

Siam Commercial Bank Public Company Limited

Statement on Fossil Fuel Financing

Fossil fuel remains a crucial source of energy, serving as a fundamental driver of global economic and social development. Nevertheless, this source of energy production is among the largest sources of global greenhouse gas emissions and other pollutants, subsequently amounting the importance of climate change issue which requires collaborative efforts from all private and public sector entities, especially those in energy, to urgently tackle this global crisis. Notwithstanding, SCB understands that a drastic shift from fossil fuel to a different energy source will inevitably and severely affect world's energy security as well as associated economic and social well-being. Therefore, SCB declares the following position on fossil fuel financing.

SCB **WILL NOT** provide financial support (including Credit Lines, Lending Activities, Investment, Corporate Finance, Arranger or Underwriter of Fixed Income Products, and Infrastructure Finance/Project Finance) to companies conducting business in the following activities:

Coal Financing

- New or expansion of existing coal mining project.
- New or expansion of coal-fired power plant project.
- New or expansion of dedicated infrastructure for the above coal mining or coal-fired power plant project.
- Group company or companies seeking to expand their business presence through development of new coal mining, coal-fired power plant and coal infrastructure. However, for Group company or companies active in different business sectors, SCB will consider providing financial support to non-coal related business only while having in place conditions or mechanisms to ensure that loan proceeds will not be used in coal-related projects.

Unconventional Oil & Gas Financing

- Arctic oil and gas exploration and production.
- Tar sands exploration and production.
- Ultra-deep-water oil and gas exploration and production.
- Shale oil and gas field with formal approval for development after 2021
- Development of Liquefied Natural Gas (LNG Liquefaction) and other infrastructures built specifically to serve the aforementioned unconventional activities.
- For Group company or companies active in different business sectors, SCB will not provide financial support to those whose more than 20% of their revenue is derived from unconventional oil and gas business

Currently, SCB does not provide unconventional oil and gas exploration and production activities. Nevertheless, provision of financial support to other fossil fuel energy businesses not included above, SCB will continue to adopt and enforce responsible environmental and social impact management by adhering to relevant industry standards or best practices.

For clients whose more than 20% of their revenue is derived from fossil fuel energy business, by 2025, SCB will assess and identify their time-bound commitments and readiness in adjusting business plan to support and achieve Net Zero emissions within an appropriate timeframe. SCB will review this policy annually to bring about collaborations that support a low-carbon transition, aligning with local and global efforts in tackling climate change.

Latest Reviewed : March 2023