Transform to the Next Experience
The Most Admired Bank
To be the Most Admired Bank

1. To be the Most Sustainable Return Company
2. To be the Most Preferred Partner
3. To be the Most Caring Employer
4. To be the Most Responsible Corporate Citizen
5. To be the Most Prudent Bank

2017 Highlights

- Reducing our Environmental Footprint
- Building a Sustainable Way of Living
- Upholding Good Corporate Governance and Business Ethics
- Enhancing Risk Management
- Becoming a Trusted Financial Service Provider
- Strategising to Become a Truly Digital Bank
- Creating Exceptional Customer Experience for Profound Engagement
- People Transformation
- Caring for our People
- Moving towards Sustainable Banking
- Reducing our Environmental Footprint
- Building a Sustainable Way of Living
- Upholding Good Corporate Governance and Business Ethics
- Enhancing Risk Management
SCB is committed to operating its business with the goal of building economic and social developments throughout its value chain. The Bank provides financial supports to mega capital project developments and to small business entrepreneurs. Concurrently, the Bank offers products and services that help facilitate customer’s lifestyle on digital platforms in driving the cashless experience, aligning with the national policy on digital economy. As a major financial institution, the Bank also plays its role in promoting financial literacy and inclusion for all.
MESSAGE FROM THE BOARD OF DIRECTORS

Amid the global economy driven by rapid advances in new technologies, notably a digital platform, the banking business is one of the first industries to face disruptive technological challenges. These challenges arise from financial innovations, or “FinTech”, and non-bank companies on a global platform that are becoming crucial competitors in the banking business by offering competing financial and investment services. In addition, changes in consumer behaviour with today’s widespread technological usage and intensified competition among commercial banks have all presented an important challenge to a large financial institution that has been in business for as long as 111 years such as SCB.

It has been more than a year since the Bank has embarked on SCB Transformation Programme to revamp its organizational foundation and business model to tackle such challenges. The Bank is aware that the banking system is currently undergoing one of the biggest changes in history and that the Bank must modify its existing business model to pursue the new vision of becoming “The Most Admired Bank” when focuses on balancing business growth with stakeholders’ satisfaction.

In 2017, the Bank focused on infrastructure investment to enhance technology platform capabilities to accommodate the entire spectrum of business. A key highlight is the new mobile banking platform, or SCB Easy, which aspires to be a lifestyle application that can offer more than just financial transactions from creating differentiated customer experience to firmly secure the Bank’s position as an unequivocal leader in digital lifestyle banking. Concurrently, the Bank founded SCB Abacus to pioneer Artificial Intelligence (AI) technology in the banking business by focusing on leveraging big data analytics to develop and deliver products and services that meet customer needs for both individuals and juristic entity, the first of its kind for the banking industry in Thailand and Southeast Asia.

The Bank also plays a pivotal role in creating financial innovations to facilitate the government policy on driving Thailand toward a digital economy as well as promoting the cashless society agenda. The Bank has collaborated with leading agencies and organisations in Thailand to create a prototype society of future living by developing a centralised QR code payment system regulated by the Bank of Thailand.

It is the Bank’s top priority to transform its people’s capabilities to take on challenges in people management at the new junction where technology can perform human tasks effectively at lower costs. The Bank recognises that the banking business must revolutionise its service model to prepare for the near-term challenges; therefore, the Bank’s people must adapt and be equipped with skills and understanding to
navigate the new landscape of the finance and banking business. In doing so, the Bank set up SCB Academy to develop people's capabilities to be ready and confident in the case of an internal rotation or a career promotion. The training program covers both finance and banking knowledge, creativity development and motivation building.

On the social responsibility aspect, the Bank focuses on enhancing quality of life for people in the society by applying the Sufficiency Economy Philosophy of King Bhumibol Adulyadej Rama IX to guide the Bank's operations. Particularly, the Bank has been working on raising awareness and financial discipline as a way to mitigate the impacts from higher household debt burden that stems from financial illiteracy. The Bank employs a communication strategy of providing interesting content relevant to day-to-day life using a presentation style that is easy to understand. Moreover, the Bank has developed financial products to promote savings, such as the SCB Bonus Saving product which offers a special interest rate along with other benefits to motivate people to save every month on the same day as their birthdays to make saving an ingrained habit.

Additionally, the Bank also puts great emphasis on providing financial inclusion among low-income earners, small business owners, and senior people by developing financial products to address their needs, such as low-interest housing loans for low-income earners under the government's Pracharat Home Scheme, loans for small SMEs, and an called “Secured while Insured - Smile at Retirement.” Moreover, the Bank collaborates with business partners to give loans to low-income owners and small business owners to address the problem of informal debts.

The abovementioned CSR practices are integrated into the Bank's normal business processes and leverage the Bank's strengths as a mechanism to drive social change. In addition to this “CSR in process” which is the Bank’s priority, the Bank also provides social support through other ongoing CSR activities, such as SCB Blood Drive and SCB Challenge.

Furthermore, the Bank also places an emphasis on operational efficiency and environmental impact mitigation by building a culture of resource optimization and being environmentally conscious. In addition, the Bank gives loans to projects that promote clean energy or energy efficiency. In 2017, the Bank continues to support loans to alternative energy and energy conservation projects which is projected to help significantly reduce carbon dioxide gas emissions.

Sustainability Approach 2018

Under SCB Transformation, the Bank will continue to develop and improve its organizational foundation and business model to be ready for rapid and constant changes in the business environment in conjunction with the economic, social, and environmental challenges. The Bank strives to be a digital technology-driven bank to lower costs and raise revenue and deliver new customer experiences by creating products and services that customers value. Importantly, the Bank will ensure cyber security to build customer confidence on the Bank’s digital platforms.

In addition to a proactive implementation plan on the economic front, the Bank also places great emphasis on being a responsible corporate citizen to the society and the environment. The Bank's commitment is expressed through its normal business processes particularly in lending consideration to mega projects, such as utilities infrastructure development projects of both the public and private sector, which may cause indirect social and environmental harm if managed poorly.

In 2018, the Bank plans to raise its practice standards of responsible lending for project finance to conform with international guidelines on social and environmental risk analysis and management, such as Equator Principle, International Finance Corporate (IFC) Guidelines, etc. Particularly, the Bank will review and revise its Credit Policy Guide to specify an exclusion list and industry-specific guideline to ensure that projects in which the Bank is financially involved have a fair and appropriate management approach to prevent and reduce negative social and environmental impacts.

Lastly, the Bank would like to thank all stakeholders for their support and feedbacks that have benefited the Bank’s sustainability operations. The Bank remains steadfast in its commitment to supporting national economic stability with social and environmental responsibility on the basis of governance and ethical principles for the overall well-being and sustainability of the society now and well into the future.
The Siam Commercial Bank Public Company Limited (SCB) has published its Sustainability Report for its fifth consecutive year as a channel to inform stakeholders of the Bank’s commitment and performance on sustainability strategies covering economic, social, environment and corporate governance dimensions. This report covers performance of SCB and its subsidiaries, starting from January 1, 2017 to December 31, 2017.

Taking into account perspectives and expectations of both internal and external stakeholders, the Bank defined the reporting content to address the Bank’s operation and material topics and operations with economic, social and environmental impacts. This report was developed in accordance with the Global Reporting Initiative (GRI Standards) and Financial Services Sector Supplement (FSSS).

Moreover, the Bank has commissioned Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, an accredited independent assurer to perform limited assurance on selected indicators.

1. Identification
   The Bank identified materiality topics by reviewing 2016 material topics, internal and external factors, such as business directions and strategies, stakeholder’s interests, issues internally considered material in the context of sustainability as well as global trends on sustainable development for the banking sector.

2. Prioritisation
   SCB’s management and representatives from various functions collaboratively prioritised materiality topics, both short-term and long-term through workshop. Furthermore, the Bank has conducted in-depth interviews with external stakeholders to understand their expectations and to solicit their feedback on the Bank’s sustainability operations. The Bank then used the feedback as input further to improve and develop the Bank’s operations to truly meet stakeholder’s expectations.

3. Validation
   SCB’s Management Committee reviewed and approved the selected material topics.

4. Review
   The preparation process and information disclosure for the Sustainability Report are subjected to regular reviews through various channels, including an enclosed reader’s survey at the end of report. The Bank ensures that stakeholders are given opportunities to provide feedback and suggestions on the Bank’s sustainability implementation and information disclosure. These recommendations will be used to improve the content and disclosure format for sustainability performance data in the next year.

Process for Defining Report Content (GRI 102-46)

The Bank prepared this report by considering both external and internal factors to identify material sustainability topics based on 10 GRI Standards reporting principles: Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness with the following processes.

Materiality Matrix (GRI 102-47)
## SGI Standards

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## SBI Sustainability Topics

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## Contact Point

(GRI 102-3, GRI 102-53)

Corporate Sustainability Division
Siam Commercial Bank PCL
Head Office, 9 Ratchadapisek Road, Jatujak, Bangkok 10900
Tel: 0-2795-5413
E-mail: sustainability@scb.co.th
The Bank also encourages every function to continuously foster stakeholder engagement in the Bank’s Code of Conduct. Stakeholder engagement is at the heart of developing the values for all stakeholders. This is consistent with the Bank’s vision to become ‘The Most Admired Bank’. Stakeholder engagement is crucial because it helps build the Bank’s foundation, facilitating the Bank to become an organization of sustainability. The Bank has thus put an emphasis on operating the business under the principles of good governance and transparency with social and environmental responsibility to create long-term values for all stakeholders. This is consistent with the Bank’s vision to become ‘The Most Admired Bank’.

Stakeholder engagement is at the heart of developing the business towards sustainability. Therefore, specific guidelines on stakeholder engagement in the Bank’s Code of Conduct, The Bank also encourages every function to continuously foster stakeholder engagement through appropriate channels and activity to understand their expectations and perspectives as well as to solicit feedback and suggestions on the Bank’s operations. This stakeholder inclusion effort also provides an opportunity for SCB to communicate sustainability aspirations and management approach to stakeholders. In addition, stakeholders’ feedbacks serve as input to the report selection process and provides guidance for the Bank to meet stakeholders’ expectations in all dimensions.

### Stakeholder Engangement (GRI 102-42)

Stakeholder Engagement is a crucial component that helps build the Bank's foundation, facilitating the Bank to become an organization of sustainability. The Bank has thus put an emphasis on operating the business under the principles of good governance and transparency with social and environmental responsibility to create long-term values for all stakeholders. This is consistent with the Bank’s vision to become ‘The Most Admired Bank’.

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**SCB Stakeholder Groups**

- **Customers**
- **Employees**
- **Shareholders**
- **Society, Community and Environment**
- **Regulators**

**Contact Point**

- **Customers, Shareholders and others**
  - Contact branch officers or relationship managers
  - SCB Call Centre Tel: 0-2777-7777
  - Social media channels under the name ‘SCB Thailand’
  - Investor Relations Tel: 0-2544-4358 Fax: 0-2937-7721 and Email: investorrelation@scb.co.th

- **Employees**
  - HR Call Center Tel: 0-2544-4444
  - Whistleblower E-mail: whistleblower@scb.co.th
  - E-mail to President & Chief Executive Officer at ceo@scb.co.th

**Stakeholder Engagement Practice (GRI 102-40, GRI 102-43, GRI 103-40)**

<table>
<thead>
<tr>
<th>Stakeholder Type of Engagement</th>
<th>Example of issues raised</th>
<th>Example of SCB’s response</th>
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| **Customers**                 | - Client meetings through diverse activities
                              - Hosting knowledge sharing sessions on financial products and services
                              - Providing financial advices and knowledge to customers through online channels and branch network
                              - Customer satisfaction survey through phones calls and online channels
                              - Complaint management and services provision by SCB Call Centre and branch network |
|                               | - Provide products and services that meet customers’ expectations
                              - Financial products and services which are conveniently and readily accessible
                              - Securing banking transaction and protect customers’ privacy
                              - Collect feedback and propose mitigations for issues raised by the use of financial products and services |
| **Employees**                 | - Communication of policy and news through meeting and online channels
                              - Employee meetings, seminars and CSR activities
                              - Performance evaluation
                              - Employee engagement survey
                              - Employee development programmes
                              - Recognition awards
                              - HR Call Center |
|                               | - Training for building employees’ skills and capabilities
                              - Good welfare and safe workplace
                              - Work-life balance |
| **Shareholders**              | - Annual General Meeting
                              - Extraordinary General Meeting
                              - 56-1 Report
                              - Annual Report (Form 56-2)
                              - Press release
                              - Quarterly financial result announcements
                              - Meeting conferences with investors
                              - Calls with investors
                              - General Meetings with equity analysts
                              - Global road shows |
|                               | - Transparent information disclosure in accordance with acceptable standards
                              - Strengthen internal control and audit systems
                              - Promote sound and sustainable growth of the organization |
| **Society, Community and Environment** | - Initiative implemented and/or supported by SCB and the Siam Commercial Bank Foundation in youth knowledge management and various programmes
                              - Communication of financial literacy via social media platforms
                              - Community surveys
                              - Community engagement |
|                               | - Conduct business with social responsibility, particularly concerning public benefits
                              - Promote and participate in activities that benefit communities, society and environment |
| **Regulators**                | - Assign representative heads of Compliance unit to coordinate with regulators
                              - Attend meetings and hearings on regulatory policies and approaches
                              - Attend forum on regulatory compliance
                              - Obtain review and assessment feedback from regulators
                              - Request comments and guidelines for regulatory compliance
                              - Provide comments on public hearing sessions on related regulations |
|                               | - Comply with relevant laws and regulations
                              - Conduct business with good corporate governance
                              - Establish and update relevant policies and procedures
                              - Enhance data security and safety in financial transactions
                              - Offer lending and loans responsibly
                              - Enhance environmental management
                              - Be a role model in promoting sustainable conduct |

Develop innovation and provide products and services to address the needs of all customer groups, in addition to training employees to reinforce and improve the service quality. The Bank also encourages every function to continuously foster stakeholder engagement through appropriate channels and activity to understand their expectations and perspectives as well as to solicit feedback and suggestions on the Bank’s operations. The Bank has thus put an emphasis on operating the business under the principles of good governance and transparency with social and environmental responsibility to create long-term values for all stakeholders. This is consistent with the Bank’s vision to become ‘The Most Admired Bank’.
Siam Commercial Bank was established as Thailand’s first local bank. For over the past 111 years, SCB has been supporting Thai society, with the Crown Property Bureau as the Bank’s major shareholder. The Bank comprises of three major subsidiaries: SCB Securities Co., Ltd.; SCB Asset Management Co., Ltd.; and SCB Life Assurance PCL, offering financial services tailored to meet the needs of a broad range of customers which constitutes Corporate segment, SMEs segment, and Retail/Wealth segment. Furthermore, the Bank corporately offers financial services in eight other countries: the Republic of China, the Republic of Singapore, the Socialist Republic of Vietnam, the Lao People’s Democratic Republic and the Republic of the Union of Myanmar. The Bank aims to accommodate trade and investment expansion within ASEAN and other countries.

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

**SMEs Segment**
- 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 Segment**
- Deposits products
- Loan products
- Card products
- Domestic Fund Transfer and International Remittance
- Bill payment and top-up products
- Foreign exchange services
- Investment and insurance products
- Electronic banking

**Main Products and Services of SCB Financial Group Companies**
- Securities brokerage service
- Securities Borrowing and Lending service
- Equity underwriting
- Security business services
- Mutual funds
- Private funds
- Provident funds
- Life insurance products
As a major financial institution that has been the lifeblood of the Thai economy for more than a century, the Bank realises that creating long-term value for all groups of stakeholders is crucial to achieving the Bank’s vision of being the Most Admired Bank.

The Bank believes that the Sufficiency Economy Philosophy expounded by King Bhumibol Adulyadej will help the Bank succeed in conducting a sustainable business. The Bank has therefore adopted the Sufficiency Economy Philosophy to guide all dimensions of the business, be it policy decision, business strategy, and risk management in conjunction with developing knowledge and instilling integrity and ethical values within the organisation. In addition, the Bank motivates and encourages employees to apply the Sufficiency Economy Philosophy in every step of their day-to-day work to keep the business on the path of moderation, reasonableness, and self-immunity on the basis of social and economic responsibility, both the thinking and practice that will ultimately lead to a sustainable organisation.

Philosophy of Sufficiency Economy

Operate with a sense of Appropriateness and Balance

MODERATION

RESOBLENESS

SELF- IMMUNITY

Operate in a way that is logical, practical and benefit to society

Operate transparently, with good risk management and good governance

Knowledge
Understand changing circumstances and take the right course of action

Integrity
Practice good ethics, morality and social responsibility

To be the Most Admired Bank
is also our Way of SUSTAINABILITY

To be the Most PRUDENT Bank

To be the Most RESPONSIBLE Corporate Citizen

To be the Most SUSTAINABLE RETURN Company

To be the Most CARING Employer

To be the Most PREFERRED Partner
## To be “The Most Admired Bank”

Siam Commercial Bank pursues the vision of becoming the Most Admired Bank to ensure balance and fairness for the 5 major groups of stakeholders: customers, employees, society, shareholders, and regulators. The Bank’s business strategy prioritises understanding customer needs and building engagement by offering products and services that meet their needs and deliver distinguished experiences. The Bank drives to facilitate consumer lifestyles and enhance their quality of life by providing financial advice and new business opportunity recommendations with the goal of creating the highest customer satisfaction and becoming the main bank.

The Bank continues fine-tuning its human resource management strategy to achieve the goal of being a company that creates value, promotes career advancement and treats employees equally. Moreover, the Bank fosters a culture that emphasises agility for rapid decision making and courage for experimentation by implementing a top-down approach from executives to employees to build an organisational culture that is agile and strike even during changes.

## The Ongoing SCB Transformation

A new technological era where consumer behaviour has drastically changed forces the Bank to adapt and prepare for this transition. The Bank recognises the need for a major organisational transformation and therefore has designed and implemented the “SCB Transformation” with a 5-year implementation timeframe (2016-2020).

For social responsibility, the Bank has refocused its community and social development strategy to provide public education on savings and financial discipline through the Bank’s service and communication channels. The Bank also develops more diverse and convenient channels to access financial services, as well as organising activities for social and educational development to raise the quality of life for people in the society and promote sustainable growth.

The Bank conducts business by upholding good governance principles with transparency as well as complying with regulatory guidelines for financial services both on market conduct and the government policy to promote a cashless society. Moreover, to create sustainable growth and profits for shareholders, the Bank places an emphasis on long-term stability and thus develops a risk mindset for the overall organisation to be ready for changes.

SCB Transformation strategy encompasses both foundation and business transformation with the goal of developing bank-wide capabilities to sustainably create differentiated value for customers to become the Most Admired Bank.

## Foundation Transformation

### Technology

The Bank invests in state-of-the-art technology infrastructure to support the digital platform, such as Cloud storage, open API. These investments will enable the Bank to meet and understand business and customer needs more accurately, safely, and quickly.

### People Capabilities and Corporate Culture

The Bank values employees’ adaptability and resilience to potential changes in technology and business context. The Bank set up SCB Academy to uplift capability development of employees at all levels through training programs and internal rotation to create well-rounded employees.

### Work Process

The Bank aims to increase its service capability to truly and quickly address customer needs by improving work systems and procedures more agile and nimble. The Bank leverages technology to streamline redundant processes, such as obtaining customer information.

### Data

The Bank has applied the big data analytics technology in data management, analysis, and data restructuring. At the same time, the Bank also cultivates a data-driven culture which will enable the Bank to address customer changing needs.

### Customer Touchpoints Expansion

This Bank focuses on creating differentiated experience for customers by providing diverse service channels, both in the forms of online services with an emphasis on convenience and physical branches which have reached a new level of service excellence with pioneering centres that provide financial transaction services as well as giving customised advice to individual customer segments. Each centre has been designed and developed to serve the lifestyle of each customer segment. Moreover, the Bank has established a clear separation of sale and service roles at branch network.

## Business Transformation

The Bank began the process of foundation transformation in 2016 by focusing on improving 5 fundamental infrastructures, including:

### Technology

Leverage existing customer relationship, especially with the large corporates, offering products and services that create added value and new business opportunities for customers throughout the value chain.

### People Capabilities and Corporate Culture

Increasing recurring income base by developing diverse products and services, such as insurance products, wealth management products, business consulting services, as well as creating added value to customers.

### Work Process

Cooperating with and providing ongoing support for the country’s economic agenda, such as the National e-Payment project.

### Data

Managing risk proactively and building organizational resilience against risk factors.

### Customer Touchpoints Expansion

Building business partnership to increase the Bank’s capabilities in conjunction with identifying new business opportunities.

### Foundation Transformation

The Bank continues to enhance efficiency of business and operational processes by maintaining the focus on expanding customer base and building customer centricity mindset with priority given to 5 key issues.
SCB Sustainability Priorities

With the vision to become the Most Admired Bank, the Bank has identified and prioritized 3 main sustainability priorities areas, aligning with its business strategies, to drive the Bank’s performance and progress towards its vision. These priority areas include customer expansion, digital technology and data analytics, and workforce planning.

Customer expansion

Challenge
Customer expansion has been prioritized as one of the key focus areas of the SCB Transformation Programme to tackle the issue of the narrow customer base. Namely, the existing pool of customers is relatively concentrated with limited cross-selling products and services. As a result, the Bank has shifted its focus towards customer base expansion across all segments in order to enable larger and more diversified sources of income and ensure sustainable competitiveness.

Management approach
SCB aims to expand customer base by shifting from product-led organization to more customer-centric operating model. In addition, it puts significant emphasis on uplifting customer experiences across all touchpoints and enhancing engagement through offerings that blend into customer’s everyday life.

Target
For the short-term, SCB aims for an increase in the customer base and market share in all segments, especially in currently under-exposed areas. This includes acquisition of new-to-bank customers, reactivation of inactive ones and an increase in number of main operating accounts. For the long-term, the Bank plans to be among the market leaders in offering delightful customer experience and in achieving top customer satisfaction in all areas.

Digital technology

Challenge
With the rapidly changing landscape in financial technology, the Bank aims to utilize the latest digital technologies to expand customer engagement in this digital age while creating new and better customer experiences. As a result, SCB has been focusing its efforts on developing best-in-class digital technology infrastructure as a key enabler to allow for forward looking capabilities, e.g., new mobile banking platform, new payment engine.

Management approach
The Bank is investing over Baht 30-40 billion in technology infrastructure during the next 3 years in order to accommodate digital platforms and data analytics technology to increase precision and intelligence with information from both internal and external sources. The Bank also founded Digital Ventures with aims to partner and synergize with fintechs to develop products and services with the latest technologies. SCB Abacus was also founded with mission to pioneer cutting-edge Artificial Intelligence (AI) technology and data-analytics to advance SCB and banking service excellence.

Target
SCB plans to increase the capital expenditure on technology with aims to, in return, increase the number of digital customers, the proportion of transaction volumes on digital and the proportion of sales volume on digital by 2020.

Workforce planning

Challenge
The inevitable disruption, especially in technology realm, upon the current business landscape marks a significant shift driven both the organization and its employees to adapt to these challenges. To stay ahead of these changes and thrive in the new environment, as part of the SCB Transformation Programme to strengthen our progress toward the vision of becoming the Most Admired Bank, in terms of employee preparation and development, SCB has been undertaking the People Transformation Programme to uplift our people’s capabilities and to be able to tackle the challenges in the digital age at the same time, being perceived by our people as ‘The Most Caring Employer’.

Management approach
Strategic approach to achieve the goal of developing our people capabilities and being ‘The Most Caring Employer’ has been laid out by:

• Uplifting employee’s capability through the comprehensive learning and development programs tailored to each and all levels of employees

Target
SCB aims to become the top 5 employer of choice with opportunities for career growth for employees along with an increased Organizational Health Index score by 2020.

Impact Valuation

The Bank places an emphasis on understanding the impacts of business activities on every group of stakeholder. The Bank introduced impact valuation methodology that examines economic, social, and environmental impacts from the Bank’s operations, both positive and negative externalities while attempting to monetises the true value of the Bank’s contribution to society. Key business factors that have been incorporated in the economic, social, and environmental impact valuation methodology are; opportunities to improve operational efficiency, preparation for future legal and regulatory changes, customer base expansion, creating environmental business opportunities through sponsorship, promoting a positive image of the Bank, and transparent disclosure of the Bank’s operating performance to stakeholders.

In 2017, the Bank’s digital banking program was chosen to pilot the economic, social, and environmental impact valuation by considering stakeholders’ expectation and global trends in digital technologies. The Bank calculates positive contributions from product and service delivery on the digital platform which helps promote financial service accessibility. At the same time, the Bank also assesses environmental impacts of digital innovation by using the Natural Capital and Social Capital Protocols, which has been globally accepted, as guidelines. The resulted valuations will be incorporated in the business planning for customer base expansion.
The Bank aims to support the UN Sustainable Development Goals which the Bank perceives to be consistent with the Sufficiency Economy Philosophy underpinning the Bank’s sustainability operations. The Bank supports the SDGs that align with its strategy and business approach while giving fair considerations to all groups of stakeholders. In 2017, the Bank’s sustainability implementation has been consistent with the SDGs Goal 1, Goal 4, Goal 7, Goal 8, Goal 9, and Goal 13 as follows.

### SCB Implementation to Promote the UN Sustainable Development Goals (SDGs)

The Bank supports the SDGs with the following implementations:

<table>
<thead>
<tr>
<th>UN Sustainable Development Goals (SDGs)</th>
<th>SCB Implementation</th>
<th>Chapter</th>
</tr>
</thead>
</table>
| Goal 1: End poverty in all its forms everywhere | Ensure inclusive and equal access to financial services for people and entrepreneurs at all levels as well as providing knowledge to customers and the public to promote financial discipline through a variety of channels | • To be the Most Preferred Partner  
• To be the Most Responsible Corporate Citizen |
| Goal 4: Ensure inclusive and equitable education and promote lifelong learning for all | Promote youth development and learning by giving opportunities to youth in all age range and education level nationwide to access quality education and build skills for future careers. | • To be the Most Responsible Corporate Citizen |
| Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all | Support sustainable energy development in Thailand through responsible financial funding for renewable energy business sector and energy conservation programs as well as giving financial advice to business owners who want to invest in energy efficiency enhancement or environmental friendly product manufacturing | • To be the Most Responsible Corporate Citizen |

### SCB Implementation

- **Goal 8:** Promote sustained, inclusive, and sustainable economic growth, and productive employment.
  - Provide diverse financial products and services to serve all customer segments, which will lead to economic growth and employment. Moreover, the Bank also has a fair recruiting process and treats all employees equally along with creating a safe environment conducive to high quality of life for all employees.
  - • To be the Most Preferred Partner  
  • To be the Most Caring Employer  
  • To be the Most Responsible Corporate Citizen

- **Goal 9:** Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.
  - Create financial technology for digital banking, promote financial innovation for businesses on the digital platform, along with building on innovation through joint venture investment with leading companies locally and globally.
  - • To be the Most Preferred Partner

- **Goal 13:** Take action to combat climate change.
  - Committed to taking part in reducing impacts from climate change by optimising internal resource management as well as fostering employee awareness and willingness to help reduce climate change impacts through various activities.
  - • To be the Most Responsible Corporate Citizen

In addition, SCB is also a member of the Thai Bankers’ Association which drives sustainable development initiatives regarding banking industry.
To be...

THE MOST SUSTAINABLE RETURN COMPANY

The Bank is committed to operating its business on the principle of sustainable growth in order to grant appropriate returns and long-term stability to shareholders, by focusing on corporate capacity building to sustain its competitiveness with good governance, efficient and comprehensive risk management, while continue to give considerations to social and environment responsibilities throughout the Bank’s operations.
Economic Performance

- Net revenue: THB 136.2 billion
- Total assets: THB 3,024 billion
- Market capitalization: THB 510 billion

Operation Network and Presence

- ATMs, Cash Deposit Machine (CDM) and Virtual Teller Machine (VTM) total to 14,685 machines
- Overseas branch and office in 8 countries
- 1,153 branches in Thailand
- 102 Foreign Exchange Service Centres

Profitability Ratio

- Return on Equity (ROE): 12.4%

Employee Capacity Development Investment

- Employees in total: 27,493
  - Male: 8,077
  - Female: 19,416
- Total employee expense: THB 27,488 million
- Average training hours per employee:
  - Male: 48 hours
  - Female: 67 hours

Human Capital Return on Investment (HCROI)

- Total investment in human capital development: THB 127 million
- 3.86

Community and Environment Investment

- Total investment in communities and environment: THB 390 million
- Greenhouse gas emission reduced: 0.70%
- Energy consumption reduced: 0.65%
- Water consumption reduced: 5.13%

SCB has been included in RobecoSAM’s Sustainability Yearbook 2018.
SCB aims to be a universal bank that is customer-centric and technology-driven to optimise customer experience. The Bank focuses on product and service innovations tailored to address individual customer needs as well as providing financial solutions to businesses throughout the value chain.

- Becoming a trusted financial service provider
- Strategising to become a truly digital bank
- Creating exceptional customer experience and profound engagement
As a leading universal financial service provider in Thailand, SCB focuses on creating a compelling value proposition for customers in every segment by offering a wide variety of products and services to truly meet their needs. Moreover, the Bank has developed a new service model with a clear separation between sales and services as well as leveraging advanced technology to enhance business capabilities and develop new products and services to become a trusted financial service provider.

**Challenges**
- Technological advancement changing how businesses operate
- Competition from both financial and non-financial institutions
- Selling products that do not meet customer needs

**Responses**
- Implementing a strategy to become a truly digital bank
- Separation of sales and services roles
- Using advanced analytics technology for in-depth customer needs analysis

In addition to challenges from technological advancement, the banking industry has been revolutionised to the point where banks are expected to offer more than standardized financial services. Thus, it has become crucial to understand customer needs at great depth to deliver products and services that are specifically tailored to each customer segment. SCB employs advanced analytics technologies to manage and analyse customer behaviour data with the goal of delivering better customer experience and helping customers realise their full potential.
Separation of Financial Advisory Roles and Banking Services

SCB has restructured the branch management by separating services and sales into distinct roles so that employee in each role can focus on their strengths and create better customer experience by preventing the problem of mis-selling and reducing operational redundancy. This separation of duties also provides career opportunities for people in the financial advisory role to gain knowledge across all products and to develop analytical skills to understand customer needs. Financial advisors can access the Bank’s database quickly and conveniently through many devices such as iPads. The Bank also modifies performance appraisal of sales and services employees to be consistent with the new structure as well as providing incentives to motivate employees to deliver the best value to customers.

Goals for Separating Employees’ Roles

<table>
<thead>
<tr>
<th>Service Team</th>
<th>Sales Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>To provide better transaction services to customers, thus, increase customer satisfaction for all segments as well as building financial advisory skills for employees aided by state-of-the-art technologies to increase service efficiency</td>
<td>To provide financial advisory services with expertise in analysing customer needs with an ability to recommend the right financial products for all target groups; refraining from pressuring customers to buy products that do not address their needs</td>
</tr>
</tbody>
</table>

Becoming the Bank with Concrete Understanding of Customers’ Needs

The Bank places an emphasis on building modern infrastructure, particularly for technology, to increase competitiveness as well as delivering products and services that address business and customer needs. In 2017, the Bank founded SCB Abacus served as a key mechanism for the Bank to efficiently adapt to technological changes and become to be the leader in Artificial Intelligence (AI) development and raise the financial and banking standard in Thailand and Southeast Asia. Under the “Re-define business, Re-imagine data and Re-create insight” concept, the main focus of SCB Abacus is to collect and analyse customer big data as well as using advanced technology, such as Artificial Intelligence for data analysis. These analytics capabilities will enable the Bank to develop fast and secure products and services that provide in-depth solutions for customers, both individuals and juristic entities. This way, the Bank can be a provider of not only financial services but also a lifestyle platform that facilitate consumers’ day-to-day life and be their everyday solutions.

Strengths of SCB Abacus

- Run by a team of experts with work experience from well-renowned global companies to drive new innovations that are practical and actionable.
- Access to internal service platforms and initiatives to build upon and turn into financial solutions.
- Partnered with world-class technology institutes and set up an advisory panel with business gurus and experts from various industries to share knowledge and experience to drive new innovations.

Data Analysis Application: iPlan

The Bank develops the iPlan application which is an electronic device that helps employees analyse customer data and recommend the right insurance products. Customers will receive information in a format that is easy to understand to help them compare and navigate through product choices effectively with a function that allows customers to conveniently change product details. In addition to streamlining the documentation process, this application also reduces issues such as complex form-filling process, incomplete documents for application, delays in document delivery and document loss.

Thai Corporate Governance Fund

SCB Asset Management Co., Ltd. collaborates with the Association of Investment Management Companies to join the Thai CG Fund initiative by offering SCB Thai Equity CG Fund (SCBTHAICG) with more than Baht 3 billion in AUM. The Fund invests in listed companies that conduct business with environmental, social, and corporate governance considerations and have been given high ratings on corporate governance. The Fund provides an alternative for investors who have interests and desires to take part in raising the corporate governance standard for Thai equity markets.
The Bank makes a concrete contribution towards Thailand’s transition into a cashless society by building an ecosystem for cashless society and familiarising target population with the cashless experience in parallel with leveraging advanced technology to gain insights on customer needs in the digital age. The Bank aims to develop and deliver financial innovations that provide the right solutions for customers in each segment.

**Challenges**
- Changes in customer behaviour with increasing day-to-day use of technology
- Changes in the way businesses are operated in the digital age
- National policy or strategy to digitise the country’s financial system

**Responses**
- Develop financial innovations to be a truly digital bank
- Contribute to transitioning Thailand into a cashless society
- Provide solutions for customers in each segment

The global digital trend has taken center stage in every business as well as reshaping customer financial service behaviour as customers are relying more heavily on technology in their daily life. The Bank, therefore, focuses on developing financial technology to keep pace with changes in consumers’ lifestyles. Moreover, the Bank also contributes toward driving Thailand to become a digital economy and fully transition into a cashless society.

The Bank has upgraded its SCB Easy platform to facilitate the transition into a truly digital bank with improved security, faster speed and higher capacity for a larger user base. Ready to be everything for users in the digital age, SCB Easy application offers new features to enhance the customer experience beyond mobile transactions, such as cardless ATM, privileges and discounts (Easy Bonus), payment request using a phone number or a national ID number (Request Money) and credit and loan applications. Customers can personalise their favorite menus with frequently used functions to fit their lifestyles. The application also offers protection against losses or damages from application usage (Easy App Protection) to reassure digital users of the bank system’s security.

**Developing comprehensive financial technologies to drive a cashless society**

The Bank encourages consumers, especially those with a preference for using cash, to use more electronic and online services which are more convenient and secure for both buyers and sellers. In 2017, the Bank upgraded its digital platforms to be more stable and secure with a higher capacity to accommodate the expanding customer base in the digital age.

**SCB Easy – one of the first internet banking**

**Cardless ATM**
Apart from cardless cash withdrawal at ATMs, users can also share the code for others to withdraw

**Easy Bonus**
A variety of privileges and discount eligible without accumulated points

**Fingerprint**
Smarter functions such as fingerprint login with higher security

**QR Scan Payment**
QR code generation and scan payment

**Dining**
A lifestyle function piloting with content from internal partner

**Donation**
Donation feature makes charitable acts easier

**Omni-Channel Experience**
Supports continuous and seamless user experience

**Microservices Architecture**
Allows and support new features expansion

**Table: Social Impact**

<table>
<thead>
<tr>
<th>Year</th>
<th>SCB easy – one of the first internet banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>SCB easy – one of the first internet banking</td>
</tr>
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</table>

**Transactions through SCB Easy**

- THB 100,000 
  - The first ever protection against fraudulent transactions
- THB 1,830,000 
  - Transactions made through SCB Easy (as of December 31, 2017)
- THB 5.5 million registered users 
  - 45% increase from 2016

**Registered users**

- THB 1,830,000 
  - Transactions made through SCB Easy (as of December 31, 2017)
- THB 100,000 
  - The first ever protection against fraudulent transactions

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**STRATEGISING TO BECOME A TRULY DIGITAL BANK**

The Bank encourages consumers, especially those with a preference for using cash, to use more electronic and online services which are more convenient and secure for both buyers and sellers. In 2017, the Bank upgraded its digital platforms to be more stable and secure with a higher capacity to accommodate the expanding customer base in the digital age.
More than 196,000 SCB QR code accounts
(Data as of December 31, 2017)

The Bank contributes to the surged use of the QR code payment system, a convenient and secure payment channel, which helps buyers and sellers minimise costs and time in cash management. In 2017, the Bank launched the new “SCB Easy Pay – Mae Manee Money Solution” campaign to familiarise target customers, both merchants and users, with the Bank’s new QR code payment. The campaign also highlights the key feature of the system which is a free payment notification through SCB Connect on LINE application, the first and only provider in Thailand.

Cashless Society—SMEs Go Digital @Chatuchak

In collaboration with State Railway of Thailand, the Bank, through Digital Ventures Company, has developed Chatuchak Guide, the digital platform which creates online presence for those shops, becoming a part of the Digital Chatuchak Weekend Market. This application helps extend sales opportunities for stores beyond the weekends along with facilitating customers’ shopping experience through the Easy Scan or QR code payment on SCB Easy app. Moreover, Chatuchak Guide application will be equipped with e-commerce capabilities in the near future.

Chatuchak Guide Application

The Bank adopts an innovative location-based technology (Geomagnetic) to help customers navigate around Chatuchak Weekend Market and get real-time store promotional offers. Chatuchak Guide Application is available in 3 languages—Thai, English and Chinese—to assist both local and foreign tourists.

Cashless Society @ The Mall

The Bank collaborates with the Mall Group to create the first cashless shopping experience at department stores and shopping centers. The Bank uses the QR code payment system under “The First Cashless Retail Experience” concept. This initiative aligns with the Bank’s strategy to create a joint digital platform with partners to respond to changes in customers’ lifestyles. The service comprises of Smart Self-checkout kiosks, QR code payment, and Smart Tax kiosks which issue VAT refund documents for tourists with only passports and receipts.

Five Target Groups of the Bank’s Cashless Society Initiatives

- Shopping centre
- University
- Public transportation
- Local market
- Temple

SCB partners with True Money Co., Ltd, a major e-Wallet service provider in Thailand, to drive the country towards a cashless society as part of the Thai government’s agenda by offering PromptPay Top-up service. This service is an extension of the PromptPay project which increases accessibility to a convenient and secure payment system, especially for people with no bank account but use e-Wallet and for other population groups with a preference for such service. Customers can top up PromptPay in their TrueMoney PromptPay Wallet 24 hours a day through 3 main SCB channels: SCB Easy App, SCB Easy Net, and the Bank’s ATMs. This partnership marks another step of progress toward a higher-standard payment system for the Thai society.

Creating a Prototype Society for Cashless Experience

SCB signed MOUs with leading Thai universities in many regions to create a cashless society and prepare college students as a new generation to adapt to modern technology playing an increasingly significant role in daily life. In line with universities’ proactive policies to become digitised, the Bank and universities work together to create digital financial innovations and new ecosystems for every customer group as well as providing lifestyle solutions for college students in the digital age such as QR code authentication system for students to confirm class attendance, to use parking spaces, to use university shuttle buses and to request university documents.
Developing Financial Innovations on Digital Platforms for Corporate Customers

**SCB Business Net (SCB BizNet) Application**

The Bank developed SCB BizNet application for SME customers to be able to approve business financial transactions and check account balances anywhere, anytime on their smartphones. Customers can access this app at no additional charge by using their current passwords for SCB Business Net with full confidence that every transaction is secure.

**BusinessLinx**

Given the business landscape where technology has become essential, some SME businesses may find it challenging to access and expand business opportunities in today’s digital age. SCB then built an online business community for SMEs (BusinessLinx) to help entrepreneurs develop capabilities to operate business on digital platforms. BusinessLinx provides C2C business matching service together with a wide range of business-related information as well as finding partners and business deals that can help reduce operating costs. The BusinessLinx platform had over 30,000 members in 2017.

**Innovative Cash Solutions**

The Bank developed comprehensive and innovative cash solutions for True Corporation, covering both inflows and outflows, which enable corporate customer with many subsidiaries to optimise cash management and monitor their balance sheets in real-time. The solutions include multi-bank pooling, liquidity management system, total payment solutions, total collection solutions, E-cheque collection, and single window dashboard. These innovations were recognized by The Asset, a leading magazine with financial market and investment coverage in Southeast Asia, reflecting the Bank’s service excellence.

**Developing Financial Innovations on Digital Platforms for Corporate Customers**

The Bank and Digital Ventures Company Limited co-invested with Ripple Company, a US-based leading provider of real-time global transfer solutions powered by blockchain technology. To build on this investment, in 2017, the Bank partnered with Japan’s SBI Remit Company Limited, an international money transfer service provider, launching a money transfer system using blockchain technology that allows retail consumers to make remittance in Japan and Thailand within mere 20 minutes. Considered first of its kind in Thailand, the Bank plans to expand this blockchain-powered remittance service to other countries with a global coverage in the future.
The Bank strives to be a trusted financial service provider by listening and paying close attention to financial needs of every customer segment. This insight serves as a guide for the Bank to develop end-to-end financial products and services as well as improving the quality and efficiency of every service platform to create the best possible experience and the highest satisfaction for customers.

Challenge
- Changes in customers’ service behaviour and needs

Responses
- Revamp branch model to accommodate business changes
- Improve service quality with an emphasis on building deep understanding and engagement

Today’s banking business is facing many challenges ranging from competition from both financial and non-financial institutions to evolving customer needs as well as changes in customer’s behaviour. Therefore, the Bank is committed to maintaining and developing relationships and trust with every customer segment by revamping its touchpoint model, increasing service channels tailored for each customer segment along with leveraging technology in product and service development to create new experience of financial service excellence.

Revamping Branch Services to Accommodate Business Changes

Today’s customers are shifting away from branch transactions to online platforms. In response to less demand for branch transaction services, the Bank has revamped its branch touchpoint model from traditional transaction services to lifestyle banking “Next Experience” in a form of centres. The new centres provide customised financial advice and services as well as financial learning and allocated public space for lifestyle banking. The Bank offers 4 styles of centres: SCB Business Centre, SCB Investment Centre, SCB Express, and SCB Service Centre.

SCB Business Centre

This is an end-to-end service centre to arm SME entrepreneurs with necessary knowledge and support to survive and thrive in the digital age. In 2017, the Bank opened 2 business centres at CentralWorld and Siam Square.

Highlights of SCB Business Centre

- **Business Coaching**
  - Offer advisory and mentoring services by experts and successful business gurus

- **Adding Value to Businesses**
  - Provide how-to-knowledge on topics such as increasing sales or lowering costs, management and franchise expansion, as well as identifying attractive business partners and business deals for digital services such as packaging design, logistics at below market prices

- **Seminar**
  - Organise seminars on a variety of topics as well as creating idea-sharing opportunities among business owners to build entrepreneurial network

- **Studio**
  - Allocate space for product photography studio to develop online business capabilities
SCB Service Centre

SCB Service Centre is committed to providing a comfortable service to all customers. The Service Center was designed with an integrated approach in mind, inclusive for all of the Bank’s services, people and modern technology to enhance the capacity in service provision, product and investment recommendations, and in the capacity as solution-providing advisors for maximum customer satisfaction.

SCB Express

SCB Express is a new automated branch where customers can conduct transactions, including deposits and withdrawals, at virtual teller machines that communicate through video calls, ATM machines and Cash Deposit Machines which help streamline services for branch staff. During the initial phase, the Bank’s staff will be on hand to help familiarise customers with the machines as well as giving financial advice. In 2017, the Bank launched 4 pilot branches at Mega Bangna, Seacon Square, Fashion Island and the Mall Thapra.

SCB Investment Centre

An investment knowledge center for end-to-end personal wealth management that offers the Bank’s services and SCB Group’s investment products on a single platform with assistance from experienced and caring investment advisors. SCB Investment Centre also offers other services such as financial seminars, conference room rental, and safe deposit with biometrics or iris/fingerprint scanner authentication systems. In 2017, the Bank opened 4 investment centres at Central Plaza Rama II, Central Plaza Khon Kaen, Central Plaza Nakorn Ratchasima and Central World.

Furthermore, there is the Cashless Lifestyle Zone, equipped with a large smart screen to grant new digital experiences, experts standing by daily who will introduce SCB Easy Application, SCB PromptPay and automated machine. In 2017, the Bank opened the first SCB Service Centre at Central World.

New and Better Experience Ready to Give Advice in the Digital Age

Ready to help, listen, give advice, and provide solutions for customers as well as recommending the right products and services suit each customer lifestyles.

Set up Cashless Lifestyle Zone for the Bank’s staff to assist customers on usage of SCB Easy app, PromptPay, and Cash Deposit Machines (CDMs).
The Bank strives to achieve service excellence in conjunction with developing people’s capabilities to deliver the right products and complete end-to-end services to each customer segment. By leveraging digital technology, the Bank aims to provide convenient and fast services for both retail and business customers and to gain customer insights to deliver exceptional service experiences.

**SCB Easy Van Campaign**

The Bank runs the SCB Easy Van campaign to educate and familiarise people with digital transactions which is one of the Bank’s initiatives to promote financial service inclusion. The campaign provides a mix of financial transactions, financial education and entertainment with assistance from the Bank’s “Easy Buddy” staff.

**Financial Services**

- Automated system to answer questions through the Call Centre hotline and a Chatbot which simulates human conversation and allows instant communication and dialogue through either text and voice.
- Provide a tutorial for SCB Easy app functions such as cardless ATM, touch ID login, credit protection, donation and PromptPay money request.
- Experience machine learning technology that uses facial recognition to predict people’s personality traits.

**SCB Care #InfiniteCare**

The Bank places an emphasis on giving suitable insurance product advice and recommendations that are suitable to customers and meet their needs. Therefore, the Bank developed iPlan application to assist customers on product selection through needs-based analysis and protection plans. Moreover, the Bank also provides after-sales services (SCB Care) to help customers submit insurance claims through SCB Care Team and in-branch claim advisors.

**SCB Care Team**

An advisory team to take care of customers and give advice on policy benefits as well as facilitating the claim process and representing the Bank to visit customers in recovery at hospitals.

**Claim Services at Nationwide Branch Network**

A team to assist with online application submission and processing insurance claims within 7 days.

**Redesigning Business Service Platforms**

The Bank continues to improve products and streamline work processes to better meet customer needs by using digital technology to enhance customer experience for corporate customers. Specifically, the Bank developed an internal system that combines product information, customer data, and any other useful facts, such as macroeconomic data and industry trends into a single system which enables employees to give the right advice to customers quickly and comprehensively.

In 2017, the Bank built on the success of the system by developing StartBiz application under the “Once and Done” concept in which employees can complete the customer authentication process electronically (e-KYC) on a variety of devices such as computers or tablets. This application helps streamline financial service processes for both business account opening and other financial product transactions. Going forward, the Bank plans to develop a more comprehensive system to deliver best experience at all stages of the service.
To become a truly digital bank, call centre is another important touchpoint that requires state-of-the-art capabilities to provide end-to-end solutions to customers in the digital age. The Bank focuses on laying a strong service foundation while riding the digital trend to create exceptional customer experience by providing a wide range of solutions and services with the speed and quality that exceed customers expectations. The Bank modernizes its call centre with an emphasis on differentiation and capability building to face changes in the competitive landscape by focusing on 3 key strategic areas:

**Towards the New Standard of Call Centre**

- **Leverage technology**
  Applying world-class technologies such as voice biometrics authentication and speech recognition to enhance service capabilities, and facilitate customers’ contact with the Call Centre.

- **Streamline processes**
  Review and streamline the Service Level Agreement (SLA) process to be faster and more efficient by focusing on creating positive customer experience with high-quality services.

- **Develop employee’s capabilities**
  Increase the share of investment in people development, such as extending the length and curriculum of call centre staff training to build knowledge and service skills as well as increasing the number of service staff to accommodate business growth and diverse touchpoints in the digital age (e.g. social media).

In 2018, the Bank plans to set up an additional call centre to provide highest quality service and create an exceptional experience for every customer.

**Customer Satisfaction Survey**

The Bank regularly conducts satisfaction survey with each customer segment. The scope of the survey has been extended to include service usage on digital channels such as the Bank’s mobile digital application, to inform the Bank’s future effort on product and service development.

- **Customer Feedback**
  The Bank’s Complaint Management Policy specifies a wide range of complaint channels, including at branch network, via call centre, social media and various applications. In 2017, the Bank has shortened service level agreement to be more effective by separating the process into 2 phases.
  - **Phase 1:** Manage complaints with resolution timeframe more than 30 days, such as credit card management, fraud prevention and control, etc.
  - **Phase 2:** Manage other complaints that have financial impacts or affect customer experience such as ATM, cash deposit not being credited in the account, ATM money transfer not showing up in the recipient’s account, etc.

- **You Tell Us Application**
  In 2017, the Bank launched “You Tell Us” app as an additional channel to obtain customer feedback and comments for products and services, including in-branch and call centre service experiences as well as other services, such as ATM and applications. Customers can leave their contact numbers for a call back at a convenient time to reduce waiting time being on hold.

- **99.9% of complaints in 2017 had been resolved within the specified timeframe**

- **You tell Us US**

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**2017 Customer Satisfaction Survey**

**BANK**

<table>
<thead>
<tr>
<th>TRI*M Index Performance</th>
<th>NPS Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>93 from 134 (score range from 66-134)</td>
<td>59 from 100</td>
</tr>
</tbody>
</table>

**BRANCH NETWORK**

<table>
<thead>
<tr>
<th>TRI*M Index</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target: 750 from 1,153 branches</td>
<td>764 branches</td>
</tr>
<tr>
<td>Assessment at the “World Class” level</td>
<td>99 points</td>
</tr>
</tbody>
</table>

**CALL CENTER**

<table>
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<tr>
<th>eQ Index Performance</th>
<th>TRI*M Score Performance</th>
</tr>
</thead>
</table>

**SCB EASY APP**

<table>
<thead>
<tr>
<th>NPS Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>71 from 100</td>
</tr>
</tbody>
</table>

**You Tell Us Application**

In 2017, the Bank launched “You Tell Us” app as an additional channel to obtain customer feedback and comments for products and services, including in-branch and call centre service experiences as well as other services, such as ATM and applications. Customers can leave their contact numbers for a call back at a convenient time to reduce waiting time being on hold.

**10,317 feedbacks on the You Tell Us application**
To be ...
THE MOST CARING EMPLOYER

The Bank places great emphasis on building employee capabilities to reach their full career potential as well as improving their well-being so that employees are happy and proud to be a part of the SCB family. The Bank strives to be the most caring employer where employees can work in a safe environment and have a good quality of life.

People transformation
Caring for our people
Amid rapidly changing business environment, people with well-rounded knowledge, capabilities and skills will be the key engine of sustainable success for their organisations. The Bank focuses on enhancing people capabilities at all levels by leveraging cutting-edge technologies to increase effectiveness in people development with comprehensive development plans. The Bank also supports internal job rotation as a skill building mechanism as well as partnering with educational institutions on its recruiting effort. Moreover, employees also have an opportunity to sharpen their skills and exercise their knowledge and capabilities to create social benefits through participation in the Bank’s CSR initiatives.

For executives, the Bank offers development programmes, such as Talent Acceleration Program in which the Bank collaborated with International Institute of Management Development, a leading institution and world-renowned expert on executive training, to design and implement the training programme. The Bank sets challenging targets and KPIs for the training to enable executives to unlock their full potential and to develop a leader and role model for embracing change. Executives are also the tenet of change management centers on communicating and developing desired attributes before passing those attributes down to employees at all levels.

At the manager level, the Bank focuses on developing coaching skills for communicating and transferring management knowledge and skills to colleagues and junior staff, such as leadership, strategic and innovative thinking, as well as other essential knowledge for future banking business, e.g. digital transformation, design thinking. These courses will help employees to truly understand customer’s needs.

For officer and staff, the Bank focuses on developing general finance and banking knowledge in conjunction with building direct and indirect functional skills such as sales and product recommendation techniques, and banking technologies, to motivate, build confidence, and prepare employees for internal rotation and to grow together with SCB.

The advent of digital technology has radically changed customer behaviour as evident by a significant increase in the volume of financial transactions on digital platforms contrasting with a decline in branch transactions. The SCB’s Transformation to adapt to rapid technological changes requires people with capabilities as well as abilities to optimally leverage and work with technology. The Bank focuses on developing people capabilities at all levels to become trusted financial advisors in parallel with fostering a positive attitude toward learning so that people and the Bank can grow together in a sustainable manner.

The Bank recognises the need to develop people capabilities at all levels which will be one of the key success factors for the organisation to overcome today’s challenges. In 2017, the Bank revamped its learning and development programmes by setting up SCB Academy to develop knowledge, skills and capabilities of employees at all levels from executives, managers to officers and staff, both in customer-facing roles and support roles. SCB Academy offers various training programmes on core finance and banking knowledge, functional skills related to specific jobs, leadership and other essential skills for future finance and banking businesses.
Human Capital Return on Investment (HCROI)

<table>
<thead>
<tr>
<th>Performance</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Target 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average training hour (hours/employee)</td>
<td>54</td>
<td>54</td>
<td>63</td>
<td>62</td>
<td>40</td>
</tr>
</tbody>
</table>

Remark: In 2017 the Banks’ return on HCROI declined due to additional hiring and higher investment in technology under the SCB Transformation programme.

To increase effectiveness in the learning process and internal knowledge transfer, the Bank has created a centralized cloud-based learning platform to enable employees to learn anywhere, anytime on any electronic devices through a variety of formats, such as virtual classroom and renovated learning centre. This learning platform provides interactive content with gamification techniques to make learning fun and engaging, enabling the Bank to shorten the time required to train people as well as increasing employee’s learning adoption rate by 40 percent compared to the traditional learning approach.

The Bank encourages employees to pursue an undergraduate degree at leading universities in Thailand or abroad. In 2017, the Bank offered 26 employee scholarships in the amount of Baht 23.6 million. The Bank also encourages employees to attend seminars both in Thailand and abroad to learn from experts as well as building connection with people from other leading financial institutions.

To increase effectiveness in the learning process and internal knowledge transfer, the Bank has created a centralized cloud-based learning platform to enable employees to learn anywhere, anytime on any electronic devices through a variety of formats, such as virtual classroom and renovated learning centre. This learning platform provides interactive content with gamification techniques to make learning fun and engaging, enabling the Bank to shorten the time required to train people as well as increasing employee’s learning adoption rate by 40 percent compared to the traditional learning approach.

The Bank has developed the I-SHARE platform to serve as an additional channel to facilitate communication and dialogue between executives and employees. Employees can also chat and share useful information of common interests on this platform. Moreover, the I-SHARE platform also serves as a self-learning channel for employees to gain additional skills and knowledge which enhances employee engagement and the Bank’s readiness to become a self-learning organization.

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Building Internal Mobility

The Bank creates career advancement opportunities for employees at all levels by encouraging internal rotation to facilitate cross-functional learning and skill building. This internal rotation also ensures adequate manpower for the Bank’s future business strategy in addition to giving employees an opportunity to grow together with the Bank in a sustainable manner. For an effective employee rotation and transfer, the Bank has conducted strategic workforce planning and analysis in terms of both quantity and quality by applying a manpower model based on key manpower driver of each business unit, such as sales revenue, transaction volume, and number of customers. This analysis enables business units to assess whether they have adequate manpower relative to the amount of work and can effectively plan for resources accordingly.

Communicating with employees and preparing them for internal rotation is another important matter for which the Bank has established a clear approach and procedure. The initial step is to conduct capabilities screening and then provide training necessary for the new positions through a variety of learning formats. Then, employees will receive on-the-job training prior to permanently assuming the new roles and responsibilities. Thereafter, the Bank will continue to monitor and provide additional training to ensure that employees can succeed and reach their full potential in their new roles.

To promote internal rotation, the Bank organized an internal job fair to provide an opportunity for employees to apply for internal positions of interest through QR Code. Senior executives were available at the job fair to provide information on job opening in their respective units, demonstrating management’s commitment to the vision of promoting professional well-roundedness through internal rotation. More than 900 employees attended and applied for positions at the job fair.

More than 1,500 employees have rotated to new positions
(Remark: Data as of December 31, 2017)

Capabilities screening  Boot camp training  On the job training  Take on the new role and responsibilities  Post-transfer training as a roadmap
In conjunction with developing people capabilities and supporting internal rotation, the Bank continues to recruit highly qualified people to strengthen and drive the organization. The Bank has a proactive recruiting strategy through partnerships with leading educational institutions and organizations in Thailand to access and understand what prospective job candidates expect from companies they would like to work with as well as preparing students to enter the workforce upon graduation. The ongoing partnerships with universities have enabled the Bank to design and execute an effective recruiting programme that truly meets its people needs.

**Strategic Talent Attraction**

With a strategy shift toward a more proactive recruiting, the Bank has designed a programme to target individual trainees who also have an opportunity to rotate through various functions. At the end of the programme, graduates are offered management positions in their fields of interest on a probationary basis. The Functional Trainee programme has been offered for more than 10 years covering a variety of fields such as finance, operations, and information technology.

Collaborative initiatives with leading Thai educational institutions and organizations to design curriculum to increase the supply of specialists for fields such as computer science and data science based on hands-on learning with assessment by the Bank. Target groups have been expanded to a wider variety of fields.

**Programme Design Partnering**

A 2-year training programme, for graduate students to gain diverse experiences and a broad perspective on the Bank’s businesses. The Bank has designed the programme to cover a variety of fields such as finance, operations, and information technology.

A summer internship and cooperative education programmes are designed for undergraduates to gain actual work experience, in banking business. Trainees have an opportunity to get involved in actual work mentored by the Bank’s staff and attend interesting training courses. In 2017, there were 144 undergraduates from various universities participating in the programme, 107 of which were summer interns and 34 were for cooperative education.

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Collaborative approach to strategic recruiting

**Functional Trainee Programme**

**Internship Programme**

**SCB Future Leader Challenge**

The Bank has partnered with Sasin Graduate Institute of Business Administration of Chulalongkorn University to organise SCB Future Leader Challenge (SCBFLC) for the 4th consecutive year. This is the first international competition in Thailand for young people of the new generations, both from Thailand and abroad, to demonstrate their abilities by competing on business case studies. This competition also provides a networking opportunity for young people across different fields. A panel of experts from the Bank and leading educational institutions are assembled to be the judges and to offer advice to contestants and the winning team will receive the King Maha Vajiralongkorn Bodindradebayavarangkun trophy. In 2017, there were 121 competing teams from 74 institutions and 34 countries. Additional information is available at www.scbflc.com.

**The Challenger & Thammasat Undergraduate Business Challenge**

In 2016, the Siam Commercial Bank was among the biggest sponsors and also the case company for both The Challenger and Thammasat Undergraduate Business Challenge case competitions, which were arranged by Thammasat University. The competitions provided a stage for hundreds of domestic and international students from top universities both within and outside Thailand to showcase their business problem-solving skills, ability to create strategic recommendations as well as feasibility and financial justification. Students who showed great potential also received extended job opportunities with the Siam Commercial Bank. The sponsorship served as medium to extend the Bank’s reach beyond business interest and support academic circle to foster the growth of Thailand’s future business leaders.

**Young Affluent Professionals Programme (YAP)**

The Young Affluent Professionals camp is a programme for undergraduates who have strong interest in investment and have an investment advisor license. The programme provides an opportunity for participants to study and gain in-depth investment knowledge from experts to prepare them for future investment advisory careers. The Bank covers all training expenses, and upon completion of the training, participants will be given a program certificate and a job offer from the Bank. This programme has been offered for two consecutive years and has been met with great interest and enthusiasm from faculty members and students.

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Although the Bank has given priority to developing employee capabilities and building positive attitudes toward change from job rotation and technology adoption, it is the Bank’s assessment on employee engagement that is the key indicator for becoming an employer of choice. Therefore, the Bank has assessed level of employee engagement by using the Organisational Health Index (OHI) as a measurement of the Bank’s current strength and readiness for future changes. In doing so, The Bank has engaged a leading global consulting firm to conduct the assessment to ensure neutrality and impartiality.

### SCB School Partners and Connext ED

The Bank recognises the importance of education as the foundation for sustainable social development. In 2016, the Bank joined a network of 12 private organisations in the Pracha Rat initiative for education to drive Thailand’s educational system to a new dimension in a joint effort with the government and the civil society. The goal is to drive change in the Thai education system to reach a higher standard through the Leadership Program for Sustainable Education or CONNEXT ED. The Bank selected 30 volunteers to be School Partners who work closely with school management teams to improve the quality of education for successful outcomes on knowledge, skills, and good character. As part of this project, School Partners will receive training on leadership development, management skills, communication skills as well as understandings on the Thai educational system to help develop the assigned schools. The Bank’s senior executives and education experts also help provide advice and guidance on strategy and execution as well as closely monitoring and evaluating performance throughout the project duration. The Bank is committed to providing ongoing support for this initiative to achieve the educational goals as well as promoting volunteer spirit and self-improvement for the Bank’s employees.

![Image of School Partners](image1.png)

**9,000 employees participated in the CSR activities amounting to over 28,500 hours**

**30 school partners**

**More than 40 workshops and training offered**

**Over 13,500 hours of training**

### Organisation Health Index (OHI) Survey Results

<table>
<thead>
<tr>
<th>Performance</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2017 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Engaged Employees</td>
<td>92</td>
<td>93</td>
<td>82</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>Percentage of Survey Respondents</td>
<td>98</td>
<td>98</td>
<td>53</td>
<td>93</td>
<td>80</td>
</tr>
</tbody>
</table>

Remark: SCB conducted employee engagement assessment in 2014-2015 with the Voice of Employee (VOE) tool by IBM Kenexa. For 2016-2017, the Bank employed the Organizational Health Index (OHI) methodology by McKinsey&Company.
CARING FOR OUR PEOPLE

The Bank believes that sustainable growth begins with the happiness of our people. The Bank ensures employee well-being at all levels with a systematic approach to health and safety management to create a safe and happy workplace with high quality of life and employee engagement.

Challenges
- Long-term employee retention
- Stakeholder expectations on workplace standards and safety

Responses
- Take care of employee well-being to ensure high quality of life, happiness at work and strong engagement with the organisation
- Implement the effective occupational health and safety and management standards throughout the organisation

The Bank recognises that creating a happy and safe workplace where employees enjoy a high quality of life and a positive work environment is an important task. The Bank ensures employee well-being by providing a safe work environment and appropriate benefits for employees and their families with respect for human rights and labor practices. In addition, the Bank closely monitors suppliers’ operations to prevent any incidents or accidents that may affect employees, customers and contractors’ safety along with the Bank’s reputation and credibility. This is to ensure that every employee is happy and has a good quality of life throughout his or her employment at the Bank.

Employee Well-being

The Bank treats employees like family members by ensuring their well-being and creating an inspiring and motivating workplace equipped with digital platform facilities. A wide range of channels have been put in place for employees to give suggestions and feedback which have been turned into concrete initiatives to enhance employee well-being at all levels such as redesigning work and recreational space at the head office and branch offices, allowing flexible work hours, providing benefits, and creating various activities to provide an opportunity for employees to socialise with colleagues in other units and form strong relationships.

Listen
- "Sunday chat with Mr. Arthid Nanthawithaya" – a communication channel between the President and CEO and employees through which employees can voice their opinion by emailing ceo@scb.co.th
- HR Call Center at 0-2544-4444
- Well-being champions
- In-depth interviews with employees
- SCB web board
- Welfare committee

Action
- Compile and review the feedback and conduct comparative study against best practices
- Set short-term and long-term action plans
- Monitor the progress to ensure that action plans are implemented within specified timeframe

Communicate
- Communicate concrete outcomes to employees to deepen employee engagement

Office Renovation Initiative

Because employees spend more than a third of their day at the office, it is important to have a conducive work environment and atmosphere. The Bank began to renovate and modernise its office with additional relaxation corners and space at e.g. SCB Academy and Transformation units. The new office redesigns are aesthetic, functional and stimulating creativity.

PeoplePlus Software

PeoplePlus system is employed to facilitate employees’ work lifestyle. Employees can now use PeoplePlus conveniently on their smartphones anywhere anytime for example, to request time-off, seek overtime authorisation or access online courses and tests. With its analytics and data processing capabilities, PeoplePlus helps streamline work processes and enables a data-driven approach to human resource planning, particularly by leveraging big data.
Employee Canteen Improvement Initiative

As part of its employee wellness initiatives, the Bank improves employee canteen by ensuring hygiene, food variety (e.g. Halal or vegetarian food) and nutritional value. The QR Code payment technology has also been introduced to encourage employees to become a role model for driving a cashless society.

Promoting Physical and Emotional Wellness

The Bank recognises the importance of promoting physical and emotional wellness and keeping employees healthy by providing facilities such as fitness room, meditation room and prayer room, as well as supporting employees to organise activity clubs e.g. sports or religion clubs.

The Bank also organises a stress management and ergonomics programme to provide knowledge to employees for example, by distributing ergonomics pamphlet, encouraging employees to take a 5-minute break to participate in relaxation activities and organising a talk on “Think Positive for a Happy Life” by Thonburi Hospital. Moreover, the Bank has renovated the medical clinic and added more breastfeeding area in G Land Tower and SC Tower buildings.

Absenteeism

<table>
<thead>
<tr>
<th>Performance</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Target 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absenteeism rate (Percentage)</td>
<td>0.84</td>
<td>0.97</td>
<td>0.93</td>
<td>0.81</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Flexible Work Hours and Working from Home Arrangement

The current infrastructure construction in front of the head office building has lengthened employees’ commute time. Therefore, the Bank offers a flexible working hours scheme in which employees can choose when to start and finish work. Upon approval from their direct managers, some employees e.g. those recovering from sickness or caretakers of sick family members, are allowed to work from home to maintain their work-life balance.

Flood Relief Policy and Measures for Branch Employees in the Southern and Northeastern Regions

Flash flood disaster at the beginning of 2017 impacted the Bank’s employees at branch in the Southern and the Northeastern regions. As a relief measure, the Bank’s senior executives visited employees onsite accompanied by a mobile medical unit to provide medical care and assistance to employees and local people. The Bank has also set up an employee assistance programme to provide such as preliminary financial assistance, travel expenses and reduced work hours as appropriate, as well as adjustment of credit limits and interest rates on employee loans. This relief efforts demonstrate the Bank’s commitment to be a caring employer who take care of employee well-being and quality of life.

New Employee Loan to Refinance Personal Loans

To enhance employees’ quality of life and provide assistance on their debt burden, the Bank has approved a new type of employee loan to refinance personal loans (without guarantee), such as credit or debit card loans. Employees can consolidate and refinance their loans with the Bank at appropriate interest rates up to Baht 500,000 with a 5-year maximum term and a limit of two terms of refinancing.

Caring for Employees’ Family

The Bank not only cares about the employee’s well-being and quality of life, but also extends the care to their family members. The Bank organises a learning programme and a variety of family activities for SCB employees and their families such as SCB Family Day, Family Rally and New Year’s party with more than 16,000 employees participating in these activities in 2017.

For the learning programme, the Bank collaborated with the Foreign Language Department, Faculty of Humanities, Kasetsart University, to run the SCB-KU English Academy camp for the 7th consecutive year with the goal of encouraging children of employees to use their time productively along with building their English language skills. Since its inception, more than 870 youths participating in the programme.
A positive and safe work environment is fundamental to sustainable development of an organisation. The Bank develops and follows safety, occupational health, and environmental practices for employees, contractors, and suppliers by complying with applicable laws and global standards and to prevent any incidents or accidents that may affect employees, customers, suppliers, and contractors operating at the Bank’s premises as well as safeguarding the Bank’s reputation and credibility.

Occupational Health and Workplace Safety Management

In 2017, the Bank reviewed and announced the latest version of the Occupational Health and Workplace Safety Management Policy which requires all employees to take ownership on safety issues as well as revising the safety, occupational health, and environmental guidelines to be in line with international standards. The Policy and guidelines have been communicated to all branches nationwide to guide workplace safety management. The Bank also assigns branch employees to perform safety self-assessment with the Bank’s Safety and Security Management Unit responsible for advising, following up on the assessment results and supervising the work to improve workplace safety. The key goal is to ensure that every employee comes to work and return home safely every day at every workplace.

The Bank regards safety as the duty and responsibility of all employees. Employees must consider their own safety and that of their colleagues, as well as complying with safety and occupational health practices. The Bank places an emphasis on educating employees on safety issues by developing an online training course which offers convenience and accessibility. This safety training course is part of a mandatory training that all employees must complete before the end of their probation periods with the target of all employees successfully completing the safety training course. The Bank also runs a continuous employee safety awareness campaign through a variety of communication channels.

Building a Positive and Safe Workplace Environment

The Bank has collaborated with the Occupational Health and Safety at Work Association, a third-party organisation, to create a quality assessment plan for lighting, heat, sound, and air quality within the head office. The Bank will use the results as input to assess whether the workplace environment is suitable and safe for employees which will help guide further action for improvement.

Moreover, the Safety and Security Management unit is also involved in supervising and reviewing office building design, equipment and desk layout, and office building security systems to ensure that they meet global standards. The goal is to create a safe and healthy workplace environment for employees.

Contractor Safety Management

The Bank closely monitors the contractor management process from contractor selection, control, supervision, to performance evaluation with the goal of mitigating and eliminating risk. The Bank has also established control measures for workplace safety risk by establishing the Contractor Safety Protocols which have been communicated to contractors starting from the procurement process. Moreover, the Bank requires contractors to undergo safety training prior to commencing their work, starting at the head office and then extending to branches network throughout the country to create workplace safety awareness and to be safety conscious throughout their entire time working at the Bank’s premises.

Safety and Occupational Health Training

<table>
<thead>
<tr>
<th>Training Course</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety and Occupational Health (OHS) Orientation (hours)</td>
<td>N/A</td>
<td>N/A</td>
<td>2,021</td>
<td>2,213</td>
</tr>
<tr>
<td>Basic Fire Fighting (hours)</td>
<td>N/A</td>
<td>20,868</td>
<td>36,732</td>
<td>16,080</td>
</tr>
</tbody>
</table>

Remark: The Bank started data collection in 2015.
Safety Management in the Case of Emergency

The Bank has an emergency management plan with necessary equipment and resources to be prepared for the case of emergency to handle, control and respond during the event. The plan also specifies protocols on contacting and coordinating assistance for the Bank’s employees, customers, visitors, suppliers and contractors operating at the Bank’s premises who may be injured from the incident. Moreover, all SCB office and branch network nationwide have fire prevention plans which require annual fire and evacuation drills. The Bank has a fire prevention team to monitor, prevent and handle fire incidents as well as setting safety and occupational health standards to allow employees to participate in work that may cause fire hazards.

Labor Practices and Human Rights

The Bank places an emphasis on respect for labor rights and fair treatment of employees without discrimination against gender, skin colour, race, religion, culture or education. This non-discrimination practice has been stated clearly and explicitly in the Bank’s Code of Conduct and communicated to all employees to encourage employees to treat one another fairly and respectfully. Moreover, employees are given complete freedom to join the Bank’s labor unions which are organised into three unions: management labor union, general employee labor union and service employee labor union. The objective of the labor unions is to forge strong relationships between the Bank and employees with a commitment to protecting the rights and fair benefits for members and employees by considering joint interests of all parties. In 2017, the Bank’s labor unions represented 50 percent of all employees.

In addition to its attention on internal labor rights, the Bank is aware of the need to manage human rights issues throughout the business value chain. The risk of human rights violations can manifest itself in various forms and can happen to employees, suppliers and customers such as workplace discrimination, violation of customer privacy, social risk from financing infrastructure development or real estate projects as well as human rights violations on the part of suppliers, e.g., labor disputes. Such human rights risk can lead to impact on both the overall business and the Bank’s reputation. Therefore, the Bank has issued the Human Rights Policy to respect and comply with all human rights laws and principles both at the national and global levels. In doing so, the Bank has developed and applied the Human Rights Management Framework throughout the value chain and abided by the UN Guiding Principles on Business and Human Rights (UNGPs). In 2017, the Bank underwent the human rights due diligence process to avoid and potential human rights violations of employees, business partners (i.e., suppliers and customers) and communities.

Moreover, to conform with global standards on human rights risk assessment, the Bank has reviewed and improved its human rights practices as well as conducting a human rights risk assessment with expected completion in 2018. The objectives of this assessment are to: assess risk and set appropriate control or impact mitigation measures for human rights risk; to monitor, review, and report the implementation effectiveness; and to specify governance structure, role, and responsibilities of business units involved in the human rights management process. The Bank is committed to upholding human rights practices for all activities that may have human rights impact and preventing human rights violations as well as complying with local requirements, international laws and global standards.
To be ...

THE MOST RESPONSIBLE CORPORATE CITIZEN

The Bank upholds King Bhumibol Adulyadej’s philosophy of sufficiency economy which serves as a guiding compass for its business operations by focusing on improving people’s quality of life and promoting financial security. To achieve these goals which require solid social foundations, the Bank pursues corporate social responsibility (CSR) activities that leverage its financial expertise and branch network to create the maximum benefits for the society. Moreover, the Bank also places management of both direct and indirect environmental impact, which entails responsible lending by thoroughly considering social and environmental dimensions.

Moving towards Sustainable Banking

Reducing our Environmental Footprint

Building a Sustainable Way of Living
The Bank recognises the important role of financial institutions in driving the country’s economic growth by responsibly allocating capital to major public and private projects with considerations to social and environmental impacts. In addition, the Bank is also aware of its role in promoting financial inclusion by delivering products that address customer’s needs as well as promoting financial literacy for people of all ages which lays a foundation for stable long-term economic growth.

Financial institutions play a key economic and social function of driving capital allocation and financial inclusion. This important function helps reduce the problems of uneven economic growth and financial access inequality which in turn creates jobs and spending power, leading to higher quality of life for people in the society. SCB, as Thailand’s leading financial institution, is committed to developing and delivering the right financial products and services in conjunction with implementation of responsible lending practices. The Bank also seeks to promote higher quality of life for people in the society. SCB, as Thailand’s leading financial institution, is committed to developing and delivering the right financial products and services in conjunction with implementation of responsible lending practices. The Bank also seeks to promote higher quality of life for people in the society. The Bank then joined a syndicated loan with Bangkok Bank and Krungthai Bank to provide financing to Northern Bangkok Monorail Company and Eastern Bangkok Monorail Company for the development of Pink Line monorail project between Khao Rai and Min Buri which is 34.5 kilometres long with 30 stations, and the Yellow Line monorail project between Lad Phrao and Samrong which is 30.4 kilometres long with 23 stations under the government’s public-private-partnership fast-track scheme.

Challenges
- Global lending standards that focus on reducing social and environmental impacts
- Inequality in financial access
- Financial illiteracy and the lack of financial discipline among the population
- Limited financial access for senior citizens

Responses
- Develop framework and management approach for responsible lending
- Promote financial inclusion through various service channels
- Promote financial discipline for people in all age groups
- Launch projects to promote financial inclusion for senior citizens

As a financial provider to major capital projects, such as public or private utilities infrastructure development, the Bank plays an important economic and social role by creating jobs and new businesses which lead to a higher standard of living. Even though these major capital projects are necessary to support the country’s economic growth, they may create social and environmental ramifications if managed inappropriately or inadequately. Therefore, it is essential that assessment of social and environmental impact be an integral part of the Bank’s credit appraisal process. Moreover, as specified in the Bank’s Credit Policy Guide, loans classified as high risk require a higher level of approval authorisation than normal loans to ensure compliance with regulatory requirements and thorough considerations of all relevant dimensions.

In 2017, the Bank began to raise the appraisal standards for responsible lending by conforming with international practices on social and environmental risk analysis and management, such as the Equator Principles and International Finance Corporate (IFC) Guidelines. These guidelines are appropriately adopted for project finance considerations. Notably, in 2018, the Bank began to review and improve the Credit Policy Guide, by specifying the type of credit which the Bank will not sponsor (exclusion list), as well as establishing sector-specific guides for credit considerations. These approaches ascertain that projects, have in place an appropriate management approach to mitigate and prevent potential social and environmental impacts.

In 2012, the Bank requested the two monorail projects to conduct an Environmental Impact Assessment and prepare a report in 2013. The Bank expects that, upon completion and in full operation, these projects will facilitate people’s daily commute, reduce traffic congestion and air pollution, as well as reducing greenhouse gas emissions to the environment. It is indicated that from switching the mode of travel to public transportation helps reduce greenhouse gas emissions by as much as 10% per household.
Financing the Palm Complex Project with Positive Social and Environmental Impacts

The Bank lent Baht 3.3 billion to PPP Green Complex Company to invest in the 1,000-rai palm complex project in Bang Saphan Noi District, Prachuap Khiri Khan Province. The project is Thailand’s first and most advanced facility that integrates all palm oil production processes in one place, from pressing to biodiesel production for diesel fuel and olein production for consumption, as well as setting up a biomass power plant that uses biowaste from the production process.

The Palm Complex has an option of sourcing raw materials directly from palm plantation owners or from retail palm traders, and either option may result in a disproportionate distribution of benefits which may then lead to conflicts in the local communities. To prevent this impact on palm plantation owners and local retail traders, the Bank’s financing consideration takes into account of the project’s social impact management. 2 consultations with local stakeholders were conducted, with 3 sub-districts and 25 villages to listen to opinion and to arrive at a collaborative business model that is fair and appropriate by setting the share of palm purchase from both local growers and retail traders which is satisfactory for all parties.

This Palm Complex project is inspired by His Majesty’s initiatives on using renewable energy and developing a production process that reuses all waste materials. This project will help reduce Thailand’s dependence on foreign oil impact as well as supporting local palm oil growers and enhancing capabilities of Thailand’s palm oil industry. The project is expected to have biodiesel production capacity of 140 million litres per year which can replace diesel imports by 880,000 barrels and the project’s alternative energy power plant has an electricity generation capacity of 10 megawatts.

Financing the Wind Farm Project with Positive Social and Environmental Impacts

Realising of its social and environmental benefits, SCB is the leader in providing loans to the wind power business in Thailand. Considering the entire production lifecycle, power production from wind turbines is one of the cleanest energy sources with low greenhouse gas emissions and no hazardous waste production compared to electricity generated from coal, oil or even solar power which can help mitigate climate change impact.

However, a geographical limitation presents a challenge to wind farming in Thailand since there are limited areas with sufficient wind speed for electricity generation. Notwithstanding some of these potential wind farming sites are part of conservation areas; and some communities still hold on to their negative perception of the earlier generation of wind turbines which caused noise pollution. In 2017, SCB financed the construction of 5 onshore wind farms by Wind Energy Holding Co., Ltd. with a total capacity of 450 megawatts, located in Nakhon Ratchasima and Chaiyaphum provinces. The Bank has thoroughly considered all dimensions of the project’s risk to ensure that the project’s implementation adheres to the Credit Policy Guide as well as hiring external experts to review the project’s information and to analyse social and environmental risks. In addition, the Initial Environmental Examination (IEE) report has been reviewed with extensive channels for people in local communities to voice their opinion. The construction is currently underway with a target of full commercial operations by 2018 and 2019.

The Bank believes that the projects will benefit local communities and Thailand as a whole. These 5 projects will have production capacity to meet electricity demands of 400,000 households, which amount to a reduction in greenhouse gas emissions by 648,517 tonnes of carbon dioxide equivalent, a reduction in water usage by 830 litres. Moreover, financing wind farming construction helps put Thailand on a path towards a low carbon society, in line with the United Nations Sustainable Development Goal (SDGs)’s Goal 7, which supports access to clean energy for all.
SCB Easy Senior Buddy, Promoting Financial Inclusion among Senior Citizens

Many senior citizens today are interested in using mobile applications on their smartphones or tablets but feel uncomfortable or lack guidance which pose an obstacle to service access. An effective way to overcome this obstacle, as a study suggested, is to narrow the communication gap by having people at a similar age explain or demonstrate how to use an app. Therefore, the Bank launched the SCB Easy Senior Buddy programme with a team of people with technology background who are more than 50 years old or retired to help senior customers be familiarised with SCB Easy app.

The first SCB Easy Senior Buddy team consists of 20 members working at various locations across the Bank’s branch network. In addition to promoting financial inclusion, this programme also creates jobs for senior citizens providing not only additional income for themselves and their families, but also the emotional benefits from helping others as well as higher self-esteem and motivation for further self-improvement. With a resounding success, the Bank plans to expand the team from 20 to 50 members in 2018 to ensure financial inclusion among senior citizens in the digital age.

Promoting Financial Inclusion and Instilling Financial Discipline

Promoting Financial Inclusion

The Bank promotes fair financial inclusion by providing a variety of services in the form of both physical branches and digital platforms, such as ATMs, CDMs, virtual teller machines, SCB Easy app, and SCB Easy Net. The Bank also aims to deliver the right products for customers to provide equal opportunities for all groups of the population to access and benefit from financial services which is crucial to the country’s wealth distribution and sustainable development as supported by the Bank of Thailand’s Financial Sector Master Plan Phase III (2016-2020). In addition, the Bank supports low-income earners and small business owners by streamlining the credit underwriting process and simplifying lending terms and conditions as another route to unlevel the playing field of capital access and mitigate the informal debt problem. Furthermore, as a response to changes in the digital age, the Bank partners with a non-bank e-Wallet (or e-Money) service provider to offer digital transaction services such as online shopping and bill payment, to people without a bank account or a credit card, which helps create an ecosystem for a cashless society.

Services Channels

- ATMs, CDMs, virtual teller machines total to over 14,685 machines, equipped with foreign languages, such as Myanmar language available in Samut Sakhon province
- SCB Easy application
- SCB Connect platform on Line application
- SCB Easy Net
- SCB Business Net
- Branch network across the country total to 1,153 branches
- Other service centres, such as SME Business Center, Investment Center, SCB Service Center and SCB Express

Examples of Channels in 2017 to Promote Financial Inclusions

Examples of Products in 2017 to Promote Financial Inclusion

- Low-interest loans for low-income earners or small retailers
- Support to senior citizen
- Business partnership to promote financial inclusion

1. Offering a multi-purpose loan product called ‘My Home My Cash’ that allows customers to turn assets into cash
2. Supporting the government’s Pracha Rat housing project by providing low-interest loans to finance home ownership for low-income earners
3. Providing loans to small businesses

- The Bank offers a product that combines life insurance and annuity ‘Secured while Insured - Smile at Retirement’ for people between 20-55 years old. This product provides annuity payments from the age of 60 until 90 and life insurance payments in the case of death.

- The Bank partners with a non-bank e-service provider to make financial transactions more accessible to people who lack access to services on the digital platforms as well as supporting companies or businesses with access to the population to provide credits to low-income earners and small business owners to address the informal debt problem.

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Instilling Financial Discipline

By leveraging the Bank’s financial expertise and insights on customer behaviour and concerns, the Bank aims to promote financial literacy among all groups of people and entrepreneurs to equip them with practical financial management skills that can be applied to daily life or business. The Bank’s ongoing activities to build engagement in the social media sphere provide insights into the behaviour of social media users and the challenge in creating financial discipline and awareness which is often viewed as irrelevant and complicated. The Bank, therefore, uses a communication strategy that makes the content on this subject interesting by drawing connection to day-to-day events or social trends. The Bank provides information tailored to individual user groups using creative and easy-to-understand presentation techniques, such as infographics, words of wisdom, articles and short movies. These initiatives help bring customers and the Bank closer together and make SCB the leading provider of financial literacy materials on social media which was recognized at both national and international levels.

This success in social media management has earned many awards for the Bank from both national and global institutions, such as Thailand Best Brand Performance for the Banking category from Thailand Social Awards for 5 consecutive years (2014-2018), Best Social Media Marketing Campaign award, Best New Product award, Service or Innovation Launch award, Excellence in Social Media – Consumer Relations & Brand Engagement from Retail Banker International Asia Trailblazer Awards 2017, Social Media Initiative of the Year from the Asian Banker Award 2017.

Example of Media Content on Digital Platform to Promote Financial Literacy

Promoting Financial Literacy among each Age Group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Strategy and initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children and youth</td>
<td>Build basic financial understanding for children and youth through an entertaining and easy-to-understand materials through projects such as SCB with 3 Qualities</td>
</tr>
<tr>
<td>College students</td>
<td>Collaborate with universities to familiarise students with a cashless lifestyle, including creating awareness for secured transactions on digital platforms</td>
</tr>
<tr>
<td>First jobber</td>
<td>Instil financial discipline for first jobbers, an age group with the highest debt ratio through various initiatives, such as short movies titled “Lady Thrifty the Series” or SCB Bonus Saving Product</td>
</tr>
<tr>
<td>Pre-retirement</td>
<td>Encourage people in pre-retirement age to develop good financial planning and investment knowledge by conducting financial education activities for employees of various organisations to prepare them for retirement</td>
</tr>
<tr>
<td>New generation of entrepreneurs</td>
<td>Build business skills, such as business techniques in the digital age, marketing, branding for the new generation of entrepreneurs. Programs include, for instance, Intelligent Entrepreneur Programme (IEP), Young Entrepreneur Programme (YEP) and Seminars on financial management</td>
</tr>
</tbody>
</table>

Remarks: Data as of January 24, 2018
Short Movies - “Lady Thrifty the Series”
The Bank values the importance of increasing financial management skills and awareness, and has developed an initiative to shape spending behaviour, reduce unnecessary spending, and teach financial planning and management skills. As a result of the success of a previous infographic communication, the Bank has created an online series called “Lady Thrifty the Series”. This series provides entertaining and easy-to-understand financial education to online social media users of all ages as well as encouraging people to build financial planning skills. With more than 43 million viewers, the series resonates with all groups of people, ranging from office workers, young families, people in their retirement, entrepreneurs, to amateur investors. With the success of “Lady Thrifty the Series,” the Bank received the Best Mass Media for TV Commercial award in 2017 from Catholic Media Awards.

SCB Bonus Saving
The Bank launched a savings product called “SCB Bonus Saving” to motivate money saving on the same day as the birthdays to create a good savings habit. Depositors will receive special interest rates and other benefits such as movie tickets. In 2017, customers opened more than 92,361 accounts of this product.

Retirement Preparation Initiatives
Preparation for retirement is important to ensure good living in the long-term. The Bank, therefore, provides financial knowledge for employees of organizations to promote retirement planning at the beginning of their careers so that they can be financially independent with their retirement. Example of sessions include:

- A talk on “Tax Management and Retirement Planning for Salaried People” at Intouch Holdings PCL with 50 attendees on August 31, 2017
- A talk on “Financial Planning for Employees” at M.K. Real Estate Development PCL with 30 attendees on September 7, 2017
The Bank is committed to conducting business with environmental responsibility by reducing negative impacts on the society and the overall ecosystem. The Bank focuses on promoting environmental awareness and encourages employees to use resources wisely as well as integrating environmental awareness into the work process to ensure that the Bank’s environmental implementation yields the maximum concrete outcomes.

Challenges
• Participation in the national effort to reduce greenhouse gas emissions as part of the government’s policy
• Inclusion of social and environmental impacts in the underwriting process

Responses
• Optimise internal resource utilisation
• Provide financing to businesses that reduce or do not cause negative impacts on the environment

The Bank recognises the importance of environmental problems and natural resource scarcity that have become increasingly alarming, as well as today’s climate change with social and economic repercussions. To demonstrate its commitment to taking responsibility in direct and indirect greenhouse gas emissions, from its business operations, the Bank has a concrete internal resource management approach with the goal of maximising efficiency and benefits. Moreover, the Bank has also established green procurement guidelines to help reduce environmental impacts as well as providing loans to businesses with environmental responsibility and consideration such as the alternative energy business and energy conservation projects with indirect social impacts.

Internal Resource Management

The Bank aims to utilize resources optimally to derive the maximum benefits while minimising environment impacts. The Bank’s efforts range from conserving energy, using water wisely, reducing paper usage, and building awareness for optimal resource use for employees through campaigns and communication media.

In conjunction with moving toward full digital banking, the Bank also integrates natural resource conservation into the work process. In 2017, the Bank began to improve the work process to minimise resource usage together with a campaign to use paper wisely by targeting to digitise 50% of the current work process by 2019 which will reduce resource use and shorten process time while contributing to the Bank’s progress on digital banking. At the same time, the Bank focuses on changing the attitude and behaviour of employees and related persons throughout the business value chain to raise awareness of environmental impacts from the operations.

Shred2Share Project
Shred2Share is a collaborative project with SCG Packaging PCL and Thai British Security Printing PCL, under the “Safe Information; Save the Environment” concept. The project aims to build awareness for employees to use paper wisely and reduce paper waste by depositing paper that has been used on both sides in a drop-off box to be recycled or to be used as materials for furniture production.

SCB Says No to Plastic Campaign
In 2017, the Bank launched the “SCB Says No to Plastic” Program with over THB 1.7 million investment to build employee awareness to take part in reducing the world’s plastic waste. The Bank installed 66 additional water coolers at the head office and has switched water bottles in conference rooms from plastic to glass bottles, enabling more than 75% reduction in drinking water bottle usage. The Bank also implemented the SCB Says No to Plastic Campaign, encouraging the use of water coolers instead of buying water sold in plastic bottles. The project was received warmly by employees.

Reduction of water usage

Reduction of water usage 2014 2015 2016 2017

Volume of recycled paper

Volume of recycled paper 2014 2015 2016 2017

Reduction of coal usage

Reduction of coal usage 2014 2015 2016 2017

Reduction of greenhouse gas emissions

Reduction of greenhouse gas emissions 2014 2015 2016 2017

Reduction of Bottle Plastic Waste

Target 2017 Performance

Reduction of greenhouse gas emissions equals to 7,951 kilograms carbon dioxide equivalent

Remark: Data as of December 31, 2017

84
Energy Saving Lending Program
SCB has collaborated with the Ministry of Energy for the second consecutive year to run the Energy Saving lending Program by providing loans at special interest rates to business owners who are interested in installing equipment to reduce energy usage and investing in energy efficient buildings. This program aims to promote national energy conservation and efficiency in Thailand as well as increasing competitiveness by lowering operational costs for Thai business owners. The accumulated credit after since the program inception equal to 262 million baht.

Energy Saving Lending Performance

<table>
<thead>
<tr>
<th>Performance Highlights</th>
<th>Energy Saving (Kilowatt/Year)</th>
<th>Cost Saving per year (Baht)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Saving Loans Programme (Solar Rooftop)</td>
<td>5,880,174</td>
<td>26 million</td>
</tr>
<tr>
<td>Production Machinery Upgrade Programme</td>
<td>1,555,163</td>
<td>8 million</td>
</tr>
</tbody>
</table>

2017 Vendor Communication Day
On December 6, 2017, the Bank held an annual meeting with suppliers (Vendor Communication Day) to communicate procurement practices which include Supplier Code of Conduct, supplier policy, safety requirements, as well as green procurement guideline. More than 170 vendors attended the meeting.

Green Procurement Guidelines
The Bank integrates environmental considerations into the procurement process to support environmentally friendly products while helping to drive the green demand in the overall market. The Bank encourages suppliers to improve their product or service quality to respond to market demand for environmental considerations in conjunction with promoting sustainable development in the business sector, aligning with the national policy to become a low-carbon and environmentally friendly society. In 2017, the Bank has communicated its direction and commitment to green procurement to all suppliers to serve as guidelines for working together in the future.

Financing Businesses that Lower Environmental Impacts
Financial institutions play an important role in driving the government’s economic policy on investment in the business sector that helps mitigate environmental impacts from global climate change. Therefore, the Bank focuses on developing loan programs for businesses that help lower environmental impacts such as financing alternative energy businesses, revolving fund for energy conservation and energy and environmental conservation loans for the SME segment.

Loans to Alternative Energy Businesses

<table>
<thead>
<tr>
<th>Year</th>
<th>Wind</th>
<th>Solar</th>
<th>Hydro</th>
<th>other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5%</td>
<td>12%</td>
<td>13%</td>
<td>19%</td>
</tr>
<tr>
<td>2015</td>
<td>12%</td>
<td>11%</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>2016</td>
<td>13%</td>
<td>11%</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>2017</td>
<td>21%</td>
<td>10%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Target</td>
<td>34%</td>
<td>13%</td>
<td>19%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Energy Conservation Solar Farm Project in Japan
The Bank provided a bridging loan in the amount of Baht 2.235 billion to Thai Solar Energy PCL, to buy shares in a 183-megawatt capacity in Onoikobe, Miyagi Prefecture. As one of the top major capital investments of Thai companies in Japan, this project marks an important entry into the renewable energy business at the international level as well as a crucial step for business growth.

Special-interest Housing Loans for Customers using Energy Saving Innovations
The Bank provides housing loans for customers who want to take part in reducing environmental impacts. The Bank offers special-interest housing loans for customers who build their homes with environmentally friendly innovations such as SCG HEIM, an energy efficient home that enhances the quality of living with state-of-the-art homebuilding technology from Japan.
The Bank endeavours to improve people’s quality of life to lay a strong foundation for a sustainable society. However, the Bank is aware that it cannot accomplish this goal alone. Besides its own initiatives, the Bank also creates partnerships and networks to promote and support organisations already serving the public, or conducting activities for social benefits; aiming to increase the opportunities and effectiveness at a broader scope; to enable these organisations to build on and broaden their social development efforts to provide greater and wider benefits for the society. Coupled with instilling volunteer spirits, civic duty, and social responsibility among its people, the Bank encourages employees to participate in CSR activities for meaningful experiences since they are the key contributor to move the Bank’s CSR efforts forward.

To improve the people’s quality of life in the society, the Bank’s CSR strategy combines the Bank’s knowledge and expertise with community experiences since they are the key contributor to move the Bank’s CSR efforts forward.

To promote and develop a sustainable way of living for the community and society, the Bank’s CSR strategy combines the Bank’s knowledge and expertise with community experiences since they are the key contributor to move the Bank’s CSR efforts forward.

The primary approach of the Bank’s CSR initiatives consist of youth development and learning enhancement, quality of life and environmental development, and community arts and cultural development. The CSR activities or projects aim to address social needs, develop capabilities, and learning opportunities for youths, ensuring that they grow to become important resources for the country’s development. The Bank’s CSR activities not only contribute to better quality of life in society, but also instill the awareness of social responsibility, volunteer spirits, and the sense of civic duty for SCB people, who are the valuable resources of future CSR activities.

The Bank’s CSR practices also address four UN Sustainable Development Goals (SDGs), comprises Goal 1, Goal 4, Goal 7 and Goal 8, while instantaneously remain in alignment with the Bank’s aspiration and implementation to become “the Most Responsible Corporate Citizen” for society. Accordingly, the Bank has set key success indicators and monitored performance to assess whether objectives have been achieved, to what level of benefits to the general public, along with gauging the possibility of further expansion. Performance assessment outcomes are regularly reported to all relevant parties, serving as input for further improvement, and development of various initiatives to deepen and broaden benefits to the society.

**Overview of CSR Activities in 2017**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Youth Development and Learning Enhancement</th>
<th>Quality of Life and Environmental Development</th>
<th>Community Arts and Cultural Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals</td>
<td>Develop age-appropriate capabilities for youths; build collaborative, critical thinking, planning and problem-solving skills; in addition to learning experience beyond classrooms.</td>
<td>Address the needs and improve quality of life in the society.</td>
<td>Promote and support community arts and cultural heritage, as well as preservation of local customs and traditions.</td>
</tr>
<tr>
<td>Target Groups</td>
<td>Youth’s in Thailand’s education system</td>
<td>Society</td>
<td>Community</td>
</tr>
<tr>
<td>UNSDGs</td>
<td>Y ouths in Thailand’s education system</td>
<td>Society</td>
<td>Community</td>
</tr>
<tr>
<td>Number of Projects</td>
<td>35</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td>Project Highlights</td>
<td>SCB Challenge</td>
<td>Water system and community development initiative in Mae Fah Luang district</td>
<td>Thai Future Network</td>
</tr>
<tr>
<td></td>
<td>Funding of School of Information Science and Technology @ VISTEC</td>
<td>SCB Blood Donation Campaign</td>
<td>The Princess Galyani Vadhana Teacher Award</td>
</tr>
<tr>
<td></td>
<td>Leadership program for sustainable education (CONNEXTED)</td>
<td>SCB Says No to Plastic Programme</td>
<td></td>
</tr>
</tbody>
</table>

**Challenges**
- Social inequality, household indebtedness, and aging society
- Unfair and inconclusive access to funding
- Financial illiteracy and weak financial discipline

**Responses**
- Promote and develop a sustainable way of living for community and society
- Promote financial inclusion and financial discipline

From the start of concrete CSR efforts, the Corporate Social Responsibility Committee has played a key role in formulating policies, setting operational frameworks, as well as allocating resources and budget for activities to improve the quality of life in the community and society. The Corporate Social Responsibility Function and Siam Commercial Bank Foundation are the key engines that drive each initiative to create long-term impacts, and truly address all stakeholders’ needs, in order to achieve the Bank’s vision of becoming “The Most Admired Bank.”
Launched in 2006, SCB Challenge is one of the initiatives for youth development, which gives opportunities and create a society of learning for youths, in all levels of education nationwide, to work in teams, to learn outside the classrooms, and to instill ethics, through challenging competitions suitable for their respective classes and ages. Benefits obtained from participation in the activity are not limited to fame or awards but also opportunities for youths to demonstrate knowledge, competency and creativity. Participants gain invaluable experiences from working with others, learn the meaning of teamwork, connect with new crowds, and most importantly, be inspired. They will become the creative power benefiting society and the nation as they mature into adults. SCB Challenge comprises three competitive levels: primary school level, middle- to high school level, and university level.

**Painting Competition for Primary School Level**
A competition that provides opportunities for students through grade 1 – 6, in a team of 4, to paint according to assigned topics; which fortifies imagination, creativity and ethics.

- **Number of Participants:**
  - Schools: 231
  - Teams: 924
  - Persons: 3,970

**E-magazine Competition for Middle to High School Level**
A competition that enhances learning experience beyond the classrooms for students through grade 7-12, in a team of 3, through practical work experiences in communities. The competition applies creative IT application, creating a sense of pride in the local communities, provinces and the country.

- **Number of Participants:**
  - Schools: 109
  - Teams: 543
  - Persons: 1,855

**2017 Community Project Competition for Undergraduates**
Competition under the theme “SCB Challenge for Our Communities” aims to provide opportunities to undergraduates to apply their knowledge and hands-on experience, prior to entering the workforce. The competition not only benefits the communities directly, but also develops undergraduate’s skills, capabilities, creativity and especially volunteering spirits, and dedication for the greater good. This prepares undergraduates to develop into quality citizens.

- **Number of Participants:**
  - Schools: 51
  - Teams: 191
  - Persons: 955

**Typical CSR Activities**

- **Social Investment:** 83%
- **Commercial Initiatives:** 8%
- **Donation:** 9%

**Total Cost of CSR Activities:** 390 Million Baht

**Number of Participants:**
- Employees participated in the CSR activities: 12,424
- Equivalent to: 29,484 hours
- Equivalent to: 12.1 million in expense

**More information:** Additional detail of CSR activities is available on www.scb.co.th
Funding of the School of Information Science and Technology @ VISTEC

In the era of globalization, where the world is driven by technology and innovation, if Thailand would like to progress on par with developed countries, the country must rapidly strengthen knowledge in science, technology, and modern innovation; crucial factors for advancing and increasing the nation’s competitive capacity on a global platform. Being cognisant of the mentioned challenge, the Bank signed a memorandum of understanding with Vidyasirimedhi Institute of Science and Technology (VISTEC) and the Power of Innovation Foundation; to provide funding of Baht 450 million for the establishment of School of Information Science and Technology, one of the departments of VISTEC. The Institute is taught by highly qualified faculty members, with expertise and academic recognitions, from various fields; joined by senior executives from leading organizations to provide an intensive knowledge sharing experience. SCB is also involved in determining research topics for students, and providing internship opportunities at the Bank, granting them hands-on learning experience. SCB also offers Scholarships to undergraduates to study at VISTEC.

Situated on a 680-rai campus in Wangchan district, Rayong province, VISTEC began its first academic year in 2015, offering master’s and PhD programs in Energy Science & Engineering, and Molecular Science & Engineering. An addition of the Information Science and Technology Department was added in 2017. The Institute aims to become the nation’s leading research university in science and technology by 2020, followed by earning a place in the top 10 ranking of ASEAN leading research universities by 2025, and eventually becoming part of top 50 global research universities by 2035.

Leadership Program for Sustainable Education (CONNEXT ED)

SCB recognizes the importance of education as a key foundation to sustainable development. In 2016, the Bank joined a network of 12 private organizations in Pracharat initiative for education, became part of the collaboration to drive Thailand’s foundational educational system forward. This was a joint effort between the public-civil sectors, with the goal of driving changes in the Thai education system, raising the standard to meet international level through Leadership Program for Sustainable Education or CONNEXT ED. The Bank encourages and assists School Partners, or the Bank’s volunteered employee, to work with school principals and teachers to improve the quality academic and knowledge management through the tools and network of experts from Siam Commercial Bank Foundation. This collaboration raises the school’s teaching quality, facilitate meaningful learning experience, encompassing knowledge, skills, and good attributes, aligning with the 21st century’s learning skills. The Bank is committed to advance and drive this program to success. This collaboration raises the school’s teaching quality, facilitate meaningful learning experience, encompassing knowledge, skills, and good attributes, aligning with the 21st century’s learning skills. The Bank is committed to advance and drive this program to success. This collaboration raises the school’s teaching quality, facilitate meaningful learning experience, encompassing knowledge, skills, and good attributes, aligning with the 21st century’s learning skills. The Bank is committed to advance and drive this program to success. This collaboration raises the school’s teaching quality, facilitate meaningful learning experience, encompassing knowledge, skills, and good attributes, aligning with the 21st century’s learning skills. The Bank is committed to advance and drive this program to success. This collaboration raises the school’s teaching quality, facilitate meaningful learning experience, encompassing knowledge, skills, and good attributes, aligning with the 21st century’s learning skills. The Bank is committed to advance and drive this program to success. This collaboration raises the school’s teaching quality, facilitate meaningful learning experience, encompassing knowledge, skills, and good attributes, aligning with the 21st century’s learning skills. The Bank is committed to advance and drive this program to success. This collaboration raises the school’s teaching quality, facilitate meaningful learning experience, encompassing knowledge, skills, and good attributes, aligning with the 21st century’s learning skills. The Bank is committed to advance and drive this program to success. This collaboration raises the school’s teaching quality, facilitate meaningful learning experience, encompassing knowledge, skills, and good attributes, aligning with the 21st century’s learning skills. The Bank is committed to advance and drive this program to success.

Number of Teachers and Students Benefited from the Project

- **Students**: 10,358
- **Teachers**: 931

**Leaning Modules**

<table>
<thead>
<tr>
<th>Learning Modules</th>
<th>Number of Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Module 1: Whole school reform based on innovations by Lamplaimat Pattana School</td>
<td>18</td>
</tr>
<tr>
<td>Module 2: Development of vocational-based learning</td>
<td>12</td>
</tr>
<tr>
<td>Module 3: Development of teacher capabilities and raising academic standard</td>
<td>11</td>
</tr>
<tr>
<td>- Early childhood and kindergarten homeschooling</td>
<td></td>
</tr>
<tr>
<td>- Teaching Thai language skills for literacy</td>
<td></td>
</tr>
<tr>
<td>- Integrated learning curriculum for effective learning</td>
<td></td>
</tr>
<tr>
<td>- Research-based learning</td>
<td></td>
</tr>
<tr>
<td>Module 4: Development of brain-based learning curriculums</td>
<td>9</td>
</tr>
</tbody>
</table>
To continue His Majesty’s initiatives on water management and sustainable community development based on the Understand, Access and Develop principle of King Bhumibol Adulyadej, the Bank collaborated with Mae Fah Luang Foundation under the Royal Patronage on the water system development initiative in Thoet Thai sub-district, Mae Fah Luang district, Chiang Rai province. This is the same area of which the Bank implemented its reforestation initiative 12 years ago. The water system development initiative aims to expand forest conservation and restoration efforts in conjunction with optimising water usage for agriculture by using the volunteer model. Specifically, people who will benefit from the project will be the ones who build and maintain dikes, as well as the piping systems, with support from the Subdistrict Administrative Organization.

Additionally, the Bank also provides an opportunity for SCB employee to take part in community development by leveraging the Bank’s strengths on financial knowledge and extensive branch network such as solving the problem of high household debt for local residents, providing capital for farming, as well as helping communities in a holistic manner both in terms of quality of life, education and environment.

The Skylane Thailand project not only motivates people to care about and look after their health which improves their quality of life, it also helps families spending quality time together through activities, fostering families’ relationships.

The Sky Bridge to connect parking building with cycling tracks; as well as installing an energy-efficient solar lighting system, which uses salt water-run batteries to reduce potential hazardous waste, coupled with utilization of renewable energy.

Expert
Community locals and leaders, village council
Public organization

Principle of King Bhumibol Adulyadej’s Principle on Development
Understand l Engage l Develop

Skyline Thailand

The Skylane Thailand is another initiative aiming to improve people’s quality of life. The Bank collaborated with the Airports of Thailand PCL to fund the first closed cycling park in the world, building two 25.5 km tracks with world-class security and facilities, such as setting up the SNAP wristband system for registered visitors, enabling cyclists to get in and out of the tracks securely and conveniently; building the Sky Bridge to connect parking building with cycling tracks; as well as installing an energy-efficient solar lighting system, which uses salt water-run batteries to reduce potential hazardous waste, coupled with utilization of renewable energy.

The Skylane Thailand project not only motivates people to care about and look after their health which improves their quality of life, it also helps families spending quality time together through activities, fostering families’ relationships.

SCB Blood Donation Campaign

The Bank has collaborated with the National Blood Centre of the Thai Red Cross to organise an annual blood drive for over two decades. The goal is to support the Thai Red Cross in campaigning and procuring blood for national use. In 2017, the Bank organise the “SCB Blood Drive” campaign to encourage people to do a good deed by donating blood under the theme “Do Good by Donating Blood in Remembrance of His Majesty’s Compassion”. The Bank encourages employees, customers and the public to donate blood at its Ratchayothin head office and setting up local blood drives at the Bank’s branches. The Bank also allocates mobile blood donation units at various locations within the Bangkok Metropolitan Region throughout the year, committed to procure sufficient blood to treat patients across the country. For over 20 years, the Bank has been running the blood drive campaign, procuring blood to continue the legacy of saving fellow human lives in the face of ailments, and keeping them healthy, as human capital is imperative to national development.

Performance in 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Blood donation (million CC)</th>
<th>Volume of Blood Donated (Million CC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>65</td>
<td>60.48</td>
</tr>
<tr>
<td>2015</td>
<td>65</td>
<td>60.48</td>
</tr>
<tr>
<td>2016</td>
<td>65</td>
<td>60.48</td>
</tr>
<tr>
<td>2017</td>
<td>70</td>
<td>65</td>
</tr>
</tbody>
</table>

Blood donation (million CC)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood donor</td>
<td>1,914</td>
<td>1,914</td>
<td>1,914</td>
<td>1,914</td>
</tr>
<tr>
<td>Blood donated</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>70</td>
</tr>
<tr>
<td>Volume of Blood Donated (Million CC)</td>
<td>60.48</td>
<td>60.48</td>
<td>60.48</td>
<td>60.48</td>
</tr>
<tr>
<td>Blood donor (SCB employee)</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Blood donation center</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Mobile blood donation center</td>
<td>151,201</td>
<td>151,201</td>
<td>151,201</td>
<td>151,201</td>
</tr>
<tr>
<td>Blood donors</td>
<td>1,914</td>
<td>1,914</td>
<td>1,914</td>
<td>1,914</td>
</tr>
</tbody>
</table>

Average

100,000 cyclists per month

Average

over 453,600 lives saved by the blood delivered

over 2,850,000 lives saved since the project initiation in 1996

Saved

over 453,600 lives

over 2,850,000 lives
To be ...
THE MOST
PRUDENT BANK

As a major financial institution with an important role in supporting the country’s economic foundation, SCB is committed to operating its business in alignment with good corporate governance principles and practices together with effective internal control culture and environment. The Bank puts in place an effective risk management system to foster sustainable growth that will ensure long-term trust of all stakeholders.

- Upholding Good Corporate Governance and Business Ethics
- Enhancing Risk Management
UPHOLDING GOOD CORPORATE GOVERNANCE
AND BUSINESS ETHICS

Good corporate governance lays an important business foundation that has enabled the Bank and the society to mutually achieve a common goal of sustainable growth. Moreover, it also secures the trust of all stakeholders including shareholders, customers, employees, suppliers and society, which is consistent with the Bank’s vision to be “the Most Admired Bank” for all its constituents. Therefore, the Bank puts a high priority on good governance and business ethics which cover code of business conduct, market conduct, anti-corruption and bribery, anti-money laundering, and cybersecurity and data security. The Bank establishes policies, guidelines, and management structures that are generally accepted both nationally and globally.

Challenges
- Legal and regulatory changes including stricter enforcement
- Offering fair financial services that truly meet customer’s needs
- Raising the quality of corporate governance and financial security in the digital age

Responses
- Establishing good corporate governance structure and promoting the code of business conduct
- Conducting business fairly with transparent and sufficient information disclosure
- Strengthening anti-corruption efforts, preventing money laundering and combating terrorist financing
- Complaint and fraud management process in place
- Data security management to ensure maximum security

As the country’s leading financial institution, SCB recognises its role in fostering economic stability and expansion. Therefore, the Bank is committed to conducting business with social and environmental responsibility under a framework of good corporate governance and in compliance with financial regulations to create trust and benefits for all stakeholder groups. At the same time, The Bank also focuses on strengthening its internal management to ensure prudent, transparent and fair business operations.

Corporate Governance Structure

The Bank places an emphasis on having a board structure that is independent, transparent, and accountable to ensure maximum effectiveness in corporate governance and to comply with Corporate Governance Code enforced by the Securities and Exchange Commission (SEC) as well as other best practices. The Nomination, Compensation, and Corporate Governance Committee is responsible for identifying qualified director candidates to be appointed at a board meeting or a shareholder meeting by considering a wide range of factors including knowledge, expertise and experience that align with the Bank’s strategy. The Bank’s director selection process treats all candidates equally and fairly with no discrimination against gender, ethnicity, race, religion or marital status. Furthermore, the Bank has also applied the Board Skill Matrix to assess the Board’s qualifications which has been reviewed regularly to ensure that it remains current and appropriate.

Board Committees
- Executive Committee
  (Chairperson: Dr. Vichit Suraphongchai)
- Audit Committee
  (Chairperson: Prasan Chuaphanich)
- Nomination, Compensation, and Corporate Governance Committee
  (Chairperson: Dr. Chirayu Isarangkun Na Ayuthaya)
- Corporate Social Responsibility Committee
  (Chairperson: Kruy Jung Jatu Wattanasiritham)

Management Committees
- Assets and Liabilities Management Committee
  (Chairperson: Dr. Vichit Suraphongchai)
- Risk Management Committee
  (Chairperson: Mr. Arthid Nanthawithaya)
- Management Committee
  (Chairperson: Mr. Arthid Nanthawithaya)
- Equity Investment Management Committee
  (Chairperson: Mr. Arthid Nanthawithaya)

Overview of the Board of Directors Structure

- Independent directors: 62.50%
- Executive directors: 12.50%
- Non-executive directors: 25%
To ascertain the directors remain abreast of skills and knowledge beneficial to their role and responsibility, the Bank places an emphasis on developing knowledge in multiple aspects, covering from integral skills in the director’s capacity to other specialised skills. The Board of Directors attends training and seminars organised by both national and international agencies such as the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand, and the Thai Institute of Directors (IOD). In 2017, the Board attended a variety of training programs covering topics such as the role of banks in driving strategic risk governance, the role of listed companies’ boards in mitigating cyber risk, and the Ethical Leadership Program (ELP).

The Board self-performance assessment is conducted annually by the Bank’s internal functions and every three years by external parties with professional expertise and experience in corporate governance. The average assessment score in 2017 was at a satisfactory level and met the target.

**Promoting the Code of Conduct**

The Bank’s Code of Conduct consists of Corporate Code of Conduct, Directors’ Code of Conduct, Employee Code of Conduct and SCB Supplier Code of Conduct. In demonstrating its commitment to operating a transparent business as well as setting ethical behavior standards for directors, management, employees and suppliers, the Code of Conduct also serves as a direction for directors, management, employees, and suppliers to act cautiously and prevent any legal or regulatory violations that will tarnish the Bank’s reputation. The Audit Committee, consisted entirely of independent directors, is responsible for overseeing compliance of rules, ethical principles and the Bank’s Code of Conduct.

The Bank regularly updates all Code of Conducts to maintain its relevance and stay current with today’s changing business environment. All directors, executives, managers, employees, suppliers and subsidiaries are expected to acknowledge, sign, and strictly comply with the Code of Conduct. The Bank offers training in the E-learning format for all employees and organises Vendor Communication Day to communicate the Code of Conduct to suppliers who are required to attend the session every year.

**Internal Control**

The Bank believes that a sound internal control system is a critical foundation for meeting business objectives in a sustainable manner. The Bank then requires that all business and functional units, including those under the umbrella of its financial group, to maintain a culture and environment that facilitates a sound and effective internal control system. The Bank has in place formal policies and procedures as well as an organizational structure that support the maintenance of an internal control system through clear supervisory lines, scope of authority for management overseen by the Board of Directors who function independently from the management.

**Market Conduct**

The Bank places great emphasis on conducting business responsibly and fairly to give customers the confidence that the Bank’s culture is centered on fair services on both pricing and terms. The Bank aims to ensure that consumers will receive clear and appropriate financial advice and solutions that comply with the Bank of Thailand’s market conduct regulations. The Bank has created an implementation plan and measure to serve as a framework for improving the operational process, especially in the areas related to products and services, from before-sales, during-sales to after-sales. The Board of Directors and senior management jointly drive the Bank’s market conduct practice by assigning clear accountabilities and responsibilities for market conduct management as well as adopting the “Three Lines of Defense” principle with a control supervision, and audit process to monitor, control, and prevent potential risk. This governance structure aims to ensure that customers receive high-quality services as well as suitable and fair product choices.

Furthermore, the Bank also recognizes the importance of discretely handling customer information by establishing a policy on customer data confidentiality and disclosure. The policy applies to executives, management and employees, at all levels across the Bank and subsidiaries to prevent disclosure of customer data to unauthorised persons. Failure to comply with this policy will result in maximum disciplinary consequences. The Bank also plans to improve its processes and procedures to maintain customer data confidentiality and thus minimise the chance of employees disclosing customer data without authorization. Examples of action points in the process improvement plan are reviewing data access authorisation, incorporating data security and confidentiality in the audit plan, as well as building employee awareness at all levels via the Internet and modern communication materials that are easy to understand.
importance of anti-corruption practices and bribery. In 2017, there
also organises annual training to make employees aware of the
business or transactions under the Bank’s control. The Bank
and responsibilities for corruption and bribery that may occur in
Moreover, the Bank has established prevention measures, structures,
or indirectly support political activities, political parties, politicians,
Policy clearly identifies important forms of corruption and bribery,
for financial group which took effect in 2014 which executives,
The Bank announced the Anti-Corruption and Bribery Policy
practices on customer data privacy protection to all employees.
The series also illustrate example cases of the Code of Conduct violations, such as
printing customer statements without authorisation, hiring
external people to sell personal loans to the Bank’s customers and
unauthorised selling of customer information.

The Bank has launched movie series to communicate the best
practices to a higher standard.
reflects the Bank’s commitment to raising its anti-corruption

Thailand’s Private Sector Collective Action Coalition Against Corruption
The Bank and its major subsidiaries which comprises SCB Asset Management Co., Ltd., SCB Securities Co., Ltd., and SCB Life Assurance PCL, were certified to join Thailand’s Private Sector Collective Action Coalition Against Corruption in 2015 and passed the assessment for membership renewal in 2017. This continuous membership reflects the Bank’s commitment to raising its anti-corruption practices to a higher standard.

The Bank has launched a short movie titled “Insurance and Mutual Fund Sales Practices”. The movie contains exemplary cases to create awareness and motivate employees to provide services with fairness, openness and truthfulness and to avoid coercion and misleading or deceptive advertisements to sell the Bank’s products and services against consumer interests, especially for insurance, investment fund and mortgage products.

Building awareness on Customer Data Privacy Protection and Mis-selling

The Bank has launched movie series to communicate the best practices on customer data privacy protection to all employees. The event was participated by executives, demonstrating exemplary compliance to the Bank’s Code of Conduct. The series also illustrate example cases of the Code of Conduct violations, such as printing customer statements without authorisation, hiring external people to sell personal loans to the Bank’s customers and unauthorised selling of customer information.

The Bank has adopted the SAS® Transaction Monitoring Optimization system that are used worldwide to analyse and detect money laundering, including illegal financial transactions. Such system will enhance efficiency and agility in transaction auditing. Moreover, the Bank also sets general rules on Know Your Customer (KYC), Customer Due Diligence (CDD), Non-Face-to-Face CDD, and additional guidelines for High Risk Persons (HR 02/HR 08) or Politically Exposed Persons (PEPs) to ensure that the Bank’s anti-money laundering and terrorist financing prevention practices are in compliance with regulations by the Office of the National Anti-Corruption Commission and other related regulators.

2017 Relevant Training Performance

<table>
<thead>
<tr>
<th>Anti-corruption and Bribery Course</th>
<th>Anti-money Laundering and Counter-terrorism Financing Course</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>71%</strong> of employee completed training</td>
<td><strong>82%</strong> of employee completed training</td>
</tr>
</tbody>
</table>

Remark: Data as of December 31, 2017

Complaint and Fraud Management Process
The Bank establishes the Whistleblower Policy to serve as a framework for managing the process for whistleblowing and reporting on incidents of fraud, corruption, or violation of the Bank’s regulations, rules and Code of Conduct. The Bank provides diverse reporting channels and has a policy to keep whistleblowers’ identity confidential to protect whistleblowers against retaliatory actions. The Bank has appointed the Fact Finding Committee to conduct prompt investigations once complaints have been raised. The Committee reports outcomes and performance to the Disciplinary Committee and to the Audit Committee every 3 months.

In 2017, there were 197 cases of complaints and reports on misconduct, 158 of which were work-related negligence or mistakes and 39 were related to fraud or mistrust. The Bank has resolved 192 of such cases with the remaining 5 being in the process of investigation.

For any complaint and report on misconduct that has been confirmed after an investigation, the Bank will take appropriate disciplinary action based on the severity of the offense. For cases of negligence and mistakes, the Bank has issued written warnings and pay cuts to 128 employees. For fraud and mistrust cases, 73 employees were asked to leave or had their employment terminated for cause. The Bank continues to encourage 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.
Safeguarding the Bank’s and customer data is the Bank’s top priority. Therefore, the Bank has a clear management structure with senior executives and the Technology Security, Architecture and Risk Function to monitor the Bank’s IT operations to effectively facilitate the Bank’s strategy. In 2017, the Bank has stepped up on its data security testing by engaging external experts to conduct additional tests on top of the Bank’s routine monthly tests to identify potential weaknesses and loopholes. Moreover, the Bank has also improved the Cybersecurity Threat Intelligent Surveillance system by supplementing surveillance of internal activities with external surveillance to prevent an external attack or theft of consumer data.

Moreover, in compliance with the Bank of Thailand’s regulations on IT security assessment and maintenance, SCB has been certified for ISO/IEC 27001:2013 standards in 2 additional categories which are the Imaged Cheque Clearing and Archive System (ICAS) and the Bank of Thailand Automated High-value Transfer Network System (BATHNET). These acquired standards are testaments of stability and robustness in the Bank’s IT security management system, resulting in no data security complaint from customers in 2017.

For maximum effectiveness in data security operations, the Bank has collaborated with other organisations, such as Thailand Computer Security Incident Response Team (ThaiCERT), Thailand Banking Sector Computer Emergency Response (TB-CERT) and Financial Services Information Sharing and Analysis Centre (FS-ISAC), to prepare for financial cyber threats as well as regularly sharing information on global cybersecurity threats. At the same time, the Bank is committed to promoting employee awareness on the importance of data security system along with continuously developing technology skills necessary for the Bank’s operations by offering active awareness training through SCB Technology Academy.
The risk management is important for building long-term stability in business operations in alignment with the Bank’s goals and risk appetite as well as mitigating risks from crises or incidents beyond the Bank’s control. Risk management covers risk identification, risk assessment, risk monitoring and control, along with risk reporting to prepare the Bank to handle with current and future changes effectively. Specifically, the Bank’s risk management implementation involves setting policies and implementation frameworks as well as establishing audit processes in parallel with building a culture in which all employees participate in risk management. To foster risk culture, the Bank focuses on developing employees’ knowledge and understanding as well as creating a sense of shared responsibilities towards the organisation.

Volatility and uncertainty from rapid changes in today’s business environment as well as new challenges from technology advancement that has transformed modern businesses and consumer financial behaviour are key factors that force financial institutions to adapt and develop new sources of competitiveness to prepare for changes. SCB has long recognised these challenges and has therefore embarked on transforming the Bank’s infrastructure and the overall organisational management. A part of this organisational transformation is to develop a comprehensive risk management process that covers every type of risk, be it existing risks, perceived risks, or emerging risks by considering all dimensions both economic, social, and environmental. It is necessary for the Bank to be perceptive and to identify prevention measures for risks that may affect the Bank’s business while also realising business opportunities from such risks.

Risk Management at SCB

Since effective risk management under good corporate governance is a key element of strong business foundation and stakeholders’ trust, the Bank is committed to developing an effective risk management system along with considering potential opportunities and impacts from such risks. The Bank has established a clear risk management structure with proper checks and balances.

Challenges
• Increasing size and complexity of the business
• Developing a risk management process that encompasses all sustainability dimensions
• Emerging Risks

Responses
• Systematic and effective risk management system
• Risk management in the lending process with an effective support system
• Leveraging technology for effective risk management
• Surveillance and creating advance warning signs
• Employee capabilities development on risk management

Risk Management and Governance Structure

- Board of Directors: Review and approve risk management policies
- Executive Committee: Make recommendations on risk management policy for the Board’s consideration and approval
- Audit Committee: Verify the effectiveness of risk management framework and risk assessment process
- Risk Management Committee: Formulate risk management strategy in line with the Board’s guidance and oversee the Bank’s overall risk management
- Chief Risk Office: Establish risk management framework and risk management policy as well as monitoring and reporting key risk information to the Board
- Business Function and Support Function: Comply with the risk policy framework

4 Steps - SCB Risk Management System

1. Risk Identification: Categorizing risks into strategic risk, credit risk, market risk, liquidity risk, operational risk, interest rate risk in the banking book, reputational risk, technology risk, human resource risk and social and environmental risk
2. Risk Assessment: Quantitatively and qualitatively measure risks in each category by using appropriate models
3. Risk Monitoring and Control: Set targets and limits for key risk indicators and have proper internal control process in place
4. Risk Reporting: Report risk information to related functions and executives on a regular basis
Part of the Bank's risk management process is to explicitly articulate acceptable levels of risk in the Risk Appetite Statement which is reviewed annually to ensure that every change with risk implication and potential business impacts will be taken into consideration in the next year’s business planning. The Risk Management Committee meets every month to monitor significant risk issues by considering both internal and external risk factors. In addition, the Audit Committee meets with the head of Risk Management Function every month to review the Bank’s risk management operations. Key risk trends, key incidents and management approach for relevant risk issues are also being reported during to shareholders during the Ordinary General Meeting.

Internal Risks
Risks from technological changes
Today’s rapid and drastic technological changes have affected customer needs and expectations in terms of both method and speed of service delivery. The Bank, therefore, has increased the share of technology investment under the Transformation Program to create a faster service delivery platform that can meet customer changing needs as well as developing a process to prevent cyber risk.

Risks from organisational changes
Transitioning into full-scale digital banking and ensuring organisational adaptability to technological changes and higher competition may pose a challenge in recruiting and attracting experienced employees with specialised technical skills, such as data management and data analytics. To prevent shortage of qualified people which may disrupt the business, the Bank set up SCB Academy to develop necessary knowledge and skills in finance and banking business for employees as well as providing knowledge on technology. The Bank also has a talent program and a successor plan to identify and prepare candidates with knowledge, capability and potential to fill vacancies for existing or newly created positions.

Risks from procedural changes
Different changes, ranging from technology, rules, regulations, organisational structure, or even changes in customer needs, may create market conduct risk or execution risk that cause the Bank to lose customer trust or face regulatory penalties. The Bank has, therefore, established an approval framework for new product launch which requires an overall impact assessment and consent from all related parties. The Bank also provides training and maintains constant communication with employees to prevent unprofessional conduct.

Operational Risk Management ‘Three Lines of Defense’
The Bank has adopted the “Three Lines of Defense” governance framework for operational risk management and required every function to apply the Risk Control Self-Assessment (RCSA) tool for preliminary risk assessment at a regular interval as deemed appropriate.

Emerging Risks
The Bank enhances the effectiveness of its risk management process by requiring all functions to assess and review emerging risks for both short-term (within 1 year) and long-term (between 3-5 years) that are within their purview. Each function is also responsible for presenting its list of emerging risks to the Management Committee for acknowledgement and sign-off. This process will enable the Bank to confront and manage risks effectively with diverse data sources while also creating bank-wide awareness on the importance of risk management.

In 2017, the Bank identified key emerging risks with potential long-term impacts on the Bank’s operations which are categorised into internal and external risks.
External Risks

Risks from environmental changes
Risks from environmental changes, such as drought, flood, and global warming, may cause difficulty to business operations of the Bank’s customers, either in failing to achieve targets, with potential impacts on the customers’ debt capacity. The Bank’s approach to manage such risks is to incorporate environmental impact consideration into its credit underwriting criteria, as well as providing financial support to businesses that help reduce environmental impacts, specifying conditions of short-term loans, calibrating credit limits to agricultural product prices and requiring customers to buy insurance against losses from business disruptions or natural disasters.

Risks from local and global economic volatility
One source of economic volatility and uncertainty are policies of Thailand’s major trading partners such as the People’s Republic of China, the United States and European countries, which may affect Thai exports. In addition, economic conditions in Thailand are still volatile from political uncertainty. Fragile economic conditions may affect customers’ debt servicing abilities, especially for the household sector which is the Bank’s core customers. The Bank conducts stress testing to monitor the sensitivity of the Bank’s investment portfolio or lending to changes in economic data as well as specifying additional indicators such as share of non-performing loans and economic value to be used in determining an appropriate level of lending.

Risks from technological changes
Technological changes may cause some businesses, such as publishing, automobile, oil businesses, to be replaced by new technologies. The Bank has therefore incorporated this type of risks into the analysis of industries that are susceptible to being replaced which can then be used to inform the Bank’s strategic planning and advise customers in these industries to adapt to the changes.

Risks from local and global economic volatility
One source of economic volatility and uncertainty are policies of Thailand’s major trading partners such as the People’s Republic of China, the United States and European countries, which may affect Thai exports. In addition, economic conditions in Thailand are still volatile from political uncertainty. Fragile economic conditions may affect customers’ debt servicing abilities, especially for the household sector which is the Bank’s core customers. The Bank conducts stress testing to monitor the sensitivity of the Bank’s investment portfolio or lending to changes in economic data as well as specifying additional indicators such as share of non-performing loans and economic value to be used in determining an appropriate level of lending.

Fostering a Risk Culture

The Bank builds a risk culture by implementing a strategy that emphasises top-down communication on risk issues related to the Bank, building awareness for all levels of employees on risk assessment and risk categories, along with risk reporting through internal channels.

7 Operational Risk Super Heroes” Campaign
The Bank runs an on-going campaign to build awareness on operational risk management through the theme “7 Operational Risk Super Heroes” with the objective of encouraging employees to participate in identifying risks from their day-to-day work, reporting these risks through the internal channels and preparing to deal with various forms of risk. The Bank has implemented the program and measured performance regularly. Moreover, the Bank also organises training on risk identification, assessment, and analysis for employees at all levels to ensure that employees have complete basic understanding on risk issues.
### SUSTAINABILITY PERFORMANCE

#### Economic Performance

<table>
<thead>
<tr>
<th>Performance</th>
<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>Billion THB</td>
<td>128.1</td>
<td>137.3</td>
<td>133.3</td>
<td>136.2</td>
</tr>
<tr>
<td>Total assets</td>
<td>Billion THB</td>
<td>2,700</td>
<td>2,774</td>
<td>2,913</td>
<td>3,024</td>
</tr>
<tr>
<td>Market capitalization</td>
<td>Billion THB</td>
<td>619</td>
<td>406</td>
<td>518</td>
<td>510</td>
</tr>
<tr>
<td>Total operating expense</td>
<td>Million THB</td>
<td>48,089</td>
<td>48,797</td>
<td>51,644</td>
<td>57,650</td>
</tr>
<tr>
<td>Staff cost</td>
<td>Million THB</td>
<td>21,954</td>
<td>22,379</td>
<td>24,597</td>
<td>27,488</td>
</tr>
<tr>
<td>Return on Equity (ROE)</td>
<td>Percentage</td>
<td>20.1</td>
<td>15.9</td>
<td>19.7</td>
<td>12.4</td>
</tr>
</tbody>
</table>

#### Greenhouse Gas Emissions

<table>
<thead>
<tr>
<th>Performance</th>
<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total direct greenhouse gas emissions</td>
<td>Tonnes of CO2e</td>
<td>43</td>
<td>39</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td>(GHG Scope 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total indirect greenhouse gas emissions</td>
<td>Tonnes of CO2e</td>
<td>27,362</td>
<td>24,797</td>
<td>22,459</td>
<td>22,023</td>
</tr>
<tr>
<td>(GHG Scope 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Water Withdrawal

<table>
<thead>
<tr>
<th>Performance</th>
<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tap water purchased</td>
<td>Million m³</td>
<td>0.37</td>
<td>0.37</td>
<td>0.39</td>
<td>0.37</td>
</tr>
</tbody>
</table>

#### Energy Consumption within the Organisation

<table>
<thead>
<tr>
<th>Performance</th>
<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy consumption</td>
<td>MWh</td>
<td>53,006</td>
<td>50,955</td>
<td>52,610</td>
<td>52,246</td>
</tr>
<tr>
<td>Electricity purchased</td>
<td>MWh</td>
<td>52,845</td>
<td>50,810</td>
<td>52,474</td>
<td>52,187</td>
</tr>
<tr>
<td>Diesel purchased</td>
<td>Liters</td>
<td>15,959</td>
<td>14,291</td>
<td>14,800</td>
<td>5,800</td>
</tr>
</tbody>
</table>

**Remark:** the amount of diesel purchase for Chaengwattana building doesn’t include that of the future purchase in 2017, hence the decline when compared to the previous year.

#### Business Travel

<table>
<thead>
<tr>
<th>Performance</th>
<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total business travel by air</td>
<td>kilometres</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>28,210,326</td>
</tr>
<tr>
<td>Fuel for company vehicle</td>
<td>Kilo-litres</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,960</td>
</tr>
</tbody>
</table>
### Total Employee (GRI 102-7, GRI 102-8, GRI 401-1)

<table>
<thead>
<tr>
<th>Performance</th>
<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>7,053</td>
<td>14,923</td>
<td>6,977</td>
<td>15,240</td>
</tr>
<tr>
<td>Female</td>
<td>Male</td>
<td>31,976</td>
<td>22,217</td>
<td>24,808</td>
<td>27,493</td>
</tr>
</tbody>
</table>

**By Contract Type**

<table>
<thead>
<tr>
<th>Performance</th>
<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>6,975</td>
<td>14,852</td>
<td>6,902</td>
<td>15,163</td>
</tr>
<tr>
<td>Female</td>
<td>Male</td>
<td>78</td>
<td>71</td>
<td>77</td>
<td>110</td>
</tr>
</tbody>
</table>

**By Category**

<table>
<thead>
<tr>
<th>Performance</th>
<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>Officer</td>
<td>1,307</td>
<td>952</td>
<td>1,366</td>
<td>1,018</td>
</tr>
<tr>
<td>Officer</td>
<td>Staff</td>
<td>3,579</td>
<td>5,513</td>
<td>3,545</td>
<td>5,769</td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td>2,167</td>
<td>8,513</td>
<td>2,066</td>
<td>8,453</td>
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**By Age**

<table>
<thead>
<tr>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>X ≤ 30</td>
<td>1,266</td>
<td>6,371</td>
<td>1273</td>
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<td>30 &lt; X ≤ 40</td>
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</tr>
<tr>
<td>40 &lt; X ≤ 50</td>
<td>2,387</td>
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<td>2,110</td>
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</tr>
<tr>
<td>50 &lt; X ≤ 60</td>
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<td>431</td>
<td>1,515</td>
<td>475</td>
<td>1,608</td>
</tr>
<tr>
<td>X &gt; 60</td>
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<td>19</td>
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### New Employee (GRI 401-1)

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<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>563</td>
<td>2,354</td>
<td>779</td>
<td>2,676</td>
</tr>
<tr>
<td>Female</td>
<td>Male</td>
<td>2,816</td>
<td>2,455</td>
<td>5,635</td>
<td>5,965</td>
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**Rate of new employees hires %**

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<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>X ≤ 30</td>
<td>1,166</td>
<td>5,61</td>
<td>11,77</td>
<td>17,81</td>
<td>28,49</td>
</tr>
<tr>
<td>30 &lt; X ≤ 40</td>
<td>1,661</td>
<td>3,64</td>
<td>1,968</td>
<td>5,973</td>
<td>2,410</td>
</tr>
<tr>
<td>40 &lt; X ≤ 50</td>
<td>2,110</td>
<td>5,545</td>
<td>2,116</td>
<td>3,714</td>
<td>2,602</td>
</tr>
<tr>
<td>50 &lt; X ≤ 60</td>
<td>475</td>
<td>1,608</td>
<td>528</td>
<td>1,775</td>
<td>647</td>
</tr>
<tr>
<td>X &gt; 60</td>
<td>19</td>
<td>24</td>
<td>6</td>
<td>18</td>
<td>5</td>
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</table>

### Employee Turnover (GRI 401-1)

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<th>Unit</th>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>827</td>
<td>2,237</td>
<td>958</td>
<td>2,350</td>
</tr>
<tr>
<td>Female</td>
<td>Male</td>
<td>3,064</td>
<td>3,207</td>
<td>3,043</td>
<td>3,780</td>
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**Rate of employee turnover %**

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<th>Unit</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>X ≤ 30</td>
<td>1,166</td>
<td>5,61</td>
<td>11,77</td>
<td>17,81</td>
<td>28,49</td>
</tr>
<tr>
<td>30 &lt; X ≤ 40</td>
<td>1,661</td>
<td>3,64</td>
<td>1,968</td>
<td>5,973</td>
<td>2,410</td>
</tr>
<tr>
<td>40 &lt; X ≤ 50</td>
<td>2,110</td>
<td>5,545</td>
<td>2,116</td>
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<td>2,602</td>
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<tr>
<td>50 &lt; X ≤ 60</td>
<td>475</td>
<td>1,608</td>
<td>528</td>
<td>1,775</td>
<td>647</td>
</tr>
<tr>
<td>X &gt; 60</td>
<td>19</td>
<td>24</td>
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### Absenteeism (GRI 403-2)

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<tbody>
<tr>
<td>Total</td>
<td>48,420</td>
<td>55,022</td>
<td>58,618</td>
<td>54,701</td>
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<tr>
<td>Rate</td>
<td>0.84</td>
<td>0.97</td>
<td>0.93</td>
<td>0.81</td>
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### Employee Training (GRI 404-1)

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<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>hours/ employee</td>
<td>54</td>
<td>54</td>
<td>63</td>
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**By Gender**

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<th>2016</th>
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</thead>
<tbody>
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<td>Female</td>
<td>hours/ employee</td>
<td>60</td>
<td>57</td>
<td>68</td>
<td>67</td>
</tr>
<tr>
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<td>58</td>
<td>59</td>
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**By Category**

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</tr>
</thead>
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<td>Executive</td>
<td>hours/ employee</td>
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<td>31</td>
<td>56</td>
<td>41</td>
</tr>
<tr>
<td>Officer</td>
<td>hours/ employee</td>
<td>60</td>
<td>57</td>
<td>53</td>
<td>48</td>
</tr>
<tr>
<td>Staff</td>
<td>hours/ employee</td>
<td>65</td>
<td>64</td>
<td>73</td>
<td>74</td>
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Environment

Energy Consumption
Total energy consumption as reported in this Sustainability Report covers electricity consumption, diesel consumption of standby generators and fire pumps, and fuel consumption of the Bank’s vehicles. All conversion of energy units was based on the Annual Energy Report published by the Department of Alternative Energy Development and Efficiency. There are still some other sources of energy consumption that were not covered in this report this year, such as the electricity consumption of branch banks 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. The standby generators and fire pumps are installed at the SCB Head Office, SCB Park Plaza West Tower, SCB Park Plaza East Tower, SCB Information Center, and SCB buildings at Chaengwattana and Chidlom. Thus, diesel consumption data was based on these locations. Data on diesel purchases was used instead of real 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 in the Bank’s main operations. Data was collected from fleetcards and invoices submitted by suppliers, 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, and Belle Grand Tower. Data was collected from invoices sent by suppliers.

Direct GHG Emissions (GHG Scope I)
Direct GHG emissions (GHG Scope I) come from activities related to the Bank’s business operations that are beyond the direct control of the Bank. Sources of direct 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, and Belle Grand Tower. For the past year, GHG emissions were calculated at 0.5821 tons of GHG per megawatt hour (MWh), in reference to the 2016 Power Development Plan (PDP 2016).

Water Consumption
SCB’s water consumption 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, and Belle Grand Tower. Data was collected from invoices sent by the Metropolitan Waterworks Authority.

Waste Management
The amount of waste managed and disposed is a proportion of waste produced through the activities and operations of SCB. The scope of reporting covers SCB Head Office and all branches, and the data reported comes from estimates.

Air Travel
The scope of reporting for air travel related to Bank activities covers SCB Head Office and all branches. Data on air travel was collected from travel reports and summaries, and invoices sent by ticket agency.

Society

Absenteism
The Bank uses an electronic 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. This system allows the Bank to access data to determine the number of employee sick leave days and frequency of work-related injuries of the year.

Training
SCB records employee training through a network system. The training is categorised into two categories – training for executives, and training for employees. The data reported in this report all belongs to SCB.

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, and Belle Grand Tower. For the past year, GHG emissions were calculated at 0.5821 tons of GHG per megawatt hour (MWh), in reference to the 2016 Power Development Plan (PDP 2016).

Finance Performance and Management Excellence Awards
Best Bank in Thailand

Corporate Social Responsibility and Corporate Governance Awards
Best Investor Relations 8th consecutive year (2010-2017) from Corporate Governance Asia (H.K.), Sustainability Report Award 2017, Outstanding Category from Sustainability Report Award 2016, organized by CSR Club Thai Listed Companies Association, Thailand Sustainability Investment 2017 member; selected by The Stock Exchange of Thailand (SET) and SCB has been included in RobecoSAM’s Sustainability Yearbook 2018
# General Disclosures

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<td>Location of operations</td>
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<td>Ownership and legal form</td>
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# Topic-Specific Disclosures

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<td>The management approach and its components</td>
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INDEPENDENT LIMITED ASSURANCE REPORT ON SUSTAINABILITY REPORT 2017

To President
The Siam Commercial Bank Public Company Limited

The Siam Commercial Bank Public Company Limited ("the Bank") has engaged Deloitte Touche Tohmatsu Japan Koki Audit Co., Ltd. ("we" or "us") to perform limited assurance procedures on selected subject matter ("the Subject Matter") for the year ended December 31, 2017, presented in the Sustainability Report 2017 ("the Sustainability Report") in accordance with the reporting criteria ("the Criteria").

Subject Matter
The selected Subject Matter chosen by the Bank comprises:

- Environmental and social performance indicators expressed numerically
  - Energy consumption (megawatt-hour and liter) (page 112)
  - Direct and indirect greenhouse gases (ton CO2 eq.) (page 113)
  - Total air treated (million cubic meter) (page 112)
  - Total air treated for business purpose (million m3) (page 112)

- Social and economic performance indicators
  - Average hours of training per year per employee (page 115)
  - Total number of customer complaints (including written and inquiries) (page 115)

Criteria
The selected Subject Matter above included in the Sustainability Report has been assessed according to the reporting principles prepared by the Basic "Notes to Sustainability Performance" (page 119) which has been approved by the Sustainability Reporting Standards - Core issued by the Global Reporting Initiative (GRI Standards).

Scope of our work and level of assurance
We carried out limited assurance in accordance with International Standard on Assurance Engagements 3000 ("ISAE 3000")- "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and Internation Standard on Assurance Engagements 3400 ("ISAE 3400")- "Assurance Engagements on Greenhouse Gas Statements". To achieve limited assurance ISAE 3000 and ISAE 3400 require that we review the process and systems used to compile the information provided. It also does not include limited testing of control design or the operating effectiveness of controls. Therefore, the work for a limited assurance engagement is less detailed than for a reasonable assurance engagement.

We have applied the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We have applied International Standards on Quality Control and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Interest limitation
Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore, fraud, errors or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to many inherent limitations than financial data, given both in nature and the methods used for selecting, calculating and estimating such data. Omission or gross misstatement is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the other need to continue emission of different gases.

Deloitte Touche Tohmatsu Japan Koki Audit Co., Ltd.

March 6, 2018
READER’S SURVEY
SIAM COMMERCIAL BANK SUSTAINABILITY REPORT 2017

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?
- Shareholder/Investor
- Customer
- Community
- Employee
- Supplier
- Academic
- Media
- Student
- Others (Please describe) _____________________________________________

2. What is the reason for your interest in SCB Sustainability Report 2017
- To understand SCB
- 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 2017
- Completeness of the report
  - High
  - Medium
  - Low
  - Needs improvement
- Topics presented in the report
  - High
  - Medium
  - Low
  - Needs improvement
- Interesting content
  - High
  - Medium
  - Low
  - Needs improvement
- Easy to understand
  - High
  - Medium
  - Low
  - Needs improvement
- Report design
  - High
  - Medium
  - Low
  - Needs improvement
- Overall satisfaction
  - High
  - Medium
  - Low
  - Needs improvement

4. Which of SCB’s sustainability topics are you interested in?
- Customer Expansion and Customer Experience
- Cyber Security
- Market Conduct
- Operational Eco-efficiency
- People Capabilities/Workforce Planning and Talent Attraction
- Empowering Community & Society
- Labor Rights
- Brand Management, Culture and Mindset
- Digital Technology
- Corporate Governance, Compliance and Risk Management
- Responsible Lending
- Climate Change Risk & Opportunity
- Financial Inclusion and Financial Literacy
- Anti-money Laundering, Corruption and Bribery
- Employee Health and Safety
- Others (Please specify) _______________________________

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