



GOVERNMENT SAVINGS BANK



SUSTAINABILITY FINANCE FRAMEWORK

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OBJECTIVE OF THIS DOCUMENT

This Sustainability Finance Framework (“the Framework”) sets out the processes, procedures, and governance arrangements for the issuance of sustainable finance instruments—including, but not limited to, green, social, and sustainability bonds; Special Savings Certificates; and savings deposit products—and the offering of green and social loan products by Government Savings Bank (“GSB” or “the Bank”). The Framework aligns with the relevant international principles and related standards outlined in the Sustainability Finance Framework section of this document.

Proceeds raised under this Sustainability Finance Framework will be used to finance and/or refinance eligible projects as defined in the Framework to promote sustainable development and the effective implementation of government initiatives that promote inclusive and sustainable growth.

This Framework describes GSB's approach to proceeds utilization, project selection criteria, proceeds management, and post-issuance reporting.

ABOUT GSB

GSB is a state-owned financial institution under the supervision of the Ministry of Finance. The Bank was established by H.M. King Vajiravudh, King Rama VI who realized the importance of keeping property safe from thieves by enacting the Act to establish the Savings Office on April 1, 1913, to provide a secure place to store assets and instill people on how to save money properly. The Bank has steadfastly fulfilled these roles by receiving royal grace from all Chakri Kings. Later in 1946, H.M. King Bhumibol Adulyadej raised the Savings Office as Government Savings Bank and enacted Government Savings Bank Act to support the Savings Office business which had operated since April 1, 1947. GSB's operations are in accordance with the Government Savings Bank Act B.E. 2489 (1946), the Royal Decree stipulating the business as functions of the Government Savings Bank B.E. 2541 (No. 2), and the Ministerial Regulations on the Conduct of Business as functions of the Government Savings Bank B.E. 2547 (2004) (No. 2), B.E. 2548 (2005) (No. 3), and B.E. 2565 (2022) as follows:

- 1) accepts savings deposits,
- 2) issues savings bonds and Special Savings Certificates,
- 3) accepts savings deposits in aid of life and family welfare,
- 4) makes payments and conducts money transfers,
- 5) sells and purchases Thai government bonds,
- 6) invests for profit-seeking purposes as permitted by the Minister of Finance, and
- 7) engages in other savings activities as specified by Royal Decree,
- 8) engages in any businesses considered to be a banking business, as prescribed by the Royal Decree, and can operate according to the terms and conditions specified in the relevant ministerial regulations.

GSB's operations are carried out in accordance with its mandated defined in the Act and the Statement of Direction for State Enterprises. These frameworks require GSB to focus on creating added value for community and grassroots economy, promoting public savings, and delivering its missions through effective management supported by efficient information systems.

As of December 31, 2025, GSB had 1,024 branches across all regions of Thailand, 93 service units (located in district offices, mobile vans, and mobile boats), 6,044 self-service machines (e.g., ATM, ADM-Recycle and Passbook Update Machine), and 1,270 school banks. Supported by 16,717 officers and 4,936 employees, GSB can ensure inclusive access to financial services for all customer segments, including individual customers, grassroots & government policy supporting customers, and business and public sector customers.

GSB continuously reviews its vision, missions, and operational framework to better become a “Social Bank,” with the goal of “reducing financial inequality and creating fair access to funding.” GSB pursues alignment with the United Nations’ Sustainable Development Goals (SDGs), emphasizing two key goals: Goal 1: No Poverty and Goal 10: Reduced Inequalities. GSB also embraces the Principles for Responsible Banking from the United Nations Environment Programme Finance Initiative as well as various Government of Thailand initiatives such as the 20-Year National Strategy (2018–2037), 13th National Economic and Social Development Plan, and Thailand 4.0 Policy Digital Economy Plan for Economic and Social Development. GSB also adheres to the State-Owned Enterprise Strategic Plan and the Financial Institution State-Owned Enterprise Strategic Plan Recommendations issued by Thai regulatory agencies. In addition, the Bank regularly assesses the current environmental context and key future trends—such as advancements in financial technology, changing consumer behavior, market competition, and regulatory agency rules—to help refine its operations. Based on these frameworks, the GSB Board of Directors has established its vision and missions, based upon core values, which provide direction for the Bank’s operations as outlined in Table 1.

Table 1: Government Savings Bank’s Vision and Mission

Vision	A Social Bank that leads in promoting savings and building financial security for the people, contributing to the sustainable development of the nation
Mission	<ol style="list-style-type: none"> 1) Support fair access to financial resources and enhance the grassroots economy and small and medium-sized enterprises (SMEs) to reduce inequality, alleviate poverty, and increase competitiveness. 2) Promote savings and financial discipline to ensure lifelong financial security. 3) Support investment and sustainable national development. 4) Provide comprehensive financial services through modern digital technology. 5) Operate with consideration for environmental, social, and governance (ESG) factors in all processes. 6) Manage professionally with a focus on risk management and good corporate governance

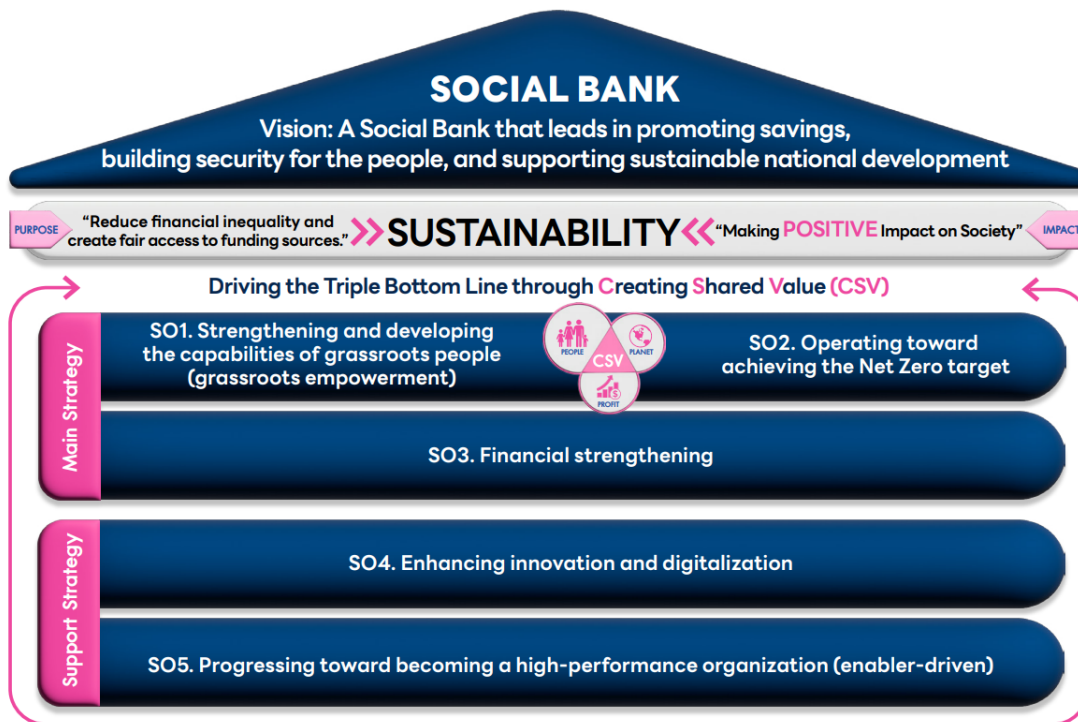
Source: Government Savings Bank.

GSB’s SUSTAINABLE DEVELOPMENT

Sustainability Strategies

To make a positive impact on society, the Bank follows the Triple Bottom Line principle, aiming to achieve outcomes in three dimensions: people (society), planet (environment), and profit (profitability). The Bank places greater emphasis on its social missions to provide deeper, broader, and more impactful support for society, operating through the mechanism of creating shared value through five strategic objectives (Figure 1):

Figure 1: GSB’s Sustainability Strategies



As mentioned above, the GSB has adopted the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative’s Principles for Responsible Banking and the Global Reporting Initiative’s standards for sustainability reporting. The Bank also aligns its economic, social, and environmental responsibility practices with the international sustainability recognized sustainability framework. The Bank also seeks to drive its operations toward long-term sustainability and engage stakeholders in a balanced manner under the Triple Bottom Line framework, aiming to ensure both external and internal sustainability. External sustainability refers to strengthening the grassroots economy, society, and local communities, while internal sustainability refers to creating financial security and resilience within the organization. The Bank integrates its social mission into all key processes in conducting the GSB Sustainability Approach, which encompasses four dimensions as illustrated in Figure 2.

Figure 2: The Four Dimensions of the GSB Sustainability Approach



Source: Government Savings Bank.

As part of its sustainability strategy, GSB introduced the Net Zero Emissions Roadmap in August 2023, covering all three scopes of greenhouse gas emissions.¹ The Roadmap targets net zero emissions for GSB's Scope 1 and Scope 2 emissions by 2050 and a reduction of over 50% in its Scope 3 emissions by 2030, progressing toward full net zero across all three scopes by 2050.

Example of Social Initiatives

The following are examples of GSB's social initiatives.

1. People's Bank Project Loan ("Song Dee Mee Term")

This type of loan is a financial product offered since 2023 to existing and previous customers with a good repayment history. Credit extension comes in the form of a step-up loan to enhance liquidity and support living expenses in an emergency, thereby increasing a customer's financial capacity while also maintaining a good credit history to facilitate future access to funding.

2. People's Bank Project Loan for Back-to-School Expenses

This financial product, first introduced in 2024, helps ease the financial burden on parents during the start of the school term by providing support for education-related expenses, such as school uniforms, books, learning materials, and tuition fees. This enables families to manage their financial obligations more smoothly.

Example of Green Initiatives

The following are some of GSB's green initiatives.

1. GSB for Bio-Circular-Green (BCG) Economy

GSB offers loans to business related to strengthening the BCG economy, supporting Thailand's national BCG policy to promote sustainable development and address environmental issues. This initiative emphasizes the application of science, technology, and innovation to enhance competitive advantage domestically and on a global scale. Loan recipients are in a range of industries, including power plants, automotive and transportation, food and processing, tourism and services, smart electronics, agriculture, and biotechnology. These loans can be used for various purposes, including as working capital, renewable energy investment (e.g., solar rooftops, energy derived from biomass), fixed asset investment, and mortgage redemption.

2. GSB Green Biz

In line with global environmental efforts, the Bank recently launched GSB Green Biz to support entrepreneurs transitioning to low-carbon business practices. Targeted sectors include electric vehicle (EV) manufacturing and distribution, recycling materials, and eco-friendly businesses. The program offers low-interest loans to facilitate this transformation.

3. GSB EV Supply Chain

In collaboration with the Electric Vehicle Association of Thailand, GSB launched the GSB EV Supply Chain loan program with low-interest loans to EV entrepreneurs and businesses that comprise the supply chain. This program aims to increase access to finance to drive the development of Thailand's EV industry and promote development of a low-carbon economy.

¹ The Greenhouse Gas Protocol defines three types of emissions. Scope 1 are direct emissions from sources a company owns such as vehicles. Scope 2 are indirect emissions from a company's energy purchases such as electricity. Scope 3 comprise all other indirect emissions, including purchased goods and services, business travel and investments

SUSTAINABILITY FINANCE FRAMEWORK

GSB established this Sustainability Finance Framework for its Sustainable Bond Program (i.e., green, social, and sustainability bonds); Sustainable Lending Program (i.e., green and social loan products); and Environmental, Social, and Governance (ESG) Deposits Scheme (i.e., Special Savings Certificates and savings deposit products).² The Framework aims to support implementation of GSB’s sustainability agenda—reducing inequality and promoting fairness in society—by offering Sustainable Finance Instruments that provide opportunities for low-income individuals and grassroots customers. This includes helping them reduce debt burdens, increase incomes, and improve their quality of life by moving out of poverty. The Framework also supports GSB’s climate agenda by financing initiatives that contribute to climate mitigation and resilience.

The Framework is fully aligned with the following principles and standards:

- Social Bond Principles (SBP) 2025, Green Bond Principles (GBP) 2025, and Sustainability Bond Guidelines (SBG) 2021, published by the International Capital Market Association (ICMA);
- Association of Southeast Asian Nations (ASEAN) Social Bond Standards (ASEAN SBS), ASEAN Green Bond Standards (ASEAN GBS), and ASEAN Sustainability Bond Standards (ASEAN SUS), developed by the ASEAN Capital Markets Forum in 2018; and
- Social Loan Principles (SLP) 2025 and Green Loan Principles (GLP) 2025, published by the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA), and Asia-Pacific Loan Market Association (APLMA).

The Framework consists of the following core components:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting
- 5) External Review

Under this Framework, the GSB can issue Sustainable Finance Instruments to support the Bank’s ongoing commitment to becoming Thailand’s “Social Bank,” while also promoting environmentally responsible policies aimed at reducing the impact of climate change resulting from GSB operations.

1. Use of Proceeds

An amount equal to the net proceeds from all Sustainable Finance Instruments will be allocated to finance or refinance, in part or in full, new and/or existing projects, assets, expenditures, or activities that are in alignment with the Bank’s operational priorities and the social or green eligibility criteria defined in this Framework (Eligible Projects). The social and green eligibility criteria have been mapped to the relevant United Nations SDGs in Tables 2 and 3.

Taxonomy Alignment for Eligible Green Projects

As a leading state-owned bank, the GSB has incorporated, on a best effort basis, the Thailand Taxonomy, published in July 2025,³ and the ASEAN Taxonomy for Sustainable Finance Version 4 (ASEAN Taxonomy V4), published in November 2025,⁴ into this Framework to determine the eligibility of green use of proceeds. GSB applies the principle of proportionality

² ESG Deposits refers to a bank deposit in which funds are dedicated exclusively to financing ESG-aligned projects in accordance with this Framework.

³ <https://www.bot.or.th/en/financial-innovation/sustainable-finance/green/Thailand-Taxonomy.html>




⁴ https://www.theacmf.org/images/downloads/pdf/ASEAN%20Taxonomy%20Sustainable%20Finance%20V4_06Nov25.pdf




while ensuring that Eligible Green Projects under this Framework are aligned with one of the following criteria, as applicable:

- **TSC under the Thailand Taxonomy or ASEAN Taxonomy V4, including the requirements for Do No Significant Harm (DNSH) and Minimum Social Safeguard (MSS)** as outlined in the Thailand Taxonomy or Essential Criteria in the ASEAN Taxonomy V4. This applies to the financing or refinancing of large-scale corporate and infrastructure investments, such as hydropower, biogas and biomass generation and production projects; utility-scale infrastructure such as public utility water facilities and large-scale transport; and city-scale or regional climate adaptation projects.
- **TSC under the Thailand Taxonomy or ASEAN Taxonomy V4, combined with GSB's ESG assessment**, which incorporates requirements addressing material environmental risks associated with eligible project categories, such as end-of-life management and disposal, and MSS compliance to ensure that borrowers and their proposed projects comply with applicable laws, regulations and requirements under national legislation. This applies to the financing or refinancing of relatively small-scale projects and local activities, such as small vehicle fleets, company-owned electric charging stations, rooftop solar PV systems installed at company premises.
- **TSC under Thailand Taxonomy or ASEAN Taxonomy V4 applicable to retail customers**, including financing or refinancing of a single vehicle for personal use and residential rooftop solar PV and energy storage solutions for individual households.

As retail customers comprise the majority of GSB's customer base, GSB intends to include retail customers in its implementation efforts to support national policies on climate change mitigation, adaptation and environmental conservation, while promoting inclusive access to green finance for individuals. Accordingly, the DNSH and MSS exclusions for retail customers are applied due to data limitations and practical considerations.

Table 2: List of Social Eligibility Criteria


ICMA SBP-aligned Social Project Categories and Relevant SDGs	Eligibility Criteria	Target Population
<p>Access to Essential Services</p> <p>Employment Generation</p> <p>Socioeconomic Advancement and Empowerment</p>   	<p>Lending to improve liquidity, living conditions, and informal debt issues</p> <p>As part of GSB's business operations and to support government policy implementation, the proceeds will be used to finance and/or refinance low-interest rate loans made to grassroots economic projects to improve liquidity, living conditions, and family matters, and to address informal debt issues. Recipients include vulnerable groups who have been impacted by COVID-19.</p> <p>Loan applications can be submitted through traditional bank branches as well as a digital service platform, MyMo. MyMo enables grassroot customers living in remote areas to access financial services and financial education.</p> <p>Targeted customers include hawkers, street vendors, self-employed individuals, low-income earners, farmers, and customers who are not able to access traditional financial services from commercial financial institutions.</p> <p>Strengthening the capacity of retail customers to be self-reliant</p> <p>As part of GSB's business operations and to support government policy implementation, the proceeds will be used to finance and/or refinance projects to develop retail customers' occupational capabilities, targeting unemployed and vulnerable groups. Additionally, projects that provide marketing channels for customers to generate increased revenue will be supported.</p>	<p>Projects will be targeted to people that face barriers to accessing financial services, including savings products and loan products. Examples of the target population include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • people living below the poverty line; • excluded and/or marginalized populations and/or communities; • people with disabilities; • migrants and/or displaced persons; • the undereducated; • the underserved, owing to a lack of quality access to essential goods and services; • the unemployed; • women and/or sexual and gender minorities; • aging populations and vulnerable youth; and • other vulnerable groups, including those impacted by natural disasters.


ICMA SBP-aligned Social Project Categories and Relevant SDGs	Eligibility Criteria	Target Population
	<p>Providing credit to enhance liquidity of SMEs</p> <p>The proceeds will be used to finance and/or refinance projects that (i) provide source of funds to support small business entrepreneurs and communities and, (ii) provide assistance such as loans and other remedial measures to aid SMEs that have been affected by COVID-19 or natural disasters with liquidity provision and/or debt moratorium measures.⁵</p> <p>In addition to direct lending to SMEs, GSB provides Soft Loans for commercial banks and specialized financial institutions to enable them to on-lend to SMEs entrepreneurs while also supporting initiatives that promote and enhance the potential of startups and SMEs.</p>	
<p>Access to Basic Infrastructure</p>   	<p>Lending to enhance access to basic infrastructure projects that improve people's quality of life</p> <p>The proceeds will be used to finance and/or refinance projects that related to construction, extension, renewal and operation of infrastructure that supports and increases access to clean water, sanitation and improves energy accessibility. These projects should benefit people in rural and remote areas or those who face difficulties in accessing reliable and affordable basic infrastructure.</p>	



Source: Government Savings Bank.



⁵ Small enterprises refer to businesses or groups of business that have a total business credit limit not exceeding THB20 million and annual revenue not exceeding THB200 million. Medium-sized enterprises refer to businesses or groups of business that have a total business credit limit not exceeding THB250 million and annual revenue between THB100 and THB1,000 million.


Table 3: List of Green Eligibility Criteria

ICMA GBP-aligned Green Project Categories and Relevant SDGs	Eligibility Criteria	Taxonomy Environmental Objectives and Activities
<p>Renewable Energy</p> 	<p>The proceeds will be used to finance and/or refinance projects related to development, construction, operation, maintenance, installation, and retrofitting of renewable energy projects as well as energy storage facilities, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Solar energy generation: photovoltaics (PV) and concentrated solar power (CSP) projects that comply with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy V4. • Wind energy generation: onshore and offshore wind energy projects that comply with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy V4. • Hydropower generation and pumped storage facilities that comply with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy V4. • Biogas and biomass generation and production that complies with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy. • Electricity storage: electricity and storage systems, including battery energy storage systems (BESS) that comply with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy V4. 	<p>Thailand Taxonomy (energy sector) – Climate change mitigation:</p> <ol style="list-style-type: none"> 1. Solar energy generation 2. Wind energy generation 3. Hydropower generation 5. Bioenergy generation and production 14. Storage of electricity, thermal energy, and low-carbon hydrogen and its derivatives <p>ASEAN Taxonomy V4 – Climate change mitigation:</p> <p>351[014] Electricity generation from bioenergy, including co-firing with fossil fuels</p> <p>351[021] Electricity generation from solar photovoltaic technology</p> <p>351[022] Electricity generation from CSP technology</p> <p>351[030] Electricity generation from wind power</p> <p>351[040] Electricity generation from hydropower</p>



ICMA GBP–aligned Green Project Categories and Relevant SDGs	Eligibility Criteria	Taxonomy Environmental Objectives and Activities
		351[072] Storage of electricity, including pumped storage 353[011] Production of heating/cooling from solar thermal energy
Clean Transportation 	<p>The proceeds will be used to finance and/or refinance projects related to operations, maintenance, retrofitting zero emission transport and construction, modernization, maintenance, and operation and installation of related infrastructure including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Personal, public, and freight transport by road that complies with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy V4. • Passenger and freight rail transport that complies with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy V4. • Infrastructure that enables low-carbon transport and complies with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy V4, such as the installation of electric charging stations and charging points. Such infrastructure must not be dedicated to support of internal combustion engines vehicles or the transport and/or storage of fossil fuels. 	<p>Thailand Taxonomy (transportation sector) – Climate change mitigation:</p> <ol style="list-style-type: none"> 1. Transport via railways 2. Other passenger land transport 3. Urban and suburban passenger land transport 4. Freight transport by road 5. Enabling infrastructure for low-emissions transport <p>ASEAN Taxonomy V4 – Climate change mitigation:</p> <p>4911[001] Passenger interurban rail transport</p> <p>4912[001] Freight rail transport</p> <p>492[001] Urban and suburban transport, road passenger transport</p>

ICMA GBP-aligned Green Project Categories and Relevant SDGs	Eligibility Criteria	Taxonomy Environmental Objectives and Activities
		<p>492[002] Transport by motorbikes, passenger cars, and light commercial vehicles</p> <p>492[003] Operation of personal mobility devices, cycle logistics</p> <p>4923[001] Freight transport services by road</p> <p>49[001] Infrastructure for road and public transportation, including infrastructure to enable low-carbon and transport</p> <p>49[002] Infrastructure for personal mobility, cycle logistics</p> <p>491[001] Infrastructure for rail transport</p>
<p>Energy Efficiency</p>  	<p>The proceeds will be used to finance and/or refinance projects related to development, installation, operation, maintenance or upgrading of energy-efficient equipment and technologies that contribute to energy savings, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Buildings: installation and upgrading of energy-efficient equipment, technologies and building components • Public utilities, electric distribution network and infrastructure: deployment of energy-efficient equipment and smart technologies • Agriculture and aquaculture production: Implementation of activities aimed at reducing energy consumption or improving energy efficiency as a complementary practice which will be combined with at least one basic practice for aquaculture production, and at least one basic practice and one non-basic practice for agriculture production. 	<p>Thailand Taxonomy (construction and real estate sector) – Climate change mitigation:</p> <p>4. Installation, maintenance, and repair of special-purpose building equipment</p> <p>Thailand Taxonomy (agriculture sector):</p> <p>1. Sustainable perennial or non-perennial crops</p> <p>8. Sustainable aquaculture production</p> <p>ASEAN Taxonomy V4 – Climate change mitigation:</p>

ICMA GBP-aligned Green Project Categories and Relevant SDGs	Eligibility Criteria	Taxonomy Environmental Objectives and Activities
		<p>68[002] Energy-efficient equipment</p> <p>68[003] Energy performance measurement, regulation, control</p> <p>Where technical screening criteria are not available, ASEAN Taxonomy Foundation Framework will be applied.</p>
<p>Green Buildings</p>  	<p>The proceeds will be used to finance and/or refinance projects related to development, construction, renovation, or acquisition of buildings and related facilities, including installation of equipment and devices to enable buildings to comply with the criteria set out in either the Thailand Taxonomy or ASEAN Taxonomy V4.</p>	<p>Thailand Taxonomy (construction and real estate sector) – Climate change mitigation:</p> <ol style="list-style-type: none"> 1. Construction of new buildings 2. Renovation of existing buildings 3. Acquisition or ownership of buildings 4. Installation, maintenance, and repair of special-purpose building equipment <p>ASEAN Taxonomy V4 – Climate change mitigation:</p> <p>410[001] Construction of new buildings</p> <p>410[002] Renovation of existing buildings</p> <p>681[001] Acquisition and ownership of buildings</p> <p>68[001] Electricity vehicle charging stations</p> <p>68[002] Energy-efficient equipment</p>

ICMA GBP–aligned Green Project Categories and Relevant SDGs	Eligibility Criteria	Taxonomy Environmental Objectives and Activities
		68[003] Energy performance measurement, regulation, control 68[004] Renewable technologies
Sustainable Water Management⁶ 	<p>The proceeds will be used to finance and/or refinance projects related to water supply to increase efficiency including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Construction, extension, operation and renewal of water collection and treatment facilities as well as water supply systems that comply with the criteria set out in ASEAN Taxonomy V4. • Desalination of water that complies with the criteria set out in the ASEAN Taxonomy V4. 	ASEAN Taxonomy V4 – Climate change mitigation; resource resilience and the transition to a circular economy 36[001] Construction, extension and operation of water collection, treatment and supply systems 36[002] Renewal of water collection, treatment and supply systems 36[003] Desalination
Climate Change Adaptation	<p>The proceeds will be used to finance and/or refinance projects aimed at enhancing climate resilience of infrastructure and network systems and reducing material physical risks identified through climate risk assessments and comply with the criteria set out in ASEAN Taxonomy V4, including but not limited to infrastructure and activities related to electricity, transportation, water supply and disaster risk management.</p>	ASEAN Taxonomy V4 – Climate change adaptation 351[071] Transmission and distribution (T&D) of electricity 351[072] Storage of electricity, including pumped storage 353[011] Production of heating/cooling from solar thermal energy

⁶ Water sector does not include in the Thailand Taxonomy

ICMA GBP–aligned Green Project Categories and Relevant SDGs	Eligibility Criteria	Taxonomy Environmental Objectives and Activities
 		<p>49[001] Infrastructure for road and public transportation, including infrastructure to enable low-carbon and transport</p> <p>49[002] Infrastructure for personal mobility, cycle logistics</p> <p>491[001] Infrastructure for rail transport</p> <p>36[001] Construction, extension and operation of water collection, treatment and supply systems</p> <p>36[003] Desalination</p> <p>68[001] Electric vehicle charging stations</p> <p>68[005] Early warning systems</p>

Source: Government Savings Bank.

Exclusionary List

This Framework will not be used to finance and/or refinance projects, assets, or expenditures that fall under the following exclusionary criteria:

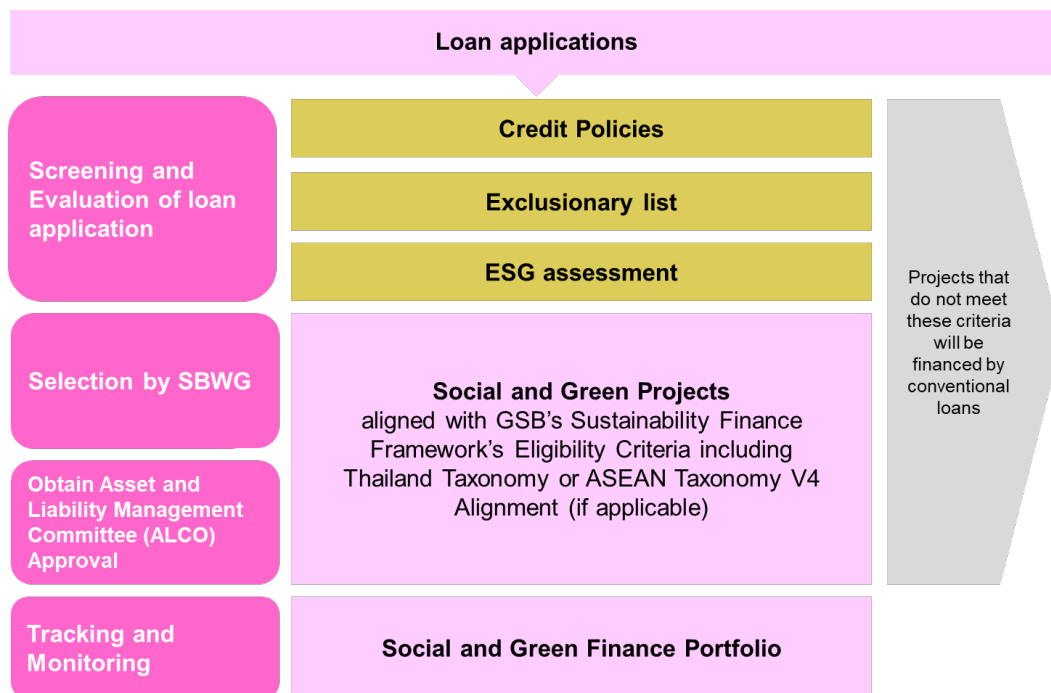
- Development, refining, and transportation of fossil fuels (including coal, oil, and gas)
- Fossil fuel power generation
- Nuclear power generation
- Weapons and defense
- Gambling and casinos
- Alcohol and tobacco (excluding beer and wine)
- Activities with forced or child labor
- Production or trade of dangerous chemicals, radioactive materials, or engendered species

Furthermore, projects, assets, or expenditures associated with violations of human rights or labor rights, or with environmental harm, are also excluded. These issues will be considered during the loan application process.

2. Process for Evaluation and Selection of Projects and Assets

GSB is using a portfolio approach to align its Eligible Projects with the eligibility criteria in this Framework (Figure 3). In case of customer loan repayments or if an Eligible Project no longer meets eligibility criteria, as defined above, the funds will be reallocated to other Eligible Projects, following the project selection process.

Figure 3: Process for Evaluation and Selection of Projects and Assets



Source: Government Savings Bank.

GSB will adhere to the eligibility criteria in all financing or refinancing transactions and ensure that the use of proceeds described above will be followed. To this end, GSB has established

a Sustainable Bond Working Group (SBWG) chaired by a senior executive vice president and consisting of representatives from various departments within the Bank, including:⁷

- financial management,
- corporate policy and strategy,
- investment,
- supervision and control,
- compliance,
- capital markets, and
- product-owner entities related to social and green projects.

The composition of the SBWG helps ensure governance over the process and that the proposed Eligible Projects fit within the eligibility criteria. The SBWG's composition is subject to change as the Bank deems necessary.

The evaluation and selection of projects is a critical process. The SBWG will work with product-owner entities for social and green projects to assess their existing lending portfolios (with a maximum look-back period of 3 years) and prospective new lending projects against the Sustainability Finance Framework's eligibility criteria. This process will be conducted continuously as the Bank issues Sustainable Finance Instruments.

The SBWG will evaluate nominated social or green projects to ensure they meet the Sustainability Finance Framework's eligibility criteria and will identify appropriate funding sources for such programs. This will enable proper tracking and monitoring of funding allocation within the eligible portfolio.

At least twice per year, the shortlisted Eligible Projects will be submitted to the SBWG and presented to the Asset and Liability Committee (ALCO), chaired by the CEO, for approval of inclusion in the Social and Green Finance Portfolio. Following approval of the ALCO, the Social and Green Finance Portfolio is submitted to the GSB's Board of Directors for notification of the proceeds allocation based on GSB's Sustainability Finance Framework.

The SBWG will continuously monitor the allocation of proceeds and all outstanding bonds and deposits in the Sustainable Bond Program and ESG Deposits Scheme until maturity. Should any social and green projects cease to align with the eligibility criteria defined in the framework, the SBWG will remove and/or substitute them with Eligible Projects at the earliest opportunity. The annual reporting will be approved and published by the SBWG.

3. Management of Proceeds

An amount equal to the net proceeds from all Sustainable Finance Instruments will be tracked within GSB's general pool of funds and allocated to Eligible Social or Green Projects only.

GSB's financial management team will manage the Social and Green Finance Portfolios through the Bank's internal information system. The balance of the tracked proceeds will be monitored regularly to ensure that the inflow of funds does not exceed the value of the Social and Green Finance Portfolio. If there is any unallocated amount, it will be invested in cash or a cash equivalent following GSB's cash management policies within the Treasury function. For soft loans provided to other commercial banks and specialized financial institutions, GSB will receive use-of-fund reports from these institutions to ensure that the loan is used for its intended purpose. However, borrowing banks will oversee the process of credit management.

The SBWG will regularly review the allocation of the proceeds to the Eligible Projects and determine if any changes are necessary (e.g., if a project has amortized, been prepaid, been sold, or otherwise become ineligible). The SBWG will decide on any necessary update of the

⁷ The SBWG is responsible for implementation in accordance with the Sustainability Finance Framework across all sustainable finance activities.

Eligible Projects list (e.g., replacement, deletion, or addition of projects) to maintain the eligibility of the portfolio of Eligible Social and Green Projects.

4. Reporting

GSB will publish annual updates of the allocation of proceeds for the duration of every Sustainable Finance Instrument. The updates will be reported publicly on GSB's website at <https://www.gsb.or.th/>, as well as through GSB's Sustainability Report or standalone report. The reports will contain the following information as described below.

1) Summary of all Sustainable Finance Instruments issued and/or outstanding during the year

GSB will publish details of all Sustainable Finance Instruments during the reporting period that will include key information such as transaction date, principal amount of proceeds, maturity date, interest rate or coupon, and ISIN number, if applicable.

2) Allocation Reporting

GSB will publish an annual allocation report, which will include the following:

- list of Sustainable Finance Instruments issued with relevant details such as issue date, tenor, issuance size, Thai Bond Market Association symbol (if any), and ISIN code (if any);
- total allocation to the Eligible Projects and summary of the allocation of proceeds with clarification of the proportion to finance and/or refinance Eligible Projects;
- summary of the Eligible Projects in the GSB Social and Green Finance Portfolio;
- description of the major Eligible Projects; and
- summary of unallocated proceeds and their management.

3) Impact Reporting

GSB will assess the direct and indirect impacts of the proceeds represented with, where possible, both qualitative and quantitative parameters outlining impact indicators. To the extent available and applicable, GSB will annually report the impact indicators for its Social and Green Finance Portfolio:

Sample Social Impact Indicators:

<p>Access to Essential Services</p> <p>Employment Generation</p> <p>Socioeconomic Advancement and Empowerment</p>	<ul style="list-style-type: none"> • Year-over-year percentage change in the number of clients that meet the eligibility criteria • Year-over-year percentage change in the finance available per grassroots customer • Number of branches in the GSB social network • Number of grassroots customers using digital banking by gender and geographical location • Number of loans provided through branches and digital banking by geographical location
<p>Access to Basic Infrastructure</p>	<ul style="list-style-type: none"> • Number of households newly connected to infrastructure services (e.g., water connections, power grid)

Sample Green Impact Indicators:

Renewable Energy	<ul style="list-style-type: none"> • Annual installed capacity of renewable energy projects (MW) • Annual renewable energy generation (MWh for electricity and GJ for other energy)
Clean Transportation	<ul style="list-style-type: none"> • Annual GHG emissions reduced or avoided (tCO₂e) • Number of EV charging stations installed by geographic location • Number of electric vehicles financed
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings (MWh) or GJ/TJ (other energy savings) • Number of energy-efficient equipment installed
Green Buildings	<ul style="list-style-type: none"> • Green building certifications obtained by number of buildings or square meters • Annual GHG emission reduced or avoided (tCO₂e) • Percentage reduction in energy usage
Sustainable Water Management	<ul style="list-style-type: none"> • Avoided water leakage (m³) • Reduction of water distribution loss (%)
Climate Change Adaptation	<ul style="list-style-type: none"> • Number of adaptation and resilience projects (e.g., length of cables installed, expected capacity of new water supply facility, expected additional water availability or increased water catchment, number of households newly connected to the power grid provided by climate change adaptation projects)

5. External Review

GSB will engage an external reviewer to provide a Second Party Opinion (SPO) on its Sustainability Finance Framework to confirm alignment with the ICMA SBP, GBP, and SBG; the ASEAN SBS, GBS, and SUS; as well as the LMA, LSTA, and APLMA SLP and GLP.

The SPO from the external reviewer will be published on GSB's website at <https://www.gsb.or.th/>.

FUTURE AMENDMENTS TO THE SUSTAINABILITY FINANCE FRAMEWORK

The GSB Sustainability Finance Framework will be reviewed and updated from time to time to reflect GSB's strategic policies, the government's strategy, as well as updates of relevant Principles and Standards. Following such reviews, this Framework may be revised or amended. Any substantive changes will be subject to approval by the external reviewer and the SBWG and published on the GSB's website at <https://www.gsb.or.th/>.

Note: This Sustainability Finance Framework was revised based on the Social Finance Framework that GSB published in 2022.