

SCB^x

SCB^x Group

**CLIMATE CHANGE
AND
ENVIRONMENTAL
STEWARDSHIP POLICY**

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Our Sustainability Mission

OPPORTUNITIES FOR EVERYONE, POSSIBILITIES EVERYDAY



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SCBX Group Climate Change and Environmental Stewardship Policy

1. Rationale

Climate change is an existential crisis which is inextricably linked to challenges of environmental resources scarcity, conflict as well as impacts on socio-economic development, requiring ambitious commitments with continued efforts from all sectors entities to help mitigate its increasingly devastating impacts.

SCB X Public Company Limited ("The Company"), the parent company of the SCBX Group ("SCBX Group"), is committed to playing its part in this global effort by recognizing that its direct impact on the environment stems from consumption of natural resources for its internal operations. At the same time, its banking, financial, and digital technology business activities indirectly cause the environmental impacts.

Accordingly, in adherence to the SCBX Group Sustainability Policy, this Climate Change and Environmental Stewardship Policy is established with aims to solidify the Group's efforts in protecting and conserving environmental resources, and to accelerate its Net Zero aspirations. The Policy seeks to achieve the following objectives:

- Mitigate and minimize environmental impacts resulted from the Group's business activities.
- Manage and reduce greenhouse gas emissions from its business activities and throughout the value chain.
- Encourage developments of green/sustainable innovation and technology to incentivize and help clients and stakeholders towards a low-carbon transition.
- Engage its employees in environmental conservation mindset and practice.
- Inform the public and its stakeholders about the Group's commitments and approaches towards climate change and environmental sustainability.

2. Scope

This Policy is intended for business activities and operations under SCBX Group, including subsidiaries, joint ventures and associated companies. This document serves to provide direction and reference to subsidiaries, joint ventures and associated companies that SCB X Public Company Limited (the Company) has control over in setting up their own management approach in relation to environmental stewardship.

In addition, subsidiaries, joint ventures and associated companies, therefore, are responsible for establishing their own governance bodies and internal guidelines compatible to this Policy in scope of their business models and nature of operations, however, with possibilities of own's adaptations but within commitments and objectives specified by this Policy.

3. Governance

To keep the Group abreast and responsive to environmental challenges, Risk Office and Sustainability Office at SCB X Public Company Limited is responsible for analyzing climate change, environmental risks as well as opportunities which subsequently inform the Group's sustainability strategy and roadmap.

SCBX Sustainability Office is tasked with monitoring the implementation and performance against targets and success indicators and reporting the progress to the Sustainability Committee and subsequently to the Board of Directors for acknowledgment.

However, with a diverse business model, subsidiary companies, joint ventures and associated companies pertain authority to appoint their own governance bodies to facilitate and ensure identification, management, and monitoring of environmental risks, however, in alignment with direction set forth in this Policy.

4. Our Approach

SCBX Group's efforts on climate change and environmental stewardship are based on standards and global best practices including:

- The Paris Agreement on Climate Change
- The Greenhouse Gas Protocol
- The Global GHG Accounting and Reporting Standard for the Financial Industry by PCAF.
- The Science Based Targets Initiatives (SBTi)
- The Equator Principles (EPs)

Moreover, the Group also supports various local and international initiatives on sustainability and climate change:

- Task Force on Climate-Related Financial Disclosure (TCFD)
- Global reporting standards on environmental data devised by CDP
- The United Nations Global Compact (UNGC)
- Thailand Business Council on Sustainable Development (TBCSD)

4.1 Environmental Sustainability in Operations

SCBX Group's operations will comply with local laws and regulations while seeking to adhere to internationally accepted management standards resulting in continuous improvement management model. The Group makes the following commitments:

- Comply with local regulatory requirements and guidelines associated with the Group's products, services, and operations.
- Formulate targets, internal procedures, and control systems to encourage environmental protection and conservation.

4.2 Banking Activities

While actively mitigating risks associated with climate change, SCBX Group foresees aspiring business opportunities in wholesale business banking, SMEs banking, retail business, wealth, asset management, and insurance business. Not only in terms of demonstrating potential business growth, but these opportunities also help clients transit to a low-carbon/net zero economy. The Group commits to:

- Provide financing including facilitating capital mobilization to sustainable and/or green business, projects, activities (including but not limited to renewable/ clean energy generation, energy efficiency initiatives, low-emission vehicles, green building, CCUS technology).
- Engage in responsible investing activities and investment advisory in order to deliver satisfactory return and create positive impacts in the long-term.
- Encourage sustainable consumptions of environmental resources.

4.3 Financial Technology Business Activities

SCBX Group is not only committed to its mission in promoting access to financial digital services, technology, and platform, but also recognizes its responsibilities in creating a better environmental future through the following commitments:

- Innovate products and services with less or net positive environmental impact
- Allocate capital to support and scale up developments of clean technology through investments in environmentally friendly innovations and climate technology.
- Enable clients and stakeholders to reduce their own greenhouse gas emissions through lower carbon services and product offerings.
- Strengthen technology infrastructure and/or ecosystem to help combat climate change.
- Participate in local and international carbon markets development or trading scheme.

4.4 Employees

Year-round education and awareness-raising or volunteering initiatives and communication on environmental management practices will be provided to engage employees in environmental conservation efforts.

4.5 Suppliers

SCBX Group will promote sustainability within its supply chain by integrating environmental and social assessment as part of its supplier selection process. All suppliers are asked to acknowledge a supplier Code of Conduct before commencing the work.

4.6 Communities and society

SCBX Group will join effort with the Siam Commercial Bank Foundation and multi-stakeholder partnerships in raising public awareness on the catastrophic impact of climate change and environmental crises. At the same time, philanthropic contributions are made to causes and entities whose stand are to protect the environment and combat climate change.

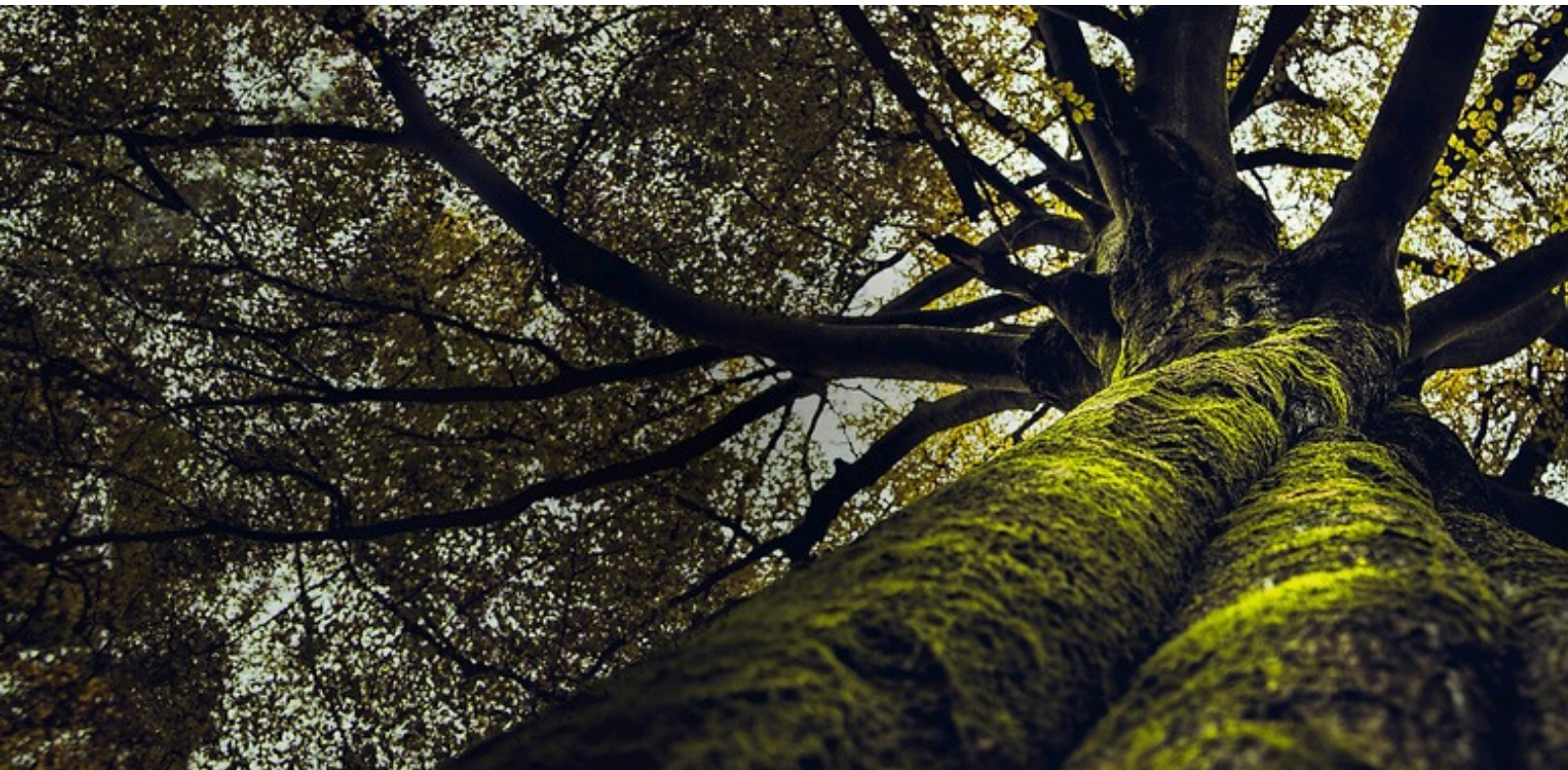
5. Policy Review

This Climate Change and Environmental Stewardship Policy has been approved by the Board of Directors and shall be subject to review at least on an annual basis or when a material change occurs. The Board of Directors has delegated authority to the Sustainability Committee to approve policy reviews involving revisions that are not of material importance, and to subsequently report the review outcome to the Board of Directors for acknowledgment.

Where a policy review involves matters that are of material importance to the business strategy or operations of SCBX Group, the Sustainability Office shall submit the policy review to the Management Committee and the Executive Committee for comment, prior to the submission to the Sustainability Committee and subsequently the Board of Directors for consideration.

6. Relevant Policy

- SCBX Sustainability Policy
- Supplier Code of Conduct
- Fossil Fuel Financing Statement
- Responsible Investment Advisory Policy
- SCB Environmental Policy at Headquarter





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