

SCB*
**INVESTMENT
CENTER**



RESPONSIBLE INVESTMENT ADVISORY POLICY

Siam Commercial Bank Public Company Limited

ไทยพาณิชย์
SCB



COMMITMENTS

Siam Commercial Bank Public Company Limited (SCB) is committed to conducting business by the principle of sustainability, concentrating its efforts on comprehensively managing risks while creating a balance between business growth and social/ environmental responsibility.

Responsible investment has become one of the Bank's commitments towards creating sustainability through the integration of environmental, social and governance (ESG) considerations as part of the investment advisory and decisions-making in order to help mitigate negative while creating positive impacts upon society.

The Bank believes the integration of ESG considerations into investment advisory process leads to a holistically informed decision-making, resulting in an appropriate risk-adjusted return in the long run. At SCB, an Investment Committee is responsible for formulating the policy and strategy as well as overseeing performance and progress regarding responsible investment for clients.

SCOPE

This policy serves as a framework for management of ESG impacts as guided by the Bank's approach to giving advice for responsible investment under the responsibility of wealth management segment, covering all asset classes, including not only mutual funds but also listed equities, fixed income, property funds, Real Estate Investment Trusts: REITs, infrastructure funds as well as derivatives and alternatives, etc.

RESPONSIBLE INVESTMENT ADVISORY POLICY GUIDELINE

SCB seeks to give advice to deliver satisfactory return and create positive impacts through comprehensive risk management system consistent with the Bank's fiduciary duty by incorporating ESG considerations into investment analysis, decision-making and recommendation, overseeing and monitoring performance. This approach enables the Bank to effectively manage risks and create wealth that aligns with client's investment objectives and acceptable level of risk.

- **ESG Integration in Investment Advisory Service**

Recognizing the roles and responsibilities as investment and financial advisor to provide the highest benefits to client, the Bank holistically considers factors that can impact investment by taking into account ESG issues when selecting funds and asset management companies. The Bank believes that practice of responsible investment will create satisfactory and sustainable return. ESG factor will be one of factors which the bank will consider for fund selection process. Considering factors include:

- Foreign/local funds: considers e.g. Morningstar Sustainability Rating, if available
- Thai asset management companies: considers e.g. companies' commitments to Investment Governance Code (I Code) developed by the Securities and Exchange Commission (SEC)

Notwithstanding, environmental, social and governance factors may be reviewed at an individual company level, at an industry level, at regulatory or national level, regional and global trends on economic, social or environmental. The bank will consider one or all factors and it will also be reviewed to keep abreast of the changing sustainability context.

In addition, the Bank also considers ESG factors when selecting and monitoring performance of the selected funds.

- **Exclusion Policy**

SCB is committed to making investments in companies that illustrate ESG performance on the basis of ethics and integrity, and adheres to the Bank's responsible investment policy, relevant laws and regulations. The Bank will refrain from advising client to directly invest, through e.g. equity, fixed-income, in either local or international companies that derive the highest revenue exposure from activities in the following exclusion list:

- Manufacturing, maintenance and trading of weapons of mass destruction
- Manufacturing, maintenance and trading of all or important parts of anti-personal land mines, cluster munition
- Trading of endangered flora and fauna listed under the Convention on International Trade in Endangered Species (CITES)
- Countries sanctioned by the United Nations

- **Participative Investment and Voting Rights**

The Bank understands the importance of having dialogues, engaged participation and exercising of voting rights by encouraging asset management companies to communicate and create dialogues with investee companies in order to learn of the companies' directions and perspectives on ESG management. The Bank also supports asset management companies to exercise their voting rights as specified in the SEC's Investment Governance Code for Institutional Investors (I Code).