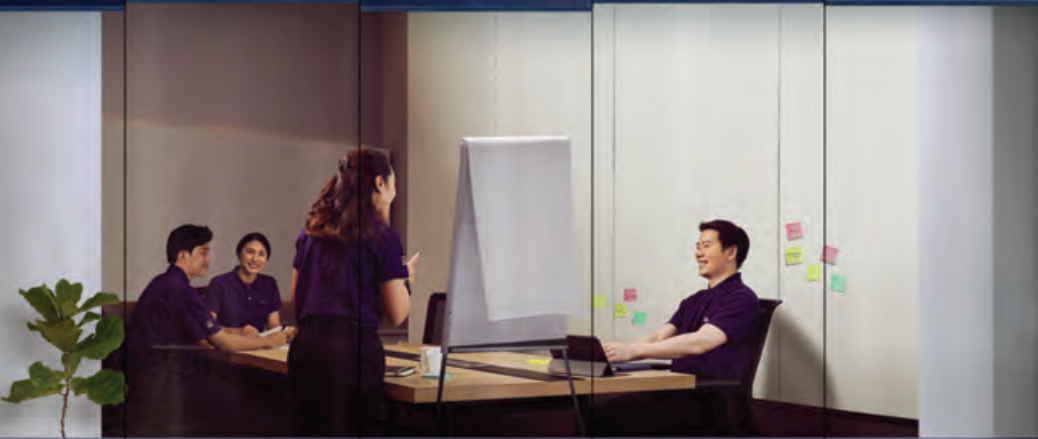




INCLUSIVE GROWTH



ธนาคารไทยพาณิชย์
Siam Commercial Bank




 SCB*
EXPRESS

โอน • เดบ • บัตรเครดิต
ฝากออมเงิน • พักผ่อน

ธนาคารไทยพาณิชย์
Siam Commercial Bank



MEMBER OF
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Sustainability Indices

In collaboration with  SAM
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Vision:

The Most Admired Bank

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Message from the Board of Directors



Dr. Vichit Suraphongchai
Chairman of the Board

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

SCB recognises that its existence and aspiration to be a “bank of the future” must rest on an ethical foundation that incorporates sustainability into its path ahead.

The year 2019 marked another challenging year for Thailand’s banking and finance sector, which continued to face both global and domestic economic volatility driven primarily by the US-China trade war. The nation’s economy was hit by slowing of the export sector. Thai banks had to grapple with the financial vulnerability of the household and SME sectors, regulatory changes and digital transition, which led to intensified business competition. Despite deceleration of the economy, Thailand’s businesses and society as a whole must continue to advance, and most importantly, do so effectively, inclusively and sustainably.

The Bank believes that change often brings progress, and that in every change, there is learning. Throughout the three-year SCB Transformation program, with its “Going Upside Down” strategy, the Bank has learned a great deal about how to integrate an “Offense-Defense-Adapt-Alter” strategic approach into management of employees, culture and technology to create positive change for inclusive and sustainable growth.

The Bank focuses on developing digital capabilities to deliver a distinctive digital experience to customers and on driving sustainable banking by supporting sustainable finance, financial inclusion and financial literacy.

Empower Employees and Unite with Partners To Build Digital Capabilities and Digital Ecosystem

SCB believes that no progress can be sustained without a strong organisational culture. Led by this belief, the Bank has been working on building an agile culture, i.e., an agile organisation that integrates digital technology into new ways of working and learning, so as to empower employees to perform and innovate at their full potential. This culture rests on four pillars: “customer centricity” to deliver “innovation” that creates value with “speed,” on the basis of prudent “risk management,” in accordance with the Bank’s core values.

In addition to enhancing employees’ digital capabilities and continuing to invest in technology, in 2019 the Bank also implemented a “Partnership Banking” strategy by connecting and forming business partnerships with both national and global experts in a wide range of industries to extend the boundaries of our digital ecosystem and fulfill the needs of all customer groups.

Uplift Customer Experience and bring Financial Empowerment to Society to Reinforce Sustainable Banking Commitment

Because the advance of technology has resulted in rapidly changing customer behaviour, the Bank has put continuous effort into product and service development by leveraging key technologies — such as blockchain, artificial intelligence (AI) and machine learning — to create a superior and seamless customer experience. One example is SCB’s Robo Advisor, the first AI-powered innovation in Thailand that provides automated mutual fund portfolio design and management services. Another

is Planet SCB, the first top-up card in Thailand that can exchange and hold as many as 14 foreign currencies at special exchange rates comparable to leading foreign exchange facilities, with the added convenience of anywhere, anytime foreign exchange services on the SCB Easy app.

The Bank recognises that competitiveness is not measured in financial terms alone but also in how the organisation fulfills its responsibility to society and the environment. To demonstrate its support for sustainable finance, on August 13, 2019, the Bank joined the Bank of Thailand, the Thai Bankers' Association and TBA member banks, to sign a memorandum of understanding for establishment of Sustainable Banking Guidelines - Responsible Lending. Under these guidelines, the Bank takes into account sustainability considerations, which comprises environmental, social and governance (ESG) factors, when making project finance decisions. This ensures that the Bank's credit underwriting process considers an extensive impact assessment and contributes to proper management to mitigate adverse environmental and social impacts. Moreover, the Bank also reviewed its responsible lending framework for retail customers and incorporated customers' affordability and living expenses, in addition to their income and credit risk, into the credit approval process to mitigate the problem of high household indebtedness.

The Bank promotes greater financial inclusion. SCB has helped foster equal and inclusive financial security for all customer groups by launching Your Loan, a personal

loan product; Purposeful Loan, a loan product for education and medical care; and Manee Free Solution, a financial product to support SMEs by waiving fees on all business transactions, thus saving costs and boosting liquidity among these customers.

The Bank also strongly emphasises promoting financial literacy among customers, young people and society at large so that individuals gain basic knowledge needed to plan their finances and manage their savings and debts. This is because the Bank's own success is no more important than empowering Thai people with knowledge and skills. These capabilities will serve as foundations for their future professional and personal lives, which will ultimately contribute to the economic and social stability of the nation.

One of the World's Top 10 Sustainable Banks

By integrating sustainability into business practices on the basis of good governance, the Bank has earned recognition from global organisations that assess and rate sustainability practices. For the second consecutive year, in 2019 the Bank was included in the Dow Jones Sustainability Indices (DJSI) in both the World Index and the Emerging Market Index. The DJSI also ranked SCB as one of the Top 10 Sustainability Leaders in the banking category.

To Become a Tech Company

The Bank's goal for 2020 is to generate strong growth by becoming a tech company and not merely a bank that adopts technologies. To achieve this goal, the Bank pursues a "Pioneering Boat" strategy to create new business models that will build new capabilities and sustainable growth. Under this strategy, the Bank established SCB 10X with a "Moonshot Mission" to think and do things that have never been done before. This new company will invest in technologies that can generate exponential growth through: 1) a Venture Builder, the first in the Thai banking industry, 2) Strategic Investment and Partnership, and 3) Venture Capital in global tech companies and start-ups. SCB 10X also oversees all digital technology subsidiaries of the Bank, which are Digital Ventures, SCB Abacus and Monix, including any technology companies founded or invested in by the Bank in the future. The Bank believes that this strategy will bring differentiation, efficiency, a larger customer base and lower costs.

Lastly, the Bank would like to thank all employees for their dedication and best efforts in their everyday work; customers for their trust in the Bank's products and services; suppliers and business partners for being part of the team to grow together; and every group of stakeholders for their continued support to create value. With more than 114 years of experience in the banking business, SCB always remembers that its existence and aspiration to be a "bank of the future" must rest on an ethical foundation that incorporates sustainability into its path ahead. The Bank will help lay a strong foundation for a financial and banking system having integrity, so as to achieve economic, social and environmental balance for inclusive and sustainable growth and to ultimately become "The Most Admired Bank."

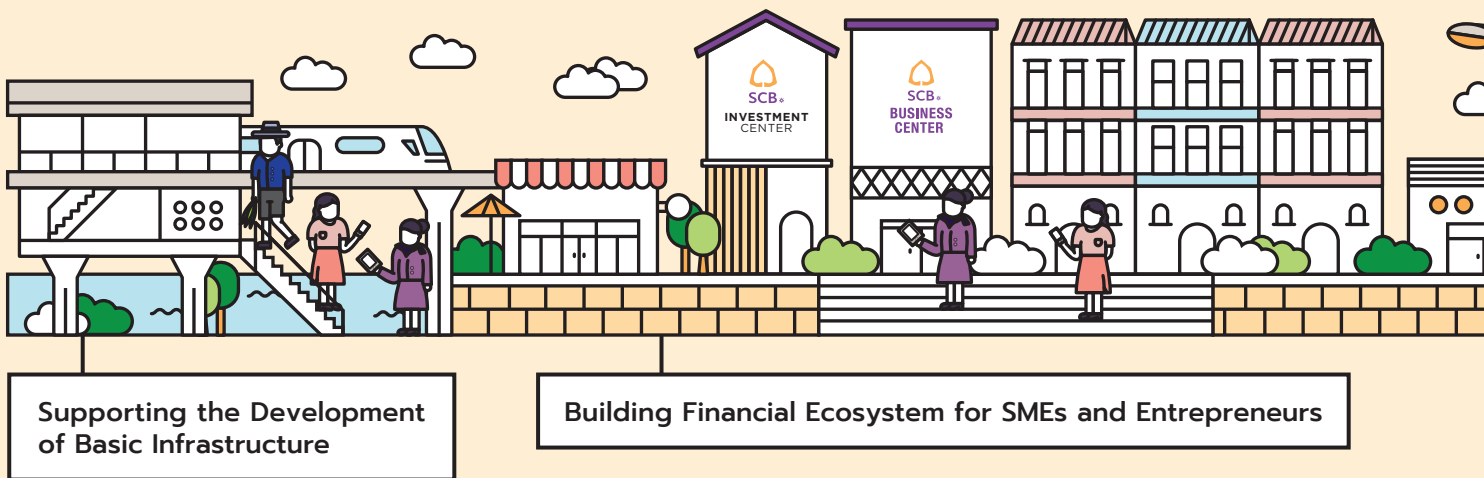
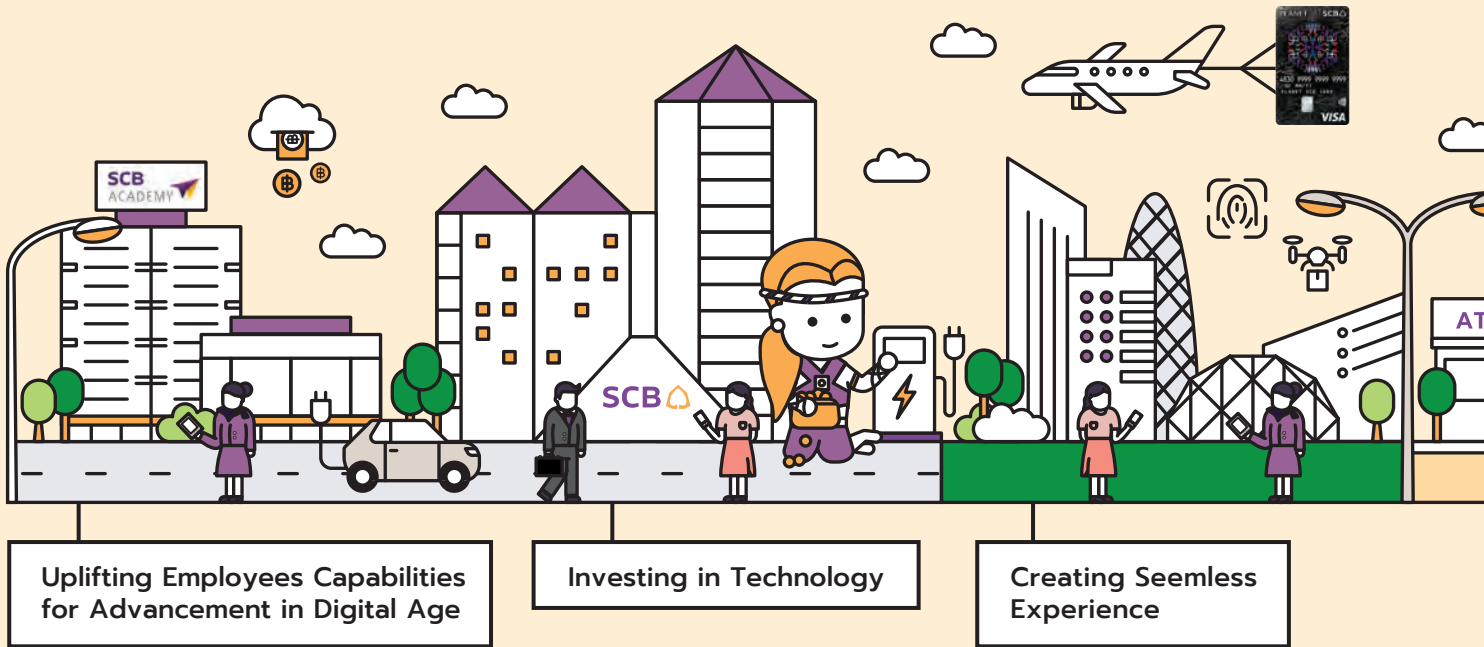


(Dr. Vichit Suraphongchai)
Chairman of the Board



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

Sustainable Banking



Key Stakeholders

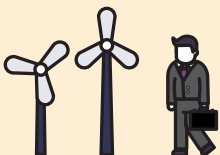
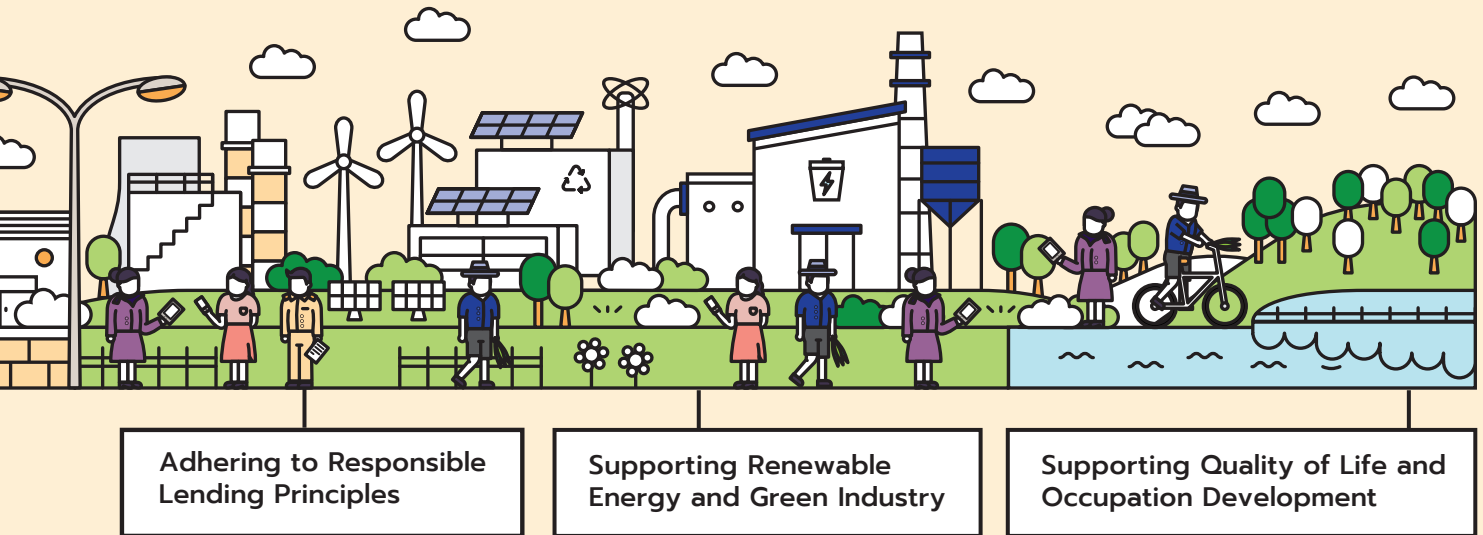
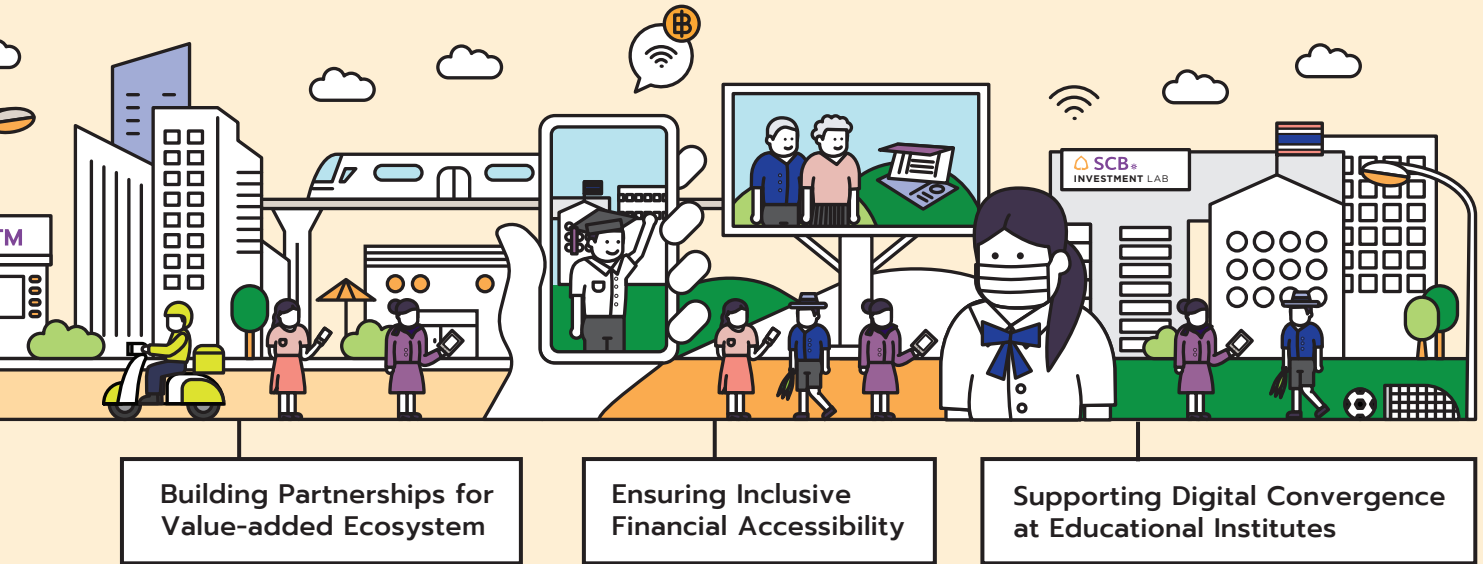


Customers



Employees

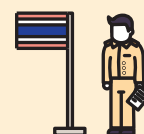
SCB is committed to operating its business with the goal of building economic and social developments throughout its value chain. The Bank provides financial supports to mega capital project developments and to small business entrepreneurs. Concurrently, the Bank offers products and services that help 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.



Shareholders



Society and Environment



Regulators

SCB at a Glance

Siam Commercial Bank Public Company Limited (SCB) is a leading universal bank and the first local bank that has been part of the Thai society for 114 years. SCB Financial Group has major subsidiaries: SCB Securities, SCB Asset Management and SCB 10X, which together create and offer end-to-end financial solutions to fulfill the needs of all groups of customers. Moreover, the Bank also has overseas affiliates, branches, and representative offices to facilitate trade and investment capabilities throughout the region.



Vision:

To be The Most Admired Bank

Driven by the vision to be “The Most Admired Bank,” the Bank has implemented the “Going Upside Down” strategy to strengthen the organisational foundation in conjunction with transforming the business model under “SCB Transformation” within a 5-year timeframe (2016-2020) to sustainably create differentiated experience and distinct value for customers and the society.



1 The Siam Commercial Bank Public Company Limited Head Office

2 Cambodian Commercial Bank

5 Vientiane Branch

8 Cayman Islands Branch

3 Shanghai Branch

6 Ho Chi Minh Branch

9 Beijing Representative Office

4 Hong Kong Branch

7 Singapore Branch

10 Yangon Representative Office

SCB Main Products and Services



Corporate Customers

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



SME Customers

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



Retail and Wealth Customers

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

SCB Group Companies¹



Ownership: 100%

Net operating income of SCB is accounted for 1.0% of SCB consolidated net operating income



Ownership: 100%

Net operating income of SCB Asset Management is accounted for 1.8% of SCB consolidated net operating income



Ownership: 100%



Ownership: 100%



Ownership: 100%



Ownership: 60%

¹ In 2019, Siam Commercial Bank divested all shares of SCB Life Assurance and formed a long-term bancassurance partnership agreement with FWD Group.

About This Report

SCB publishes its Sustainability Report annually which serves as another channel to communicate with stakeholders on the Bank's sustainability commitment and performance. This report provides an overview of sustainability performance on economic, social, and governance dimensions of the Bank and its subsidiaries based on information and data from January 1st to December 31st, 2019 during which the Bank's net operating income accounted for 95.3% of SCB consolidated net operating income.

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

Defining Report Content (GRI 102-46)

The content of this report was determined based on the Bank's operations along with associated economic, social, and environmental impacts, as well as stakeholders' expectations and interests under 4 key principles of

GRI Standards which are: stakeholder inclusiveness, sustainability context, materiality, and completeness. Material sustainability topics are assessed and identified through the following process:





1. Materiality Identification

Sustainability Context Studies and Analysis

Determine material topics by considering both internal and external factors

Internal Factors:

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

External Factors:

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

Stakeholder Engagement

In-depth interviews with the following stakeholders:

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



2. Materiality Prioritisation

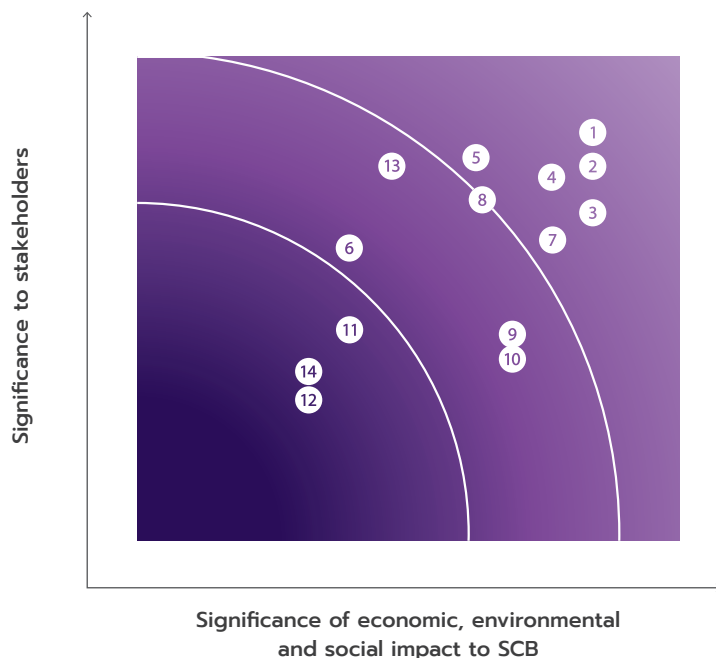
Perform materiality assessment and prioritisation of 14 identified topics from step 1 based on stakeholder interests and impact on the business.



3. Verification and Continuous Improvement

- Report materiality assessment results to the Management Committee for approval
- Review sustainability reporting process and disclosure regularly
- Enclose readers’ feedback survey at the end of the report for improving SCB’s sustainability efforts and future reporting

Materiality Matrix



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

Impact Boundary of Sustainability Topics (GRI 103-1)

Topic	SCB's Material Sustainability Topic	GRI Standards Framework	Impact Boundary					
			Internal			External		
			Employees	Customers	Shareholders	Regulators	Society and Environment	
To Be the Most Preferred Partner	• Customer Experience	• Marketing and Product Labelling	●	●		●		
	• Financial Inclusion	-	●	●			●	
	• Digital Transformation	-	●	●	●			
To Be the Most Caring Employer	• Talent Attraction and Retention	• Employment • Training and Education • Occupational Health and Safety • Labor Relation Management • Freedom of Association and Collective Bargaining					●	
	• Culture and Mindset	-	●	●	●		●	
	• Responsible Lending	• Product and Service Labelling • Active Ownership • Product Portfolio	●	●		●	●	
To Be the Most Responsible Corporate Citizen	• Green Finance	-	●	●	●		●	
	• Financial Literacy	-	●	●			●	
	• Community and Society Empowerment	• Local Communities	●				●	
To Be the Most Prudent Bank	• Climate Change Risks	-	●	●	●		●	
	• Operational Eco-efficiency	• Energy • Water • Greenhouse Gas Emission • Waste	●			●		
	• Corporate Governance and Risk Management	• Anti-corruption	●	●	●		●	
To Be the Most Prudent Bank	• Public Policy Advocacy	-	●				●	
	• Cyber Governance and Data Security	• Customer Data Security	●	●	●		●	

Stakeholder Engagement and Expectation

The Bank promotes stakeholder engagement throughout the organisation by arranging activities and maintaining regular communication with all 5 groups of stakeholders which are customers, employees, shareholders, society and environment, and regulators. This effort also serves as a two-way communication opportunity for the Bank to understand stakeholders' expectations and get feedback on the Bank's operations and, vice versa, to communicate its sustainability targets and practices to stakeholders.

In 2019, in addition to year-round stakeholder activities and communication, the Bank also conducted in-depth interviews with selected groups of stakeholders to gather suggestions, feedback and information on material issues along economic, social and environmental dimensions. This information serves as key input into materiality prioritisation which is then used to define the content and approach of this report.



Customers

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



Employees

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



Shareholders

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



Society and Environment

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



Regulators

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

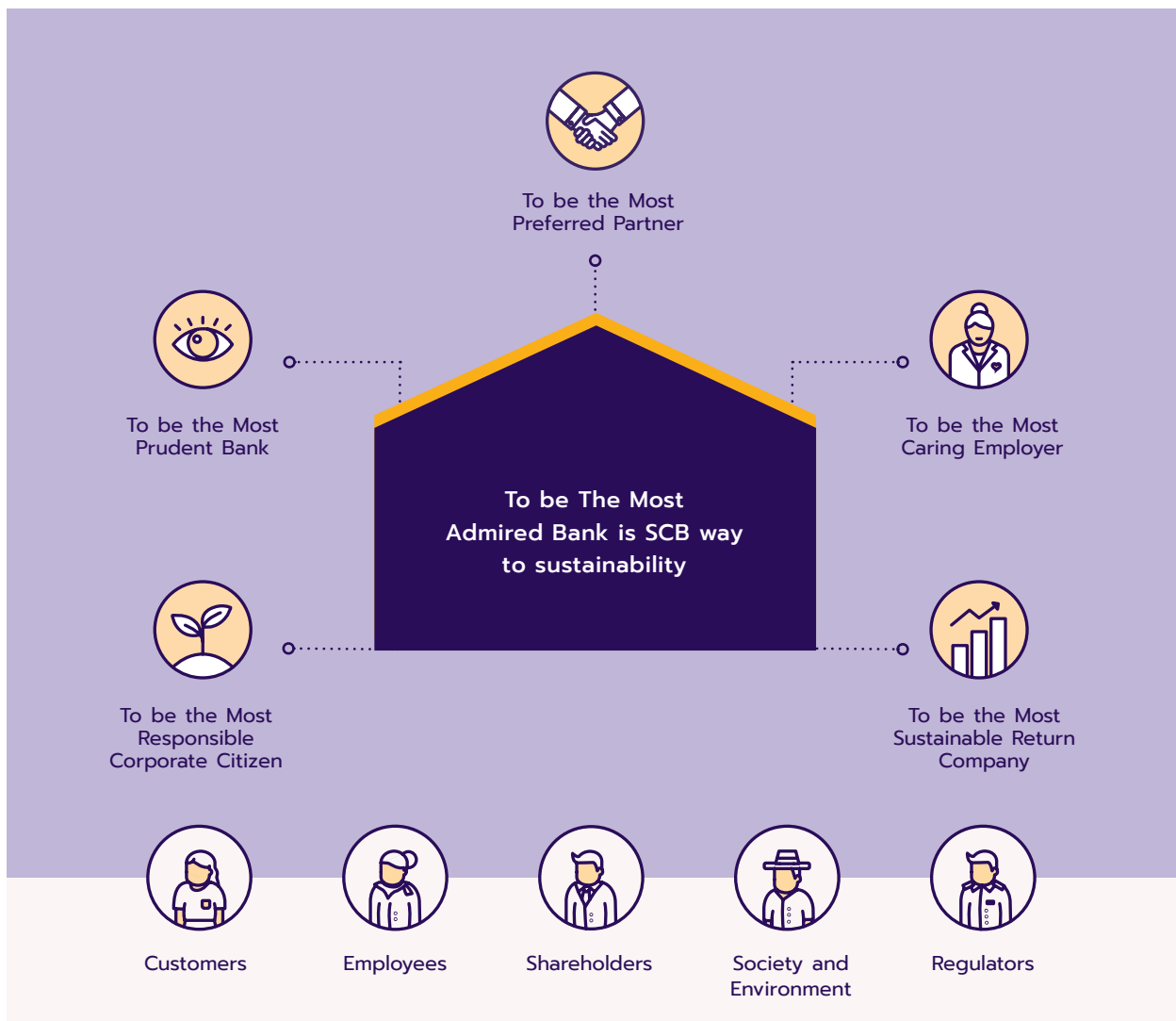
SCB Way to Sustainability

The Bank has integrated sustainability practices into its business strategy by focusing on achieving a balance along 3 dimensions: organisational growth, environmental responsibility, and social development.

SCB’s path toward sustainable banking is driven by the commitment to creating economic and social stability in parallel with conserving the environment. To achieve this goal, the Bank seeks to provide financial services that meet customer evolving needs, promote financial inclusion and financial literacy, as well as creating shared

value and building stakeholder trust to accomplish the vision of being “The Most Admired Bank.”

The Bank’s sustainability strategy is determined by material sustainability topics which go beyond sustainability in SCB context but also consider sustainability issues related to the finance and banking industry and global trends. The strategy is formulated on the basis of key stakeholder engagement to support the UN Sustainable Development Goals (SDGs).



For the Bank's sustainability governance, the Board of Directors is responsible for approving strategies and business plans that are aligned with sustainable development principles with the presidents taking the support and monitoring roles. The Corporate Sustainability function, a unit within the Strategy division, is responsible for driving sustainability implementation throughout the organisation, as well as coordinating and reporting key sustainability performance to the

presidents, relevant board committees, and the Board of Directors. Moreover, specific working groups are set up to address certain and material sustainability issues to ensure effective and successful implementation. For instance, the Bank set up the Responsible Lending Committee to ensure that implementation has been carried out systematically in accordance with the plan and to monitor progress.

SCB Material Sustainability Topics

To ensure that the Bank's sustainable management remains relevant and effective, the Bank's material sustainability topics are regularly reviewed using the materiality assessment process that adheres to principles and procedures of the GRI Standards. For 2019, the Bank identified 14 material sustainability topics from the

perspective of both stakeholder interests and business impacts with the top three most important issues being Digital Transformation, Data Governance and Cyber Security and Financial Inclusion. Below is the summary of the Bank's management approaches, goals, and implementation outcomes.



Digital Transformation

Challenge: Advancements in digital technology have revolutionised the finance and banking industry with introductions of fintech innovations such as digital banking, digital lending, digital crowdfunding, cryptocurrency, or robo advisor. These innovations have significantly changed consumer behaviour and altered the competitive landscape of the financial services business. In addition, harnessing fintech for business purpose is not something that only companies in the traditional banking space can do, but individuals, fintech startups, and technology companies can also leverage and build on fintech innovation to develop financial product and service offerings just like banks do while increasing the freedom

of financial transactions. Since these new players can offer convenient, fast, anywhere anytime financial services at lower costs, banks need to constantly adapt to sustain their competitiveness in the changing environment.

Therefore, in the past 3 years and going forward, SCB's business direction has been and will be focused on digital transformation to foster sustainable growth and long-term competitiveness.

Management Approach: Because digital capability is the key mechanism to enhance business productivity and customer experience for both today and in the



future, the Bank seeks to realise the value from the 3-year investment in SCB Transformation by creating synergy with newly developed capabilities and expanding strategic partnerships. Moreover, the Bank also prioritises investing in technology for the future in conjunction with developing a digital mindset and capabilities for employees through new ways of work and learning models.

Goal: The Bank has set a goal to digitalise its operation and product delivery by migrating both existing and new customers to its digital platforms, enhancing digital experience and delivering distinctive value to customers, as well as creating product innovations to transform banking services and building a corporate culture that embraces exponential growth to become a tech company.

2019 Performance: To create new business models, SCB 10X Co., Ltd. was established with a mission of achieving exponential growth through 3 forms of technology investment: 1) Venture builder, 2) Strategic investment and partnership, and 3) Venture capital (VC) in global tech companies and startups. Moreover, SCB 10X is also responsible for overseeing all of the Bank's technology companies including Digital Ventures, SCB Abacus, and MONIX, as well as any technology companies founded or invested by the Bank in the future.

In addition, for product development, the Bank has also successfully enhanced customer digital engagement by developing a digital platform for investment management using Robo Advisor technology to automatically design and manage investment portfolio with AI technology on Easy Invest app. This new product particularly serves customers who have clear investment objectives but are faced with time constraint, limited investment expertise, or other reasons that make managing one's own investment portfolios ineffective.

Data Governance and Cyber Security

Challenge: Concrete adoption of digital technology has generated a large and rapidly increasing quantity of data which have enabled the Bank to derive better insight from data analytics to drive and expand the business. This trend, however, also increases risk pertaining to the business, particularly in a form of heightened operational and reputational risks from data privacy breach, system disruption, technical errors, and cyber threats, etc. which can impact business continuity management. Moreover, businesses also must be prepared for potential regulatory changes caused by adverse economic and social impact from the challenge above.

Management Approach: To ensure continuity and effectiveness in its operation, the Bank places heavy emphasis on data governance and cyber security by developing systems and infrastructure, investing in technologies, enhancing employee capabilities, as well as improving processes to keep pace with change.

The Bank recognises that effective data governance not only enhances security, safeguards privacy, and manages risk throughout the data lifecycle, but also increases business opportunities that arise from leveraging data. Therefore, SCB Data Governance Framework has been established along with the Data Governance Office to ensure that the Bank's data governance management is well-aligned internally and meets relevant regulatory requirements and global standards.

Moreover, the Bank also established the Data Privacy and Protection Policy as well as setting up the Data Privacy Steering Committee and Data Privacy Working Group to ensure that the Bank has appropriate measures in place to control and manage data privacy in accordance with the Personal Data Protection Act, B.E. 2562 (2019).

To mitigate cyber risk and increase cyber security, the Bank established the IT Security Policy as well as guidelines and procedures to create an IT Contingency Plan to complement the Business Continuity Plan. The Bank also adopts various technologies, such as Cybersecurity Threat Intelligent Surveillance system, machine learning, and cloud computing, with the Technology Committee taking the oversight role and the Chief Technology Officer responsible for enhancing the Bank's capability in digital technology management.

Goal: The Bank aims to continuously improve its data governance and cyber security to ensure that data on all of the Bank's systems and digital platforms are managed with care and adequately protected against new threats and that there shall be no breach in customer data privacy. The Bank also sets to test its IT Contingency Plan at least once a year to ensure prompt and effective response to any emergency or crisis.

2019 Performance: For systematic data management, the Bank established the SCB Data Governance Framework as well as setting up the Data Governance Office with key responsibility of mastering data governance regulations and best practices and applying the knowledge to the Bank's operations.

The Bank has uplifted cyber risk management on cloud computing platform to enhance its data storage security to be on par with on-premise storage and keep potential risk within its tolerance level. This cloud computing technology also increases operational speed as well as lowering the cost of maintaining computer systems and networks. Performance on cyber security is regularly reported to senior management in a dashboard format.

The Bank tested the IT Contingency Plan in November and December of 2019 and the result indicated the Bank's efficient capability and readiness in handling the crisis.



Financial Inclusion

Challenge: Financial exclusion, i.e. lacking access to financial products and services, remains one of the challenges that people in many countries are facing. This includes small businesses which face hurdles to access financial products and foster their business growth, constrained by inadequate financial services. Lack of financial inclusion then affect the finance and banking industry by narrowing and limiting its customer base which directly affects banks' ability to operate and generate returns in the long run. This situation also has an indirect impact on financial product and service innovations to address the needs of different customer segments as well as generating returns from doing business with existing customer base. In the end, financial exclusion creates economic problems as well as exacerbating inequality in the society.

Management Approach: The Bank recognises that the challenge of financial inclusion mostly stems from limited access, unavailability of products and services, as well as affordability of products and services. Therefore, the Bank has developed the following management approaches to increase financial inclusion for customers.

Technology: The Bank leverages technologies to increase financial inclusion by expanding service channels, e.g. mobile apps and digital platforms. The Bank also supports the development of financial infrastructure and ecosystem that can help both retail and business customers in financial management and improve their financial well-being.

Product: The Bank develops products and services that serve mass customers as well as revising requirements and procedures to make it easier for customers to access products and services.

Business Partner: Forming business partnerships to promote financial inclusion.

Goal: The Bank seeks to expand its customer base by increasing the number of digital users to 20 million by 2022 and increasing the share of loan products sales on digital platforms. Moreover, the Bank will continue to broaden its business partnership network to include educational institutions, banking agents, logistics businesses, supply chains, digital ecosystems, along with retail and wholesale businesses to create inclusive access to financial products and services.

2019 Performance: Today, SCB Easy app is one of the Bank's key channels to offer products and services, e.g. loan products, mutual funds, insurance, and payment services. At the end of 2019, there were more than 10.5 million SCB Easy users with access to more than 64 billion baht worth of the Bank's new booking. With the Bank's attempts to encourage digital transactions and comprehensive financial products and services, the

number of transactions on SCB Easy app had reached 142 million at the end of 2019.



In collaboration with Thai Bankers' Association and the Bank of Thailand, SCB has developed affordable products for retail customers. For instance, the Bank has more than 4,100 basic savings accounts, a type of savings account to serve people with government welfare cards and senior citizens offering no minimum balance, no debit card initial or annual fee, and no account maintenance fee. For SME customers, the Bank offers the "Manee Free Solution" product, an end-to-end business assistant that charges no fees for any transactions and incentivises savings by offering special interest rate on current account deposits, as well as access to free seminars at SCB Business Centre. At the end of 2019, the total amount of deposits in Manee Mungkung account was over 2 billion baht.

Moreover, under the "Partnership Banking" concept, the Bank focuses on continually building business partnerships to create an inclusive financial ecosystem and access to financial products and services. In 2019, the Bank partnered with CP All Plc. to offer a banking agent service, the first in Thailand that enables customers to deposit and withdraw cash from SCB accounts using a QR Code system on SCB Easy app at more than 12,500 7-Eleven branches nationwide. There have already been more than 6.8 million transactions through this service. In addition, the Bank also forms business partnerships in a wide variety of industries, such as GET Thailand, Sea Thailand, and Lazada Thailand, to continuously expand financial product and service access channels through the digital ecosystem.

Supporting UN Sustainable Development Goals

The Bank has adopted the Sufficiency Economy philosophy of His Majesty King Bhumibol Adulyadej to guide its sustainability practices. Alone as well as in partnership with other organisations, the Bank leverages its knowledge and capability to create positive change in

economic, social and environmental aspects. Specifically, the Bank supports 6 UN sustainable development goals (SDGs) that address the issues of poverty, inequality, and climate change with the following key implementations.

UN Sustainable Development Goals	SCB Implementation	Related Sustainability Topics
 <p>Goal 1: End poverty in all its forms everywhere</p>	<p>Ensure inclusive and equal financial access for all individuals and businesses as well as instilling financial discipline among customers and the general public by increasing financial literacy through a wide variety of channels and mediums.</p>	<ul style="list-style-type: none"> • Financial inclusion • Financial literacy • Community and society empowerment
 <p>Goal 4: Ensure inclusive and equitable education and promote lifelong learning for all</p>	<p>Promote youth development and learning so that children at any age and any level of education, everywhere in Thailand have access to quality education and can acquire skills to work and support themselves.</p>	<ul style="list-style-type: none"> • Financial inclusion • Financial literacy • Community and society empowerment

UN Sustainable Development Goals	SCB Implementation	Related Sustainability Topics
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<p>Promote sustainable energy production in Thailand through responsible lending for renewable energy sector and energy efficiency projects as well as providing advisory to businesses on green products or investment in energy efficiency.</p>	<ul style="list-style-type: none"> • Climate change risks • Responsible lending • Green finance
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Goal 8: Promote sustained, inclusive, and sustainable economic growth and productive employment</p>	<p>Offer comprehensive financial products and services that satisfy the needs of every customer segment to facilitate economic growth and employment at both national and regional levels. In addition, the Bank also has fair employment practices ensuring equal treatment and safe work environment for employees as well as supporting employment for people with disabilities.</p>	<ul style="list-style-type: none"> • Talent attraction and retention • Customer experience • Culture and mindset • Community and society empowerment

UN Sustainable Development Goals	SCB Implementation	Related Sustainability Topics
 <p>Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation</p>	<p>Develop fintech for digital banking, promote business financial innovation on digital platforms, and build on existing innovation through joint venture investments with local and global leading companies. In addition, the Bank also took part in developing guidelines on customer data privacy protection to be adopted as standards for the banking industry.</p>	<ul style="list-style-type: none"> • Digital transformation • Customer experience • Data governance and cyber security • Community and society empowerment
 <p>Goal 13: Take action to combat climate change</p>	<p>Committed to mitigating climate change impact through maximising operational eco-efficiency as well as raising employee awareness and interest through CSR activities. Moreover, the Bank collaborates with external organisations to address environmental concerns such as air pollution.</p>	<ul style="list-style-type: none"> • Climate change risks • Responsible lending • Operational eco-efficiency • Green finance • Community and society empowerment

To be...

The Most Sustainable Return Company





Amid challenges from the frail economy, digital disruption, as well as rapidly changing customer behaviour, the Bank focuses on continuous learning and improvement under the “Going Upside Down” strategy to drive stable returns, cost efficiency and inclusive growth.



Consolidated Net Operating Income

166.1 Billion Baht

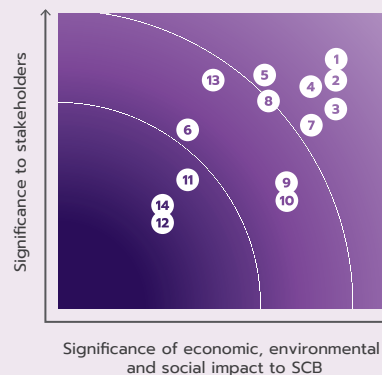


Net profit

40,436 Million Baht



No. 1 among Thai Commercial Banks
from “Forbes Global 2000” Ranking



Material Sustainability Topics

Shareholders seeks financial returns as well as the Bank’s ability in creating shared value for the environment and society to generate reasonable and sustainable returns.



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

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

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

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

2019 Highlights



Economic Performance



Consolidated Net Operating Income

166.1 Billion Baht



Net Profit

40,436 Million Baht



Earnings per Share

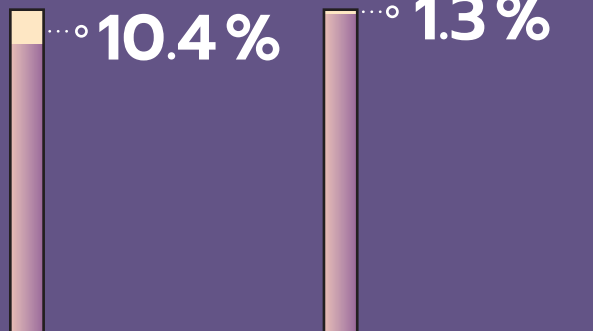
11.9 Baht

Return on Equity

10.4%

Return on Asset

1.3%





Investment in Employee Development



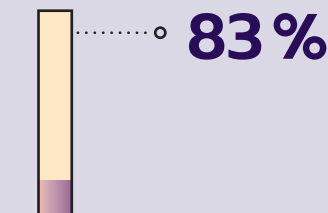
Total Employee
25,953 Persons



Employee's Expenses
33,281 Million Baht



Organisational Health Index (OHI) Result



Human Capital Return on Investment
3.87

Investment in Society and Environment

Approved Green Lending More Than

75 Billion Baht

Spending on CSR Activities

798 Million Baht

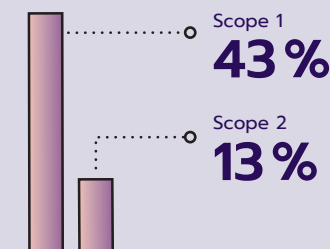
Number of CSR Projects



Energy Consumption Reduction (Compared to 2018 Baseline)

10%

Reduction in Greenhouse Gas Emissions Scope 1 and Scope 2 (Compared to 2018 Baseline)



Reduction in Water Consumption (Compared to 2018 Baseline)

17%

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

Selected as a member of Dow Jones Sustainability Indices (DJSI) for the World Index and the Emerging Markets Index in the banking and received a Silver Class from Sustainability Award 2019 ranking by SAM The Sustainability Yearbook 2020 for the 2nd consecutive year



FTSE4Good

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

MSCI

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



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



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

To be...

The Most Preferred Partner





Consumers in the digital age want convenience and expect personalised solutions. The Bank places high emphasis on adopting and investing in technology to create innovations and distinctive customer experience, soliciting customer feedback as input into developing products and services that better address their needs, as well as promoting financial inclusion.

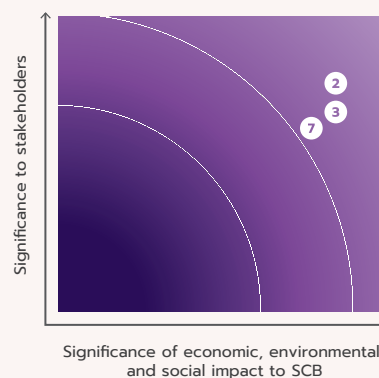


The Number of SCB Easy User has Increased to

10.5
Million



16.4
Million Retail Customers



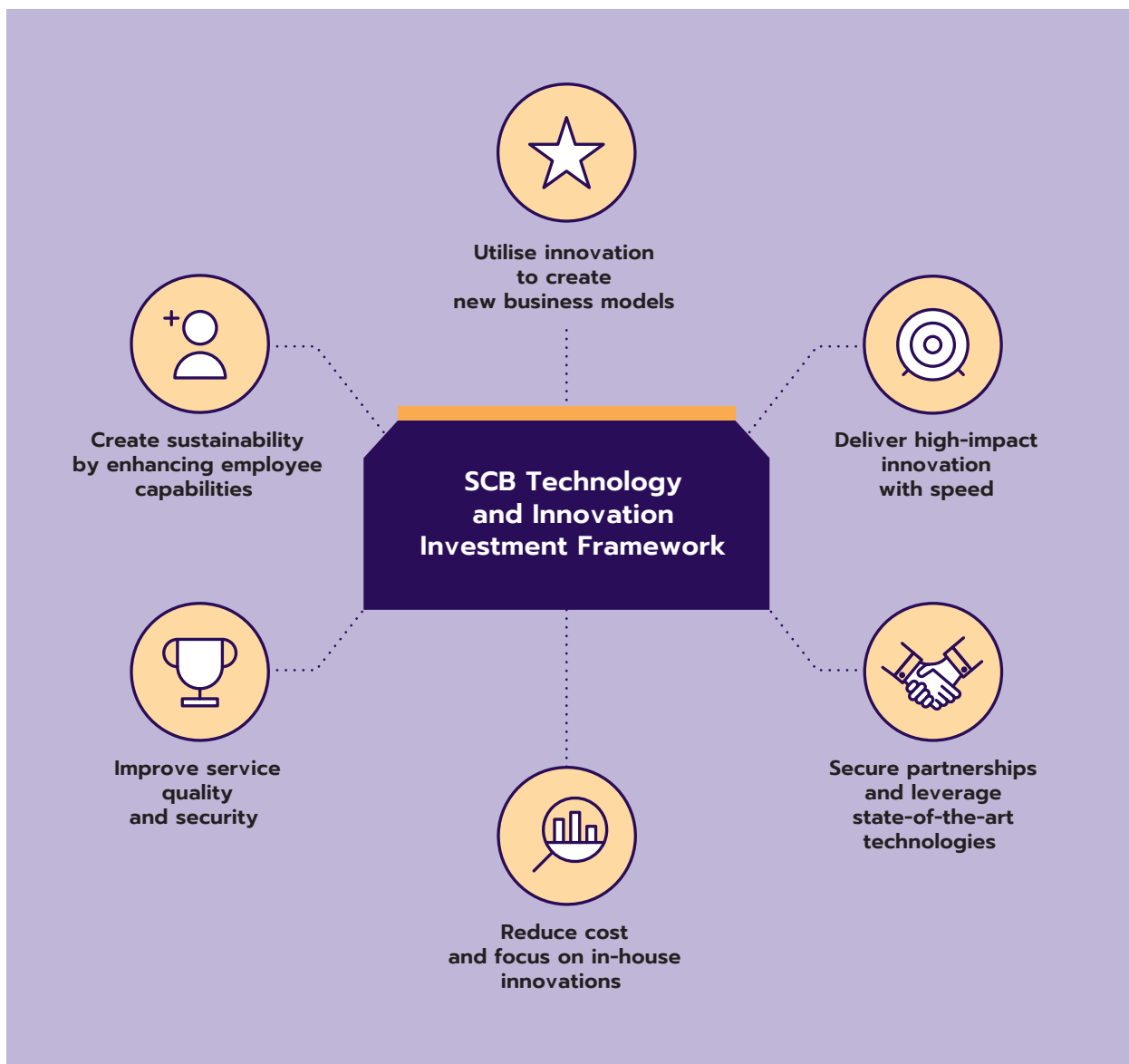
Material Sustainability Topics

- 2 Customer experience
- 3 Digital transformation
- 7 Financial inclusion

Digital Transformation

Innovation and speed are at the heart of differentiation which, in turn, increases an organisation's competitive advantage. This requires data and digital technology as key enablers to drive core business growth and new business development with the goal of creating seamless experience for customers, promoting financial inclusion for the society, and achieving exponential growth with partnerships.





Thus, the Bank's key priority is to become fully digitised and data-driven through investment in technology and innovation. The goal is to transition to "bank as a platform," build a digital ecosystem, and ultimately become a tech company.



Strengthen Core Businesses and Expand Capabilities through Subsidiaries

The Bank sees both opportunities and challenges from an increasingly dominant role of technology and innovation in financial and banking businesses. Thus, the Bank has set up technology-focused subsidiaries and new business units as part of its infrastructure modernisation and technology investment plan to drive competitiveness,



expand business opportunities, and create flexibility in developing new businesses that will generate consistent revenue streams to achieve sustainable growth as envisioned in the Bank's long-term strategic plan.

<p style="text-align: center;">2016</p>  <p style="text-align: center;">Digital Ventures Co., Ltd.</p>	<p>To create and drive fintech innovations through strategic investments in global startups or funds, R&D support for deep tech, along with developing internal fintech capabilities.</p>
<p style="text-align: center;">2017</p>  <p style="text-align: center;">SCB Abacus Co., Ltd.</p>	<p>To build on AI technology in processing, analysing and learning from big data to deliver insights for the Bank's business and service development. SCB Abacus is the first financial services and banking company in Thailand and Southeast Asia to develop expertise in this cutting-edge technology.</p>
<p style="text-align: center;">2018</p>  <p style="text-align: center;">SCB 10X Business Unit</p>	<p>To develop strategic products under a new business model with a focus on positive impact for customers and a goal to become "bank of the future".</p>
<p style="text-align: center;">2020</p>  <p style="text-align: center;">SCB 10X Co., Ltd.</p>	<p>To develop and invest in financial businesses, as well as applied technology businesses, along with R&D investment in financial innovation. SCB 10X Co., Ltd. oversees all technology companies of the Bank including Digital Ventures, SCB Abacus and Monix including any technology companies founded or invested by the Bank in the future.</p>

At the same time, the Bank has continuously pushed for innovation by leveraging digital technology to create new

digital experience that offers customers more convenient lifestyles under robust data security system.

Selected Technology and Innovation Investment Initiatives

	Products and Services	Technologies	Summary
2019			
	Your Loan by SCB 10X	AI and Machine Learning	Personal loans that use technology to analyse and assess customers' risk with no collateral or guarantor required
	ROBO ADVISOR First in Thailand by SCB 10X and SCBS	AI	Automatic investment portfolio selection and management using AI which can be managed anywhere anytime on Easy Invest app
2018			
	E-KYC & E-signature First to offer bank account opening online	Biometric	Electronic know-your-customer identification and verification system
	Blockchain Solution for Procure-to-Pay or B2P by Digital Ventures	R3 Blockchain	Digital platform for procurement
	Blockchain Solution for Academic Document Verification or B.VER by Digital Ventures	Blockchain	Digital platform for academic document verification
	Mae Manee Sri Online Digital Loans First in Thailand by SCB Abacus	AI	Digital lending platform for small businesses to promote financial inclusion
	Perm Poon Chatbot by SCB Abacus	AI and Machine Learning	Provide real-time responses to any mutual fund investment questions on LINE and Facebook
	Puek Hom Chatbot by SCB Abacus	AI and Machine Learning	Track and categorise income and expense with features to set monthly budget and to view income-expense summary
2017			
	International Money Transfers	Blockchain	Transfer money internationally within a few seconds or no more than 3 days <ul style="list-style-type: none"> ● More convenient ● Faster ● Cheaper

Partnering with Experts to Drive Exponential Growth

SCB is ready to create exponential growth by connecting and building on its businesses with both domestic and global partners to expand the digital ecosystem and to offer comprehensive solutions for customer needs.

One of the strategies to become platform banking is to redefine the business model to incorporate inorganic growth in a form of partnership banking, joint ventures, or mergers and acquisitions (M&A) with technology experts.



Partnership with the Largest Unicorn Startup Company in Asia

In 2019, the Bank secured a partnership with SEA (Thailand), which is the largest unicorn startup company in Asia and is listed on the New York Stock Exchange, to create a concrete digital lifestyle ecosystem in Thailand. SEA owns a suite of well-known and widely recognised online platforms for digital entertainment (Garena), e-commerce (Shopee), and digital financial services (AirPay). The Bank and SEA see the opportunity to develop a synergistic and compatible system to give customers from both sides convenient and seamless user experience.



Major Investment in "GOJEK," a Leading Technology Company in the Region

In July 2019, the Bank announced an investment in GOJEK, a leading decacorn startup from Indonesia and a leading technology group in Southeast Asia for on-demand services. The Bank has partnered with GET Thailand, an on-demand lifestyle app, to build a digital lifestyle ecosystem for drivers, merchants, and GET users. This partnership also promotes financial inclusion by offering financial solutions, e.g. digital lending for retail customers and sSMEs, payment solution, GET Pay e-wallet top-up with SCB Easy app, and easy and convenient credit transfers from GET Pay to SCB bank accounts for drivers and merchants.

Customer Experience

Amid rapid changes in the digital age which led to intensified business competition and more choices for customers, the Bank focuses on realigning and improving its internal operations in both technology, operational processes, and employee capabilities, to truly understand and meet customer needs. This means

creating innovative products to deliver distinctive and desirable customer experiences, making continuous product and process improvement while valuing customer and employee feedback in order to effectively manage complaints.

Feedback, Recommendation and Complaint Management

Because every customer feedback matter, providing appropriate responses to feedback, suggestions, or complaints has always been one of the Bank's top priorities. The Bank reviewed the roles and responsibilities of the Complaint Management Committee, which consists of senior executives representing all relevant business units. This committee has an oversight responsibility for complaint management which entails analysing and prioritising of the urgency of a complaint, taking appropriate and timely corrective actions, as well as

monitoring the progress of remediation implementation which is then reported back to the Management Committee.

Moreover, to create the best customer experience, the Bank has also reviewed and revised the definitions and the process for complaint management to be more comprehensive and precise as well as including the number of complaints as one of the KPIs of relevant business units in order to drive concrete implementations.

Every customer experience is important to SCB. To further improve its products and services, the Bank has defined "complaint" to include any incidents or cases reported to the Bank by customers or external persons either verbally, in writing, or through any media channels that involve concerns or problems with product and service quality or conduct of employees, representatives, agents, and outsourced staff.



Feedback and complaint channels:



"You Tell Us"

a feature on SCB Easy app and SCB Connect



Customer Centre

by calling 0 2777 7777 for individuals or 0 2722 2222 for juristic persons



Branch Network

nationwide



Email

to whistleblower@scb.co.th

Process and Product Improvement

The Bank focuses on building a customer-centric culture which means taking the time and effort to listen to customers and find solutions to address their problems. The Bank launched the “Make No Sense” programme in 2018 to encourage employees to report problems and customer complaints related to processes or services. The Bank can

then take appropriate actions to address and resolve the issues to further improve customer experience.

Throughout 2019, the focus of the programme was on Service Level Agreement (SLA) of issues that not only have a financial impact but also affect customer experience.

Performance Highlights of “Make No Sense” in 2019



Branch Process Improvement

- Improve the process for obtaining a bank statement in English which can now be issued immediately upon request
- No bank book required for in-branch transactions
- Develop SCB Easy to offer certain services available at branch (Any Branch is Your Home Branch)



Curtailed Processing Time

- Shorten the time to refund customers who encounter a problem with cash withdrawal Refund can now be issued immediately if a technical error is found
- Shorten the time to refund or credit the account of customers when money transfer does not reach the intended recipient



Product Improvement

- SCB Easy App
 - International money transfer at a lower fee and faster processing time
 - Open a brokerage account with SCB Securities on SCB Easy app
- Credit Card
 - Apply for a credit card and get instant approval on SCB Easy app
 - No need to fill an application and send supporting documents every time (only send new documents requested)
 - A payment made on SCB Easy app will be instantly credited as opposed to the previous one business day delay
 - No fee for requesting a credit card statement
- Loan
 - Apply for a loan on SCB Easy app which offers streamlined documentation and application status tracking

To ensure that the Bank’s products and services truly meet customer needs, the Bank conducts a customer satisfaction survey every year through a variety of channels such as SMS messaging, SCB Connect on LINE app, etc. The survey results help the Bank understand how customers feel and

get feedback to further improve the business operation. Moreover, the Bank also conducts customer satisfaction survey for other services such as Customer Centre, as well as for the overall service of the Bank, using an appropriate methodology for each type of services.

Product and Service Innovation

With continuous effort, the Bank continues to develop products and services that deliver distinctive value and experience. Particularly in the digital age, the Bank focuses on creating seamless experience in a variety of

dimensions by working with strong partners and leveraging technologies to create new products and services as well as adding value to existing products and services.

Commitment to Seamless Customer Experience



Seamless Global Payment Experience

Partner: VISA

With PLANET SCB, a new prepaid card under the “Freedom of Foreign Exchange” concept that offers unique benefits such as

- Store as many as 14 foreign currencies on a single card
- Spend in any currencies around the world with no foreign exchange fees
- Enjoy the convenience of 24-hour foreign exchange services on SCB Easy app

Partner: Liquid Group

With a plan to extend the Cross-border QR Payment system between Thailand and Singapore in 2020 to bring real-time, seamless global payment experience to Thai and foreign customers.



Seamless Payment Experience

Partner: J.I.B. and LINE

With the new Easy Mall feature on SCB Easy app that enables customers to conveniently, quickly, safely shop with J.I.B. Computer Group, one of the leading e-commerce platforms in Thailand, on SCB Easy app 24 hours a day as well as creating an online payment eco-system for merchants and customers on SCB PayWise offering the options of direct debit payment from a savings account, SCB credit cards (full payment or installment) as well as Speed Cash (installment).

In addition, LINE store is now available on Easy Mall offering the first experience for customers to buy stickers, themes or emojis on a mobile banking app.



Seamless Shopping Experience

Partner: The Mall Group and VISA

With SCB M Visa Prepaid Tourist, an exclusive prepaid card for foreign tourists to make purchases in the Mall Group with complete confidence backed by VISA’s global security standard as well as receiving many privileges. This card connects online and off-line worlds to deliver a seamless shopping experience.

Moreover, this SCB M Visa Prepaid Tourist card also supports the government agenda on a national e-payment system to drive Thailand’s transition toward a cashless society.



Seamless In-car Payment Experience

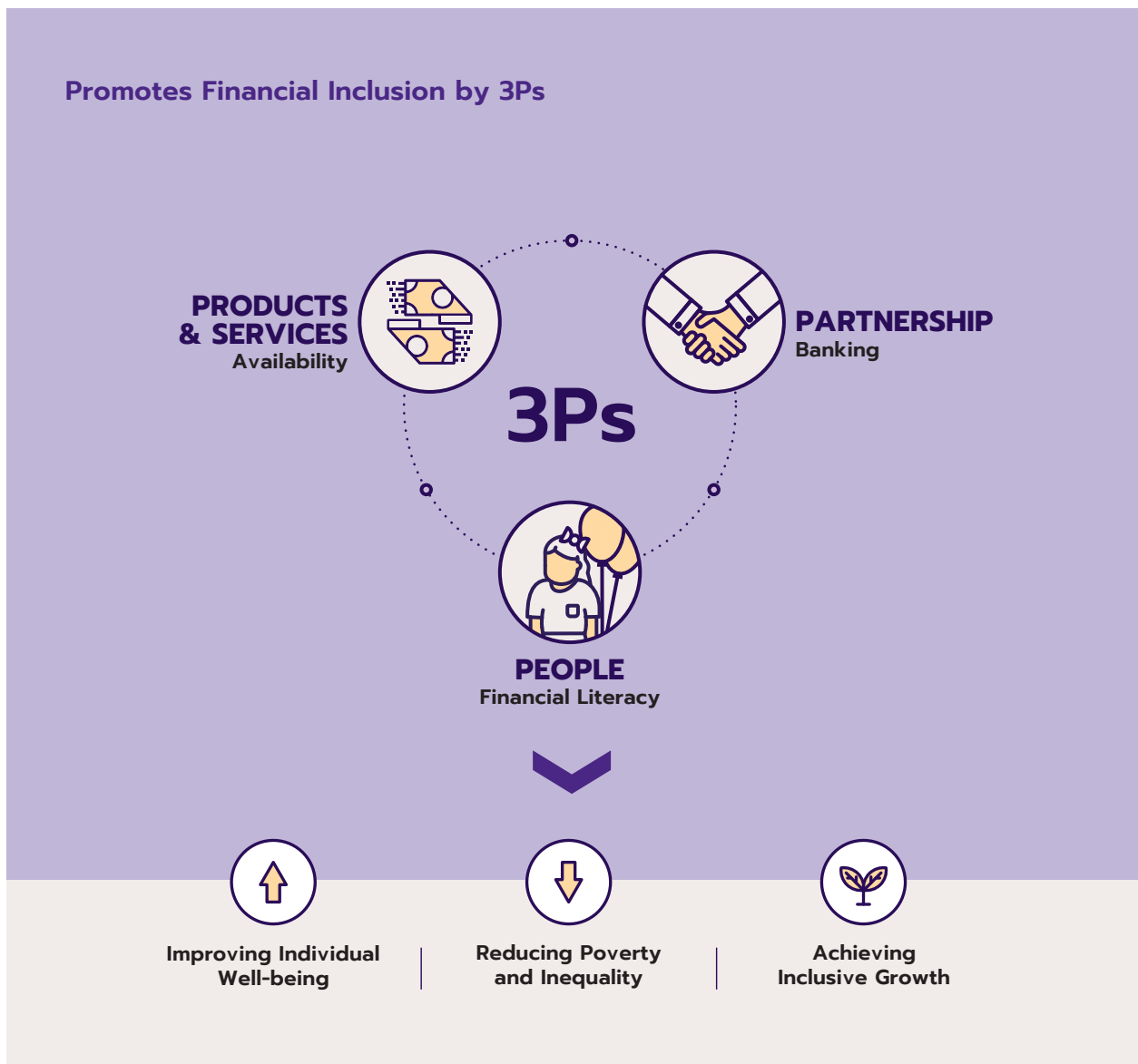
Partner: SHELL and TOYOTA CONNECTED

With In-car Payment on PASSPay app, the first payment service for car owners in Thailand that enables customers to enjoy full services, such as filling up gas at any Shell gas stations or ordering food and drink at Deli Café, from the comfort of their own cars.

Financial Inclusion

The Bank recognises its role in improving people's quality of life, reducing economic inequality, and creating inclusive growth. Thus, under the "3Ps" framework, the Bank promotes financial inclusion by developing products and services that increase financial inclusion

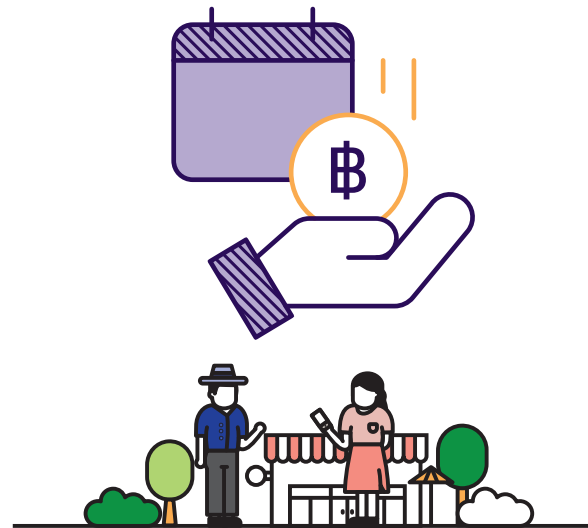
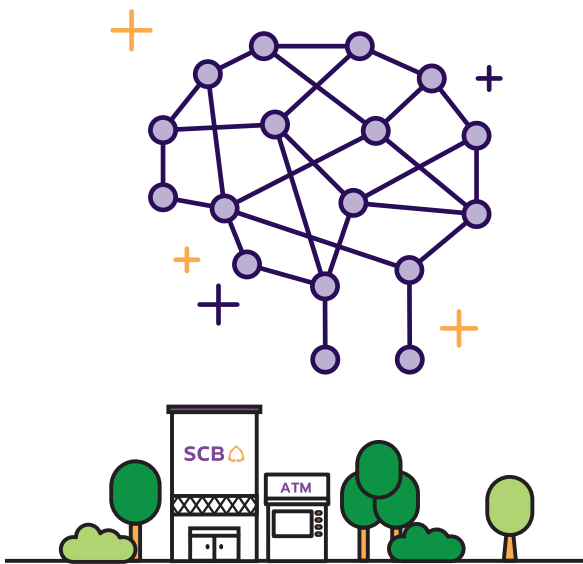
(Products and services availability), providing financial knowledge to customers and people in the society (People financial literacy), and building partnerships to form a financial ecosystem that nurtures sustainable development (Partnership banking).



Promoting Financial Inclusion for Retail Customers

The Bank focuses on developing products and services that promote financial inclusion for all customer segments, which include those with no collateral, and providing

inclusive and equal access to financial products and services through a wide range of channels.

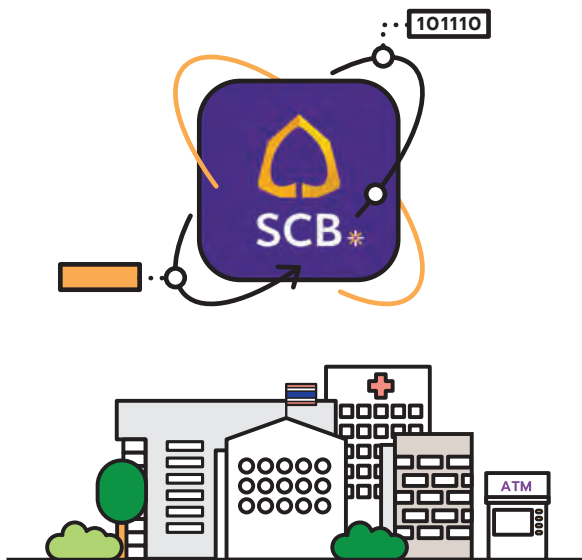


Personal Loan: Your Loan

Many of today's consumers lack access to financial products and services due to limitations and conditions in credit applications. The Bank solves this problem with technology by delivering a personal loan product available through SCB Easy app which uses artificial intelligence (AI) and machine learning technologies to analyse and assess credit risk of customers. This product requires no collateral or guarantor and charges a fair interest rate using an effective interest rate that is no higher than the Bank of Thailand's policy rate.

"Mee Tang" (or Got Money)

This new financial innovation allows employees whose companies use SCB payroll service to get payroll advances directly on SCB Easy app. This no-fee access to emergency cash can be considered a benefit for employees who can access cash without having to wait until payday or going through administrative hassle of submitting an advance request. This service also helps prevent people from falling prey to loan sharks, alleviates household debt, and increases financial flexibility for company employees. In 2019, the Bank launched the "Mee Tang" with Villa Market JP and Ampol Food Processing as well as organising special activities and seminars on personal finance for their employees.

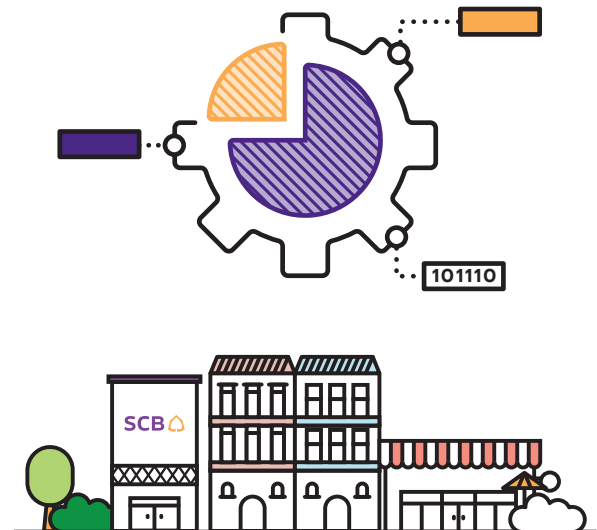


Purposeful Loan

To achieve the goal of developing products and services that fit the needs and daily lives of all customer groups, the Bank introduced an education and/or medical loan on SCB Easy app which requires no collateral or guarantor. This type of loans presents an additional channel for financial inclusion as well as enabling customers to meet their personal finance objectives.

**More than 595 customers
accessed purposeful loans
for education and medical care
which amount to 19 million baht**

Data as of the end December 2019



Robo Advisor - Investment Innovation

Fintech plays an increasingly important role in enhancing investment capabilities that will give people an access to investment, even those with limited income.

To seize this opportunity, SCB Securities has developed an investment digital platform using Robo Advisor technology which features automatic mutual fund portfolio design and management using AI technology. This service is available on Easy Invest app to promote savings and accessible investment with only a 3,000-baht minimum investment required and no management fees. The platform offers a comprehensive range of service such as designing an investment plan that meets customer's financial objectives and risk tolerance, and balancing investment portfolio to maintain appropriate asset allocation in response to market conditions. Investors can track their investment portfolios anywhere, anytime.

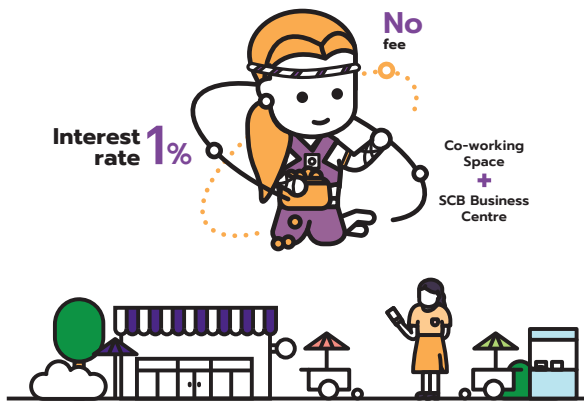
**More than 56,000
SCBS Easy Invest users**

Data as of the end December 2019

Promoting Financial Inclusion for SMEs

Today's economic uncertainty has significant impacts on business operation of the Bank's customers, particularly for SMEs which serve crucial roles in the economy and are the key mechanism for a strong economic foundation. The Bank understands the challenges facing SMEs and

seeks to become part of the solution to help SMEs achieve a smooth and successful business by offering diverse financial products and services to ensure that SMEs have quick and easy access to financial resources when needed.



Manee Free Solution – End-to-End Business Assistant

Manee Free Solution is a financial product for SMEs with a total sales not over 75 million baht which is designed to help support small businesses by loosening their financial constraints. Among the benefits offered, customers pay no fees for all business transactions and get paid as much as 1% monthly interest on Manee Mungkung accounts. Furthermore, customers have free access to co-working space and business development seminars to help drive sustainable growth for SMEs.

The Bank has a total deposit of over 2,000 million baht in Manee Mungkung account
Data as of the end December 2019



Thai Credit Guarantee Corporation Guaranteed Loan

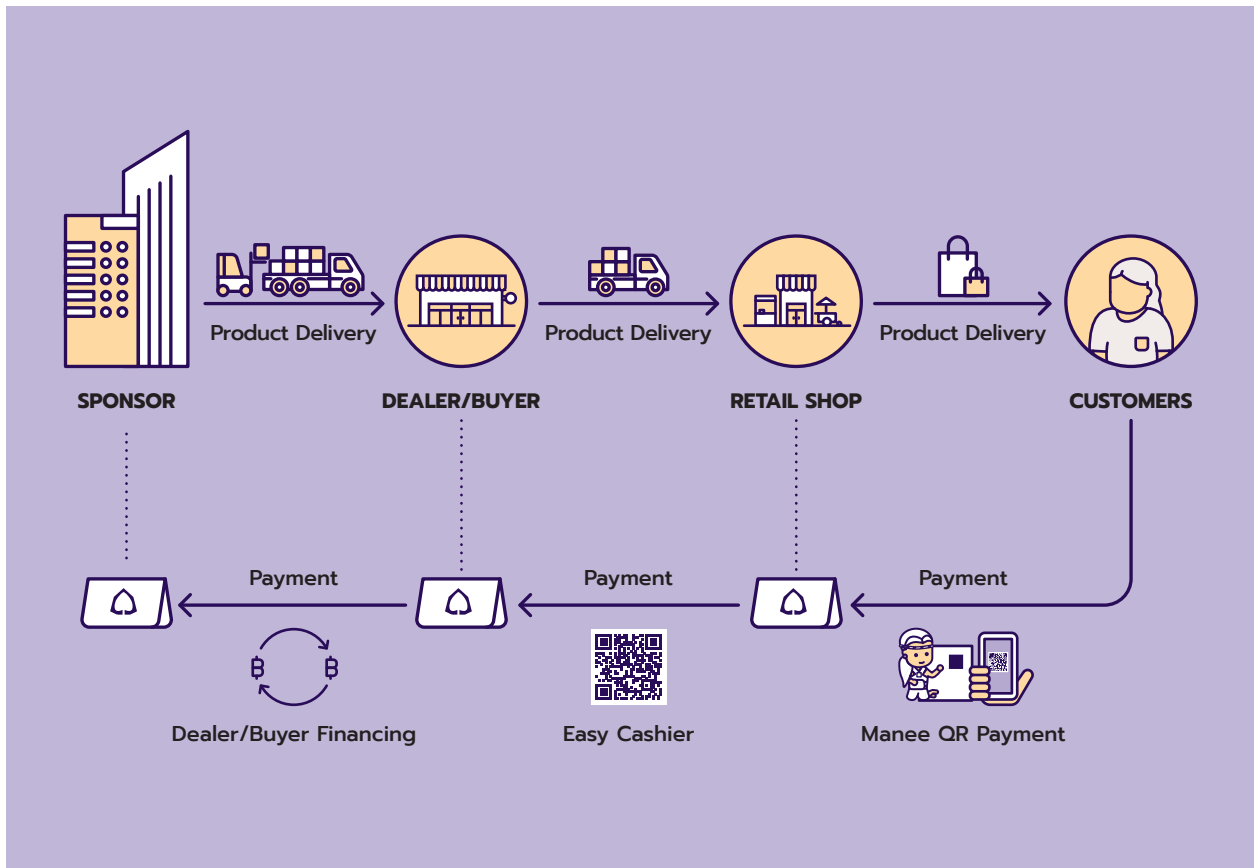
The Bank has partnered with Thai Credit Guarantee Corporation (TCG) to introduce low-interest loans for SMEs or businesses with no or inadequate collateral. The Bank has also reviewed and simplified the credit approval mechanism for this type of loans.

The Bank has approved more than 23,000 million baht of loans through this programme since its inception
Data as of the end December 2019



SCB Supply Chain Solution

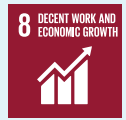
The Bank promotes financial inclusion for suppliers and distributors by introducing a loan product for suppliers and distributors of the Bank’s corporate customers whose credit risk assessment can be done on transaction data with the Bank’s corporate customers. Utilising the link in the supply chain, the Bank can approve loans and enable suppliers and distributors to access funding quickly as well as making financial transactions more convenient throughout the supply chain.



To be...

The Most Caring Employer





Demand for fintech experts has been growing continuously in order to handle challenges and opportunities from digital disruption. Enhancing digital capabilities and retaining people with specialised skills amid rapid changes require well-formulated, consistent, and focused human resource strategies as well as attention to work-life balance.



25,953
Total Employee

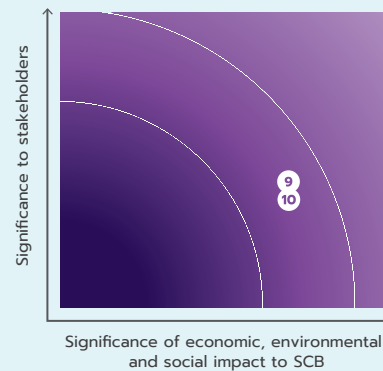


83 %
Employee Engagement



70 %
of Total Employee

49 %
of Executives are Female



Material Sustainability Topics

- 9 Culture and mindset
- 10 Talent attraction and retention

Talent Attraction and Retention

“People and culture” are at the heart of business success. To attract and retain talent as well as building a strong culture under today’s intense competition and rapidly changing business environment, an organisation must constantly reassess and ensure that its workforce management approach remains effective. In addition, the organisation must seamlessly link personal development,

career advancement, compensation, culture, and working environment into an integrated management approach. In 2019, the Bank reviewed and reformulated its people strategy to prepare for challenges and opportunities that may arise both at present and in the future. SCB’s people strategy consists of four key components.







Workforce Management

To keep its workforce management approach in strategic alignment with the business direction, the Bank focuses on proactive recruitment, capability enhancement at both organisational and individual levels to uplift employees’

skill sets, as well as ensuring adequate and suitable manpower to operate in the digital age. These factors will enable the Bank and its people to grow together sustainably.

Workforce Management





Business Objectives	 Redefine Business Models	 Increase Organisational Capabilities	 Embrace Digital Technology	 Streamline Work Processes
People Implementation	<ul style="list-style-type: none"> • Reassess both internal and external recruitment models to ensure relevance • Align workforce management with new product and service models 	<ul style="list-style-type: none"> • Develop technology and data capabilities of employee at all levels to create business opportunities for the Bank • Perform job evaluation in order to define appropriate roles and responsibilities 	<ul style="list-style-type: none"> • Attract right talent to build the digital business • Leverage robotic technology and automation in day-to-day tasks 	<ul style="list-style-type: none"> • Flatten the organisation by identifying clear and appropriate roles and responsibilities • Utilise performance management system to increase productivity

Succession Planning

Having a well-defined career path is a powerful incentive to attract and retain talent as well as enhancing productivity which creates a clear bottom-line impact to the business. Thus, the Bank pays particular attention to talent management and succession planning. A succession management framework has been put in place to fill vacancies of key positions, from both

strategic and potential impact perspectives, through a systematic succession planning process. Candidates are assessed based on knowledge, capabilities, skill sets, and experiences that are required for a particular position in conjunction with leadership skills and cultural fit. In 2019, the Bank had reviewed and completed succession plans for key positions at the senior management level.

Succession Planning Process

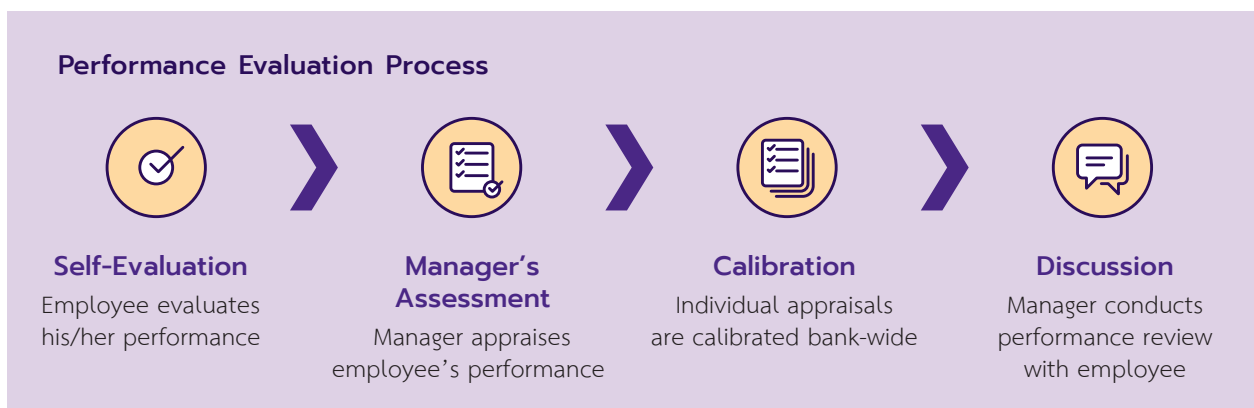
 <p>Define Job Profile</p>	 <p>Identify Suitable Candidates</p>	 <p>Assess and Calibrate</p>	 <p>Develop Action Plan</p>
<p>Specify roles, duties, responsibilities as well as knowledge, skills, and experience required for the position</p>	<p>Identify potential candidates from both internal and external talent pools</p>	<p>Evaluate and compare candidates by considering not only performance on their current positions, but also their potential performance in the new role and as specified in the emergency action plan</p>	<p>Design a leadership development plan to prepare internal and recruit external successors</p>

Performance Management



To manage and motivate employees to perform their best and contribute to the goals of the organisation, as well as driving behaviours to align with the organisation’s values, requires fair and competitive compensation, appropriate promotion, and effective personal development planning. Accordingly the Bank has adopted a best-in-class

performance evaluation system as part of its performance management system.

Moreover, the Bank has set both short-term and long-term performance management plans as well as the implementation of a 360-degree feedback process.



Performance Management Plan

 <p>Short-term</p>	 <p>Long-term</p>
<ul style="list-style-type: none"> • Job evaluation and well-defined roles and responsibilities • 360-degree feedback evaluation 	<ul style="list-style-type: none"> • Making appropriate compensation adjustments to reflect performance • Designing appropriate recognition and incentive schemes

The Bank has clear criteria for promotion consideration which are based on 2 dimensions: Job value and People profile. On the Job value component, the scope and responsibilities of a higher position must also reflect its value to the Bank. People profile encompasses past performance, knowledge, skills, and experiences, as well

as attitudes and behaviours that align with the Bank’s core values. These criteria ensure that employee’s knowledge and capabilities are well-matched with roles and responsibilities within the Bank’s structure, resulting in increased effectiveness for both the organisation and the individuals.

Culture and Mindset

Organisational culture is not only a set of shared values that drives the organisation forward, but also a factor that attracts candidates to join and be part of the organisation. Amid technological advancement and rapidly changing consumer behaviour, the Bank implemented the SCB Transformation program in order to adapt to the new business environment and to create new digital experience for customers. Moreover, with

its commitment to truly meeting the needs and adding value for customers, the Bank launched an initiative to build Agile Organisation culture in 2019. To become an agile organisation requires the Bank to change the organisational structure, transform work processes, and shift employee’s mindsets to revolve around the four SCB core values.

SCB Core Value


Customer Centricity
 Focus on customers


Risk Culture
 Manage risk appropriately

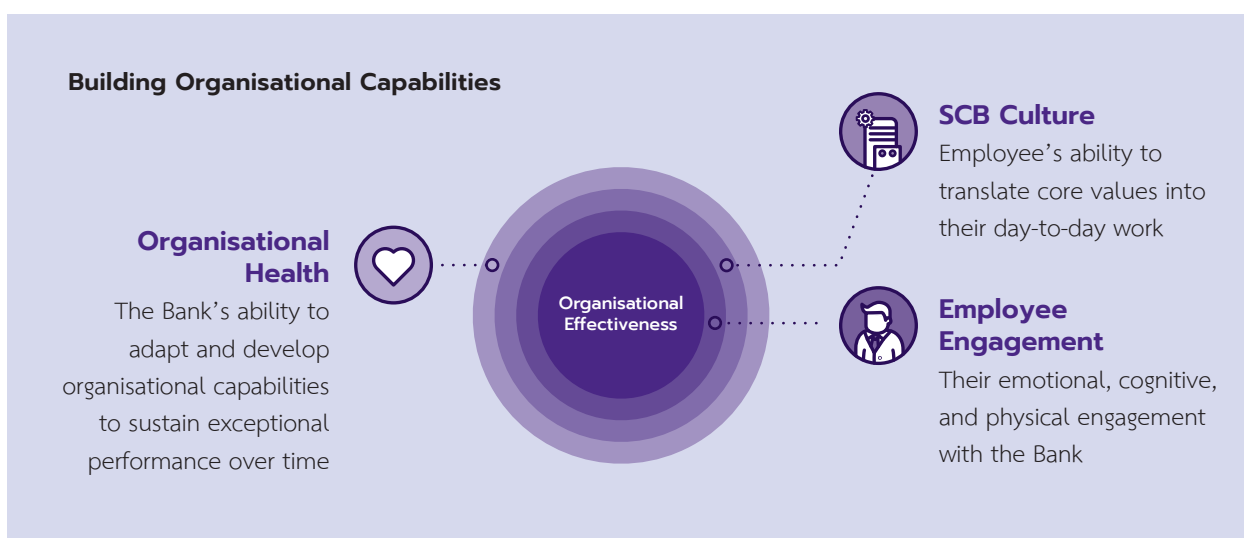

Innovation
 Encourage innovations


Speed
 Adapt and learn quickly



To ensure that these four core values are embedded into employees' mindset and behaviours, the Bank incorporates these core values into the performance evaluation in 2019, starting at the senior executive level. Furthermore, to facilitate the Bank's effort on culture building, the Bank includes questions on core values in the annual Organisational Health Index (OHI) to assess employee's awareness and understanding.



Moreover, the Bank also focuses on building organisational capabilities by strengthening three synergistic components which are: organisational health, SCB culture, and employee engagement. The Bank believes that proper management of these components will drive organisational capabilities in a sustainable manner.



The Bank has hired a global leading consulting company to assess the level of organisation's health and readiness which also measures the level of employee engagement and the current organisational strength as well as resilience

in the face of future changes. The results in 2019 showed that the Bank's capabilities and readiness are comparable to other leading organisations in Southeast Asia.

Organisation Health Index (OHI)

Performance	2016	2017	2018	2019	Target 2019
 Percentage of Engaged Employee	81	85	85	83	86
 Percentage of Respondent	53	93	98	99	95

People Capabilities

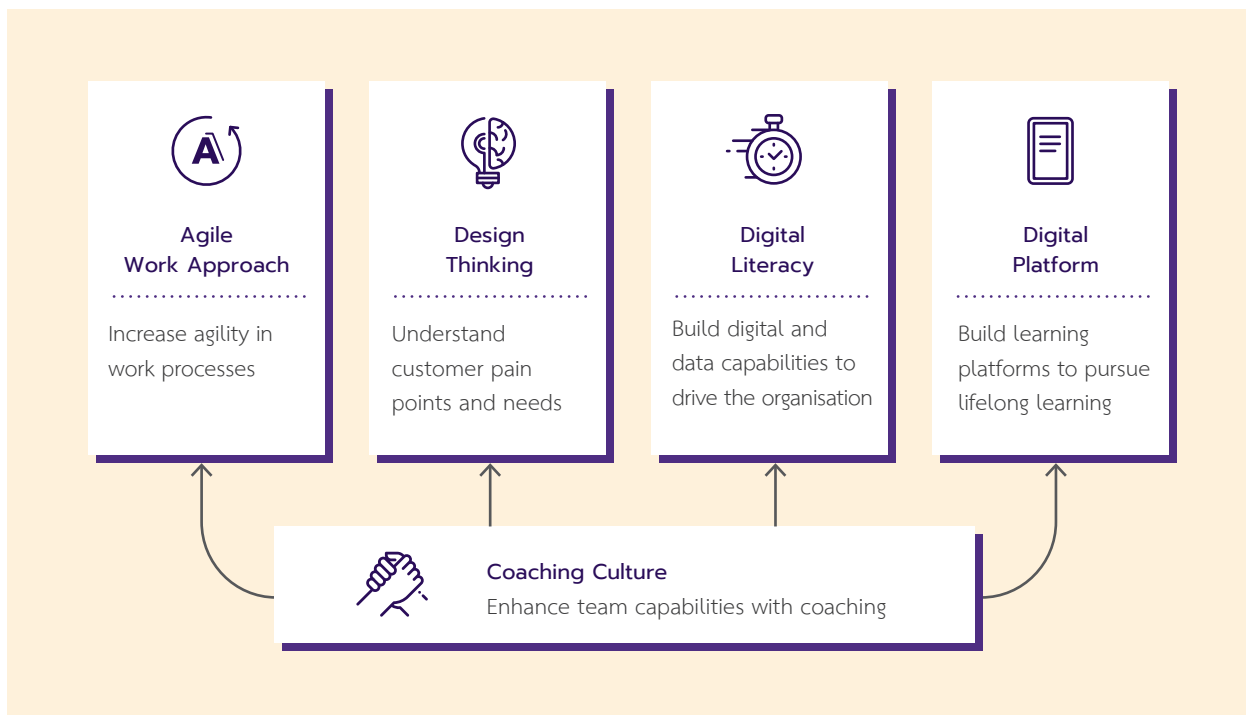
The Bank believes that employees are a key to a successful organisational transition especially in the age of digital disruption where a mindset to embrace change, digital capabilities to create value for customers and the business, as well as readiness to pursue lifelong learning are necessary. The Bank, therefore, focuses on

developing employees' capabilities through new working and learning paradigms to be able to respond to the ever-changing trends in consumer need and, at the same time, to be ready to grow together and drive sustainable competitiveness.

SCB and the New Ways of Work

The year 2019 marked another major progress in employee's transformation to ride the wave of future changes which present a pressing need for change in employees mindset and work processes. To help

employees at all levels reach their full potential in the digital age, the Bank has implemented its employee's capabilities development strategies in 4 following areas.



Agile Work Approach

The agile work approach is the new way of work suitable for the rapidly changing business context where speed is of importance to create exponential growth. The Bank implemented this new work approach by flattening the

organisation to create streamlined work processes and promote collaboration across business units, increasing work speed which enables the Bank to quickly address customer needs.

In 2019, the agile work approach had been fully implemented in the Credit Card Unit to give customers the best services. The result of this adaptation was significantly fewer customer complaints related to credit card issues. Moreover, the Bank also focuses on

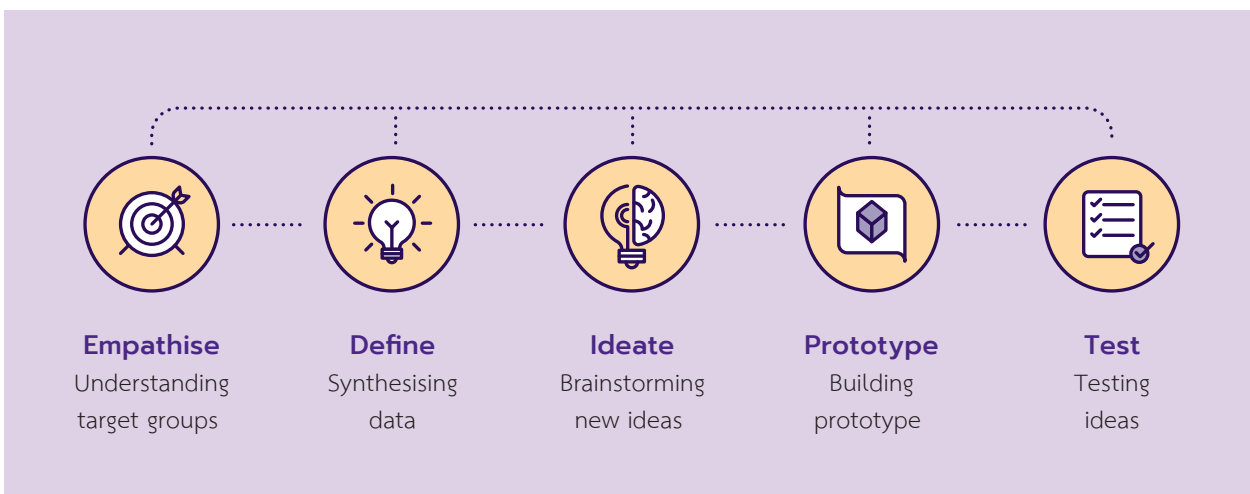
communicating and educating employees throughout the organisation on the basics of agile work approach through training and workshop while assessing employee awareness and knowledge on this new work approach.



Design Thinking

Change in digital technology has altered customer needs and behaviours which means that having a deep understanding of customer pain points and needs is vital to innovation development. The Bank has therefore focused on creating a work environment that facilitates creativity in conjunction with building and embedding a design thinking mindset among employees to gain customer insight which will help the Bank design and

develop products and services that truly meet customer needs. In doing so, the Bank has partnered with leading global organisations to develop design thinking training programmes that are suitable and practical for the Bank’s business. For instance, the SCB 10X unit has adopted the design thinking principles as the foundation for product and service innovation to create distinct experience and value for customers, e.g. Your Loan on SCB Easy app.








Digital Literacy

The Bank focuses on helping employees develop digital literacy to align with Thailand 4.0 policy and be ready to enter the new global era driven by digital technology. The Bank has defined a ‘Digital Citizen’ framework for advancing employees capabilities, i.e. people with digital literacy who can use technology to work effectively and create value for themselves, the Bank and their society.

In 2019, the Bank put an emphasis on developing digital skills for employees at the resident, and native levels by working with partnering organisations such as Microsoft (Thailand) and The International Computer Driving License (certified by Thai Professional Qualification Institution), to develop digital literacy training programmes for employees.

SCB Digital Citizen Framework

 Awareness	Know and understand basic digital terminology and context as well as benefits and impacts of technologies on the business
 Resident	Able to use tools and approaches to work in the digital world collaboratively, effectively, and quickly. In 2019, employees received online training and assessment through 3 main programmes: <ul style="list-style-type: none"> • Microsoft Digital Literacy Assessment 188 employees passed the test and received a certificate. • ICDL Business Digital Literacy Assessment 153 employees passed the test and received a certificate. • Internal assessment on the “One Step Every Day – Testing Your Digital Savviness” platform 1,986 employees passed the test offered in a game format.
 Native	Have specialised skills which can be harnessed to create distinct value for their own or for the customer’s business. In 2019, employees received online training and assessment through ICDL Productivity Excel for Business Assessment programme. 144 employees passed the test and received a certificate.
 Master	Have expertise in certain digital areas with proven track record that is recognised internally
 Expert	Have specialised digital expertise that is widely recognised nationally and globally

SCB mini-Data Hackathon

The Bank partnered with the Statistics Department, Chulalongkorn University, and Skooldio company to run a mini-data hackathon training programme designed to build digital business skills for employees. This new training approach provides employees hands-on knowledge on data analytics with an opportunity to apply classroom knowledge in a simulation that uses actual business data for analysis. The training programme consists of 4 modules which are:

- **Online Learning:** Employees take courses on business data analytics.
- **Hands-on Workshop:** Employees learn from a one-day hands-on workshop led by members of the Statistics Department, Chulalongkorn University, on how to define business questions, conduct data analysis, data visualisation, and data communication and presentation for decision making.
- **Skill Practice:** After completing the hands-on workshop, employees participate in a one-day simulation training where they get to practice their skills in a simulation that uses actual business data for analysis. Employees present their analysis results to an evaluation committee consisting of internal and external experts at the end of the programme.
- **Learning Community:** The Bank set up the 3D Club (D(igital) Data Driven Citizen) to help employees retain and further develop their newly acquired knowledge and skills by sharing experience with other employees and with outside experts.



More than

330 employees

completed the training and received a certificate from Chulalongkorn University and Skooldio.

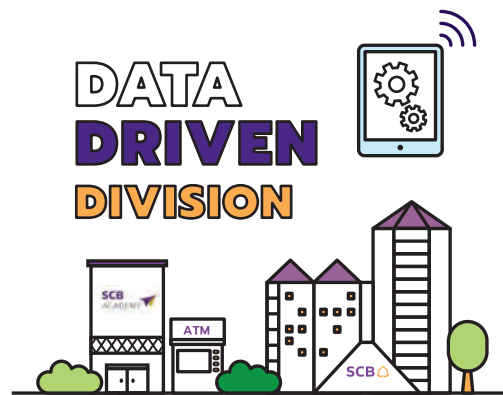
More than

230 employees

continue to acquire skills through self-learning and sharing experience within the 3D club.

Building a Data-Driven Culture: Success Highlight from the Audit Unit

Starting in 2014, the Audit unit launched an initiative to foster a data-driven culture within the unit by starting with building awareness through a clear vision of senior executive to make data part of the fabric of daily operation. Subsequently, identifying employees with data and digital capabilities as role models to drive change within the unit. Moreover, the Audit unit has also developed both digital and audit capabilities for employees as well as creating a platform for data and tool sharing. The unit plans to continue with the implementation on building a digital and data-driven culture to increase effectiveness of the audit process that is based on data analytics.



100%

**of the audit process
for risky areas
was done with data analysis
and not by random audit.**

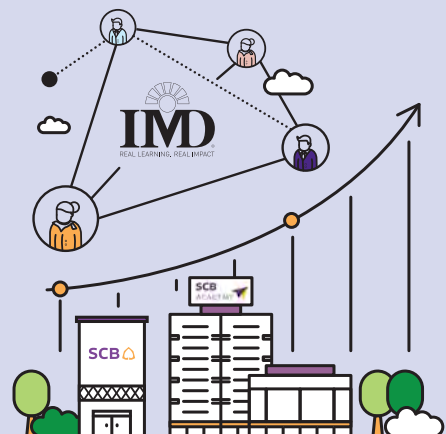
Building a Coaching Culture

The Bank encourages its executives to develop the skills of a future leader to align employee and business management with digital transformation. Thus, the Bank focuses on building a coaching culture in which executive works as coach to help employees discover their professional goals, develop capabilities, and pursue continuous learning. At the same time, the executive mentors get to demonstrate how to lead with vision by

being a role model, which also helps build management engagement in the area of people development.

In 2019, the Bank developed a career coaching programme designed to build employees awareness on career development by having executives as mentors. Accordingly, employees will receive guidance and continuous support for self-development to be ready for change.

2019 IMD GOLD Award in Organisation Development



The Bank partnered with International Institute for Management Development (IMD) to design a training programme for its leaders to uplift digital capabilities in line with business directions and develop insight into evolving business models. This programme is considered a best-practice case which has earned the Bank the Gold Award in Organisational Development from the European Foundation for Management Development, an organisation dedicated to management development. During its 2-year period, the programme has trained 750 participants who can then apply the knowledge to benefit the Bank's strategic implementation. Furthermore, 51 of the programme graduates also work as coach to pass on the knowledge to employee at the manager level totaling to 1,225 hours of training.

SCB and the New Ways of Learning

To become an organisation of lifelong learning, anywhere, anytime, the Bank has adopted technology to facilitate learning and training through both “push” and “pull” approach. The Bank built digital platforms that connect learning ecosystems throughout the organisation which enable employees to develop essential skills and enjoy

limitless learning experience on learning platforms of the future. The Bank also has a tracking system to collect and monitor employees’ learning which can then be used for effective analysis and further improvement of the Bank’s training and learning systems.

	Internal Learning Sources		External Learning Sources
<ul style="list-style-type: none"> • Competency-based functional content • Managerial and leadership education • Experiential and project-based learning • Social collaboration, coaching & mentoring • Knowledge management 		<ul style="list-style-type: none"> • External content • Videos, books and articles • External partners, such as IMD, Harvard University • Collaborative platforms • Eminent experts and professionals 	

	<p>7 seminars</p> <hr/> <p>1,100 participants</p> <hr/> <p>9,800 views via Facebook Live</p>	<p></p> <p></p> <p></p> <p></p>	<p>Over 770 employees successfully completed learning courses</p>
	<p>1,333 learning videos</p> <hr/> <p>Over 681,000 views</p>		<p>38,177 users</p> <hr/> <p>388 articles</p> <hr/> <p>220,000 views</p>

In 2019, there were 1,286 self-learner employees, 501 of whom were identified as Active Learners¹. SCB has also conducted a survey and found that over 3,000 employees engaged and spend more than 4 hours per month in self-learning through different platforms.

Nevertheless, the Bank will continue to study and empathise employee’s learning needs in order to provide these 4,000 learners as well as other employees an access to various development programmes designed to uplift employees’ capabilities and to form community of practices.

¹ Active Learners refer to learners who achieve continuous self-learning for more than 4 hours per month or throughout the learning session on the platform.



Spending on employee development

284 million baht in 2019




1,160

training courses offered in 2019



Employee Training Hours


Performance Indicator	2016	2017	2018	2019	2019 Target
 Average training hour (hours per person)	63	62	71	68	40

Moreover, the Bank also analyses human capital return on investment (HCROI) which serves as an overall indicator for the Bank’s people investment. This indicator, which

measures economic value of human capital investment, is a ratio of the Bank’s revenue to total employee expenses including salaries, benefits, and training expenses.



Human Capital Return on Investment

Performance Indicator	2016	2017	2018	2019
 Human capital return on investment	4.32	3.86	3.50	3.87

Health, Safety and Employee Well-being

Because an organisation's success is inextricably linked to employees' happiness, the Bank pays special attention to nurturing and promoting holistic employee well-being. This encompasses physical and psychological well-being, social well-being, financial well-being, along

with environmental well-being in addition to personal development and career advancement. The Bank believes that physical, psychological, social, and intellectual well-being of employees will translate into greater efficiency and effectiveness in the workplace.

Employee Well-being Management

Employee Well-being Unit is responsible for managing employee's needs and expectations through the "Listen-Act-Communicate" approach. To ensure a wider reach and a deeper understanding of its employees, in 2019,

the Bank took a proactive step by having the Employee Well-being Unit visited branch network to gather feedback directly from employees.

Employee Well-being Management Framework



Provide a wide variety of feedback channels, such as

- Employee Well-being Unit
- Labour union
- People Strategic Partner in each department
- Employee hotline
- Email to management
- Organisational health assessment



Collect and analyse employees' feedback and needs to be used as input into designing and developing programmes/activities that promote holistic well-being, i.e.

- Physical and Psychological Well-being: focus on stress management and promoting psychological wellness
- Social Well-being: promote social well-being both at work and at home
- Financial Well-being: encourage financial planning and saving as well as providing financial support
- Environmental Well-being: promote safety and health in the workplace



Regularly communicate concrete outcomes of the programmes to strengthen employee engagement with the Bank



"Wan La Nid" Aerobics Series

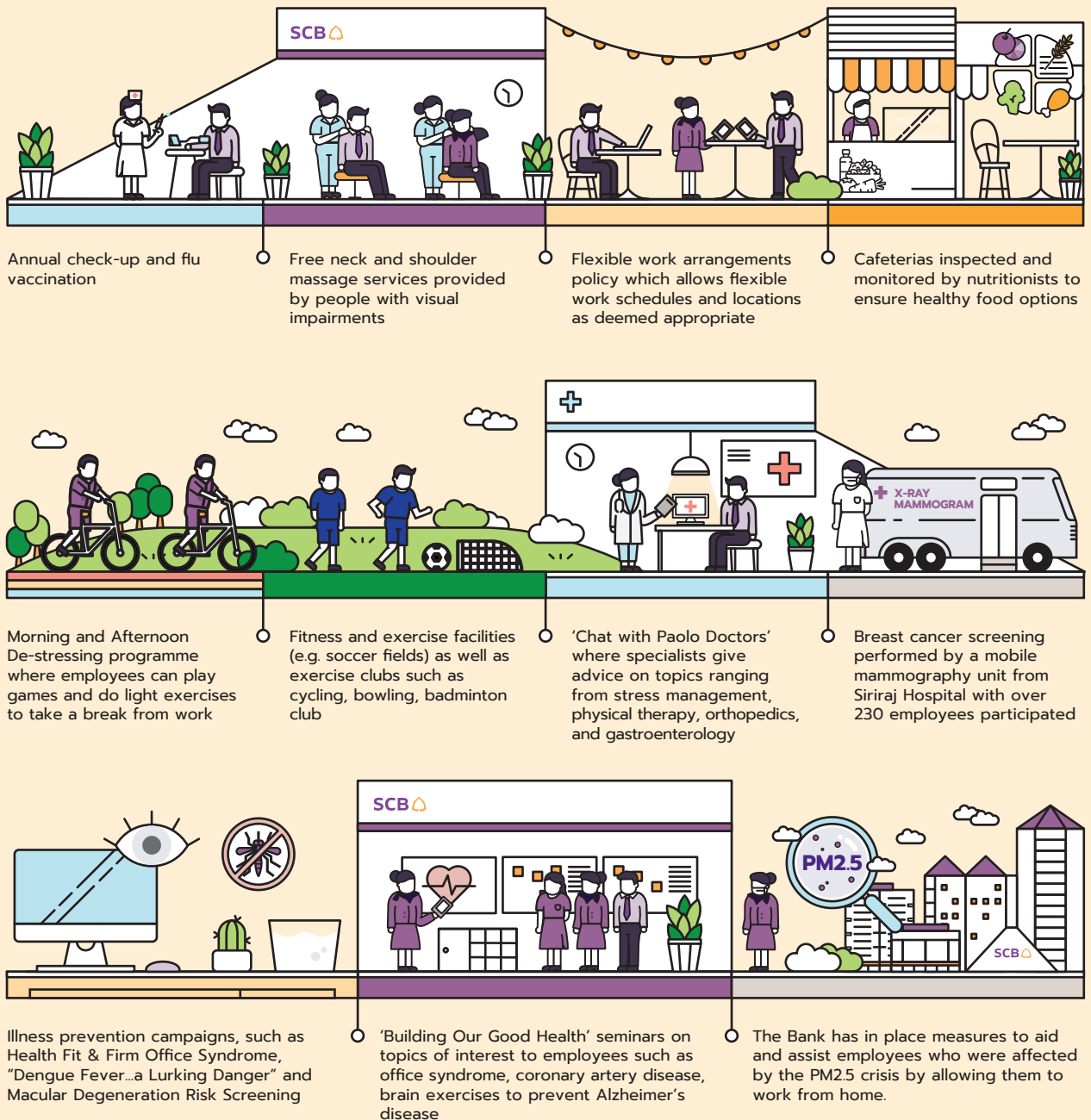
Built on the success of "Kow Wan La Nid" (or "A Few Steps Each Day") health initiative, employees had been invited and encouraged throughout 2019 to take part in "Wan La Nid" Aerobics Series. Offered twice a month, these Series featured many themed aerobic exercises such as Zumba Splash, Thai Country Music Dance, Disco Revolution or Aerobic Bollywood. Classes were held at the head office and other main offices and had attracted more than 1,500 participants.

Stress Management and Wellness Promotion

The Bank places high importance on stress management and employee’s physical and psychological wellness. Thus, the Bank offers an array of employees’ health

benefits which include health care schemes, specialised medical services, and putting in place various health and well-being initiatives.

Selected Stress Management and Wellness Initiatives

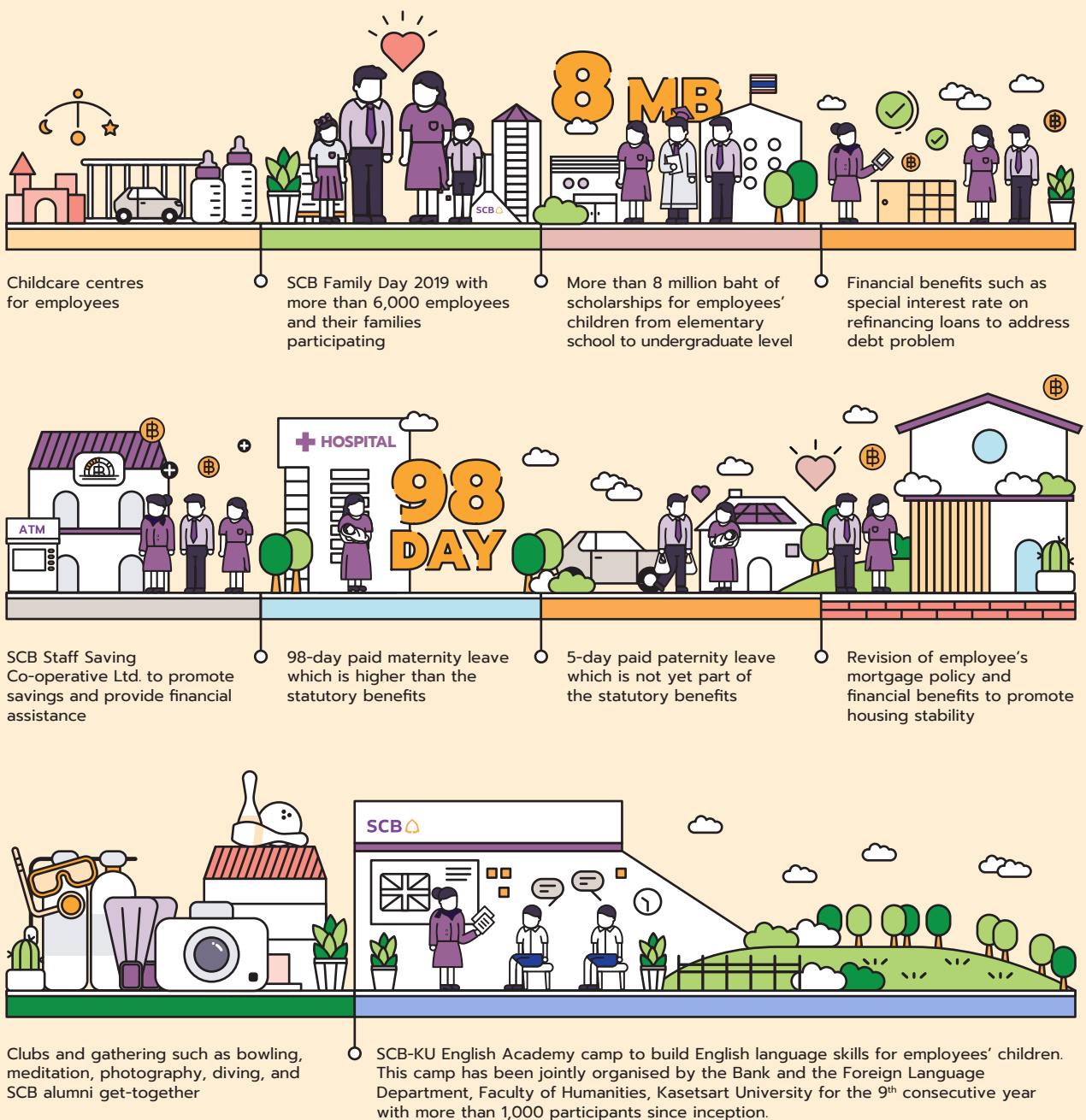


Workplace Relationships and Financial Wellness

The Bank believes that healthy relationships at work and at home are the key foundation to harmonious living which will lead to effective collaboration on tasks or challenges to achieve collective goals and success. In addition, financial wellness is another factor that affects

employee’s ability to work at their fullest potential as well as promoting happiness at work and at home. Therefore, the Bank has offered benefits and supported initiatives to strengthen relationships and promote financial wellness.

Selected Initiatives to Promote Relationship and Financial Wellness



Workplace Safety and Environment

With the goal of “All employees to return home from work safely every day from every work location,” the Bank has incorporated international standards in workplace safety, occupational health, and environment into concrete policy implementation and practices. Employees, customers, suppliers and any external persons who perform work duties on the Bank’s premises, in head office buildings and nationwide branch network, can expect a safe and healthy work environment. The Safety and Security Unit, under the oversight of Safety

Committee, is responsible for implementing security measures bank wide to ensure safety in all work areas, monitoring and advising, along with maintaining the Bank’s security operation to the highest standard. In addition, the Bank also provides employees at all levels with safety, occupational health, and environment education in the form of e-learning and communication through a variety of channels and initiatives to create a safety culture within the organisation.



Safety and Environment Club

The Bank has set up the Safety and Environment club to promote safety awareness. In 2019, the club organised a variety of safety awareness activities, such as the volunteer firefighting programme for contractors, the Zero Accident campaign, and the Safety and Environment day.






Safety and Environment Day

The Bank jointly held the Safety and Environment Day with more than 15 external organisations and establishments which features safety-related activity booths to promote employees’ awareness in the importance of safety both at work and in daily lives. There were more than 3,000 participants.

To be ready for an emergency or crisis, the Bank has established and implemented an emergency and fire prevention management plan for head office buildings and nationwide branch network which have been equipped

with necessary resources. The Bank also conducts annual fire drills as required by law to ensure that any crisis can be handled and controlled effectively.

2019 Workplace Environmental Assessment Summary for Ratchayothin Head Office

 <p>Indoor Air Quality¹</p>	 <p>Workplace Light Intensity²</p>	 <p>Indoor Temperature²</p>
<p>Total airborne bacteria: At 166.7 (cfu/m³) which met the standard (standard < 500 cfu/m³)</p> <p>Particulate matter less than 10 microns: at <50 micrograms per cubic metre which met the standard (standard: < 50 micrograms per cubic metre)</p> <p>Carbon dioxide: at 451.6 ppm which met the standard (standard < 1,000 ppm)</p>	<p>At 490 lux which met the standard (standard > 400 lux)</p>	<p>At 24.7 °C (standard is 24 - 26 °C)</p>

¹ Based on Singapore Standard SS 554: 2009 (Code of Practice for Indoor Air Quality for Air-Conditioned Buildings incorporating Erratum No.1, November 2009)

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





Absenteeism (Unplanned)

Performance	Unit	Year				2019 Target
		2016	2017	2018	2019	
Absenteeism rate (including sickness and injuries leave)	%	0.93	0.81	0.90	0.87	1

“
 All employees to return home from work safely every day from every work location
 ”



Safety and Occupational Health Performance

Performance	Unit	2016	2017	2018	2019
 Basic safety and occupational health orientation	Hour	2,021	2,213	2,682	2,080
 SCB Safety First Programme on e-Learning system	Hour	-	-	23,717	40,819
 Work-related injuries	Incidents per million work hour	-	-	0.32	0.23
 Work-related illnesses	Case	-	0	0	0

The Bank's commitment in workplace safety, occupational health and environment has been widely recognised by safety management authorities and associations which

reflects the Bank's success in building a safety culture within the organisation.

Safety Awards



Zero Accident Campaign Award:
GOLD Level
 from the Ministry of Labour

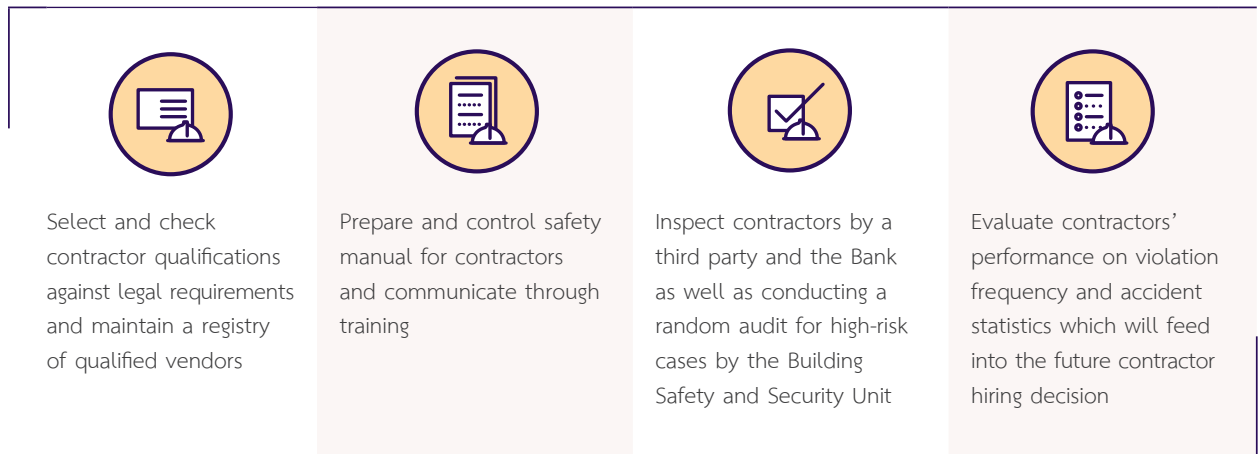


BSA Building Safety Award 2019
 from the Building Inspectors Association:
 Platinum level for the head office building
 and the Plaza East building and
 Gold level for the Plaza West building

Contractor Safety Management

The Bank places high emphasis on the safety of contractors who perform duties on the Bank’s premises, including its branch network, and has a systematic process in place to manage contractors’ safety.

Contractor Management Process



2019 Performance



Furthermore, in 2019, the Bank introduced a blood alcohol test for contractors to be carried out prior to commencing the work in order to prevent and mitigate work-related risk and to be instituted as part of the maximum safety protocol.

Labour Practice and Human Rights

With deep respect for human value and dignity, the Bank strives to protect and promote basic human rights. These principles are explicitly stated in the Bank's code

of conduct which the Bank has steadfastly upheld along with strict adherence to all relevant laws and international standards.

Labour Practices

The Bank treats its employee with equality and fairness in accordance with the Bank's Human Rights Policy which has been in effect since 2018. The policy closely follows the international standards on labour rights and good labour practices, such as supporting decent and productive employment; providing safe working environments; promoting personal development and career advancement; preventing any form of discrimination; building a tolerant culture; and providing formal feedback channels for employees with effective resolution mechanisms.

Furthermore, the Bank supports employee's rights to join labour unions which are organised into three groups: management labour union, general employee labour union, and service employee labour union. The Bank's goals are to forge strong relationship with its employees and to provide an opportunity to freely express their collective views and needs, or in other words, to have collective bargaining rights. The Bank meets with labour union representatives at least every quarter and had a total of 12 meetings in 2019.

Employment Support for People with Disabilities

In 2019, the Bank continued to support employment for people with disabilities both directly by hiring 22 people as general employees and 33 people as on-site massage therapists, and indirectly by supporting more than 220 people to work at other organisations or projects, e.g. the Thai Red Cross Society, Rachawadee Home for Males, or Don't Drive Drunk project.



Human Rights

The Bank respects and promotes human rights of all stakeholders, namely customers, employees, communities, and suppliers. The Bank’s Human Rights Policy, which applies to all stakeholder groups, has adopted the UN Guiding Principles on Business and Human Rights (UNGPs) to guide the organisational management and practices.

Moreover, the Bank conducts human rights due diligence every 3 years to review any salient human rights issues. The findings from this process are then used to prepare prevention and risk mitigation measures as well as appropriate remedial actions in the event of human rights violation.

Human Rights Due Diligence



Responses to the Bank's Salient Human Rights Issues

 <p>Customer Rights</p>	 <p>Labour Rights of Employees</p>	 <p>Human Rights in Relation to Investment and Business Operation</p>	 <p>Human Rights in the Supply Chain</p>
<p>Protect customers’ private information to ensure maximum security for all transactions by setting customer privacy policies and procedures in accordance with regulatory requirements and international practices as well as respecting customer rights to access and manage personal information.</p>	<p>Support human rights principles and good labour practices by aligning the Bank’s human resource policies and processes with international labour standards.</p>	<p>Establish a framework for responsible lending by partially adopting the Equator Principles to assess social and environmental risk in the underwriting process and refuse to finance any activities involving forced labour, child labour, and/ or production and trade of weapons of mass destruction.</p>	<p>Uphold human rights principles with business partners, as well as suppliers and contractors, which includes non-involvement in any potential human rights violation. All suppliers and contractors are required to sign and strictly abide by SCB Suppliers’ Code of Conduct to ensure that suppliers and contractors operate their businesses with respect for human rights.</p>

To be...

The Most Responsible Corporate Citizen





Building a strong economy and society must go hand in hand with environmental consciousness and human capital development in order to achieve sustainable growth. SCB has taken part in driving collaborative initiatives to improve people’s quality of life by offering products and services that promote environmental conservation in conjunction with promoting well-being on the basis of knowledge and good practices.



**SCB’s Green Finance
Amounting
to More Than**

75 Billion Baht



**Social Investment
Accounted for**

73%

**of Total Spending
on CSR Activities**



Over

7,000

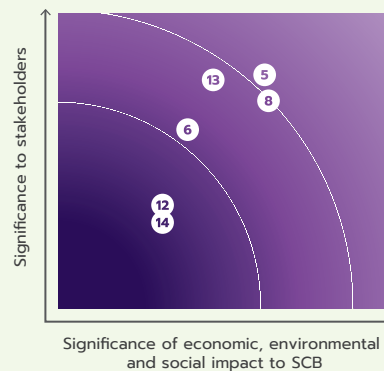
**Persons
Benefited from
SCB Financial
Literacy Initiatives**



Over

37,229

**of Employee
Volunteering Hours**



Material Sustainability Topics

- 5 Responsible lending
- 6 Green finance
- 8 Climate change risks
- 12 Operational eco-efficiency
- 13 Financial literacy
- 14 Community and society empowerment

Responsible Lending

The banking and finance sector plays a crucial role in economic development by connecting investors with people in need of capital and enabling the business sector to grow in line with demand which, in turn, drives meaningful economic growth. However, lending on the basis of financial risk and return consideration alone, without regard to environmental and social impacts, may cause harm to the overall economy in the long run.

The Bank recognises this potential issue and has thus incorporated environmental and social risks along with sustainable financial return considerations into its credit underwriting process. By taking all relevant factors into account in its lending decisions, the Bank helps foster proper management to reduce negative environmental and social impacts.

Responsible Lending for Corporate Customers

Managing environmental and social impacts resulted from the business of the Bank's corporate customers is a key issue under responsible lending framework. Therefore, SCB's responsible lending framework, partially developed based on the Equator Principles, incorporates environmental and social risks into the Credit Policy Guide and its corporate loan underwriting process. In addition, the Bank also maintains an exclusion list, conducts environmental and social risk assessment, as well as establishing the Sector Specific Guides. This framework is applied to the underwriting of project finance since this financial product may give rise to material environmental, social, and governance (ESG) risks.

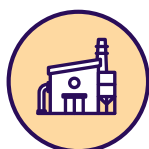
In 2019, the Bank incorporated the procedure for ESG considerations as stated in the Credit Policy Guide into the electronic underwriting system as planned. ESG considerations have been integrated throughout the project finance underwriting process starting from customer relationship building, sales, to credit analysis system. The Bank also developed a manual on environmental and social risk assessment for project finance. The content of this manual has been communicated to related business units to ensure that loans that may fall into the project finance category undergo comprehensive impact assessment to help manage risk for the Bank and its stakeholders as well as monitoring customers' risk level and status.

Application of Responsible Lending Framework



Solar Power Project in Vietnam

The Bank has provided continuous support to solar power project which extends beyond domestic projects. In 2019, the Bank provided funding to a solar power project in Vietnam and used its expertise in credit underwriting and knowledge in solar farming with photovoltaic technology to provide financial and risk management advisory. Although electricity produced by photovoltaic technology is considered clean energy, there may still be adverse social and environmental impacts which breed community conflicts if appropriate impact analysis and management are not in place, e.g. management of damaged or expired photovoltaic panels and storm water drainage. The Bank thus conducted a study on social and environmental risks of this project as well as monitoring performance both before and after credit approval. Specifically, to comply with the loan agreement terms which include social and environmental impact mitigation measures, the project must meet the requirements on reporting and annual performance audit by third-party experts. The project is expected to have production capacity at 50 megawatt hour per year, which is enough electricity to supply 20,000 households, and reduce greenhouse gas emission from power generation by 20,000 tonnes carbon dioxide equivalent.



Thermal Power Plant Development Project

SCB provided funding to a large private power plant development project with a 2,650 megawatt capacity that uses natural gas as fuel. Since this project is located in Rayong province which is a dense industrial area, using inappropriate technology may cause environmental problems, for instance, air pollutants, dust, or waste water. The Bank followed its Sector Specific Guide for thermal power plant projects and the Human Rights Policy which incorporate environmental and social impacts into project finance underwriting considerations. To comply with these policies, the project is required to conduct an environmental and social impact study with valid mathematical models, especially to assess the area's air pollution tolerance. Moreover, the project must have appropriate preventive and corrective measures in place to address environmental impacts as well as taking feedback from local communities. This project is expected to generate more enough electricity to supply 14,000 households.



Waste-to-Energy Project Development

A community waste-to-energy plant, which is one of power plant types supported by Thailand's Power Development Plan, aligns with the Bank's lending approach and expertise on waste-to-energy projects. Although developing a waste-to-energy project can help reduce environmental problems by turning waste into fuel for power generation, project developers must have good management knowledge and understanding to prevent potential environmental and social impacts such as unpleasant odor, poor aesthetic, loud noise, or air pollution caused by improper technology. In 2019, the Bank provided financing to a thermal power plant with a 6-megawatt capacity located in the Northeastern region of Thailand that uses waste as fuel. In underwriting this loan, the Bank followed the Credit Policy, the Sector-Specific Guide for alternative energy sector that applies to waste-to-energy thermal power plants, and the Human Rights Policy which take into account environmental and social considerations. As part of the Bank's requirements, the project hired external environmental and social specialists to perform due diligence during construction and to ensure monitoring during the initial phase of the operation. This project is expected to eliminate more than 90,000 tonnes of waste which is enough to supply 14,000 households, and reduce greenhouse gas emission from waste decomposition by 84,000 tonnes carbon dioxide equivalent.

Advocacy to the Sustainable Banking Guidelines: Responsible Lending

In partnership with the Thai Bankers' Association, SCB and other member banks worked together to develop the "Sustainable Banking Guidelines: Responsible Lending" with technical support from the World Wide Fund for Nature (WWF) and endorsement from the Bank of Thailand. To ensure that the guidelines are appropriate and actionable, the process to develop the guidelines involves a series of brainstorming and discussion sessions among member banks as well as seminars with WWF and member banks featuring domestic and international guest speakers to share their experiences with the working team.

The key objective of the guidelines is to set minimum expectations on lending practices that incorporate

environmental, social and governance (ESG) considerations into the credit underwriting process so that member banks can use as guidelines to formulate a responsible lending strategy. The guidelines consist of 4 key elements including 1) leadership and responsible lending commitment, 2) stakeholder engagement, 3) internal implementation mechanisms which include establishing effective policies and internal control processes as well as defining responsibilities and building capabilities for employees, and 4) transparency and disclosure. The Bank aims to implement the guidelines throughout the organisation by 2020 and will provide a progress update in the next sustainability report.



For more information on the Sustainable Banking Guidelines: Responsible Lending, please visit: <https://www.tba.or.th/wp-content/uploads/2019/08/Guidelines-ResponsibleLending.pdf>

Bangkok Sustainable Banking Forum 2019

Siam Commercial Bank as a member of the Thai Bankers' Association, represented by Mr. Arthid Nanthawithaya, Chief Executive Officer and Chairman of Executive Committee, signed the memorandum of understanding on establishing the Sustainable Banking Guidelines on Responsible Lending during the Bangkok Sustainable Banking Forum 2019 held on Tuesday, August 13, 2019. The event hosted panel discussions on sustainable banking with participants from both domestic and international financial institutions as well as representatives from various civil organisations. The Bank's directors and senior executives were among this event's participants.



Responsible Lending for Retail Customers

Today's household debt in Thailand is at a critically high level with a worsening trend which has impacted the quality of life of many people in the society. Those particularly affected are people with low or limited income and have high debt-to-income ratios who spend the majority of income to pay down debts and are left with little to spend on household expenses and no savings for emergency. This financial and mental pressure, if prolonged, can cause accumulated stress and affect the quality of life. The Bank has recognised this

problem and accordingly reviewed its responsible lending guidelines for retail customers. To align with the Bank of Thailand's guidelines, the Bank's credit approval process takes customers' debt-to-income ratios into consideration as well as their ability to pay (affordability) and living expenses in addition to their income and credit risk. This revised lending process ensures that the Bank's customers are offered suitable financial products and services that will not lower their quality of life. Moreover, the Bank also assesses and closely monitors customers' debt status.

Debt Clinic

Starting in 2018, SCB has participated in the "Debt Clinic" initiative overseen by the Bank of Thailand and managed by Sukhumvit Asset Management to give people burdened by credit card and unsecured personal loan debts an opportunity to be debt free. The Debt Clinic is a national infrastructure that offers integrated services to help debtors reduce their monthly payments and consolidate their debts. Debtors will also learn good financial planning skills to be able to manage their own money in the future.



Green Finance

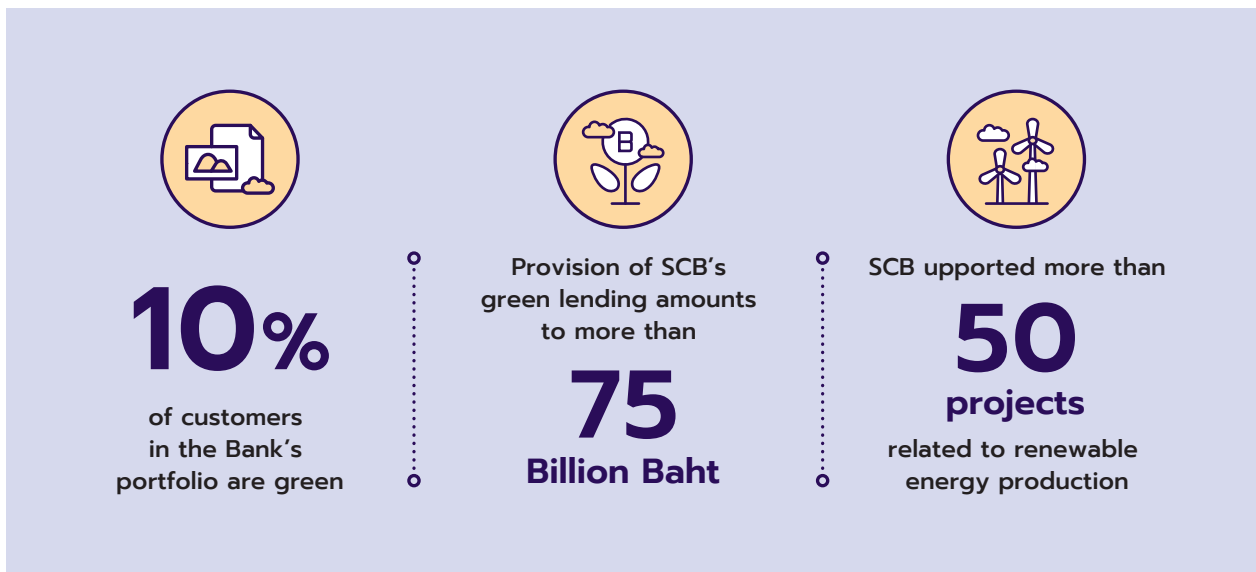
The United Nations Sustainable Development Goals (UN SDGs) are internationally shared goals to create a better future for all by setting clear targets and indicators to create sustainability in the private sector, the public sector, the non-profit sector and the individuals. However, capital is a necessary factor to sustain development, and for SCB, green financing means to provide adequate funding

support for projects or activities that contribute toward achieving sustainable development goals. Therefore, the Bank's role in the green finance is to develop and offer financial products and services such as loans, bonds, and wealth management, which take environmental, social and governance impacts into consideration.

Green Lending

Loan is one of the Bank's key financial products that can help support businesses or activities to truly drive the economy. If most of these businesses or activities are environmentally friendly and help address social

problems, they will be an important part of sustainability solution for the country. SCB has therefore always been dedicated to developing and delivering financial products that promote sustainable business practices.





SCB Energy Saving Loan

Power usage in buildings and factories account for half of the total electricity consumption in Thailand. This led to a concerted multi-sector effort to promote energy efficiency. SCB and other leading commercial banks have collaborated with the Department of Alternative Energy Development and Efficiency, under financial support from Energy Conservation and Promotion Fund, to develop the SCB Energy Saving Loan. This initiative encourages businesses to invest in machinery upgrade to achieve higher efficiency or to install equipment to generate renewable energy. The Bank has been actively involved and consistently provided loans. Total amount of loans given to date is 400.5 million baht, or an energy saving of 12,000 megawatt hour which is sufficient for consumption of 6,000 households and a reduction in greenhouse gases from power generation in the amount of 5,000 tonnes carbon dioxide equivalent.



SME Transformation Loans

SMEs are important economic players to drive the country's economic growth. However, under today's business context that requires adaptation to technological challenges, most of SMEs lack access to low-cost capital for necessary technology investment to make their business operations more efficient. The Bank has recognised this challenge and joined in an SME lending initiative to facilitate technology upgrade, also known as "Transformation Loan Serm Krang" Phase 2. Under this programme, SMEs will have access to long-term low-interest loans for upgrading, changing, adding, expanding, or investing in machinery, equipment, permanent buildings, business vehicles, and to be used as revolving capital for the purpose of enhancing efficiency and not for repair. In

2019, the Bank has extended credit under this programme to more than 27 businesses, or in the amount of 206 million baht since inception.



Developing Infrastructure and Energy for Sustainability

Sustainable infrastructure and eco-friendly energy initiatives form a key component for transitioning to a low-carbon economy and increasing Thailand's capability to adapt to the changing climate. SCB has reviewed its loan portfolio of green industry which consists of renewable energy businesses, such as wind power plants, solar power plant project, photovoltaic technology, biomass power plant project, waste-to-energy plant project, and public rail transport project.

With the accumulated experience and expertise of a long-established lender in this industry, the Bank is equipped with knowledgeable personnel who can provide financial advice to customers in this industry beyond just a loan. Moreover, the Bank also has managers and business relationship officers who have depth understanding in the industry. These personnel engage with customers on a regular basis to gain a better understanding of the customer's needs and share information on industry trends and challenges, as well as potential environmental and social issues that may have material impacts on each customer's business. It is the Bank's goal that both the customers and the Bank can expand and grow our businesses under the partnerships for sustainability. At the end of 2019, green industry accounts for 10% of the Bank's total portfolio with an expectation to increase lending to businesses that contribute to sustainability.

Enhance Customer Capabilities in Sustainable Development

To contribute to economic growth in parallel with creating positive environmental and social impact, the Bank's value proposition goes beyond providing financing solutions but is to provide customers with insightful information to operate their businesses. Business relationship officers and managers are responsible for keeping customers abreast with helpful advice and information such as economic conditions, trends as well as environmental and social issues that may have an impact on the customer's business. The Bank also offers financial products and services that help mitigate environmental and social impacts, e.g. serving as financial advisor for green project or underwriting green bonds.

Thailand has a high proportion of land use for agriculture which means strong growth potential for agriculture-related industries. In 2019, the Bank had an opportunity to provide financing for a customer in the agricultural industry who seek to branch out into the biomass power business by building on its agricultural expertise. The customer saw an opportunity in converting agricultural waste into power production fuel or using existing agricultural experience to grow energy crops. However, the community nearby and the environment may be adversely affected by a biomass power plant from, for instance, dust pollutants caused by improper crop harvesting, underground water contamination caused by incorrect ash discharge, or air pollution from inefficient flue gas treatment. Understanding this concern, the Bank has applied strict credit underwriting standards for alternative-energy power plants. Particularly, the Credit Policy and Sector Specific Guide for biomass power plants which places heavy emphasis on environmental and social management to ensure that these risks are appropriately and carefully managed. The biomass power plant that has received funding from the Bank is located in the north eastern part of Thailand with a sufficient capacity for consumption of 14,000 households and a reduction in greenhouse gases from power generation in the amount of 11,000 tonnes carbon dioxide equivalent.



Auto Loans for Hybrid and Electric Vehicles

Air pollution is one of the most important environmental problems currently afflicting Thailand. Of particularly pressing concern is particulate matter with a diameter of less than 2.5 micrometers (PM2.5) which lowers the quality of life and combustion of fossil fuel remains one of the causes of greenhouse gases emission that contribute to climate change. A leading cause of this problem is

incomplete combustion from car engines, especially those that use diesel fuel. Therefore, to support a shift from fossil-fuel cars, SCB has introduced an auto loan product to encourage customers to purchase hybrid or electric vehicles. In 2019, the Bank's auto loans for hybrid and electric Vehicles amounted to 226 million baht.



Green Bond

Green bond is another financial instrument to raise capital which allows investors to take part in environmental conservation while earning return from bond investment and the issuer to access the needed capital. Given potential growth in the green bond market, the Bank has developed and offered a green bond underwriting service that is aligned with the Green Bond Principles of the International Capital Market Association and the ASEAN green bond standards. The Bank assisted BTS Group Holdings PCL in issuing the first green bond in Thailand earmarked for a mass rail transit system project to relieve traffic congestion which causes greenhouse gases and urban air pollution. This bond has met all requirements for green bond public offering of the Security and Exchange Commission and has been offered to the public. Furthermore, this bond has also been verified by Sustainalytics, a global ESG rating company, for alignment with the Green Bond Principles and by Climate Bond Initiative (CBI) for conforming with climate bonds standard. The BTS green bond has a total face value of 13 billion baht and was offered during May 21-23, 2019.



Climate Change Risks

Climate change is an environmental phenomenon that has been affecting the livelihood of humans and other living organisms. Many sectors are trying to keep the increase in global average temperature below 1.5 °C to prevent catastrophic consequences on humans and the environment such as higher frequency of natural disasters, rising sea levels, or extreme change in weather patterns. Moreover, an approach or measure to mitigate such effects such as regulating greenhouse gas emissions, may impact the business operation and repayment ability of certain customers.

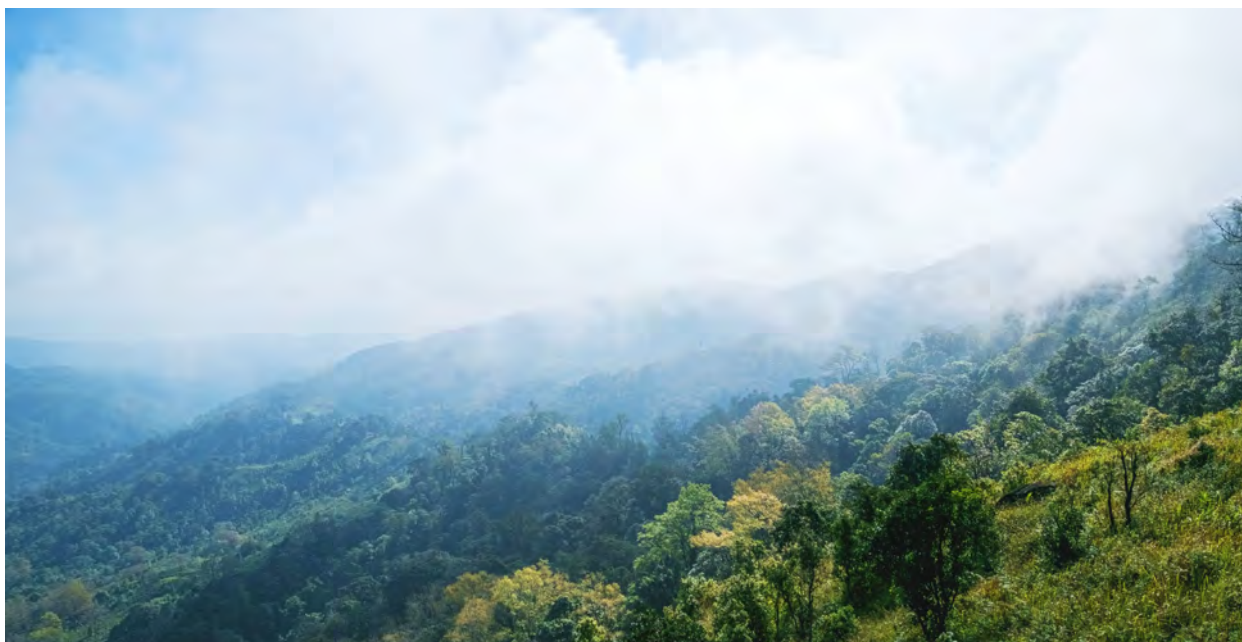
One approach to mitigate climate change impact is to transition toward a low-carbon economy or one which requires the lowest possible greenhouse gas emissions to maintain economic and social developments through supports to initiatives such as renewable energy, rail transport, energy efficient buildings, and low-emission industrial processes. However, such transition requires a significant amount of capital which presents an opportunity for banks to step in and contribute. By developing financial products and services to meet these specific needs, banks can take part in making a low-carbon economy a reality.

Climate Change Risks Management

The Bank has a process to assess operational risks of all business units throughout the organisation which include external risk factors such as natural disasters. This process ensures that adequate measures are put in place to manage every type of risk.

Moreover, the Bank also has a process to monitor environmental factors with potential economic impacts, which include climate change or government policies. In doing so, the Economic Intelligence Centre (EIC) is responsible for carrying out studies and analyses of such risk factors which are conducted at the industry level to obtain a thorough and comprehensive understanding. Material risk issues are then communicated to relationship managers and relevant business units on a monthly basis for business planning purposes.

Understanding the importance of such risks, the Bank has conducted a risk assessment study on its corporate loan portfolio by focusing on high-carbon intensity industries from the perspective of both physical risks from climate change (e.g. floods, droughts, frequency of severe storms) and regulatory risks from changes in government policies (e.g. carbon taxes or greenhouse gases reduction measures) in an effort to transition toward a low-carbon economy. Such risks may have a material impact on customers' businesses and their repayment ability. However, the study has shown that the Bank's allowance for doubtful accounts has been set to an appropriate level. The Bank's customers in such industries have acceptable risk levels even though these risk factors may intensify. Nonetheless, the Bank's ensures adequate Loan Loss Reserve (LLR) to cope with the setting scenario.



Being Part of Climate Change Solutions

To support the UN's Sustainable Development Goals (UN SDGs) on climate change, Thailand is heading in the direction of low-carbon power generation. As specified in Thailand's Power Development Plan 2018 – 2037, the target for installation and production of alternative energy has increased significantly. This presents an opportunity

for the Bank to provide financing to climate change mitigation initiatives. Accordingly, the Bank set a target allocation for alternative energy lending in 2019 at 34% for wind power, 5% for solar power, 13% for hydropower, and 48% for others. The table below shows the Bank's historical performance.

Type of Alternative Energy	Unit	2016	2017	2018	2019
Wind power	%	12	21	31	33
Solar power	%	19	16	11	12
Hydropower	%	17	17	17	19
Others	%	52	46	41	33

Operational Eco-efficiency

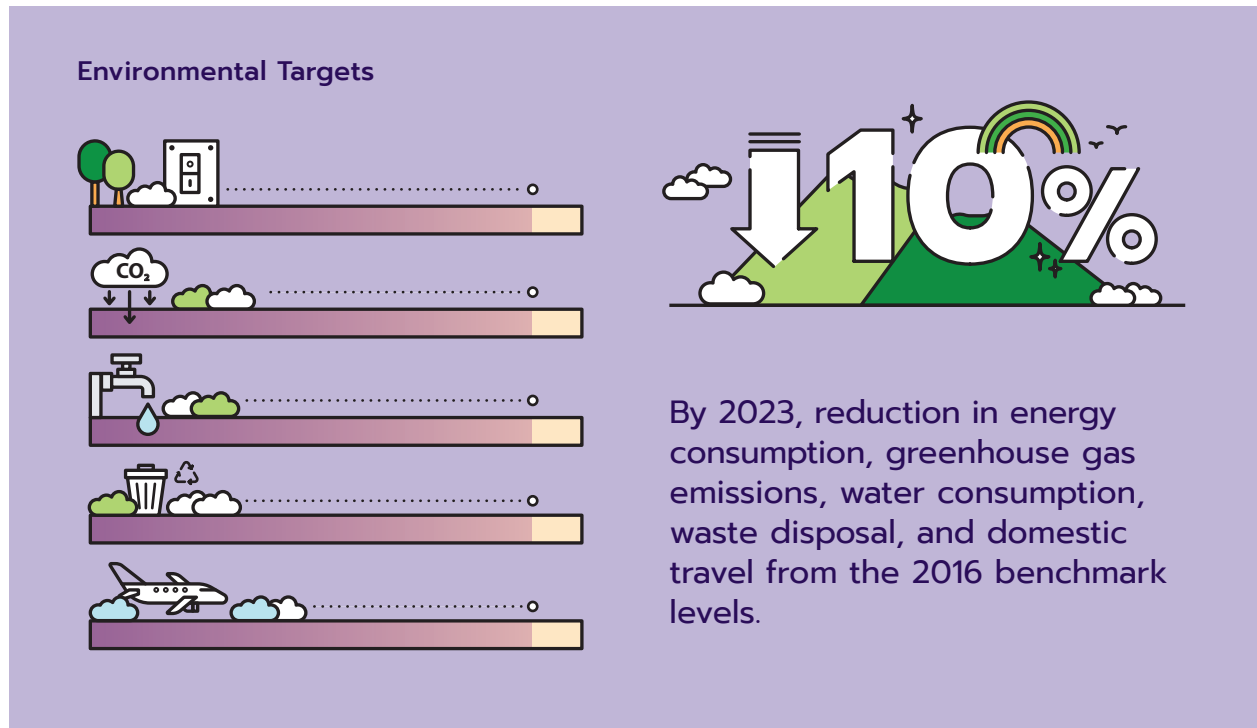
The Bank puts an emphasis on creating the right balance between business prosperity and environmental quality by making the most efficient use of resources in conjunction with reducing impacts resulted from the Bank’s operations.

Thus, resource efficiency and conservation have been integrated into the Bank’s operational and work processes to enhance operational eco-efficiency and employee engagement.






Environmental Impact Mitigation

The Bank focuses on managing and mitigating environmental impact in accordance with SCB Environmental Management Policy overseen by the Environmental Committee. In addition to setting strategies and directions, the Environmental Committee, chaired by the Bank’s senior executive, is also responsible for

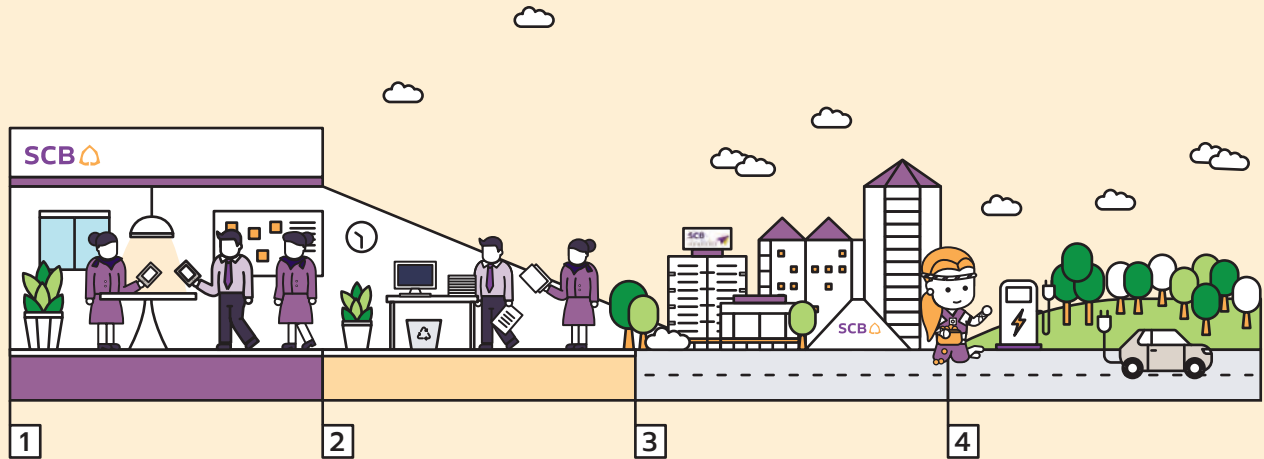
enforcing compliance with ISO 14001 standards as well as monitoring performance to be in line with the policy framework and targets. To achieve its long-term goals, the Bank also sets targets and develops a resource management plan annually along with having systematic implementation and monitoring in place.



Environmental Performance

Performance Indicator	2016	2017	2018	2019	Target 2019
Energy Consumption					
 Total energy consumption (megawatt-hour)	52,610	52,246	50,215	45,025	47,781
Greenhouse Gases					
 Direct emissions (tons of carbon dioxide equivalent)	40	16	21	12	20
 Indirect emissions (tons of carbon dioxide equivalent)	22,459	22,023	20,406	17,767	19,386
Water Consumption					
 Total waste disposed (million cubic meters)	0.39	0.37	0.42	0.35	0.35
Waste Disposal					
 Total non-hazardous waste to landfill (tonnes)	6,488	5,484	6,099	3,513	5,794
Business Travel					
 Greenhouse gas emission from air travel (tonnes of carbon dioxide equivalent)	2,791	4,830	4,236	3,099	4,026

Selected Initiatives on Environmental Impact Reduction



1 Building Awareness

The Bank provides environmental training on the e-learning system which covers topics such as the Bank's Environmental Management Policy, ISO 14001:2015 environmental management standards, waste sorting, and waste reduction with the 5R strategy. All new and existing employees are required to take and pass the course.

2 Creating Value from Paper

In partnership with SCG Packaging PCL and Thai British Security Printing PCL, the Bank participated in the Shred2Share initiative since 2008 with a goal of increasing employee awareness and involvement in operational eco-efficiency. Employees are encouraged to cut down unnecessary paper use and keep paper that has been used on both sides for recycling. In 2019, more than 850 tonnes of paper was collected to be made into recycled paper or furniture materials. During the entire initiative duration from 2008 to now, the Bank has recycled more than 30,600 tonnes of paper. This equates to reduction in carbon dioxide emissions by 7,961 tonnes, in coal consumption by 3,368 tonnes and in water consumption by 1,530,980 litres.

3 Efforts on Waste Management and Disposal

Throughout 2019, the Bank ran a campaign on waste reduction and provided knowledge to employees on the 5R strategy for waste reduction, proper waste sorting, and resource efficiency.

In addition, the Bank also places an emphasis on food and plastic waste management by building a closed-system waste and recycling facility to eliminate smell as well as providing separate bins for different types of waste to increase effectiveness in waste management. Food waste will also be composted which will help reduce food waste generated.

4 Commuting with EV for Pollution-free Environment

The Bank has started to use electric vehicles (EV) for employee transportation since 2018 as an effort to reduce fuel usage and greenhouse gas emissions. This initiative helps reduce gasoline usage by 90,000 litres which amounts to a greenhouse gas reduction of 200 tonnes of carbon dioxide equivalent.

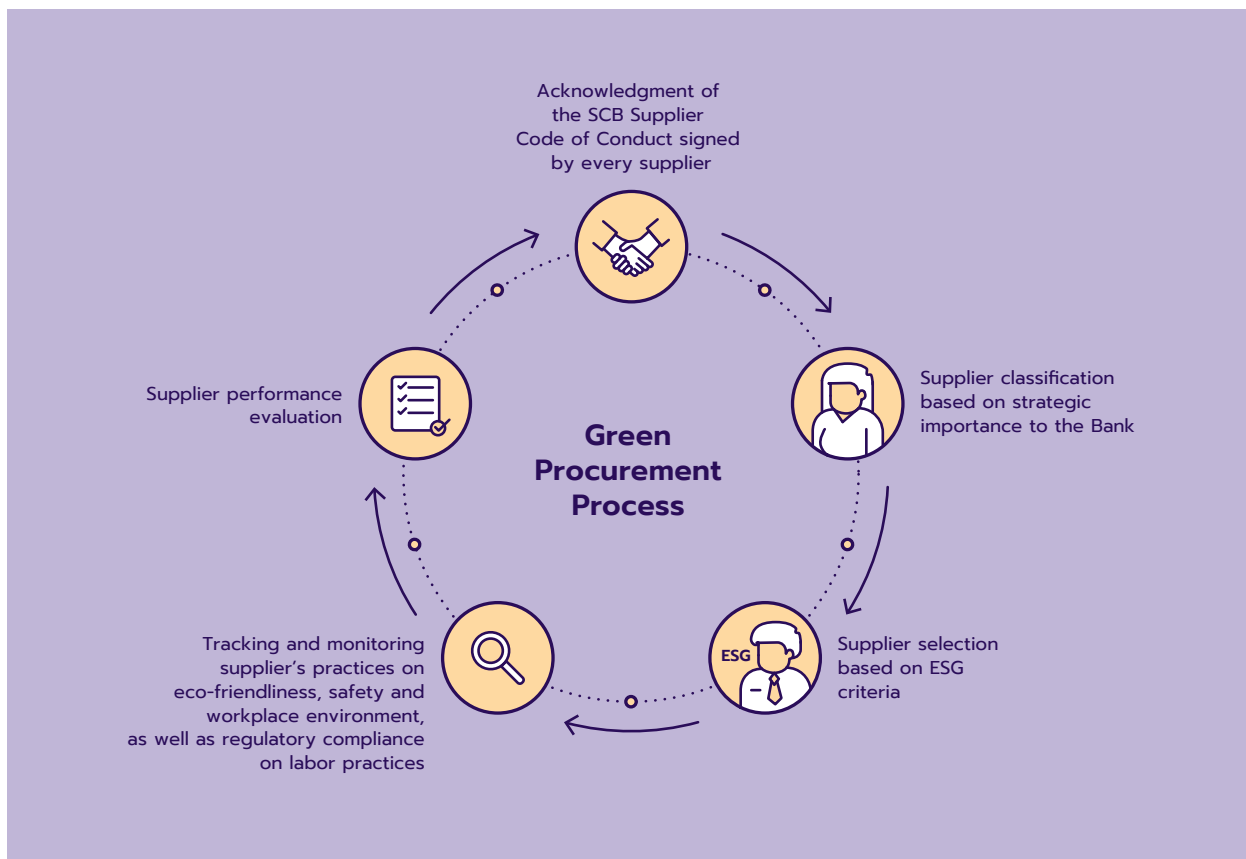
Green Procurement

To prevent and mitigate environmental and social impact from procurement practices, the Bank established the Procurement Policy with explicit rules and procedures as well as defining roles and responsibilities of the Procurement unit. In addition, the Bank has in place the SCB Supplier Code of Conduct, for which every supplier is required to sign an acknowledgement. This document provides guidance to vendors and suppliers on good practices that meet legal and regulatory requirements with respects for human rights and consideration for environmental and social impact management.

To better understand suppliers and to effectively manage sustainability of supply chain, the Bank classifies suppliers into different groups based on their procurement value,

product and service type, and strategic importance to facilitate supplier management and regulatory compliance. Moreover, the Bank has a process for selecting new suppliers that takes into account their environmental practices, e.g. existence of policy and practice guidelines, adoption of ISO 14001:2015 standards, and environmental management track records. Once selected, the Bank tracks and monitors their practices as well as assessing environmental impacts from their operations. The assessment results will be used as input into future supplier decision.

The Bank also communicates its procurement process during the annual Vendor Communication Day event which had more than 320 participants in 2019.





Supporting Green Office

The Bank has a policy to encourage the purchase of eco-friendly products that received Green Industry Certification from the Ministry of Industry and passed the eco-friendly product and service criteria of the Pollution Control Department, Ministry of Natural Resources and Environment, starting with office supplies, e.g. photocopy paper, file folders, batteries, and correction products.



องค์กรธุรกิจเพื่อการพัฒนาอย่างยั่งยืน

Addressing PM2.5 Problem

The Bank has joined Thailand Business Council for Sustainable Development in an effort to address the problem of particulate matter with a diameter less than 2.5 micrometres (PM2.5) that has caused health effects on Thai people in every area. The Bank requires its company car suppliers to perform regular maintenance checks and not use cars that are older than 7 years as well as training the drivers on fuel-efficient driving techniques. Moreover, the Bank also systematically plans its cash transportation as well as strategically locating cash management centres for maximum energy efficiency.

Financial Literacy

Because financial security factors importantly into people's quality of life, the Bank focuses on promoting financial literacy for customers and the general public by providing money management knowledge and skills to help build effective financial plans. The Bank follows

a multi-pronged approach to promote financial literacy through its business and social initiatives, collaboration with external organisations, along with using a variety of communication channels to make financial knowledge widely available.

Financial Literacy for Retail Customers and the General Public

Since sustainable development starts from building a solid foundation, to create a society with financial security must begin with improving financial literacy at the individual level. Therefore, the Bank has been actively involved in

promoting financial literacy for retail customers and the general public by providing fundamental personal finance skills in financial planning, income-expense management, savings, investment, as well as financial risk management.



SCB Website: WWW.SCB.CO.TH

In the digital age, website is a key touchpoint which allows customers to quickly access detailed information on products and services. As such, SCB's website www.scb.co.th has undergone constant development and improvement to be the information hub for the Bank's products and services as well as a conduit of financial knowledge for customers and website visitors. Here, the Bank publishes articles on a wide variety of topics related to personal finance and business management which are easy to understand and relevant to day-to-day lives, such as tips for paying off mortgage quickly, credit card debt management, investment portfolio design, and marketing in the digital age, as well as creating motivation and success. These articles also weave in content on financial access and appropriate use of products and services to reinforce customers' and the public's understanding.

Furthermore, the Bank also promotes financial literacy by creating content in the form of articles, infographics, videos, or short-movies, and create engagement in social media which have attracted a lot of interests and many followers.

Published more than

500 articles

on financial management tips
and stories with over

1.7 million

unique pageviews

More than

54 million

unique pageviews
of WWW.SCB.CO.TH



Partnership with Mahidol University: Smart University

The Bank has partnered with Mahidol University on “Smart University” project under the “Digital Convergence University” concept to build financial management capabilities and help universities transition to the digital economy. This project seeks to build financial and investment foundation for university students and staff by enhancing skills, knowledge, and exposure to real experiences.

Under this partnership, SCB and Mahidol University have worked together to create and develop the following initiatives:

“SCB Investment Lab”: The first virtual investment lab in Thailand that creates learning experiences with digital technology and virtual trading experiment.

“Mahidol Virtual Classroom Powered by SCB”: The first smart university classroom in Thailand featuring interactive teaching and learning among four university campuses, which are Salaya campus, Kanchanaburi campus, Nakhon Sawan campus, and Amnaj Chareon campus, to support borderless education between faculty members and students.

“E-learning”: on Mahidol platforms and apps featuring training from highly-regarded financial experts in various fields who not only educate but also motivate students.

“We Mahidol App”: Mahidol’s official app that connects students and faculty members anywhere anytime to facilitate learning and lifestyle on campus with features such as class scheduling, attendance checking, event calendar, campus news and activities. Moreover, “We Mahidol App” also serves as a knowledge and communication hub as well as offering payment function that works for both on-campus and off-campus stores to support the government agenda on a cashless society.

Over

530

Mahidol staff and students
use SCB Investment Lab

1,590 students

take classes in virtual classroom

Over

15,000

We Mahidol App downloads
with

5,600

average users per month

Financial Literacy for Business Customers

The Bank focuses on promoting financial literacy for SMEs to enhance their business knowledge and competitiveness, as well as helping business owners and entrepreneurs to increase sales and expand their businesses to the global market. To achieve this goal, the Bank provides facilities to share business ideas and

experiences, organises business seminars and training, in conjunction with delivering appropriate financial products and services. The Bank has partnered with external organisations to develop initiatives to increase SME capabilities to build a strong business.



SCB Business Centre...for SMEs to Be No. 1

To support SMEs on the path of sustainable growth, the new and improved SCB Business Centre offers more than just business financial services but also SME solution to address all areas of business needs. SCB Business Centre provides meeting rooms and co-working/co-learning space for business owners and entrepreneurs to work, share knowledge and experiences, spark new ideas, and grow the business.

Beyond financial services and business facilities, SCB Business Centre also provides one-on-one industry-specific coaching and advisory services to enhance operation efficiency and cost effectiveness, e.g. working with business partners selected by the Bank to support SME businesses' needs. In addition, there are regular business seminars to provide relevant business knowledge for SMEs and entrepreneurs free of charge.

There are currently three SCB Business Centres located at Central World department store, Central Festival Eastville department store, and Siam Square, which together had served more than 24,000 customers in 2019.





The DOTS Programme

The Bank recognises the importance of nurturing a new generation of entrepreneurs to develop and grow sustainably and become a core foundation of the Thai economy. The Bank has thus launched “The DOTS – Connecting success to young entrepreneurs,” a training programme to broaden the vision and build professional management skills for SMEs through intensive business courses. This programme is a collaborative effort of partners and experts from both the public and private sectors as well as successful entrepreneurs in various industries to share their knowledge, perspectives, and ideas that can be applied and built upon to further grow a business.

In 2019, the Bank organised “The DOTS @ China Town” to support a network of young entrepreneurs in an important market for the Thai-Chinese population whose businesses have been passed down for many generations and have a unique operational approach. The Bank also organised “The DOTS: Hotel Game Changer” to support a new generation of entrepreneurs in the hospitality business to adapt to today’s business environment by adopting new technologies, improving management systems, or extending the marketing reach with digital platform or new sales channels. The programme has drawn more than 1,000 participants.



Google Primer X SCB

The Bank has partnered with Google to curate free courses on business in the digital age for entrepreneurs and individuals who wish to build new business skills. Available on Google Prime which is a self-learning app, SCB curates these following 6 courses.

<p>SCB Marketing Increase sales and customer reach with digital marketing</p>	<p>SCB Manage Manage work teams to drive customer service excellence</p>
<p>SCB Advance Reach the customers with advanced marketing strategy</p>	<p>SCB Research Understand customers and know how to reach them</p>
<p>SCB Sales Increase sales with online platform marketing</p>	<p>SCB Online Create online content that meets customer needs</p>

Google Primer app was designed to optimise learning by offering a 5-minute post-lesson quiz for every course to give users an opportunity to review lesson materials.

Community and Society Empowerment

The Bank believes that communities with strong foundations are vital to the country's stable and sustainable development. Thus, the Bank focuses on empowering communities to achieve better quality of life

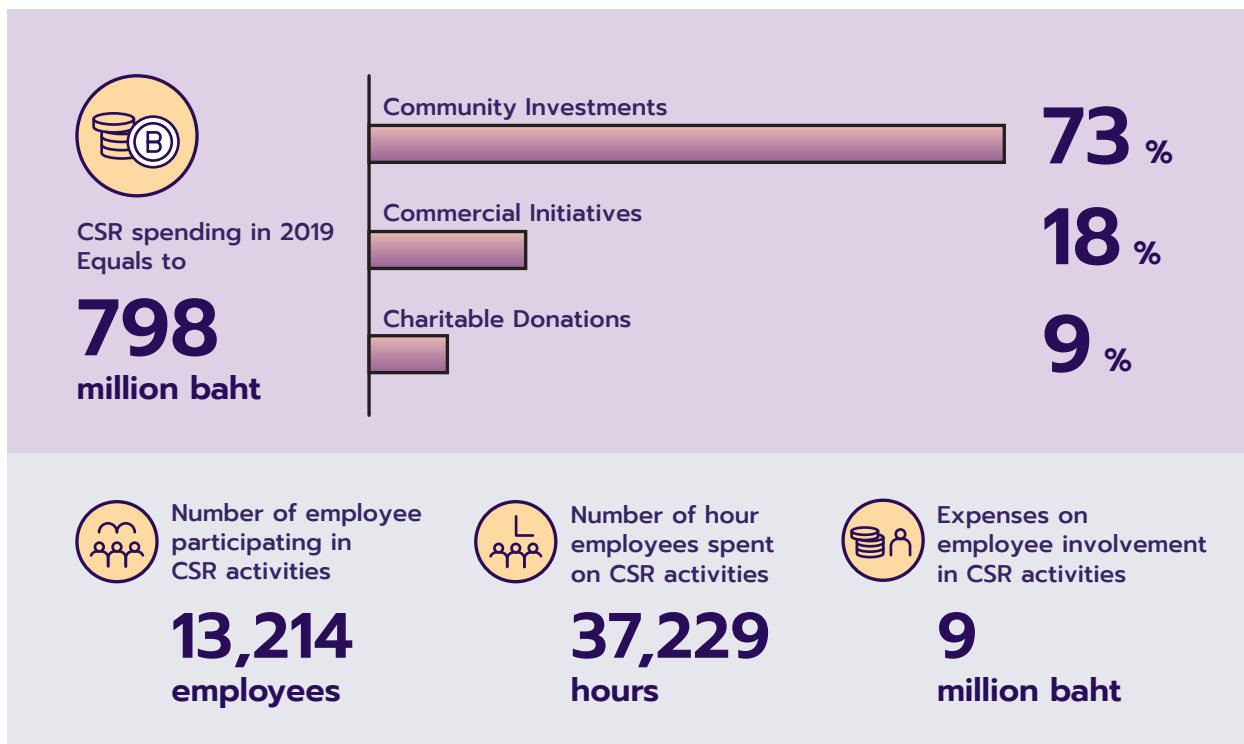
and greater social development through corporate social responsibility initiatives that built upon collaborations with external networks and employee engagement to create social value that will eventually lead to sustainability.

Corporate Social Responsibility Management

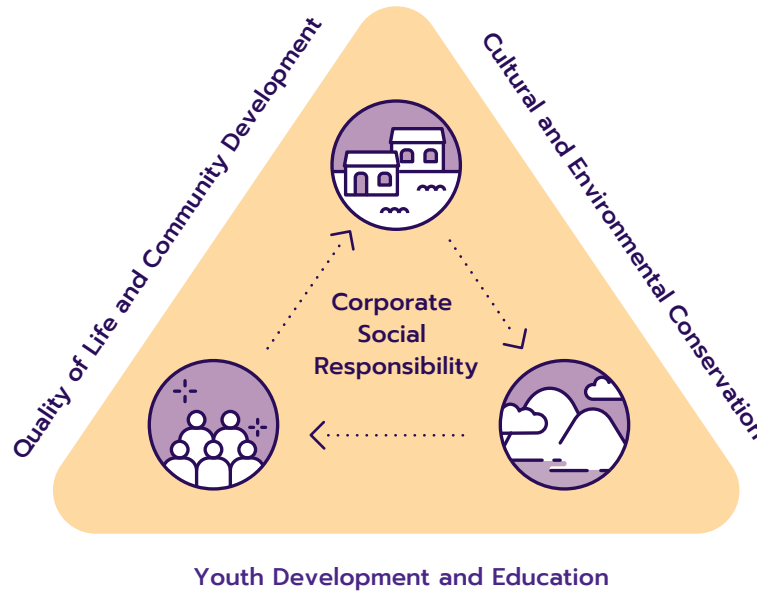
The Corporate Social Responsibility Committee, which consists of directors and senior executives, is responsible for approving the Bank's corporate social responsibility (CSR) policies and strategies which are implemented by the Corporate Social Responsibility unit who work closely with Siam Commercial Bank Foundation, business partners, and civic engagement organisations to drive initiatives that will benefit the society.

The Bank's on-going initiatives on community empowerment are mainly focused on 3 areas: youth development and

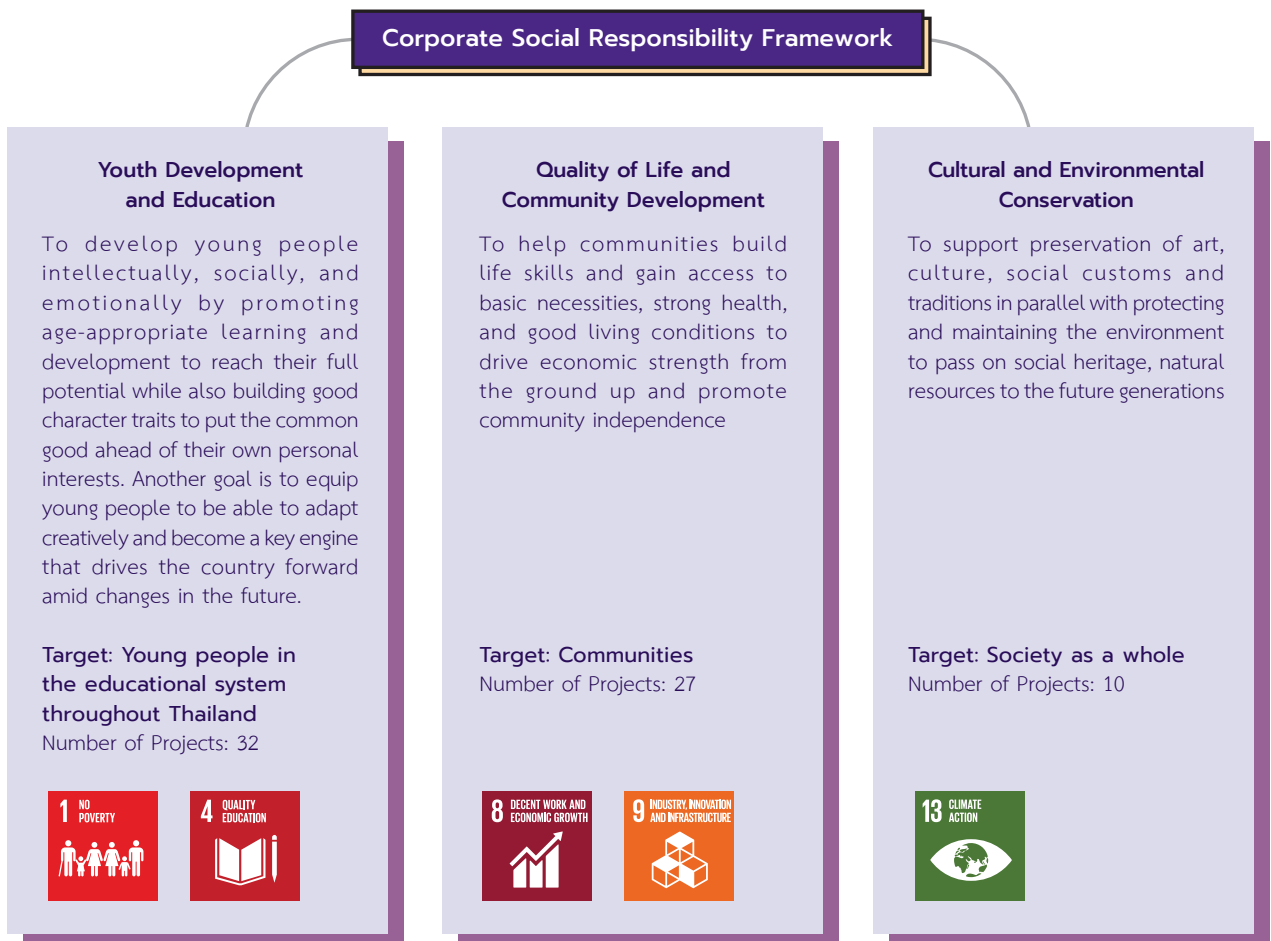
education, quality of life and community development, and cultural and environmental conservation. These initiatives have been carried out in parallel with fostering volunteer spirit among employees. Before designing or developing an initiative, the Bank will have a dialogue and engage with the community to get an in-depth understanding on their needs and problems. The Bank aims to leverage its capabilities and expertise to drive sustainable development projects that deliver the utmost benefits for communities.



Corporate Social Responsibility Framework



**Goal: To increase and improve the quality of life of people in the society
To lay a sustainable foundation for a strong society**



Youth Development and Education

Because children today are the key driver of the nation economic and social growth tomorrow, the Bank supports initiatives to promote youth development and education to build not only intellectual capability,

but also emotional and social intelligence. The goal of these initiatives is to build intellectual capabilities and good characters among youths in order make sustainable contributions to the nation in the future.



ConnexEd Phase 2

The Bank has taken part in the public-private partnership for future education project (ConnexEd) since its inception in 2016 led by collaborations between the government and the 12 founding organisations to drive reform in basic education. This project also helps develop leadership for the Bank's volunteers, in the role of a new generation leader or "school partner," who work closely with school directors and teachers to uplift the learning processes.

5 Key Strategies to Drive Education for the Future Initiative



Information transparency



Market mechanism and engagement



School director and teacher's capabilities development



Child-centric learning approach



School's access to digital infrastructure

The collaborative efforts from all sides had made Phase 1 implementation a success as evidenced by improvement in academic performance and reduction of absence and tardiness of 9,100 students from 29 schools. In addition, more than 930 teachers had been able to design active learning curriculum as a result of this project.

During Phase 2 implementation in 2019, the Bank has applied the successes from Phase 1 to three "education sandbox" provinces, which are Sisaket, Satun, and Rayong, through curriculum and teacher development as well as working with school district supervisors and local communities. There were 38 school partners, who were SCB volunteers with strong leadership qualifications, working with school directors and teachers in 65 schools.



SCB Challenge

The Bank gives young people an opportunity to showcase their talents through the “SCB Challenge” contest which had been organised for 14 consecutive years. This programme challenges college and high vocational school students to think, act, and share ideas by working on “Creative Innovation” projects. Throughout the 5-month period, students can gain first-hand experiences and develop various skills, such as working in teams, working with communities, doing field work, generating project ideas from real-world problems, solving problems and overcoming obstacles that arise during the implementation. The key objective of all projects developed by participating students is to improve the quality of life for people in the community and create social value. An example of such projects is a portable blood mixer machine to collect blood donation.

Portable Blood Mixer Machine Project from Mahasarakham University

Since a blood mixer machine must be imported and is expensive, there is an equipment shortage problem which means doctors and medical staff do not have enough equipment to perform their roles. This problem has sparked an idea for students in the Physics department, faculty of science, Mahasarakham University, to build a portable blood mixer machine. Students designed and developed a portable blood mixer that uses clear acrylic sheets with a simple operating system, is the right size and lightweight compared to the standard machine, and only costs 5,000 baht to make. This blood mixer machine is easily portable and produces reading with the same accuracy as the standard machine which provides a solution for a blood drive in remote areas. Working on this project helps students learn to work in team, be responsible, and create value for their community, i.e. the Mahasarakham hospital mobile medical unit has a portable blood mixer which can reduce error in measuring blood volume and minimise the loss from mishandling collected blood.



Over
61,800 youths

from
3,200
educational institutes

have participated in SCB Challenge
since its inception

Quality of Life and Community Development

The Bank believes quality of life will enable communities to perform their roles and duties to the society effectively. Thus, the Bank has undertaken initiatives to improve the quality of life of communities in a variety of dimensions, particularly on good health, employment that generates

stable income, as well as financial literacy. These initiatives seek to change spending behaviour and instilling financial discipline so that communities can achieve sustainable self-sufficiency.

Community Development Projects in Therd Thai Sub-district, Mae Fah Luang District, Chiang Rai Province



Implemented under partnership with Mae Fah Luang Foundation for 5 years from 2005-2009, the Reforestation Project in Honor of HM the King under the “Reforestation to solve poverty and promote harmony with nature” theme had successfully restored lost or degraded forests. As a result, this project has improved the quality of life of local villagers whose income had increased from minimal to a sufficient level to feed their families. And most importantly, this project has built community engagement to love and care for the forest. Through concerted efforts of local communities, wildfires have been successfully averted ever since.

Expanded forest area by

9,730 rai

or

60.42% of the project area



The Bank has extended this success to a 3-year “Water System Development” project (2017-2019) which builds on more abundant water supply resulted from the Reforestation Project to generate the utmost benefits. This project has built weirs both for conservation purposes to maintain healthy forests which are crucial to water supply and for consumption and farming which help improve the quality of life in local communities by providing adequate water supply year-round and additional income from off-season farming. Moreover, through their voluntary involvement in managing local water resources, communities also become stronger by working together to build, repair, and operate their own water systems. Throughout the duration of this project, Mae Fah Luang Foundation provides know-how on water system development techniques, supplies materials and equipment, assesses and monitors the project with funding from the Bank.

Number of agricultural weirs

25

Benefiting

408 households **2,032** people



From working closely with Mae Fah Luang foundation, the Bank has discovered that 39 schools in the area lack clean drinking water which results in adverse health and developmental problems on students and school staff. The Bank has therefore implemented the “Clean Drinking Water” project which provides water quality testing by Chiang Rai Medical Science Centre and checks water filters and water systems in the schools. This project has given children and school staff access to clean water, reduces exposure to waterborne diseases, and improves the quality of life for people in the communities.

39 schools
have access to clean water

13,000 children and school staff
have access to clean water sources



SCB Relief for Natural Disaster Victims

Flooding in many parts of Thailand during September 2019 had damaged people's homes and belongings. Prompted by its concern for the welfare and wellbeing of affected customers, the Bank offered relief measures for retail and sSMEs customers who had been affected by Podul and Kajiki tropical storms. To ease their loan burden, the Bank provides a 3-month debt moratorium and a reduction in interest payment up to 100% of the initial amount, as well as giving up to a 5-year term extension for residential loan customers and a 3-year extension on loan repayment for small SMEs. Affected customers can apply for this assistance at any SCB branch or by calling the Customer Centre.

Cultural and Environmental Conservation

The Bank recognises the value of social harmony, and has therefore given continuous support to preserve cultural heritage and protect natural resources and the environment by supporting culture-related non-profit organisations as well as instilling awareness and organising environmental conservation activities.

The Bank has continuously promoted employee awareness and engagement in cultural and environmental conservation by giving support to non-profit organisations

with a mission to preserve and pass on cultural heritage and traditions to the future generations. Moreover, the Bank also recognises the importance of protecting the environment which has led the Bank to organise activities under the "SCB, Let's Do Good" initiative to raise employee awareness and participation in environmental conservation by reducing waste, especially plastic waste, to mitigate global warming impact which is one of the key global agendas today.



SCB Says No to Plastic Campaign

Because it is important to protect the environment, the Bank has run an on-going awareness campaign to encourage employees to reduce and eliminate single-use plastic bottles by using their own cups or water bottles. During the 2-year campaign, there was a reduction in the use of plastic bottles from 18,000 to 2,400 bottles per month, or a 86% reduction.



18,000
bottles
per month



86 %
reduction

2,400
bottles
per month

To be...

The Most Prudent Bank





No organisation or company can achieve sustainable success without stakeholder trust. The Bank, therefore, operates the business on the basis of good governance, prudent risk management, and strict compliance with law and regulations.



Corporate Governance Assessment at

“Excellent”
Level



Received

RISKMINDS AWARDS

in the Leading the Way in Risk Culture Award Category



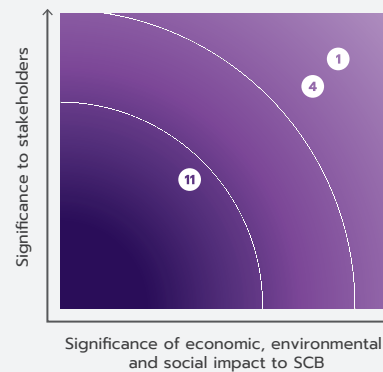
98%

of Employees Completed the SCB Code of Conduct Training



99%

of Employees Completed the Cyber Security Training



Material Sustainability Topics

- 1 Corporate governance and risk management
- 4 Data governance and cyber security
- 11 Public policy advocacy

Corporate Governance

The Bank adheres to good governance practice which is a foundation of corporate management. Effective governance not only generates sustainable returns for shareholders in the long run but also enhances the Bank's competitiveness under ethical and social responsibility framework which, in turn, drives sustainable growth and fosters trust from stakeholders.

At SCB, the Board of Directors assigned the Nomination, Compensation, and Corporate Governance Committee a

responsibility of formulating the Bank's corporate governance policy and monitoring compliance as well as reviewing and making appropriate changes to the policy to comply with regulatory requirements and international practices. The Bank's corporate governance policy specifies vision, mission, core values, code of conduct, governance structure, rights and treatment of stakeholders which also include treatment of shareholders, disclosure and transparency, and internal control.

Corporate Governance Structure

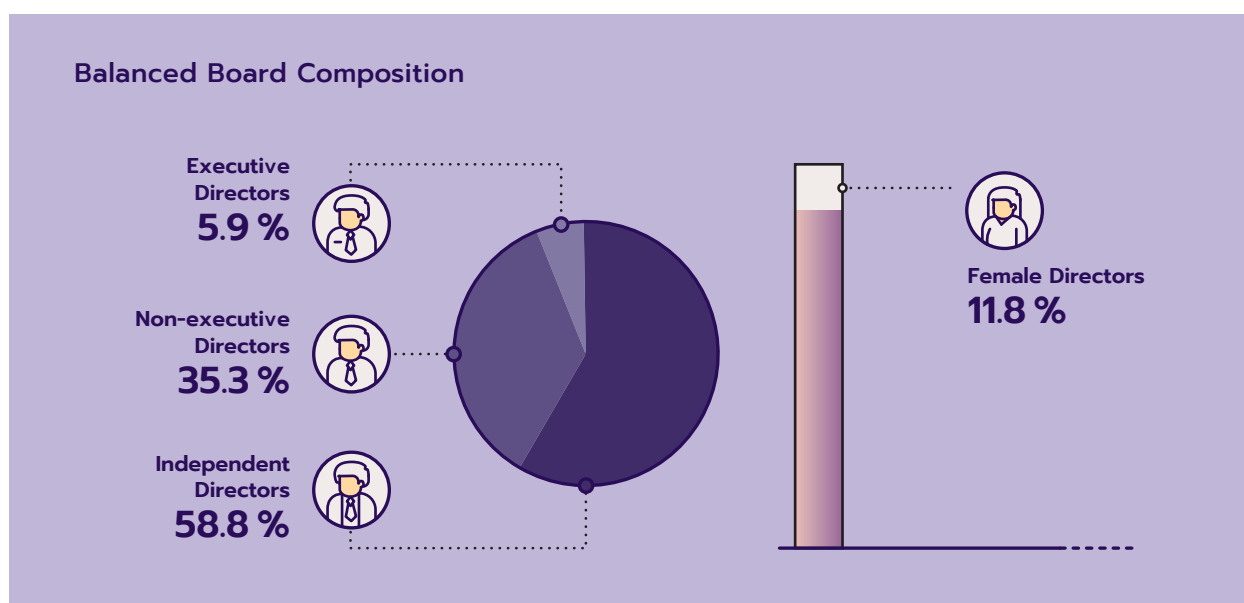
Good governance practices at SCB start from clearly defining the Board's roles, responsibilities and duties which are fulfilled through regular board and board committee meetings, having a balanced and appropriate structure for the Board and board committees, nominating and electing suitable directors, providing necessary training, as well as aligning best practices regarding directorship and senior executive mandates.

For nomination of directors and authorised persons, the Bank considers the following qualifications: knowledge, expertise, macro-management experience, specific experience required to fulfill the role and responsibility

of a position such as finance and banking, corporate governance, risk management, social responsibility, and sustainability management. The Bank uses a board skills matrix to evaluate board members' qualifications to achieve desired diversity and appropriate for the business context. Moreover, directors are nominated and elected on a fair and equal basis with no discrimination on gender, nationality, ethnicity, religion, or marital status. The Bank also has a policy to promote more female directors. In 2019, the Bank nominated female candidates twice to fill an empty director position which resulted in the increased of number female directors from 1 to 2 persons.

Governance Structure (Information as of December 31, 2019)

Board of Directors	
Board Committees	Key Management Committees
Executive Committee Audit Committee Nomination, Compensation and Corporate Governance Committee Risk Oversight Committee Technology Committee Corporate Social Responsibility Committee	Management Committee Assets and Liabilities Management Committee Risk Management Committee Equity Investment Management Committee



Board Effectiveness

The Bank evaluates performance of the Board and board committees every year to ensure board effectiveness and utmost governance benefits. This performance evaluation consists of 4 parts which are: 1) performance assessment of the Board as a whole, 2) performance assessment of board committees, 3) performance assessment of individual directors, and 4) performance assessment of the chairman of the Board. The Bank engages a third-party

consulting company with extensive corporate governance expertise and experience to conduct board performance assessment every 3 years which is in line with the Principles of Good Governance for Listed Companies specified by the Stock Exchange of Thailand. The latest board performance evaluation by an external consulting company was conducted in 2018.

Furthermore, the Bank provides on-going training and development for the Board to ensure that the Board has appropriate knowledge base to fulfill their duties, e.g. risk management, legal and regulatory changes, cyber security, as well as knowledge on digital technology which is vital to today's banking business. The Bank encourages directors to attend both internal and external

training and seminars, e.g. "Cyber Resilience for Directors of Financial Institutions" training, Collaboration for the Future of Finance National Director Conference 2019, Exclusive Workshop for SCB Boardroom: Vision-Driven Purpose, Bangkok Sustainable Banking Forum 2019, and seminar on the need for change in the disruptive age from the perspective of financial institutions.

Shareholder Rights and Equal Treatment

The Bank respects shareholder rights by encouraging every shareholder to exercise his/her rights under the law and regulations and in accordance with the Bank's corporate governance policy, e.g. the right to attend shareholder meetings. The Bank has a policy and implementation to ensure that shareholders receive clear, accurate, and complete information to make fully informed decisions and are given sufficient time to consider matters on the meeting agenda as well as access to a notice for annual general meeting and supporting materials for each agenda item. The Bank publicises a notice for annual general meeting 30 days prior to the meeting.

Shareholders have unrestricted access to information and can submit inquiries or questions ahead of an annual general meeting by, for instance, email to the company secretary at company_secretary@scb.co.th. Moreover, proxy forms are sent to shareholders who are unable to attend a shareholder meeting. During an annual general meeting, shareholders with common and preferred shares, including persons appointed as proxies, have one-share one-vote rights for each item on the agenda. Voting and counting are done by open ballot with a barcode system to compile and report the voting outcome. The Bank appoints representatives from an independent legal firm to verify appointment of proxy, quorum count, vote counting.

Treatment of Stakeholders and Disclosure

The Bank recognises and strives to fulfill its responsibility to every group of stakeholders by offering products and services that meet customer needs with maximum customer privacy, treating employees fairly and uplifting their capabilities to keep pace with the changing environment. In addition, the Bank also operates the business with social and environmental responsibilities, honest relationships with suppliers, ethical treatment of competitors, as well as strict compliance with creditors' terms and conditions.

Moreover, the Bank has a policy to disclose information to shareholders and every group of stakeholders in a complete, appropriate, fair, and timely fashion. The Bank also places high emphasis on building stakeholder engagement through a wide variety of feedback channels in order to make continuous improvement and achieve sustainable growth together. (Additional information is available on page 97 in the "Treatment of Stakeholder" section of the 2019 Annual Report.)

Risk Management

The Bank believes that the ability to effectively manage risk under a constantly changing context is essential for the organisation to maintain its ability to generate growth and stability in the long run. Thus, risk management is a fundamental component in every process of the

Bank's operation that must be well-coordinated across all levels with effective risk governance, sound risk management and internal control systems, as well as a strong risk culture.

Risk Governance Structure

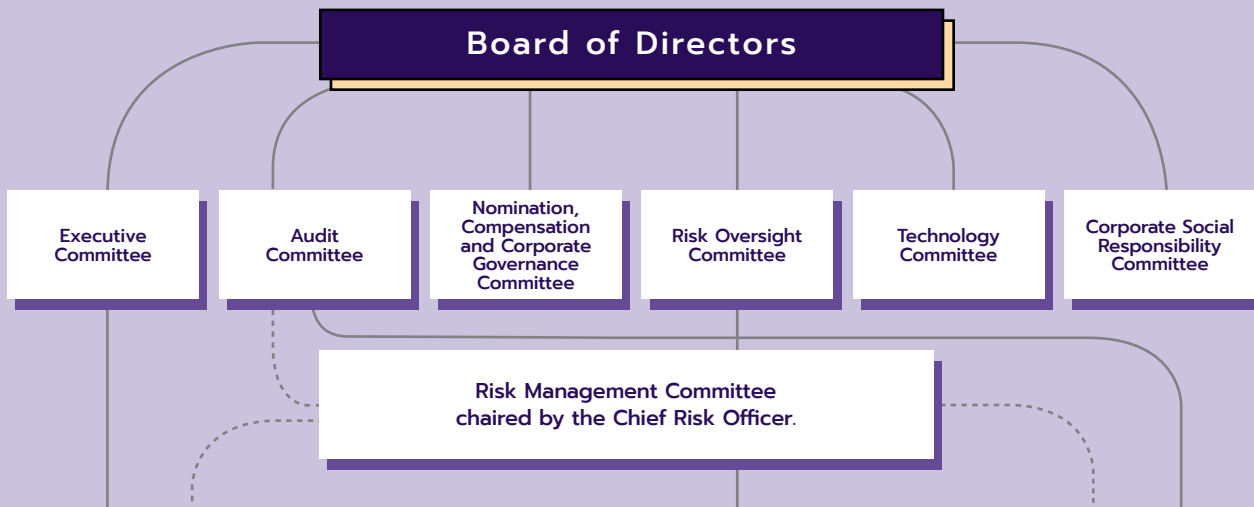
The Bank manages risk systematically through explicit policies, guidelines, and audit processes. The Board of Directors and sub-committees play an important role in risk management and set up different management committees to manage and monitor key risks. For governance of every major type of risk,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

To ensure that risk management is aligned with the policy guideline set by the Board of Directors, the Risk Oversight Committee is responsible for reviewing the

adequacy and effectiveness of the risk management policy along with formulating risk management strategy and risk appetite statement while the Audit Committee reviews the effectiveness of the risk management system. Moreover, to ensure that the Bank's risk management achieves high standards, regulatory compliance, and consistency throughout the organisation, the Risk Management Office, which directly reports to the Risk Oversight Committee, is responsible for establishing risk management framework, making risk management policy recommendations, along with monitoring and reporting various types of risk.



Risk Governance and Management



1st Line: Business Units

- Responsible for identifying and controlling risks according to the principles of Risk ownership and First Approver of Risk
- Ensure that employees comply with SCB Financial Group Code of Conduct which includes policies, procedures, relevant laws and regulatory requirements
- Review operating processes to identify risks, resource adequacy, organisational capabilities, process development oversight, and effective controls
- Report risk incidents within an appropriate timeframe and work with the 2nd line and the 3rd line of defense business units to investigate root causes, identify best practice remedial approaches, as well as communicating lessons learned to employees
- Approach every task with a healthy risk mindset
- Align business objectives with the Bank's vision, mission and business strategy along with setting appropriate and balanced KPIs related to risk management and remuneration

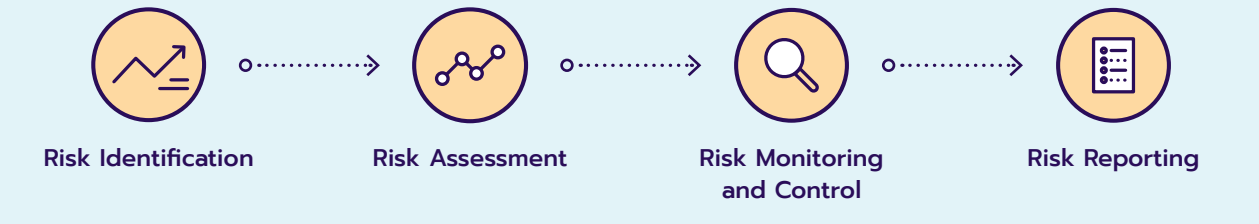
2nd Line: Risk Management Units

- Formulate strategies to manage relevant risks to ensure that all strategies are in alignment and within the Bank's risk appetite
- Review and verify the overall adequacy and effectiveness of risk management policies and strategies as well as the risk appetite statement to assess the effectiveness and efficiency of policy and strategy implementation
- Oversee and make recommendations to management to ensure that the existing risk management policies, systems, and processes are adequate for the Bank's business
- Monitor compliance to regulatory requirements, business code of conduct, and relevant policies
- Monitor and report to the Board of Directors the Bank's overall risk level, risk management effectiveness, regulatory compliance status, and emerging risks as well as making an improvement to the Bank's risk oversight framework
- Prepare and propose loan loss reserve appropriate to business risk including the testing of sufficiency of reserve and capital in case of incidents

3rd Line: Audit Units

- Conduct an audit on the risk management framework and processes and make recommendations
- Review compliance oversight to ensure compliance with regulatory requirements, the Bank's code of conduct, and risk management policy
- Establish appropriate and effective audit and internal control systems to ensure effectiveness in risk management audit

The Bank’s risk management system consists of 4 key processes.



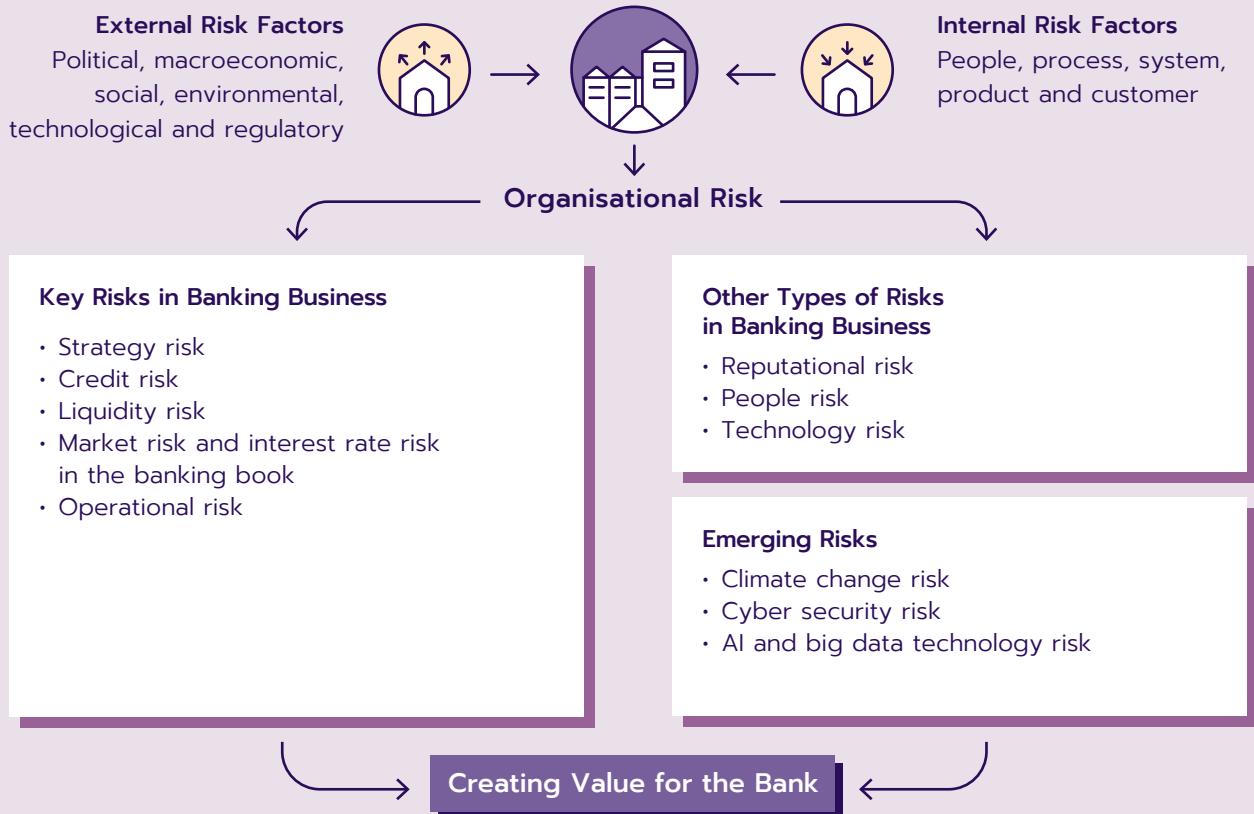
The Bank’s major risks involve transactions and activities with both customer and supplier

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

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

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

Overview of Major Risks in the Banking Business



Key Risks in Banking Business

- Strategy risk
- Credit risk
- Liquidity risk
- Market risk and interest rate risk in the banking book
- Operational risk

Other Types of Risks in Banking Business

- Reputational risk
- People risk
- Technology risk

Emerging Risks

- Climate change risk
- Cyber security risk
- AI and big data technology risk

Creating Value for the Bank



“Three Lines of Defense” Principle

The Bank has adopted the “Three Lines of Defense” approach to achieve responsible risk management and control in order to reduce risk, enhance effectiveness, and broaden accountability. This approach requires a coordinated effort among all internal units of the Bank starting from the Board of Directors to the operating level to assess risk, set control measures, monitor, and evaluate performance.

The Bank uses an end-to-end value chain risk and control self-assessment as well as analysis of incident and loss to assess operational risk and effectiveness of control factors in each business unit. Moreover, the Business Continuity Management (BCM) approach has been put in place to recover important transactions during a crisis in order to mitigate the Bank’s risk.



**1st Line
of Defense**

**Business
and support units**

Manage risks that arise from business activities



**2nd Line
of Defense**

**Risk Management
and Compliance**

Provide guidance, support, and evaluate the approaches adopted by business and support units to manage operational risks



**3rd Line
of Defense**

Internal Audit

Evaluate business processes and procedures as well as the risk management process



Crisis Management

In 2019, the Bank has raised its crisis management capability to the next level by assessing management's crisis readiness with a wide range of plausible crisis scenarios to be prepared in a crisis situation from the perspective of management, work process, and technology. The assessment is categorised into three this assessment: pre-crisis planning, operational readiness, and individual readiness. The results showed that the Bank's management has the readiness and capability to handle a crisis quickly and effectively.



SCB Crisis Alert: System for Safety

Because people's safety is important to the Bank, in 2019, the Bank has developed SCB Crisis Alert system with the goal of timely notification and safety management for every employee in the event of a crisis. The system will communicate through channels such as telephone, email, and mobile text messaging and mobile applications. The Bank has informed employees of this system and has completed a pilot test. The SCB Crisis Alert system will be officially rolled out and fully utilised in 2020.

Emerging Risks

The Bank annually analyses the emerging risks which may affect business operation in both short-term (within 1 year) and long-term (between 3-5 years). Measures are

developed to respond, manage and control impacts of these risks accordingly. In 2019, the Bank identified three key emerging risks.



Climate Change Risk

The climate change, including rising temperatures caused by greenhouse gas emission directly or indirectly from human activities, altered precipitation patterns and rainfall, and more frequent or extreme events such as heatwaves drought, and storms, could adversely impact the economic activities and the stability of financial system. Climate change results in increasing risks of business operation of both and the Bank and customers, business disruptions, natural resource and commodity scarcity and physical and financial damages. The Bank seeks to take part in reducing such negative such impacts from climate change. As a major financial institution, the Bank has pledged to take part in driving Thailand toward a low-carbon economy by lending to businesses and projects that help reduce greenhouse gas emissions such as solar power project, wind power project, and mass rapid transit project. In addition, the Bank also focuses the efforts on building a culture of eco-efficiency and fostering environmental awareness among employees to ensure that business is conducted on the basis of environmental protection and conservation.



Cyber Security Risk

Reliance on advanced technology in banking industry today causes the cyber security risks to evolve and become increasingly sophisticated. The cybersecurity risk could result in shutdown of essential services and critical infrastructure, security breaches, as well as identity theft. The cyberattack also leads to loss of customer trust and subsequent effect to the economy. To achieve a secured digital platform, the Bank has increased an investment proportion in IT infrastructure and continuously strengthen risk management and the three line of defense framework. In addition, the Bank continues to uplift employee capabilities to work effectively in the digital age and roots in a risk culture at corporate level.



Artificial Intelligence and Big Data Risk

The use of Artificial Intelligence (AI) has significantly transformed the financial industry. AI technologies enable the Bank to bring more efficient operations, improved products and services, and better customer experience. However, the complex nature of AI technologies may increase certain types of risks to the Bank, such as data privacy, misuse of data, model risk, and reputational risk. To mitigate such risks, the Bank has acknowledged and prepared for the challenges regarding innovation and development into digital transformation. The Bank is strengthening its data architecture and infrastructure to ensure security of personally identifiable information (PII) and improving governance and control on the access right and the use and transfer of personal data to comply with the new Thai Personal Data Protection Act which will become effective in mid 2020. In addition, the Bank continues to enhance risk management frameworks such as model risk management framework, information security, data privacy and data protection, and recruit more talents to ensure that AI and Big Data are used in a meaningful and transparent manner.

Risk Culture

The Bank is committed to fostering a strong risk culture in the organisation by designating risk management as one of its core values which shall be upheld by employees at every level and in every task. In 2019, the Bank has adopted “Hong Kong Monetary Authority Bank Culture Reform” framework to guide its risk culture implementation through constant communication on

sound risk management practices by senior management. In addition, the Bank also makes risk management training a mandatory requirement for employees at all levels, develops an incentive system to motivate employees to take risk into account in their behaviours and decisions, as well as setting up a feedback mechanism to obtain useful information for further improvement and development.

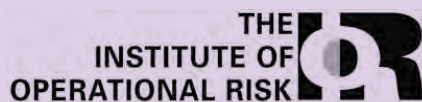
Risk Culture Implementation Framework

Objective Drive shared risk and management responsibility throughout the organisation

Pillar **Governance** **Incentive System** **Risk Reporting Channels**

Implementation	<ul style="list-style-type: none"> • Constant communication on sound risk management practices • Risk management training curriculum 	<ul style="list-style-type: none"> • Best Operational Risk Champion Award • Best BCP Coordinator Award • Incident Reporter Award 	<ul style="list-style-type: none"> • Risk Governance Compliance (GRC) system • LINE app through SCB Connect account • Email to whistleblower@scb.co.th
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Enabler An agile organisation



The Institute of Operational Risk: Thailand Chapter

In 2019, the Bank joined the Institute of Operational Risk and set up the Thailand Chapter with an objective of sharing expertise on management and risk culture with the businesses and leaders in different industrial sectors in Thailand. The Chapter seeks to promote awareness and support companies in the banking and in other industries to take a concrete step toward building an organisational risk culture.

RiskMinds Award 2019

The Bank's continuous effort to build a strong risk culture has earned a recognition from the RiskMinds International 2019 Award in the Leading the Way in Risk Culture Award category. This award reflects the Bank's success in inspiring risk management change among its employees, embedding risk management as part of the Bank's culture, as well as developing and implementing risk management strategy throughout the organisation.

Anti-corruption and Bribery

The Bank pledges to shun and prevent any form of corruption and bribery by requesting all employees to learn and comply with the Anti-Corruption and Bribery

policy and practice, which is explicitly stated in SCB's Financial Group Code of Conduct.

Anti-corruption and Bribery Practices

The Bank is committed to operating the business with integrity and transparency in accordance with the Anti-corruption and Bribery policy and measures. The Board of Directors is responsible for approving the policy and ensuring that effective internal control and risk management systems are in place to safeguard the Bank's business processes against corruption and bribery. The policy shall be reviewed in the event of material regulatory or business changes or at least every year. The policy contains clear definitions and measures to fight against corruption and bribery such as political contributions within legal limits, sponsorships of activities to promote corporate image and reputation, facilitation payments, gifts, entertainment expenses, and other expenses that may lead to corruption risk.

For political contributions in monetary or other forms, the Bank requires appropriate disclosure as well as approval from the Board of Directors or the Executive Committee. Violation and failure to adhere to the policy will result in

disciplinary action which, after an investigation according to the Bank's disciplinary procedure, may involve warning, termination of employment, or civil and criminal lawsuits. In 2019, the Bank did not provide support to political activities, political parties, politicians, election candidates or people with direct or indirect political influence. There were also no corruption and bribery allegations or complaints against the Bank from the Bank of Thailand, the Anti-Money Laundering Office, the Office of the National Anti-Corruption Commission, and the Securities and Exchange Commission.

At the same time, the Bank ensures anti-corruption and bribery compliance by communicating principles, definitions, forms of corruption, anti-corruption and bribery measures, and disciplinary action in the event of violation or non-compliance, to employees at all levels. Furthermore, every employee is required to take and pass a mandatory anti-corruption and bribery course provided on the Bank's e-learning system.

Business Conduct

To demonstrate its commitment in operating the business with integrity and responsibility to all stakeholders, the Bank requires directors, executive, and employees at all levels to strictly comply with the Employee Code of Conduct. The Audit Committee, which is made up entirely of independent directors, is responsible for overseeing compliance with the Bank's principles of governance and

ethics, code of conduct, regulations and procedures as well as regularly reviewing the Code of Conduct.

To help suppliers grow together on the basis of good governance and social and environmental responsibility, the Bank encourages suppliers to adhere to the SCB Supplier Code of Conduct and requires every supplier

to sign an acknowledgement form before starting their work with the Bank. The content of the SCB Supplier Code of Conduct includes business ethics, respect for labor rights and human rights, occupational health and safety, environmental practice guidelines, as well as compliance with the law and regulations. The Bank's

Procurement Unit also performs supplier site visits to monitor suppliers' compliance with the code of conduct. Evidence of non-compliance will affect the decision on supplier selection in the future. The Bank communicates the practice guidelines and expectations to suppliers during the annual Vendor Communication Day.

7 Mandatory Courses

Every employee is required to take and pass 7 mandatory e-learning courses which aim to increase employees' knowledge and understanding in key principles and work processes to prevent damages to the Bank, customers, and stakeholders.

Participation in these 7 mandatory courses is one of the consideration factors in the employee's annual performance review, promotion decision, and internal transfer request. These 7 mandatory courses are:



98%

AML/CFT Basic Knowledge: Knowledge on the business code of conduct which serves as guidance for business operation and practices



98%

Anti-Money Laundering and Counter Terrorist Financing: Proper compliance with know-your-customer requirements as well as disciplinary action in the case of misconduct



99%

Cyber Security Incident Response: Knowledge on cyber-attacks as well as prevention techniques and reporting procedure in the event of an incident



97%

7 Operational Risks: Operational risk management tools to educate employees on risk management process and increase effectiveness at work and in daily lives



97%

Market Conduct: Market conduct principles and guidelines to ensure high customer service standard and to build confidence in the Bank's processes



84%

Anti-corruption and Bribery: Principles and values of the organisation which does not tolerate corruption and bribery



79%

SCB Safety First: Knowledge and practices to ensure workplace safety and good occupational health and environment

Remark: the number (%) illustrates the proportion of employees attended and passed each mandatory course.

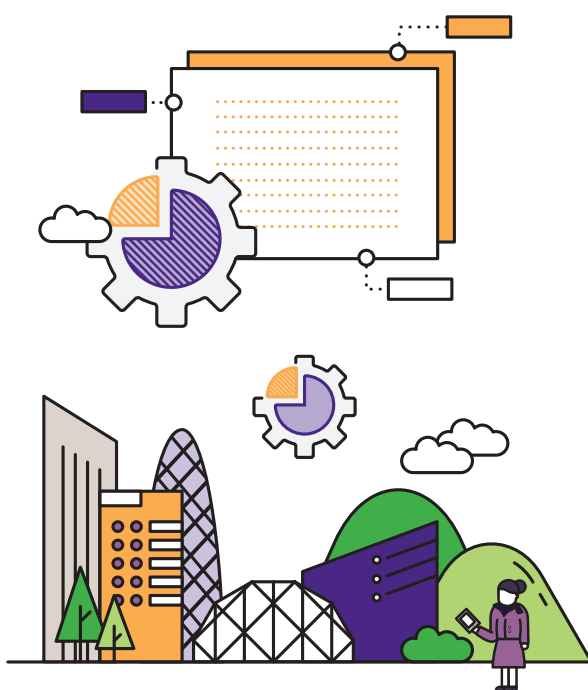
Whistleblowing Management

The Bank provides a variety of channels such as email, digital platform, letter, and telephone, for employees or outside persons to report concerns or suspicious behaviours. A confidentiality policy is adopted to protect whistleblowers' identity in order to maintain confidentiality, protect whistleblowers, and prevent retaliatory consequences. This policy is covered under the Whistleblower Guideline which establishes a framework for managing the whistleblowing process for reporting concerns or suspicions of violation of rules, regulations and the Bank's code of conduct. Moreover, the Bank has a systematic whistleblowing management process in which a fact-finding committee promptly investigates a reported incident or case. Findings are then reported to the Disciplinary Committee who must keep the Audit Committee informed of the disciplinary

decision and subsequent actions on a quarterly basis. In 2019, there were 47 reported incidents, 17 of which concerned inappropriate behavior at the workplace, 12 were dishonest conduct, 11 were non-compliance with procedures or obligations, 6 were work related negligence and errors and 1 was related to fraudulent act. Of all cases, 46 have been investigated and addressed while the one remaining case is still being deliberated.

In addition, the Bank has deliberated and carried out appropriate disciplinary actions for cases of affirmed misconduct. For the case related to negligence or error, the Bank has issued written warnings and salary reduction to 17 employees. For the case related to breach of trust, the Bank has terminated employment of 3 employees.

Whistleblowing Management Process



1. Employees or outside persons report concerns via the following channels:
 - Email: whistleblower@scb.co.th
 - Governance Risk Compliance (GRC) system on the intranet
 - 7OR channel through SCB Connect account on Line App
 - Mail to P.O. Box 117, Chatuchak Post Office
 - Telephone: 0-2544-2000
2. Working team takes the case, carries out a preliminary investigation, and gathers evidence.
3. If there is an element of truth, relevant business units will set up a fact-finding committee according to the Bank's procedure.
4. The Bank monitors and addresses issues to achieve maximum effectiveness.

Anti-Money Laundering

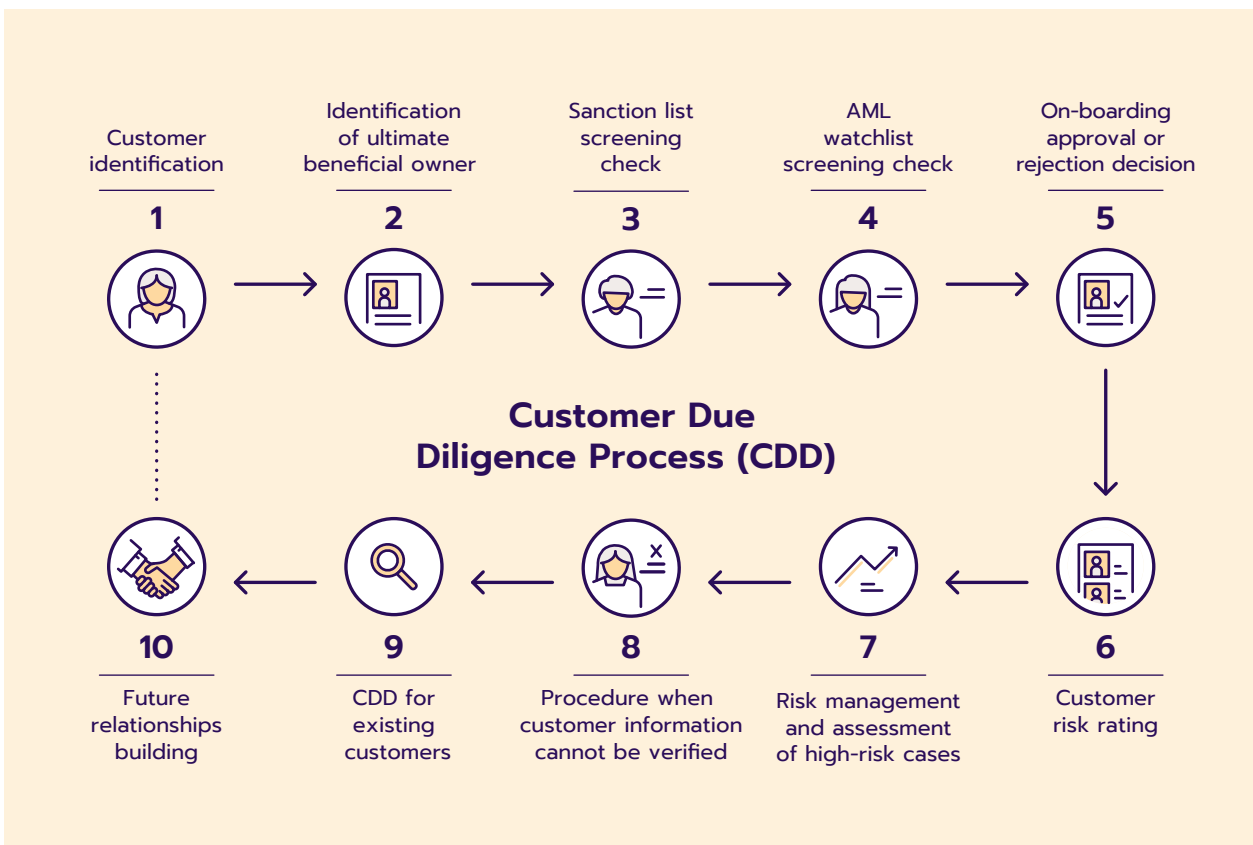
The Bank is committed to strictly complying with regulations on anti-money laundering and counter-terrorism and proliferation of weapon of mass destruction financing. The Bank established policies and procedures regarding these issues applied to employees at all levels to protect the Bank from being victimised by criminals or

terrorists for money-laundering or financing terrorism and proliferation of weapon of mass destruction. At the same time, the Bank also focuses on developing operational systems and internal processes to align with the way business operates in the digital age.

Know-Your-Customer Standards

The Bank makes Know Your Customer (KYC) requirements the first important step to be carried out prior to a transaction. The KYC procedure involves collecting customer information and proof of identification according to the customer’s money laundering risk as well as a periodic verification of this information and identification

evidence. The Bank has been using an electronic identity verification system (E-KYC) since 2018 which has been further enhanced with a biometric comparison feature to verify customer identity. This system provides added convenience to customers who no longer need to visit a branch to complete a transaction.



Furthermore, for high-risk customers, the Bank also established Customer Due Diligence (CDD) requirements and Enhanced Due Diligence (EDD) requirements which cover a variety of steps from identification,

risk management, monitoring financial activities or transactions, and reviewing customer information which are systematically carried out for both customer on-boarding and off-boarding processes.

Transaction Monitoring

Beyond KYC and CDD processes, the Bank also has guidelines for monitoring financial activities and transactions as well as an on-going review after the on-boarding process. Moreover, the Automated Anti-Money Laundering Transaction Monitoring System (AMLTMS) has been adopted to increase the Bank's capability in monitoring and verifying customer transactions more

accurately and thoroughly. The AMLTMS can analyse and verify suspicious transactions as well as connecting with other internal customer-related systems to send alert notifications and flag suspicious transactions to analysts. These suspicious activities are then reported to the Anti-money Laundering Office.

AML/CFT/WMD Communication and Training

The Bank organises regular training on anti-money laundering, counter-terrorism and proliferation of weapon of mass destruction financing (AML/CFT/WMD) for employees at all levels. The training is offered in a classroom style and on the e-learning system with an emphasis on relevant laws and internal guidelines.

The training materials are concise and easy to understand to ensure that employees understand proper practices and are able to apply this knowledge to perform their duties with care and confidence. This training is now one of the mandatory courses for which all employees must take and pass the test every year.

In 2019,

98%

of employees completed the AML/CFT/WMD training.



Market Conduct

SCB recognises that fair treatment in financial services is a basic consumer right and has therefore placed importance on providing correct, accurate and sufficient information to customers when using the Bank's products and services which aligns with market conduct practices.

The Bank also continuously builds understandings and promotes market conduct practices among all levels of employee while having in place penalties in case of violations or non-compliance.

SCB Market Conduct Principles



Build customer trust in the Bank's market conduct practices



Perform an advisory role by making product and service recommendations that truly meet customer needs



Develop and offer products and services that put customers' interests first



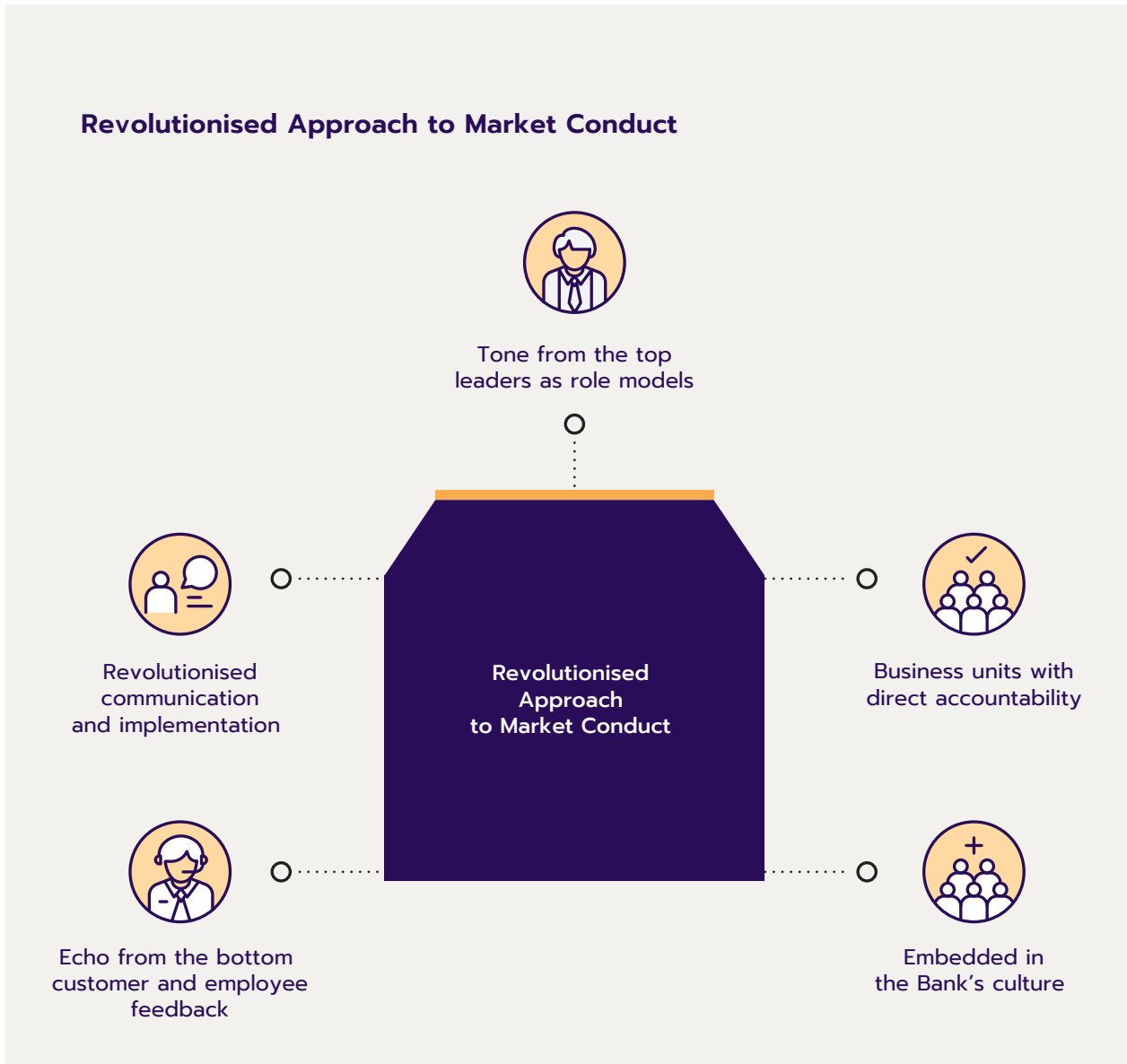
Deliver convenient services, take care of customers, and resolve any issues that may arise to the best of employee's ability



Make it every employee's responsibility to ensure that customers understand their rights in using the Bank's products and services

The Bank also focuses on proactive compliance with the Zero Tolerance policy, namely no tolerance for market misconduct of any form, by adopting the "revolutionised approach to market conduct" which involves 5 key areas of implementation. This approach starts with a top-down message from senior executive to pledge against selling products and services that serve the Bank's interests by deceiving, forcing, taking advantage of, or harassing customers. To further drive the implementation,

the next step is to revolutionise internal communication by replacing the old model of "communication for the purpose of distributing information" with "communication to reshape the culture with the soul of the organisation." This step is then followed by establishing business units with direct accountability in accordance with the "Three Lines of Defense" model, taking feedback from customers and employees through a variety of channels, and lastly embedding market conduct in the organisational culture.



Revolutionised Communication and Implementation

Because communication is an essential tool for creating a positive change, the Bank ensures that there is close communication between the Presidents and relevant employees to reaffirm the Bank's commitment to market conduct and to motivate employees to make

the change. The interactions between management and employees also serve as a venue for sharing and broadening perspectives which will lead to improvement in the Bank's management process.

Moreover, the Bank also promotes transformative action learning to ensure that employees have adequate knowledge and skills to perform their duties as well as encouraging each branch to create and adopt branch motto as a source of employee motivation.

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

Revolutionalised Communication and Implementation



Communication and meeting with the Presidents



Training on transformative action learning



Branch motto



Clearly defined KPIs



Disciplinary rules throughout the chain of command

Market Conduct Training

To ensure that all employees have a clear understanding of products, proper work procedures, as well as their appropriate roles and duties, the Bank has organised training on market conduct which is mandatory for all employees. Every employee must attend and pass the market conduct test which will be factored into his or her annual performance review. This training covers key topics such as the importance of market conduct, good practice before, during, and after sales, continuous

improvement of service quality to ensure that customers are treated equally without discrimination and according to their best interests.




Moreover, the Bank has also organised mandatory training for sales employees and representatives on ethical conduct for licensed product sale which must be attended and passed the test before starting the job.

Market Conduct Governance

The Bank has a governance structure to ensure that relevant business units adhere to the market conduct principles. Within this governance structure, all of the Bank's products and services are overseen under the branch control unit, the wealth governance unit, and the

retail lending sales governance unit with guidance and support from the compliance unit and the operational risk management unit. Moreover, the audit unit is responsible for monitoring and ensuring that practices and implementation are consistent across the organisation.

Market Conduct Governance Structure

	3rd Line of Defense	Internal Audit		
	2nd Line of Defense	Compliance Unit		Operational Risk Management Unit
	1st Line of Defense	Branch Control Unit	Wealth Governance Unit	Retail lending Sales Governance Unit

Customer and Employee Feedback

The Bank actively seeks new perspectives to reshape its work culture, improve its business processes, and drive continuous product and service improvement. Especially, the Bank values feedback from customers and employees

who have direct experience with the Bank's products and services, and thus, makes a wide range of channels available for both customers and employees to communicate with the Bank anywhere anytime.

Customer Feedback Channels

- “You Tell Us” feature on SCB Easy app and Line Connect
- Branch network
- Customer Centre at 02 777 7777 for retail customer and 0 2722 2222 for juristic customers
- Electronic email to whistleblower@scb.co.th

Employee Feedback Channels

- “Make No Sense” channel on website
- QR code for branch employee feedback
- Whistleblower channel by emailing to whistleblower@scb.co.th
- Telephone: 02 544 2000
- Mail to P.O Box 177, Chatuchak Post Office 10900

Treatment of Vulnerable Customers

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

when buying products and services. The Bank requires a witness who is a family member to be present during a sales presentation and sign as witness. For customers with health issues that pose a limitation on communication and decision-making, two witnesses, one of which is an SCB employee and the other is the customer’s family member or physician, are required to be present at a sales presentation. Managers or supervisors must confirm and understandings with customers and require written acknowledgement to ensure that customers receive accurate information and understand the product or service.

Continuous Improvement and the Audit Process

To ensure that the Bank’s product and service offering is properly conducted with adequate attention to market conduct risk, the Bank has carried out an end-to-end risk assessment for deposit products, credit card products, investment products and insurance products. This assessment process covers risk identification, risk assessment, risk control and mitigation along with monitoring and reporting which not only helps the Bank assess and control market conduct risk, but also fosters a culture that puts customers’ interests first.

In addition to the end-to-end risk assessment, the Bank also regularly conducts sales and service quality audits by using anonymous third-parties to assess whether the Bank’s services comply with regulations and guidelines. This mystery shopping has enabled the Bank to improve its internal management and pinpoint the issues or problems to be addressed. In 2019, the Bank expanded the scope of the audits to all products and services. The results thus far have shown an improving trend in compliance.

Data Governance and Cyber Security

In a data-driven economy where organisations may store a significant amount of data both public and confidential, the use of data in business must be accompanied by prudent risk management. Therefore, the Bank places high emphasis on data governance and cyber security

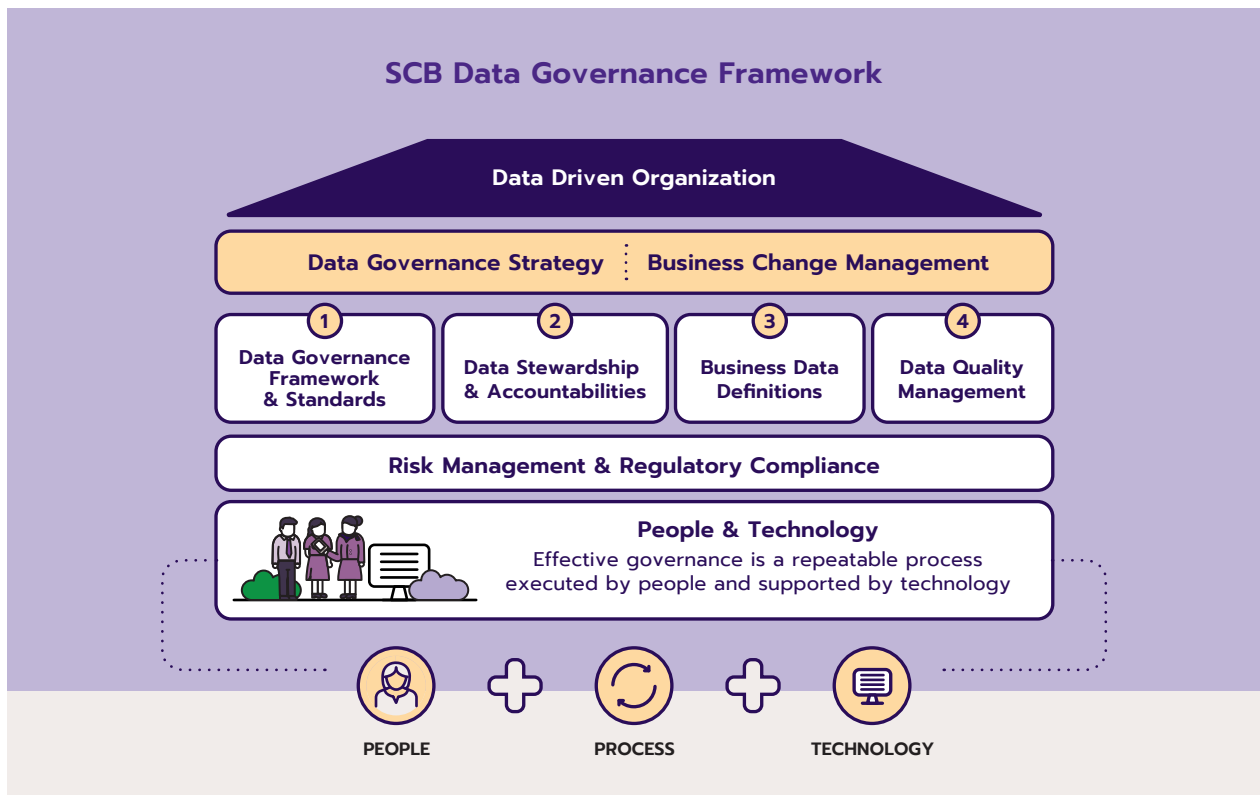
by developing systems and infrastructure, investing in technology, uplifting employee capabilities, along with improving operational processes to enhance an organisation’s competitiveness and security against cyber threats.

Data Governance

The Bank focuses on becoming a data-driven organisation to create distinctive customer experience by applying insights from data analytics to facilitate policy and strategy decision making as well as pushing the boundary of product and service innovation.

management. The Bank also set up the Data Governance Office whose key responsibilities are to keep abreast of regulatory requirements and best practices in data governance and apply them to the Bank’s operations. The Data Governance Office works with relevant internal business units to ensure that the Bank’s data handling processes, procedures, and approaches effectively protect confidential information, whether relating to customers or the Bank itself.

Because data lie at the heart of competitiveness, the Bank has developed SCB Data Governance Framework to ensure maximum efficiency and effectiveness in data



Data Governance Framework

To ensure that the Bank's practices are aligned across the organisation and with the global standards, the Bank has established the Data Governance Framework and Standard to increase its data management capability by instituting clear procedures and processes as well as good governance measures with an emphasis on data democratisation and the appropriate use of data across business units. The Bank requires every business unit to appoint a Data Steward to ensure that data utilisation and maintenance comply with the governance framework and standard. Moreover, the Data Governance Office provides an explicit definition of "business data" to establish clear understanding across the organisation.

A systematic data quality management process has also been put in place to ensure that the utilization achieves maximum efficiency and effectiveness.

The Bank also established a data classification standard based on the level of business impact resulted from data mishandling or unauthorised disclosure as well as associated guidelines for using, storing, sharing, and destroying each type of data. The Bank's employees are required to strictly abide by these data classification standard and guidelines to ensure that data are being handled discreetly and securely with adequate protection.

Data Privacy Protection

Since customer trust is of utmost importance, the Bank takes customer data privacy seriously by safeguarding against any breach of customer confidential information.

The Bank respects privacy rights and places high emphasis on preventing any misuse of customer personal information, which includes releasing customer information to other parties that may constitute a privacy violation. Policies, guidelines, and systems to protect customer data security have been established to explicitly define roles and customer data access for each level of employees in accordance with the "Three Lines of Defense" practice. The Bank also ensures that such systems are secure through careful design and extensive testing in addition to ensuring that data classification,

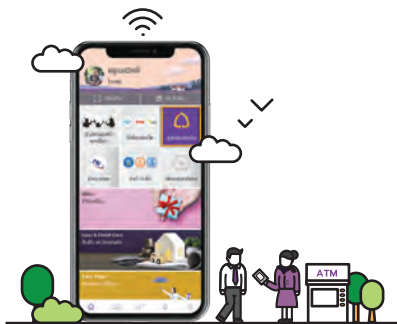
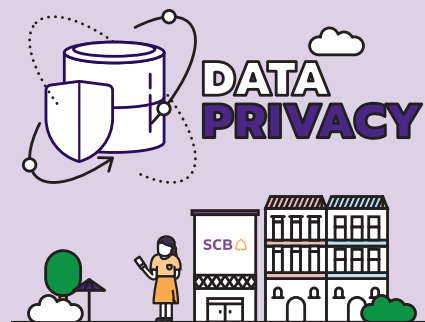
data storage and destruction, system access control, and employee access rights are kept up-to-date. In 2019, SCB received no customer complaints relating to customer data breach from the Bank's system.

Moreover, if disclosure of customer data to a third party is needed for marketing purposes, the Bank will obtain explicit consent and give customers the rights to opt out. The consent form will be a standalone document separated from an application form with clearly stated purposes, data recipients, and channels to obtain information on data recipients. In the event that customers want to stop receiving communication from the data recipients, Customer Centre is available to assist customers 24 hours a day.

In 2019, the Personal Data Protection Act, B.E. 2562 (2019) was announced and became effective on May 28, 2019. The part that pertains to the banking operation, such as obtaining consent for collecting, using, and disclosing personal data, rights of data owners, a bank's responsibilities as "Personal Data Controller" or "Personal Data Processor", will come into effect on May 27, 2020.

To ensure compliance with this Act, the Bank set up the Data Privacy Steering Committee consisting of senior executives and chaired by president. The Bank also formed the Data Privacy Working Group with representatives from relevant business units such as Legal Unit, Compliance Unit, Technology Unit, Risk Management Office, Data Governance Office, whose responsibilities are to improve the Bank's systems and operational processes, as well as periodically reporting progress, issues, and obstacles to the Data Privacy Steering Committee for further improvement and guidance.

Furthermore, the Bank also commissioned external consultants to assess its processes, operational procedures, and policies to ensure that the Bank's data management and governance measures meet relevant legal and regulatory requirements, especially the Personal Data Protection Act, and adhere to the global standards. In early 2020, the Bank has appointed a senior executive as Data Protection Officer with responsibilities set forth in the Personal Data Protection Act.



SCB Easy app has the Data Privacy Management function that allows customers to directly view and manage consent on data disclosure to the Bank's business partners through the app.

Public Policy Advocacy on Data Privacy Protection

One of the Bank's priorities is to manage data efficiently while maintaining strict confidentiality and customer data security in accordance with legal requirements and global practices. The Bank has collaborated with the Thai Bankers' Association and other commercial banks to publish the Guidelines on Personal Data Protection for Thai Banks to support personal data protection policies of commercial banks and financial institutions as well as

building public awareness on the importance of personal data. The guidelines will be presented to the Bank of Thailand, the Ministry of Digital Economy and Society, and the Office of Personal Data Protection Commission to be adopted and serve as a common standard on customer data protection and treatment for the banking sector to ensure consistency and compliance with the Personal Data Protection ACT, B.E. 2562 (2019).

Cyber Security

Operating a business in the digital age has made data security protection more important now than ever which requires great care and attention. Accordingly, the Bank has assigned the Technology Committee to set policies and strategies as well as overseeing digital risk, infrastructure, data, people, and processes.

The Chief Technology Officer has a duty to increase the Bank's digital capability in both customer service and internal systems to ensure that the Bank keeps pace with changes and has processes that promote respects for privacy rights and safeguard data confidentiality for both the Bank and customers.

Cyber Security Strategy

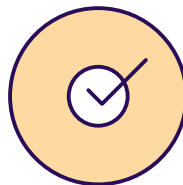
Based on the Confidentiality-Integrity-Availability (CIA) triad, the SCB Financial Group Information Security Policy has been established and communicated to all employees of the Bank and its subsidiaries, including those in probationary periods and on temporary contracts,

suppliers and consultants from whom strict compliance is expected. Moreover, the Policy also assigns the Audit Unit to perform an audit and make recommendations for further improvement on cyber security.



Confidentiality

Information can only be accessed by authorized persons



Integrity

Information is accurate and trustworthy



Availability

Information is readily available when needed

The Bank employs a proactive approach to cyber security by focusing on developing technology along with processes for cyber threat detection such as adopting the Cybersecurity Threat Intelligent Surveillance system and applying machine learning technology to study the pattern of cyber-attacks both internally and externally. This proactive approach enables the Bank to assess the

situation and be ready to respond and prevent potential losses. The Bank's cyber threat incident response assessment also scored high on overall cyber security with sufficient resilience to effectively detect and respond to cyber threats.

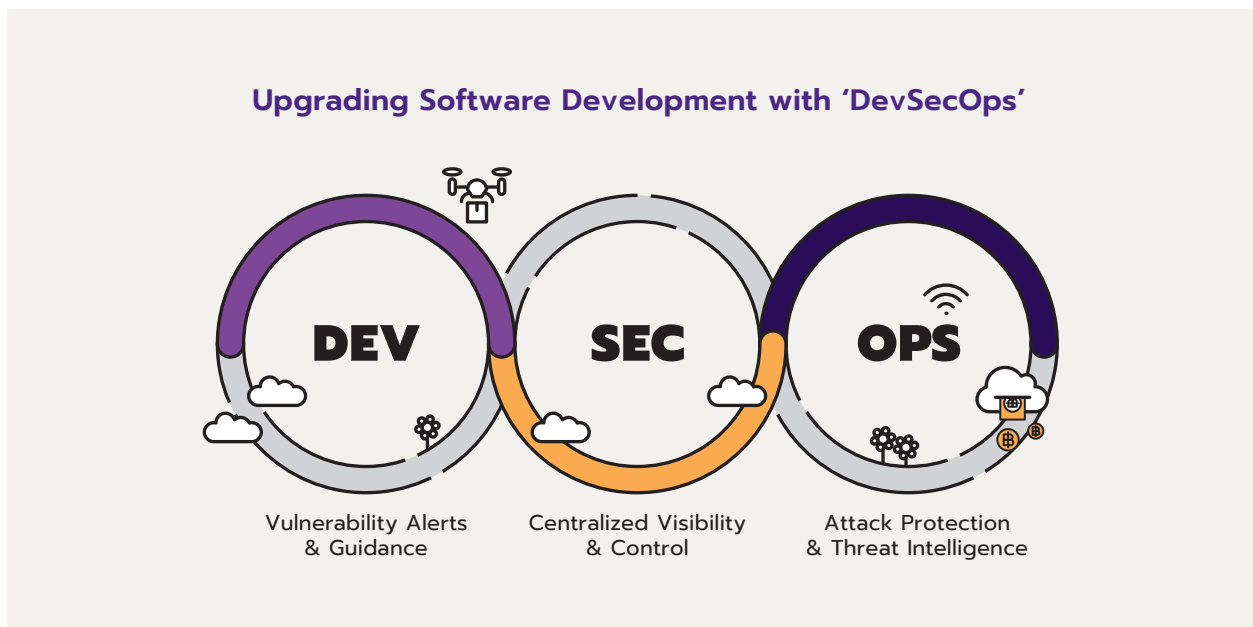
For data storage with comparable effectiveness to on-premise storage, the Bank adopts Cloud Computing Technology to keep potential risk under its risk appetite level, to increase operational speed, and to lower the cost of maintaining internal computer network and systems. Moreover, cyber security performance is regularly reported to senior management in a dashboard format.

To be ready for an emergency situation and ensure that systems can be recovered back to normal service and operation in an appropriate timeframe, the Bank has established a policy and guideline for preparing an IT Contingency Plan which is aligned with the Bank's Business Continuity Plan. Such contingency plan defines processes, practices, along with roles and responsibilities of relevant business units in executing, testing, reviewing and revising the IT Contingency Plan according to the business context.

Upgrading Software Development with 'DevSecOps'

In 2019, the Bank has upgraded its software development approach from DevOps to DevSecOps (Development Security Operations) whereby cyber security is integrated as part of the Bank's development and operations life cycle. This means that cyber security control measures are embedded throughout the Bank's software development life cycle to enhance the ability to create innovation and make further product and service improvement to deliver even greater speed, effectiveness, and security.

With this approach, the Bank has added security automation tools in the software development process to make security testing faster and more effective. The automation tools allow the Bank's software developers and system administrators to perform security testing on their own as well as detecting any vulnerability after the software launch and receiving timely reports on potential problems.



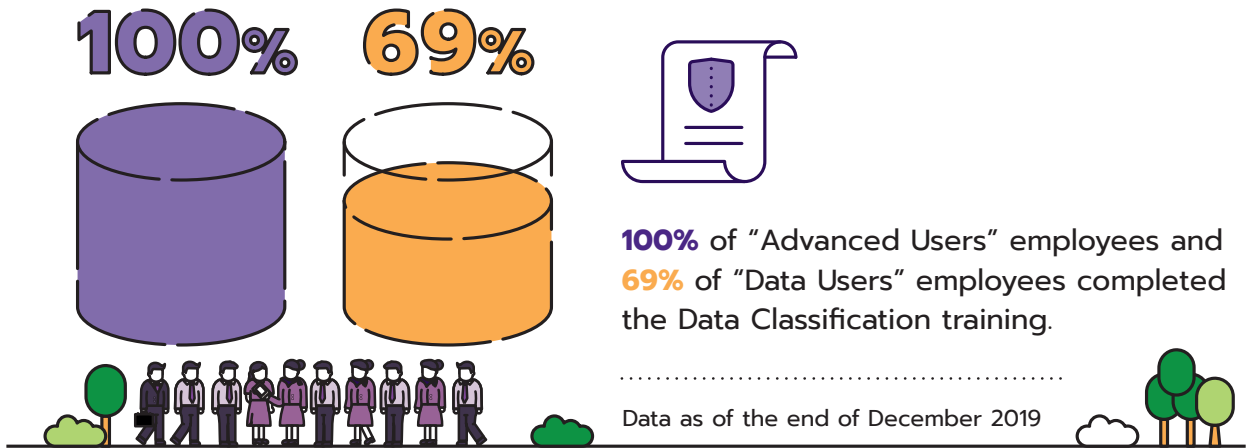
Data and Cyber Security Culture

In parallel with continuous investment in technology and developing cyber security systems that meet global standards, the Bank is also committed to building data and cyber security culture for employees at every level. The Bank uses work processes, training, and internal communication to promote awareness on appropriate and secure data handling, data protection, cyber risk, and cyber threat prevention.

The Bank provides a data classification training course on the e-learning system to promote appropriate and secure data usage throughout the organisation as well as offering a cyber security course to senior executive which covers topics such as causes of cyber-attacks and impacts of cyber threat. Employees at all levels are also required to take the mandatory course on cyber security on the system which focuses on basic knowledge on data protection, understanding the forms and impacts of cyber threat through simulation, as well as how to prevent and report an incident.

The Cyber Security Awareness course is mandatory for executives and all employees.





DON'T LET IT HAPPEN !

IT Security Awareness 2019 “Don’t Let It Happen”

Throughout 2019, the Bank organised “Don’t Let It Happen” activities to promote awareness on cyber threat, cyber risk, and data security protection with an emphasis on safeguarding data of both customers and the Bank and building awareness on risk behaviours that may cause damage to the business or the Bank’s reputation.

One of the highlights that attracted many participants is the “Cybersecurity Awareness Day 2019” which featured talks by external experts on cyber security on topics such as knowing tricks of cyber criminals inside out, understanding data risk, and using personal information on social media.

Public Policy Advocacy

Sustainable development requires multi-sectoral collaboration and efforts to reach the common goals. The Bank, therefore, places high emphasis on playing its role in creating stability for the nation's financial system and generating sustainable value for the society by helping to support and drive public policies. Specifically, the

Bank's participation in public policy advocacy takes the form of collaboration on sector-specific guidance for the banking sector or providing feedback and advice to support the government agenda. In 2019, the Bank has actively involved in the development of following key public policies.

Sustainable Banking Guidelines

As a member of the Thai Bankers' Association, SCB worked with other member banks to establish the Sustainable Banking Guidelines: Responsible Lending with technical support from the World Wide Fund for Nature (WWF) and endorsement from the Bank of Thailand. Siam Commercial Bank has been actively involved throughout this process from the initial stage of development to signing a Memorandum of Understanding for adopting the guidelines to drive sustainable banking practices among commercial banks.

The main focus of the Sustainable Banking Guidelines is to incorporate environmental, social and governance factors into credit consideration to promote responsible lending throughout the process, from leadership roles and commitments, stakeholder engagement, internal compliance mechanism which includes monitoring and training to ensure that relevant personnel understand how to apply the guidelines, as well as disclosure. The Bank has started its responsible lending implementation in 2018 and is ready to support the guidelines which require full implementation starting in 2020.

Responsible Lending Directive

Today's household debt burden poses a serious problem for Thailand, especially for vulnerable groups such as people with low income, first jobbers and retirees. The Bank of Thailand recognises that household debt situation is a structural problem for the nation which both the public and the private sectors must work together to remediate. Thus, the Bank of Thailand has established the Responsible Lending Directive to address this problem which all commercial banks are expected to comply.

SCB recognises its role in helping to solve the household debt problem and has thus revised its credit approval process by incorporating the Debt Service Ratio (DSR) into credit consideration for retail customers. The DSR measures a borrower's debt burden relative to his or her income which shows the amount of income remaining after loan interest payment and whether it's sufficient for a living. This information is also used to assist the Bank in offering appropriate financial planning advice and products to customers.



Additional information on responsible lending can be found in the Responsible Lending section.



Data Privacy Guidelines

Given the multi-sectoral and regulatory efforts to develop guidelines on data governance for customer privacy protection, the Bank is taking part in this initiative to raise the standard of the Thai banking industry. Specifically, SCB has been working with the Thai Bankers' Association and other commercial banks to develop Guideline

on Personal Data Protection on Thai Banks which will then be presented to relevant regulatory bodies for enforcement. The goal is for this guideline to serve as standards for the banking sector to ensure compliance with legal requirements and global practices.



Additional information on the Bank's data governance can be found in the Data Governance and Cyber Security section.

Awards and Recognitions

Best Bank in Thailand

- Euromoney (U.K.) (11th year)
- The Asset (H.K.) (11th year)
- FinanceAsia (H.K.) (9th year)
- AsiaMoney (H.K.) (5th year)
- Alpha SEA (H.K.) (2nd year)
- Money and Banking (15th year)
- Was ranked No.1 among Thai commercial banks in the “Forbes Global 2000” list by Forbes Magazine (U.S.).

Sustainability and Corporate Social Responsibility

- Selected as a member of the Dow Jones Sustainability Indices (DJSI) for the World Index and the Emerging Markets Index in Banks sector
- Financial Management Excellence, Product/ Service Excellence, Leadership Excellence and Marketing Excellence Awards from Thailand Management Association (TMA)
- Selected as a member of FTSE4Good Index Series for the FTSE4Good Emerging Index from FTSE Russell
- Received an AA ESG rating for a banking business from MSCI
- Received a B rating on Climate Change Program from CDP
- Listed in the Thailand Sustainability Investment (THSI) from Stock Exchange of Thailand (SET)
- Sustainability Disclosure Award from Thaipat Institute
- Best Financial Inclusion Program from International Investor
- Best Corporate Social Responsibility Principles from International Investor



Sustainability Performance

Economic Performance

Economic Performance GRI 102-7, GRI 201-1

Performance	Unit	2016	2017	2018	2019
Consolidated net operating income	Billion THB	133.3	136.2	138.2	166.1
Total assets	Billion THB	2,913	3,024	3,187	2,964
Market capitalization	Billion THB	518	510	454	415
Total operating expense	Million THB	51,644	57,650	64,639	70,538
Borrowings	Million THB	106,838	78,538	107,561	77,952
Net profits	Million THB	47,612	43,152	40,068	40,436
Employee's expenses	Million THB	24,597	27,488	29,347	33,281
Return on Equity (ROE)	%	19.7	12.4	10.8	10.4
Return on Asset (ROA)	%	1.7	1.5	1.3	1.3
Number of oversea office and branch	Country	8	8	9	9
Number of branches in Thailand	Branch	1170	1153	1019	958

Environmental Performance

Energy consumption within the organisation GRI 302-1

Performance	Unit	Year			
		2016	2017	2018	2019
Total energy consumption	MWh	52,610	52,246	50,215	45,025
Electricity purchased	MWh	52,474	52,187	50,138	44,978
Diesel purchased	Litres	14,800	5,800	7,600	4,600

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

Performance	Unit	Year			
		2016	2017	2018	2019
Total direct greenhouse gas emissions (GHG scope 1)	Tonne CO ₂ e	40	16	21	12
Total indirect greenhouse gas emissions (GHG scope 2)	Tonne CO ₂ e	22,459	22,023	20,406	17,767

Water Withdrawal GRI 303-3

Performance	Unit	Year			
		2016	2017	2018	2019
Total tap water purchased	Million m ³	0.39	0.37	0.42	0.35

Waste Disposal GRI 306-2

Performance	Unit	Year			
		2016	2017	2018	2019
Total non-hazardous waste-landfill	Tonne	6,488	5,484	6,099	3,513
Total non-hazardous waste-recycle	Tonne	1,014	710	642	850

Remark:

1. Total non-hazardous waste-landfill from Head Office and Main Buildings is 1,805 Tonne.
2. In 2019, total non-hazardous waste-landfill significant decrease from the prior year mainly because SCB has revised data collecting method by sampling the weight of waste on a monthly basis. Moreover, SCB has adopted more campaigns and actions related to waste management than prior year e.g. reduce waste generation, waste separation and applied to ISO 14001.

Business Travel

Performance	Unit	Year			
		2016	2017	2018	2019
Total business travel by air	km	16,102,972	28,230,326	24,590,432	18,222,197
Greenhouse gas emission from air travel	Tonne CO ₂ e	2,791	4,830	4,238	3,099
Fuel consumption for business travel by road	kl	-	3,960	4,811	4,919

Social Performance

Total Employee GRI 102-7, GRI 102-8

Performance	Unit	Year							
		2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Total employee	Person	7,600	17,209	8,077	19,419	7,879	18,872	7,670	18,283
		24,809		27,496		26,751		25,953	
Permanent employee	Person	7,490	17,122	7,779	18,765	7,568	18,020	7,387	17,405
Contract employee	Person	110	87	298	654	311	852	283	878
By Category									
Executive	Person	54	30	53	34	49	34	57	35
Management	Person	1,431	1,233	1,530	1,498	1,571	1,503	1,601	1,558
Non-management	Person	6,115	15,946	6,494	17,887	6,259	17,335	6,012	16,690
Management in revenue generating function	Person	993	737	1,033	873	1,074	911	1,013	906
By Age									
X ≤ 30	Person	1,442	7,250	1,636	8,306	1,349	6,883	1,198	5,612
30 < X ≤ 40	Person	2,410	6,700	2,616	7,528	2,628	8,083	2,503	8,351
40 < X ≤ 50	Person	2,116	2,714	2,009	2,915	1,939	3,105	1,930	3,323
50 < X ≤ 60	Person	1,608	539	1,790	662	1,929	793	2,004	991
X > 60	Person	24	6	26	8	34	8	35	6

New Employee GRI 401-1

Performance	Unit	Year							
		2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Total new employee hire	Person	1,508	4,127	1,226	4,239	783	1,828	823	2,133
		5,635		5,465		2,611		2,956	
Rate of new employee hire	%	20.49	25.66	15.83	23.45	9.80	9.59	10.67	11.60
		24.04		21.17		9.65		11.33	

Performance	Unit	Year							
		2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
By Age									
X ≤ 30	Person	733	3,314	758	3,446	349	1,108	498	1,452
30 < X ≤ 40	Person	601	657	353	643	328	591	255	571
40 < X ≤ 50	Person	144	142	89	127	76	116	42	93
50 < X ≤ 60	Person	21	10	25	21	20	9	21	14
X > 60	Person	9	4	1	2	10	4	7	3

Employee Turnover GRI 401-1

Performance	Unit	Year							
		2016		2017		2018		2019	
		Male	Female	Male	Female	Male	Female	Male	Female
Total employee turnover	Person	884	2,159	753	2,025	978	2,378	1,381	2,373
		3,043		2,777		3,354		3,754	
Employee turnover rate	%	12.01	13.42	9.72	11.20	12.25	12.46	17.90	12.91
		12.98		10.75		12.40		14.38	
By Type									
Employee voluntary turnover	Person	690	2,071	567	1,892	800	2,216	770	1,852
		2,761		2,459		3,016		2,622	
Employee voluntary turnover rate	%	9.38	12.87	7.32	10.47	10.02	11.62	9.98	10.07
		11.78		9.52		11.15		10.05	
Employee involuntary turnover	Person	194	88	186	133	178	162	611	521
		282		319		340		1,132	
Employee involuntary turnover rate	%	2.64	0.55	2.40	0.74	2.23	0.85	7.92	2.83
		1.20		1.24		1.26		4.34	
By Age									
X ≤ 30	Person	359	1,474	319	1,423	387	1,432	661	1,344
30 < X ≤ 40	Person	249	559	222	487	334	729	411	786
40 < X ≤ 50	Person	122	83	76	77	101	154	117	175
50 < X ≤ 60	Person	59	19	50	19	68	30	71	37
X > 60	Person	95	24	86	19	88	33	121	31

Remark: Employee involuntary turnover rate increased significantly in 2019 because the employment contract of customer centres staff was modified from fixed term to permanent

Absenteeism GRI 403-2

Performance	Unit	Year			
		2016	2017	2018	2019
Total absenteeism days (including sickness and injuries leave)	Day	58,618	54,701	58,967	55,340
Absenteeism rate (including sickness and injuries leave)	%	0.93	0.81	0.90	0.87

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

Performance	Unit	2016	2017	2018	2019
Rate of fatalities as a result of work-related injury	Cases per million hours worked	-	-	0	0
Rate of recordable work-related injuries	Cases per million hours worked	-	-	0.32	0.23
Recordable work-related ill health	Cases	-	-	0	0

Training and Development GRI 404-1

Performance	Unit	2016	2017	2018	2019
Average hours of training	Hour/employee	63	62	71	68
By Gender					
Female	Hour/employee	68	67	75	75
Male	Hour/employee	53	48	61	51
By Category					
Executive	Hour/person	56	41	100	15
Management	Hour/person	53	52	70	46
Non-management	Hour/person	73	74	71	71
Human Capital Return on Investment					
Human Capital Return on Investment	-	4.32	3.86	3.50	3.87
Organisational Health Index					
Organisational Health Index Result	Percentage	81	85	85	83
Survey respondents	Percentage	53	93	98	99

Remark:

- In 2019, average number of training hours per employee of Executive and Management categories significant decrease from the prior year mainly because SCB has been introducing more activity-based learning activities for Executive and Management categories instead of traditional classroom training to be in line with SCB's New Way of Work principles. The Bank tracks this information and will incorporate it into people development performance in the future.
- Employee category has been adjusted in 2018 in addition of introduction of leadership courses for executives along with various online training courses resulting in increasing of average hours of training in most category

NOTE TO SUSTAINABILITY PERFORMANCE

Environment

Energy Consumption

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

Diesel Consumption

The scope of reporting for diesel consumption covers diesel consumption through tests of standby generators and fire pumps installed at the SCB Head Office, SCB Information Centre, and SCB buildings at Chaengwattana and Chidlom. Data on diesel purchases was then 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, managed and are under the Bank's main operations. Data was collected from fleet cards and invoices submitted by suppliers.

Electricity Consumption

SCB uses electricity in its business operations and supporting activities, including but not limited to lights, business equipment, air conditioners, and other electrical appliances. The scope of reporting for electricity consumption covers the SCB Head Office, SCB Information

Centre, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, Belle Grand Tower, and All Seasons Place. Data was collected from invoices sent by suppliers such as Metropolitan Electricity Authority and the buildings' lease owners.

Direct GHG Emissions (GHG Scope I)

The scope of reporting for direct GHG emissions (Scope I) covers sources owned or controlled by SCB. This year, that includes purchased diesel. The sum of that quantity was then multiplied with the Emission Factor, in reference to the Intergovernmental Panel on Climate Change (IPCC) 2006.

Indirect GHG Emissions (GHG Scope II)

Indirect GHG emissions (GHG Scope II) come from activities related to the Bank's business operations that are beyond the direct control of the Bank. Sources of indirect GHG emissions include electric currents used at SCB Head Office, SCB Information Centre, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, Belle Grand Tower, and All Seasons Place. GHG emissions were calculated at 0.395 tons of GHG per megawatt hour (MWh), in reference to the 2018 Power Development Plan (PDP 2018).

Water Withdrawal

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

Waste Management

The amount of waste managed and disposed is a proportion of waste generated through the activities and operations of SCB. The scope of reporting covers SCB Head Office, SCB Park Plaza East & West, SCB Information Centre, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, Belle Grand Tower, All Seasons Place and all branches. The data reported derives from:

Non-hazardous waste - landfill

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

Non-hazardous waste – recycle

Waste managed by responsible service providers under Shred2Share Project, collected from weight of waste report sent by service providers.

Society

Employee Leave

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

Air Travel for Business Purpose

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

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

Training

SCB records employee training through a computerized system. The training is categorized into four types including electronic learning, in-housed, external, and overseas training. The data reported in this report covers only that SCB's performance.

GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI Standards	Disclosure	Page	Omission/Comment
GRI 102: General Disclosures 2016			
Organisational Profile			
102-1	Name of the organisation	8	
102-2	Activities, brands, products, and services	9	
102-3	Location of headquarters	8	
102-4	Location of operations	8	
102-5	Ownership and legal form	8	
102-6	Markets served	8	
102-7	Scale of the organisation	8-9	
102-8	Information on employees and other workers	127	
102-9	Supply chain	6-7, 66-68, 80	
102-10	Significant changes to the organisation and its supply chain	9	
102-11	Precautionary principle or approach	66-70, 75-76, 77-89, 97-104	
102-12	External initiatives	27, 81	
102-13	Membership of associations	-	Thai Banker's Association, Thai Bond Market Association, Thai Financial Planners Association
Strategy			
102-14	Statement from senior decision-maker	3-5	
Ethics and Integrity			
102-16	Values, principles, standards and norms of behavior	46	
102-17	Mechanisms for advice and concerns about ethics	107	
Governance			
102-18	Governance structure	95	
Stakeholder Engagement			
102-40	List of stakeholder groups	21-23	
102-41	Collective bargaining agreements	62	
102-42	Identifying and selecting stakeholders	21-23	
102-43	Approach to stakeholder engagement	21-23	
102-44	Key topics and concerns raised	21-23	
Reporting Practice			
102-45	Entities included in the consolidated financial statements	8	
102-46	Defining report content and topic Boundaries	10-12	
102-47	List of material topics	11	
102-48	Restatements of information	-	There was no significant change from the previous reporting period
102-49	Changes in reporting	11, 71-74, 122-123	
102-50	Reporting period	10	
102-51	Date of most recent report	10	
102-52	Reporting cycle	10	
102-53	Contact point for questions regarding the report	136	
102-54	Claims of reporting in accordance with the GRI Standards	10	
102-55	GRI content index	132-135	
External Assurance			
102-56	External assurance	136-137	

TOPIC-SPECIFIC DISCLOSURES

GRI Standards	Disclosure	Page	Omission/Comment
Data Governance and Cyber Security			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	115	
103-2	The management approach and its components	115-121	
103-3	Evaluation of the management approach	115-121	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customers privacy and losses of customer data	116	
Customer Experience			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	34	
103-2	The management approach and its components	34-35	
103-3	Evaluation of the management approach	35	
Digital Transformation			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	30-31	
103-2	The management approach and its components	30-31	
103-3	Evaluation of the management approach	30-33	
Talent Attraction & Retention			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	44	
103-2	The management approach and its components	44-47	
103-3	Evaluation of the management approach	44-47	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	127-128	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56-57	
GRI 403: Occupational Health and Safety 2018			
403-9	Work-related injuries	60	
403-10	Work-related ill health	60	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	54	External assurance
404-2	Programs for upgrading employee skills and transition assistance programs	48-53	
404-3	Percentage of employees receiving regular performance and career development reviews	45	
Culture & Mindset			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	46	
103-2	The management approach and its components	46-47	
103-3	Evaluation of the management approach	47	
Corporate Governance and Risk Management			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	94	
103-2	The management approach and its components	94-96	
103-3	Evaluation of the management approach	95-96	

GRI Standards	Disclosure	Page	Omission/Comment
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	106	
205-3	Confirmed incidents of corruption and actions taken	105	
Responsible Lending			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	66	
103-2	The management approach and its components	66-70	
103-3	Evaluation of the management approach	66-70	
GRI 201: Economic Performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	67-68	
Climate Change Risks			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	75	
103-2	The management approach and its components	75-76	
103-3	Evaluation of the management approach	75-76	
GRI 201: Economic Performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	76	
Financial Inclusion			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	37	
103-2	The management approach and its components	37-41	
103-3	Evaluation of the management approach	38-41	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	26, 39-40	
GRI Sector Disclosures: Financial Sector			
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	39-40	
G4-FS13	Access points in low-populated or economically disadvantaged areas	14, 125	
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	37-41	
Financial Literacy			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	82	
103-2	The management approach and its components	82-85	
103-3	Evaluation of the management approach	82-85	
GRI Sector Disclosures: Financial Sector			
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	82-85	
Operational Eco-efficiency			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	77	
103-2	The management approach and its components	77-81	
103-3	Evaluation of the management approach	77-81	

GRI Standards	Disclosure	Page	Omission/Comment
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	78, 125	External assurance
302-3	Energy intensity	78, 125	
302-4	Reduction of energy consumption	27, 78	
GRI 303: Water and Effluents 2018			
303-3	Water withdrawal	78, 126	External assurance
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	78, 126	External assurance
305-2	Energy indirect (Scope 2) GHG emissions	78, 126	External assurance
305-3	Other indirect (Scope 3) GHG emissions	78, 126	
305-5	Reduction of GHG emissions	27, 78, 126	
GRI 306: Effluents and Waste 2016			
306-2	Waste by type and disposal method	78, 126	External assurance only HQ and main buildings
Community and Society Empowerment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	86	
103-2	The management approach and its components	86-91	
103-3	Evaluation of the management approach	86-91	
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	86	
203-2	Significant indirect economic impacts	86-91	
Green Finance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	71	
103-2	The management approach and its components	71-74	
103-3	Evaluation of the management approach	71-74	
GRI Sector Disclosures: Financial Sector			
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	72-73	
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	71	
Public Policy Advocacy			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	122	
103-2	The management approach and its components	122-123	
103-3	Evaluation of the management approach	117, 122-123	

Independent Assurance Statement



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INDEPENDENT LIMITED ASSURANCE REPORT ON SUSTAINABILITY REPORT 2019

To **President**
The Siam Commercial Bank Public Company Limited

The Siam Commercial Bank Public Company Limited (“the Bank”) has engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (“we” or “us”) to perform limited assurance procedures on selected subject matter (“the Subject Matter”) for the year ended December 31, 2019 presented in the Sustainability Report 2019 (“the Sustainability Report”) in accordance with the reporting criteria (“the Criteria”).

Subject Matter

The selected Subject Matter chosen by the Bank comprises:

- a) Environmental dimension performance indicators expressed numerically
 - o Energy consumption (megawatt-hour and litres) (page 125)
 - o Greenhouse gas emissions scope 1 & 2 (tonnes) (page 126)
 - o Total weight of waste by type and disposal method (tonnes) (page 126)
 - o Water withdrawal (million cubic metres) (page 126)
 - o Total travel for business purpose (kilometres, tonne CO₂e and kilolitres) (page 126)
- b) Social dimension performance indicators
 - o Average hours of training per year per employee (page 129)
 - o Total absenteeism rate (including sickness and injuries leave) (page 129)

Criteria

The selected Subject Matter above included in the Sustainability Report has been assessed according to the reporting principle prepared by the Bank in “Notes to Sustainability Performance” section (page 130-131) which has been influenced by the Sustainability Reporting Standards - Core issued by the Global Reporting Initiative (GRI Standards).

Basis 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, International Standard on Assurance Engagements 3410 (“ISAE 3410”) “Assurance Engagements on Greenhouse Gas Statements”.

To achieve limited assurance ISAE 3000 and ISAE 3410 require that we review the process and systems used to compile the areas on which we provide assurance. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls. Therefore, the work for a limited assurance engagement is less detailed than for a reasonable assurance engagement.

We have complied with 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 Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedure regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitation

Inherent limitation exists 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 more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. Greenhouse gases quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ สอบบัญชี

Key assurance procedures

Considering the risk of material error, we planned and performed the work to obtain all the information and explanations considered necessary to provide sufficient evidence to support our assurance conclusion.

The assurance procedures included the following work:

- interviewing the Bank's management and those with operational responsibility for performance in the areas we are report on
- visiting Head Office of the Bank
- completing analytical procedures
- reviewing the appropriateness of management review and reporting processes
- performing testing of selected data on sampling basis, and
- reviewing the process for consolidating data at the bank level

As a limited assurance engagement generally comprises of making enquiries, primarily of management, and applying analytical procedures and the work for a limited assurance engagement is less detailed than for a reasonable assurance engagement.

Respective responsibilities of the Management and Independent assurance provider

The management of the Bank is responsible for the preparation of the Sustainability Report which is accordance with the Sustainability Reporting Standards - Core issued by the Global Reporting Initiative (GRI Standards), where relevant and determining the adequacy of the Criteria to meet the reporting needs of the Bank. Management's responsibility also includes designing, implementing and maintaining of internal control system relevant to the preparation and fair presentation of the selected Subject Matter that is free from material misstatement, whether due to fraud or error.

Our responsibility is to independently express limited assurance opinion in according with ISAE 3000 and ISAE 3410 on the selected Subject Matter.

Limitation of Use

This report has been prepared in accordance with our engagement terms, solely for the Board of Director as a body, for the purpose of reporting on the selected Subject Matter within the Sustainability Report. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the Board of Director for our work or for this report, or for any other purpose other than that for which this report was prepared.

Our assurance opinion

Based on the work described above, nothing has come to our attention that causes us to believe that the selected Subject Matter for the year ended December 31, 2019 included in the Sustainability Report has not been prepared, in all material respects, in accordance with the Criteria.



Chavala Tienpasertkij
Partner
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

Bangkok, Thailand
March 16, 2020

Corporate Sustainability Division

Siam Commercial Bank PLC

Head Office, 9 Ratchadapisek Road, Jatujak, Bangkok 10900

Tel: 0 2795 3473 E-mail: sustainability@scb.co.thwww.scb.co.th |      SCB Thailand

Reader's Survey

SCB SUSTAINABILITY REPORT 2019

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

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

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

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

2. What is the reason for your interest in SCB Sustainability Report 2019

- To know more about SCB as an organisation
- 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 2019

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

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

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

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

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