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# Advancing ethical practices and environmental sustainability in Thai banking: A focus on Siam commercial bank

Bablu Kumar Dhar<sup>1</sup>, Roman Meinhold<sup>1,\*</sup>, Christoph Wagner<sup>2</sup>, Sharmila Devi Ramachandaran<sup>3</sup>,  
Sawarin Pattiyawongse<sup>1</sup>, Sopheak Thai<sup>1</sup>, Kavin Singhbunsiri<sup>1</sup>, Warissara Xu<sup>1</sup>

<sup>1</sup> Business Administration Division, Mahidol University International College, Mahidol University, Nakhon Pathom 73170, Thailand

<sup>2</sup> Faculty of Business, Economics and Social Sciences, University Hohenheim, 70599 Stuttgart, Germany

<sup>3</sup> Faculty of Business and Communication, INTI International University Nilai, Nilai 71800, Malaysia

\* **Corresponding author:** Roman Meinhold, roman.mei@mahidol.ac.th

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**Abstract:** This study explores the advancement of ethical practices and environmental sustainability in Thai banking through an in-depth case analysis of Siam Commercial Bank (SCB), the country's first indigenous bank founded in 1907. SCB has significantly influenced ethical banking practices and sustainability initiatives. The research provides a unique comparative analysis of SCB's ethical frameworks and sustainability policies, assessing their impact on key stakeholders, including customers, employees, the community, and the environment. Employing a qualitative case study methodology, this study utilizes secondary data from SCB's reports and CSR documents, analyzed through thematic analysis and descriptive statistics. The findings reveal SCB's substantial progress in aligning ethical considerations with environmental sustainability, contributing new insights into ethical decision-making processes and the balance between profit and responsibility. Recommendations are provided to enhance ethical and sustainable practices in banking, adding to the discourse on corporate responsibility, environmental stewardship, and sustainable development.

**Keywords:** ethical practices; environmental sustainability; Thai banking; Siam commercial bank; corporate responsibility; stakeholder analysis; sustainable development; normative ethics

## 1. Introduction

The banking industry plays a crucial role in the economic development and financial stability of nations, necessitating a strong focus on sustainability and ethical practices. As the global landscape continues to evolve, these elements have become central to shaping the operations, reputation, and long-term success of financial institutions. Siam Commercial Bank (SCB), established in 1907 as Thailand's first indigenous bank, exemplifies a commitment to embedding ethical practices and sustainability initiatives into its strategic framework (Dhar et al., 2023; Sugawara and Nishimura, 2020). This research investigates SCB's multifaceted approach to these critical areas within the Thai banking sector, emphasizing how these initiatives align with international standards and contribute to the broader banking industry.

Sustainability and ethical practices are increasingly recognized as essential for fostering trust, ensuring regulatory compliance, and promoting the long-term economic health of financial institutions (Dhar et al., 2024; Sharma and Choubey, 2022). The objective of this study is to analyze SCB's ethical practices and sustainability initiatives, examining their design, implementation, and impact on

various stakeholders. By focusing on SCB's concerted efforts, this research aims to contribute novel insights into how ethical and sustainable practices can be operationalized within a banking institution's strategy.

This study is significant for its potential to illuminate how SCB integrates ethical and sustainable practices across its operations, providing insights that may guide other financial institutions in adopting similar approaches. Understanding SCB's practices is particularly valuable, as they set a benchmark for ethical banking and sustainability within the Thai banking industry and offer lessons that may extend to regional and global contexts. This research aims to address a notable gap in the literature by examining the real-world application of these practices and their impact on key stakeholders, including customers, employees, communities, and the environment.

The research scope includes an in-depth evaluation of SCB's policies and programs related to ethics and sustainability, with comparisons drawn to other banks within Thailand. This comparative lens adds depth to the analysis, offering a broader understanding of how SCB's approach stands out or aligns with industry norms. Such a focused approach ensures a comprehensive evaluation of SCB's contributions to ethical banking and sustainability.

The study employs a qualitative case study methodology, utilizing secondary data from SCB's annual reports, sustainability reports, and corporate social responsibility documents. Thematic analysis is applied to interpret qualitative data, complemented by descriptive statistics where available. This mixed-method approach ensures a thorough assessment of SCB's ethical and sustainability initiatives and how they translate into tangible outcomes.

This paper is organized as follows: The next section reviews relevant literature on ethics and sustainability in banking, establishing the theoretical framework for the study. The methodology section details the research design and data collection processes. Subsequent sections present the findings, followed by a discussion that integrates these results with existing literature and highlights original contributions. The paper concludes with recommendations for enhancing ethical and sustainable practices in the banking sector and suggests areas for future research. By examining SCB's approach to ethics and sustainability, this study underscores best practices within the banking sector, offering a potential model for other institutions. The insights from SCB's practices contribute to the discourse on corporate responsibility, demonstrating how banks can achieve a balance between profitability and social responsibility.

## **2. Literature review**

### **2.1. Ethics in banking**

Ethical practices in banking are fundamental for maintaining trust and stability within the financial system (Li et al., 2023). Globally, banks have encountered significant ethical challenges, such as transparency, accountability, and fairness issues (Akinrinola et al., 2024). In Thailand, ethical banking practices have gained importance due to regulatory shifts and rising public expectations (Fauzan and Jaroenwanit, 2022). Ethical practices include adhering to principles like fairness, honesty, and integrity, which build trust with customers and stakeholders (Alwi et al.,

2021). Effective adherence can mitigate risks tied to fraudulent behavior and financial misconduct, which have historically troubled the banking industry.

The 2008 global financial crisis underscored severe ethical lapses in the banking sector, leading to calls for reforms (Macartney et al., 2020). The crisis highlighted the negative impacts of excessive risk-taking and lack of transparency, prompting regulatory bodies and financial institutions to enhance ethical standards to rebuild trust and prevent future crises. This reform included implementing codes of conduct, ethical training programs, and robust compliance mechanisms (Alizadeh et al., 2021). For instance, Basel III regulations, introduced by the Basel Committee on Banking Supervision, aimed to bolster bank capital requirements and strengthen risk management practices, promoting greater ethical behavior.

## **2.2. Sustainability in banking**

Sustainability in banking now includes Environmental, Social, and Governance (ESG) criteria, integral to modern banking operations (Mishra and Sant, 2024; Shoaib et al., 2024). Banks are increasingly recognizing their role in sustainable development by financing environmentally friendly projects and adopting socially responsible practices.

The sustainability model in banking incorporates reducing environmental impact, promoting social welfare, and maintaining strong governance structures (Nițescu and Cristea, 2020). Integrating sustainability can boost long-term profitability and enhance reputation. Environmental initiatives include reducing energy use, waste management, and green building standards (Gulzar et al., 2024). Digital banking has also become pivotal in cutting resource usage and lowering carbon emissions (Prabhu, 2021).

Social sustainability emphasizes financial inclusion and community development (Galletta et al., 2022). This includes providing services to marginalized populations, such as low-income households and rural communities, via products like microfinance and affordable savings accounts (Mejia-Escobar et al., 2020). Such programs reduce poverty and stimulate economic growth. CSR programs in education, healthcare, and financial literacy further bolster community development (Belasri et al., 2020).

## **2.3. Previous case studies of ethical and sustainable banking practices**

Case studies offer valuable insights into how banks in Asia and beyond successfully integrate ethical and sustainable practices. This review highlights key examples, summarized in **Table 1** below for comparison and enhanced comprehension:

These case studies illustrate how different banks have tailored their ethical and sustainability practices to align with their strategic goals and external regulatory standards. For example, BOC's responsible lending emphasizes environmental and social risk assessments to mitigate negative impacts (Zhou et al., 2021). SBI's commitment to financial inclusion has bolstered economic participation among underserved populations (Kumar and Prakash, 2020). Meanwhile, DBS promotes sustainability through ESG-linked financial products (DBS Sustainability Report, 2022).

**Table 1.** Comparative overview of ethical and sustainable practices in global banking case studies.

<b>Bank</b>	<b>Key Ethical Practices</b>	<b>Sustainability Initiatives</b>	<b>References</b>
Bank of China (BOC)	Responsible lending and adherence to environmental standards	Green Finance Framework, issuance of green bonds, environmental risk assessments	Bank of China Annual Report (2021); Zhou et al. (2021)
State Bank of India (SBI)	Financial inclusion and SME support	Accessible financial services for marginalized communities, entrepreneurship programs	Kumar and Prakash (2020); SBI Sustainability Report (2021)
Development Bank of Singapore (DBS)	Integration of ESG criteria into operations	Sustainability-linked loans, promoting sustainable business practices	DBS Sustainability Report (2022)
Mitsubishi UFJ Financial Group (MUFG)	Emphasis on compliance and CSR	Financing renewable energy projects, educational and community partnerships	MUFG Sustainability Report (2022)
Triodos Bank	Full transparency in financing decisions	Financing renewable energy, organic farming, and social enterprises	Triodos Annual Report (2022)
Banco Santander	Alignment with UN SDGs and responsible governance	Sustainable finance, investment in ESG-related projects	Banco Santander Sustainability Report (2023)

MUFG’s focus on renewable energy and CSR underscores its dedication to environmental and social impact (MUFG Sustainability Report, 2022), while Triodos Bank’s transparent operations ensure stakeholders can trace the positive impact of their investments (Triodos Annual Report, 2022). Finally, Banco Santander’s alignment with the UN SDGs highlights its commitment to sustainable development (Banco Santander Sustainability Report, 2023).

### 3. Overview of the company

Founded on 30 January 1907, under a royal charter, Siam Commercial Bank (SCB) holds the distinction of being Thailand’s first indigenous bank and has played a pivotal role in the nation’s economic development. The initial investor was the Privy Purse Bureau, which became the Crown Property Bureau in 1936. Originally part of the Ministry of Finance as the Privy Purse Bureau established in 1890, the name changed in 1932 following the end of the absolute monarchy in Thailand. Members of the Thai royal family played a vital role in SCB’s founding, a legacy that continues to influence the bank today.

SCB aims to be “The Most Admired Bank,” for multiple stakeholders aspiring to be the preferred partner for consumers, the most caring employer for workers, the most sustainable return company for shareholders, the most responsible corporate citizen for society, and the most prudent bank for regulators. These aspirational goals are underpinned by SCB’s core values: Customer Centricity, Risk Culture, Innovation, and Speed (CRIS), which guide its strategic approach and commitment to operational excellence and accountability. The “SCB Transformation” strategic plan seeks to modernize the bank through digitalization, enhancing customer transactions via digital channels, and improving internal workflows. This strategy includes the development of the SCB Easy App and other lifestyle applications, the introduction of the “Merchant App” to provide diverse payment solutions, and the “Mae Manee Money Solution” for QR code-based payments. SCB’s investment in technology extends further with its subsidiary, SCB Abacus Co., Ltd., which pioneers innovations in AI

and big data analytics. The bank is also actively exploring emerging technologies such as blockchain and machine learning to maintain its competitive edge.

SCB's diverse portfolio encompasses a wide range of products and services for both retail and corporate clients, including home loans, personal credit, auto-hire purchases, credit cards, currency exchange, investment, and insurance offerings. For SMEs and corporate clients, SCB provides tailored products such as lending solutions, international trade financing, treasury services, debt and capital market products, corporate advisory, and investment banking. The bank's key subsidiaries include SCB Securities, SCB Asset Management, and SCB Life Assurance, which bolster its comprehensive service capabilities. SCB's international reach includes branches and operations in Hong Kong, Singapore, Beijing, Shanghai, Cambodia, Laos, Vietnam, and Myanmar, supporting global business interactions and service delivery.

SCB's commitment to sustainability is evident in its proactive stakeholder engagement strategy, which includes customers, employees, shareholders, society, the environment, and regulators. This engagement is guided by SCB's Code of Conduct, which underscores transparency, regular communication, and alignment with stakeholder expectations and feedback. This inclusive approach enables SCB to effectively prioritize material issues across economic, social, and environmental dimensions, ensuring that its sustainability initiatives are aligned with its long-term strategic goals.

## **4. Methodology**

This study employs an enhanced mixed-method approach to evaluate the sustainability and ethical practices of Siam Commercial Bank (SCB). The methodology integrates qualitative and quantitative analyses, including a thorough review of company reports, stakeholder feedback, and third-party assessments, to provide a comprehensive evaluation of SCB's alignment with global sustainability standards and the United Nations Sustainable Development Goals (UNSDGs). This dual approach ensures a balanced perspective that captures both strategic initiatives and measurable outcomes.

### **4.1. Data collection**

Secondary data was collected from SCB's official sustainability reports, annual reports, and corporate social responsibility (CSR) documents, which serve as primary sources for analyzing the bank's strategic practices. Supplementary data were sourced from third-party reports, industry publications, academic literature, and relevant news articles to contextualize SCB's practices within the broader industry. The evaluation of SCB's sustainability and ethical practices also included insights from publicly available information on employee review platforms such as Glassdoor and Indeed. This comprehensive data collection approach aimed to capture multiple perspectives on SCB's operations and stakeholder engagement.

### **4.2. Data analysis**

**Qualitative Analysis:** The qualitative data from secondary sources were analyzed using a structured thematic analysis approach. Key themes and patterns related to

SCB's sustainability and ethical practices were identified and compared with the bank's stated objectives and public commitments. Cross-referencing SCB's strategies with existing literature provided a nuanced understanding of how SCB aligns with industry best practices and the UNSDGs. This analysis aimed to highlight both achievements and gaps in SCB's strategic execution.

**Quantitative Analysis:** Quantitative data, including environmental metrics such as CO<sub>2</sub> emissions, energy consumption, and financial performance indicators, were analyzed to assess the effectiveness of SCB's sustainability initiatives. Year-on-year performance data were evaluated to identify trends, measure progress, and benchmark against industry standards. This analysis involved descriptive statistics to summarize key findings and present a clear overview of SCB's performance across various sustainability and ethical metrics. Integrating both qualitative and quantitative insights allowed for a robust evaluation of SCB's holistic approach to sustainability.

## **5. Analysis of sustainability and ethical practices**

### **5.1. Application of normative ethical theories**

#### **5.1.1. Utilitarianism**

SCB has undertaken several actions that align with the normative ethical theory of utilitarianism, emphasizing actions aimed at maximizing overall well-being and satisfaction. For example, SCB's introduction of a "Holistic Organization Management" system incorporates multiple key components such as smart work practices, remote work options, and prioritization of employees' physical and mental health. This system fosters a goal-oriented corporate culture driven by purpose and integrates new operating models to build skills and attract talent (SCB, n.d.). Such initiatives highlight SCB's efforts to leverage modern management concepts and digital tools to create high-performance, purpose-driven environments. This approach is designed to enhance the well-being and satisfaction of clients by maintaining high service quality even during challenging periods. SCB's commitment to being a customer-centric organization is reflected in this system, affirming its dedication to maximizing stakeholder happiness.

SCB's dividend policy reflects its utilitarian perspective, aiming to maximize shareholder satisfaction through substantial dividend payouts, in line with its vision to be the most sustainable return provider (SCB, n.d.). SCB's robust customer feedback system further exemplifies its utilitarian principles. The Closed-loop Feedback system ensures timely resolution of customer concerns and utilizes feedback data for service enhancements, promoting broader customer satisfaction. This system, recognized by an award for Thailand Customer Experience of the Year in 2022 (Asian Business Review, 2022), aligns with SCB's vision of being the preferred partner. In summary, SCB's utilitarian-driven initiatives, from its management system to the feedback mechanism, underscore its focus on delivering the greatest benefit and well-being to its stakeholders.

#### **5.1.2. Environmental ethics**

SCB demonstrates a strong commitment to environmental ethics, aligning its operations with its sustainability core value. For example, SCB's sustainability report

reveals a 37% reduction in GHG emissions, a 35% decrease in energy consumption, and a 54% reduction in water use (SCB, 2021). The bank has also successfully reduced non-hazardous waste by 34% through the implementation of the Reduce, Reuse, and Recycle principles. These efforts showcase SCB's dedication to efficient waste management and environmental awareness.

SCB's role in financing renewable energy projects further demonstrates its environmental commitment. The bank, thereby, has reduced carbon emissions by 160,000 tons in the solar sector and 100,000 tons in the wind sector, actively supporting sustainable energy in Southeast Asia. SCB's proactive engagement in sustainable transportation is evident in its 'Robinhood EV Bike' program, which provides affordable electric bike rentals to delivery riders. This initiative not only promotes environmental sustainability by reducing carbon emissions but also enhances job opportunities and financial stability for riders. These efforts position SCB as an industry leader in promoting environmental sustainability, underlining its adherence to environmental ethics as a guiding principle.

### **5.1.3. Feminism and care ethics**

SCB incorporates Care Ethics into its operations through initiatives that prioritize customer and community welfare. The "Stand by You" campaign exemplifies SCB's commitment to client support by offering tailored financial solutions during challenging times, including debt restructuring and relief plans for SMEs (Brand Inside, 2020). This reflects SCB's vision of being the most preferred partner, driven by empathetic actions.

The "Work from Anywhere" policy represents SCB's dedication to being a caring employer, promoting flexibility, trust, and employee well-being (SCB, 2021). SCB surveys employees to ensure that the policy supports work-life balance and satisfaction. This approach aligns with the bank's value of building its people and has contributed to reducing nearly a billion tons of carbon emissions compared to traditional work arrangements.

During the COVID-19 pandemic, SCB contributed over 18 million baht for medical infrastructure and equipment and partnered with local hospitals to support over 200 patients in home isolation. Such efforts illustrate SCB's role as a responsible corporate citizen and its alignment with Care Ethics. The Robinhood project, a no-commission food delivery platform, embodies SCB's commitment to community support by enabling local businesses to thrive during difficult economic periods (Brand Inside, 2020). This initiative reflects SCB's priority of societal welfare over profit, showcasing a strong dedication to ethical business practices.

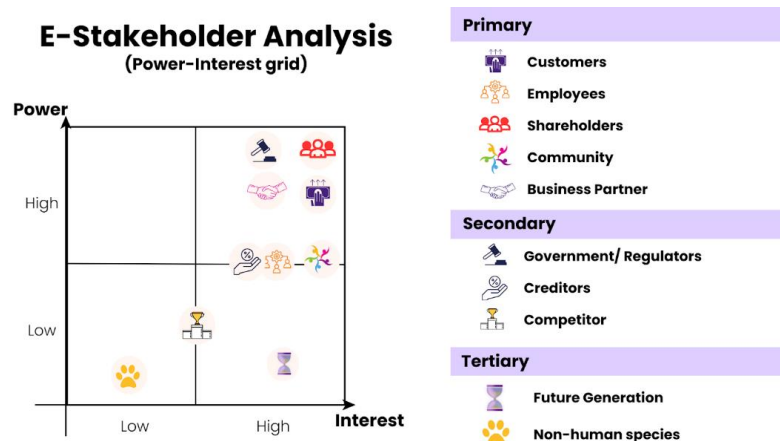
SCB invests in workforce development through scholarships and training programs that bolster the skills and well-being of employees, reinforcing its focus on mental, physical, and emotional health. These efforts have supported over 300,000 Thais in skill development, aligning with SCB's vision of fostering a knowledgeable and capable workforce.

SCB's annual and sustainability reports highlight its commitment to gender equality and women's empowerment, aligning with feminist ethics. Initiatives include leadership development programs, fair representation, and work-life balance policies, ensuring inclusivity across all organizational levels. These actions demonstrate SCB's

advocacy for gender equality and reflect its broader commitment to being a socially responsible organization.

## 5.2. Ethical stakeholder analysis

With respect to the ethical stakeholder analysis of SCB, stakeholders are categorized into three groups: primary, secondary, and tertiary (**Figure 1**). Most stakeholders fall into the “high interest” category, requiring SCB to engage them closely through communication and proactive engagement initiatives. SCB ensures these stakeholders remain informed and acknowledged, addressing their concerns comprehensively (SCB, 2021).



**Figure 1.** E-stakeholder analysis of SCB.

### 5.2.1. Primary stakeholders

Primary stakeholders include customers, shareholders, and business partners who play a crucial role in SCB’s operations. Customers are prioritized due to their direct impact on revenue generation, influencing SCB’s profitability and reputation. To mitigate concerns about privacy and cybersecurity, SCB has launched awareness campaigns and enhanced system improvements. Shareholders, as high-interest and high-power stakeholders, shape SCB’s strategic decisions, particularly seen in SCB’s transition to SCBx in 2022 to foster innovation and long-term value. Business partners, including suppliers and regulatory bodies, are managed through mutual agreements to ensure alignment with SCB’s goals and code of conduct. Employees and the community are managed through engagement and communication strategies, as their feedback impacts SCB’s operations and reputation.

### 5.2.2. Secondary stakeholders

The government and regulatory bodies, although secondary stakeholders, wield significant power. SCB closely monitors these stakeholders to remain compliant with legal and regulatory frameworks that impact its operations and risk management strategies. Creditors hold moderate power but exhibit high interest in SCB’s financial stability and performance, monitoring the bank closely due to their vested interests. Competitors possess moderate interest but limited power, and while they pose a competitive challenge, they do not influence SCB’s internal policies. SCB’s adherence



to fair competition principles, outlined in its 2021 sustainability report, reflects its commitment to ethical standards.

### 5.2.3. Tertiary stakeholders

Future generations and non-human species are considered tertiary stakeholders with minimal immediate power over SCB but significant interest in the long-term impact of its operations. SCB incorporates sustainable practices, such as reducing carbon emissions and financing renewable energy projects, to safeguard future interests. Robust communication strategies help SCB align its long-term goals with the interests of these stakeholders, demonstrating a commitment to ethical and sustainable practices.

### 5.3. Ethical SWOT analysis

The ethical SWOT analysis underscores SCB’s strong commitment to moral behavior, evident in its emphasis on social responsibility and customer loyalty (Figure 2).

		Positive Ethical Influences	Negative Ethical Influences
Internal	<ul style="list-style-type: none"> <li>• <b>Gaining Clients' Loyalty</b> <ul style="list-style-type: none"> <li>◦ economic responsibility, environmental responsibility, corporate governance, and philanthropic initiatives.</li> </ul> </li> <li>• <b>Attract Investors</b> <ul style="list-style-type: none"> <li>◦ Anti-Money Laundering, Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing</li> </ul> </li> <li>• <b>Promote Gender Equality</b> <ul style="list-style-type: none"> <li>◦ Promotes LGBTQ+ diversity with human rights policies.</li> <li>◦ Partner with Sansiri PLC to provide equal-opportunity joint home loan.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Staffs Violate Code of Conduct</b> <ul style="list-style-type: none"> <li>◦ SCB was fined with 3.54 million THB after the staff forced customers to buy fire insurance policies, which violates the central bank's market conduct in 2018</li> <li>◦ In 2015, two of the SCB staff were suspected of involvement with a key suspect in the embezzlement case.</li> </ul> </li> </ul>	
External	<ul style="list-style-type: none"> <li>• <b>Purpose-driven banking / Green pressure.</b> <ul style="list-style-type: none"> <li>◦ emphasizing environmental concerns in communication, marketing, and footprint reduction.</li> </ul> </li> <li>• <b>Inclusive Design</b> <ul style="list-style-type: none"> <li>◦ expand the potential circle of users to include different groups, including boosting female stock market participation and investing in neo banks.</li> </ul> </li> <li>• <b>Sustainable Investments &amp; Products</b> <ul style="list-style-type: none"> <li>◦ improving taxonomy, transparency in disclosures, and benchmarking will result in a growing trend of investments that satisfy sustainability standards.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Consumers Dissatisfaction</b> <ul style="list-style-type: none"> <li>◦ Encounter the lack of transparency and communication from SCB.</li> <li>◦ Confront difficulties with online transfers, delays in program implementation, card retention by an ATM with poor customer service experience.</li> </ul> </li> <li>• <b>Arise in Political Conflicts</b> <ul style="list-style-type: none"> <li>◦ Could potentially harm the reputation of the company</li> <li>◦ possibility of censorship due to ownership of SCB partially owned by the royal family.</li> </ul> </li> </ul>	

Figure 2. Ethical SWOT analysis of SCB.

**Strengths:** SCB’s emphasis on economic responsibility, environmental stewardship, and robust governance fosters client trust through transparent transactions (Suprawan, 2019). Charitable programs and innovative services, such as an extensive branch network and online platforms, enhance accessibility. SCB’s strict adherence to CTF, AML, and WMD prevention measures attracts ethically driven investors (Chandrasen, 2016). Diversity and inclusion initiatives, including LGBTQ+ policies and joint home loans with Sansiri PLC, showcase SCB’s commitment to equity and inclusivity.

**Weaknesses:** SCB is actively improving its practices to ensure alignment with regulatory guidelines and customer-centric values. Ongoing transparency efforts and ethical practices fortify its customer-focused approach but may require continued enhancements to sustain growth.

**Opportunities:** SCB can expand purpose-driven banking to address environmental concerns and leverage sustainability trends (Deloitte, n.d.). Inclusive

financial solutions aimed at women and marginalized communities could diversify SCB’s client base. Investing in sustainable financial products presents an opportunity to meet the rising demand for ethical investment options, enhancing stakeholder value.

Threats: Maintaining client satisfaction through transparent practices is essential for SCB to uphold its reputation. Ethical affiliations and integrity considerations play a pivotal role in navigating market challenges. Adherence to regulatory frameworks such as AML and CTF remains crucial for reinforcing investor trust and ensuring ethical operations.

SCB’s ethical conduct is exemplified through its philanthropic efforts, environmental initiatives, and robust governance. The bank’s proactive support for diversity and gender equality further highlights its commitment to social impact. These efforts help SCB sustain its position as a trustworthy financial institution dedicated to moral excellence and superior customer service.

#### 5.4. UNSDG application

SCB has committed to achieving five primary United Nations Sustainable Development Goals (UNSDGs) by 2030 (**Figure 3**). The United Nations has outlined 17 goals for businesses to implement for global benefit and long-term success. SCB, as a leading financial institution in Thailand since 1907, has integrated these goals into its operational and strategic frameworks. The 2021 sustainability report indicates that SCB aligns its practices with 11 specific SDGs, as shown in **Figure 3** (SCB, 2021). A notable highlight of SCB’s commitment is the allocation of over 40.15 billion baht, directed towards improving well-being, reducing inequality, and combating climate change. The bank also introduced 79 ESG-rated (“AA”) investment funds as alternative options for investors, along with conducting climate risk assessments for large, high-risk financial projects rated “B.”



**Figure 3.** UNSDG application of SCB.

SCB’s digital lending initiatives, part of its “Deep-Long-Survive” strategy, have supported over 35,300 SMEs, promoting financial inclusion and economic growth (SCB, 2021). This aligns with SDG goals related to No Poverty and Decent Work and Economic Growth.

SCB has increased its number of STEM-capable employees by approximately 43% from 2019 to 2021, demonstrating progress towards Quality Education and Decent Work (SCBX, 2022). Projects like SCB’s collaboration with the Royal Thai Air Force to establish a drinking water system for schools in underprivileged areas underscore the bank’s commitment to Clean Water and Sanitation. SCB’s sustainability

milestones include achieving a 26.89% reduction in GHG emissions, more than double its initial 10% target. The bank raised 52,000 million baht within nine months toward its sustainable finance goals, exceeding expectations (Bangkok Post, 2023).

### 5.5. Circles of sustainability

The Circles of Sustainability framework provides a thorough evaluation of SCB’s sustainability efforts across Ecology, Economy, Politics, and Culture (Figure 4).

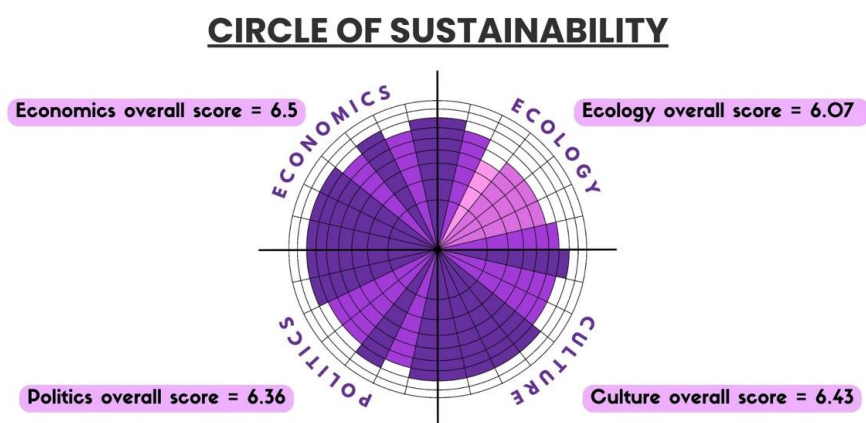


Figure 4. Circle of sustainability analysis of SCB.

#### 5.5.1. Ecology dimension

SCB demonstrates substantial efforts in ecological sustainability. The bank has committed to a 10% reduction in Scope 2 GHG emissions from its 2019 baseline, scoring 7 in “Materials and Energy” due to effective energy management and climate risk integration. However, specific initiatives in renewable energy and recycling require further development. In the “Water and Air” category, SCB scores 6, showing good environmental practices but lacking clear targets for water and air quality improvements. The “Flora and Fauna” category scores 5, reflecting limited biodiversity and ecosystem management efforts. SCB’s integration of climate risk into its business strategy is visible in “Habitat and Settlements,” which scores 6, but the absence of targeted housing and land use initiatives reduces its potential. “Built-Form and Transport” also scores 6, indicating sustainability commitments without specific transport initiatives. “Embodiment and Sustenance” scores 6, acknowledging SCB’s focus on employee health and nutrition but lacking comprehensive strategies. In “Emission and Waste,” SCB earns a 7, recognizing notable progress in emissions reduction, though more thorough waste management initiatives are needed. Overall, SCB’s strengths lie in emissions and energy management, with opportunities for enhancing biodiversity and renewable energy initiatives (Siam Commercial Bank Public Company Limited, 2021).

#### 5.5.2. Economic dimension

SCB showcases strong performance in the economic domain, scoring 7 in “Production and Resourcing” for its commitment to ESG products and sustainable financing. “Exchange and Transfer” scores 6, reflecting financial inclusion efforts such as SME support and literacy programs. “Accounting and Regulation” scores 7, highlighting transparency and ESG policy incorporation. The “Consumption and Use”

subcategory scores 6, denoting an indirect influence on sustainable consumption. “Labor and Welfare” and “Technology and Infrastructure” both score 7, emphasizing SCB’s investment in workforce skills and sustainable technology. “Wealth and Distribution” also scores 7, reflecting SCB’s initiatives in responsible lending and financial equity.

### **5.5.3. Political dimension**

SCB displays excellence in political sustainability. The bank scores 7 in “Organization and Governance”, backed by strong governance structures and compliance with international standards. “Law and Justice” scores 7, due to robust adherence to legal frameworks and anti-corruption initiatives. “Communication and Critique” scores 6, recognizing regular stakeholder involvement but lacking internal review processes. “Representation and Negotiation” scores 6, attributed to industry collaboration with limited inclusivity documentation. “Security and Accord” earns a 7, reflecting safe banking practices and risk management. “Dialogue and Reconciliation” scores 6, indicating moderate efforts in promoting dialogues. SCB’s “Ethics and Accountability” practices receive a score of 7, showcasing commitment to transparency and ethical behavior.

### **5.5.4. Cultural dimension**

SCB’s dedication to cultural sustainability is evident through its engagement with local communities and promotion of Thai cultural heritage, scoring 7 in “Identity and Engagement”. “Creativity and Recreation” scores 6, highlighting SCB’s support for cultural events but lacking deeper integration. “Memory and Projection” and “Beliefs and Ideas” both score 6, reflecting SCB’s moderate alignment with cultural heritage and inclusivity. “Gender and Generations” scores 7, showing SCB’s focus on gender equality and intergenerational participation. “Enquiry and Learning” scores 7, illustrating investment in training and development programs. “Wellbeing and Health” scores 7, emphasizing SCB’s commitment to employee health.

## **5.6. Corporate social responsibility**

Siam Commercial Bank (SCB) has consistently demonstrated a robust commitment to Corporate Social Responsibility (CSR) through impactful and diverse initiatives. These actions align closely with its vision of being “The Most Admired Bank” and core values such as “Customer Centric Innovation” and “Sustainability”. SCB’s dedication to education is exemplified by its donation of 1.17 million-baht, funding 184 scholarships to support continuous education from Grade 7 through to bachelor’s degree levels, benefiting students from 139 remote schools (SCB, 2021). Moreover, SCB has actively promoted environmental awareness by conducting education programs on waste reduction in 220 schools, fostering sustainable practices among young students. These initiatives align with the United Nations Sustainable Development Goals (UNSDGs), specifically SDG 4: Quality Education and SDG 12: Responsible Consumption and Production.

In response to natural disasters, SCB expanded its CSR efforts to assist communities impacted by floods in Southern Thailand. Collaborating with the Royal Thai Air Force, SCB distributed 2,000 emergency kits containing essential items, including rice and ready-to-eat meals, to support affected families. This initiative is

part of SCB's broader Disaster Relief Project, which aims to provide immediate assistance and improve the quality of life during crises (SCB, 2021). This project aligns with UNSDGs, such as SDG 1: No Poverty and SDG 2: Zero Hunger, showcasing SCB's commitment to addressing urgent community needs.

Through these CSR initiatives, SCB has effectively addressed both immediate and long-term community needs, contributing to sustainable development and reinforcing its reputation as a socially responsible corporate entity. The bank's proactive approach not only supports communities in times of need but also embeds sustainability into its strategic practices, ensuring alignment with global standards and ethical commitments.

### **5.7. Corporate environmental responsibility**

Siam Commercial Bank (SCB) has established itself as a leader in Corporate Environmental Responsibility (CER) through a strong commitment to initiatives aligned with its core values and strategic vision of sustainability and customer-centric innovation. SCB's dedication is evident in its impactful projects, such as the Khung Bangkachao Project, which exemplifies how businesses can contribute to environmental conservation. This project supports one of Bangkok's critical green lungs, preserving an area known for its significant oxygen production (SCB, 2021). Tree planting activities are central to this initiative, aimed at maintaining and restoring natural habitats.

SCB actively engages local communities by partnering with 11 schools to educate students on sustainable practices and reduce plastic usage, fostering long-term environmental consciousness. SCB's "Let's ride to plant" initiative is another example of its proactive CER efforts, where First Executive Vice President and Chief Operations Officer Wannarat Phanjan and Saksit Pitipongsunthorn led 50 SCB volunteers on a bicycle ride to plant 300 mangrove trees in the Bang Khun Thian region. This initiative was part of a larger goal to plant 1 million trees in Bangkok, supporting the city governor's initiative to enhance urban greenery and promote ecological health (SCB, 2024).

Another notable initiative by SCB was the "We Do Good Things with Our Hearts" project, which involved public service activities such as cleaning and collecting waste in the Wat Noi Nopphakhun area. This project aimed to reduce environmental hazards and improve the quality of life for the local community, showcasing SCB's commitment to social and environmental responsibility. These efforts align with the United Nations Sustainable Development Goals (UNSDGs) and reinforce SCB's status as a pioneer in CER within the banking industry. By integrating sustainability into its strategic framework, SCB ensures its operations contribute positively to the environment while supporting community welfare.

## **6. Discussion**

Siam Commercial Bank (SCB) has established itself as a leader in sustainable and ethical banking within the Thai financial sector. The bank has launched numerous initiatives aimed at reducing environmental impact, promoting social equity, and fostering a customer-centric culture. Key programs, such as the "Stand by You"

campaign and the “Holistic Organization Management” system, exemplify SCB’s commitment to enhancing customer satisfaction and employee well-being. SCB’s strategic investments in Corporate Social Responsibility (CSR) and Corporate Environmental Responsibility (CER) initiatives underscore its dedication to community engagement, educational advancement, and environmental conservation.

SCB’s efforts in renewable energy projects have contributed significantly to carbon emission reductions, reinforcing its role as a champion of environmental sustainability. The bank’s proactive engagement with primary stakeholders, as outlined in the E-Stakeholder Analysis, demonstrates a comprehensive approach to addressing stakeholder concerns. The Ethical SWOT (E-SWOT) analysis highlights SCB’s strengths in environmental initiatives, customer loyalty, and robust governance, which underpin its sustainable and purpose-driven banking model.

The Closed-loop Feedback system showcases SCB’s dedication to customer satisfaction and continuous service improvement, reflecting a commitment to integrating feedback for better outcomes. SCB’s Total Social Impact (TSI) and Total Shareholder Return (TSR) analyses reveal the bank’s balanced approach to achieving positive social impact alongside maintaining shareholder value. This holistic integration of ethical and sustainable practices enhances SCB’s reputation while contributing positively to societal and environmental well-being. SCB sets a high standard for other financial institutions by demonstrating leadership in greenhouse gas emission reductions, energy efficiency, and support for renewable energy projects.

Siam Commercial Bank’s strong ethical foundation and sustainability-focused strategies have enhanced its operational performance, stakeholder relationships, and market standing. These practices have led to reduced operational costs through increased energy efficiency and effective waste management, aligning with global environmental and sustainability standards. The bank’s investment in employee well-being and professional development has resulted in improved retention rates and productivity, cultivating a skilled and motivated workforce. SCB’s customer-centric initiatives drive business growth and provide a competitive edge within the Thai banking industry. Its commitment to community development and educational programs bolsters its brand image and fosters goodwill among stakeholders, solidifying SCB’s reputation as a socially responsible leader in the banking sector.

## **7. Conclusion**

Siam Commercial Bank (SCB) has emerged as a leading example of ethical and sustainable banking, setting a commendable benchmark for other financial institutions in Thailand and the ASEAN region. SCB’s comprehensive commitment to environmental sustainability, employee well-being, customer satisfaction, and community development has significantly strengthened its competitive position while contributing to the overall progress of the Thai banking industry. The bank’s proactive approach not only enhances its operations but also inspires other financial institutions to integrate similar ethical and sustainable practices, thus raising industry standards. Moreover, SCB’s advocacy for stronger legal and regulatory frameworks that promote ethical and eco-friendly banking reinforces its role as a leader. By collaborating with

authorities and engaging stakeholders, SCB plays a crucial role in shaping policies that support responsible banking practices and sustainability across the financial sector.

Future research could build upon SCB's initiatives by focusing on areas that deepen the understanding and development of sustainability and ethics in banking. One potential avenue for research is a comparative analysis of SCB's sustainability practices against those of leading banks in the ASEAN region or on a global scale. Such studies could uncover best practices and highlight areas where SCB and other banks could innovate further. Additionally, conducting longitudinal impact studies would offer valuable insights into the long-term effectiveness of SCB's ethical and sustainable strategies, helping to identify which initiatives provide sustained benefits and which may need refinement over time.

Another valuable area for exploration is SCB's stakeholder engagement strategies, examining how these models can be adapted or replicated by other banks to enhance stakeholder relations and trust. Future studies could also investigate how advanced technologies, such as AI and blockchain, could be leveraged to boost transparency, improve sustainability practices, and strengthen governance frameworks within the bank's operations. This could pave the way for further technological integration in banking to support sustainable goals.

Research could also delve into SCB's influence on policy and advocacy, analyzing how its collaborations with regulatory bodies and its involvement in policy development impact the overall banking industry. Understanding how financial institutions like SCB contribute to shaping ethical and sustainable banking policies can guide similar efforts in other regions. Additionally, studying the long-term impact of SCB's sustainability practices on customer trust and loyalty would provide deeper insights into the connection between corporate responsibility and consumer behavior, shedding light on the tangible benefits of ethical banking practices.

SCB's pioneering work has laid a strong foundation for ethical and sustainable banking, demonstrating the value of embedding environmental, social, and governance (ESG) considerations into business operations. As SCB continues to innovate and evolve, further research and advancements will be essential to maintaining its leadership and influencing broader industry practices. Future studies focusing on these directions can provide valuable frameworks and strategies for banks aiming to balance sustainability, ethics, and financial performance, ultimately contributing to a more responsible and resilient financial system.

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