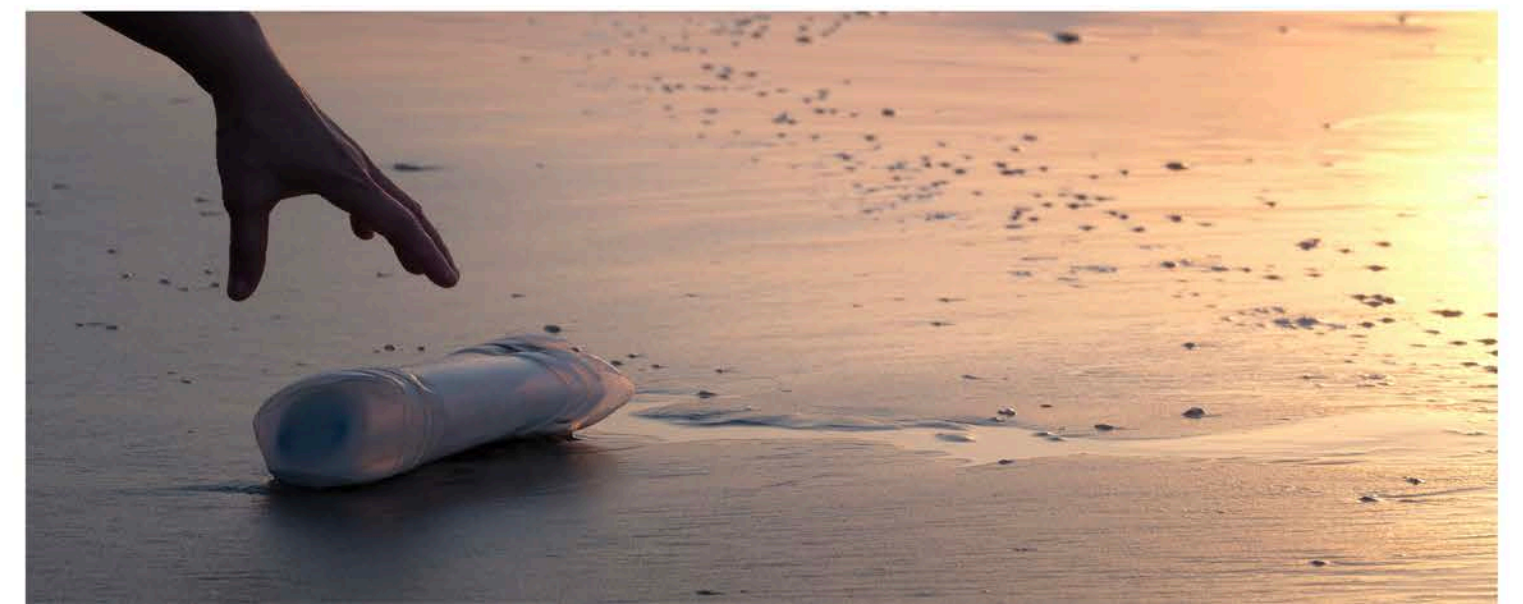


B

# Better Environmental Future

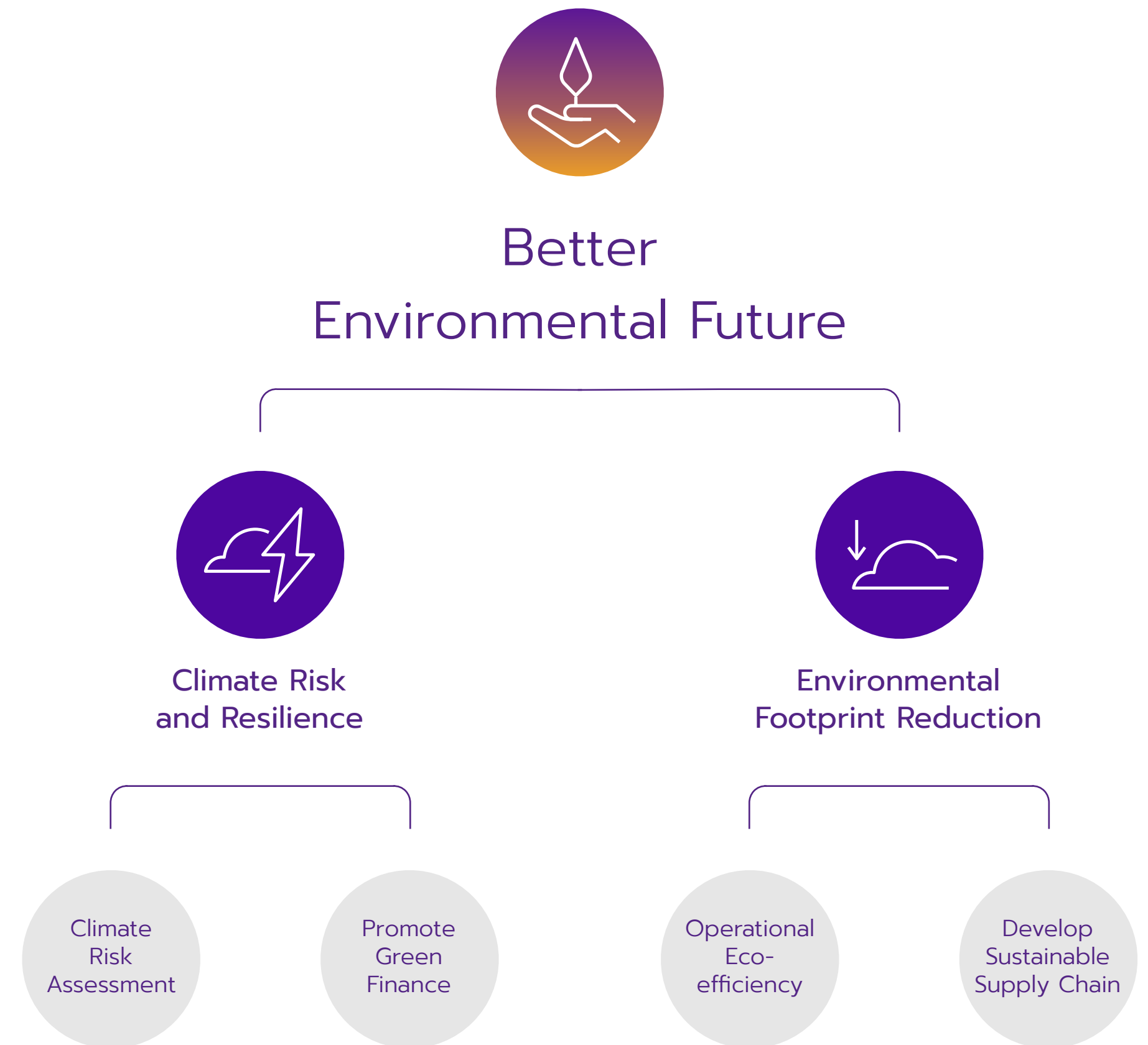


# Better Environmental Future

Natural resource depletion and environmental problems—particularly climate change—have been of the world’s central interest, as they become increasingly severe with unprecedented impacts on the economy and human livelihood as well as ecosystem and biodiversity.

## Our Commitments

The Bank leverages our capability to manage risks and seize business opportunities arising from climate change, while supporting the transition to a low carbon economy-society and Net-zero target. The Bank also places emphasis on minimizing environmental impacts from its business activity across the value chain, in efforts to contribute to natural resource and environmental conservation—the crucial force driving economic growth and uplifting quality of life.

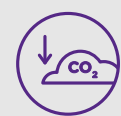




### 2023 Target



**Integrate climate risk assessment** into the underwriting process for large and high-risk project finance.



**Reduce 10% of indirect greenhouse gas emissions (Scope 2)** from electricity consumption at SCB Head Office against 2019 baseline.

### 2021 Performance

**Incorporate climate change considerations** into the Bank's risk management per TCFD recommendations.

**Reduced 37% of indirect greenhouse gas emissions (Scope 2)** from electricity consumption at SCB Head Office by against 2019 baseline.

## Key Performance/ Initiatives in 2021

# 01

### Climate Risk Assessment



Managing climate-related risk and opportunity is one of the Bank’s commitments with established management approaches through the SCB and SCB Subsidiary Sustainability Policy, overseen by the Sustainability Steering Committee to ensure bank-wide implementation and compliance. The committee—chaired by the President—consists of senior executives from relevant departments who work under a common goal to put policy into practice and to lead the business in line with the Bank’s strategic framework and roadmap.

### Performance Highlights

**2020** Appointed the Climate Risk Assessment Taskforce to identify approaches for learning and assessing climate change risks on corporate client’s credit portfolio, and incorporate climate change risk management as inputs for the Bank’s stress testing.

Worked with external experts in studying and evaluating physical risks and transition risks from climate change. The task was conducted through framework and tools under the Climate Change Risks and Scenario Analysis, based on recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

**2021** Embraced climate risk assessment, both in terms of physical risks and risks arising from consequences of implementing the government’s regulations in tackling greenhouse gas emission that exceeds specified level, as part of the underwriting process for large-scale project finance with high risks.

**2022** Develop a climate change strategy with established long-term targets and indicators relating to greenhouse gas reduction resulting from the Bank’s operation in order to deliver a performance report in accordance with TCFD’s recommendations.

# 02

## Promoting Green Finance

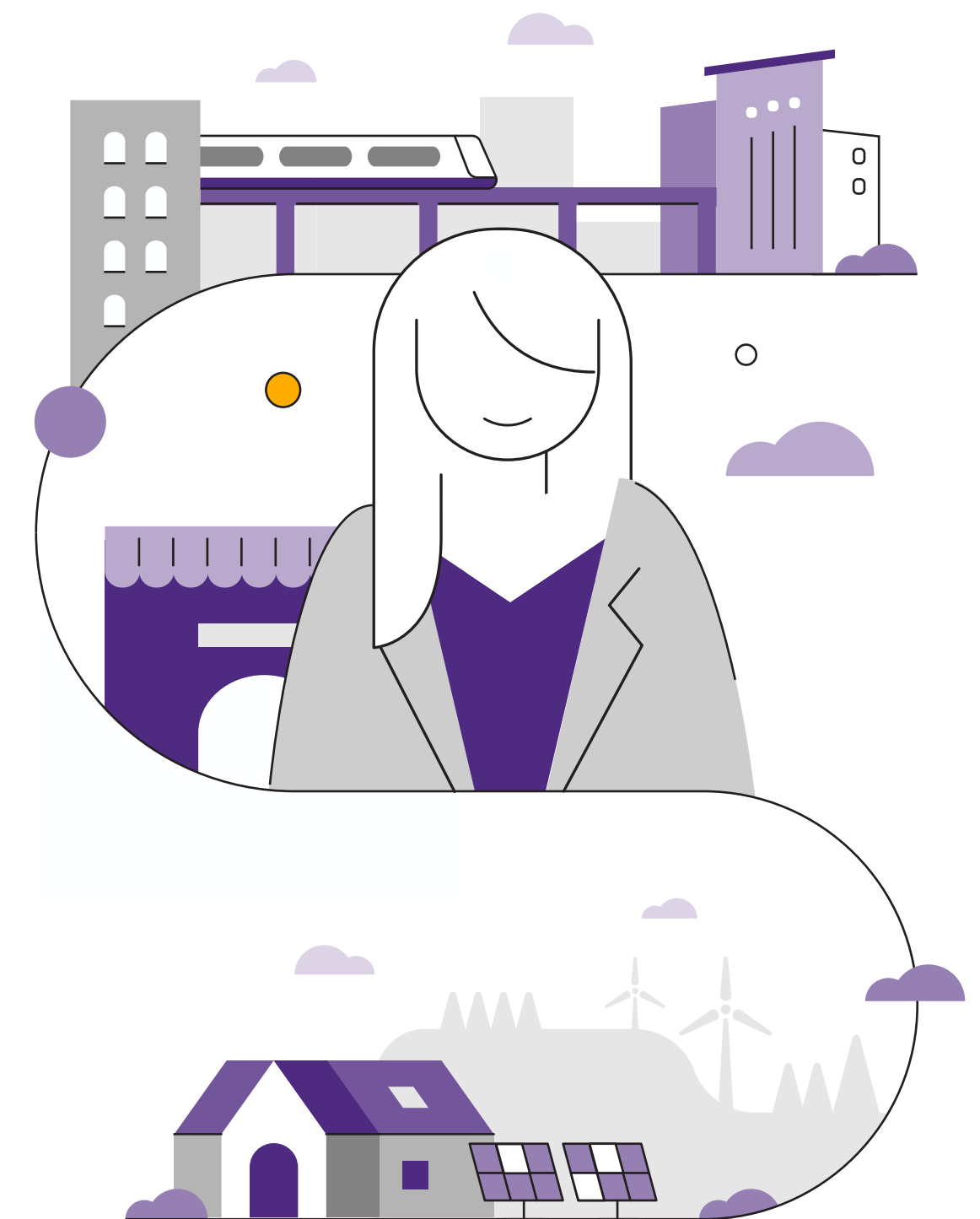


As a bank, SCB acts as a financial supporter and source of funding that help promote economic growth as well as sustainable development. Recognizant of the Bank’s contribution in preventing and mitigating impacts from climate change, SCB seeks to provide financial assistance to businesses that take part in allaying environmental impacts or supporting climate change adaptation. The Bank offers support through financial instruments such as ESG-Linked Interest Rate Swap, Green Loan, and Green Bond that meet the standards of Green Bond Principles.

To drive the bank-wide performance systematically, SCB embeds sustainability concepts and practices—including

climate change risk and opportunity management—in the Bank’s corporate strategy through a Balanced Scorecard. All business units are required to set goals and indicators to embolden the development of financial products and services that help alleviate and ward off impacts from climate change.

[More details in “Sustainable Finance” chapter on page 40-48.](#)



# 03

## Earn the Environmental Accreditation: ISO 14001



SCB recognizes the importance of doing business with a responsibility to protect the environment and thus undertakes environmental management in line with international practices, to ensure that the Bank’s business operates with minimum impacts upon the environment and contributes to reducing operational costs.

In addition, SCB strives to uplift its environmental management and has taken preparatory work to acquire the ISO 14001: 2015 standard since 2020. SCB successfully became the first Thai commercial bank to earn ISO 14001: 2015 accreditation in 2021, indicating that the Bank’s performance meets the environmental management system requirements as follows:

- Establish an environmental policy with a clear direction
- Set up roadmap and target that align with the policy
- Promote compliance with the roadmap, appoint the specified governance structure and responsible units, and consistently organize training and communication to ensure thorough awareness and understanding across the organization
- Monitor, examine, and evaluate performance against the working plan
- Consistently review and revise the management policy

## SCB Environmental Management



Compliance with environmental management policy and relevant standards



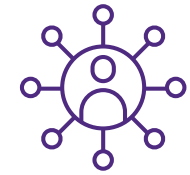
Overseen by the Environment Committee



Integrates environmental issues as part of risk assessment



Builds employee awareness through training, activities, and communications



Encourages engagement throughout the value chain



# 89%

of employees completed the Bank’s environmental management course



The first Thai commercial bank to earn the ISO 14001: 2015, an international accreditation for an environmental management system.

# 04

## Operational Eco-Efficiency



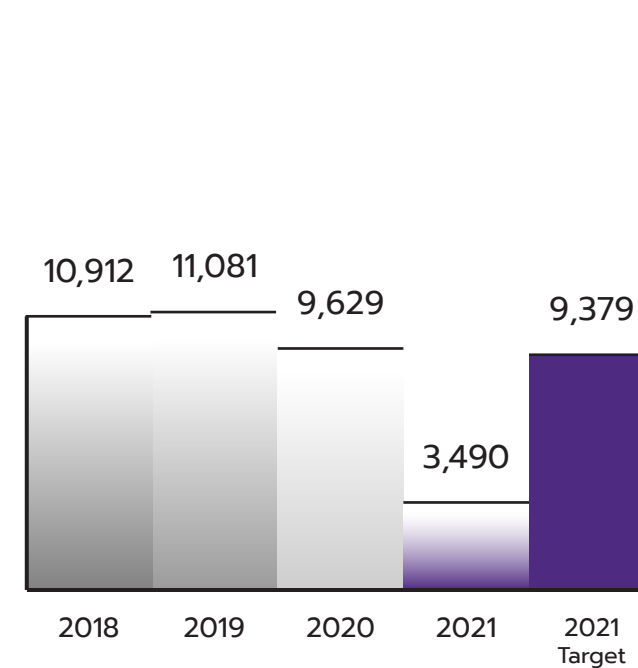
To ensure that the Bank’s business operation contributes to mitigating environmental impacts and that SCB employees recognize the resource value and efficiency, the Bank not only operates in strict compliance with environmental laws and regulations, but also strives to promote bank-wide adherence to the SCB Environmental Management Policy. The environmental performance is steered by the Environmental Committee—chaired by SCB senior executives—which is responsible for establishing strategic directions and overseeing performances of the Bank’s business units to ensure thorough compliance with sustainability framework and targets.

In 2021, the Bank continued to place great importance on its operational eco-efficiency initiatives, by promoting energy efficiency, environmental awareness, and efficient waste management in line with the 3Rs principle: Reduce, Reuse, and Recycle. Furthermore, the Work From Anywhere arrangement also played a vital role in reducing energy consumption, direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, water usage, and waste generation.

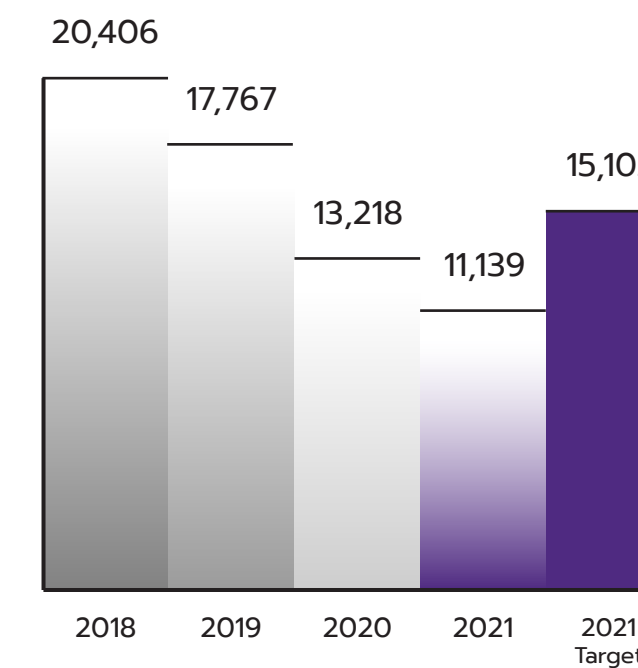


Greenhouse Gas Emission

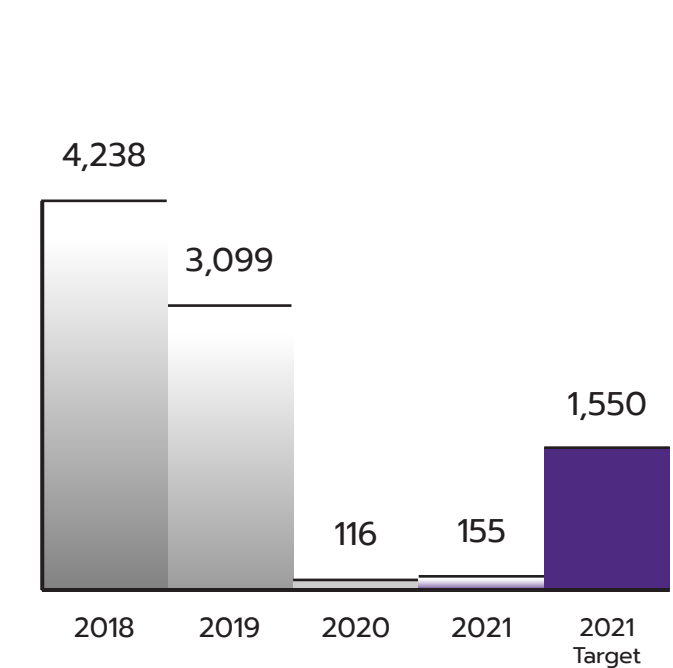
Scope 1 (tonnes of carbon dioxide equivalent)



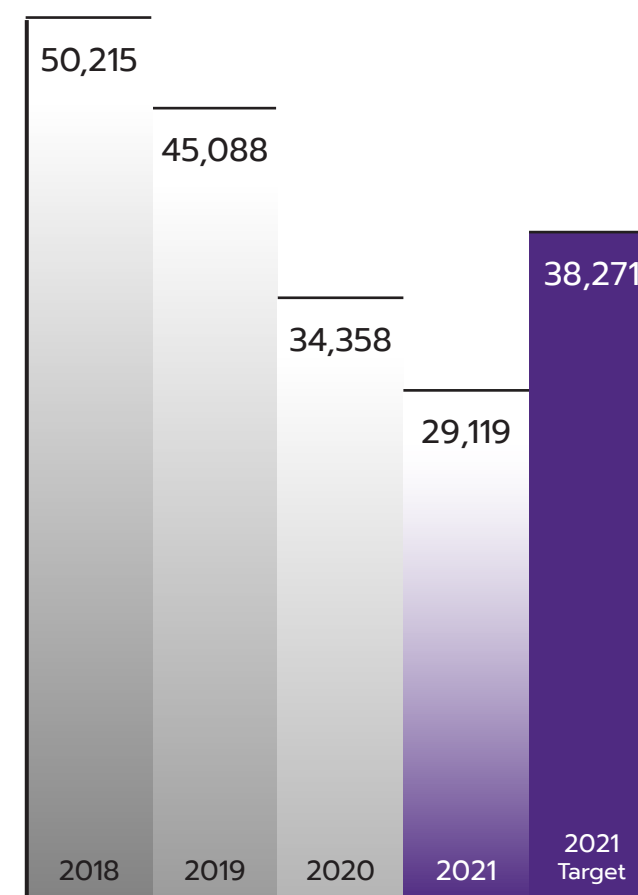
Scope 2 (tonnes of carbon dioxide equivalent)



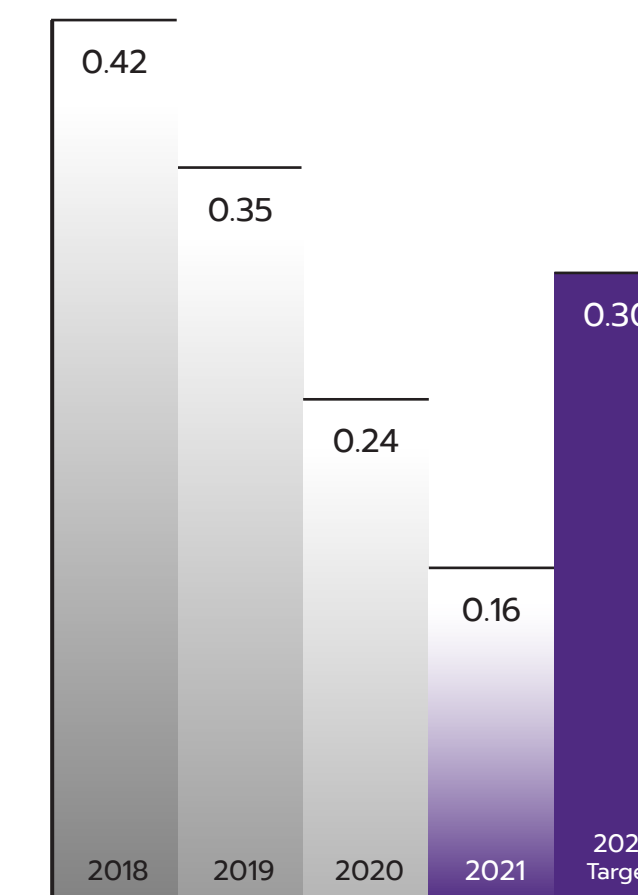
Air Travel for Business Trip (tonnes of carbon dioxide equivalent)



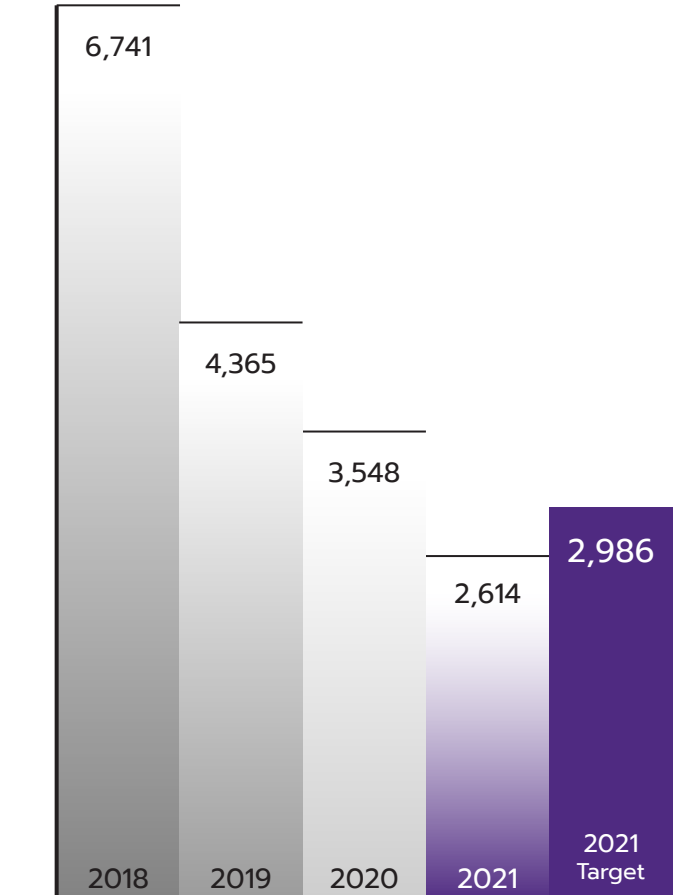
Energy Consumption (megawatt-hours)



Water Consumption (million cubic meters)



Waste Generated (Non-Hazardous) (tonnes)



# 05

## Developing Sustainable Supply Chain



SCB places emphasis on fostering supply chain engagement in managing environmental performance. To do so, the Bank has in place an environmentally -friendly procurement policy with guidelines and procedures that address environmental impacts. SCB also communicates the policy and approach to suppliers during an annual Vendor Communication Day. Before commencing work with the Bank, every vendor is required to sign an acknowledgment of the SCB Supplier Code of Conduct, which identifies good business practices with legal compliance and respect for human rights as well as the management of environmental and social impacts. In addition, the Bank incorporates an environmental risk assessment into the supplier selection process, in which the assessment results are considered in hiring decisions to ensure the environmental prudence of our future partners.

### Green Procurement



Acknowledgment of the SCB Supplier Code of Conduct by every supplier



Supplier classification based on strategic importance to the Bank



Supplier selection based on ESG criteria



Tracking and monitoring supplier practices on eco-friendliness, safety, and workplace environment, as well as regulatory compliance on labor practices



Supplier performance evaluation

In 2021



# 100%

of suppliers signed an acknowledgment of the SCB Supplier Code of Conduct.

# 332 suppliers

passed the environmental assessment - including new suppliers subject to an assessment based on the Bank's regulation.

# 199 suppliers

joined the Vendor Communication Day 2021, held in November, to learn about sustainable procurement policy and practices.