



**EXPANDING  
THE GROWTH PHASE**

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# 1 OVERVIEW



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# Message from Chairman of the Board of Directors and Chief Executive Officer

» Multifaceted challenges today compel businesses to seek new opportunities and unlock their potential to navigate a rapidly changing and unpredictable landscape.

The year 2023 witnessed a notable economic rebound from the COVID-19 pandemic in Thailand and worldwide. Yet, amidst this recovery, we still confront a range of intricate challenges, from global trade disputes, geo-political uncertainties, fluctuations in commodity markets, and more stringent environmental regulations fueled by the unprecedented climate crisis. These multifaceted challenges compel businesses to seek new opportunities and unlock their potential to navigate a rapidly changing and unpredictable landscape.

In the face of such challenges, SCBX Group has adeptly fostered growth by seizing new opportunities and adapting to evolving consumer behaviors. In 2023, we began our first full year operations under the SCBX Group structure, with three sustainable growth strategies: 1. Becoming an AI-First Organization, harnessing the power of Artificial Intelligence to propel our operations; 2. Advocating for an inclusive financial ecosystem to reduce income inequality and empower the underserved groups; and 3. Providing comprehensive support to all sectors in tackling environmental crises and facilitating the transition towards a low-carbon economy.



LEFT  
**DR. VICHIT SURAPHONGCHAI**  
Chairman of the Board of Directors

RIGHT  
**MR. ARTHID NANTHAWITHAYA**  
Chief Executive Officer



Becoming an AI-First and Customer-Centric Organization to build an inclusive and sustainable financial ecosystem, enabling all stakeholders to accelerate their climate actions.

SCBX Group remains steadfast in championing our sustainability mission, 'Opportunities for Everyone, Possibilities Everyday,' guided by the strategic framework comprising 4 pillars: 'Planting Digital Seeds, Enriching Lives, Growing Economic Resilience, and Achieving Climate Neutrality.' Our framework adheres to the 10 principles of the United Nations Global Compact and upholds the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement.

Throughout 2023, SCBX Group has pursued its sustainability mission under the core pillar of 'Planting Digital Seeds', this endeavor entails laying the organizational groundwork with a primary focus on building critical technology and data capabilities. We set up the Cloud Center of Excellence (CoE) and the Cyber CoE alongside the endeavor to develop the Data CoE to enhance digital technology utilization across all businesses, enrich customer experience, and efficiently manage risks and security.

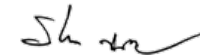
Under the pillar of 'Enriching Lives', SCBX Group never stops enhancing our financial solutions to make finance simple, accessible, and affordable to everyone—particularly the underserved. In doing so, we harness artificial intelligence (AI) and machine learning (ML) technologies while fostering financial literacy and discipline to tackle household debt and cultivate an inclusive financial ecosystem. Furthermore, SCBX strives to empower MSMEs and startups to realize their fullest potential amidst an ever-changing business landscape while supporting youth and local communities to adapt and stay buoyant in turbulent times.

The urgency of mitigating the climate crisis is intricately linked to the stability and development across multiple dimensions, which has prompted the SCBX Group to accelerate our strategies and formulate both short- and long-term plans under the pillars of 'Growing Economic Resilience' and 'Achieving Climate Neutrality' to fulfill our net zero commitment. In 2023, SCBX Group has delivered sustainable financial solutions of over Baht 84,000 million to assist our clients in transitioning to a low-carbon economy and drive the Group's goal of achieving net-zero in financed emissions by 2050. SCBX Group successfully reduced GHGs emissions from own's operations by 7% as targeted through various initiatives, such as procuring electricity from renewable sources, transitioning to electric vehicles, and installing solar panels. We stay true to our commitment to mitigate operational GHGs emissions by 50% by 2027 and to achieve operational net zero by 2030.

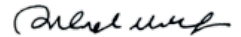
## Our Next Step in 2024

To stay ahead of changes, SCBX endeavors to propel business growth by enhancing service efficiency and cost management. We are dedicated to advancing our technological competence, fortifying financial stability, broadening financial services to all customer segments, creating value for shareholders, and integrating environmental and social considerations into every aspect of our operations. At SCBX, we firmly believe a solid foundation for achieving exponential growth must rest upon creating meaningful 'value' for all stakeholders. This principle guides every step we take on our journey to become the tech company of the future.

SCBX's board of directors and management would like to extend our gratitude to all stakeholders for their resolute trust and steadfast support in pioneering the value-creation ecosystem. We hereby pledge to uphold business ethics and embrace sustainability principles in paving the way towards becoming 'The Most Admired Regional Financial Technology Group.'



**DR. VICHIT SURAPHONGCHAI**  
Chairman of the Board of Directors



**MR. ARTHID NANTHAWITHAYA**  
Chief Executive Officer

# SCBX Overview

## A Future Built by Us

Under the SCB Financial Group's business restructuring roadmap, SCBX Public Company Limited was listed on the Stock Exchange of Thailand on April 22, 2022, to strengthen the Group's competitiveness and long-term business value amid the new business landscape of a radically evolving financial industry.



### Vision

**The Most Admired Regional  
Financial Technology Group**



### Mission

**To make finance simple, accessible,  
and affordable for all through the power  
of technology and innovations**



### Commitment

**Value-driven**  
Growth focused  
company with  
1 trillion baht valuation

**Beyond Thailand**  
200+ million customers in ASEAN  
and beyond through both  
organic growth and M&A

**Beyond Banking**  
A tech ecosystem, digital assets  
infrastructure, and green tech  
as focus for growth



# Business Portfolio

SCBX is an investment holding company with subsidiaries in 5 strategic themes

## Gen 1

### Better Bank

Digitized, better quality loan book, higher fee contribution, and leaner cost



## Gen 2

### Digital Lending

Make finance simple, accessible, and affordable



## Gen 3

### Digital Ecosystem

Become a part of consumers' daily lives for better digital engagement with customers



### Digital Assets and Future Technology

Future-proof our business growth with evolving technologies



### Climate Tech

Net Zero by 2050  
Build new growth engine by providing climate tech solutions along with financing as well as new EV subscription platform

### Tech Accelerator



\*For more information on SCBX Strategy: A Journey to Tech Company, please [click here](#)

# 2023 Highlights

## Financial



Total Net  
Operating Income

171.1

Billion Baht



Return  
on Asset

1.3%



Return  
on Equity

9.3%



Net Profit

43,521.3

Million Baht

## Employee



Total Number  
of Employee

31,984

Person



Male

33%



Average  
Training Hour

39

Per Person



Proportion of Female in  
Management Position

54%



Female

67%



Human Capital Return  
on Investment

3.97






# 2023 Highlights

## Society



**382**

Million Baht  
Spending on CSR Activities

-  Learning Enhancement and Youth Development **47%**
-  Disaster Relief and Improving Quality of Life and the Environment **52%**
-  Promoting Volunteerism Among Employees **1%**

## Environment



Reduction in Greenhouse  
Gas Emissions Scope 1-2

**7%**

TgCO<sub>2</sub>eq



Reduction in  
plastic bottle waste by

**38,000**

bottles from PET Bottles  
for Whale



Reduction in  
Non-hazardous Waste

**67%**

# Sustainability at SCBX

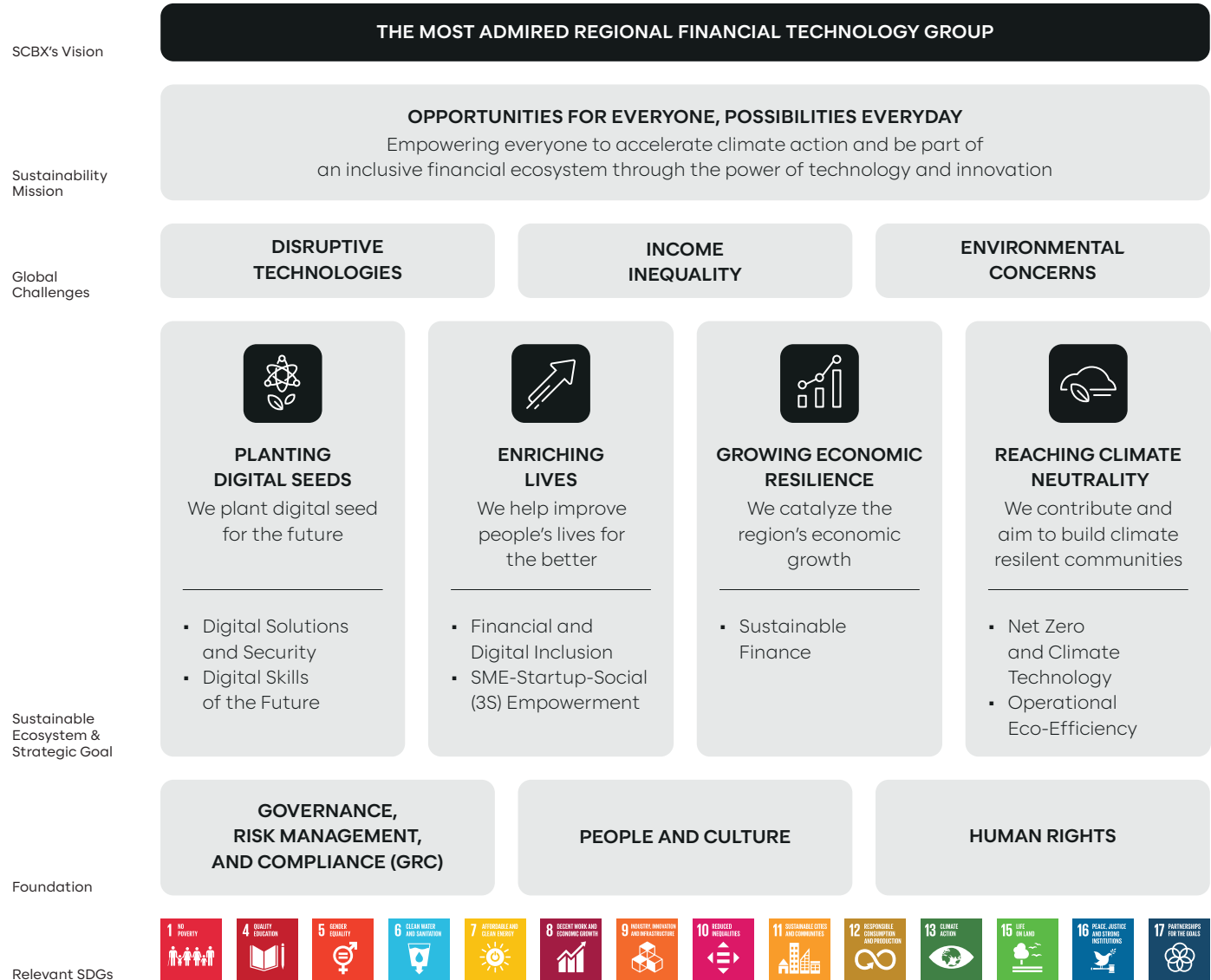
SCBX Group aims to drive balance of economic, social, and environmental with opportunities and possibilities for all to be able to take part in creating positive impacts on the ecosystem for sustainable development.





# Sustainability Framework

SCBX Group is cognizant of every aspect of responsibility and holds a firm belief in the potential of creating shared value. As such, the objective of SCBX Group is not solely to become one of the most sustainable organizations, but also to actively pursue every opportunity and possibility that aids customers in adapting to change and enables all individuals to lead fulfilling lives within a balanced environment and ecosystem. This is achieved through the implementation of the 4-pillar strategic framework, encompassing Planting Digital Seeds, Enriching Lives, Growing Economic Resilience and Achieving Climate Neutrality, all under the overarching mission of 'Opportunities for Everyone, Possibilities Everyday.'



In 2023, SCBX has set policies to drive the operations of the SCBX Group through under sustainability framework and policies as follows:



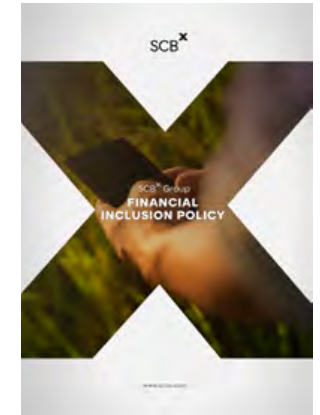
Sustainability Policy



ESG Risk Management Policy



Climate Change and Environmental Stewardship Policy



Financial Inclusion Policy



Human Rights Policy



People Management Policy



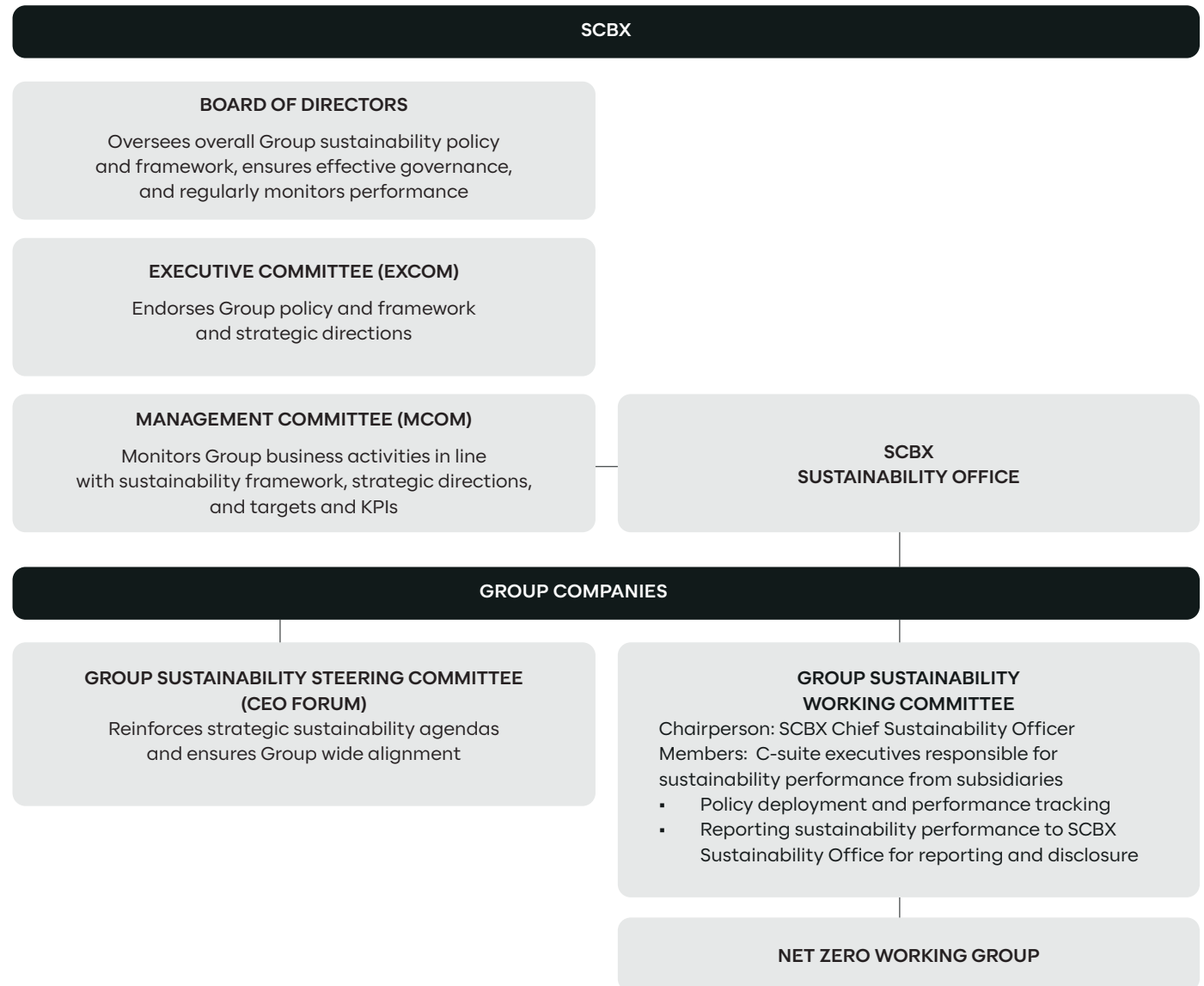
Occupational Health, Safety, and Environment Policy



Supplier Code of Conduct

## Sustainability Governance

To ensure compliance with the SCBX Group Sustainability Policy and framework through systematic implementation, SCBX Group has established a sustainability governance structure at the Group level. This structure specifies roles and responsibilities from the Board of Directors to portfolio companies, aiming to integrate a sustainability mindset and practices into the culture and way of work of SCBX Group.





# 2025 Sustainability Targets

In 2023, SCBX Group has set three-year sustainability targets (2023–2025) to put its sustainability strategy in action.

## 4 Pillars

### PLANTING DIGITAL SEEDS



### ENRICHING LIVES



## Strategic Goals

Digital Solutions and Security

Digital Skills of the Future

Financial and Digital Inclusion

SME-Startup-Social (3S) Empowerment

## 2025 Target

Invest Baht 14,000 million in digital initiatives and innovations and achieve zero tolerance for information security breaches.

Foster 200,000 employees and other people to develop and use digital skills in their careers and businesses.

Support 4,000,000 underserved people to gain access to personal credit through new, digital products.

Empower 2,000,000 individuals and 60,000 small businesses to grow and reach their full potential via Baht 5,800 million of investment to create positive impacts.

## 2023 Performance

Baht 5,773 million invested and continuously strive for zero tolerance for information security breaches.

123,696 employees and other people developed AI, analytical thinking, and digital skills.

1,627,149 underserved people gained access to financial products and services.

979,674 individuals, 27,743 small businesses are empowered with an investment of Baht 2,918 million baht.

## SDGs Target





# 2025 Sustainability Targets

## 4 Pillars

**GROWING  
ECONOMIC  
RESILIENCE**



**REACHING  
CLIMATE  
NEUTRALITY**



## Strategic Goals

Sustainable Finance

Net Zero and Climate  
Technology

Operational Eco-efficiency

## 2025 Target

Provide Baht 100 billion in financing for a low carbon, net-zero transition and sustainable development.

Achieve net-zero emissions within company operations by 2030 and within lending and investment value chain by 2050.

Reduce 50% of Scope 1 and Scope 2 emissions by 2027.

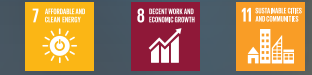
## 2023 Performance

Baht 84,709 million of sustainable finance provided to customers.

Established financed emissions baseline: 7.3 tCO<sub>2</sub>e from SCB Corporate, SME and Retail Banking segments (2021 as base year).

Achieved 7% reduction in Scope 1 and 2 against the 2022 baseline.

## SDGs Target





## Materiality and Stakeholder Engagement

SCBX Group's path towards sustainability starts from the analysis of economic, social, and environmental 'impacts' from our business activities, to identify the direct and indirect, negative and positive aspects in the short and long terms. The identification is the first step of materiality assessment under the Global Reporting Initiative (GRI) Standards, that involves internal and external stakeholders including customers, investors, regulators, and business partners. In 2022, SCBX identified a total of 123 materiality sustainability issues, which were categorized into 31 topics. Of all topics, 12 were considered significant and SCBX Group formulated the sustainability strategy framework based on these materiality topics. Under this framework, SCBX will drive efficient and effective sustainability operations across the Group.

The Group materiality topics, sustainability-related policies, strategic framework, and sustainability report are approved by the Board of Directors.



### Materiality Assessment Process



1

Analyse sustainability issues along the value chain, together with the analysis of changes in key trends and peer industries



2

Analyse the issues that matter to the internal and external stakeholders through customer surveys, internal and external stakeholder dialogue



3

Analyse the alignment with SCBX enterprise risk management framework and SCBX strategic business direction



4

Assess and prioritise ESG issues with respect to importance to SCBX and stakeholders and define materiality

## Materiality Matrix

### 12 materiality issues

Environment
  Social
  Governance and Economic

123  
issues  
identified

31  
topics  
classified

12  
material  
topics  
selected

Importance to stakeholders

Major	Significant	Moderate	Lower	5	1
				6	2
				7	3
				8	4
Moderate	Significant	Moderate	Major	11	9
				10	12
				11	10
				12	11
Lower	Significant	Major	Lower	12	12
				12	12
				12	12
				12	12

Impact of SCBX Group on Economic, Environmental and Social Issues




- |   |   |    |   |
|---|---|----|---|
| 1 | CLIMATE ACTION AND NET ZERO EMISSION        | 7  | FUTURE SKILLS AND TALENT MANAGEMENT       |
| 2 | CYBERSECURITY AND INFORMATION SECURITY      | 8  | HUMAN RIGHTS                              |
| 3 | RESPONSIBLE FINANCE AND GREEN INVESTMENT    | 9  | DIGITAL RESILIENCE                        |
| 4 | GOVERNANCE, RISK MANAGEMENT, AND COMPLIANCE | 10 | CUSTOMER DATA PRIVACY                     |
| 5 | FINANCIAL INCLUSION AND LITERACY            | 11 | OPERATIONAL ECO-EFFICIENCY                |
| 6 | SME AND SOCIAL DEVELOPMENT                  | 12 | CULTURE, DIVERSITY, EQUITY, AND INCLUSION |

Key stakeholder groups inform identification and prioritization of SCBX materiality assessment

Stakeholder Group	Communication Channels	Key Expectations/Concerns	SCBX Group's Response
<p><b>Customers</b></p>  <p><b>1</b></p>	<ul style="list-style-type: none"> <li>▪ Corporate meeting</li> <li>▪ Customer-relationship building activities</li> <li>▪ Satisfaction survey</li> <li>▪ Complaint and recommendations handling through Customer Centers, Branch Network, and SCB EASY</li> <li>▪ Website and social network sites</li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate change and decarbonization</li> <li>▪ Sustainable/ green finance</li> <li>▪ Financial inclusion</li> <li>▪ Sustainable supply chain</li> <li>▪ Financial risk management</li> <li>▪ Cybersecurity</li> <li>▪ Data rights</li> </ul>	<p>Details of the SCBX Group's response can be found in the chapters below:</p> <ul style="list-style-type: none"> <li>▪ Special Report – Climate and Net Zero on page 26</li> <li>▪ Strengthening Cybersecurity and Data Management on page 47</li> <li>▪ Financial and Digital Inclusion on page 62</li> <li>▪ Sustainable Finance on page 82</li> <li>▪ Net Zero and Climate Technology on page 93</li> <li>▪ Data Privacy Protection and Management on page 110</li> </ul>
<p><b>Employees</b></p>  <p><b>2</b></p>	<ul style="list-style-type: none"> <li>▪ Employee engagement survey</li> <li>▪ Meetings and seminars</li> <li>▪ Internal communication channels</li> <li>▪ Whistleblowing systems</li> <li>▪ Annual performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Skill and capability development</li> <li>▪ Internal mobility and career advancement</li> <li>▪ Performance evaluation and compensation</li> <li>▪ Work-life balance</li> </ul>	<p>Details of the SCBX Group's response can be found in the chapters below:</p> <ul style="list-style-type: none"> <li>▪ Digital Skills of the Future on page 53</li> <li>▪ People and Culture on page 111</li> </ul>
<p><b>Investors</b></p>  <p><b>3</b></p>	<ul style="list-style-type: none"> <li>▪ Shareholder meetings</li> <li>▪ Meeting with analysts and investors</li> <li>▪ Information disclosure and reporting through corporate website, Stock Exchange of Thailand websites, press release and public media</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corporate governance</li> <li>▪ Diversity of the Board and workforce</li> <li>▪ Climate change and biodiversity</li> <li>▪ Sustainable finance and investment</li> <li>▪ Human capital management</li> <li>▪ Transparency in data management and disclosure</li> </ul>	<p>Details of the SCBX Group's response can be found in the chapters below:</p> <ul style="list-style-type: none"> <li>▪ Special Report – Climate and Net Zero on page 26</li> <li>▪ Sustainable Finance on page 82</li> <li>▪ Net Zero and Climate Technology on page 93</li> <li>▪ Operational Efficiency on page 100</li> <li>▪ Good Governance on page 106</li> <li>▪ People and Culture on page 111</li> </ul>



## Key stakeholder groups inform SCBX materiality assessment

Stakeholder Group	Communication Channels	Key Expectations/Concerns	SCBX Group's Response
<b>Regulators</b>  <b>4</b>	<ul style="list-style-type: none"> <li>Meetings and hearings on regulatory policies and guidance</li> <li>Received regular assessment from regulatory bodies</li> <li>Sharing opinions through forums</li> </ul>	<ul style="list-style-type: none"> <li>Green financing</li> <li>Financial inclusivity, especially for SMEs</li> <li>Household debt</li> <li>Cybersecurity</li> <li>Risk management</li> <li>Talent development</li> </ul>	<p>Details of the SCBX Group's response can be found in the chapters below:</p> <ul style="list-style-type: none"> <li>Special Report – Climate and Net Zero on page 26</li> <li>Strengthening Cybersecurity and Data Management on page 47</li> <li>Digital Skills of the Future on page 53</li> <li>Financial and Digital Inclusion on page 62</li> <li>Sustainable Finance on page 82</li> <li>Net Zero and Climate Technology on page 93</li> <li>Risk Management on page 108</li> </ul>
<b>Business Partners and Suppliers</b>  <b>5</b>	<ul style="list-style-type: none"> <li>Meeting and corporate conference</li> <li>Engagement through associations and organization of initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Digital sustainability</li> <li>Sustainable value chains</li> <li>ESG process transformation</li> <li>Climate risk resilience</li> </ul>	<p>Details of the SCBX Group's response can be found in the chapters below:</p> <ul style="list-style-type: none"> <li>Special Report – Climate and Net Zero on page 26</li> <li>Digital Skills of the Future on page 53</li> <li>Net Zero and Climate Technology on page 93</li> <li>Operational Efficiency on page 100</li> </ul>
<b>Civil society</b>  <b>6</b>	<ul style="list-style-type: none"> <li>Meeting and dialogue</li> <li>Activities and corporate social responsibility activities</li> <li>Website and social network sites</li> </ul>	<ul style="list-style-type: none"> <li>Education and on climate change and biodiversity</li> <li>Human rights and labour rights</li> <li>Anti-corruption</li> <li>Stakeholder engagement</li> <li>Community's quality of life</li> </ul>	<p>Details of the SCBX Group's response can be found in the chapters below:</p> <ul style="list-style-type: none"> <li>Special Report – Climate and Net Zero on page 26</li> <li>Digital Skills of the Future on page 53</li> <li>SME, Startups and Society (3S) Empowerment on page 72</li> <li>Net Zero and Climate Technology on page 93</li> <li>Anti-corruption on page 109</li> <li>Human Rights on page 116</li> </ul>

## Participation in National and Global Initiatives

SCBX Group supports and collaborates with national and global initiatives and partnerships on environmental, social, and governance, enabling the Group to adopt best practices while taking part in driving global efforts on sustainability agendas.



A Thailand chapter of WBCD aiming to promote environmental awareness within the business sector under the concept of sustainable development



A voluntary initiative by Thai private sector to take part in tackling corruption through collective actions



The EP Association promotes and encourages the adoption and implementation of the Principles by financial institutions



An industry-led partnership to facilitate transparency and accountability of the financial industry to the Paris Agreement



A public organization focusing on enhancing Thailand and Southeast Asia region's competence on climate change issues



A voluntary initiative to implement universal sustainability principles and support UN goals



A framework set to help public companies and organizations to effectively disclose climate-related risks and opportunities



A collaborative partnership to drive ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

## Awards and Recognitions

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA



Selected as a member of DJSI for the World Index and the Emerging Markets Index in the Bank sector for the 6<sup>th</sup> consecutive year

Included in the Sustainability Yearbook 2024

By S&P Global

Selected as a member of FTSE4Good Emerging Index

By FTSE Russell

Rated 'A' on Environmental, Social and Governance (ESG) performance in the banking category

By MSCI

Rated 'C' on Climate Change Management Assessment

By CDP

Rated 'AA' in the SET ESG Rating

By Stock Exchange of Thailand

Received the Sustainability Disclosure Award 2023 for the 5<sup>th</sup> consecutive year

By Thaipat Institute



# 2 SPECIAL REPORT



23  
26

**AI-First Organization  
Climate Risks and  
Net Zero Mission**



# Transformation Journey towards an AI-First Organization

In an era of rapidly evolving digital technology, there are multiple opportunities to harness new technologies to seize multifaceted benefits. Notably, Generative AI or Gen-AI has gained traction and widespread uptake for enhancing business management and bringing greater convenience in our daily lives. Today's AI applications span from search engines to Face ID recognition, navigation systems, self-driving cars, voice command interfaces, and smart home systems.

AI has become an integral part of business and people's daily lives with immense potential to transform the future economy, society, and the environment. As a trailblazing financial technology group, SCBX aspires to become an AI-First Organization, in which 75% of our revenue in the next 5 years will be generated by AI to meet customer demands, maintain competitive edges, and thrive sustainably amidst an ever-evolving digital landscape. In 2023, 20% of SCBX's total revenue was powered by AI, marking an increase from a 6% share in 2022.



## WHAT IS GEN-AI?

Generative AI, or Gen-AI, refers to a class of AI models built upon learning algorithms designed to generate new content. Gen-AI is trained to recognize patterns and structures within input data and then produce output that resembles or mimics the input.

## 2 Pillars and 4 Success Factors: on the Road to an AI-First Organization

SCBX Group paves the way to become an AI-First Organization through 2 fundamental pillars:

- 1. Broad AI Adoption:** Unleash the potential of SCBX Group to broaden AI uptake in amplifying efficiency and productivity, such as streamlining workflows, minimizing workforce requirements, reducing costs, and enhancing work quality and performance.
- 2. Deep AI Development:** Develop deep AI to support business operations and cultivate competitiveness via 3E strategies.

### Elevate Data Foundation



To enhance our data groundwork, SCB DataX was established to serve as a centralized data hub for all entities within SCBX Group. This consolidation aims to foster collaborative data utilization and guide SCBX subsidiaries to capitalize on available datasets.

### Establish R&D Sandbox



SCBX strives to advance the experimental capabilities and excel in Generative AI innovations. As part of this commitment, we have developed an in-house SCBX GPT, a Thai Financial Service GPT endowed with keywords in the Thai language and expertise in financial services.

### Empower SCBX Subsidiaries



SCBX actively promotes the adoption of AI technology across all subsidiaries to optimize their operations. For instance, harnessing AI for customer behavior analysis enables the design and development of tailored financial solutions to address the specific needs of customers or market segments.

To foster both breadth and depth in AI capability, SCBX seeks to cultivate an AI-centric culture. This involves empowering executives to prioritize the Data/ AI agenda and nurture a work environment that encourages learning through trial and error, where both successes and failures are embraced. Within this culture, all employees recognize the imperative of AI utilization and are aligned in communicating its importance. Apart from that, SCBX believes in 4 key success factors to becoming an AI-first Organization comprise:



Solid Tech  
Capability



State-of-the-Art  
Data Architecture



Talent  
Building



Effective  
Communication

## Broad AI Adoption, Promote AI Adoption and Nurture Knowledge of All Employees

In 2023, SCBX launched the Copilot Champion Program in partnership with Microsoft. The initiative appointed 300 employees from SCBX, SCB, InnovestX and DataX as Copilot Champions who were tasked with harnessing Microsoft 365 Copilot, a Generative AI tool, in their daily workflows. SCBX also hosted the SCBX Copilot Showcase Demo Day, offering copilot champions opportunities to share their innovative use cases. The event facilitated a broad AI adoption as other employees besides copilot champions can apply the use cases to their respective tasks, while the company can explore further development to seize future benefits.

In addition, SCBX teamed up with AI-expert partners to organize workshops tailored for senior executives, working group, and SCBX Group employees to enhance AI knowledge and capabilities. SCBX also collaborated with Stanford HAI to conduct a comprehensive workshop series to equip SCBX Group employees with essential knowledge in responsible AI adoption, building an AI-driven organization, and leveraging AI for financial services. 1,200 employees participated in the workshops.



300  
Copilot Champions



200  
Use Cases

For more information, please see 'Digital Skills of the Future' on page 53.

## Deep AI Development Drive Differentiation and Long-term Capability with SCBX GPT

In 2023, SCBX spearheaded the development of SCBX GPT in collaboration with InnovestX, CardX, and Robinhood. SCBX GPT is a Thai Financial Service GPT tailored specifically for the financial service sector and Thai-speaking audiences, as well as endowed with the ability to comprehend intricate regulations mandated by Thai regulators and the vast amount of data of the SCBX Group. Additionally, SCBX works with SCB DataX, which specializes in data management and processing, to feed all the data for the model to learn. Furthermore, Retrieval-augmented Generation (RAG) framework was employed to enhance the accuracy and reliability of SCBX GPT's data processing capabilities.

SCBX Group by SCB 10X also partnered with the Institute for Human-Centered Artificial Intelligence (HAI), a leading educational institution in the field of AI established by Stanford University. They apply HELM (Holistic Evaluation of Language Models) developed by Prof. Percy Liang to assess the performance of SCBX GPT in order to ensure its potential aligns with international standards.

At present, SCBX GPT is well-versed in the Thai language, surpassing GPT 3.5 with a capacity for progressive learning. SCBX and InnovestX are currently developing SCBX GPT to function in the realm of Customer Service, akin to a Call Center agent with the ability to understand customer emotions and possess comprehensive data. This development is ongoing, with **SCBX GPT envisioned as the future of customer service**. With its superior capabilities, SCBX GPT will serve as a vital tool in elevating customer service standards, delivering smooth, efficient, and personalized experiences. This initiative aims to propel the SCBX Group to the forefront of technology and premier service provision.

## Typhoon-7B: Progress and Opportunities for AI Usage in Thailand

In 2023, the SCBX Group by SCB 10X published a research paper on AI under the topic "Typhoon: Thai Large Language Models" on arXiv, which is an academic article repository of Cornell University. The development of 'Typhoon-7B' signifies a significant advancement in AI focusing on Thai language usage, which is crucial for making AI technology more beneficial and accessible to Thai-speaking users.

'Typhoon-7B' is designed to have capabilities close to GPT-3.5 and exhibits superior tokenization efficiency by up to 262% compared to other Thai language models in the market. Furthermore, with continued training from 'Mistral-7B' using LoRA, 'Typhoon-7B' not only improves its capabilities but also benefits from the special Cloud Platform usage invested by SCB 10X, resulting in a cost reduction of up to 75% compared to AWS usage.

Moreover, the open-sourcing of 'Typhoon-7B' enables developers and enthusiasts to experiment with and enhance the model freely. Community support is crucial for advancing Thai language AI to be more efficient and sustainable, opening new opportunities for AI utilization in Thailand.

## Responsible AI Adoption

SCBX Group emphasizes not only leveraging technology to explore new opportunities, but also ensuring ethical and responsible AI adoption. In December 2023, SCBX and Microsoft jointly introduced the Responsible AI HackFest, a competition focused on developing AI software and technology under the theme 'Responsible AI for Fintech and Thai Businesses.' The competition was open to college students, developers, entrepreneurs, and startups to showcase their creative innovations powered by ethical and responsible AI use. All participants were invited to develop a Minimal Viable Product (MVP) and compete across 2 main categories:

- Fintech: Unleashing new AI-driven innovations to revolutionize Thai financial services
- Businesses: Developing new AI solutions to transform Thai businesses and enhance efficiency

12 teams that have advanced to the next round will present their products at the Demo Day scheduled in April 2024.



### What is GPT?

GPT, or Generative

Pre-trained Transformers, is a versatile language model akin to an intelligent brain capable of understanding and generating language similar to humans. GPT operates by learning from vast amounts of data, analogous to a child learning language from parents and the surrounding environment.



### How does SCBX GPT work?

SCBX GPT is pre-trained with a large and diverse dataset encompassing financial and banking data, information from the SCBX Group, as well as legal aspects relevant to the Group's business operations. Additionally, the model is trained to understand the structure and patterns of the Thai language and predict the next word based on the context of the preceding words before being fine-tuned to suit the context of SCBX's operations. When users input commands to SCBX GPT, the model generates responses based on its learning during the training and fine-tuning phases. This includes the use of the Retrieve Augment Generate (RAG) technique, which involves three steps:

**Retrieval:** Searching for relevant information from various sources such as websites, articles, and databases.

**Augmentation:** Modifying the retrieved information to fit the context of the task.

**Generation:** Creating new text from the retrieved and augmented information. The RAG technique helps the Large Language Model (LLM) generate more accurate, precise, and contextually relevant text.



# Climate Risks and Net Zero

## From Global Warming to the 'Global Boiling' Era

July 2023 witnessed the highest temperature in the world's history. On July 28, 2023, António Guterres, the Secretary-general of the United Nations (UN), declared that "The era of global warming has ended, and the era of global boiling has arrived." His warning highlights the unprecedented challenge and urgent need to tackle climate change, which will have far-reaching and unavoidable impacts on the economy, human livelihood, and biodiversity in the ecosystem.

Net Zero efforts are then inevitable and of great urgency; however, such endeavors must take the concept of 'Just Transition' into account while engaging collaboration from all stakeholders, including the government, financial institutions, and businesses—particularly the heavy-emitting industries such as the energy and electricity sectors. This is to ensure a just transition and not causing subsequent economic and social impact.

As the leading regional financial technology group, SCBX recognizes the unparalleled risks from climate change that could threaten business activities of subsidiaries within SCBX Group—especially the banking business—as well as our clients and business partners. We thus stay focused on overseeing and adapting to the physical and transition risks brought by the climate crisis.

At SCBX, assessing climate-related risks and opportunities towards net zero is not only an environmental commitment, but also our core strategy. In July 2022, SCBX Group announced the ambition to achieve net zero within own's operations by 2030 and net zero in lending and investments by 2050. SCBX aspires to manage climate risks and opportunities while taking part in global efforts to limit the world's average temperature rise to the Paris Agreement threshold of 1.5°C.



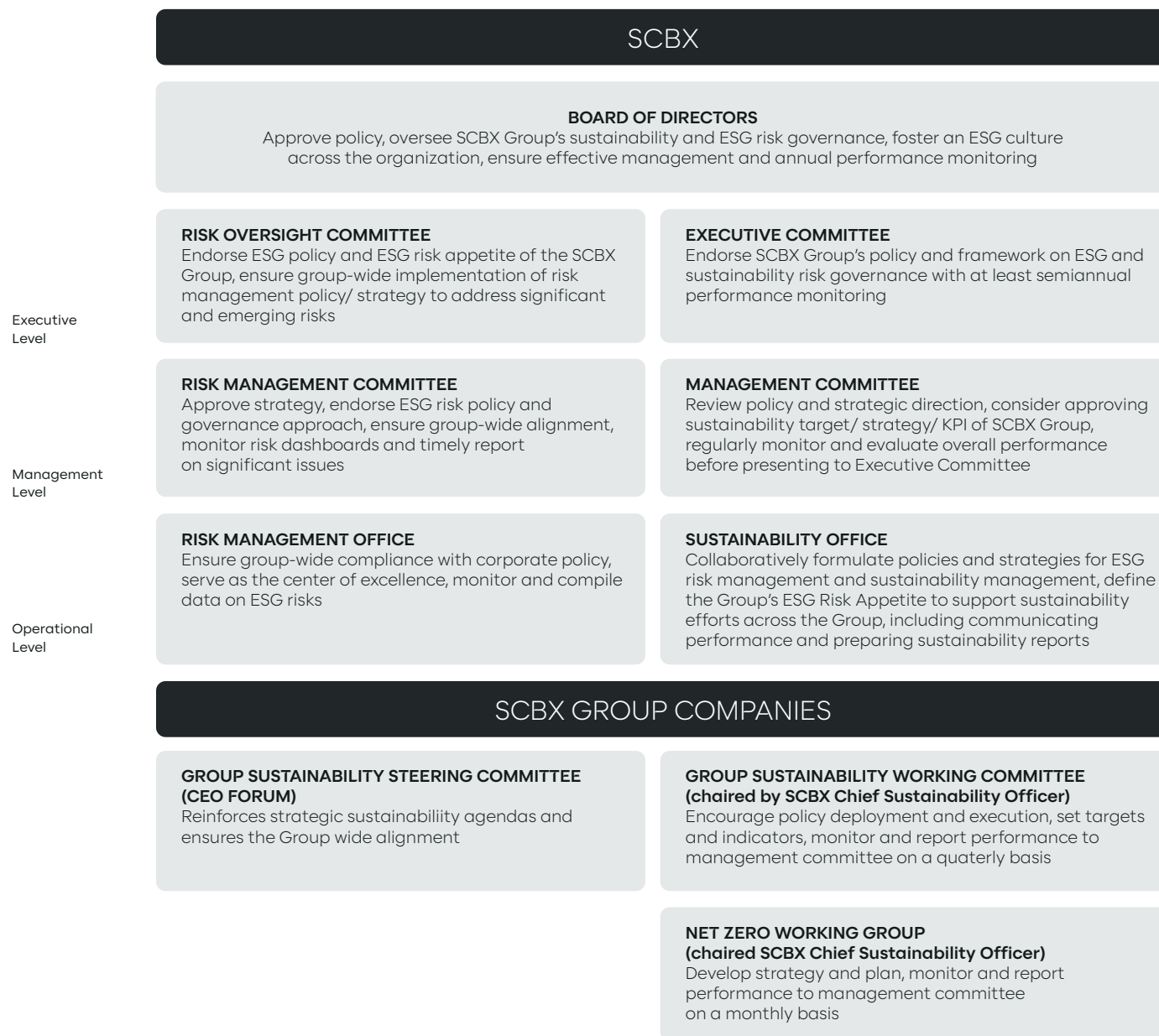
# Climate Change Management per TCFD's Recommendations

## 01

### Governance of Climate-related Risks and Opportunities

SCBX establishes the governance structure of ESG and sustainability risks of SCBX Group, which encompasses climate change issues along with roles and responsibilities across the organization—from the Board of Directors to management and operational levels. The goal is to ensure the systematic and consistent practices of ESG and sustainability risk governance within the SCBX Group, corresponding to the ESG Risk Management Framework and the SCBX Sustainability Policy and Strategic Framework. The Risk Oversight Committee and the Risk Management Committee of SCBX Group are responsible for reviewing and ensuring the adequacy and efficiency of ESG risk management strategy as well as ESG risk appetite at least once a year.

**Remark:** SCBX Group's sustainability and ESG includes climate change issue



Key initiatives have been reviewed and approved in 2023 per governance structure, roles and responsibilities of committees and working groups specified below.

## ESG Risk Management

Performance	Board of Directors	Risk Oversight Committee	Risk Management Committee
SCBX Group ESG Risk Management Framework	•	•	•
SCBX Group ESG Risk Policy	•	•	•
SCBX Group ESG Risk Appetite and Key Risk Indicator	Pending approval, expected to be finalized in Q1 of 2024		

## Sustainability and Net Zero Management

Performance	Board of Directors	Executive Committee	Management Committee	Group CEO Forum	Steering Committee	Net Zero Working Group
SCBX Group Sustainability Strategic Framework	•	•	•	•	•	-
SCBX Group Sustainability Governance Structure	•	•	•	•	•	-
SCBX Group Policy In Relation to Sustainability						
<ul style="list-style-type: none"> <li>▪ Sustainability Policy</li> <li>▪ Climate Change and Environmental Stewardship Policy</li> <li>▪ Human Rights Policy</li> <li>▪ Financial Inclusion Policy</li> </ul>	•	•	•	-	•	-
SCBX Group 2025 Sustainability and Net Zero Commitment	•	•	•	-	•	-
SCBX Group Operational Net Zero Roadmap and Guiding Principles	-	-	•	-	•	•
Net Zero Strategy and Sectoral Pathway to Decarbonize Greenhouse Gas Emissions from Lending and Investment, and Industry Level Plan	Pending approval in 2024					



# 02



## Strategy to Address Climate Change Impacts



Despite emerging threats from climate change, effective risk assessment and governance can turn these challenges into business opportunities. With this in mind, SCBX performs the assessment of climate risks and opportunities to inform subsequent strategy and risk management approach.

### Climate-related Risk Analysis and Potential Impacts



SCBX has undertaken the analysis of climate-related risks—including transition and physical risks, covering operations of SCBX Group and its clients —based on the business activity of Siam Commercial Bank (SCB)—SCBX Group’s core business. The assessment outcome can be concluded as follows:

#### TRANSITION RISK

TYPES OF RISKS	RISK DRIVER	POTENTIAL FINANCIAL IMPACTS	SCB’S RISK EXPOSURES	TIME HORIZONS
<p><b>Existing laws and regulations</b></p> <p><b>New laws and regulations</b></p> 	<ul style="list-style-type: none"> <li>Enforcement of existing laws and the development of new carbon regulations, including measures such as carbon taxes and restrictions on carbon emissions.</li> <li>Regulation and supervision of climate-related risks in the financial sector.</li> <li>Implementation of new standards or regulations to enhance the disclosure of climate-related information.</li> <li>Adherence to current rules and regulations governing goods and services.</li> </ul>	<ul style="list-style-type: none"> <li>Escalating operating costs, both direct and indirect, arising from aligning the strategic plan/business model with evolving laws and regulations.</li> <li>Increasing credit risk as customers may be impacted by regulatory changes domestically and internationally, affecting competitiveness and potentially leading to business disruption. This, in turn, can impact the customer's ability to meet debt obligations within the specified timeframe.</li> <li>The value of financial assets declines, accompanied by growing volatility of asset prices in market.</li> <li>Changes in relationships and correlations between market risk factors may occur, complicating market risk management.</li> </ul>	<ul style="list-style-type: none"> <li>Credit Risk</li> <li>Operational Risk</li> <li>Market Risk</li> </ul>	<ul style="list-style-type: none"> <li>Short-term</li> <li>Medium-term</li> <li>Long-term</li> </ul>
<p><b>Technology</b></p> 	<ul style="list-style-type: none"> <li>Replacing conventional goods and services with low-carbon alternatives.</li> <li>Investing in new technologies does not yield successful outcomes.</li> <li>Transitioning to technologies with lower GHG emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Escalating operational expenses incurred in researching, developing, and/or adapting technologies aimed at lowering carbon emissions and promoting environmental sustainability.</li> <li>Customers that are unable to navigate technological shifts may lose competitive advantages, facing the obsolescence of assets that no longer contribute to business value which could impact their ability to repay debt and secure new capital sources.</li> <li>Potential decline in property value, assessment of financial assets, or evaluation of collateral held by the Bank.</li> </ul>	<ul style="list-style-type: none"> <li>Credit Risk</li> </ul>	<ul style="list-style-type: none"> <li>Short-term</li> <li>Medium-term</li> <li>Long-term</li> </ul>

TYPES OF RISKS	RISK DRIVER	POTENTIAL FINANCIAL IMPACTS	SCB'S RISK EXPOSURES	TIME HORIZONS
<b>Market</b> 	<ul style="list-style-type: none"> <li>Shifting consumer behavior.</li> <li>Uncertainty in market conditions.</li> <li>Rise in production costs.</li> </ul>	<ul style="list-style-type: none"> <li>Decreased operating cash flow resulting from a shift in demand away from products/services with a high carbon footprint or negative environmental impact toward those that are more environmentally friendly. This shift may impact the debtor's ability to repay debt and reduce access to new sources of capital.</li> <li>Escalation of operating costs incurred in the development and adaptation of environmentally friendly financial products and services.</li> <li>Amortization and impairment of products due to reduced market demand.</li> </ul>	Credit Risk	Short-term Medium-term Long-term
<b>Reputation</b> 	<ul style="list-style-type: none"> <li>Shifting in customer satisfaction.</li> <li>Elevated concerns or negative opinions among stakeholders.</li> <li>Adverse publicity resulting from supporting for projects or businesses with high greenhouse gas emissions or impacts on the ecosystem and environment.</li> </ul>	<ul style="list-style-type: none"> <li>Investors exhibiting a negative attitude or reduced confidence due to inadequate climate management. Accusations of greenwashing, if present, could lead to the withdrawal of investments, affecting operational outcomes and potentially impeding debt repayment.</li> </ul>	<ul style="list-style-type: none"> <li>Credit Risk</li> <li>Reputational Risk</li> </ul>	Short-term Medium-term Long-term

**PHYSICAL RISK**

TYPES OF RISKS	RISK DRIVER	POTENTIAL FINANCIAL IMPACTS	SCB'S RISK EXPOSURES	TIME HORIZONS
<b>Acute</b> 	<ul style="list-style-type: none"> <li>Increasing in frequency and severity of natural disasters such as storms, floods, and forest fires.</li> </ul>	<ul style="list-style-type: none"> <li>Disruption of business operations, impacting income.</li> <li>Escalation of business operating costs due to repairs, rehabilitation of damaged property, and compensation for employees affected by natural disasters.</li> <li>Rise in operating costs to prevent disasters from climate change.</li> <li>Property damage, deterioration, and a decrease in value.</li> </ul>	<ul style="list-style-type: none"> <li>Credit Risk</li> <li>Liquidity Risk</li> <li>Operational Risk</li> </ul>	Short-term
<b>Chronic</b> 	<ul style="list-style-type: none"> <li>Temperature rise, sea level rise, severe heatwaves, water shortages, etc.</li> </ul>			Medium-term Long-term

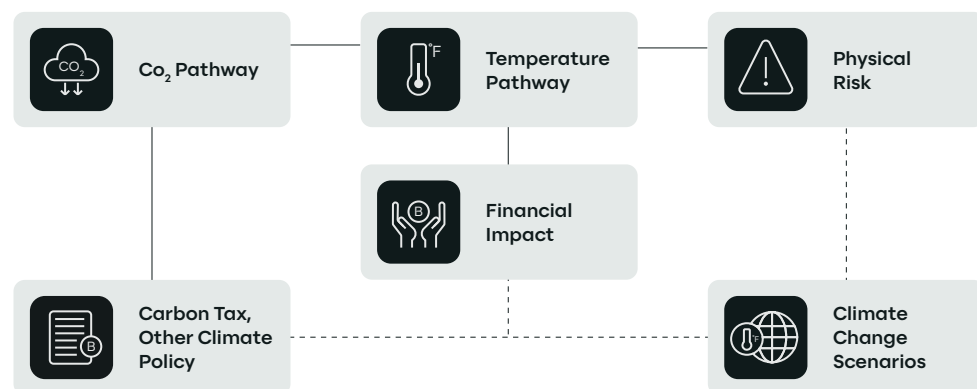
Note: Short term = 0-3 years, medium term = 3-6 years, and long term = more than 6 years.

## Climate Scenario Analysis

SCBX conducts the climate impact assessment under multiple scenarios to understand the levels of risk and severity, as well as potential opportunities for our business operations—particularly the lending portfolio of the banking business.

In 2020, SCB worked with an external consultant to study physical and transition risks associated with climate change. We adopted frameworks and tools under TCFD’s recommendation to develop assumptions and climate-change scenarios, based on the approximated GHGs emissions of each industry and the projected global temperature increase—which is the source of physical climate risks. By doing so, the Bank can anticipate regulatory and policy changes while formulating preventive measures. The assessment also enables us to accurately develop quantitative model assumptions in order to gauge impacts on the commercial credit portfolio and overall banking business, as well as the potential defaults of corporate clients at greater risks from climate change.

### Climate Change Risks Assessment and Scenario Analysis Flowchart



In 2023, SCBX worked with an external consultant to develop the credit exposure model illustrating all clients in the SCB portfolio in the year 2021 (Baseline Year) . The model helps us examine and compare GHGs scope 1 and 2 of financed emissions across different sectors. The analysis informed that power (9% of credit exposure) was responsible for the largest environmental footprints with a financed emission ratio of 56%,

The assessment outcome enables SCBX and SCB to be mindful of the evolving regulatory landscape and transition risks associated with GHG emission control measures. Some anticipated regulations include a carbon tax and the Carbon Border Adjustment Mechanism (CBAM), which will directly affect our clients. In response to such challenges, SCBX strives to develop the net zero pathway that best suits clients in each industry. The emissions intensity pathway for the client in the power sector is completed.



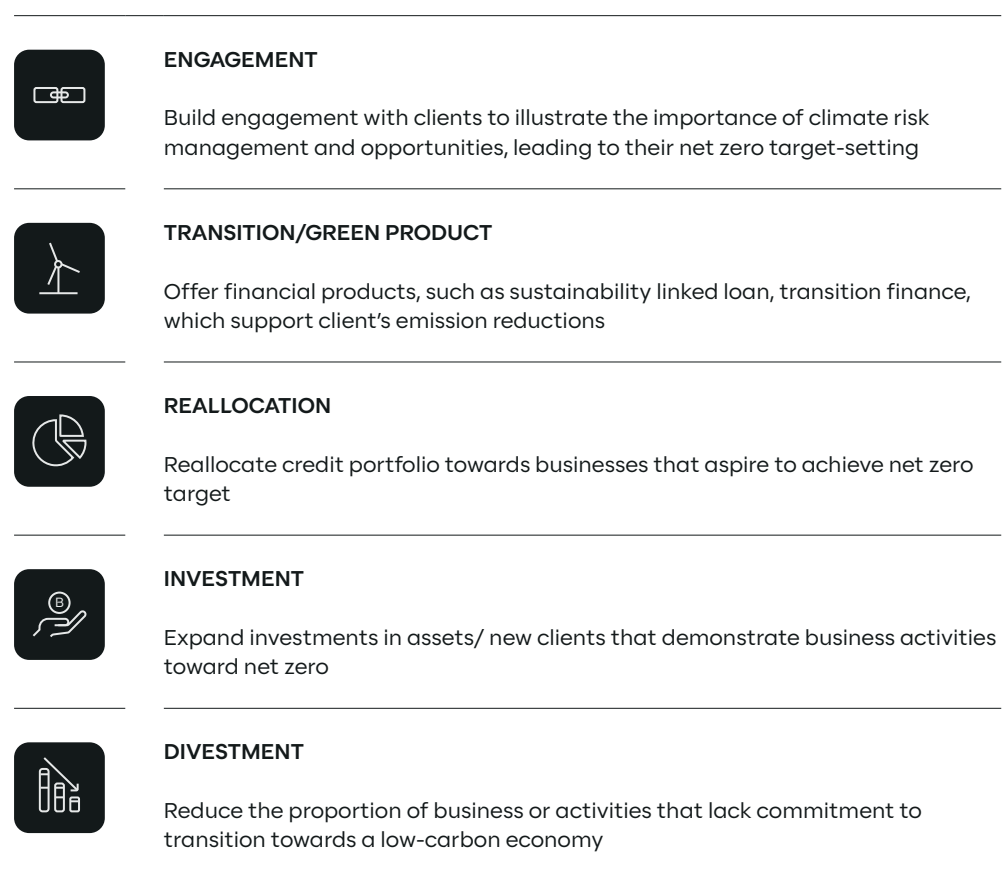


## Net Zero Strategy

Corresponding to our net zero commitment and climate risk assessment outcomes, SCBX seeks to address risks and opportunities—both internally and across the value chain—and implements the strategy to minimize GHGs emissions as follows:



Furthurmore, SCBX has outlined a specific pathway for the banking business to ensure net zero in financed emissions—which contributes 99% of SCBX's total greenhouse gas emissions (scope 1, scope 2, and scope 3 category 15).



## Climate Mitigation

### By Enhancing Management and Internal Carbon Pricing

With an ambition to 'Become a Net Zero Fintech,' SCBX places great emphasis on alleviating environmental impacts from the SCBX Group's business activities. Major approaches include:



**Low-carbon Building**  
Enhance energy efficiency, adopt eco-friendly air conditioners, and opt for highly efficient machinery and equipment



**Renewable Energy**  
Install solar panels and procure renewable power through market mechanism



**Electric Vehicle**  
100% adoption of electric vehicle by 2028



**Green Procurement**  
Procure eco-friendly products and incorporate environmental criteria into supplier selection

SCBX also conducts a Carbon Pricing Analysis for internal operations to gauge potential GHG emissions from electricity consumption, evaluate energy efficiency, and better understand the benefits from investments in low-carbon activities—all of which will contribute to net-zero initiatives for our head office buildings. The analysis assumes an estimated carbon price of Baht 650 per ton (derived from the cost at USD 20) and an investment opportunity (such as shadow price) of Baht 100 per ton. The Internal Carbon Pricing mechanism is also underway. SCBX plans to perform a pilot on some selected departments in order to examine the impacts of imposing a carbon fee and reinvesting the collected amount into future green initiatives.

The efforts are part of SCBX's commitment to attain the medium-term goal of minimizing GHGs emissions from own operations by 50% by 2027 and the long-term goal of net zero emissions by 2030.

## Climate Adaptation

### By Promoting Green Finance and Investing in Climate Technology

SCBX Group, by SCB, recognizes the importance of collaborative efforts in addressing climate challenges—particularly Thailand's contribution to the Alternative Energy Development Plan 2018-2037 (AEDP2018) and the initiatives of the National Electric Vehicle Policy Committee. The Bank has identified 'Sustainable Finance' as one of its pillars for sustainable growth and strategic vehicle to 'empower clients on their transition journey. By 2025, SCB aims to allocate Baht 100,000 million to promote financial solutions for green businesses or activities—such as electricity generation from renewable sources, EV ecosystem development, and investments in solar power to enhance energy efficiency. Today, the Bank offers a wide array of green financial products and services that are tailored to corporate clients and retail customers.

Furthermore, to seize an opportunity in climate technology, SCBX launched the strategy to 'Nurture Ecosystem of the Future' and identifies 'Climate Tech' as one of the five core businesses that could drive new growth for SCBX Group, investing in and developing solutions for climate-related risk management—from measuring, monitoring, and reporting carbon inventory to carbon markets and EV subscription platforms.

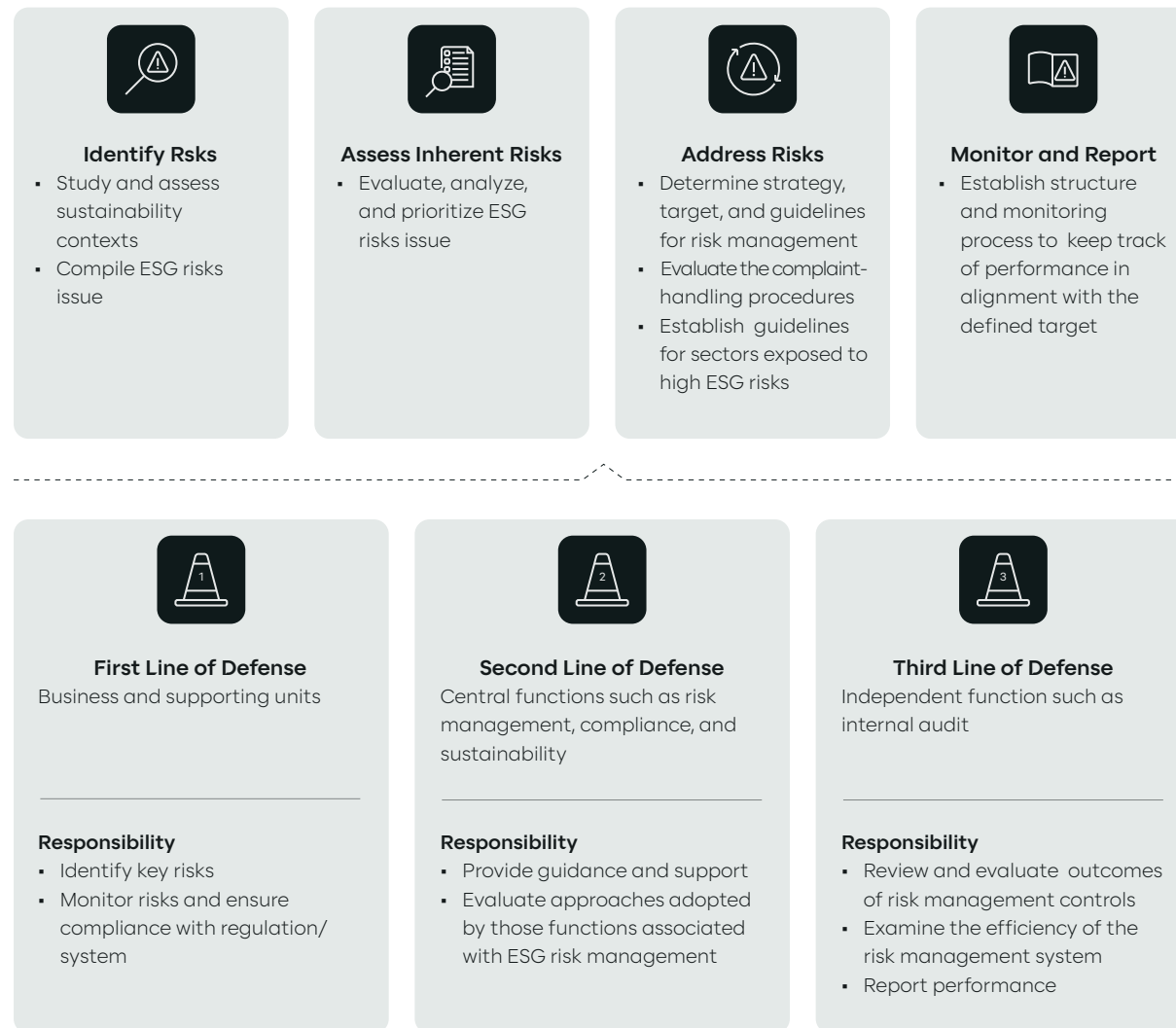
# 03

## Climate Risk Management

Climate change is among the top ESG risks for SCBX Group, given its substantial and multiple impacts on both SCBX's subsidiaries, clients' business and throughout the value chain.

In 2023, SCBX reviewed the Group Risk Management policy by incorporating the framework for managing ESG risks as part of the policy and developed the Group ESG Risk Management Policy. This policy and framework specify that climate change is an important ESG issue, mandating subsidiaries within the Group to integrate ESG risks and climate change into their risk management processes following the principles of control, supervision, and audit, or the 'Three Lines of Defense' approach. Furthermore, acceptable levels of ESG risk have been defined where SCBX Group will avoid providing financial support to businesses and activities that hinder SCBX Group from achieving its net-zero aspiration by 2050. Moreover, a SCBX Group Climate Change and Environmental Stewardship Policy has been announced to provide guidance and ensure that the Group is managing ESG risks and climate change appropriately and effectively.




### SCBX Group's ESG Risk Management Approach








To prevent risks that may affect finances and operations, SCBX Group has established management guidelines according to risk types, covering both physical risks and transition risks, as well as exposure to business activities, specifically, the banking business.

**Transition Risk**

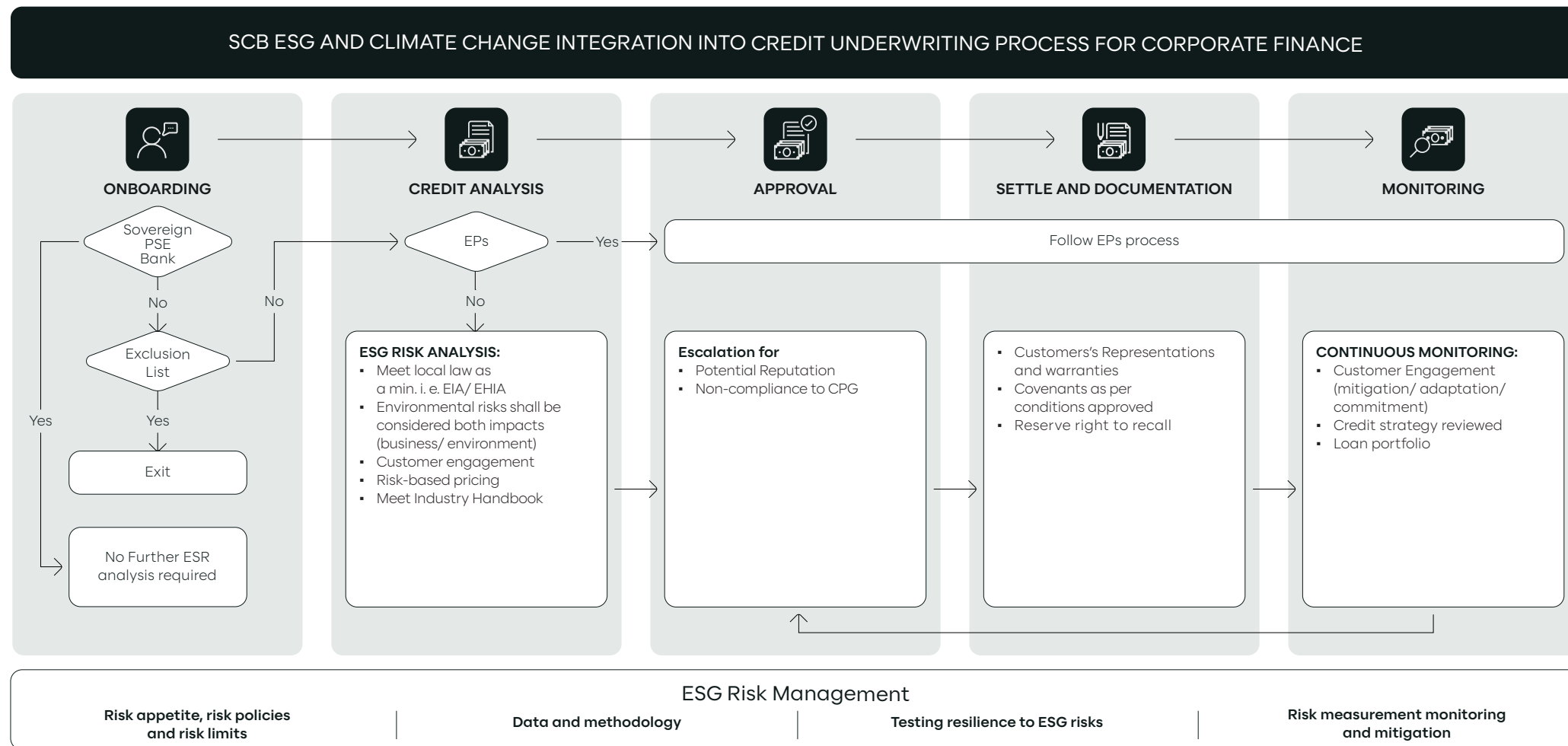
Types of Risks	SCB's Risk Exposures	Management Guidelines
<p><b>Existing laws and regulations</b></p> <p><b>New laws and regulations</b></p> 	<ul style="list-style-type: none"> <li>▪ Credit Risk</li> <li>▪ Operational Risk</li> <li>▪ Market Risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consistently study and monitor relevant national and international laws and regulations.</li> <li>▪ Evaluate the potential impact on the Bank's portfolio and establish processes for controlling risks, adjusting investment strategies accordingly.</li> <li>▪ Incorporate climate risk considerations into the end-to-end credit process, including strategy development, credit approval, and customer reviews.</li> <li>▪ Regularly monitor credit quality to assess vulnerability to climate change risk.</li> <li>▪ Establish guidelines for providing financial support to businesses with high greenhouse gas emissions.</li> <li>▪ Develop financial products and services, including special offers/ conditions to incentivize and support customers in transitioning to a low-carbon economy.</li> <li>▪ Provide training to employees and customers to enhance their understanding of new environmental and climate change laws, regulations, and policies set by government and regulatory agencies.</li> <li>▪ Foster client engagement and assess customer readiness for transformation to effectively manage potential risks and opportunities.</li> </ul>
<p><b>Technology</b></p> 	<p>Credit Risk</p>	<ul style="list-style-type: none"> <li>▪ Monitor developments in environmental technology and research, encompassing carbon capture, utilization, and storage (CCUS).</li> <li>▪ Incorporate climate risk considerations into the end-to-end credit process, including strategy development, credit approval, and customer reviews.</li> <li>▪ Regularly monitor credit quality to assess vulnerability to climate change risk.</li> <li>▪ Provide a range of financial products and services, with special offers and conditions for customers who invest in energy efficiency and environmentally friendly technology.</li> <li>▪ Empower customers with knowledge and understanding of climate change risks, along with guidelines for mitigation and adaptation.</li> </ul>
<p><b>Market</b></p> 	<p>Credit Risk</p>	<ul style="list-style-type: none"> <li>▪ Incorporate climate risk considerations into the end-to-end credit process, including strategy development, credit approval, and customer reviews.</li> <li>▪ Regularly monitor credit quality to assess vulnerability to climate change risk.</li> <li>▪ Develop financial products and services, including special offers/ conditions to incentivize and support customers in transitioning to a low-carbon economy.</li> <li>▪ Empower customers with knowledge and understanding of climate change risks, along with guidelines for mitigation and adaptation.</li> </ul>

Types of Risks	SCB's Risk Exposures	Management Guidelines
<p><b>Reputation</b></p> 	<ul style="list-style-type: none"> <li>▪ Credit Risk</li> <li>▪ Reputational Risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure that information disclosure regarding environmental management and climate change performance is comprehensive and aligns accurately with actual practices.</li> <li>▪ Establish the Bank's operational policy to minimize or abstain from transactions with a significantly adverse impact on the environment, utilizing tools such as an Exclusion List and Sector-Specific Guide. Regularly review these policies to maintain alignment with evolving circumstances.</li> </ul>
<b>PHYSICAL RISK</b>		
Types of Risks	SCB's Risk Exposures	Management Guidelines
<p><b>Acute</b></p> 	<ul style="list-style-type: none"> <li>▪ Credit Risk</li> <li>▪ Liquidity Risk</li> <li>▪ Operational Risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish comprehensive policies and plans for business continuity management and crisis management.</li> <li>▪ Conduct a Business Impact Analysis (BIA).</li> <li>▪ Develop a Crisis Management Plan (CMP) with a versatile Playbook capable of supporting various risk-based scenarios, including physical risk scenarios.</li> <li>▪ Assess the impact on customers, closely monitoring the situation and considering remedial measures as necessary.</li> </ul>
<p><b>Chronic</b></p> 		<ul style="list-style-type: none"> <li>▪ Mandate customers to secure collateral insurance appropriate to their risk type, with continuous policy renewal.</li> <li>▪ Consider physical risk factors in the Bank's collateral valuation process.</li> <li>▪ Educate and advise customers on the importance of environmental management, including its short-term and long-term impacts on business.</li> <li>▪ Maintain a sufficient level of liquidity to execute the Bank's business plan, implementing strategies for prudently managing assets and liabilities.</li> </ul>

## Credit Risk Management

Majority of SCBX Group's revenue comes from the lending business, that is why systematic credit risk management and regular risk monitoring are crucial to the Group's operations. Failure to adequately examine climate risks in the credit underwriting process could result in financial, reputational, and legal risks since climate-induced changes may have direct and indirect consequences on our clients' business activities.

Therefore, SCBX Group, led by SCB, has incorporated climate change and ESG criteria into the credit underwriting process to thoroughly manage credit risks arise from climate change.

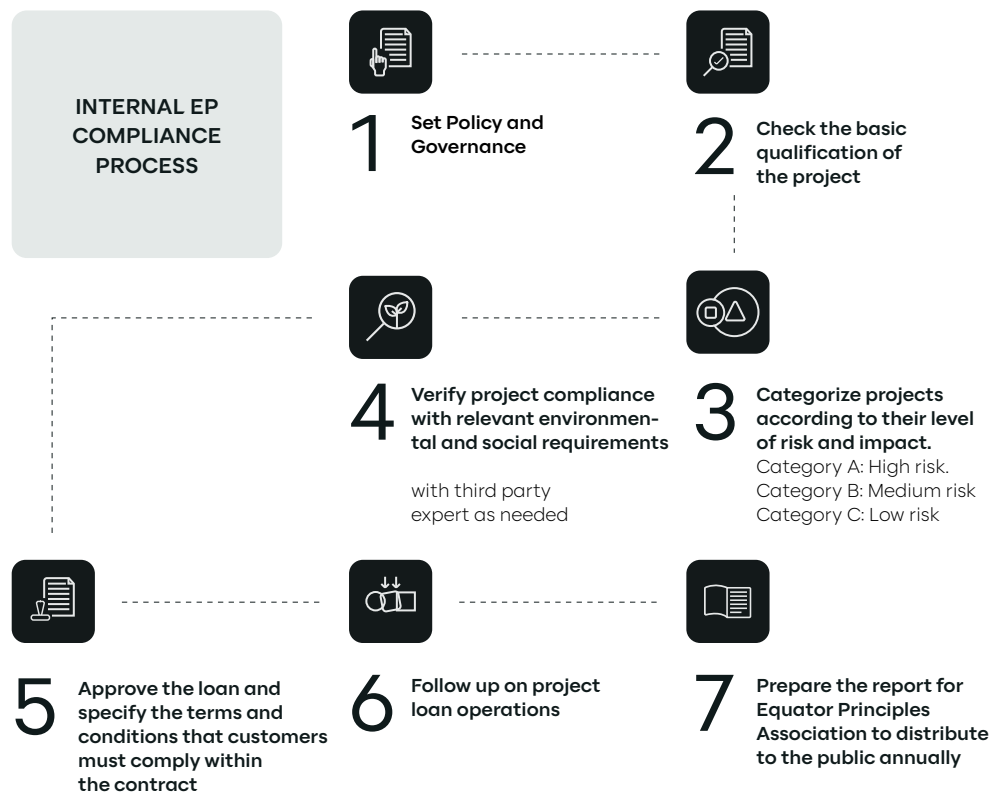




## Project Finance Risk Management in accordance with the Equator Principles

Without compelling risk monitoring, large-scale projects can cause significant impacts on the environment and society. As a signatory to the Equator Principles Association (EP) since January 2022, SCBX Group, by SCB, requires an extensive risk assessment in the underwriting process of Project Finance worth over USD 10 million. The assessment comprises identifying, managing, and evaluating environmental and social risks in compliance with the EP guidelines.

### EP-COMPLIED E&S RISK MANAGEMENT PROCESS



The Equator Principles also require the Bank’s clients to perform climate risk assessment—covering physical and transition risks as recommended by the TCFD. The assessment should factor in GHGs emissions, climate-related risks, opportunities from low-carbon transition, and potential transboundary impacts, as well as guidelines to mitigate GHGs emissions during the project design process and operation. Furthermore, the principles outline specific obligations regarding climate change, such as:

- Projects emitting more than 25,000 tons of carbon dioxide equivalent per year are required to measure both direct and indirect GHG emissions.
- High-risk (Category A) and medium-risk (Category B) projects are required to disclose the Environmental and Social Impact Assessment (ESIA) and the annual report on GHG emissions in an accessible online format.

[For more information on 2023 performance, please see ‘Sustainable Finance’ chapter on page 85-86]

## Risk Management in Fossil Fuel Financing

SCBX Group recognizes the importance of energy to the country's economic and social development. However, energy derived from fossil fuels is a major contributor to greenhouse gas emissions, exacerbating climate change issues. Therefore, SCBX Group, through Siam Commercial Bank, has established guidelines to financially support businesses related to fossil fuels (Statement on Fossil Fuel Financing). Initially two heavy-emitting industries: coal and unconventional oil & gas. The Bank will refrain from financing companies involved in projects related to new coal mines, coal-fired power plants, or dedicated infrastructure to support coal mining or coal-fired power plants. However, should a group or companies engage in several types of business, the Bank will only consider financing projects or businesses unrelated to coal while specifying conditions and process to ensure that the financial support will not be utilized to support business or activities related to coal. Additionally, the Bank will not finance exploration and production of oil and natural gas from petroleum sources in the Arctic, oil sands in deepwater seas, which were officially approved after 2021, including LNG liquefaction and other related infrastructure to support oil and natural gas businesses beyond conventional formats. In cases where a group or companies operate multiple types of businesses, the Bank will not finance companies with more than 20% of their revenue derived from oil and gas businesses beyond conventional formats as mentioned above.



## Uplifting Capabilities in Climate Risk and Opportunity Management

Throughout 2023, SCBX Group invited all executives and employees to join training sessions on risks and opportunities arising from climate change and net zero transition. We aim to foster awareness and understanding across the organization with regard to climate challenges, accounting for financed emissions, target setting based upon the Science Based Targets initiative (SBTi), and net zero strategy implementation.

### Board of Directors

SCBX has invited external experts in policy and advocacy for climate change and environmental initiatives to share insights and perspectives on the risks and opportunities arising from climate change. This aims to share with the board's understandings of Thailand's and global climate change landscapes, elevating governance and management practices related to climate change mitigation and adaptation. The discussion covered adaptation and mitigation strategies aligned with the changing context and business operations of SCBX Group. A total of 14 board members participated in this special lecture.

### Executives and Employees

Month	Topic	Participant (persons)
March	Sustainability & Climate Action...the Need-to-Know Challenge and Business Opportunity of This Era	More than 500
June	Net Zero and Energy Efficiency Building	64
June	About: Partnership for Carbon Accounting Financials (PCAF)	59
August	Financed Emissions and Sustainable Finance	119
September	SCBX Net Zero Strategy -target Setting Approaches	33
September	Exploring Net Zero Opportunities: Green Building Site Visit for Sustainable Action	26
November	SCBX Net Zero Strategy - SDA Methodology	80
November	Setting Net Zero Target for Residential Mortgage and Commercial Real Estate Sector	More than 400

# 04

## Climate-related Metrics and Targets

SCBX Group aspires to be a part of global efforts to limit the rise in average temperature within the Paris Agreement threshold of 1.5°C. We have set ambitious targets to reach net zero in our own's operations (Scope 1 and 2) by 2030 and net zero in financed emissions (Scope 3) by 2050.

As the first financial institution in Thailand to declare the net zero ambition that builds on a science-based methodology, SCBX pursues the SBTi-aligned goals to mitigate GHGs emissions and support all stakeholders in the transition to a low-carbon economy.





## Towards Net Zero

SCBX Group continues to reduce GHG emissions from its business activities through various initiatives. These include enhancing energy efficiency, installing HVAC systems in buildings, promoting the use of renewable energy, transforming to electric vehicles, and implementing the Work from Anywhere policy. SCBX Group achieved its target of reducing GHGs emissions from own's operations by 7% in 2023.

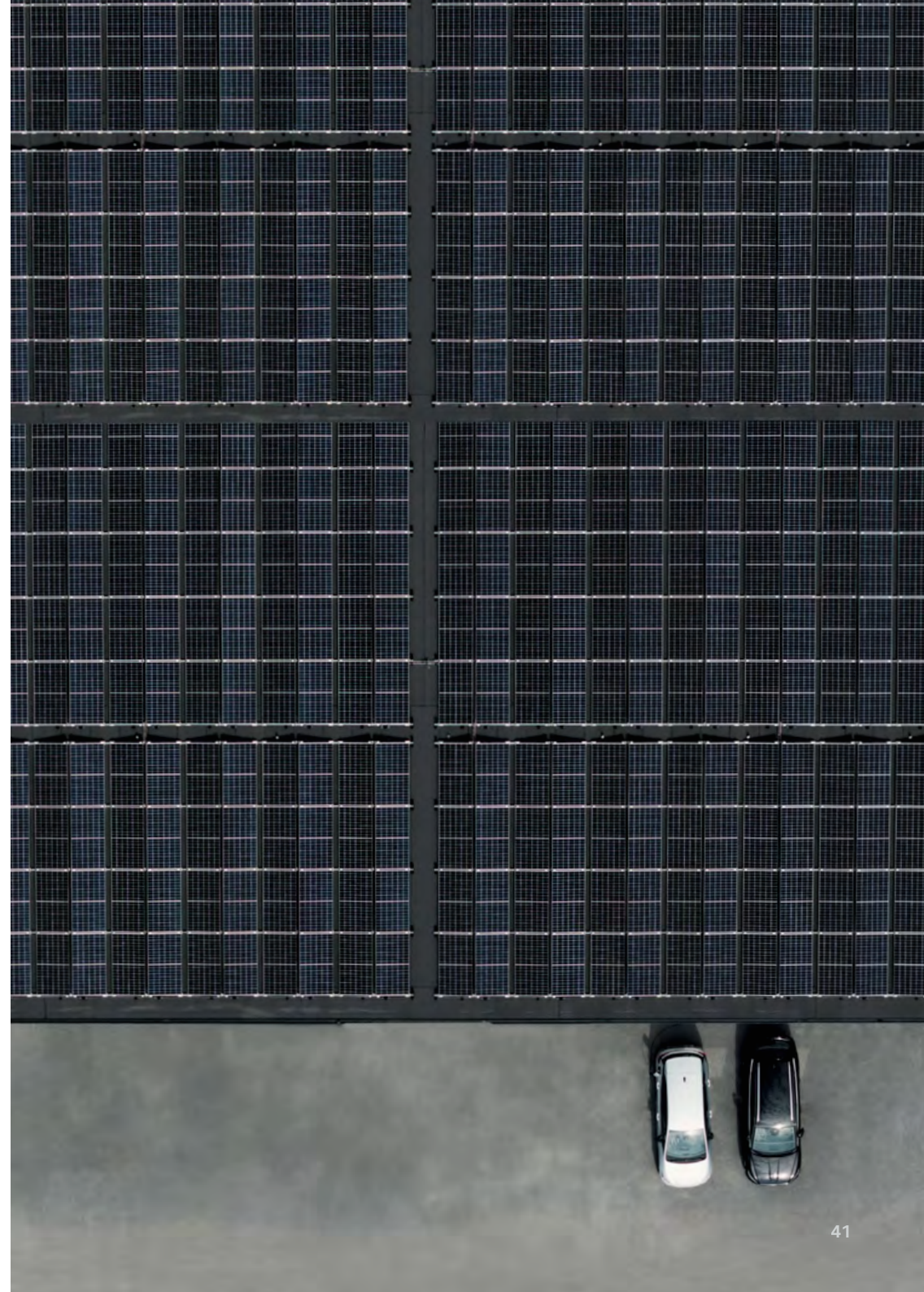
At the same time, SCBX recognizes an urgent need to address the Scope 3 Category 15 emissions (Financed Emissions), which account for 99% of total GHGs emissions of SCBX Group (Scope 1, 2, and 3 (category 15)). In 2023, SCBX and SCB compiled a GHGs inventory and emission data in the base-case scenario, following the Partnership for Carbon Accounting Financials (PCAF) standards. In doing so, we aim to measure GHGs emissions from each industry in the Bank's credit portfolio and design the well-suited net zero roadmap. Our first priority are the heavy industries and sectors most impacted by GHGs emissions. The assessment outcome showed that the power sector made up the credit exposure at 9% and contributed the largest share of environmental footprints at 56%. The approximated emissions cover only upstream businesses (e.g., electricity generation) and Scope 1 and 2 emissions. The midstream (e.g., transmission and distribution) and downstream businesses (e.g., sale of electric power) are excluded from the assessment, given that electricity generation is the largest source of GHG emissions due to fossil fuel combustion (oil, natural gas, coal, etc.)

The assessment results subsequently informed a net zero pathway for the electricity sector, in accordance with the Sector Decarbonization Approach (SDA) and with the Implied Temperature Rise (ITR) for other sectors. The pathway is being reviewed and approved by the SCBX's and SCB's Board of Directors. It is expected to be publicly communicated in 2024.

[For more information on 2023 performance, please see 'Net Zero Emission and Climate Technology' on page 93-99]

Furthermore, in 2023 SCB supported businesses and projects aimed at mitigating the impact of climate change or adapting to it through financial support, financial advisory services, and sustainable investments, totaling Baht 161,090 million.

[For more information on 2023 performance, please see 'Sustainable Finance' chapter on page 87-91]





# HIGHLIGHTS OF 4 PILLARS



3

# PLANTING DIGITAL SEEDS



44 Digital Solutions and Security  
53 Digital Skills of the Future

# Digital Solutions and Security

## Challenges and Opportunities

The advent of digital technology has brought about both positive and negative impacts on businesses, while fostering growth through innovation and new business models, at the same time, causing market share losses due to the inability to adapt quickly. Simultaneously, such introduction also affects society by either broadening access to opportunities or exacerbating social inequalities.

The introduction and advancement of digital technology over the past years have significantly transformed both business activities and people's lifestyles. If businesses can effectively adopt and manage these technologies, it can enhance operational efficiency, bolster competitiveness, and seize business opportunities from innovations that cater to diverse customer needs. Moreover, it can also help narrow social gaps concurrently.

However, with the vision towards becoming the financial technology group, SCBX aims to lead the utilization of technology in business development. The use of digital technology within the context of today's volatile financial and investment landscape, coupled with the rapid changes in technology or the continuous emergence of new technologies, poses increasing cyber threats with evolving and sophisticated developments. These are all risks that businesses must adapt to promptly and have sufficiently efficient information technology management systems to prevent any adverse impact on customer trust, investors, stakeholders, as well as competitive edge, company image, and reputation.

## Commitment

SCBX Group is ready to utilize technology and data capabilities in innovation research and development, along with investing in future technology in order to create diverse alternatives for sustainable business and lifestyle within a digital ecosystem, built upon a foundation of cyber and personal data security.





# Management Approach

Believing that digital solutions and new capabilities in innovation are key to helping organizations and individuals in society handle and grow with the ever-changing technology and dynamic world, SCBX Group is committed to unlocking the potential of traditional banking and financial businesses by leveraging the power of technology and innovation. This is to seek new opportunities and possibilities for businesses, alongside developing the foundational infrastructure and digital environment built on the basis of cybersecurity for Thailand's technology and cyber resilience.

SCBX drives the goal of developing digital solutions and digital security by leveraging technologies such as Big Data, Artificial Intelligence (AI), Machine Learning (ML), Blockchain, Internet of Things (IoT), and Cloud Computing for innovation, advancement, and investment in four strategic areas: Digital Banking, Digital Lending, Digital Ecosystem, and Digital Assets and Technology of the Future.



## DIGITAL BANKING

Elevating to the status of a digital bank by offering comprehensive products and services that meet the needs of customers through a mobile platform.



## DIGITAL LENDING

Unlocking access to credit for everyone, especially those who are currently excluded from the traditional credit system.



## DIGITAL ECOSYSTEM

Creating a digital ecosystem that connects relationships and enhances the customer experience in the digital era.



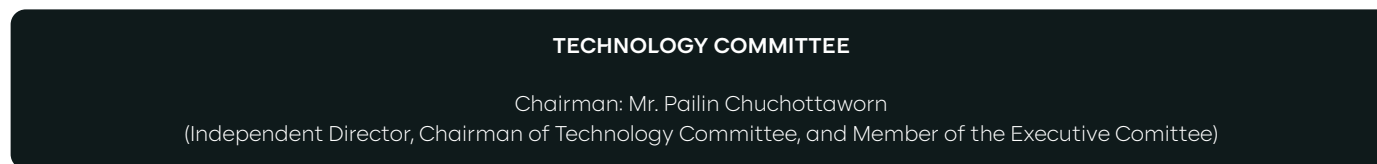
## DIGITAL ASSETS AND TECHNOLOGY OF THE FUTURE

Investing in emerging technologies with high potential and digital assets to seize opportunities for exponential growth.

SCBX has established a framework and guidelines for overseeing the technology aspect of the SCBX Group, focusing on efficiency, flexibility, and agility to support the Group in fully integrating digital technology into business operations, enhancing customer experience, and managing risk and security towards becoming an AI-First and Customer-Centric Organization.

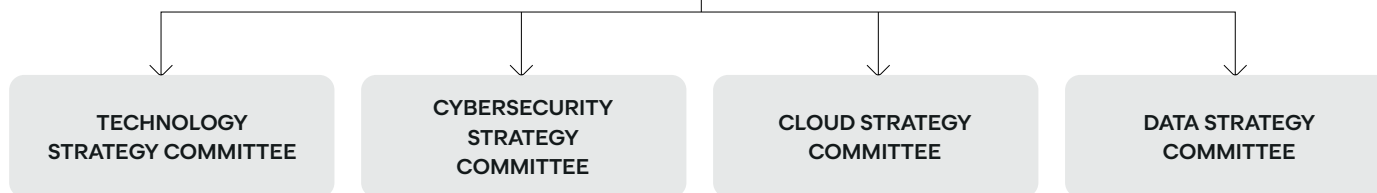
### SCBX TECHNOLOGY GOVERNANCE

Director Level



Oversight of SCBX and SCBX Group's technology strategy to ensure alignment with the Group's goals and objectives while addressing the integrity of the technology services and best practices

Management Level



Overseeing and providing direction for new technologies and its model while determining whether these technologies can add value to the Group

Setting and overseeing group-wide technology risk and cybersecurity minimum standards, adoption of standards, and reporting on compliance with the set standards

Overseeing cloud adoption and setting cloud strategy, models, policies, standards, and architecture within the Group

Endorsing group-wide data related policies, processes, and practices, setting direction on data architecture, infrastructure, and security



# Target and 2023 Performance



## 2025 TARGET:

Investing Baht 14,000 million in digital initiatives and innovations and achieving zero tolerance on information security breach.



## 2023 PERFORMANCE:

Invested a total of Baht 5,773 million in developing and improving digital products and services and consistently ensured the zero tolerance on information security breach.

# 01

## Strengthening Technological Capabilities and Cybersecurity Resilience to Create a Robust and Secure Digital Ecosystem

### Established Cloud CoE and Cyber CoE

To establish a foundation for building core technological and data capabilities and move towards leadership in the financial technology sector in the region, in 2023, SCBX established Centers of Excellence (CoEs) in Cloud and Cybersecurity, in addition to the existing Data CoE, supported by SCB DataX to enhance data capabilities across the Group.



CLOUD COE



CYBER COE

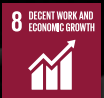


DATA COE

Delivering world-class cloud services to SCBX Group and supporting the migration of all operations to the cloud to enhance system stability, improve cost efficiency, and prepare for future emerging technologies.

Enhancing the cybersecurity capabilities of the SCBX Group by implementing state-of-the-art cybersecurity systems, including monitoring and certifying management practices according to standards.

Promoting data capabilities and analytics within the SCBX Group to align with international standards, ensuring efficient data exchange both within and outside the Group, resulting in utmost benefit and effective outcomes from data utilization.



## Developing Technology Management Systems Across the Group

To ensure that the SCBX Group has an effective technology management strategy to support business growth and continuously improve customer satisfaction, in 2023, SCBX undertook the following key initiatives:

### POLICY DEPLOYMENT

- Announced three policies and 12 standards of group-wide security and cloud standards to enable the Group's resilience, ensure prudent governance, and strengthen security.
- Announced SCBX Group Data Governance Policy and SCBX Group Data Sharing Policy, which have been rolled-out to subsidiaries. These policies aim to establish direction, structure, and framework for data governance and data sharing among subsidiaries and with external parties.
- Announced the Cloud Usage Management Policy and is in the process of developing the Access Management policy to govern how the Group uses cloud securely and efficiently.

### PROCESS MANAGEMENT

- Conducted the Group baseline cyber maturity assessment and the deep-dive assessment with four strategic companies, which are Siam Commercial Bank, InnovestX, CardX, and AutoX.
- Developed and implemented the Security Operations Center (SOC) and the Cyber Security Center of Excellence (CoE), which provide subsidiaries with the capabilities and resources to monitor, detect, respond, and recover from cyber incidents, as well as to enhance their cyber resilience and maturity.
- Launched the Cloud Landing Zone and the Cloud Support Center, which enables subsidiaries to provision and manage their cloud infrastructure and services in a secure, efficient, and standardized manner.
- Explored and experimented with new technologies such as AI, blockchain, and sustainability solutions in order to deliver innovative solutions and use cases that create value for the Group and their customers.

### PEOPLE CAPABILITY

- Fostered a collaborative culture within SCBX and across the Group, where technology risk is perceived as a business enabler rather than a compliance burden.
- Enabled early adoption of Generative AI among employees and generated use cases for application across the Group.

## Strengthening Cybersecurity and Data Management

New technologies like Artificial Intelligence (AI), Robotics and Automation, Machine Learning (ML), and the Internet of Things (IoT) come with inherent risks that need to be properly assessed and managed.

SCBX understands that cybersecurity and data risks can have significant impacts on business continuity, operational costs, reputation, and customer trust. In 2023, SCBX therefore established governance structures, policies, and relevant standards related to cybersecurity and data security to create and maintain the security and confidentiality of data, systems, applications, and networks owned or controlled by SCBX Group.

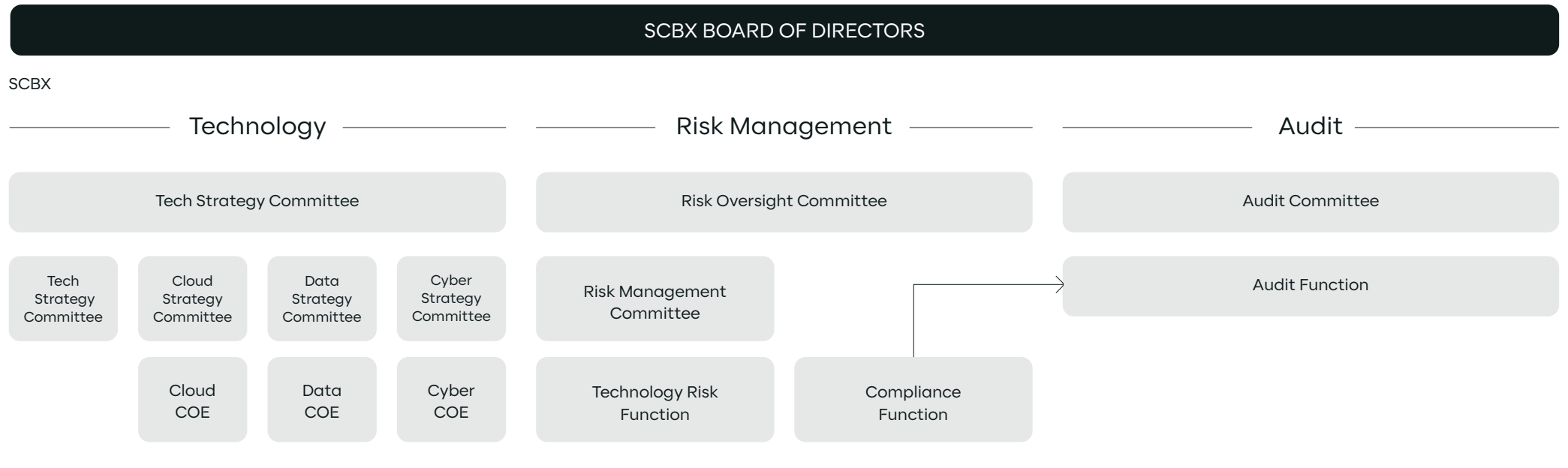
- Setting frameworks for maintaining the Confidentiality, Integrity, and Availability of data and systems.
- Establishing roles and responsibilities for protecting data and systems.
- Implementing controls to prevent unauthorized access, disclosure, and loss of data and systems.

### POLICY AND MANAGEMENT STANDARD

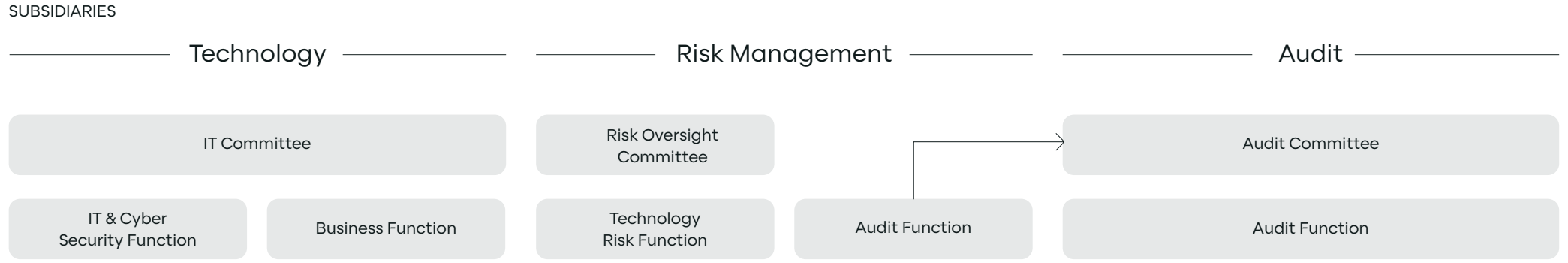
In 2023, SCBX developed and announced the implementation of 3 policies and 12 standards for managing cybersecurity and technology risks, aiming to ensure readiness for adaptation, explicit governance, and continuous improvement in security within the SCBX Group.

Policy	Standard
Technology Risk Management	<ul style="list-style-type: none"> <li>▪ Security and Tech Risk Awareness</li> <li>▪ Technology Risk Management</li> </ul>
IT Third Party Risk Management	<ul style="list-style-type: none"> <li>▪ IT Third Party Risk Management</li> </ul>
Information and Cybersecurity	<ul style="list-style-type: none"> <li>▪ Cloud Security</li> <li>▪ Secure System Development</li> <li>▪ Identity and Access Management</li> <li>▪ Security Remediation and Patch Management</li> <li>▪ Network Security</li> <li>▪ Endpoint Device Protection</li> <li>▪ Data Security</li> <li>▪ Logging &amp; Auditing</li> <li>▪ Security Incident Response</li> </ul>

CYBERSECURITY AND DATA SECURITY GOVERNANCE



SUBSIDIARY BOARD OF DIRECTORS



# 02

## Developing Digital Solutions that meet the Financial and Investment Needs of all Customer Groups

SCBX Group utilizes technology to develop and enhance products and services, including continuously innovating new financial solutions. This ensures access to services that meet diverse needs and promote financial well-being for all customer groups.

### Aiming for a full-fledged digital bank

In 2023, Siam Commercial Bank (SCB) announced a new vision, 'Digital Bank with Human Touch,' with a mission to become the top digital bank in wealth management. This includes delivering seamlessly connected service experiences to customers across all channels and committed to becoming a more customer-centric digital bank by knowing customer through data, understanding them through emotions in order to become the number one choice for customers from all segments by 2025.

SCB Digital Banking (DBANK) then designs and develops products tailored to meet the specific needs of each customer segment through a platform which aimed at creating seamless service experiences across all channels and with solutions dedicated to supporting continuous success for business owners.



**PRODUCTS**  
Personalized Products for Every You

- Digital Savings
- Digital Loan
- Digital Investment
- Digital Insurance
- Digital Payment



**PLATFORMS**  
Omnichannel Experience for Every Moment

- SCB EASY
- SCB Connect
- Just4U
- SCB Protect Online



**SOLUTIONS FOR PARTNERS**  
The Best Digital Solutions to Help Business Succeed

- Payment
- Lending
- Other

### PART OF OUR COMMITMENTS IN 2023



#### DIGITAL LOAN

'UP Quick Cash', digital lending tailored for small and medium-sized enterprises (sSME) available through the SCB EASY to enhance financial flexibility for businesses or investments without requiring individuals or collateral, customers can plan installment payments according to their ability, and there is no fees.



#### DIGITAL WEALTH

'EASY-D Stock Loan Account – Paperless Stock Deposit Service' allows retail investors to conveniently, quickly, and securely combine stock investments without the need for physical stock certificates. Additionally, the 'SCB Omnibus Fund Account' offers customers more investment options with mutual funds from various asset management companies (AMCs) accessible through the SCB EASY, in addition to the 'Wealth4U', a feature providing personalized basic investment product recommendations, which the Bank introduced at the end of 2022.



#### DIGITAL PAYMENT

SCB Cross Border Payment - Tracking service for businesses to independently monitor the status of international money transfers via the website [www.scb.co.th](http://www.scb.co.th), available 24 hours a day. This helps businesses manage their operations and cash flows, as well as support long-term business transactions between Thai businesses and foreign counterparts.



## Creating a Digital Ecosystem that Caters to Every Lifestyle through a Super App

Purple Ventures Limited, expanded its platform 'Robinhood' from 'Robinhood Food', a food delivery service, in the year 2020, to include 'Robinhood Travel', a comprehensive online travel service, 'Robinhood Mart', a service for ordering fresh produce and goods, and 'Robinhood Express', a courier and express document delivery service, in the year 2022, before advancing to

become a full-fledged 'Thai Super App' in 2023 by launching 'Robinhood Ride' for ride-hailing, 'Robinhood Finance' for microloans, and 'Robinhood EV' for electric scooter rentals, ready to cater to and meet the lifestyle needs of customers in the digital age.

[For more information, refer to the chapter 'Empowering Businesses and Small Entrepreneurs' on page 74-76.]

STARTING POINT

# 2020



FOOD

# 2022



TRAVEL



MART

# 2023



EXPRESS



RIDE



FINANCE



EV

# 2024



MAID



2W RIDE



## Driving Development of Financial Investment, Digital Asset Ecosystems and Comprehensive Digital Solutions



**Dr. Arak Sutivong**  
Chairman of the Board  
InnovestX Securities Company Limited

SCBX Group, led by InnovestX Securities Limited (InnovestX), a leader in investment and comprehensive digital asset services through the InnovestX Application, Thailand's first super app that unites all assets in a single app, and Token X Limited (Token X), a provider of digital token offering systems (ICO Portal), have joined forces to introduce the innovation called **'RealX' - a digital investment token** for real estate investments in Thailand. RealX represents condominiums in three potential locations: Park Origin Phrom Phong, Phaya Thai, and Thonglor. This initiative aims to provide investors with the opportunity to access and own high-value assets such as real estate without requiring a large amount of capital. It presents a new investment option for Thai investors, allowing them equal opportunities. Customers can invest through the TokenX app, which serves as a platform for comprehensive digital token investment services, supporting registration, investment, booking, and allocation of digital tokens, all within a single app. The system ensures the highest level of enterprise-grade security and enables trading on the InnovestX app as a secondary market.

With a steadfast commitment to advancing traditional investment services alongside the development of the future financial and investment industry ecosystem, InnovestX continuously innovates products and services that cater to investors' needs. In the year 2023, **InnovestX partnered with TradingView**, a world-class platform, to become the first securities brokerage in Thailand to allow investors to directly trade stocks through the TradingView platform. This enables investors to view real-time stock data and utilize technical analysis tools, empowering them to invest more effectively and efficiently in a timely manner. Simultaneously, driven by the intention to foster new possibilities in both broad and deep business aspects leveraging AI responsibly, InnovestX has partnered with Microsoft to utilize Microsoft Azure OpenAI technology in developing automated investment analysis reports. These reports combine insights from InnovestX's expert analysts, providing investors with timely information to make investment decisions. The **"Earnings Brief, powered by AI,"** which summarizes company performance analysis, incorporating viewpoints from InnovestX analysts, has been made available for investors and the general public on the InnovestX website or through the InnovestX app. In addition to being the first securities company in Thailand to fully utilize digital identity verification innovation through e-KYC (electronic Know Your Customer) via the NDID (National Digital ID) system for InnovestX application service registration, anytime, anywhere, the company also leverages blockchain technology in developing the infrastructure of the digital asset system. This is achieved through collaboration with leading partners such as Fireblocks and Elliptic to develop comprehensive digital asset products and services and ensure asset storage meets global security standards.

In addition, **SCB TechX has elevated its collaboration with Microsoft Thailand as a Microsoft Solution Partner.** This collaboration aims to uplift the capabilities and expertise of the SCB TechX team in delivering end-to-end digital solutions (Digital and Application Innovation) and establishing the foundational framework of Azure Cloud Infrastructure. These efforts align with the needs of organizational customers for developing Cloud-Native Applications, Cloud Migration, and managing Cloud Infrastructure services using Microsoft Azure Cloud as the foundational structure. The objective is also to enhance operational efficiency for organizational customers and adapt the usage of Azure Cloud according to their specific needs while driving Thailand forward in the era of transformation with AI and cloud technologies.

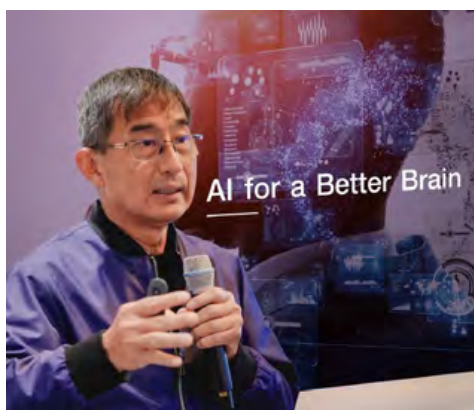
# 03

## Bringing Technology to Drive towards a Digital-First and Customer-Centric Organization

With the new vision of 'Digital Bank with Human Touch' aimed at becoming a 'Better Bank,' it addresses the key challenges of Siam Commercial Bank (SCB), which are to drive business with technology and to prioritize customers at the center.

The determination has led to a crucial decision regarding the upgrading of the 'Core Banking System' from being hosted on mainframe technology to a Public Cloud environment in 2023. SCB chose Microsoft Azure as its service provider and pursued three main initiatives to achieve its following goals.

- 1. Better Brain:** Developing a smarter analytics system by leveraging AI/ML to analyze vast amounts of customer data in order to understand the true needs of customers.
- 2. Digital Convenience or Omni Channel:** Providing maximum convenience to customers through all service channels with the support of Better Brain.
- 3. Hyper-personalization Product:** Designing financial services that cater to individual needs, as true customer understanding allows the Bank to customize services to each customer's needs, especially in lending services, where the Bank can offer interest rates based on the risk of each customer.



**Mr. Orapong Thien-Ngern**  
President and  
Chief Technology Officer

**"If we look at innovating and enhancing our capabilities to support businesses simultaneously, SCB has decided that transitioning Core Banking to Cloud technology from now on is better. We cannot afford to wait until the competition catches up before making the change because by then it might be too late.**

**Our goal is 100% migration to Cloud technology within 4 years. During the transition, we will run both mainframe and Cloud technologies concurrently because it's not feasible to do everything all at once."**

In addition to developing the core banking system, the Bank has also utilized technology to present products and improve service processes to better meet customer needs. To ensure that digital solutions and services continuously align with customer behaviors and preferences, the Bank has implemented the Net Promoter Score (NPS) tool to measure customer satisfaction and engagement to service quality through three channels: Digital Banking (SCB EASY), bank branches, and customer service centers. In 2023, customer satisfaction survey results showed an improvement compared to 2022 and exceeded the set targets.

Customer Satisfaction	2021	2022	2023	2024 Target
NPS Target	75	76	78	82
NPS Score	75	78	81	
Data Coverage (%)	100	100	100	

Moreover, the consistently increasing NPS scores each year result from development and improvements based on feedback and reflections from customers across all service channels. Particularly in Digital Banking, which customers expected the Bank to improve the most based on the 2022 survey results. This was due to occasional usability issues that prevented customers from conducting financial transactions or required extended login times. In 2023, the Bank invested in further improving the architecture within SCB EASY, including:

- Expanding the SCB EASY system to accommodate the continuously growing number of users.
- Integrating the SCB EASY with the New Payment Domain system to enhance efficiency in money transfer transactions.

Additionally, additional investment was made to improve cybersecurity measures to enhance system stability and security, resulting in an improved NPS for the SCB EASY.

For 2024, the Bank has set an NPS target of 82, higher than that of 2023, reflecting the commitment to continually driving operations focused on customer-centricity and continuous improvement.

# Digital Skills of the Future

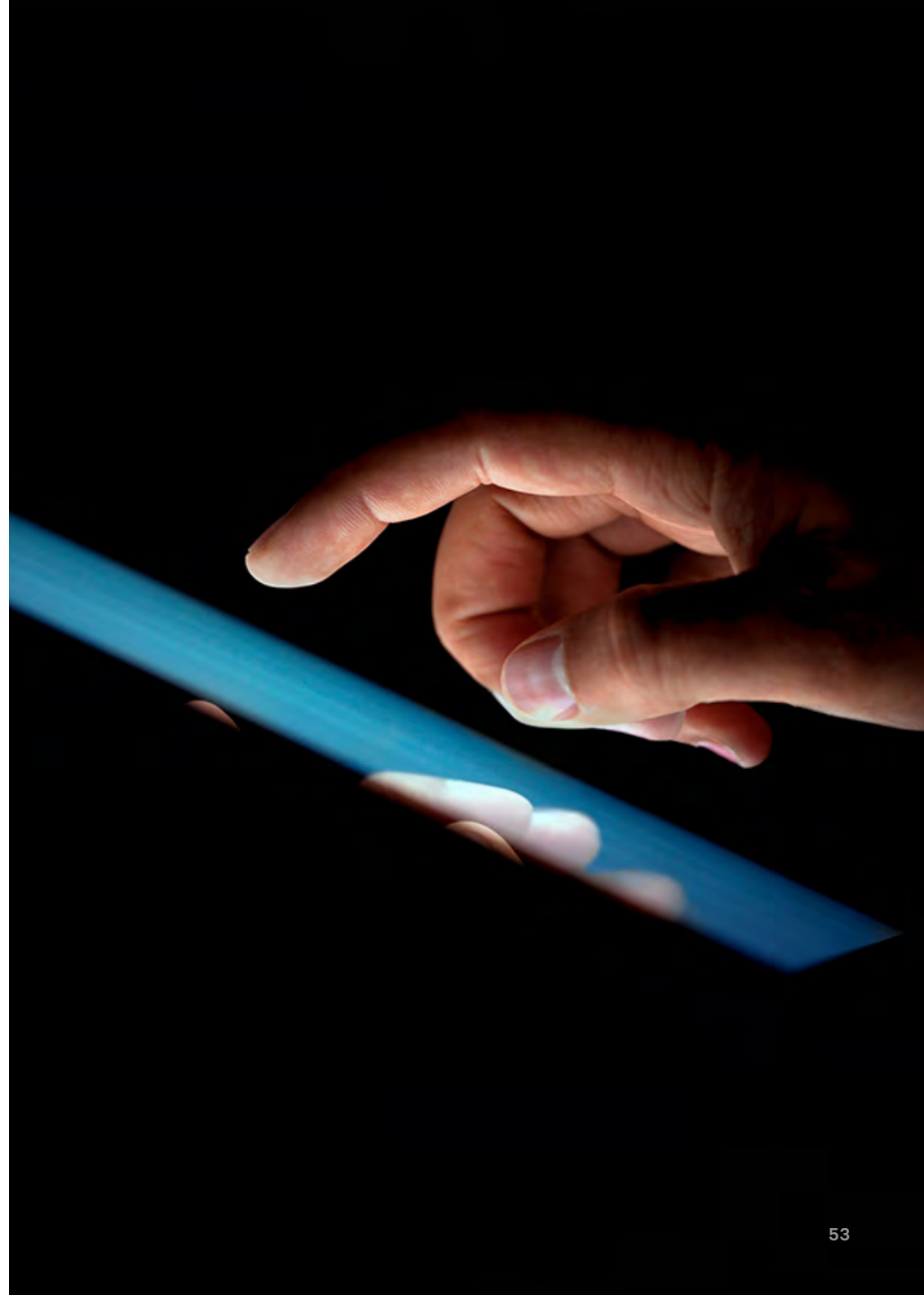
## Challenge and Opportunity

The rapid evolution of technology is transforming the global landscape like never before. It is crucial for every industry and organization to efficiently adapt, stay abreast of changes, and seamlessly integrate technology into business strategies and operations.

SCBX Group recognizes the paramount importance, especially in the digital age, of cultivating the digital skills of the future to empower people to adeptly harness technology with full knowledge of its potential and implications. These skills not only fortify business competitive edge but also foster innovation and new value to our customers and society, while paving the way for sustainable economic growth.

## Our Commitment

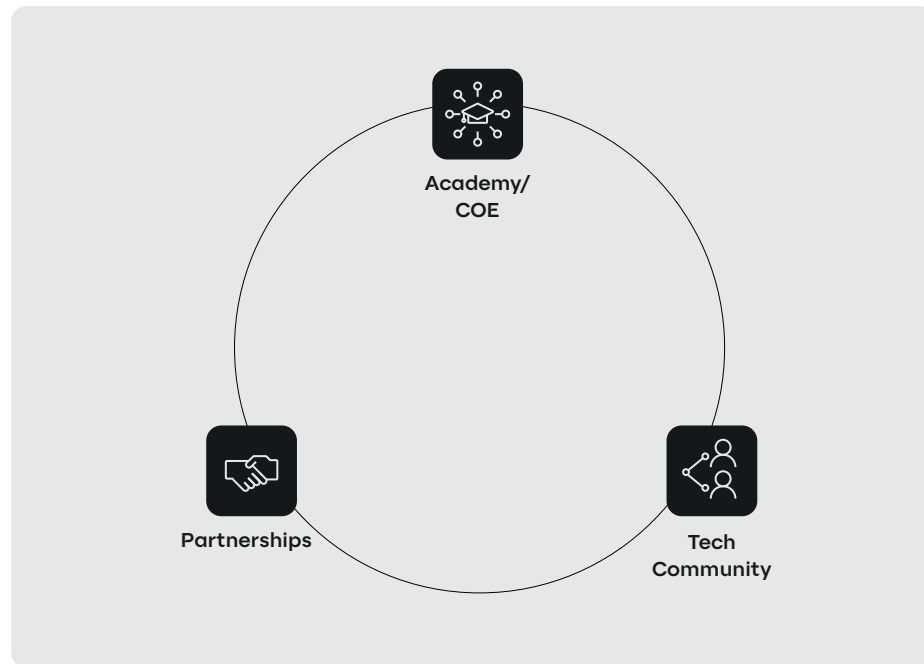
SCBX Group aspires to nurture the digital skills of employees and the future workforce. The Group also promotes technological digital literacy in society in an effort to propel long-term economic growth, broaden employment opportunities, and uplift people's quality of life.





## Management Approach

SCBX Group has formulated a digital skill development roadmap that goes beyond just operational alignment with the corporate vision of becoming a leading tech company through different strategies, one is to transform into the AI-First Organization and become a driving force of Thailand's digital economy. To this end, it is necessary to equip our employees with fundamental understanding of broad AI adoption and deep AI development, along side basic skills in technology, data, and cybersecurity. SCBX has partnered with world-class AI and technology firms to champion skill-building initiatives and harness AI capabilities. The Group has initiated learning programs to enhance employees' skills, enabling them to unleash their full potential and foster career growth in the digital era. Through multiple collaborative efforts, SCBX aspires to cultivate a vibrant tech community that helps nurture a digital ecosystem and shape the future of learning.



## Key Target and Performance in 2023



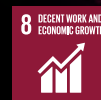
### 2025 TARGET:

Nurture digital skills for 200,000 employees and people in society



### 2023 PERFORMANCE:

123,696 employees and individuals have acquired proficiency in AI, data analytics, critical thinking, and digital technology skills—all of which play a crucial role in current and future business operations



# 01

## Teaming Up with World-Leading Partners to Promote Learning and Utilization of AI



### Microsoft 365 Copilot Champion Program

In partnership with Microsoft, SCBX implemented the 'Microsoft 365 Copilot Champion' project. This pioneering initiative selected 300 employees within SCBX Group as the Copilot Champion tasked with leveraging Microsoft 365 Copilot—the Generative AI—to enhance their work efficiency and productivity. Every week, the Copilot champions documented their use cases, articulated step-by-step utilization methods, and how many hours were saved using AI tools. Furthermore, the initiative also encouraged knowledge sharing among Copilot champions and facilitated adoption through daily training sessions. The project performances were reported to SCBX executives during the monthly CEO AI Forum, showcasing the tangible impact of AI integration within the organization.

Three months following the project initiation, SCBX hosted the 'SCBX Copilot Showcase Demo Day,' offering a platform for copilot champions to present their use cases to SCBX executives, Microsoft representatives, and fellow SCBX employees. A total of 13 copilot champion teams joined the event to share valuable insights and exchange ideas with other participants.

**300**  
Copilot  
Champions

**200**  
Use Cases



## Financial Services & AI Corporate Affiliate Program

SCBX partnered with the Stanford Institute for Human-Centered AI (HAI), the world-leading educational institution, and became the first international member to join the program.

The collaboration provides SCBX with access to cutting-edge research, innovative technological experiments, and academic knowledge exchange—particularly in the realm of financial technology. This encompasses Foundation Models, AI safety, Fintech, Blockchain, Sustainability, Insurance, and more. In addition, the program opens up opportunities for academic visits to Stanford HAI in the United States for scholarly exchanges.

In 2023, SCBX and Stanford HAI arranged a series of 6 AI workshops between August and December. The workshops were conducted both online via Microsoft Teams and onsite at SCB Academy Playground, attracting a total of 1,200 participants.

**6**  
workshop sessions

**1,200** employees  
participated in the workshop



**Michael Bernstein**  
Building an AI Application  
from Idea to Production



**James Landay**  
Human-centered  
Artificial Intelligence



**Melissa Valentine**  
Building an AI-powered  
Organization



**Clark Barret**  
Responsible Artificial  
Intelligence



**Diyi Yang**  
Generative AI Trust



**Markus Pelger**  
AI for Financial Services

# 02

## Advancing Data and Digital Technology

### Building a Data-driven Organization and Fully Evolving into a Digital Bank with Deeper Insights into Clients

With our vision to become a 'Digital Bank with Human Touch' that deeply understands clients through data analytics and delivers tailor-made financial products alongside seamless service experiences across all channels, SCBX Group by SCB places great emphasis on equipping employees with skills and new ways of working in the digital age. Central to this effort is the ongoing 'Data - Lean - Design Thinking and Agile (Dgile) program.'

In 2023, SCB had 3,550 Digital Champions and offered upskilling sessions on Generative AI for more than 1,800 employees through various courses. These include AI for Financial Services, Application from Idea to Product, Generative AI 101-102-103, ChatGPT Expert Prompt Engineering 101, Boost Productivity with Generative AI Tools, ChatGPT and AI Intensive for Marketing, and more.

#### Data Analytics



#### OBJECTIVE:

To cultivate a data-driven organizational culture wherein employees can analyze and leverage data as a critical element in their work and decision-making processes, thus strengthening operational efficiency, business opportunities, and customer-centric value creation.

#### APPROACH:

The Bank continues to nurture knowledge and 6 basic skills for data analysis, including No-code Low-code automation tools, for employees at all levels through project-based learning and blended learning approaches. This encompasses self-learning, hands-on training, practical sessions, and performance presentations—all of which enable employees to learn and apply data analytic concepts and tools to assess, present, and make more informed decisions.

#### 6 Basic skills for data analysis

Business Understanding

Data Tools

Critical Thinking

Data Visualization

Data Analytics

Data Storytelling

Improved operations/ processes of  
**108**  
projects

Enhanced  
**42**  
products and services

Generated income of more than  
**200-350**  
million Baht/ year

The Bank has designed a skill development pathway for employees in data analysis, consisting of 3 distinct levels: Data Foundation, Data Champion, and Data Expert. In 2023, the Data Coach program was introduced which brought together data experts interested in enhancing their skills through coaching projects. As part of this initiative, data coaches were required to undergo more than 56 hours of additional training and accumulate coaching service hours for over 10 projects.

**2,206**  
employees underwent the training

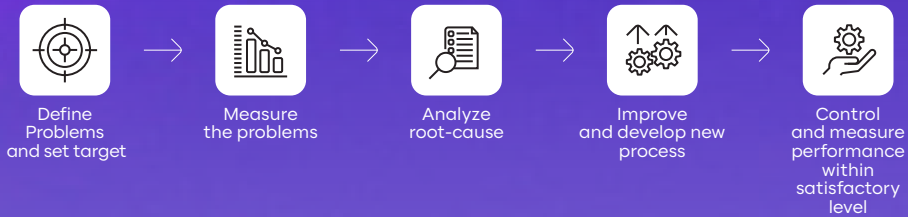
LeanX



OBJECTIVE:

To transform the organizational workflow by fostering agility, lean practices, efficiency, and cost-effectiveness.

Approach:



The Bank promotes the adoption of DMAIC principles to enhance work process efficiency, in order to streamline operations and eliminate redundancies, while fostering collaboration within the organization. SCB actively encourages employees to partake in pragmatic learning and coaching programs that equip them with the necessary skills to analyze current organizational workflows, identify hidden losses, and develop practical strategies for improvement.

Enhanced and streamlined the operations of

**25**  
projects

Reduce costs and foster sales opportunities of more than

**100**  
million Baht

**1,142**  
employees underwent the training

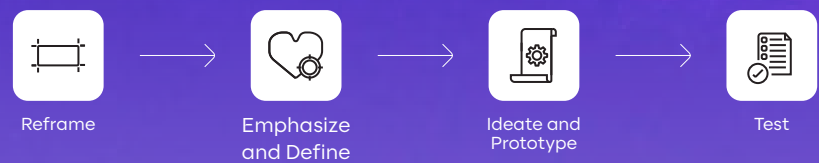
Design Thinking and Agile (Dgile)



OBJECTIVE:

To enhance the capabilities of SCB employees to gain deep insights into and effectively address customer needs, thus enabling the development of better financial solutions and new business operations that accommodate sustainable growth.

Approach:



The Bank strives to nurture skills that enable a profound understanding of customer needs through a Design Thinking approach to foster innovation or explore new ideas. Agile work concepts were also integrated to streamline workflows and enhance operational efficiency. To support this initiative, Design Thinking Coaches are appointed to advise employees on effectively utilizing design thinking principles.



DIY Design successfully developed and generated business benefits of approximately

**124**  
million Baht.



**202**  
employees underwent the training



## Forging a Foundation of Fintech and Future, Powered by Data and Cutting-Edge Technology

SCBX Group, by SCB DataX, recognizes the pivotal role of harnessing data and AI, both of which offer boundless potential to foster innovative and responsible outcomes. As a provider of business analytics services, SCB DataX aspires to strengthen our competitive edge by utilizing big data, data science, and AI technologies. In pursuit of this goal, the company consistently organizes training sessions and seminars for SCB DataX and employees in SCBX Group, and for the future workforce.

### PART OF OUR EFFORTS IN 2023

New employees at SCB DataX

#### Azure Databricks Training



GitHub



DevOps



Data Privacy



Consent Management



NLP



LLM



Agile



Scrum

Training on cloud platforms (Azure) and cloud-based platforms (Databricks) were provided for data engineering, machine learning, and advanced analysis processes through workshops, discussions, experience exchange, and learning activities.

SCBX employees

**Knowledge-sharing sessions on data protection, data science, and AI** for 5 subsidiaries: SCBX, CardX, AutoX, InnovestX, and TechX.

#### Special Seminar: DataXperts First Seminar

##### Visualizing the Present and Future of Data and AI in Fintech

A seminar to share insights and perspectives on future opportunities and innovations enabled by the utilization of data and AI technology, focusing on developing responsible financial solutions and ESG principles in business.

#### Second Seminar Generative AI: Harnessing Its Potential Responsibly

A seminar to illustrate the boundless capability of Generative AI alongside its positive and negative impact analysis, responsible applications (in business, education, and society at large), and how to mitigate risks and address impacts from inappropriate use of technology.

Future workforce

**Open House activities** hosted by SCB DataX: the activities include lectures on Data and AI for university students as well as workshops to enrich learning experiences and enhance their readiness before entering the professional world.

# 03

## Building the Tech Community for the Future of Learning

### Driving the growth of Thailand's tech industry to stay buoyant in the rapidly changing future landscape

SCBX understands that an accommodative ecosystem is crucial to facilitating technologies and innovations. To this end, SCBX teamed up with Siam Paragon to establish the 'SCB NEXT TECH' spanning over 4,000 square meters on the 4<sup>th</sup> floor of Siam Paragon department store, with an investment of Baht 200 million. SCB NEXT TECH is an 'open space' that welcomes people of all generations who are passionate about the digital world to exchange knowledge, engage in self-learning, find inspiration, and explore new technologies in preparing for the future digital era amidst rapid technological advancements.

SCB NEXT TECH consists of 7 Future Communities to promote the learning of technology and innovation of the future.

**1**  
Blockchain,  
Web3 & Fintech

**2**  
Healthtech  
Hub

**3**  
Social  
Co-creators

**4**  
DEV  
Connect

**5**  
New  
TECH

**6**  
Gamer's  
Guild

**7**  
AI Arena

SCBX introduced the 2 major areas, including AreaX and SCBX NEXT STAGE, which serve as the tech community hub.

#### AREAX BY SCBX

**Developer Lounge:**

Thailand's first workstation for developers and digital nomads in response to the growing trend of work-from-anywhere.

**Experience Zone:**

The learning space to offer a series of all-year-round innovation and technology workshops hosted by the SCBX Group subsidiaries and our leading partners at national and international levels.

#### SCBX NEXT STAGE

The venue for knowledge exchange through seminars and workshops, with a capacity of up to 300 attendees; this features a space for art exhibitions to accommodate the younger generation's demand.

Since its launch in October 2023, SCB Next Tech has welcomed more than 90 events—20 of which were hosted by SCBX and attracted over 2,000 audiences. Our partners include world-leading companies, such as Microsoft, Accenture, Google Developer Groups, and Getty Images, alongside local partners, namely the National Cyber Security Agency (NCSA), Vidyasirimedhi Institute of Science and Technology (VISTEC), and SCBX Group subsidiaries—such as SCB, InnovestX, and SCB10X.

Below are selected panel discussions on AI technology co-hosted by our leading partners in 2023 at SCBX NEXT STAGE:

SCBX UNLOCKING AI: EP1  
**Thailand's Path to AI Opportunities**

More information [here](#)

SCBX UNLOCKING AI: EP2  
**New Era of Generative Images**

More information [here](#)

SCBX Unlocking AI: EP.3  
**How AI Shapes the Future of Financial Service Industry**

More information [here](#)

SCBX Unlocking AI: EP.4  
**How AI See Things Like We Do**

More information [here](#)



## Becoming the Regional Innovation Hub for Blockchain, Web 3.0, and Deep Tech

SCBX Group, by SCB 10X, recognizes that a sustainable innovation ecosystem thrives on strong synergy and robust networks among innovators, startups, and business partners. To this end, SCB 10X aspires to establish a Regional Innovation Hub that serves as a collaborative space for tech talents and tech communities in Southeast Asia while reinforcing the innovation ecosystem and investments in Blockchain, Web 3.0, and Deep Tech. The initiative comprises 3 major approaches:

1

**Foster Community and Ecosystem**

Build, Connect and Expand

Nurturing innovation ecosystem and communities via 'DISTRICTX'—a creative space for international community-building

2

**Gather Talents and Incubation**

Boost, Build and Hack

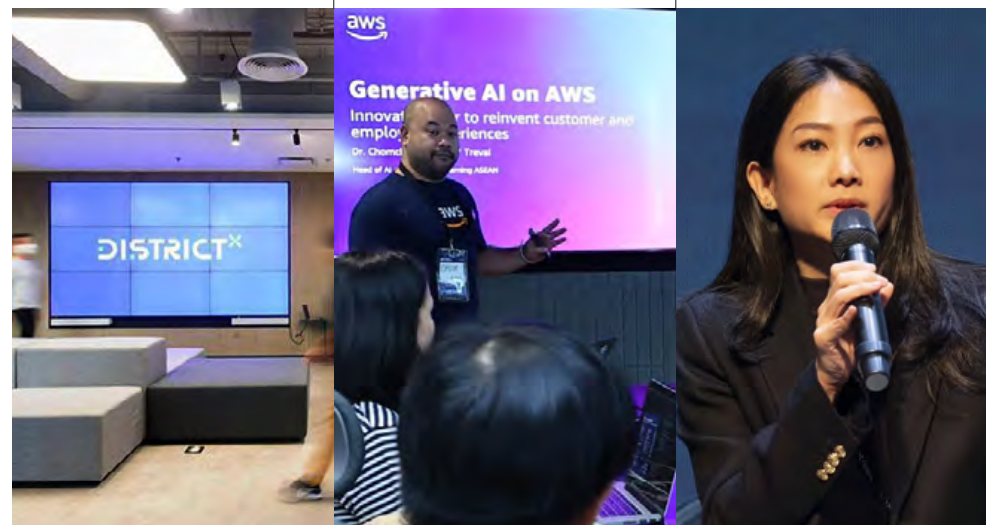
Incubating, developing, and uncovering top-notch innovators through open competitions that bring together developers and creators from around the world

3

**Sharing Knowledge from global perspective**

Inspire and Get Insights

Inspiring and gaining in-depth data through knowledge-sharing and exchanging global perspectives with experts worldwide



## DISTRICT<sup>x</sup>

In December 2022, SCB 10X launched the “SCB 10X DISTRICTX,” a collaborative space designed for innovators, startups, and partners from prominent global companies specializing in Blockchain, Web 3.0, and Deep Tech. DISTRICTX serves as a dynamic space where these stakeholders can engage with the community, forge valuable networks, and cultivate innovative business ideas that unlock boundless growth opportunities. We aim not only to nurture an international community but also to establish a leading hub in Asia.

To position DISTRICTX as the Regional Innovation Hub in Asia, in 2023, SCB 10X initiated 16 regional-level activities in 2023, both online and onsite, with a primary focus on Blockchain and Web 3.0. The events also expanded to cover SCBX Group’s focus areas, including AI and Deep Tech, such as the AI Hackathon, AI Virtual Summit, and more.



4

Regional Events

**Organizing regional events to facilitate connections between SCBX Group’s subsidiaries and communities across Southeast Asia**

- The Sandbox Partners Day
- Fireblocks Thought Leadership Event
- Axelaton SEA 2023
- Trust Me I’m A BLOCKAHOLIC



3

Regional Annual Events

**Hosting regional annual events to support tech talents and global tech communities, specializing in Blockchain and Web 3.0 technologies**

- Redefine Tomorrow 2023
- Bangkok Blockathon 2023
- Bangkok AI Hack 2023



6

Meetups and Mini Panels

**Organizing networking events and mini discussion panels aimed at nurturing knowledge of AI, Blockchain, Digital Asset, and Web 3.0 among local and regional communities**

**Bi-monthly Moonshot Meetup**

- #1 Meet & Merge
- #2 First Meet with SUI
- #3 Large Language Model and ChatGPT
- #4 Exploring the World of Computer Vision
- #5 Future of Jobs in the Metaverse
- #6 Demystifying AI: How Organizations Can Build with Emerging Tech



3

SCBX Group and Local Developers’ Events

**Accommodating SCBX Group and local developers to connect with the tech communities**

- SCBTechX Meetup
- Disrupting Real Estate Investment with Digital Tokens hosted by TokenX
- Bangkok Opensource Workshop



From our endeavor to successfully launch the DISTRICTX, in 2023, SCB 10X was awarded the ‘Recognition of Excellence Awards’ from OpenGov Asia (an organization and content platform dedicated to sharing and awarding digital transformation initiatives in both public and private sectors). This accolade highlights that DISTRICTX stands out as a space to support technology advancement across diverse industries, serving as the Tech Community Hub for startups to co-develop innovations to address future societal challenges.



# 4 ENRICHING LIVES



62 Financial and Digital Inclusion  
72 SME / Start-up / Social (3S)  
Empowerment



# Financial and Digital Inclusion

## Challenge and Opportunity

Digital technology has significantly influenced the economy and monetary systems, compelling businesses to adapt and embrace digital transformation—the financial sector is no exception. SCBX Group is committed to supporting the Bank of Thailand in elevating financial service standards and bridging the financial inclusion gap, all without exacerbating the current structural challenges, household debt, and socioeconomic disparities.

Based on a survey by the Bank of Thailand, over 60% of Thai households lacked emergency savings. In terms of financial vulnerability, given a 20% income drop, more than half of households would struggle to meet their debt obligations and resort to formal or informal lending to cover their living expenses. Even so, most of them face difficulties repaying debts due to uncertain income—particularly among farmers, self-employed, merchants, independent contractors, factory workers, and those working in the service industry. Furthermore, over 50% of the Thai population still lacked access to formal finance, with the majority relying on informal lending sources, which often charge exorbitant interest rates above those offered by financial institutions or permitted by laws.

SCBX Group recognizes our role in addressing challenges and capitalizing on opportunities to promote financial technology and innovation. We strive to broaden financial and digital inclusion through effective governance corresponding to business and social risks. At SCBX, we aim to enhance the competitiveness of businesses, particularly micro and small enterprises, uplift people's quality of life, and accommodate the transition to a digital economy while seizing new business opportunities and contributing to the overall value creation of the SCBX Group.

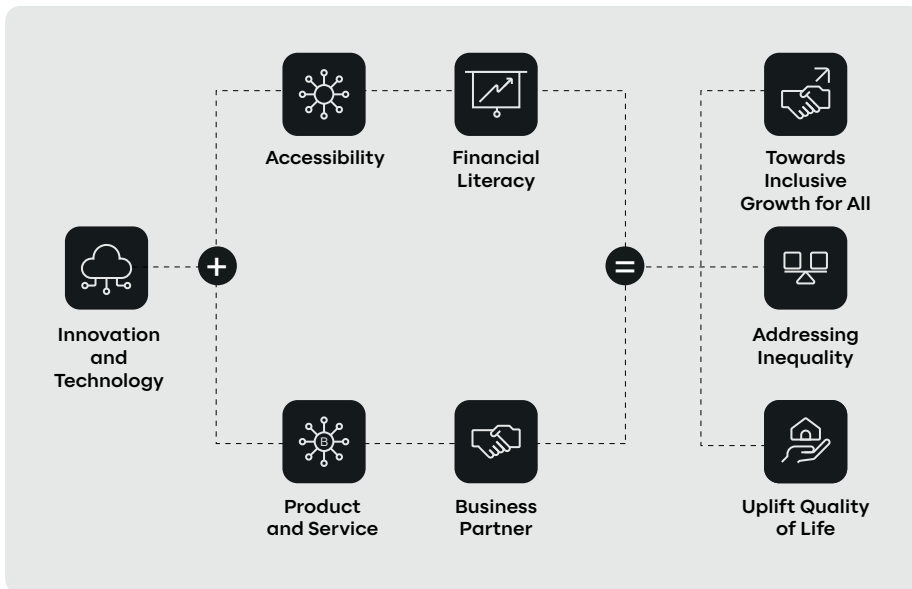


## Our Commitment

SCBX Group aspires to deliver holistic financial solutions—products and services, investment, and digital assets—that are affordable and accessible to everyone. The focus to empower the underserved, including low-income earners and the self-employed, who face challenges accessing formal funding. We stay committed to our mission to foster financial independence and security while bridging digital divides, paving the way to a better future for all.

## Management Approach

SCBX Group leverages technology to enhance the quality and productivity of our financial solutions, drive innovation, and accelerate financial inclusion across all user groups. Apart from that, we team up with leading partners to broaden financial service channels, promote job and income opportunities, and nurture financial literacy and discipline. Our collective efforts are steered by a common goal to uplift the financial well-being of the Thai people and contribute to sustainable economic growth.



## Key Target and Performance in 2023



### 2025 TARGET:

Broaden financial access to 4 million underserved customers who lack access to formal funding



### 2023 PERFORMANCE:

Facilitated financial access to 1,627,149 underserved customers



# 01

## Promoting Financial Access for Everyone, Anytime and Anywhere



SCBX Group, by SCB, champions access to comprehensive basic financial services, spanning deposits, withdrawals, transfers, payments, alongside advanced transactions through SCB EASY, while continuing to enhance the security and stability of mobile banking. At the same time, SCB drives forward the creation of new financial

features and services, guided by the principle of 'Customer Centricity,' placing customers at the core. The Bank designed features emphasizing usability, comprehensiveness, and security, tailoring various financial services to meet diverse customer needs, from loans to insurance and investments. The 'Customer Centricity' revolves around three main factors: Right Target, Right Product, and Right Moment. Additionally, SCB Connect offers 24/7 real-time transaction alerts via the LINE application. Among a few features, highlights include 'Due Reminder' for loan bills/ fund transfers plus savings alerts and other customizable reminders, 'JUST4U Monthly Expense Summary' in each spending category, and 'Balance Inquiry' for deposit account or card and loan balance. These innovations are designed to ensure the security and accessibility of electronic financial transactions anytime, anywhere, and for every lifestyle.



**14.9** million  
SCB Easy users increased from 14.1 million in 2022 with 82% active monthly user



**11.5** million  
SCB Connect users 7% increase from 10.8 million users in 2022

SCB continues to offer financial services through various channels, including bank branches, ATMs, and banking agents, to ensure convenient access to financial services for customers living in any area. This is especially beneficial for certain customers who may not find it convenient or live in remote areas where accessing financial services through mobile banking may not be feasible.



### SCB BRANCH

729 branches from 801 branches in 2022



### ATM/CDM

10,982 ATMs from 11,230 ATMs in 2022



### BANKING AGENT

12 banking agents operating over 26.82 million transactions

SCB's extensive range of financial solutions includes deposit accounts to promote savings among customers and vulnerable groups, online lending services for businesses, endowment insurance, life and health insurance, as well as investment products to ensure future financial security.

## Selected Initiatives and Products for Financial Inclusion

### SAVINGS ACCOUNT

#### Basic Savings Account

**Target Customer:** Low-income earners holding state welfare cards and the elderly aged 65 years and over

**Feature:** No minimum amount for account opening; no account maintenance fee; no debit card registration/ annual fees

**1,714** customers,

**34.62** million Baht of total deposits, and

**1,025,764** transactions made in 2023

#### EZ Savings Account

**Target Customer:** Individuals without a savings account or lack access to formal finance; SCB EASY users who mainly access financial services through digital channels

**Feature:** Hassle-free account opening via SCB Easy; higher interest rate compared to other savings accounts

#### Jak Jai Account (E Passbook)

**Target Customer:** General public

**Feature:** Minimum Baht 500 for account opening; accident coverage of 20 times the account balance for up to Baht 10 million; 24/7 protection worldwide

### BUSINESS LOANS

#### UP Ngern Tunjai

**Target Customer:** sSME entrepreneurs aged 20-60 years with Thai nationality

**Feature:** Apply via SCB Easy; no collateral or guarantor required; approval within 10 minutes and without fees. This is designed for sSMEs looking to increase liquidity or investment

32,260 customers,

Baht **2,320** million of approved loans in 2023




# 02

## Fostering Access to Digital Loans for the Underserved

SCBX Group seeks to enhance the accessibility of financial services through digital platforms with increased security. The Group harnesses artificial intelligence (AI) and machine learning (ML) technologies for robust data analysis and also employs alternative data in credit underwriting to deliver financial solutions that best suit clients' ability and willingness to repay.

Our mission to broaden financial access for the underserved groups in Thailand is championed by SCBX's 3 subsidiaries, each with different management approach and strategy but under a shared vision of accelerating financial inclusion. The performance in 2023 can be summarized as follows:

**autoX**  AUTO X Company Limited ("Auto X") provides auto title loan solutions and working capital under the 'Nger Nger' brand, which is steered by 3 core concepts: 'Understanding-Accessible-Reliable.'



### Understanding

AutoX profoundly understands clients' behaviors, demands, and financial pain points—especially within the unbanked group. The company thus introduced the 'Banded Pack,' a loan solution with full amounts, no upfront fees, complimentary insurance coverage for every contract, and a quick approval process within an hour.



### Accessible

AutoX seeks to accelerate financial inclusion for Thai people through a variety of service channels—including over 1,803 Nger Nger branches nationwide, agents, Nger Nger application, LINE Connect, home delivery personnel, and expansive partnerships.



### Reliable

AutoX customers can use the 'Nger Nger Cash Card' to withdraw cash up to the principal payment amount. This charges no upfront fee, same installments, no further proof of identity, and fee-free withdrawals at ATMs across Thailand. Recognizing that financial issues may arise anytime on any day, 'Nger Nger branches' are available for services seven days a week as a reliable partner for customers in their financial needs.

### 2023 PERFORMANCE HIGHLIGHTS

262,300

customers  
> 100% increase from 2022

126,500

underserved customers  
> 100% increase from 2022

33,888

billion Baht  
in loans outstanding  
> 100% increase from 2022



Apart from SCB, Card X Company Limited ("CardX") also operates a financial platform offering credit card services and personal loans, broadening access to a wider segment of society. With a focus on three strategic advantages, the company delivers unique financial solutions, boasting enhanced credit underwriting and credit card approval processes.

### AI@SCALE



AI at every stage of operation

- **Engagement Layer:** offers products tailored to specific demand
- **Decision Layer:** employs alternative data in credit scoring as well as predictive and collection model
- **Service Layer:** improves customer service with automation, such as SmartBot

### DIGITAL PLATFORMS & EMERGING TECHNOLOGIES



Leverage cutting-edge technologies to propel exponential growth

- **Cloud Native Infrastructure**
- **Open API**
- **Microservice Architecture**

### PARTNER ECOSYSTEM



Enrich customer experience in everyday life

- **Transport & Logistics**
- **Travel**
- **Retail**
- **Food & Beverage**
- **Health**
- **Utilities**

KEY PERFORMANCE IN  
2022

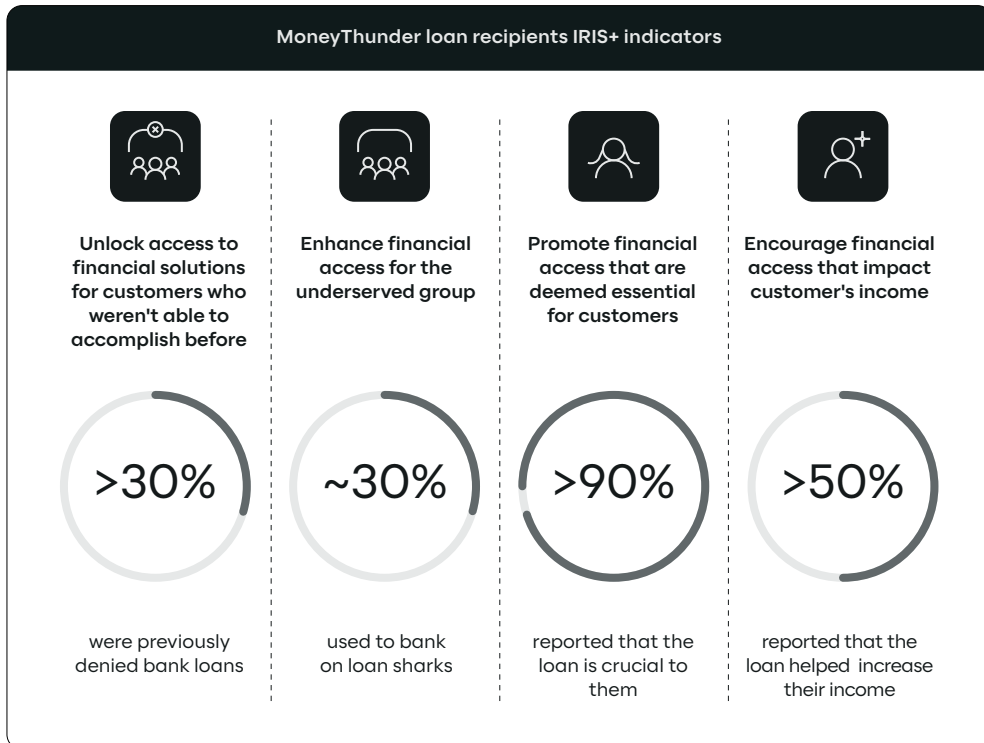
3.1 million accounts





ABACUS Digital Company Limited (“ABACUS digital”) is a data tech startup under SCBX Group, offering microfinance services through the ‘MoneyThunder’ application with a vision to ‘Give Everyone a Real Chance.’

ABACUS digital proudly stands as the pioneer digital lender in Thailand to leverage diverse alternative data and the Abacus Core Technology (ACT) engine, an in-house technology, for real-time credit analysis. This enables ABACUS digital to underwrite a micro-lending to clients seeking to build credit history for the first time, starting from as low as Baht 800 up to Baht 1,000,000. The company aims to foster financial opportunities for everyone, with a particular focus on thin-filed borrowers who often bank on informal lending sources. Furthermore, ABACUS digital employs IRIS indicators—developed by the Global Impact for Investing Network (GIIN)—to implement performance benchmarks in measuring social impacts in terms of better financial access among the underserved group. This includes individuals who lack access to formal finance, small entrepreneurs in need of working capital, the self-employed looking for emergency funds, and first jobbers with thin credit files.



To continuously create positive impact to the society, ABACUS digital has executed 3 main strategies in 2023 including:

- MAX YOUR OPTIONS**  
 Introduce flexible loan products befitting customers’ real-life situations and leverage diverse alternative data in credit risk assessment to penetrate new customer segments and retain the existing customer base
- DESIGN YOUR LIFE**  
 Meet customer needs 360 degrees through teaming up with expert partners to deliver a wide range of financial solutions beyond credit services, aiming to address customer demand and uplift their quality of life. This partnership also provides access to a customer base in our partner ecosystem of more than 20 million.
- EMPOWER YOUR TECH**  
 Assist business partners in achieving their full potential in service capability with an in-house ‘Abacus Core Technology (ACT),’ ranging from AI-powered financial document analysis to a personalized service with tailored experiences for each customer

**2023 PERFORMANCE HIGHLIGHTS**

**3.7** million customers      Baht **6,079** million of total loan outstanding

ABACUS digital shared financial knowledge to users through articles on the MoneyThunder app and launched the ‘Guide to Debt Relief’ as part of the ‘Roo Thun Der’ campaign, aimed at fostering financial discipline and assisting both customers and the general public in debt management. The initiative aligns with the Bank of Thailand’s responsible lending measure and persistent debt resolution. The articles had over 120 thousand unique views, and the debt relief guide has garnered over 40,000 downloads—surpassing the initial goal of 10,000—underscoring the growing public interest in financial planning to address and overcome debt challenges effectively.



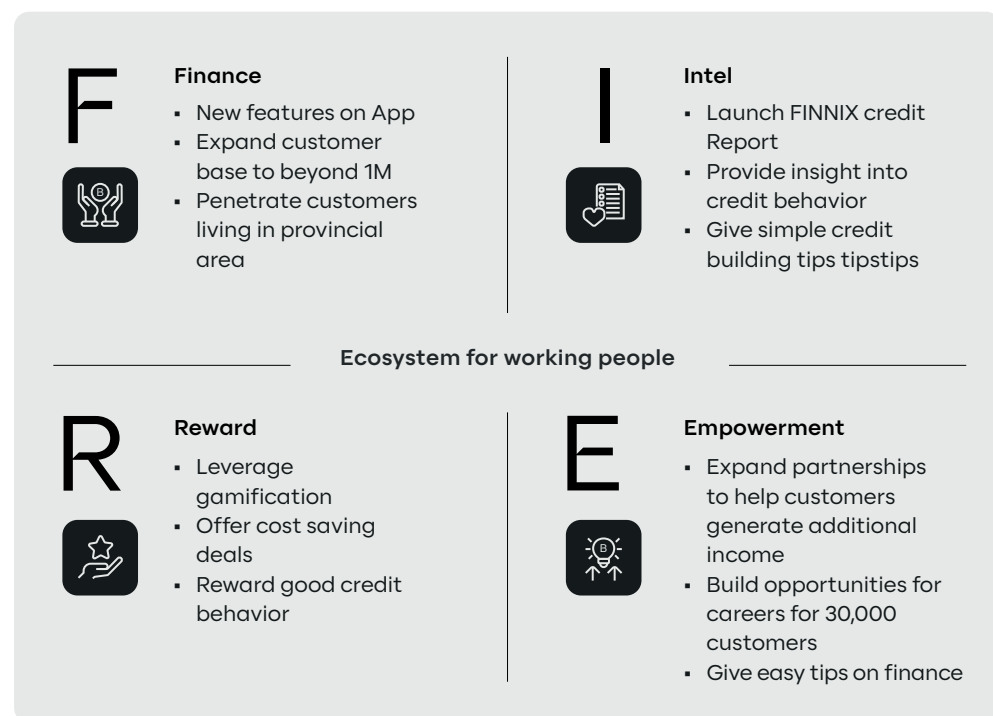
Recognized as 1 of 100 startups in Forbes Asia 100 To Watch 2023



Monix Company Limited ("Monix") is a joint venture company of SCBX and China's fintech unicorn Abakus Group with a vision to 'create opportunities for people to prosper and enjoy life with financial well-being.' Monix offers nano finance credit within 100,000 THB via the 'FINNIX' application.

The target customers are individuals with monthly incomes starting from 8,000 THB and those without income statements, aiming to help the self-employed gain legal access to amortized loans at a low-interest rate.

In 2023, Monix implemented the "F.I.R.E Ecosystem" strategy, reinforcing its ambition to tackle disparity in credit access and completely eradicate informal debt problems.



**2023 PERFORMANCE HIGHLIGHTS**

Monix was Thailand's first nano finance platform to launch 'FINNIX coin,' an innovative feature that rewards customers who maintain good credit. More than 220,000 customers are now redeeming FINNIX coins within 6 months.

Following the first season's success, Monix rolled out the campaign 'Empowering Self-Employed to Thrive' through collaboration with 4 leading partners: Major Cineplex Group, Siamrajathanee, Daywork, and Divana. The campaign helped create jobs, bolster income, and reduce expenses for more than 60,000 FINNIX users.

FINNIX also initiated the 'Debt Slave' campaign to raise public awareness about the alarming threats of informal debt, prevent people from falling victim to illegal loan sharks, and empower Thai citizens with precise knowledge about lending. The Debt Slave videos now received over 10 million views. Also, FINNIX launched the e-book "Goo Sang, Goo Som," which offers practical advice and insights into the risks associated with borrowing from illegal lenders and how to avoid common scams. The e-book had more than 30,000 downloads.

*" We aspire to tackle financial disparities by promoting financial access among underserved and underbanked customers. We stand ready to nurture financial discipline by rewarding customers with good credit. At Monix, we firmly believe that fostering responsible financial habits will not only contribute to individual financial well-being but also reduce Thailand's non-performing loans (NPL) in the long-term. "*

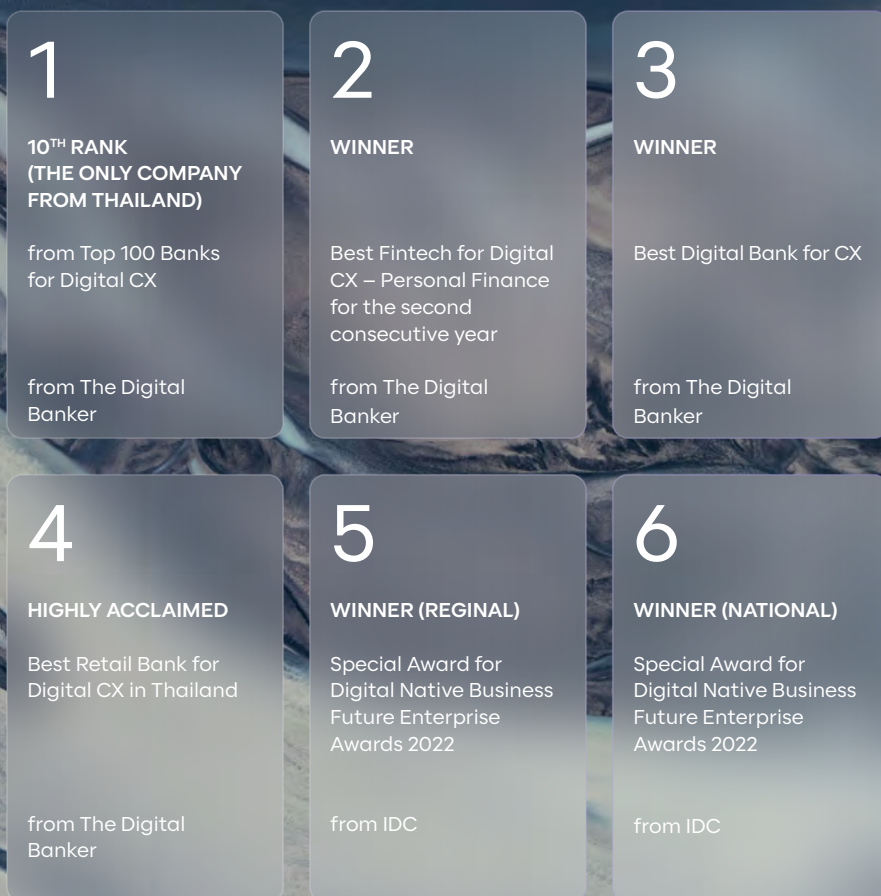
**920,000**  
underserved customers,  
a **42%**  
increase from 2022

**9,577**  
million Baht  
of total lending,  
**66%**  
increase from 2022

with a total of  
**4.65**  
million transactions

NPL ratio below **1%**

At The Digital CX Awards 2023, hosted by The Digital Banker, Monix was ranked 10th out of 100 outstanding banks for Digital CX – the only Thai company that was ranked in the top ten – from The Digital Banker. Apart from that, Monix also received other prestige awards from both national and international events. These awards are a testament to Monix's steadfast commitment to harnessing AI and machine learning technologies to deliver the best user experiences to FINNIX customers, while helping people cultivate responsible financial behaviors and sustainably bridging the economic gap in Thailand.



# 03

## Building Financial and Digital Literacy

SCBX Group recognizes that finances are the cornerstone of life that affects the quality of life of people in Thai society and deeply concerned about the household debt problem in the country. According to data from the Bank of Thailand, household debt in Thailand surged to 90.4% of the country's gross domestic product (GDP) in 2023. Thus, SCBX Group aims to promote financial literacy among employees of the Group, youth as well as the general public. The goal is to equip everyone with skills in financial planning and management.

**TARGET GROUP: EMPLOYEES OF SCBX GROUP**

### Knowledge Aspiration: Providing Financial Literacy to Employees

In 2023, SCBX Group launched the 'Financial Literacy the Series' project to provide knowledge to employees within the Bank on financial planning and debt management strategies. This was accomplished through a series of workshops, contents were divided into three episodes.



Objective	EP.1 Financial planning	EP.2 Debt management	EP.3 Financial management and wealth creation
<b>Content</b>	Ignite knowledge	Solve problems with the principle of self-sufficiency	Create wealth sustainably
<b>Expected outcome</b>	<ul style="list-style-type: none"> <li>Financial management starting point</li> <li>Why financial planning is necessary</li> <li>Knowing yourself: nothing defeats self-awareness</li> </ul>	<ul style="list-style-type: none"> <li>Personal debt management planning</li> <li>Tactics to adjust, reduce, and pay off debt</li> <li>Application of the Self-sufficiency Economy Philosophy in money management</li> </ul>	<ul style="list-style-type: none"> <li>Basic investment</li> <li>Personal financial planning</li> <li>Provident fund</li> <li>Retirement planning</li> </ul>
<b>Performance</b>	<b>MINDSET</b>	<b>TOOL SET &amp; SKILL SET</b>	<b>KNOWLEDGE</b>

**TARGET GROUP: YOUNG PEOPLE**

## Creating Financial Discipline for Youth of All Ages

Fostering discipline and financial literacy skills as a basis for quality growth should begin from childhood. Because this is the age where they are learning and starting to develop character traits that will carry them into the future. SCBX Group, by SCB, organized the 'Creating Financial Discipline Project' to encourage youth of all ages and teachers to gain knowledge on proper financial management through activities that taught both youth and teachers on personal finance, savings discipline, and financial planning. This creates life skills to apply financial planning in everyday life by embracing the "Self-Sufficiency Economy Principles" and applying them to suit youth of all ages.



**9,338**  
youths  
participated  
in the project



**821**  
teachers  
participated  
in the project



**409**  
educational institutes  
participated  
in the project

### 'SCB'S MISSION TO CONQUER SAVINGS' BOARDGAME

**Target group:**  
Elementary school youths

Number of youths participating in the activities:

**7,912**

Organized boardgame activities "SCB Mission to Conquer Savings" for youth and trained financial literacy for elementary school teachers, both on-site and online, as well as provided tools for teachers to be facilitators of active learning activities for elementary school youths.

In addition, these activities were extended from target schools to other educational institutions and network organizations that are the Bank's partners to create wider social impact.

### 'SAVING TO BECOME A MILLIONAIRE'

**Target group:**  
Secondary school and vocational school youths

Number of youths participating in the activities:

**934**

Organized the activity 'Saving to Become a Millionaire' to provide basic financial knowledge including setting financial goals and financial planning for secondary school youths and vocational certificate through reflection of each subgroup and cooperation with educational institutions and network organizations such as Junior Science Talent Project (JSTP) by the National Science and Technology Development Agency (NSTDA), and Chonburi Technical College.

### 'FINANCIAL PLANNING FOR NEW GENERATION STUDENTS'

**Target group:**  
Higher education and higher vocational certificates youths

Number of youths participating in the activities:

**492**

Organized activities 'Financial Planning for New Generation Students' for higher education youths and diploma, taught by experts in financial planning and investment management of the Bank. The activities aimed to teach the youths through reflection and personal financial goal setting. Also, SCB joined force with partners and organized activities that foster financial discipline such as Junior Science Talent Project (JSTP) by the National Science and Technology Development Agency (NSTDA), and Bankhai Technical College.



TARGET GROUP: CUSTOMERS AND RETAIL INVESTORS

## InnovestX Uplift Knowledge, Promote Sustainable Capital Market Growth

InnovestX, as a leader in end-to-end investment and digital asset services, continued to promote financial and investment knowledge consistently through seminars and workshops throughout 2023 in order to equip Thai investors with necessary tools so that they can invest effectively and seize opportunities for long-term financial stability.

Part of our commitment in 2023

### Seminar of the year InnovestXpo

Organized under the theme 'Ride the Wave of Change: Strategies to Navigate the Winds of Change for the Second Half of 2023' at the Stock Exchange of Thailand. Gurus, experts in investment, as well as top analysts from Thailand, gathered to provide insights and delve deep into every significant aspect regarding investment perspectives for the second half of 2023. This occurred amidst market conditions characterized by fluctuations due to changes in domestic factors and global economic conditions.

**385**  
customers and investors attended the event.

### 'ThaiVI Charity 2023' seminar

Collaborated with investor-focused associations to enhance the value proposition, reinforce financial and investment knowledge, and provide intensive learning experiences for investors. Experts and qualified individuals from various industries in investment were invited to provide sharing, engage in discussions, and exchange ideas, aiming to enable efficient and sustainable investment and portfolio management. All proceeds, after deducting expenses, were donated to the Ramathibodi Foundation to support the purchase of medical equipment and assist indigent patients.

More than  
**330**  
customers and investors attended the event.

## Trader Camp by InnovestX

Accurate knowledge and understanding of investment can assist investors, especially individual investors, in reducing risks and creating opportunities from investments, in 2023, InnovestX partnered with the Thailand Futures Exchange (TFEX) to organize the 'Trader Camp by InnovestX' program. This program aims to provide knowledge and promote understanding of investment and trading, as well as to cultivate a community among Thai investors. The goal is to empower Thai investors to seek opportunities in both the stock market and TFEX market under various market conditions.



### Type of Activities

- Seminar via online channels
- Coaching continuously for 14 days
- Workshop: Trade in real situations with experts



### Content

- Tips and ways of thinking of professional traders
- Various trading methods, including short-term, medium-term, and long-term, and the use of various tools.
- How to choose the right investment product to help increase investment opportunities in every situation



### Performance in 2023

More than  
**5,200** investors participated in the community from  
**4** sessions organized

TARGET GROUP: CUSTOMERS AND GENERAL PUBLIC

## “Fraud Fighter” campaign Safeguard Thai public from rising financial and cyber threats

SCBX Group is concerned about the escalating threat of financial fraud, which continues to evolve into many deceptive forms, especially since the COVID-19 pandemic. Based on the online crime reports from the Royal Thai Police, the recorded damage from 1 March 2022 to 31 May 2023 exceeded 38,000 million THB, equivalent to around 74 million THB in daily losses. SCBX Group, by SCB, thus initiated the “Fraud Fighter” campaign in 2023 to empower Thai people with knowledge and understanding of how to safeguard against financial crime and cyber threats. The campaign covers content about financial fraud faced by businesses and customers under three main topics: 1) Scam updates, 2) Prevention Strategies, and 3) Guidance for Those Who Fell Victim to Fraud. Other contents include news updates, announcements from the Bank of Thailand and SCB, and helpful articles related to financial crimes.

The Bank also introduced “Nong Eh! The Series,” featuring a friendly character to share experiences of encountering scammers. The series is built on major scenarios faced by our customers as well as real cases from the Royal Thai Police, the Bank of Thailand, and various social media platforms. The story is presented through easy-to-digest video content in order to foster awareness and keep Thai people vigilant about financial fraud.

**37.95**

million views since the campaign was launched in November 2023



More information about the “Fraud Fighter” campaign [here](#)

## Online Financial, Investment Knowledge Resources

With a changing behavior of people today who tend to intake and consume information through online channels, SCBX Group continuously developed financial and investment knowledge, data, and news through website, social media, applications, and platforms of companies in the SCBX Group.

### Part of our commitment

#### FINANCIAL



**Stories & Tips**  
For retail customers

**Business news and articles**  
For SMEs customers

**Market Insight**  
For corporate customers

SCB TikTok Financial Avengers ‘From Zero to Hero’ on TikTok “SCB Thailand” aiming to provide financial knowledge, business strategies and tips, financial-related lifestyle, and economic trends and knowledge, all produced by SCB employees.



**Financial knowledge articles** that promote money management, savings, paying off debt with discipline, investing, etc.



**Financial knowledge articles** which can be categorized into 3 groups: financial growth, happy debts, and common scams, developed with **a guidebook to avoid common scams** in the form of the e-book “Goo Sang, Goo Som,”

#### INVESTMENT



InnovestX aims to enhance financial and investment knowledge and understanding among Thai people by regularly providing information, news, and knowledge to investors through online seminar activities on various topics. Additionally, InnovestX offers various analytical information from experts and investment advisors, presenting investment perspectives and strategies through social media channels, articles, and analyses on its website, such as **simplifying complex investment topics** on innovestx.co.th., **investment and economics analysis | InnovestX Research**, as well as programs available on the **InnovestX YouTube** channel.

With more than

**46.5** million views

# 3S Empowerment

## Challenge and Opportunity

Thailand's businesses and society are confronted with ongoing challenges in adapting to technological advancements and addressing sustainability risks, including low-carbon transition, natural resource and environmental degradation, pollution, health issues, disparities in education, and social inequality.

For small players—including micro-entrepreneurs, small and medium-sized enterprises (SMEs), and people in society—adapting business models or lifestyles to the evolving landscape is a complex undertaking. Likewise, for startups to create innovative business models powered by technology to tackle existing challenges or spearhead new ventures, the journey is far from simple. The key to success in these endeavors also lies in robust support from the government, private sector, and relevant stakeholders.

Business and economic stability might be at risk should Thai micro and SMEs fail to surmount unprecedented challenges, given that micro and SMEs represent over 35% of the national GDP and 71% of total employment.<sup>1</sup> Aside from that, Thai people still contend with widening social gaps, which further deteriorate overall quality of life, while Thai startups struggle to secure funding or acquire potential customers due to lacking market knowledge and business know-how.

SCBX Group stands ready to navigate our clients through these turbulent times while actively contributing to social well-being and fostering economic stability. We aspire to accommodate the needs of SME clients, business partners, micro-entrepreneurs, aspiring Thai and global startups, as well as remote communities and the general public to oversee risks and capitalize on emerging business opportunities. At SCBX, we believe in growing sustainably alongside our clients and everyone in society.

<sup>1</sup> Thailand Development Research Institute (TDRI)



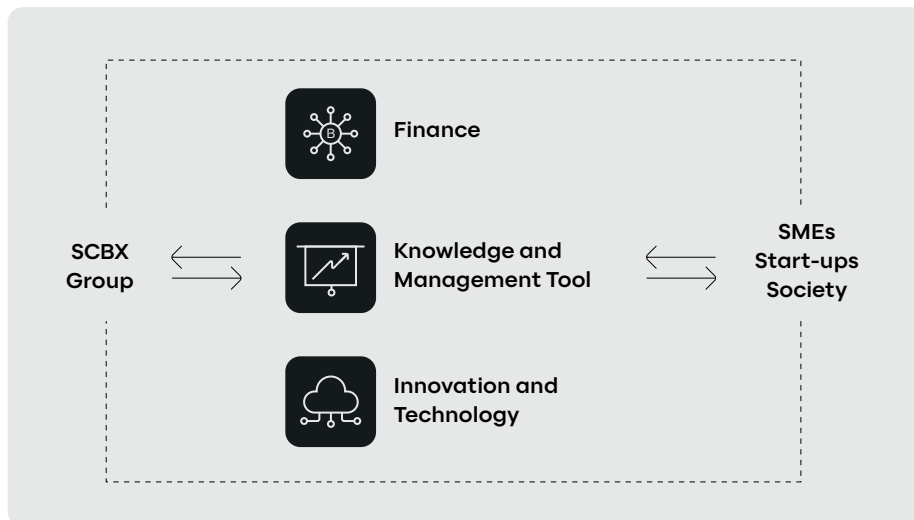


## Our Commitment

SCBX Group strives to empower micro and SMEs, startups, and local communities to thrive sustainably to their full potential. Our focus lies in fostering opportunities to access and harness digital technology, enhancing financial literacy, and cultivating 21<sup>st</sup>-century skills. Through these strategic focuses, we aim to uplift capabilities, ensuring that Thai businesses and communities not only keep pace with changes but also stay buoyant amidst the dynamic landscape of sustainable development.

## Management Approach

SCBX Group believes in the potential of small businesses and small people to create new value and instigate positive changes. Particularly in this era where everyone needs to adapt and sail through the wind of change, the well-being of people and society lies at the heart of steering sustainable economic development. We have witnessed how creative innovation and new technology played a crucial role in enhancing people's lives, tackling environmental challenges, and laying a foundation for positive change across the spectrum—from individuals and local communities to emerging startups. Therefore, SCBX Group is committed to leveraging cutting-edge technologies and resources to empower micro and SMEs, startups, and communities, enabling them to showcase their potential and continue growing sustainably.



## Key Target and Performance in 2023



### 2025 TARGET:

Empowering 2,000,000 individuals and 60,000 enterprises to grow and reach their full potential with Baht 5,800 million of investment for creating positive impacts



### 2023 PERFORMANCE:

Foster employment, entrepreneurship, and livelihoods for 979,674 individuals and 27,743 enterprises through an investment of Baht 2,918 million





# 01

## Empowering Micro-Entrepreneurs



### 'Robinhood' The Sustainable App for Small People

SCBX Group, by Purple Ventures Co., Ltd, launched the Robinhood platform with a steadfast ambition to assist 'small people' (merchants, customers, and riders) in navigating the challenges of the COVID-19 pandemic while embracing the principles of social enterprise.

Since its inception with 'Robinhood Food' offering a food delivery service in 2020, the platform has expanded to 'Robinhood Travel' for all-in-one online travel services, 'Robinhood Mart' providing a grocery delivery service, and 'Robinhood Express' for document and parcel delivery in 2022. On the mission to become the 'Thai Super App,' the latest additions in 2023 featured 'Robinhood Ride' for ride-hailing service, 'Robinhood Finance' for nano finance, and 'Robinhood EV' for an electric motorcycle rental service. These efforts reaffirm our commitment to becoming a digital fulfillment and lifestyle platform for all clients.

#### STARTING POINT

2020



FOOD

2022



TRAVEL



MART

2023



EXPRESS



RIDE



FINANCE



EV

2024



MAID



2W RIDE



#### PART OF OUR PRIDE IN 2023



More than

4.6

million registered users

Strive to be a 'Sustainable Platform of Kindness'

Delivered happiness through

33

million meals



Generated income of

1,770

million Baht to merchants

Increased financial circulation in the economy system

Generated income of

1,745

million Baht to riders



Create jobs, foster career opportunities, and promote Thai businesses

More than

340,000

merchants on the platform

More than

26,000

riders

More than

16,000

hotels and resorts operators on the platform

More than

15,000

shops on the platform

### 'Robinhood Finance' Promoting Financial Access for the Underserved

In 2023, Robinhood introduced Robinhood Finance, a digital lending service tailored for small-scale merchants and riders to enhance financial flexibility in conducting their businesses. This initiative aims to support small restaurant owners and riders in their daily livelihoods, providing them with essential financial assistance. As a result, a total of 3,106 small restaurant owners and riders utilized the service, with a combined credit volume exceeding Baht 22 million and a total of 21,939 transactions made.

## 'Robinhood EV' Driving the Green Business and Social Responsibility

Among Robinhood's strategies, one is the cultivation of innovative and sustainable business models that go beyond just a business growth. Robinhood is committed to elevating people's quality of life and maintaining the environmental balance, driven by a vision to bring happiness and foster long-term positive impacts on society.

In November 2023, Robinhood joined forces with HSEM Motor—a leading manufacturer and distributor of electric motorcycles—to launch an electric motorcycle rental service under 'Robinhood EV.' The initial phase targets two-wheeled riders before expanding to broader groups. Robinhood EV aims to accommodate the burgeoning eco-friendly EV trends and the demand of modern customers who have become more environmentally conscious. The platform currently boasts a fleet of 318 electric motorcycles available for rent.



### 3 Benefits to Drive Sustainability

01

**Benefits to Members**  
Befitting small people



- More savings
- Worry-free on other expenses
- Uninterrupted flow of income

02

**Benefits to Society**  
Promoting environmental sustainability and creating jobs



- Mitigate pollutions
- Reduce energy consumption
- Create jobs and income for people

03

**Benefits to Robinhood**  
Source of sustainable income



- Expand business
- Recruit new members
- Fortify the net zero commitment

## 'Robinhood Academy' Cultivating Skills and Knowledge for Small Entrepreneurs

Recognizing the importance of enhancing the knowledge and skills of merchants and riders, enabling them to thrive in the digital era. The company, thus, consistently organized training sessions on various topics encompassing business management, online marketing, basic digital skills, and finance fundamentals. Selected achievements in 2023 include:



**Inspire towards Success and Set the Stage for Learning**

Organized 4 sessions sharing the success stories of 12 food businesses, with the goal of inspiring micro, small, and medium entrepreneurs in the digital age and promoting knowledge sharing on online marketing as well as leveraging social media to increase income, boost sales, and strengthen customer relationships

**More than 440 micro-entrepreneurs participated in the event.**



**Strengthen Business in the Digital Era**

Partnered with the Thai Network Information Center Foundation (THNIC) to conduct a training workshop on 'Creating a Sales Page for Online Stores with a Single-Page Website: A Hands-On Guide'

**More than 80 participants from 70 small restaurants and retailers attended the workshop**



**Nurture Financial Literacy**

Organized knowledge-sharing sessions on personal finance to equip Robinhood riders with essential knowledge and skills for effective financial decision-making—thus empowering riders to make a more informed decision, work towards their financial goals, and ultimately achieve both financial security and improved well-being

**55 Robinhood riders joined the activities**

## 'Robinhood Super Rider' Promoting Health and Safety, Nurturing the Gentlemen Riders

Robinhood riders are much more than just delivery guys. They deliver not only food, parcels, or documents, but also happiness to over 4.6 million Robinhood customers.

To ensure riders can work safely on the road and deliver distinctive service experiences to customers, Robinhood has established comprehensive guidelines and year-round intensive training programs for riders on safety, health, and service standards—in collaboration with various government agencies and business partners.



100%

of Robinhood riders have undergone safety training before their first ride

1

Ride Safe Training to enhance safe motorcycle driving skills on the road and to maintain the motorcycle properly

**In collaboration with various partners, such as Thai Yamaha Motor Co., Ltd.**

2

Training on risk management for occupational safety and preventive measures

**In collaboration with Thailand Institute of Occupational Safety and Health (T-OSH)**

3

Life Saving Training, including basic life support (BLS) and cardiopulmonary resuscitation (CPR)

**In collaboration with hospitals in the Bangkok Dusit Medical Services (BDMS) network**

4

Collaborative projects to promote safe driving among motorcycle taxi and Robinhood riders

**In collaboration with the Thai Health Promotion Foundation (ThaiHealth) and SCG Skills Development Co., Ltd.**

5

Memorandum of Understanding (MOU) to tackle issues of employees or riders driving on the sidewalk or violating traffic lights

**MOU signed between Bangkok Metropolitan Administration and Robinhood**

6

Guidelines for managing occupational safety and health of food delivery motorcycle

**In collaboration with Thailand Institute of Occupational Safety and Health (T-OSH)**

7

Robinhood Rescue Team to provide timely assistance to riders getting into accidents

8

Safe Riding Month Project to emphasize riders on occupational risks and safety

9

Public campaigns to promote helmet use and pre-ride preparation

10

Health check-up packages at a special price

11

Life and accident insurance packages at a special price

12

Supporting measures to mitigate work safety risks

13

Promoting strict adherence to dress code for work safety and compliance with the Land Traffic Act

# 02

## Supporting SME Entrepreneurs

Apart from facilitating access to funding for micro and SMEs, SCBX Group, by SCB, recognizes the importance of enhancing competitiveness and resilience in the face of the ever-changing business landscape and challenges. In 2023, we have sustained our commitment to training programs and learning activities, encompassing:

### SCB Intelligent Trade Program (ITP), Year 5:

#### Sustainable Growth for Exporter

Collaborated with the New Economy Academy (NEA) and the Department of International Trade Promotion (DITP) to strengthen Thai SMEs in expanding their business presence in China's and Vietnam's markets and fostering vision towards sustainable business operations.

60 Thai exporters participated in the program

### IBE 5<sup>th</sup>: Sustainnovation Enterprise

Collaborated with the NIA Academy of the National Innovation Agency (Public Organization) to enrich knowledge and share case studies as guidelines for micro and SMEs, aiming to inspire innovative thinking with emphasis on environmental considerations and market differentiations.

63 Micro and SMEs participated in the program

### BOOTCAMP Seminar

A seminar with a primary focus on leveraging AI (such as ChatGPT) and ESG criteria to strengthen SME capability and profitability, while recognizing the importance of emissions mitigation for sustainable business growth.

More than 180 participants

### The Dots 4<sup>th</sup> Family Business

#### Sustainable Turnaround of Family Business

A training program for second-generation business owners to guide them through generational transitions and foster sustainable growth; the program featured strategies for business expansion and succession planning, ESG principles, and 8 business models presented by distinguished business mentors and expert speakers.

71 Family business successors participated in the training

### ESG 3 DAYS BOOTCAMP

Intensive training to equip micro and SMEs with the knowledge and tools necessary to integrate ESG principles into their business strategies in order to foster sustainable business growth.

40 Micro and SMEs participated in the bootcamp

### Digital Smart Manufacturing (DSM), Year 1

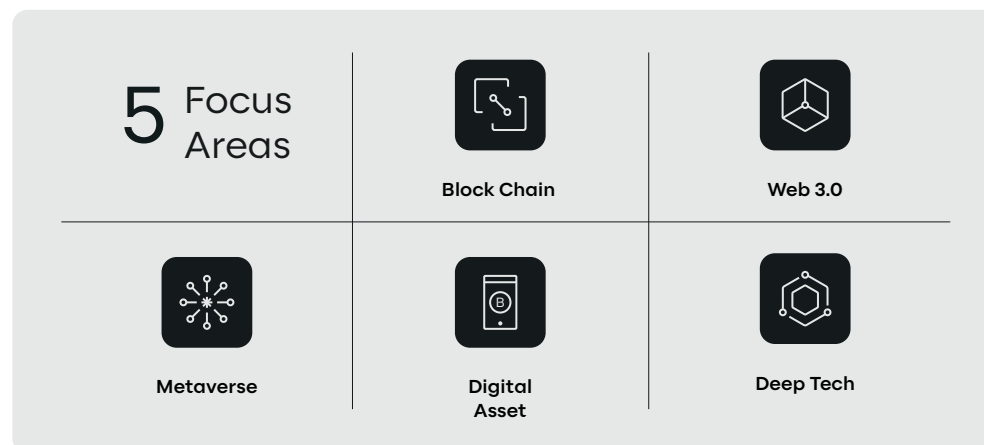
Collaborated with the Digital Economy Promotion Agency (DEPA) to enhance knowledge in the manufacturing industry, including how to optimize processes, reduce costs, and facilitate sustainable business growth through IoT.

53 Companies participated in the program

# 03

## Supporting Potential Tech Companies and Startups Worldwide

SCBX Group, by SCB 10X, aspires to create long-term value and spearhead future financial innovations under the 'Moonshot Mission' to achieve exponential growth. We seek to invest in new companies at the forefront of technology via our two arms: Venture Capital and Venture Builder. Five disruptive technologies in our focus include:



Invested in

**58** tech companies and startups in

**15** countries worldwide



In 2023, SCB 10X made significant investments and initiatives to establish a robust technology ecosystem as follows:

## Venture Capital

**May 2023** SCB 10X teamed up with DEPA to invest in the Pre-series A funding round of 'VISAI,' a developer and provider of end-to-end AI technology for business. This collaborative investment brought together the government, businesses, and technology research institutions to facilitate access to top-notch AI solutions for business and encourage the advancement of AI technology by Thai developers. 'VISAI' has introduced the AI Cloud Platform that offers ready-to-use AI models through cloud infrastructure, enabling users to leverage AI technology without requiring coding skills—thus addressing the shortage of AI experts in the business sector.

**October 2023** SCB 10X invested in the seed round of 'Guardrails AI,' a US-based startup specializing in the development of a validation platform for AI. The platform ensures the security, and reliability of AI applications powered by large language models (LLMs) in compliance with laws and regulations across various industries. Guardrails AI has garnered broad market attention by releasing an open-source library of commonly used validators for multiple AI cases. The company currently develops a platform that enables organizations to establish and enforce customized AI validations tailored to their specific applications.

## Activities to Foster a Robust Technology Ecosystem

SCB 10X strives to strengthen global communities and support technology-driven startups in our focus areas. The company envisions itself as a hub connecting promising startups, passionate entrepreneurs, future-focused partners, and aspiring developers to join collaborative efforts in innovation development and knowledge sharing.

**March 2023 BANGKOK BLOCKATHON 2023** SCB 10X hosted the 'BANGKOK BLOCKATHON 2023' under the theme 'Blockchain for the Next Billion Users.' The hackathon event welcomed aspiring developers to compete in creating blockchain innovations in 4 categories: Financial Innovation, Gaming & Metaverse Building Blocks, Social Network & Decentralized Society, and Real World Use Cases. The goal was to uncover the top builders and developers worldwide who are interested or experienced in blockchain technology, inviting them to showcase their potential to bolster robust and scalable decentralized applications.

**The Blockathon was joined by 159 hackers in 52 teams from 12 countries**  
[Watch the event wrap-up here](#)

**May 2023 REDEFINE TOMORROW** The 'REDeFiNE Tomorrow 2023: DeFi & Web 3.0 Virtual Summit' was organized for the fourth consecutive year in partnership with Bloomberg, the global business and financial news agency. The event brought together more than 40 renowned developers and innovators worldwide who focus on building and expanding the digital asset ecosystem to share in-depth knowledge on every key issue of Decentralized Finance (DeFi), Blockchain, and Web 3.0.

**4,168 registered viewers from 107 countries worldwide**  
**More than 100,000 views on online platforms**

**November 2023 BANGKOK AI HACK 2023** SCB 10X teamed up with global AI and leading technology partners to host the 'Bangkok AI Hack 2023' under the theme of 'Unlock Generative AI Adoption: BUILD - INNOVATE – TRANSFORM.' The event served as a platform for regional AI enthusiasts and experts in AI/ML Engineering, Data Science, and developers to unleash their creativity in developing innovative solutions and proof-of-concepts (PoCs).

**318 participants in 89 teams joined the event**

**Every 2 months MOONSHOT MEETUP** Moonshot Meetup is a recurring networking event to share knowledge and up-to-date discussion topics on disruptive technologies in SCB 10X's focus areas: Blockchain, Web 3.0, AI, and Metaverse. Every two months, we invite honorable speakers and experts in various technology industries from all over the world as well as prominent panelists from SCB 10X to share their wisdom and exchange professional experiences with participating innovators—including students, startups, and corporate employees who are interested in respective technologies. The event aims to foster networking opportunities and an ecosystem for collaborative innovation.

**298 participants and more than 3,500 views on online platforms**

# 04

## Promoting Education and Social Well-being

Social well-being is integral to the progress of any nation. Therefore, SCBX Group by SCB is committed to continuing the initiatives in 'Youth Development,' which is a vital foundation for the country's growth, and 'Access to Water,' which is fundamental to every walk of life and agriculture—the backbone of Thailand's economy. Apart from that, we actively provide disaster relief and partake in community services through collaboration with partners and sustainable development networks.

### Youth Development and Education

SCB has carried out initiatives to nurture skills and broaden educational opportunities for the younger generation in Thailand for almost two decades through two main projects.



SCB  
Challenge,  
Year 18

SCB Challenge aims to nurture the skills of Thai youth and goes beyond competitive activities. The project allows them to showcase capabilities through teamwork and cultivate volunteerism through community services. The activities are divided into:

**Elementary School Level:** Creativity contest via drawing and painting  
**Secondary School and Vocational School Levels:** Community Creation Contest

The initiative also focuses on building 4Cs skills, including:

- Critical Thinking: analytical thinking
- Communication: to foster understanding within the target audience
- Collaboration: working in a team
- Creativity: creative and innovative thinking

Since its inception until 2023, the project has involved

- **More than 65,192 youth participants**
- **More than 15,143 teachers and other participants**
- **More than 10,391 schools and educational institutions**



CONNEX-ED

The Leadership for Sustainable Education Development (CONNEX-ED) is a collaborative project founded by SCB and 11 other private organizations aiming to drive educational transformation via active learning. This learning approach encourages learners to explore hands-on activities from analyzing and synthesizing to leveraging technology. The project also uplifts the quality of education by enhancing the capability of educators and creating model schools to expand their positive practice. CONNEXT-ED has grown to involve more than 50 organizations and operates through a collaboration between the government, private sector, and civil society. The ultimate goal is to tackle an educational disparity and enhance Thailand's competitive edge.

The project's management approach is now transformed to a CONNEXRT-ED Foundation.

Since its inception until 2023, the project has involved

- **More than 25,257 youth participants**
- **More than 2,100 teachers and other participants**
- **More than 111 schools and educational institutions**



SCHOLARSHIP  
FUNDING

Recognizing that education is a crucial part of human capital and the country's development, SCB continues to provide scholarship and learning opportunities to empower the younger generation—particularly those who exhibit potential in science and technology or are in need of educational support to uplift their quality of life.

**In 2023, SCB provided 301 scholarships for science and technology education, and 478 general scholarships.**

## Sustainable Water Resource Management

SCB acknowledges the importance of water resources in enhancing the quality of life for communities. The Bank thus continues to promote awareness, knowledge, and capability within communities for effective water resource management to ensure a consistent water supply for consumption, utilization, and agricultural use.

### Sustainable Water Resource Management for Community

The project is built upon the royal initiative of His Majesty King Bhumibol Adulyadej The Great in water resource management, with an aim to develop water storage for consumption, utilization, and agriculture, thereby enhancing living standards and addressing issues related to droughts and flooding in the community.

#### Our partner:

Utokapat Foundation under Royal Patronage

#### Project duration:

- 2012 - present

#### 2023 Performance:

Improve access to clean water for the Non Tae community in Chaiyaphum province and the Pha Phu Tham community in Khon Kaen province, enabling all residents to store clean water for consumption and farming

- Benefited 2,423 recipients from 574 households
- Positive contribution to 1,700 rai of agricultural areas
- 88,432 cubic meters of water resources under management

#### Performance since the project inception:

- Beneficiary: 7,992 households, 22 communities in 17 provinces
- Increased water quantity: 640,124 cubic meters



Install water  
filtration  
systems



Canal  
excavation



Build  
community  
weirs

### Network of Community Disaster Alert - Friends in Need (of "PA")

The network was established to support surveillance management, especially in the face of natural disasters such as floods and landslides. It involves two main operations: 1) technology by encouraging communities to leverage technology systems and tools to promptly respond to disasters; and 2) restoration and land development by promoting the community water resource management.

**Our partner:**

Friends in Need (of "PA") Volunteers Foundation

**Project duration:**

- 2020 - present

**2023 Performance:**

Undertook restoration and land development in 3 communities, benefiting 3,564 recipients in 1,062 households.

**Performance since the project inception:**

- 17,202 recipients from 5,060 households benefited from the project



Water storage tanks



Water filtration systems for utilization



Drinking water filtration systems



Living and retention weirs



Solar water pump system

### Water for a Better Life Project

The project aims to tackle the shortage of clean water for consumption in various provinces. To ensure sustainable handling post-completion, the Bank actively engages the local community from the project's inception by appointing a community committee to oversee and implement the project.

**Our partner:**

Royal Air Force

**Project duration:**

- 2014 - present

**2023 Performance:**

Supplied clean water to 5 schools and 1 temple in 6 provinces, benefiting 2,459 households as well as 10,865 students and local people in neighboring communities

**Performance since the project inception:**

Alleviated clean water scarcity faced by communities in 13 provinces

- Beneficiary: 60 schools, 14 communities, 62,896 recipients
- Reduce school expenses to purchase drinking water (per year): 36,000 Baht
- Reduce household expenses to purchase drinking water (per year): 2,880 Baht/household
- Reduce electricity costs for community water pumping (per year): 14,400 Baht/ community



Water storage tanks



Essential water infrastructure and facilities



Water filtration systems



Solar-powered drinking water filtration systems

### Clean Water Management to Address Drought Challenge

The project is built upon the royal initiatives to secure groundwater sources to tackle unclean water and water scarcity issues, particularly during the dry season.

**Our partner:**

Department of Groundwater Resources, Ministry of Natural Resources and Environment

**Project duration:**

- 2023 - present

**2023 Performance:**

Implemented the project at the Ban Reda Border Patrol Police School in Prang Phe, Sangkhla Buri district, Kanchanaburi province. This involved drilling 1 artisan well and installing a 20-cubic-meter groundwater pump system, expected to be complete within 2024.

**Beneficiary from the project**

- 297 students and teachers
- 2,000 people from 500 households in the community



Ground water pump system



1 drinking water improvement system



1 solar water pump system



1 groundwater pump system with a main distribution pipe

# 5 GROWING ECONOMIC RESILIENCE





# Sustainable Finance

## Challenge and Opportunity

Amidst an evolving financial landscape, wide-ranging social transformation and escalating climate changes present both risks and opportunities for SCBX Group. The World Bank projected that developing countries will need around 2.4 trillion USD of capital annually during 2023-2030 to wrestle with challenges induced by the climate crisis, geopolitical disputes, and unprecedented pandemics. In particular, 1.5 trillion USD per year would be earmarked for climate change mitigation and adaptation. This underscores an urgent need for stakeholder synergy in a decade of action to fulfill the Sustainable Development Goals (SDGs) while keeping the global temperature rise within the Paris Agreement threshold of 1.5°C.

Recognizant of our role in mobilizing funds for the economy and society, SCBX Group by SCB acknowledges an imperative to uplift our risk management approaches in response to economic, social, and environmental challenges—notably climate change, a pressing priority in this era. At the same time, we strive to foster opportunities for inclusive growth. SCB thus identifies 'Sustainable Finance' as one of the Bank's strategic pillars with an emphasis on responsible lending, sustainable finance solutions for all, and sustainability investing.

Embracing sustainable finance is not merely a moral imperative to confront climate challenges, but also a strategic necessity for the Bank to thrive in a rapidly changing global landscape.



## Our Commitment

SCBX Group is committed to integrating Environment, Social, and Governance (ESG) criteria into every decision-making. This encompasses the role in providing financial assistance, the development and delivery of financial products and services, as well as investment advisory. It is our ambitious mission to present financial solutions that cater to client's demands, overseeing potential impacts on society and the environment.

## Management Approach

SCBX Group consistently promotes sustainable finance with a primary focus on managing external risks from environmental challenges and enhancing internal operations. We aim to seize business opportunities by crafting innovative financial solutions and nurturing collaboration across the value chain, with the consideration of both physical and transition risks embedded into our business practice.



### Policy and Practice

Establish policy and practice, both in terms of process and product, that align with the criteria set by regulators and international standards



### Client Engagement

Engage in discussions with clients to exchange information concerning risks and opportunities associated with climate change and ESG issues



### Collaboration

Team up with business partners to enhance operations and seek new opportunities for inclusive growth



### Capacity Building

Organize training sessions to foster understanding among executives and employees, raising sustainability awareness throughout the organization

## Key Target and Performance in 2023



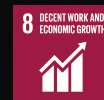
### 2025 TARGET:

Provide Baht 100,000 million of funding to clients engaging in low-carbon transition and promoting SDGs



### 2023 PERFORMANCE:

Delivered sustainable financial solutions encompassing green/ sustainability loans, sustainability-linked loans, and green bonds to 216 corporate and SME clients and 2,535 retail customers, with a total funding of Baht 84,709 million, to facilitate clients' transition towards a low-carbon economy and promote SDGs





# 01

## Enhancing ESG Risk Management

SCBX Group, by SCB, understands the urgency of addressing ESG issues, and have therefore outlined the governance structure at both the Board and management levels to supervise the Bank’s sustainability actions.

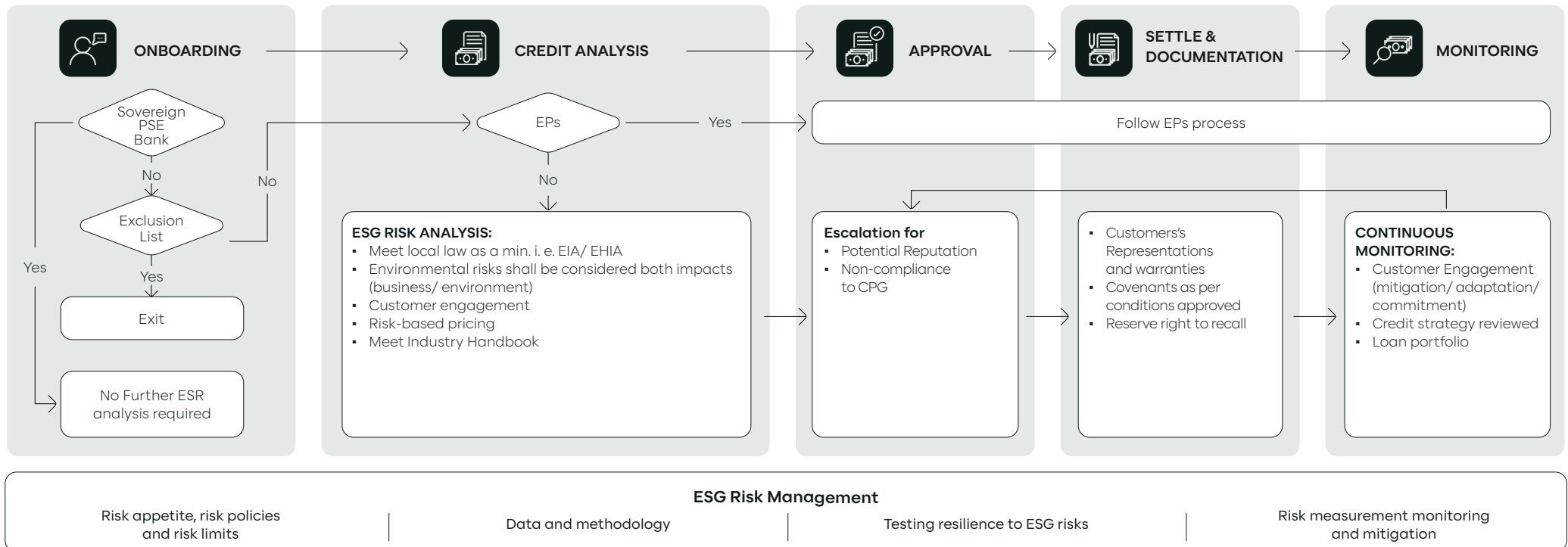
In 2023, SCB established the SCB ESG Steering Committee chaired by the Chief of Wholesale Business Group. The committee comprises senior executives from relevant offices—namely SME Business, Retail Banking, Corporate Strategy, Risk Management, and Sustainability Office. The committee is responsible for implementing policies and guidelines on managing key ESG issues—particularly sustainable finance, climate change, and net zero transition. The committee is also tasked with monitoring sustainability performance and reporting to the Management Committee and the Board of Directors, respectively.

## Sustainable Finance and Investment Policy

In 2023, SCB revisited its **‘Sustainable Lending and Financial Service Guidelines’** to improve clarity and coherence with emerging ESG risks and opportunities. The guidelines encompass how ESG factors are embedded into our financial solutions for corporate and retail clients, exclusion lists, and client engagement. The Bank aims to prevent and mitigate adverse impacts while seeking opportunities to make positive contributions to society and the environment through our financial solutions.

Furthermore, SCB has re-examined the **‘Responsible Investment Advisory Policy’** for Wealth Management. Exclusions, asset class specific guidelines, and sector specific guidelines were added to the policy in order to foster positive outcomes and sustainable returns under a comprehensive risk management framework in alignment with the Bank’s responsibility.

### SCB ESG AND CLIMATE CHANGE INTEGRATION INTO CREDIT UNDERWRITING PROCESS FOR CORPORATE FINANCE

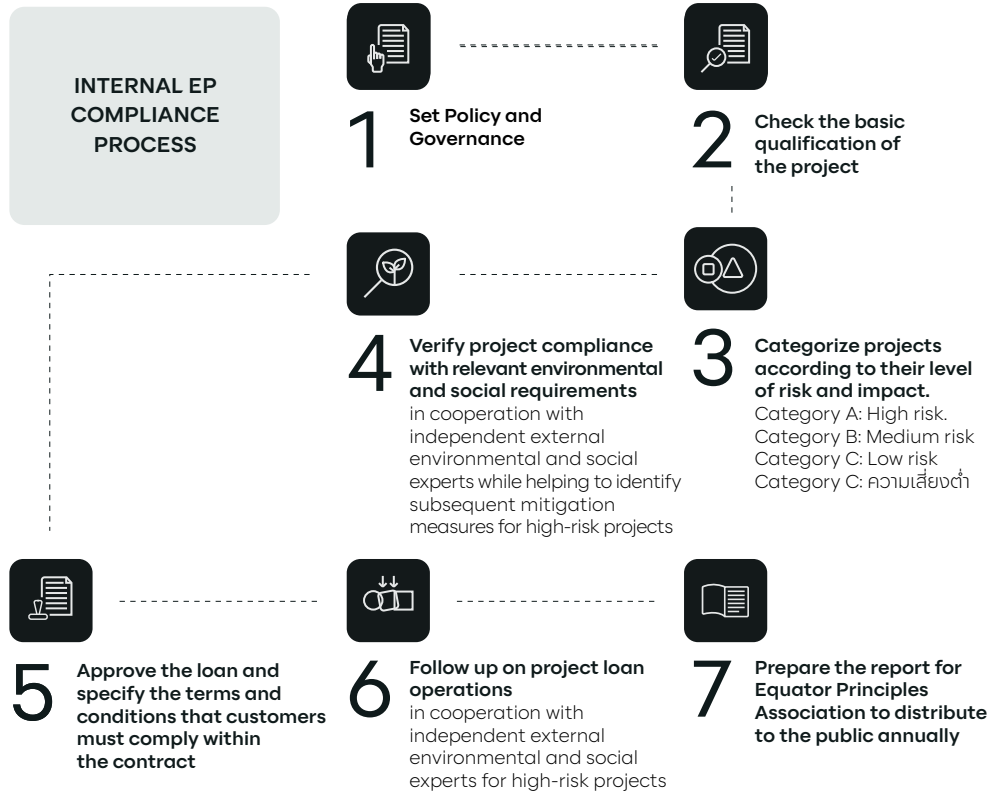


## Responsible Lending



Without proper risk monitoring, large-scale projects might cause significant impacts on the environment and society. SCB, therefore, implemented the Responsible Lending Policy in 2018 and was the first Thai bank to become a signatory to the Equator Principles (EP) Association in 2022. As a member of EP, SCB has incorporated the ten principles—internationally recognized standards for environmental and social management on project finance—into its credit underwriting process. This involves identifying, assessing, and managing environmental and social risks associated with project finance to ensure that the Bank supports large-scale projects with robust management approaches commensurate with their respective risk levels. Such efforts highlight our steadfast commitment to elevating the standards of Thailand’s financial industry.

### EP-COMPLIED PROCESS



In 2023, a total of 34 project finance underwent the assessment based on the Equator Principles. Among these, the highlighted project finance which integrated the consideration of ESG risks following the EP principles and the Bank’s Responsible Lending policy included:

## Project 1 600 MW wind power plant in the Lao PDR:

**Project Summary**  
 A 600-megawatt wind power plant is located in the southern part of the Lao People’s Democratic Republic. It generates electricity for sale to the Electricity of Vietnam. The project area covers more than 708 square kilometers and is the largest wind energy project in Southeast Asia. This project supports Vietnam’s demand for electricity from clean energy sources and is expected to reduce greenhouse gas emissions by approximately 700,000 tons of carbon dioxide equivalent per year. It also supports the economic and social development of Laos, including improving the lives and livelihoods of communities in the area.

**Environmental/Social Risks Assessment**  
 Due to the large-scale nature of the project, the wind turbine sites and other related infrastructure construction and project operations in the area involve areas of significant biodiversity value, where endangered or near-extinct species have been found, as well as areas closely associated with local communities, indigenous peoples, and/or ethnic groups.

**Management Approach**  
 The project underwent an environmental and social impact assessment, covering human rights activities, construction activities, and operations. Consultations and feedback from stakeholders were sought, and various management plans were developed, such as Environmental and Social Action Plans, Biodiversity Action Plans, Resettlement Action Plans, Indigenous Peoples Plans, and Stakeholder Engagement Plans. These plans aim to manage environmental and social impacts and reduce them to acceptable levels in line with international practices and standards. They also support economic and social development, community development, safety, health, community lifestyles, and biodiversity conservation. The project’s social and environmental operations were overseen by a creditor consultant group specializing in social and environmental matters. They addressed various issues, including impact assessments and management plans. The Bank has monitored the progress of the work according to the plans and has tracked social and environmental progress specified in the loan agreement.



## Project 2

Condominium project within the metropolitan area of Bangkok



### Project Summary

The development project of a high-rise condominium within the metropolitan area of Bangkok comprises 158 residential units on a land plot sized 1-0-37 Rai. The project aims to provide residential accommodation along public transportation routes to reduce reliance on private cars within the urban area.



### Environmental/Social Risk Assessment

The development project of real estate within urban areas carries lower social and environmental risks compared to infrastructure or factory-type projects. However, construction planning can still have impacts on nearby areas, such as noise pollution, dust from construction, or appropriate accommodation for workers, and increased traffic congestion.



### Management Approach

The Bank mandated a systematic environmental and social risk analysis process. It specified environmental and social requirements that the project must adhere to, including compliance with environmental and social action plans. Additionally, the project is required to submit reports tracking environmental and social progress at specified intervals to the Bank.

## Project 3

hotel project in Phuket



### Project Summary

A hotel development project in Phuket province on a land plot sized 2-0-10.6 Rai, aimed at boosting local income from the tourism industry.



### Environmental/Social Risk Assessment

Hotel development projects carry social and environmental risks both during the construction phase and during operation.

**During the Construction Phase**, activities such as dust dispersion may affect health, while noise from machinery and equipment can disrupt daily life. Additionally, wastewater from construction activities may create unpleasant odors.

**During operation**, there may be resource exhaustion, and significant increases in traffic congestion.



### Management Approach

The Bank has rigorously monitored the project's progress, requiring documentation to illustrate compliance with social and environmental impact analysis as per the stipulated requirements. The project must adhere strictly to measures during both the construction and operation phases, with monitoring and reviews conducted according to the planned schedule. These conditions are specified in the loan agreement, and the Bank seeks to ensure that customers can genuinely fulfill these requirements. Evaluation then is carried out by in-house experts specializing in social and environmental risks.

## Fossil Financing Statement

SCBX Group recognizes that energy serves as a fundamental driver of Thailand's economic and social development. Nonetheless, fossil fuel remains one of the primary sources of GHGs emissions, which exacerbate climate issues. SCBX Group, by SCB, thus established **the Statement on Fossil Fuel Financing**—which encompasses two high GHGs emissions industries, namely coal and unconventional oil and gas.

Industry	Excerpt from Policy
<b>Coal</b>	<p>The Bank will not provide financial support to companies engaging in new or expansion projects associated with:</p> <ul style="list-style-type: none"> <li>• Coal mining</li> <li>• Coal-fired power plant</li> <li>• Dedicated infrastructure for coal mining or coal-fired power plant</li> </ul> <p>This includes companies seeking to expand their business presence through the development of new projects or actions related to the activities mentioned above.</p>
<b>Unconventional Oil and Gas Financing</b>	<p>The Bank will not provide financial support to the exploration and production of oil and gas, specifically from:</p> <ul style="list-style-type: none"> <li>• Arctic petroleum reserves</li> <li>• Tar sands</li> <li>• Ultradeep water</li> <li>• Shale oil and gas field with formal approval for development after 2021</li> </ul> <p>The policy also extends to the development of liquefied natural gas (LNG liquefaction) and other infrastructure particularly built to serve the aforementioned activities. For group company or companies engaging in multiple business sectors, the Bank will not provide financial support to those with more than 20% of revenue derived from unconventional oil and gas business, as mentioned above.</p>

# 02

## Championing Every Commitment for a Sustainable and Low-Carbon Economy

SCBX Group, by SCB, stays committed to delivering a wide array of sustainable financial solutions for all clients. The Bank seeks to actively contribute to sustainable development and the Paris Agreement goals, while supporting Thailand's Bio-Circular-Green Economic model and advocating ESG integration into business practices and the sustainable lifestyle of Thai people.

### Sustainable Finance and Advisory Services

CORPORATE CLIENT

Sustainable financial solutions of over

# 80,378

million Baht for 53 corporate clients

Sustainability loans accounted for

# 31.8%

of total approved loans (new booking) for corporate clients in 2023

**Percentage of sustainability loans**

- Alternative Energy 53%
- Sustainability Linked Loan 36%
- Electric Vehicle 10%
- Environmental Activity 1%

### Green Loans



SCB provides green loans for corporate clients in more than 11 major industries such as energy, tourism, and manufacturing with aims to drive the net zero transition and foster environmentally sustainable economic activities. In doing so, the Bank endorses the Green Loan Principles compiled by the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA), and Asia Pacific Loan Market Association (APLMA).

**44,764 million Baht of new booking**  
**8,874 million Baht of loans outstanding**

**Sustainability-Linked Loan**



SCB offers sustainability-linked loans with special interest rates under required conditions and agreements related to the Sustainability Performance Targets (SPTs). Some of the Key Performance Indicators (KPI) predetermined by clients include external ratings, energy efficiency improvements, GHGs emissions mitigation, and water saving. To encourage corporate clients to pursue the SDGs, the Bank also adopted the Sustainability-Linked Loan Principles (SLLP) by the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA), and Asia Pacific Loan Market Association (APLMA).

**31,030 million Baht of new booking**  
**10,500 million Baht of loans outstanding**

**Sustainable Bond Underwriting**



SCB is among the underwriters of green bonds of which the use of proceeds is for environmental benefits—including the development of renewable energy, clean mobility, and climate adaptation. Besides the use of proceeds, the Bank also ensures compliance with the Green Bond Principles by the International Capital Market Association (ICMA) and ASEAN Green Bond Standards (ASEAN GBS).

In 2023, all green bonds issued by SCB underwent a comprehensive verification and second-party opinion from independent experts. There were a total of three companies involved in this process:

Company	Verified/ Approved by
Gulf Energy Development	DNV Business Assurance Australia Ltd.
Energy Absolute PCL	DNV GL (Thailand) Co., Ltd.
Xayaburi Power Co., Ltd	DNV Business Assurance Australia Ltd.

**4,584 million Baht worth of sustainable bond value**  
**Or 3.7 of the total bond issuance value**

In 2023, SCB reaffirmed its commitment to sustainable finance and incentivised customers to conduct businesses sustainably by supporting the 'Sustainability Linked Swap,' a financial risk mitigation agreement linked to sustainability performance. This involved incorporating Environmental, Social, and Governance (ESG) performance criteria into the consideration for adjusting interest rates in transactions for customers. Additionally, customers in two industries, namely energy and petrochemicals, were supported.

**SME Clients**

Financial solutions for environmentally friendly business of over

**2,153** million Baht  
 for 163 SME clients,

accounting for

**2.58%** of all  
 approved loans (new booking) for  
 SME clients in 2023

**SCB SME Green Finance**



SCB supports SME clients seeking to operate sustainable businesses. In doing so, the Bank facilitated their access to funding by offering special interest rates and conditions. Through this initiative, the Bank assisted SME clients in bridging the sustainability capability gap and adapting to a low-carbon transition. The Bank offers two main products for green financial solutions as follows:

Green Loan		Transformation Loan
<b>Objective</b> To support following activities:	To invest in energy efficiency improvement	<b>Objective</b> To invest in following activities:
<ul style="list-style-type: none"> <li>Energy efficiency improvement</li> <li>Clean mobility/ transportation</li> <li>Pollution control</li> </ul>		<ul style="list-style-type: none"> <li>Energy-efficient systems, clean or renewable energy</li> <li>Environmentally friendly or zero-waste manufacturing and service</li> <li>Electric vehicles or clean energy</li> </ul>
<b>Maximum capital</b> 30-50 million for working capital with no collateral Up to 100% of investment value	100 million Baht (No collateral required for 50 million baht)	<b>Maximum capital</b> 150 million Baht based on the Bank of Thailand's guidelines
<b>Duration</b> 10 years maximum	10 years maximum	<b>Duration</b> 10 years maximum

**1,771 million Baht of new booking**  
**1,317 million Baht of loans outstanding**

**Green Loan for sSME**



SCB introduced the ‘**SCB Green Loan: Green Forward**’ campaign, featuring special interest rates for sSME engaging in 5 activities:



**382 million Baht of new booking**  
**339 million Baht of loans outstanding**

Retail Customers

Sustainability loans over  
**2,178** million Baht  
 for 2,535 retail customers

accounting for  
**1.62%** of all approved  
 loans for retail customers in 2023

**Clean Mobility Loan**



SCB offers clean mobility loans while collaborating with partners to develop inclusive financial solutions to foster the electric mobility ecosystem.

**1,926 million Baht of new booking**  
**2,315 million Baht of loans outstanding**

**SCB Home Loan: Green Energy**



SCB provides loans for green and energy-efficient homes. Solutions cover the purchase, construction, repair, and maintenance of residences to install solar rooftops or other energy-saving equipment and technologies.

In 2023, the Bank partnered with SCG—the leading construction material company—to launch the ‘**SCB x SCG SOLAR Roof Solutions**’ campaign. The initiative featured special interest rates and promotions for retail customers and SMEs looking to install solar rooftops or other smart home technologies and innovations by SCG. Through this collaborative effort, the Bank aspires to pioneer clean energy consumption and a wider transition to eco-friendly homes.

**252 million Baht of new booking**  
**243 million Baht of loans outstanding**



## Sustainable Investing

SCBX Group, through SCB, is committed to embedding ESG considerations into our investment advisory and wealth management services. At SCB WEALTH, sustainable investing is consistently championed in correspondence with the **Responsible Investment Advisory Policy**. Likewise, our subsidiary, SCB Asset Management (SCBAM), adheres to the **Responsible Investment Policy** as part of the commitment to responsible and sustainable investment practices.

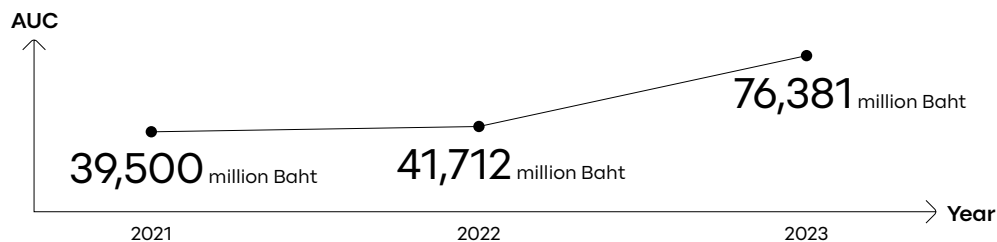
SCB has inaugurated the Investment Data Analytics and Advisory Center, tasked with conducting in-depth research on ESG issues. The center operates under the financial and investment management policy, in adherence to preliminary product assessment criteria. The research findings are then presented to the Investment Committee—chaired by the CEO and Risk Management Committee—to ensure alignment with current business practices.

### SCB Wealth Management

SCB WEALTH strives to integrate ESG considerations into investment advisory and the selection of fund and asset management companies recommended to clients. In an evaluation process, foreign or domestic funds are assessed using the Morningstar Sustainability Rating, whereas the selection of Thai asset management companies incorporates the Investment Governance Code (I Code) set by the Securities and Exchange Commission (SEC). This approach enables SCB to oversee risks and cultivate long-term value additions that align with clients’ investment goals and risk appetite.

In 2023, SCB WEALTH delivered 184 sustainable funds as green investment alternatives, increased from 138 funds in 2022, totaling Baht 76,381 million or 11.09% of total assets under custody (AUC).

### Total value of sustainable investment advisory



### SCB Asset Management (SCBAM)

SCB Asset Management, or SCBAM, has endorsed the Principles of Responsible Investment since 2014 to enhance sustainability investing solutions. As a landmark achievement in 2022, SCBAM was the first asset management firm to win the “Best Asset Management Award for Sustainability” at the SET AWARD 2022 and emerged as a leader of Thai ESG investment in 2023—securing the top market share in the sector:

\* Data from Morningstar as of December 31, 2023



**SCBAM Sustainability Investment Roadmap**

SCBAM aspires to deliver the best investment solutions and satisfactory returns to clients, while actively contributing to positive social impact. In decision-making process, SCBAM thoroughly assesses relevant factors, including significant ESG risks and opportunities in consistent with the fiduciary duty. Sustainability investment management approach is continuously enhanced by developing tools and metrics to evaluate the sustainability capabilities of investee companies, establishing goals, improving performance measurement and reporting, fostering knowledge and awareness, while embedding ESG considerations into corporate culture and practices.

SCBAM offers a wide range of investment products and asset classes, with a growing presence of sustainable funds—including energy transition funds, impact funds, and EV funds.





6

# REACHING CLIMATE NEUTRALITY



93 Net Zero and Climate Tech  
100 Operational Eco-Efficiency



# Net Zero and Climate Tech

## Challenge and Opportunity

Climate change continues to take a heavy toll on human lives with increasingly disruptive impacts on businesses and the financial sector. Extreme weather, regulatory changes, and market volatility triggered by climate change present alarming risks to asset valuation, business operation, and overall financial stability.

The Global Risks Report 2023 by the World Economic Forum (WEF) identified climate change, natural resource depletion, and environmental crisis as six out of ten global critical threats over the next decade. Apart from that, recent WWF and EcoWatch articles estimated that global damages from climate change would range between USD 1.7 to 3.1 trillion annually by 2050—including damages to infrastructure, assets, agriculture, and human health. According to the Germanwatch Global Climate Risk Index 2021, Thailand ranked ninth among countries suffering the brunt of climate impacts. During 2000-2019, Thailand was confronted with 146 extreme weather events, which resulted in an economic loss of around USD 7.7 billion.

Climate-related risks have become more threatening and pressured financial institutions, including banking, insurance, and asset management. The impacts vary from credit loss, increasing insurance claims, deteriorating asset values, and global supply chain disruption.

Despite daunting climate risks, SCBX Group stays committed to our mission to be a financial technology group that contributes to inclusive development, better allocation of funds to the economy and society, and progressive investment. We also seek to turn climate challenges into opportunities to create, support, and drive innovations that effectively tackle and address climate change. A published study by the Boston Consulting Group suggests that a total investment in this space is projected to grow to around US\$ 50 billion by 2027, SCBX then seeks to build a new growth engine, incubating and investing in solutions to support customers to achieve their transition. At SCBX, we envision a positive change where financial success can be achieved without compromising natural resources or ecological balance.

## Our Commitment

SCBX Group aspires to transform and enhance organizational management in order to assist our clients in transitioning to a net zero economy. At the same time, we are dedicated to driving investment in climate technology with the ultimate goal of achieving net zero emissions by 2050.

<sup>1</sup> Boston Consulting Group (BCG) Report: The Next "Digital": Unlocking \$50 Billion Green Tech Opportunity

## Management Approach

SCBX Group recognizes the urgency of maintaining the global temperature rise within the Paris Agreement threshold of 1.5°C, and thus announced the ambition to achieve the Operational Net Zero by 2030 and Net Zero Financed Emissions by 2050. Furthermore, SCBX Group seeks to support all stakeholders in adapting towards a low-carbon society and net zero transition through four key strategies.

### » Supporting the Paris Agreement through 4 core strategies «



**Net Zero in own's operations by 2030**



**Net Zero in lending and investment activities by 2050**

1

**Become a Net Zero Fintech**

- Cultivate mindset
- Build smart building
- Transforming to Electric Vehicles
- Sourcing electricity from renewable sources

2

**Empower Customers through transformation**

By 2030, allocating Baht 200,000 million to business and projects that seek to mitigate or adapt to climate change

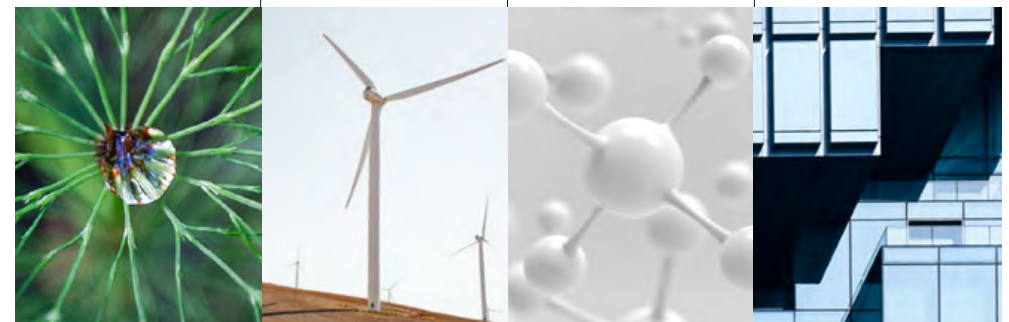
3

**Support the technology ecosystem of the future**

Investing in global funds and companies with a focus on Climate Tech with an initial investment of USD 200 million

4

**Increase transparency through adoption of international standards**





# Key Performance in 2023

SCBX is the first financial technology group in Thailand to announce a science-based net zero target by 2050, aligning with the methodologies specified by the Science Based Targets initiative (SBTi). Our timeframe for achieving the goal also precedes Thailand's national target, which is set to be achieved by 2065. This is a challenging mission that SCBX is ready to put efforts into elevating internal management while navigating our clients and stakeholders through the climate crisis.

## 01

### Become a Net Zero Fintech by Mitigating Operational GHGs emissions

SCBX Group continues to manage environmental impacts resulted from our business activity, while actively seeking innovative approaches to alleviate adverse effects and contribute to positive changes.

In 2023, SCBX Group's operational GHGs emissions (Scope 1 and 2) amounted to 65,384 tonnes of carbon dioxide equivalent, meeting our targeted 7% reduction equivalent compared to 2022.

#### Scope 1 and 2 GHG emissions reduction target (%)



#### Scope 1 and 2 GHG emissions reduction performance (Unit : Tonnes of carbon dioxide equivalent)

Year	2020	2021	2022	2023
Scope 1	10,027	8,039	7,514	11,518
Scope 2	48,678	42,430	62,643	53,866

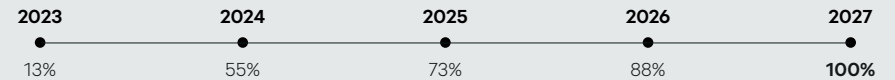
#### Operational Net Zero Initiatives

To achieve the Operational Net Zero by 2030, SCBX Group has implemented a wide range of initiatives to reduce GHG emissions from our own's operations and outlined mid- and long-term roadmaps for future initiatives, including:

##### Scope 1

##### Shifting to R32 refrigerant air conditioners

SCBX Group plans to replace 3,017 units of R22 air conditioners at the head office and SCB branches nationwide with R32 air refrigerant which have low global warming potential (GWP) and no destructive impact on the ozone layer. The company upgraded 400 air conditioning units in 2023, or 13% of the targeted replacements.



##### Transitioning to Electric Vehicle (EV)

The combustion of gasoline and diesel fuel from internal combustion engine vehicles is among the sources of SCBX's own's GHG emissions. The company thus targets the 100% electric vehicle adoption by 2028. In 2023, SCB developed a long-term plan to replace 1,608 units of their vehicle fleets with EVs.



## Operational Net Zero Initiatives

### Scope 2

#### Utilizing Solar Power

SCBX Group acknowledges the importance of accelerating the utilization of electricity derived from renewable sources while reducing reliance on and consumption of fossil fuels. In 2023, AutoX initiated the solar rooftop installation at 222 Ngern Chaiyo branches—122 of which were funded by AutoX, and another 100 were funded by Chow Energy. AutoX also plans to expand the project coverage to additional 200 branches in 2024. Furthermore, the company has replaced advertising sign lighting with solar-powered lights at 1,802 Chaiyo branches.



Solar rooftop installation funded by AutoX and Chow Energy is expected to save electricity costs by 80% and 20%, respectively.



Solar-powered lighting for advertising signs is expected to save electricity costs of around Baht 7.5 million and reduce GHG emissions by approximately 65 tonnes of carbon dioxide equivalent per year.

Apart from that, SCB has conducted a study on solar photovoltaic (Solar PV) installation at SCBX Group head office and planned to install a 999.9 kWp solar panel on approximately 5,350 square metres of area in 2024.



Solar PV installation is expected to reduce the volume of electricity purchase by 1.18 million kilowatt-hours and save electricity costs by Baht 6 million per year.



The initiative would help reduce GHG emissions of around 1,000 tonnes of carbon dioxide equivalent per year.

#### 100% Renewable Electricity Procurement

SCBX strives to achieve 100% renewable electricity procurement by 2030 and support mechanisms that promote renewable electricity generation and utilization in Thailand. To offset operational GHG emissions, SCBX has purchased 20,000 Renewable Energy Certificates (RECs)—totaling 9,999 tonnes of carbon dioxide equivalent in 2023.

## Operational Net Zero Initiatives

### Scope 2

#### Promote Green Supply Chain

In 2023, SCBX developed the SCBX Group Supplier Code of Conduct, requiring all suppliers' acknowledgement before commencing work. The code of conduct aims to nurture responsible business practices among suppliers and sustainable procurement practices within SCBX Group. Four key dimensions consist of:



Business Ethics



Labor and Human Rights



Occupational Health and Safety



Environmental Management

In addition, SCBX established the 'industry-specific requirements' for heavy-emitting sectors such as logistics, requiring them to formulate environmental policies and proposals that align with domestic and international regulations—including those related to climate change. By doing so, we seek to reinforce cooperation within the supply chain to collectively minimize GHG emissions while ensuring that our suppliers' operations are in line with SCBX's net zero commitment.

Furthermore, SCBX collaborated with the Creagy, a consultant specializing in climate change management to organize green procurement workshops for SCBX Group's procurement units in order to enhance knowledge and understanding of the green procurement guidelines. The main contents of the workshop included:

Definition and importance of green procurement

Supplier evaluation procedure and criteria

Integration into the procurement process

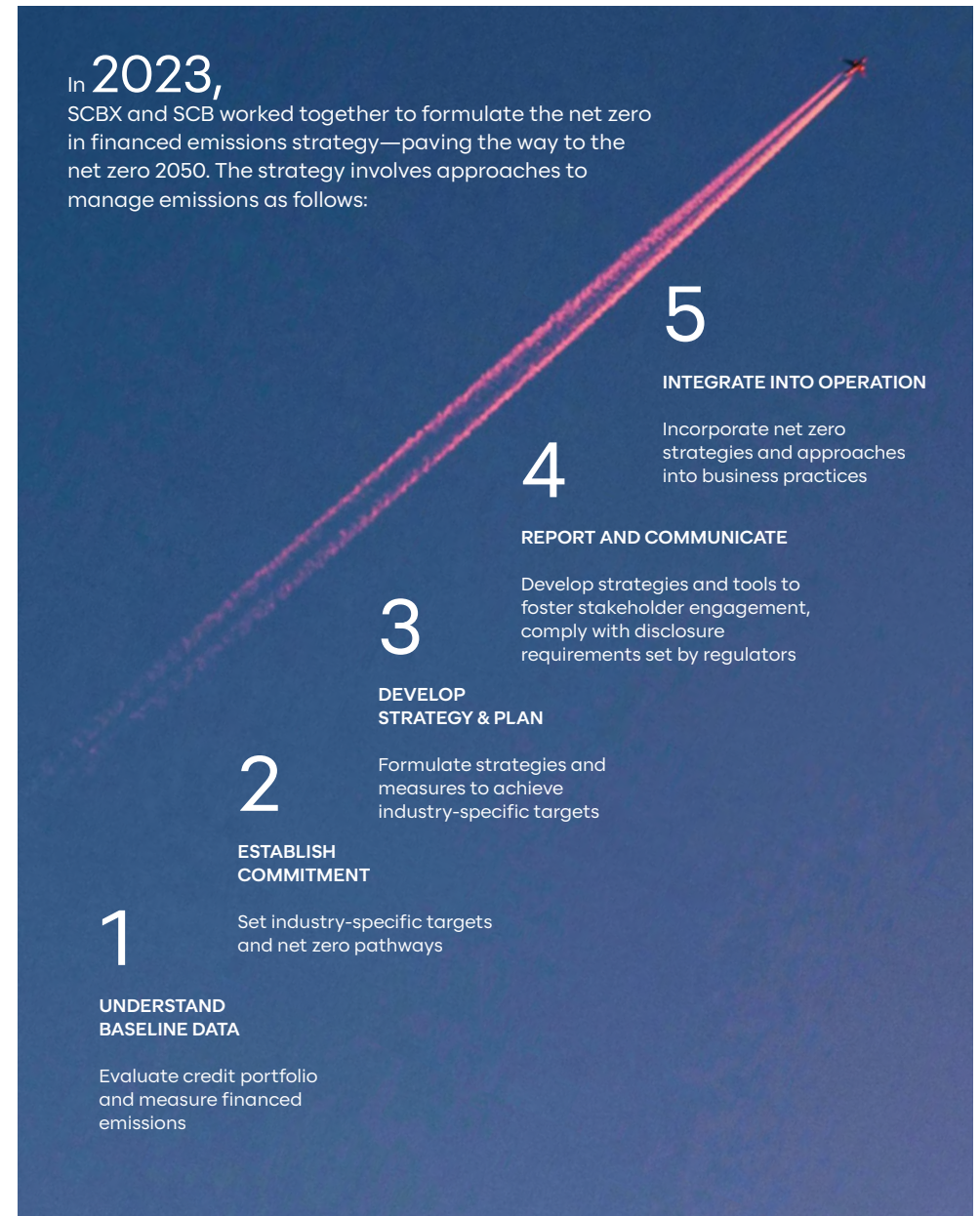
Furthermore, SCBX Group's draft green procurement guidelines are underway and expected to be implemented across all subsidiaries in 2024.

# 02

## Empower Customers in the Transition towards the Low-Carbon Economy and Society

The net zero transition is a crucial milestone that needs synergy from all industries—including energy, transportation, real estate, agriculture, manufacturing, and more. Financial institutions are instrumental in empowering businesses and organizations to limit global temperature rise within 1.5°C and mitigate business risks associated with climate change.

SCBX Group recognizes the importance of GHG emissions management, particularly in Scope 3 Category 15 (financed emissions), which accounts for the largest share of GHG emissions in the financial sector. SCBX Group, led by SCB, has undertaken multiple measures to address the climate crisis. For instance, we continue to deliver green financial solutions to our clients, support responsible lending for project finance in compliance with the Equator Principles (EPs), introduce the Statement on Fossil Fuel Financing, covering 2 heavy emitter industries including coal and unconventional oil and gas, while engaging in climate-related initiatives at both national and international levels.



## Financed Emissions Measurement

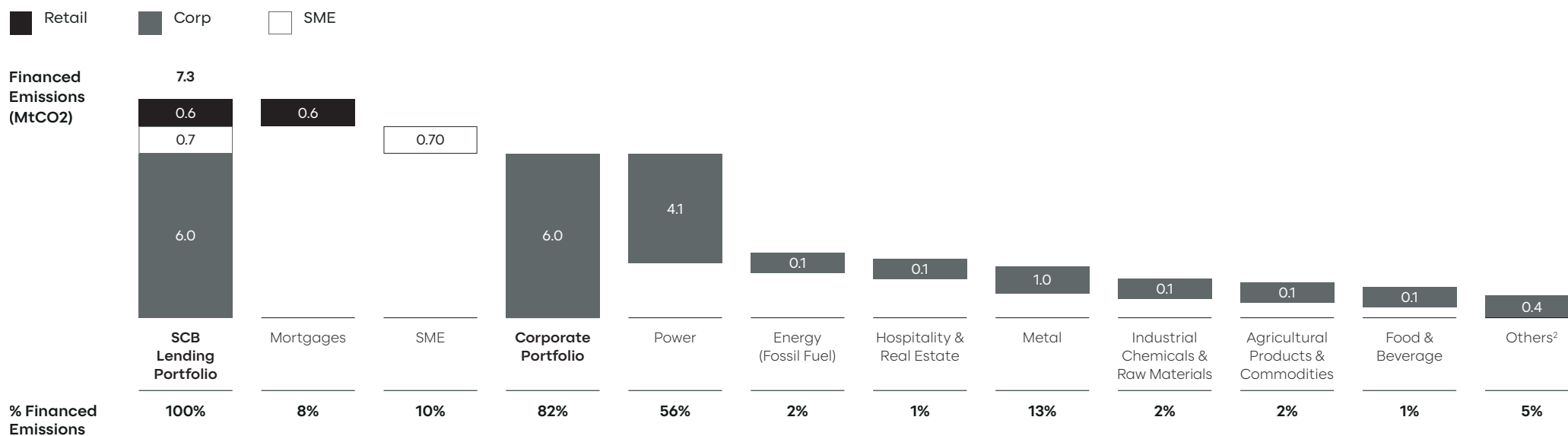
SCBX and SCB conducted GHG accounting in accordance with the Partnership for Carbon Accounting Financials (PCAF)—an international standard for financial institutions in the annual accounting and disclosure of GHG emissions associated with financial services. The PCAF standard also aligns with the Science Based Targets initiative (SBTi), a global collaborative project supporting businesses and financial institutions to set GHGs reduction targets consistent with the latest climate science and the Paris Agreement.

Based on the above-mentioned framework, the credit portfolio assessment of SCB wholesale banking businesses and SME clients in 2021 found that the Bank’s financed emissions baseline was at 7.3 million tonnes of carbon dioxide equivalent— 56% of which came from the power sector.

## Financed Emission Target Setting

SCBX and SCB worked together to identify a net zero pathway following the SBTi guidelines, becoming the first financial institution in Thailand to commit to a SBTi-aligned net zero target. The Sectoral Decarbonization Approach (SDA) has been applied to set emission intensity reduction targets for credit portfolios in the electricity sector, and Implied Temperature Rise (ITR) approach, a collaborative effort by CDP and WWF, for portfolio temperature rating covering industries and asset types as outlined in the Financial Sector Science-based Targets Guidance by SBTi. Furthermore, SCBX and SCB have employed the Portfolio Alignment Toolkit (PAT) to assess emission baselines and set reduction targets using the SDA method. The SCBX Group pathways to net zero emissions are being approved by SCB’s Board of Directors, it’s expected to be publicly disclosed in 2024.

2021 Financed Emissions (scope 3, category 15)<sup>1</sup> by Sector, MtCO<sub>2</sub>



**Remark:**

- <sup>1</sup> The amount of calculated financed emissions include scope 1 and scope 2 emissions of customers.
- <sup>2</sup> Others include retail and wholesale trade, motor vehicles and parts, electronics and electronic components, construction, transportation and logistics, rice and rice products, telecommunications and media, financial institutions, and others.



## Levers to Achieve Net Zero

To ensure the net zero financed emissions by 2050, SCB has implemented fundamental management and operational frameworks in 2023, including:



### Wholesale Business Group (WBG)

With a commitment to deliver value as a 'Trusted Financial Partner for Customers Climate Transition,' SCB Wholesale Business Group (WBG) has outlined a management approach aimed to collaborate and empower customers to navigate and adapt through the challenges of the low carbon transition amidst evolving economic landscape, society, and environment,

Wholesale Business Group supports businesses and activities that address climate change and aim to minimize environmental impacts, piloting the approach with industries exhibiting energy efficiency —namely energy, automotive, hospitality, and real estate while reducing the proportion of environmentally unfriendly businesses in our credit portfolio and operate in line with the Statement on Fossil Fuel Financing which prohibit financial support to projects related to new construction or expansion of coal mines, new construction or expansion of coal-fired power plants, and unconventional oil and gas businesses. Simultaneously, SCB promotes the development of Transition Finance products and collaborates with specialized partners to develop and offer green solutions to customers. In 2023, the Bank introduced various sustainable finance products such as Green Bonds, Sustainability-linked Loans, Sustainability Linked Swaps, and participated in pilot projects supporting capital for sugarcane and sugarcane industry operators to help reduce PM2.5, in collaboration with the Office of the Cane and Sugar Board, the Ministry of Industry, and the Bank of Thailand to alleviate the impact of air pollution problems from PM2.5 particulate matter.

In addition, Wholesale Business Group continues to cultivate relationships through proactive customer engagement, enhancing knowledge through practical workshops to enable sustainable business adaptation and operations. Climate change management topics have been communicated through programs like Mission X and various seminars.

### The 'MISSION X': The Boot Camp of Advanced Corporate Transformation

The program is conducted in collaboration with Vidyasirimedhi Institute of Science and Technology (VISTEC). It has had 6 cohorts since its inception, focusing on sustainable business concepts, integrating technology and digital innovation, and providing consultation from experts in digital organizational transformation and carbon footprint management. In 2023, the boot camp was tailored for the service industry sectors such as hotels and hospitals. Additionally, a special course, Mission X: Roadmap to Sustainability, was organized for interested customers.

### The "Andaman: The Sustainability Green Hospitality"

The seminar is designed for coastal hotel business clients along the Andaman coast to prepare them for addressing climate change. It focuses on shifting perspectives to leverage greenhouse gas emission reduction activities towards sustainable tourism experiences.

In conjunction with the aforementioned strategies, a parallel effort has been placed on uplifting employees' knowledge and understanding of the directions, opportunities, and challenges in environmental, social, and governance (ESG) aspects. Moreover, in 2023, the Wholesale Banking Group supported sustainable finance in various instruments, totaling over Baht 80 billion. This reflects the Bank's commitment to providing comprehensive and effective financial products and services that meet the needs of corporate clients.



### SME CLIENTS

SCB SME Business Group recognizes the importance of supporting small and medium-sized enterprises (SMEs), who play an integral part in Thailand and global economies, in ESG risk and opportunity management—with a specific focus on climate change. To this end, we consistently organized training sessions to foster awareness and understanding among our SME clients.

#### Activity for Clients

Training session

ESG 3 Days Bootcamp

ESG and ChatGPT Bootcamp on tour

Seminar

#### Performance

1,242 SME participants

28 successful ESG business-matching deals of over Baht 100 million

100% were equipped with ESG understanding, compared to 1% before training

## Promoting Sustainable Finance

In 2023, SCB continued to support businesses and projects aiming to tackle impacts or adapt to climate changes through financial support, financial advisory services, and sustainability investing worth over Baht 161,090 million in total.

	Value (Million Baht) In 2023	Sustainability value against total portfolio 2023
<b>Sustainable Financing</b>		
Corporate	75,794	31.8%
SME	2,153	2.58 %
Retail	2,178	1.62%
<b>Sustainable Advisory</b>		
Green Bond	4,584	3.7%
<b>Sustainable Investing</b>		
Wealth	76,381	11.09%

[For more information, please see 'Sustainable Finance' chapter on page 87-91]

# Operational Eco-Efficiency

## Challenges and Opportunities

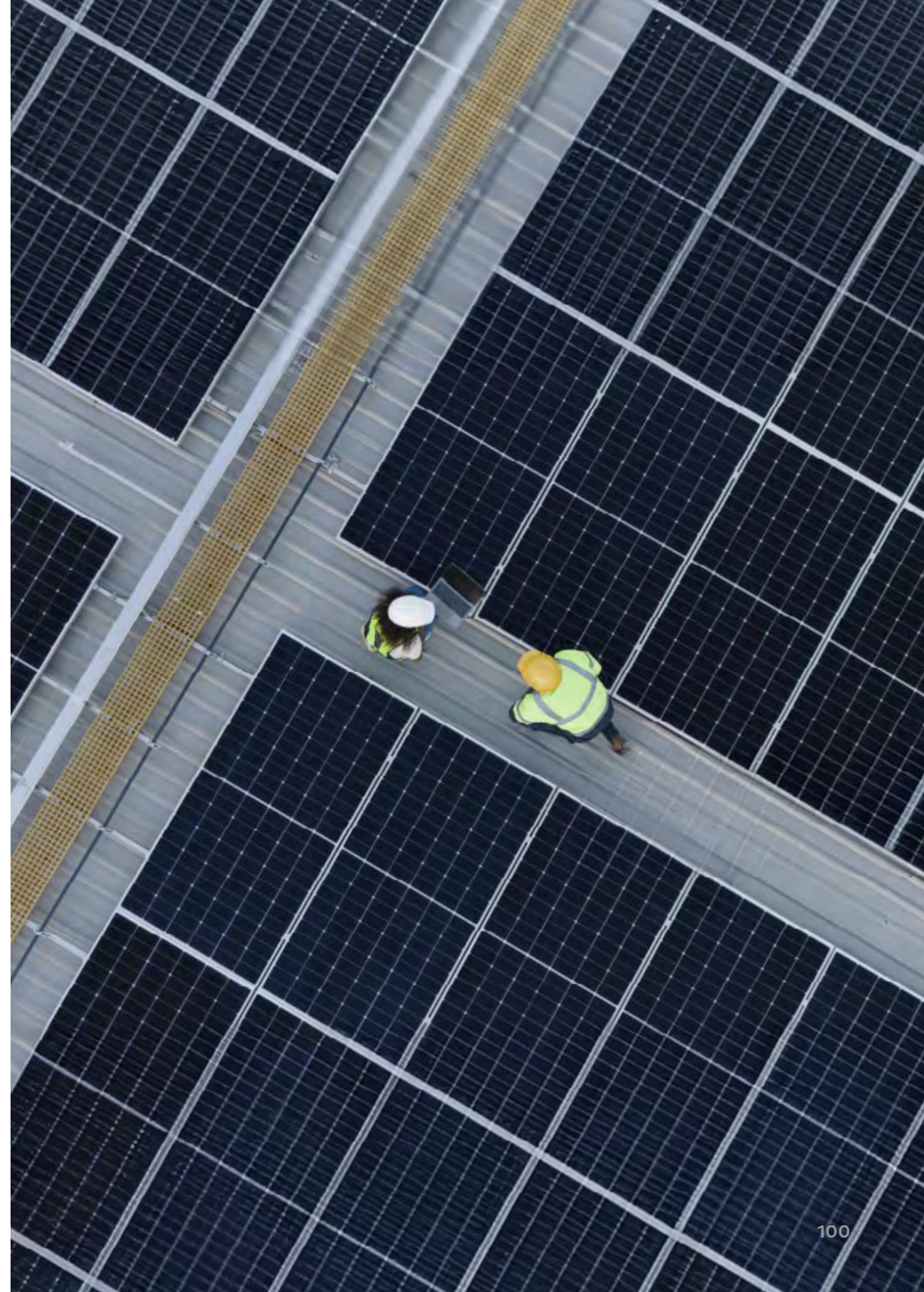
The degradation of natural resources and environmental issues, such as climate change, resource depletion, biodiversity loss, droughts, floods, water pollution, etc., all have significant impacts on economic, social, and environmental development.

Each sector plays a crucial role in protecting and conserving natural resources, while also mitigating the impacts of business activities and lifestyle pursuits, developing economic and social structures that support sustainable growth, fostering environmentally-friendly business innovations, instilling a sense of responsibility in everyone, as well as coordinating cooperation in managing sustainable resources for economic stability, business resilience, and the quality of life of people in society, both now and in the future.

SCBX Group recognizes the challenges and responsibilities of businesses in managing environmental matters. We are committed to utilizing resources and technological capabilities to manage risks and impacts on the environment resulting from business operations. Alongside this, we actively seek opportunities for sustainable environmental and social value creation, ensuring a balanced approach throughout the value chain.

## Our Commitment

SCBX Group is committed to improving the efficiency of energy and natural resource utilization and waste management; applying digital technology in operational processes; and promoting green supply chain to maintain the balance of natural resources and the environment, which serve as the economic and social capital for sustainable development.





## Management Approach

At SCBX, we recognize the importance of preventing and mitigating the environmental impacts from business operations. To this end, we have formulated the Climate Change and Environmental Stewardship Policy, in which we commit to promote and support the Group in actively participating in environmental management in accordance with relevant regulations and international standards. This includes initiating business activities and projects that aim to enhance positive impact on the environment while minimizing the Group's operational footprint. By doing so, we not only contribute to reducing operating costs, but also create added value for society.

SCBX Group instituted environmental management in line with ISO 14001: 2015 and earned accreditation by the standard in 2021. This encompasses operations within the headquarters office buildings where SCBX, Siam Commercial Bank, and other 9 subsidiary companies within SCBX Group are located, including all individuals involved in operations at the headquarters office building, external companies contracted and stakeholders utilizing space under SCBX Group's premise.

### SCBX ENVIRONMENTAL MANAGEMENT



Ensures compliance with the environmental management policy and relevant standards



Instills an environmental mindset and guidelines in employees



Fosters engagement throughout the value chain

## Targets and Key Performance in 2023



### 2027 TARGET:

Reducing 50% of scope 1 and 2 emissions by 2027



### PERFORMANCE IN 2023:

Reducing 7% of scope 1 and 2 emissions compared to 2022









# 01

## Operational Eco-Efficiency and Resource Management

SCBX Group places emphasis on reducing its environmental footprints throughout its operations. The Group prioritizes energy efficiency, optimizes water usage, and manages waste according to the 3R principles: Reduce, Reuse, and Recycle. Our operational efforts in resource management adhere to environmentally responsible practices, yielding the following outcomes:

	Unit	SCB			SCBX Group		Target in 2023	Performance in 2023
		2019	2020	2021	2022	2023		
<b>Greenhouse Gas Emission</b>								
								
Scope 1	Tonnes of carbon dioxide equivalent	11,513	10,027	8,039	7,514	11,518	-5% (compared to baseline in 2022)	+53%
Scope 2		59,025	48,678	42,430	62,643	53,866		-14%
<b>Energy Consumption</b>								
	Megawatt hours	161,369	135,016	114,536	145,792	162,080		+0.4%
<b>Water Consumption</b>								
	Million cubic meters	0.16	0.11	0.07	0.14	0.17	-10% (compared to baseline in 2019)	+5%
<b>Non-hazardous Waste Disposal</b>								
	Tonnes	4,365	3,548	2,606	2,507	1,452		-67%

## Highlighted Initiatives of Operational Eco-Efficiency and Resource Management



Adjusting the air conditioner temperature to

**25** degrees Celsius  
helping saved energy by  
**5%**



Delaying the Chiller's start time from 6:00 a.m. to 7:00 a.m. can save energy by

**11%**



Installing water-saving faucets can reduce water usage by

**48%**



### Eco-Friendly Vehicle Program

replacing a fleet of senior executives' cars with EVs can reduce greenhouse gas emissions by

**14** tco<sub>2</sub>eq per year



### Zero Food Waste

**69,000** kg.  
of food waste  
has been turned into  
**15,470** kg. of compost



### PET Bottles for Whale

Exchanging PET bottles for fertilizer and eggs, helping reduced plastic bottle waste by  
**38,000** bottles

# 02

## Raise Awareness among Employees

SCBX Group reinforces environmental consciousness and employee participation in preventing and mitigating environmental impacts through continuous training and communication of environmental knowledge.

### ENVIRONMENTAL MANAGEMENT TRAINING



**Target:**

Employees

In 2023,

**96%**

of SCBX Group employees completed environmental management training

**Course Content:**

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

### OCCUPATIONAL HEALTH & SAFETY AND IN-DEPTH ENVIRONMENTAL KNOWLEDGE TRAINING



**Target:**

Management and employees who are responsible for environmental management

**1,986** employees were trained for

**13,131** hours

**Course Content:**

- The identification and assessment of risks in the ISO 14001 and ISO 45001 systems
- Integrated ISO 14001 & ISO 45001 internal auditor training
- Waste Management Training for Business
- Management of Electric Vehicle Safety
- Building Inspector Skills Development

### SCB GOGREEN e-Newsletter...365 days: I want to save the planet



**52** issues

of e-Newsletters were distributed to employees

**Examples of content:**

- Environmental knowledge, data, and statistics
- Eco-friendly lifestyle during festivals
- Responsible consumption
- Environmentally friendly products
- Waste sorting and reduction
- Energy and water conservation

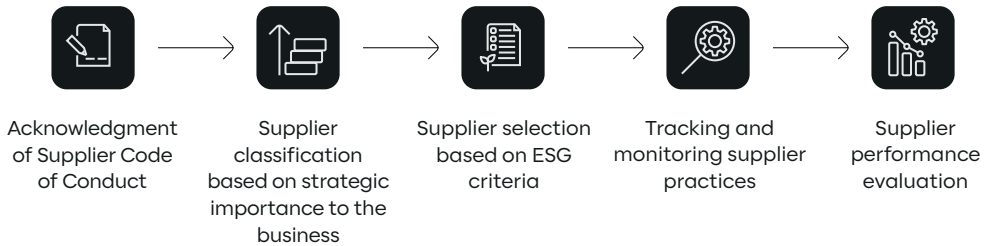

# 03

## Promoting Engagement throughout the Value Chain


At SCBX Group, we believe in promoting supplier engagement by incorporating social and environmental considerations into procurement policies. Before commencing work, all suppliers are required to sign an acknowledgement of the SCBX Supplier Code of Conduct, which outlines guidelines for complying with legal requirements, respecting human rights, and managing environmental and social impacts.

SCBX Group, by SCB, selects suppliers by assessing the environmental impacts of their operations based on a green procurement process as well as communicates policies and guidelines for sustainable procurement annually.

### GREEN PROCUREMENT PROCESS

**100%** of suppliers signed acknowledgement of Supplier Code of Conduct



**4,535** suppliers passed environmental and safety assessments



# 7 FOUNDATION



- 106 Governance, Risk Management,  
and Compliance (GRC)
- 111 People and Culture
- 116 Human Rights



# Governance, Risk Management, and Compliance (GRC)

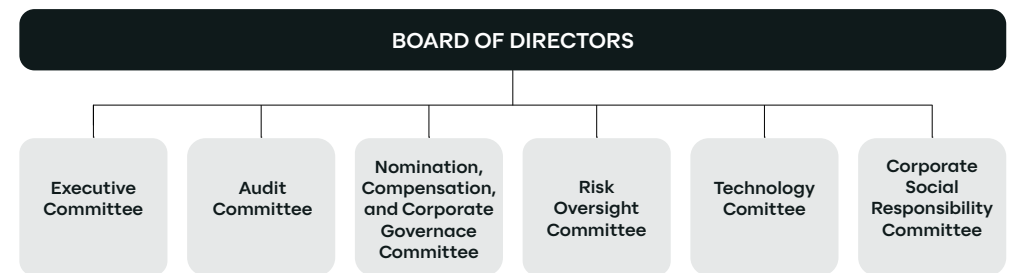
## Management Approach

SCBX Group believes that determination and commitment to corporate governance, proactive risk management, and strict compliance with relevant laws, rules, and regulations are crucial components in building a strong organizational foundation and creating a competitive advantage for sustainable growth while operating under constant economic, social, and environmental changes. This is achieved by fostering group-wide coordination on corporate governance and business ethics policies based on internationally standardized risk management practices supporting the organization's strategic goals. This includes responding quickly to changes and strictly complying with relevant laws, rules, and regulations.

## Corporate Governance

Corporate governance is the key to building a culture of creating value that brings about sustainability, SCBX then emphasizes organizational management that operates with ethics, integrity, and responsibility under **policy** and robust governance between the board of directors, management, and stakeholders in order to bring value and trust from all groups of stakeholder.

## Corporate Governance Structure



# 01

## Fostering Diversity

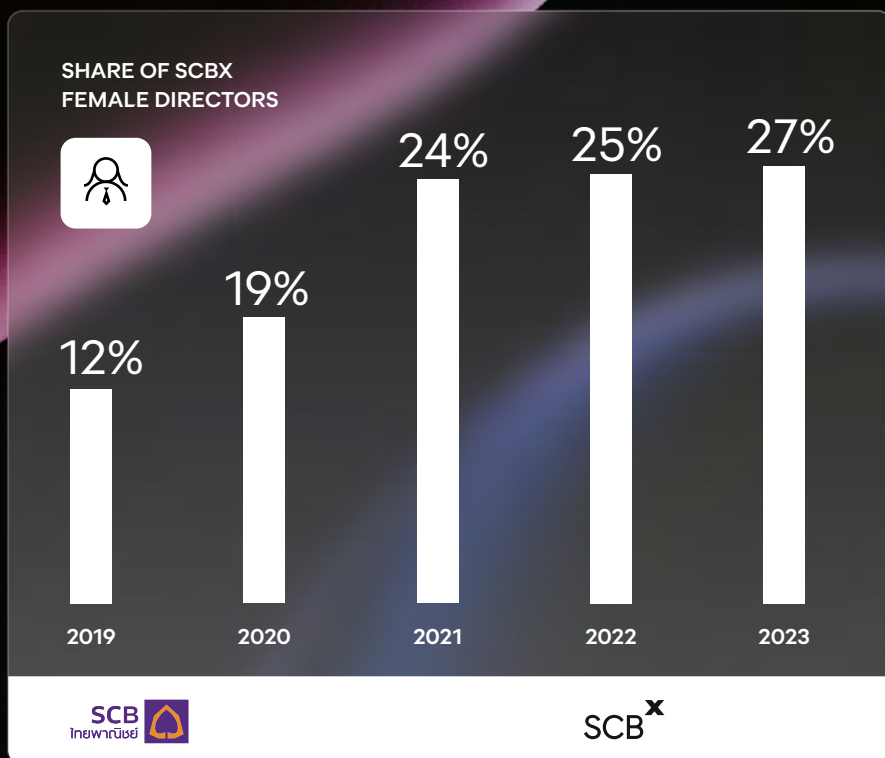
SCBX seeks to foster diversity in terms of gender, race, nationality, age, educational background, professional experience, skills, knowledge, and other legal and societal aspects, which take into account social context and relevant laws by integrating diversity factors in director nomination criteria and selection processes. This will lead to a greater breadth of perspectives and opinions, benefiting all stakeholders and driving sustainable growth.

# 02

## Promoting Board Effectiveness

SCBX encourages directors' responsibility by specifying that Board meetings be organized at least six times per year and at least once every three months. Each director is required to attend at least 75% of the total number of meetings in a given year.

Moreover, SCBX organizes an annual Board and Committee assessment which is divided into four parts, namely: 1. Board assessment, 2. Board committee assessment, 3. Individual director assessment, and 4. Board and chairman assessment. Self-evaluations and cross-evaluations are also conducted by SCBX on an annual basis and by a third party once every three years or as deemed appropriate.



In 2023, SCBX held **16** Board meetings. Meeting attendance of the Board was **99%** and attendance of all 15 directors was above **75%** of the total meetings organized, in line with the Board charter.



All four parts of the Board and Committee's 2023 assessment results were **'Excellent'**.

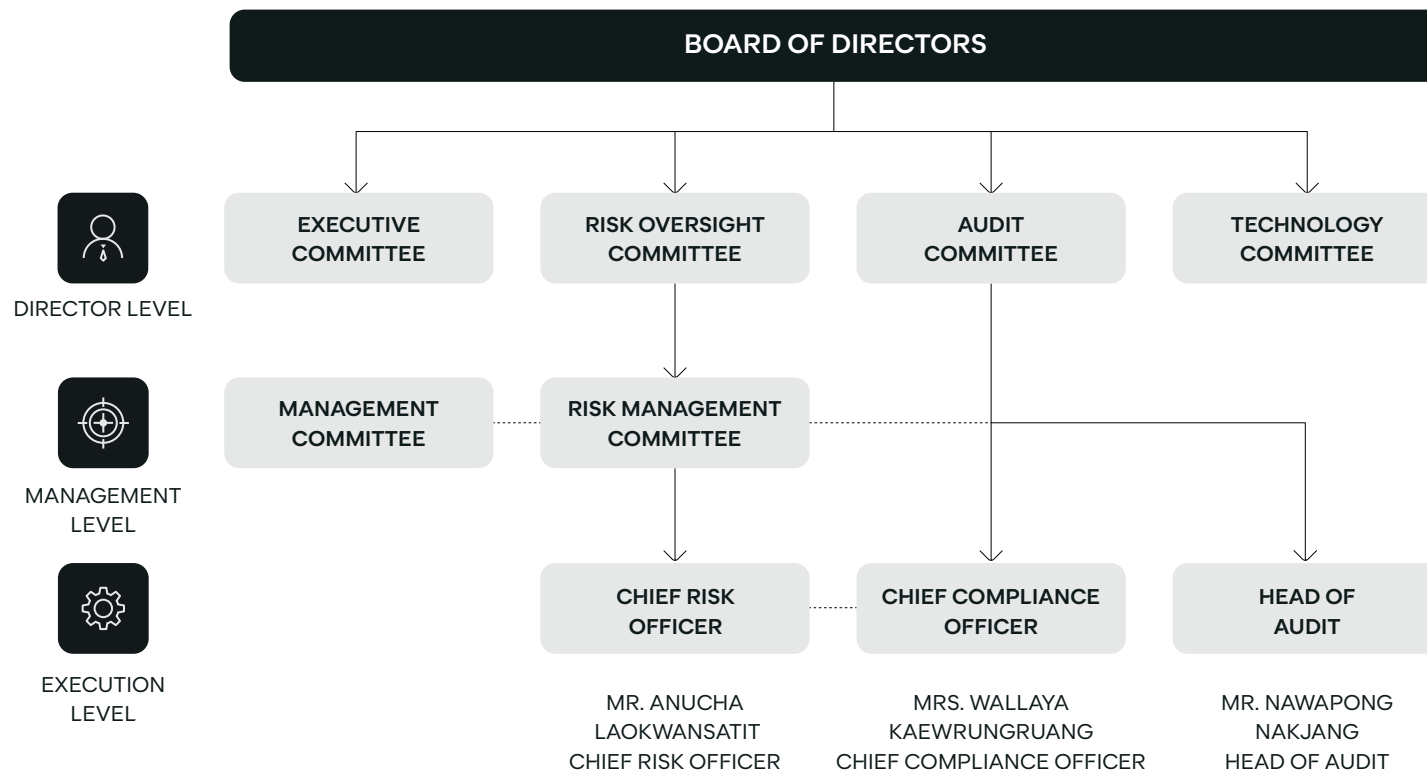
**Remark:** More SCBX corporate governance information and performance is reported in the Annual Report 2023.

## Risk Management

Systematically and effectively managing risks amidst an ever-evolving landscape is imperative for bolstering long-term business resilience and capacities. Therefore, SCBX Group is dedicated to managing the Group's risks exposure by establishing robust governance structures, implementing effective risk mitigation measures, and cultivating a group-wide risk culture.

## Risk Governance Structure

SCBX has embedded risk management and considerations into every facet of its business processes, with governance bodies overseeing coordinated efforts at all organizational levels, from directors and management to operational level. In addition, the Board of Directors is responsible for formulating SCBX Group Risk Management Policy, covering relevant risks and business continuity management of the Group, including internal control to ensure that SCBX Group has in place a risk governance framework that fosters a risk culture. Concurrently, sub-committees are responsible for overseeing, supporting, reviewing, and ensuring that SCBX Group has in place appropriate policies and strategies pertaining to key and emerging risks. These efforts are spearheaded by the Risk Office tasked with driving group-wide risk management practices, while simultaneously promoting continuous improvement in risk management through the engagement of employees in a structured feedback process.



## Compliance with Laws and Regulations

SCBX Group is committed to encouraging all employees to comply with policies and procedures as well as with relevant rules and regulations by conducting regular communication and training on eight mandatory courses which all employees are required to complete on an annual basis.

Course	Percentage of employees completing the course in 2023
Personal Data Protection Act	97%
Cybersecurity Awareness	96%
Anti-money Laundering and Counter Terrorist Financing	96%
Code of Conduct	97%
Operational Risk Management	97%
SCB Safety First	96%
Anti-corruption and Bribery	97%
Market Conduct	98%

### 01

#### Business Ethics

SCBX Group is committed to operating with integrity and responsibility to all stakeholder groups by requiring directors, executives, and employees at all levels to review and acknowledge the **SCBX Group Code of Conduct** while encouraging strict compliance through regular training. The Audit Committee, made up entirely of independent directors, is responsible for reviewing and assessing the policies, procedures, and practices established by the governing body to monitor conformance with its code of conduct and ethical policies, while at the same time providing oversight of the mechanisms established by management to establish and maintain high ethical standards for all managers and employees of SCBX Group.

Furthermore, as a regulated institution, SCBX Group operates under the supervision of government agencies that audit the systems and internal processes of the business group independently every year. In 2023, the SCBX Group underwent audit by the Bank of Thailand under various topics such as ethics and compliance with standards, internal group governance processes, measures to prevent and combat money laundering and terrorism financing, among others. The evaluation results reflect adherence and compliance with the expectations of the Bank of Thailand.

Nevertheless, SCBX Group provides channels for reporting or disclosing information related to non-compliance with regulations, rules, and ethics, including cases of misconduct and corruption, under measures to protect complainants or provide information with integrity (Whistleblower). In 2023, there were a total of 357 reported incidents: 5 cases of inappropriate workplace behavior, 236 cases of noncompliance with procedures or obligations, 6 cases of discrimination or harassment, and 105 cases of dishonest conduct. Out of all these cases, 352 were investigated and addressed, while the 5 remaining cases are still being deliberated. Additionally, SCBX Group has specified appropriate disciplinary actions for affirmed cases, including 227 written warnings, and 125 employment terminations.

Moreover, suppliers are required to acknowledge and strictly adhere to the **Supplier Code of Conduct** before commencing their work.

### 02

#### Anti-corruption and Bribery

SCBX Group pledges to shun and prevent any form of corruption and bribery by requiring every employee to comply with **SCBX Group Anti-corruption and Bribery policy**.

In 2023, there were no corruption and bribery, conflict of interest allegations or complaints against SCBX Group from the Bank of Thailand, the Anti-money Laundering Office, the Office of the National Anti-corruption Commission, and the Securities and Exchange Commission. SCBX Group also did not provide any support to political activities, political parties, politicians, election candidates, or people with direct or indirect political influence.



# 03

## Anti-money Laundering and Prevention

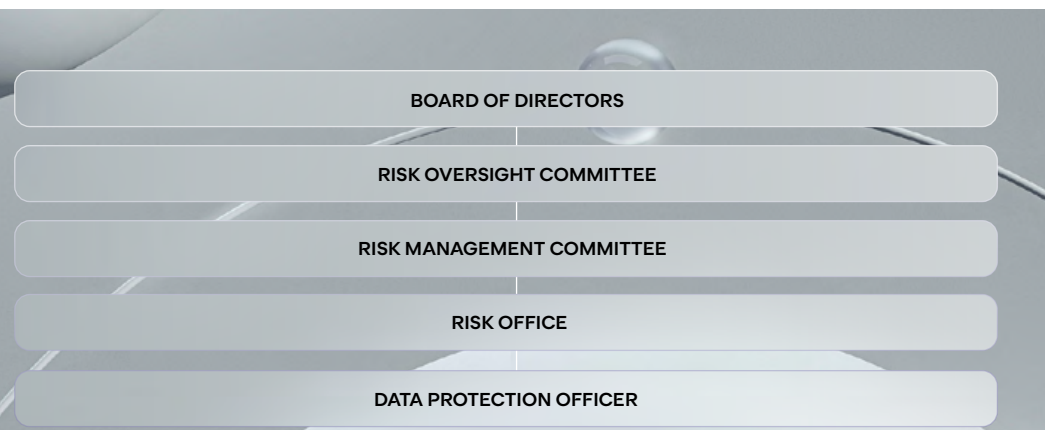
SCBX Group specifies **policies and procedures relating to Anti-money Laundering and Counter-Terrorism and the Proliferation of Weapons of Mass Destruction Financing applicable** to employees at all levels. The Group, by SCB, also continues to develop and improve internal systems and processes to keep up with the new operating context in the digital era and ensure compliance with relevant rules and regulations, global practices, and the Bank's Code of Conduct. This is to protect the Bank from being victimized by criminals or terrorists through money laundering or crimes involving the financing of terrorism or the proliferation of weapons of mass destruction.

In 2023, SCBX Group did not receive any allegations or complaints on money laundering or insider trading practices.

# 04

## Protecting Personal Data

SCBX recognizes 'privacy' as a fundamental human right, while acknowledging that the protection of personal data is related to technology risk, is required by law and regulations, and impacts the Group's reputation. SCBX has therefore adopted group-wide risk management for personal data protection through the enforcement of **privacy notice** overseen by specific governance, with an effective risk management framework to build and maintain trust from customers and stakeholders.



## Governance of Data Privacy Protection

SCBX has specified a privacy protection governance structure that promotes collaboration, from the Board of Directors to employees at the operational level. Governed by this structure, the Board of Directors is responsible for specifying policies relating to risk management of personal data and has delegated the Risk Management Committee with roles and responsibilities in governing overall risk of the Group with appropriate process and monitoring mechanism. Meanwhile, the Risk Office and the Data Protection Officer seek to foster good practice, management, and audit operations within SCBX Group to comply with the Personal Data Protection Act, B.E. 2562 (2019). SCBX is in the process of collecting and centralizing group-wide data at SCB DataX, SCBX Group's Data Center of Excellence, which is tasked with the role of fostering best practices in terms of data sharing, governance, analysis, and protection

## Data Privacy Protection and Management

SCBX Group, by SCB, has specified privacy incident management procedures as a guideline for employees to handle and respond to privacy breaches promptly and effectively, yield productivity, and be consistent with the response playbook. In addition, SCB places importance on cultivating employee awareness through regular training, communication, and internal activities. Penalties, such as written warnings, pay deductions, and employment termination, are enforced if employees are found guilty of personal data violations or any mishandling of customer personal data. Moreover, consent is sought for the collection, usage, and disclosure of customer's personal data in compliance with the Personal Data Protection Act B.E. 2562, laws, and relevant regulations. The proportion of customer consent allowing the Bank to utilize their data for secondary purposes is monitored and stands at 80%.

In 2023, the Bank received a total of 22 complaints regarding customer personal data violations, such have been investigated and addressed the claims according to procedures and practices.

# People and Culture

## Challenge and Opportunity

Digital transformation has heralded significant changes to business operations and workforce dynamics, presenting both opportunities and challenges for human resource management in every organization. With its rapid advancement, Artificial Intelligence (AI) and Data emerged as a pivotal force in driving cost efficiencies, operational enhancements, and the cultivation of novel capabilities within businesses. Nevertheless, the integration of AI technology and Data also entails inevitable implications for organizational and human resource management strategies. This compels the company to prioritize nurturing digital competencies as well as recruiting and retaining talents, particularly in. On the other hand, the technological advancements, coupled with organizational adaptations post-COVID, reshape employee expectations and work environments. The emergence of hybrid working or work from anywhere has become a new norm, altering employee preferences in the labor market. Moreover, concerns about physical and mental well-being among employees have heightened, stemming from apprehensions about job stability amidst increasing automation and AI utilization, as well as stress related to skill gaps in the AI era or the perpetual readiness required due to blurred boundaries between personal and work time under hybrid working or work from anywhere arrangements. Managing employee engagement and loyalty towards work and the organization in such evolving work environments poses a significant challenge, necessitating innovative approaches and effective management strategies to optimize workforce management efficiently and effectively.

## Our Commitment

SCBX Group is committed to enhancing and integrating human resource management across various dimensions—capacity building, career advancement, remuneration, and welfare benefits. We prioritize developing a work environment built upon equality, fairness, and resilience to changes, while cultivating a workplace culture that supports business operations in line with our core values.

## Management Approach

In response to dynamic changes in the business landscape and the growing prevalence of AI and Data in the financial services industry, SCBX Talent Office has devised the human resource management approach in 2023 to proactively address emerging challenges and steer SCBX towards the new goal of becoming an AI-First Organization.

Objective	Drive to Thrive on AI-First Organization at Regional Level		
Strategy			
	1	2	3
	Being regional employer of choice with segmented employee value proposition	Creating values for SCBX Group with effective organizational and people management	Nurture an AI-driven workplace culture across SCBX Group
Target/ Indicator	<ul style="list-style-type: none"> <li>Increased Employee Net Promoter Score</li> <li>Percent decrease of regrettable loss</li> <li>Received prestigious awards and reputable international standards.</li> </ul>	<ul style="list-style-type: none"> <li>Increased return on human capital</li> <li>Achievement rate based on provision of support to key initiative of the Group</li> </ul>	<ul style="list-style-type: none"> <li>Achievement percentage of AI capability</li> <li>Percentage of AI capability talent</li> </ul>

## Key Performance in 2023

# 01

### Being Regional Employer of Choice

Talents today pursue meaningful jobs that contribute to distinct value creation alongside a workplace environment that fosters creativity and embraces diversity. Therefore, SCBX places great emphasis on consistently delivering values that fulfill employee expectations with a focus on segmented employee value propositions. Besides fair and competitive compensation, SCBX offers flexible work arrangements and welfare benefits, diverse opportunities for career advancement, and a work culture that promotes creative freedom as well as learning through trial and error.



### Proactive Employer Branding

SCBX is committed to becoming an AI-First Organization with an objective is to cultivate technological capabilities that align with the rapid pace of digital transformation, thereby bolstering the company's present growth strategies and fortifying ourselves for forthcoming changes. Recognizing the paramount importance of enhancing our corporate image and reputation, as well as fostering compelling engagements with adept professionals, SCBX has embarked upon initiatives aimed at active interaction, in 2023, SCBX initiated Social Media Content Engagement campaigns on platforms like LinkedIn to increase visibility and attract highly proficient and potential workforce. Furthermore, SCBX has orchestrated a spectrum of events to proactively engage with diverse professional cohorts, the 'Get to Know SCBX' event, opening up an opportunity for close discussions between SCBX senior executives, college students, and tech professionals in New York City and San Francisco, United States. SCBX executives in attendance included the Chief Executive Officer, Executive Vice President, Chief Financial Officer, and Chief Human Resources Officer. Furthermore, SCBX actively participated in Thailand's leading innovation and technology events, such as the Creative Talk Conference 2023, Tech Recruiters Meet Tech Talents, and Techsauce 2023, to enhance our reputation among developers and tech talents. At each event, SCBX set up recruitment booths and offered one-to-one consultations for attendees.

### Foster Employee Experience

SCBX recognizes the importance of robust communication strategies to instill a profound understanding of the organization's objectives and business trajectory among employees. The SCBX Talent Office provided mediums for communication with employees via the Intranet, sharing of business goals and updates for employee awareness. This encompasses provisions for documents, workflow systems, and requisite resource platforms. Furthermore, the Talent Office has refined HR service delivery mechanisms to increase efficiency and productivity by adopting technologies e.g., automation of benefit claim, aimed to meet the need of employees.

## Flexible Benefits and Activities to Promote Physical and Mental Wellness

SCBX understands that appropriate and comprehensive welfare programs that cater to employees' needs are key factors contributing to their best performance and long-term engagement with the organization. Therefore, SCBX strives to offer flexible welfare packages, allowing employees to choose benefits tailored to their preferences and lifestyles.

### EXAMPLES OF FLEXIBLE WELFARES AND BENEFITS



Competitive incentive scheme (both short and long term)



Work from Anywhere arrangement with flexible working hour



Health insurance and annual health check up plan



Flexible benefit with maximum Baht 25,000 allowance per year for health and wellness activities such as fitness, spa, sport gears, and amenities that support working from home



No vesting period on provident fund



Phone and internet allowance of Baht 1,500 per month



Birthday leave



98-day paid maternity leave and 5-day paid paternity leave which is beyond the statutory benefits



On-site medical and breastfeeding facility, and childcare center for employees

In addition, multiple activities and initiatives were implemented throughout the year to promote the physical and mental well-being of employees.

### Selected activities and initiatives to promote employee wellness



#### Good Health' seminars on various topics:

- June: Decoding Genetic Links to Heart Disease...What We Never Knew!
- July: How to Set Up Your Work Desk and Stay Away from Office Syndrome?
- August: (Not So) Secret for Women, 'Cervical Cancer' Check the Signs for Timely Treatment
- October: What You Eat Matters, Listen to Your Kidneys
- November: A Silent Threat of 'Sleep Apnea'



#### Telecare 24/7

Real-time healthcare service via VDO call. Employees can schedule a clinical consultation with doctors, nurses, or interprofessional teams around the clock and get medication delivered to their homes—all free of charge.



#### Say Goodbye to Office Syndrome

Clinical consultation service with medical specialists and physiotherapy sessions for treating neck and shoulder pains from office syndrome. The service was available every Wednesday from July-September 2023 at the office nurse rooms.



#### CoolKith: Your Thought Partner

A heart-to-heart counseling service provided by fully licensed external counseling organizations that strictly adhere to the ethical principles of psychologists and code of conduct. CoolKith aims to help alleviate employee stress by providing a supportive environment where employees can freely express their concerns and work hand-in-hand toward finding solutions.



#### Influenza Vaccination

available during April-May 2023



#### Music in the Bank for 3 rounds

in July, September, and November 2023



#### Organized Clubs

such as meditation club, photography club, cycling club, bowling club, badminton club, and more



## Employee Survey to Foster Long-Term Engagement

The year 2023 marked a significant milestone for SCBX in fully operating under the new Group structure. Therefore, the SCBX Talent Office conducted the first group-wide employee survey, providing employees the opportunity to share perspectives, opinions, and suggestions as part of SCBX's transformation journey to become the Financial Technology Group and AI-First Organization. The survey, or PulseX, is utilized for assessing the Employee Advocacy Index, encompassing four fundamental dimensions: Employee Experience, Employee Engagement, Employee Fulfillment, and Organization Health. 94% of employees participated in the PulseX survey and the findings revealed that the average scores of SCBX Group are considered favorable when compared to global benchmarks. Subsequently, the Talent Office of SCBX and subsidiaries have devised action plans to enhance employee engagement at both the Group and company level. These plans involve analyzing feedback comprehensively to identify root causes and utilizing the findings to formulate action plans. Accordingly, the preparation of an Employee Engagement Playbook has been undertaken, aiming to align improvement initiatives with employee feedback, aiming to establish SCBX as the most admired workplace.

# 02

## Creating Values to SCBX Group with Organization and People

In pursuits for shared value creation and group synergy, SCBX is committed to enhancing its management approach by implementing an organizational structure and strategy that empower its subsidiaries to synergize and enhance value creation, while also allowing them to operate independently to maximize productivity and efficiency. The SCBX Talent Office has been assigned 4 major roles to drive value creation and promote group-wide growth. The performance in 2023 can be summarized below.

### 1 Deal Maximizer



- Identified organizational and personnel risks
- Collaborated with relevant departments to establish strategies for managing potential risks during the initial stages of mergers and acquisitions (M&A).

### 2 Group Synergy Driver



- Formulated policies and guidelines for personnel management within SCBX Group, such as Human Resource Management and People Risk Management policies
- Organized 'HRBP Certification' training courses for 27 Human Resources Business Partner (HRBP) of SCBX Group. The training was held in collaboration with the Personnel Management Association of Thailand (PMAT) and aimed to establish professional HRBP standards. Through this training, HRBPs acquired skills to design and manage human resources in alignment with the organizational direction, as well as to offer strategic advice to executives in navigating challenges and achieving corporate goals.

### 3 Partnership and Advisory



- Recruit and place high-potential talents in roles and positions crucial to the Group
- Provided guidance and consultation regarding the implementation of policies and best practices in human resources for subsidiaries, such as compensation and benefits management, performance evaluation, and promoting compliance with rules and regulations

### 4 HR Lab



- Improved human resource management and elevated employee services by leveraging technology to meet the diverse needs of employees
- Fostered employee engagement with the 'Point Reward' program, where employees can earn points via the online platform 'Talent ConneX' based on their participation in activities and achievement of assigned tasks. The points are accumulated in the PointX application and can be redeemed for prizes or cash to purchase products and services at PointX partner shops.

# 03

## Building AI-first Working Environment in SCBX Group

SCBX strives to cultivate a workplace environment that provides our employees with ample opportunities for continuous learning, creative collaboration, and hands-on experiences—particularly in harnessing data and AI technology for daily tasks. Among our initiatives in 2023 was ‘SCBX Copilot Showcase Demo Day,’ which offered a platform for Copilot Champions to showcase their innovative use cases of Microsoft 365 Copilot to SCBX executives, Microsoft representatives, and fellow employees. 13 copilot champion teams presented their showcases and shared valuable insights with other participants.

Furthermore, SCBX seeks to facilitate the dissemination of knowledge into practical application by providing employees access to technology and experts from within the organization. Such initiatives are important to accelerating operational efficiency, productivity, and fostering innovation across various departments. For example,

- Improvements in document management and meeting reporting effectiveness are achieved using the Copilot,
- Automation of benefits and welfare application,
- Dashboard for decision making pertaining to manpower planning, employee expenses, employee engagement initiatives at company and Group level.

# Human Rights

## Challenges and Opportunities

With businesses inevitably involving people, SCBX group and its portfolio companies may be exposed to situations in which human rights are violated, both directly and indirectly. We also live in an era where technology can create limitless new opportunities by giving people opportunities to develop and show their full potential, or conversely cause income inequality through labor replacement by automated systems. Research has also shown that artificial intelligence (AI) has learning biases, so using AI in analytical thinking and decision-making can lead to discrimination. Similarly, social media can be easily accessed anonymously, increasing the possibility of violent cyberbullying. Conducting business with respect for human rights and using technology responsibly will help manage these risks as well as business opportunities.

## Our Commitment

As a company participating in the United Nations Global Compact, the Company is committed to conducting business with respect for human rights, and in accordance with the law and the United Nations Guiding Principles on Business and Human Rights (UNGPs), as well as complying with the standards of human rights practices outlined in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. At the same time, the Company is committed to using advanced technology in inclusively promoting respect for human rights across Thailand and the ASEAN region.

## Our Approach

SCBX Group's commitment to human rights is not only demonstrated in its Code of Conduct, policies, practices, and promotional activities, but also in its mission, which aims to make finance simple, accessible, and affordable for all through the power of technology and innovation. SCBX Group has established an [SCBX Human Rights Policy](#) and management approach to promote respect for human rights, as follows:

- **Human Rights Due Diligence:** Conduct human rights due diligence to prevent, mitigate, and resolve adverse human rights impacts
- **Remedy:** Provide appropriate remedial action for relevant stakeholders, including grievance or reporting mechanisms, as well as mitigation measures to address adverse impacts that may arise from business activities

- **Engagement:** Listen to relevant stakeholders on issues and approaches which will continuously lead to improvements in policies and management approaches
- **Communications:** Communicate with employees, business partners, and suppliers on a regular basis to raise awareness of the need for respecting human rights, and report the Company's human rights performance through sustainability reports and other communication channels on an annual basis.




## Human Rights Due Diligence

SCBX conducted Human Rights Due Diligence (HRDD) to ensure that SCBX Group can effectively manage its human rights risks and impacts throughout the value chain. The results are summarized as follows:

### 4 Steps of Human Rights Risk Assessment Methodology

- 1**  **Identify human rights risks**  
Identify all actual and potential human rights risk issues of SCBX Group's business activities throughout the value chain as well as consider rights holders and vulnerable groups.
- 2**  **Assess the inherent risks**  
Assess inherent human rights risks which are risks prior to mitigation measures.
- 3**  **Identify mitigation measures**  
Identify existing mitigation measures and/or controls, such as policies or procedures.
- 4**  **Assess the residual risks**  
Assess human rights residual risks which are risks after mitigation measures. If the risk remains high, additional mitigation measures should be initiated.

## 27 Human rights issues related to SCBX Group's operations and throughout the value chain

As an employer	As a service provider			As a buyer
Employment Practices	Business and investment practices			Supply chain management
	 <p>Consumer financial services</p>	 <p>Corporate lending/ Project finance</p>	 <p>Food delivery service</p>	
<ol style="list-style-type: none"> <li>1. Illegal forms of labor</li> <li>2. Employee freedom of association &amp; collective bargaining</li> <li>3. Employee working conditions</li> <li>4. Employee discrimination</li> <li>5. Employee health &amp; safety</li> <li>6. Employee data privacy</li> </ol>	<ol style="list-style-type: none"> <li>7. Financial exclusion, discrimination in product development &amp; provision of service</li> <li>8. Customer data privacy</li> <li>9. Mis-selling of products and services</li> <li>10. Abusive debt collection</li> </ol>	<ol style="list-style-type: none"> <li>11. Labor &amp; working conditions</li> <li>12. Community health, safety &amp; security</li> <li>13. Community standard of living &amp; resource degradation</li> <li>14. Land acquisition &amp; involuntary resettlement</li> <li>15. Indigenous people's rights</li> </ol>	<p><b>Customers</b></p> <ol style="list-style-type: none"> <li>16. Customer data privacy</li> </ol> <p><b>Riders</b></p> <ol style="list-style-type: none"> <li>17. Illegal forms of labor</li> <li>18. Freedom of association &amp; collective bargaining</li> <li>19. Working conditions</li> <li>20. Discrimination</li> <li>21. Health &amp; safety</li> </ol> <p><b>Merchants on food delivery platform</b></p> <ol style="list-style-type: none"> <li>22. Discrimination in promotional campaigns</li> </ol>	<ol style="list-style-type: none"> <li>23. Labor &amp; working conditions in supply chain</li> <li>24. Discrimination in supplier selection &amp; treatment</li> <li>25. Supplier health &amp; safety</li> <li>26. Supplier data privacy</li> <li>27. Security personnel practices</li> </ol>



## 5 Salient Human Rights Issues and Mitigation Measures

### 1

#### Health and Safety



**Risk Level:**

- High

**Affected Stakeholder:**

- Riders

**Business Activity at Risk:**

- Food delivery

**Risk Owner:**

- Purple Ventures Co., Ltd. – operator of food delivery platform ‘Robinhood’

**Risk details**

- Road accidents due to reckless driving or exceeding the speed limit

**Measures for Risk Control and Mitigation**

- Basic safe driving and first-aid training
- Safe driving communication campaign on a monthly basis
- Driving safety monitoring
- Coordinating with police checkpoints to prevent traffic rule violations by riders
- Personal accident insurance provision to all riders

For more information, please see ‘Robinhood Super Rider Promoting Health and Safety, Nurturing the Gentlemen Riders’ on page 76

### 2

#### Community standard of living and resource degradation



**Risk Level:**

- Medium

**Affected Stakeholder:**

- Communities in/ near development projects of corporate clients

**Business Activity at Risk:**

- Project finance

**Risk Owner:**

- Siam Commercial Bank (Public) Co., Ltd.

**Risk details**

- Community rights violations due to pollution, improper waste management, as well as supporting projects that create adverse impacts on community livelihoods

**Measures for Risk Control and Mitigation**

- Commission of technical and legal advisors with accountability to oversee and ensure that oversee projects are in compliance with laws and regulations
- Drawstop policy in case of contract breach
- Credit policy guide with integrated ESG criteria, ESG sensitive areas, Equator Principles, etc.
- Monitoring processes for ESG issues in mega-projects

For more information, please see ‘Sustainable Finance’ on page 84-86

### 3

#### Mis-selling



**Risk Level:**

- Medium

**Affected Stakeholder:**

- Wealth securities clients

**Business Activity at Risk:**

- Financial services for wealth securities clients

**Risk Owner:**

- SCB-Julius Baer Securities Co., Ltd.

**Risk details**

- Deliberate or negligent sale of products or services that are either unsuitable or misrepresent the customer's needs

**Measures for Risk Control and Mitigation**

- 3 Lines of defense
- Risk suitability framework
- System control includes pre/post trade check (System alert)
- Sampling review by compliance and risk management department
- Front staff training (e.g., CoC awareness) on a regular basis

### 4

#### Abusive debt collection



**Risk Level:**

- Medium

**Affected Stakeholder:**

- Retail customers

**Business Activity at Risk:**

- Debt collection from retail customers

**Risk Owner:**

- SCB Plus Co., Ltd.

**Risk details**

- Using abusive and/or inappropriate language in the collection process

**Measures for Risk Control and Mitigation**

- Employee Code of Conduct
- Employee training according to Debt Collection Act and PDPA
- Sampling Quality Review
- Client complaint handling process

# 5

## Data Privacy



### Risk Level:

- Medium

### Affected Stakeholder:

- Platform customers

### Business Activity at Risk:

- Food delivery

### Risk Owner:

- Purple Ventures Co., Ltd. – operator of 'Robinhood' food delivery platform

### Risk details

- Sharing personal information such as phone numbers or bank account numbers between customers and riders in case there are extra orders beyond those ordered through the platform

### Measures for Risk Control and Mitigation

- Personal data protection policy
- Installation of an inappropriate language screening feature in the chat system to prevent requests for customers' personal data
- Implement an escalation process to investigate and manage any breach of data privacy

# 8 FACTBOOK



122	About this Report
126	Sustainability Data Performance
139	GRI Content Index
144	Assurance Statement



# About This Report

SCBX Group publishes its first Sustainability Report in 2023 which serves as another channel to communicate with stakeholders on the Group's sustainability commitment and performance. This report provides an overview of sustainability performance on economic, social, and governance dimensions of the Group based on information from January 1 to December 31, 2023. Other than remarked in performance table, the reporting scope and boundary for sustainability performance is classified as follows.

#	Name of company	Share of Net Operating Income (%)	Social Aspect				Governance Aspect		Environmental Aspect		
			Labor Practice	Human Rights	Training	Safety	Remuneration	Business Conduct and Ethics	Greenhouse Gas Emissions	Water	Waste
<b>Holding Company</b>											
1	SCB X Public Company Limited	-	√	-	√	√	√	√	√	√	√
<b>Banking Business (Gen 1)</b>											
2	The Siam Commercial Bank Public Company Limited		√	√	√	√	√	√	√	√	√
3	SCB Asset Management Company Limited		√	-	√	√	√	√	√	√	√
4	SCB-Julius Baer Securities Company Limited	82	√	√	√	√	√	√	√	√	-
5	SCB Protect Company Limited		√	-	√	√	√	√	√	√	√
6	SCB Plus Company Limited		√	√	√	√	√	√	√	√	√
7	SCB Training Center Company Limited		√	-	√	√	√	√	√	√	-

#	Name of company	Share of Net Operating Income (%)	Social Aspect				Governance Aspect		Environmental Aspect		
			Labor Practice	Human Rights	Training	Safety	Renumeration	Business Conduct and Ethics	Greenhouse Gas Emissions	Water	Waste
<b>Consumer Finance and Digital Financial Business (Gen 2)</b>											
8	Card X Company Limited		√	-	√	√	√	√	√	√	√
9	AUTOX Company Limited		√	-	√	√	√	√	√	√	√
10	Alpha X Company Limited	15	√	-	√	√	√	√	-	-	-
11	Abacus Digital Company Limited		√	√	√	√	√	√	√	√	√
12	Monix Company Limited		√	√	√	√	√	√	√	√	√
<b>Digital Platform and Technology Business (Gen 3)</b>											
13	InnovestX Company Limited		√	-	√	√	√	√	√	√	√
14	SCB 10X Company Limited		√	-	√	√	√	√	√	√	-
15	Purple Ventures Company Limited	3	√	√	-	√	√	√	√	√	√
16	Token X Company Limited		√	-	√	√	√	√	√	√	√
17	SCB Tech X Company Limited		√	-	√	√	√	√	√	√	√
18	DataX Company Limited		√	-	√	√	√	√	√	√	√

**Remark:** Economic data includes performance of SCBX Group in consistence with the data reported in the Annual Report 2023 (Form 56-1 One Report).

## CONTACT US

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# NOTE TO SUSTAINABILITY PERFORMANCE

## Environment

### Energy Consumption

Total energy consumption as reported in this Sustainability Report covers electricity consumption, fuel consumption of backup generators, fire pumps, and for vehicle fleet. SCBX Group will continue to revisit the reporting scope every year to continuously improve on the quality and transparency of disclosed information on environmental performance.

### Diesel Consumption

The scope of reporting for diesel consumption covers diesel consumption through tests of standby generators and fire pumps installed at the SCB Head Office, SCB Information Center, and SCB buildings at Chaengwattana and Chidlom. Data on diesel purchases was collected from monthly tracking documentation.

### Fuel Consumption from the Group's Vehicles

Data on fuel consumption from the Group's vehicles covers fuel consumption for vehicles used, managed and are under the Group's main operations. Data was collected from fleet cards and invoices submitted by suppliers.

### Electricity Consumption

The Group uses electricity in its business operations and supporting activities, including but not limited to lights, business equipment, air conditioners, and other electrical appliances. The scope of reporting for electricity consumption covers the SCB Head Office, SCB Information Center, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, FYI Tower, as well as SCB branch network, AutoX's branch network, CardX's call center building at Rama 4 and at Bang Khen, as well as buildings that the Group has operational control over including Julias Baer branch, and Tawanron training center. Data was collected from invoices sent by suppliers such as Metropolitan Electricity Authority and the buildings' lease owners.

### Direct GHG Emissions (Scope I)

The scope of reporting for direct GHG emissions (Scope I) covers sources owned or controlled by the Group. This year, that includes purchased diesel, benzene, and refrigerant leak. The sum of that quantity was then multiplied with the emission factor, in reference to the most recent Thailand Greenhouse Gas Management Organization (TGO).

### Indirect GHG Emissions (Scope II)

Indirect GHG emissions (GHG Scope II) come from activities related to the Group's business operations that are beyond the direct control of the Group. Sources of indirect GHG emissions include electricity used at SCB Head Office, SCB Information Center, SCB buildings at Chaengwattana and Chidlom, SCB SC Tower, G Land Tower, FYI Tower, SCB branch network, AutoX's branch network, CardX's call center building at Rama 4 and at Bang Khen, as well as buildings that the Group has operational control over including Julias Baer branch, and Tawanron training center. GHG emissions were calculated at 0.4999 tons of GHG per megawatt hour (MWh) in 2023, referencing Thailand Greenhouse Gas Management Organization (TGO). The previous GHG Scope II data is also adjusted to use the same source of emission factor for comparability.

### Water Consumption

The Group's water consumption consists exclusively of tap water. The scope of reporting for water consumption covers operations at SCB Head Office, SCB Information Center, SCB buildings at Chaengwattana and Chidlom, Julias Baer branch, SCB SC Tower, G Land Tower, and FYI center tower. Data was collected from invoices sent by the Metropolitan Waterworks Authority and the buildings' lease owners. The calculation is based on water consumption of SCB branch between water withdrawal and water discharge with referring to the average value of water consumption of one employee.

## Waste Management

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

### **Non-hazardous waste - landfill**

Waste managed by municipal authorities, collected from the actual weight from Bangkok Metropolitan Administration at the HQ as the base for the estimation of average the weight of disposed waste per person.

### **Non-hazardous waste - recycle**

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

### **Non-hazardous waste - other recovery operations (composting)**

Food waste from head office building, which is fermented into fertilizer for other beneficial uses.

### **Non-hazardous waste - recycling**

Non-hazardous waste sent for disposal by the responsible company, based on disposal reports from the designated disposal company.

## Air Travel for Business Purpose

The scope of reporting or air travel for business purpose covers that of SCB, SCBAM, SCB Julius Baer, SCB Protect, SCB Plus, InnovestX, SCB TechX, Abacus Digital, and SCB DataX. 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 International Civil Aviation Organization (ICAO).

## Society

### Employee Leave

The Group 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 covers performance of subsidiaries within the Group as described in About This Report, except for AlphaX Company Limited, and TokenX Company Limited.

### Training

The Group records employee training through a human resources management system. The training is categorized into four types including internal and external e-learning, in-house, external, and overseas training. The reported data covers the performance of subsidiaries within the SCBX Group as described in About This Report.



# Sustainability Data Performance

## Economic Performance

Economic Performance (GRI 102-7, GRI 201-1)

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
Net operating income	Billion THB	144.8	150.3	154.4	171.1
Total assets	Billion THB	3,278	3,315	3,454	3,438.7
Market capitalization	Billion THB	297	432	360	356.9
Total operating expense	Million THB	64,330	63,547	69,874	71,780
Borrowings	Million THB	67,235	74,922	71,996	109,910
Net profits	Million THB	27,218	35,599	37,546	43,521
Employee's expenses	Million THB	31,453	30,007	31,219	33,621
Return on Equity (ROE)	%	6.7	8.4	8.3	9.3
Return on Asset (ROA)	%	0.9	1.1	1.1	1.3
Customer Net Promoter Score	-	74	75	76	78

**Remark:** Customer experience assessment tool or Net Promoter Score (NPS) is the SCB's service quality assessment of the three channels including mobile banking, branch network, and customer center.

# Environmental Performance

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

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
Total energy consumption within the organization	MWh	135,016	114,536	145,792	162,202
Total non-renewable energy consumption	MWh	135,016	114,536	145,792	142,080
▪ Fuel consumption	MWh	37,640	29,659	20,481	34,324
▪ Electricity consumption	MWh	97,376	84,877	125,310	107,756
Total renewable energy consumption	MWh	-	-	-	20,122
▪ Electricity consumption	MWh	-	-	-	20,122
▪ Percentage of electricity purchased within the organization from renewable sources from total electricity consumption	%	-	-	-	16

**Remark:** The previously reported data on total energy consumption within the organization and total non-renewable energy consumption (2022) were revised due to a change of reporting scope to include data from SCB branch network where SCB has operational control over, SCB ATMs, SCB Money Exchange booth, as well as additional buildings: Julius baer and Tawanron training center, AutoX branch CardX Call Center Building and SCB 10X head office. The applied emission factor that of the Thailand Greenhouse Gas Organization (TGO).

**Greenhouse gas emissions (GRI 305-1, 305-2, 305-3)**

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
Scope 1					
Gross direct (Scope 1) GHG emissions	Tonne CO <sub>2</sub> e	10,027	8,039	7,514 <sup>1</sup>	11,518
Scope 2					
Gross location-based energy indirect (Scope 2) GHG emissions	Tonne CO <sub>2</sub> e	48,678	42,430	62,643 <sup>1</sup>	63,865
Gross market-based energy indirect (Scope 2) GHG emissions		48,678	42,430	62,643 <sup>1</sup>	53,866
Scope 3					
Category 1: Purchased goods and services	Tonne CO <sub>2</sub> e	-	-	34,636 <sup>2</sup>	30,061
Category 5: Waste generated in operations		-	-	2,379	1,152
Category 6: Business travel (by air only)		-	-	326	967
Category 7: Employee commuting		-	-	-	442 <sup>2</sup>

**Remark:**

- The previously reported data on scope 1 and 2 (2022) was revised due to a change of reporting scope to reflect emissions from SCB branch network where SCB has operational control over, SCB ATM, SCB Money Exchange booth, as well as additional buildings: Julius baer and Tawanron training center, AutoX branch network, CardX Call Center Building, and SCB 10X head office. The applied emission factor that of the Thailand Greenhouse Gas Organization (TGO)
- The reported data includes performance of SCBX only

**Water (GRI 303-3, 303-4, 303-5)**

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
Total water withdrawal from all areas	Million m <sup>3</sup>	0.24	0.16	0.29	0.37
Total water discharge to all areas	Million m <sup>3</sup>	0.13	0.08	0.16	0.20
Total water consumption from all areas	Million m <sup>3</sup>	0.11	0.07	0.14	0.17
Water consumption intensity	Million m <sup>3</sup>	-	-	5.0	6.0

**Remark:** The previously reported data on water consumption (2022) was revised due to a change of reporting scope to include additional offices located in Bangkok besides Head Quarter, Tawanron training center, and SCB branch network. The scope of 2020-2021 remains as previous reporting.

Waste (GRI 306-3, 306-4, 306-5)

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
Waste generated	Tonne	3,548	2,606	2,507	1,453
Non-hazardous waste	Tonne	3,548	2,606	2,507	1,452
Hazardous waste	Tonne	-	-	-	2
Waste diverted from disposal	Tonne	862	616	617	426
Non-hazardous waste	Tonne	862	616	617	425
▪ Preparation for reuse	Tonne	-	-	-	0.4
▪ Recycling	Tonne	-	-	-	364
▪ Other recovery operations (composting)	Tonne	-	-	-	61
Hazardous waste	Tonne	-	-	-	2
▪ Recycling	Tonne	-	-	-	2
Waste directed to disposal	Tonne	2,686	1,990	1,890	1,027
Non-hazardous waste	Tonne	2,686	1,990	1,890	1,027
▪ Landfilling	Tonne	2,686	1,990	1,890	1,027
Hazardous waste	Tonne	-	-	-	0



# Social Performance

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

Performance	Unit	SCB				SCBX			
		2020		2021		2022		2023	
		Male	Female	Male	Female	Male	Female	Male	Female
Total employee	Persons	6,835	17,064	6,045	16,006	9,252	19,763	10,502	21,482
		23,899		22,051		29,015		31,984	
<b>By Contract Type</b>									
Permanent Employee	Persons	6,767	16,815	5,807	15,525	8,996	18,898	9,859	19,671
Contract Employee	Persons	68	249	238	481	256	56	636	1,818
<b>By Category</b>									
Executive	Persons	51	36	63	40	87	64	128	77
Senior management	Persons	1,350	1,547	1,232	1,593	878	1,066	1,009	1,213
Junior management	Persons	5,434	15,481	4,750	14,373	7,126	16,646	8,252	18,853
Non-management	Persons	851	921	772	925	1,153	1,280	1,209	1,339
Management in revenue generating function	Persons	1,096	867	1,136	1,290	1,660	1,289	1,960	1,546
Employees in STEM-related position	Persons	55.8%	44.2%	46.8%	53.2%	56.3	43.7	55.9	44.1
Percentage of employees in STEM-related position	Percentage (against gender)								
<b>By Age</b>									
X ≤ 30	Persons	1,025	4,233	738	3,131	1,681	3,598	2,266	4,209
30 < X ≤ 40	Persons	2,296	8,208	2,100	7,961	3,205	9,055	3,755	9,960
40 < X ≤ 50	Persons	1,883	3,573	1,874	3,787	2,465	4,650	2,765	5,386
50 < X ≤ 60	Persons	1,621	1,047	1,315	1,121	1,624	1,583	1,682	1,907
X > 60	Persons	10	3	18	6	21	12	27	17

Performance	Unit	SCB				SCBX			
		2020		2021		2022		2023	
		Male	Female	Male	Female	Male	Female	Male	Female
<b>By nationality</b>									
Thai	Persons	6,635	16,324	5,787	15,257	8,900	18,788	10,393	21,390
China	Persons	4	2	3	2	13	18	9	11
Cambodia	Persons	0	0	0	0	38	35	39	35
Vietnam	Persons	0	0	0	0	10	26	10	19
Myanmar	Persons	0	0	0	0	9	15	8	14
Other	Persons	17	4	11	3	83	97	34	20
Not identified	Persons	179	734	244	744	6	1	0	0
<b>By physical ability</b>									
Employee with disabilities	Persons	-	-	4	6	7	8	135	76
<b>Labor union</b>									
Employee participation in labor union	Percentage	62		63		53		50	

**Remark:** The reported number of employees in labour union for the year 2022 and 2023 includes that of SCB's only. For other subsidiaries, employee welfare committee is established with objectives to proactively listen and solve any concerns that employees may have.

**New Employees (GRI 401-1)**

Performance	Unit	SCB				SCBX			
		2020		2021		2022		2023	
		Male	Female	Male	Female	Male	Female	Male	Female
Total new employee hires	Persons	310	352	513	725	2,847	3,513	2,522	4,111
		662		1,238		6,360		6,633	
Rate of new employee hire	%	4.33	2.02	8.33%	4.47%	30.77%	17.78%	23.00	19.61
		2.69		5.54%		21.92%		20.78	
<b>By Age</b>									
X ≤ 30	Persons	194	203	230	362	1,285	1,790	1,190	1,963
30 < X ≤ 40	Persons	96	125	195	277	1,201	1,360	993	1,629
40 < X ≤ 50	Persons	20	23	70	77	320	322	304	487
50 < X ≤ 60	Persons	0	1	13	8	33	36	28	30
X > 60	Persons	0	0	5	1	8	5	7	2
<b>By Category</b>									
Executive	Persons	3	2	10	6	14	6	28	6
		5		16		20		34	
	Rate	5.04%	5.51%	16.37%	14.94%	16.09%	9.38%	23.45	7.47
		5.21%		15.80%		13.25%		17.02	
Senior Management	Persons					41	51	39	44
						92		83	
	Rate					13.96	15.44	12.30	11.89
		14.74		12.08					
Junior Management	Persons	53	28	72	77	251	202	292	271
		81		149		453		563	
	Rate	3.58%	1.75%	5.64%	4.84%	14.08	9.23	15.80	13.13
		2.63%		5.19%		11.41		14.39	

Performance	Unit	SCB				SCBX			
		2020		2021		2022		2023	
		Male	Female	Male	Female	Male	Female	Male	Female
Non-management	Persons	254	322	431	642	2,541	3,254	2,163	3,790
		576		1,073		5,795		5,953	
	Rate	4.52%	2.04%	8.94%	4.41%	35.66	19.55	24.89	20.54
		2.69%		5.53%		24.38		21.94	
<b>Number of internal positions filled</b>									
	Position	338	908	356	892	296	698	27	62
		1,246		1,248		994		89	
Number of internal positions filled	Percentage (against total vacancies)	65		50		13		0.07	
<b>By Age</b>									
X ≤ 30	Persons	66	331	38	201	27	88	8	11
30 < X ≤ 40	Persons	124	416	153	451	106	290	10	23
40 < X ≤ 50	Persons	74	121	124	204	98	259	8	20
50 < X ≤ 60	Persons	74	40	41	36	64	62	1	8
X > 60	Persons	0	0	0	0	0	0	0	0
<b>By Category</b>									
Executive	Persons	2	5	10	5	1	2	0	0
Senior management	Persons	78	72	103	130	18	24	3	1
Junior management	Persons	258	831	243	757	214	577	14	49
Non-management	Persons								
<b>Hiring Cost</b>									
Average Hiring Cost	Baht/Employee	18,045		10,085		4,373		11,129	



Employees Turnover (GRI 401-1)

Performance	Unit	SCB				SCBX			
		2020		2021		2022		2023	
		Male	Female	Male	Female	Male	Female	Male	Female
Total employee turnover	Persons	1,054	1,471	940	1,426	1,847	3,064	1,754	3,750
		2,525		2,366		4,911		5,504	
Employee turnover rate	%	14.72	8.43	15.27%	8.80%	19.96%	15.50%	16	17.89
		10.26		10.58%		16.93%		17.24	
<b>By Type</b>									
Employee voluntary turnover	Persons	823	1,180	830	1,330	1,128	2,189	1,592	3,461
		2,003		2,160		3,317		5,053	
Employee voluntary turnover rate	%	11.50	6.76	13.48%	8.21%	12.19%	11.08%	14.52	16.51
		8.14		9.66%		11.43%		15.83	
Employee involuntary turnover	Persons	231	291	110	96	719	875	162	289
		522		206		1,594		451	
Employee involuntary turnover rate	%	3.23	1.67	1.79%	0.59%	7.77%	4.43%	1.48	1.38
		2.12		0.91%		5.49%		1.41	
<b>By Age Group</b>									
X ≤ 30	Persons	180	657	161	448	637	1,208	667	1,475
30 < X ≤ 40	Persons	189	507	182	569	778	1,382	662	1,550
40 < X ≤ 50	Persons	73	108	82	145	303	401	266	631
50 < X ≤ 60	Persons	549	185	511	262	113	62	146	90
X > 60	Persons	63	14	4	2	16	11	12	4

Performance	Unit	SCB				SCBX			
		2020		2021		2022		2023	
		Male	Female	Male	Female	Male	Female	Male	Female
<b>By Category</b>									
Executive	Persons	20	2	5	2	18	20	17	9
		22		7		38		26	
	Rate	33.57	5.51	8.18%	4.98%	20.69%	31.25%	14.24	11.20
		22.94%		6.91%		25.17%		13.02	
Senior management	Persons					30	33	34	30
						63		64	
	Rate					10.00	10.00	10.72	8.10
						10.00		9.31	
Junior management	Persons	326	137	201	106	99	158	180	193
		302		463		257		373	
	Rate	22.02%	8.57%	15.74%	6.66%	5.55	7.22	9.74	9.35
		15.04		10.70		6.47		9.53	
Non-management	Persons	708	1,332	734	1,318	1,568	2,811	1,522	3,518
		2,040		2,052		4,379		5,040	
	Rate	12.60%	8.42%	15.23%	9.04%	22.00%	16.89%	17.52	19.07
		9.52%		10.58%		18.42%		18.57	

## Ratio of basic salary and remuneration of women to men (GRI 405-2)

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
<b>Base salary only</b>					
Executive	Female to Male Ratio	-	0.98	0.85	0.99
Management	Female to Male Ratio	-	0.97	0.98	0.99
Non-management	Female to Male Ratio	-	0.80	0.90	0.91
<b>Base salary and other cash incentives (remuneration)</b>					
Executive	Female to Male Ratio	-	0.96	0.96	0.96
Management	Female to Male Ratio	-	0.98	0.99	0.99
Non-management	Female to Male Ratio	-	0.82	0.91	0.93

## Absenteeism (GRI 403-2)

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
Total absenteeism days (including sickness and injuries leave)	Day	42,091	41,550	81,986	70,493
Absenteeism rate (including sickness and injuries leave)	%	0.72	0.80	1.51	1.02
Average absenteeism resulted from work-related illnesses and injuries	Day/ FTE	-	1.88	3.70	2.38

**Remark:**

- Data on absenteeism in 2022 includes performance of SCBX, SCB, SCB Plus, SCBAM, SCB Protect, CardX, AutoX, and SCB TechX only.
- Data on absenteeism in 2023 includes all performance of all subsidiaries as specified in the About This Report page, however, excluding performance of AlphaX, and TokenX.

**Occupational Health and Safety (GRI 403-9, GRI 403-10)**

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
Number of fatalities as a result of work-related injury	Person	0	0	0	0
	Rate	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	Person	0	0	0	0
	Rate	0.23	0	0	0
Number of recordable work-related injuries	Person	0	0	0	4
Number of fatalities as a result of work-related ill health	Person	0	0	0	0
Number of cases of recordable work-related ill health	Person	0	0	0	0

**Remark:**

- Data on occupational health and safety in 2022 includes performance of SCBX, SCB, SCB Plus, SCBAM, SCB Protect, CardX, AutoX, and SCB TechX only.
- Data on occupational health and safety in 2023 includes all performance of all subsidiaries as specified in the About This Report page.

**Training & Development (GRI 404-1)**

Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
<b>Cost on employee training</b>					
Total cost on employee training	Baht Million	127	115	171	269
Average amount spent per FTE on training and development.	Baht/FTE	5,314	5,245	6,269	8,153



Performance	Unit	SCB		SCBX	
		2020	2021	2022	2023
<b>Employee Training<sup>1</sup></b>					
Average hours of training	Hour/employee	49	45	53	39
Number of employee participated in training	Person	-	-	-	31,984
Percentage of employee participated in training	Percentage	-	-	-	100
<b>By Gender</b>					
Female	Hour/employee	54	48	57	42
Male	Hour/employee	37	36	43	31
<b>By Category</b>					
Executive	Person	15	11	21	23
Senior management	Person	46	35	53	34
Junior management	Person				40
Non-management	Person	71	46	54	38
<b>By Age</b>					
X ≤ 30	Person/Hour	-	41	38	26
30 < X ≤ 40	Person/Hour	-	50	56	43
40 < X ≤ 50	Person/Hour	-	41	53	40
50 < X ≤ 60	Person/Hour	-	39	57	45
X > 60	Person/Hour	-	40	N/A	18
<b>By Training Type</b>					
Mandatory <sup>1</sup>	Hour	8	8	9	14
Non-Mandatory	Hour	30	32	37	30
Self-directed learning <sup>2</sup>	Hour	11	5	7	8
<b>Human Capital Return on Investment</b>					
Human Capital Return on Investment	-	3.84	4.25	3.71	3.97

**Remark:**

- The 8 mandatory training courses include 1) Personal Data Protection Act (PDPA), 2) Cyber Security Awareness, 3) Anti-money Laundering and Counter Terrorist Financing, 4) SCB Financial Group Code of Conduct, 5) Operational Risks, 6) SCB Safety First, 7) Anti-corruption and Bribery, and 8) Market Conduct.
- Self-directed learning includes self-learning and development based on employee's interests available through programs and platforms such as video lessons on PlayStory or coaching sessions through Career Coach, apart from the regular training.

# GRI Content Index

## Statement of use

SCB X Public Company Limited has reported the information cited in this GRI content index for the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2023 with reference to the GRI Standards.

## GRI 1 used

GRI 1: Foundation 2021

## Applicable GRI Sector Standard(s)

G4 Financial services sector disclosures

GRI STANDARD	DISCLOSURE	LOCATION		GRI SECTOR STANDARD REFERENCE NO.
		SUSTAINABILITY REPORT	WEBSITE	
<b>General Disclosures</b>				
GRI 2: General Disclosures 2021	2-1 Organizational details	6 - 7	Companies in SCBX Group, <a href="#">Click Here</a>	
	2-2 Entities included in the organization's sustainability reporting	122 - 123		
	2-3 Reporting period, frequency and contact point	122 - 123		
	2-4 Restatements of information	124 - 125, 127 - 128		
	2-5 External assurance	143		
	2-6 Activities, value chain and other business relationships	6 - 7	Companies in SCBX Group, <a href="#">Click Here</a>	
	2-7 Employees	130 - 131		
	2-8 Workers who are not employees	All the workers performing work for the Group are employees and the Group does not have any workers who are not employees.		
	2-9 Governance structure and composition	13		
	2-10 Nomination and selection of the highest governance body	-	Charter of the Nomination, Compensation and Corporate Governance Committee, <a href="#">Click Here</a>	
	2-11 Chair of the highest governance body	4		
	2-12 Role of the highest governance body in overseeing the management of impacts	13	Charter of the Board of Directors, <a href="#">Click Here</a>	
	2-13 Delegation of responsibility for managing impacts	13		
	2-14 Role of the highest governance body in sustainability reporting	13, 16		
	2-15 Conflicts of interest		Corporate Governance Policy - Internal Control on page 13 <a href="#">Click Here</a>	
	2-16 Communication of critical concerns	108 - 110		
	2-17 Collective knowledge of the highest governance body	39		

GRI STANDARD	DISCLOSURE	LOCATION		GRI SECTOR STANDARD REFERENCE NO.
		SUSTAINABILITY REPORT	WEBSITE	
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	107		
	2-19 Remuneration policies		Corporate Governance Policy - Internal Control on page 10 <a href="#">Click Here</a>	
	2-20 Process to determine remuneration		Corporate Governance Policy - Internal Control on page 10 <a href="#">Click Here</a>	
	2-22 Statement on sustainable development strategy	4 - 5		
	2-23 Policy commitments	12		
	2-24 Embedding policy commitments	11, 13 - 17		
	2-25 Processes to remediate negative impacts	84 - 86, 116 - 120		
	2-26 Mechanisms for seeking advice and raising concerns		Whistleblowing Policy, <a href="#">Click Here</a>	
	2-27 Compliance with laws and regulations	109 - 110		
	2-28 Membership associations	20		
	2-29 Approach to stakeholder engagement	16 - 19		
2-30 Collective bargaining agreements	131			
<b>Material topics</b>				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	16		
	3-2 List of material topics	17		
<b>Digital solutions and security</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	44 - 45		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	49 - 52		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	49 - 52		
<b>Digital skill of the future</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	53 - 54		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	55 - 57		
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	58 - 60		

GRI STANDARD	DISCLOSURE	LOCATION		GRI SECTOR STANDARD REFERENCE NO.
		SUSTAINABILITY REPORT	WEBSITE	
<b>Financial and Digital Inclusion</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	62 - 63		G4-DMA Product and Service Labeling
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	64 - 67		G4 FS7, G4-FS13, G4-FS14
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	68 - 71		G4 FS16
<b>SME/ Start-up/ Social (3S) Empowerment</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	72 - 73		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	74 - 80		G4-EC1
<b>Sustainable Finance</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	82 - 83		G4-DMA Product Portfolio
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	84 - 91		G4-HR1, G4-FS7, G4-FS8, G4-FS10
<b>Net Zero and Climate Technology</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	93		
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	99		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	94, 128		G4-EN15
	305-2 Energy indirect (Scope 2) GHG emissions	95, 128		G4-EN16
	305-3 Other indirect (Scope 3) GHG emissions	96 - 98, 128		G4-EN17
	305-5 Reduction of GHG emissions	94, 128		



GRI STANDARD	DISCLOSURE	LOCATION		GRI SECTOR STANDARD REFERENCE NO.
		SUSTAINABILITY REPORT	WEBSITE	
<b>Operational Eco-efficiency</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	100 - 101		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	102, 127		
	302-4 Reduction of energy consumption	127		
GRI 303: Water 2018	303-3 Water withdrawal	128		
	303-4 Water discharge	128		
	303-5 Water consumption	102, 128		
GRI 306: Waste 2020	306-3 Waste generated	102, 129		G4-EN23
	306-4 Waste diverted from disposal	129		
	306-5 Waste directed to disposal	129		
<b>Governance, Risk Management and Compliance</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	106 - 110		
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	109		
	205-3 Confirmed incidents of corruption and actions taken	109		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	109		
GRI 415: Public Policy 2016	415-1 Political contributions	109		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	110		

GRI STANDARD	DISCLOSURE	LOCATION		GRI SECTOR STANDARD REFERENCE NO.
		SUSTAINABILITY REPORT	WEBSITE	
<b>People and Culture</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	111		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	132 - 135		
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	113		
	403-5 Worker training on occupational health and safety	109		
	403-6 Promotion of worker health	113		
	403-8 Workers covered by an occupational health and safety management system	122 - 123		
	403-9 Work-related injuries	137		
	403-10 Work-related ill health	137		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	137 - 138		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	106, 130 - 131		
	405-2 Ratio of basic salary and remuneration of women to men	136		
<b>Human Rights</b>				
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	116 - 117	HRDD Summary Report, <a href="#">Click Here</a>	
	2-25 Processes to remediate negative impacts			
	2-29 Approach to stakeholder engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	118 - 120		

# Assurance Statement



## LRQA Independent Assurance Statement

### Relating to SCB X Company Limited's Sustainability Report for the calendar year 2023 (1<sup>st</sup> January 2023 – 31<sup>st</sup> December 2023)

This Assurance Statement has been prepared for SCB X Public Company Limited in accordance with our contract but is intended for the readers of this Report.

#### Terms of engagement

LRQA was commissioned by SCB X Public Company Limited (SCB X) to provide independent assurance on its Sustainability Report 2023 ("the report") using AA1000AS v3, where the scope was a Type 2 engagement, and the assurance criteria below<sup>1</sup>. A moderate level of assurance and materiality of the professional judgment of the verifier has been used for assuring the report.

Our assurance engagement covered SCB X's operations and activities in Thailand only and specifically the following requirements:

- Evaluating the reliability of data and information for only the selected environmental and social indicators listed below:
  - GRI 303-3: Water withdrawal
  - GRI 303-4: Water discharge
  - GRI 303-5: Water consumption
  - GRI 305-1: Direct GHG emissions (Scope 1)
  - GRI 305-2: Energy indirect GHG emissions (Scope 2)
  - GRI 305-3: Other Indirect GHG emissions (Scope 3, Category 6 – business travel by Air only)
  - GRI 306-3: Waste generated
  - GRI 306-4: Waste diverted from disposal
  - GRI 306-5: Waste directed to disposal
  - GRI 403-9 Work-related injuries (absenteeism only)
  - GRI 404-1: Average hours of training per year per employee
  - GRI 405-2: Ratio of basic salary and remuneration of women to men

Our assurance engagement excluded the data and information of SCB X's operations and activities outside Thailand, as well as suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to SCB X. LRQA disclaims any liability or responsibility to others as explained in the end footnote. SCB X's responsibility is for collecting, aggregating, analysing, and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of SCB X.

#### LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that SCB X has not:

- met the requirements above.
- disclosed reliable performance data and information for the selected environmental and social indicators.

The opinion expressed is formed on the basis of a moderate<sup>2</sup> level of assurance.

Note: The extent of evidence gathering for a moderate level of assurance engagement is less than for a high level of assurance engagement. Moderate level assurance engagements focus on aggregated data whilst high levels of assurance check source data from sites.

#### LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing SCB X's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions, and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Sampling of evidence presented at SCB X's head office in Bangkok to confirm the reliability of the selected environmental and social indicators. The extent of evidence sampled for the selected indicators reflected the level of assurance applied.



#### Observations

Further observations and findings, made during the assurance engagement, are:

- Reliability: Data management systems are properly defined for the selected environmental and social indicators. However, we believe that SCB X should consider interim verification to improve the reliability of its disclosed data and information.

#### LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LRQA for SCB X and as such does not compromise our independence or impartiality.

Dated: 26 February 2024

Opatt Charuratana

LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited  
No. 252/123 (C), Muang Thai – Phatra Complex Tower B,  
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LRQA reference: BGK00001034

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<sup>1</sup> <https://www.globalreporting.org>

<sup>2</sup> data quantification are subject to inherent uncertainty.



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Sustainability Report 2023