

# Living Our Value for the Better Future

Sustainability Report 2021



Sustainability Mission:

Our Presence Contributes to the Better Future for All





- 3 Message from the Board of Directors
- 6 SCB at a Glance

## Contents

#### Sustainability at SCB

- 8 Sustainability Framework
- 9 Sustainability Target and SDGs Contributions
- 11 2021 Performance Highlights

## 

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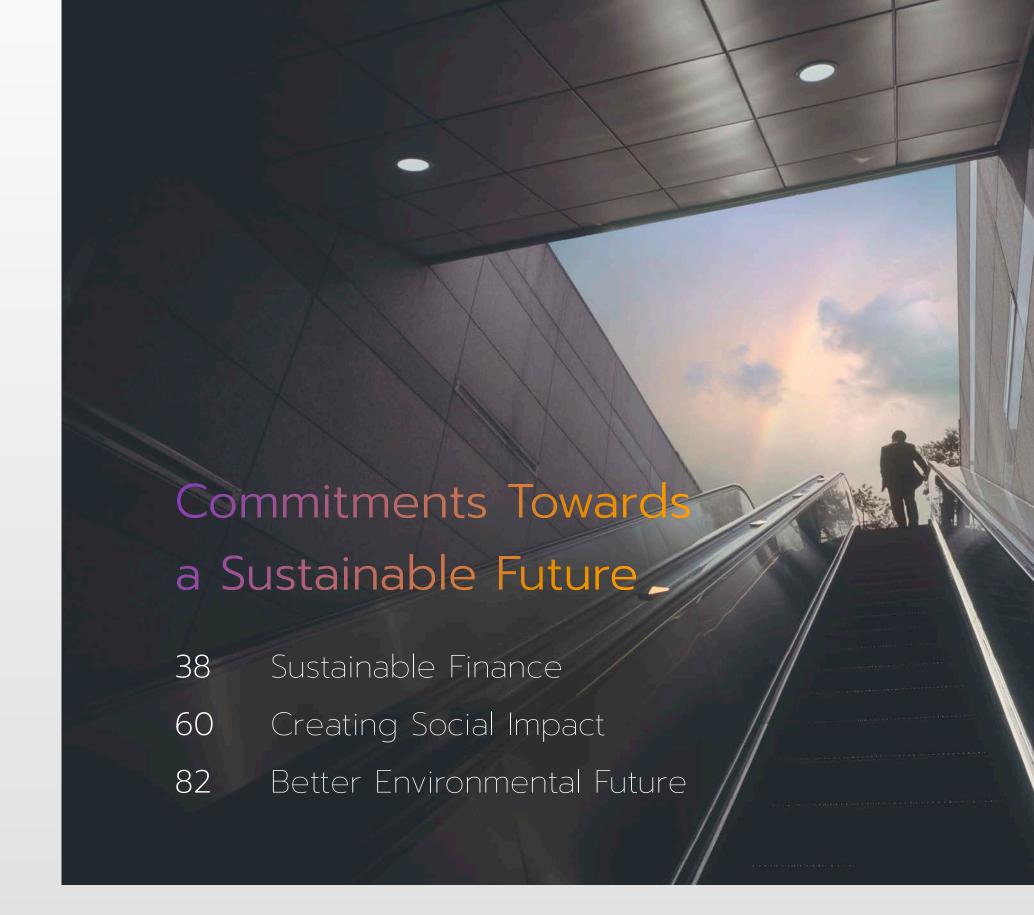
This is an interactive report, facilitating a convenient and prompt access to various data sources.

### Special Reports

- 16 Establishment of SCB<sup>x</sup>
- 20 A Signatory to the Equator Principles
- 24 Robinhood Platform
- 29 Resilience through and Beyond COVID-19

#### Strengthened Foundation

- 90 People and Culture
- 105 Governance, Risk Management and Compliance



#### Factbook

- 132 About this Report
- 133 Materiality Assessment
- 136 Stakeholder Engagement
- 138 Social and Environmental Performance Data
- 155 GRI Content Index
- **166** Assurance Statement



## Dr. Vichit Suraphongchai Chairman of the Board of Directors

Mr. Arthid Nanthawithaya

Chief Executive Officer
and Chairman of Executive

Committee

## Message from the Board of Directors

The year 2021 marked another challenging year for Thailand and across the world as the COVID-19 pandemic continued to take a heavy toll on the economy, society, and everyday lives.

Committed to our aspiration to 'Stay Strong - Stand by Customer - Support the Society - Seek the Growth Opportunity Together,' the Bank strives to weather the pandemic storm and pave the way for long-term growth amidst turbulent times. In doing so, SCB introduced the 'Holistic Organization Management' to enhance the Bank's resilience and capability in helping clients and society stay buoyant in the face of rapid changes. The Bank also pioneered the 'deeplong-survive' approach to provide prompt and consistent support to our

customers by offering financial solutions for short- and long-term remedies that cater to each client's demand. Other assistances include a proactive strategy for comprehensive debt restructuring, and special relief plans for small- and medium-sized enterprises (SMEs) and sSMEs—to help them cut costs, increase sales, expand the business, and thrive sustainably. Furthermore, SCB is among private enterprises that set up the COVID-19 vaccination center with a mission to boost herd immunity and keep Thailand safe during pandemic times.



over a long horizon.

#### Reshape Business Foundation and Foster Value Creation toward Inclusive and Sustainable Growth

Aside from the COVID-19 crisis, businesses and society are confronted with critical challenges from new technology disruption, global resource security, alarming impacts of climate change, and regulatory shifts. Acknowledging both risk and opportunity from such transitions, SCB seeks to deliver innovative solutions that contribute to business value, social value, and environmental stewardship

In September 2021, SCB embarked on a major restructuring plan to tackle challenges from a rapidly changing landscape, intense market competition, and economic, social, and environmental risks threatening the traditional financial business. The Bank thus announced an establishment of SCB X Public Company Limited (SCB<sup>X</sup>) as a parent company for SCB Group and received a green light from shareholders on November 15, 2021. Establishment of SCB<sup>X</sup> demonstrated our commitment to carry on the Bank's 115 years of legacy and march forward on firm footing as an organization that brings new values to shareholders, clients, consumers, and society. In addition, the Bank seeks to build an inclusive ecosystem that empowers all stakeholders to compete and thrive sustainably in today's world, under our vision to serve as the 'Most Admired Financial Technology Group in ASEAN.' The restructuring plan has obtained approvals from the Board and shareholders, and is now pending final regulatory approvals.

#### March Ahead with 3 Pillars of Sustainability Support Regional Green Business and Contribution to the Society

Throughout 2021, SCB operated under the three-pillar framework: 'Sustainable Finance, Creating Social Impact, and a Better Environmental Future,' and the three-year target (2021-2023) to enhance our 'Sustainable Finance' with a complete suite of green and ESG financial solutions. SCB was the first Thai bank to become an Equator Principles Financial Institution (EPFI), marking an important step to work with our clients in addressing environmental and social risks in project finance, while adhering to global practices. This collaborative effort is a vital milestone to uplift the Thai banking industry and lead the way for Thailand to become a compelling player in the ASEAN green business market.

Concurrently, the Bank seeks to 'Create Social Impact' through Robinhood— SCB's first-ever food delivery platform embracing the social enterprise concept to offer solutions and expand online sale channels for small eateries and create jobs for Thai people.

In 2021, Robinhood had more than 213,000 eateries and riders onboarded with a common goal to deliver happiness through quality food to over 2.45 million customers.

Recognizant of our contribution to mitigating climate change, one of global phenomena, SCB pledges to steer the 'Better Environmental Future' concept by incorporating climate risk assessment in the Bank's underwriting process for large and high-risk project finance.

These are our efforts to embrace the Bank's sustainability mission that 'Our Presence Contributes to the Better Future for All.'

SCB is ready to act as a bridge to unite all sectors toward sustainable development, thus bringing shared values and beneficial changes to society and the world

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For an inclusive and sustainable growth towards our vision of being "The Most Admired Bank" and pave the way to become 'The Most Admired Technology Group of ASEAN.'

#### Never Stop Improving to be the World-Class Bank of Sustainability

At SCB, we consistently integrate sustainability and good governance into our business, thus earning recognition from both national and international entities. In 2021, the Bank was selected as a member of Dow Jones Sustainability Indices (DJSI) for the World Index and the Emerging Markets Index for the fourth consecutive year and was among the top-three banks with the highest assessment score.

In addition, SCB has earned the highest rating of 'Excellent' in the Thai Institute of Directors' corporate governance assessment since 2005 and also awarded several recognitions for sustainable development efforts: namely, Stock Exchange of Thailand (SET)'s Highly Commended in Sustainability Awards in the Sustainability Excellence category, Financial Leadership in Sustaining Communities (Bank) in the Asia-Pacific region category at Global Finance Magazine's Sustainable Finance Awards 2021, and Bronze Award for Asia's Best Sustainability Report (Stand-alone) at the Asia Sustainability Reporting Awards (ASRA).

#### Next Step in 2022

Sustainability and digital transition are the two entwined megatrends. The advance in technology, innovation, and data have played a pivotal role in driving a sustainable world amidst challenges from economic fragility, social inequality, natural resource depletion, and global climate change.

In 2022, the Bank places great importance on promoting financial inclusion, as well as a transition to a low carbon economy-society and Net-Zero target in the hope to attain climate resilience across the value chain. These ambitions will be achieved through SCB's financial strength of the current banking business and technological capability from consistent investment in cutting-edge technology, together with the SCB<sup>X</sup> aspiration to become the full-fledged Fintech business and platform.

SCB is ready to act as a bridge to unite all sectors toward sustainable development, thus bringing shared values and beneficial changes to society and the world.

Lastly, the Bank would like to express our gratitude to the shareholders, clients, and stakeholders for their unwavering trust and consistent support in value creation. At SCB, we recognize that our pathway to becoming the bank of the future and the leading regional financial technology group must rest on ethical foundation and sustainability practices. Such solid ground will embolden an inclusive and sustainable growth whilst enabling the Bank to realize its vision of being "The Most Admired Bank" and pave the way to become 'The Most Admired Financial Technology Group of ASEAN.'

**Dr. Vichit Suraphongchai**Chairman of the Board of Directors

Alled with

Mr. Arthid Nanthawithaya
Chief Executive Officer and
Chairman of Executive Committee

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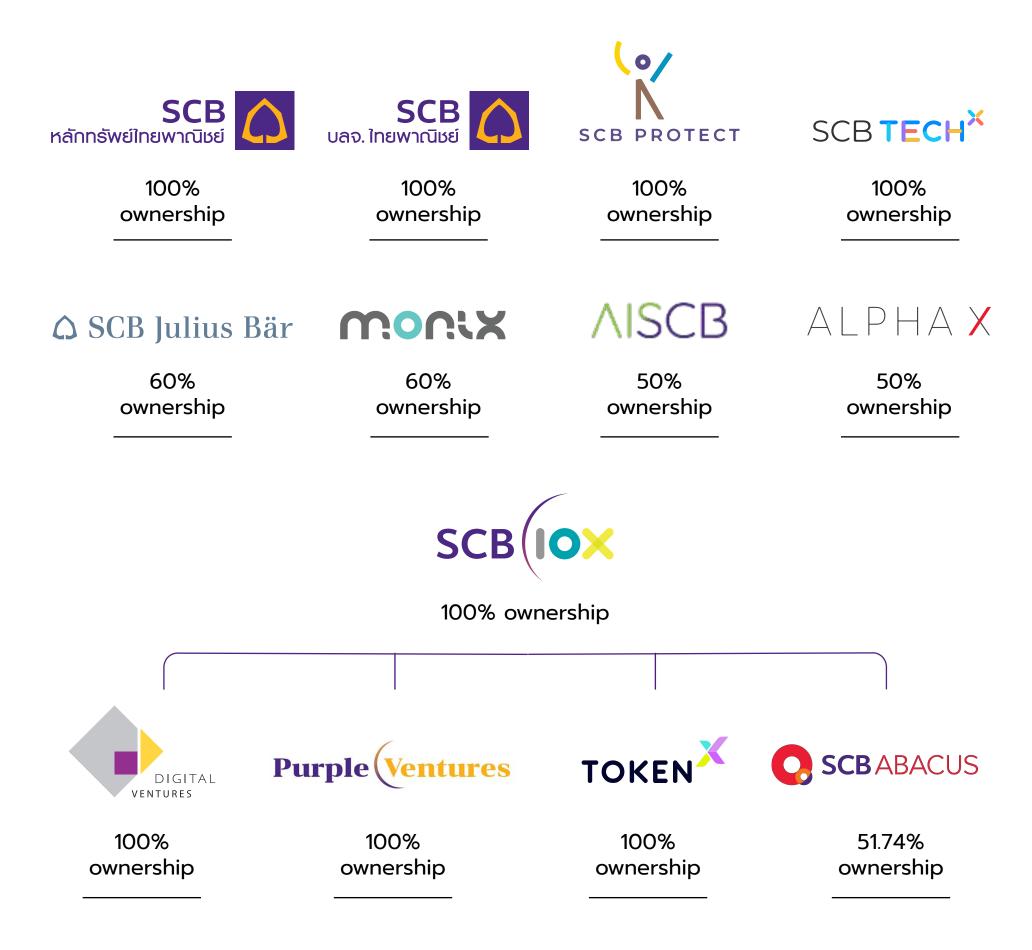
## SCB at a Glance

Siam Commercial Bank (SCB) was founded on January 30, 1906, by the Royal Charter to serve as the first indigenous bank in Thailand for over 115 years. As one of the leading universal banking groups in Thailand, SCB provides a wide array of financial products and services to meet the needs of diverse customers. True to its role as a universal bank, the Bank has a significant presence throughout the country and stands ready to serve every customer segment with its vast portfolio of financial products and services offerings. In addition, the Bank's subsidiaries serve a dual role of financial specialists to meet specific customer needs as well as channels for new growth opportunities.

## Major SCB Financial Group Companies

A major restructuring is underway for the SCB Financial Group. The group will transition to a new structure where SCB<sup>X</sup> will be the head of the group and the Bank will become a subsidiary along with other existing subsidiaries. Some of these subsidiaries will spin-off from the Bank with the new entities owned directly by SCBX. These subsidiaries will venture into businesses with relatively distinct growth, return and risk profiles from the Bank, such as various forms of personal loans (e.g. title loan, luxury car hire purchase, credit card), unsecured personal loans, as well as moving into new territories of technology solution and digital platform businesses.

SCB<sup>x</sup>'s vision is to be 'the Most Admired Financial Technology Group in ASEAN' with a target of 200 million customers throughout Thailand and ASEAN.





Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation Factbook

Sustainability Framework

Sustainability Target and SDGs Contributions

2021 Performance Highlights

## Sustainability at SCB





Message from the **Board of Directors**  SCB at a Glance **Sustainability** at SCB

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

**Sustainability Framework** 

Sustainability Target and SDGs Contributions

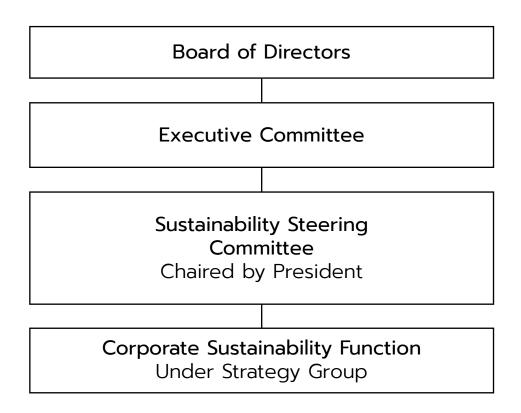
2021 Performance Highlights

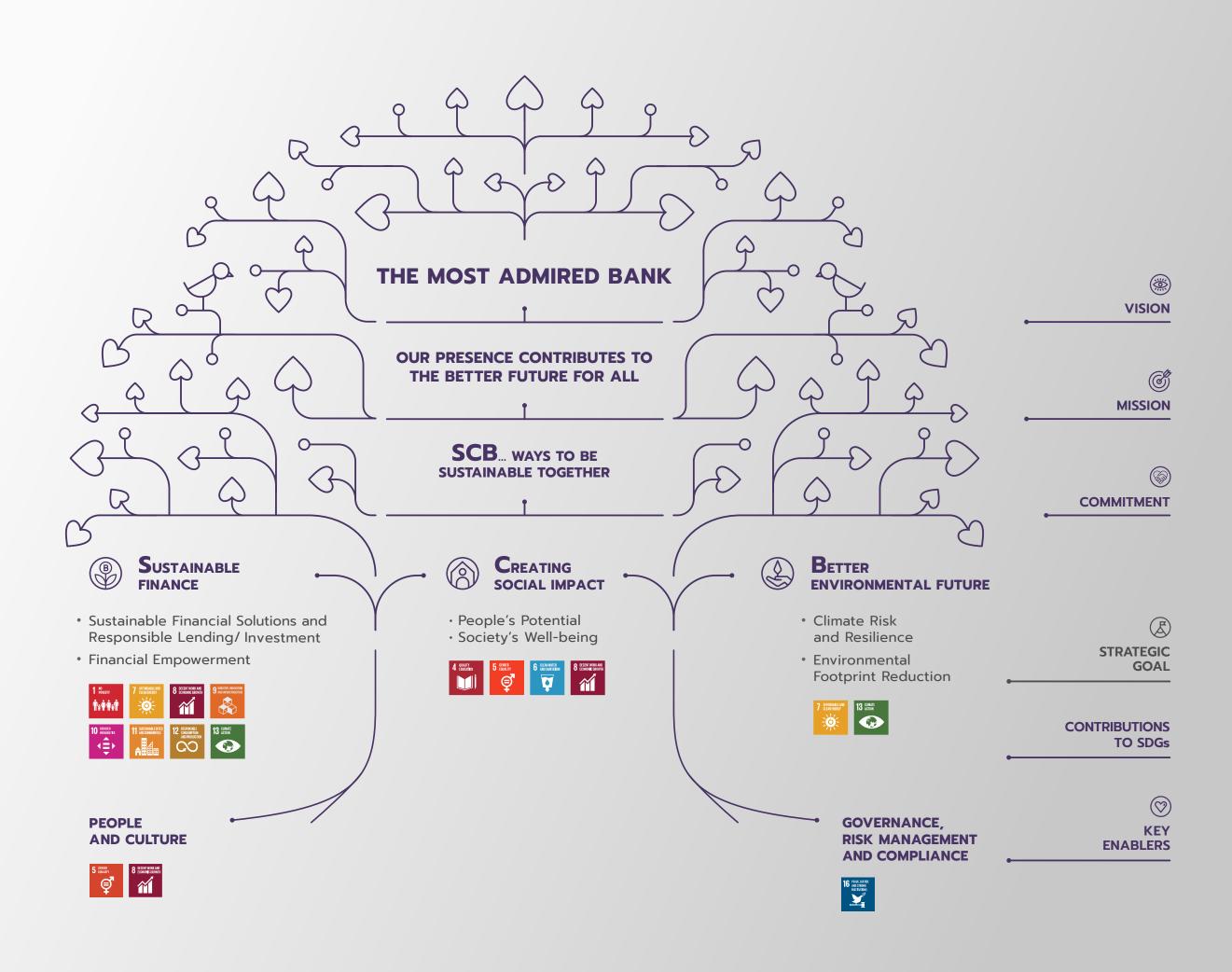
## Sustainability Policy and Framework

SCB's journey to sustainability is driven by its commitment to strengthening economic stability and creating value for society while conserving the environment. Accordingly, the Bank has established a sustainability mission under an 'Our Presence Contributes to a Better Future for All' concept, steered by three key pillars: Sustainable Finance, Creating Social Impact, and Better Environmental Future.

#### **Sustainability Governance Structure**

To ensure adherence to the Sustainability Policy and framework with systematic deployment, the Bank has specified sustainability governance structure tasked with roles and responsibilities from the Board of Directors to all business units in order to embed sustainability thinking as part of SCB culture and work process.







Sustainability Framework

Message from the

**Board of Directors** 

**Sustainability Target and SDGs Contributions** 

**Sustainability** 

at SCB

2021 Performance Highlights

Special

Reports

#### **3 PILLARS**

## **SUSTAINABLE**

**FINANCE** 

#### 6 GOALS

#### Sustainable Financial Solutions and Responsible Lending/ Investment

#### **2023 TARGETS**

SCB

at a Glance

#### Directly fund or facilitate 53 billion baht in sustainable finance to support SDGs

#### Develop and offer at least 100 ESG financial products

having a Morningstar Sustainability Rating at or above 3 globes

#### Integrate ESG criteria

as part of credit and advisory policies, with processes based on relevant principles and standards

#### **2021 PERFORMANCE**

#### Funded over 40.15 billion baht

in financing to help mitigate climate change impact, reduce inequality and promote well-being

#### Offered 79 ESG funds

as alternative investment choice

Assessed and considered ESG-related risks in 100% of project finance

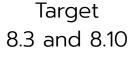
#### **SDGs**



Target 7.2 and 7.3

Target

11.2



8 DECENT WORK AND ECONOMIC GROWTH



Target 12.2 and 12.6

CO



10 REDUCED INEQUALITIES

Target

**Target** 13.2

#### Financial Empowerment

#### Support 200,000 sSME

to access innovative and digital financial services

Promote financial literacy among 67,000 customers

and the general public

#### Facilitated access to digital lending for more than 35,300 sSME

customers and society through mobile banking with over 13 million users, 700 branches, and more than 8,880 ATMs

Helped over 25,000 customers, employees and other Thais to develop financial knowledge



Target 1.4



Target 8.10



Target 9.3



#### **BETTER ENVIRONMENTAL FUTURE**

and Resilience

into the Bank's risk management system, including climate scenario analysis in line with TCFD's recommendations as one of the inputs for stress testing to set industry limits and inform business strategy

high-risk projects to conduct climate risk assessment

as part of underwriting process



Target 13.2

Reduction of Environmental Footprint

Reduce 10% of GHGs emissions (Scope 2)

resulting from electricity consumption at SCB headquarters (against 2019 baseline).

Achieved 37% reduction of GHG emissions (Scope 2)

resulting from electricity consumption at SCB headquarters (against 2019 baseline).



Target Goal 7.2 and 7.3



10

Target Goal 13.2

Sustainability Framework

Sustainability Target and SDGs Contributions

**2021 Performance Highlights** 

## 2021 Performance Highlights



#### **Financial**

Total Net Operating Income



150.3 Billion Baht

Net Profit



35,559 Million Baht

Earnings per Share



Return on Asset



Return on Equity



#### Customer

Individual Customer



16.9M Persons

Digital Users on all Platforms



Net Promoter Score: NPS



75/100

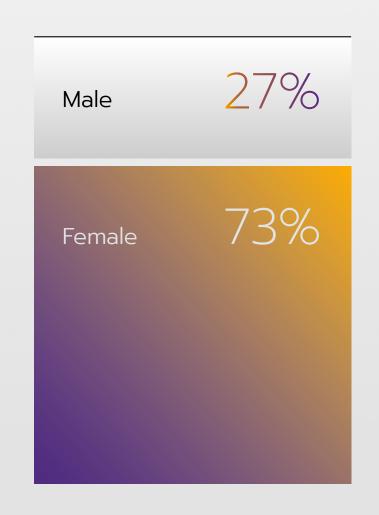


**Employee** 

Total Number of Employee



22,051 Persons



Proportion of Female in Management Position



56%

Average Training Hour



45 per person

Human Capital Return on Investment



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SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

12

Sustainability Framework

Sustainability Target and SDGs Contributions

**2021 Performance Highlights** 



#### Society



Spending on CSR Activities

456

Million Baht



Total Hour of Employee Volunteer

44,700

Hours





#### Environment



Reduction in Greenhouse Gas Emissions Scope 1 and Scope 2

69% and 37%

TgCO2eq (against 2019 baseline)



Reduction in Energy Consumption

35%

(against 2019 baseline)



Reduction in Water Consumption

54%

(against 2019 baseline)



Reduction in Non-hazardous Waste

40%

(against 2019 baseline)



Message from the **Board of Directors**  SCB at a Glance **Sustainability** at SCB

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

13

Sustainability Framework

Sustainability Target and SDGs Contributions

**2021 Performance Highlights** 

#### Member of **Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

Selected as a member of Dow Jones Sustainability Indices (DJSI) for the World Index and the Emerging Markets Index in the Bank sector for the 4th consecutive year

#### **Sustainability Award**

Silver Class 2022

#### S&P Global

SCB also received Sustainability Award 2021, Silver Class for 2 consecutive years

From S&P Global



Selected a member of

FTSE4Good Index Series in

the FTSE4Good Emerging

FTSE4Good Emerging Index

MSCI 💮

Rated "AA" on Environmental, Social, and Governance (ESG) Performance in the Banking Category

By MSCI



By CDP

Rated "B" on Climate Change Management Assessment

> (THSI) with SET Awards 2021, Sustainability Excellence, Highly Commended recognition

Listed in the Thailand

Sustainability Investment

From Stock Exchange of Thailand



By FTSE Russell

Index

Awarded Financial Leadership in Sustaining Communities (Bank) in the Asia-Pacific region category at Global Finance Magazine's Sustainable Finance Awards 2021

From Global Finance magazine



Asia's Best Sustainability Report (Stand-alone) Award

From CSRWorks International Pte Ltd

Sustainability Framework

SCB

at a Glance

Message from the

**Board of Directors** 

Sustainability Target and SDGs Contributions

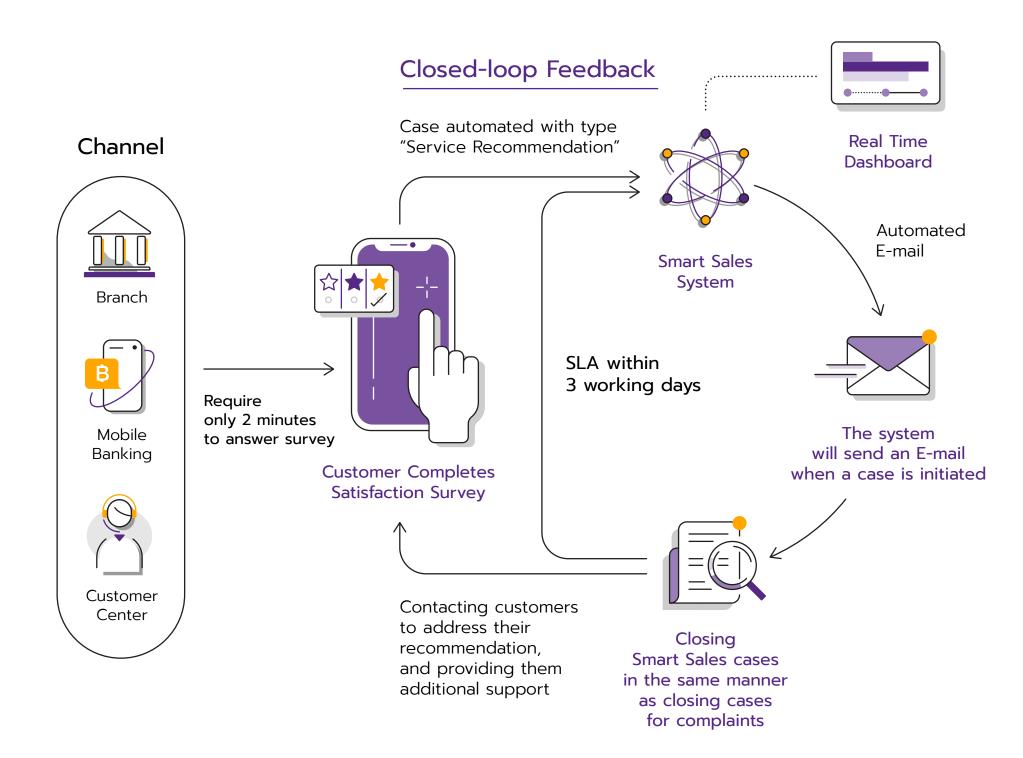
**2021 Performance Highlights** 

#### **Customer Satisfaction**

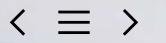
Driven by the inspiration to become a Customer Centric Organization, the Bank continues to innovate and offer financial solutions that seek to address customers' needs, while also conducting daily customer satisfaction survey. The feedbacks and recommendations from the customers are important in enabling the Bank to improve speed and efficiency of its internal processes and services. This also allows the Bank to uplift its personnel to better serve customers, as well as innovate new products that accommodate customers' needs and lifestyles, for the purpose of continuously enhancing customers' experience.

The Bank adopts Closed Loop Feedback System and Hot Alert which provide convenience for customers in commenting and recommending the Bank's services. At the same time, this allows the Bank to follow and respond to the customers' feedbacks effectively and instantly within the established service regulation (Service Level Agreement: SLA).

SCB uses Net Promoter Score or NPS in measuring customers satisfaction and engagement through three channels, including mobile banking, branch network, and customer service. In 2021, the customers satisfaction survey results are at an acceptable level as it is higher than that of 2020 and meet the specified target.



Customers Satisfaction	2019	2020	2021	2021 Target
NPS Target	74	74	75	76
Satisfaction Score	74	74	75	
Data Coverage	100	100	100	



Message from the Board of Directors SCB at a Glance Sustainability at SCB

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

15

Establishment of SCB<sup>x</sup>

A Signatory to the Equator Principles

Robinhood Platform

Resilience through and beyond COVID-19

## Special Reports

A Signatory to the Equator Principles

Robinhood Platform

Resilience through and beyond COVID-19



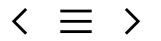
## From SCB Transformation to SCBX Embarking on a New Mission to Become the 'Tech Company'

Confronted with an ongoing digital disruption, the Bank set out SCB Transformation strategy in 2016. Since then, SCB has actively invested in cutting-edge technologies and implemented organizational restructuring, revamped the way of work, fostered a new corporate culture, and reshaped its future business model, in the hope to create new value from investment and achieve exponential growth in the digital age.

SCB Transformation has become the vital turning point and strategic tackle technology disruption in the finance industry while deepening customer engagement in a digital era. In 2021, SCB's digital customer base (SCB Easy) significantly rose from 2.5 million in 2016 to more than 13 million -of which 10.7 million are active users, thus racking up its share in total SCB customer base to 78%. In addition, of the Bank's total transaction volume, digital transaction was tantamount to 85%, whereas ATM-CDM transaction and bank branchbanking agent transaction accounted for 14% and 1%, respectively. The

trend of Thai consumers pivoting to modern digital channels.

On top of that, banking business in the next three years will witness a greater and seismic wave of digital disruption, especially with the advent of Decentralized Finance or DeFi, penetration of modern platforms into the financial business, and rapid changes in consumer behavior in the wake of COVID-19 pandemic and constant technological advancement. The next question is how will the Bank reshape itself to bring value to decision that readies the Bank to figures reflected an accelerating shareholders and consumers while marching forward in the new era where technology plays a vital role in enabling boundless innovation and competitive development. Therefore, establishment of SCB<sup>X</sup> was announced in September 2021 with the mission to ready the Bank to enter an emerging competitive arena. With the arrival of a new business landscape, SCB will no longer limit itself to traditional banking services but ride on its financial strength as an advantage to fully transform into FinTech business and platform of the future.



Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

ok

17

Establishment of SCB<sup>x</sup>

A Signatory to the Equator Principles

Robinhood Platform

Resilience through and beyond COVID-19



#### Becoming 'The Most Admired Financial Technology Group of ASEAN'

With a mission to leverage capital management efficiency, expand ways to create long-term value, explore new business gateways, and sharpen a new competitive edge with data leverage, SCB Group divides SCB<sup>X</sup> business structure into three key segments: Core Banking Services, Consumer Finance and Digital Financial Services, and Digital Platforms and Technology services.

#### **SCB**<sup>X</sup>

#### Core Banking Services

#### To be the better bank

## Consumer Finance and Digital Financial Services

#### Blue ocean markets

#### Card X Auto X

#### Alpha X Data X

Accelerate a proactive expansion into other financial businesses with growing market demand, whilst building a strong partnership and exploring business opportunities both within the region and abroad to embolden growth potentials

#### 2022 Mission

- Expand businesses to new markets
- Strengthen consumer financial services with digital intelligence
- Promote synergy with strategic alliances and establish the new ecosystem

## Digital Platforms and Technology Services

#### Game changing businesses



















Unlock new technological intelligence that pioneers valuable changes and team up with local and foreign partners to broaden innovation and technology platforms, thus driving the Bank's potential to be on par with the world's leading enterprises

#### 2022 Mission

- Build a new competitive edge from technology leverage, such as platform business
- Enhance digital platforms
- Explore business opportunities within the region and across the globe



Leverage digital technology to enhance business management efficiency, maintain bank profitability, and cater to ever-evolving customer demand

#### 2022 Mission

- Foster business growth by incorporating digital technology into banking services, insurance, and wealth management
- Improve the Bank's credit management efficiency with financial discipline
- Assist quality customers in overcoming the crisis together



Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

**Establishment of SCB**<sup>x</sup>

A Signatory to the Equator Principles

Robinhood Platform

Resilience through and beyond COVID-19

### Ambitious Goal in 2025: Creating Long-term Value

SCB<sup>X</sup> was founded with an aspiring goal to create significant value from new businesses and foster shared value creation among stakeholders besides the fundamental profits and stability of SCB's core banking business.

#### By 2025

- Expand new business into foreign countries
- Broaden customer base to 200 million and connect to the ecosystem both in Thailand and abroad
- Establish an integrated digital platform
- Become a leading regional financial technology group

SCB<sup>X</sup> is an important step to embrace the new paradigm of the ever-changing global landscape. The Bank believes that the establishment of SCB<sup>X</sup> will enable the Bank to keep up with new consumer demand and expectations, equally compete in the global market, and create new value for shareholders in the face of changes as the traditional banking business is being consistently disrupted by the digital transition.



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Robinhood Platform

Resilience through and beyond COVID-19

## Key Developments in 2021



Actively invested in potential tech companies and startups worldwide

- March 2021 Anchorage: Digital asset platform for institutional investor
- April 2021 Darwinbox: Enterpriseready human capital management platform to embrace the future of work
- June 2021 Flash: Thai total e-commerce service provider
- July 2021 Ape Board: Digital platform which enables users to track and manage digital asset portfolio
- July 2021 Fireblocks: Platform providing technology solution for digital asset custody
- November 2021 MyCloudFulfillment: Leading e-Commerce fulfillment service and warehousing startup
- December 2021 Nansen: Blockchain analytics platform

SCB 10X is the first
Thai organization
ranked among global
Corporate Venture
Capital (CVC)

## No.2

In the category of global CVC that invested in fintech start-ups

No.8

In global CVC

By CB Insights



#### November 2021

Invested in 'Bitkub Online Company Limited,' Thailand's leading digital asset exchange platform



#### November 2021

Acquired the Initial Coin Offering (ICO) portal license from the Securities and Exchange Commission (SEC)

#### SCB TECH<sup>X</sup>

#### December 2021

Launched SCB Tech X, in partnership with Publicis Sapient—the digital business transformation consultancy under Publicis Groupe



#### November 2021

Introduced 'Robinhood Travel', an Online Travel Agent (OTA) platform scheduled to launch the service in the first quarter of 2022

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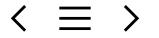
#### September 2021

Officially launched a nano-finance application 'FINNIX', which attained more than 5 million downloads and provided loan support of over 6 billion baht



#### October 2021

Joined forces with Thailand Post in offering online loans for SMEs that subscribe to cash-on-delivery (COD) EMS service



Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

20

Establishment of SCB<sup>x</sup>

A Signatory to the Equator Principles

Robinhood Platform

Resilience through and beyond COVID-19



## The First Thai Equator Principles Financial Institution, uplifting responsible lending practices to a global standard

Believing that banking and financial sectors can play important roles in contributing to the development of sustainable society and environment, SCB is committed to its 'Sustainable Finance' principle with a mission to provide lending responsibly and in line with the Sustainable Banking Guidelines -Responsible Lending from the Bank of Thailand and Thai Bankers Association. This was done by integrating environmental, social, and governance considerations into the Bank's lending policy, strategy, risk management process, and management of impacts resulted from the Bank's financial support, especially project finance for large industrial projects, such as power plants, basic infrastructure, mining, and industrial complex, that may cause significant negative impacts on environment and society if proper management is absent.

To uplift the Thai banking industry, and to ensure that SCB is providing financial support to projects with appropriate environmental and social management to its identified characteristics and risk level, SCB became a signatory to the Equator Principles (EP) Association and adopts the 10 EP principles, a globally accepted standards on environmental and social management for project finance. The Bank implemented these principles as guidelines on approach to systematically identify, assess, manage environmental, and social risk associated with project finance financially supported by the Bank.

Committed to compliance with the Equator Principles to systematically identify, assess and manage environmental and social risk associated with project finance

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

Establishment of SCB<sup>x</sup>

A Signatory to the Equator Principles

Robinhood Platform

Resilience through and beyond COVID-19

Equator Pri	nciples	Steps	Key Principles
Principle 1	Review and Categorisation	Screening	Equator Principle screening and scoping  Output  Output  Description  Output  Description  Output  Description  Output  Description  Output  Description  Description  Output  Description  Description  Output  Description  Output  Description  Description  Output  Description  D
Principle 2   Environmental and Social Assessment		<ul> <li>⊘ Project-related financial loan (more than USD 50 million)</li> </ul>	
		⊗ Bridge loan, project-related refinance and acquisition finance	
Principle 3   Applicable Environmental and Social Standards	Classification	Risk-based project classification	
		<ul> <li>Category A: Adverse environmental and social risks and impacts are diverse, irreversible, or unprecedented</li> </ul>	
Principle 4	Environmental and Social Management System and Equator Principles Action Plan		Category B: The impact is limited and the scope of the impact is localized. In addition, it is possible to cope and recover through reduction measures.
Principle 5	Stakeholder Engagement		○ Category C: No negative environmental and social risks and impacts
Principle 6	Grievance Mechanism	ESDD	Environmental and social due diligence assessment
Principle 7	Independent Review		<ul> <li>Category A and as appropriate Category B projects follow through independent review process</li> </ul>
Principle 8	Covenants	Covenants	Include covenants in financial contract
Principle 9	Independent Monitoring and Reporting		<ul> <li>Actions to address issues raised during the independent review are reflected in the financial contract and committed to comply</li> </ul>
Principle 10   Reporting and Transparency	Monitoring	Independent environmental and social monitoring	
		<ul> <li>Independent monitoring once a year for Category A and B projects deemed necessary</li> </ul>	
		<ul> <li>Report transactions reaching financial close and on EP implementation process/ experience (annual basis)</li> </ul>	

The Bank believes that improvements to its lending policy and process through the implementation of EPs, which follow approach and practice specified by International Finance Corporation (IFC), World Bank, and other leading financial institutions, does not only assist its clients in systematically managing environmental and social impacts resulting from the project but also benefits the Bank by putting in place a mechanism for cooperation with independent environmental and social issues assessment experts while helping to identify subsequent mitigation measures and monitoring its implementation as specified in lending covenants.

Special Reports Commitments towards a Sustainable Future

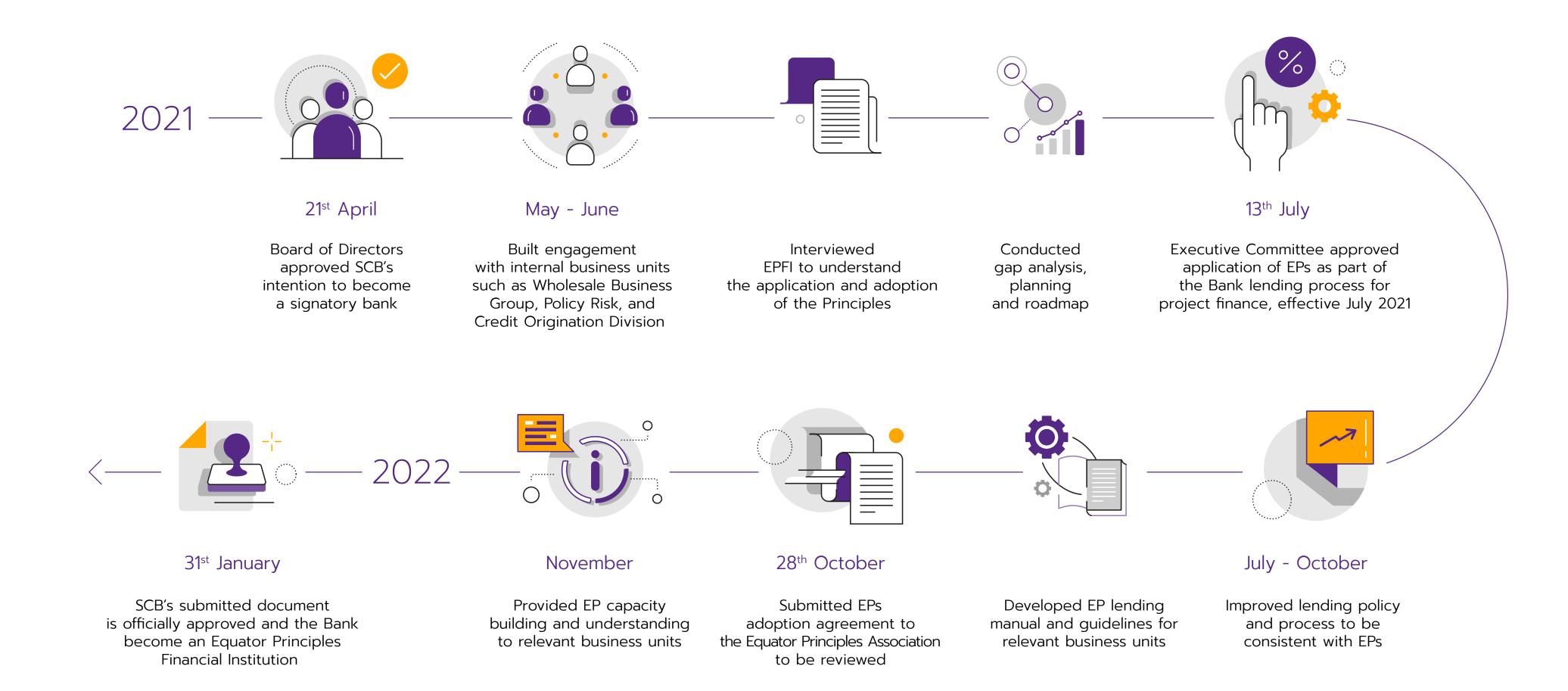
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Robinhood Platform

Resilience through and beyond COVID-19

#### Step forward to become an Equator Principles Financial Institution (EPFI)



A Signatory to the Equator Principles

Robinhood Platform

Resilience through and beyond COVID-19

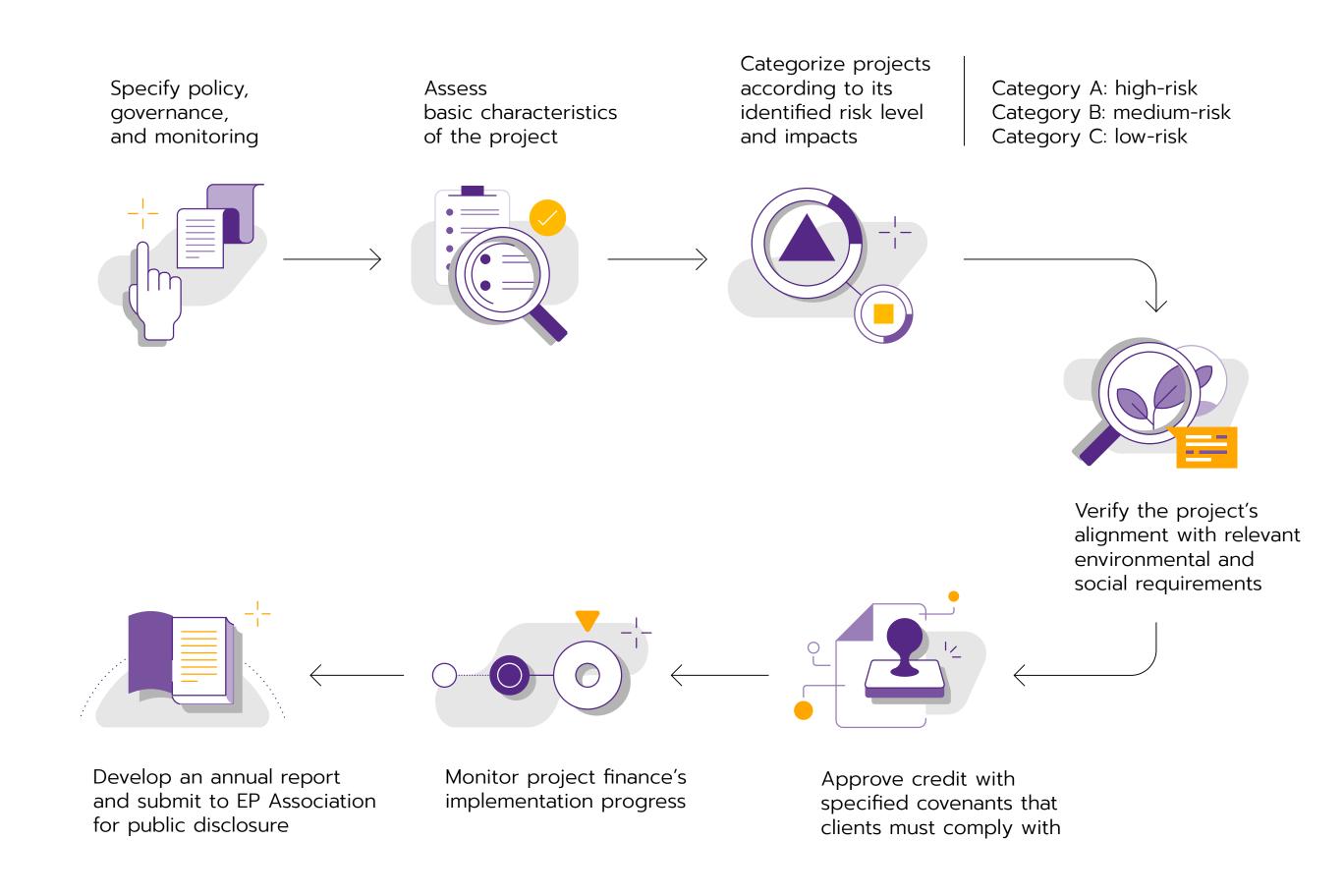


#### Adopting the Equator Principles

The Bank integrates the Equator Principles as a component of its credit process. At the same time, the Bank is building engagement with relevant business units, including Wholesale Business Group, SME Banking, Risk Office, and Strategy Group (Corporate Sustainability Function), with guidance from external environmental and social consultants in order to support policy implementation. In 2021, SCB developed manuals and tools, and provided EP training to over 300 relevant business units and personnel. The two sessions sought to provide knowledge, understanding, and uplift their capabilities in adopting the Equator Principles.

- 1. International Finance Corporation Performance Standard: For management and personnel to understand different types of environmental and social impacts associated with project finance, as well as its systematic risk management approach, in consistency with International Finance Corporation (IFC) practice.
- 2. **EPs The Equator Principles:** For management and personnel to understand principles and requirements in adopting the 10 principles along with roles and responsibilities of each relevant business units.

#### **Internal EP Compliance Process**



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**Robinhood Platform** 

Resilience through and beyond COVID-19



## 'Robinhood' The First No-GP Food Delivery Platform creating shared value through the 'Social Enterprise' model

From our determination to help small eateries overcome the COVID-19 crisis and thrive, SCB subsidiary, Purple Ventures, launched 'Robinhood' - a food delivery platform-built upon SCB's financial intelligence and digital capability. The platform embraces the social enterprise concept with a mission to support and find solutions for the small players. Since its inception, Robinhood has continued to offer and expand online sales channels for small eateries, create jobs for riders, and bring benefits to customers in a way to build a solid and sustainable ecosystem. The ambitious target is to ultimately become a digital fulfillment and lifestyle platform.

2020



The beginning of our platform to 'help the small players' At the height of the COVID-19 pandemic in April 2020, many restaurants in Thailand were forced to enter food delivery platforms in order to stay connected with customers. Even so, SCB found that over 50% of small eateries gave up the opportunity since they were unable to bear gross profit (GP) fees or platform commissions. Another problem was liquidity crunch, as payment often takes long before being transferred into the merchant's account. Meanwhile, pain points for delivery riders were advance food payment for customers, unfair income, and lack of respect from society.

'Robinhood' was then developed from a customercentric perspective, taking into account the above pain points. The platform was completed in the span of three months plus two for simulation tests to be ready for service.



#### 26th October

#### Officially launched 'Robinhood Food Delivery—the Thai app for Thai people'

With an ambition to help restaurants, especially the small eateries, and to stand by Thai people through good and bad times, Robinhood entered into service with key distinct features:

- No gross profit (GP) fees charged to help small merchants increase income and profit without additional cost from using the online platform
- Cash availability within 1 hour after food and drink delivery is completed, to solve liquidity crunch and help small merchants keep their business running throughout the economic crisis
- Fair income for riders with same-day payment, 24hour insurance, and commission-free
- 100% digital payment to ensure everyone's safety, no cash involved, and no need for riders to advance food payment

Message from the

**Board of Directors** 

SCB

2021



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Launched 'Robinhood Rider Application' and Introduced 'Robinhood EV Bike'—the first model among food delivery platforms in Thailand to uplift rider's well-being along with environmental sustainability Aside from the food shop, another small player who is a meaningful jigsaw piece in food delivery business is the 'delivery rider.' At Robinhood, Robinhood riders are more than just delivery guys. They deliver not only food packages but also happiness in every meal to Robinhood customers.

With that in mind, SCB Robinhood Rider Application was developed to improve the rider job distribution system based upon three core principles: "Increasing income, Increasing jobs, Increasing opportunity." Robinhood then partners with ETRAN and H SEM, the Thai electrical motorcycle (EV Bike) manufacturers, to found the "Robinhood EV Bike model" offering EV bike rental at only 120 baht per day for all riders, either having or not having their own bikes. This collaboration aims to increase job opportunities and support riders' well-being in the face of fragile economy. Through this model, the Bank also hopes that Robinhood will be a part that drives forward the green EV ecosystem in Thailand.



2021

Over 3,000 riders

registered with the EV bike program



#### Target in 2022

Having more than 6,000 EV bikes available. Expanding battery replacement stations from 14 stations in 2021 to 120 stations in Bangkok and vicinity areas



### July

#### 'Free Delivery Campaign' To relieve financial burden for Thai people during lockdown

Foundation

The flare-up outbreaks in July prompted the Thai government to enforce lockdown on areas of maximum and strict COVID-19 control. SCB thus teamed up with Robinhood to launch the special campaign 'Free Delivery for Every Order' from July 11 to August 2, 2021, subsidizing delivery fees in a bid to ease customers' cost of living. The campaign also helped small eateries gain orders and earn income to keep their business running and, at the same time, created more jobs for riders. Apart from that, SCB Group strongly hopes that this special campaign will be the first step to showing how a "Big Guy" can give back to society and help a "Small Guy" get through the tough times together.

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**Robinhood Platform** 

Resilience through and beyond COVID-19

SCB Group strives to enhance data literacy for more than 185,000 shops on the Robinhood platform, in hope that they can effectively leverage data in hand to achieve fruitful results.



#### Joined forces with SCB DBANK and introduced the 'Intelligence Dashboard'—an in-depth data analysis for Robinhood merchants

Recognizing the importance of data, Robinhood teamed up with SCB DBANK—SCB's digital banking unit-in devising in-house data intelligence to conduct in-depth analysis based on Robinhood data and turned them into the 'Intelligence Dashboard.' The dashboard is designed to be user-friendly and compiles key figures such as net sales, weekly sales, gross orders, orders by day, orders by time of day, best-selling menu, topordered menu by time of day, total monthly customers, repeat customers from previous month, main customer groups, delivery distance and area coverage, and top searched keywords These data dashboards are shared with more than 185,000 Robinhood merchants, all free of charge, hoping that the insights would help them improve business operation. For example, they could use insights on the top-selling menu to enhance raw material stock control, use peak time data to improve sales management, or launch a marketing campaign that caters to customer behavior and preference.

Robinhood Food Delivery performance at year-end 2021



2.45 million registered users



More than

**OO** merchants available on platform





average daily orders



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**Robinhood Platform** 

Resilience through and beyond COVID-19

#### 2022

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The next milestone of Robinhood: becoming the 'Thai Super App' Ready to embark on a regional market as a thriving player

#### Target to expand the customer base to 4 million

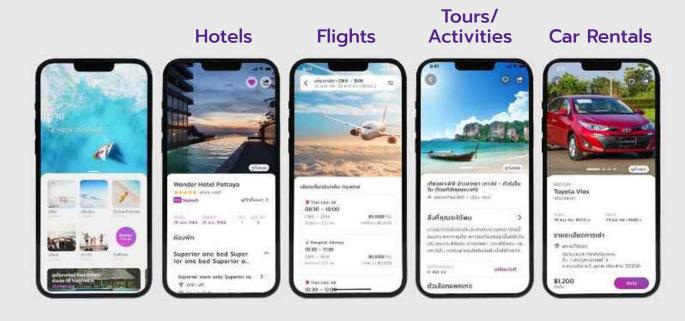
Robinhood is committed to assisting Thai entrepreneurs in a broader range of services and now prepares to enter three non-food businesses:

- 1. Online Travel Agent (OTA): Reservation services for accommodation, air ticket, car rental, and insurance to help small entrepreneurs reduce costs of using sales agents
- 2. Mart Service: order and delivery service for grocery **shopping** to help merchants expand sales channels
- 3. Express Service: on-demand pickup and delivery **service** to serve the burgeoning e-commerce business

In addition, the original Robinhood Food Delivery also looks to extend its reach to 3 popular tourism provinces—namely Pattaya, Chiang Mai, and Phuket—in parallel with uplifting the capability and quality of its merchants and delivery riders. Robinhood will team up with SCB<sup>X</sup> to enhance customer acquisition strategy and take proactive steps in devising data to improve the Bank's loan products and other financial services, as well as launching advertisements and promotions with our customers, so as to bring the ultimate benefits to Robinhood merchants and users. Robinhood targets to raise funds and grow its customer base to 4 million, paving the way to set foot in a regional market as the 'Thai Super App.'



The first Thai OTA offering all-in-one travel experience on one platform with zero commission



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Message from the

**Board of Directors** 

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**Robinhood Platform** 

Resilience through and beyond COVID-19

#### Heartfelt Feedbacks from Food Merchants



#### A little thing called love

"...We believe that Robinhood started giving opportunity to small shops like us, this creates the power of love, goodness and generosity, spreading and passing these forward in our society..."

Nua' Boat Noodles - Ratchayothin July 17, 2021

#### Voices from Robinhood Riders

#### Drive to Fulfill Myself





Click on the picture to watch 'The Rider Series: EP 3. "Aunty Maew" An elder Rider with a teenage heart' video

"I was out of work for ten years. I used to work as a pharmacy manager in a department store and became jobless. Back then, I told myself: if I don't get started today, there might be no tomorrow.

Things did not go smoothly at first. I had no clue about the direction, not much confidence either. Luckily, the admin staff at Robinhood help me a lot with good advice.

I'm now in my sixties so driving in Bangkok is quite tiring and challenging. But when riding with Robinhood, it's the joy that makes me feel like I'm sixteen again."

Kanyanat "Aunty Maew" Yangsataphon

"I might be just a little guy, but I can contribute to something meaningful every day."





Click on the picture to watch The Rider Series: EP 5. "Note" a Rider who pour his heart into the job

"Being a rider never entered my mind as a dream career. If it weren't for the COVID-19, I would be flying in the sky right now. On the first day at Robinhood, I was told that my work was meaningful, but back then I did not understand. Is the rider's job purposeful? I used to doubt. But when I put my heart into the task, I start to learn something from it. I learn to help others, learn to pay more attention to people in front of me, learn to weather the worst, learn to try something new, and learn to help make the world a better place to live (from riding an EV bike).

I finally realized the reason why we work. We work to become our better self and to bring happiness to someone out there, through our small but meaningful work."

Athitphon "Note" Chanthanakul Former student pilot, Now Robinhood rider

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**Board of Directors** 

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Robinhood Platform

Resilience through and beyond COVID-19

### Resilience through and Beyond COVID-19

SCB

at a Glance

The COVID-19 pandemic not only takes a heavy toll on the Thai economy and everyday lives but also poses critical challenges to businesses in all regions and sectors. Getting through the recent crisis calls for self-evaluation on our operational efficiency, which ushers the Bank to rethink and reshape our business model in pursuit of an innovation-driven economy and building a better society and environment for all.

Since March 2020, the Bank has put in place the Business Continuity Plan (BCP) and undertaken the Business Impact Analysis (BIA)—approved by the Board of Directors and oversight by the Risk Management Committee. The action plan is under the supervision of SCB Crisis Management Team (CMT) and COVID-19 Working Group, who share a common goal to 'Strengthen the Bank - Stand by Our Customers - Support the Society' in overcoming the epidemic together and paving the way for sustainable long-term growth.

#### Strengthen the Bank

Sustainability

at SCB

SCB pursues the 'Holistic Organization Management' towards resilience capability to adapt and respond to rapid and disruptive changes while adhering to the Bank's commitment to helping its customers and society grow and thrive even in turbulent times.



Leadership with Head, Heart, Hands

Develops aspiring leaders with the modern leadership trinity



Smart Work

Nurtures work efficiency and productivity



#### Flexible Workforce

Increases flexibility through 'Work From Anywhere' arrangement



#### Purpose Driven Culture

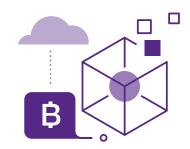
Fosters a goal-oriented corporate culture that embraces shared value creation





#### Physical and Mental Health

Embraces physical and mental well-being



#### **New Operating Model** with Digital Backbone

Uncovers new digital-driven business models



#### New Paradigm for Skills and Talent

Explores new learning paradigms to uplift essential skills and attract talents

Robinhood Platform

Resilience through and beyond COVID-19

#### 'Work from Anywhere' Enriching flexibility and work-life balance

The Bank has extended the 'Work From Anywhere' (WFA) arrangement into 2021 to increase workforce flexibility, build a culture of trust, and enhance our employee well-being. The arrangement is based upon the '3Es' management framework, seeking to help SCB employees to become resilient, agile, and well-organized in the face of changes.

**Enablement:** Provides devices and VPN readiness to executives and staff at every level across the organization; adjusts work process; and develop digital platforms specifically for human resource management, such as HR on Mobile and SCB Telecare, to ensure that SCB employees can work with convenience and seamless connection while maintaining a healthy state of body and mind. (More details on page 93-98)

**Engagement:** Continually conducts the employee survey on WFA arrangement to help enhance work-life balance

**Empowerment:** Consistently improves the knowledge management to ensure that the Bank's knowledge base is readily accessible to all employees and available when needed, in hope to strengthen culture and fundamental for building a learning organization.



.

The first Thai bank to announce WFA policy which has continued since March 9, 2020, until today

80% of our employees

can follow WFA enjoyed WFA agreed that they can work efficiently with WFA

Cut down the Bank's operational expense by over

1,480 million baht

Reduced greenhouse gas emission of over

960,000

million tons of carbon dioxide equivalent per annum, compared to the normal work arrangement



Message from the **Board of Directors**  SCB at a Glance Sustainability at SCB

**Special** Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

31

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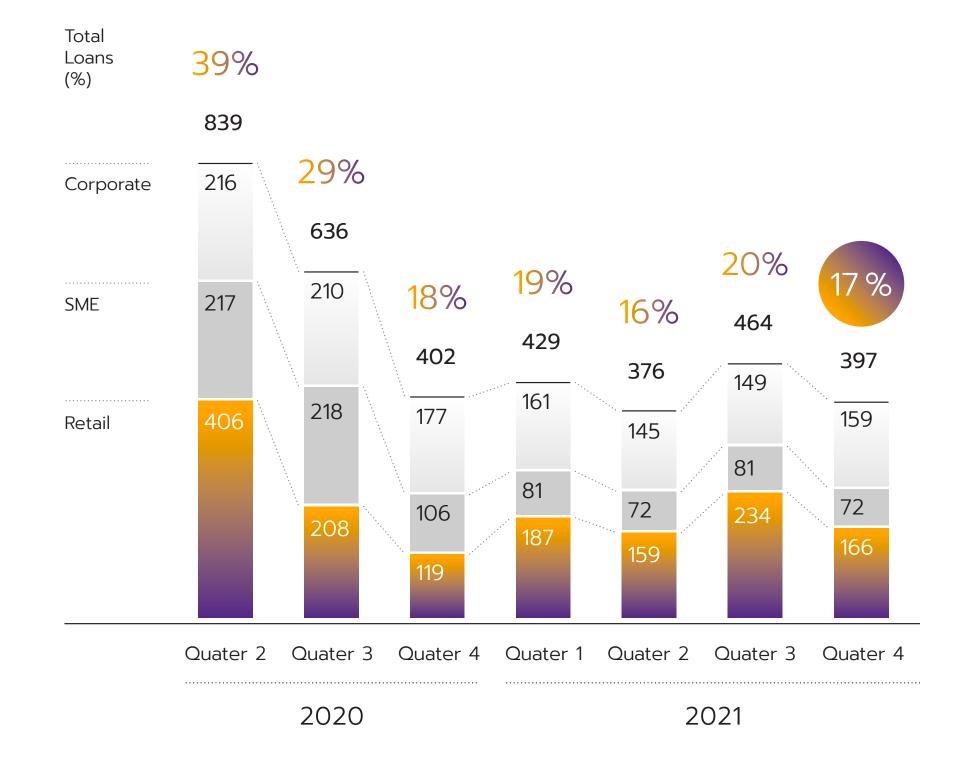
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Resilience through and beyond COVID-19

#### Stand By Our Customers

Throughout 2021, the Bank has continuously rolled out assistance measures to clients suffering from the outbreaks under our 'Deep-Long-Survive' approach. The Bank provides financial solutions for short and longterm remedies that fit each client's need based on in-depth customer impact analysis. Special relief plans are also provided for small- and mediumsized enterprises (SMEs) and sSMEs helping them cut costs, boost sales, and expand a business-in hope to foster sustainable post-pandemic growth.

#### Loans under SCB relief program in 2020-2021 (billion baht)





With a commitment to stand by our customers, SCB helped more than

1.2 million customers to overcome the COVID-19 crisis together.

Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

32

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Robinhood Platform

Resilience through and beyond COVID-19

#### Customer Transformation Empowering SMEs to Thrive in Digital Era

SCB offers soft loan schemes, new lending conditions, working capital facilities, and debt restructuring measures to help our SME clients stay buoyant during the pandemic. Apart from that, the Bank also emphasizes enhancing SMEs' capability and delivering new experiences in a way to assist our customers on their journey to digital transformation.

#### **Digital Platform**

Integrates digital platform into our customer business to expand market channels, cut costs, and bolster sales







B2P



Business Trade Club Anywhere

Payzave

#### **Customer Academy**

Equips knowledge and skills on business management and administration

#### **Continuing Course**

- IEP-SCB Intelligent Entrepreneur Program
- ITP-SCB Intelligent Trade Program
- IBE-SCB Innovation-based Enterprise
- The Dots

#### **Industry-Specific Course**

- Food & Beverage Game Changer
- Hotel Game Changer
- The Hospitality Survival

Over 2,300 participants, averaging more than 100 learning hours/ person

#### **Business Matching**

Collaborates with government agencies, tech partners, and leading companies to expand customer's market channel, establish a sustainable supply chain, and broaden business opportunities through business matching events

Over 400 businesses matched

#### Financial Assistance

Offers tailored financial solutions that acknowledge customers' demand and condition, and strengthen our partnership with the government to enhance SME accessibility to financial supports.













"SCB SME is my partner. For me, 'Being a Partner' means that our friendship helps us grow better together. SCB SME is like a stairway in my house—something indispensable. If I want to climb some flights, they help me ascend to the upper floor. If I encounter a crisis and need to take some steps back, they wait for me at the landing. SCB SME is always here to help me in both good and bad times."

Mr. Peerasin Tangkijngamwong Managing Director Saivijit Co., Ltd.



Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

33

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Robinhood Platform

Resilience through and beyond COVID-19

#### Support the Society



#### **Employee**

The Bank has launched various initiatives to take care of our employees since the emergence of the COVID-19 pandemic until today.



#### Safety

Extend 'Work from Anywhere' arrangement and prepare the 'Split Working Site' at on-site office areas to alleviate infection risks.



#### Health

- Cover insurance excess for medical checkup fees and treatments
- Provide Antigen Test Kits and offer alternative vaccines to every employee
- Help to find hospital and hospital beds for infected employees or family members
- Cooperate with hospital partners to accommodate home isolation
- Develop a real-time dashboard to help the management keep a close monitor on infected employees and recover progress



#### **Finance**

- COVID Staff Loan—a
   contingency lending for
   employees facing financial
   difficulties from the pandemic
- Special financial aids for employees working at branches that were affected under the government's curfew and lockdown measures.
- Debt moratorium for staff loan



#### **Supplier**

The Bank revised the credit term policy from 45-60 days to 15 days, effective until the pandemic subsides, to buttress our supplier liquidity.

Message from the **Board of Directors**  SCB at a Glance Sustainability at SCB

**Special** Reports

Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

34

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Robinhood Platform

Resilience through and beyond COVID-19



#### Society

With collective efforts to ride out the pandemic, SCB has implemented collaboration and assistance projects such as:

#### Field Hospitals and Medical **Equipment Supports**

SCB made a financial contribution of over 18 million baht to set up 2 COVID-19 field wards at Chulalongkorn hospital, and purchase medical equipment and other facilities to establish field hospitals for municipalities, foundations, and local hospitals.

#### A Helping Hand for Small Eateries and Thai People

SCB's Robinhood launched the "We Help You, You Help Eateries" campaign offering free delivery to all food orders for 23 days during July lockdown. Robinhood also joined forces with Siriraj hospital and Ramathibodi hospital to arrange food supports for COVID-19 patients under 14-day home isolation—3 meals a day and all free of charge.



More than

delivery-free orders



Food supports for more than

COVID-19 patients in home isolation



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Robinhood Platform

Resilience through and beyond COVID-19

**Vaccination Center:** 

Boosting Thailand's herd immunity in a battle against the COVID-19 pandemic

In this critical time where COVID-19 is taking a toll on the economy, society, and everyday lives, a speedy vaccine rollout is considered an urgent national agenda to prevent virus spread and alleviate disease vitality. To this end, SCB partnered with the Bangkok Metropolitan Administration, the Thai Chamber of Commerce, and Phyathai-Paolo hospitals under the Bangkok Dusit Medical Services Group (BDMS), to establish the COVID-19 vaccination center at SCB Head Office with the mission to boost herd immunity across Thailand. The SCB COVID-19 vaccination center is among non-hospital vaccination sites operated under "Thai Ruam Jai, Keep Bangkok Safe," in which SCB is one of the 25 private enterprises participating in the campaign.

SCB is proud to help provide COVID-19 vaccine access to

201,300 Thai people

for

84 days

over the past 7 months

With the dedication of more than

240 medical professionals

from Phyathai-Paolo hospitals

The collective efforts of

368 volunteers

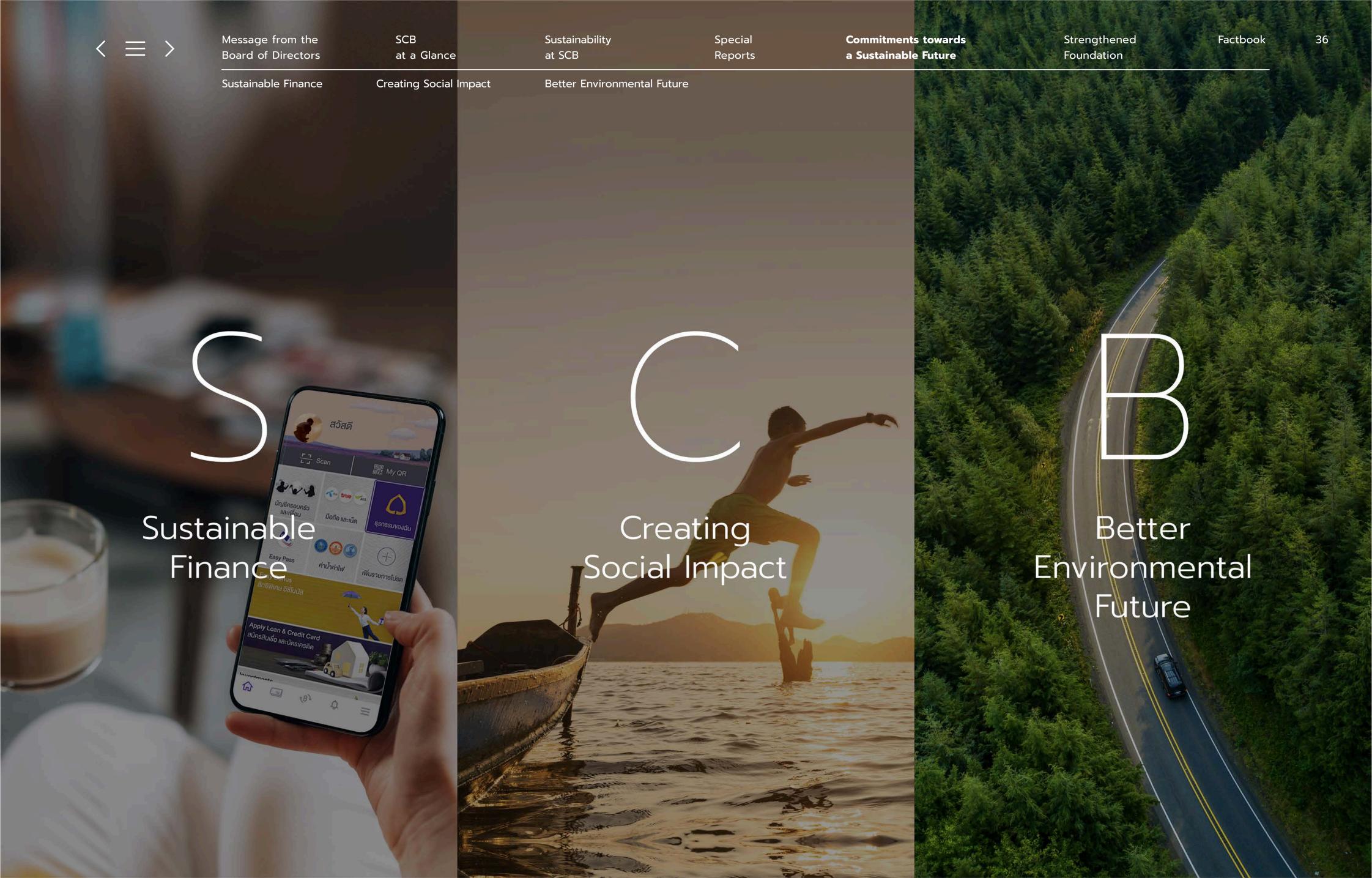
under the "SCB, Let's Do Good" campaign, together with over

50 cleaning and security staff





The success of the SCB vaccination center is owed to a cooperative determination to shore up Thailand on the road to economic recovery whilst keeping people safe and sound during pandemic times. The vaccination center was operated by a competent team with the very same motivation, under a management strategy built upon a design thinking approach and customer-centric foundation.



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Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports **Commitments towards** a Sustainable Future

Strengthened Foundation

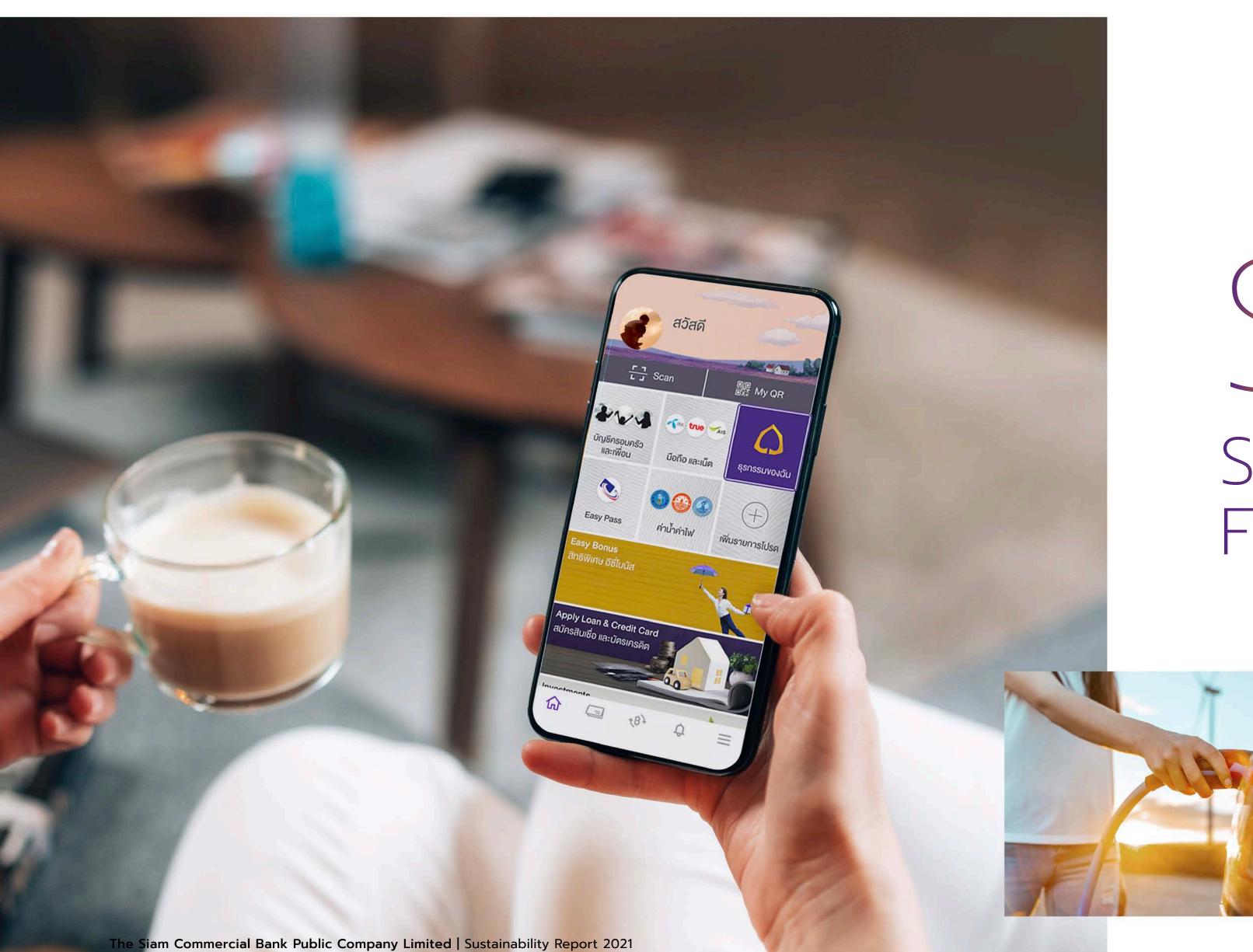
Factbook

37

Sustainable Finance

**Creating Social Impact** 

Better Environmental Future



Sustainable Finance



Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

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38

**Sustainable Finance** 

Creating Social Impact

Better Environmental Future

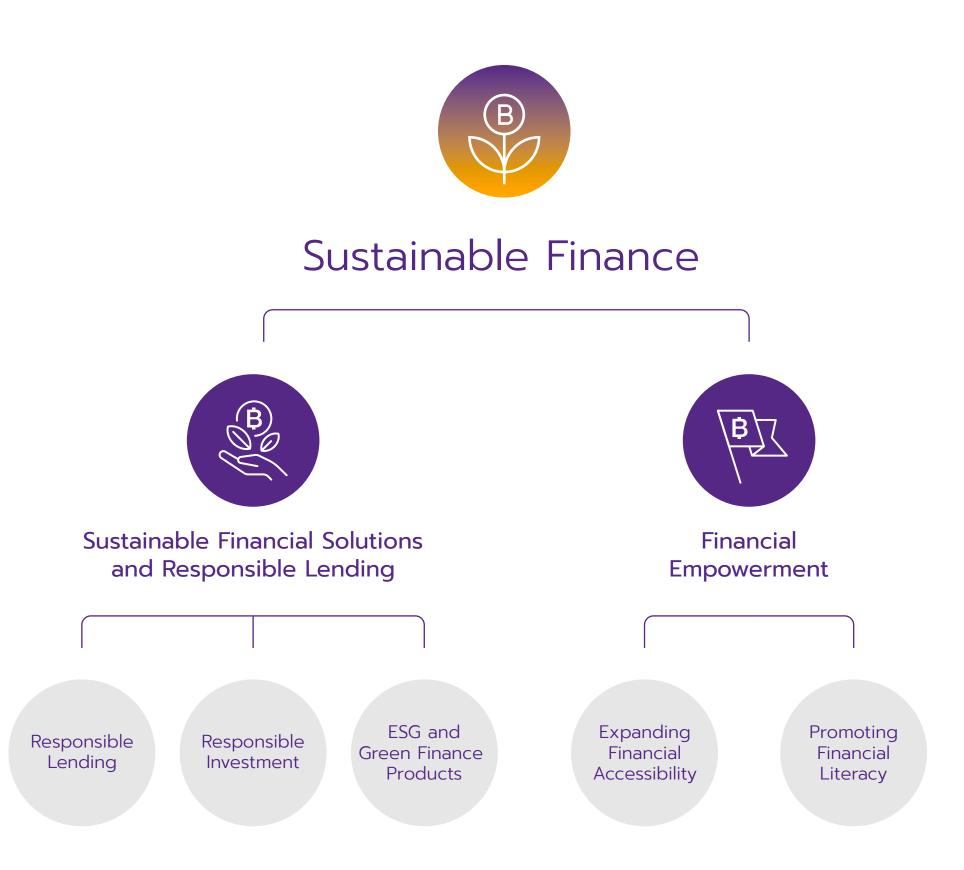
# Sustainable Finance

Climate change, poverty, and social inequality still pose extensive challenges both to Thailand and across the globe. Economic expansion which entails a larger but unbalanced resource consumption has been a part of the problem, as somewhere in the world, there remains lacking access to resources and necessities to live a decent life.

These challenges prompt the world to bring "Sustainable Development" into the limelight. In this regard, the financial and banking sector—an intermediary in mobilizing funds and resources to economy and society—plays a vital role in this transition to a low-carbon and knowledge-based economy.

## **Our Commitments**

At SCB, we are committed to the 'Sustainable Finance' principle. The Bank integrates the Environmental, Social, and Governance (ESG) consideration into its credit underwriting process and investment advisory and seeks to offer financial products and services that take into full consideration the impacts to the environment and community. Apart from that, through financial innovation and extensive collaboration with our partners, SCB leverages technology and data to uplift access to financial services and literacy while consistently promoting financial skills among our clients and the general public.



**Sustainable Finance** 

Creating Social Impact

Better Environmental Future



# 2023 Target



Incorporate ESG criteria into the Bank's policy, credit underwriting process, and investment advisory based upon relevant principles and standard



Develop/ Offer at least 100 ESG funds



Fund and raise 53,000 million baht of sustainable finance to support SDGs.



Improve accessibility to financial services and innovation for 200,000 sSME clients



Nurture financial literacy of **67,000 customers** and the general public

# 2021 Performance

100% of project finance passed the ESG risk assessment

Offered to clients 79 choices of ESG funds

Over 40,150 million baht allocated to promoting sustainable finance in a way to alleviate climate change, bridge a social gap, and uplift quality of life

Improved accessibility to digital loans for more than 35,300 sSME clients

Helped over 25,000 customers, employees and other Thais to develop financial knowledge



Special Reports **Commitments towards** a Sustainable Future

Strengthened Foundation

**Sustainable Finance** 

Creating Social Impact

Better Environmental Future

# Key Performance/ Initiatives in 2021

Uplift the Responsible Lending



SCB adheres to the 'Sustainable Banking Guidelines - Responsible Lending,' which is an established guideline by the Bank of Thailand, the Thai Bankers' Association, and commercial banks to encourage responsible retail and business lending.

#### Retail Customer:

Apart from income and credit risks, SCB's retail credit underwriting process examines the debt service ratio (DSR) as well as borrower's affordability and living expense, so as to present financial products and services that cater to each customer's demand without undermining their wellbeing.

#### Corporate Customer and Project Finance:

SCB considers environmental and social issues as part of the Bank's Credit Policy Guide and identifies the Exclusion List and credit underwriting guidances for specific industries. Furthermore, our lending procedures are aligned with the Equator Principles and guidelines by the International Finance Corporate (IFC).

The Bank's project finance process aligns with the responsible lending policy and guidance from building customer relationships, sales and credit analysis, developing environmental and social risk assessment guidelines for project finance, and communicating the guidelines to all relevant employees to ensuring thorough compliance.

In 2021, SCB improved our responsible lending practices and achieved key milestones as follows:

#### Become the first Thai bank to become EPFI

SCB recognized our responsibility to manage environmental and social risks caused by large-scale projects, and thus under the SCB Board's approval, SCB became a signatory to the Equator Principles (EPs) in April 2021. Prior to that, the Bank improved its internal procedures in accordance with the EPs, and then the Board approved the EP directive as the guidelines for SCB project financing in July 2021. The EP Association officially accepted SCB's membership in January 2022. As an Equator Principles Financial Institution (EPFI), SCB pledges to comply with the 10 environmental and social principles and integrate them into the Bank's policy and credit underwriting procedures.

More detail in 'Special Report' on page 20-23

**Sustainable Finance** 

**Creating Social Impact** 

Better Environmental Future

## Pledge the commitment to support PRB and PRI

The Bank signed a statement of commitment to the UNEP Finance Initiative's Principles for Responsible Banking (PRB) and Principles for Responsible Investment (PRI) as part of the Bank's management in order to support SDGs and the Paris Agreement. SCB along with governmental agencies, institutional investors, and 43 banks acknowledged this statement of commitment in the 'Sustainable Thailand 2021' event -organized by the Government Pension Fund (GPF) in partnership with the Ministry of Finance, the UN, the Bank of Thailand, and other government and private sectors.

Examples of project finance that undertake ESG risk assessment based upon the EPs and SCB's responsible lending practices



# Continued Financial Support to **Electricity Production from Renewable Energy Plant in Vietnam**

The Bank continuously provides financial support to electricity production from renewable energy in Southeast Asia. In 2021, the Bank financially supported solar-powered plants in Vietnam which utilized photovoltaic technology. A combined electricity production capacity of 100 megawatts. Along with credit risk assessment, the Bank also conducted environmental and social risk assessment in terms of space-efficient for optimal solar-power generation, consultation with local community to communicate the project's information. Project advisor was also hired to help provide advisory on relevant technicality, social, and environmental issues.

The solar-powered electrical plants were able to generate enough electricity for

households,

and reduced greenhouse gas emission of

tons of carbon dioxide equivalent.

42

**Sustainable Finance** 

Creating Social Impact

Better Environmental Future

# Financial Support to Electricity Production from Solar-powered Plants in Thailand

With expertise and knowledge in renewable energy production industry, as well as understanding that renewable energy is a crucial mechanism in supporting a transition to low-carbon economy, SCB has consistently been providing financial support to renewable energy production plants. In 2021, the Bank provided financial support to solarpowered plants in Thailand which utilized photovoltaic technology. A combined electricity production capacity from all plants was over 300 megawatts.

Even though this type of project generally has a low impact on environment and society, the Bank and client still set out appropriate action plans and measures for environmental and social issues. This includes approaches for deteriorated photovoltaic solar panels discarded and managed according to national standards and practices, measures to address other environmental and social issues while supporting local community involvement. Furthermore, scope of work for a hired project advisor includes advisory on legality and relevant environment and social matters, which is in alignment with a SCB Sector-Specific Guide.

# Financial Support to Electricity Production from Wind Power

Electricity production from wind power is another renewableenergy industry that SCB provides financial support to, both within Thailand and internationally. The Bank understands that energy production from wind power is one of the cleanest energy with a low GHG emission rate and does not generate hazardous waste resulted from production process when compared to energy production from other sources. However, electricity production from wind farms pertains to limitations in terms of location due to a limited number of suitable locations for wind farms set up. Furthermore, only certain areas in Thailand are considered suitable

for such set up while many areas are identified as environmentally and socially sensitive. In addition, adoption of outdated or inappropriate technologies may create noise and disturb surrounding communities.

In 2021, financial support to wind farms with electricity production capacity of over 120 megawatts then requires a comprehensive risks assessment on topics such as utilization of new technology, involvement of local community that requires understanding and acceptance. Similar to other project finance, project advisor was also hired to provide advisory on relevant technicality, social, and environmental issues with appropriate performance monitoring.

The solar-powered plants were able to generate enough electricity for

180,000 households,

and reduce greenhouse gas emission of

160,000 tons of carbon dioxide equivalent.

The project was able to generate enough electricity for

100,000 households

and reduced greenhouse gas emission of

100,000 tons of carbon dioxide equivalent.

Creating Social Impact

Better Environmental Future



Promote Sustainable Investment



SCB firmly believes that integrating ESG consideration into its underwriting process will help improve the Bank's decision-making on investment advisory, increase risk-adjusted returns in the long term, and also prevent and alleviate negative externalities while fostering beneficial impacts to the society.

The Bank promotes sustainable investment in adherence to the Responsible Investment Advisory Policy, which covers investment advisory services for all asset classes. Wealth management personnel are professionally trained and adept at communicating and providing investment advisory that are well-suited to each client's demand.

In 2021, the Bank presented 79 sustainable funds as green investment alternatives, totaling 39,500 million baht or equals to 7% of total assets under management (AUM).



# Selected efforts on promoting sustainable investment

#### **SCBCLEAN Fund**

In 2021, SCBAM introduced the new 'SCB Global Clean Energy' with registered capital of 3,000 million baht. SCBCLEAN is a feeder fund that invests only in one foreign mutual fund, namely BNP Paribas Energy Transition (Master Fund). The investment policy primarily focuses on global companies engaging in the energy transition to achieve a sustainable change, under top-down and bottom-up investment strategies.



AUM

411

million baht in 2021

#### SCBCLEAN

#### Powering the energy transition



#### Decarbonization

Adoption of energy alternatives that reduce CO2 emissions



#### Digitalization

Efficient and
Systematic technology
deployment



#### Decentralization

Energy distribution through infrastructure and storage system

**Creating Social Impact** 

Better Environmental Future

#### **SCBGEESG**

'SCB Global Sustainable Equity Fund' was registered in 2020 with a capital fund of 10,000 million baht. SCBGEESG is also a feeder fund investing only in Janus Henderson Horizon – Global Sustainable Equity Fund. The Master Fund pursues investment in the securities of companies offering products or services that contribute to positive changes in the environment and global sustainable development, based on the judgment of fund managers.



million baht in 2021

#### The fund seeks an investment opportunity in 10 environmental and social issues



Clean

Energy





Environmental

Service



Sustainable



Transport Management





Knowledge

& Technology



Health



Safety







Sustainable Quality of Life Property & Finance

Environmental

Social

#### **SCBTHAICG**

Registered in 2017, SCB Thai Equity CG Fund or SCBTHAICG has an investment policy focusing on equity instruments of listed companies in the Stock Exchange of Thailand (SET) and/or the Market for Alternative Investment (MAI) or other secondary markets of SET. The Fund mainly seeks to invest in firms with good corporate governance and accredited members of the Thai private sector Collective Action Against Corruption (CAC).



million baht in 2021

**Creating Social Impact** 

Better Environmental Future

Because robust economic and social development rests on sustainability and improving

human capital, SCB never stops uncovering new sustainable financial solutions to serve every

45

**Unlocking New** Green/ ESG **Products** 



Corporate Customer

segment of our customers.





Promote green/ ESG products and services, totaling over

million baht in 2021

Sustainable loans for corporate customers who seek borrowing for environmental-friendly activities in line with the Loan Market Association's Green Loan Principles. The projects funded by sustainable loans include public rail transport, renewable energy, EV charging station, and certified green buildings.

Supports for green bonds: In 2021, SCB was among the underwriters of BTSC Green Bond for the Northern-Southern Green Line extensions and electrical and mechanical works. The bond issuance proceeded according to the international standards, including the ICMA's Green Bond Principles 2021 and ACMF's ASEAN Green Bond Standards 2018.

Sustainable loans for large-scale projects

Financial advisory for mega infrastructure and energy production developments that rest on sustainability principles

Special Reports **Commitments towards** a Sustainable Future

Strengthened Foundation

Factbook

nook

46

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**Creating Social Impact** 

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SCB and Minor International PCL jointly launched the ESG-Linked Interest Rate Swap in 2021, following the success of Thai Overnight Repurchase Rate (THOR)-based derivatives implemented in 2020. The ESG-Linked Interest Rate Swap represents a further step to improve THOR-based derivatives and bolster market liquidity to fully support THOR-based products. Minor International is among the enterprises that successfully integrate the ESG in business conduct, so this collaboration presents an opportunity to seize financial benefits from SCB, especially if the ESG performance target is mutually achieved. This collaborative effort is expected to raise ESG awareness among Thai enterprises and entrepreneurs.



SCB SME Go Green: financial supports of more than



6,000 million baht

#### Offering financial supports to 4 major areas of sustainability:



Energy Efficiency



Pollution Management



Clean Mobility



Female Entrepreneurship

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#### **Green Seminar & Business Matching**

In 2021, the Bank collaborated with 14 government agencies and business partners in organizing 2 green seminars to uplift SME business efficiency, competitive edge, and environmental-friendly operation.

**Batch 1**: July 2021 Cut, Quit, LEAN ... Powering **CLEAN** business

Batch 2: October 2021 Transition to Clean Business: Invest and Reduce Long-term Cost



Over

attended the **GREEN SEMINAR** 



The GREEN SEMINAR achieved over

Of total Green Loans provided



# Partnering with the Department of Alternative Energy Development and Efficiency (DEDE): Promote Thai SMEs to Go Green

Thai SMEs are in the race to keep up with the transition to green industry and green customer. To assist its SME client on such journey, the Bank signed the Memorandum of Understanding (MOU) with the Department of Alternative Energy Development and Efficiency (DEDE) for a collaborative effort in supporting SMEs to conserve energy or adopt greener energy alternatives.

The initiative provides information on sources of funding and investment risk management, policy supports, and learning activities to encourage energy conservation and renewable energy adoption. With better energy efficiency, SMEs can cut down energy costs and become a part to drive the economy with green energy.

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Green Loans of more than

4,150

million baht



## **Retail Customer**

#### **Clean Mobility Loans**

SCB has consistently developed financial solutions on clean mobility for retail customers. In 2021, the Bank offered loans to purchase more than 570 million baht worth of vehicles.



Hybrid Car



Electric Car



Electric Motorcycle

#### **Green Home Loans**

The Bank offers special clauses under the 'SCB Home Loan: Green Energy' to promote the purchase, construction, and renovation of houses with solar panels and other energy-saving tools or technologies. In 2021, SCB underwrote the green home loans worth over 30 million baht.

#### Sustainable Loan for sSME

Understanding the importance of medium to small enterprises in driving Thailand's economy and creating positive changes to support sustainability goal, the Bank developed and offered sustainable business loans for sSME in the total amount of 3,550 million baht in 2021. This is for the 5 main business activities.



Increase Energy Efficiency



Water Pollution Treatment Equipments



Supply and
Distribution Business
that Supports Green
Production and
Consumption



Environmental and Sustainability Consultant



Companies under Women's Ownership

Message from the

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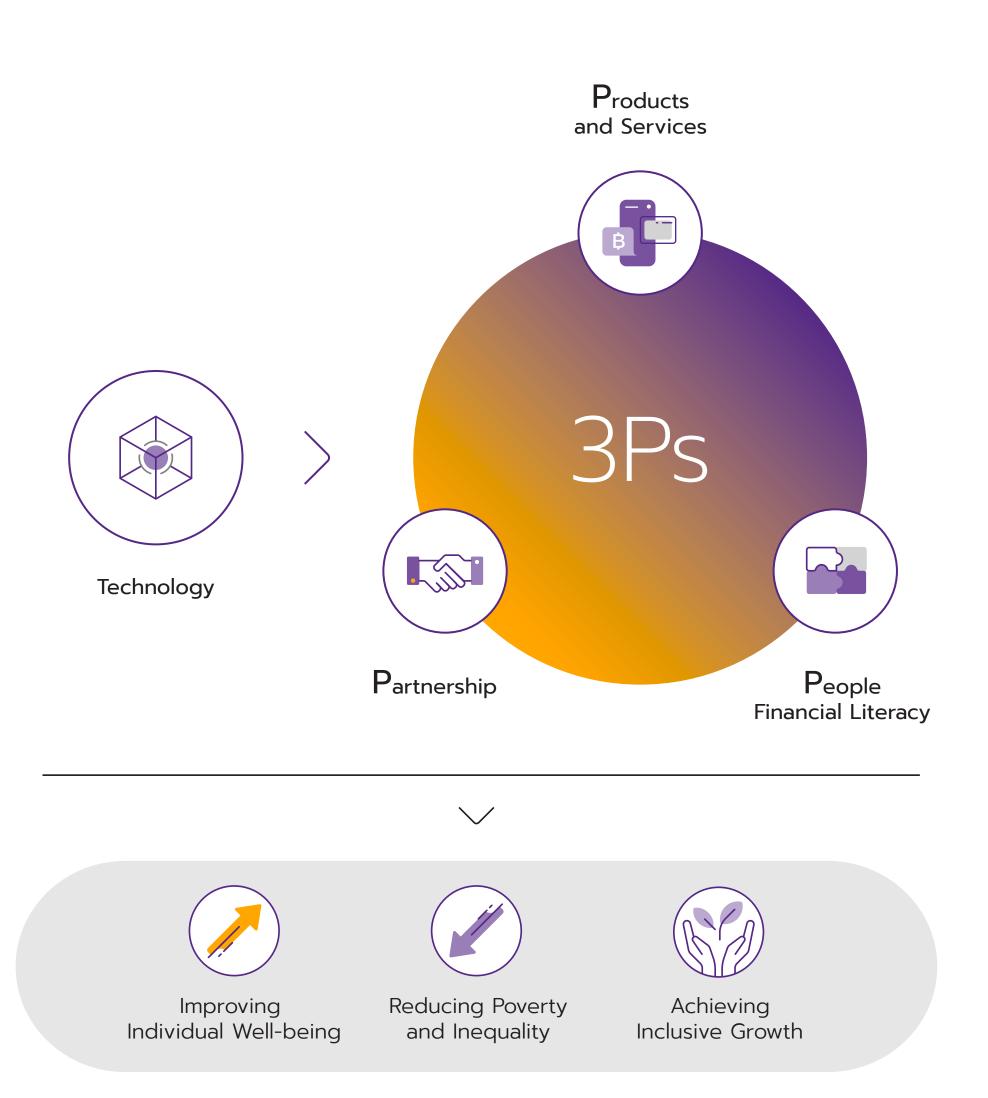
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From Financial
Technology to
Creative Financial
Access



SCB recognizes the role and responsibility to develop and sustain a long-term economic balance while narrowing the social gap caused by uneven financial inclusion. The Bank is devoted to promoting inclusive access to financial products and services via investment and new technology, under the '3Ps' framework (Products and Services, Partnership, and People Financial Literacy). The Bank strives to become a digital bank that offers financial services to all customer groups via digital platforms in a way to diminish the banking service gap while building a solid foundation for financial literacy and skills.



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50

SCB EASY

Mobile application for comprehensive financial services on mobile phone

Over

With average monthly of

13.1

38

million users

transactions made per user



**EASY INVEST** 

Mobile application offering investment management service by Robo Advisors technology or automatic portfolio design and management



In 2021, SCB helped increase access to online loan services for

**Low-income customer** earning lower than 15,000 baht

42,349

customers

Approved loans of

679

million baht



## sSME Customer

including freelancer, new entrepreneur, online merchant, and entrepreneur seeking to expand business

Over

35,300

customers

Approved loans of

2,802 million baht



SCB EASY No-fee Savings
Account: A Step towards
Inclusive Financial
Accessibility

SCB's existing and new customers can conveniently register any new savings account online without fee or minimum deposit via

- SCB EASY
- Banking Agent's identity
  authentication service point
- ATM, and
- National Digital ID (NDID) via other bank's mobile application

More than

554,000

registered accounts as of December 2021

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Selected financial innovations and investment in 2021



FINNIX: The Nano-Finance Application for Freelancer and Retail customer

A solution to household debt and loan sharking

In 2021, SCB's MONIX launched "FINNIX," a legal digital lending application, targeting freelancers, low-incomers, and retail customers. These clients often lack financial statements and sufficient collateral to access loan services at established financial institutions or banks, but with FINNIX, they can apply for loans 24/7 through smartphones.

The FINNIX operating system is run by Al technology and Machine Learning (ML), which enables a faster, more comprehensive, and accurate customer risk assessment on a global security standard.

More than

5 millio

million downloads Loans supports of over

6

billion baht



#### ATM for the Visually Impaired

SCB seeks to leverage digital technology to enhance financial inclusion for all service recipients, and thus developed a new ATM feature to accommodate visually impaired customers in 2021. By selecting the braille-dot button, visually impaired customers can safely and conveniently perform ATM transactions by themselves with voice assistance from start to finish. In the pilot stage, the new feature is available at 5,700 ATMs nationwide.

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**Enhance Business** Capability Towards a Sustainable Success





# **SME Academy**

Thai SMEs today are confronted with fierce competition in both domestic and international markets, as well as challenging environments and factors -particularly in terms of knowledge improvement, which is a foundation for sustainable growth. Therefore, the Bank set up SCB SME Academy in 2019 as a community of business knowledge to strengthen SME competence in all dimensions. The Academy currently offers 5 major curricula encompassing comprehensive knowledge and insights from seasoned mentors who are leading experts and successful entrepreneurs.

#### The DOTs

Curriculum to enrich professional skills, prepare SMEs for family business succession, and help them thrive sustainably in a digital era

#### IEP - SCB Intelligent Entrepreneur Program

Specialized curriculum to sharpen entrepreneur vision, introduce new business tools, and learn from the real experiences of successful SMEs

#### ITP - SCB Intelligent Trade Program

Curriculum to broaden business acumen in trade and exports to international markets, helping SMEs to stay buoyant in an ever-changing business environment In collaboration with New Economy Academy Department of International Trade Promotion

#### IBE - SCB Innovation Based Enterprise

Curriculum to nurture knowledge and innovation integration into business strategy In collaboration with NIA Academy

#### **Mentor Building Program**

The top curriculum to groom existing SMEs to become mentors who help the next generation SMEs attain their business success

SCB SME Academy welcomed more than

participants in 2021

Providing over

learning hours per participant  $\langle \equiv \rangle$ 



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# Saphan Digital

In 2021, the Bank collaborated with Google Thailand, Ministry of Commerce, and Department of Business Development to take part in the "Saphan Digital" program, which aims to provide assistance and knowledge for SMEs, NGOs, and the general public in starting and expanding business. The program offers free online lessons that allow learners to cultivate basic business knowledge and digital skills, leverage advanced digital tools to improve their business, and learn from real experience.





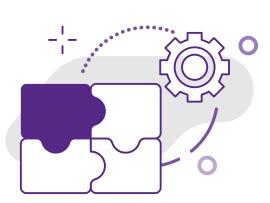




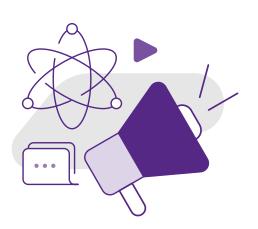


Under this collaborative efforts mentioned above, the Bank has curated and developed 4 lessons for the entrepreneur as follows:

## 4 lessons curated for entrepreneur



Financial Literacy for SME



Marketing Technology for SME



Financial Literacy for Wealth Management



Design Thinking These lessons received over

13,000

views

in 2021

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at a Glance

SCB

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**Build Literacy** and Discipline towards Financial Freedom



Household debt has been a critical challenge to Thailand's financial wellbeing, especially amidst the current economic storm. To solve the issue, Thai people must be equipped with a wellfounded financial plan, financial discipline, and financial security.

SCB recognizes the role of financial literacy as a foundation to a decent life and thus introduces various initiatives to nurture financial management knowledge and skills among students, employees, teachers, and farmers, in hope to uplift Thailand's financial well-being and pave the way for sustainable and healthy economic growth.

# 3 Approaches to Achieve Financial Discipline



#### Saving

- Financial Discipline
- Needs vs Wants
- Financial Planning
- Income and expenses tracking



Primary Education

SCB Savings Mission



#### Expenses Management

- Understand income plan for the expenses
- Manage the income (saving before spending)

Identify Financial Timeline

Set a financial goal



#### Investment

- · Invest in stock market, aligned with risk levels, and returns
- Investing to grow a business



Secondary Education

SCB Savings Mission



#### Under Graduate/ First Jobber

- Smart University
- · Millionaire teenager
- Saijai Money Initiative
- · e-Learning Saijai Money



Working Age: Employees/ Teachers/ Agricultural Workers

· 10 day journey with Khun Nai Aom · Spend to have money · e-Learning Saijai Money

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# Target Group: Student

#### **SCB Savings Mission**

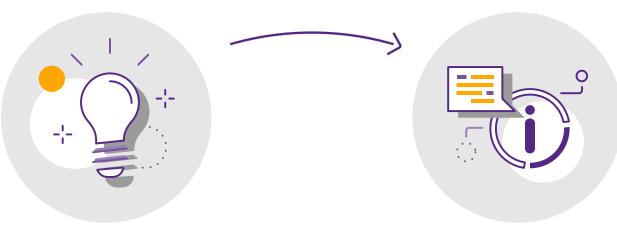
Financial management is a compelling life skill that should be nurtured from a young age so as to build a solid foundation both for individual development and sustainable growth. In 2021, the Bank collaborated with 230 primary schools to arrange the "SCB Savings Mission," which was later adjusted to online learning due to the COVID-19 pandemic.

#### Inspire

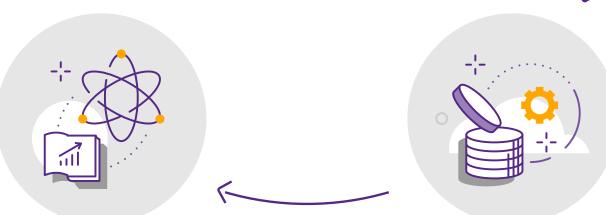
Fostering an inspiration to leverage a 'Sufficiency Finance' concept based on the principle of sufficiency economy

# Share

Sharing through the "PPQC Model"







# Reflect, Connect and Apply

Cultivating the Lesson-learned and applying them in real classrooms

# Play and Learn

Learning by doing with "SCB Savings Mission"

After joining the activity, the Bank hopes that the teachers would extend the know-how to improve teaching and nurture financial discipline among students via media and blended-learning approaches: such as board games and video. These approaches would enable students to learn by real experiences-from identifying necessary and unnecessary expenses to setting financial goals and savings plans. One of these learning-by-doing practices is through Kaemling (monkey cheeks) Book-Keeping.



SCB organized online activities that gathered more than 180 teachers from 61 schools in 2021.

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Target Group:

**Sustainable Finance** 

# Smart University & Financial Literacy Program

**University Student** 

The Bank joins hands with Thai universities to organize financial literacy activities and initiatives under the 'Smart University' concept. The program aims to build awareness among students on the importance of financial planning and also train them to employ financial instruments to attain the targets of savings, investment, and debt management—a foundation towards a financially secured future. The initiatives were conducted through the blended learning approach, which encompassed pre-assessment, learning activities, posttest, and exchange of experiences between instructors and students.

The activities were joined by over

11,900 students

in 2021

#### Teen Millionaires

In partnership with Mahidol University, SCB has continued the financial literacy program for university students since 2019, in an effort to prepare them for career opportunities in an ever-changing digital era. In 2021, the Bank launched the 'Teen Millionaires' program to enhance knowledge and essential skills to earn income in the digital age. The program consists of modules on financial and business management, together with an active learning workshop instructed by successful business leaders on how to do a business in a digital era.

#### 4 Learning Modules



#### **Finance**

- Passive income
- Financial planning, saving, and investment



#### Entrepreneur Mindset

- How to start a business
- Brand Building
- Digital Marketing



## **Local Business**

- Basics of starting your own business/ online business
- Brand building in a digital age
- PitchingTechnique



# International Business

- Expanding online business to the international market
- China and online commerce
- Entering CLMV markets



1 Activity: Learning by Doing

# Becoming an Influencer/ Key Opinion Leader

- How to earn as an Influencer/
   Key Opinion Leader
- Influencer Marketing
- Content Marketing

#### Blueprint

Presentation Activity

In the academic year 2022, SCB aims to help more than

4,000

students
prepare for their
future career
opportunities.

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57

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# 'Saijai Money Initiative' Joint Project with the Thai Bankers Associations and 11 commercial banks

SCB has taken part in the joint project 'Saijai Money Initiative' since 2018, to equip students with financial knowledge and comprehension before they enter the labor market. In 2021, 40 SCB volunteer staff organized knowledge-sharing activities for more than 340 students from various universities. Throughout the past 4 years, SCB has contributed to enhancing the financial literacy of over 2,000 university students.



Target Group: Employee and Working People

#### Financial Literacy the Series for SCB employees

Throughout 2021, SCB consistently enhanced financial literacy among SCB employees through SCB We Share—a digital community to exchange, learn, and share knowledge. Key activities under the topic of debt management include 'How to wisely manage your money, work out of debt, escape poverty, and ride out the pandemic' and 'How to achieve financial freedom and live happily after retirement'—which was well-received among employees.



SCB recognizes the importance of financial planning, income-expense tracking, and debt management in nurturing practical financial disciplines among the jobber. To foster knowledge and understanding of such elements, SCB launched the '10-Day Journey with Khun Nai Aom'—an online financial literacy session and sequel to our successful 'Mrs. Savings The Series'—to help outline a financial learning pathway for employees using SCB 'Mee-Tung' payroll solution.



24

online knowledge sharing sessions



Over

1,700 employees

participated in the activities



Offered more than

30 learning hours



# over 560 employees

from various companies have participated in the learning journey, accumulating over 15 learning hours per person on average

Message from the

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Creating Social Impact

at a Glance

SCB

Better Environmental Future



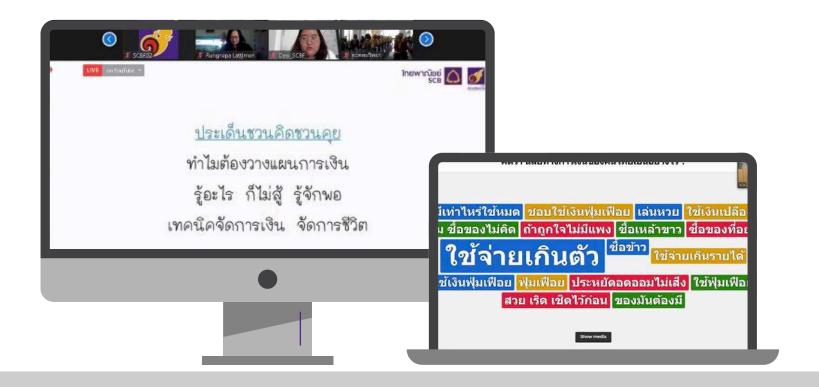
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# Target Group: Teacher, Education Staff, and Farmer

# Online Workshop: "Not-So-Secret Tips to Manage Money and Debt"

The Bank arranged an online workshop for teachers in Sisaket province under the education innovation pilot program to foster effective debt management based upon the philosophy of sufficiency economy. The workshop introduced a myriad of life and money management techniques that teachers can endorse to establish good personal finance and share in class with their students. More than 130 teachers and staff participated in the online workshop in 2021.

Furthermore, SCB is working on the e-learning course "The Thais Saijai Money," especially for teachers from vocational schools in partnership networks and students under the vocational training program supported by SCB. The e-learning course aims to build knowledge on financial management and will be launched at 2 pilot schools: Baan Kai Technical College in Rayong province and Chonburi Technical College.



# Online Activity: "Spend Money to Earn Money" Think and Talk with Thai Farmers

The Bank has initiated the online learning media "Spend Money to Earn Money-Think and Talk with Thai Farmers" in order to enhance basic financial knowledge such as categorizing assets by necessity, saving money, household bookkeeping, and understanding the impacts of indebtedness. The learning media will be ready to share in session with teachers and farmers in the SCB partnered network within 2022.



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at a Glance

SCB

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Sustainability

at SCB



# Creating Social Impact





Message from the **Board of Directors**  SCB at a Glance Sustainability at SCB

Special Reports **Commitments towards** a Sustainable Future

Strengthened Foundation

Factbook

60

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**Creating Social Impact** 

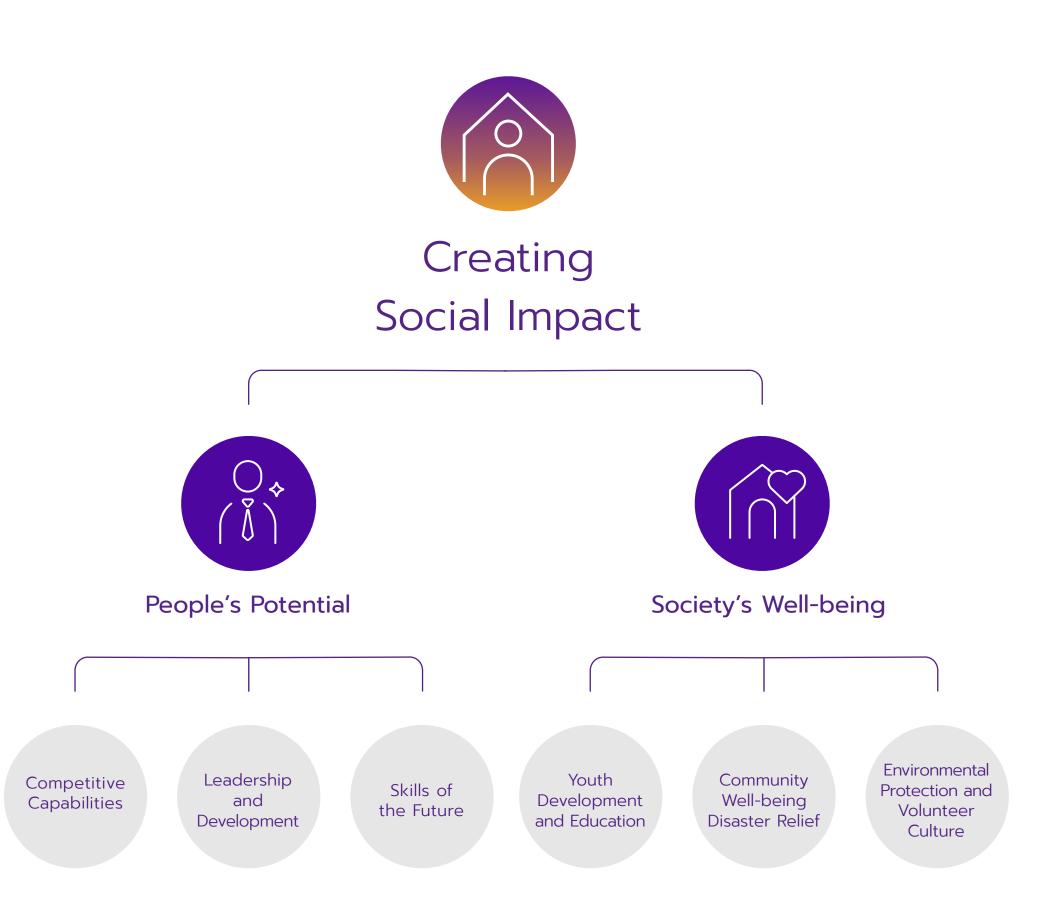
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# Creating Social Impact

Quality citizens and society are key mechanisms in driving economic growth and sustainable development. Fostering capabilities and skills that correspond to ever-changing market' needs, improving the education system, and enabling Thai citizens to develop self-reliance and agility, therefore, remain fundamental issues which require collaborative efforts from all sectors. The purpose is to align business and social development with sustainability development approach, which emphasizes acceleration of inclusive growth and reduction of inequality without leaving anyone behind.

#### **Our Commitments**

Believing in people's potential to create and pass on positive social impact, SCB is committed to fostering skills of the future, from essential basic skills for everyday life to necessary skills in managing challenges and handling a rapidly changing environment, in conjunction with society's well-being advocacy. This is to become a learning organization, building digital community to self-reliance community.



Special Reports **Commitments towards** a Sustainable Future

Strengthened Foundation

Factbook

61

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**Creating Social Impact** 

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# 2023/ 2025 Target



Increase the share of SCB employees with STEM capability.



Provide learning on digital and career/ business essential skills to 1 million people by 2025.



Build engagement and provide social benefit to 1 million people through corporate social responsibility programs.

# **2021 Performance**

11% of SCB current workforce has STEM capabilities

Helped more than 300,000 Thais access training to develop digital skills and and skills of the future

Over 670,000 youths and people from different communities participated and received benefits from the Bank's corporate social responsibility activities

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# Key Performance/ Initiatives in 2021

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Continue to Grow and Deliver Value with 'Lean' Methodology



Since 2019, SCB has been adopting agile and lean work methodologies under the DMAIC framework to increase flexibility of the work process, terminate repetitive procedures, and encourage internal and cross-team collaboration. This allows the Bank to respond to customer needs in a quick manner, resulting in greater outcomes through increased productivity.

In addition, the Bank continues to support and organize learnings on a Lean methodology for more than 10,000 employees in order to embed Lean principles in their everyday work and to create continuous improvement in work process. The learning can be categorized into the following levels including:

	Level	Participant
Foundation	Basic understanding on Lean principles and its application	11,369
White Belt	Knowledge readiness for application in every tasks and operations	599
Yellow Belt	Knowledge readiness and application for process improvement	79
Green Belt	Knowledge readiness and application for process improvement which generated more than 500,000 THB of financial benefits per project	74
Black Belt	Knowledge readiness and application for process improvement which generated more than 1,000,000 THB of financial benefits per project	40



Define

Problems and set target



Measure

the problems



Analyze root-cause



Improve and develop new process



Control and measure

performance within satisfactory level

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## Case study: Lean Out Loud (LOL)

Since 2020, the Bank has initiated a Lean Out Loud (LOL) program to continuously build a consistent and bank-wide understanding toward increasing the efficiency and productivity of the work process. In doing so, representatives from participating units attend an intensive Lean Principles workshop, select internal processes that need to be improved as a case study, and apply the concepts in their everyday work.

#### from 2020 to 2021







184

employees

participated in the program

49

processes

developed and improved

42

THB millions

of cost reduced







184

Leaners

28

Lean coaches

22

Lean facilitators



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Strengthened Foundation

Factbook

book

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**Creating Social Impact** 

Better Environmental Future

02

Career Mobility Program



Career Mobility Program is part of the Bank's strategic human resources management approach to allocating manpower proportionate to the work, while uplifting employees' capabilities to learn and grow with the Bank. Accordingly, preparing employee's readiness through Career Mobility Program is crucial in reskilling both soft skills and technical skills for employees in preparation for future business change and disruption, while assuring their career growth.

In 2021, the Bank initiated Career Mobility Program by adopting 70:20:10 model and blended-learning tools, such as workshop, assignments, gamification, and videos. Periodic reviews and assessments are assigned to ensure employees' ability to learn and foster their self-development to reach full potential.

## **Development Process**







**Build Mindset** 

**Mobility Program** 

Job Assignment

#### **Development Tools**







On-the-Job Learning

Learning Through Others

Formal Learning

#### **Contents**









Products

System

**Process** 

Skill

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Leadership Development and Learning Organization

The Bank continues to foster leadership skills and human intelligence for current and future workforce in order to groom leaders of the future who can lead high-performance teams, steer organizations to its goals, adapt to rapid change, and create shared-value to organization and society.







**LEADING STRATEGY** 



**LEADING EXECUTION** 



**LEADING TEAMS** 



**LEADING PEOPLE** 



**LEADING SELF** 





Human Intelligence



#### Thinking Critically

- Creative Thinking
- Decision Making
- Complex Problem Solving



#### Interacting with Others

- Collaboration
- Communication
- Influencing



# **Staying Relevant**

- Learning Agility
- Self-management
- Digital Fluency

Special Reports

**Commitments towards** a Sustainable Future

Strengthened Foundation

Factbook

66

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To achieve its goals in developing both leadership skills and human intelligence described above, under the Work From Anywhere arrangement in full effect, the Bank continued throughout 2021 to promote self-directed learning towards becoming a Learning Organization through a blended-learning approach, which aims to promote engagement and effective learning. At the same time, customized learning programs are designed and offered to meet learning needs of individual business unit with a wide variety of contents available in different mediums. Corresponding to the changing context and learner's behavior in a digital era where 'time', 'value', and 'variety' are emphasized, and learning through digital platforms are encouraged.



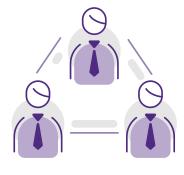
Practice



Online



Virtual



Community



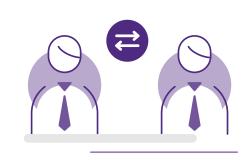




Coach



Project



Buddy



Mentor

Message from the Board of Directors

Sustainable Finance

SCB at a Glance

**Creating Social Impact** 

Sustainability at SCB

Better Environmental Future

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

tbook

67

# SCB Leadership Development Programs



#### Flagship Programs

Fundamental programs for leadership development at organizational level such as

- SCB-IMD: Building on Talent
- SCB-IMD: Digital Transformation
- Essential Practices to Lead People
- Virtual Leadership Program
- Becoming a Multiplier



#### **Customized Programs**

Tailored programs to foster leaders at business unit level such as

#### **Alternative Channels**

• Leading High Performing Teams

#### Wealth

• Leadership & Coaching Tools

#### Technology

• Learn to Lead (L2L)



#### Micro Learnings

Bite-sized, digestible and applicable learnings for all levels of employees

- Coaching
- Leader communication
- Leading Change
- Thinking Critically
- Learning Agility



## **Learning Platforms**

To develop leaders and employees at all levels

- PacD Mobile App/ AAP
- YourNextU
- SCB Academy SharePoint
- Leaders Portal
- Career Coach

24 programs, 68 learning sessions and workshop by Internal facilitators

5 programs, 51 learning sessions and workshop by external facilitators

3,229 employees participated in the trainings

93 clips

10,239 self-directed learnings completed

by

3,525 learners

Over

161,000 self-directed learnings completed with engagement from

More than

6,100

employees

through Leaders Portal

The Siam Commercial Bank Public Company Limited | Sustainability Report 2021

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# Case study: Customized Leadership Programs

With the readiness of contents and tools available for learning, combined with understanding in different business contexts of each business unit, in 2021, the Bank designed customized programs to foster leaders and leadership characteristics, appropriate to each business unit and subsidiary company. The program design process takes into account pain points and needs, expectations, and understandings of the business unit both before and during its delivery. Surveys are conducted to continuously develop and monitor learners' behavioral changes after the program completion.

#### '3E' Learning types to foster effective leaders



**Education** for self-learning



**Exposure** for learning with others



**Experience** learning from practice











Digital Learning/ Micro learning

Live Learning & Reflection

Pre & Post
Self-assessment
(For behavioral change)

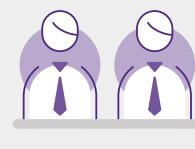
Practice & Apply

Reflection & Graduation





Coaching



Buddy



Experience Sharing

Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

.

69

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Customized Programs utilizes blendedlearning approach and learningreflection, while providing opportunities for systematic and consistent selfdirected Learning through 'Digital Learning' along with other types of learnings such as through video clips, podcasts, articles, and learning from experienced others through Leaders Portal, a community gathering knowledge and tools for leading teams as well as essential skills in the 21st century, all readily available for employees to learn and apply in their daily work. At the same time, employees can also uplift themselves through conversations with coach through Career Coach, platform where the Bank's executives work as coaches to build employees' awareness on career development, professional growth, and handling change. Coaching sessions seek to help employees see opportunities in creating values for

themselves, for others, and for the organization.

Designing blending-learning specific for each business unit, with a system to ensure that employees have the required knowledge readily for abovementioned tasks. This system does not only encourage employee's ability to drive business result through teamwork, communication, and increase engagement in team-bonding, but also function as a crucial part in supporting the Bank to become a Learning Organization with limitless learning opportunities to improve work quality and create innovations that align with the Bank's vision, mission, and goal, while responding to customer'.



2,478

# employees

developed their leadership skills and capabilities through Customized Programs



**Average** 

84.85

Net Promoter Score (NPS)



Reduced over

1,600,000

million baht

from not having to engage external coaches and consultants

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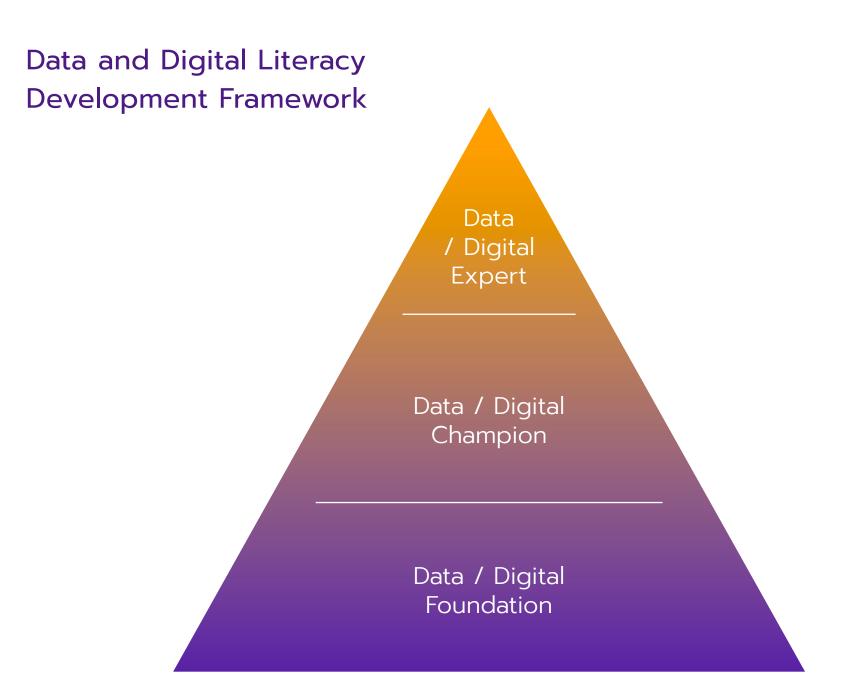
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Building Future-ready Workforce and **Digital Community** 



Uplifting employees' readiness at all levels to develop knowledge and skills in working and making data-driven decisions, consequently improves the Bank's efficiency in becoming a digital organization, while adding value to customer-centric business opportunities. SCB continues to implement Data and Digital Literacy Program by measuring and assessing employee capacity according to the Gartner Digital Government Maturity Model. This is to ensure that employees are able to effectively utilize and analyze data tools in their everyday work, which is monitored by real-time dashboards.



of employees have data and digital skills increasing from 2020 when only 27% of the employees have such skills. 11% are Data Champion, and 10% are Digital Champion compared to that of 2020 when the percentage was at 10% and 12% respectively.

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

:book

71

Sustainable Finance

**Creating Social Impact** 

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# Road to Data Champion for Employee at Branch Network

The Bank designed and developed 'development roadmap', that is suitable for each business unit. This was implemented by adopting the Frame-Prepare-Analyze-Interpret-Communicate process, which applies project-based learning and blended-learning, which covers self-paced learning, workshop, implementation, and presentation. Such multi-disciplinary approach ensures that participants are able to effectively utilize and analyze data in decision-making.

#### Skill Development Framework to Data Champion

# Data Analytics for Upskilling



Collaborated with Asian Institute of Technology (AIT) in organizing online training

- Basic data analytics and data science
- Critical thinking for data analytics
- Power BI
- Data Visualization
- Data story telling

# Data Group Coaching



Consult with business and data analytics coach and use own's data for learning, planning and decision-making

# Data Analytics for Tools



Introduce data analytics tools including Excel,
Power BI, SQL and Python

#### Data Showcase



Present results that show

- Business benefits
- Applicability and depth of data
- Data presentation
- Data storytelling
- Creativity

## I Know Our (Data) Tools

In 2021, the Bank developed "I Know" online knowledge-sharing platform on internal Microsoft SharePoint to serve as a communication and data and digital technologies knowledge management. This platform is accessible by all employees covering knowledge, techniques, tips, and tools such as Microsoft Power BI, Microsoft Power Platform, SQL which have been carefully curated for self-learning in one platform.







15 podcasts and videos



Over

6,100 Clips



Access by more than 1,900 employees

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72

Strategic Platform and Partnerships

Digital skills and capabilities development are crucial not only for SCB employees, but also essential to the nation's economic structure and growth, which is driven by digital technology. Consequently, the Bank seeks to leverage its expertise in knowledge management and skill development in order to build public learning platforms for fostering skills of the future in this digital era.

SCB partnered with different entities in creating career opportunities and life success through various platforms.

#### Target group:



Thai people and general audience

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2018 พลเมือง 🗖 🏧

#### Website: Phonlamuangdee.com

Knowledge hub for reskilling and upskilling to create career opportunities in the digital era **More than 273,960 users** 

#### Facebook: Phonlamuangdee

Online community for the Bank's partner and those interested in digital trends and self-development opportunities

More than 50,000 users Over 5.7M accesses to the knowledge source

#### 2021

## Website: pmd.academy.com

Learning hub for those looking to upskill for a career in the digital era and for those wanting to share their knowledge without compensation 14,000 learners with more than 50,000 courses completion

#### Facebook: LBL Brainery

Community for those interested in 'Learning How to Learn' for brain's efficiency improvement, which is fundamental to other areas of learning

Over 20,000 followers More than 404,000 accesses to learning

#### Target group:



Thai people and general audience



The Bank's customers

2021



### Website: kaorag.com

Space for self-discovery, finding the right job, application sources recommendation, and opportunity to developing the right skills for a new career.

## Kaoraek App

adopting technology in creating career opportunity in collaboration with pmd X ScoutOut



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Our trusted users include: 4,881 companies 296,605 candidates 115,385 job positions

#### Website: learning.kaorag.com

Learning platform for the Bank's partner in uplifting skills and building career opportunities

More than 20,000 users

Foundation

73

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Message from the

**Board of Directors** 

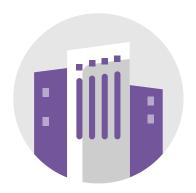
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at a Glance

SCB

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## Internal and External Learning Sources



#### **Internal Learning Sources**



1,772 training courses 857,974 hours of training



2,402 learning videos 632,000 views 119,000 hours of learning



More than **8,500 employees** accessed and participated in selflearning of over 300,000 times



## **External Learning Sources**









achieve

2,046 employees accessed and completed more than **9,655 learnings** 



273,960 users

Access educational information of over 5.7 million times



## People Development Performance

Total cost on employee development: 115 millions baht

#### **Human Capital Return on Investment**

Performance Indicator	2018	2019	2020	2021
Human Capital Return on Investment	3.50	3.87	3.84	4.25

## **Employee's Training Hour**

Performance Indicator	2018	2019	2020	2021	2021 Target
Average training hour (hour/ person)	71	68	49	45	40

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Supporting **SMEs** 



Restaurants, shops, and small-medium enterprises are still pivotal to the country's economy, and remain connected to the lifestyle of the Thai population as it always has been. Subsequently, SCB continues to support business knowledge and foster skills, while bridging networks of entrepreneurs and industry sectors to uplift their business competitive capabilities.



'Robinhood' the first Thai no GP fees food delivery platform, for Thais

Driven by commitments to helping small restaurants to overcome challenges from the COVID-19 pandemic and enabling them to operate their business for sustainability, the Bank blends its financial expertise and technological capabilities to develop food delivery platform under the name 'Robinhood'. The platform follows a social enterprise model to solve problems and expand online sale opportunities to small restaurants, riders, and consumers. This is to build a strong and sustainable ecosystem. Robinhood ambitious goal is to ultimately become a digital fulfillment and lifestyle platform.

In 2021, more than 164,000 small restaurants, over 26,000 riders, and 2.3 million consumers were connected through Robinhood. Additional services, such as Online Travel Agent, Mart Service, and Express services are being rolled out in February 2022.

For more information about Robinhood, please see 'Special Report' on page **24-28** 



185,000 Merchants



Riders



2,450,000

Users

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## A Part of SCB Commitment to Youth and Education Development for Students at All Levels



Youth Development and Education



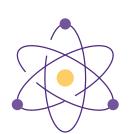
Because today's youth are key to the country's prosperous future, and that education is a powerful weapon to drive creative change that leads to sustainable development, the Bank continues to support social initiatives that encourage and provide youths educational opportunities develop skills of the 21st century. This is done in parallel with providing support for school institutions and teachers who act as both role models and transmitters of knowledge for children. These young people form an important foundation for the country's development to keep pace with future change.



**SCB** Challenges



ConnextED



Science and Technology **Scholarships** 



General **Scholarships** 



**Vocational Education Development Program** 

Building critical 21st century skills for youth, including:

- Creativity
- Critical Thinking
- Collaboration
- Communication

This was done through team-based competitions appropriate for each age groups.

Transforming educational development knowledge and tools from CONNEXT ED project to an online platform, "Online learning Khru Deegital".

www.khrudeegital.com

Promoting and uplifting youths with capabilities in science and technology, from secondary education to university levels, in order to develop them into quality scientists and researchers. and valuable citizens of the country. The Bank's supported institutes, includes:

- Vidyasirimedhi Institute of Science and Technology (VISTEC)
- National Science and **Technology Development** Agency (NSTDA) projects, including Junior Science Talent Program (JSTP-SCB), and Young Scientist Competition (YSC)

Providing educational opportunities for youths from secondary education to university levels, who have excellent academic performance and behavior, but lack of wealth, by gives them a chance to have a better livelihood in the society. This includes:

- Self-Sufficient Economy Scholarships
- Border Patrol Police Academy Alumni Scholarships
- Scholarships under Princess Maha Chakri Sirindhorn Foundation (PMSF)
- Scholarships from other educational institutes

Uplifting digital literacy of students, principals, board of directors, and educational personnel to meet the demands of industrial sector.

#### 2021 Performance

Over 400 teacher participated

Created engagement Provided 106 with 380 teachers

Scholarships

Provided 582 Scholarships

1,000 teachers and students accessed computers and software for industrial purposes

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Better Environmental Future

#### Vocational Education Development Program

Over the past decade, Thailand's industrial sectors have seen substantial growth. A factor that assisted in driving this development was human resources skill uplifting, especially for vocational students. This is to prepare the future workforce for growth in a rapidly changing industrial sectors, and technological advancement.

Therefore, in 2021, the Bank initiated Vocational Digital Literacy Project with an intention to uplift the quality of education, in order to respond to the industrial sectors' demands and aligning with global standards. The focal point of this project was to develop digital literacy for teachers, personnel, and students in two demonstration vocational colleges; Ban Khai Technical College in Rayong and Chonburi Technical College in Chonburi. This was done through a provision of computer equipment, internet, industrial software, ICDL digital skills examination. The project determines to uplift knowledge and working abilities of teachers and students to initiate and drive Digital Transformation in both colleges, consequently increasing the quality of the students to meet the demands of the industrial sectors.

## Digital Literacy Understanding and Adoption Roadmap for Vocational Education Development



## Phase 1 in 2021 provides equipment and improves basic infrastructure

- 100 computers for general use
- 20 computers for specific industrial use
- 4 Logitech cameras for online class and meeting
- Improve internet bandwidth and broadcasting capacity
- · Software for industrial use



## Phase 2 in 2021-2023 digitalizes way of work

Uplift knowledge and digital skills consistent with ICDL standards

- Computer skill
- Internet and computer network skill
- Microsoft Office
- Search, store, transfer of information technology
- Coding skill and IoT, Al
- Specific program for industrial use such as SAP, PLC, and Robotics
- Ability to utilize technology as part of knowledge management and communication



## Phase 3 in 2021-2024 monitor and assess outcomes

Evaluate student's before and after capabilities by using ICDL standards In 2021,

- 70-80% vocational students were able to use digital devices as expected
- 100% developed capability to use the internet and computer infrastructure
- 80% can effectively use Microsoft programs as well as specific program for industrial purpose
- 70% was able to apply search techniques and tools for optimal outcomes
- 20-40% developed the ability to write codes. This is a new set of knowledge and requires time to develop

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Message from the

**Board of Directors** 

**Creating Social Impact** 

Better Environmental Future



**Promoting** Community's Quality of Life



The Bank believes that good quality of life enables communities to create and effectively conduct businesses according to their roles as a cogwheel that drives society. Thus, the Bank supports initiatives that provide living and occupation assistance to ensure that people have access to basic needs and a healthy environment to build a strong economy and independent communities.

## Water Management in Thailand

Since water is crucial to the existence of all living beings, the Bank, therefore, supports projects that have allowed communities access to quality water sources for consumption, utilization, and sustainable farming. The support also includes floods and droughts prevention measures, and skill development for jobs, which consequently help generate income and sustainable quality lifestyle.



## **Water Source Development Project**

Since 2008, the Bank has supported the Utokapat Foundation, under the Royal Patronage of H.M. the King and Hydro-Informatics Institute in managing water community, by adopting the royal thought and approach of using science and technology to establish water map and connecting water network sources. This is to develop sustainable water storage and prevent or mitigate flood-drought as well as rehabilitating original water sources, expanding water storage for agricultural and consumption.



SCB expanded program support for

15 more communities in 12 provinces



6,100 Beneficiaries and households



Increase water supply by

300,000 m<sup>3</sup>

which benefits

12,400 rai

of agricultural area



Have

28,250 litres

of clean drinking water which helps save

2.3 million baht per year

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Foundation

Sustainable Finance

Message from the

**Board of Directors** 

**Creating Social Impact** 

Better Environmental Future



## Water for a Better Life Project

Since 2014, the Bank collaborated with Royal Air Force Disaster Mitigation Center in the 'Water for a Better Life Project' to assist schools and communities that suffering from water scarcity by supporting water tanks donation, water filter stations, construction of necessary buildings, and solar-powered water pump and filtration system. The local communities are engaged and revolved since the start of the project to ensure the project's sustainability.



## **Network of Community Disaster Alert**

Cooperate with the Friends in Need (of "PA") Volunteers Foundation, and Thai Red Cross, in order to uplift and support surveillance management of water disasters that could occur to the community, and effectively prepare for the natural disaster.



The Bank helped over

4,500 students

and communities in 5 provinces including Nakhon Ratchasima, Nakhon Sawan, Sa Kaew, Prachuap Khiri Khan, and Surat Thani to have clean water and consumption



A total of more than

50,000 people

in

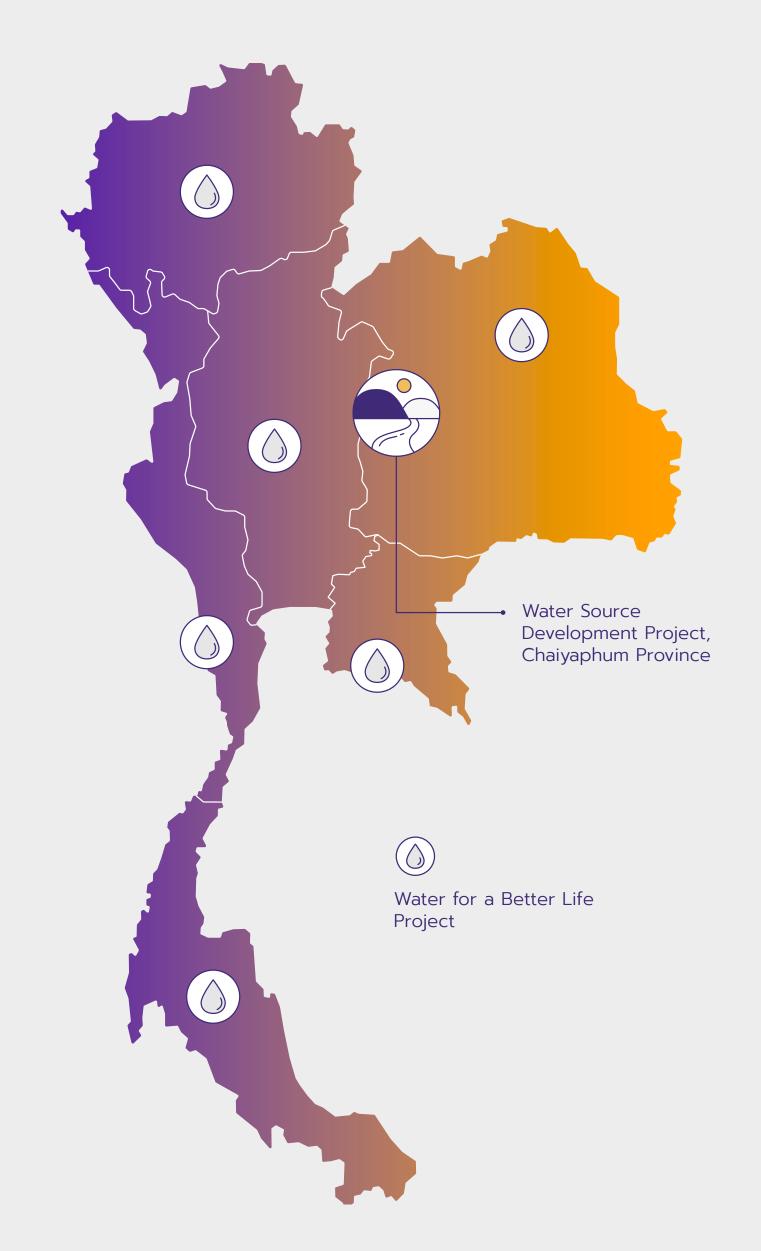
48 communities since the project inception



Save at least

3.4M baht per year

on electricity for pumping and purchasing community water





Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports **Commitments towards** a Sustainable Future

Strengthened Foundation

Factbook

79

Sustainable Finance

**Creating Social Impact** 

Better Environmental Future

## SCB Contribution to Natural Disaster Relief and Assistance

SCB collaborated with governmental entities, organizations, and partner networks in providing assistance to those impacted by natural disasters, in order to alleviate the burden and provide emotional support to return to their normal way of life.



#### **Immediate Relief**

Through partnered networks, SCB delivered a total of **10,000 'Happy Bag'** to those in need in different provinces including Nakhon Ratchasima, Sukhothai, Phra Nakhon Si Ayutthaya, Khon Kaen, Sing Buri, Surat Thani, and Chaiyaphum.

Through the Royal Air Force Disaster Mitigation Center, **4,000 blankets** were delivered for 9 consecutive years to those facing cold weather in North and Northeastern region.



#### **Recovery Relief**

A strike of Tian-Mu tropical storm in mid-2021 destroyed over 3,500 rai of rice fields, belonging to 215 agricultural households in Non Tae community in Chaiyaphum province, which is a community where water management of 215 households has been supported by the Bank. As a result, the Bank provided over 20,000 kilograms of rice seeds to impacted farmers to sustainably return to their livelihood.

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Better Environmental Future



The COVID-19 pandemic has not only caused impacts to global economic system, but also universally affected the livelihood of everyone in a society. The Bank then collaborated and worked with government, private, and public entities to alleviate the impacts and build herd-immunity in order to help Thai people to return to their normal way of life.



#### **Vaccination Center**

Established the COVID-19 vaccination center at SCB Head Office, and provided vaccine access to over 200,000 people.



#### **Medical Equipment**

Provided financial support and medical equipment to initiatives and programs that help combat the pandemic, such as setting up field hospitals, donating medical equipment, and COVID-19 test kits.



#### **Field Hospitals**

Utilized the Bank's assets in setting up two field hospitals at Samut Songkhram and Buri Ram with over 3,500 beds

For more information, please see 'Special Report: Resilience Through and Beyond COVID-19' on page 29-35



#### **SCB Blood Drive**

As a key supporter of the Thai Red Cross, the Bank has been continuously organizing blood drives for 25 consecutive years through providing supports for blood donation unit, blood drive events in cooperation with National Blood Center, and educational public relation works, in order to expand donators network to employees and the public.



In 2021

The Bank organized

26 blood drives

which saved more than

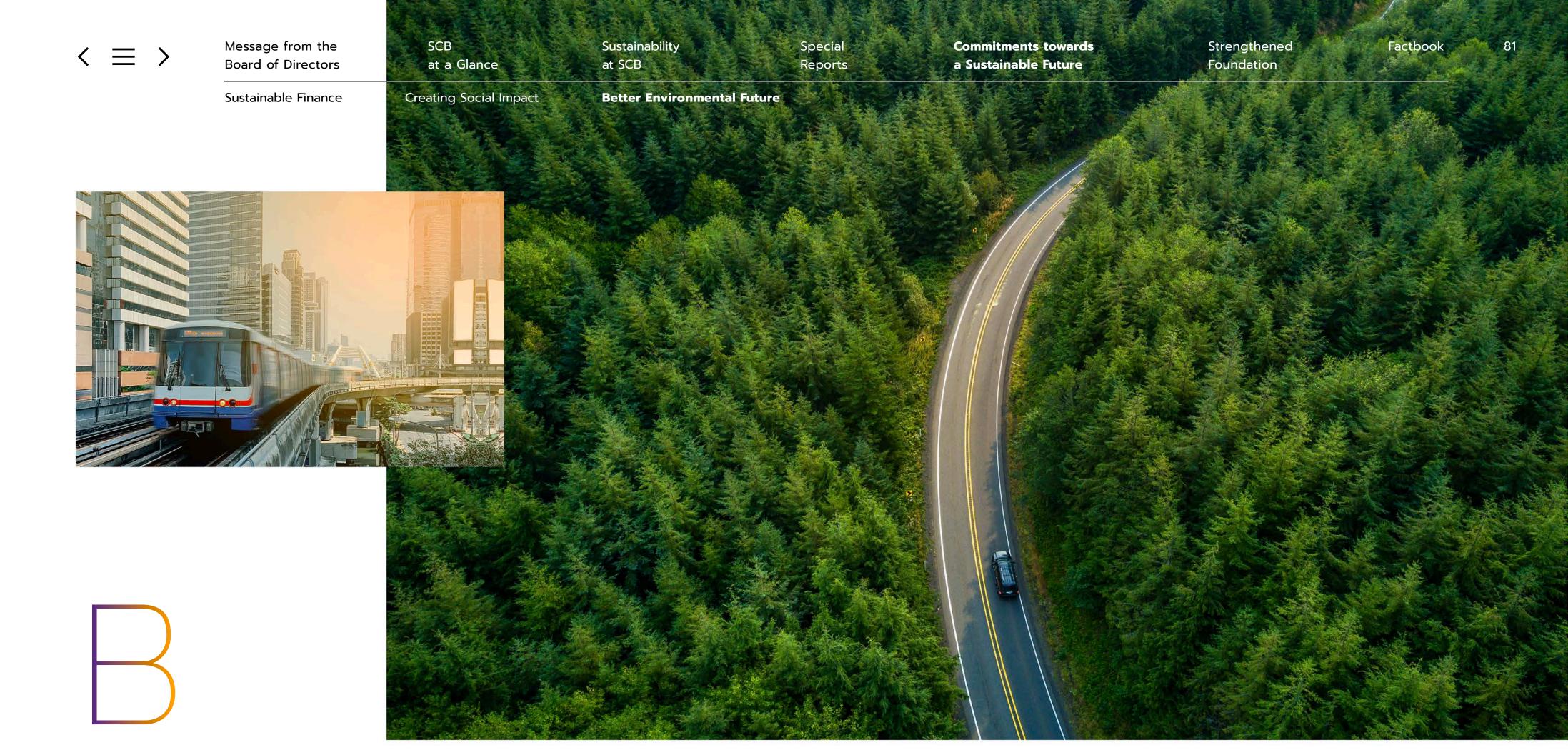
188,160 lives

the Bank collected and delivered

25
million cc
of blood

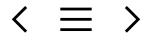
from

62,720 donors



# Better Environmental Future





Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports **Commitments towards** a Sustainable Future

Strengthened Foundation

Factbook

82

Sustainable Finance

Creating Social Impact

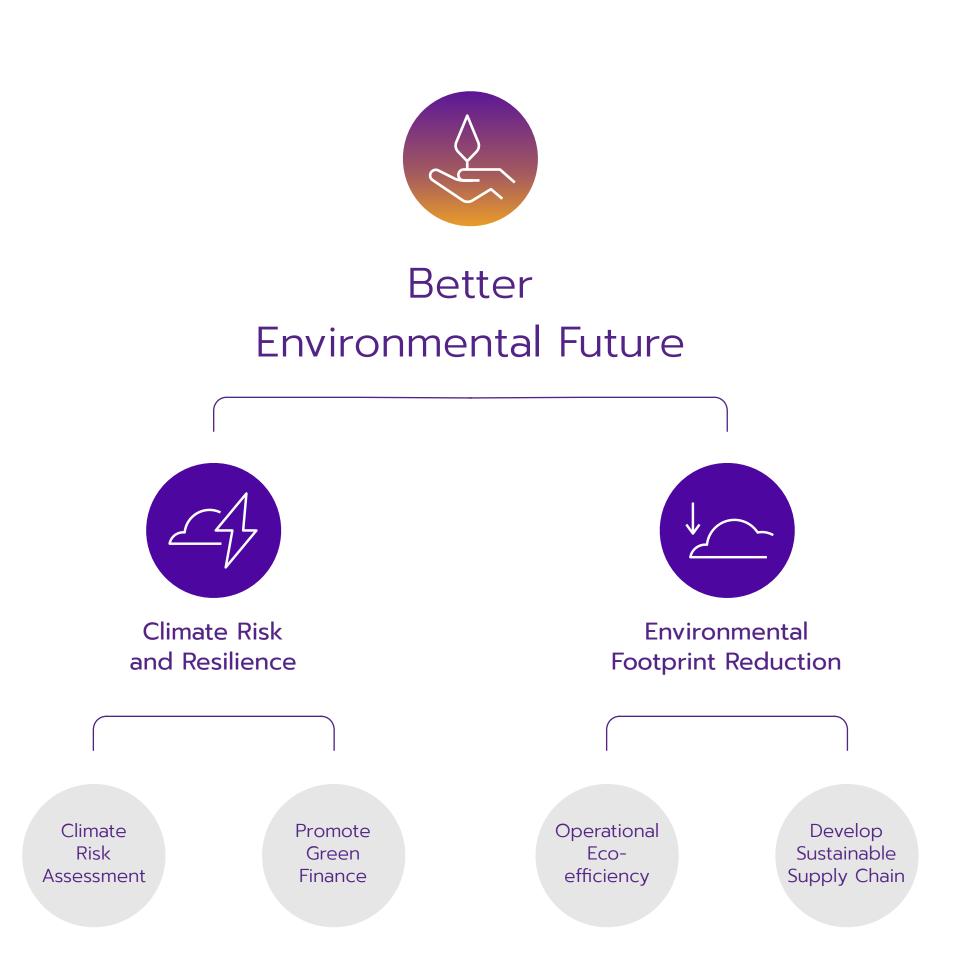
**Better Environmental Future** 

## 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.



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## 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.



Message from the **Board of Directors** 

SCB at a Glance Sustainability at SCB

Special Reports **Commitments towards** a Sustainable Future

Strengthened Foundation

Factbook

84

Sustainable Finance

**Creating Social Impact** 

**Better Environmental Future** 

2021

2022

## Key Performance/ Initiatives in 2021

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 bankwide 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

Appointed the Climate Risk Assessment Taskforce to identify approaches for 2020 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).

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.

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.

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Promoting **Green Finance** 

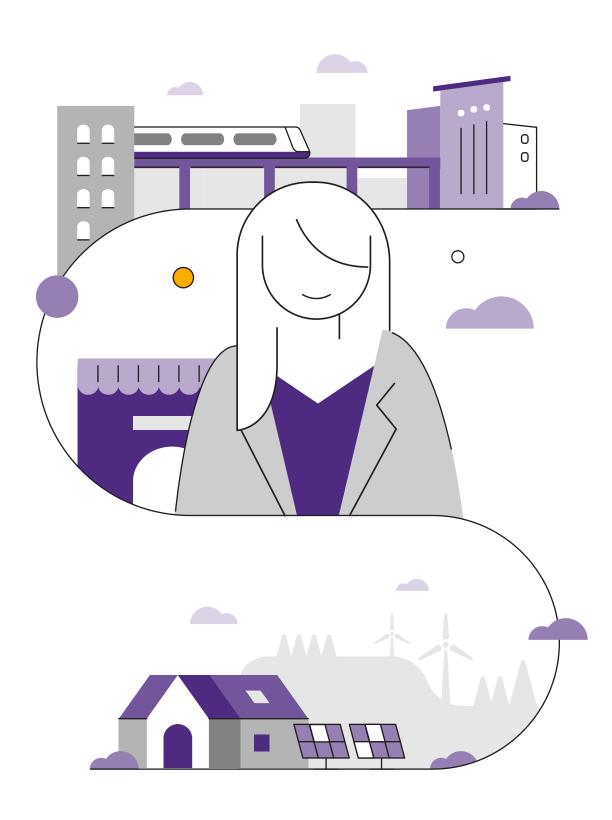


As a bank, SCB acts as a financial supporter and source of funding that help promote economic growth as well as sustainable development. Recognizant of the Bank's contribution in preventing and mitigating impacts from climate change, SCB seeks to provide financial assistance to businesses that take part 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.



Sustainable Finance

**Creating Social Impact** 

**Better Environmental Future** 

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.

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**Better Environmental Future** 

Operational **Eco-Efficiency** 



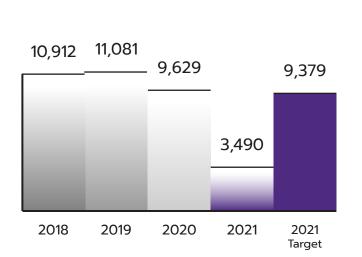
To ensure that the Bank's business operation contributes to mitigating environmental impacts and that SCB employees recognize the resource value and efficiency, the Bank not only operates in strict compliance with environmental laws and regulations, but also strives to promote bank-wide adherence to 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.

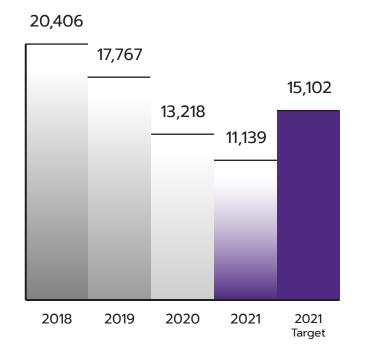


Greenhouse Gas Emission

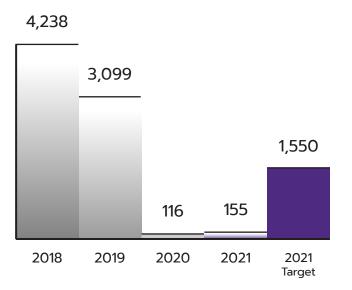
(tonnes of carbon dioxide equivalent)



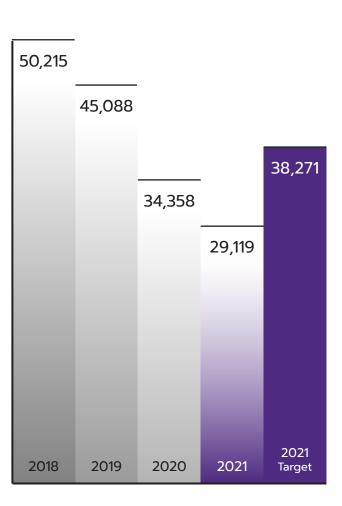
Scope 2 (tonnes of carbon dioxide equivalent)

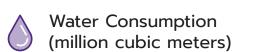


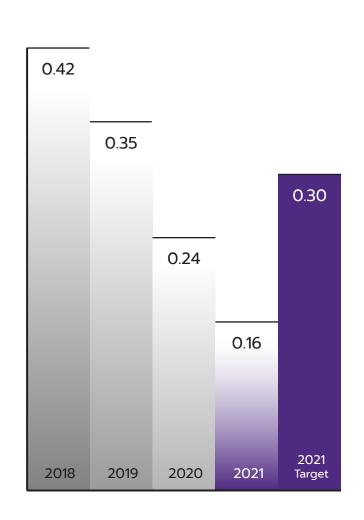
Air Travel for Business Trip (tonnes of carbon dioxide equivalent)



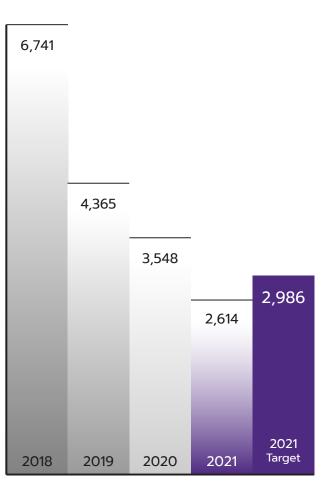












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**Better Environmental Future** 



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.

People & Culture

Governance, Risk Management and Compliance

# Strengthened Foundation





Message from the **Board of Directors**  SCB at a Glance Sustainability at SCB

Special Reports

Commitments towards a Sustainable Future

Strengthened **Foundation** 

Factbook

90

**People & Culture** 

Governance, Risk Management and Compliance

# People and Culture

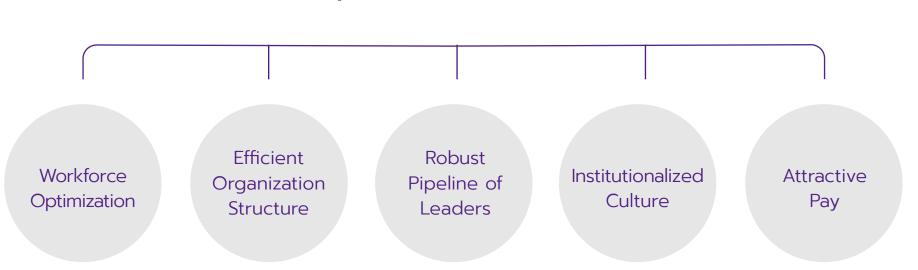
"People and culture" are at the heart of business success. That is why the Bank strives to promote workforce diversity, equality, and engagement to facilitate continuous improvement, as well as encouraging employees to adopt and practice the Bank's core values.

## **Our Commitments**

The Bank's workforce vision is to best uplift employees' and organizations' capabilities to achieve its objectives within the resource constraint in conjunction with building good and strong leaders to become the bank of the future through 5 key approaches.



## People and Culture



People & Culture

Governance, Risk Management and Compliance



## 2023 Target



At least 50%

of management positions are female by 2023



At least 85%

of employees are actively engaged with the Bank

## 2021 Performance

56%

of management positions are female

89%

of employees are actively engaged with the Bank

Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

92

**People & Culture** 

Governance, Risk Management and Compliance



## Workforce Optimization

The Bank places importance on workforce management, assigning each employee an appropriate task while uplifting their career mobility. This is done in parallel with the implementation of work processes automation which will lead to cost efficiency, and the transformation of the Bank into an agile and digital organization.



## Efficient Organization Structure

The Bank seeks to redesign its organizational structure to foster integrated work skills by adopting the "Productivity Index" concept, as well as People Analytics to strategically design workforce monitored by real-time dashboards. These practices enable executives to information, assess, and accurately make data-driven decisions related to human resource management.



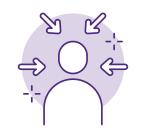
## Robust Pipeline of Leaders

Talent management and succession planning are identified as the Bank's strategies in creating career path for employees to grow with the organization. The Bank has subsequently assessed key positions and built leadership readiness for executives and future leaders. This is to ensure that the Bank has ready workforce for critical positions succession and able to respond to future challenge.



#### Institutionalized Culture

The 4 core values are fostered and embedded into the way of work, including, Customer Centricity, Risk Culture, Innovation, and Speed. The Work from Anywhere arrangement has also been playing a significant role in fostering these core values and building a 'listening' culture, collaborating for success at both personal and organizational levels to deliver new values to customers and society.









**Customer Centric** 

Risk Culture

Innovation

Speed



## **Attractive Pay**

To manage and encourage employees to support the organization's goals and for the Bank to become a "High-Performance Organization", the Bank has in place a policy and system for pay equity based on fair and competitive considerations upon each type of work, as well as assigned role and responsibility. Job evaluation and annual self-evaluation are performed, including 360-degree feedback before assessment by supervisor and calibration at function level.

**People & Culture** 

Governance, Risk Management and Compliance

## Key Performance/ Initiatives in 2021

## Heading towards Digital HR



In order to take on challenge and grow along with the waves of digital disruption, strategic shifts in business direction to become a 'Digital Organization' with the Work From Anywhere (WFA) arrangement have led the Bank to review its approaches to human resources management to keep up with the changing business context. The Bank recognizes the importance of utilizing technology and data analytics in organizational planning, which does not only bring about an organizational digital capability, but also foster digital mindset and culture through the use of tools, programs, and digital technologies, resulting in improved overall organizational management, efficiency, and employee performance. Accordingly, all employees in People Office received training and skill development in using technology and data analytics to effectively perform human resources-related tasks.

## Recruiting and fostering STEM Skills

To prepare and ready the Bank for entrenchment of digital technology, improve work processes, and build readiness of employees to respond to the changing customer's needs, SCB continues to increase employees' knowledge, capability, and performance through implementation of different development programs in parallel with recruiting talents with STEM capability, specifically, on technology and data, as well as fostering a digital mindset and culture in the organization.

## Developing Data Mart

Due to the amount of data which can come from different sources, the Bank, therefore, emphasizes on development of data architecture and data mart to create a single source of information, which is being constantly updated and equipped for application and use in different platforms in terms of raw data and Power BI Dashboard. Here, employee control access is specified based on accessibility and the need to utilized such data.

Message from the Board of Directors

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SCB at a Glance

Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

94

**People & Culture** 

Governance, Risk Management and Compliance

## **People Analytics**

The Bank continuously develops people analytics capabilities by implementing big data and technology to serve as a foundation for management, business decision-making, and strategy planning related to human resources. Such approach ranges from cleaning and collecting data, adopting tools and technologies in operations, and developing models under different scenarios for predictive values and human resources purposes while maintaining real-time dashboards.



Organizational Network Analysis



Competitive Intelligence



Measuring Employee Performance

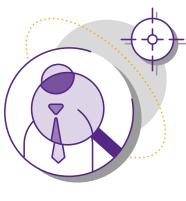




Retaining Talent



Strategic Workforce Planning



Recruiting & Hiring

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Message from the

**Board of Directors** 

Governance, Risk Management and Compliance



## Measuring **Employee Performance**

For general business units, and those providing direct service and taking care of customers such as Customer Center, Branch Network.



#### **Retaining Talent**

By developing predictive models to assess and prevent potential regrettable loss, and to identify employees with right skills to support the Bank's strategy.



## Strategic Workforce Planning

To be aligned with the Bank's strategic direction through both bottom-up and topdown approaches covering both general and specific skills.



## Competitive Intelligence

Systematically and comprehensively sort and assess information from different data sources to understand the business context, risk, and opportunity for organizational improvement.



## Recruiting & Hiring

Recruit and hire talents with skills to support the Bank's direction, while assessing the effectiveness of each recruitment channel and its success rate.



## **Organizational Network Analysis**

For capability assessment of internal organizational networks that contribute to improved work efficiency and productivity.

#### **Data-Driven Strategic Workforce Planning**

Through Power BI, a business analytics service by Microsoft, SCB utilizes People Analytics for its human resources data management which is a key component to uplift the Bank's capabilities to make data-driven decision. The approach covers both Top-Down and Bottom-Up strategic workforce planning, such as:

- Headcount Movement
- Peer Benchmarking Comparison
- Span of Control
- New Hire
- Resignation Attention
- Learning and Development
- Vacation Balance
- Employee Engagement.
- Compensation and Benefits Data Mart
- Holistic Recruitment
- · Organization Efficiency in terms of job position structure, number of position, number of employee per work type including per job family and sub-job family
- Covid and other pandemic dashboard

Real-time dashboards are developed and maintained for management to access at any time. This practice increases the Bank's effectiveness in analyzing and assessing workforce-related risks, identifying, and classifying talents with desired skills to strategic workforce planning supporting the Bank's goals.

Responding to

every needs of

human resource

management

96

**People & Culture** 

Governance, Risk Management and Compliance

## **Automatic Process and Operations**

The Bank seeks to create values and delivers distinguished employee experience by adopting technologies to automate work processes, ensuring agility and organizational adjustment in becoming a digital organization with online process and work approach.

Since 2017, the Bank has been utilizing a global Human Resources Management System (HRMS) to comprehensively accommodate internal human resources management, while attaining flexibility of implementation. This system is a crucial platform for data collection and analytics for human resources decision-making which is being continuously maintained and improved to meet the needs of users and organizations.

#### Single Source of Truth: Employee Data for Executive Dashboard

#### Hiring

post recruiting, hiring, and monitoring outcomes

#### Working

set up goals and KPIs as well as monitoring, coaching, and reviewing annual performance appraisals

## Learning and development

an access to carefully curated learning resources

## Resigning

a request can be submitted through the system including exit interview

#### Online services to all levels of employee

- Access personal information such as employment history, leave record or compensation information
- Search employee directory
- Request and approve leave days
- Request compensation and tax related documents
- Access learning platforms
- Undergo employee engagement survey

Message from the **Board of Directors** 

SCB at a Glance Sustainability at SCB

Special Reports

Commitments towards a Sustainable Future

Strengthened **Foundation** 

Factbook

97

**People & Culture** 

Governance, Risk Management and Compliance



#### Improve Automated Workflows

Such as medical expenses, scholarship applications, tax services, or employee ID card requests. These processes have been automated and standardized to deliver better employee experience.

Moreover, the Bank also adopted KHIME, an analytic platform that was ranked by Gartner in data science and machine learning leader to improve performance efficiency and decrease manual work process. However, the important processes are still maintained for effective audit.



#### **Apply Robotic Process Automation**

As part of basic work processes such as using robotic technology in entering, modifying and reviewing employees' non-confidential data.

This automatic process contributes to 68% reduction in cost saving, and to 56% increase in productivity per transaction.



#### HR on Mobile

Bringing human resources services on mobile to facilitate convenience to employee since 2020. New features are being continually added to the platform in 2021.

Request and approve leave days





Search employee directory

Set up goals and KPIs



Search internal openings

View salary slip



Update personal information and identify changes in positions

of employee use HR on Mobile

Special Reports

Commitments towards a Sustainable Future

Strengthened **Foundation** 

Factbook

98

**People & Culture** 

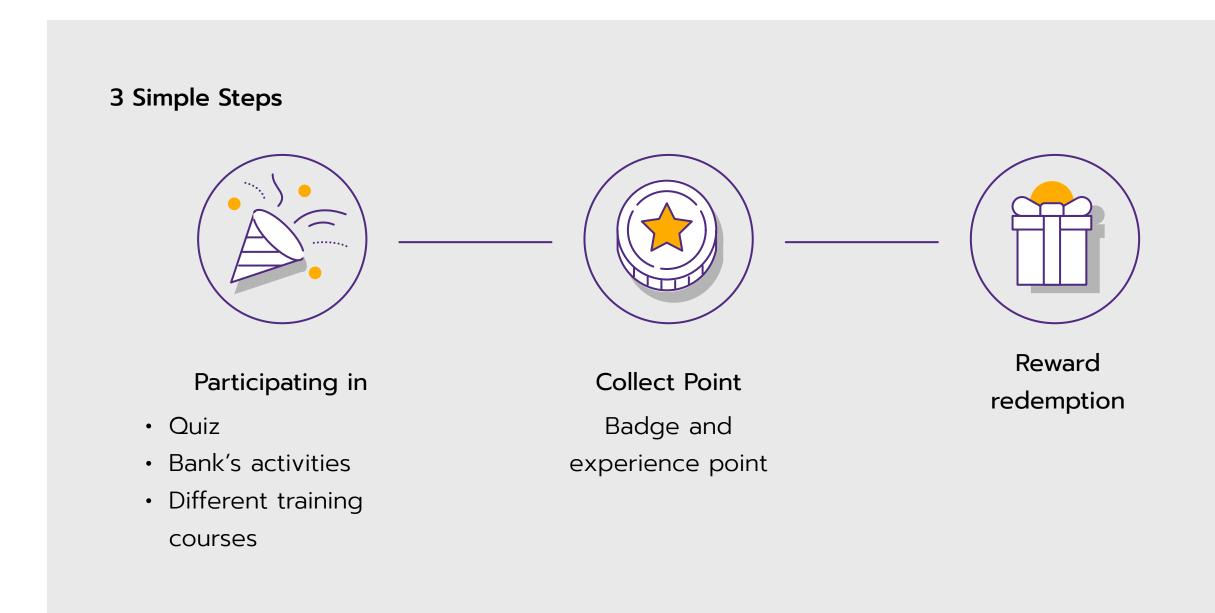
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## **Creating Experience** for Employee Engagement

Working in digital era and with full effect of Work From Anywhere arrangement have brought about changes in approach towards maintaining employee engagement which needs to be subsequently adjusted. The Bank has then designed and developed an online platform aiming to foster 'Appreciation Culture' for long-term engagement. In 2021, 'Wan-La-Nid' platform was leveraged by using gamification techniques in promoting employee engagement through electronic devices both computer and mobile phone. Engagement activities on the platform ranging from learning, internal activities, engagement activities, and general management. Nevertheless, the Bank is in the process of comprehensively reviewing and initiating activities through the platform to effectively promote long-term employee engagement.



#### A Positive Space for Everyday's Fun



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Governance, Risk Management and Compliance

02

Promoting Engagement

**Building bonds** 



Believing that employee engagement, as part of organizational management, is one of the key factors in promoting work-related wellness and connected to success in life, the Bank therefore continues to conduct organizational health assessment and employee engagement to identify improvements on processes and human resources management approach aligned with the needs and expectations of employees from different professional level, area of work, age, and gender.

In 2021, the Bank conducted employee engagement survey through SCB Employee Survey, which adopted the assessment system based on the Bank's current operational strength and readiness to encounter changes in the future. SCB Employee Survey also places importance on the assessments of SCB Cultures, Engagement and Work Model, and Organizational Health; all are contributing to organizational capabilities.

Moreover, seeking to understand an aligned organization's goal, capabilities in adopting SCB core values, and overall work satisfaction, this year' survey also added questions on Work From Anywhere (WFA) arrangement to listen to employee's opinions on the policy which has been in full effect since August 2010.

2021 employee engagement result has illustrated improvement with satisfaction, particularly the Work From Anywhere arrangement, in which 80% of employees are satisfied with this new arrangement. In addition, the Bank is committed to improving the management approach to keep up with the changing context by emphasizing productivity and efficiency, while responding to the needs and employee's lifestyles.



89%

of employees are actively engaged with the Bank

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Governance, Risk Management and Compliance

Performance Indicators	2018	2019	2020	2021	2021 target
Percentage of actively engaged employee	85	83	83	89	85
Response Rate	98	99	99	98	

At the same time, the Bank allows employees to join labor unions with the Employee Relations Committee, established to actively listen to problems, concerns, and suggestions, while acting as a liaison between employees and union members on behalf of the Bank. By the end of 2021, the Bank's labor unions represented 63 percent of all employees.



In 2022,
SCB was ranked
as among 50 best
leading workplaces
in Thailand as
voted by the new
generation of
employees.

An online survey by Work Venture, a leading brand consultant for top enterprises in Thailand and jobs finder platform service provider, revealed the Bank's outstanding people management capability that provides work flexibility and freedom to the employees through Work From Anywhere arrangement, as well as adopting technologies to assist in working and creating work-life balance. Subsequently, the Bank stepped up as the 14th best workplace in Thailand by 2022; improved from the rank in 2021.

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Governance, Risk Management and Compliance



Promoting Well-being

Anywhere, **Anytime** 



A change from working on-premises to Work From Anywhere (WFA) does not prevent the Bank to take care of and ensure employees' well-being, nonetheless, this arrangement has provided an opportunity for the Bank to adopt technology in leveraging and expanding employee well-being programs for both physical and psychological wellness. This approach corresponds to a new way of work in the digital era and among the spread of COVID-19.



#### SCB We Share

Digital community to exchange, learn, and share knowledge in the areas of employees' interests. The Bank categorized learnings into Work and Knowledge, Money, Financials, and Benefits, and Inspiration, Health, and Fun. Throughout 2021, over 8,800 employees participated in over 130 sessions.



#### Work and knowledge

Share work-related knowledge and techniques for increased effectiveness.



## Money, financials, and benefits

Discuss employee benefits or perspectives toward money management which will help employee build and maintain financial well-being.



## Inspiration, health, and fun

Share inspirations and tips for happiness in work and in life.

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Governance, Risk Management and Compliance

#### Selected Initiatives in 2021



#### SCB Telecare

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 without charge.

#### **SCB Call for Care**

Monitoring and providing care services for both physical and psychological wellness of employees who were infected by COVID-19, and isolated themselves at home. With this initiative, professional nurse stationed at the Bank's care room will monitor employees' conditions and provide medical recommendations until they are back to full recovery.



#### **Good Doctor**

Health consultant application for employee to chat and interact with doctors conveniently, and quickly without having to commute to hospitals.



#### CoolKith

Consultant service by external and licensed platform to perform under professional conduct of psychologists who will listen and identify solutions for employee.

## Apart from new initiatives, the Bank continues to maintain existing programs and activities to promote well-being of all employees.

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 2,332 scholarships for children of employees from elementary school to bachelor's degree level



Fitness and exercise facility

Organized clubs, e.g., photography club, meditation club, badminton club SCB Staff Saving
Co-operative Ltd. to
promote savings and
provide financial assistance

Financial benefits such as special interest rate on refinancing loans to address debt problem



#### **SCB Good Health**

Online and offline activities/ seminars on health topics of employee's interest, such as COVID-19 Prevention and Health tips, Office Syndrome Prevention, and Care, which drawn more than 4,400 participants in 2021.

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Governance, Risk Management and Compliance



The Bank is strict with the implementation of policies and measures to take care of employee, customer, and contractor, who frequently uses the Bank's premises. In 2021, the Bank focused the efforts on preventing the spread of COVID-19, strictly complying with measures enforced by governmental agencies which are in alignment with the World Health Organization (WHO), while communicating and sharing tips to employees to take care of their physical and psychological health. In addition, the Bank provided Antigen Test Kit and alternative vaccines as well as coordinating for medical facilities and hospitels for employees or their family members who were affected by COVID-19.



### Occupational Health and Safety Performance

Performance	Unit	2018	2019	2020	2021
Basic safety and occupational health orientation	Hour	2,682	2,080	223	2,215
SCB Safety First e-Learning	Hour	23,717	40,819	64,305	29,256
Work-related injuries	Incidents per million work hour	0.32	0.23	0.23	0
Work-related illnesses	Case	0	0	0	0



#### **Unplanned Absenteeism**

Performance	Unit	2018	2019	2020	2021	2021 Target
Absenteeism rate (including sickness and injuries leave)	%	0.90	0.87	0.72	0.80	1.00



Message from the **Board of Directors**  SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened **Foundation** 

Factbook

104

**People & Culture** 

Governance, Risk Management and Compliance



## 2021 Workplace Environmental Assessment Summary for Ratchayothin Head Office

Indoor Air Quality <sup>1</sup>	Workplace Light Intensity <sup>2</sup>	Indoor Temperature <sup>2</sup>
<ul> <li>Total airborne bacteria: At 206.1 (cfu/m3) which met the standard (standard &lt; 500 cfu/m3)</li> <li>Carbon dioxide: at 647 ppm which met the standard (standard &lt; 1,000 ppm)</li> </ul>	At 499 lux which met the standard (standard > 400 lux)	At 26.8° C (standard is 24 - 26° C)



2 Ministry of Labour Regulation on Standards for Administration and Management of Occupational Safety, Health, and Environment in Relation to Heat, Light and Noise B.E. 2559, Department of Labour Protection and Welfare Notification on Standards for Light Intensity B.E. 2561



## Safety Awards



## BSA Building Safety Award 2021 from the Building Inspectors Association

Platinum level for head office building, Plaza East building and Plaza West building. This reflects the Bank's success in adopting national standards of building safety and management as well as occupational health, safety, fire prevention and the spread of COVID-19.



## Zero Accident Award, Gold Label from Ministry of Labor

with cumulative hours of no lost time injury up to 46 million hours.



## Operational Risk Management Award amid the spread of COVID-19 pandemic from Asian Leadership Awards 2021

including Best COVID-19 Solution for Workforce Management Award, Best COVID-19 Remote Monitoring Solution Award, and Most Innovative Solution for COVID-19 Award. These recognitions reflect SCB's outstanding corporate management during the COVID-19 crisis, enabling operations following the Bank's highly resilient and effective business continuity plan.



Message from the **Board of Directors** 

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened **Foundation** 

Factbook

105

People & Culture

Governance, Risk Management and Compliance

# Governance, Risk Management and Compliance

Operating under constant economic, social, and environmental changes, the Bank believes that determination and commitment to transparent corporate governance, proactive risk management, and strict compliance with relevant laws, rules, and regulations are crucial components in building a strong organizational foundation and creating a competitive advantage for sustainable growth.

## Corporate Governance

Corporate governance is the foundation of organizational management that operates with ethics, integrity, and responsibility, leading to stakeholder trust and sustainable growth. The Board of Directors assigned the Nomination, Compensation, and Corporate Governance Committee with tasks to formulate the Bank's corporate governance policy and monitor compliance, as well as review and make appropriate changes to the policy in order to comply with regulatory requirements and global practices.

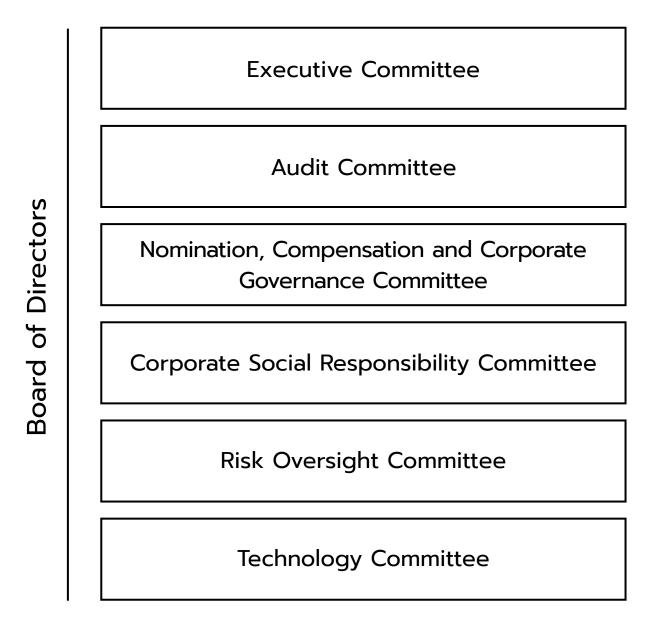
People & Culture

Governance, Risk Management and Compliance

Board of Directors



The Board of Directors is responsible for monitoring implementations and compliance with the specified policy to ensure that the Bank has an internal control mechanism that would effectively and continuously manage, assess and monitor the implementations. This system takes fair business practices, transparency, and responsibilities to stakeholders governed by the principles of corporate governance into account for long-term value creation to the Bank.





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Governance, Risk Management and Compliance

## Fostering Diversity

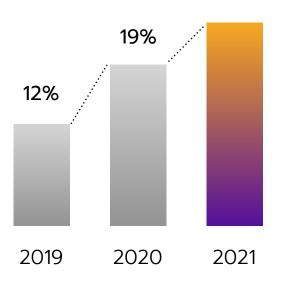


By recognizing inclusivity and diversity as key mechanisms in supporting business operation under the context of social change, the Bank places significance on nomination criteria and selection process of highly qualified directors that incorporate diversity factors, including, gender, race, nationality, age, educational background, professional experience, skills, knowledge, and other legal and societal aspects. This is to promote diversity of the Board of Directors that would bring a greater breadth of perspectives and opinions, benefitting all stakeholders and driving sustainable growth.

Accordingly, for director nomination and selection, the Bank screens qualified candidates based on nominations submitted by shareholders and directors and with consideration to the directors' pool. The board skill matrix is also applied to the assessment of the skills and expertise of directors to ensure the right fit for the Bank's strategy and business direction while taking into account diversity factors elaborated above.



of SCB directors are female



Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

ook

108

People & Culture

Governance, Risk Management and Compliance



Encouraging
Board
Effectiveness



To ensure effective governance under the leadership of the Board of Directors, apart from establishing a robust structure of governance, carrying out the nomination and selection process, and allocating an appropriate compensation scheme for the directors, the Bank also encourages directors' responsibility by specifying Board meetings to be organized at least six times per year, and at least once in 3 months interval. Each director is required to attend at least 75% of the total number of meeting in a given year.

Moreover, Board and Committee's assessment is conducted annually and is divided into four parts, including 1) Board assessment, 2) Board committees assessment, 3) Individual director assessment, and 4) Board and chairman assessment. Self-evaluation and cross-evaluation are also conducted by the Bank on an annual basis, and by a third party once every three years or as deemed appropriate.



In 2021, 13 Board meetings were organized. The meeting attendance of the Board was 99%, The attendance of all 17 directors was above 75% of total meetings organized, which is in line with the Board charter.



All four parts of Board and Committee's 2021 assessment results were 'Excellent'.

**Remark:** More information and performance on SCB corporate governance is reported in the 2021 One Report.

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Governance, Risk Management and Compliance



# Risk Management

The Bank continues to develop a robust risk management process by specifying risk management as a fundamental component in every business process, coordinated at every level while promoting a bankwide risk culture under effective risk governance and internal control systems.

01

Risk Governance



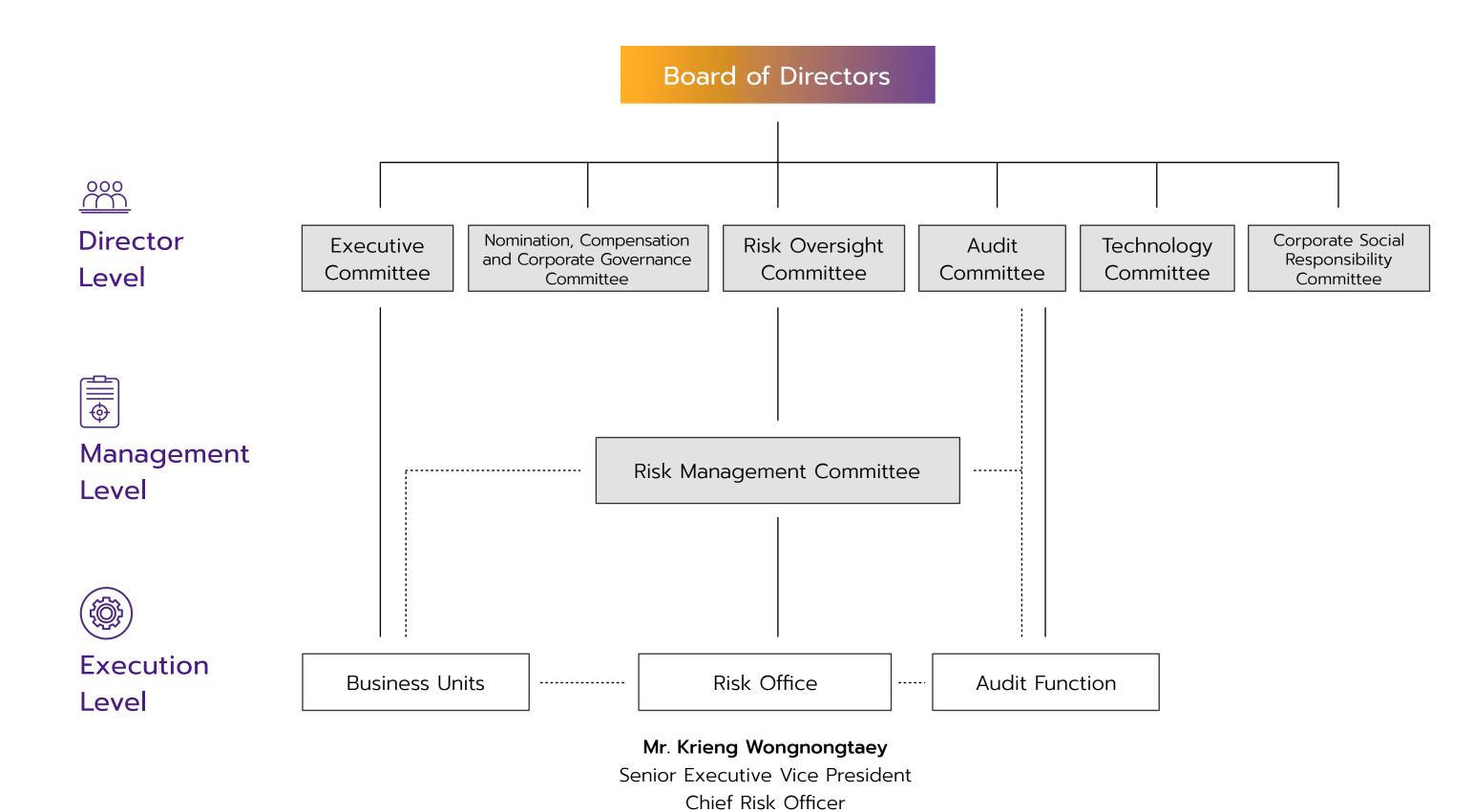
At SCB, risk management is specified and integrated into every business process with governance bodies overseeing the identified risks and coordinated on every level from the director, management, to operation level.

In addition, the Board of Directors is responsible for reviewing and approving the Bank's key risk management policies and appointing sub-committees to manage risks: Risk Oversight Committee formulating risk management strategies that are aligned with overall risk management framework, as well as screening, reviewing, monitoring compliance with overall and adequacy of policies and approaches in place. At the same time, every business unit is also accountable for identifying and controlling risks, assessing the adequacy of internal control mechanisms in order to collectively and effectively manage risks.

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Furthermore, the Bank places importance on continuously enhancing risk management knowledge and capabilities of the directors by producing monthly reports with key risks trends, risk events, and mitigation measures. Training by both internal and external experts are also provided periodically.

In 2021, directors participated in training on the topic relating to the Bank's key risks such as Cyber Armor: Capital Market Board Awareness training on the topic of Capital Market Threat Landscape, Cybersecurity and Intelligence Threats Assessment, arranged by Thailand Securities and Exchange Commission Office, and Cyber Resilience Leadership: Herd Immunity, arranged by the Bank of Thailand in cooperation with Securities and Exchange Commission Office and Office of Insurance Commission.

People & Culture

Message from the

**Board of Directors** 

**Governance, Risk Management and Compliance** 



# **Emerging** Risks



The Bank annually analyses emerging risks resulting from economic, social, and environmental changes which may affect business operations in the long-term. Appropriate measures are then put in place to effectively mitigate and manage the risks. In 2021, the Bank identified 4 following emerging risks:

- Risks from climate change and approaches to achieving Carbon Neutrality
- Cybersecurity risks from increasing reliance on digital technology and adoption of new business model and operation
- Epidemic and Dangerous Contagious Diseases
- Geopolitical Risk



# Risks from climate change and approaches to achieving Carbon Neutrality

### **Importance**

SCB has closely monitored global coalition and the commitment of financial institutions worldwide to reach Carbon Neutrality 2050. In this regard, Thailand took an important milestone in 2021 when the government joined the 26th UN Climate Change Conference (COP26) and pledged to accomplish Carbon Neutrality by 2050 with provision of support on finance and technology as well as international cooperation. Since the new goal is 15 years earlier than Thailand's initial Carbon Neutrality commitment by 2065, the Bank has then examined

potential transition risks which could emerge ahead of the plan, particularly regulatory changes and government policy to mitigate GHG emissions. Similarly, modern markets and technology will focus on highcapability and environmentallyfriendly alternatives in transition to a low-carbon and green economy. Under such circumstances, certain projects not aligning or supporting a decarbonization target might face constraints as well as adverse impacts on asset values and operating costs due to regulatory changes, especially the fossil fuel industry and heavy GHG emitters.

Furthermore, the Bank consistently monitors physical risks from climate change which could have impacts on the economy -from the slowdown of economic activities to business interruption; property damages; and shortfalls and degradation of natural resources, farm crops, and commodities.

Aside from that, SCB also monitors the EU Carbon Border Adjustment Mechanism (CBAM) to help clients reshape their business plans and stay competitive in the global market.

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### Impact to the Bank

Given potential regulatory shifts towards GHG management, there might be long-term impacts on project finance of which business model or technology does not align with the Carbon Neutrality target.

Moreover, since project finance receives a longer repayment period than other loan products, there are higher risks of stranded assets that could significantly damage the Bank's revenue and performance. Certain projects with high risks are heavy polluters such as coal mining and unconventional petroleum production.

SCB recognizes that the Carbon Neutrality ambition could deter competitiveness of companies that face constraints in adopting clean models to accommodate the target both within firms and along the supply chain. Any regulatory changes or financial measures related to GHG reduction will likely affect the business performance and expansion strategy of SCB clients, thus causing ripple effects onto the Bank if we end up failing to present financial solutions as planned.

# Management Approach

Considering the estimated impacts, SCB adopts the Equator Principles, which require every large-scale project finance-with high environmental impacts and annual GHG emissions of over 100,000 tons of carbon dioxide equivalent-to undergo and report climate risk assessment both in terms of transition and technology or reshaping business physical risks. By doing so, any project finance developer will be made aware of potential environmental impacts and thus able to identify appropriate solutions and concrete management plans.

For general business, SCB has continued to offer loans to clean energy businesses and lowcarbon infrastructure projects. As the world and Thailand took further steps on GHG mitigation to meet the Carbon Neutrality commitment, the Bank also started to develop wide-ranging financial solutions and loan products to assist our clients in their journey to a low-carbon transition. The Bank offers solutions in the form of loans and financial products such as derivatives—all subject to industrial standards ranging from the Green Bond Principles to the Sustainability-Linked Bond Principles.

Most recently, SCB became the first financial institution in Thailand to launch the ESG-Linked Interest Rate Swap in 2021.

Moreover, the Bank plans to review projects and companies in its portfolio exposed to high-risk industries in order to identify appropriate measures such as reducing the proportion of such industries, consulting with clients on GHG emission approach through low-carbon projects.

For more details on SCB approaches to promote a transition low-carbon economy and climate-related risks management to achieve the Carbon Neutrality commitment, please visit "Sustainable Finance" on page 40-48 and "Climate Risk and Resilience" on page 84-85..

People & Culture

Governance, Risk Management and Compliance



Cybersecurity risks from increasing reliance on digital technology and adoption of new business model and operation

# Importance

Today's business landscape has forced companies—including SCB -to heavily rely on technology as a key business driver. Cybersecurity risks thus become inevitable and even more evident in the wake of COVID-19 outbreaks, which prompted the Bank to shift from onsite to remote work. The Work from Anywhere arrangement could pose risks to the security system as it allows more convenient access to Bank's internal system and data.

Risk management and proactive measures to ensure cybersecurity thus play a pivotal role in strengthening cyber protection and preventing damages in case of unfavorable events such as infrastructure shutdown, service disruption, security breach, and personal data theft. In particular, the Bank has employed the Cybersecurity Mesh Architecture, which emphasizes building cybersecurity and expanding coverage beyond SCB premise to anywhere, that is, extending cybersecurity controls anywhere needed.

## Impact to the Bank

Increased reliance on digital technology as well as the adoption of advanced data management and storage system could imperil the SCB's position against cybersecurity risks. As the Bank strives to enhance digital platforms and data networks with partners, such unfavorable conditions would affect not only SCB but also our clients and business partners.

Cyber risks might result in financial damage, worsening reputation, and loss of trust from clients and

other stakeholders-including the regulators who could impose a penalty on the Bank.

For customers, cyberattacks could cause inconveniences due to system disruption, whereas data privacy abuse and misuse might result in financial damages.

Meanwhile, cyber risks would threaten business partners' confidence in the Bank's system security, internal management, and business operation, thus negatively affecting decision-making on current and future partnerships.

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

114

People & Culture

Governance, Risk Management and Compliance

### Management Approach

To level up the security of our operations and digital platform, SCB has increased the share of investment in infrastructure, tools, and cybersecurity technology based upon the 'Three-Line of Defense Framework.' The procedure is overseen by the IT and cybersecurity governance structure -comprising the Technology Committee and operating officers. In addition,, SCB has an internal Cyber Intelligence Unit to examine and monitor cyber threats-from type to feature, trend, and case study-to develop and maintain modern and efficient response procedures. The Cyber Intelligence Unit works closely with the Security Operations Center who is tasked with responsibility for scrutinizing access to SCB network and IT system as well as preparing to counter cyberattacks in a timely manner.

As the Bank becomes more exposed to cyber risks due to the Work from Anywhere arrangement, SCB adopts the 'Cyber Security Mesh Architecture' to create a collaborative ecosystem of security tools. The model ensures end-to-end security points to both onsite and remote work; the tasks are connected and monitored through a centralized aggregation point.

In addition, all business partners and suppliers are required to undertake a cybersecurity risk assessment before commencing work with SCB, in order to determine their readiness and necessary risk management approaches. By doing so, the Bank can ensure that every access and transfer of data proceeds in compliance with prudent standards and management approaches while recognizing and managing cybersecurity risks.

For more details on SCB cybersecurity risk management, please visit "Cybersecurity" on page 128-129.

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**Governance, Risk Management and Compliance** 



# Epidemic and Dangerous Contagious Diseases

### Importance

In today's era where the worldpeople, technology, news, and data -intertwines through a seamless connection, novel disease outbreaks have inevitable impacts on economic, social, and political stability. Throughout the past two years, the COVID-19 pandemic has led to wide-ranging effects such as:

- The global economy entering a recession
- Exacerbating social inequality in terms of income distribution, access to healthcare, and adaptability
- Rising unemployment and uncertainties
- · Financial fragility of small entrepreneurs and swelling household debt
- New threats such as fraud, cybersecurity, and data privacy

Furthermore, the pandemic has brought about the New Normal where all stakeholders-from personal to organizational, societal, and national levels-must seek approaches and collaborative efforts to embrace the new global paradigm.

# Impact to the Bank

As one of the epidemic and contagious diseases, the COVID-19 pandemic has affected the Bank's operation in various aspects such as:

**Business Operation**: The Bank might fail to meet a target performance if the economy falls into a recession. Meanwhile, virus control measures have prompted the Bank to reshape our business strategy. Furthermore, our current business model may unlikely

to fulfill customer demand or expectation in the New Normal era where coronavirus outbreaks forever change consumer behavior and way of life. Therefore, SCB must develop a new business game plan to pursue sustainable growth ahead.

**Customer Service**: The COVID-19 pandemic has also accelerated digital transformation, as evident in a rapid increase in the number of consumers adopting online financial transactions during the outbreaks. In response, the Bank must continue to enhance service capacity to facilitate a seamless transaction while ensuring data security and privacy to deliver a distinct customer experience with the highest satisfaction.

**Credit Quality:** Loans—the largest contribution in SCB assets—are facing higher risks of debt service default as corporate clients in some industries and regions are confronted with income and profit shortfalls, whereas some have been operating at a deficit. Also, there could be more potential debt defaults among retail borrowers as the unemployment crisis continues.

Employee Care: SCB has introduced the Work from Anywhere arrangement to increase workforce flexibility during the pandemic. Therefore, the Bank needs to enhance IT system capacity to ensure that SCB employees at head offices and branch networks can still work efficiently while maintaining access to skill development and learning courses.

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### Management Approach

As the post COVID-19 pandemic remains highly uncertain, it is of paramount importance for the Bank to formulate policy responses against arising challenges and uncover innovation to uplift business resilience in the New Normal era after the outbreaks subside. To do so, the Bank has in place key risk management policies which consist of the followings:

Business Operation: SCB actively prepares and rehearses Business Continuity Plan to ensure readiness and service continuity in case of emergency and, at the same time, reshapes our business model and strategy in efforts to stay buoyant in the new business paradigm. In

2021, the Bank announced the establishment of SCB<sup>x</sup>, which reflects our aspiration to march beyond traditional banking services and ride on financial strength to fully transform into FinTech business and platform of the future. For more details on the establishment of SCB<sup>x</sup>, please visit "Special Report" on page 16-19).

Customer Service: SCB Digital Bank (DBank) was established as an internal unit that focuses on digital business growth and strategy to strengthen access and meaningful relationship with our customers. DBank leverages AI technology and expansive database to present tailor-made financial solutions that cater to each client's demand and condition. The Bank also strives to

protect customer data privacy at the highest standards, thus adopting the Cybersecurity Mesh Architecture—which aims to build and extend cybersecurity controls anywhere needed and beyond the Bank's premises. For more details on SCB cybersecurity risk management, please visit "Cybersecurity" on page 128-129.

Credit Quality: SCB places emphasis on assessing impacts upon credit portfolios in a timely manner. The Bank must be able to identify affected debtors from each situation that might deteriorate overall credit quality and find approaches to control, monitor, and report risks to executives. In addition, SCB maintains sufficient monetary reserves in case of

urgency and regularly conduct scenario analysis to ensure that current assessment models are practical to any circumstance.

Employee Care: SCB prioritizes taking care of employees and ensuring safety in all aspects. Our employee cares to include enforcing the Work from Anywhere policy as a permanent arrangement; providing essential work devices and tools; uplifting cybersecurity measures to global standards; providing alternative vaccines to employees at all levels; organizing activities to uplift physical and mental health; and offering financial assistance to employees affected by the COVID-19 outbreaks.

117

Governance, Risk Management and Compliance



# **Geopolitical Risk**

### **Importance**

Geopolitical risk is a risk arising from tension between nations due to political situations, conflicts, scramble for natural resources, terrorism, threat from weapon of mass destruction, which could be escalated to regional and global levels. Geopolitical risk can transmit to economic sectors via investors' confidence and sentiment, and economic activity. In a time of geopolitical stress, the tension affects overall confidence and results in investment volatility, slowdown or stagnant economic activity, or acceleration toward economic recession.

### Impact to the Bank

The Bank is aware of geopolitical risk and potential impact associated with credit risk. As Thailand heavily relies on import of raw material and intermediate goods and export products to foreign countries, and with a significant number of customers in the Bank's portfolio operate in import/ export sector, manufacturing, transportation, and supply chain. Political tension in one country or between nations could negatively impact cash flow and performance deterioration of businesses, and their ability to meet financial obligations while demands for

financial products for import/ export business decline. If the situation becomes more severe or prolonged, it could accelerate the economic crisis and unemployment. These affect creditworthiness of business and retail customers of the Bank.

# Management Approach

Recognizant of potential impacts resulting in geopolitical risk, the Bank establishes effective and proactive risk management process to ensure that the risk is appropriately assessed and monitored by embedding geopolitical risks in the credit decision process and credit review

to ensure that the credit decision is forward-looking. In addition, the Bank controls country risk by setting limits on lending, investment, and contingent liabilities for each country. SCB's Country Risk Management Policy requires both direct and indirect countryspecific exposure to be included when calculating the country-risk limits. When situation arises or becomes intensified, the Bank promptly assesses the impact on the portfolio and conduct stress test to ensure that the Bank has sufficient provision and capital to mitigate potential losses

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**Governance, Risk Management and Compliance** 



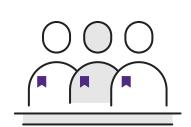
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# Cultivating Risk Culture



The Bank adopted "Hong Kong Monetary Authority Bank Culture Reform" framework to guide its risk culture implementation from Governance, Incentive System, and Proactive Reporting Measures to drive shared risk and management responsibility throughout the organization.

### Governance



Risk Oversight Committee is responsible for providing consultation to the Board of Directors on cultivating a risk awareness culture throughout the organization and corporate culture compliance.

## **Incentive System**



The Bank identified risk management as part of the Balanced Scorecard, aligning with executives' and employees' performance appraisals in each business unit. The Bank also organized riskrelated engagement activities such as Best Operational Risk Champion Award, Best BCP Coordinator Award, and Risk Culture Award.

# **Proactive Reporting** Measures



Risk reporting channels through Risk Governance Compliance (GRC) system and whistleblower@scb.co.th. The reported risks are then collected, analyzed, and reported to relevant committees.

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By understanding that risk management is a duty of every employee, the Bank continues to build employees' engagement on the matter on the basis of knowledge, comprehension, and collective responsibilities through organizational management approach and activities that seek to foster and embed risk culture into everyday operations.

### Core Value



Specifying risk culture as one of the four SCB's core values, in which People Office continues to communicate and promote its behavioral compliance since onboarding, as well as integrating the value as part of a annual performance appraisals of senior executive. This is because SCB believes that leaders are key drivers to foster the desired culture through displayed behavior, role model and leading to bank-wide practice.

# Three Lines of Defenses



Encouraging the adoption of "Three Lines of Defense" among the First Line (Business and support units), the Second Line (Risk Management and Compliance), and the Third Line (Internal Audit), while identifying risk assessment, mitigation measures, and monitoring.

# Product Development



New Product Development Regulation requires product and/or process owners to holistically assess risks that may occur, and to seek approval per the specified risk level before developing or making any amendments, while ensuring to identify relevant risk control measures.

### **Training**



Making 7 Operational Risks a mandatory training course, requiring every employee to participate and complete the course.

### Communication



Apart from communication on policy and practice, directors and executives continuously communicate the importance of risk management and case studies of failure to comply with the Bank's rules and regulations, policies, and code of conduct to employees.

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Governance, Risk Management and Compliance



# Compliance with Laws, Rules, and Regulations

SCB is committed to communicating and building compliance with policies and procedures as well as with relevant rules and regulations by regularly reviewing, analyzing, and monitoring changes in the operating business context and relevant laws. This leads to continuous internal review, revision, and improvement of the Bank's rules and regulations to ensure that business operations are aligned with relevant rules and regulations as well as global practices, contributing to solid and sustainable business conduct.

The Bank specifies 8 areas with significance to the Bank's operation as mandatory courses.

8 Mandatory Courses, promoting a foundation of prudent and responsible business conduct

Course	Percentage of employees completing the course
Personal Data Protection Act	97%
Cyber Security Awareness	97%
Anti-money Laundering and Counter Terrorist Financing	82%
SCB Financial Group Code of Conduct	92%
Operational Risk Management and Data Protection Handling	89%
SCB Safety First	88%
Anti-corruption and Bribery	87%
Market Conduct	97%

People & Culture

Governance, Risk Management and Compliance

01

Committed to Ethical Business Conduct



The Bank is committed to operating its business with integrity and responsibility for all stakeholder groups by requiring directors, executives, and employees at all levels to strictly comply with the <u>SCB</u> Financial Group Code of Conduct. The Audit Committee, which is made up entirely of independent directors, is responsible for overseeing compliance with the Bank's principles of governance and ethics, code of conduct, regulations, and procedures, as well as regularly reviewing the Code of Conduct.

The Bank encourages our suppliers to adhere to the <u>SCB Supplier Code of Conduct</u>, by requiring every supplier to sign an acknowledgment form before starting their work with the Bank. The content of the SCB Supplier Code of Conduct includes business ethics, respect for labor rights and human rights, occupational health and safety, environmental practice guidelines, and compliance with laws and regulations.

### Whistleblowing

Under the Whistleblower Guideline, the Bank provides channels to report information or tips about non-compliance with rules, regulations, and the Bank's code of conduct, such as corruption and bribery cases. A fact-finding committee is responsible for promptly investigating any reported incidents or cases. Findings of any disciplinary decisions and subsequent actions are then reported to the Disciplinary Committee, which will then be presented to President, and Management Committee on a quarterly basis.

In 2021, there were a total of 48 reported incidents, 24 concerned non-compliance with procedures or obligations, 10 concerned discrimination and harassment, 5 concerned inappropriate behavior at workplace, 5 concerned dishonest conduct, 2 concerned mistakes in assigned tasks, and 2 related to a fraudulent act. Out of all the cases, 42 were investigated and addressed while the 6 remaining cases are still being deliberated. Additionally, the Bank has implemented appropriate disciplinary actions for affirmed cases, including written warnings, salary reductions, and employment termination. 1 case was given written warning in 2021 after being found guilty of the misconduct. The Bank encourages employees at all levels to report incidents or cases that may affect the Bank through the channels that have been set up, which will then trigger the investigation and review process.

# **Whistleblowing Channels**

- whistleblower@scb.co.th
- Governance Risk
   Compliance (GRC)
   system on the intranet
- Mail to P.O. Box 117,
   Chatuchak Post Office
- Telephone:0-2544-2000

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

People & Culture

Governance, Risk Management and Compliance

02

Anti-corruption and Bribery



The Bank pledges to shun and prevent any form of corruption and bribery by requiring every employee to learn and comply with the Bank's **Anti-corruption and Bribery policy and practice,** which is explicitly stated in SCB's Financial Group Code of Conduct. The Bank is a declared member of Collective Action Coalition Against Corruption (CAC) since 2010 and become a certified member since 2017 to date.

At the same time, the Bank continues to enforce a No Gift Policy to demonstrate the Bank's commitment to transparent business conduct, adhering to the code of conduct, and in compliance with the Anti-corruption and Bribery Policy.

Nevertheless, for political contributions in monetary or other forms, the Bank requires appropriate disclosure as well as approval from the Board of Directors or the Executive Committee. Violation and/ or failure to adhere to the policy will result in disciplinary action which, after an investigation according to the Bank's disciplinary procedures, may involve written warning, termination of employment, or civil and criminal lawsuits.

In 2021, there were no corruption and bribery allegations or complaints against the Bank from the Bank of Thailand, the Anti-money Laundering Office, the Office of the National Anti-corruption Commission, and the Securities and Exchange Commission. The Bank also did not provide any support to political activities, political parties, politicians, election candidates, or people with direct or indirect political influence.





Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

123

People & Culture

Governance, Risk Management and Compliance

03

Anti-Money Laundering and Prevention



The Bank specifies policy and procedures relating to anti-money laundering and counter-terrorism and the proliferation of weapons of mass destruction financing which is applied to employees at all levels while continuing to develop and improve internal systems and processes to keep up with the new operating context in a digital era and ensure compliance with relevant rules and regulations, global practices, and the Bank's Code of Conduct. This is to protect the Bank from being victimized by criminals or terrorists through money-laundering or financing terrorism and the proliferation of weapons of mass destruction.

The Bank complies with laws and regulations on keeping customer's documents and information relating to AML/CFT by restoring and destroying the documents after 10 years.

# **Training**

Apart from mandatory training on Anti-money Laundering and Counter-Terrorism and the Proliferation of Weapons of Mass Destruction Financing (AML/CTF), designed with online assessment that employee needs to complete annually, the Bank also organized training sessions conducted by internal legal and compliance managers and external experts in 2021.



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# AML/ CTF mandatory training for all employees

Online mandatory training which employees at all levels must complete and review on an annual basis. The contents are designed by the Thai Baking Academy (TBAC) with case studies and self-assessment





# AML/ CTF mandatory training for relevant personnel

Intensive six-hour online training, covering knowledge, relevant rules, and regulations of the Anti-money Laundering Office. Relevant personnel must complete the course before beginning the work.

85% of employees completing the course



# Training and refresher sessions by internal legal or compliance manager

Knowledge sharing sessions and training on AML/ CFT/ WMD to SCB and subsidiaries' employees, including overseas branch staff. The training cover different subjects, such as AML/ CFT business and banking leadership preparation for employees in financial sectors.

5 sessions organized 200 employees attended the sessions



# Training by external expert

In 2021, SCB participated in AML/ CFT trainings on topics such as

- Seminar on AML risk assessment organized by Anti-money Laundering Office, and Multidisciplinary Program with relevant agencies to enforce compliance with AML Act.
- · Compliance Officer for commercial banks delivered by Faculty of Law, Chulalongkorn University in collaboration with the Bank of Thailand and Thai Bankers Association



### Communication

Communication on new AML/CFT/WMD rules and regulations, and inform relevant business units and subsidiary companies of the name list per the UN Sanction Thailand List, as well as individuals identified with high money-laundering risks.

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Respecting **Human Rights** 



Recognizing human value and dignity, SCB strives to respect and promote basic human rights as specified in the SCB Financial Group Code of Conduct, and to strictly comply with global practices by respecting and promoting the human rights of all stakeholders, including customers, employees, the community, and suppliers. The Bank's Human Rights Policy has adopted the UN Guiding Principles on Business and Human Rights (UNGP) to guide organizational management and practices.

On a three-year basis, in 2020 SCB undergoes human rights due diligence assessment to identify, prevent, and mitigate human rights impacts as a result of its activities throughout the value chain. The results are summarized as follows:

# 3 Steps of Human Rights Risks and Impact Assessment

### Scoping

Reviewing the identified risks within the geography of operation and peer benchmarking to determine industry risks, including reports from global civil society organizations and NGOs

### Identification

Building engagement with internal stakeholders to collaboratively identify risks associated with the Bank's operations

#### **Prioritization**

Determining the level of severity and likelihood by using a matrix

### Human rights issues associated with the Bank's operations and throughout the value chain

AS A SERVICE PROVIDER



**CUSTOMER PRACTICES** 

- 1. Data privacy
- 2. Mis-selling
- 3. Product discrimination
- 4. Product development

AS A LENDER



**INVESTMENT AND BUSINESS PRACTICES** 

- 1. Labor rights
- 2. Land rights
- 3. Community rights

AS AN EMPLOYER



**EMPLOYMENT PRACTICES** 

- 1. Workplace discrimination
- 2. Working conditions
- 3. Freedom of association. assembly, and collective bargaining

AS A BUYER



SUPPLY CHAIN **MANAGEMENT** 

- 1. Labor rights
- 2. Community rights
- 3. Security personnel practices

3 Salient issues

Mitigation action

for salient issues

and measures

Data privacy and protection

chapter on page 126-127 chapter on page 130

Mis-selling

Please see more details in Please see more details Please see more details in

Community rights in lending projects/ investee companies

the Data Privacy Protection in the Market Conduct the Sustainable Finance chapter on page 40-42

For a complete report on the SCB Human Rights Risks Assessment, please click here

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People & Culture

**Governance, Risk Management and Compliance** 



**Protecting** Personal Data



The Bank upholds human rights and understands that privacy is one of fundamental human rights that need to be respected and such is one of the key operational risk issues of the Bank. Personal data management framework, identifying personal data protection as one of operational risks with group-wide risk management approach was then developed; governed by specified governance, policies, processes, and procedures systematically enforced in order to build and maintain trust from customers and stakeholders.

# Governance of Data Privacy Protection

The Bank specified governance structure that promotes collaboration from the Board of Directors, senior executives, to employee at operation level. Under this structure, the Board of Directors is responsible for reviewing and approving policies as well as monitoring compliance with the laws and regulations relating to personal data and Technology Committee are also tasked and abuse of personal information.

with role and responsibility in screening and reviewing data and personal privacy framework to ensure its efficiency and applicability. Other steering committees, consisting of senior executives, promote best practices, study progress and encourage implementations in alignment with the Personal Data Protection Act, B.E. 2562 (2019).

### From Policy to Practice

SCB publishes **Privacy Notice** to inform customers and the general public while strictly enforcing Data Privacy and Protection Policy as well as information technology security policies throughout the organization. SCB employees and outsourced parties are required to fully comply with relevant policies and procedures, including protection, collection and management of customer, employee, and other data owner's information as specified by law. Appropriate measures for using, sending, or transferring personal protection. Here, Risk Oversight Committee data are put in place to prevent violation

### Data Privacy Protection and Management

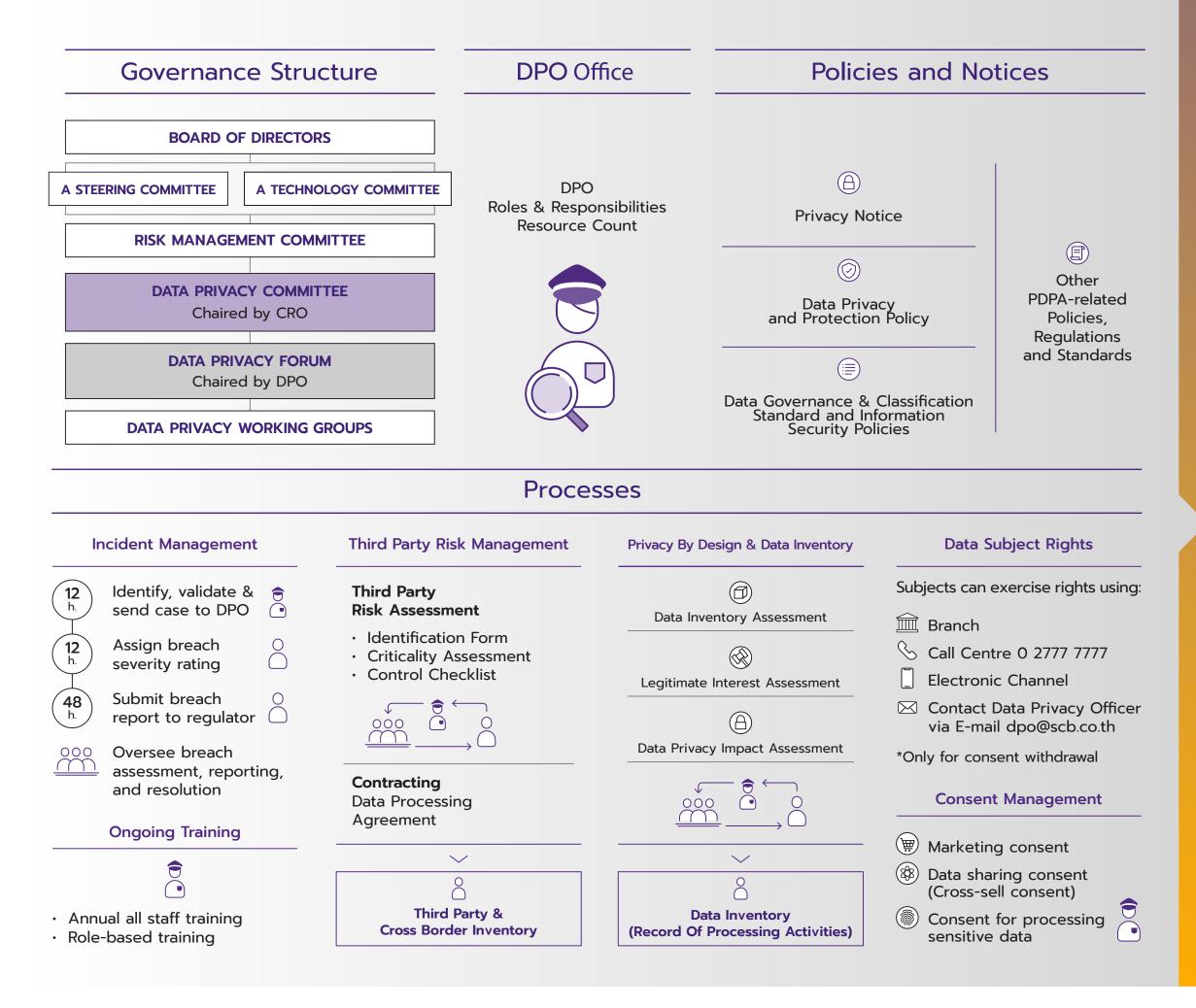
The Bank has specified privacy incident management procedures as a guideline for employees to effectively and appropriately handle and respond to a case of privacy breach. In addition, the Bank places importance on building awareness among employees through regular training, communication, and activities. Penalties, such as written warning, pay deduction, and employment termination, are enforced if employees are found guilty of personal data's violation or any mishandling that causes subsequent impacts. In 2021, the Bank received a total of 2 complaints regarding personal data violations, 1 of which is from the Bank's reporting channel, and 1 is from regulatory entity. in which the Bank has investigated and addressed the claims according to the Bank's procedures and practices. In addition, no personal data breach, theft, or loss was reported.

### People & Culture

### Governance, Risk Management and Compliance

# **Audit and Policy Compliance**

Furthermore, in 2021, the Bank performed an internal audit on Data Privacy by internal audit team, in addition to commissioning an independent external audit company from 2019-2020 to assess its management and operation's alignments and compliance with the Personal Data Protection Act 2562 (2019). It was found that the Bank's practices and processes comply with the Act.



Bank-wide collaboration to ensure a desired state of privacy and to gain customers' trust Governance, policies and processes in place to systematically operationalise data privacy measures

#### Remark:

· The Bank enforces privacy notice, seeking cross-selling consents for marketing of product or services of SCB and its financial group companies, business partners which is aligned with PDPA, the Bank of Thailand's requirements while seeking consents relating to personal data/credit information per National Credit Bureau's requirement.

People & Culture

Governance, Risk Management and Compliance

06

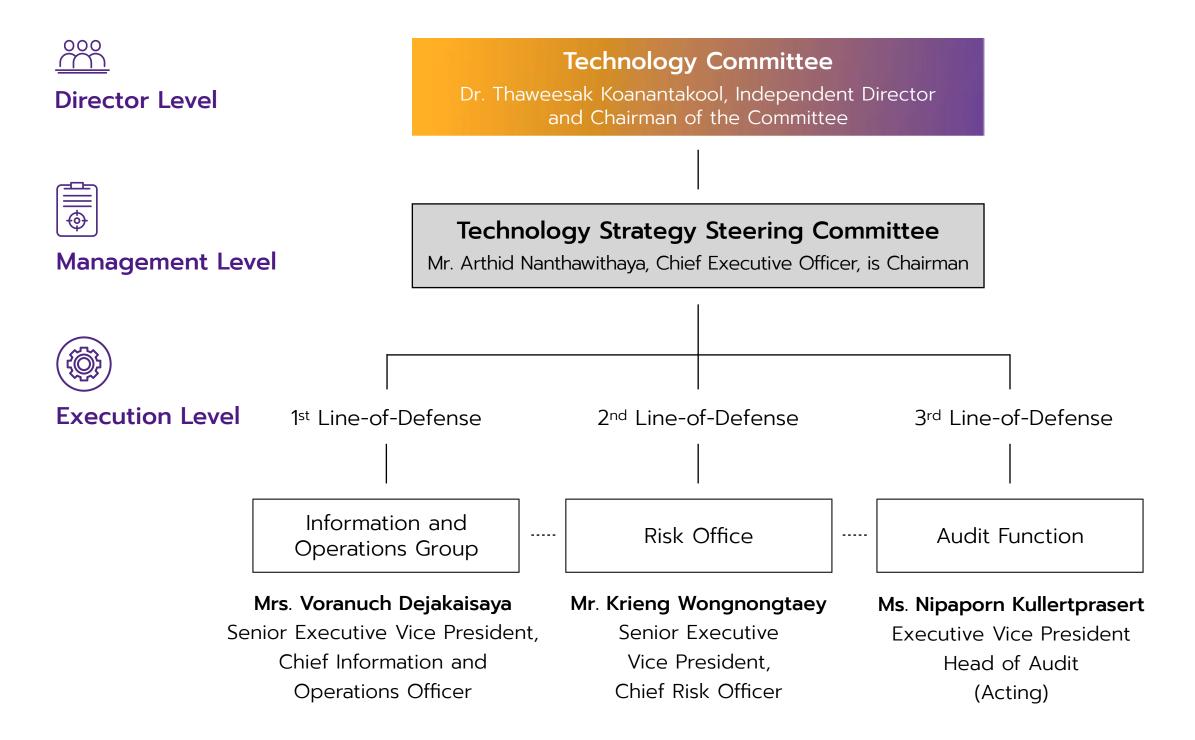
Strengthening Cybersecurity and System Stability



The Bank seeks to holistically uplift cybersecurity in terms of management, technology, and people while regularly testing its capabilities and the systems' readiness in effectively handling cyber threats or incidents. This is to ensure that the Bank can continuously operate business with robust information security system, network, and infrastructure which are of utmost security and stability to global standards, with sufficient resilience to effectively detect and respond to cyber threats.

# IT and Cybersecurity Governance

SCB governance structure on information technology and cybersecurity is classified into three levels, starting at director level, who appoints Technology Committee with roles and responsibilities in formulating long-term strategy, as well as integrating quality of service provision and technology risks management into the overall framework. At management and execution level, collaborative efforts are made to drive performance responding to policy and strategy specified by the Technology Committee.



Governance, Risk Management and Compliance

### **Bank-wide Awareness**

SCB communicates IT and cyber security policies and standards to all levels of employees. Such information is readily available and accessible through the Intranet. In addition, along with year-round active awareness activities, mandatory training on cybersecurity are enforced and took many forms such as through gamification platforms and infographics. Moreover, for IT personnel, Technology Academy is established and responsible for building IT employee's capacity and awareness on IT-related risks in today's business context, while serving as a continuously learning/sharing community for IT personnel

In case of suspicious events relating to IT and cybersecurity, employees can report events or concerns through the actively-monitored channel, including e-mail to IT helpdesk, supervisor, or IT security department.

### Global Standards of Cyber Risk Management

Having a robust, reliable, and resilient information technology system, network, and infrastructure are important for maintaining customer trust and ensuring business continuity. Accordingly, the Bank strictly enforces the Business Continuity Management (BCM) and Crisis Management Policy, as well as other relevant policies, including Cyber Security Incident Response Plan.

Moreover, the Bank also tests and rehearses readiness of such policies and plans in order to uplift capabilities and preparedness of relevant personnel. The tests cover technology and process response to various forms of cyberthreats including:

- Phishing stimulations 2 types
- Red-Team Exercise and Cyberthreat Actor 2 types
- Table-Top exercises with business units responsible for Cybersecurity Incident Response Plan – 1 time
- Surprise stimulation system recovery test 1 time

Throughout 2021, the Bank performed at least 6 cyber-readiness tests with risk management functions. The results were then analyzed and reported to relevant committee for continuous improvement.

In addition, the Bank has been ISO/IEC 27001: 2013 for Information Security Management System: ISMS certified since 2005.

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**Governance, Risk Management and Compliance** 

Fair Consumer Practice



Fair treatment and access to financial services is a basic consumer right, the Bank is therefore committed to the Market Conduct principles while continuously developing and improving operations under the Zero Tolerance policy, or not deliberating any noncompliance in any form or case.

### Treatment of Vulnerable Customer

The Bank conducts business with the goal of providing every group of customers inclusive access to financial products and services, particularly for vulnerable customers who may require special care and assistance. At SCB, customers with the following characteristics are classified as vulnerable: those aged 60 years and older, those with limited financial knowledge or no investment experience, and those having communication, decision-making, or physical limitations. The Bank has an established procedure for treating vulnerable customers to ensure that these customers make fully informed

decisions when buying products and services. Here, the Bank requires a family member to be present during a sales presentation and sign as a witness. For customers with health issues that pose a limitation on communication and decision-making, two witnesses, one an SCB employee and the other a family member or physician, must be present at a sales presentation. Managers or supervisors must confirm understandings with customers and require written acknowledgment to ensure that customers receive accurate information and understand product or service before purchasing or agreeing to terms.



Commitments towards a Sustainable Future

Strengthened Foundation

**Factbook** 

About this Report

Materiality Assessment

Stakeholder Engagement

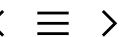
Social and Environmental Performance Data

GRI Content Index

Assurance Statement

Factbook





SCB Sustainability Message from the Special Strengthened Commitments towards **Factbook Board of Directors** at a Glance at SCB a Sustainable Future Foundation Reports Stakeholder Engagement **About this Report** Materiality Assessment Social and Environmental Performance Data **GRI** Content Index **Assurance Statement** 

# About This Report

SCB publishes its Sustainability Report annually which serves as another channel to communicate with stakeholders on the Bank's sustainability commitment and performance. This report provides an overview of sustainability performance on economic, social, and governance dimensions of the Bank and its subsidiaries based on information from January 1 to December 31, 2021, during which the Bank's net operating income accounted for 95.1% of SCB consolidated net operating income.

This report has been prepared in accordance with the GRI Standards: core option and Financial Services Sector Supplement. This report applies the reporting principles of GRI standards for defining both content and quality as well as meeting disclosure requirements on the Bank's operations and material issues as specified in the standards. The Bank has also commissioned Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, an accredited independent assurer, to perform limited assurance on selected topics for this report.



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Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

**Factbook** 

133

**About this Report** 

**Materiality Assessment** 

Stakeholder Engagement

Social and Environmental Performance Data

**GRI Content Index** 

**Assurance Statement** 

# Materiality Assessment

The Bank assesses its sustainability issues by studying and reviewing national and global sustainability context. Opinions from stakeholders are similarly collected to analyze relationships and significance of economic/governance, environmental and social issues relating to and resulting from the Bank's operations. 14 materiality issues were then identified, complied with, and prioritized according to its significance to stakeholders and impacts upon the Bank's operation. Accordingly, this report presents SCB performance in relation to the 14 identified issues which seeks to communicate and respond to stakeholders' expectations on sustainability matters.

# 1. Materiality Identification

# Sustainability Context Studies and Analysis

Determine material topics by considering both internal and external factors

### **Internal Factors:**

- Corporate strategies
- Business risks and opportunities
- · Material topics identified in the previous year

#### **External Factors:**

- Important issues for the global banking industry
- Global and banking industry-specific sustainability trends

# 2. Materiality Prioritization

 Perform materiality assessment and prioritization of 14 identified topics from step one based on impact on the business and stakeholder interests.

# Stakeholder Engagement

In-depth interviews with the following stakeholders:

- The Bank's senior executives
- External stakeholders and sustainability experts from five following groups:
  - 1. Customers
- 2. Shareholders
- 3. Regulators
- 4. Educational institutions, independent organizations, and thought leaders
- 5. Leading banks

# 3. Verification and Continuous Improvement

- Report materiality assessment results to the Management Committee for approval
- Review sustainability reporting process and disclosure regularly

About this Report

**Materiality Assessment** 

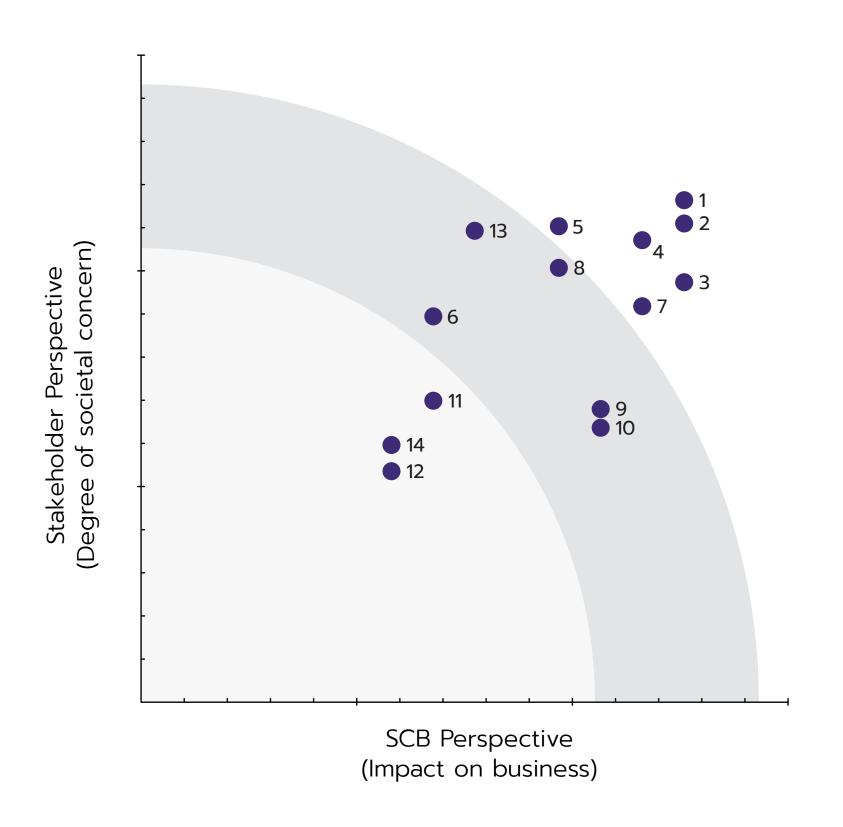
Stakeholder Engagement

Social and Environmental Performance Data

**GRI Content Index** 

Assurance Statement

# Materiality Matrix



- 1. Corporate Governance and Risk Management
- 2. Customer Experience
- 3. Digital Transformation
- 4. Data Governance and Cybersecurity
- 5. Responsible Lending
- 6. Green Finance
- 7. Financial Inclusion
- 8. Financial Literacy
- 9. Culture and Mindset
- 10. Talent Attraction and Retention
- 11. Public Policy Advocacy
- 12. Community and Society Empowerment
- 13. Climate Change Risks
- 14. Operational Eco-efficiency

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

**Factbook** 

About this Report Stakeholder Engagement **Materiality Assessment** 

Social and Environmental Performance Data

GRI Content Index

Assurance Statement

# Impact Boundary of Sustainability Topics (GRI 103-1)

			Impact Boundary					
Topic	SCB's Material Sustainability Topic	GRI Standards Framework	Internal	External				
			Employees	Customers	Shareholders	Regulators	Society and Environment	
Sustainable Finance	• Green Finance	<ul> <li>Product Portfolio (Financial Services Sector)</li> </ul>	X	X	X	-	X	
	Responsible Lending	<ul><li>Product and Service Labelling</li><li>Active Ownership</li><li>Product Portfolio</li></ul>	X	X	X	X	X	
	Financial Inclusion	<del>-</del>	X	X	-	-	X	
	Financial Literacy	Product and Service Labelling	X	X		X	X	
	Customer Experience	Marketing and Product Labelling	X	X		X	-	
	Digital Transformation	_	X	X	X	X	X	
Creating	Talent Attraction and Retention	Training and Education	Χ	-	-	-	X	
Positive Impact	Community and Society Empowerment	Local Communities	X	-		-	X	
Better	Climate Change Risks	_	Х	Х	-	-	X	
Environment Future	Operational Eco-efficiency	<ul><li>Energy</li><li>Water</li><li>Greenhouse Gas Emission</li><li>Waste</li></ul>	X	-	_	-	X	
Strengthened Foundation	<ul> <li>Culture and Mindset</li> <li>Talent Attraction and Retention</li> </ul>	<ul> <li>Employment</li> <li>Occupational Health and Safety</li> <li>Labor Relation Management</li> <li>Freedom of Association and Collective Bargaining</li> </ul>	X	_	_	_	X	
	Corporate Governance and Risk Management	Anti-corruption	X	X	X	X	X	
	Data Governance and Data Security	Customer Data Security	X	X	X	X	X	
	Public Policy Advocacy	Public Policy	X	-	-	X	×	



Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

**Factbook** 

136

**About this Report** 

Materiality Assessment

**Stakeholder Engagement** 

Social and Environmental Performance Data

GRI Content Index

**Assurance Statement** 

# Stakeholder Engagement

The Bank promotes stakeholder engagement throughout the organization by arranging activities and maintaining regular communication with all five groups of stakeholders which are customers, employees, shareholders, society and environment, and regulators. This effort also serves as a two-way communication opportunity for the Bank to understand stakeholders' expectations and seek feedback on the Bank's operations and, vice versa, to communicate its sustainability targets and practices to all stakeholders.



#### Customers

# Type and Channel of Engagement

- Direct meeting with clients
- Customer-relationship building activities
- Website and social network sites
- Satisfaction survey
- Complaint and recommendations handing through Customer Center, Branch Network, and SCB Easy

# Stakeholders' Key Concerns

- Organizational agility to digital disruption and technology
- Product and service quality and variety for all customer segments
- Market conduct
- Customer privacy and cyber security
- Support and assistance during the COVID-19 pandemic



# **Employees**

### Type and Channel of Engagement

- Meetings and seminars
- Intranet, electronic media, social network sites
- Employee engagement survey
- Training and development programs
- Performance appraisals
- Employee hotline

# Stakeholders' Key Concerns

- Skill and capability development
- Internal mobility and career advancement
- Performance evaluation and compensation
- Work-life balance
- Work safety and flexibility during the COVID-19 pandemic

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

About this Report

Materiality Assessment

**Stakeholder Engagement** 

Social and Environmental Performance Data

**GRI Content Index** 

**Assurance Statement** 



# Type and Channel of Engagement

- Shareholder meeting
- Information disclosure and reporting through SCB, Stock Exchange of Thailand websites, press release and public media
- Meeting with analysts and investors

# Stakeholders' Key Concerns

- Long-term value creation
- Good governance
- · Economic, Social and Environmental risk management



# Type and Channel of Engagement

- Meeting and conversations
- Activities and corporate social responsibility activities
- Community needs survey
- Website and social network sites

# Stakeholders' Key Concerns

- Quality of life for people in society
- Assistance during crisis
- Financial accessibility and literacy
- Climate change impact mitigation



## Type and Channel of Engagement

- Meeting
- Meetings and hearings on regulatory policies and guidance
- Received regular assessment from regulatory bodies
- Sharing opinions through different forums

# Stakeholders' Key Concerns

- Good governance
- Market conduct
- Inclusive financial accessibility and literacy
- Personal data protection and cyber security
- Sustainable banking
- Climate change risks management and resillience



Message from the Board of Directors

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

Factbook

138

About this Report

Materiality Assessment

Stakeholder Engagement

**Social and Environmental Performance Data** 

**GRI** Content Index

**Assurance Statement** 

# Note to Sustainability Performance

### **Environment**

## **Energy Consumption**

Total energy consumption as reported in this Sustainability Report covers electricity consumption, diesel consumption of standby generators and fire pumps. There are other remaining sources of energy consumption that were not included in this report this year such as the electricity consumption of the Bank branch network and ATMs. The Bank will continue to revisit the reporting scope to continuously improve on the quality and transparency of disclosed information on environmental performance.

# **Diesel Consumption**

The scope of reporting for diesel consumption covers diesel consumption through tests of standby generators

and fire pumps installed at the SCB Head Office, SCB Information Center, and SCB buildings at Chaengwattana and Chidlom. Data on diesel purchases was then used instead of real consumption data, as the two sets of data generally do not bear any significant difference. Data on purchased diesel was, in turn, collected from invoices submitted by suppliers during the reporting period.

# Fuel Consumption from Bank's Vehicles

Data on fuel consumption from the Bank's vehicles covers fuel consumption for vehicles used, managed and are under the Bank's main operations. The data was collected from fleet cards and invoices submitted by suppliers.

# **Electricity Consumption**

SCB uses electricity in its business operations and supporting activities, including but not limited to lighting, business equipment, air conditioners, and other electrical appliances. The scope of reporting for electricity consumption covers the SCB Head Office, SCB Information Center, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, Belle Grand Tower<sup>1</sup>, and All Seasons Place<sup>2</sup>. Data was collected from invoices submitted by suppliers such as Metropolitan Electricity Authority and the buildings' lease owners.

# Direct GHG Emissions (GHG Scope I)

The scope of reporting for direct GHG emissions (Scope I) covers sources owned or controlled by SCB. This

year, that includes purchased diesel. The sum of that quantity was then multiplied by the Emission Factor, in reference to the Intergovernmental Panel on Climate Change (IPCC) 2006.

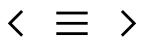
### Indirect GHG Emissions (GHG Scope II)

Indirect GHG emissions (GHG Scope II) come from activities related to the Bank's business operations that are beyond the direct control of the Bank. Sources of indirect GHG emissions include electric currents used at SCB Head Office, SCB Information Center, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, Belle Grand Tower<sup>1</sup>, and All Seasons Place<sup>2</sup>. GHG emissions were calculated with reference to the 2018 Power Development Plan (PDP 2018).

<sup>1.</sup> SCB did not rent Belle Grand tower in 2021

<sup>2.</sup> SCB has not rent or utilize All Seasons Place building since 2020





Message from the **Board of Directors**  SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

**Factbook** 

About this Report

Materiality Assessment

Stakeholder Engagement

**Social and Environmental Performance Data** 

**GRI** Content Index

**Assurance Statement** 

### Water Withdrawal

SCB's water withdrawal consists exclusively of tap water. The scope of reporting for water consumption covers operations at SCB Head Office, SCB Information Center, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, Belle Grand Tower<sup>1</sup>, and All Seasons Place<sup>2</sup>. Data was collected from invoices submitted by the Metropolitan Waterworks Authority and the buildings' lease owners.

# **Waste Management**

The amount of waste managed and disposed is a proportion of waste generated through activities and operations of SCB. The scope of reporting covers SCB Head Office, SCB Park Plaza East & West, SCB Information Center, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, Belle Grand Tower<sup>1</sup>. All Seasons Place<sup>2</sup> and all

branches. The reported data reported derives from:

Starting in 2021, SCB reported the volume of waste according to GRI 306: Waste 2020 standard including waste generated, waste diverted from disposal that is recycled, and waste directed to disposal that is transported to landfilled.

Non-hazardous waste (recycled) was managed by responsible service providers. The reported data is collected from volume of waste submitted by responsible service providers.

### Non-hazardous waste - landfill

Waste managed by municipal authorities, collected from estimation of average volume of the disposed waste per bag which SCB took sampling for 12 all months to calculate the amount of food waste and office waste multiplied by the number of used garbage bags.

# Air Travel for Business Purpose

The scope of reporting or air travel for business purpose covers SCB Head Office and branch network. Data on air travel was collected from travel reports and summaries, and invoices submitted by ticket agency.

GHG emissions from air travel for business purpose was calculated from total air travel for business purpose (kilometers) multiplied by the emission factor, in reference to Thailand Greenhouse Gas Management Organization (Public Organization)

# Society

# **Employee Leave**

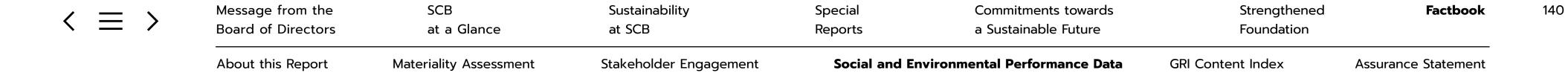
The Bank uses a human resources management system to record and approve employee leave. Employees are also required to fill in a form to request leave, especially leave due to occupational illness through their line manager. In addition, special request for sick leave beyond quota could be submitted to their line manager. The data reported in this report covers only that SCB's performance.

# **Training**

SCB records employee training through a human resources management system. Training is available in different types including electronic learning, inhoused learning - physical and virtual classroom, external training, overseas training. The data reported in this report covers only SCB's performance.

<sup>1.</sup> SCB did not rent Belle Grand tower in 2021

<sup>2.</sup> SCB has not rent or utilize All Seasons Place building since 2020



# **Economic Performance**

# Economic Performance GRI 102-7, GRI 201-1

Performance	Unit	2018	2019	2020	2021
Net operating income	Billion THB	138.2	166.1	144.8	150.3
Total assets	Billion THB	3,187	2,964	3,278	3,315
Market capitalization	Billion THB	454	415	297	432
Total operating expense	Million THB	64,639	70,538	64,330	63,547
Borrowings	Million THB	107,561	77,952	67,235	74,922
Net profits	Million THB	40,068	40,436	27,218	35,599
Employee's expenses	Million THB	29,347	33,281	31,453	30,007
Return on Equity (ROE)	%	10.8	10.4	6.7	8.4
Return on Asset (ROA)	%	1.3	1.3	0.9	1.1
Number of oversea office and branch	Country	9	9	9	9
Number of branches in Thailand	Branch	1,019	958	811	718

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

**Factbook** 

About this Report

Materiality Assessment

Stakeholder Engagement

**Social and Environmental Performance Data** 

**GRI Content Index** 

Assurance Statement

## **Environmental Performance**

# Energy consumption within the organization GRI 302-1

Performance	Unit	Year				
Periormance	Offic	2018	2019	2020	2021	
Total energy consumption	MWh	50,215	45,088	34,358	29,119	
Electricity purchased	MWh	50,138	44,978	34,243	29,007	
Diesel purchased	Litre	7,600	4,600	11,400	11,000	

Remark: 1) In 2021, total energy consumption and electricity purchased has decreased significantly due to the Bank's adoption of the Work from Anywhere arrangement, and the spread of COVID-19 pandemic, resulting in a restriction to access to the office premises in hope to prevent the spread of the COVID-19 pandemic.

2) The volume of purchased diesel increased due to a periodic addition of the diesel reservation.

# Greenhouse Gas Emissions GRI 305-1, GRI 305-2

Performance	Unit	Year				
		2018	2019	2020	2021	
Total direct greenhouse gas emissions (GHG scope 1)	Tonne CO <sub>2</sub> e	10,912	11,081	9,629	3,490	
Total indirect greenhouse gas emissions (GHG scope 2)	Tonne CO <sub>2</sub> e	20,406	17,767	13,218	11,139	

Remark: In 2021, Greenhouse gas emissions decreased significantly due to the Bank's adoption of the Work from Anywhere arrangement, and the spread of COVID-19 pandemic, resulting in a restriction to access to the office premises in hope to prevent the spread of the COVID-19 pandemic.

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

About this Report Materiality Assessment Stake

Stakeholder Engagement

Social and Environmental Performance Data

GRI Content Index

Assurance Statement

# Water Withdrawal GRI 303-3

Year

Performance	Unit				
		2018	2019	2020	2021
Third-party freshwater (≤1,000 mg/L Total Dissolved Solid) consumption	Million m <sup>3</sup>	0.42	0.35	0.24	0.16

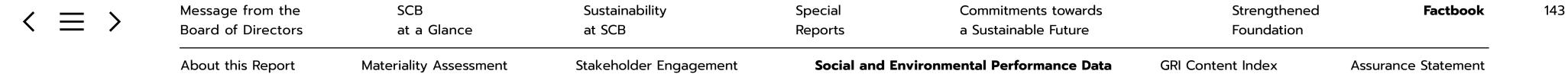
Remark: 1. All of the buildings under reporting boundary are not located in water-stressed areas.

### Waste 2020 GRI 306

Year

Performance	Unit				
		2018	2019	2020	2021
Waste generated - non-hazardous	Tonne	6,741	4,365	3,548	2,614
Waste diverted from disposal - recycle - non-hazardous managed outside an organization	Tonne	6,099	3,513	2,686	1,998
Waste directed to disposal - non-hazardous to landfill managed outside an organization	Tonne	642	850	862	616

<sup>2.</sup> In 2021, the amount of total tap water purchased has decreased significantly due to the Bank's adoption of the Work from Anywhere arrangement, and the spread of COVID-19 pandemic, resulting in a restriction to access to the office premises in hope to prevent the spread of the COVID-19 pandemic.



# **Business Travel**

Performance	Unit	Year				
Periormance	Onit	2018	2019	2020	2021	
Total business travel by air	km	24,590,432	18,222,197	676,786	897,651	
Greenhouse gas emission from air travel	Tonne CO <sub>2</sub> e	4,238	3,099	116	155	
Fuel consumption for business travel from road	kl	4,811	4,919	4,274	3,364	
Greenhouse gas emission from road travel	Tonne CO <sub>2</sub> e	10,891	11,068	9,598	7,559	

**Remark:** In 2021, the total distance of business travel by air and greenhouse gas emission from air travel have decreased significantly because of the spread of the COVID-19 pandemic.

Sustainability at SCB

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

About this Report

Materiality Assessment

Stakeholder Engagement

**Social and Environmental Performance Data** 

GRI Content Index

Assurance Statement

## Social Performance

# Total Employees GRI 102-7, GRI 102-8

Performance	Unit	2	018	2	019	20	)20	20	D21		
		Male	Female	Male	Female	Male	Female	Male	Female		
Total ampleyee	Person	7,882	18,869	7,670	18,283	6,835	17,064	6,045	16,006		
Total employee		26	5,751	25	,953	23,	899	22	,051		
By Contract Type											
Permanent Employee	Person	7,572	18,016	7,387	17,405	6,767	16,815	5,807	15,525		
Contract Employee	Person	310	853	283	878	68	249	238	481		
By Category											
Executive	Person	64	37	66	36	51	36	63	40		
Management	Person	1,554	1,497	1,592	1,547	1,350	1,547	1,232	1,593		
Non-management	Person	6,264	17,335	6,012	16,690	5,434	15,481	4,750	14,373		
Management in revenue generating function	Person	1,074	911	1,013	906	851	921	772	925		
Employees in STEM-related position	Person	N/A	N/A	940	758	1,096	867	1,136	1,290		
Share of employees in STEM-related position	%	N/A	N/A	55.4	44.6	55.8	44.2	46.8	53.2		
By Age											
X ≤ 30	Person	1,377	6,990	1,220	5,715	1,025	4,233	738	3,131		
30 < X ≤ 40	Person	2,626	8,017	2,507	8,291	2,296	8,208	2,100	7,961		
40 < X ≤ 50	Person	1,945	3,084	1,920	3,311	1,883	3,573	1,874	3,787		
50 < X ≤ 60	Person	1,908	770	2,002	961	1,621	1,047	1,315	1,121		
X > 60	Person	26	8	21	5	10	3	18	6		

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

About this Report Materiality Assessment Stakeholder Engagement

Social and Environmental Performance Data

GRI Content Index

Assurance Statement

	Year									
Unit	20	018	20	019	20	)20	20	D21		
	Male	Female	Male	Female	Male	Female	Male	Female		
Person	7,590	17,890	7,423	17,446	6,635	16,324	5,787	15,257		
Person	4	1	5	2	4	2	3	2		
Person	6	0	5	1	5	1	2	0		
Person	2	1	4	1	3	1	2	1		
Person	3	1	4	1	3	0	2	0		
Person	7	2	8	2	6	2	5	2		
Person	270	974	221	830	179	734	244	744		
Person	54	34	55	33	44	33	51	33		
Person	1,495	1,429	1,535	1,490	1,305	1,484	1,192	1,531		
Person	6,041	16,427	5,833	15,923	5,286	14,807	4,544	13,693		
Person	0	0	0	0	0	0	0	0		
Person	2	0	2	1	0	2	0	2		
Person	2	1	3	1	4	0	3	0		
Person	1	0	1	0	1	0	1	0		
Person	4	0	4	0	4	0	1	0		
Person	1	0	0	1	0	1	0	0		
	Person	Person         7,590           Person         4           Person         6           Person         2           Person         3           Person         7           Person         270           Person         1,495           Person         6,041           Person         2           Person         2           Person         2           Person         4	Person         7,590         17,890           Person         4         1           Person         6         0           Person         2         1           Person         3         1           Person         7         2           Person         270         974           Person         1,495         1,429           Person         6,041         16,427           Person         2         0           Person         2         1           Person         1         0           Person         1         0           Person         4         0	Person         7,590         17,890         7,423           Person         4         1         5           Person         6         0         5           Person         2         1         4           Person         3         1         4           Person         7         2         8           Person         270         974         221           Person         1,495         1,429         1,535           Person         6,041         16,427         5,833           Person         0         0         0           Person         2         0         2           Person         1         3         3	Male         Female         Male         Female           Person         7,590         17,890         7,423         17,446           Person         4         1         5         2           Person         6         0         5         1           Person         2         1         4         1           Person         3         1         4         1           Person         7         2         8         2           Person         270         974         221         830           Person         270         974         221         830           Person         1,495         1,429         1,535         1,490           Person         6,041         16,427         5,833         15,923           Person         0         0         0         0           Person         2         0         2         1           Person         2         1         3         1           Person         3         1         0         0           Person         4         0         4         0	Person         7,590         17,890         7,423         17,446         6,635           Person         4         1         5         2         4           Person         6         0         5         1         5           Person         2         1         4         1         3           Person         3         1         4         1         3           Person         7         2         8         2         6           Person         270         974         221         830         179           Person         54         34         55         33         44           Person         1,495         1,429         1,535         1,490         1,305           Person         6,041         16,427         5,833         15,923         5,286           Person         0         0         0         0         0           Person         2         0         2         1         0           Person         2         0         2         1         0           Person         1         0         1         0         1           Person	Person         7,590         17,890         7,423         17,446         6,635         16,324           Person         4         1         5         2         4         2           Person         6         0         5         1         5         1           Person         2         1         4         1         3         1           Person         3         1         4         1         3         0           Person         7         2         8         2         6         2           Person         270         974         221         830         179         734           Person         1,495         1,429         1,535         1,490         1,305         1,484           Person         6,041         16,427         5,833         15,923         5,286         14,807           Person         0         0         0         0         0         0           Person         2         0         2         1         0         2           Person         2         0         2         1         0         2           Person         1         0	Person         7,590         17,890         7,423         17,446         6,635         16,324         5,787           Person         4         1         5         2         4         2         3           Person         6         0         5         1         5         1         2           Person         2         1         4         1         3         1         2           Person         3         1         4         1         3         0         2           Person         7         2         8         2         6         2         5           Person         270         974         221         830         179         734         244           Person         54         34         55         33         44         33         51           Person         1,495         1,429         1,535         1,490         1,305         1,484         1,192           Person         6,041         16,427         5,833         15,923         5,286         14,807         4,544           Person         0         0         0         0         0         0         0		

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

About this Report Materiality Assessment Stakeholder Engagement

**Social and Environmental Performance Data** 

GRI Content Index

Assurance Statement

Performance	Unit	2	018	20	)19	202	20	20	)21
		Male	Female	Male	Female	Male	Female	Male	Female
USA			_		_				
Executive	Person	2	0	3	0	2	0	2	0
Management	Person	0	1	1	1	1	1	0	1
Non-management	Person	0	0	0	0	0	0	0	0
Singapore									
Executive	Person	1	0	1	0	0	0	0	0
Management	Person	2	1	3	1	3	0	2	0
Non-management	Person	0	0	0	0	0	0	0	0
Other									
Executive	Person	3	0	3	0	1	0	2	0
Management	Person	3	0	3	0	3	0	2	0
Non-management	Person	1	2	2	2	2	2	1	2
Not Identified									
Executive	Person	3	3	3	3	3	3	7	7
Management	Person	48	66	44	64	34	60	35	59
Non-management	Person	219	905	174	763	142	671	202	678

About this Report

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

**Factbook** 

Materiality Assessment

Stakeholder Engagement

**Social and Environmental Performance Data** 

GRI Content Index

Assurance Statement

# New Employees GRI 401-1

Performance	Unit	20	018	2	019	20	)20	20	)21		
		Male	Female	Male	Female	Male	Female	Male	Female		
Total now ampleyed hires	Dorson	783	1,828	632	1,523	310	352	513	725		
Total new employee hires	Person	2,	,611	2,	155	6	62	1,2	38		
Data of now amployed hiro	%	9.80	9.59	8.19	8.28	4.33	2.02	8.33	4.47		
Rate of new employee hire		9	.65	8	.26	2.	69	5	54		
By Age											
X ≤ 30	Person	349	1,108	397	1,050	194	203	230	362		
30 < X ≤ 40	Person	328	591	201	394	96	125	195	277		
40 < X ≤ 50	Person	76	116	27	68	20	23	70	77		
50 < X ≤ 60	Person	20	9	4	11	0	1	13	8		
X > 60	Person	10	4	3	0	0	0	5	1		
By Category											
	Porcon	3	2	4	1	3	2	10	6		
Executive	Person	5		5		5		16			
LXecutive	Rate	5.53%	5.38%	6.09%	2.66%	5.04%	5.51%	16.37%	14.94%		
	Rate	5.4	17%	4.8	34%	5.2	21%	15.8	80%		
	Person	159	183	93	84	53	28	72	77		
Managamont		3	42	1	77		31	12	19		
Management	Rate	10.19%	12.28%	5.76%	5.34%	3.58%	1.75%	5.64%	4.84%		
	Rate	11.	21%	5.5	55%	2.6	53%	5.1	9%		
	Person	621	1,643	535	1,438	254	322	431	642		
Non-management		2,	264	1,	973	5	76	1,073			
Non management	Rate	9.74%	9.37%	8.87%	8.57%	4.52%	2.04%	8.94%	4.41%		
		9.4	47%	8.6	55%	2.6	59%	5.5	3%		

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

About this Report Materiality Assessment Stakeholder Engagement

GRI Content Index

Assurance Statement

#### Year

**Social and Environmental Performance Data** 

Performance	Unit	2018		20	019	20	)20	20	021
		Male	Female	Male	Female	Male	Female	Male	Female
Number of internal positions filled									
	Position	-	-	572	1,229	338	908	356	892
		2,897		1,	801	1,2	246	1,2	248
Number of internal positions filled	% (against total vacancies)	75%		4	6%	6	5%	50	).2%
By Age									
X ≤ 30	Person	-	-	102	450	66	331	38	201
30 < X ≤ 40	Person	-	_	177	522	124	416	153	451
40 < X ≤ 50	Person	-	_	132	214	74	121	124	204
50 < X ≤ 60	Person	-	_	161	43	74	40	41	36
X > 60	Person	-	_	0	0	0	0	0	0
By Category									
Executive	Person	-	-	4	3	2	5	10	5
Management	Person	-	-	126	122	78	72	103	130
Non-management	Person	-	-	442	1,104	258	831	243	757

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

About this Report

Materiality Assessment

Stakeholder Engagement

**Social and Environmental Performance Data** 

GRI Content Index

Assurance Statement

## Employees Turnover GRI 401-1

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		Teal									
Performance	Unit	2	018	2	019	20	)20	20	D21		
		Male	Female	Male	Female	Male	Female	Male	Female		
Total analays a type ayas	Deves	978	2,378	836	2,157	1,054	1,471	940	1,426		
Total employee turnover	Person	3,356		2,	993	2,	525	2,366			
Employee turnover rate	%	12.25	12.47	10.84	11.73	14.72	8.43	15.27	8.80		
Employee turnover rate	<i>7</i> 0	12.41		11.47		10.26		10.58			
Ву Туре											
Employee voluntary turnover	Person	800	2,216	647	1,969	823	1,180	830	1,330		
		3	,016	2,	616	2,0	003	2,	160		
Employee voluntary turnover rate	%	10.02	11.62	8.39	10.71	11.50	6.76	13.48	8.21		
Employee voluntary turnover rate	<i>7</i> 0	11.15		10	0.02	8	.14	9.	66		
Employee involuntary turnover	Person	178	160	189	188	231	291	110	96		
Employee involuntary turnover		3	340	3	377	5	22	2	06		
Employee involuntary turnover rate	%	2.23	0.85	2.45	1.02	3.23	1.67	1.79	0.59		
		1	.26	1	44	2	.12	0	.91		
By Age Group											
X ≤ 30	Person	387	1,432	317	1,226	180	657	161	448		
30 < X ≤ 40	Person	334	729	268	706	189	507	182	569		
40 < X ≤ 50	Person	101	154	87	156	73	108	82	145		
50 < X ≤ 60	Person	68	30	52	37	549	185	511	262		
X > 60	Person	88	33	112	32	63	14	4	2		

Message from the **Board of Directors**  SCB at a Glance Sustainability at SCB

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

About this Report Materiality Assessment Stakeholder Engagement

**Social and Environmental Performance Data** 

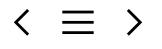
GRI Content Index

Assurance Statement

Year

Performance	Unit	20	)18	2019		20	20	20	)21
		Male	Female	Male	Female	Male	Female	Male	Female
By Category									
	Person	11	8	9	5	20	2	5	2
Executive		1	9	1	14		2	7	
Executive	Data	20.28%	21.52%	13.70%	13.30%	33.57%	5.51%	8.18%	4.98%
	Rate	20.78%		13.56%		22.94%		6.91%	
	Person	161	155	155	147	326	137	201	106
Managament		316		302		46	53	307	
Management	Data	10.32%	10.40%	9.60%	9.34%	22.02%	8.57%	15.74%	6.66%
	Rate	10.36%		9.47%		15.04%		10.70%	
	Dorson	812	2,206	672	2,005	708	1,332	734	1,318
Non management	Person	3,0	018	2,6	677	2,040		2,052	
Non-management	Rate	12.74%	12.58%	11.14%	11.95%	12.60%	8.42%	15.23%	9.04%
	παιθ	12.6	52%	11.74	1%	9.5	2%	10.5	58%

Remark: In 2020, involuntary turnover rate increased significantly because of an adjustment of Customer Center's staff contract type from contract to full-time employee.



About this Report	Materiality Assessment	Stakeholder Engagement	Social and Er	vironmental Performance Data	GRI Content Index	Assurance Statement
Board of Directors	at a Glance	at SCB	Reports	a Sustainable Future	Foundation	
Message from the	SCB	Sustainability	Special	Commitments towards	Strengthened	Factbook

# Ratio of Basic Salary and Renumeration of Women to Men GRI 405-02

Performance	Unit -	Year							
Periormance	Offic	2018	2019	2020	2021				
Base salary only									
Executive	Female to Male Ratio	-			0.98				
Management	Female to Male Ratio	-			0.98				
Non-management	Female to Male Ratio	-	_	_	0.80				
Base salary and other cash	incentives (renumeration)								
Executive	Female to Male Ratio	-	-	-	0.96				
Management	Female to Male Ratio	-	_	_	0.99				
Non-management	Female to Male Ratio	-	_		0.82				

### Absenteeism GRI 403-2

Performance	Unit		Year						
Periormance	Offic	2018	2019	2020	2021				
Total absenteeism days (including sickness and injuries leave)	Days	58,967	55,340	42,091	41,550				
Absenteeism rate (including sickness and injuries leave)	%	0.90	0.87	0.72	0.80				
Average absenteeism resulted from work-related illnesses and injuries	Day/ Person	-	-	_	1.88				

### Occupational Health and Safety GRI 403-9, GRI 403-10

Performance	Unit	2018	2019	2020	2021
Rate of fatalities as a result of work-related injury	Cases per million hours worked	О	0	Ο	О
Rate of recordable work-related injuries	Cases per million hours worked	0.32	0.23	0.23	О
Recordable work-related ill health	Cases	0	0	0	0

### Training and Development GRI 404-1

Performance	Unit	2018	2019	2020	2021
Total cost on employee training	Baht Million	585	284	127	115
Average amount spent per FTE on training and development.	Baht/ FTE	21,868	10,949	5,314	5,245
Average hours of training	Hour/ Person	71	68	49	45
By Gender					
Female	Hour/ Person	75	75	54	48
Male	Hour/ Person	61	51	37	36
By Category					
Executive	Hour/ Person	100	15	15	11
Management	Hour/ Person	70	46	46	35
Non-management	Hour/ Person	71	71	71	46

**Social and Environmental Performance Data** 

**GRI** Content Index

Stakeholder Engagement

153

**Assurance Statement** 

Training & Development GRI 404-1

About this Report

Materiality Assessment

Performance	Unit	2018	2019	2020	2021
By Age					
X ≤ 30	Hour/ Person	-	-	-	41
30 < X ≤ 40	Hour/ Person	-		-	50
40 < X ≤ 50	Hour/ Person	_		-	41
50 < X ≤ 60	Hour/ Person				39
X > 60	Hour/ Person	-		-	40
By Training Type					
Mandatory <sup>1</sup>	Hour/ Person	-	6	8	8
Non-mandatory <sup>2</sup>	Hour/ Person	-	62	30	32
Self-directed learning <sup>3</sup>	Hour/ Person	_	1	11	5

#### Remark:

- 1. 8 mandatory training courses include 1) Personal Data Protection Act (PDPA), 2) Cyber Security Awareness, 3) Anti-money Laundering and Counter Terrorist Financing, 4) SCB Financial Group Code of Conduct, 5) Operational Risks, 6) SCB Safety First, 7) Anti-corruption and Bribery, and 8) Market Conduct.
- 2. Non-mandatory training hours decreased from 62 hours in 2019 to 30 hours in 2020, as a result of the Bank's adjustment to the training approach from Face to Face learning to Virtual Classroom and Online, due to the spread of COVID-19.
- 3. Self-directed learning includes self-learning and development based on employees' interests available through programs and platforms such as video lessons on PlayStory or coaching sessions through Career Coach, apart from the regular training. Average learning hours through self-directed learning increased from 1 hour in 2019 to 11 hours in 2020, as a result of the Bank's adjustment to the training approach from Face to Face learning to Virtual Classroom and Online, due to the spread of COVID-19. The Bank encouraged employees to access and enroll in these learning portals more. However, average learning hour through self-directed learning decreased from 11 hours in 2020 to 5 hours in 2021 because of the Bank's adjustment to the video lessons that make it shorter, concise, and more suitable for the learner's needs. This is also done to support employees' self-directed learning through online channels.

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

About this Report

Materiality Assessment

Stakeholder Engagement

**Social and Environmental Performance Data** 

GRI Content Index

Assurance Statement

Performance	Unit	2016	2017	2018	2020
Human Capital Return on Investment					
Human Capital Return on Investment	_	3.50	3.87	3.84	4.25
Employee Engagement Survey					
Engaged employee	%	85	83	83	89
Response rate	%	98	99	99	98
By gender					
Male	%	-	-	-	88
Female	%				90
By age					
X ≤ 30	%	-	-	-	88
30 < X ≤ 40	%				89
40 < X ≤ 50	%				89
50 < X ≤ 60	%				90
X > 60	%	_	_	_	_
By type					
Executive	%	-	-	-	85
Management	%				86
Non-management	%	_	_	_	90
Hiring Cost					
Average Hiring Cost	Baht/ Person	14,331	10,073	18,045	10,085

Materiality Assessment

Stakeholder Engagement

Social and Environmental Performance Data

**GRI Content Index** 

Assurance Statement

# GRI Content Index

## General Disclosures

GRI Standards	Disclosure	Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs Goals
	Reporting principles	132-137			
GRI 101: Foundation	Using the GRI standards for sustainability reporting	132			
Touridation	Making claims related to the use of the GRI Standards	132			
General Discl	osures				
GRI 102: Orga	anization Profile				
102-1	Name of the organization	6			
102-2	Activities, brands, products, and services	6, Annual Report 36-45			
102-3	Location of headquarters	6			
102-4	Location of operations	132			
102-5	Ownership and legal form	6			
102-6	Markets served	Annual Report 31			
102-7	Scale of the organization	6, Annual Report 31			
102-8	Information on employees and other workers	144-154			SDG 8
102-9	Supply chain	88			
102-10	Significant changes to the organization and its supply chain	8, 16-19			
102-11	Precautionary Principle or approach	20-23, 84, 87, 109-117			
102-12	External initiatives	20-23, 40-41			
102-13	Membership of associations	20-23			
GRI 102: Strat	egy				
102-14	Statement from senior decision-maker	3-6			
102-15	Key impacts, risks and opportunities	3-6			

GRI Standards	Disclosure	Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs Goals
GRI 102: Ethi	cs and Integrity				
102-16	Values, principles, standards and norms of behavior	92, 120-125			SDG 16
102-17	Mechanisms for advice and concerns about ethics	121			
GRI 102: Gov	ernance				
102-18	Governance structure	106			
102-19	Delegating authority	8, 84, 87, 106, 110, 127-128			
102-20	Executive-level responsibility for economic, environmental and social topics	8			
102-21	Consulting stakeholders on economic, environmental, and social topics	136-137			
102-22	Composition of the highest governance body and its committees	106			
102-23	Chair of the highest governance body	3			
102-24	Nominating and selecting the highest governance body	106			
102-25	Conflicts of interest	Annual Report 93, 206			
102-26	Role of highest governance body in setting purpose, values, and strategy	8			
102-27	Collective knowledge of highest governance body	109-110			
102-28	Evaluating the highest governance body's performance	108			
102-29	Identifying and managing economic, environmental, and social impacts	9-13			
102-30	Effectiveness of risk management processes	20-23, 84, 109-110			
102-31	Review of economic, environmental, and social topics	133-134			
102-32	Highest governance body's role in sustainability reporting	133-134		_	

GRI Standards	Disclosure	Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs Goals
GRI 102: Stak	eholder Engagement				
102-40	List of stakeholder groups	136-137			
102-41	Collective bargaining agreements	100			SDG 8
102-42	Identifying and selecting stakeholders	133			
102-43	Approach to stakeholder engagement	136-137			
102-44	Key topics and concerns raised	136-137			
GRI 102: Repo	orting Practice				
102-45	Entities included in the consolidated financial statements	6, Annual Report 31			_
102-46	Defining report content and topic Boundaries	133-135			
102-47	List of material topics	134			
102-48	Restatements of information	<del>-</del>			
102-49	Changes in reporting	138-139			
102-50	Reporting period	132			
102-51	Date of most recent report	132			
102-52	Reporting cycle	132			
102-53	Contact point for questions regarding the report	132			
102-54	Claims of reporting in accordance with the GRI Standards	132			
102-55	GRI content index	155-163			
102-56	External assurance	166			

# Topic-Specific Disclosures

Disclosure	9	Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs
Data Gove	ernance and Cybersecurity				
GRI 103: M	lanagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	126-129			
103-2	The management approach and its components	126-129			
103-3	Evaluation of the management approach	127, 129			
GRI 418: C	ustomer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customers privacy and losses of customer data	126			SDG 16
Customer	Experience				
GRI 103: M	lanagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	14			
103-2	The management approach and its components	14			
103-3	Evaluation of the management approach	14			
Digital Tra	nsformation				
GRI 103: M	lanagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	16-19			
103-2	The management approach and its components	16-19			
103-3	Evaluation of the management approach	16-19			
Talent Attr	action & Retention				
GRI 103: M	lanagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	92-102			
103-2	The management approach and its components	92-102			
103-3	Evaluation of the management approach	92-102		-	

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation Factbook

About this Report Materiality Assessment Stakeholder Engagement Social and Environmental Performance Data <b>GRI Content Index</b> Assurance Statem	Abc	out this Report	Materiality Assessment	Stakeholder Engagement	Social and Environmental Performance Data	GRI Content Index	Assurance Statement
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Disclosure		Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs
GRI 401: Em	ployment 2016				
401-1	New employee hires and employee turnover	144-150			SDG 5 and 8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	101-102			SDG 8
401-3	Parental leave	102			SDG 5 and 8
GRI 403: Oc	cupational Health and Safety 2018				
403-2	Types of injuries and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	103, 151-152			SDG 3 and 8
403-9	Work-related injuries	103, 151-152			
GRI 404: Tra	aining and Education 2016				
404-1	Average hours of training per year per employee	73, 152-153		Yes	SDG 4, 5 and 8
404-2	Programs for upgrading employee skills and transition assistance programs	62-73			
404-3	Percentage of employees receiving regular performance and career development reviews	92			SDG 5 and 8
GRI 405: Div	ersity and Equal Opportunity				
405-01	Diversity of governance body and employees	106-107, 144-146			SDG 5 and 8
405-02	Ratio of basic salary and renumeration of women to men	151		Yes	SDG 5 and 8 and 10
Human Righ	nts Assessment				
GRI 103: Mai	nagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	125			
103-2	The management approach and its components	125			
103-3	Evaluation of the management approach	125			
GRI 412: Hur	man Rights Assessment 2016				
412-1	Operations that have been subject to human rights reviews and impact assessment	125			

SCB at a Glance Sustainability at SCB

Special Reports

Commitments towards a Sustainable Future

Strengthened Foundation

**Factbook** 

About this Report Materiality Assessment Stakeholder Engagement Social and Environmental Performance Data **GRI Content Index** Assurance Statement

Disclosure		Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs
Culture &	Mindset				
GRI 103: M	anagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	92-98			
103-2	The management approach and its components	92-98			
103-3	Evaluation of the management approach	99-100			
Corporate	Governance and Risk Management				
GRI 103: M	anagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	105-120			
103-2	The management approach and its components	105-120			
103-3	Evaluation of the management approach	105-120			
GRI 205: A	nti-corruption 2016				
205-2	Communication and training about anti-corruption policies and procedures	122			SDG 16
205-3	Confirmed incidents of corruption and actions taken	122			
Responsib	le Lending				
GRI 103: M	anagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	38			
103-2	The management approach and its components	40-42			
103-3	Evaluation of the management approach	40-42			
GRI 201: Ed	conomic Performance 2016				
201-2	Financial implications and other risks and opportunities due to climate change	39, 43-48			

Disclosure		Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs
Climate Cha	ange Risk & Opportunity				
GRI 103: Ma	nagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	82			
103-2	The management approach and its components	84-85			
103-3	Evaluation of the management approach	84-85			
GRI 201: Eco	onomic Performance				
201-2	Financial implications and other risks and opportunities due to climate change	38, 43-48, 84-85			
Financial En	npowerment				
GRI 103: Ma	nagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	38			
103-2	The management approach and its components	49			
103-3	Evaluation of the management approach	50-51			
GRI 201: Eco	onomic Performance				
201-1	Direct economic value generated and distributed	50-51			SDG 5, 8 and 9
<b>GRI Sector</b>	Disclosures: Financial Sector				
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	50-51		Yes	SDG 1, 8, 9 and 10
G4-FS13	Access points in low-populated or economically disadvantaged areas	9, 50-51			SDG 1, 8 and 10
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	51			SDG 1, 8 and 10
Financial Lit	eracy				
GRI 103: Ma	nagement Approach 2016				
103-1	Explanation of the material topic and its Boundary	52, 54			
103-2	The management approach and its components	52-58			
103-3	Evaluation of the management approach	52-58			

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

About this Report Materiality Assessment Stakeholder Engagement Social and Environmental Performance Data **GRI Content Index** Assurance Statement

Disclosure		Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs
GRI Sector D	isclosures: Financial Sector				
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	51			SDG 1, 8 and 10
G4-FS16	Initiatives to enhance financial literacy by type of beneficiary	52-58			
Operational	Eco-efficiency				
GRI 103: Man	agement Approach 2016				
103-1	Explanation of the material topic and its Boundary	82			
103-2	The management approach and its components	86-87			
103-3	Evaluation of the management approach	86-87			
GRI 302: Ene	rgy 2016				
302-1	Energy consumption within the organization	87, 141		Yes	SDG 7 and 13
302-3	Energy intensity	87, 141			SDG 7 and 13
302-4	Reduction of energy consumption	12, 87, 141			SDG 7 and 13
GRI 303: Wat	er and Effluents 2018				
303-3	Water withdrawal	87, 142			
GRI 305: Emi	ssions 2016				
305-1	Direct (Scope 1) GHG emissions	87, 141		Yes	SDG 7 and 13
305-2	Energy indirect (Scope 2) GHG emissions	87, 141		Yes	SDG 7 and 13
305-3	Other indirect (Scope 3) GHG emissions	87, 143			SDG 7 and 13
305-4	GHGs emission intensity	87, 141, 143			SDG 7 and 13
305-5	Reduction of GHG emissions	12, 141, 143			SDG 7 and 13
GRI 306: Was	ste 2020				
306-3	Waste generated	87, 142		Yes	
306-4	Waste diverted from disposal	142		Yes	
306-5	Waste directed to disposal	142		Yes	

SCB at a Glance Sustainability at SCB

Special Reports Commitments towards a Sustainable Future

Strengthened Foundation

actbook

About this Report Materiality Assessment

Stakeholder Engagement

Social and Environmental Performance Data

**GRI Content Index** 

Assurance Statement

Disclosure		Sustainability Report	Reason for Omission	External Verification	Contribution to SDGs
GRI 308: Sup	plier Environmental Assessment				
308-1	Percentage of new suppliers that were screened using environmental criteria	88			
308-2	Number of suppliers assessed for environmental impacts.	88			
Empowering	Community & Society				
GRI 103: Man	agement Approach 2016				
103-1	Explanation of the material topic and its Boundary	60			
103-2	The management approach and its components	62-80			
103-3	Evaluation of the management approach	62-80			
GRI 203: Indi	rect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	12, 24-35, 74-80			
203-2	Significant indirect economic impacts	12, 24-35, 74-80			SDG 1, 4, 6 and 8
Green Finance	ce control of the con				
GRI 103: Man	agement Approach 2016				
103-1	Explanation of the material topic and its Boundary	38			
103-2	The management approach and its components	40-48			
103-3	Evaluation of the management approach	40-48			
GRI Sector D	isclosures: Financial Sector				
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	39-48			SDG 1, 8, 9 and 10
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	39-48			SDG 7, 9, 11, 12 and 13
Public Policy	Advocacy				
GRI 103: Man	agement Approach 2016				
103-1	Explanation of the material topic and its Boundary	40-41			
103-2	The management approach and its components	40-41			
103-3	Evaluation of the management approach	40-41			-
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# SASB Index

## Commercial Banks

Topic	Accounting Metrics	Code	Response
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	Sustainability Report 2021, Page 126
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	Sustainability Report 2021, Page 128-129
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	Sustainability Report 2021, Page 50-51
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	Not Reported
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	Sustainability Report 2021, Page 50
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	Sustainability Report 2021, Page 9, 54-58
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Annual Report 2021, Page 134
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	Sustainability Report 2021, Page 38

Topic	Accounting Metrics	Code	Response
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, other related financial industry laws or regulations	FN-CB-510a.1	Sustainability Report 2021, Page 121
	Description of whistleblower policies and procedures	FN-CB-510a.2	Sustainability Report 2021, Page 122
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score by category	FN-CB-550a.1	SCB is not a Global Systemically Important Bank
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	Annual Report 2021, Page 65
Activities Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	Not Reported
	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	Annual Report 2021, Page 128



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