

**SCB...  
WAYS TO BE  
SUSTAINABLE  
TOGETHER**





Sustainability Mission:

**OUR PRESENCE  
CONTRIBUTES TO  
THE BETTER FUTURE  
FOR ALL**



# SCB... WAYS TO BE SUSTAINABLE TOGETHER



**SUSTAINABLE FINANCE**



**CREATING SOCIAL IMPACT**



**BETTER ENVIRONMENTAL FUTURE**



# TABLE OF CONTENTS

Message from the Board of Directors	5
SCB at A Glance	8
Sustainability Milestones	11

## 2020 OVERVIEW

2020 Performance Highlights	14
Special Report	
• Get through COVID-19 Together	16
• Digital Transformation	20

## WAY FORWARD FOR THE BETTER FUTURE

Sustainability Framework	27
Sustainability Governance	29
Integrated Approach	29

## COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

<b>Sustainable Finance</b>	
Sustainable Financial Solutions and Responsible Lending/ Investment	31
Financial Empowerment	41

## Creating Social Impact

People's Potential	51
Society's Well-being	70

## Better Environmental Future

Climate Risk and Resilience	82
Environmental Footprint Reduction	86

## STRENGTHENED FOUNDATION

People and Culture	96
Governance, Risk Management, and Compliance	110

## FACTBOOK

About this Report	140
Sustainability Performance Data	146
GRI Content Index	161
Assurance Statement	171
Contact Us	172



# MESSAGE FROM THE BOARD OF DIRECTORS

## MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## THE BANK SEEKS TO LEAD ITS ORGANIZATION AND CUSTOMERS TO OVERCOME PRESENT ECONOMIC CHALLENGE AND CREATE SUSTAINABLE GROWTH.

The commercial banking business operated under an extremely challenging environment in 2020. Besides increased competition from both financial institutions and other businesses including tech companies that have encroached into the banking space, the COVID-19 pandemic has caused wide-ranging impacts on the global economy and society, affecting far more countries and people than other crises in the past. Many aspects of life, from daily activities, trading of goods and services, education, to health, have been ushered into the new normal with the pandemic acting as a catalyst to accelerate the change in consumer behavior toward widespread reliance on digital technology. All these factors have prompted commercial banks to rethink and reshape their business models to ensure that their organizations, their customers, and society can survive and are prepared for the next challenge.



**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

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

Amid this crisis, Siam Commercial Bank has been focusing its efforts on taking care of our employees and our customers by increasing workforce flexibility with the new way of work, "SCB Work from Anywhere," as well as providing assistance to every customer segment. Affected customers are offered short-term solutions in the form of loans, payment holidays, and interest reduction to ensure adequate capital and liquidity for continuing their businesses and daily lives. Moreover, the Bank has also developed long-term solutions by blending digital capability with the new corporate approach and launched two key digital platforms – a food delivery platform called "Robinhood" and a deals platform called "SCB Shop Deal" – to help customers, especially SSMEs, get through this difficult time and come back strong in the future while also strengthening the social bond and driving Thailand's economy.

## Solid Foundation toward the Sustainability Journey

The COVID-19 pandemic is a testament to the "VUCA world", or the world in which businesses must grapple with volatility, uncertainty, complexity, and ambiguity. Thus, it is an organizational imperative for businesses to be resilient, agile, and ready for constant challenges.

For Siam Commercial Bank, the decision to invest in digital transformation in 2016 not only helps prepare the Bank for the changing competitive landscape in the digital age but also lays a strong foundation that has been instrumental to the Bank's operational continuity during the COVID-19 pandemic. This investment has also enabled the Bank to build on its business model and create shared value with innovation.

To ensure that its management is aligned with future trends and sustainability objectives, the Bank established the SCB Sustainability Governance Framework in 2020 along with policy and strategic framework centered on the three pillars of "Sustainable Finance, Creating Social Impact, and Better Environmental Future." Together with the Bank's sustainability mission that "Our Presence Contributes to the Better Future for All," this framework and policy will help guide the Bank on the path toward inclusive growth and sustainable development.

## From 'Conscientiousness' to 'Value Chain' Building a Business Ecosystem on Sustainability

The Bank firmly believes that sustainability means embedding social and environmental responsibility in every aspect of the operation and recognizes that the business cannot progress and operate sustainably without maintaining economic and social balance. These beliefs led to the Bank's long-term emphasis on fostering employees' "conscientiousness" and capabilities to improve processes as well as products and services that create social and environmental values.

In 2020, the Bank set up the Sustainable Finance Taskforce as part of its commitment to encouraging customer involvement in managing the environmental and social impact by offering sustainable financial solutions, responsible lending, and investment in parallel with promoting financial inclusion and literacy. In addition, the Bank also set up the Climate Risk Assessment Taskforce to manage risk and create business opportunities from climate change as well as supporting the transition to a low-carbon economy and society.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

## One of the Top Ten Banks with Global Sustainability Record

With its continuous effort to integrate sustainability and good governance into the business, the Bank was selected as a member of Dow Jones Sustainability Indices (DJSI) for both the DJSI World Index and the DJSI Emerging Markets Index in 2020. In addition, the Bank has also been recognized as one of the “Top 10 Sustainability Leaders” in the banking sector for the third consecutive year. Moreover, the Bank has consistently earned the highest rating of “Excellent” in the corporate governance assessment by the Thai Institute of Directors since 2005.

### Next Step in 2021

The Bank aims to lead the organization and our customers out of this current economic crisis and to create sustainable growth. The past investment in SCB Transformation has made the Bank ready to take the next step with the determination to become a tech company that provides financial services. In 2021, the Bank will

continue to build its digital capability, promote new ways of work, as well as creating opportunities for exponential growth through SCB 10X. These objectives will be carried out while also enhancing employees’ capabilities through reskilling and upskilling for life-long learning.

The Bank thanks our shareholders, customers, and suppliers for their continued trust and support; our executives and employees for their commitment and dedication, day in day out; and all our stakeholders for their contributions in our effort to create values. The Bank has always been cognizant that our existence and our aspiration to be the Bank of the Future must rest upon a strong ethical foundation with an integrated approach to sustainability throughout the journey. The Bank will continue to take part in strengthening the financial and banking system to ensure stability and growth of the Thai economy as well as raising the standard of living for people in the society and maintaining balance in our environment in order to promote inclusive growth and to be “the Most Admired Bank” as we have envisioned.

SCB WILL CONTINUE TO BUILD  
ITS DIGITAL CAPABILITY,  
PROMOTE NEW WAYS OF  
WORK, AS WELL AS CREATING  
OPPORTUNITIES FOR  
EXPONENTIAL GROWTH  
THROUGH SCB 10X. THESE  
OBJECTIVES WILL BE CARRIED  
OUT WHILE ALSO ENHANCING  
EMPLOYEES’ CAPABILITIES.



# SCB AT A GLANCE

Siam Commercial Bank Public Company Limited (SCB) is a leading universal bank and the first local bank that has been part of the Thai society for 114 years. SCB Financial Group has subsidiaries that together create and offer end-to-end financial solutions to fulfill the needs of all groups of customers. Moreover, the Bank also has overseas affiliates, branches, and representative to leverage trade and investment capabilities throughout the region.



## Vision:

### To be The Most Admired Bank

Driven by the vision to be “The Most Admired Bank,” the Bank remains committed to creating sustainable growth and becoming Tech Company that offers financial services. Building on holistic and competitive developments resulted from strategic investments in SCB Transformation in the past 5 years (2016-2020), SCB seeks to sustainably create and deliver distinct experiences and shared value to customers and society.



## Overseas Affiliates, Branches, and Representative Offices

- 1 The Siam Commercial Bank Public Company Limited, Head Office
- 2 Cambodian Commercial Bank
- 3 Shanghai Branch
- 4 Hong Kong Branch
- 5 Vientiane Branch
- 6 Ho Chi Minh Branch
- 7 Singapore Branch
- 8 Cayman Islands Branch
- 9 Beijing Representative Office
- 10 Yangon Representative Office\*

\*Remark: Yangon Representative Office is now a subsidiary bank as SCB holds all the shares.

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM  
THE BOARD OF DIRECTORS

**ABOUT SCB**

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

## SCB Main Products and Services



### Corporate Customers

- Deposit account for business
- Business lending
- Business cash management
- International trade and finance and remittance
- Foreign exchange services
- Investment products
- Investment banking
- Corporate trust
- Electronic banking for business



### SME Customers

- Deposit account for business
- Credit for business
- Business cash management
- International trade finance and remittance
- Foreign exchange services
- Investment and insurance
- Electronic banking for business



### Retail and Wealth Customers

- Deposit products
- Loan products
- Credit card and top-up card products
- Domestic fund transfer and international remittance
- Bill payment and top-up products
- Foreign exchange services
- Investment and insurance products
- Electronic banking



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## SCB Major Group Companies



**Ownership: 100%**

Net operating income accounts for 1.8% of SCB consolidated net operating income



**Ownership: 100%**

Net operating income accounts for 1.5% of SCB consolidated net operating income



**Ownership: 100%**



**Ownership: 60%**



**Ownership: 100%**



**Ownership: 60%**



**Ownership: 100%**



**Ownership: 100%**



**Ownership: 60%**



# SCB SUSTAINABILITY JOURNEY

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

**SUSTAINABILITY KEY MILESTONES**

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

**SCB...WAYS TO BE SUSTAINABLE TOGETHER**

SUSTAINABILITY REPORT 2020



## 2016 - 2019

### FIX & BUILD

#### 2016

Announcement of "SCB Transformation" mission with the new vision: to be 'The Most Admired Bank'

Formation of Corporate Sustainability Office under the Strategy Group

#### 2017

Launch of a redesigned SCB Easy app along with other digital platforms, turning a new page from mobile to "lifestyle banking"



Development of additional corporate policies for promoting sustainable practices, including a Human Rights Policy, Environmental Management Policy, Occupational, Safety, Health and Environment Policy



The first offering of SCB Thai CG Fund, encouraging investment in listed companies that conduct business with environmental, social, and corporate governance considerations



First certification of Collective Action Against Corruption (CAC)



First Sustainability Report published in alignment with GRI Standards

#### 2018

Announcement of 'Going Upside Down' strategy to drive sustainable growth and speed up transformation mission



The first Thai Bank to terminate fees for basic financial transactions

Launch of digital lending via SCB EASY



First-time DJSI World Index and Emerging Markets Index Inclusion

#### 2019

Adoption of the Thai Bankers' Association Sustainable Banking Guideline - Responsible Lending



Issuance of the first SCB Green Bond

Launch of basic banking accounts



Development of green procurement practice in accordance with ISO 14001



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

**SUSTAINABILITY  
KEY MILESTONES**

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



# 2020

## REVIEW & REINFORCE



Announcement of SCB  
and SCB Financial Group  
Sustainability Policy



Appointment of Sustainability  
Steering Committee,  
Sustainable Finance Taskforce,  
and Climate Risk Assessment Taskforce



Announcement of  
Responsible Investment  
Advisory Policy



# 2021- 2023

## INTEGRATE & SCALE



Embedding sustainability  
as part of corporate strategy  
through deployment  
of Balanced Scorecard



# 2020 OVERVIEW

MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

**2020  
OVERVIEW**

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

—  
**CREATES DIGITAL BANKING EXPERIENCE  
TO UNDERSTAND AND ADDRESS  
CUSTOMER'S DIVERSE NEEDS.**  
—



**2020  
PERFORMANCE HIGHLIGHTS**



**SPECIAL REPORT**





# 2020 PERFORMANCE HIGHLIGHTS



2020 Performance Highlight



Special Report

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

**2020 OVERVIEW**

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

**SCB...WAYS TO BE SUSTAINABLE TOGETHER**

SUSTAINABILITY REPORT 2020

The Bank strives to achieve strong growth, greater productivity, and prudent risk management to consistently generate reasonable shareholder returns on the basis of responsible and fair treatment of all stakeholders. The Bank's strategy is driven by managing its existing assets to the full potential, creating new business models, as well as continuously making investments and partnerships.

For greater productivity, the Bank focuses its efforts on developing technological and uplifting people capabilities as well as continuously improving resource efficiency to maintain its long-term competitiveness and growth potential.

The Bank also places emphasis on having a systematic and comprehensive approach to risk management, including climate change risk, as well as building a strong corporate culture to embrace changes in the rapidly changing business environment.

Accordingly, the Bank has incorporated social and environmental considerations into its business strategy implementation, risk management process, and corporate governance for sustainable development. In addition, the Bank also employs both financial and non-financial indicators to measure operational success and value.

## ECONOMIC PERFORMANCE



Total Net Operating Income

**144.8**

Billion Baht



Net Profit

**27,218**

Million Baht



Earnings per Share

**8.01**

Baht



Return on Equity

**6.7%**



Return on Asset

**0.9%**

## INVESTMENT IN EMPLOYEE CAPABILITY DEVELOPMENT



Total Number of Employee

**23,899**

Persons



Employee's Expense

**31,344**

Million Baht



Average Training Hour

**49** Hours



Total Spending on Employee Development

**127** Million Baht



Human Capital Return on Investment

**3.56**



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

**2020  
OVERVIEW**

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

## INVESTMENT IN SOCIETY AND ENVIRONMENT



Spending on  
CSR Activities

**520**

Million Baht



Number of  
CSR Projects

**74**

Projects



Total Hours  
of Employee  
Volunteer

**22,056**

Hours



Reduction in  
Energy Consumption

**24%**

(Compared to  
2019 baseline)



Reduction in  
Greenhouse Gas Emissions  
Scope 1 and Scope 2

**13% and 26%**

(Compared to 2019 baseline)



Reduction in  
Water Consumption

**30%**

(Compared to  
2019 baseline)



Supported Sustainable  
Finance More Than

**116.8**

Billion Baht



**2020 Performance  
Highlight**



**Special  
Report**

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In collaboration with

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 3<sup>rd</sup> consecutive year



FTSE4Good

Selected a member of FTSE4Good Index Series in the FTSE4Good Emerging Index  
**By FTSE Russell**

**MSCI**

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

**CDP**  
DRIVING SUSTAINABLE ECONOMIES

Rated "B" on Climate Change Management Assessment  
**By CDP**

**THSI**  
THAILAND  
SUSTAINABILITY  
INVESTMENT 2020

Listed in the Thailand Sustainability Investment (THSI)  
**By the Stock Exchange of Thailand**



# SPECIAL REPORT: SCB STANDS BY YOU TO OVERCOME THE COVID-19 PANDEMIC



2020 Performance  
Highlight



Special  
Report

MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

**2020  
OVERVIEW**

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

The COVID-19 pandemic led to profound and widespread impacts upon the economy and society, nevertheless, resulting in collaborations across all sectors to sustain and promote Thailand's economy and Thai people's wellbeing in order to promptly return to the normal livelihood.

Throughout 2020, the Bank has provided holistic assistance to stakeholders affected by the COVID-19 pandemic by focusing its efforts on alleviating both direct and indirect impacts on customers, employees, suppliers, and society. Accordingly, SCB put in place special programs and collaborated in initiatives implemented by the Bank and its financial group companies to support the Bank of Thailand's measures in alleviating the impacts of COVID-19. In 2021, the Bank will continue to provide assistance to affected stakeholders in order to help them get through this challenging time.





MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

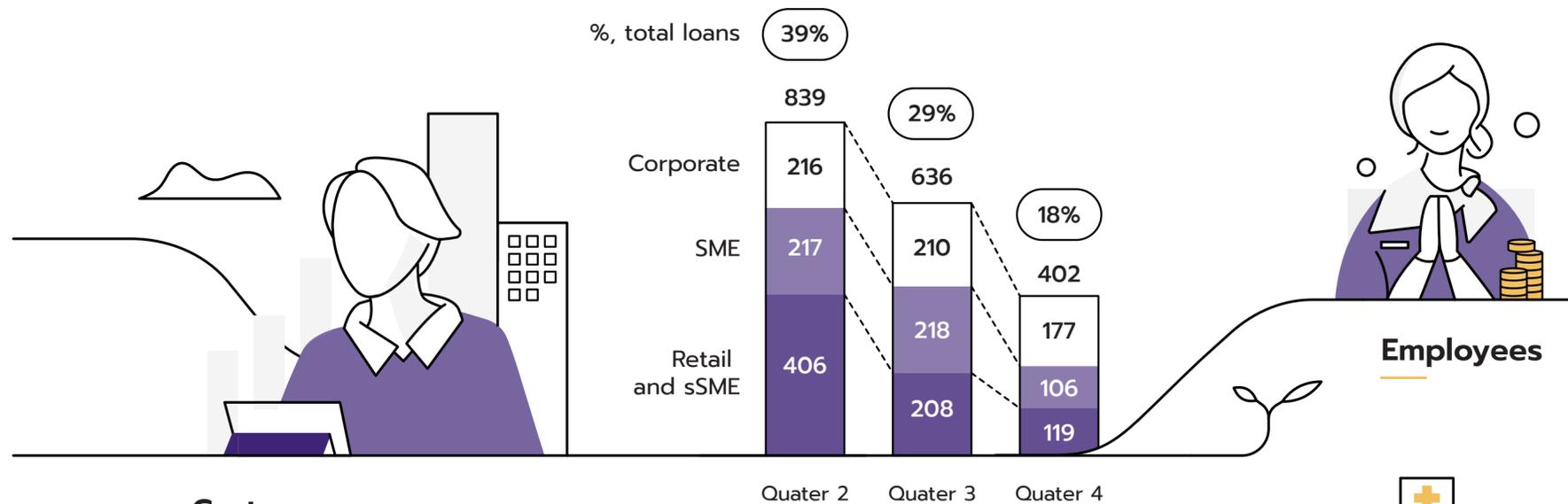
BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### Employees

Provided assistance to **over 7,400 employees with over 836 million baht** of financial support

- Emergency COVID staff loan for employees who were impacted in terms of individual's, spouse's or family's income
- Special financial assistance for employees at branches affected from a change in day and time to conform with the Bank of Thailand's guidelines during the spread of COVID-19
- Payment holiday for staff loan

### Customers

Provided financial support to **over 1 million** retail, sSME, SME and Corporate customers

- Principle and interest payment holiday, loan period extension for mortgage, car, retail, and business lending
- Low-interest loan (soft-loan) or special interest rate to enhance liquidity
- Extend period of interest payment and waive interest for life insurance

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

### Suppliers

Revised **credit term policy from 45-60 days to 15 days** until the situation is alleviated to help enhance liquidity of the Bank's suppliers

### Society

#### SCB...collective effort to battle the COVID-19

- **8 million baht** of financial contribution to purchase medical and nursing equipment **to 11 hospitals**
- Delivered over **52,000 medical masks** to Siriraj and Ramathibodi hospitals
- Acted as a medium to fundraise and communicate for hospitals and entities for blood, financial, and medical equipment donation.
- Deliver 'Happy Bags' and continue to organize the SCB blood donations campaigns



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Collaborations with External Organizations

### 'DR BIZ' Program in collaboration with the Bank of Thailand, the Thai Bankers' Association, the Association of International Banks, and the Government Financial Institutions Association

SCB collaborated with other commercial banks taking part in the 'DR BIZ Program', aiming to provide a mechanism for multi-creditors businesses to lessen their debt burdens and received support coordination among multiple creditors. This mechanism will help expedite debt restructuring through common debt work out practice as mutually agreed by all creditors and assigning a lead creditor to coordinate for relief measures such as extending the repayment period, lowering installment payment, or adjusting repayment plan as well as considering of new loans.



### Thailand's first-ever rapid COVID-19 test kit by Thai researcher

The Bank collaborated with PTT Group, Faculty of Medicine Siriraj Hospital in supporting Vidyasirimedhi Institute of Science and Technology (VISTEC) in implementing research for a rapid Coronavirus (COVID-19) test kit, aimed at developing a low-cost, easy-to-use tool that will save time to diagnosis and make testing easily accessible. VISTEC has accelerated the developing of the COVID-19 test kit with technological assistance by the Broad Institute, Massachusetts Institute of Technology, and Harvard, USA, and with the cooperation of a network of organizations, including the Department of Medical Sciences, Public Health Ministry, Faculty of Medicine Siriraj Hospital, Faculty of Science, Mahidol University, and Prapokklao Hospital, Chantaburi Province.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Initiatives

### First-ever tele-consultation service connecting health platform to SCB Easy App

The Bank truly understands the health concerns of its customers, particularly with the COVID-19 situation in Thailand likely to continue to be an ongoing concern. The Bank has then developed an SCB Healthcare Ecosystem, a fully integrated healthcare solution offering a new medical care experience. This new solution is designed to transform hospital visits into online tele-consultations, allowing patients to meet doctors easily via the SCB Easy Application without having to visit a hospital.

### “SCB 10X We Are In This Together” Campaign for Thai start-ups battling COVID-19

SCB 10X is aware of and concern for impacts upon Thai startups resulted from the COVID-19 pandemic, especially in terms of investment that will help businesses to continue. Accordingly, SCB 10X has teamed up with leading regional Venture Capital firms Monk’s Hill Ventures, Golden Gate Ventures, and Insignia Ventures Partners in launching the “SCB 10X We Are In This Together” campaign. Top 10 qualified teams will be required to present

their business proposals to a panel of renowned international Venture Capitalists. This event provides an outstanding opportunity for Thai startups to receive first-hand recommendations on strategy and feedback on business models from prominent investors.

ARIS and Vonder, the two winning Thai startups from the campaign receive investment funding in the form of convertible note (5

million baht) and AWS credit (3 million baht) through AWS Activate, technical training support from AWS as well as a 6 months co-working space free of charge at True Digital Park (worth 900,000 baht), totaling the price of over 15 million baht.





# SPECIAL REPORT: DIGITAL TRANSFORMATION



2020 Performance  
Highlight



Special  
Report

MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

**2020  
OVERVIEW**

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

Digital technology has revolutionized the way businesses operate in the finance and banking industry. Financial technology, or fintech, has created a myriad of financial innovations that not only speed up financial transactions but also reduce cost through automation as well as driving structural change that has played a major role in reshaping business model and consumer behaviors

Furthermore, digital technology has forever altered the competitive landscape of the finance and banking business. Since banks and financial institutions do not have a monopoly over fintech, any individuals, fintech startups, or tech companies can apply, build on, and

develop technologies that allow them to offer competing for financial products and services.

Therefore, digital transformation has been a key agenda for SCB and has seen continuous progress with the Bank's investment in SCB Transformation since 2016. The Bank also set up SCB 10X in 2019 to build new digital and data capabilities as well as gaining access to cutting-edge technologies in order for the Bank to sustain competitive advantage in the constantly evolving environment and to become a tech company focused on finance while sustainably delivering distinct experience and shared value to customers and society.



**Part of the Bank's sustainable growth strategy is to**

**Drive digital banking and new business ecosystems, increase digital capability while reshape and institutionalize culture and mindset**

**to create better experience and become a trusted financial partner for every customer segment.**



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

**2020 OVERVIEW**

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

**SCB...WAYS TO BE SUSTAINABLE TOGETHER**

SUSTAINABILITY REPORT 2020

## Performance Highlights

### Accelerate digital transformation at a national level

In 2020, the Bank was met with success in the effort to deepen digital experience through its banking platforms and other novel service platforms developed by SCB 10X and subsidiaries of SCB 10X.



#### A surge in the number of digital users



#### Digital users

**13.7**

Million users



#### New digital users

**3.4**

Million users



#### New Ways to Engage with Customers



Food delivery platform launched in October 2020



Online marketplace to boost revenue for SMEs in the tourism industry launched in April 2020



Total Users:

**940,000** Users



**54,000** Stores



**11,000**

Food orders per day



**77%**

Of all transactions were made on digital channels.



Digital transaction volume increased by

**58%**



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Create new business models and ecosystems

With SCB 10X, the Bank has developed new technology-driven business models and innovations to upgrade and extend the boundary of the digital lifestyle ecosystem and to meet all aspects of customer needs.

### Platforms by SCB 10X

 **SCB Shop Deal**  
 “Platform for SME to sell deal/ voucher”

Online platform offering special deals from SMEs in the tourism industry



No Fees



B2C marketplace that connects entrepreneurs with buyers

 **Party Haan**

“Group buying/ sharing platform”

Expense-sharing app to facilitate group purchases with payments made through SCB Easy or other banks.



**MaoMao**

“Wholesale e-commerce platform”

Wholesale e-commerce platform for online merchants



No Fees

### Platforms by Subsidiaries of SCB 10X

 **Money Thunder**  
 “AI-powered lending platform”

AI-powered lending app that gives SMEs easy access to financial services and fast cash



Apply through SCB Easy



Fast Approval

 **Robinhood**

“Food Delivery platform”



No GP Fees



Business loan opportunities for SMEs



Generate income for more than 50,000 small restaurants and create jobs for more than 11,000 food delivery workers



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

**Blending digital capability with the new way of life to help customer and society by launching a Thai food delivery platform "Robinhood".**



2020 Performance Highlight



Special Report





## Venture Builder by SCB 10X

Focus on co-building new startups with global trends and market foresight.

### Collaboration with Alpha Finance Lab

Be part of the Alpha Finance Lab team, the leader in DeFi, on a joint R&D effort to create financial innovations of the future around "Decentralized Finance," or DeFi products, such as Alpha Homora. This project also draws support from Band Protocol, the leading blockchain developing company in Thailand and in the top 100 globally, who serves as project consultant.

## Venture Capital Investment by SCB 10X

Focus on investment in tech companies and startups with high potential worldwide within 5 following areas of interest:

- Fintech
- Future Digital of Working and Lifestyle
- Healthcare and Wellness
- Internet of Things (IoT-enabled world) and
- Deep Tech

### August 2020



A Series C investor of 'BlockFi,' a digital asset company based in the U.S. The objective of this funding round is to support global market expansion backed by a solid performance record of 10-fold growth in 12 months with 1.5 billion USD of current asset and low loan losses since inception.

### September 2020



One of the lead investors, together with Vertex Ventures Southeast Asia and India, Quona Capital, and LINE Ventures, in the pre-Series B bridge round of an insurtech company, 'Sunday'. The new capital will be deployed to support Sunday's business expansion in Thailand and Indonesia while further developing its group insurance platform and superapp to provide comprehensive health and car insurance services to customers.

### October 2020



A Series A investor of the Thai startup 'MyCloudFulfillment,' an end-to-end online warehouse company. The capital raised will be used to develop a data management system to help e-commerce merchants manage and sell products more efficiently. There is also a plan for further collaboration to develop social commerce solutions in the future.

### November 2020



A Series C investor of 'theAsianparent,' the largest parenting community platform in Southeast Asia with more than 30 million users per month.

Besides venture capital investment, SCB 10X also collaborates with theAsianparent to develop financial technologies and innovations that will help the new generation of Thai parents manage and make better financial decisions for their families, such as planning for children's tuition expenses and for emergency.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

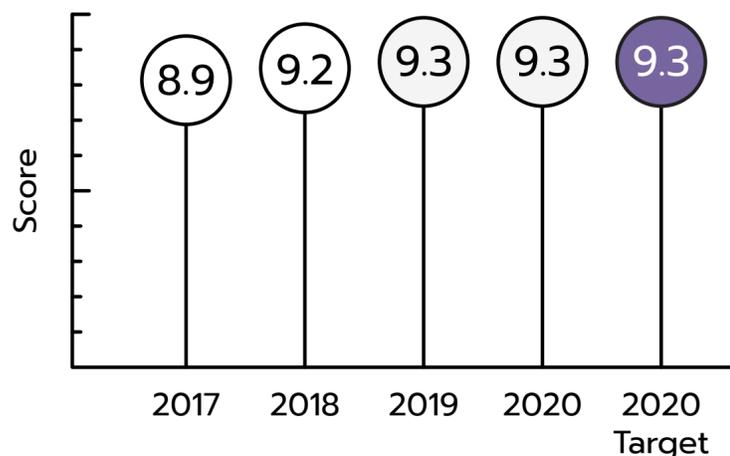
SUSTAINABILITY REPORT 2020

## Customer Satisfaction

Driven by the inspiration to become a Customer Centric Organization, apart from offering financial solutions and innovations that seek to address customer needs, the Bank utilizes a Customer Closed Loop Feedback system and hot alert in encouraging customers to easily provide feedbacks. In this way, the system enables the Bank to monitor and immediately resolve any cases within the established Service Level Agreement (SLA).

In addition, SCB seeks to enhance customer experience by regularly conducting satisfaction survey on customers who use digital banking services by adopting the Customer Satisfaction Score (CSAT). SCB has been conducting the CSAT for digital banking service since 2017 with the Bank's strategic shift to digital banking through the implementation of SCB Transformation in mid-2016.

### CUSTOMER SATISFACTION



Remark: maximum data coverage is 100%

## Making Continual Progress in 2021

The Bank will maintain its focus on creating new capabilities by investing and leveraging technologies that will reshape the finance and banking business, such as AI, blockchain, and cloud computing. Moreover, the Bank will use the acquired data to gain customer insights in order to deliver personalized products and services that better meet individual-specific and sector-specific needs.

At the same time, the Bank will continue to build a digital commerce ecosystem to support SMEs to grow and expand their businesses sustainably in the digital age while deepening collaboration with our business partners to provide a digital lifestyle ecosystem for retail customers. Moreover, the Bank will continue to advance digital lending experiences to make financial services accessible to every segment of the population, ranging from retail, SMEs to customers without collateral, by incorporating AI and machine learning in data analytics to help the Bank identify quality and responsible customers, charge the right and fair interest rates, and lower the cost to serve. All these, the

Bank believes, will have a significant impact on the business model and the future of customer service in which the Bank's current model of "platform banking" and "partnership banking" will be extended to "predictive banking."

Furthermore, the Bank still places high emphasis on building a foundation and realigning its corporate culture to thrive in the digital age in order to attract talents and to create new innovations for the benefit of the Bank and the society as a whole.

**The Bank will leverage digital technology to create digital innovation under a new culture that is centered on disruptive business models and data-driven customer insights to build customer engagement and better experience while enhancing digital capability through SCB 10X.**



2020 Performance Highlight



Special Report



# WAY FORWARD FOR THE BETTER FUTURE

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

## WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

**Building stability of the financial system to strengthen Thailand's economy towards prosperity while uplifting the quality of life of Thai people and maintaining environmental balance.**



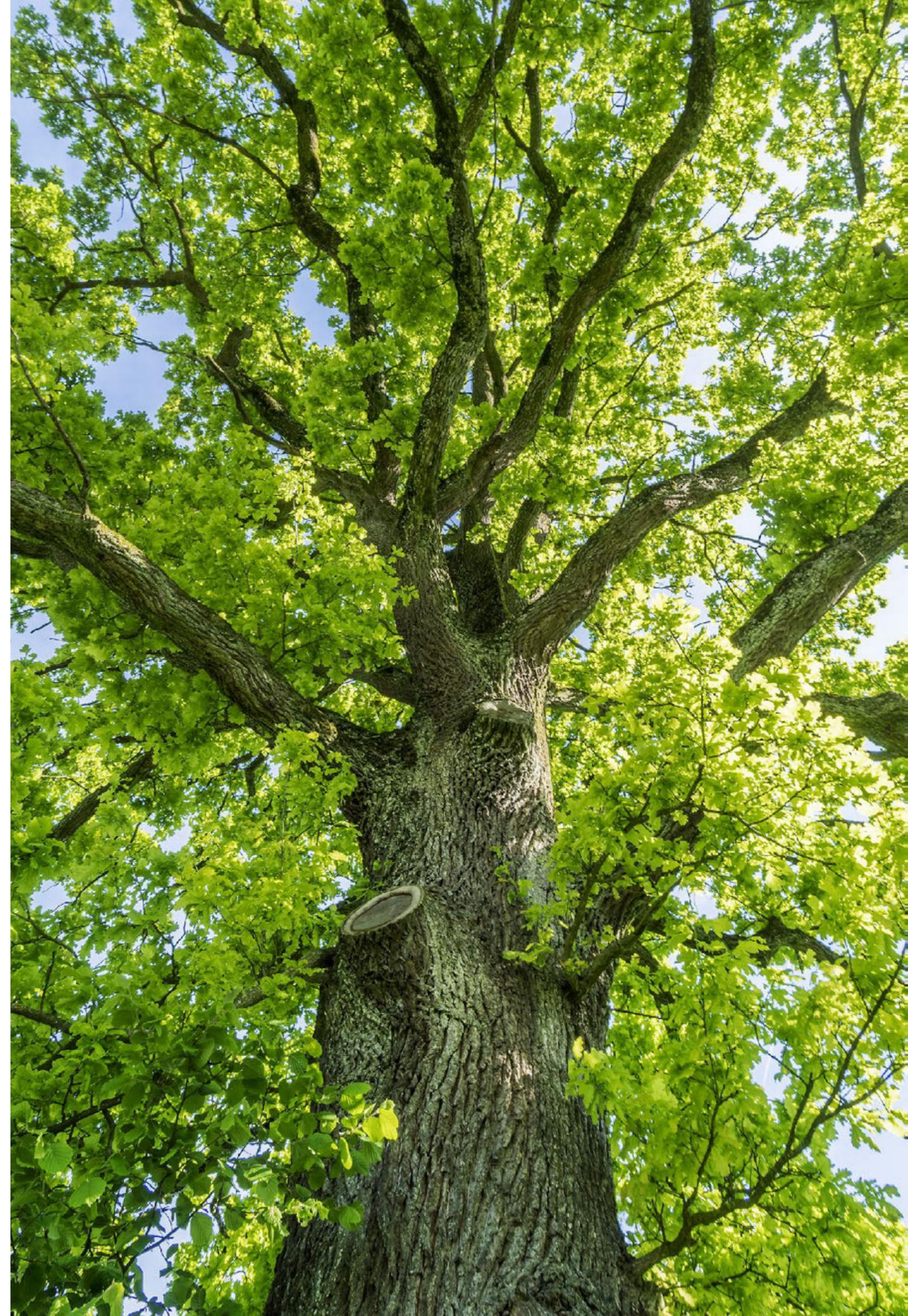
**SUSTAINABILITY FRAMEWORK**



**SUSTAINABILITY GOVERNANCE**



**OUR INTEGRATED APPROACH**





# SCB SUSTAINABILITY



Sustainability Framework



Sustainability Governance



Our Integrated Approach

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

**WAY FORWARD FOR THE BETTER FUTURE**

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

**SCB...WAYS TO BE SUSTAINABLE TOGETHER**

SUSTAINABILITY REPORT 2020

Established over a hundred years ago as the first Thai bank, Siam Commercial Bank (SCB) is committed to conducting business responsibly and fairly for the benefit of society and aims to strengthen the financial and banking system of the country while helping drive the economy to stability and prosperity, uplifting the nation's quality of life.

SCB understands that its longevity and stability are a result of dedication from employees, trust from customers, collaboration from partners, and support from stakeholders. These are essential forces that lead to Bank to remained committed to conducting business responsibly and continued to create values for society.

For SCB, sustainability and responsibility to society not only mean delivering satisfactory returns to shareholders, but also harnessing the ability to effectively respond to customer needs, taking care of employees, supporting partners and suppliers while improving the well-being of society and the environment, in the hope to create inclusive growth as well as to help support the United Nations Sustainable Development Goals (SDGs).

## Sustainability Policy and Framework

SCB's journey to sustainability is driven by its commitments 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, centered on

three key pillars: Sustainable Finance, Creating Social Impact, and Better Environmental Future. These components demonstrate that SCB is not only the name of the first Thai bank but also the ways to be sustainable together.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

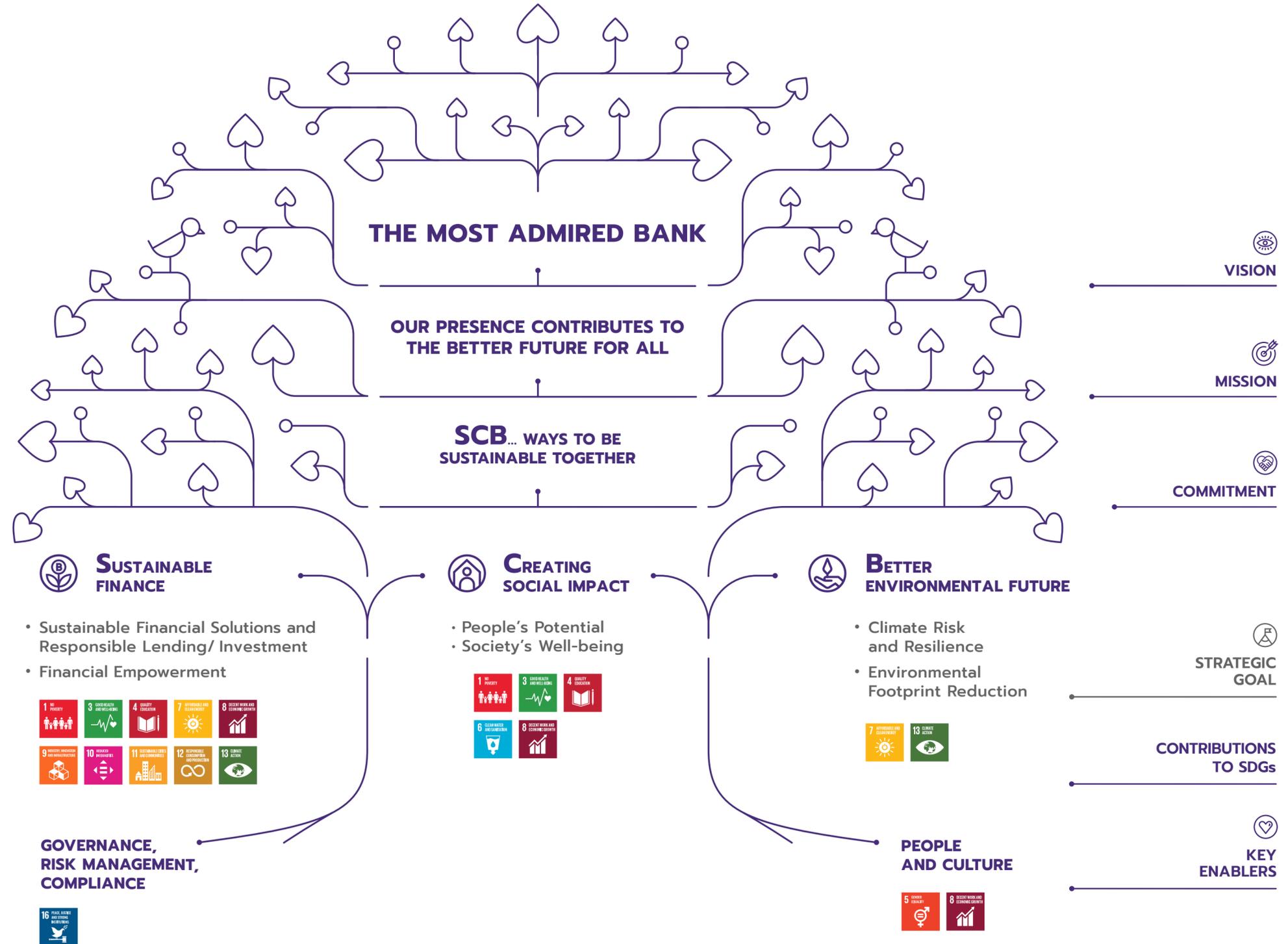
STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

# SCB Sustainability Framework





MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Sustainability Governance

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 to business units in order to embed sustainability thinking as part of SCB culture and work process.

### Sustainability Governance Structure



## Integrated Approach

To promote and support bank-wide implementation adhering to Sustainability Policy while integrating sustainability concepts and practices into its business operations, the Bank has laid out the following '5C' approach:



### Compliance:

Conducting business and performing assigned duties in compliance with guidelines specified in the Bank's code of conduct, regulations, and procedures, and notices, as well as laws and guidelines, specifically those enacted to regulate the conduct of financial institutions or those aligned with global practices.



### Capability Development:

Organizing training and learning in different forms to build awareness and communicate the importance of conducting business responsibly among employees. SCB hopes to uplift its employees' knowledge, understanding, and capability in order to support the Bank sustainability while adhering to global practices.



### Communications:

Monitoring and reporting progress to executives and relevant committees while communicating to employees and the general public the policies, targets, approaches, initiatives, and performance as specified in the sustainability policy.



### Customer and Stakeholder Engagement:

Building meaningful engagement with customers and relevant stakeholders through developing processes, products, services, and other activities to meet the needs of customers and create value for stakeholders while continuously improving the Bank's operations.



### Collaborative Partnership and Public Policy:

Initiating partnerships in order to develop an inclusive and sustainable financial ecosystem and supporting public policy implementation for economic, social, and governance issues impacting the finance and banking industry.



# COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

**A strategic framework with three pillars of sustainability is a compass towards collective goals and targets for inclusive growth.**

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

## COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

**SCB...WAYS TO BE SUSTAINABLE TOGETHER**

SUSTAINABILITY REPORT 2020



### SUSTAINABLE FINANCE



### CREATING SOCIAL IMPACT



### BETTER ENVIRONMENTAL FUTURE





# SUSTAINABLE FINANCIAL SOLUTIONS AND RESPONSIBLE LENDING/ INVESTMENT



Sustainable Financial Solutions and Responsible Lending/Investment



Financial Empowerment

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Commitment

The Bank pledges to use its financial and banking capability to help businesses and people in the social operate and live sustainably. This means integrating Environmental, Social, and Governance (ESG) perspective into the Bank’s product and service development as well as its credit underwriting process and investment advisory service to meet customers’ different needs while also manage the environmental and social impact.

## Challenge

Environmental degradation, poverty, and social inequality still present major challenges at both national and global levels. These problems partly stem from economic expansion, increased demand for natural resources, and inaccessibility to basic necessities and resources to lead a decent life.

Such challenges have led to the “Sustainable Development” movement across many economies worldwide. However, the transition to a sustainable economy requires many resources including capital, labor, technology, knowledge, information, and time. The financial and banking sector, as an intermediary that mobilizes capital and allocates resources to social and economic sectors, serves an important role in supporting and driving

sustainability in business operations as well as restoring economic balance at the micro-level.

## Management Approach

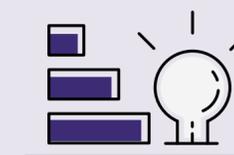
Building a strong economy and society must be done in conjunction with responsible growth and human capital development. The Bank has been offering a wide and comprehensive range of sustainable financial solutions to customers of all segments as well as supporting responsible lending and investment.

## Sustainable Financial Solutions

Develop and deliver social and environmental products and services for customers to make a difference socially and environmentally as well as creating innovations for sustainability to generate business opportunities, inclusive growth, and well-being

## Responsible Lending

Integrate environmental and social risks in the Credit Policy and the credit underwriting process as well as maintaining an exclusion list to help mitigate negative social and environmental impact in an appropriate and comprehensive manner



Energy Efficiency



Renewable Energy



Clean Mobility



Woman Entrepreneur



Green Home



Education and Medical Care



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

## Target and Performance



Offers products and services that improve people's quality of life and the environment while helping managing risks that have business implications for corporate customers or livelihood implications for retail customers

## Performance Highlights

In 2020, the Bank set up the Sustainable Finance Taskforce chaired by the Chief Strategy Officer with members consisting of executives across all business units and relevant support functions. The responsibility of this newly appointed Taskforce is to set systematic and consistent operational frameworks, targets, and long-term plans for sustainable finance.



## 2020 Performance

- Established the Sustainable Finance Taskforce to set operational frameworks, targets, and long-term plans
- Announced the Responsible Investment Advisory Policy with the goal of offering investment advisory that yields positive returns and sustainable results for customers
- Funded environmental and social projects and activities in the amount of more than 116.8 billion baht across all customer segments
- 100% of project finance passed the ESG risk assessment

At the same time, the Bank continues to offer sustainable products and services to all customer segments – corporate, SME, retail, and wealth – in parallel with adopting the policy and guidelines on responsible lending for business and retail customers.



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## Sustainable Financial Solutions

### WHOLESALE/ CORPORATE CUSTOMER



#### Sustainable Loan for Corporate Customers

SCB continues to provide financial support to corporate customers, In 2020, the Bank has developed and offered sustainable loan, requiring borrowers to illustrate performance which align and support the Loan Market Association's Green Loan Principles. This includes environmental-friendly activities such as developments of rail transportation, electricity production from renewable energy source, EV charging stations, and certified green buildings. Sustainable loan seeks to support businesses toward sustainable development, while reducing impacts from climate change, and the particulate matter of less than 2.5 microns.



#### Financial Advisory for Mega Infrastructure and Energy Production Developments

The Bank seeks to leverage its diverse experiences derived from providing various types of financial support to customers in developing basic infrastructure and energy plant projects. The Bank, therefore, has knowledgeable personnel, with depth experience and understanding in developments of alternative energy projects in providing relevant financial advisory as well as other aspects. The Bank's relationship managers continue to interact and build meaningful relationships with customers, exchanging information, including environmental and social trends and challenges at sector level which might impact customer's business directions and performance.



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment



**11%**  
of the Bank's corporate  
customer portfolio  
are classified as green  
businesses

Provided  
**114.38 billion baht**  
of green finance

Supported developments of  
renewable power plant  
projects amounting to  
capacity production of  
**400 megawatt**



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



### Supporting PTT Green Bonds The First in the World to be Certified for Forest Conservation

The Bank is committed to driving the country toward a low carbon economy/society by supporting the Thai financial markets to take part in protecting the environment and ecosystems. One way to channel finance toward environmental initiatives is by underwriting green bonds in accordance with the Green Bond Principles of the International Capital Market Association and the ASEAN Green Bond Standards.

In 2020, the Bank was one of the underwriters of PTT Green Bond for forest conservation, the first public offering of green bonds in Thailand and the first bond in the world to be certified for forest conservation projects by Climate Bonds Initiative (CBI), an environmental NGO. The PTT Green Bond has a 3-year duration with an annual interest rate of 2.25% with an offer limit of 2 billion baht. The Bond's subscription period was July 20-23, 2020 which was met with great public enthusiasm.



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

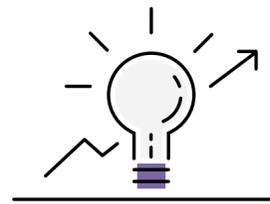
## SME CUSTOMER

Since SMEs constitute 95% of all businesses in Thailand, they play a crucial role in economic, social, and environmental development. In 2020, the Bank continued to fulfill its sustainable lending commitment by building on the existing revolving credit facilities for energy conservation and alternative energy to develop SME GO GREEN SOLUTIONS under the concept "Green is Lean." SME GO GREEN aims to help SMEs achieve dual objectives of saving cost while also protecting the environment.

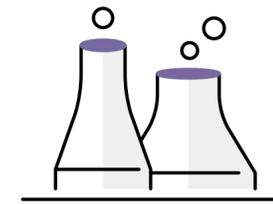
Under this scheme, the Bank offers special long-term loans for energy conservation projects with credit limits up to 150% of collateral value, a 7-year repayment period, a one-year grace period for principal payment in the first year, and below-market interest rates.

**GO GREEN loans to SME customers in the amount of 2,230 million baht**

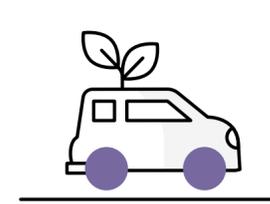
**SME GO GREEN:**  
Provide financial support to sustainable products and services in 4 key areas:



Energy Efficiency



Pollution Management



Clean Mobility



Female Entrepreneurship



**SME GO GREEN not only helps reduce business expenses but also supports Thai SMEs toward the green industry transition and promotes engagement in climate change mitigation which is a priority agenda at both national and global levels.**



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## Green Seminar & Business Matching Empower SMEs to Go Green

In collaboration with 59 public organizations and business partners, the Bank organized seminars and business matching events to help SMEs increase management efficiency and competitiveness, as well as supporting eco-friendly businesses.

More than  
**120** SME  
entrepreneurs  
participating in  
**GREEN SEMINAR AND  
BUSINESS MATCHING**

Resulting in  
**56** business  
matching amounting to  
**230** million baht of loan



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment



## October Energy Saving Roadmap & Business Matching

In collaboration with:

- Department of Alternative Energy Development and Efficiency, Ministry of Energy
- Department of Industrial Works, Ministry of Industry
- Energy service companies and energy consultants



## November Pollution Treatment for Green Business

In collaboration with:

- Department of Industrial Works, Ministry of Industry
- Thailand Environment Institute, Thai Environmental Consultants Association
- Pollution management consultants



## December Prepare for a Smart City with EV Charging Stations

In collaboration with:

- Thailand Board of Investment, Metropolitan Electricity Authority
- National Science and Technology Development Agency
- Clean energy consultants and electric vehicle experts

With the Bank's commitment and the above collaboration, total lending under the SME Go Green program, including both long-term and revolving business loans, was more than 2,230 million baht in 2020.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

## RETAIL CUSTOMER



### Clean Mobility Loans

For retail customers, the Bank has developed financial solutions for clean mobility to make life more convenient and safer while saving time and energy. Clean Mobility also helps reduce pollution, especially addressing the problem of particulate matter of less than 2.5 microns (PM2.5), as well as contributing to the national economy.

To promote clean vehicles for sustainable transportation, the Bank provided loans for purchases of 200 clean vehicles in the amount of 200 million baht.



Hybrid Car



Electric Car



Electric Motorcycle



### Student and Medical Loans

Education and health are supremely important to individuals' wellbeing and are directly linked to the country's sustainable development. The Bank, therefore, offers purposeful loans for education and medical care with a special 15% annual interest rate to alleviate school dropout and health problems caused by financial vulnerability. In 2020, 626 customers accessed this type of loans in the total amount of 22.4 million baht.



### Green Home Loans

Renewable energy and innovations to create energy-efficient homes can help mitigate environmental problems and reduce household expenses.

Therefore, the Bank initiated special clauses under the 'SCB Home Loan: Green Energy' at the end of 2020 to encourage purchasing, building, and renovating homes with installed solar cells or other energy-saving technologies or equipment.



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment



Lending to conserve  
the environment  
and promote the well-being  
of more than  
**800** customers

in the amount of  
**220** million baht



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

## WEALTH CUSTOMER

The Bank believes that incorporating Environmental, Social, and Governance (ESG) considerations into the investment process will lead to better investment advice for customers and higher risk-adjusted return in the long run, in addition to mitigating negative impact and promoting positive impact to the society.

In 2020, the Bank announced the Responsible Investment Advisory Policy to govern investment advisory services of all asset classes and provide guidelines on the following issues:

- Integrating ESG factors into the advisory service
- Exclusion policy
- Inclusive investment management and voting rights



## SCB Global Sustainable Equity Fund ...for the world and for the future

In 2020, through SCB Asset Management, the Bank unveiled SCB Global Sustainable Equity Fund (SCBGEESG), a 3-billion baht feeder fund that invests in a single foreign fund which is Janus Henderson Horizon - GLOBAL SUSTAINABLE EQUITY FUND. The Fund's investment objective is to generate long-term growth from investing in financial securities of companies with products and services that create positive environmental and social impact and contribute to sustainable development of the global economy. Specifically, the Fund will identify investment opportunities in 10 following social and environmental areas.



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment



The fund seeks to impact investing  
in ten environmental and social issues

### Environmental



Clean Energy



Efficiency



Environmental  
Services



Sustainable  
Transport



Water  
Management

### Social



Knowledge &  
Technology



Health



Safety



Sustainable  
Property &  
Finance



Quality  
of Life



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Responsible Lending

In 2020, the Bank continued to support “Sustainable Banking Guidelines – Responsible Lending” which is a collaborative effort among the Bank of Thailand, the Thai Bankers’ Association, and commercial banks for both retail and business lending.

### Responsible Lending for Retail Customers

In addition to borrower’s income and credit risk, the Bank’s retail credit underwriting process takes borrower’s debt service ratio (DSR) as well as affordability and living expenses into consideration. This comprehensive process enables the Bank to offer the right financial products and services to each individual customer without jeopardizing customer’s well-being.

### Responsible Lending for Corporate Customers or Project Finance

The Bank incorporates social and environmental considerations into the Credit Policy and its underwriting process as well as specifying an exclusion list and the Sector Specific Guides to demonstrate the Bank’s firm stance against lending to any businesses that are engaged in illegal activities, child or forced labor, and weapons of mass destruction. The Bank also adopts the Equator Principles and guidelines by the International Finance Corporation (IFC) whenever appropriate.

The Bank’s Credit Policy has been integrated and reinforced throughout the entire process of project finance decisions, from customer

relationship building process to sales and credit analysis. There are also specific guidelines for assessing environmental and social risks for project finance. These guidelines are communicated to all relevant employees to ensure compliance. Thus, any potential project finance loan will undergo a thorough impact assessment to help manage risk for the Bank and relevant stakeholders as well as enabling the Bank to monitor customer’s status and risk level.

In 2020, the Bank had applied the responsible lending policy and practices to many projects, such as natural gas-powered combined-cycle power plant and a regional solar-powered plant.



Sustainable Financial Solutions and Responsible Lending/Investment



Financial Empowerment

### SCB’s Responsible Lending Process



Exclusion List



Environmental and Social Risk Assessment, Sector Specific Guides



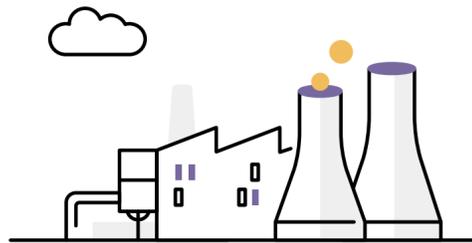
Decision to approve and decline the credit request



Monitoring



## SCB commitments and Cases for Responsible Lending



### Natural Gas-powered Combined-cycle Power Plant

SCB understands that natural gas remains an important source of fuel contributing to Thailand's energy security and economic expansion during a transition to a low-carbon economy. However, inefficient combustion of fossil fuels along with inappropriate use of technology will impact the environment's quality.

In 2020, SCB has provided financial support to a private electricity production company in developing a combined-cycle power plant which utilizes natural gas as a source, with production capacity of 240 megawatt-hours, located in Ratchaburi Province, Thailand. The Bank follows the established Sector Specific Guide for thermal powerplant as well as the Human Rights Policy in which social and environmental impact considerations are taken into account when providing lending to project finance. This is to ensure that the project undergoes environmental and social impact assessment, specifically, in terms of the community's natural capacity in absorbing air pollution, by adopting a recognized quantitative model while identifying appropriate social and environmental mitigation measures and conducting public consultation. It is expected that the project will produce electricity for the consumption of 800,000 households.



### A Regional Solar-powered Plant

The Bank continues to provide financial support to developments of solar power plants, both at local and regional levels. Building relationships and maintaining dialogue with clients on potential for developments of alternative energy projects is one of SCB strategies. Here, the Bank seeks to utilize its expertise in providing financial advisory, risk management, for both general project finance and that related to alternative energy including electricity production using photovoltaic technology, which deems a renewable source of energy.

However, without appropriate planning and impact management, developments of such projects can cause environmental impact upon surrounding communities, for instance, from extreme reflection from photovoltaic panels, mishandling of discarded panels, increased water drainage to agricultural land areas causing damage to agricultural produce.

Accordingly, the Bank has monitored the project's progress in terms of social and environmental impact management after credit approval in which the project is required to report an annual performance audit conducted by third-party consultant. This is to ensure that the project complies with social and environmental clauses/mitigation measures specified in lending term. Additionally, in 2020, the Bank has served as a financial advisor to a solar power plant that utilizes photovoltaic technology, located in Vietnam. The plant pertains electricity production capacity of 60 megawatts, sufficiently supplying electricity to 37,000 household, reducing greenhouse gas emission of 28,000 tons of carbon dioxide equivalent.

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE



CREATING SOCIAL IMPACT



BETTER ENVIRONMENTAL FUTURE



STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



# FINANCIAL EMPOWERMENT



Sustainable Financial Solutions and Responsible Lending/Investment



Financial Empowerment

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Commitment

SCB seeks to promote inclusive financial accessibility while providing financial literacy to customers and the general public, particularly the vulnerable groups, in order to alleviate systemic economic divisions, uplift social wellbeing, and build inclusive growth.

## Challenge

Limited financial accessibility directly impacts sustainable development in every dimension and is an issue that the World Bank and the central banks of many countries are paying close attention to. Continuous efforts are being placed on building engagement with financial institutions in promoting inclusive financial accessibility and literacy.

The World Bank reports that over 1.7 billion people, or 31% of the adult population of the world, have no transaction accounts. This state of affairs is known as being unbanked. In East Asia and the Pacific region, 27% of the population are unbanked, while only 66% engage in electronic transactions. In Thailand, 12 million, or 18% of the total adult population, are unbanked, and only 62% engage in electronic transactions.

Overall, the level of Thailand's financial accessibility has increased and is considered relatively better than other countries as reported in global and regional statistical data. Nonetheless, the Bank of Thailand

continues to build a facilitating environment on a foundation of digital literacy and cyber security, whereby banks can adapt and apply financial technology (Fintech) within the boundary of product development and innovation to address user needs. At the same time, the efforts are being placed on promoting financial planning and saving, both short and long term, in order to increase productivity and inclusivity, with immunity and robust risk management for the financial system.

The issue of financial accessibility presents both challenges and opportunities for the Bank in terms of supporting the general public and businesses, particularly the unbanked low-income groups, freelancers, entrepreneurs, and SMEs in being able to access appropriate capital, and to leverage the benefits of financial services offered on digital platforms with the knowledge and skills to support financial planning and literacy.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

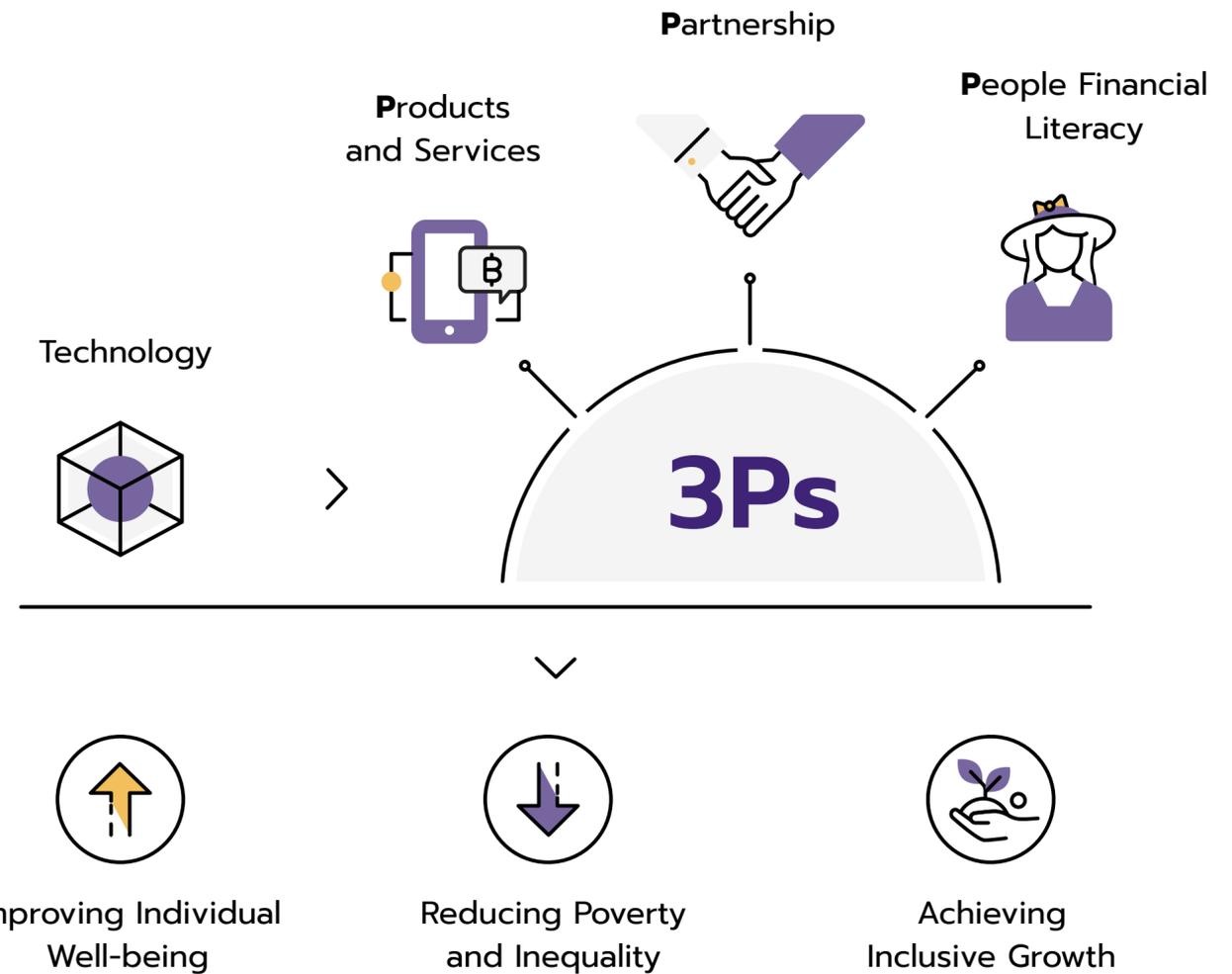
FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Management Approach

The Bank recognizes its roles and responsibilities in developing and maintaining long-term economic balance while helping to alleviate social gaps resulting from unequal financial accessibility. Through development and investment in technology, maximum efforts are being steered toward creating inclusive access to financial products and services under the '3Ps' framework (Products and Services, Partnership, and People Financial Literacy). As part of becoming a digital bank, this framework promotes financial transactions through digital platforms for all customer groups, bridging the gap between the unbanked and the digitally literate on a basis of appropriate financial literacy and skills.



### Technology

Leverages technologies to increase convenient, quick, and secured financial accessibility through digital platforms and devices while enhancing service efficiency



### Products and Services

Offers financial products and innovations to promote comprehensive financial accessibility among all customer segments



### Partnership

Collaborates with partners and networks in building a financial ecosystem that helps to bridge the gaps in financial accessibility and facilitates comprehensive access to financial products and services



### People Financial Literacy

Effectively uplifts financial skills in personal savings, debt management, investment, and financial planning for customers, the general public, and SCB employees



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment

## Target and Performance



### Target

Supports individuals and businesses, specifically the vulnerable groups and SMEs by providing them with access to appropriate financial services so they can leverage the benefits of digital platforms with appropriate financial planning knowledge and skills.



### 2020 Performance

- **Digital Banking:** Encouraged digital transactions through SCB EASY, from basic transactions such as deposits, withdrawals, and payments to complicated transactions such as lending, insurance, and mutual fund purchase. SCB EASY users exceeded 11.8 million, an increase of 15% from 2019. In addition, the Bank has 9,160 ATMs and 811 branches nationwide to facilitate and provide services to all customer groups.
- **Digital Lending for Low-Income Group and sSME:** Promoted access to digital lending for over 80,500 low-income individuals, gig workers, sSME requiring no collateral or guarantee.
- **Banking Agent:** Expanded access to financial products and services through Banking Agents, with over 2 million transactions in 2020. SCB is also the first bank to offer online savings account with identity verification processed at counter service at 7-Eleven branch nationwide.
- **Financial Literacy:** Built knowledge and understanding of digital literacy and financial planning as well as personal savings for over 10,400 individuals, the general public, and SCB employees through training, virtual learning, and various media and forms.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

## Performance Highlights

The Bank adopts technologies and data in creating financial product and service accessibility, collaborating with partners while continuously building a financially literate Thai society.



## Products and Services

The Bank seeks to develop digital platforms, mobile applications, and a variety of other products and services in order to eliminate barriers to financial products and services while effectively addressing customer needs.

## Money Thunder by SCB Abacus

A digital lending app for individuals who need capital for small business, however, unable to access lending from financial institutes. Money utilizes alternative data and AI chatbot in easing the application process through an online platform available 24 hours.

To date, Money Thunder has over 3 million downloads and 60% of the loan-approved individuals were previously denied by financial institutions.



## Apps for Inclusive Financial Accessibility

In addition to SCB Easy and Easy Invest, in 2020 the Bank, through joint ventures and subsidiary companies, developed apps that utilize Artificial Intelligence (AI) and alternative data in speedily assessing and evaluating requested loans. These apps seek to promote access to regulated micro-finance or nano finance without collateral. These innovations address the needs of customers who need quick access working capital or emergency cash with fair practices, saves time formerly wasted commuting to a bank branch, and support the government and the Bank of Thailand's policy of reducing and managing loan sharking.



## SCB EASY

Mobile app for comprehensive financial transactions

Over 11.8 million users  
with 230 million transactions



## EASY INVEST

Manage investments with Robo Advisors or automatic portfolio design and management



Maximum loan  
limit of 50,000 baht



2.75% monthly  
interest rate



Up to 12 monthly  
installments



apply for and receive  
money within 24 hours



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment



## Selected initiatives and products to promote financial accessibility for all customer groups

Products and Services	Target Groups	Approach
<b>Saving Product</b>		
<b>Basic banking account</b>	Low income people with government welfare cards and senior citizens over 65 years old	No minimum balance to open an account, no initial or annual fee, and no account maintenance fee of debit card.
<b>EZ savings and saving accounts opening via Banking Agent</b>	Individuals without savings accounts Individuals without access to financial services SCB EASY users who transact digitally	Expanding access to those with or without SCB saving accounts, convenient account opening not only at branch network but also via e.g. SCB EASY, Banking Agents e.g. 7-Eleven. Account opening and identity verification at ATM or with National Digital ID (NDID) via the mobile banking apps of other banks while receiving competitive interest rates compared to other types of saving accounts.
<b>Digital Lending through SCB EASY</b>		
<b>Retail customers</b>	Speedy Loan	Individuals with regular incomes or business owners with income starting from 10,000 to 15,000 baht without collateral or guarantee
	Speedy Cash	Approved loans starting at 10,000 Baht with maximum 72 monthly installment payments No need to have an account with the Bank No withdrawal fees Specified clause to facilitate customer liquidity
<b>In 2020, the Bank takes part in expanding financial access to 48,167 individuals with income lower than 15,000 baht, approving loan of 762 million baht.</b>		
<b>Business customers</b>	Mae-Thu-jai sSME	No collateral or guarantee for maximum credit limit of 300,000 baht
<b>In 2020, the Bank takes part in expanding financial access to over 32,400 sSME, from gig workers, business entrepreneurs, online merchants to those who seek to expand their business, approving loan of over 1,580 million baht</b>		
<b>Collaborations with Partners</b>		
<b>Business customers</b>	Thai Credit Guarantee Corporations Guaranteed Loans SME	Low-interest loans for SMEs or businesses with no or inadequate collateral
<b>In 2020, the Bank takes part in expanding financial access to SMEs with approved loan of 30,000 million baht.</b>		
<b>Other innovations</b>		
<b>Mee-Tang</b>	Corporate employees whose companies use SCB payroll service	Get payroll advances directly through the SCB EASY

MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



Sustainable Financial Solutions and Responsible Lending/Investment



Financial Empowerment

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Partnership Network

To promote access to financial services among customers, the general public, and those living in remote areas and unable to access Internet or mobile banking, the Bank collaborates with partnerships from different industries in appointing Banking Agents or representatives selected to provide certain services on behalf of the Bank.



In 2020, there were more than **2 million** transactions processed through Banking Agents

## Selected initiatives in 2020

### Identity Verification at 7-Eleven

The Bank collaborated with Counter Service in launching 'identify verification via counter service at 7-Eleven'. SCB is the first bank to adopt facial recognition technology in verifying the identity of new customers who wish to open online savings account without having to commute to a bank branch.

This joint effort illustrates the success of digital financial partnership, increasing convenience for customers in conducting transaction services from account opening to deposit and withdrawal services available 24 hours a day at over 12,500 7-Eleven branches nationwide.





MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### SCB x Fastwork

Unprecedented developments in digital technologies and online platforms have increasingly become part of everyday life as well as a way of work, resulting in a significant increase in the number of gig workers or freelancers. Nevertheless, these groups of individuals tend to face difficulties in accessing financial products or services due to limitations in terms of providing documents required for assessing or approving loans.

The Bank understands these challenges and continuously seeks to build partnerships with businesses from various industries in providing freelancers with extensive access to financial products and services. In 2020, the Bank collaborated with Fastwork, an online platform for quality freelancers from different professions, in expanding a digital lending ecosystem that allows freelancers and gig workers an immediate access to capital without collateral or guarantees through SCB EASY.

At the same time, Fastwork's platform is connected to the Money Thunder App, which allows Money Thunder users to directly apply and work with Fastwork. This digital ecosystem expansion builds access and opportunities for potential income amidst the current economic downturn.



Sustainable Financial Solutions and Responsible Lending/Investment



Financial Empowerment

### SCB and Sansiri: Partnership to Provide Equal-opportunity Joint Home Loan

In 2020, SCB partnered with Sansiri PLC to c for Thai couples who are looking to co-borrow for a Sansiri home with their spouse or life-partner, affirming commitments to promoting diversity and inclusion. With this scheme, couples and life-partners can have access to joint home loans as long as the Bank's criteria are met. Sansiri will also pay the monthly installment payments for customers for up to 24 months to help make homeownership much more accessible to a wider demographic. The Bank and Saniri believe this collaboration will build a more welcoming and equal environment in the society while promoting financial inclusion and diversity.



SCB and Sansiri senior executives announced the equal-opportunity joint home loan collaboration



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Financial Literacy for All

Financial literacy is a foundational life skill which directly contributes to people's wellbeing. The Bank seeks to build financial knowledge for its customers, the general public, and employees while ensuring effective financial planning for both livelihood and business management.



### Target Group: Business Customers and SMEs

To boost the financial strength and capabilities of Thai SMEs and small business owners whose roles contribute significantly to the growth of the Thai economy, the Bank continuously organizes initiatives, programs, and community knowledge exchange to help uplift their capabilities and prepare them for local and regional competition.



### SCB IEP Bootcamp: The Hospitality Survival

The COVID-19 pandemic has severely affected many industries, particularly tourism-related businesses. Recognizing the magnitude of this impact, the Bank continuously seeks to support its customers in every dimension with the aim of helping them overcome the crisis.

SCB has collaborated with the Tourism Authority of Thailand (TAT) to organize an "SCB IEP Boot Camp: Hospitality Survival" course for hotel and hospitality segment business operators nationwide. The three-day workshop provides survival tactics and business tips tailored to the digital era, which can be applied to real businesses to instantly boost sales. The course also shares practical business improvements to help reduce costs while promoting sustainable growth. The Bank plans to conduct the workshops with over 200 tourism operators nationwide. At the end of 2020, there were over 150 participants.



Sustainable Financial Solutions and Responsible Lending/Investment



Financial Empowerment



### SME Business Center for Thai Businesses and Entrepreneurs

The SCB Business Centre continues to serve as one of the most important channels promoting the financial literacy and business management skills specifically required during the digital era. Throughout 2020, SCB partnered with businesses from various industries in organizing seminars and knowledge sharing sessions to ignite inspiration and build relevant skills necessary for SME without charge. There were over 1,200 participants throughout the year.

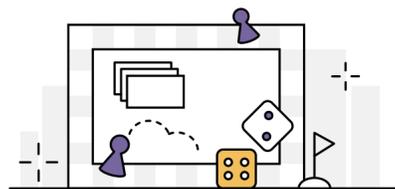
### SCB Instant Franchise Day

SCB partnered with over 50 quality franchise owners and business partners from various brands and across industries; food and beverages, dessert and bakery, dry cleaning, consulting, retail, and education in organizing SCB Instant Franchise Day. This event brought customers and SCB employees to consult and seek advice directly from franchise owners on how to become a business owner. Apart from acting as a medium, SCB also offers franchise loan with an end-to-end support system ranging from cash management, staff management, to marketing and logistics in order to help customers effectively manage their store. SCB Instant Franchise Day attracted over 600 participants.



## Target Group: Children and Youth

The ability to manage personal finance is a skill that should be fostered from a young age in order to build a foundation for individual development, contributing to sustainable growth. Accordingly, the Bank collaborates with schools and universities nationwide in continuously promoting financial accessibility.



### Building Financial Discipline

SCB recognizes the importance of cultivating financial awareness, building saving habit of Thais in order to uplift financial well-being, which will impact the nation's economic growth and sustainability. The Bank has then developed various financial literacy initiatives with aims to instill and promote knowledge on financial management, saving, and planning, leading to the development of life skills and the desired character among students and youth.

In 2020, the Bank initiated a learning process aimed to instill financial discipline among elementary and secondary school students by using learning material and activities such as board games. The developed activities and tools can be adopted as part of the regular teaching curriculum in which students will learn from playing. In 2020, the Bank has piloted this activity with six partnering schools and over 200 students participated.



### Smart University

Under a 'Smart University' concept, SCB collaborated with universities in organizing activities and initiatives aimed to build basic financial and investment knowledge, creating learning experiences with digital technologies for students and staff in order to uplift their capacities in financial management and lead them on the path toward a digital society.

In 2020, the Bank boosted the financial and digital literacy of over 5,600 students and staff through workshops, virtual classrooms, and online learning.

In addition, in 2021 the Bank plans to continue the partnership by collaborating with Mahidol University in developing a holistic learning program called "HIDEF x SCB" to enhance five essential skills, preparing students for future opportunities in the digital era. The program expects to benefit over 1,000 students, staff and alumni..

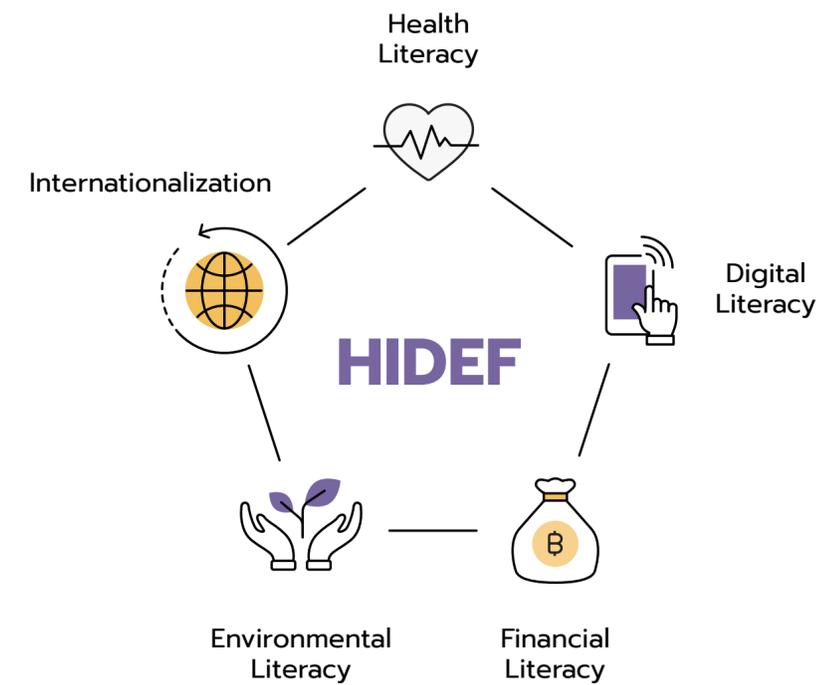
1. Health Literacy: Building understanding of the importance of good health
2. Internationalization: Building skills required for international business management
3. Digital Literacy: Providing understanding and application of digital technologies
4. Environmental Literacy: Cultivating environmental knowledge and good practices
5. Financial Literacy: Equipping knowledge and skill in financial and business management



Sustainable Financial Solutions and Responsible Lending/Investment



Financial Empowerment



### Sajjai Money Initiative Collaborative effort with the Thai Bankers Associations and 11 commercial banks

To help prepare college students and graduates to enter the workforce with financial knowledge and understanding, an important element in attitudes and behavior related to financial wellbeing. The Bank has been taking part in the Sajjai Money initiative since 2017.

In 2020, 66 SCB employees volunteered and participated in personal finance training, effective communication, and optimal learning and engagement through gaming. They worked to provide knowledge to over 1,200 students from 4 universities. SCB will train over 470 employees to participate in the program, providing financial knowledge to over 7,500 students.

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



Sustainable Financial Solutions  
and Responsible Lending/Investment



Financial  
Empowerment



## Target Group: First Jobbers and Employees

Financial wellbeing relates to the holistic wellbeing of individuals, whether physically, mentally, or intellectually. The Bank of Thailand reports that members of the new generation tend to have minimal financial planning skills, specifically, first jobbers, who are identified as a vulnerable group with a tendency to accumulate debt.

Accordingly, the Bank not only promotes financial literacy among customers and the general public but also seeks to uplift the financial skills of its employees. Specifically, first jobbers, parents, and those nearing retirement, in order to provide them with financial and digital literacy to support their financial wellbeing, which will lead to their holistic wellbeing and maximized potential for productivity.

SCB organized financial literacy initiatives for employees in each unit through the development of a blended learning journey, taking form in both workshops and online learning. The initiative seeks to provide knowledge and help solve any financial problems that employees may have.

**In 2020, over 560 employees participated in the program**

## The Learning Journey to Financial Well-being



### Financial planning:

Ignite the need and importance of financial management



### Debt management:

provide guidance to 'adjust-reduce-remove' personal debt by applying the self-sufficiency philosophy



### Financial and wealth management:

Create sustainable wealth by providing knowledge of personal finance, basic investment, and retirement planning.

## Financial literacy, Family and Education Planning

Apart from their roles as SCB employees, most staff are family leaders providing guidance for their children, the most important unit necessary for maintaining a good society. The Bank understands that parents should be assisted with developing the skills necessary for them taking on their roles and responsibilities. In 2018 the Bank set up an "SCB Parents Club" to serve as a learning space for sharing child-raising techniques during each developmental period in order to foster both intellectual and emotional intelligence.

Throughout 2020, along with parenting skills, the SCB Parents Club seeks to uplift parental awareness and attitudes toward finance, aiming to foster financial management skills while helping them identify appropriate financial goals and management techniques which can be applied at the family level. The SCB Parents Club has developed Financial Literacy, Family and Education Planning initiative in the form of both workshop and online learning in which over 50 participants document their learning and share their experiences with the club.



# PEOPLE'S POTENTIAL



People Potential



Society's Well-being

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Commitment

While placing importance on creativity and life-long learning, the Bank seeks to uplift and equip its employees with the readiness to upskill, reskill, and develop technological skills with flexibility and resilience. These skills are fostered through SCB's new way of learning and working, which prepares employees for career advancement whilst adding value to the business and its stakeholders.

## Challenge

The fourth industrial revolution laid the groundwork for future technological change, whether robotic automation, artificial intelligence, blockchain, or nanotechnology, profoundly impacting the way of work today. As these evolving technologies replace certain types of work, consumer expectations toward products and services also shift and subsequently impact businesses and business models. To keep up with this rapid and disruptive change, it is important for employees to understand the impact of technology on the workforce in order to realize and uplift their capabilities and work with the technology while equipping themselves with essential skills for the 21st century, including critical thinking, design thinking, change resilience, leadership, decision-making, and communication and collaborative engagement.

## Management Approach

Aligned with the Bank's strategic directions, the nation's development strategy, and megatrends, the SCB Academy is tasked with fostering learning and uplifting employee capabilities to allow them to realize their full potential. The efforts are being concentrated on managing employee capabilities on three key pillars based on a single foundation.



### Organizational Capability

Develop employee capabilities to help build competitive advantages and prepare employee readiness for future ways of work by providing support as follows:

- Learning in different forms and formats
- Coaching and providing advisory
- Reskilling
- Upskilling



### Center of Excellence: COE

Build employee knowledge, capabilities, and skills in four areas:

- Data Analytics
- Customer Centricity
- Lean and Agile
- Digital Transformation

Not only equipping employees with future skills but also encouraging adoption and application to create positive change



### Organizational Learning

Encourage employees to develop essential skills with a growth mindset to learn happily and proactively



### Leadership

Build leaders who can lead high-performing teams by uplifting their capabilities in strategic planning and coaching aimed to deliver continuous improvements while contributing to the Bank's targets.



People Potential



Society's Well-being

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Target and Performance



### Target

- Develops employee digital skills, including critical thinking, design thinking, and lean and agile methods at both the basic and intermediate levels to enrich the value of roles and responsibilities while adding value to the business derived from employees applying digital skills.
- Works with partners to develop learning communities on digital platforms to uplift skills for the future and create job opportunities for Thais.



### 2020 Performance

- More than 5,000 employees were equipped with basic digital skills, and 500 with intermediate digital skills. The Bank also developed a total of over 540 Business Data Analytics (BDA) Champions, Design Thinkers and Leaners in every business unit to help lead and innovate change.
- More than 9,000 Thais received training and developed digital skills.

Nevertheless, the Bank also has a Functional Academy, tasked with responsibility for developing employee knowledge and skills through three units, whose roles hold strategic significance to the Bank:

- **Wealth Academy:** Supporting wealth management, one of the Bank's strategic businesses for accelerating new growth.
- **Technology Academy:** A support unit essential to the SCB Transformation program, the Technology Academy also monitors and keeps abreast of information, news, and technology advancements to help the Bank keep pace with change in the digital era.
- **Compliance Academy:** A support unit tasked with responsibility for studying, keeping abreast, and monitoring legal changes, standards, and relevant regulations enforced by governmental and regulatory agencies at the local and international level. The Compliance Academy also supports the review and revision of the Bank's policies and procedures to ensure alignment with governmental regulations.



People Potential



Society's Well-being

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Performance Highlights

In 2020, the Bank restructured the organizational capabilities of the SCB Academy by establishing four Centers of Excellence to boost four skills necessary for working in the digital era while developing the kind of transformative leadership equipped with a growth mindset which is foundational for every type of work.



### Data Analytics

Builds a Data-driven organization where employees utilize data as part of their everyday tasks and in decision-making

**22 BDA coaches**  
**200 BDA champions**



### Customer Centricity

Equips employees with new tools and skills to truly understand and address customer needs by applying new way of thinking, process and tools

**100 Design Thinkers**



### Lean and Agile

Leans the SCB Way of Work to become swift and agile by continuously enhancing the work process

**28 Lean coaches**  
**124 Leaners**



### Digital Transformation

Uplifts SCB employees and Thai people's knowledge and capabilities in digital technology to help drive the economy in this digital era

**More than 9,000 Digital Learners**



### Leadership Development

Enhance the business and people management skills of SCB leaders, while seeking to motivate teams and steer business performance to keep up with digital disruption

**More than 4,000 SCB Future Leaders**



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## “Customer Centricity Foundation” Online course for all employees

Developed by local and global experts and derived from the direct experience of executives and employees, the course seeks to communicate applicable concepts and principles in exploring and addressing customer needs. The course helps learners to visualize the connection between knowledge and experience by continuously and precisely applying principles for understanding and addressing customer needs.

### 3 Learning Modules Available for Learners to Choose from based on their Interests



#### Design Thinking

Understand and be able to creatively apply design thinking to solve problems and address customer needs



#### Agile and Lean

Understand the agile and lean way of working, delivering value to customers with speed, while terminating ineffective, value-degrading processes



#### Data Analytics

Recognize the importance of data analytics and measurement in order to understand customers and make precise decisions

By the end of 2020,  
more than 5,000 employees took  
the ‘Customer Centricity Foundation’ course



“Design Thinking improved my work process and I can clearly see results. When new tasks are assigned, I can see and design my approach and know-how to handle any obstacles. Even if I need to work on several tasks at the same time, this method of systematic thinking helps me prioritize and move forward with speed.”

Miss Natrada Sunthornpan  
Branch Manager



“Design Thinking helps me understand customers and colleagues by planning and brainstorming ideas. We get to utilize our experience and work together.”

Mr. Sarawuth Sornbuth  
Branch Manager



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

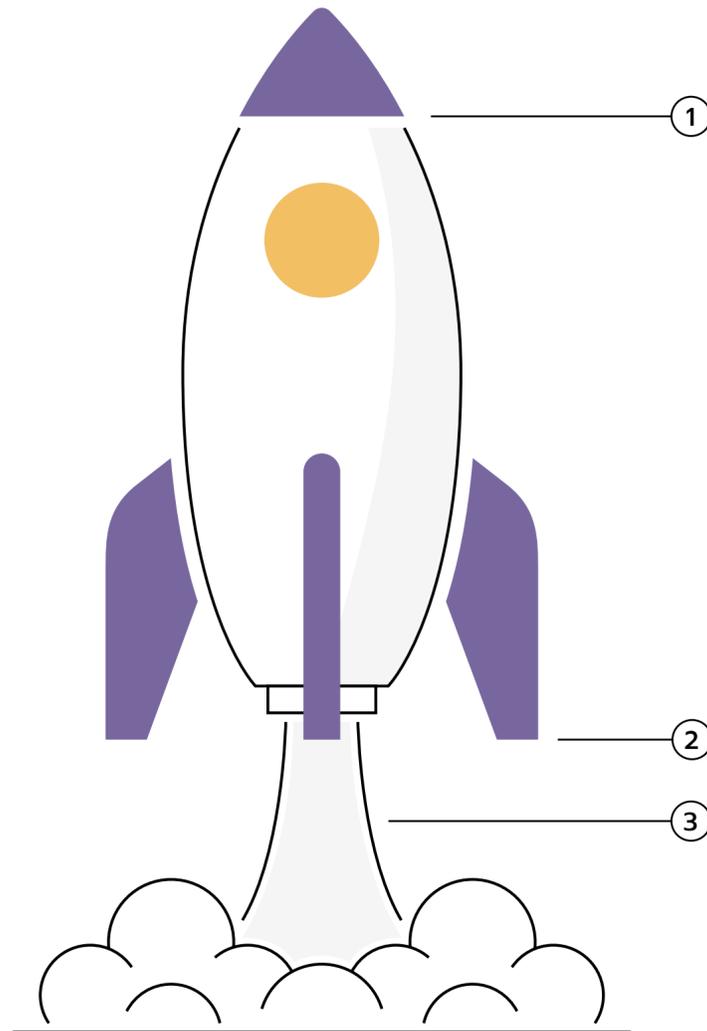
SUSTAINABILITY  
REPORT 2020



## Center of Excellence: Data Analytics

With a vision of encouraging employees to utilize data in their everyday decision-making, SCB established the Center of Excellence: Data Analytics to prepare employees at all levels to develop knowledge and skills in working and making data-driven decisions, which indirectly uplifts the Bank's efficiency while adding value to customer-centric business opportunities. Under this vision, the Bank seeks to become a Data-Driven Organization, where data analytics and applications are embedded in every decision and operation.

### 3 Approaches Toward a Data-driven Organization



#### ① Data Analytics Knowledge and Skill:

- Develop skills in asking good questions in order to get the right data,
- Encourage employees at all levels to understand potentials, opportunities, and applications of Machine Learning

#### ② Data Access:

- Build democratic access to data under tight control and good practices

#### ③ Data Tools:

- Provide a variety of data analytics tools appropriate for general and expert employees





MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## 6 Foundational Skills for Business Data Analytics

- Business Understanding
- Critical Thinking
- Data Analytics
- Data Tools
- Data Visualization
- Data Storytelling

## 2020 Initiatives



### SCB Business Data Analytics (BDA) Coach

In 2020 the Bank began to develop 'Business Data Analytics Coaches' by selecting employees from different units who possesses a deep understanding of business and expertise in data analytics, then uplifting their capabilities to become BDA coaches tasked with coaching BDA champions and general employees in analyzing and using data in decision-making. Certified SCB BDA coaches will receive additional training to develop necessary skills, such as coaching, facilitation, data storytelling, as well as developing coaching experience.

By the end of 2020, SCB developed 22 certified BDA coaches and used data as part of decision-making in more than 13 projects, resulting in 156 hours of internal coaching, saving the Bank over 1,700,000 million baht by not having to engage external coaches.



People  
Potential



Society's  
Well-being

### Business Data Analytics (BDA) Champion

For every unit, SCB seeks to build BDA champions whose data analytics capabilities are essential to fostering a data-driven organization through the integration and application of data as part of decision-making. This, at the same time, also increases operational efficiency, which ultimately adds value to the business.

**By the end of 2020,  
SCB had more than  
200 BDA champions**



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

## Data Analytics Development Pathway

Data analytics is a crucial asset for creating business growth in the digital era. Recognizing the importance of such importance, the Bank collaborated with different leading institutes in designing

an SCB Data Analytics Development Pathway with a blended learning approach to support employees in creating their own learning anywhere, anytime through various platforms,

both online and offline. Additionally, employees who have satisfied learning requirements will also receive program completion certificates.

Program	Target Group	Module	Learning Platform	Module Developer	2023 Target	2020 Performance
<b>Data Awareness</b>	All employees	Data Analytics Foundation			<b>13,000 persons</b>	1,000 persons
<b>Basic Data Analytics for Upskilling</b>	All employees	Data Analytics for Upskilling: basic level			<b>11,000 persons</b>	800 persons
<b>Intermediate Data Analytics for Upskilling</b>	Employees selected from each unit to be Business Data Analytics Champion	<ul style="list-style-type: none"> <li>SCB mini-Data Hackathon for general employee</li> </ul>	<ul style="list-style-type: none"> <li>Self-paced</li> <li>Hands-on Workshop</li> <li>Execution, coaching, and presenting to committee</li> </ul>		<b>1,100 persons</b>	500 persons
		<ul style="list-style-type: none"> <li>Leading with Data program for managers</li> </ul>			<b>500 persons</b>	60 persons
<b>Advanced Data Analytics for Upskilling</b>	A Development Roadmap for each target group is identified according to the needs and work characteristics of each unit.					



People Potential



Society's Well-being

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

### SCB mini-Data Hackathon Year 2

A warm reception for the 2019 SCB mini-Data Hackathon and great results led the Bank to continue the program for the second consecutive year. The program lets employees at every level and from every unit uplift their potential by becoming Business Data Analytics Champions. Participants develop skills in data analytics and presentation for decision-making through

solving real-problem statements based on business needs by using and analyzing real data. Through the adoption of a blended learning approach, the learning follows the Frame-Prepare-Analyze-Interpret-Communicate process to ensure that participants are able to effectively use and analyze data in decision-making.

In 2020, more than 200 employees participated in the program, for a total of 500 employees since the program inception

### Blended Learning Approach

Self-paced Learning Module



Online self-paced learning anywhere, anytime

Lab Activity



Hands-on workshop with systematic learning framework of Frame-Prepare-Analyze-Interpret-Communicate

Post-class Coaching Session



Learning from hands-on experience by analyzing existing data to create value for business and improve customer experience

Data Showcase



Results judgement considers:

- Business benefits
- Applicability and depth of data
- Data presentation
- Data story telling
- Creativity



People Potential



Society's Well-being



## Center of Excellence: Customer Centricity

Customer-centricity, identified as an SCB core value, sees the Bank placing emphasis on understanding customer needs by developing new skills, processes, and tools to enable employees to develop a customer-centric mindset and effectively understand customer needs while being able to utilize different concepts and frameworks when offering products and services.

### Customer Centric Development Model

The Bank has developed a Customer Centric Development Model to cultivate a customer-centric mindset and apply it to every task among employees with both direct and indirect roles and responsibilities in taking care of customers.

### Customer Centric Development Model

Program	Target group	Learning Module	Platform
<b>100 Customer Centric: Awareness</b>	All employees	Customer Centric Foundation Program	 
<b>101 Customer Centric: Design Thinking</b>	Employees whose roles and responsibilities require basic processes of design thinking	Design Thinking and Tools Program	 
<b>102 Customer Centric: Product and Campaign Development</b>	Employees involved in product development and initiate direct interaction with customers	Product and Campaign Development Program	Hands-on workshop with specific units to review case study and real problems of the unit to identify process improvement with design thinking
<b>103 Customer Centric: Design Thinking Coach</b>	Specific groups of employees	Workshops for representative from units to foster necessary skills in becoming design thinking coach and able to provide advisory and apply design thinking as part of the unit's operation	

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

2020 Initiatives

Customer Discovery Bootcamp

For business units such as Retail and Business Banking and Credit Card Products, whose roles and responsibilities are to interact directly with customers, the ability to empathize and understand the needs of customer is of great importance. The Center of Excellence: Customer Centricity unit collaborated with business units to develop a 'Customer Discovery Bootcamp' under the 102: Customer Centric: Product and Campaign Development Program by working together to select campaigns or

products that could be assessed and improved to better meet the needs of customers through the application of design thinking. The process starts from understanding target groups, emphasizing and defining data, ideating, prototyping, and testing. Through an intensive 3-day workshop, participating units learned new concepts and techniques while applying design thinking concepts to work processes in order to improve efficiency and address customer needs.

Applying Design Thinking





MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## Center of Excellence: Agile and Lean

An agile way of work, seeking to foster collaboration and the exchange of ideas, is a proven approach suitable for companies faced with a rapidly changing business context where speed is of importance in creating exponential growth. Since 2019, the Bank has been adopting an agile way of work to increase the flexibility of the work process, terminating repetitive procedures while encouraging internal and cross-team collaboration. This helps the Bank address customer needs for speed, resulting in greater results.

Under agile principles, the Bank adopted a Scrum framework, identifying 3 key roles: Product Owner, Scrum Master, and Development Team, each with distinct responsibilities:



### Product Owner:

Assesses and prioritizes the value of each task for team



### Scrum Master:

Steers team to effective performance by eliminating obstacles that may prevent the team from achieving the set goals



### Development Team:

A self-managed team consisting of professionals from different units. Able to deliver end-to-end results

In 2020 the Bank focused its efforts on developing Scrum Masters by collaborating with external institutes and providing in-house training. Employees who pass training will also receive certification.



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Well-being

By the end of 2020,  
SCB built over  
70 certified scrum  
masters and provided  
Agile training to  
more than  
6,700 employees



People Potential



Society's Well-being

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

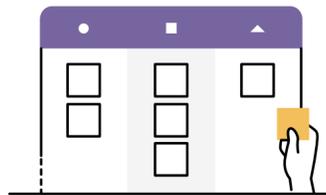
SUSTAINABILITY REPORT 2020

## Agile Tools Adopted by SCB

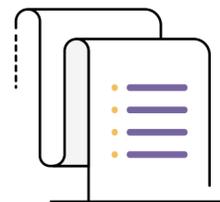
Stand Up Meeting



Kanban Board



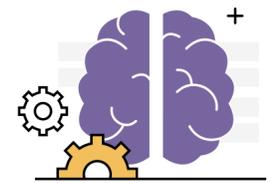
Product Backlog



Sprint



Knowledge Management



## 2020 Initiatives

Apart from embedding an agile way of work, the Bank seeks to improve the work process and increase organizational productivity by leaning in order to decrease time spent, terminate repetitive processes, and reduce costs. In 2020, the Bank 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, representative from participating units attend an intensive Lean Principles workshop, select internal processes that need to be leaned as a case study, and apply the concepts in their operations.



### 2020 Target

Build 100 Leaners with roles and responsibilities to make work processes speedy and efficient.



### Performance

The Bank built 28 LOL coaches and 124 Leaners able to apply lean concepts and practices, improving 39 work processes.

## SCB Lean Process:

**Define** clear targets by focusing on what needs to be improved first.

**Measure** the effectiveness of the process by collecting statistical data of each process for result comparison.

**Analyze** and identify root causes of the problem and key steps to address them.

**Implement** and Improve a process by focusing on the root case and develop a new process that addresses the problem and yields effective results.

**Control** and maintain the improved process within a satisfactory level.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

**COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE**

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



## Center of Excellence: Digital Transformation

Disruptive change in the digital era not only affects existing business models or employee competency development but also inevitably impacts the nation's economic structure, growth, and its ability to uplift workforce capabilities.

Recognizant of the importance of uplifting the capabilities of the Thai workforce, the Bank seeks to leverage its expertise in knowledge management and skill development to build a public learning platform or "Phonlamuangdee" to build skills of the future so that Thais can work and create value in areas where digital technology has become a key enabler in driving the economy to prosperity.

### 2020 Initiatives



"Phonlamuangdee" is an inclusive online community for innovative learning experiences that offers courses and a network of experts to support employees and the general public, offering learning skill development for future career advancement anywhere, anytime, and all free of charge.

**More than  
3 million visitors**

**offering over  
200 learning video clips**

<http://www.phonlamuangdee.com>



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The Bank has collaborated with partners in launching the 'pmd47' program which provides every Thai with the opportunity to develop the skills of the future necessary for career advancement and opportunities in the digital world. Through a blended learning approach in the form of online learning activities, the program allows learners who are enthusiastic in grasping learning opportunities to connect and share experiences, free of charge.

pmd 47 seeks to develop 26 skills such as Learning Agility, Change Management, Platform Business Design, and UX Design which are essential for the new way of work in the digital era. After completion of each module, learners receive nano-certificates and micro-certificates after passing examinations.

**More than  
9,000 participants**

**Accumulating over 50,000 learning  
hours**



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

### Data Analytics For Upskill (DA4U)

The Bank worked with the Digital Economy Promotion Agency (depa) and the Asian Institute of Technology (AIT) to initiate a Data Analytics For Upskill (DA4U) learning program which seeks to foster data analytics skills for the Thai workforce and to increase work efficiency. The program aims to build quality personnel and a workforce with capabilities in digital technology, helping address the nation, society, and economy's need while encouraging the exchange of knowledge and experience between governmental agencies and the educational and private sectors.

Taking into account survey results and a needs assessment of the skills required for the private sector workforce, DA4U's curriculum is designed to address the needs of organizations, focusing on the use and application of big data as part of business planning, decision-making, and organizational development. The program is open to graduate students, recent graduates, others who are entering the labor market, as well as those employed by both governmental and private entities and seeking to develop basic data analytics skills.

The program consists of five curricula:

- Data Analytics
- Programming
- UX/ UI
- Lean/ Agile
- Business Management



10 hours of learning



Emphasis on practice and application



Digital learning on Phonlamuangdee.com



Free of charge self-paced learning

DA4U is one part of the pmd47 – New Normal New Ways of Working Program whose goals are to develop skills of the future for all Thais.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## Leadership Development

Today's leaders play an important role in leading teams and organizations amidst constant change and disruption, whether from technology, pandemics, or economic downturns. The mission to build leaders of the future who can lead high-performance teams is, therefore, an important task.

The Bank seeks to build leaders with skills in leading teams, managing change, and coaching while steering business performance to keep up with constant change.

In 2020 the Bank collaborated with the International Institute for Management

Development (IMD) in reviewing, analyzing, and defining preferred attributes and behaviors of SCB leaders consistent with the Bank's four core values: Customer Centricity, Risk Culture, Innovation, and Speed.

### SCB Leadership Behaviors



#### Leading Strategy

Develops long-term transformational plans as well as strategic adjustments to take advantage of short-term opportunities



#### Leading Execution

Drives operational rigor, organizes work efficiently and consistently delivers results



#### Leading Teams

Creates a positive team environment for team members to meet commitments and goals



#### Leading People

Helps employees recognize their growth potential and deliver exceptional work



#### Leading Self

Encourages self-awareness and is committed to personal growth that translates into inspirational leadership

With these five leadership behaviors, SCB has designed leadership development programs for each leader level through a blended learning approach in both online learning, coaching, and other forms to help build the preferred attributes and behavior of more than 4,000 SCB managers while standardizing knowledge and understanding with appropriate tools for both work and team management.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## 2020 Initiatives



Survey results from assessing the needs of leadership development of SCB managers indicate that most managers struggle to effectively handle work and manage teams at the same time, specifically with the implementation of the Work from Anywhere policy. To help boost confidence and build skills while facilitating self-learning among managers on the Bank's internal Sharepoint, the Bank developed a 'Leaders Portal' learning community which congregates knowledge and tools for skill development, such as coaching, communication, remote-team management, and change management, to assist managers in effectively leading teams.

For the Leaders Portal, the Bank internally develops and externally curates knowledge from quality sources which are made readily accessible even during the spread of COVID-19. This learning content is presented in a concise, digestible, relatable way and corresponds to the needs of managers through video-clips, articles, podcasts, micro-learning, and learning programs from leading institutes and from a Community of Practice.

The Leaders Portal is an innovative community for learning and exchanging experience in the hope of fostering self-paced learning behavior among SCB employees, which is a foundational attribute to become a learning organization.



### Community of learning and exchanging experience, from self-paced learning to life-long learning



More than 70 articles



Over 60 podcasts and video-clips



More than 40,000 visits from 3,000 unique employees, 1,000 of whom are managers



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## CAREER COACH

Coaching not only helps realize the potential of employees and supports work efficiency, but also serves as a tool to uplift capabilities and stimulate self-values at a personal level, which are key elements for an individual to progress toward professional goals and for an organization to progress toward corporate goals.

Starting in 2019 the Bank initiated a Career Coaching Program which supports employees being coached by executives whose roles are to stimulate awareness not only of career advancement but also for personal development and readiness for change.

In 2020, the Bank developed more career coaches, totaling of 23, and leveraged the success of the Career Coaching Program to bank-wide employees, and in particular, those who want to uplift personal and professional skills for handling new roles and responsibilities, as well as those who wish to seek internal rotation. Career coaches are friends and good listeners who can provide advice and ask the right questions to help employees discover opportunities and approaches towards development and growth in order to grow with the Bank.

**23 career coaches**  
**More than 160 employees participated in the program**  
**Saving over 500,000 THB in costs by not having to engage external coaches**

### Coach says:

*A career coach is a friend, an advisor, and a good listener who asks the right questions to help employees discover opportunities and helps them with personal development in order to create value for one's self, others, and the Bank.*

**Mr. Worawat Suvagondha**  
Head of the SCB Academy

### Selected feedbacks from coachee:

*My Coach's questions helped me think and interact with my feelings. I understand myself better and I feel better*

*I learned how to think, handle, and solve problems. I feel much better after coaching*

*I am confident and ready to realize my full potential*

### SCB Virtual Leadership Program

The implementation of the Work from Anywhere (WFA) policy which allows employees to work from their homes or anywhere is truly a new way of work, which inevitably affects interpersonal relationships among team members. Amidst such change, the Bank realizes the need to uplift leadership skills to help lead teams in this new context. The Virtual Leadership Program was therefore developed to equip managers with the knowledge and tools useful for leading teams. The program aims to help managers manage and teams to see the same goals, build motivation, specify protocols, and support teams for achievement. The program adopts a blended learning approach through different mediums, such as Microsoft Teams for Virtual Live learning and the Bank's internal learning platform, all while executing and receiving feedback for continuous improvement.

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



People Potential



Society's Well-being



## People Development Performance

### Number of employee's training hour

Performance Indicator	2017	2018	2019	2020	2020 Target
Average training hour (hours per person)	62	71	68	49	40

### Internal Learning Sources



**10 Seminars**  
**73,500 views via Facebook Live**



**1,623 training courses**  
**915,473 hours of training**



**KALTURA**  
**1,141 learning videos**  
**660,102 views**  
**263,508 hours of learning**

### External Learning Sources



**909 employees successfully completed learning courses**



**ดีจัง (Dijang)**  
**112,438 users**  
**287 articles**  
**231 learning programs**  
**150,000 total views**

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

### COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### In 2020,

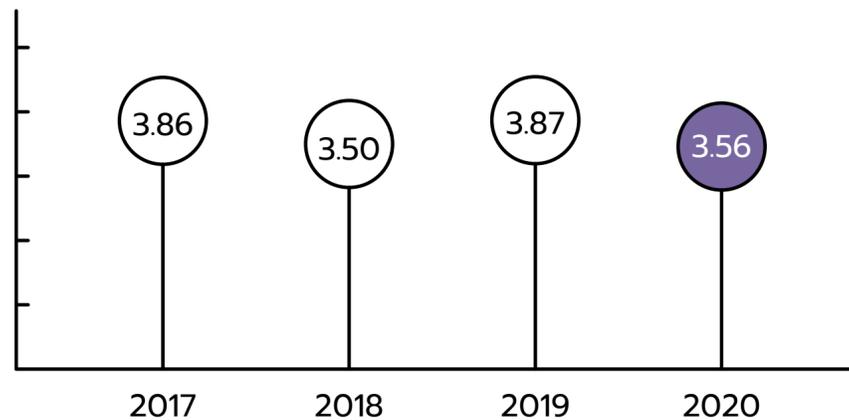
More than 15,000 employees engaged in self-directed learning via the Bank's online learning platforms such as PlayStory, a video streaming platform, resulting in an average of 16 hours of learning per employee with 334 active learners

Over 1,490 employees engaged in self-learning via external learning platform with 909 employees completed the course, 201 of whom are identified as active learners

More than 5,000 employees learned through the Bank's Microsoft Sharepoint

\*Active Learner refers to learners who achieve continuous self-learning for more than 4 hours per month or throughout the learning session on the platform

### Human Capital Return on Investment



Spending on employee development **127 million baht in 2020**

**1,623** training courses offered in 2020



# SOCIETY'S WELLBEING



People Potential



Society's Well-being

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

## COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

## SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Commitment

The Bank is committed to pursuing a holistic approach in community and social development through extensive partnership with the support of engaged communities and employees to create social impact for sustainable happiness.

## Challenges

Poverty and social inequality remain prominent on Thailand's development agenda. According to the report by the Office of National Economic and Social Development Council, Thailand's poverty rate was 6.24% in 2019 which amounted to approximately 4.3 million people living in poverty. The Equitable Education Fund (EEF) also reported that more than 500,000 children in Thailand were forced to drop out of school due to poverty, with 2 million more children likely to follow the suit. In addition, annual floods and droughts which have become more severe in recent times pose a constant threat to lives, properties, and well-being of people in Thailand. All these factors combined have a direct impact on the pace of national development.

## Management Approach

Because sustainable development and quality livelihoods cannot be achieved without social and environmental balance, one of the Bank's important agenda is to pursue holistic social development which encompasses: Youth and teacher empowerment, Community empowerment towards self-reliance, and Raising environmental awareness and volunteer

spirit within and outside the Bank. Accordingly, the Board of Directors appointed the Corporate Social Responsibility Committee to set policies and strategic frameworks with oversight responsibility to ensure that the Bank's CSR activity creates positive, meaningful, and lasting impact on the country.





MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

## Target and Performance



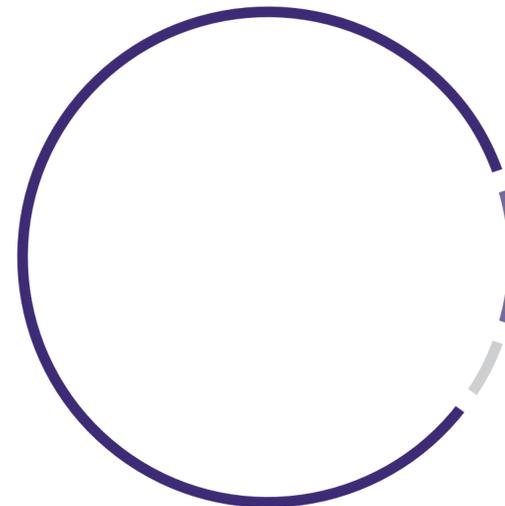
Target

Builds a foundation to improve people's lives by creating educational opportunities, improving the quality of life, providing immediate relief from natural disaster, promoting environmental awareness, as well as fostering a volunteer culture



2020 Performance

- More than 280,000 children and local communities participated and benefited from 75 CSR initiatives
- 6,536 employees volunteered in CSR activities which amounted to 22,056 hours
- Community investment accounting for 85% of total CSR spending



Community Investments

85%

Commercial Initiatives

5%

Charitable Donations

10%



CSR spending  
in 2020 Equals to

520  
million baht



Number of employee  
participating in  
CSR activities

6,536  
employees



Number of hour  
employees spent  
on CSR activities

22,056  
hours



Expenses on  
employee involvement  
in CSR activities

5.3  
million baht



People Potential



Society's Well-being

## Performance Highlights



### Youth Development and Education

Because today's youth are key to the country's prosperous future and because education is a powerful weapon to drive creative change that leads to sustainable development, the Bank continues to support social initiatives that teach young people creative thinking, collaboration, hands-on learning, and analytical skills. These initiatives are designed to generate positive

impact for communities in parallel with providing support for schools and teachers who are not mere transmitters of knowledge but role models for children. These young people form an important foundation for the country's development to keep pace with future change.

**The Bank is committed to taking part in nurturing the country's young generation of seedlings into tall sturdy trees for a better future.**

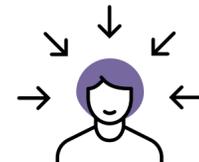
### SCB's Commitment in Youth Development and Education



#### "SCB Challenge"

Build critical 21<sup>st</sup> century skills for young people through

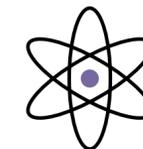
- Artistic creation
- Application of technology to create innovations that benefit community



#### CONNEXT ED



Promote student-centered learning and encourage teachers to shift the teaching approach from passive learning to active learning



#### Science and Technology Scholarships



- Scholarships for
  - Junior Science Talent Project (JSTP)
  - Young Scientist Competition (YSC)



Master's degree and Ph.D.-level scholarships for VISTEC students



#### General Scholarships



Scholarships for a Better Life



Scholarships to Support Thai industries



Scholarships for Thailand's future



Preschool and Elementary



Secondary



Vocational



University

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## SCB Challenge

An annual age-appropriate contest designed for youths to build critical 21<sup>st</sup> century skills including critical thinking, communication, and collaboration.

---

**15 years of commitment to  
Nurturing 'good and smart'  
seedlings of  
More than 36,000 children  
Engaging with  
More than 2,900 schools  
Creating positive impact for  
More than 270 communities**

---



**"I have an opportunity to say what I think, to learn to listen to others, to practice unity, empathy, and planning."**

**Elementary School Student**  
Wat Khan Ngoen School,  
Chumphon Province



**"(The program) teaches children the thinking process, not just problem solving, but learn to think systematically and to communicate their thinking. Teachers also learn to design learning activities, a process that can be later applied in the school context."**

**Mr. Sitichai Chanklai**  
Senior Teacher  
Baan Thai Samakee School,  
Sa Kaeo Province



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## CONNEX ED

This program is a three-way collaboration among the public, the private, and the civil society sectors to drive education reform. By working with Siam Commercial Bank Foundation, education service area supervisors, and communities in the education sandbox areas including Si Saket, Satun, Rayong, the Bank helps teachers reshape their teaching approach from passive learning which focuses on lecturing and memorization toward active learning and digital capability. With active learning, teachers involve students in the instructional process where knowledge is not simply memorized but analyzed and synthesized.

In 2020, which marked Phase three of the program, the Bank converted lessons and teaching models that were proven effective in Phase one and two into e-Learning and learning community to be accessible to all teachers nationwide.



### SCB has been involved in Thai Education Reform through ConnexED since 2016



Work with **115 schools** to transform their teaching paradigm and spread these practices to other schools



Improve teaching skills of **more than 2,000 teachers** of which more than 70% are able to transform their roles from teachers to coaches or advisors



Provide e-Learning for **more than 25,000 students** resulting in positive behaviors, better academic performance, and improved skills for more than 50% of the students



Promote leadership with an opportunity to apply knowledge and experience in the education sandbox for **68 SCB employees who serve as "School Partners"**



People  
Potential



Society's  
Well-being

**"In the past, we didn't know which direction we were heading, but after 3 years of development and progress, we know that what SCB has done for the school is really working."**

**Ms. Kasemsri Priyanond, Senior Teacher**  
Wat Amornwadee School, Samut Sakorn

**"Kids are more attentive in their learning and more cooperative with the teachers. When teaching and learning are not boring, they want to go to school."**

**Ms. Wipa Thongwaree, Parent**  
Wat Amornwadee School, Samut Sakorn

**"Fun! This school is like no other school. I want to go to school every day. I don't like Saturdays or Sundays."**

**Miss Kitirat Nontate, Student**  
Wat Amornwadee School, Samut Sakorn

**"Every time I visit the children, I am inspired to be part of the education reform... I have learned coordinating, communication, and listening skills. Listen carefully and you will understand real problems."**

**Ms. Nattatirakan Teelinf**  
SCB employee who serves as School Partner



## Scholarship Program for Organizations and Young Individuals

Because education is a pillar of human capital development, the Bank has been providing educational and learning opportunities for children through scholarships. Different types of scholarships, including specialist scholarships, need-based scholarships, and merit scholarships, are awarded to benefit not only individual recipients but also society and the country.

**In 2020, the Bank awarded scholarships to 61 educational institutions and 8 organizations in a total of 517 scholarships or 41.5 million baht.**

## Initiative Highlights



### Science and Technology Scholarships

To create educational opportunities in science and technology for young people, the Bank partnered with PTT Company to establish Vidyasirimedhi Institute of Science and Technology (VISTEC) in Rayong Province in 2017. The Bank also offers scholarships for VISTEC students to pursue a Master's degree and Ph.D. in science. Moreover, the Bank also provides scholarships for highly gifted children in science through the National Science and Technology Development Agency (NSTDA).



### Scholarships for a Better Life

These scholarships are awarded to young people with strong academic performance or good behaviors who require financial assistance for their continuing education. The Bank supports many scholarships, such as

- Sufficiency Economy Scholarship
- Crown Property Bureau Foundation Scholarship
- Border Patrol Police School Alumni Scholarship
- Network School Scholarship



People Potential



Society's Well-being



### Scholarships for Thailand's Future

The Bank provides scholarship funding for the 3 following organizations every year:

1. Princess Maha Chakri Sirindhorn Foundation – Undergraduate scholarships for medical students who need financial assistance
2. Ananda Mahidol Foundation – Scholarships for students to study abroad and return home to serve their country
3. Prince Mahidol Award Foundation – Scholarships for students to complete bachelor's degrees in medicine, dentistry, and pharmacy



### Vocational Scholarships to Support Thai Industries

These need-based scholarships are for young people with strong academic performance to study at Baan Kai Technical College on the dual vocational education track to obtain a Vocational Certificate or High Vocational Certificate. As part of the scholarship requirements, recipients take an apprenticeship with businesses in the WHA industrial development which not only provides them with income while still in school but also an opportunity to work in target industries upon graduation.

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## Community Well-being and Disaster Relief

The Bank believes that good quality of life enables communities to better create and fulfill their roles as a cog that turns the societal wheel. 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.

### SCB's Commitment to Promoting Community Well-being and Providing Disaster Relief



#### SCB's Contribution to Natural Disaster Assistance and Relief

The storms "Podul" and "Kajiki" in late August 2019 had caused flash flood and windstorm disasters in many areas of the Northeast region resulting in severe damage. The Bank has provided assistance to victims in 4 provinces – Ubon Ratchathani, Yasothon, Roi Et, and Sisaket – in the form of both emergency and long-term relief measures lasting until 2020.

#### 2019 RELIEF Alleviate urgent crisis

##### SCB Relief for Natural Disaster Victims

More than 5,000 "SCB relief" survival bags containing ready-to-eat food, basic essentials, and medicines, etc. were prepared and promptly distributed to flood victims. The Bank joined forces with a wide network of organizations, such as the Air Force, the Navy, government offices, foundations, and branch employees in the flood zones, to ensure that survival bags are distributed to all victims as well as helping with post-flood cleanup of streets and public areas.

#### 2019 – 2020 RECOVERY Restore livelihoods

##### United Relief for the Northeast

In collaboration with Siam Commercial Bank Foundation and a network of partners, such as the Ministry of Social Development and Human Security, Royal Thai Armed Forces Headquarters, Royal Thai Air Force, King Power Duty Free Company, WHA Corporation, and Dohome Company, the Bank helped repair and rebuild homes, restore jobs, replace damaged appliances, as well as distributing books, learning materials to children in order to help flood victims restore their livelihoods, jobs, and natural resources for a full and long-term recovery.



**Repair-rebuild 144 damaged homes to ensure safe living conditions** particularly for vulnerable population who needs special assistance, such as households with elderly or disabled members, children as well as underprivileged families



**Replace damaged appliances and donate 525 rice cookers** in partnership with the Royal Thai Armed Forces



**Provide 1,760 sacks of rice seeds to 370 affected farmers to help restart their occupation** Communities also set up collective management of the distributed seeds in every village for future need



**Donate books and teaching materials to 312 schools to facilitate children's learning** in Ubon Ratchathani and Roi Et provinces



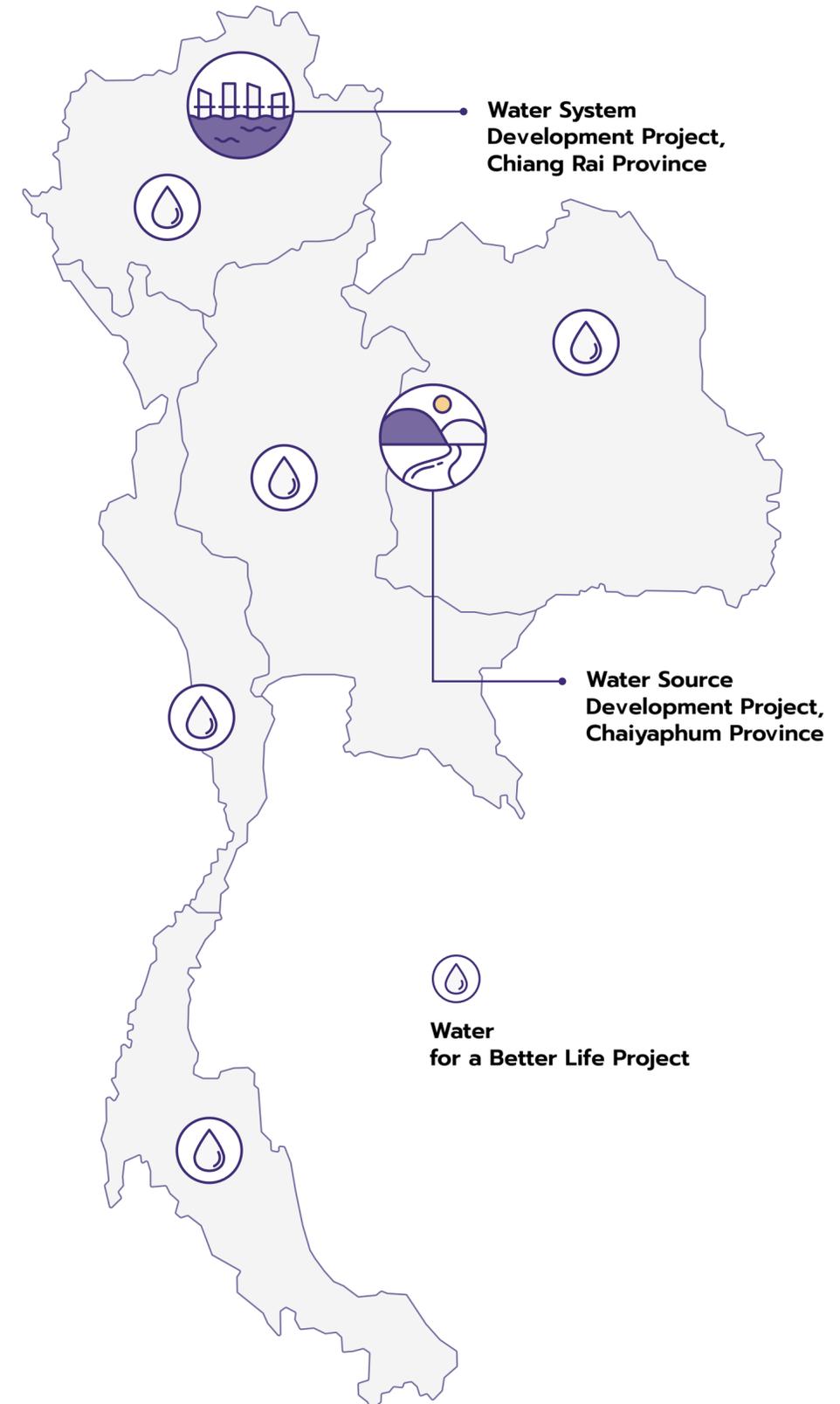


## SCB's Contribution to Water Management in Thailand

Because water is essential for every living being, the Bank has been involved in the country's water management to ensure that communities have access to sufficient clean water for consumption and farming needs. The Bank is currently running 3 main collaborative initiatives in water management as follows:

### Water for a Better Life Project

<b>Target Area</b>	Any schools and communities in Thailand that face a shortage of clean water
<b>Partner</b>	Royal Air Force Disaster Mitigation Center (2014-Present) Talesun Technologies (Thailand) Co., Ltd. (2017-Present)
<b>Implementation</b>	<ul style="list-style-type: none"> <li>• Donate water tanks, install water filters, and necessary buildings</li> <li>• Set up water supply system for the community</li> <li>• Use solar power for filters and pumps in the community's water supply system</li> </ul>
<b>2020 Performance</b>	<ul style="list-style-type: none"> <li>• Supply clean water to more than 6,000 children and people in communities or more than 44,000 people since project inception</li> <li>• Save 36,000 baht/ year on drinking water for schools and 2,880 baht/ year for households</li> <li>• Save 24,000 baht/ year on electricity for pumping community water</li> </ul>



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

## Water Source Development Project, Chaiphum Province

<b>Target Area</b>	Baan Tat Ton Community (Headwater of Lam Pa Thao canal) and Baan Non Tae Community (Headwater of Chi river)
<b>Partner</b>	Utokapat Foundation under Royal Patronage of H.M. the King
<b>Project Duration</b>	2020 until present
<b>Implementation</b>	<p>Manage community water source per the King's initiative as follows:</p> <p><b>Baan Tat Ton Community</b></p> <ul style="list-style-type: none"> <li>• Build a check dam to trap sediment and repair Huai La Ko dam</li> <li>• Restore irrigation canal 1,040 meter long</li> <li>• Dredge Huai Khee Lek</li> </ul> <p><b>Baan Non Tae Community</b></p> <ul style="list-style-type: none"> <li>• Lay pipes and dig connecting canal to Chi River to enhance storage efficiency</li> <li>• Link water source structures to improve water retention as a sustainable solution to flood and drought problems</li> <li>• Manage water for sufficient consumption and agricultural use</li> <li>• Build a check dam</li> <li>• Found the "Baan Non Tae Natural Museum for Community Water Management" to share water management knowledge</li> </ul>
<b>2020 Performance</b>	<p><b>Baan Tat Ton Community</b></p> <ul style="list-style-type: none"> <li>• Increase water supply by 56,600 m3 which benefits 172 households and 2,520 rai of agricultural area</li> </ul> <p><b>Baan Non Tae Community</b></p> <ul style="list-style-type: none"> <li>• Have 6,000 litre/day of clean drinking water which saves 1.35 million baht per year and benefits 1,200 people</li> <li>• Manage 150,000 m3 of water in the area to benefit 1,200 rai of agricultural area</li> </ul>

When a big storm hit the Northeast in September-October 2020, Baan Non Tae community was able to promptly divert water from Chi River to detention area, avoid floods, and have enough water for farming.



People Potential



Society's Well-being

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

### Water System Development Project, Chiang Rai Province

<b>Target Area</b>	Therd Thai sub-district, Mae Fah Luang district
<b>Partner</b>	Mae Fah Luang Foundation
<b>Project Duration</b>	3 years (2018–2020)
<b>Implementation</b>	<ul style="list-style-type: none"> <li>• Build dams to retain water for consumption and agriculture</li> <li>• Build check dams</li> </ul>
<b>2020 Performance</b>	 64 agricultural dams and 3,500 check dams   <b>Benefit</b> 4,671 rai of agricultural area 408 communities 2,032 people

**Note:** A follow-on initiative from the Reforestation Project in Honor of H.M. the King. Please refer to “Restore the forest to solve poverty – Invest in people to restore the forest” for additional information.

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Environmental Protection and Volunteer Culture

For people to live a happy life in a healthy environment, the Bank has launched and provided continuous support for environmental initiatives in conjunction with fostering environmental awareness and volunteer culture. Through “SCB Let’s Do Good” and other volunteer initiatives, SCB employees and the general public have an opportunity to be part of shaping and passing on environmental legacy to the next generation.

### Initiative Highlights

#### Our Khung BangKachao Project

Rooted in a strong belief in sustainable social and environmental development, the Bank has been actively involved in the 5-year Our Khung BangKachao project (2018-2022). This project is a collaborative effort between the public sector, the private sector (34 organizations), and communities in Khung Bangkokachao, Samut Prakan province, to protect and develop Khung Bangkokachao which has been named the “best urban oasis” of Asia by the Times Asia magazine. This initiative has adopted the late King’s approach of “Understand, Engage, Develop” and his sufficiency economy philosophy to become the model of sustainable eco-management for urban areas.

The Bank organized various “SCB Let’s Do Good” activities in 2020 which marked the third year of the Green Growth movement. Overseen by the Youth Development and Waste Management Taskforce, these activities are designed to develop the green area in the Our Khung Bangkokachao project as summarized below.



People Potential



Society's Well-being



### “SCB Motivates Children to Save Money and Save the Planet”

Teach children in four target schools which are Wat Bang Nam Phueng Nok School, Wat Bang Nam Phueng Nai School, Wat Bang Ko Bua School, and Samran Witthaya School to:

- Recognize waste problems
- Be eco-conscious
- Learn basic financial and accounting knowledge through games



### “SCB -- Bike to Plant”

The Bank’s 50 volunteer employees brought 200 seedlings by bike, a green transportation mode, to transplant at the planting site overseen by the Bank and Bang Ko Bua community with the help of the community and representatives of the Green Area task force of “Our Khung Bangkokachao” project.



### “Bike to Plant for Happiness”

A special activity to building engagement with the Bank’s partners by inviting used car dealers to:

- Plant trees in public green area overseen by the Bank within “Our Khung Bangkokachao” project
- Donate books, teaching materials, and giving scholarships to Bang Ko Bua school
- Make tie-dye cloth with natural dye to preserve the local cultural heritage of Khung Bangkokachao

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

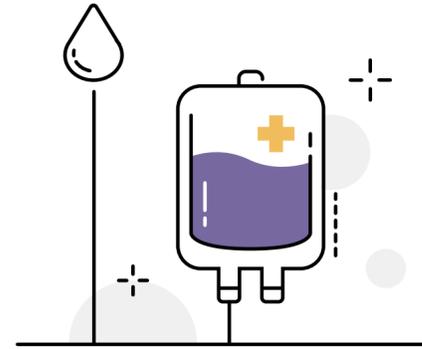
SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### SCB Blood Drive

As a key supporter of the Thai Red Cross, the Bank has organized a blood drive for 24 consecutive years. Under the "Plus1: More Frequent Donation, More Blood, More lives" concept, the 2020 blood drive was centered on getting employees, customers, and the general public to donate blood one more time per year. One extra blood donation will save 3 additional lives and ensure that there will be adequate blood supply for patients in need nationwide.



In 2020, the Bank collected and delivered 54.6 million cc of donated blood from 136,490 donors which helped save more than 409,000 lives

### Bagging Volunteers for Friends in Need (of "PA") Foundation

As part of "SCB Let's Do Good" initiatives, over 100 SCB employees volunteered to assemble royal survival kits for Friends in Need (of "PA") Foundation, Thai Red Cross, to distribute kits to flood victims of the tropical storm "Sinlaku" at 11th Infantry Regiment (Royal Guard).

20,000 survival kits distributed



24 Years of Commitment Since 1996, the Bank has collected and delivered More than 560,000,000 cc of donated blood which helped save 3.8 million lives



# CLIMATE RISK AND RESILIENCE



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Commitment

The Bank will perform an analysis of climate change risks and their impact upon the Bank's portfolio by integrating climate risk issues as part of its risk management system. Aligned with the recommendations from the Taskforce on Climate-Related Financial Disclosures (TCFD), climate change risk scenario analysis will be conducted in order to provide inputs for stress testing, inform industry limits, and adjust the Bank's business plan accordingly. In addition, the Bank will develop products and services that incentivize adaption to climate change in order to create balance between risk management and business opportunities, while at the same time supporting the transition to becoming a low-carbon society.

## Challenge

The National Aeronautics and Space Administration (NASA) reported that global temperature in 2020 tied for the warmest year on the record in the 140 years since the first statistical data was collected. In Thailand, the Environmental Research Institute of Chulalongkorn University has stated that 23% of the land in Thailand is affected by climate change, from phenomena such as flash floods from heavier rainfalls, droughts, and rising sea levels. These natural phenomena all impact company operations. If the company neglects the importance of identifying appropriate and immediate measures or approaches for addressing climate change risks, impacts from climate change will inevitably take their toll on the financial sector and banks in its role as a capital provider.

## Management Approach

The Bank places great importance on managing risks and opportunities associated with climate change by setting commitment and management approaches through the SCB and SCB Subsidiary Sustainability Policy, overseen by the Sustainability Steering Committee chaired by the President. The committee consists of senior executives from relevant business units responsible for steering sustainability performance toward the set targets and plans. This governance structure is also deployed to manage other material sustainability issues. At the same time, the Bank has set up a Climate Risk Assessment Taskforce with responsibility for studying and assessing climate change risks to the Bank's portfolio and systematically integrating the risks as part of bank-wide risk management system.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### Board of Directors

Responsible for the overall direction toward sustainability, with the role and responsibility of approving the Bank's sustainability policy and strategic direction



### Sustainability Steering Committee

Supports policy implementation and provides guidance for continuous improvement while monitoring and assessing performance against targets



### Climate Risk Assessment Taskforce

Study and assess climate change risks to the Bank's portfolio and systematically integrating the risks as part of bank-wide risk management system

Banks play a crucial role in stimulating economic development by allocating necessary capital to generate economic activities. Recognizant of the importance of taking part in mitigating impacts resulting from climate change, which is a global issue, SCB provides various financial instruments to businesses and activities in order to help mitigate or contribute to climate change risk adaptation.

To systematically drive bank-wide performance, SCB embeds sustainability thinking and practices, including climate change risk management into corporate strategy through the deployment of a Balanced Scorecard.

Each business unit is required to set targets and indicators supporting the development of products and services that help mitigate impacts from climate change risks. Detailed approaches and performance are reported in the Sustainable Finance Chapter, Sustainable Financial Solutions, Responsible Lending, and Investment topic.

In terms of climate change risk management, the Bank seeks to understand and manage two main types of climate change risks: Transition Risk and Physical Risk.



### Transition Risk

A transition towards a low-carbon economy may bring about policy or regulatory change, new rules and regulations, new technologies, and new market initiatives. These factors all contribute to both positive and negative impacts upon business in terms of business models, management approaches, reputation, and financial returns. The degree of severity and speed of impacts depends on different factors, such as a company's industry type, geographical location, or the volume of emitted greenhouse gases.

### Physical Risk

Physical risks refer to the consequences of acute or chronic climate change which results in natural phenomena such as the increased severity of floods and prolonged droughts. These physical risks affect operations of the Bank and its value chain, which can significantly impact overall operations and financial returns.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

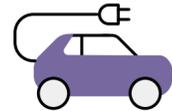
## Types of Climate Change Risk

### TYPES OF TRANSITION RISKS



#### POLICY AND LEGAL

- Carbon taxes
- Renewable portfolio standards
- Increased disclosure



#### TECHNOLOGY

- Improved energy efficiency
- Greater battery storage
- Cheaper renewables



#### REPUTATION

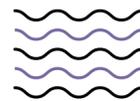
- Shift in consumer sentiment
- Risks of banking certain sectors
- Greenwashing concerns

### TYPES OF PHYSICAL RISKS



#### ACUTE

- Windstorms
- Wildfires
- River flooding



#### CHRONIC

- Drought
- Sea-level rise
- Extreme heat



Nevertheless, these two types of risks are correlated, that is, the collective effort to transit to a low-carbon economy will lead to a shift in business due to the adoption of new laws and regulations. However, physical risks such as extreme floods or droughts will be mitigated. On the other hand, without these efforts toward a low-carbon economy, physical risks will escalate as global temperatures continue to increase beyond 1.5 Celsius, causing severe natural disasters. Meanwhile, business risks resulting from changes in rules and regulations aimed at a low-carbon economy will decrease.

Nonetheless, efforts to mitigate climate change risks will also mitigate physical risks as governmental entities will enact relevant rules and regulations. This will directly impact corporate policy on climate risks as well as market demand for limiting greenhouse gas emissions, such as the implementation of a carbon tax or considering doing business with green companies. These changes will directly impact carbon-intensive businesses and those that produce significant greenhouse gas emissions, but nevertheless help reduce physical risks, contributing to a better environment.



## Performance Highlights

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

To effectively integrate climate change risk as part of the bank-wide risk management system, in 2020 the Bank set up a Climate Change Risk Taskforce, chaired by the Chief Risk Officer, with representatives from risk management, corporate sustainability, and the Economic Intelligence Center (EIC) as committee members. This Taskforce seeks to study and assess climate change risks to the Bank's portfolio and incorporate climate change risk management and measures into the Bank's stress testing. This approach follows and aligns with the recommendations from the Taskforce on Climate-Related Financial Disclosures (TCFD).



### Climate Change Risks Assessment and Scenario Analysis

The Task Force on Climate-related Financial Disclosures (TCFD) has devised an approach and tools for financial institutes to use in assessing climate change impacts by applying scenario analysis. This enables banks to better understand associated risk levels and the severity of climate change upon their corporate portfolios, existing business approaches, and potential opportunities.

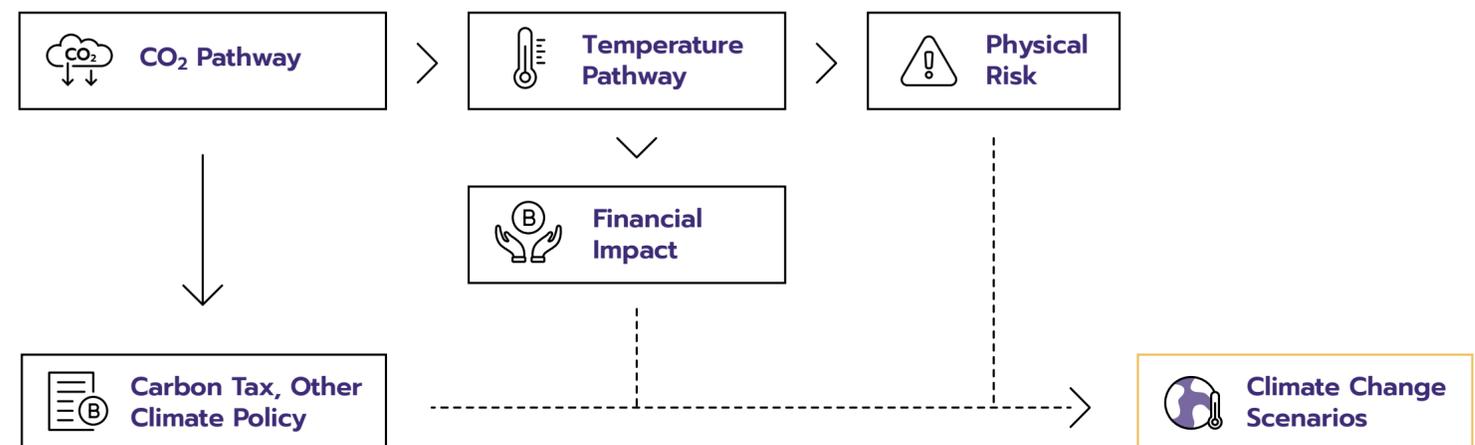
In 2020 the Bank worked with external consultant in studying and assessing risks associated with climate change, both in terms of physical risk and transition risk. The adopted methodology relies on frameworks and tools for identifying assumptions and scenarios associated with climate change. Along with an increase in global temperatures entailing physical risks from climate change, assumptions of estimated greenhouse gas emissions emitted by each industry are made in order to assess potential changes relating to rules and regulations as well as policies aimed as preventive measures. This holistic approach brings about valid assumptions which will be used to inform qualitative models for assessing impacts upon corporate portfolios as well as impacts upon the Bank due to potential default payments from

corporate customers operating in industries exposed to climate change risks and impacts.

The adopted scenario was developed by the Network for Greening the Financial System (NGFS), a voluntary collaboration of central banks from each participating country, seeking to devise management approaches toward climate change risks specifically geared to the financial industry. The network also encourages the financial sector to take part in helping drive the transition to a low-carbon economy.

At the end of 2020, the Bank is in the process of assessing impacts due to climate change. The assessment results will be embedded into the Bank's risk management system and inform the Bank's future corporate strategy and business plan.

#### SCB's Climate Change Risks Assessment and Scenario Analysis Flowchart





# ENVIRONMENTAL FOOTPRINT REDUCTION



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

## COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

## SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Challenge

Rapid economic and social development has led to environmental resource degradation and depletion, causing increasingly severe environmental problems. Thailand today faces prolonged drought, more frequent flooding, and other natural disasters associated with climate change. Thailand is also ranked among the top ten countries in the world with the most marine litter. Meanwhile air pollution, specifically, PM 2.5, from vehicle combustion, industry, and the burning of crops by the agricultural sector, continues to spread across the region during winter.

## Commitment

The Bank seeks to improve environmental quality and conserve ecosystem balance by focusing its efforts on increasing energy efficiency, reducing resource consumption, and dealing with waste management in alignment with the 3R principles: Reduce, Reuse, and Recycle. At the same time, the Bank has identified an approach to reduce pollution resulting from logistics and commuting while collaborating with suppliers to improve their environmental performance through green procurement practices.

Recognizant of its role as a financial institute in mitigating the mentioned environmental problems which consequentially impact the country's economy and the people's quality of life, SCB has accordingly adopted environmental policies, set targets, and initiated programs aimed at promoting environmental conservation and protection throughout the Bank's value chain.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Management Approach

To ensure that the Bank's processes help mitigate environmental impacts while SCB employees efficiently utilize resources, SCB not only strictly complies with relevant environmental laws and regulations but also promotes adherence to its Environmental Management Policy, covering bank-wide operations as well as practices with customers and suppliers. Environmental performance is overseen by the Environment Committee, chaired by senior executive. The committee is also responsible for setting strategy and monitoring performance to ensure that it is in line with the policy framework and targets.

While continuing to uplift its environmental management and operations in 2020, the Bank underwent preparatory steps in adopting and certifying ISO 14001:2015 standards while integrating environmental considerations as part of Risk and Control Self-Assessment Procedures (RCSA) and Key Risk Indicators (KRI). Accordingly, units assessed and identified as contributing to a significant environmental impact are required to identify appropriate mitigation measures. In addition, the Bank has provided environmental management training, built engagement with employees and suppliers by promoting compliance with policy, organized environmental campaigns, and maintained continuous communications.

Climate Risk and Resilience

Environmental Footprint Reduction



Compliance with environmental management policy and relevant standards



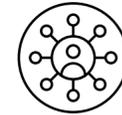
Overseen by the Environment Committee



Integrates environmental issues as part of risk assessment



Builds employee awareness through training, activities, and communications



Encourages engagement throughout the value chain

## Target and Performance



Target

The Bank set environmental targets: Reductions in energy consumption, greenhouse gas emissions, waste disposal, water consumption, waste, and domestic travel by 10% by 2023

Against 2016 benchmark



2020 Performance

- SCB reduced energy consumption by 35%
- Reduced indirect greenhouse gas emissions by 41%
- Reduced waste disposal by 59%
- Reduced water withdrawal by 38%
- Reduced gas emissions from business travel by 80% Against 2016 benchmark

**Remark:** The adoption of a Work from Anywhere (WFA) policy due to the COVID-19 pandemic caused a significant decrease in energy and resource consumption. The Bank is reviewing its long-term environmental targets to reflect this new way of work.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Performance Highlights

Throughout 2020, the Bank has reviewed policies and processes and initiated various programs to encourage and engage employees in taking part in environmental impact mitigation efforts.



### Resource Consumption and Eco-efficiency



#### Energy

Total energy consumption 34,358 (megawatt-hours)

against 2020 target of 40,967 (megawatt-hours)



Reduced 24% from 2019



#### Collective Effort on Energy Efficiency: Turn off, Adjust, Unplug, Switch

The Bank continued to promote employee engagement in 2020 by helping reduce energy consumption through an "SCB Collective Effort to Conserve Energy: Turn off, Adjust, Unplug, Switch" initiative. The effort has been communicated, prompting engagement, performance monitoring, and reporting to the Environment Committee on a regular basis.

- Adjust AC turn-on and turn-off times at every location
- Turns off lights in buildings and parking lots at specified times, and only utilize as necessary
- Turn off office lights in meeting rooms and unplug unused devices

**This initiative will help the Bank save over 18 million baht annually in operating costs.**



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### Waste

Total non-hazardous waste to landfills 2,686 (tonnes)

against 2020 target at 3,367 (tonnes)



Reduced 22% from 2019



### From 5Rs to Waste Sorting

In 2020 the Bank continued its efforts toward reducing the amount of waste disposed of by adopting the 5Rs principle (Reduce-Reuse-Recycle-Reject-Repair), which is applied to 5 types of waste: general, recycled, hazardous, used tampons, and masks. Waste sorting bins were also installed on each floor at both headquarters and main buildings.



86 waste sorting bins were installed at headquarters and main buildings



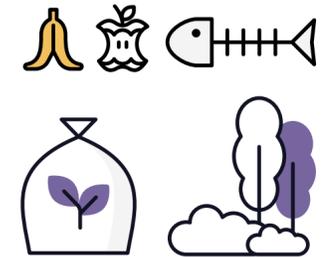
Ongoing 'SCB says no to plastic' to ban single-use plastic



'Throw-Away-Day' under 5 Sor initiative which encourages employees to correctly recycle or throw away trash and unused items



Collected and sold over 28,428 kilograms of recycled items



Turned 6,000 kilograms of food waste into 1,500 kilograms of fertilizer for trees around the Bank or donated to employees and interested parties



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

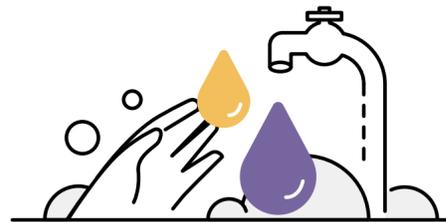
SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### Water

Total water consumption 0.24 (million cubic meters) against 2020 target of 0.30 (million cubic meters)



Reduced 30% from 2019



### Greenhouse Gas Emissions

Total volume of Greenhouse Gas Emission

- Direct emissions 9,629 (tons of carbon dioxide equivalent) against 2020 target of 10,152 (million cubic meters)
- Indirect emissions 13,218 (tons of carbon dioxide equivalent) against 2020 target of 17,272 (million cubic meters)
- Emissions from air travel 551 (tonnes of carbon dioxide equivalent) against 2020 target of 2,520 (Tonne CO2e)



Reduced 13% for Scope 1 and 26% for Scope 2 from 2019

### Change for the Better Environment

In 2020, the Bank adopted a Work from Anywhere (WFA) policy, introducing a new way of work which has significantly reduced energy consumption and pollution associated with commuting to and from work.



#### Eco-friendly Vehicle Program

Changed 17 fleet cars of senior executive to electrical vehicles, helping reduce petroleum consumption by 400,000 liters over five years. The effort also reduced over 500 tons of carbon dioxide equivalent, or equal to planting 18 rai of forest.

#### SCB Work from Anywhere

Compared to the traditional way of work, the adoption of a Work from Anywhere policy has reduced some 960,000 tons of carbon dioxide equivalent, equal to planting 653,500 rai of forest per year.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



## Cultivating Employee Awareness

The Bank seeks to build employee awareness in doing their part, contributing to the efforts for mitigating environmental impact through mandatory environmental management training for general employees and providing in-depth knowledge to specific employee groups. At the same, the Bank also organizes various awareness campaigns and communications to share environmental knowledge.



### 80% of SCB employees completed environmental management training

The course content includes:

- Environmental Management Policy
- ISO 14001:2015 standards
- 5R principles for waste reduction
- Correct way of sorting waste
- Energy efficiency approach for buildings

### 458 employees who are environmental-related representatives were equipped with in-depth environmental knowledge such as

- Environmental aspects and issues identification
- Environmental risks and opportunities assessment
- Environmental, Occupational Health, and Safety laws for big buildings as specified by the ISO 14001:2015 and ISO 45001:2018 standards
- Internal audit for environmental issues



Climate Risk  
and Resilience



Environmental  
Footprint Reduction



## Promoting and Supporting Customer Environmental Management

The Bank is committed to reducing environmental and social impacts from lending and investment activities through the adoption of a Responsible Lending framework while seeking to promote a positive environmental impact by developing and offering social and eco-friendly products to all customer segments in order to ensure sustainable growth together. For more information on 2020 performance, please see the 'Sustainable Finance' chapter.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Promoting Engagement throughout the Value Chain

The Bank has reviewed and revised operational procedures relating to organizing events and as well as interactions with suppliers in order to promote socially and environmentally responsible operations.

### Eco-friendly Event Organization

In 2020, the Bank required event organizers and suppliers to organize events or activities on the Bank's premises to comply with environmental and safety measures consistent with the Bank's procedures. Those organizing events and selling goods within SCB's premise must utilize only eco-friendly and non-polluting products. Organizers must also sort waste into general, recycled, and organic waste before disposing of it at a designated location. Non-compliance incurs penalties as specified in procedures.



Plastic Bags



Plastic Straws



Plastic Cups



Plastic Bottles



Synthetic Containers

## Green Procurement

The Bank works closely with suppliers to continuously improve environmental performance by specifying procurement procedures which consider environmental impacts. Every vendor is required to acknowledge the SCB Supplier Code of Conduct before commencing work with the Bank. This document specifies legal compliance on the basis of human rights and environmental management.

To better understand vendors and to more effectively manage supply chain sustainability, the Bank classifies suppliers into different groups based on their procurement value, product, and service type, and strategic importance to facilitate supplier management and regulatory compliance.



### 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



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

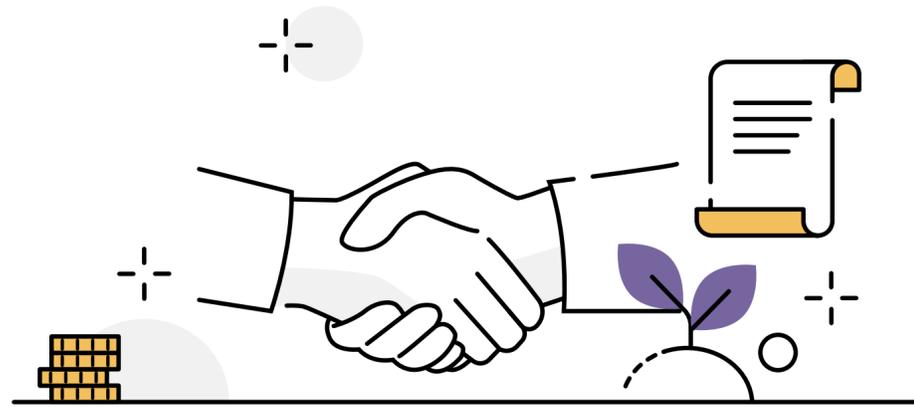
BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### Continuous process improvement and communication

In 2020 the Bank improved its procurement process and assessed supplier efficiency in terms of environmental prudence by specifying environmental and safety requirements for new supplier selection, which assessment results are used as input into future hiring decisions. This practice is communicated during the annual Vendor Communication Day event, which had more than 185 participants in 2020.



### NEW VENDORS

Starting in June 2020, 100% of new suppliers passed environmental and safety assessments



### MORE THAN 185 SUPPLIERS

Participated in the 2020 Vendor Communication Day and learned about sustainable business practices



## Environmental Performance

Performance Indicator	2017	2018	2019	2020	2020 target
<b>Energy Consumption</b>					
 Total energy Consumption (megawatt-hours)	52,246	50,215	45,088	34,358	40,967
<b>Greenhouse Gases Emission</b>					
 Direct emissions (tonnes of carbon dioxide equivalent)	9,042	10,912	11,081	9,629	10,152
 Indirect emissions (tonnes of carbon dioxide equivalent)	22,023	20,406	17,767	13,218	17,272
<b>Water Consumption</b>					
 Total water consumption (million cubic meters)	0.37	0.42	0.35	0.24	0.30
<b>Waste Disposal</b>					
 Total non-hazardous waste to landfills (tonnes)	5,484	6,099	3,513	2,686	3,367
 Total non-hazardous waste recycled (tonnes)	710	642	850	862	-
<b>Business Travel</b>					
 Greenhouse gas emissions from air travel (tonnes of carbon dioxide equivalent)	4,830	4,238	3,099	551	2,520

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



# STRENGTHENED FOUNDATION

MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

—  
**People and integrity are the foundation  
of responsible business conduct, leading  
to inclusive and sustainable growth.**  
—



**PEOPLE AND CULTURE**



**GOVERNANCE,  
RISK MANAGEMENT,  
AND COMPLIANCE**





# PEOPLE AND CULTURE



People and Culture



Governance, Risk Management, and Compliance

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Commitment

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

## Challenge

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

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

### :: SCB FACTS ::



Total Employees  
**23,899**



71%  
of total employees  
are female



53%  
of management  
positions are female

Target: at least 50% of management positions are female by 2023

## Management Approach

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



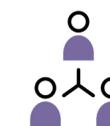
Workforce Optimization



Efficient Organization Structure



Robust Pipeline of Leaders



Institutionalized Culture



Attractive Pay



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance

## Target and Performance



### Target

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



### Performance in 2020

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



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

## Performance Highlights

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



### Workforce Optimization

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



People  
and Culture



Governance,  
Risk Management, and Compliance

## 2020 Initiatives

### Manage cost and increase job values through job enlargement

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



Provide employee with an opportunity to realize their full potential



Expand skill sets from new work experiences



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



Prepare employee for career advancement

### “Leave with Love” program – an alternative for employee near retirement age

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

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



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Efficient Organization Structure

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



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

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

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

More than **150** people participated in SCB Tech Camp 2020

With a total of **280** participants since inception.

### 2 months

Of learning from professionals and gaining hands-on experiences

### 3 roles

Available to explore the work of

- Software Engineer
- Mobile Developer
- Quality Assurance

### 10 courses

Of training and development

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

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



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Robust Pipeline of Leaders

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

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

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



People and Culture



Governance, Risk Management, and Compliance

## 2020 Initiatives



### SCB Leadership Model in Collaboration with IMD

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

- Leading Strategy** Ability to lead both short-term and long-term strategic planning
- Leading Execution** Ability to lead execution and implementation for successful outcomes
- Leading Teams** Ability to lead teams to achieve objectives and success
- Leading People** Ability to lead team members to develop and utilize their talent to create exceptional work far exceeding expectation
- Leading Self** Ability to lead oneself with self-awareness and commitment for continuous self-improvement as well as the ability to inspire and motivate

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



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Institutionalized Culture

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

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

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

### SCB Core Values:

Customer Centricity

Risk Culture

Innovation

Speed

### Framework for Organization-wide Culture Building



Knowledge

Begin with questioning which leads to vision building and ultimately understanding



Behavior

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



Motivation

Encourage desirable behaviors with awards/ recognitions



Workforce Culture Alignment



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance

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

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

**80%**

Of employees liked Work from Anywhere arrangement

**80%**

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

**60%**

agreed that Work from Anywhere arrangement helps reduce expenses



**“...We found that performance has not suffered as initially feared but, on the contrary, productivity of almost all divisions has increased. Moreover, the new way of work cuts down redundancy and fosters a culture of “listening” which increases employee engagement...”**

**Arthid Nanthawithaya**  
Chief Executive Officer  
and Chairman of the Executive  
Committee



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

## Objectives

### Flexibility

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



### Trust

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



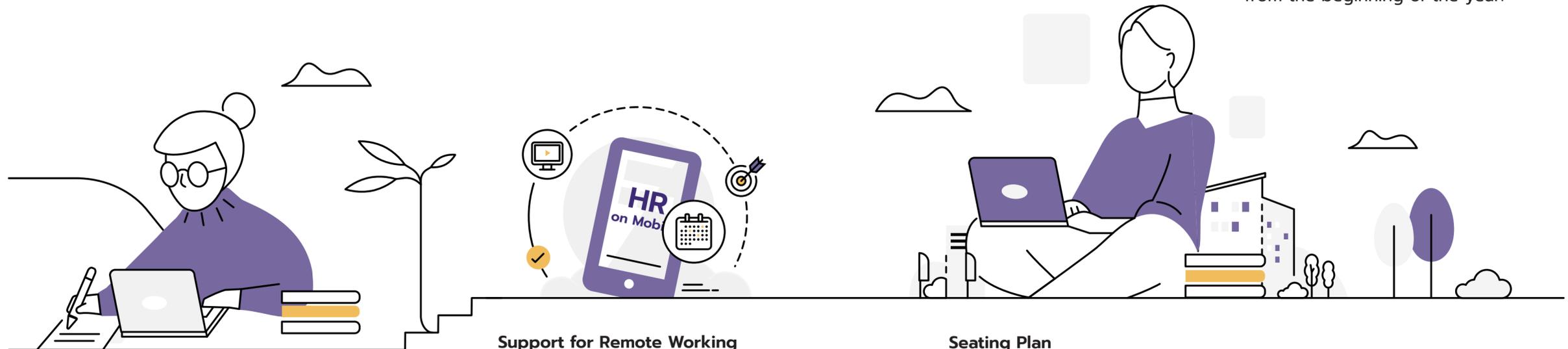
### Improved Quality of Life

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



### Performance Assessment

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



## Management Approach

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

### Support for Remote Working

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

**More than 85% of employee downloaded the app.**

### Seating Plan

**Fixed Seat**  
Designated seating for employees who work at the office everyday

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

**Collaboration Areas**  
Shared space for work, meeting, and other activities

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

---

## Building the new culture and the new way of work with speed and flexibility: Work from Anywhere

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People  
and Culture



Governance,  
Risk Management, and Compliance



Collaboration Area at SCB Head Office



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



## Attractive Pay

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



People  
and Culture



Governance,  
Risk Management, and Compliance

## 2020 Initiatives

### Long-term Incentive Program

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

### Employee Relations Committee

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

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



## Promote Employee Wellbeing

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

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



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





MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



### SCB Wellness Podcast

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



### COVID-19 Relief

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



People and Culture



Governance, Risk Management, and Compliance



### Stress Management and Mental Wellness

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



### Wellness Programs

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



Daycare Center for employees



98-day paid maternity leave which is beyond the statutory benefits



5-day paid paternity leave which is still not legally required



1,969 scholarships for children of employees from elementary school to bachelor's degree level



Annual check-up and flu vaccination services



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance



## Workplace Safety and Environment

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

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

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

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

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



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



### Performance on Safety and Occupational Health

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

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

### Absenteeism (Unplanned)

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

### Safety Awards



#### BSA Building Safety Award 2020

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



Given by the Building Inspectors Association



# GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE



People  
and Culture



Governance,  
Risk Management, and Compliance

MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

---

**Operating in a context of constant economic, social, and environmental change, 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.**

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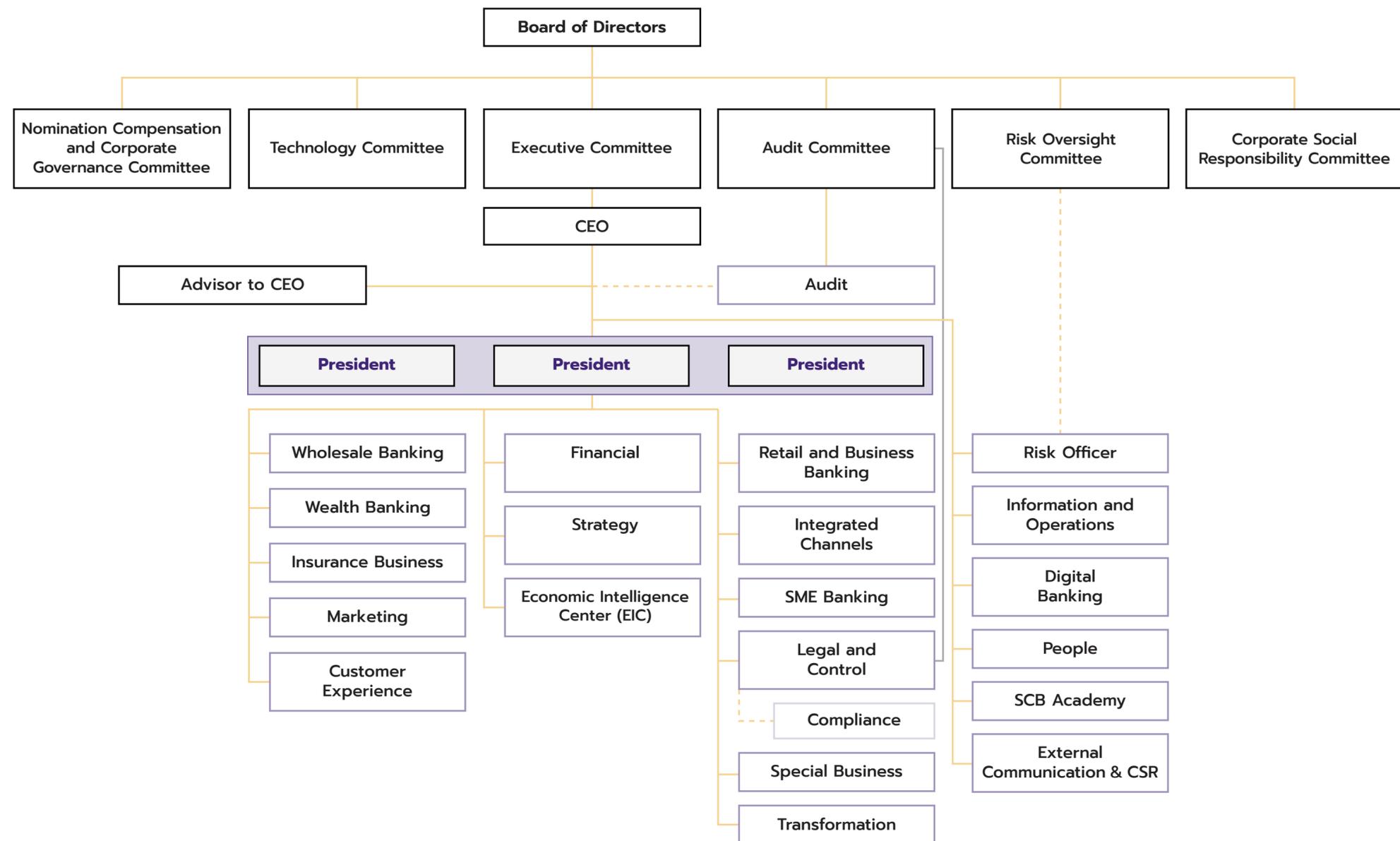


# Corporate Governance

For SCB, corporate governance forms a foundation of organizational management with ethics, integrity, and responsibility, leading to stakeholder trust and sustainable growth. The Board of Directors assigned the Nomination, Compensation, and Corporate Governance Committee the responsibility of formulating the Bank's corporate governance policy and monitoring compliance as well as reviewing and making appropriate changes to [the policy](#) in order to comply with regulatory requirements and global practices.



## Corporate Governance Structure



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Board Effectiveness

To ensure effective governance steered by the Board of Directors, Board meetings are specified to be held once every three months and at least six times per year. Each Director is required to attend at least 75% of the total number of meetings in a given year. In addition, 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 chairman assessment. Self-evaluation and cross-evaluation are conducted by the Bank on an annual basis and by a third-party, once every three years, which is in line with the Principles of Good Governance for Listed Companies specified by the Stock Exchange of Thailand. The most recent board performance evaluation by an external consulting company was conducted in 2018.

In addition, the Bank seeks to ensure that the Board is provided with seminars and training sessions organized by the Bank, external and international organizations. In 2020, the Board was presented with opportunities to develop knowledge and skills beneficial for long-term value creation for the Bank and stakeholders. Training included, for example, a cyber resilience leadership workshop, an Artificial Intelligence and Machine Learning demonstration, Personal Data Protection Act (PDPA) preparation and readiness, and a "Change Your Life through Crisis" seminar dealing with economics, finance, and investment.

**In 2020, there were 15 Board meetings. The meeting attendance of the Board was 96.4%,**

**The attendance of all 15 directors was above 75% of total meetings organized which is in line with the Board charter**



People and Culture

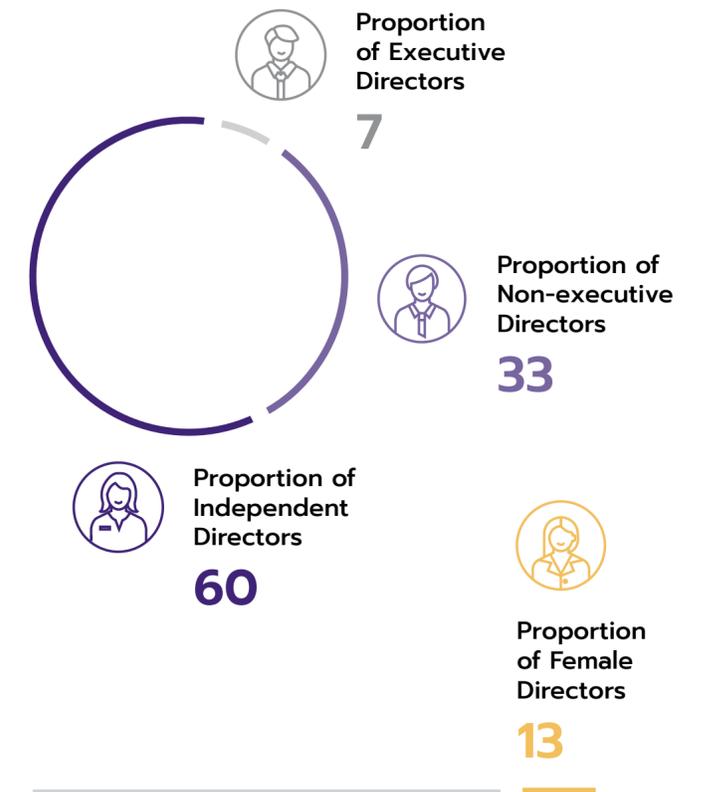


Governance, Risk Management, and Compliance



## Fostering Diversity

To encourage desired diversity with appropriate knowledge and skill for the business context and strategy, the Bank uses a board skills matrix to evaluate board members' qualifications. Moreover, directors are nominated and elected on a fair and equal basis with no discrimination against gender, nationality, ethnicity, religion, or marital status.



**Remark:** More information and performance on SCB corporate governance is reported in the 2020 One Report.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



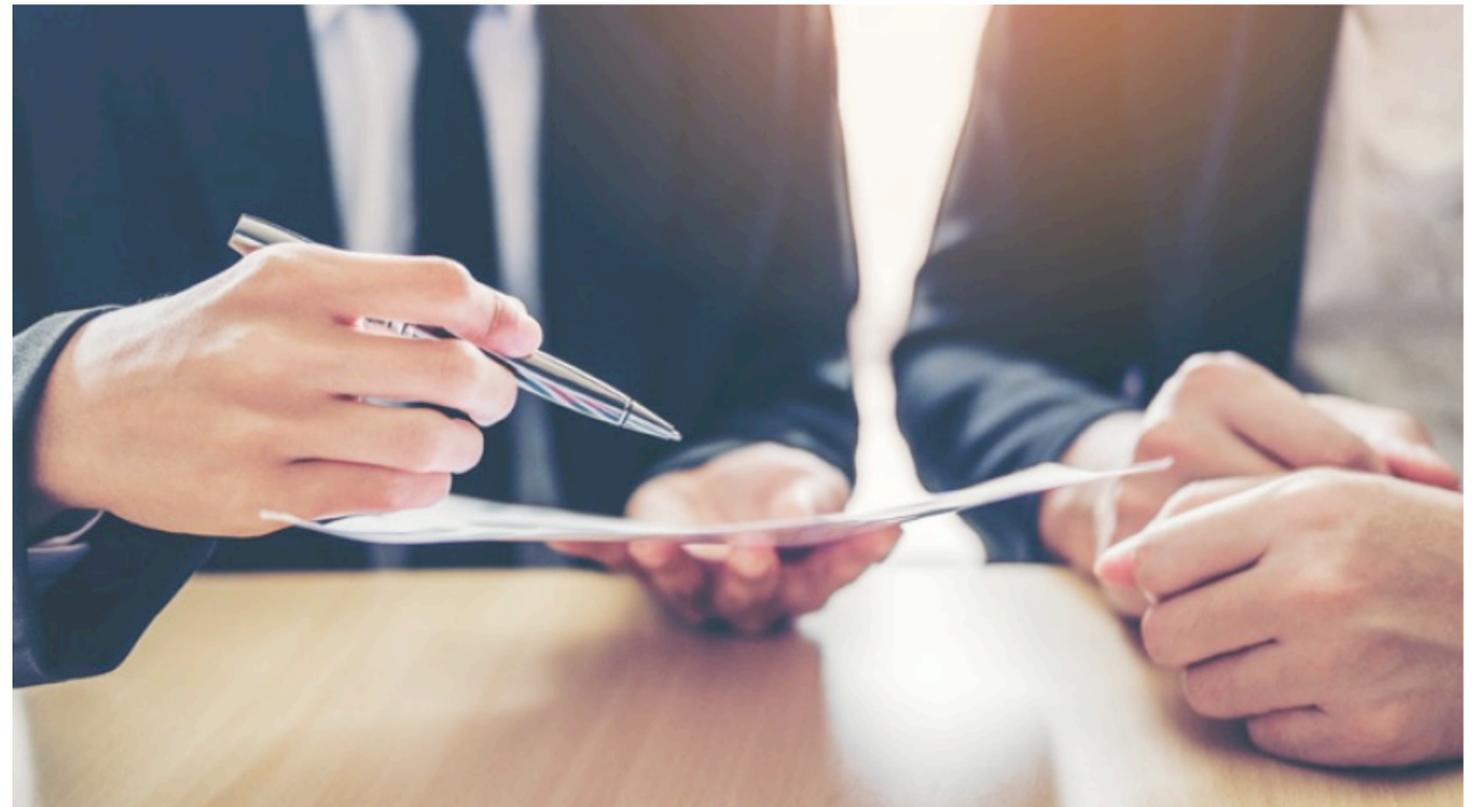
Governance,  
Risk Management, and Compliance

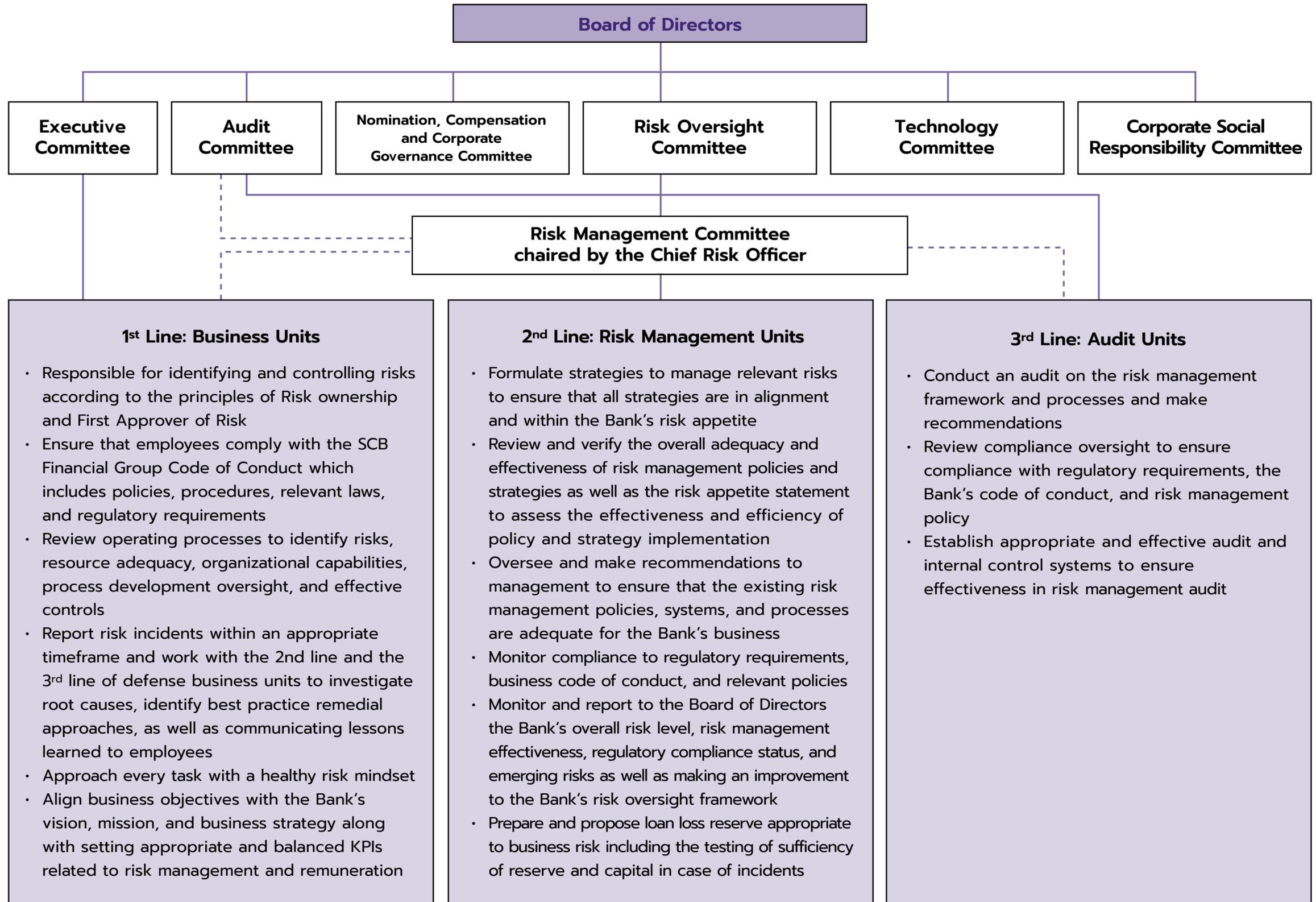
## Risk Management

The Bank believes that the ability to effectively manage risk under a constantly changing context is essential for any organization in order to maintain its ability to generate growth and stability in the long run. Thus, the Bank seeks 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 bank-wide risk culture under effective risk governance and internal control systems.

## Risk Governance

The Bank manages risk systematically through explicit policies, guidelines, and audit processes. The Board of Directors and sub-committees play an important role in risk management and set up different management committees to manage and monitor key risks. For the governance of every major type of risk, the Bank and its subsidiaries have put in place policies, organizational structures, risk limits, risk management guidelines, and risk reporting appropriately tailored to each type of risk.





MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Risk Management System

The Bank's risk management system consists of 4 key processes:



### Risk Identification

The Bank's major risks involve transactions and activities with both customers and suppliers.



### Risk Assessment

The Bank conducts an annual risk materiality assessment to ensure that appropriate processes are in place to manage, control, and monitor every material risk. The Bank uses risk-specific approaches to assess qualitatively and quantitatively different types of risk.



### Risk Monitoring and Control

The Bank has a risk appetite statement (RAS), which includes both qualitative and quantitative measures to guide the risk management practice to achieve long-term objectives of the Bank and subsidiaries in the financial group. The Bank also monitors and controls risk by setting key risk indicators and risk limits to align the risk management practice with the Bank's policies and processes.



### Risk Reporting

Different types of risk will be regularly reported to management and relevant business units with accuracy and speed to ensure effective risk management and controls.



People and Culture



Governance, Risk Management, and Compliance

## Risk Culture

Risk management is a continuous process and considered a duty of every employee. Accordingly, the Bank has specified risk culture as one of SCB's core values, seeking to build employee participation and engagement in risk management on a basis of appropriate knowledge, understanding, and shared responsibility.



### TRAINING

Making 7 Operational Risks a mandatory training course, requiring every employee to annually complete the course. Maintaining a continuous tone from the top communication message on risk management.



### THREE LINES OF DEFENSE

Encourage 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.

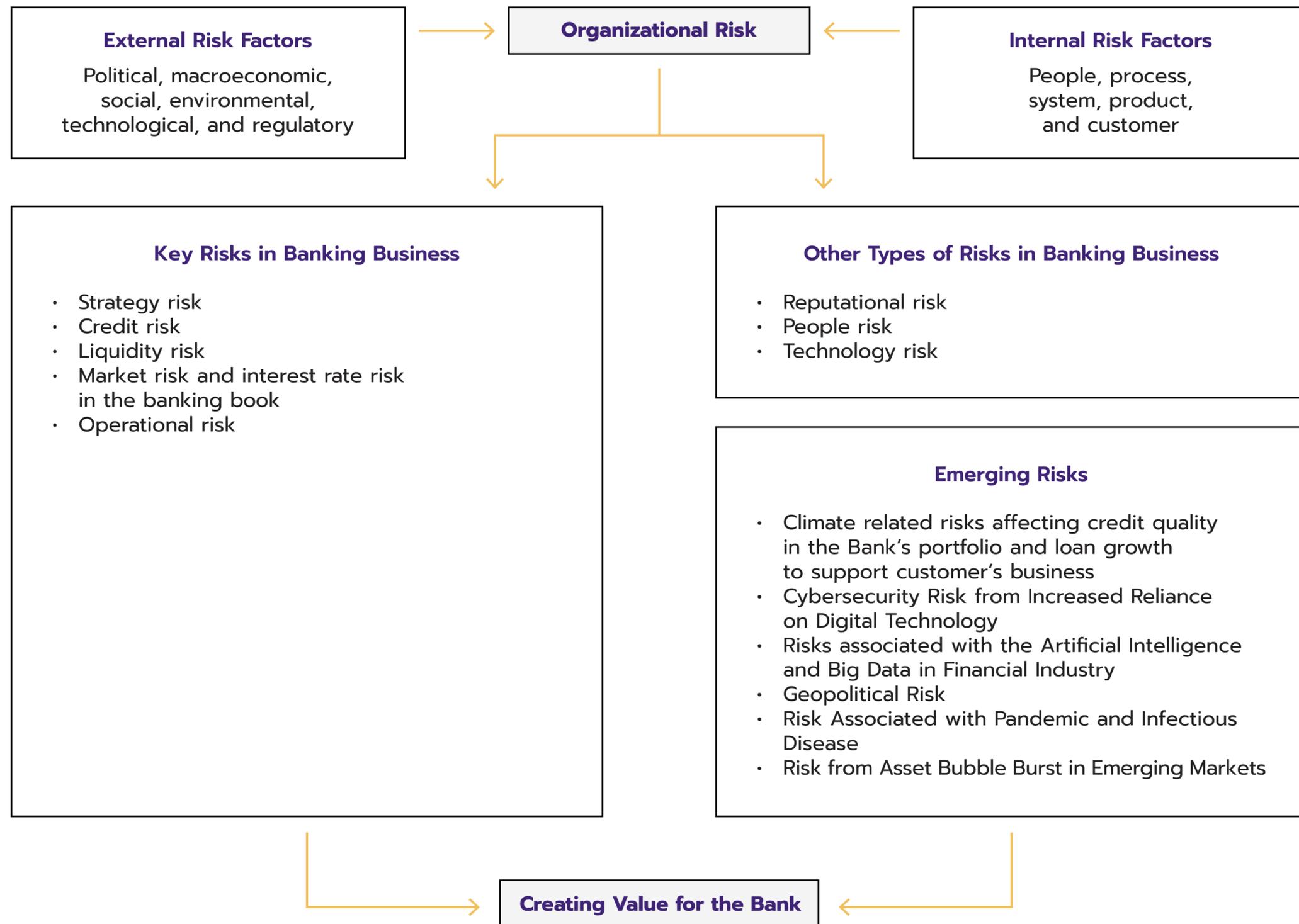


### COMMUNICATION

Continuously communicate best practices and case studies of failure to comply with the Bank's rules and regulations, policies, and code of conducts.



## Overview of Major Risks for SCB



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

**STRENGTHENED FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE SUSTAINABLE TOGETHER**

SUSTAINABILITY REPORT 2020



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance

## Emerging Risks

The Bank annually analyses emerging risks resulting from economic, social, and environmental change which may affect business operations in the long-term. Measures are then developed to mitigate and manage the risks accordingly. In 2020 the Bank identified the following emerging risks.

### **Climate-related risks affecting credit quality in the Bank's portfolio and loan growth to support customer's business**

Impacts from climate change risks resulted in subsequent physical risk, affecting economy, whether in terms of gradual downturn, interruptions of business, damage to assets as well as a decline in quality and quantity of natural resources, agricultural outputs, and commodity. In addition, an emerging transition risk resulted from policy, regulatory, and technology to address climate change issue in Thailand is a transition to a low-carbon economy and adoption of environmental-friendly technology. Accordingly, the Thai government is in the process of drafting a climate change act which will serve as key economic mechanism in driving the private sector to adopt long-term climate change implementations. Directed by this law, private and public companies are required to maintain

and disclose greenhouse gas emission inventory and report reductions while integrating climate change risks as part of corporate planning or initiatives, consequently impacting change in asset value in certain industry such as fossil business, carbon-intensive industry.

Climate change poses credit risk and financial risk to SCB through portfolio exposures to business that experiences acute and chronic natural phenomena caused by climate change. Such phenomena cause business interruptions e.g. in the production line, logistics, or supply chain. This harms clients' productivity and performance, affecting their ability to meet the financial obligation to the Bank. To tackle the environmental problems, regulatory changes will also be enforced to reshape the way companies conduct business at a national level. During a transition towards low-carbon economy, carbon-intensive industry will lose their competitiveness as a result of governments' measures or large corporates' initiative leading to limited opportunities for the Bank to provide financial product to support the client's business growth. In addition, clients in carbon-intensive sectors will be required to invest in new tools or technologies or bear additional costs of the

transition, thereby distressing their financial performance and credit quality. Nevertheless, this also presents a business opportunity should the Bank maintain continuous dialogue with clients on environmental issues.

To effectively manage climate risks and protect the Bank from these potential impacts, the Bank has integrated climate risk into our risk management frameworks. Climate risk has been embedded in our credit underwriting by considering climate-related uncertainties to ensure that the credit decision is forward-looking. As a financial institution, the Bank has provided lending to businesses and projects/activities that help reduce greenhouse gas emissions, improve energy efficiency, and continuously seeking opportunity to develop green investment products. The credit portfolio is monitored to ensure that exposure to climate-related risks is regularly assessed.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance

## Cybersecurity Risk from Increased Reliance on Digital Technology

Increased reliance and adoption of digital technology causes cybersecurity risks to evolve and become increasingly sophisticated. Cybersecurity risk will result in a business interruption or a shutdown of critical infrastructure and essential services, security breaches, and identity theft.

COVID-19 pandemic has exacerbated cybersecurity risk for the Bank as SCB has adopted the Work from Anywhere policy, shifting employees from working at office to working remotely from anywhere. This change increases vulnerability of the Bank's IT system. Moreover, within 5 years, digital technology will be highly integrated into the Bank's business including data storage and management as the Bank moves towards digitized platforms with more digital business partners. In addition, a majority of SCB customers have shifted their behavior to mobile banking with 70% of transactions made digitally. This consequently increases opportunity for hackers and cyberattacks. Breach of cybersecurity leads to a loss of customer trust, damaging the Bank's reputation, possibly triggers liquidity crisis.

To develop a secured digital platform, the Bank has continually invested in IT infrastructure and strengthened risk management based on the three lines of defense framework. In addition, the Bank also uplifts employee capabilities while deeply cultivating risk culture at the corporate level as elaborated in the Cybersecurity chapter.

## Risks associated with the Artificial Intelligence and Big Data in Financial Industry

The Bank has increasingly relied on the use of Artificial Intelligence (AI). AI technologies enable the Bank to ensure more efficient operations, improve products and services and deliver better customer experience. The complex nature of AI solutions may, however, increase certain types of risk to the Bank, such as those related to data privacy, misuse of data, model risk which could have impact on the Bank's reputation and trust.

Within 5 years, the Bank is heading towards becoming a Tech Bank or a tech company that offers financial services by working with more business partners to deliver the best solution for customers. Accordingly, accessing and

utilizing significant amounts of data by AI and machine learning raises concerns for stakeholders in terms of data collection, data processing, data privacy, and security. As AI and machine learning are increasingly deployed for credit decision, there is a potential for algorithms to create bias and discrimination, which may cause reputation risk. At SCB, AI and machine learning are applied to the credit assessment process which could lead to risks in 'algorithm fairness' as the accuracy and efficiency of the developed algorithm rely heavily on quality of input data, both in terms of structure and correctness. Without depth understanding and mitigation approach, the use of imprecise or partial algorithm would result in discrimination to certain segments of customers, affecting the Bank's ability in supporting financial accessibility to all group of customers, specifically, the vulnerable groups, who are in the most need for financial support.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE 

CREATING  
SOCIAL IMPACT 

BETTER  
ENVIRONMENTAL  
FUTURE 

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance

SCB acknowledges and prepares for the challenges regarding innovation and development in the digital transformation era. The Bank is strengthening its data architecture and infrastructure to ensure security of personally identifiable information (PII) and improving governance and control on the right to access, use and transfer personal data to comply with the new Thai Personal Data Protection Act 2562 (2019). In addition, the Bank continues to enhance risk management frameworks such as model risk management framework, information security, data privacy, and data protection, and recruit more talents to ensure that AI and Big Data are used in a meaningful and transparent manner within the Bank's operation as well as in the activities with business partners.

### Geopolitical Risk

Geopolitical risk is a risk arising from tension between nations due to political situation, conflicts, scramble for natural resources, terrorism, threat from weapon of mass destruction, which could be escalated to regional and global level. 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. Geopolitical instability has been heightened in the past several years and is expected to be more complex due to the COVID-19 pandemic.

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 obligation 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.

Recognizant of impacts resulted from 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 country-specific 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.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

**STRENGTHENED FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE SUSTAINABLE TOGETHER**

SUSTAINABILITY REPORT 2020

## Risk Associated with Pandemic and Infectious Disease

Although the tension of the COVID-19 pandemic is likely to lessen due to vaccine development, it will not definitely be the last pandemic. As illustrated during the COVID-19 outbreak, pandemic and infectious disease rarely happen, but it globally and significantly damages global economy within a short period of time. Efforts to contain the spread of the disease result in an interruption in economic activities. Businesses and individuals concern the uncertainties they might face. The lockdown measures forced temporary business closure and affected their revenue, liquidity, and financial position. Labors lose their income or employment immediately. This leads to numbers number of families struggling to meet their financial obligations. In addition, if the outbreak is not contained and prolonged, it could trigger global recession.

The pandemic and infectious disease affects the Bank in many ways. The lockdown restriction forced the Bank to change its business strategy and operation in timely manner. To serve our customers, the Bank needs to prepare necessary equipment for our branch staff and strictly follow the measures imposed by the government to ensure customer safety and confidence. At the same time, it drives demand for online transaction via mobile applications. Subsequently, cyberattacks, aiming to steal personal information and identity from customers have simultaneously increased due to increased use of digital banking and the adoption of the Work from Anywhere policy. Regarding credit quality, which is the Bank's largest asset, it could be deteriorated in some sectors or geographies due to worsening performance of business and rising unemployment of retail customers. In addition, the Bank faces a challenge from potential permanent changes in customer behaviors to choose products and services or undertake financial transaction. This may cause ineffectiveness of our existing models as they cannot measure risk appropriately under these circumstances.

In response to the pandemic and infectious disease risk which may occur again in the future, the Bank has prepared Business Continuity Plan to ensure readiness and continuity of services operation. To cope with increasing cybersecurity risk, the Bank continues to strengthen our IT security and promotes awareness of cybersecurity threats to employees and customers. The Bank places importance on credit risk management, whereby the portfolio must be actively reassessed to identify affected customers. Credit risk control, monitoring, and reporting to the management are increasingly intensified compared to normal situations. Provisions will be set aside as a cushion for tail risk. In addition, the risk model is regularly validated to ensure that they remain effective under special circumstances.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance

## Risk from Asset Bubble Burst in Emerging Markets

The COVID-19 outbreak results in economic contraction globally. The developing countries, especially those heavily rely on trading with developed economies such as US and China, tend to suffer more. The government in each country creates debt to support domestic economy and restore their healthcare system in order to survive. Despite deteriorating economic fundamentals, which takes time to recover, capital has not flown out from emerging market to safer assets in developed economies as before because of the record-low interest rates. This has induced investors to search for yield by taking on more risk, especially in the emerging markets, and causes asset bubble as assets price surge does not align with their intrinsic value.

When these bubbles inevitably burst, it could create shockwaves to the global level. Market risk is escalated by fluctuation in money market and exchange rates driven by forced sales by investors. In addition, credit risk is heightened by businesses' weakening financial position from impaired assets or investment losses. The performance of business could be aggravated by domestic currency depreciation as investors quickly liquidate and relocate funds to safer assets. Businesses become more vulnerable to collapse. It also leads to a surge in unemployment rate and affects retail lending.

Preparing for the impact, the Bank has developed market risk management framework to mitigate volatility from exchange rate and interest rate. To manage exchange rate risk and interest rate risk, the Bank sets risk limits in accordance with the Risk Appetite Statement.

For credit portfolio, the Bank proactively reassess the credit quality and perform customer reviews to identify affected customers. An anomaly in credit portfolio will be escalated to the management. In addition, a stress test is conducted to ensure that the Bank has adequate provision and capital to withstand potential losses.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

## 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.

### Business Conduct

The Bank is committed to operating its business with integrity and respect for all stakeholder groups by requiring those directors, executives, and employees at all levels to strictly comply with the [SCB 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.

Ensuring execution of the policies, the Bank continues to communicate and provide training at every employee level. The SCB Financial Group Code of Conduct is specified as one of eight mandatory courses, with training completion a consideration in annual employee performance reviews, promotion decisions, and internal transfer requests.

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

Course	Percentage of employees completing the course
Personal Data Protection Act	99
Cyber Security Awareness	92
Anti-money Laundering and Counter Terrorist Financing	89
SCB Financial Group Code of Conduct	88
Operational Risks	87
SCB Safety First	85
Anti-corruption and Bribery	84



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## 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, including corruption and bribery cases. A fact-finding committee is responsible for promptly investigating any reported incidents or cases. Findings are then reported to the Disciplinary Committee, which must keep the Audit Committee informed of any disciplinary decisions and subsequent actions on a quarterly basis.

In 2020 there were 31 reported incidents, 13 of which concerned inappropriate behavior at workplace, 12 concerned non-compliance with procedures or obligations, 4 concerned discrimination and harassment, one concerned dishonest conduct, and one was related to a fraudulent act. Out of all the cases, 29 were investigated and addressed while the two remaining cases are still being deliberated. Additionally, the Bank has in place appropriate disciplinary actions for affirmed cases, including written warnings, salary reductions, and employment termination. Five cases were given written warnings in 2020. 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.

In addition, the Bank analyses the reported cases in order to identify preventive and mitigation measures, reducing the risks of non-compliance to the Bank's policy and procedure. A representative from People Office visits in-branch employee via Microsoft Teams to inquire about their wellbeing and inform any important news or notifications that employees must be aware of such as formal adoption of the Personal Data Protection Act in 2021. Employees are informed to be cautious about inappropriate behavior at workplace, maintaining respect for working together.

## Supplier Business Conduct

To help suppliers grow together with SCB on the basis of good governance and social and environmental responsibility, the Bank encourages them to adhere to the SCB Supplier Code of Conduct and requires 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, as well as compliance with laws and regulations. In addition, the Procurement Unit also performs supplier site visits to monitor suppliers' compliance with the SCB Supplier Code of Conduct. Evidence of non-compliance will affect future supplier selection decisions. The Bank communicates its practice guidelines and expectations to suppliers during an annual Vendor Communication Day.

## Human Rights

Out of respect for 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 to 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



Data privacy and protection

#### AS A LENDER



#### INVESTMENT AND BUSINESS PRACTICES

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



Mis-selling

#### AS AN EMPLOYER



#### EMPLOYMENT PRACTICES

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



Community rights in lending projects/ investee companies

#### AS A BUYER



#### SUPPLY CHAIN MANAGEMENT

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

### 3 Salient issues

### Mitigation action and measures for salient issues

Please see more details in the Data Privacy Protection chapter on page 129

Please see more details in the Market Conduct chapter on page 127

Please see more details in the Sustainable Finance chapter on page 39

For a complete report on the SCB Human Rights Risks Assessment 2020, please [click here](#).



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Anti-corruption and Bribery

The Bank pledges to shun and prevent any form of corruption and bribery by requesting that every employee 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.

### Policy Adoption

Board of Directors approves the policy and ensures effective internal controls and risk management

### Policy Review

Regular review and revision in case of significant change, or at least once a year

### Awareness and Implementation

On policy and practice for all levels of employees through training and communication in various forms and channels

### Whistleblowing Management

- whistleblower@scb.co.th
- Governance Risk Compliance (GRC) system on the intranet
- 7OR channel through SCB Connect account on Line App
- Mail to P.O. Box 117, Chatuchak Post Office
- Telephone: 0-2544-2000

To illustrate the Bank's commitment to transparent business conduct adhering to the code of conduct and in compliance with the Anti-corruption and Bribery Policy, the Bank continues to enforce a No Gift 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 2020, 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.

Since 2017, the Bank has been certified as a member of Collective Action Coalition Against Corruption (CAC).

In 2020, the Bank was recognized as a CAC Change Agent by inviting its suppliers to participate in the program.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Anti-money Laundering

The Bank specifies policy and procedures relating to anti-money laundering and counter-terrorism and the proliferation of weapons of mass destruction financing to ensure compliance with relevant rules and regulations, global practices, and the Bank's Code of Conduct. This is applied to employees at all levels. At the same time, the

Bank also focuses its efforts on developing internal operational systems and processes to align with the way business operates in the digital age while protecting 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 storing customer's information for anti-money laundering and counter-terrorism purposes by keeping and destroying such information after 10 years.



**Prudent Know Your Customer (KYC) procedures**



**Customer Due Diligence (CDD) for high-risk customers**



**Communication and training on Anti-money Laundering and Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing**



**Adoption of Automated AML Transaction Monitoring System and reporting to the Anti-money Laundering Office**



## Market Conduct

Fair treatment and access to financial services is a basic consumer right, the Bank has therefore placed importance on providing correct, accurate, and sufficient information to customers when using the Bank's products and services which are aligned with market conduct practices. The Bank also continuously builds understanding and promotes market conduct practices among all employee levels while having in place penalties in case of violations or non-compliance.

### Revolutionised Approach to Market Conduct

Tone from the top

Revolutionized communication and implementation

Under the 'Three Lines of Defenses' concept, business units with direct accountability are identified

Echo from the bottom by listening to customer and employee feedback received from various channels

Embedded market conduct as part of the Bank's culture



#### Provide products and services based on true understanding of customers

Market conduct is a mandatory training course in which every employee must take and pass the test which will be factored into their annual performance review.

This training covers key topics, such as the importance of market conduct, good practice before, during, and after-sales, and continuous improvement of service quality to ensure that customers are treated equally without discrimination and according to their best interests.



#### Consistent implementation with measurable results

The Bank has also incorporated service quality, customer care, and revenue streams from advisory services as part of its key performance indicators (KPI), which look beyond just sales figures. Disciplinary actions have been established up to the management level to ensure maximum effectiveness in market conduct implementation.



#### Continuous assessment and performance

The Bank has carried out an end-to-end, market conduct-oriented risk assessment for every retail product along with regular sales and service quality audits by using anonymous third-parties to assess whether the Bank's services comply with regulations and guidelines. This mystery shopping has enabled the Bank to improve its internal management and pinpoint issues or problems that need to be addressed.

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020

## Treatment of Vulnerable Customers

The Bank conducts business with the goal of providing every group of customers inclusive access to its 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. Because this group of customers must be treated with special care, the Bank has an established procedure for treating vulnerable customers to ensure that these customers make fully informed decisions when buying products and services. 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.

In 2020, the Bank focused its efforts on driving market conduct practices in three specific areas including:



### Improve and standardize market conduct assessment and audit practices

by adopting risk-based approach (high risk)



### Uplift data analysis capabilities for auditing purpose

and utilize the result as a part of decision-making process, identifying high-risk items and better understand behavior of sale agents



### Tighten controls and adopt defensive audit approach

by extending audit process and control measures on digital platform, ensuring prompt and accurate finding



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance

## Data Privacy and Cyber Security

Advancement in information technology has led to extensive connections through data and transformation towards a digitized work process. Data analytics assists businesses by systematically utilizing analyzed data to facilitate policy, strategy, and decision making as well as pushing the boundary of product and service innovation in order to creatively create distinctive customer experience.

Nevertheless, in a data-driven economy where organizations may assess, utilize, and store a considerable amount of data, the use of data in business must be accompanied by prudent risk management in light of the increasing frequency and severity of cyber attacks. This has led regulatory bodies to enact stringent rules and regulations relevant to personal data and information technology.

### 1

To ensure the Bank's processes and procedures on personal data and information security are aligned with the Personal Data Protection Act 2019 and Cybersecurity Act 2019:

### 2

To mitigate financial and reputational risk resulting from cyber-attacks and personal data breaches:

### 3

To increase the opportunity for developing meaningful relationships and delivering distinctive customer experiences:

The Bank has holistically specified a management approach for data protection, data governance, and cyber security.



**Policy:** [Privacy Notice](#), Data Privacy and Protection Policy as well as information technology security policies.



**Governance:** A Technology Committee and/or Steering Committee, consisting of senior executives, are responsible for governing strategy, promoting good practices, and monitoring progress and implementation.



**Risk Management:** Annually assess technology, cyber security, artificial intelligence, and Big Data risks.



**People:** Uplifts employee capabilities through continuous training, execution, and communication.



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

**STRENGTHENED  
FOUNDATION**

FACTBOOK

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



People  
and Culture



Governance,  
Risk Management, and Compliance



## Data Privacy Protection

The Bank upholds human rights and understands that privacy is one of fundamental human rights that need to be respected. With the adoption of Thailand's Personal Data Protection Act, B.E. 2562 (2019) which is becoming effective on 1st June 2021, since 2019, the Bank has appointed a Data Privacy Steering Committee, chaired by the President with senior executives as committee members. The Data Privacy Working Group, consisting of representatives from relevant functions, was also appointed tasked with responsibilities in building awareness among employees and relevant personnel, in formulating policies, and supporting bank-wide compliance with the Personal Data Protection Act, B.E. 2562 (2019).

### Management Approach to Data Privacy Protection

The Bank has developed personal data management framework, identifying personal data protection as one of operational risks with group-wide risk management approach: governed by specified governance, policies, processes, and procedures enforced at SCB and its financial group companies. In addition, the Bank has also revised its SCB Financial Group's Code of Conduct to ensure that the business practices, assigned roles, and responsibilities of directors, executives, and employees comply with the Personal Data Protection Act.





MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

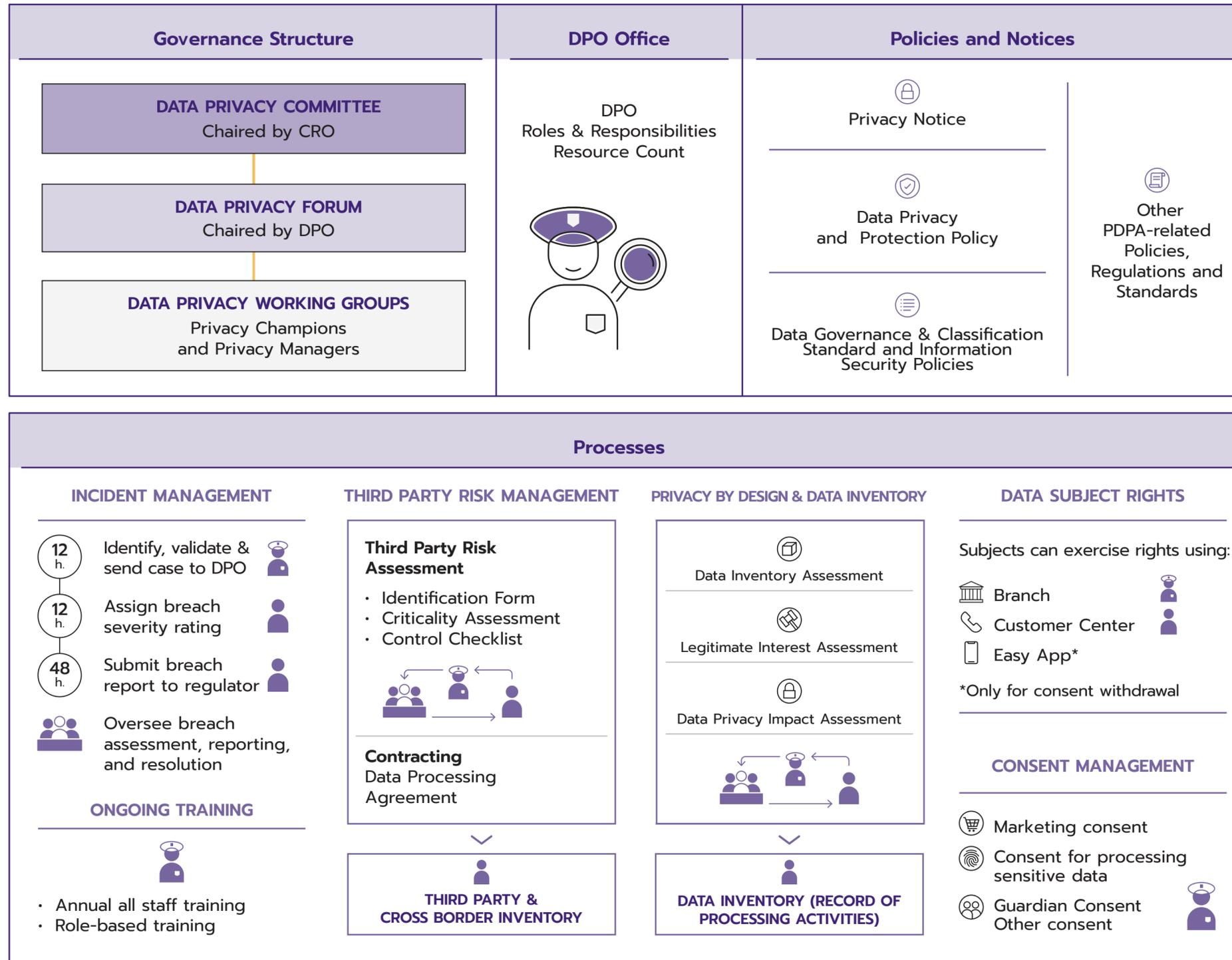
BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



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

- The Bank has in place manuals and processes relating to rights of data owner implementing at branch network, customer center, and Data Protection Office.
- 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.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

To ensure that the Bank's practices and approaches to personal data protection align with relevant laws, while rooted in a privacy-oriented culture, the Bank has specified governance structure with involvement from the Board of Directors, executives, to employees at operational level. The Board of Directors has responsibilities to review and approve policy and ensure compliance with requirements relating to personal data protection. Technology Committee and Risk Management Committee are similarly tasked with responsibilities in reviewing policy, frameworks and overall risk management of both personal and the Bank's data to ensure appropriate measures, alignment with the Bank's strategy, and the identified risk remain within a

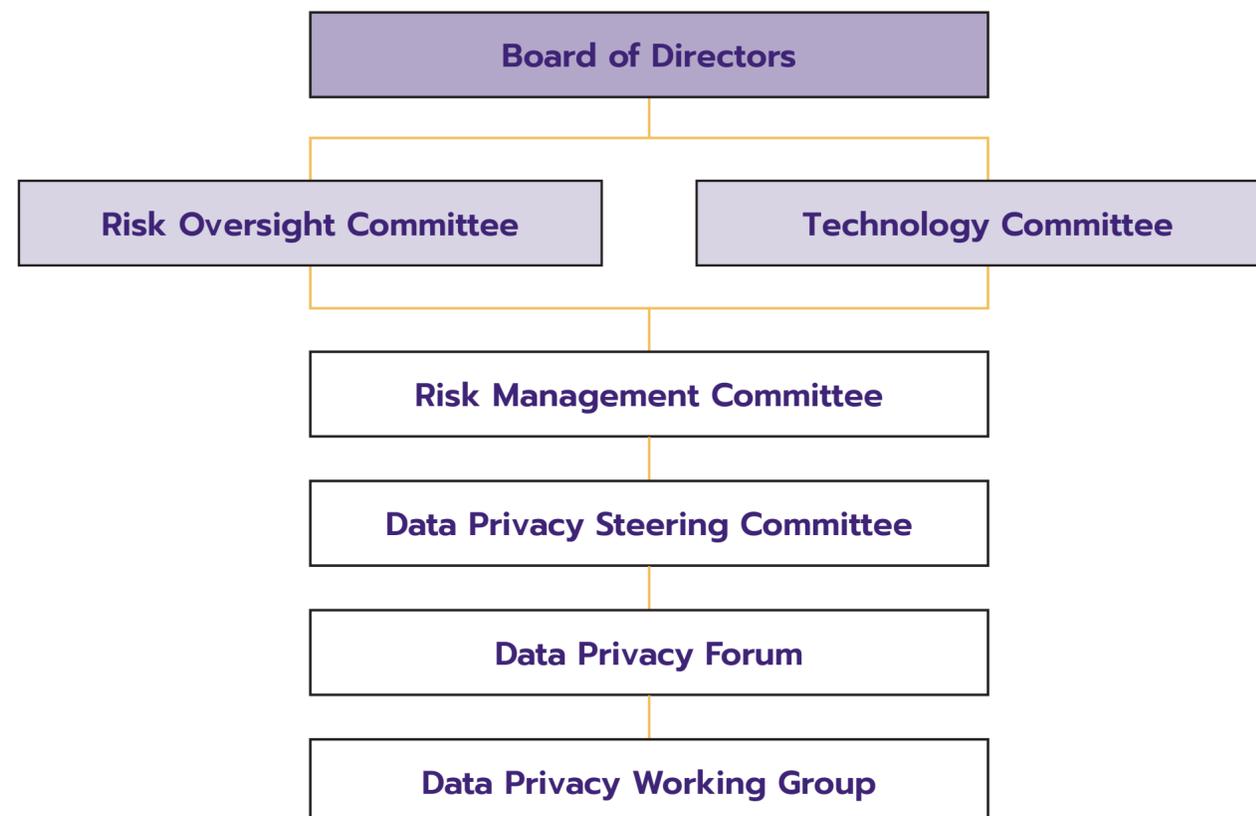
tolerable level. At the same time, senior executives and relevant committees, and employees at every level are required to ensure compliance with relevant policies and practices in their daily tasks.

In addition, the Bank strictly enforces bank-wide data security measures and requires compliance with the personal data protection policy in safely storing personal data. SCB employees and suppliers are required to comply with privacy policy and standards, appropriate measures for data storage and usage, sending, or transferring personal data are specified. In case that customer wishes to exercise their rights or to report breach of personal data, customer can

contact the Bank through SCB Easy, branch network for SCB Customer Center at 0-2777-7777, or directly contact data protection officer at dpo@scb.co.th.

Furthermore, in 2019, the Bank also commissioned an independent audit company 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. Nevertheless, the identified processes and procedures shall be documented, covering all relevant requirements. The Bank plans to complete this task by the end of May 2021.

### Data Privacy Protection Governance Structure





MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

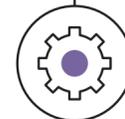
SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Management Approach to Privacy Violation

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. Handling processes and procedures are identified and annually rehearsed within the Bank and also with external organizations, such as the Bank of Thailand, Thai Bankers Associations to ensure that the Bank will be able to handle incidents within the required timeframe with least impact upon personal data.

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 2020, the Bank received 3 complaints regarding personal data violations 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.



### 1. Breach identification and registration

Verify personal data breach incident

#### Relevant teams

- Incident team
- DPO

### 2. Breach validation and assessment (scoring)

Calculate personal data breach severity level

- DPO

### 3. Assess the need for breach notification

Personal data breach report to regulator and data subject

- DPO
- CMO

### 4. Breach containment

Incident owner assigned to solve the incident

- Incident team
- Incident owner
- ERT/ CMT

### 5. Breach monitoring and escalation

Monitor and escalate any personal data breach incident that is unlikely to be solved within 72 hours

- DPO
- Incident team

### 6. Root cause analysis and incident closure

Fact-finding process to identify the root cause of the incident

- Incident owner
- DPO



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

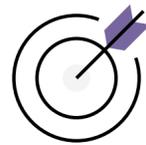
SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

### 2020 Key Initiatives

Similarly, in 2020, the Bank has organized and implemented SCB Privacy Program with ten internal work streams as followed:

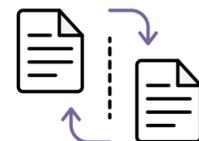
#### 10 WORK STREAMS UNDER SCB DATA PRIVACY PROGRAM



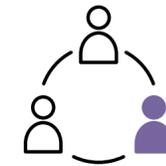
Strategy and Governance



Notice and Consent Management



Cross-border Data Transfer



Third-party Management



Data Life-cycle Management



Individual Rights Processing



Privacy by Design



Information Security



Incident Management



Awareness and Training



MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE  
FINANCE

CREATING  
SOCIAL IMPACT

BETTER  
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

FACTBOOK

SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER

SUSTAINABILITY  
REPORT 2020

**Under the work stream, key progresses are summarized as follows:**



### Management

Data Protection Officer promotes collaborative and systematic efforts within the Bank

Build **200 privacy champions** within units to help coordinate the efforts, provide advisory, monitor progress, summarize findings, and maintain appropriate use of data throughout the Bank

Enforce **Data Privacy and Protection Policy** and revise over **60 procedures and policies** relating to personal data

Put in place Record of Processing Data and Remediation Plan while identifying measures for respecting and protecting the rights of data owner

Requires every supplier and sale agents to complete a personal data protection assessment



### Governance and Reporting

Data Privacy Steering Committee monitors bank wide progress through monthly joint meetings with working committee. Performance and challenges are periodically reported to Chief Executive Officer and relevant committees.



### Training

Provide training to Data Privacy Champions through:

**11 role-based training courses**

Develop and specify Personal Data Protection Act training as a mandatory course which every employee must complete annually.

**99% of employees pass the training**

Provide work procedure and system training to users at every point of services, for both online channel, branch network, and SCB Customer Center



People  
and Culture



Governance,  
Risk Management, and Compliance



### Collaboration in Public Policy and Practice

Work with the Bank of Thailand and Ministry of Digital Economy and Society to provide advisory on the **implementation of Personal Data Protection Act** among banks

Work with Thai Bankers Association and its members in developing **Personal Data Protection Act compliance manual** for banking sector. This document will aid the development of organic laws.



People and Culture



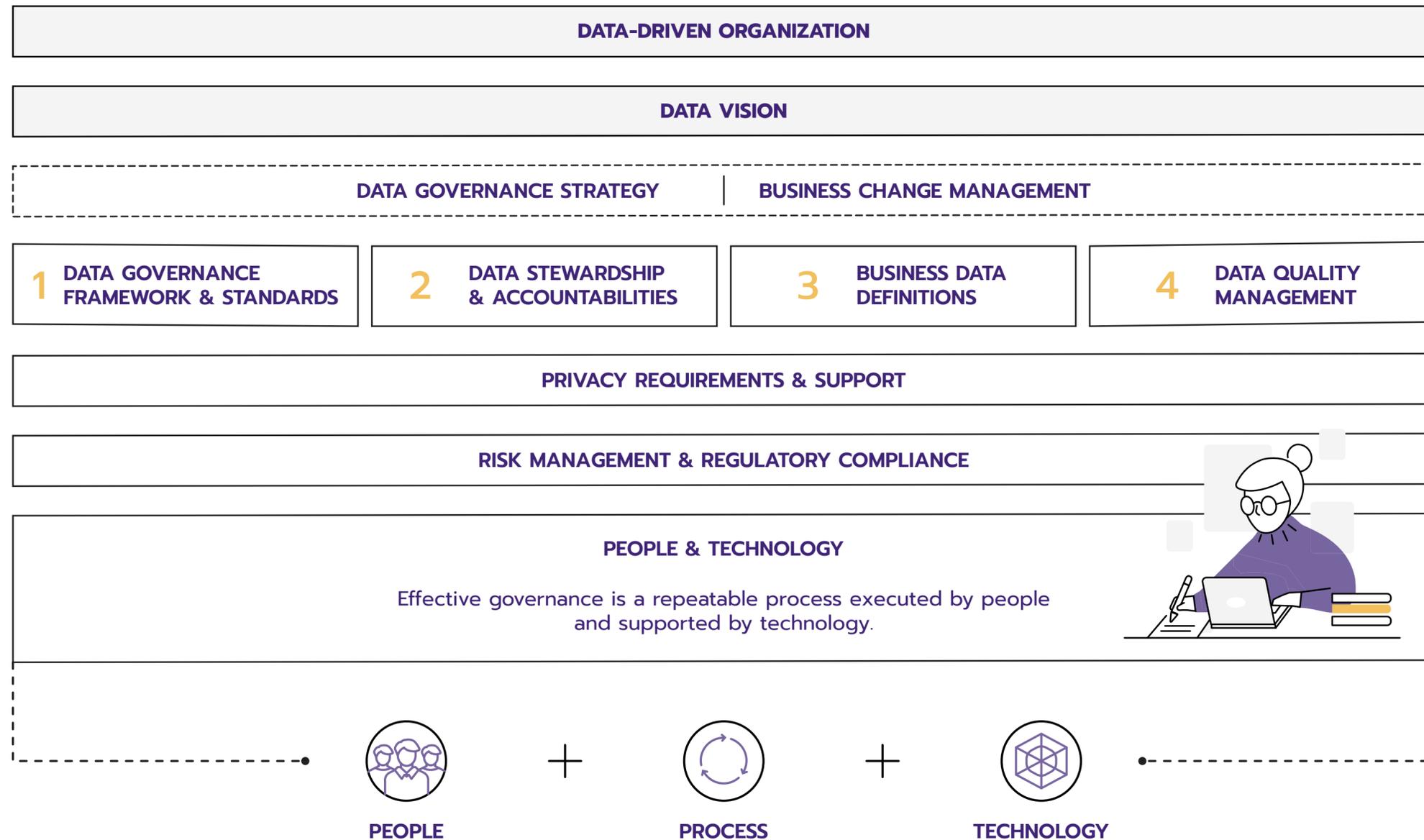
Governance, Risk Management, and Compliance



## Data Governance

To become a data-driven organization, the Bank set up a Data Governance Office with responsibilities to promote the effective, accurate, and secure management of data under the SCB Data Governance Framework.

### SCB Data Governance Framework



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

In 2020, the Bank continued to promote the use of data under the 3Ds concept

**Data Accessible**  
Ensures appropriate data access on the basis of data classification

**Data Understandable**  
Builds user’s understanding towards Business Metadata

**Data Quality**  
Encourages effective and continuous assessment of data quality by focusing on addressing the root cause

### 2020 Key Initiatives

Data Governance Framework and Standard	Data Sharing Framework	Data Governance Portal	Awareness and Knowledge
Review and revise data governance framework and standards to comply with the Personal Data Protection Act	Develop a data-sharing framework between SCB and business partnerships by specifying concrete standards in alignment with the Personal Data Protection Act	Promote inclusive access to Data Governance Portal, containing knowledge and tools to help users understand the definition of Business Metadata	Organize activities and communications on cybersecurity awareness and knowledge to build employee’s understanding and engagement in data governance



### Cybersecurity

The Bank seeks to holistically uplift cybersecurity in terms of management, technology, and people. The Bank has assigned the Technology Committee to set policies and strategies as well as oversee digital risk, infrastructure, data, people, and processes to ensure that the Bank can keep pace with changes, continuously operate the business, and be able to effectively handle cyber threats or incidents.

The Bank employs a proactive approach to cybersecurity by focusing its efforts on developing technology along with processes for cyber threat detection, such as adopting the Cybersecurity Threat Intelligent Surveillance system and applying machine learning to study the pattern of cyber-attacks, both internally and externally. This proactive approach enables the Bank to assess the situation and be ready to respond and prevent potential losses. The Bank’s cyber threat incident response assessment also scored high on overall cybersecurity, with sufficient resilience to effectively detect and respond to cyber threats.



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

### Cyber Security Measures



Adopt information technology policies and standards, which are being continuously reviewed, revised, and improved



Require an annual completion of cybersecurity awareness training which factors into an employee's annual performance review

### Process and Management



Adopted an IT Disaster Recovery Plan System Policy, last revised on May 2020. The policy specifies regular testing and rehearsing of disaster recovery plans, reporting result to Risk Management Committee on a quarterly basis. This is to ensure SCB's readiness and preparation for any business interruptions or disasters.



Certified ISO/IEC 27001:2013 for Information Security Management System: ISMS since 2005



Provides a variety of channels to report IT and cyber security issues or threats:

- E-mail
- Helpdesk
- Report to supervisor
- IT Security Unit

Applies the 'CIA' principle to cyber security

Confidentiality	Integrity	Availability
Information can be accessed by authorized personnel only	Information is accurate and reliable	Information is available when needed



# FACTBOOK

MESSAGE FROM  
THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY  
KEY MILESTONES

2020  
OVERVIEW

WAY FORWARD FOR  
THE BETTER FUTURE

COMMITMENTS TOWARDS  
A SUSTAINABLE FUTURE

SUSTAINABLE   
FINANCE

CREATING   
SOCIAL IMPACT

BETTER   
ENVIRONMENTAL  
FUTURE

STRENGTHENED  
FOUNDATION

**FACTBOOK**

**SCB...WAYS TO BE  
SUSTAINABLE  
TOGETHER**

SUSTAINABILITY  
REPORT 2020



**ABOUT THIS REPORT**



**SUSTAINABILITY  
PERFORMANCE DATA**



**GRI CONTENT INDEX**



**ASSURANCE STATEMENT**



**CONTACT US**





# ABOUT THIS REPORT



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

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, 2020, during which the Bank's net operating income accounted for 96.7% 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.

## Defining Report Content (GRI 102-46)

The content of this report was determined based on the Bank's operations along with associated economic, social, and environmental impacts, as well as stakeholders' expectations and interests under 4 key principles of GRI Standards which are: stakeholder inclusiveness, sustainability context, materiality, and completeness. Material sustainability topics are assessed and identified through the following process:

### 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
- Enclose readers' survey at the end of the report



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

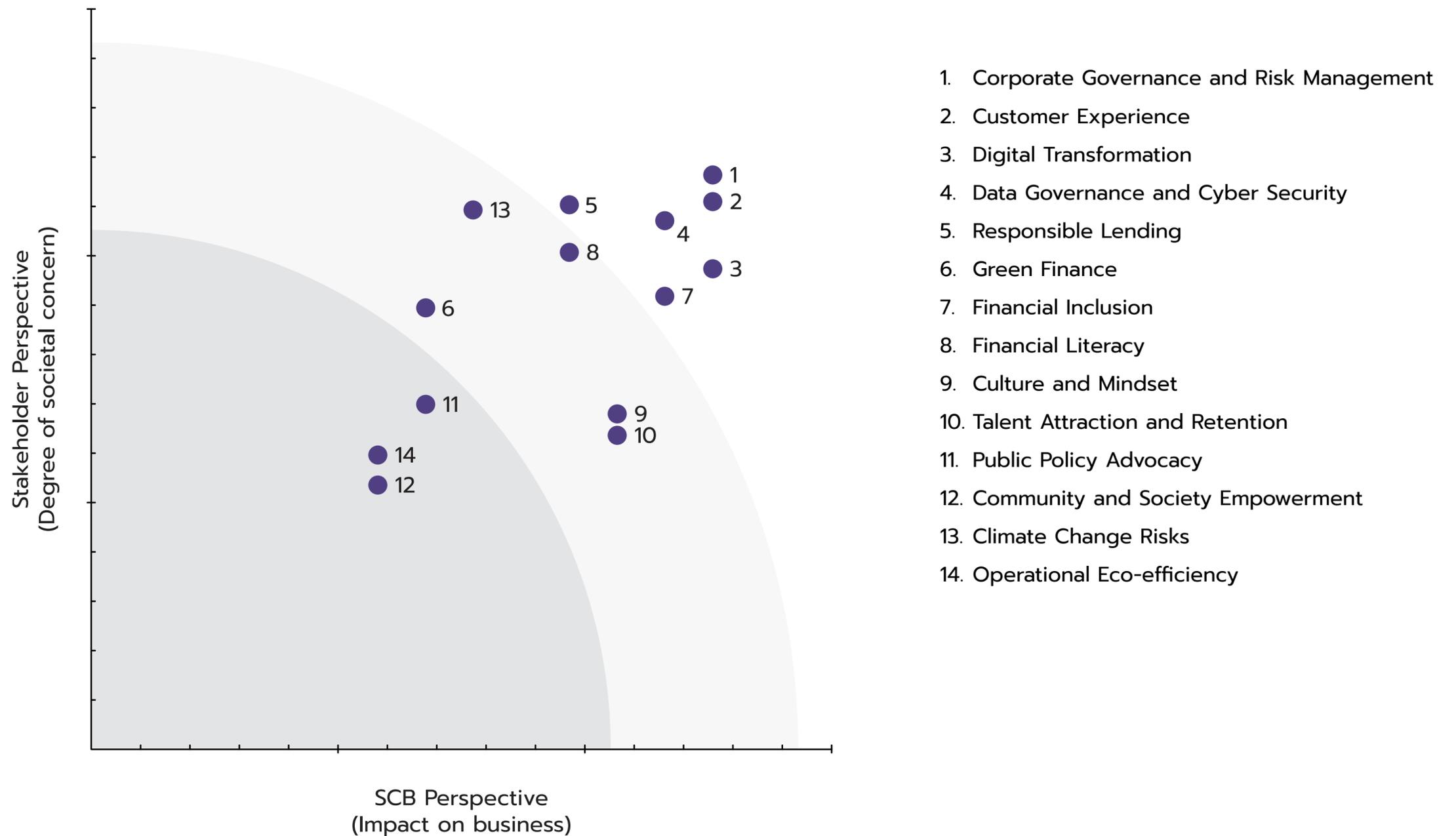
STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

### Materiality Matrix (GRI 102-47)





About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

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

Topic	SCB's Material Sustainability Topic	GRI Standards Framework	Impact Boundary				
			Internal	External			
			Employees	Customers	Shareholders	Regulators	Society and Environment
Sustainable Finance	• Green Finance	• Product Portfolio (Financial Services Sector)	X	X	X	-	X
	• Responsible Lending	• Product and Service Labelling • Active Ownership • Product Portfolio	X	X	X	X	X
	• Financial Inclusion	• -	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 Positive Impact	• Talent Attraction and Retention	• Employment • Training and Education • Occupational Health and Safety • Labor Relation Management • Freedom of Association and Collective Bargaining	X	-	-	-	X
	• Community and Society Empowerment	• Local Communities	X	-	-	-	X
Better Environment Future	• Climate Change Risks	• -	X	X	-	-	X
	• Operational Eco-efficiency	• Energy • Water • Greenhouse Gas Emission • Waste	X	-	-	-	X
Strengthened Foundation	• Culture and Mindset • Talent Attraction and Retention	• Employment • Occupational Health and Safety • Labor Relation Management • Freedom of Association and Collective Bargaining	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	X

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Stakeholder Engagement and Expectations (GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44)

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 of Engagement	Stakeholders' Key Concerns	SCB's Response
<ul style="list-style-type: none"> <li>Customer relationship-building activity</li> <li>Information sessions on SCB financial products and services</li> <li>Providing financial advice and knowledge to customers through online media, branch network, and other electronic channels</li> <li>Customer satisfaction surveys through telephone, questionnaire, and electronic channels</li> <li>Complaint channels and services through Customer Center, Branch network and SCB Easy app</li> </ul>	<ul style="list-style-type: none"> <li>Organizational agility to digital disruption and technology</li> <li>Product and service quality and variety</li> <li>Customer privacy and cyber security</li> </ul>	<p>Details of the Bank's responses can be found in the chapter(s) below:</p> <ul style="list-style-type: none"> <li>Sustainable Finance</li> <li>Strengthened Foundation</li> </ul>



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us



## Employees

Type of Engagement	Stakeholders' Key Concerns	SCB's Response
<ul style="list-style-type: none"> <li>• Meetings and online channels for policy and news announcement</li> <li>• Employee meetings, seminars and CSR activities</li> <li>• Performance evaluation</li> <li>• Employee engagement survey</li> <li>• Employee development programme</li> <li>• Employee recognition programme</li> <li>• Employee hotline</li> </ul>	<ul style="list-style-type: none"> <li>• Skill and capability development</li> <li>• Internal mobility and career advancement</li> <li>• Stress management</li> <li>• Performance evaluation</li> </ul>	<p>Details of the Bank's responses can be found in the chapter(s) below:</p> <ul style="list-style-type: none"> <li>• Creating Positive Impact</li> <li>• Strengthened Foundation</li> </ul>



## Shareholders

Type of Engagement	Stakeholders' Key Concerns	SCB's Response
<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Extraordinary general meeting</li> <li>• 56-1 Report</li> <li>• Annual report (Form 56-2)</li> <li>• Press release</li> <li>• Quarterly financial report</li> <li>• Investor meeting/ conference</li> <li>• Investor call</li> <li>• Equity analyst meeting</li> <li>• Global roadshow event</li> </ul>	<ul style="list-style-type: none"> <li>• Good governance that incorporates environmental and social consideration</li> <li>• Long-term value creation</li> <li>• Holistic risk management</li> </ul>	<p>Details of the Bank's responses can be found in the chapter(s) below:</p> <ul style="list-style-type: none"> <li>• Strengthened Foundation</li> <li>• Sustainable Finance</li> <li>• Creating Positive Impact</li> <li>• Better Environmental Future</li> </ul>

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Society and Environment

Type of Engagement	Stakeholders' Key Concerns	SCB's Response
<ul style="list-style-type: none"> <li>Projects and initiatives by SCB and the Siam Commercial Bank Foundation</li> <li>Community and social surveys</li> <li>Community engagement activities</li> </ul>	<ul style="list-style-type: none"> <li>Responsible lending</li> <li>Sustainable finance</li> <li>Climate change risks management</li> <li>Financial accessibility and financial literacy</li> </ul>	<p>Details of the Bank's responses can be found in the chapter(s) below:</p> <ul style="list-style-type: none"> <li>Sustainable Finance</li> <li>Better Environmental Future</li> </ul>



## Regulators

Type of Engagement	Stakeholders' Key Concerns	SCB's Response
<ul style="list-style-type: none"> <li>Assign Compliance function to serve as the Bank's regulatory liaison</li> <li>Attend meetings and hearings on regulatory policies and guidance from relevant authorities</li> <li>Attend forums on regulatory compliance</li> <li>Prepare and provide support for regulatory audit</li> <li>Seek feedback and guidance on regulatory compliance</li> <li>Offer feedback on regulations through public hearings</li> </ul>	<ul style="list-style-type: none"> <li>Good governance that incorporates environmental and social impact mitigation management</li> <li>Responsible lending</li> <li>Data privacy and cyber security</li> <li>Financial accessibility and financial literacy</li> </ul>	<p>Details of the Bank's responses can be found in the chapter(s) below:</p> <ul style="list-style-type: none"> <li>Sustainable Finance</li> <li>Strengthened Foundation</li> </ul>



# SOCIAL AND ENVIRONMENT PERFORMANCE DATA



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## 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 every year 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 were then used instead of actual consumption data, as the two normally do not bear any significant difference. Data on purchased diesel was, in turn, collected from invoices sent 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. 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 lights, 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, and All Seasons Place\*. Data was collected from invoices sent 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 and fuel consumption for the Bank's vehicles. The sum of that quantity was then multiplied with the Emission Factor, in reference to the Intergovernmental Panel on Climate Change (IPCC) 2006 and Thailand Greenhouse Gas Management Organization (Public Organization).

#### 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, and All Seasons Place\*. GHG emissions were calculated at 0.386 tons of GHG per megawatt-hour (MWh) in 2020, referencing the 2018 Power Development Plan (PDP 2018).

\* In 2020, the Bank has no longer leased All Seasons Place.



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## 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, and All Seasons Place\*. Data was collected from invoices sent by the Metropolitan Waterworks Authority and the buildings' lease owners.

## Waste Management

The amount of waste managed and disposed of is a proportion of waste generated through the 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, all branches, and All Seasons Place\*. The data reported derives from:

### Non-hazardous waste - landfill

Waste managed by municipal authorities, collected from weighing scale and estimation of average the weight of disposed waste per bag which SCB took sampling all over 12 months to measure of food waste and office waste multiplied with the used garbage bags.

### Non-hazardous waste – recycle

Waste which was managed by responsible service providers, was collected from weight of waste report sent by the responsible service providers.

### Air Travel for Business Purpose

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

GHG emissions from air travel for business purpose was collected from total air travel for business purpose (kilometers) multiplied with 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 computerized system. The training is categorized into four types including electronic learning, in-house, virtual classroom, external, and overseas training. The data reported in this report covers only that SCB's performance.

\* In 2020, the Bank has no longer leased All Seasons Place.



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Sustainability Performance Data

### Economic Performance

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

Performance	Unit	Year			
		2017	2018	2019	2020
Net operating income	Billion THB	136.2	138.2	166.1	144.8
Total assets	Billion THB	3,024	3,187	2,964	3,278
Market capitalization	Billion THB	510	454	415	297
Total operating expense	Million THB	57,650	64,639	70,538	64,330
Borrowings	Million THB	78,538	107,561	77,952	67,235
Net profits	Million THB	43,152	40,068	40,436	27,218
Employee's expenses	Million THB	27,488	29,347	33,281	31,344
Return on Equity (ROE)	%	12.4	10.8	10.4	6.7
Return on Asset (ROA)	%	1.5	1.3	1.3	0.9
Number of oversea office and branch	Country	8	9	9	9
Number of branches in Thailand	Branch	1,153	1,019	958	811



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Environmental Performance

### Energy consumption within the organization GRI 302-1

Performance	Unit	Year			
		2017	2018	2019	2020
Total energy consumption	MWh	52,246	50,215	45,088	34,358
Electricity purchased	MWh	52,187	50,138	44,978	34,243
Diesel purchased	Litres	5,800	7,600	4,600	11,400

**Remark:** In 2020, total energy consumed and electricity purchased have significantly decreased because SCB has adopted the Work from Anywhere policy, restricting an access to the office premises in hope to prevent the spread of the COVID-19 pandemic while supporting the SCB New Way of Work.

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

Performance	Unit	Year			
		2017	2018	2019	2020
Total direct greenhouse gas emissions (GHG scope 1)	Tonne CO <sub>2</sub> e	9,042	10,912	11,081	9,629
Total indirect greenhouse gas emissions (GHG scope 2)	Tonne CO <sub>2</sub> e	22,023	20,406	17,767	13,218

**Remark:** 1) The Bank has revised and restated 2017-2019 total direct greenhouse gas emissions data (GHG scope 1) between 2017-2019 to cover fleets and vehicles under SCB operational control.

2) Greenhouse gas emissions have significantly decreased because SCB has adopted the Work from Anywhere policy, restricting an access to the office premises in hope to prevent the spread of the COVID-19 pandemic while supporting the SCB New Way of Work.



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

### Water Withdrawal GRI 303-3

Performance	Unit	Year			
		2017	2018	2019	2020
Total tap water purchased	Million m <sup>3</sup>	0.37	0.42	0.35	0.24

**Remark:** In 2020, the amount of total tap water purchased has significantly decreased because SCB has adopted the Work from Anywhere policy, restricting an access to the office premises in hope to prevent the spread of the COVID-19 pandemic while supporting the SCB New Way of Work.

### Waste Disposal GRI 306-2

Performance	Unit	Year			
		2017	2018	2019	2020
Total Non-hazardous waste-landfill	Tonne	5,484	6,099	3,513	2,686
Total Non-hazardous waste-recycle	Tonne	710	642	850	862

**Remark:** 1) In 2020, total non-hazardous waste-landfill from Head Office and Main Building is 944 tons.  
2) In 2020, the amount of total non-hazardous waste-landfill has significantly decreased because SCB has adopted the Work from Anywhere policy, restricting an access to the office premises in hope to prevent the spread of the COVID-19 pandemic while supporting the SCB New Way of Work.



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Business Travel

Performance	Unit	Year			
		2017	2018	2019	2020
Total business travel by air	km	28,230,326	24,590,432	18,222,197	3,187,614
Greenhouse gas emission from air travel	Tonne CO <sub>2</sub> e	4,830	4,238	3,099	551
Fuel consumption for business travel by road	kl	3,960	4,811	4,919	4,274
Greenhouse gas emission from road travel	Tonne CO <sub>2</sub> e	9,026	10,891	11,068	9,598

**Remark:** In 2020, the total distance of business travel by air and greenhouse gas emission from air travel have significantly decreased because of the spread of the COVID-19 pandemic, restricting international business travel.



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

## Social Performance

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

Performance	Unit	Year								
		2017		2018		2019		2020		
		Male	Female	Male	Female	Male	Female	Male	Female	
Total employee	Persons	8,077	19,419	7,879	18,872	7,670	18,283	6,835	17,064	
		27,496		26,751		25,953		23,899		
<b>By Contract Type</b>										
Permanent Employee	Persons	7,779	18,765	7,568	18,020	7,388	17,404	6,767	16,815	
Contract Employee	Persons	298	654	311	852	283	878	68	249	
<b>By Category</b>										
Executive	Persons	53	34	49	34	35	57	51	36	
Management	Persons	1,530	1,498	1,571	1,503	1,601	1,558	1,350	1,547	
Non-management	Persons	6,494	17,887	6,259	17,335	6,013	16,690	5,434	15,481	
Management in revenue generating function	Persons	1,033	873	1,074	911	1,013	906	851	921	
Employees in STEM-related position	Persons	-	-	-	-	940	758	1,096	867	
Percentage of employees in STEM-related position	Percentage	-	-	-	-	55.4%	44.6%	55.8%	44.2%	
<b>By Age</b>										
X ≤ 30	Persons	1,636	8,306	1,349	6,883	1,199	5,611	1,025	4,233	
30 < X ≤ 40	Persons	2,616	7,528	2,628	8,083	2,503	8,351	2,296	8,208	
40 < X ≤ 50	Persons	2,009	2,915	1,939	3,105	1,930	3,323	1,883	3,573	
50 < X ≤ 60	Persons	1,790	662	1,929	793	2,004	991	1,621	1,047	
X > 60	Persons	26	8	34	8	21	5	10	3	

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

Performance	Unit	Year							
		2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
<b>By nationality</b>									
Thai	Persons	7,717	18,093	7,590	17,890	7,423	17,446	6,635	16,324
China	Persons	5	2	4	1	5	2	4	2
India	Persons	4	0	6	0	5	1	5	1
USA	Persons	2	1	2	1	4	1	3	1
Singapore	Persons	2	1	3	1	4	1	3	0
Other	Persons	8	2	7	2	8	2	6	2
Not identified	Persons	339	1,320	270	974	221	830	913	179
<b>By nationality against category</b>									
<b>Thai</b>									
Executive	Persons	47	33	54	34	55	33	44	33
Management	Persons	1,440	1,332	1,495	1,429	1,535	1,490	1,305	1,484
Non-management	Persons	6,230	16,728	6,041	16,427	5,833	15,923	5,286	14,807
<b>China</b>									
Management	Persons	2	0	2	0	2	1	0	2
Non-management	Persons	3	2	2	1	3	1	4	0
<b>India</b>									
Executive	Persons	1	0	1	0	1	0	1	0
Management	Persons	2	0	4	0	4	0	4	0
Non-management	Persons	0	1	0	1	0	1	0	1



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

Performance	Unit	Year							
		2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
<b>USA</b>									
Executive	Persons	1	0	2	0	3	0	2	0
Management	Persons	0	1	0	1	1	1	1	1
Non-management	Persons	1	0	0	0	0	0	0	0
<b>Singapore</b>									
Executive	Persons	1	0	1	0	1	0	0	0
Management	Persons	1	1	2	1	3	1	3	0
<b>Other</b>									
Executive	Persons	3	0	3	0	3	0	1	0
Management	Persons	3	0	3	0	3	0	3	0
Non-management	Persons	2	2	1	2	2	2	2	2
<b>Not identified</b>									
Executive	Persons	0	1	3	3	3	3	3	3
Management	Persons	47	67	48	66	44	64	34	60
Non-management	Persons	292	1,252	219	905	174	763	142	671

Remark: "Not Identified" refers to employees who choose not to specify their nationality as protected by the Personal Data Protection Act 2562 (2019)



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

## New Employees GRI 401-1

Performance	Unit	Year							
		2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Total new employee hires	Persons	783	1,828	783	1,828	632	1,523	310	352
		5,465		2,611		2,155		662	
Rate of new employee hire	%	9.80	9.59	10.67	11.60	8.19	8.28	4.33	2.02
		9.65		11.33		8.26		2.69	
<b>By Age</b>									
X ≤ 30	Persons	758	3,446	349	1,108	395	1,044	194	203
30 < X ≤ 40	Persons	353	643	328	591	201	399	96	125
40 < X ≤ 50	Persons	89	127	76	116	29	69	20	23
50 < X ≤ 60	Persons	25	21	20	9	4	11	0	1
X > 60	Persons	1	2	10	4	3	0	0	0
<b>By Category</b>									
Executive	Persons	-	-	3	2	4	1	3	2
		-		5		5		5	
	Rate			5.53%	5.38%	6.09%	2.66%	5.04%	5.51%
		-		5.47%		4.84%		5.21%	
Management	Persons	-	-	159	183	93	84	53	28
		-		342		177		81	
	Rate			10.19%	12.28%	5.76%	5.34%	3.58%	1.75%
		-		11.21%		5.55%		2.63%	

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

Performance	Unit	Year							
		2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Non-management	Persons	-	-	621	1,643	535	1,438	254	322
		-		2,264		1,973		576	
	Rate			9.74%	9.37%	8.87%	8.57%	4.52%	2.04%
		-		9.47%		8.65%		2.69%	
<b>Number of internal positions filled</b>									
Number of internal positions filled	Position	-	-	-	-	572	1,229	338	908
		4,445		2,897		1,801		1,246	
	Percentage (against positions opened)	-		75%		45.5%		65%	
<b>By Age</b>									
X ≤ 30	Persons	-	-	-	-	102	450	66	331
30 < X ≤ 40	Persons	-	-	-	-	177	522	124	416
40 < X ≤ 50	Persons	-	-	-	-	132	214	74	121
50 < X ≤ 60	Persons	-	-	-	-	161	43	74	40
X > 60	Persons	-	-	-	-	0	0	0	0
<b>By Category</b>									
Executive	Persons	-	-	-	-	4	3	2	5
Management	Persons	-	-	-	-	126	122	78	72
Non-management	Persons	-	-	-	-	442	1,104	258	831



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

## Employees Turnover GRI 401-1

Performance	Unit	Year							
		2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
Total employee turnover	Persons	753	2,025	978	2,378	836	2,157	1,054	1,471
		2,777		3,354		2,993		2,525	
Employee turnover rate	%	9.72	11.20	12.25	12.46	10.84	11.73	14.72	8.43
		10.75		12.40		11.47		10.26	
<b>By Type</b>									
Employee voluntary turnover	Persons	567	1,892	800	2,216	647	1,969	823	1,180
		2,459		3,016		2,616		2,003	
Employee voluntary turnover rate	%	7.32	10.47	10.02	11.62	8.39	10.71	11.50	6.76
		9.52		11.15		10.02		8.14	
Employee involuntary turnover	Persons	186	132	178	160	189	188	231	291
		318		338		377		522	
Employee involuntary turnover rate	Persons	2.40	0.73	2.23	0.84	2.45	1.02	3.23	1.67
		1.23		1.25		1.44		2.12	
<b>By Age Group</b>									
X ≤ 30	Persons	319	1,423	387	1,432	317	1,226	180	657
30 < X ≤ 40	Persons	222	487	334	729	268	706	189	507
40 < X ≤ 50	Persons	76	77	101	154	87	156	73	108
50 < X ≤ 60	Persons	50	19	68	30	52	37	549	185
X > 60	Persons	86	19	88	33	112	32	63	14

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

Performance	Unit	Year							
		2017		2018		2019		2020	
		Male	Female	Male	Female	Male	Female	Male	Female
<b>By Category</b>									
Executive	Persons	-	-	11	8	9	5	20	2
		-		19		14		22	
	Rate	-	-	20.28	21.52	13.70	13.30	33.57	5.51
		-		20.78%		13.56%		22.94%	
Management	Persons	-	-	161	155	155	147	326	137
		-		316		302		463	
	Rate			10.32%	10.40%	9.60%	9.34%	22.02%	8.57%
		-		10.36%		9.47%		15.04%	
Non-management	Persons	-	-	812	2,206	672	2,005	708	1,332
		-		3,018		2,677		2,040	
	Rate			12.74%	12.58%	11.14%	11.95%	12.60%	8.42%
		-		12.62%		11.74%		9.52%	



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Absenteeism GRI 403-2

Performance	Unit	Year			
		2017	2018	2019	2020
Total absenteeism days (including sickness and injuries leave)	Days	54,701	58,967	55,340	42,091
Absenteeism rate (including sickness and injuries leave)	%	0.81	0.90	0.87	0.72

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

Performance	Unit	Year			
		2017	2018	2019	2020
Rate of fatalities as a result of work-related injury	Cases per million hours worked	-	0	0	0
Rate of recordable work-related injuries	Cases per million hours worked	-	0.32	0.23	0.23
Recordable work-related ill health	Cases	-	0	0	0



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

## Training & Development GRI 404-1

Performance	Unit	Year			
		2017	2018	2019	2020
Total cost on employee training	Baht Million	526	585	284	127
Average amount spent per FTE on training and development.	Baht/ FTE	19,132	21,868	10,949	5,314
Average hours of training	Hour/ Employee	62	71	68	49
<b>By Gender</b>					
Female	Hour/ Employee	67	75	75	54
Male	Hour/ Employee	48	61	51	37
<b>By Category</b>					
Executive	Persons	41	100	15	14
Management	Persons	52	70	46	34
Non-management	Persons	74	71	71	52
<b>By Training Type</b>					
Mandatory	Hour/ Employee	-	-	149,122	193,819
Non-mandatory	Hour/ Employee	-	-	1,607,576	721,654
Additional Learning	Hour/ Employee	-	-	15,430	263,845
<b>Human Capital Return on Investment</b>					
Human Capital Return on Investment	-	3.86	3.50	3.87	3.56
<b>Organizational Health Index</b>					
Organizational Health Index Result	Percentage	85	85	83	83
Survey respondents	Percentage	93	98	99	99
<b>Hiring Cost</b>					
Average Hiring Cost	Baht/ Employee	7,641	14,331	10,073	18,045



# GRI CONTENT INDEX



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

## GENERAL DISCLOSURES

GRI Standards	Disclosure	Sustainability Report Page	Reason for Omission	External Verification	Contribution to SDGs Goals
GRI 101: Foundation	Reporting principles	140-145			
	Using the GRI standards for sustainability reporting	140			
	Making claims related to the use of the GRI Standards	140			
<b>General Disclosures</b>					
<b>GRI 102: Organization profile</b>					
102-1	Name of the organization	8			
102-2	Activities, brands, products, and services	8-10			
102-3	Location of headquarters	8			
102-4	Location of operations	168			
102-5	Ownership and legal form	8			
102-6	Markets served	8			
102-7	Scale of the organization	8, 10			
102-8	Information on employees and other workers	152-154			SDG 8
102-9	Supply chain	31-40, 123-124			
102-10	Significant changes to the organization and its supply chain	92-93			
102-11	Precautionary Principle or approach	82-85, 113-121			
102-12	External initiatives	18, 49			
<b>GRI 102: Strategy</b>					
102-14	Statement from senior decision-maker	5-7			
102-15	Key impacts, risks and opportunities	5-7			

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

GRI Standards	Disclosure	Sustainability Report Page	Reason for Omission	External Verification	Contribution to SDGs Goals
<b>GRI 102: Ethics and integrity</b>					
102-16	Values, principles, standards, and norms of behavior	122-128			SDG 16
102-17	Mechanisms for advice and concerns about ethics	123			
<b>GRI 102: Governance</b>					
102-18	Governance structure	111			
102-19	Delegating authority	29, 83, 111, 114, 132			
102-20	Executive-level responsibility for economic, environmental, and social topics	29, 31, 83			
102-21	Consulting stakeholders on economic, environmental, and social topics	143-145			
102-22	Composition of the highest governance body and its committees	112			
102-23	Chair of the highest governance body	5			
102-24	Nominating and selecting the highest governance body	112			
102-26	Role of highest governance body in setting purpose, values, and strategy	27-29			
102-28	Evaluating the highest governance body's performance	112			
102-29	Identifying and managing economic, environmental, and social impacts	70-85			
102-30	Effectiveness of risk management processes	39, 82-85, 113-121			
102-31	Review of economic, environmental, and social topics	29			
102-32	Highest governance body's role in sustainability reporting	29, 140			



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

GRI Standards	Disclosure	Sustainability Report Page	Reason for Omission	External Verification	Contribution to SDGs Goals
<b>GRI 102: Stakeholder engagement</b>					
102-40	List of stakeholder groups	143-145			
102-41	Collective bargaining agreements	105			SDG 8
102-42	Identifying and selecting stakeholders	140-141			
102-43	Approach to stakeholder engagement	143-145			
102-44	Key topics and concerns raised	143-145			
<b>GRI 102: Reporting practice</b>					
102-45	Entities included in the consolidated financial statements	10			
102-46	Defining report content and topic Boundaries	140-142			
102-47	List of material topics	141			
102-48	Restatements of information	149			
102-49	Changes in reporting	149			
102-50	Reporting period	140			
102-51	Date of most recent report	140			
102-52	Reporting cycle	140			
102-53	Contact point for questions regarding the report	168			
102-54	Claims of reporting in accordance with the GRI Standards	140			
102-55	GRI content index	152-161			



## TOPIC-SPECIFIC DISCLOSURES

GRI Standards	Disclosure	Sustainability Report Page	Reasons for Omission	External Verification	Contribution to SDGs
<b>Data Governance and Cyber Security</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	129			
103-2	The management approach and its components	129			
103-3	Evaluation of the management approach	129			
<b>GRI 418: Customer Privacy 2016</b>					
418-1	Substantiated complaints concerning breaches of customers privacy and losses of customer data	133			SDG 16
<b>Customer Experience</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	20-25			
103-2	The management approach and its components	20-25			
103-3	Evaluation of the management approach	25			
<b>Digital Transformation</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	20-25			
103-2	The management approach and its components	20-25			
103-3	Evaluation of the management approach	20-25			
<b>Talent Attraction &amp; Retention</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	96-101			
103-2	The management approach and its components	96-101			
103-3	Evaluation of the management approach	96-101			

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

GRI Standards	Disclosure	Sustainability Report Page	Reasons for Omission	External Verification	Contribution to SDGs
<b>GRI 401: Employment 2016</b>					
401-1	New employee hires and employee turnover	153			SDG 5 and 8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	106			SDG 8
401-3	Parental leave	106			SDG 5 and 8
<b>GRI 403: Occupational Health and Safety 2018</b>					
403-2	Types of injuries and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	109, 159			SDG 3 and 8
403-9	Work-related injuries	105			
<b>GRI 404: Training and Education 2016</b>					
404-1	Average hours of training per year per employee	68, 160		Yes	SDG 4, 5 and 8
404-2	Programs for upgrading employee skills and transition assistance programs	51-69			SDG 4 and 5
404-3	Percentage of employees receiving regular performance and career development reviews	105			SDG 5 and 8
<b>GRI 405: Diversity and Equal Opportunity</b>					
405-01	Diversity of governance body and employees	112, 152			SDG 5 and 8
<b>Human Rights Assessment</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	123			
103-2	The management approach and its components	124			
103-3	Evaluation of the management approach	124			



MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

GRI Standards	Disclosure	Sustainability Report Page	Reasons for Omission	External Verification	Contribution to SDGs
<b>GRI 412: Human Rights Assessment 2016</b>					
412-1	Operations that have been subject to human rights reviews and impact assessment	124			
<b>Culture &amp; Mindset</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	101			
103-2	The management approach and its components	101			
103-3	Evaluation of the management approach	102			
<b>Corporate Governance and Risk Management</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	111-121			
103-2	The management approach and its components	111-121			
103-3	Evaluation of the management approach	111-121			
<b>GRI 205: Anti-corruption 2016</b>					
205-2	Communication and training about anti-corruption policies and procedures	125			SDG 16
205-3	Confirmed incidents of corruption and actions taken	125			
<b>Responsible Lending</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	31			
103-2	The management approach and its components	39			
103-3	Evaluation of the management approach	39			
<b>GRI 201: Economic Performance 2016</b>					
201-2	Financial implications and other risks and opportunities due to climate change	15, 33, 35, 37			



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

GRI Standards	Disclosure	Sustainability Report Page	Reasons for Omission	External Verification	Contribution to SDGs
<b>Climate Change Risk &amp; Opportunity</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	82-85			
103-2	The management approach and its components	82-85			
103-3	Evaluation of the management approach	82-85			
<b>GRI 201: Economic Performance</b>					
201-2	Financial implications and other risks and opportunities due to climate change	15, 33, 35, 37			
<b>Financial Empowerment</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	41			
103-2	The management approach and its components	42			
103-3	Evaluation of the management approach	43-47			
<b>GRI 201: Economic Performance</b>					
201-1	Direct economic value generated and distributed	43-45		Yes	SDG 5, 8 and 9
<b>GRI Sector Disclosures: Financial Sector</b>					
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	45		Yes	SDG 1, 8, 9 and 10
G4-FS13	Access points in low-populated or economically disadvantaged areas	43, 46			SDG 1, 8 and 10
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	47			SDG 1, 8 and 10



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

GRI Standards	Disclosure	Sustainability Report Page	Reasons for Omission	External Verification	Contribution to SDGs
<b>Financial Literacy</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	48			
103-2	The management approach and its components	48-50			
103-3	Evaluation of the management approach	48-50			
<b>GRI Sector Disclosures: Financial Sector</b>					
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	48-50			SDG 1, 8 and 10
G4-FS16	Initiatives to enhance financial literacy by type of beneficiary	48-50			
<b>Operational Eco-Efficiency</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	86			
103-2	The management approach and its components	87			
103-3	Evaluation of the management approach	87-94			
<b>GRI 302: Energy 2016</b>					
302-1	Energy consumption within the organization	88, 94, 146, 149		Yes	SDG 8 and 13
302-3	Energy intensity	88, 94, 149			SDG 8 and 13
302-4	Reduction of energy consumption	15, 88			SDG 8 and 13
<b>GRI 303: Water and Effluents 2018</b>					
303-3	Water withdrawal	90, 94, 147, 150		Yes	



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

GRI Standards	Disclosure	Sustainability Report Page	Reasons for Omission	External Verification	Contribution to SDGs
<b>GRI 305: Emissions 2016</b>					
305-1	Direct (Scope 1) GHG emissions	90, 94, 146, 149		Yes	SDG 8 and 13
305-2	Energy indirect (Scope 2) GHG emissions	90, 94, 146, 149		Yes	SDG 8 and 13
305-5	Reduction of GHG emissions	15, 90, 149			SDG 8 and 13
<b>GRI 306: Effluents and Waste 2016</b>					
306-2	Waste by type and disposal method	89, 94, 147, 150		Yes*	
<b>GRI 308: Supplier Environmental Assessment</b>					
308-1	Percentage of new suppliers that were screened using environmental criteria	93			
308-2	Number of suppliers assessed for environmental impacts.	93			
<b>Empowering Community &amp; Society</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	70			
103-2	The management approach and its components	70-81			
103-3	Evaluation of the management approach	70-81			
<b>GRI 203: Indirect Economic Impacts 2016</b>					
203-1	Infrastructure investments and services supported	71			
203-2	Significant indirect economic impacts	71			SDG 1, 3, 4, 6 and 8

\*Remark: only at HQ and main buildings



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

GRI Standards	Disclosure	Sustainability Report Page	Reasons for Omission	External Verification	Contribution to SDGs
<b>Green Finance</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	31			
103-2	The management approach and its components	31-40			
103-3	Evaluation of the management approach	31-40			
<b>GRI Sector Disclosures: Financial Sector</b>					
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	35, 37			SDG 1, 3,4, 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	15, 33, 35, 37			SDG 7, 8, 9, 11, 12 and 13
<b>Public Policy Advocacy</b>					
<b>GRI 103: Management Approach 2016</b>					
103-1	Explanation of the material topic and its Boundary	39, 135			
103-2	The management approach and its components	39, 135			
103-3	Evaluation of the management approach	39, 135			



# ASSURANCE STATEMENT



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



[Click here](#)



# CONTACT US



About This Report



Social and Environment Performance Data



GRI Content Index



Assurance Statement



Contact Us

MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE 

CREATING SOCIAL IMPACT 

BETTER ENVIRONMENTAL FUTURE 

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020



## Corporate Sustainability Function

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# READER'S SURVEY

## SCB SUSTAINABILITY REPORT 2020

Your suggestions will be incorporated in the improvement of the future SCB Sustainability Report. SCB highly appreciates your valuable feedback.

Please mark X or provide comments or suggestions in the space provided.

### 1. Which stakeholder group(s) are you identified as?

- |   |                                   |                                    |
|---|-----------------------------------|------------------------------------|
| <input type="checkbox"/> Shareholder/ Investor          | <input type="checkbox"/> Customer | <input type="checkbox"/> Community |
| <input type="checkbox"/> Employee                       | <input type="checkbox"/> Supplier | <input type="checkbox"/> Academic  |
| <input type="checkbox"/> Government                     | <input type="checkbox"/> Media    | <input type="checkbox"/> Student   |
| <input type="checkbox"/> Others (Please describe) _____ |                                   |                                    |

### 2. What is the reason for your interest in SCB Sustainability Report 2020

- To know more about SCB as an organization
- To obtain investment information
- For the purpose of research/ education
- To prepare your Sustainability Report (or Corporate Social Responsibility Report)
- Others (Please specify) \_\_\_\_\_

### 3. Please rate your level of satisfaction for the SCB Sustainability Report 2020

Completeness of the report	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	<input type="checkbox"/> Needs improvement
Topics presented in the report	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	<input type="checkbox"/> Needs improvement
Interesting content	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	<input type="checkbox"/> Needs improvement
Easy to understand	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	<input type="checkbox"/> Needs improvement
Report design	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	<input type="checkbox"/> Needs improvement
Overall satisfaction	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input type="checkbox"/> Low	<input type="checkbox"/> Needs improvement

### 4. Which of SCB's sustainability topics are you interested in?

- |   |   |
|---|---|
| <input type="checkbox"/> Customer Experience                | <input type="checkbox"/> Corporate Governance and Risk Management |
| <input type="checkbox"/> Data Governance and Cyber Security | <input type="checkbox"/> Responsible Lending                      |
| <input type="checkbox"/> Green Finance                      | <input type="checkbox"/> Climate Change Risks                     |
| <input type="checkbox"/> Public Policy Advocacy             | <input type="checkbox"/> Financial Inclusion                      |
| <input type="checkbox"/> Talent Attraction and Retention    | <input type="checkbox"/> Financial Literacy                       |
| <input type="checkbox"/> Operational Eco-efficiency         | <input type="checkbox"/> Contribution to Society                  |
| <input type="checkbox"/> Digital Transformation             | <input type="checkbox"/> Culture and Mindset                      |

### 5. Please provide further comments and/ or suggestions (if any)

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MESSAGE FROM THE BOARD OF DIRECTORS

ABOUT SCB

SUSTAINABILITY KEY MILESTONES

2020 OVERVIEW

WAY FORWARD FOR THE BETTER FUTURE

COMMITMENTS TOWARDS A SUSTAINABLE FUTURE

SUSTAINABLE FINANCE

CREATING SOCIAL IMPACT

BETTER ENVIRONMENTAL FUTURE

STRENGTHENED FOUNDATION

FACTBOOK

SCB...WAYS TO BE SUSTAINABLE TOGETHER

SUSTAINABILITY REPORT 2020

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