

STRENGTHENED FOUNDAT

MESSAGE FROM THE BOARD OF DIRECTORS

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SUSTAINABILITY REPORT 2020 People and integrity are the foundation of responsible business conduct, leading to inclusive and sustainable growth.



PEOPLE AND CULTURE



GOVERNANCE, RISK MANAGEMENT, AND COMPLIANCE





PEOPLE AND CULTURE





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Commitment

"People and culture" are at the heart of business success. That is why the Bank strives to promote workforce diversity, equality, and engagement to facilitate continuous improvement, as well as encouraging employees to adopt its core values. The Bank's workforce vision is to best uplift employee's and organization's capabilities to achieve its objectives within the resource constraint in conjunction with building good and strong leaders to become the bank of the future.

Challenge

Intense competition and rapidly changing business context have forced the Bank to adapt by ensuring that people's mindset and capabilities are in line with business growth, capable of creating shared values, and ready for future change.

At the same time, diversity management, talent attraction, retention, and motivation are foundational to build a happy and collaborative workforce which is one of the most essential factors for sustainable growth.

:: SCB FACTS ::

Target: at least 50% of management positions are female by 2021



Total Employees 23,899



71% of total employees are female



53% of management positions are female

Management Approach

To prepare for current and future challenges and opportunities, the Bank has identified an integrated approach towards workforce management which incorporates talent management, career advancement, compensation, culture, and workplace environment. The Bank focuses on five key areas of implementation as follows:











Workforce Optimization

Efficient
Organization
Structure

Robust Pipeline of Leaders

Institutionalized Culture Attractive Pay





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Target and Performance



Target

Prepares the organization and employee to drive the Bank's strategies and to be ready for future change



Performance in 2020

- Increased the share of employees with digital technology and data analytics skills from 6% to 8%, which amount to 1,920 employees
- 100% of senior management positions have succession plans in place
- Announced and adopted the "Work from Anywhere" (WFA) policy partly as a response to the COVID-19 pandemic but also to prepare for the new way of work in the digital age







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Performance Highlights

In 2020, the Bank implemented the five key areas of people management approach as well as promoting employee wellbeing in the safest workplace environment.



Workforce Optimization

The Bank ensures that its people management approach is strategically aligned with its digital transformation by having a workforce of the right size with the right people in the right job in parallel with increasing automation of work processes. These efforts are expected to create cost efficiency, an agile organization, with an empowered workforce that will thrive and grow with the Bank.

2020 Initiatives

Manage cost and increase job values through job enlargement

The Bank enhances operational efficiency by streamlining its organizational structure as well as expanding the scope of responsibilities for key positions. The purpose is not only for cost management efficiency, but the Bank also hopes that individual employees can benefit from this initiative in various ways.



Provide employee with an opportunity to realize their full potential



Expand skill sets from new work experiences



Boost confidence with roles that are meaningful for oneself and valuable for the business



Prepare employee for career advancement

"Leave with Love" program – an alternative for employee near retirement age

The Bank initiated an early retirement program as an additional tool for workforce optimization, both in terms of staff size and employee morale. This program is also the Bank's way of expressing gratitude to long-time employees nearing retirement age for their work and dedication by offering additional benefits and compensation which properly and fully reflect their contribution throughout their careers at the Bank.

Procedures, guidelines, and benefits had been communicated to all employees throughout the duration of the program which received warm receipt from employees.





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Efficient Organization Structure

With an aspiration to be "the Bank of the Future" and ultimately a tech company with banking focus, SCB's organization structure was redesigned to enhance competitiveness, to facilitate efficient and prompt decision making, and to make employees feel engaged in both the Bank's operation and its success. In particular, the Bank is structured to foster integrated work skills by shifting the workforce toward people with skills in digital technology and data analytics. Moreover, the Bank also adopts the "Productivity Index" concept to assess and improve work processes at the business-unit level to enhance operational efficiency and effectiveness.



SCB Tech Camp 2020...Prepare the New **Generation for the Real World of Work**

In addition to developing employees internally and recruiting external talent to meet the business demand for digital technology skills, the Bank also creates and attracts tech people through the SCB Tech Camp initiative which was initiated in 2019.

Because of COVID-19, SCB Tech Camp 2020 was conducted online for the first time with the goal of equipping new graduates with knowledge, capabilities, and skills in digital technology to be ready for real jobs.

More than 150 people participated in SCB Tech Camp 2020

With a total of 280 participants since inception.

2 months

Of learning from professionals and gaining hands-on experiences

3 roles

Available to explore Of training and the work of

- Software Engineer
- Mobile Developer
- Quality Assurance

10 courses

development

- Java Spring Boot
- Modern JS
- React + Redux
- Swift

- Kotlin
- API Testing
- Robot Framework
- XCUI Test
- Cypress
- · Automate Test Tools









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100

Robust Pipeline of Leaders

Creating explicit career paths and providing support for career advancement is of extreme importance not only for efficiency and continuity of the organization but also for motivation and retention of the employee. Therefore, the Bank places high emphasis on talent management and succession planning by developing a succession planning management framework to fill key positions as determined by both strategic significance and potential impact to the Bank if the position became vacant.

In 2020, the Bank assessed the overall risk of succession management by classifying positions into high, medium, and low risk based on their potential impact to the Bank in the event of a vacancy and the Bank's ability to recruit successors. The process for choosing a successor will take into consideration knowledge, capabilities, skills, and experiences required for such a position together with each candidate's leadership and culture fit.

All key senior management positions have been reviewed and assessed with completed career development plans and succession plans.

2020 Initiatives



SCB Leadership Model in Collaboration with IMD

The Bank understands the importance of developing leaders who will drive the growth and success of the organization. Thus, the Bank has collaborated with the International Institute for Management Development (IMD) to analyze and identify "SCB Leadership Behaviors" which consist of:



Leading Strategy Ability to lead both short-term and long-term strategic planning



Leading Execution Ability to lead execution and implementation for successful outcomes



Leading Teams Ability to lead teams to achieve objectives and success



Leading People Ability to lead team members to develop and utilize their talent

to create exceptional work far exceeding expectation



Leading Self

Ability to lead oneself with self-awareness and commitment for continuous self-improvement as well as the ability to inspire and motivate

These five characteristics complement and reinforce the Bank's core values that will enable the business to navigate changes effectively.







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Institutionalized Culture

Organizational culture acts as both a thought compass and an operational framework that guides everyone in the organization toward the same goal. It also determines the organization's ability to take advantage of new opportunities presented by technological advancement as well as its ability to respond to rapidly changing consumer behaviors.

For the Bank, organizational culture begins with instilling the four core values from day one of employment. These values are to be constantly reinforced by regular communication and activities.

To embed the four core values into the organization culture, the Bank has developed a framework for workforce culture alignment at the organization level. This framework begins with assessing readiness and identifying roadblocks to building desired culture along with designing a mechanism to drive change and specifying KPIs. Culture building is not a short-term initiative but a long-term journey that is of utmost importance to the business.

SCB Core Values:

Customer Centricity
Risk Culture
Innovation
Speed

Framework for Organization-wide Culture Building















Knowledge

Behavior

Motivation

Workforce
Culture Alignment

Begin with questioning which leads to vision building and ultimately understanding

Build engagement and a sense of ownership through direct and indirect work experiences

Encourage desirable behaviors with awards/ recognitions







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SUSTAINABILITY REPORT 2020 Nonetheless, the COVID-19 pandemic in 2020 has led the Bank to reshape its way of work by migrating from the traditional on-site model to Work from Anywhere (WFA) arrangement. This is considered a key milestone for workforce adaptation and an impetus for change in work culture that not only supports the Bank's existing core values but also allows new values and collaborative spirits to emerge.

Prior to the formal announcement of the "Work from Anywhere" policy on August 16, 2020, the Bank surveyed employees throughout the organization twice, in April and May, on work productivity and Work from Anywhere arrangement.



80%

Of employees liked Work from Anywhere arrangement



agreed that they can still work effectively with Work from Anywhere arrangement



agreed that Work from Anywhere arrangement helps reduce expenses



"....We found that performance has not suffered as initially feared but, on the contrary, productivity of almost all divisions has increased.

Moreover, the new way of work cuts down redundancy and fosters a culture of "listening" which increases employee engagement..."

Arthid Nanthawithaya
Chief Executive Officer
and Chairman of the Executive
Committee







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Work from Anywhere: The New Way of Work toward Value-based Culture

Objectives

Flexibility

Increase flexibility with an option to Work from Anywhere without compromising productivity



Trust

Create a culture of trust by allowing employees to manage their own schedule and performance



Improved Quality of Life

With work-life balance, lower stress and travel expenses, and more time to spend with family or on recreational activities



Performance Assessment

The Bank has explicit rules and guidelines for performance management under the WFA policy to ensure goal alignment, transparency, and fairness. With an individual's goal-setting process, employees agree on goals, KPIs, assessment weight (self vs. supervisor's) which give employee a clear idea of their work starting from the beginning of the year.



Management Approach

The Bank modified seating arrangements at the office to respond to the new way of work under the WFA policy. Executives office, work space and seating plans were rearranged into fixed seat, hot seat, and collaboration areas.



Support for Remote Working

The Bank has developed an app, 'HR on Mobile', to give employees convenient and quick access to a variety HR related services on their mobile phones, such as leave of absence notification and request, directory search, goals and KPIs setting, or internal job rotation.

More than 85% of employee downloaded the app.



Seating Plan

Fixed Seat

Designated seating for employees who work at the office everyday

Hot Seat

Rotated seating for employees who come to the office on a need-based basis

Collaboration Areas

Shared space for work, meeting, and other activities







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SUSTAINABILITY REPORT 2020 Building the new culture and the new way of work with speed and flexibility: Work from Anywhere









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Attractive Pay

To manage and motivate employee to put forth their best effort in supporting the organization's goals and for the Bank to become a "High Performance Organization," the Bank has developed an effective performance appraisal system with 360-degree feedback and set performance management guidelines, for both short-term and long-term, with an emphasis on job evaluation. Moreover, the Bank has clearly defined roles and responsibilities as well as annual compensation review process that reflect employee's job performance, in which 100% of the Bank's employees undergo the process and receive annual performance reviews. These practices enable the Bank to structure compensation scheme that is systematic, transparent, and competitive from the perspective of both within the banking industry and across industries.

2020 Initiatives

Long-term Incentive Program

Understanding the importance of creating proper incentives to motivate and retain employee for the long term, the Bank has in place the Long-Term Incentive Program for senior executives whose roles and responsibilities are crucial for driving the Bank's key operations.

Employee Relations Committee

The Bank respects labor rights and upholds the principle of fair and equal treatment to all employees by giving them the freedom to join a labor union. The Bank's labor unions are organized into manager labor union, general employee labor union, and service employee labor union. By the end of 2020, the Bank's labor unions represented 61 percent of all employees.

In 2020, the Bank set up Employee Relations Committee which is made up of employee representatives from a wide array of business units. This newly appointed committee serves as another feedback channel for employees to communicate problems, concerns, and suggestions and acts as a liaison between employees and union members on behalf of the Bank. The committee is scheduled to meet with representative from labor unions every two months to discuss and resolve any employee problems.









Promote Employee Wellbeing

In addition to implementing the workforce strategy in the five areas, the Bank also pays close attention to other aspects of employee well-being, such as having a healthy workplace environment, having a diverse range of channels for employees to express their needs, providing appropriate benefits for employees and their families, and organizing events and programs to promote employee happiness and quality of life throughout their careers with the Bank.

In 2020, the Bank has begun to transform its work model by using technology to make the Bank's services and programs more accessible to employees either in offices, branch networks, or any other work locations. This change in the way of work is also necessitated by today's uncertainty with unavoidable consequences on the business operations.



- 1. Mental health program during the COVID-19 pandemic
- 2. Fitness and exercise facility
- 3. TeleCare: remote nursing service
- 4. Building our good health seminar
- 5. Breast cancer screening program
- 6. Flu vaccination
- 7. SCB wellness podcast
- 8. COVID-19 relief
- 9. Daycare center
- 10. 98-day paid maternity leave
- 11. 5-day paid paternity leave
- 12. Scholarships for children of employees
- 13. Annual check-up and flu vaccination service

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SCB Wellness Podcast

To provide employees with quick and easy access to wellness information, the Bank started the SCB Wellness Podcast in 2020 to serve as another channel for information and knowledge on health, stress management, wellness, or SCB-related facts that may be of employees' interest. The podcast has been listened to more than 74,000 times.



Stress Management and Mental Wellness

- Mental health program during the COVID-19 pandemic -- the Bank set up a team of medical specialists to offer mental health consultation to employees with follow-up care. More than 1,100 employees have participated in the program.
- Fitness and exercise facilities, such as soccer fields, and organized exercise clubs, e.g. bike club, bowling club, badminton club



Wellness Programs

- "TeleCare" offers remote nursing services on the app "Line @scbtelecare." This app provides real-time medical services on video calls which include appointment and prescription delivery services.
- "Building Our Good Health" seminar offers both online and offline seminars on health topics of interest, such as Happy Workplace, COVID-19 Prevention, Work from Home without Office Syndrome, which have drawn more than 600 participants.
- Breast cancer screening program using a mobile X-Ray mammogram facility from Siriraj Hospital with 60 employees receiving this service.
- Flu vaccination at the Bank's head office and branch network for more than 17,000 employees



COVID-19 Relief

In addition to instituting safety measures for employees, the Bank is also concerned about the impact of COVID-19 on employees' and families' well-being. Therefore, the Bank has offered emergency loans and low-interest personal loans or "Speedy Loans" with modified terms to employees whose household income has been impacted by layoffs or pay cuts of any family members because of COVID-19. The Bank's assistance is tailored to alleviate actual impact on an individual. Moreover, employees may be offered debt moratorium on a special case basis.











Daycare Center for employees

98-day paid maternity leave which is beyond the statutory benefits 5-day paid paternity leave which is still not legally required 1,969 scholarships for children of employees from elementary school to bachelor's degree level Annual check-up and flu vaccination services









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Workplace Safety and Environment

Having a safe and conducive working environment is a fundamental aspect of employee care and organizational excellence. Therefore, the Bank places high emphasis on safety and occupational health compliance as well as creating working environments that meet regulatory requirements and global standards. The objective is to ensure that every employee at any work location can come to work and return home safely every day. These principles and practices apply to customers, business partners, and any external persons operating in the Bank's premises both at head office buildings, main buildings, and any branch offices nationwide.

In 2020, the Bank's safety measures were directed at COVID-19 prevention and control with strict measures applied to both employees and external persons. Employees were asked to cancel any overseas business trips without any exception as well as avoiding international travel to high-risk countries for personal reasons. In addition, all employees must fill out a survey on international travel for themselves and their family members. The Bank also set up COVID-19 screening stations, limited building access, and installed 8 thermal imaging cameras to screen people entering the office buildings.

Moreover, there are explicit measures to ensure safety for employees who use the Bank's shuttle bus service, which include regular sanitization and face mask requirement, as well as more frequent cleaning of escalator rails and elevator buttons, disinfecting elevator hallways, and putting out hand sanitizer in front of elevators and building entries.

For the use of employee's canteen, the Bank enforced maximum prevention and control measures by applying social distancing to canteen's seating plans, limiting the number of users while rearranging the location of food stalls and drinking water tank which aligns with the government's guidelines. These measures and practices are promptly and regularly communicated to employees.

For in-branch services, employees at branch offices are required to wear face masks at all times while servicing customers. The Bank also installs plexiglass partitions at service counters and thoroughly sanitizes and disinfects all areas at the branch.



Among many preventive measures to take care of the health and wellbeing of SCB employees during the COVID-19 pandemic, the Bank provided 3-layered face masks made of nano fabric, effectively filtering microfluid and particulate matter of 2.5-5 micron and washable up to 30 times. The Bank distributed 3 pieces of the masks for each employee, totaling over 77,000 pieces.







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Performance on Safety and Occupational Health

Performance	Unit	2017	2018	2019	2020
Safety and occupational health training for contractors	Hours	2,213	2,682	2,080	223
e-Learning courses on safety, occupational health, and workplace environment	Hours	-	23,717	40,819	64,305
Work-related injury	Incidents per 1 million work hours	-	0.32	0.23	0.23
Work-related sickness	Cases	-	0	0	0

Note: A significant decline in hours of basic safety and occupational health training was due to COVID-19 pandemic, preventing the Bank from organizing trainings between March and September.

Absenteeism (Unplanned)

Performance	Year						
	Unit	2017	2018	2019	2020	2020 Target	
Absenteeism rate (including sickness and injuries leave)	%	0.81	0.90	0.87	0.72	1.00	

Safety Awards



BSA Building Safety Award 2020



Diamond tier for the head office building, East and West Plaza building