



Joint Press Release

TBA launches ESG Declaration, a strong collective commitment to expediting sustainable development toward better and greener economy

Bangkok (29 August 2022) – The Thai Bankers’ Association (TBA) announces its ESG Declaration to set the banking industry’s clear common direction in addressing the Environmental, Social, and Governance (ESG) agenda with proactive execution, while raising awareness on sustainability among stakeholders and driving Thai economy toward sustainable growth.

The move marks a momentous milestone for Thai banks and reaffirms their steadfast commitment to sustainable banking, following previous concerted actions to lay the foundations of the industry’s frameworks, namely its adoption of the Sustainable Banking Guidelines – Responsible Banking, and the UN Principles for Responsible Banking.

In pursuing its shared vision of sustainable development goals with the introduction of ESG Declaration, the TBA outlined action priorities in addressing key issues of emerging ESG risks and opportunities in relation to climate change, diversity and human rights, financial inclusion, and reduced inequalities, while fully supporting Thailand's smooth transition toward achieving UN Sustainable Development Goals and its commitments to the Paris Agreement.

Under the ESG Declaration, all TBA members agree on six shared action priorities:

- 1) **Governance:** Ensure good corporate governance and effective oversight at the board level, with clear accountability and responsibility at the management level regarding the Environmental, Social, and Governance (ESG) agenda
- 2) **Strategy:** Integrate ESG into business strategies and define frameworks for sustainable finance to support Thailand in making harmonious transition towards net zero society as committed
- 3) **ESG Risk Management:** Incorporate ESG into risk management processes

- 4) **Financial Products:** Utilize digital technology to increase financial accessibility; help customers achieve Net Zero emissions and sustainable growth
- 5) **Communication:** Communicate and collaborate with all stakeholders in raising public awareness on ESG issues
- 6) **Disclosure:** Develop monitoring and reporting systems in line with Thailand’s regulatory frameworks and global sustainability disclosure standards

Dr. Sethaput Suthiwartnarueput, Governor of the Bank of Thailand, was of the view that *“The ESG Declaration launched by the TBA today underscores the Thai banking sector’s concrete actions to collectively incorporate sustainability into their policy directions. With specified details of action plans, timelines, and key performance indicators, banks can efficiently play their predominant role in tackling Thailand’s sustainability challenges, especially on the environmental aspect where climate change issue has become intensifying. The TBA’s declaration aligns with the BOT’s Directional Paper on Transitioning towards Environmental Sustainability Under the New Thai Financial Landscape. The Bank of Thailand stands ready to support the Thai banking sector in driving Thai economy to move forward on sustainable path and achieve its smooth transition successfully in time.”*

Ms. Kattiya Indaravijaya, in her capacity as a board member of the Thai Bankers’ Association (TBA); co-sponsoring CEO of the Sustainability Theme, which is a cooperative effort between KASIKORNBANK and Bank of Ayudhya; and CEO of KASIKORNBANK, said on behalf of the TBA board: *“Given our key role as responsible financial intermediaries, we recognize the urgency and seriousness of climate change and the need to drive Thailand’s sustainable growth. The ESG Declaration highlights our ambitious commitment to becoming a key driver of sustainable economic and social development efforts for a better and greener economy. With our determined intention and all members on board, there are plenty of collaborative actions to be taken further by TBA members to ensure that we set forth the accelerated implementation of the agreed goals.”*

With the ESG Declaration, the TBA pledged to act consistently and collectively to change, with transparency and resilience, in order to ensure interoperability and comparability among all members of the TBA, under a “comply or explain” principle. In this regard, a handbook specifying related details of subsequent actions, timelines, and key performance indicators for each ESG component will soon be developed.

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