educational programs for small business owners and reforestation initiatives to foster economic empowerment and environmental stewardship.</p>	<p>Content</p> <p>As of 2024, the bank did not engage an independent third party to provide assurance on its disclosures.</p>

 Principle 4 Stakeholders	 Principle 5 Governance & Culture	 Principle 6 Transparency & Accountability
<p>the Integrity and Transparency Assessment (ITA) Award, expanded access to financial services, and the establishment of new People’s Financial Institutions. Community development initiatives benefited over 11,000 individuals, while digital tools promoted financial literacy. GSB also supported over 14.8 million grassroots customers and invested in employee development to ensure internal capacity for sustainable impact.</p> <p>These initiatives reinforced GSB’s role as a social bank, aligning stakeholder feedback with strategic planning and enhancing long-term value creation.</p>		
Links & references Sustainability Report 2024, Section: <ul style="list-style-type: none"> General information, Page 53 - 61 	Links & references Sustainability Report 2024, Section: <ul style="list-style-type: none"> General information, Page 12 - 14 Climate change management and greenhouse gas emission reduction, Page 87 - 101 Resource efficiency, Page 104 Good corporate governance, Page 228 - 253 Business ethics and anti-corruption, Page 278 - 301 Annual report 2024 Page 101-103, section: <ul style="list-style-type: none"> Risk management 	Links & references N/A



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 business lines, 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, business areas or by disclosing the number of customers and clients served.

Links & references

Government Savings Bank Act B.E. 2489
Sustainability Report 2024 Page 11 - 18

Response

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). As a Social Bank, GSB is dedicated to reducing poverty and inequality by providing fair and inclusive access to financial service, especially, for low-income and vulnerable groups. The Bank supports grassroots economy by enabling individuals to access financing, develop career generate income, and improve financial literacy - all with aim of creating positive impact across the nation.

Products and services

GSB strives to deliver financial services through various channels with the goal of reducing inequality and expanding access to funding opportunities via its products and services. These offerings include:

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

Customer segments

GSB categorizes its customers into distinct groups based on several key criteria, including government policies, visions and missions, demographics, products and services, business types and sizes, customer needs and expectations, and competitive conditions. These groups are divided into three main categories: individual customers, grassroots customers, and business and government customers.

In 2024, most customers fell into the category of grassroots customers, comprising 60.99% of the total 24.23 million customers. Individual customers made up 38.55%, while business and government customers accounted for 0.46%.

The distribution of business operations

GSB operates a nationwide network of 1,026 branches and 151 service units - including district offices, mobile vehicles, and boats - ensuring that financial services reach even the most remote communities across Thailand. The Bank also provides over 6,500 self-service machines, such as ATMs, passbook update machines, and automated deposit machines (ADMs), along with 1,256 school banks that help instill financial literacy at an early age. Through this extensive network, GSB strengthens financial inclusion and ensures that people from all walks of life, especially low-income and vulnerable groups, have equitable access to essential financial services.

Strategy alignment

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 other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

Links & references

GSB's Human rights policy
Sustainability Report 2024, page 11 – 12

Response

GSB Enterprise Plan for 2024-2028 remains focused on its role as a social bank, with the primary objective of reducing financial inequality and ensuring equitable access to capital, thereby achieving broader positive outcomes. The GSB is prioritizing the expansion of strategic collaborations with various partners to develop innovative business models that enhance operational efficiency and deliver financial services tailored to societal needs, generating positive social impacts.

In formulating business policies within the sustainability framework, the GSB aligns its efforts with the **United Nations' 17 Sustainable Development Goals (SDGs)**, emphasizing 'Goal 1: No Poverty' and 'Goal 10: Reduced Inequality'. Additionally, GSB adheres to the **Principles for Responsible Banking**, as outlined by the United Nations Environment Programme Finance Initiative (UNEP FI), along with national and international guidelines for economic, social, and environmental responsibility. These are consistent with the sustainability reporting standards of the Global Reporting Initiative (GRI) Standards, international sustainability bodies.

GSB is committed to identifying sustainability factors that propel its operations, aiming to create balanced benefits for stakeholders under the Triple Bottom Line concept. This approach seeks to establish equilibrium in external dimensions (external sustainability), strengthening the grassroots economy, society, and community, as well as internal dimensions (internal sustainability) to ensure the organization's financial stability and robustness. The Bank integrates social missions within every crucial process to foster sustainable development.

To further advance this alignment, GSB sets measurable targets and performance indicators to track progress and ensure that its sustainability strategies create tangible positive impacts for society.

To uphold human rights within the Bank, GSB enacted Regulation No. 825 on Human Rights Policy in 2024, serving as a framework for its business operations. This regulation emphasizes maintaining operational standards that are responsible towards all stakeholders and ensuring a clear and tangible respect for human rights. GSB is committed to avoiding collaborations with partners, suppliers, and businesses that engage in practices violating human rights, such as employing child labor or forced labor. This policy, approved by the GSB Chairman, is aligned with both international and national standards and principles, including:

- the National Action Plan on Business and Human Rights (NAP)
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- the International Bill of Human Rights
- the International Labour Organization Declaration on Fundamental Principles and Rights at Work (ILO Declaration)
- the Maternity Protection Convention

This human rights policy also guides GSB in safeguarding vulnerable groups, particularly within its customer base and supply chain, ensuring that financial services and operations promote ethical and responsible practices.

Moving forward, GSB will continue strengthening its alignment with PRB principles by deepening partnerships, fostering innovation, and driving inclusive, sustainable development in line with both national priorities and global sustainability goals.



Principle 2: Impact & 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.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis. [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#).

Links & references

The Little Data Book on Financial Inclusion 2022 - World Bank



THAI DIGITAL GENERATION SURVEY
“Financial Access in the Digital Era”



The ASEAN Monitoring Progress Report 2023: Financial inclusion in selected ASEAN countries



BOT's the results from financial access survey of Thai household



GSB's Social Impact Report 2024

Response

The Government Savings Bank (GSB)'s business operations are divided into four segments: consumer banking, business banking, corporate banking and investment banking. However, the scope of the impact analysis concentrates on three segments - excluding investment banking - due to its function primarily as a service involving the underwriting of debt instruments, which results in its gross income being relatively insignificant in this context.

The impact analysis covers all customer segments of GSB. The determination of impact valuation is conducted through the examination of the following products and services:

- Deposit products, e.g. current accounts, savings accounts, and savings certificates
- Loan products, e.g. home loans and mortgages, consumer loans, and overdrafts

Consumer banking portfolio by business area

Type of products	% proportion			
	Unspecified*	Low-income group	Medium-income group	High-income group
Current accounts	35%	35%	29%	1%
Saving accounts	24%	56%	20%	-
Premium Savings certificates (PSCs)	44%	31%	24%	1%
Consumer loans	5%	73%	22%	-
Home loans	48%	5%	47%	-

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

Business banking portfolio by business area

Industry	% proportion
Financial and insurance activities	46%
Wholesale and retail trade such as 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 portfolio by business area

Industry	% proportion
Public administration and defense such as compulsory social security	93%
Financial and insurance activities	5%
Others	2%

In this impact analysis, GSB acknowledges the ongoing challenges. According to The Little Data Book on Financial Inclusion 2022 published by the World Bank, Thailand's financial inclusion indicators can be summarized as follows:

- 95.6% of individuals aged 15 and above have an account with a formal financial service provider
- 92.0% conduct transactions through digital channels
- 67.1% hold savings with a financial institution
- 30.4% access credit services from formal credit providers

While these figures demonstrate strong access to basic financial services, Thailand continues to face challenges in extending access to formal credit. This aligns with findings from the Thai Digital Generation 2022 report on “Financial Inclusion in the Digital Age”, conducted by Sea Group and the World Economic Forum (WEF), which reveal:

- 94% of respondents expressed a desire to use more digital financial services in their daily lives
- 72% lack access to advanced financial products such as loans, investments, and insurance
- The “financially underserved” group predominantly includes women, individuals under 30, residents in rural areas, those without a bachelor’s degree, and people who infrequently use digital services
- 20% of those needing credit are unable to access it formally, and over 31% rely on informal sources, including family, friends, and unregulated lenders
- Financial literacy remains uneven, with rural communities facing significant knowledge gaps. Notably, 32% of rural respondents report insufficient understanding of credit application processes

Moreover, Thailand has faced challenges in enhancing credit accessibility within the formal financial system at a reasonable cost while promoting responsible lending and borrowing practices. In 2022, the BOT conducted a survey on the financial literacy levels of Thais, aligned with the Organisation for Economic Co-operation and Development (OECD) framework, which comprises three components: financial behavior, financial knowledge and financial attitudes. The 2022 survey results indicate a continuous improvement in financial literacy levels, with an average score of 71.4 percent, up from 67.4 percent in 2020, and higher than the OECD average of 60.5 percent.

However, there remains unserved and underserved groups, accounting for 27 percent of the population, up from 26 percent in 2020, who continue to face difficulties accessing appropriate credit services. The survey also revealed that these groups, primarily consist of independent professionals and low-income private or government employees, often turn to informal lending sources. The main reasons include their financial status and the lack of financial products that align with their needs, leading them to rely predominantly use credit from informal credit providers such as loan sharks - ultimately driving to financial insecurity.

Consequently, GSB is aware of these challenges and aims to be part of the nation’s solution. As a Social Bank with a mission to reduce financial inequality and ensure fair access to capital, GSB is dedicated to creating positive and sustainable social impacts. Its initiatives include supporting small and medium-sized enterprises (SMEs) in obtaining capital, assisting underserved communities, resolving debt issues, enhancing community development and social resilience, and aligning with government policies to contribute to the continuous and sustainable growth of the economy.

Meanwhile, GSB enhances its social impact through the concept of Creating Shared Value (CSV) by integrating social and business objectives so that its core operations simultaneously drive both commercial success and positive social outcomes. The strategic plan for 2025-2027 focuses on strengthening its role as a Social Bank by expanding partnerships and leveraging digital technology to generate positive social impacts.

In alignment with UNEP FI’s impact analysis tools, GSB has identified two key impact areas where it can exert significant influence: “Inclusive, Healthy Economies,” which corresponds to enhancing financial literacy and expanding opportunities for access to fair and appropriate financial products; and “Economic Convergence,” which focuses on responsible lending and investment practices that integrate social and environmental considerations while supporting equitable economic growth.

The operational guidelines for each focus area are detailed below:

- 1) **Inclusive, Healthy Economies:** GSB recognizes the importance of grassroots customers by offering opportunities to access funding sources at fair interest rates. It also promotes lifelong savings habit and financial discipline to sustainably enhance quality of life and financial resilience.
- 2) **Economic Convergence:** GSB supports responsible lending practices by providing opportunities for the public, students, and startup SMEs to access funding. The Bank also promotes financial literacy and knowledge that helps individuals advance their career, generate income, and contribute to reducing income inequality.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

Sustainability Report 2024, Section:

- General information, Page 11 – 12
- Financial Literacy, Page 129 – 132
- Creating opportunities for accessing financial products, Page 139 – 153
- Responsible lending and investment for social and environmental, Page 161 – 163
- Promoting and developing the capacity of communities, society, and environment, Page 179 – 188

GSB's Social Impact Report 2024

Response

GSB aligns its objectives with the United Nations' 17 Sustainable Development Goals (SDGs), with particular emphasis on Goal 1: No Poverty and Goal 10: Reduced Inequality. This alignment is consistent with the Principles for Responsible Banking as established by the United Nations Environment Programme Finance Initiative (UNEP FI), and it adheres to guidelines pertaining to economic, social, and environmental responsibility.

In formulating its strategic approach, the Bank has considered various influential contexts, including:

- The 20-Year National Strategic Plan (2018-2037)
- The 13th National Economic and Social Development Plan
- The National Reform Plan
- The United Nations Sustainable Development Goals (SDGs)
- The Principles for Responsible Banking (PRB)
- The Thailand 4.0 Policy
- The Digital Economy and Society Plan (Digital Economy: DE)
- The overarching State Enterprise Strategy Plan and the Financial Institution State Enterprise Strategy Plan
- Recommendations and directives from policy regulators
- The prevailing environmental context and emerging future trends, such as advancements in financial digital technology, evolving consumer behavior, market competition, and regulatory requirements.

Consequently, GSB has established targets aligned with the impact areas defined by the UNEP FI Working Group, specifically within the theme of Financial Health and Inclusion. The impact analysis is conducted using the baseline data established in 2022, which can be referenced as follows:

Impact area	Indicator code	Indicator details	Baseline
Inclusive and Healthy Economies	B.2.1	Numbers of individuals supported with dedicated and effective financial and/or digital education initiatives	223,522 Persons
	C.2.1		
	C.2.3	Percentage of customers with 2 or more active financial products, from different categories, with the bank	64.23%
Economic Convergence	C.4.1	Average number of new customers per month	75,221 Persons

Therefore, GSB has established targets aligned with key impact areas, as outlined below:

Impact area	Target
Inclusive and Healthy Economies	<ul style="list-style-type: none"> Expand retail customer access to GSB's financial services by 10% by 2027, compared to the 2022 baseline Promote financial literacy for both retail customers and 80,000 small entrepreneurs annually
Economic Convergence	<ul style="list-style-type: none"> Provide training and development for 50,000 small entrepreneurs per year, with a goal for at least 50% to successfully complete assessments and obtain certificates or diplomas

During 2024-2025, GSB continues to amplify its positive social impacts through its operations, including its economic and social development initiatives in partnership with our subsidiaries and partners. These efforts prioritize equitable access to capital, the advancement of small entrepreneurs, guided by the market development and local wisdom model, and the holistic development of communities.

In the subsequent phase of 2027-2028, GSB aspires to become a “Social Bank with Positive Impact at Scale,” aiming to broaden its positive contributions to society. The Creating Shared Value (CSV) concept will be employed to integrate operational efforts, producing commercial outcomes while simultaneously addressing social challenges.

- **People:** GSB will intensify its focus on executing social missions to enhance societal welfare
- **Planet:** GSB is committed to achieving a Net Zero emissions target
- **Profit:** GSB will maintain business activities that foster sustainable organizational growth, embedding the CSV approach within its core strategies

Moreover, GSB has outlined its action plan to amplify its positive impact on society, with the following focus areas:

1) Access to finance resources

- Develop products and services that facilitate access to financial resources and aid in debt resolution by offering financial sources at interest rates below market levels (Below Market)
- Implement measures for high-risk (unserved/ underserved) groups, helping reduce reliance on informal debt while alleviating the government's fiscal burden through the allocation of additional reserves

2) Debt resolution

Implement relief measures that support debtors in managing their obligations, alleviating burdens, and preventing damage to their credit histories.

3) Social, community, and environmental development

Enhance capabilities, create employment opportunities, promote savings, and engage in Corporate Social Responsibility (CSR) activities with a stronger emphasis on environmental sustainability and community resilience.

4) Government economic stimulus support

Stimulate the real estate sector, extend soft loans to entrepreneurs, and provide soft loans through non-bank institutions, including the allocation of funding to government agencies and state enterprises to advance national infrastructure and inclusive economic development.

Accordingly, GSB focuses on developing a range of products designed to assist and support its customers, including:

1) Financial inclusion and literacy

GSB's financial inclusion and literacy programs aim to reduce financial inequality and promote economic resilience. In 2024, we expanded access to financial services through both direct offerings (By GSB) and partnerships (By GSB Group), with a focus on low-income and underserved populations. Key achievements are summarized as follows:

Expanding access to finance and reducing inequality

Over the past few years, GSB enabled more than 3.73 million people to access the financial system and supported SMEs with over THB 200 billion in funding. In 2024, we helped 351,700 grassroots customers gain access to credit and financing, and provided THB 80 billion in loan to SMEs, helping mitigate financial inequality across the country. These efforts have focused on enhancing financial inclusion, protecting vulnerable groups, and supporting sustainable economic activities. Key initiatives and results include:

- **Low interest rate/ relaxed-requirement loans:** approved for 188,400 accounts, providing affordable credit options for those with limited access to traditional financing
- **Retail debt refinancing loans:** approved for 31,400 accounts, to support debt management and reduce financial stress
- **Flood relief and recovery loans:** approved for 10,600 accounts, offering emergency financial support to individuals and businesses affected by natural disasters.
- **Soft loans:** approved THB 50.9 billion to help overcome liquidity challenges.
- **SME debt restructuring loans:** approved THB 1.3 billion to strengthen the financial resilience of SMEs.
- **Property sector stimulation loans:** approved THB 3.9 billion for businesses and 6,126 accounts for individuals homebuyers, supporting the property sector and promoting home ownership.
- **Job creation and career development loans:** approved for 102,000 accounts Approved for 102,000 accounts to promote sustainable income and livelihoods.
- **Environmental loans:** approved THB 23.7 billion for businesses and 874 accounts for individuals, encouraging green growth and the transition to a low-carbon economy.

Through its subsidiaries - Good Money Co., Ltd., and Mee Tee Mee Ngern Co., Ltd - GSB has expanded outreach and tailored solutions to underserved groups:

- **Good Money application:** More than 500,000 users have downloaded the application, and over 100,000 loan applications have been submitted. In 2024, a total of 9,583 loans were approved, amounting to THB 181 million.

- **Mee Tee Mee Ngern collateral-based lending:** approved 2,284 accounts, totaling to THB 8,576 million, providing SMEs with crucial access to capital using land as collateral.

Promoting Financial Literacy, Savings, and Financial Discipline

GSB is committed to building long-term financial resilience through financial literacy and savings initiatives.

- **The School Bank Program:** aims to instill financial discipline among children and youth, helping them grow into adults who truly understand the value of saving. There are 1,324 school banks established under the program. The initiative has engaging 2,261,778 student members who have collectively opened 2,292,440 savings accounts, with total savings of THB 995.16 million.
- **Promoting savings and financial discipline:** GSB promotes savings habits and financial literacy through innovative platforms, providing financial education to 336,855 individuals through the Oomtang application and Coach Aom application, and introducing products designed to encourage regular savings and sound financial planning.

2) Enhancing the potential of small entrepreneurs, SMEs, and startup communities

GSB is committed to strengthening grassroots economic development by implementing a variety of initiatives, including:

- The Government Savings Bank Project to Create Jobs and Careers
- Capacity building for small entrepreneurs through skill development programs and advisory support
- Community development initiatives, such as upgrading homestays and promoting community-based tourism; including projects like the Youth Development Rakthin Project and the Vocational Education for Community Careers Project
- Support for SMEs and startup entrepreneurs, including the provision of business knowledge to students, the general public, and business owners through activities such as the Smart Start Idea Contest
- The establishment of community-based financial institutions, aimed at expanding inclusive access to financial services

In 2024, GSB is advancing its Inclusive, Healthy Economies goals through the following initiatives:

Impact area	Target	2024 performance
Inclusive and Healthy Economies	Expand retail customer access to GSB's financial services by 10% by 2027, compared to the 2022 baseline	7.55% of retail customers currently have access to GSB funding
	Promote financial literacy for both retail customers and 80,000 small entrepreneurs annually	120,048 individuals have received support through the Oom Tang and Coach Aom applications, benefiting from financial education, skill enhancement, and guidance in savings and financial planning
Economic Convergence	Provide training and development for 50,000 small entrepreneurs per year, with a goal for at least 50% to successfully complete assessments and obtain certificates or diplomas	In progress



Principle 3: Clients & 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.

Client and Customer engagement

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 activities. It should include information on the client engagement strategy including but not limited to the impact areas identified / targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned / implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

Sustainability Report 2024, Section:

- Climate change management and greenhouse gas emission reduction, Page 91, 94 – 99
- Creating opportunities for accessing financial products, Page 140 – 148
- Responsible lending and investment for social and environmental, Page 159 – 163

GSB's Net Zero Target



Response

The Government Savings Bank (GSB) is committed to its role as a social bank, placing strong emphasis on financial inclusion and responsible profit through balancing social impact with sustainable returns. Central to our mission is the promotion of **financial inclusion**, ensuring that individuals and underserved communities have equitable access to essential financial services. Through our **debt resolution** programs, we offer structured and responsible financial solutions that support long-term stability for both individuals and enterprises. GSB also actively fosters **holistic community development**, investing in initiatives that enhance economic resilience, education, and overall well-being at the grassroots level and for SMEs. Furthermore, as a **key institutional partner in the implementation of government policies**, we deliver targeted financial assistance to businesses and the general public, thereby contributing to the broader objective of generating positive and enduring impacts on individuals and society.

In 2024, GSB focused on expanding access to financial services through both **direct offerings (from GSB)** and **strategic partnerships (from the GSB Group)**. Our social lending programs prioritize low-income and vulnerable groups by offering loans with low interest rates and more flexible terms than conventional products. These efforts aim to reduce financial inequality, promote fairness, and reduce reliance on informal debt, thereby enhancing long-term financial security.

To support these goals, GSB has developed inclusive financial products and service channels, including relaxed lending criteria and partnerships with non-bank subsidiaries to extend outreach. In 2024, more than **651,000 grassroots and retail customers**, exceeding the target of 500,000 accounts, gained access to fair and affordable financing through digital platforms and partnerships with organizations, such as **Good Money** and **Mee Tee Mee Ngern**. **Over 30,000 SME clients** successfully accessed funding, meeting the Bank's outreach target for the year.

GSB also allocates risk reserves to absorb potential losses from social lending initiatives, ensuring that these programs remain focused on genuine social development. We also launched the GSB Online Financial Literacy (OFL) platform, a web-based learning tool designed to improve financial knowledge across all customer segments.

As part of Thailand's national reform strategy, GSB plays a key role in the **People's Financial Institution** initiative under the 2019 People's Financial Institution Act. In this role, GSB supports and coordinates with community-based financial institutions to expand access to financial services in remote areas, helping to reduce geographic and economic disparities. In 2024, GSB successfully upgraded six community financial organizations to fully be recognized as People's Financial Institutions, increasing the total to 19 institutions since the program's inception in 2020.

GSB also offers a range of inclusive loan products, such as the **People's Bank Loan** Program for informal debt resolution, **GSB Soft Loans** for job creation and business recovery, and **GSB Soft Loans Boost Up Plus** for micro-entrepreneurs and more. These initiatives form a comprehensive action plan to promote inclusive finance and uplift the financial well-being of all Thais to ensure inclusive and sustainable economic stability.

Moreover, the Bank is committed to advancing sustainable and inclusive economic development in alignment with the Paris Agreement's goal of limiting global warming. Our pledge to achieve net-zero greenhouse gas emissions across our value chain by 2050 is outlined in our Net Zero Statement on the website and sustainability report. This includes proactive engagement with our business clients to support their transition toward low-carbon and environmentally responsible operations.

To further support environmentally sustainable business practices, GSB has adopted an ESG Score framework to assess large corporate borrowers with credit lines of THB 500 million or more. The ESG Score, rated on a 10-point scale, is used to incentivize sustainability improvements across the bank's supply chain. Clients with high ESG scores are eligible for preferential interest rates, while those scoring below 2 are subject to lending restrictions. In such cases, GSB engages in positive dialogue to encourage and support improvements in their sustainability performance. In 2024, the total value of large corporate loans assessed using the ESG Score framework for reward-based lending reached **THB 23,290 million**, reflecting GSB's commitment to integrating sustainability into its credit practices.

GSB is proud to be the first bank in Thailand to integrate an ESG scoring system into its credit approval process for special loan conditions. Under this framework, businesses are categorized into three groups:

- 1) **Exclusion list:** Businesses with high environmental impact that GSB does not support.
- 2) **Negative list:** Businesses requiring special consideration due to low ESG scores. GSB avoids lending to these businesses unless they engage in improvement efforts, supported through positive engagement and advisory services.
- 3) **Positive list:** Environmentally friendly businesses that receive enhanced support and benefits, including favorable loan terms.

As part of our Positive Engagement strategy, the Bank has made significant progress in engaging with high-impact sectors. In 2024, we successfully engaged with 47.92% of power plant loan clients, approaching our 2024 target of 49% (compared to the 30% target set for 2024), and 16% of commercial real estate loan clients, meeting the 2025 target. Additionally, GSB launched the SME Gear Up: Empowering Businesses with ESG initiative under the ESG Program for SMEs. It supports small and medium-sized enterprises with integrating ESG principles into their operations for long-term success. The program has already seen participation from around 30 SME businesses.

Our Corporate Credit Policy also prioritizes support for businesses aligned with ESG principles, including those promoting the bio-economy, circular economy and green economy, as well as those aligned with government policies or contributing to economic stability of the country. We also adhere to responsible lending practices, including household debt resolution and fair access to financial resources, in accordance with the Bank of Thailand's guidelines on responsible lending. The Bank also applies enhanced due diligence to large-scale business loans that may pose significant social or environmental risks. These cases require a thorough impact assessment as part of the credit evaluation process. Importantly, GSB maintains a strict policy of not financing coal-related businesses, including coal mining and coal-fired power generation, in line with our commitment to a low-carbon future.

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 your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages-climate, social, sustainability bonds-financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes.

Links & references

Sustainability Report 202, section:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Climate change management and greenhouse gas emission reduction, Page 91, 94 – 99 • Financial Literacy, Page 129 – 132 • Creating opportunities for accessing financial products, Page 139 – 153 | <ul style="list-style-type: none"> • Responsible lending and investment for social and environmental, Page 161 – 163 • Promoting and developing the capacity of communities, society, and environment, Page 179 – 188 |
|--|---|

Response

In 2024, GSB continued to identify and act on strategic business opportunities that enhance positive social and environmental impacts while minimizing negative impacts. These efforts are aligned with our role as a Social Bank, contributing to national development goals, Thai Green Taxonomy, and the UN Sustainable Development Goals (SDGs). Key initiatives are summarized as follows:

1) Financial inclusion and literacy

GSB's financial inclusion and literacy programs aim to reduce financial inequality and promote economic resilience. In 2024, we expanded access to financial services through both direct offerings (By GSB) and partnerships (By GSB Group), with a focus on low-income and underserved populations. Key achievements are summarized as follows:

Expanding access to finance and reducing inequality

Over the past few years, GSB enabled more than 3.73 million people to access financial systems and supported SMEs more than THB 200,000 million. In 2024, we enabled 351,700 grassroots customers to gain access to credit and finance, and THB 80,000 million granted to SMEs with details as follows:

By GSB

- Interest rate relief measures: approved for 188,400 accounts
- Retail debt refinancing loans: approved for 31,400 accounts
- Flood relief and recovery loans: approved for 10,600 accounts
- Soft loans: a total of THB 50.9 billion was approved.
- SME debt restructuring loans: a total of THB 1.3 billion was approved.
- Property sector stimulation loans: approved THB 3.9 billion for businesses and 6,126 accounts for individual homebuyers, supporting the property sector and promoting home ownership.
- Job creation and career development loans: approved for 102,000 accounts.
- Environmental loans: For businesses, a total of THB 23.7 billion was approved. For individual customers, 874 accounts were approved.

By GSB Group

- **Good Money application:** More than 500,000 users have downloaded the application, and over 100,000 loan applications have been submitted. In 2024, a total of 9,583 loans were approved, amounting to THB 181 million.
- **Mee Tee Mee Ngern collateral based lending:** A total of 2,284 accounts were approved, amounting to THB 8,576 million.
- **ARI-AMC (ARI Asset Management Co. Ltd):** through partnership with GSB's business partner, ARI-AMC has successfully completed the first batch of debt transfers, covering over 130,000 accounts with a total value of THB 11 billion. Two additional rounds of debt transfers are planned for 2025, which will bring the total to more than 400,000 accounts and a combined value of THB 30 billion.

Moreover, the Bank implemented debt relief measures in accordance with the national policy and its mission as a Social Bank to support borrowers and promote long-term financial recovery, key initiatives include:

- Debt cancellation program: 830,000 individual borrowers benefited from the programs.
- Debt restructuring program: 260,000 borrowers benefited from the programs aimed at easing repayment burdens and extending loan terms.
- Special Support for Education Personnel: 190,000 educators benefited from the program as GSB reduced interest rates to 1% per annum.
- MMR -2% interest rates reduced per annum: 850,000 borrowers benefited from the program.
- Flood Disaster Relief: 200,000 borrowers affected by flooding were granted a six-month moratorium on interest payments, and 220,000 individuals affected by flooding were granted reduced minimum payment requirements for credit cards and cash cards.
- Khun Soo, Rao Chuay program: In collaboration with the Ministry of Finance and other financial institutions, GSB participated in the "Khun Soo, Rao Chuay" (You fight, We Help) initiative, designed to provide coordinated debt relief and financial rehabilitation for distressed borrowers.

Supporting People's Financial Institutions

In 2024, GSB supported the upgrade of six community financial organizations into fully recognized People's Financial Institutions. This initiative has significantly improved access to financial services for people living in remote areas. A total of 15,108 individuals have benefited from these services. Deposit services have been provided through 13,707 accounts, with total deposits amounting to THB 309.26 million. In terms of credit services, 2,360 loan accounts have been approved, with total disbursements reaching THB 221.58 million.

Promoting Financial Literacy, Savings, and Financial Discipline

- The School Bank Program: aims to instill financial discipline among children and youth, helping them grow into adults who truly understand the value of saving. There are a total of 1,324 school banks established under the program. The initiative has engaged 2,261,778 student members, who have collectively opened 2,292,440 savings accounts, with total savings amounting to THB 995.16 million.
- Promoting savings and financial discipline through the introduction of products, and providing financial education to 336,855 individuals through the Oomtang app and Coach Aom app.

Enhancing digital lending capabilities through digital lending (MyMo Credit) approved with alternative credit scores, e.g. job creation and career development loans on MyMo with 102,917 accounts.

These initiatives mainly support SDG 1 (No Poverty), SDG 10 (Reduced Inequality). They also support SDG 4 (Quality Education) for financial literacy programs, SDG 8 (Decent Work and Economic Growth) SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities).

2) Society and community development

- **Promoting savings and financial discipline** for youth, educators and people in remote areas as a part of GSB's holistic area-based development initiatives – GSB Huam Jai Hak Khun Nan. This program was tailored to suit the specific context of each community and its an extension to GSB's regular efforts to promote financial literacy, savings, and discipline.
 - Ban Huai Fong community: A total of 309 participants, including students, teachers, educational personnel, and members of the community enterprise, joined the activities. The total accumulated savings amounted to THB 1.04 million.
 - Ban Piang So community: A total of 155 participants, including students, teachers, and educational personnel, joined the activities. The total accumulated savings amounted to THB 458,017
- **Implementing career development and community entrepreneurship** through programs such as GSB Vocational Career Development for Communities, Micro-Entrepreneur Development Program, GSB Polytechnic Vocational Program, GSB Yuwaphat Rakthin Program to equip community members with practical skills for employment, support them to adapt to economic changes and create value for their local products. GSB partnered with 54 technical colleges to deliver 21 vocational training courses, partnered with 88 polytechnic colleges to deliver 180 training courses, and supported the development of 162 communities, contributing to local economic resilience and sustainable livelihood.
- **Implementing entrepreneurship development and SME / startup empowerment** through programs such as GSB Smart Start Idea, GSB Smart Startup Company, GSB Step & Boost Up, Grooming Program for Micropreneurs, GSB Franchise Standard, GSB Step in Innovator Network (GSB x NIA) to develop creative thinking, business skills, and real-world experience among students and aspiring entrepreneurs. In 2024, 548 student projects were submitted from 68 universities, 31,926 individuals received business training, and 160 new startups were established. 3,629 entrepreneurs participated in Step & Boost Up, 2,224 launched franchise businesses, and 108 innovation-based entrepreneurs were created.

- **Implementing holistic area-based community development.** The project is developed into a comprehensive model for inclusive development that focuses on three key dimensions: economic, social, and environmental. The goal is to enable communities to increase income, gain financial knowledge, build savings, and improve their overall quality of life. In addition, the project is tailored to the local context, ensuring responsiveness to community-specific needs and conditions. The first project was implemented in five remote villages in Nan province, followed by a new project being implemented on Libong Island, Trang province.
 - **GSB Huam Jai Hak Khun Nan initiative:** In collaboration with the Mae Fah Luang Foundation under Royal Patronage. We selected five villages in Khun Nan Subdistrict, Chalmers Phrakiat District, Nan Province - Ban Piang So, Ban Huai Fong, Ban Sajuk, Ban Sakieng, and Ban Huai Toei - for development across nine dimensions, covering quality of life, economic, social and community aspects. The initiative benefited 11,598 individuals, contributing to long-term self-reliance and improved well-being.
 - **Expanding holistic area-based development to Southern Thailand** through a holistic area-based model: Koh Libong, Kantang District, Trang Province, to replicate the success of the Nan model. The project focuses on livelihood enhancement, debt resolution, education, environmental management, public health, financial literacy, and infrastructure development. In 2024, the initiative benefited 3,336 individuals, strengthening local resilience and quality of life.

These initiatives mainly support SDG 1 (No Poverty), SDG 10 (Reduced Inequality). They also support SDG 4 (Quality Education) for financial literacy programs, SDG 8 (Decent Work and Economic Growth) SDG 9 (Industry, Innovation, and Infrastructure), SDG 11 (Sustainable Cities and Communities).

3) Sustainable lending and ESG integration

GSB has strengthened its ESG integration by expanding the use of the ESG Score framework in credit assessments for large corporate clients. In 2024, loans assessed using the ESG Score totaled THB 23,290 million, reflecting our commitment to incentivizing sustainable practices. Clients with high ESG scores received preferential interest rates, while those with low scores were engaged through our Positive Engagement strategy.

Positive Engagement Outcomes:

- 47.92% of power plant loan clients engaged (target: 30% in 2024)
- 16% of commercial real estate loan clients engaged (target: 20% in 2025)
- Over 30 SMEs participated in the SME Gear Up: Empowering Businesses with ESG program

Sustainable finance products to support the transition to a low-carbon and circular economy

- GSB for BCG Economy Loan: For businesses aligned with the Bio-Circular-Green Economy model - THB 407.23 million.
- GSB Green Biz: For environmentally focused businesses aiming to reduce greenhouse gas emissions, and GSB EV Supply Chain: For EV manufacturers and related supply chain businesses - THB 36.85 million
- GSB Green Home Loan: Promoting solar energy installation in residential properties - THB 3,566.84 million
- GSB Go Green: For alternative energy vehicles, including electric vehicles (EVs) - THB 32.03 million

These initiatives support SDG 13 (Climate Action), SDG 9 (Industry, Innovation and Infrastructure), and SDG 12 (Responsible Consumption and Production).



Principle 4: Stakeholders

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

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has 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 the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

Sustainability Report 2024, section:

- General information, Page 53 – 61

Response

The Government Savings Bank (GSB) places great importance on managing relationships with stakeholders, considering all stakeholder groups that impact the bank and/or are affected by the bank's business activities both positively and negatively. The Bank 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. Each year, GSB conducts interviews and meetings with relevant units to gather this information. We then use the collected data to inform strategic planning, operational planning and development approaches for the Bank's business, aiding in building competitive advantage and leading to sustainable business development.

Stakeholder identification and management

GSB has adopted the international AA1000 Stakeholder Engagement Standard (AA1000SES) by accountability as a framework for stakeholder management, and the Stakeholder and Customer Management (SCM) criteria based on the Core Business Enablers assessment criteria of the State Enterprise Assessment Model (SE-AM), for systematic stakeholder management to promote stakeholder engagement through relevant business units. This involves analyzing the value chain and prioritizing key stakeholders based on their involvement in GSB's plans, projects and processes along the value chain. We do this at the department and regional levels to identify and prioritize the most important stakeholders for the entire Bank. We use the Power-Interest Matrix for this process to prioritize stakeholders based on their power and influence on the bank and their interest in GSB's operations.

We categorize stakeholders into six groups based on their involvement in GSB's core mission and processes:

- 1) Regulatory bodies and government agencies
- 2) Partners and suppliers
- 3) Society and key communities
- 4) Customers who are categorized into three segments: grassroots, individual, and business / governmental customers
- 5) Media group
- 6) Board of directors, executives, employees and workers

Stakeholder consultation and engagement

GSB has a governance framework for stakeholders, including the Stakeholder Engagement Policy, Stakeholder Engagement Procedure Manual and a Stakeholder Master Plan for 2024-2028. This framework serves as a guideline for fostering quality and standard stakeholder relationships and management. The master plan is shared with key stakeholders both within and outside the Bank. We conducted an annual review of the framework to address current issues and align it with the needs and expectations of all stakeholder groups. The Bank ensures appropriate mechanisms and processes for stakeholder engagement by setting the objectives and defining the scope of relationship-building and stakeholder management based on stakeholder relationship goals and the outcomes GSB aims to achieve.

Issues addressed and results achieved

Through stakeholder engagements, we addressed several significant areas, aligning with each stakeholder group's expectations and issues we had identified. Regulatory authorities and government agencies emphasized compliance with laws, transparency in operations, and financial inclusion especially for grassroots customers. Partners and suppliers focused on collaboration in product and service development, data connectivity between parties, and adherence to good governance. Society and communities sought promotion of financial literacy, enhancement of capabilities, and improvement of citizens' quality of life. Customers expected support in accessing financial resources and guidance in financial management.

These engagements led to tangible outcomes. For example, regulatory bodies emphasized compliance and transparency, leading to our achievement of the Integrity and Transparency Assessment (ITA) Award, demonstrating our commitment to high standards of openness and accountability. Business partners focused on collaborative product and service development to expand the customer base and data connectivity, resulting in expanded access to financial resources through increased approvals of land/sale mortgages (1,537 cases totaling THB 5,457 million) and car registration loans (913,366 cases totaling THB 21,776 million).

Addressing community and customer needs for financial literacy and enhanced quality of life resulted in the establishment of six new People's Financial Institutions (totaling 15), exceeding our target. Our holistic community development projects benefited 11,598 people (exceeding the 5,000 target), while digital initiatives like the School Bank program (101 locations) and Coach Aom app (19,447 total users) promoted savings and financial management. We also supported 14.8 million grassroots customers in alignment with government policies, served 9 million individual customers, and 0.1 million business/government clients.

Recognizing employee expectations for skill development and career advancement, we implemented Future Skills Development programs, training 104 facilitators focused on community development and 70 business advisors for SMEs and startups. This feeds directly into our action planning by ensuring we have the internal capacity to deliver on our commitments to both stakeholders and the Principles. Also, our enhanced stakeholder management is poised to maximize our positive social impact as a social bank, reflecting direct feedback from our stakeholder groups and shaping our future strategic direction.



Principle 5: Governance & Culture

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

Governance Structure for Implementation of the Principles

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 (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references

Sustainability Report 2024, section:

- Good corporate governance, Page 240 – 241

Response

GSB Board

- Reviews and approves key sustainability issues
- Approves and supports operations in accordance with the sustainable development policy, strategies, goals and operational plans
- Oversees efficient and effective resource allocation
- Monitors and reviews the performance of sustainable development strategies, goals, and operational plans to ensure they meet targets, including issues related to and impacting climate change and human rights

Good Governance and Sustainability Committee

- Formulates or reviews sustainable development policies, strategies, goals, and operational plans in compliance with applicable laws and regulations and presents them to the Government Savings Bank Board
- Promotes and disseminates a culture of sustainable operations
- Regularly monitors and oversees sustainable operations, reporting to the Government Savings Bank Board, including on climate change and human rights aspects of the Bank
- Recommends necessary measures or guidelines to promote sustainable operations

Sustainability Development Committee

- Considers the operational and supervisory framework, as well as policies, strategies, targets and operational plans aimed at achieving the United Nations Sustainable Development Goals (SDGs) appropriate to the Bank's context
- Deliberates, decides, resolves issues and directs operations according to international sustainability frameworks, such as the Principles for Responsible Banking (PRB), conducting environmentally and socially responsible business based on good governance, including balancing social responsibility, environmental protection, and organizational growth, according to the Triple Bottom Line framework
- Deliberates, decides, resolves issues and directs human rights operations in accordance with international and national human rights standards, such as the National Action Plan on Business and Human Rights and the United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Deliberates, decides, resolves issues, and directs key issues impacting the development or improvement of sustainability operations
- Reviews and reports on the performance of sustainability operations and oversight to the Good Governance and Sustainability Committee, providing opinions and recommendations for improvement as appropriate
- Provides recommendations on key sustainability issues and disclosure of sustainable development performance in accordance with international standards

Senior Executive

- Considers, formulates and reviews sustainable development policies, strategies, goals and operational plans, and presents them to the Good Governance and Sustainability Committee
- Communicates the Bank's sustainable development policies and operational strategies to employees and relevant stakeholders
- Regularly monitors and oversees sustainable operations

Responsible Working Units

- Develops master plans, business plans/action plans, and sets targets in line with the bank's operational strategies
- Implements the defined plans and monitors performance against targets, reporting to senior management

Human Rights Working Group

- Establishes policies and plans related to the Bank's human rights operations
- Drives, monitors, and evaluates the implementation of comprehensive Human Rights Due Diligence (HRDD) processes, reporting quarterly or as significant progress is made to the Sustainability Development Committee
- Monitors and reports on performance to the Sustainability Development Committee quarterly or as significant progress is made

Sustainability Development Department

- Formulates and reviews the Bank's sustainable development policies
- Promotes and supports departments in driving the mission towards sustainable development
- Monitors and reports on the Bank's sustainable development performance

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, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

Sustainability Report 2024, Section:

- General information, Page 12 – 14
- Climate change management and greenhouse gas emission reduction, Page 87 – 101
- Resource efficiency, Page 104
- Fair treatment of employees and workers and respect human rights, Page 211
- Good corporate governance, Page 228 – 253
- Business ethics and anti-corruption, Page 278 – 301

Response

GSB aligns with the 17 Sustainable Development Goals (SDGs) but particularly focuses on two key objectives: eliminating poverty (Goal 1: No Poverty) and reducing inequalities (Goal 10: Reduced Inequalities). GSB aims to achieve these goals by providing access to fair capital and reducing financial inequality. GSB has adopted the Principles for Responsible Banking (PRB) from the United Nations Environment Programme Finance Initiative (UNEP FI). This commitment to integrating social, environmental and governance considerations into the operations aligns with GSB's vision, mission and operational framework as it strives to be a leading social bank. By signing the PRB, GSB reinforces its dedication to international best practices in sustainable and responsible banking. GSB has established several policies to serve as guidelines for personnel at all levels, ensuring that operations in each department align with the principles of responsible banking. These policies encompass various aspects including good corporate governance, a code of conduct, a code of ethics, a sustainability policy, a human rights policy, and more.

In addition to these foundational policies, GSB actively demonstrates the commitment in becoming a Social Bank through various ESG-related projects. These initiatives include providing educational programs for small business owners, participating in reforestation projects, etc.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, 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 your bank has in place to oversee these risks.

Links & references

Sustainability Report 2024, section:

- Climate change management and greenhouse gas emission reduction, Page 90 – 92
- Fair treatment of employees and workers and respect human rights, Page 212 – 213
- Risk management, Page 260 – 261

Annual Report 2024, section:

- Risk management, Page 101 – 113

Response

GSB recognizes the importance of conducting business with good governance and strict adherence to regulatory requirements, guided by the Three Lines of Defense principle. This approach includes promoting a strong risk culture, which is in line with the Bank of Thailand's Risk Culture policy, emphasizing robust risk management practices. GSB focuses on several key foundational elements, including risk governance, risk management, risk appetite and compensation practices. These elements correspond with our risk-taking behavior to ensure timely monitoring and reporting.

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. Despite having implemented an effective control system, certain risks remain unavoidable, such as natural disasters due to climate change and terrorism. So, GSB has established policies and practices to prepare for and mitigate the negative impacts of such events under the Business Continuity Management (BCM) framework with the following details:

1) Defined roles and governance structures

Roles, responsibilities and governance structures related to BCM are defined to ensure complete preparedness according to BCM systems and processes.

2) Risk assessments and plan reviews

Executives, employees and stakeholders conduct risk assessments for disasters or threats, review and test plans, and regularly evaluate the efficiency and effectiveness of the BCM process at least once a year or following significant changes.

3) Communication with stakeholders

BCM practices are communicated to all internal and external stakeholders.

4) Cultivating awareness

Awareness about business continuity management is raised among executives, employees and stakeholders until it becomes a part of the organizational risk management culture.

Climate change

GSB is committed to addressing climate-related risks and opportunities across the operations and value chain through in-depth assessments. The assessment focuses on understanding the impacts of both physical and transition risks associated with climate change. GSB considering different scenario models to enhance decision-making processes and shape GSB's strategies that adapt and mitigate climate-related risks. GSB also integrates these considerations into the risk management framework, revising methods and procedures to address climate concerns alongside other business issues proactively. Through scenario analysis guided by the Task Force on Climate-related Financial Disclosures (TCFD), GSB has developed strategies to mitigate risks, including setting ambitious targets to reduce greenhouse gas emissions, promoting sustainable financial practices, and using the ESG Score for approving major business loans. This reflects GSB's commitment to building resilience and contributing to a sustainable and low-carbon future.

Human rights due diligence

In 2024, GSB announced its Human Rights Policy to serve as a guideline for conducting business responsibly toward all stakeholder groups of GSB while clearly and concretely respecting human rights. This includes avoiding collaboration with partners, suppliers and trade associates that engage in human rights violations, such as child labor or forced labor. GSB's plan for managing human rights issues involves conducting Human Rights Due Diligence (HRDD). It also entails defining practices concerning stakeholders to ensure operations align with human rights standards. GSB has instituted a system for gathering feedback from stakeholders regarding their needs, expectations, concerns and suggestions. We use this feedback to inform planning and continuously improve our human rights practices. Regular monitoring and reporting of these operations to the Sustainability Committee are part of the process. The Bank also outlines human rights management strategies relevant to GSB's context under this human rights policy management.



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.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report

Response

As of 2024, GSB did not engage an independent third party to provide assurance on its disclosures.

However, the PRB Reporting and Self-Assessment 2023 was successfully certified by a third-party organization. The certification process included a thorough review and analysis of the Bank's practices to ensure the processes were in line with the Principles for Responsible Banking.

In addition, GSB's sustainability report aligns with international standards, including the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD). It demonstrates our commitment to transparent communication with stakeholders, the organization's accountability in executing and disclosing sustainability actions, our performance and our proactive approach to identifying and managing climate risks and opportunities in pursuit of achieving our Net-Zero commitment.

Moving forward, GSB is committed to implementing strategic plans that align with its goals for Inclusive, Healthy Economies and Economic Convergence, while encouraging sustainability-related committees to adopt the Principles for Responsible Banking (PRB). GSB will advance its strategy to become a social bank by expanding collaborations with business partners and organizations to enhance positive social outcomes. GSB will also continue to focus on the Positive Portfolio initiative by setting ambitious targets for green loans, thereby supporting environmental conservation and sustainable energy projects. GSB will also enhance positive engagement by strengthening relationships with various corporate clients. Furthermore, GSB remains committed to achieving net-zero greenhouse gas emissions by 2050, in alignment with the Science Based Targets initiative (SBTi). This commitment includes reducing emissions from direct operations (Scope 1), energy consumption (Scope 2), and supply chains (Scope 3).



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Social Bank