

Sustainable Development Policy

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1. Purpose of Policy

TISCO Financial Group Public Company Limited and its subsidiaries (hereinafter collectively called “TISCO”) established this Sustainable Development Policy as guiding principles in managing the organization to yield long-term sustainability for business as well as for all internal and external stakeholders. The policy reflects TISCO's long-term value, vision and missions, and long-term corporate strategies in three key areas, namely Environment, Social, and Governance (ESG).

The policy is to be adopted across all TISCO Group's companies and shall be taken into consideration in all of TISCO's business practices.

The primary objectives of the Sustainable Development Policy are to:

- Ensure awareness and accountability of TISCO with regard to Sustainable Development (“SD”) practices.
- Ensure that TISCO's economic growth is compatible with social and environmental interests and that it benefits all stakeholders.
- Align TISCO's business and financial goals to the United Nations' Sustainable Development Goals (“SDGs”) and other relevant international standards.

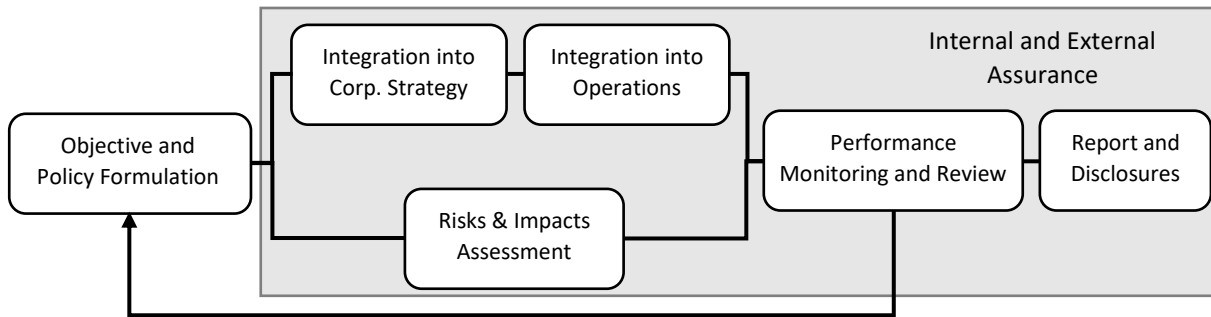
2. Definition

Term	Definition
Sustainable Development (“SD”)	defined by the United Nations (UN) as the development that meets the needs of the present without compromising the ability of future generations to meet their own needs
Sustainable Development Goals (“SDGs”)	defined by the UN as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.
Sustainable Banking	banking business practices that focus on long-term sustainable growth of both business and society, conducting business with environmental and social responsibility under good governance.

3. Policy Statement

- a) **Vision and Mission towards Sustainability:** Guided by the principle "Value-Creation Business, Towards Social Development," TISCO dedicates to driving sustainable growth by mobilizing green finance to promote environmental sustainability, enhancing social well-being through inclusive financial services, and conducting business with ethics and transparency to create long-term value for all stakeholders. We strive to be a trusted "Financial Lifetime Partner" in building a sustainable and prosperous future for everyone.
- b) **Supervisory Structure:** The Board of Directors, with assistance from the Governance and Sustainability Committee ("GSC"), formulates the organization's policies and operating structures that support the SD of TISCO and oversees the SD practices in alignment with the relevant principles and standards.
- c) **Centralized Policy and Goals:** TISCO has defined a "Sustainable Development Policy" to help manage the effects of its operations on society and the environment and effectively adapt to the fast-changing environmental, social, and governance factors. The policy is centrally defined and applicable to all companies in TISCO to ensure alignment in operations and create notable positive impacts.
- d) **Sustainable Value Chain:** TISCO fosters SD throughout the value chain by continuously engaging and strengthening relationships with all stakeholders. By understanding stakeholders' needs, TISCO can effectively identify and prioritize material sustainability topics, considering both the impact on TISCO and the impact that TISCO might generate on stakeholders, wider society, and the environment.
- e) **Integration into Strategy:** TISCO incorporates key sustainability topics regarding ESG, i.e., low-carbon economy, social well-being, and good corporate governance, into business strategy.
- f) **Sustainability Capacity Building:** TISCO emphasizes the development of SD knowledge at all levels to build capacity to achieve TISCO's sustainability goals.

4. Sustainability Operating Structure



Objective and Policy Formulation

Clear objectives are initially drawn, encompassing ESG aspects to ensure a holistic approach to sustainability. Then, SD policy and related operating policies and guidelines will be formulated according to the objectives, outlining operating principles, processes, roles, and responsibilities of each related body.

Integration into Corporate Strategy Planning

Objectives are strategically integrated into a corporate strategy to ensure that they are prioritized, resourced, and aligned with the overall direction of TISCO.

Integration into Operations

SD strategy is executed through relevant business units by developing action plans and cascading into specific goals, objectives, and key performance indicators (KPIs).

Risk & Impact Assessment

The assessments consider risks from ESG factors that may impact TISCO operations and the impacts of TISCO operations on society and environment. Then, mitigation plans for key risks or impacts will be drawn accordingly.

Performance Monitoring and Review

Reviews of the SD process and performance help identify achievements, challenges, and areas for improvement. Performance is reviewed periodically using predefined KPIs and metrics to track progress. Based on the review outcomes and stakeholder feedback, TISCO continuously develops and adjusts policies, strategies, and plans to enhance sustainability achievement.

Report and Disclosures

SD reports and disclosures are prepared in accordance with applicable rules and regulations and shall be reliable, relevant, comprehensive, and responsive to stakeholder interests.

Internal and External Assurance

The assurance process ensures compliance with regulatory requirements, industry standards, and internal policies related to SD. The SD team under the Operation Risk Management Department conducts initial data verification when gathering information from relevant departments, while the Internal Audit team performs independent reviews throughout the disclosure process. External experts may be engaged to provide independent assurance on specific aspects.

5. Supervisory Chart

TISCO Financial Group



TISCO Board of Directors is responsible for establishing TISCO SD Policy and ensuring that key targets are met. The Board also set a tone at the top about the SD commitment to ensure that sustainability is valued across all functions. The Board assigned the Group CEO and sub-committee to formulate a strategy and drive the SD program to achieve goals.

Governance and Sustainability Committee (“GSC”), as delegated by the Board, considers and proposes SD Policy to the Board. The GSC oversees the development of the SD Framework and the integration of ESG targets into corporate and the scope of SD disclosures.

Executive Board (“EBD”) is responsible for the integration of ESG objectives and targets into the corporate strategy. The EBD also ensures the proper allocation of necessary resources for sustainability matters.

Risk Oversight Committee (“ROC”) oversees the sufficiency and effectiveness of the ESG risk management system and implementation as part of Enterprise Risk Management.

Audit Committee (“AC”) is responsible for reviewing sufficient control over SD disclosure process.

Group CEO and Management Committee establish and support the **SD Working Team** to ensure sufficient and effective implementation of activities in line with the SD strategy. Group CEO and Management Committee shall also allocate adequate resources for SD activities and set the tone for TISCO's SD commitment organization-wide.

Business, Operation, and Control Functions are accountable for adhering to SD policies and practices, adopting cascaded objectives and targets in their responsible areas, as well as closely cooperating with the SD working team and providing information to consolidate into the corporate plan and performance review.

6. Sustainability-Integrated Strategy

TISCO recognizes the importance of material sustainability topics in the financial sector and actively engages with our stakeholders in the value chain to understand their expectations of TISCO. The material topics are outlined in main areas as follows:

- **Sustainable Growth with Good Governance** – TISCO shall maintain prudent decision-making, accountability, transparency, and resiliency in all operations.
- **Trusted Service** – TISCO shall provide products, services, and advisories that suit the needs of each customer and help better their well-being. The execution also needs to be reliable, secure, and convenient to customers.
- **Organization of Happiness** – TISCO shall treat employees and partners cordially and fairly and help them develop their capacity for career and economic advancement.
- **Human Rights** – TISCO shall respect human rights and integrate them into business operations. Community involving TISCO should be supported with helpful financial literacy and advice.
- **Climate Actions** – TISCO shall support clients to shift from traditional, resource-intensive economic models to greener, more sustainable practices. The actions also include the transition of TISCO's own operations and collective actions in the financial industry.

6.1. ESG-related Strategy

Understanding its impact on the overall well-being of society and environment, TISCO commits to driving sustainable development and aims to minimize negative impacts and create positive value for society and environment.

6.1.1. Corporate Governance for Sustainable Growth

TISCO upholds strong corporate governance and prudent risk management at all levels. In fostering business growth, TISCO emphasizes maintaining ethical business practices with reliable service offerings, transparent operations, and adhering to industry codes and related laws.

6.1.2. Social Sustainability Management

TISCO recognizes the importance of social responsibility as a core element of business practices. TISCO leverages expertise and knowledge to promote social well-being and sustainable economic growth through business activities by responsibly expanding financial access for the underserved and offering financial literacy programs to provide essential skills for long-term economic empowerment.

TISCO respects and protects human rights by not getting involved in human rights violations, including child and illegal labor. TISCO promotes employee well-being and quality of life, provides safe working environment, and promotes diversity and equality across the organization and along the value chains. TISCO treats all employees, business partners, and customers in an equal and fair manner without any kind of discrimination, including race, color, gender, sexual orientation, age, nationality, civil rights, religion, belief, nor disability.

6.1.3. Environmental Management

TISCO places importance on environmentally responsible business practices and is committed to integrating environmental impact management into core strategy and operations, including risk management and decision-making processes.

TISCO lays path for achieving net zero emissions by setting goals in three phases:

Phase 1: Achieve carbon neutrality for Scope 1 and 2 by year 2040.

Phase 2: Achieve net zero greenhouse gas (GHG) emissions in the operation of TISCO in Scope 1 and 2 by year 2050.

Phase 3: Achieve net zero greenhouse gas emissions in Scope 3 in the portfolio of TISCO (financed emissions) by year 2065.

To achieve these goals, TISCO commits to providing financing for sustainable or green businesses and reducing GHG emissions and resource consumption through the efficient use of natural resources.

6.2. Corporate Strategy integrated with Sustainability

The strategy then cascades to TISCO's three business pillars to develop strategic actions that serve the needs of each group of stakeholders. Key enablers are centrally managed to ensure control, efficiency, and alignment in operations.

Your Trusted Financial Advisor

Retail Banking	Corporate Banking	Wealth and Asset Management
Financial Solution for Better Living <ul style="list-style-type: none"> Responsible lending to all retail clients Financial inclusion to underserved clients Financial accessibility through physical branch and online channel Financial wisdom of clients through financial literacy program Debt consolidation to lower debt persistence problem 	Mobilization of Green Financing <ul style="list-style-type: none"> Customized financial solutions for corporate clients with integrity and professional services Support green energy for transition of net zero economy Expertise and customer insightfulness in clients' business 	Social Well-Being with Financial Freedom & Security <ul style="list-style-type: none"> Holistic financial advisory services focusing on Retirement Financial Planning Trusted financial services with expertise in investment and protection advisory Business partner coordination for better service to clients Financial literacy in relation to health care and investment Hybrid financial accessibility through both online and offline channels
Key Enablers		
<ul style="list-style-type: none"> Enhance technology and cyber security capabilities and increase operational efficiency 	<ul style="list-style-type: none"> Ensure sustainable business growth with proactive risk management and sound governance practice 	<ul style="list-style-type: none"> Enhance human resources capabilities while sustaining trusted corporate brand and identity

7. Appendix

- I. Glossary
- II. Thailand Net Zero Commitment
- III. Sustainable Development Goals (SDGs)

Appendix I: Glossary

Environmental, Social, and Governance Risk ("ESG Risk")

Potential risks that arise from environmental, social and governance factors that can impact business operations, reputation, or financial performance.

Global Reporting Initiative (GRI)

An international independent standards organization that provides sustainability reporting standards, which cover various widely discussed sustainability topics in order to promote transparency and dialogue between companies and their stakeholders.

ISO 26000

International standards prescribed by the International Organization for Standardization (ISO), providing advice on social responsibility for all types of organizations both developed and developing countries to serve the needs of a society that values entrepreneurship with social responsibility increases. ISO 26000 consists of recommendations that institutes voluntarily implement, not requirements. ISO 26000 is therefore not a standard to be used or developed as a reference for certification.

Scope 1 emissions

Direct greenhouse gas emissions from company's operating activities, in non-manufacturing company mostly refer to activities associate with fuel combustion such as from vehicles.

Scope 2 emissions

Indirect greenhouse gas emissions from electricity consumption – emission from the energy production that allocated to the company by its amount of usage.

Scope 3 emissions

All other indirect emissions associated with the company, up and down its value chain. For example, suppliers' production, customers usage of our products, or through financing and investing activities.

Task Force on Climate-related Financial Disclosures (TCFD)

An organization that provided a framework to help public companies and other organizations disclose climate-related risks and opportunities and their management approach more effectively. The TCFD task force was absorbed by the International Sustainability Standards Board (ISSB) in 2021 and officially disbanded at the end of 2023. The TCFD framework was integrated into IFRS S2 Climate-related Disclosures effective from 2024 onwards.

Appendix II: Thailand Net Zero Commitment

Thailand intends to reduce its greenhouse gas emissions by 30 percent from the projected business-as-usual (BAU) level by 2030. The level of contribution could increase up to 40 percent, subject to adequate and enhanced access to technology development and transfer, financial resources and capacity building support. Furthermore, Thailand will continue vigorous efforts in its challenge to meet the long-term goal of carbon neutrality by **2050** and net-zero greenhouse gas emission by **2065**.

Extracted from Thailand's Nationally Determined Contribution Roadmap submitted to United Nations Framework Convention on Climate Change (UNFCCC)



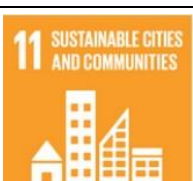




Source: <https://unfccc.int/NDCREG>

Appendix III: Sustainable Development Goals (SDGs)

Reference is made to the information publicly posted on the website of United Nation.

Source: <https://sustainabledevelopment.un.org/sdgs>

SDG	Description
	Goal 1: No Poverty End poverty in all its forms everywhere <i>Poverty is more than lack of income or resources- it includes lack of basic services, such as education, hunger, social discrimination and exclusion, and lack of participation in decision making.</i>
	Goal 2: Zero Hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture
	Goal 3: Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages An important target is to substantially reduce the number of deaths and illnesses from pollution-related diseases
	Goal 4: Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all Ensure that girls and boys complete free, equitable and quality education
	Goal 5: Gender Equality Achieve gender equality and empower all women and girls Providing women and girls with equal access to education, health care, decent work, and representation in political and economic decision-making processes
	Goal 6: Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all Improve water quality by reducing pollution , dumping and hazardous materials, untreated waste and increasing recycling and safe reuse
	Goal 7: Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all
	Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

	Goal 9: Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
	Goal 10: Reduced Inequalities Reduce inequality within and among countries
	Goal 11: Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable
	Goal 12: Responsible Consumption and Production Ensure sustainable consumption and production patterns
	Goal 13: Climate Action Take urgent action to combat climate change and its impacts Emphasize on climate change mitigation to minimize negative impacts on the environment.
	Goal 14: Life Below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	Goal 15: Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	Goal 16: Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	Goal 17: Partnerships for the Goals Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Remark: Additionally, information provided in each goal was extracted from Wikipedia, the free encyclopedia.