



CORPORATE SOCIAL RESPONSIBILITY FOR BUSINESS SUSTAINABILITY POLICY

LH FINANCIAL GROUP PUBLIC COMPANY LIMITED

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1. Introduction

LH Financial Group Public Company Limited aims to run the business in conformity with good corporate governance principles along with social responsibility endeavors by adhering to the code of conduct and business ethics in order to satisfy stakeholders in all dimensions. The company realizes that the sustainable and stable growth requires the business operation with vision and ability in managing business to achieve the mission with morality, ethics and social responsibility engagement. The company has established the policy on corporate social responsibility for business sustainability according to the guidelines of the Corporate Social Responsibility Institute, the Securities and Exchange Commission and the Stock Exchange of Thailand.

The social responsibility is, therefore, one of the principles that the company placed the great emphasis on. The company formulated the policy and practical guidelines based on the perception of “dependence”. As all businesses have people in the society as the target group in offering products and services, no matter what direction the development of organization is, people in the society will give some support one way or another. The determination of such policy and practical guideline will guide the personnel in the organization to follow.

The company has been running the corporate social responsibility specified in the CSR-in-Process and CSR-after-Process by encouraging the executives and all levels of employees to participate and volunteer for implanting a conscious mind for corporate social responsibility.

2. Guidelines for Corporate Social Responsibility

Regarding the corporate social responsibility, the company has been carrying out in terms of the CSR-in-Process and CSR-after-Process with an aim at providing the sustainable growth and enhancing participation among all levels of employees by implanting a conscious mind for corporate social responsibility.

Corporate social responsibility means operating the business with the focus on the stakeholders, economy, society and environment with morals, ethics and corporate

governance in order to make the activities feasible with honesty, transparency and fairness. There is the awareness of negative impacts on economy, society and environment with the readiness to solve the problems to mitigate such impacts. The philosophy of sufficiency economy is integrated and implemented as to push the operations to achievements and benefits, and enhance the competitiveness in all trade forums which will be really advantageous for the sustainability of the business, stakeholders, economy, society and environment.

CSR-in-Process

CSR-in-Process means conducting a business with social responsibility by adopting the business practices from the policy of social responsibility to create the business innovations which will become various activities in working process, product developments and various service standards with the main objective to reduce the potential negative impacts on stakeholders during the work process. It also creates the awareness in social responsibility to all directors, executives, and employees and consequently everyone in the organization shares the same attitude and commitment.

CSR-after-Process

CSR-after-Process means the activities operated apart from normal business operations by playing the role in promoting the social activities in certain time and occasion. This is for the highest benefits to the societies and communities, both in public and private sectors.

3. Corporate Social Responsibility for Business Sustainability Policy

The company is aware of operating business under the social responsibility leading the business sustainability by paying close attention to taking care of the stakeholders, economy, society and environment with morality, ethics, corporate governance and conducting business operations with honesty, transparency and fairness. The negative impact on the economy, society and environment must be well aware. Consequently, the company regulates the policy on corporate social responsibility for sustainable business development so that directors, executives and employees can adhere to in 9 areas below:

1. Good Corporate Governance
2. Fair Business Operation
3. Anti-Corruption
4. Respect for Human Rights
5. Fair Treatment of Labors
6. Responsibilities towards Consumers
7. Cooperation in Development of Community and Society
8. Environmental Management
9. Innovation and Dissemination of Innovative Corporate Social Responsibilities

1. Good Corporate Governance

Good corporate governance policy is formulated to be adopted as the operation guidelines and communicate them to everyone in the organization to follow.

2. Fair Business Operation

Operate the business with the code of conduct and business ethics to create fair business practices without seeking other interests; encourage free trade with fair competition; respect for the rights in properties, and avoid any operations which may cause conflicts of interest

Practical Guidelines for Fair Business Operation

1. Operate various activities in accordance with laws and fair competition and cooperate with government officials
2. Encourage its employees to realize the importance of compliance with laws concerning competition and fair competition
3. Engage in the awareness of principles and issues related to social responsibility of the business in which the company is involved
4. Promote fair treatments both in terms of costs and returns for operations on social responsibility, for example, appropriate procurement, ensuring a fair price guarantee with adequate delivery time and secured trade contracts
5. Perform appropriate inspections to ensure that its business is legally authorized to use and grant the right to use assets
6. Refrain from any activities which infringe property and intellectual property
7. Pay for the use or acquisition or acquisition of assets fairly

3. Anti-Corruption

The anti-corruption policy is formulated to prevent any persons to exploit their positions for personal benefits as the practical guidelines on operations and communication allowing everyone in the organization to be informed and follow, reflecting its intention and determination to fight against all kinds of corruption. This shall bolster transparent business operations and align with the company's membership certification of Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

Practical Guidelines for Anti-Corruption

1. Refrain from giving or accepting gifts, rewards or any other benefits to induce them to perform or refrain from performing their duties or to obtain an improper business agreement. They shall comply with the prescribed criteria on the code of conduct, business ethics and the code of conduct for directors and employees.
2. Refrain from giving or accepting bribes and any kind of incentives and do not assign others to give or take bribes and incentives on their behalf.
3. Charitable donations and sponsorship shall be made transparently, legally and morally.
4. Do not use the company's money or resources to provide support to any political candidates or political parties for their campaigns or political movements except that the sponsorship is permitted by laws and is to enhance democracy as a whole and must be approved by the Board of Directors.
5. Provide various channels for whistleblowing, suggestions and complaints managed by an independent agency responsible for investigating the adequacy and appropriateness in determining facts, ensuring that these complaints will be considered in a fair and transparent manner while the whistleblowers are afforded proper protection.

4. Respect for Human Rights

All stakeholders are treated with respects for their human rights and dignity including employees, surrounding communities and societies, and do not violate their basic rights. These are the foundations of human resource management, human resource development and interpersonal relationships enhancement which are all linked to the company in a way that could raise its quality and value.

Practical Guidelines for Respect for Human Rights

1. Refrain from committing crimes that may directly or indirectly lead to human right violation.
2. Establish an appropriate complaint mechanism for employees or those who believe that their rights have been violated or treated unfairly.
3. Determine the whistleblowing and complaint handling procedures with independence for investigation and decision-making. It also takes into account the consequent results and remedies in accordance with human rights.
4. The whistleblowing and complaint settlement procedure should be based on the mediation to find a mutually agreed solution.
5. Encourage and allow employees to participate in expressing their opinions in case there is any actions done either by the company or its staff that may violate human rights. This is for all employees to reflect their problems and find solutions.

5. Fair Treatment of Labors

The company realizes that “employees” are the key human resources in driving the business towards its goals, it, therefore, develops and supports the human resource management system both in terms of knowledge and benefits of employees in order to create added value based on the fair treatment of personnel. The business shall respect and comply with the applicable laws and morality. It focuses on improving the workplace environment by taking into account their health and safety and setting out the working conditions, ensuring to provide employees with the good quality of

life and opportunities to show their potential, coupled with opportunities to be trained and sharpen working skills.

Practical Guidelines for Fair Treatment of Labors

1. Provide employment without discrimination. Differences in nationality, color, gender, religion, political opinion and age shall not be taken into consideration for making employment decisions
2. Promote employment of workers with the fragile status such as the disabled persons
3. Provide employees with opportunities to sharpen their skills and potential through learning and promotion for career advancement
4. Do not discharge or lay off employees only based on a decision made by the management representative or any decision based on discrimination
5. Support and respect the protection of human rights by not encouraging forced labor, coupled with the promotion of employees' work-life balance
6. Respect employees' right to express opinions, including the freedom of thoughts without interference and the freedom to receive information or comments through any media as well as providing communication channels to hear employees' voice
7. Have fair employment terms and conditions and provide employees with appropriate remuneration according to their potential or the mutual agreement of employer and employee by taking into account the industry standard or the standard of living as appropriate
8. Provide an appropriate workplace for employees to work safely with dignity, allowing them to maximize their potential while still having time for the family
9. Protect and do not libel or take disciplinary actions against employees who honestly report the wrongdoing in the company to the executives or governmental agencies

10. Establish a policy on safety and occupational health in a workplace; analyze and seek measures to control any risks toward safety and occupational health

6. Responsibilities towards Consumers

Benefits and satisfaction of customers are of the utmost importance. The company offers a wide range of quality products and services to satisfy and facilitate customers with diverse demands in various segments.

Practical Guidelines for Responsibilities towards Consumers

1. Explore and innovate products and services that can respond to consumer needs
2. Publicize complete and truthful information about products and services for consumers to make a decision through various channels with easy access
3. Take no actions which can cause any ambiguity or information distortion about products and services; do not use exaggerated claims or give incomplete information
4. Securely collect consumer information with their consent. The personal data shall be managed with a fair and legitimate way by informing consumers about the purposes of collection and the use of data before proceeding and shall not disseminate it to others without consent. The consumers are also entitled to verify the accuracy of their data and the use of information within the framework of law. When errors or wrongdoings are found in the data storage and the use of data, prompt corrections are required.
5. Provide support and answers for inquiries from consumers, enabling them to better understand the services
6. Manage consumers' complaints and comments and use their feedback to improve services

7. Cooperation in Development of Community and Society

The cooperation in the development of community and society is to create and enhance the economic strengths to communities and societies while promoting local traditions, arts and culture.

Practical Guidelines for Cooperation in Development of Community and Society

1. Promote and provide education support; take action to improve the quality and access to education, including the provision of employment in communities
2. Promote appropriate cultural activities, local cultures, traditions and religions

8. Environmental Management

The company realizes the importance of business operations that do not cause environmental impacts and therefore continues enhancing its business process to reduce the negative impacts while contributing added value and sustainable growth to the company, societies, and communities as well as economy, nation and general public as a whole.

Practical Guidelines for Environmental Management

1. Promote the efficient use of resources by realizing its capacity to achieve the maximum utilization of resources
2. Prepare an appropriate contingency plan to mitigate possible future losses

9. Innovation and Dissemination of Innovative Corporate Social Responsibilities

The development of knowledge resulting from experiences in social responsibility is applied to create innovations for the maximum benefits of both business and society.

Practical Guidelines for Innovation and Dissemination of Innovative Corporate Social Responsibilities

1. Be open and helpful for those involved, allowing them to unleash their creativity which is the foundation of innovation which will help encourage the continuity of internal innovation

2. Promote and cooperate with stakeholders and other companies, e.g. trading partners in developing innovations based on the social responsibility and disseminating these innovations as well as being exemplary for developing innovations in a socially responsible way
3. Regularly monitor the company's business processes to see whether they pose a risk or have any negative impact on the society and environment or not. If there is a report of risks or negative impacts, they should be addressed immediately

4. Policy Review

The policy review is subject to annual review or when there is any significant change.