



**บริษัท แอล เอช ไฟแนนซ์เชียล กรุ๊ป จำกัด (มหาชน)**

**รายงานการพัฒนาธุรกิจอย่างยั่งยืน ประจำปี 2564**

**BUSINESS SUSTAINABILITY REPORT 2021**

## 3. Driving Business for Sustainability

### 3.1 Policies and goals of sustainability management

The companies believes that sustainable growth results from conducting the business with accountability on economic, social and environmental dimensions based on the good corporate governance principles for the best interests of all stakeholders.

The company 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 to satisfy stakeholders in all dimensions. The company realizes that the sustainable and stable growth requires the business operation with vision and competence in managing business to achieve the mission with morality and ethics which will add great value to the organization and shareholders and bolster confidence among shareholders.

#### Guidelines for Corporate Social Responsibility for Sustainable Business Development

The Board of Directors pays attention to social responsibility activities to ensure concrete implementation in all operation processes for sustainable growth by encouraging all employees to participate in social activities. The company also instills the awareness of social responsibility operations. The Chairman and President perform their duties as the representatives for driving the organization to sustainable development. The Corporate Governance Committee is responsible for supervising social responsibilities' operations, and reporting the results to the Board of Directors.

The Board of Directors has determined the social responsibility policy for sustainable development following the guidelines of the Corporate Social Responsibility Institute, the Securities and Exchange Commission, and the Stock Exchange of Thailand in order for all directors, executives and employees to adhere to the guidelines with annual review. Such policy covers all dimensions on economy, society and environment in order to meet the Sustainable Development Goals (SDGs) of the United Nations and to drive sustainable growth by taking into account the well-being of all stakeholders.

**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 Logo



#### Business Operation Sustainability Strategy

The companies in Land and Houses financial business group operate the business in compliance with the corporate governance principles, accountability on economy, society and environment and risk management in all dimensions. In addition, the company pays close attention to operating the business according to the market conduct with the aim to give customers confidence in the following aspects:

1. Receiving sincere and fair services
2. Receiving clear and appropriate suggestions
3. Receiving fair pricing and conditions
4. Receiving convenient services and proper trouble handling
5. Receiving understanding of their own rights and duties

### Corporate Social Responsibility Operations

The social responsibility is one of the principles considered to be very important. The company perceives the importance 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. In addition, it also creates a strong base for sustainable development for society and country as whole.

### CSR-in-Process

CSR-in-Process means conducting a business with social responsibility by adopting the business practices from the policy of social responsibility that aligns with both national and international standards for creating 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 for all directors, executives, and employees to have the same attitude and commitment in the organization as to become the strong financial institution with corporate social responsibility.

### CSR-after-Process

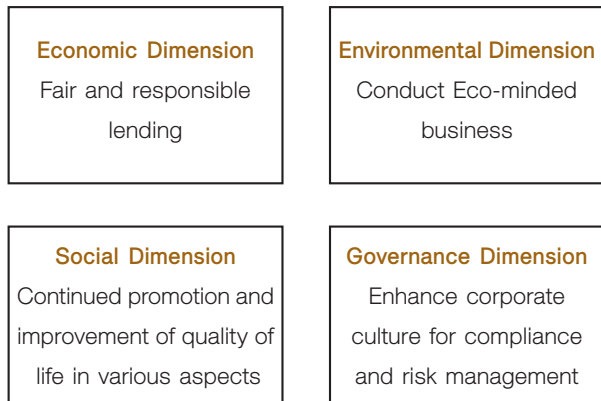
CSR-after-Process means the activities operated apart from normal business operations by playing the role in promoting the social activities in certain time and occasion. This is for the benefits to the societies and communities, both in public and private sectors leading to the solid foundation for sustainable development of society and country as well.

### Sustainable Development Framework

The company places the importance on the Sustainable Development Goals (SDGs) of the United Nations as a framework to operate and drive the business. In order to achieve such goals, the company focusses on the development on 3 key dimensions, namely economy, society and environment based on the good corporate governance principles, ensuring sustainable business growth by conducting business responsibly and delivering value to all stakeholders.



### Towards Sustainable Business



### Operational Structure for Sustainability

The company has concretely integrated the concept of sustainable development with the formulation of its operational structure based on the corporate governance principles covering the economic, social and environmental aspects that is in line with the UN’s goals.

## Results of Corporate Social Responsibility

The company intends to operate the business with the good corporate governance principles together with the corporate social responsibility which is part of the company's operations, especially, good corporate governance in all processes of operations which require standards, integrity, transparency and accountability. As a result, the company has been selected as one of the top 100 listed companies with outstanding sustainable business practices (environmental, social and governance: ESG 100) from Thaipat Institute for the 7<sup>th</sup> consecutive year.



## LHFG Awarded Sustainability Disclosure Recognition

The company received the Sustainability Disclosure Recognition Award for the year 2021 held by Thaipat Institute, this prestigious award is presented to the companies that publicly disclose their sustainability information covering Environmental, Social and Governance (ESG) for the benefits of stakeholders through business sustainability report. The recognition reflects LHFG's determination to enhance its sustainability information reporting in accordance with the Sustainable Development Goal, SDG 12.6.



## Certificate of Collective Action Coalition Against Corruption

The company has participated in the activities in Thailand's Private Sector Collective Action Coalition Against Corruption project. In addition, the company has determined the anti-corruption policy and practical guidelines for the Board of Directors, executives and employees. On October 16, 2014, the company was awarded the certificate of membership for the first time from Thailand's Private Sector Collective Action Coalition Against Corruption by Institute of Directors. The company's membership was renewed for the second and third time on June 7, 2018 and September 30, 2021, respectively.



## Business Resilience Program

The company realized the importance of integrating the Culture of Health Business Practices (COHBP) raised by the Global Reporting Initiative (GRI) into its corporate strategies in order to keep pace with the changing lifestyles and working conditions. It aims at managing impacts on employees and stakeholders' health as well as determining corporate strategies that could help its businesses keep operating and growing in the new normal era.

Thus, the company has participated in the Business Resilience Program hosted by Thaipat Institute and integrated the guideline on the Culture of Health according to the Resilient Enterprise Guidebook: Integrated Culture of Health into Organization into its business operations. This guidebook elaborates details on the principles, practical business guidelines on the Culture of Health, the materiality analysis process and adjustment guideline on corporate strategies, the monitoring and reporting its outcomes, the assessment on resilient organizations. All of them play a crucial role in helping the company apply sustainable issues on the Corporate Health to its operations and foster the concrete Culture of Health within the organization.





## Performance of Social Responsibility for Sustainable Development in Various Dimensions

Economic Dimension	Social Dimension	Environmental Dimension
<p>Level of satisfaction of customers who received services from branches in 2021 was 95.80%, increasing by 1.34% when compared to 94.46% in 2020.</p>	<p>Number of complaints from employees regarding labor operations in 2021 was 0.00% which remained the same as in 2020.</p>	<p>Amount of credit outstanding granted to the energy companies in 2021 was about Baht 44,384 million.</p>
	<p>In the year 2021, the rate of employees who got injured while working was 0.00% which remained the same as in 2020.</p> <p>Support for the development of society, community and environment in 2021 valued at about Baht 2.5 million.</p>	<p><b>Carbon Credits</b></p> <p>According to the assessment result of GHG emissions arising from various activities in 2020, the company has succeeded in offsetting corporate carbon footprint of 706 tons of carbon dioxide equivalent (tCO<sub>2</sub>e), accounting for 30 percent of carbon dioxide levels emitted from scope 1 and 2 sources and equivalent to planting 78,445 perennial trees. In addition, the company was granted the Carbon Offset Certificate and was authorized the use of Carbon Offset logo by TGO.</p> <p>In the year 2022, the company announced to become carbon neutral.</p> <p><b>Reduction in greenhouse gas emissions with paper management</b></p> <p>In 2021, the company managed to reduce paper consumption, equivalent to the cutting of 234 trees and decreasing from 464 trees in 2020. It indicated the company's improved paper management.</p> <p><b>Energy Management</b></p> <p>To enhance energy management, the company replaced fluorescent tubes with 2,775 LED tubes since 2016, helping save energy consumption by 618,360 kWh. or approximately 45 percent when compared with the use of fluorescent tubes. As LED tubes produces less heat than fluorescent lamps, they could reduce the carbon dioxide emissions by 359,947.36 Kg.CO<sub>2</sub>e based on the calculation over its lifetime. That was equivalent to planting 39,995 large trees to absorb the amount of carbon dioxide.</p>

## Corporate Social Responsibility for Sustainable Business Development 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, 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

The company publishes the details of Corporate Social Responsibility for Business Sustainability Policy on company's website ([www.lhfg.co.th](http://www.lhfg.co.th))

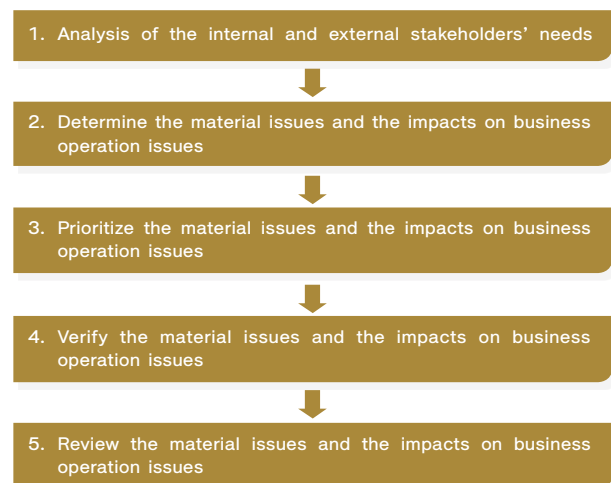
### Objectives of Corporate Social Responsibility for Sustainable Business Development Policy

- To raise awareness and inculcate a sense of responsibility on sustainable development guidelines
- To build up confidence that the company's efforts on the economic development is consistent with the best benefits of society, environment and all stakeholders
- To ensure the company's business goals is in line with the Sustainable Development Goals (SDGs) of the United Nations to drive sustainable growth by conducting responsible business that can create value for all stakeholders

## 3.2 Value Chain Management

The company pays close attention to the sustainable business development report as part of the annual report for thorough communication with all groups of stakeholders to acknowledge the policy, management guidelines and the outcome of social and environmental responsibilities clearly under the report framework of Corporate Social Responsibility Institute, the Securities and Exchange Commission, and the Stock Exchange of Thailand. The content of the report covers the whole business by collecting data from the directly responsible departments from 1 January to 31 December 2021.

The company has proposed the content of the sustainable business development report that has passed the analysis for the needs of both internal and external stakeholders and applied to determine important issues and effects to business operations under the social responsibility for sustainable business development policy as follows:



### 1. Analysis of Stakeholders' Needs

The company pays attention to the rights of all stakeholders by providing the process and procedure to analyze the requirements of both internal and external stakeholders. This process operates through various activities and many communication channels. The company also clearly determines the frequency of operations such as survey of employees' engagement toward the company so that the company will make use of the information to determine the practical guidelines consistent with the corporate governance policy and social responsibilities for sustainable business development policy. In addition, the company identifies and selects all stakeholders by considering the importance of all stakeholders and effects of business operations to stakeholders with appropriateness.





**Practical Guideline for Stakeholders**

The company has determined the practical guideline for stakeholders in writing in the Code of Conduct and the Code of Ethics for employees. The company pays attention to the rights of all groups of stakeholders of which they can be divided into 2 groups so that their needs can be identified and addressed properly. Moreover, their participation is also encouraged.

**Stakeholders group** consists of:

1. Internal stakeholders, namely directors, executives and employees
2. External stakeholders, namely shareholders, customers, community, society and environment, business partners, trade competitors and creditors

## Analysis of Stakeholders' Needs

Stakeholders	Needs Analysis	Practical Guidelines Under Policies	Implementation
<p><b>1. Shareholders</b></p> 	<ul style="list-style-type: none"> <li>• Appropriate compensation and sustainable growth</li> <li>• Good business performance, stable growth under appropriate risk</li> <li>• Work with transparency, fairness and accountability</li> <li>• Prudent risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Business operations under good corporate governance principles</li> </ul>	<ul style="list-style-type: none"> <li>• Generate good performance under proper risk management</li> <li>• Organize the Annual General Meeting of Shareholders once a year</li> <li>• Organize the press conference and analyst meeting (In 2021, no press conference and analyst meeting was held due to COVID-19 pandemic)</li> <li>• Disclose information through all channels with correctness, equality and transparency</li> <li>• Provide channels for inquiries via the company's website</li> <li>• Receive suggestions and complaints through channels provided</li> <li>• Facilitate minority shareholder to propose material and useful issues for business management via the company's website and publish them via the Stock Exchange of Thailand for consideration to determine the agenda of the Annual General Meeting of Shareholders with the following rights:               <ol style="list-style-type: none"> <li>1. To propose the agenda for AGM</li> <li>2. To nominate qualified candidates for directorship</li> <li>3. To propose questions in advance</li> </ol> </li> <li>• Invite shareholders to attend AGM and share their opinions</li> </ul>
<p><b>2. Board of Directors</b></p> 	<ul style="list-style-type: none"> <li>• Working with transparency following the corporate governance principles for sustainable growth of the organization</li> <li>• Treat all stakeholders on the basis of fairness</li> <li>• Evaluate the performance for work improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Business operations under good corporate governance principles</li> </ul>	<ul style="list-style-type: none"> <li>• Organize the company's Board of Directors meeting every month</li> <li>• Establish sub-committees to consider and screen proposals before submitting to the board</li> <li>• Provide sufficient, complete and timely information</li> <li>• Engage in good governance activities</li> <li>• Encourage, support and develop knowledge related to the duties of directors and business</li> <li>• Provide orientation program for new directors</li> <li>• Provide self-assessment for directors to improve more efficient work as follows:               <ol style="list-style-type: none"> <li>1. Self-assessment of the Board of Directors and sub-committees on a collective basis</li> <li>2. Self-assessment of the Board of Directors and sub-committees on an individual basis</li> <li>3. Cross-assessment of directors</li> <li>4. Good corporate governance self-assessment</li> </ol> </li> </ul>





Stakeholders	Needs Analysis	Practical Guidelines Under Policies	Implementation
<p><b>3. Employees</b></p> 	<ul style="list-style-type: none"> <li>• Arrange trainings and seminars for knowledge and potential development</li> <li>• Improve knowledge and skills in daily life</li> <li>• Always keep a workplace hygienic, clean and safe</li> <li>• Provide appropriate tools and equipment at work</li> <li>• Provide appropriate remunerations, proper positions and benefits</li> <li>• Allow enough time for work-life balance of employees</li> </ul>	<ul style="list-style-type: none"> <li>• No discriminations on employments regardless of ethnic, race, gender, status, religion, political views, or age</li> <li>• Promote employment for vulnerable labors, such as provide opportunities to employ people with disabilities</li> <li>• Develop human resources by providing skill trainings and capacity building for employees by creating opportunities for learning and promotions for career progress</li> <li>• Do not lay off or terminate any employee which is solely based on the management's decision or discrimination</li> <li>• Promote and respect human right protection by not supporting labor coercion</li> <li>• Respect for the rights to freely express opinions of employees and comments without interventions and provide channels for the voice of employees</li> <li>• Provide fair employment conditions which allow employees to receive proper compensations based on their competency or agreement made between the employer and each employee in accordance with proper industrial standards or standards of living</li> <li>• Properly arrange working environment for work safety and dignity</li> <li>• Protect and do not treat or punish any disciplinary proceedings against an employee who reports with integrity to the executives or public agencies, in relation to any wrongdoings done within the company</li> <li>• Prepare policy on safety and occupational health, as well as analyze and determine the measures for risk control on safety and occupational health at work</li> </ul>	<ul style="list-style-type: none"> <li>• Arrange welcome activity for new employees</li> <li>• Provide orientation for new employees</li> <li>• Encourage employees to instill CDA value</li> <li>• Develop employees' potential by arranging capacity building learning for all levels of employees including increasing the learning channels via the company's intranet, enabling them to learn anywhere, anytime without limits on potential enhancement.</li> <li>• Prepare succession plans to replace executives and key positions.</li> <li>• Introduce activities to build stronger teamwork.</li> <li>• Survey market rate of compensation on a regular basis as to improve to align with proper industrial standards or standards of living</li> <li>• Provide channels to receive complaints, opinions and suggestions</li> <li>• Protect and do not treat or punish any disciplinary proceedings against an employee who reports with integrity to executives or public agencies, in relation to any wrongdoings done within the company</li> <li>• Establish the Environment, Health and Safety Committee for driving the policy and the plan for Occupational Safety, Health and Environment in a workplace</li> <li>• Improve working environment to align with occupational safety guidelines</li> <li>• Support and promote career opportunity for people with disabilities to live in the society with pride</li> <li>• Provide learning and communication channels to support two-way communication</li> </ul>

Stakeholders	Needs Analysis	Practical Guidelines Under Policies	Implementation
<p><b>4. Customers</b></p> 	<ul style="list-style-type: none"> <li>Relationship management with customers</li> <li>Market Conduct</li> <li>Satisfaction for a wide variety of quality products and excellent services.</li> <li>Promptness in hearing and responding to customers' requirements</li> <li>Customer confidentiality.</li> <li>Equality of each segment of customers</li> </ul>	<ul style="list-style-type: none"> <li>Conduct the customers' satisfaction survey for branch services</li> <li>Offer products that can satisfy customers' requirements, improve employees' competency in making an offer to customers with well-integrated products and services as to meet all of their requirements, as well as determine measures to protect customer confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>Apply the survey results of customers' satisfaction to improve its services and products</li> <li>Study customers behaviors as to improve services and strengthen relationship</li> <li>Give product information accurately, clearly and easily-to understand</li> <li>Collect suggestions or feedbacks for improvements</li> <li>Innovate and create products and services that meet consumers' requirements</li> <li>Publicize products and services' full information through various channels easily accessible by consumers to support their decisions</li> <li>Provide assistance and answer customers' enquiries to promote good understanding on our products and services</li> <li>Collect complaints and cope with them promptly</li> <li>Arrange activities to create good relationship between customers and bank</li> <li>Have customers' data privacy process in place</li> </ul>
<p><b>5. Community, Environment and Society</b></p> 	<ul style="list-style-type: none"> <li>Support communities' activities</li> <li>Enhance and develop learning and knowledge</li> <li>Promote and support government's policies</li> <li>Preserve environments</li> <li>Collect the voice of neighboring communities</li> </ul>	<ul style="list-style-type: none"> <li>Perform business with ethics in parallel with environmental and social responsibilities</li> <li>Support social activities and promote employees' engagement</li> <li>Support and promote education to improve educational quality and accessibility</li> <li>Promote traditional and religious and cultural activities</li> <li>Promote effective use of resources</li> <li>Prepare emergency plan suitable for reducing losses</li> <li>Open a chance and facilitate all related parties to express their creative ideas which is the foundation for creating innovations leading to continuous creation of innovations</li> <li>Promote and cooperate with the stakeholders, such as business partners, to develop innovations</li> <li>Regularly review business procedure whether it causes any risk or adverse effects to society and environment or not. If any, it must be resolved promptly</li> </ul>	<ul style="list-style-type: none"> <li>Listen to the opinions of nearby communities as to improve or support social activities</li> <li>Provide support for cultural activities suitable for local culture, traditions, and religions</li> <li>Provide appropriate emergency plan to prevent loss and damages against environment</li> <li>Organize the Green Office project to reduce electricity and paper use, as well as shift to use environmentally-friendly office automations</li> <li>Support and promote the development of youth learning via the financial literacy project where the bank sends out trainers to train youths about financial knowledge through various learning activities leading to financial behavioral shift in order to create quality society</li> <li>Project "LH Bank Support Scholarship" by providing scholarships for students with good records and commitment to further their study until high school level</li> <li>Donate the used computers project to promote learning among youths in needs</li> <li>"Old Calendar We Need" for the school of the blind to be used for producing instructional media, braille book and notebook for the blind students</li> <li>"Give Books and Learning Materials to the Department of Corrections" to promote knowledge of prisoners</li> <li>Voluntary blood donation project, 1 Giver 3 Receivers to help patients in hospitals from their illnesses nationwide</li> </ul>



Stakeholders	Needs Analysis	Practical Guidelines Under Policies	Implementation
<p>5. Community, Environment and Society (continued)</p> 			<ul style="list-style-type: none"> <li>• Provide assistance, financial and non-financial donations, debt restructuring by reducing installment, giving more loan for customers impacted by natural disasters</li> <li>• Grant relief measure for customers impacted by COVID-19 pandemic by relaxing payment conditions, extending loan tenor, providing loans for working capital. Additionally, the company donated paper field hospital beds to disadvantaged agencies as well as making a contribution raised by its executives, employees and customers under the “Fight COVID-19 Together” project to purchase medical equipment and supplies for treating and saving COVID-19 patients. It also handed out food and water to express appreciation and gratitude towards doctors, nurses and other related workers for their hard work during the COVID-19 pandemic.</li> </ul>
<p>6. Business Partners</p> 	<ul style="list-style-type: none"> <li>• Perform business with transparency</li> <li>• Facility and process sharing: refer customers in Land and Houses financial business group to partners</li> <li>• Information sharing: Exchange information for business</li> <li>• Network extension: extend networks together with partners</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with trade terms and conditions and agreements</li> <li>• Create partnerships with potential business partners</li> <li>• Fair business practices</li> <li>• No barriers for trade partners</li> </ul>	<ul style="list-style-type: none"> <li>• Meet with trade partners.</li> <li>• Conduct marketing together with business partners of Land and Houses financial business group</li> <li>• Create partnerships with customers to refer other customers to use the bank's services</li> <li>• Receive suggestions or complaints</li> <li>• Appoint the Purchasing Committee in order to manage procurement process appropriate and fair for business partners</li> <li>• Prompt payments for products and services</li> <li>• Transparent selection of service providers</li> </ul>
<p>7. Competitors</p> 	<ul style="list-style-type: none"> <li>• Perform business with transparency and fairness</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the rules of fair competition and never use any dishonest method</li> </ul>	<ul style="list-style-type: none"> <li>• Determine mutually fair competition conditions</li> </ul>
<p>8. Creditors</p> 	<ul style="list-style-type: none"> <li>• Pay interest and payback when due</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the agreements or terms and conditions in the agreements and duties</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the contract or any conditions agreements and duties</li> <li>• Collect suggestions or complaints</li> </ul>

## 2. Determining Material Issues Affecting Business Operations

The company takes into account all issues, opinions, suggestions and expectations in operations for sustainability which is critical and affects business operations, derived from the analysis of internal and external stakeholders' demand which complies with a policy on corporate social responsibilities for sustainable business development in order to determine the important issues and impacts on business operations as follows:

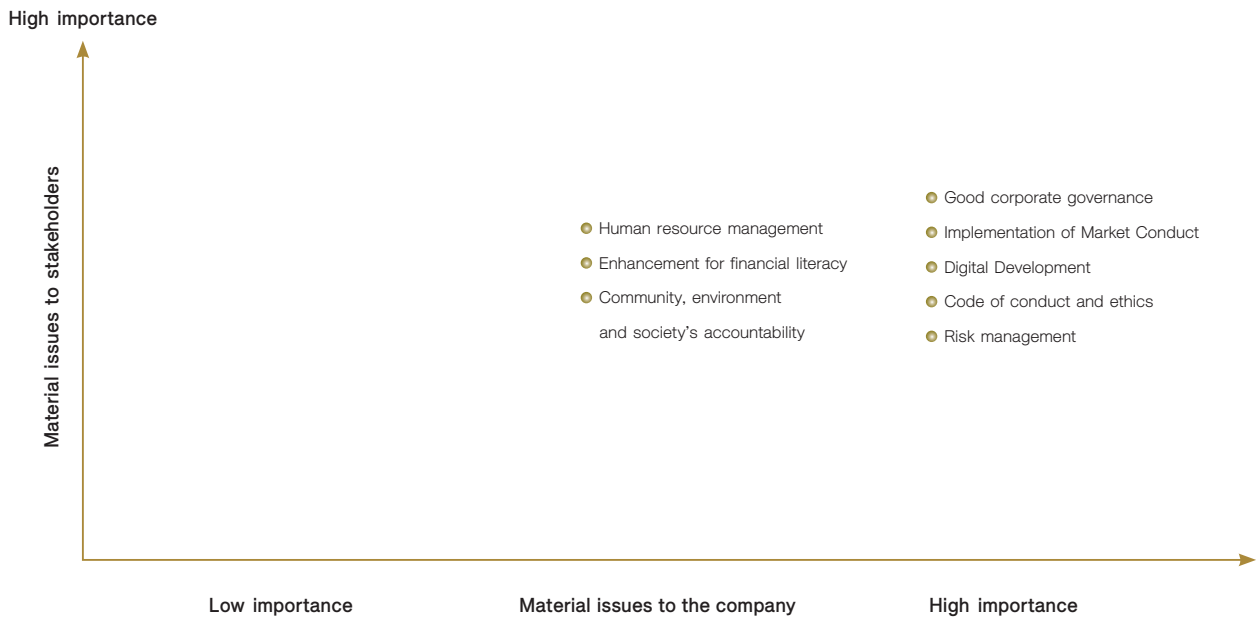
- **Internal stakeholders** consist of directors, executives and employees. The company has brainstorming forums such as small group discussions and meetings. Such activities were held to identify the sustainable issues that the stakeholders deem necessary.

- **External stakeholders** consist of shareholders, customers, community, society and environment, business partners, trade competitors and creditors. The company has assembled issues and suggestions via discussions and meetings in order to identify the sustainable issue that the stakeholders deem necessary.

## 3. Prioritizing Material Issues Affecting Business Operations





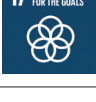






The company analyzes and considers data obtained from the interviews of both internal and external stakeholders in order to prioritize the material issues that can affect business operations. These issues can be divided into 3 levels; low; medium; high, 8 issues in total. The issues were then prioritized in materiality matrix chart. The vertical axis shows the key issues critical for stakeholders and the horizontal axis shows the issues critical for the company.

### Materiality Matrix



**Table : Analysis of Material Issues Affecting Business Operations**

Material Issues Affecting Business Operations	Sustainable Issues according to GRI (Global Reporting Initiative)	Internal stakeholders	External Stakeholders	Topics to Include in Annual Report	Sustainable Development Goals (SDGs)
Good corporate governance	GRI 102-18 GRI 102-19	<ul style="list-style-type: none"> <li>Companies in the financial business group</li> <li>Directors, executives and employees</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Customers</li> <li>Business Partners</li> </ul>	Good corporate governance	
Market conduct	GRI 102-43 GRI 103-1 GRI 103-2 GRI 103-3 GRI 203-1	<ul style="list-style-type: none"> <li>Companies in the financial business group</li> <li>Directors, executives and employees</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable business operations</li> <li>Responsibilities towards customers</li> </ul>	   
Digital development	GRI 203-2	<ul style="list-style-type: none"> <li>Companies in the financial business group</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> </ul>	<ul style="list-style-type: none"> <li>Innovations and Dissemination of innovative social responsibilities</li> </ul>	   
Code of conduct and business ethics	GRI 102-16 GRI 102-17 GRI 102-25 GRI 103-1 GRI 103-2 GRI 103-3 GRI 205 GRI 205-2 GRI 205-3 GRI 206-1	<ul style="list-style-type: none"> <li>Companies in the financial business group</li> <li>Directors, executives and employees</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Customers</li> <li>Business Partners</li> </ul>	<ul style="list-style-type: none"> <li>Code of conduct and business ethics</li> <li>Anti-Corruption</li> </ul>	
Risk management	GRI 102-11 GRI 102-15 GRI 102-30 GRI 103-1 GRI 103-2 GRI 103-3 GRI 201-2	<ul style="list-style-type: none"> <li>Companies in the financial business group</li> <li>Directors, executives and employees</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Customers</li> <li>Business Partners</li> </ul>	<ul style="list-style-type: none"> <li>Risk factors</li> <li>Internal control and risk management</li> <li>Good corporate governance</li> </ul>	 
Human resource management	GRI 102-8 GRI 102-41 GRI 103-1 GRI 103-2 GRI 103-3 GRI 401-1 GRI 401-2 GRI 401-3 GRI 403 GRI 404 GRI 412	<ul style="list-style-type: none"> <li>Companies in the financial business group</li> <li>Directors and executives</li> </ul>	<ul style="list-style-type: none"> <li>Business Partners</li> </ul>	<ul style="list-style-type: none"> <li>Fair treatment of labors</li> <li>Respect for human rights</li> </ul>	     

Material Issues Affecting Business Operations	Sustainable Issues according to GRI (Global Reporting Initiative)	Internal stakeholders	External Stakeholders	Topics to Include in Annual Report	Sustainable Development Goals (SDGs)
Financial literacy	GRI 103-1 GRI 103-2 GRI 103-3 GRI 201-1 GRI 203-1 GRI 203-2 GRI 413-1 GRI 419-1	• Companies in the financial business group	• Customers • Communities, Societies and Environment	• Development of Communities and Societies	    
Communities, Societies and Environment	GRI 201-1 GRI 203-1 GRI 203-2 GRI 413-1 GRI 419-1	• Companies in the financial business group	• Customers • Communities, Societies and Environment	• Development of Communities and Societies	     

#### 4. Verifying Material Issues Affecting Business Operations

The company will compile material issues and propose them to management and the Corporate Governance Committee; therefore, they can acknowledge and give the operational guidelines which have been disclosed in the business sustainability report and the company’s website.

#### 5. Reviewing Material Issues Affecting Business Operations

The company provides the information review process after this report has been published in order to collect opinions and suggestions for further improvement of the contents in the next report.

#### Auditing Quality of Report

The contents disclosed in the business sustainability report and the company’s website have been audited and reviewed by responsible unit to assure accuracy, completeness and compliance with the practical guidelines for corporate social responsibilities for sustainable business development policy.

#### Inviting Business Partners to Join the Anti-Corruption Association

The company encourages customers and sponsors to be aware of the importance of building corruption-free community. The company invited them to join the anti-corruption alliance for the sake of preventing fraud, bribery and corruption by asking customers and sponsors for cooperation to refrain from giving gifts, rewards, other benefits or receptions to employees.

#### Credit Underwriting Following Environmental, Social and Corporate Governance Risks

For credit underwriting, we are aware of the importance of environment, society and good governance. However, credit approval has strict and discrete approval processes. The topics to be considered are the environmental, social and good governance risks. If the businesses of customers bring about negative side effects on economy, society and environment, the bank will not support any loan to them.

#### Customer Relationship Management

Land and Houses Financial Group is committed to raising the level of service quality by conducting a research on the satisfaction of customers in order to deeply understand their requirements and can define the KPI for effective services. Thus, we can improve the service quality based on their requirements and can also determine the indicators of service quality. Besides, we have communicated with staff, ensuring them to be aware of the importance of providing high-standard services and have constantly checked on service quality.

## Supply Chain Management

The company is aware of the importance of growing business without effects on society and environment throughout the supply chain. The company also puts the emphasis on the collaboration with all business partners to develop the business operation process together with elevating the standard on environmental and social operations according to the code of conduct.

The company has determined the practical guidelines for procurements and services so that quality supplies and services can be obtained with appropriate price. The process for procurements and services consists of 6 methods as follows:

1. Pricing method
2. Pricing examination method
3. Bidding method
4. Continuous method
5. Special method
6. Emergency method

The selection of the methods depends on the budget of operation for each time and it must be considered and approved by the Purchasing Committee. For fairness and equality, the selection for suppliers or facilitators, the company has determined the selection criteria by choosing from business stability, product qualification, service and price.

**Selection of suppliers or vendors** has the steps as follows:

1. Acquire the lists of suppliers and vendors to meet the needs of users.
2. Select the suppliers and the vendors according to the selection criteria of business stability, product qualification, service and pricing which conform to the procurement guideline of the company. The bank also procures good quality products at appropriate price with sellers who have no records of corruptions, or operate illegal business, no illegal labor policy, treats the business partners with transparency, fairness, takes care of occupational safety in the workplace, and saves environment in order to create a supply chain for mutual business operations which will benefit employees, community, society and environment.
3. When received a list of suppliers or vendors which passed the selection process, the next step is evaluation process to find suppliers or vendors who provide supplies with good quality, reasonable cost and price.

In the year 2021, the bank had 939 business partners, increasing by 17.5% when compared to 799 business partners in the year 2020. The business partners acknowledged to follow the bank's code of conduct and ethics. And the bank informed them of procurement rules for their understanding, compliance, accuracy and transparency.

## Monitoring, Auditing and Evaluating Process of Business Partners

The company has monitored and assessed the performance of partners in various ways, such as evaluating their satisfaction for services, having a channel to collect their suggestions and complaints. However, to ensure that the company has received the products and good services as required, the company has the procurement management team to check the products and services and provide suggestions to the partners to improve the quality of products. In case the partners cannot follow the required standard, the company will consider not using their service.

## Tax Management

The company is listed on the Stock Exchange of Thailand and the financial business group that operates the business with transparency and stability according to the good governance principles. The company is committed to operating its business in conformity with the rules and regulations of revenue code.

### Tax Management Strategy

The company has planned in revenue tax for the maximum benefits of the company and the stakeholders as well as complied with the regulations of revenue code.

### Tax Risk Management

The company has the revenue tax risk management system and provides seminars and trainings for related employees to improve their knowledge by taking into consideration the risk, responsibilities and fair treatment of stakeholders and related parties.

### Tax Incentives

The company exercises effective tax incentives according to laws and makes use of tax structure in the right manner. As a result, tax avoidance has not occurred. Tax incentives cover periodic tax exemption measures or other privileges all of which are dependent on the tax policy of the country or local tax policy imposed on businesses with the natures under relevant requirements.

### 3.3 Sustainability Management in Environmental Dimensions



The company realizes and expresses its intention to be part of the solution to global warming. In 2021, the company was chosen as a pilot organization in “Thailand Carbon Offsetting to Promote the Voluntary National Carbon Markets Phase 8 Project [TCOP 8]” hosted by VRGREEN, Faculty of Environment, Kasetsart University, to conduct an organizational carbon footprint assessment and execute carbon offset plans in accordance with the project’s objectives. As the company has determined to play a part in saving the world by becoming a carbon-neutral organization, it was invited to be a member of Thailand Carbon Neutral Network : (TCNN). They aim at promoting collaboration among government agencies, private businesses and local communities to enhance further reductions in greenhouse gas (GHG) emissions as well as building sustainable growth for a climate-friendly society and achieving net-zero carbon emissions in line with global communities’ intention reflected in the Paris Agreement on regulating climate change and UNFCCC’s Race To Zero campaign. In addition, Thailand is moving toward a low carbon economy with a goal of achieving carbon neutrality by 2050 and net zero GHG emission in 2065.

### Carbon Footprint for Organization : CFO

The impacts of global warming have prompted international communities, including Thailand, to become more alert and take urgent action to curb GHG emissions with the concept of Carbon Footprint for Organization (CFO). It is recognized as an important tool in quantifying and reporting GHG emissions from an organization’s activities demonstrated in terms of carbon dioxide equivalent, which can lead to explicit guidelines to effectively reduce the organization’s GHG emissions.

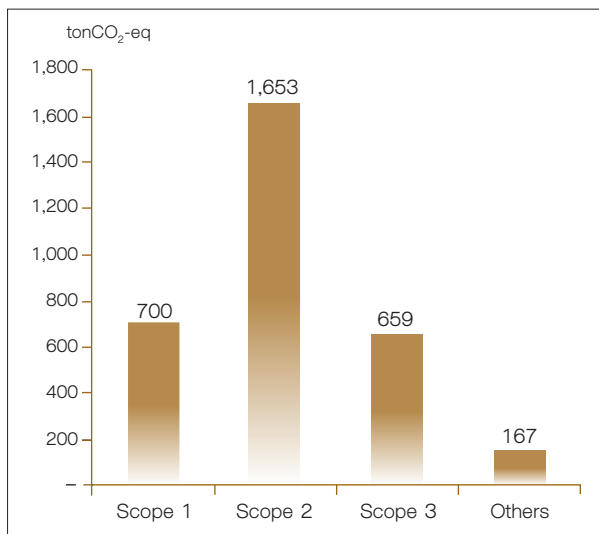
With the intentions of tackling the global warming, the company has set targets of CFO and has done much preparation by sending its personnel to join various related activities, training courses and seminars. On March 8, 2021, LH Financial Group PLC signed the memorandum of understanding with Thailand Carbon Offsetting to Promote the Voluntary National Carbon Markets Phase 8 Project [TCOP 8], hosted by VRGREEN, Faculty of Environment, Kasetsart University, for being a pilot organization volunteering to quantify its GHG emissions and consider effective ways to control it for the sustainable development of organization and staff.

The company made reports on direct and indirect GHG emissions arising from its business activities throughout the supply chain in compliance with Thailand Greenhouse Gas Management Organization (Public Organization) or TGO’s requirements of calculating and reporting carbon footprint for organization. Such report included the company’s scope of work and financial control while considering scope 1, 2 and 3 emissions of greenhouse gases generated by the company’s activities in 2020. Based on the TGO’s verification guideline on the organizational carbon footprint, these reports were reviewed and certified for the data’s accuracy and reliability by the independent verifier, Lloyd’s Register International (Thailand) Ltd. The certification level submitted was a limited assurance with a materiality threshold at 5 percent. Consequently, the company was granted a certificate of Carbon Footprint for Organization from TGO on August 26, 2021.



**Table: Assessment results on GHG emissions arising from various activities in the company in 2020**

Scope	Corporate GHG emissions (tCO <sub>2</sub> e/yr)	%
Scope 1	700	23.25
Scope 2	1,653	54.88
Scope 3	659	21.88
<b>Total</b>	<b>3,013</b>	



At present, the company is preparing the 2021 report on the assessment of GHG emissions arising from various business activities, which still contains its scope of work and financial control, by considering the scope 1, 2 and 3 emissions of greenhouse gases and employing the same verification criteria on the organizational carbon footprint provided by TGO as the year 2020. The company filed a request for data verification and certification of carbon footprint for organization with an external agency. The assessment result will then be proposed to the TGO meeting No.4/2022 for carbon footprint registration, which will be taken place on May 11, 2022.

### Carbon Credits

TGO has initiated the Carbon Offsetting Program with an aim of encouraging all sectors to participate in carbon offsetting activities as an expression of social responsibility. It is also to generate demand for carbon credits in the Clean Development Mechanism (CDM) and the Thailand Voluntary Emission Reduction Program (T-VER) in order to support and enhance the local voluntary carbon market, leading to a greater drive to reduce GHG emissions in the overall sectors.

As a consequence of participating in Thailand Carbon Offsetting to Promote the Voluntary National Carbon Markets Phase 8 Project [TCOP 8] hosted VRGREEN, Faculty of Environment, Kasetsart University, this leads to many important initiatives to generate carbon offset credits. According to the assessment result of GHG emissions arising from various activities in 2020, the company has succeeded in offsetting corporate carbon footprint of 706 tons of carbon dioxide equivalent (tCO<sub>2</sub>e), accounting for 30 percent of carbon dioxide levels emitted from scope 1 and 2 sources and equivalent to planting 78,445 perennial trees. Consequently, on August 26, 2021, the company was granted the Carbon Offset Certificate and was authorized the use of Carbon Offset logo by TGO. In the year 2021, the company announced to become carbon neutral and will file a request for carbon footprint registration to the TGO meeting No.4/2022, which will be taken place on May 11, 2022.

### Energy Management

The company continues to manage electricity and tap water in order to achieve efficient and effective use, for example:

- The company has renovated the office building and maintained office equipment in an environmental-oriented manner to reduce pollution, save energy and costs.
- The company has reduced the number of single function office automations and replaced them with new energy-saving technologies with less pollution. The ongoing project helps reduce energy-related costs and other expenses such as paper cost, maintenance and procurement costs for office equipment. Moreover, it also helps save the office space.
- The company has replaced the single-function printers with the multi-function printers and set them as a pool for which one printer is shared among different departments. This results in the lower consumption of electricity and space saving.
- The company has selected energy saving fluorescent tubes and LED tubes, with the wattage suitable for space, and proper size of cables. The office decoration also employed soft colors and natural light as much as possible and water-saving taps were installed.
- The company has measured wind velocity of air conditioners, adjusted the wind speed to meet the standard and to be suitable for working environment, increased air conditioners' efficiency, and reduced the cost from energy loss.

## Energy Management Goal for 2021

The company's energy management goal for 2021 was to reduce electricity consumption by 5 percent from 2020.

## GHG Emissions Reduction

The company prepared the assessment report by using both information on direct and indirect GHG emissions from various activities throughout its supply chain in 2020 as a base year. It has been taken into consideration with all relevant business units to map out improved guidelines on how to reduce GHG emissions more concretely.

Consequently, the company had replaced fluorescent tubes with LED tubes since 2016, totaling 2,775. It consisted of 2,378 long LED tubes and 397 short LED tubes, helping save energy consumption by 618,360 kWh. or approximately 45 percent when compared with the use of fluorescent

tubes. As LED tubes produces less heat than traditional fluorescent lamps, they could reduce the carbon dioxide emissions by 359,947.36 Kg.CO<sub>2</sub>e based on the calculation over its lifetime. That was equivalent to planting 39,995 large trees to absorb the amount of carbon dioxide.

Replacing Fluorescent Tubes with LED Tubes Project	
Number of fluorescent tubes replaced by LED tubes	2,775 tubes
Number of hours used	15,000 hours/tube
Amount of carbon dioxide emission reduced	359,947.36 Kg.CO <sub>2</sub> e
Number of large trees equivalent (absorbing carbon dioxide gas)	39,995 trees

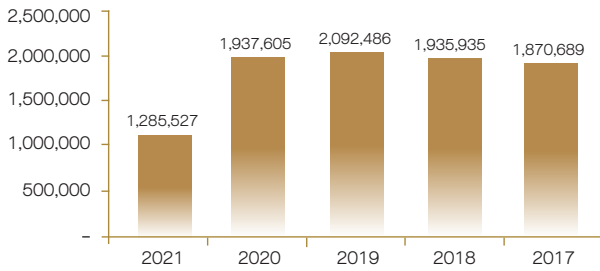
The company has also sent staff to attend the following trainings from various institutions, both public and private, so they gained knowledge and understanding on the above issues.

Training Courses	Organizer	Number of Participants
Carbon Offset : the leading CSR for Global Warming Reduction	Thailand Greenhouse Gas Management Organization	2
Carbon Footprint for Organization towards Eco-Efficiency Assessment	Assoc. Prof. Dr. Thumrongrut Mungcharoen	2
Carbon Offset Approach to Carbon Neutrality	Thailand Greenhouse Gas Management Organization	2
Carbon Neutral Event	VRGREEN	2
Strategy to Reduce GHG Emissions with Consideration on Scope 3 GHG Emissions	VRGREEN	2
Sustainability, ESG and a company's reporting	EY Office Company Limited	2
The 1 <sup>st</sup> – 4 <sup>th</sup> ESG-IN-PROCESS FORUM	Thaipat Institute	2
Stepping from One Report to Global Report	Thaipat Institute	2

## Electricity Management

The company has focused on environment, economy and society, management of cost reduction, especially energy cost. LH Financial Group PLC, as a group of financial service providers, requires great amount of electrical energy including lighting system, air-conditioning system and computer system. The company, therefore, monitors environmental impacts and measures energy efficiency constantly with continuous improvement.

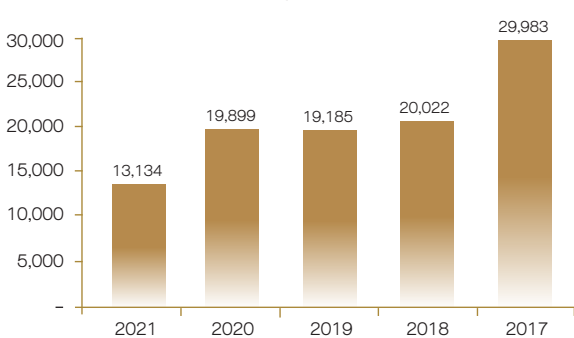
The company campaigned to save energy by turning the lights off during breaks, switching to use LED tubes, adjusting the on and off period of air conditioners and allowing employees to work from home. As a result, in 2021, the company had the total electricity usage of 1,285,527 kWh, a decrease of 33 percent from 2020. That surpassed the previously estimated target as in 2020 the company had increasingly adopted the work-from-home policy, including merging many working spaces and closing some unused areas, due to the COVID-19 pandemic.

**Electricity Usage (Unit)**

## Water Management

The company has used water from the Waterworks Authority of Thailand for business operation of which the most consumption is in an office, washing and tree watering. The company has been trying to reduce water consumption so it regularly checks pipes, water meters and equipment and uses water saving sanitary wares, taps and bidet showers. It also focuses on raising employees' awareness of the need to conserve water.

In 2021, the tap water usage totaled 13,134 cubic meters, decreasing by 34 percent when compared with 2020. This was partly due to the work-from-home policy triggered by the COVID-19 pandemic.

**Tap Water Usage (Cubic Meter)**

## Paper Management

The company is well aware that paper is a main office consumable which is needed in different stages of operations such as printing reports, documents for customers, receipts, and contracts. Producing the paper needs natural resources which are trees while there are massive rubbishes from used papers. Therefore, campaigns and activities are conducted to raise awareness among employees to use paper economically and effectively as follows:

### Transforming Paper form of Invitation Letters to Committee Meetings into Electronic-based Platform

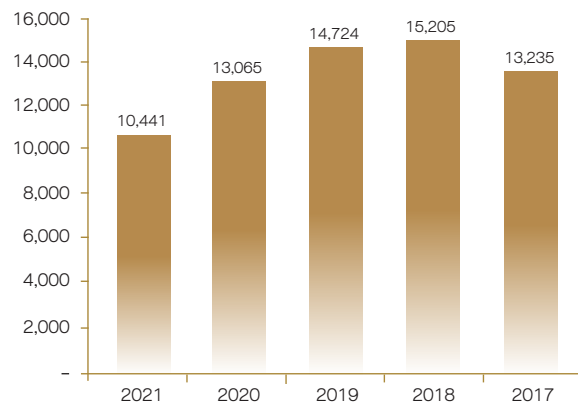
The company has changed the process of preparing the meeting materials for different committees from papers to e-documents. As a result, this process can help reduce paper consumption by approximately 20,000 pieces a month.

### Developing Financial Services to Be More Digital

This enables financial transactions to be performed every day, anytime and anywhere. Not only can it reduce the cost and the amount of paper used, it also helps reduce the use of ink, reduce the amount of waste caused by paper usage and enhance work efficiency due to time saving in preparing documents, putting them into envelopes and posting them via postal service.

### Paper Usage

The amount of papers used in operations for the year 2021 was 10,441 reams, decreasing by 20 percent when compared to 13,065 reams in 2020. That was because in 2021, the company urges the staff to reduce and avoid using papers for meeting materials and document printing by sharing files for meetings via electronic platform.

**Paper Usage (Ream)**

### Paperless Guidelines

The company provides the paperless guidelines with the aim to ensure that saving the papers and reducing the paper usage are systematic and concrete by adhering to the following practical guidelines:

1. Survey and planning
2. Application of technologies by increasing electronic channels
3. Efficient use of paper
4. Monitoring and evaluation
5. Behavioral change among employees

#### 1. Survey and Planning

The company has surveyed the data of paper usage in each year by taking into account the number of employees, departments and work supports as well as developing a clear plan for paper usage by reducing paper usage 5-10% of the total number of papers used each year.

## 2. Application of Technology by Increasing Electronic Channels

The company has supported and encouraged employees to adopt more information technologies in the operations such as:

- Meeting material folders for each committee have been changed from the paper pack of invitation letter to an electronic platform.
- The trainings with a lot of training materials are suggested to send them by email.
- Correspondence is made via email such as circulars.
- Keep the copies of documents from external agencies and internal documents as scanned files instead of photocopies.

## 3. Efficient Use of Papers

To save the papers more effectively, it can be started from having one-side used papers separated before proceeding with the following steps:

- Set up common areas for everyone to use one-side used papers and advocate employees to reuse them.
- Inform all employees of where the one-side used papers common areas are.
- Reuse them to be the notes.
- Use the reused papers to note the informal messages or record internal messages or memos within the department.

In addition, the company has recycled unused paper to save trees. It has imposed the operation manual on document storage and disposal by recycling expired documents as detailed in the table below:

	2021	2020	2019	2018
Number of documents due to be destroyed (Box)	1,217	1,868	2,115	721
Weight of documents (Kilogram)	15,620	27,280	30,250	8,712
Number of trees that can substitute the cut down trees to produce papers per 1 ton <sup>1</sup> of used papers (Tree)	234	409	454	131

**Note:**<sup>1</sup> 1 ton of used papers can substitute up to 15 cut trees to produce papers.  
 Source: "Green Science project," Paperless Manual, Faculty of Science, Srinakharinwirot University.  
 Calculation formula: Tree cutting replacement = 15 trees / 1 ton X weight of used papers.

## Measurement of Intensity of Light in Workplace

The company pays attention to the dangers of light that may impact employees. In case of insufficient illumination, it can cause negative effects to eyes and may cause simple accidents such as failure to manipulate tools or equipment which may pose some dangers including mental health, decreased performance and low motivation to work. The company has regularly measured the light intensity in all areas of the office to ensure the working area has a proper lighting level.

## 4. Monitoring and Evaluation

To make paperless process more effective and concrete, the paper usage data of each department is tracked and sent to them to find ways to reduce paper usage. The information is also be analyzed for planning efficient paperless operations.

## 5. Behavioral Change

The most important thing for the most effective paperless operations begins with behavioral change among employees in all departments to have responsible attitudes and collaborative practice as follows:

- Separate used papers and sort them into the 3 R principles as follows:
  1. Reduce (amount / size)
  2. Reuse
  3. Recycle / disposal
- Use one-side used papers for rough drafts instead of using new papers and print them in economy mode.
- Monitor and notify each department of their paper consumption to ensure that the paper usage is consistent with real operations.

## Lighting Measurement and Data Collection Process

1. Measure in the specific working area: focusing on the light intensity of particular areas where operators need to perform sight-specific work.
2. Measure the average intensity of light in general areas: such as walkways and working spaces.

**The results of measurement of light intensity in the workplace:** After conducting the actual measurement of the light intensity in Lux unit, it was found that illumination in the office was sufficient and compliant with the standard of not less than 400-500 Lux.

## 5S Activity

The company has applied the 5S activity which consists of Sort (Seiri), Set in order (Seiton), Shine (Seiso), Standardize (Seiketsu) and Sustain (Shitsuke). The activity helps keep a workplace and environment neat and clean. Staff are mentally healthier and more disciplined. This, in turn, results in saving resources and costs. In addition, it contributes to high quality and efficient work performance. The 5S activity gains good cooperation from employees and the company has a continued implementing this activity.

### 5S Results

1. Results of **Sort**
  - Cutting down the consumption of resources
  - Having more spaces for other purposes
  - Having a more spacious, splendid and clean workplace resulting in a better mood of employees
2. Results of **Set in order**
  - Settling the common and troublesome searches
  - Increasing work efficiency
  - Creating good image for organization
3. Results of **Shine**
  - Having a pleasant working environment
  - Cutting down the consumption of resources
  - Increasing efficiency of tools and equipment while decreasing frequent breakdown of office automations
4. Results **Standardize**
  - Having neat and tidy workplace
  - Employees are both physically and mentally healthy
5. Results of **Sustain**
  - All employees have a good habit and attitude towards work
  - Customers receive quality and fast services

## LH BANK ATM Stops Global Warming

The bank has played part in helping slow down global warming constantly by providing customers with an option of no printing transaction slips from the ATM.

## Environmental Awareness Campaign

The company focuses on creating environmental awareness among employees and encouraging them to protect the environment in their daily life by saving energy, using resources economically, preserving the ecosystem, reusing, recycling, and reducing. The company has shared the knowledge about environmental preservation to staff and reinforced the importance of their participation.

## Implementation of Green Office Project

1. Use energy saving devices
2. Make the most of natural light energy
3. Design an office layout
4. Promote 5S activity
5. Check lighting standard values of office building
6. Check air conditioners and ventilators
7. Increase green spaces in office
8. Increase co-working spaces

## Encouraging Employees to Engage in Efficient Use of Resources

1. Provide information and training on environment and promote energy saving via internal media such as Intranet.
2. Support the reuse of materials such as reused papers.
3. Promote a reduction in paper use and the number of printers, provide photocopier pool, and change employees' behaviors to always think twice before printing.
4. Reduce/refrain from using paper materials for meetings by sharing the information through electronic channels.
5. Ask for partners' cooperation to reduce the use of printed documents, switching to use electronic files
6. Turn off the building light when no one is in the room or meeting room for a long time and turn off the light in some areas during a lunch break.
7. Turn off computer screens during a lunch break.
8. Constantly promote 5S activity.

Such practices are to raise awareness and inculcate a sense of environmental ethics among employees, prompting a behavioral change in their daily life.

## Vehicle Service Management

The company has the policy to reduce carbon dioxide emission from the company’s vehicles by employing the e-Car service system to support the effective vehicle management. The company has also chosen alternative energy, energy efficiency and effective transportation as follows:

1. Plan routes with appropriate schedule for carpooling service for all employees.
2. Take good care of car engines.
3. Switch to other alternative engines such as hybrid cars, electric vehicles, etc.
4. Use the Grab Car for Business service to increase operational agility and reduce energy consumption from backhaul.

## Promotion of Green Loan

LH Financial Group PLC’s financial business group has supported the adoption of sustainable banking practices by conducting its business with social and environmental responsibilities based on the good corporate governance principle. Land and Houses Bank’s credit approval process has taken into consideration potential environmental impacts of businesses that may arise from its lending and possible effects on the bank’s reputation. The bank values lending to environmentally-friendly projects that does not have any adverse effects on communities such as loans for renewable energy, loans for clean energy, etc.

The company is confident that fair business will bring about confidence which will, in turn, be positive for the business in the long term. The company operates its activities in accordance with market conduct for sustainable business development. In this regard, the company conducts activities in consistent with laws and fair competition and encourages its employees to realize the importance of compliance with laws, keeping trade secrets, refraining from obtaining information of trade partners and competitors with dishonesty and fostering competition under laws.

The company promotes fair treatments of stakeholders both in terms of costs and returns, for instance, procurement, appropriate delivery schedule, fair trade agreements and refrains from any activity which infringes property and intellectual property including prompt payments for products and services in a timely manner.

The company has determined the procurement method and receiving service procedure as to obtain quality products and services at an appropriate price by specifying various methods including; price method, quotation method, bidding method, continued method, special method and urgent method. The selected method depends on financial amounts of the each transaction. In addition, the company has determined the criteria for the selection of suppliers and service providers in order to ensure fairness and equality by choosing from the stability of their businesses, specifications of products and services and prices considered by the Procurement Committee.

### 3.4 Social Sustainability Management

#### Fair Business Operation



**8** DECENT WORK AND ECONOMIC GROWTH



**16** PEACE AND JUSTICE STRONG INSTITUTIONS

The company operates its business with good corporate governance principles which have been specified in writing in order for directors, executives and all employees to be as guidelines. Consequently, it will result in fair business without seeking other interests, avoiding any operations which may cause conflicts of interest and taking into consideration the utmost interest of the company, customers and stakeholders.

### Respect for Human Rights



**3** GOOD HEALTH AND WELL-BEING



**5** GENDER EQUALITY



**8** DECENT WORK AND ECONOMIC GROWTH



**10** REDUCED INEQUALITIES



**16** PEACE AND JUSTICE STRONG INSTITUTIONS

The company emphasizes the fair and equal treatments of all stakeholders such as employees, surrounding communities and societies with justice and equality; respect for human rights and dignity of all people, no forced labors and no child labor exploitation, building good relationship, no violations of basic rights, being cautious in any action that will affect public feelings, all of which are the foundation for human resource management and development.

The company pays attention to fair treatments of all levels of employees to ensure they obtain appropriate returns and benefits; improves their potential for professional advancements; and encourages their engagement. The company also provides several channels for whistleblowing and lodging complaints and reports misconducts. As a result, employees can voice, report and whistleblow any matter regarding unfair acts through supervisors or other channels. In this regard, the company has determined the independent process for inspection and decision-making by taking into account the outcomes and remedies to be in accordance with the human right principles. The company also opens opportunities for employees to voice their opinions in the case where entity or employees commit any acts that may violate human rights and expedites the solution.

Respect for human rights is a basic practical guideline the company strictly adheres to and determines the practical guideline as follows:

- Arrange the number of leaves and holidays as required by law or beyond that required by law for some holidays so that employees can plan for their work-life balance
- Support the knowledge empowerment for improving employees' abilities
- Clearly determine the criteria for investigations and disciplinary actions for fair punishments under the same standard
- Support each department in the company to arrange team building activities as to promote good relationship, engagement and harmony, and to take part in creating good activities for communities
- Hire staff regardless of gender, race and religion

## Fair Treatment of Labors



The company places the priority on human resource management by setting as its mission in developing and supporting the human resource management in terms of knowledge and benefits of employees. The company has established the Human Resources Development Committee (HRD) to manage and develop the human resources effectively, efficiently and in consistent with the company's strategies.

## Key Principles for Human Resource Management and Development

The company strives to improve human resource management as well as supporting proactive operation of all departments in order to achieve business goals. Moreover, the company always strives to provide employees with further trainings and promote quality of work life, by taking into account the fair treatment of employees and human rights.

The company focuses on taking care of employees in various fields with the strong belief that the development of skills, abilities, motivations, positive work environments, good occupational health and good welfare will enable them to perform their duties with full potential which, in the end, results in positive impacts on customers, stakeholders and sustainable growth.

## Candidate Hunting

The company creates the processes and approaches to get access to candidates through a variety of channels and methods to keep pace with rapidly changing lifestyles of the digital world, for example, social channels such as Facebook or LINE, various activities such as Toward Success Together Day and Chance for Friends to provide opportunities for employees to participate in peer referrals.



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## Recruitment

For recruitment, apart from knowledge, abilities and qualifications, the company realizes the importance of selecting candidates who have faith and align with the organization's values in order to obtain right persons suitable for the company.

## Equality and Diversity

The company adheres to the practice that treats all employees with fairness, for instance, compliance with the labor law and human rights without discriminations of any kind, regardless of race, skin color, sex, religion, political views, revocation of citizenship, social background and any other form of discriminations related to both internal and external stakeholders. The company does not engage in illegal labor practice and child labor exploitation. These guidelines are applied to all employees from executives to operational staff. The company also offers work opportunities for persons with disabilities.

## Employment of a Person with Disabilities

### Promotion and Development of the Disabled's Wellbeing

The company has offered job opportunities and generated income for persons with disabilities by joining the project arranged by the Thai Bankers' Association that hired people with disabilities to work for the Thai Red Cross Society in many provinces. Similarly, the company has also hired persons with disabilities to work for the bank.

## Hiring Retired Employees

The company always realizes the importance of age-friendly business and has a management approach to support the elderly society by setting the criteria for hiring retired employees who have potential. Not only does it help the elderly earn income, it is also beneficial to the organization as it helps tackle labor shortage.





**Table : Number of Retired Employees Getting Hired**

	2021	2020	2019
Accumulative number of retired employees getting hired (Person)	0	1	10
Number of retired employees per year (Person)	7	6	7

### Sustainable Growth with Human Resources Development

The company has encouraged and instilled its employees with the same core values by implementing the master plan which includes creating perception and attitude through communication channels, practice, belief and individual mindset activities to build group habit norm and corporate values. The company has continuously instilled the value in both newcomers and existing employees.

### Welcome Newcomers

“Welcome Newcomers” on their very first day aims to create favorable impression on the newcomers, to introduce the company’s core values, and to give them some tips or advice on the work life with the organization such as introducing a newcomer to colleagues, nearby canteens so they are comfortable with new environments, aware and eventually adaptable to their work.

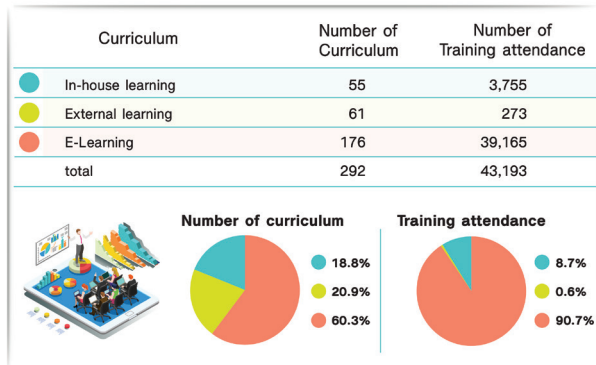
### Employees’ Development

Employees are a significant factor driving the company to a success. Consequently, the company has employed potential development plan to enhance the employees’ knowledge, abilities and skills so they can professionally fulfill their job junctions. The company also offers opportunities for them to maximize their full potential, to enhance their self-development and to attend training courses. The requirements of human resource development play a significant role in the career path of employees.

In 2021, the company determined a strategy and guideline for human resources development in order to improve the agility and flexibility. For that reason, the company has developed a platform that will increase learning channels as well as created a mechanism to put knowledge into practice. Moreover, supportive activities were created to help staff learn from anywhere anytime without limitation under the name “LHFG People Connect”. This is to enhance their potential to catch up with knowledge and rapid changes. These connected learning channels could be accessed with ease with 1 User 1 Password.

During the COVID-19 Pandemic, the company has been developing a mechanism to improve our employees through online channels as to help them allocate their time to learn anytime anywhere through application containing several courses such as Customers Insights and Presentation Technique that helps them understand various presentation techniques and apply to financial advisor. The courses in accordance with the regulatory requirements such as AML/CTPF (Anti-Money Laundering & Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing) and other courses such as the “Pay to be Wealthy”, a collaboration with Money Buffalo that will help staff manage their capitals. As a result, they can also take the knowledge in financial management to give financial advisory for customers.

### Training data in 2021



### จำนวนพนักงานที่เข้ารับการเรียนรู้จำแนกตามระดับ

ระดับ	จำนวนพนักงาน	คิดเป็น %	จำนวน (ชั่วโมง) ฝึกอบรมเฉลี่ย	จำนวน (วัน) ฝึกอบรมเฉลี่ย
Executive (Level 18-24)	33	2%	25.15	4.19
Management (Level 15-17)	80	5%	22.34	3.72
Middle Management (Level 10-14)	370	25%	27.06	4.51
Supervisor (Level 6-9)	869	58%	26.88	4.48
Operation (Level 1-5)	127	10%	10.74	1.79
Total	1,509	100%	24.96	4.16

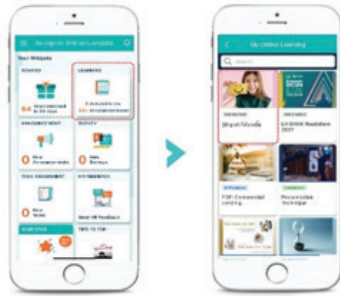


**บทเรียนสำหรับพัฒนาตนเองในช่วง WFH**  
**รู้จักลูกค้าให้มากขึ้น**

“ไม่ว่าจะทำงานส่วนไหน ‘ลูกค้า’ ก็เป็นหัวใจหลักในกระบวนการทำงาน เพราะลูกค้าเป็นคนสำคัญที่จะทำให้งค์กรเราเติบโตได้”



คุณสามารถเข้าผ่านช่องทาง LHFG  Application  
ในหัวข้อ ‘การเรียนรู้ > รู้จักลูกค้าให้มากขึ้น’



Anytime Anywhere Any Device - เพียงคุณ click ก็เต็มเต็มความรู้

**Presentation Technique**

“เทคนิคในการนำเสนอที่ช่วยให้คุณนำเสนอได้ง่ายขึ้น ผู้ฟังเข้าใจสารที่คุณต้องการนำเสนอได้ถูกต้อง”



คุณสามารถเข้าผ่านช่องทาง LHFG  Application  
ในหัวข้อ ‘การเรียนรู้ > Presentation Technique’



Anytime Anywhere Any Device - เพียงคุณ click ก็เต็มเต็มความรู้

**เปย์ให้ถูก ปลุกให้เต็ม**

มนุษย์เงินเดือนชนเดือนแบบของเรา

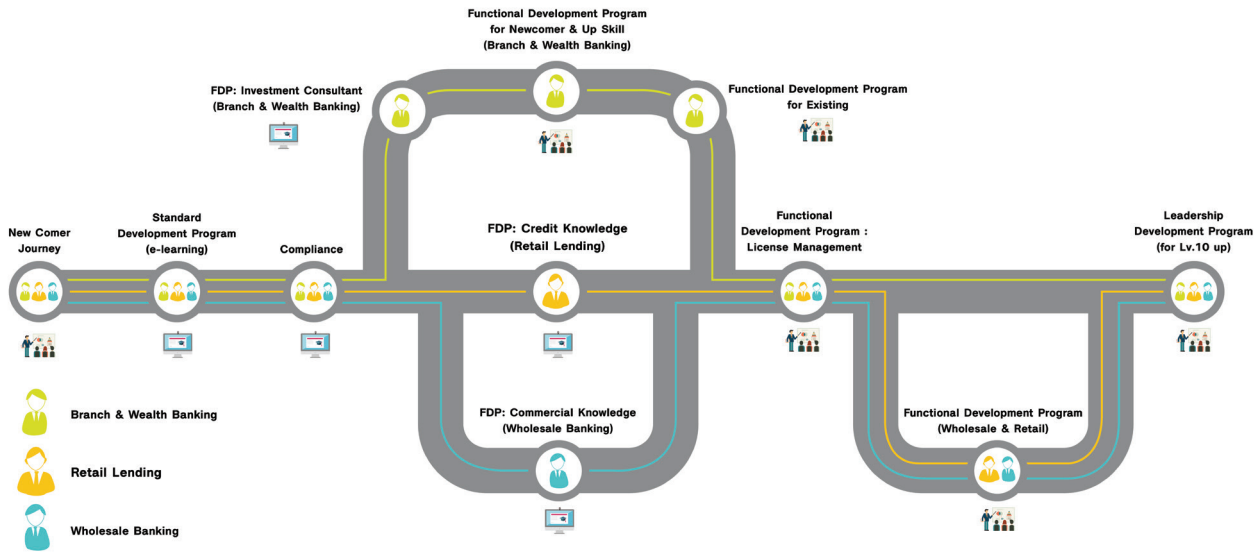
กระเป๋าสิ่มมดล  
นี่เรื่องจากเงินเพราะนุ่มเนือง

ล้างเปย์ มีเฮ  
เทให้ถูก ปลุกให้เต็ม

ตั้งตัวได้  
ก่อนตายแล้วดิ!

 MONEY BUFFALO

In addition, the company has set a development journey as a guideline with the objective of creating knowledge, understanding and increasing skills for employees in both soft skills and hard skills.



### Human Resources Development - Executives and Key Successors

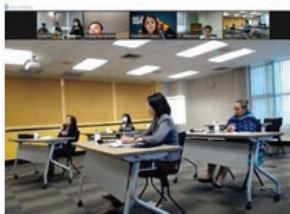
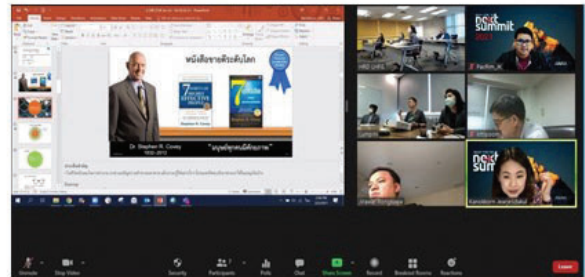
The company highlights the importance of top executive development by assigning the Nomination and Remuneration Committee to develop policies, guidelines and succession plans as well as to support leadership development systematically and continuously. The company has laid down the guidelines on leader development with the focus on the principle of efficiency: Lead Self, Lead Team & Lead Change/Culture which covers ideas and drills to ensure efficient results. The learning processes comprise classroom learning, goal setting for self and team improvements and knowledge sharing among learners, supervisors and mentors.

The program to improve knowledge of executives and enhance their leadership: Leadership Development Program (Facilitator Certify Workshop): The Power to Effectiveness aims to create internal trainers to be part of driving force for leadership development at the levels of AVP of departments/office and section managers. It is the continuous program for top executives who pass The 7 Habits of Highly Effective People. Virtual classroom learning programs have also been designed and target group has been assigned to set their 30-day plan with development goals for self, team and work in order to accommodate the 70:20:10 learning process.



**LHFG**  
**LH BANK LH Fund LH Securities**  
**GOOD LEADER TEACHER**  
 เพื่อเป็นกลไกในการพัฒนาผู้นำร่วมกับการขับเคลื่อนให้เกิดการพัฒนาและปรับปรุง  
 ที่วัดตนเอง ต่องาน รวมถึงการสร้างบรรยากาศให้เกิดการแลกเปลี่ยนเรียนรู้  
 กระตุ้นให้เกิดมุมมองต่างๆที่นำไปสู่การสร้างความร่วมมือร่วมกัน  
 โดยมีกรอบหลักการที่สะท้อนความเป็นคนรุ่นใหม่ มีเป้าหมายตนเอง กล้องตัว คิดนอกกรอบ  
 รวมถึงสามารถบริหารเวลาและงานโดยไร้ข้อจำกัด  
**ด่วน!**  
**ภายในวันที่**  
**25 กันยายน**  
**เท่านั้น**  
**เปิดรับสมัคร internal trainer**  
**พิเศษเฉพาะผู้อำนวยการฝ่าย/สำนัก (N-3) เท่านั้น**  
**ผู้นำที่ ๘ เริ่มจากการเป็นผู้ถ่ายทอดที่ดี เวทีในการฝึกฝนการเป็นผู้นำร่องอยู่**  
**เพราะคุณคือ Future Leader ของเรา**  
 สหกรณ์ออมทรัพย์ Kwanruan #2216, Jiraporn #2264  
 email: Kwanruan1@LHBank.co.th, JirapornYo@LHBank.co.th

## Leadership Development (Facilitator Certify Workshop) : The Power To Effectiveness



### Leadership Development Program in Classroom and Virtual Classroom

In addition, a training program to develop leadership competencies, that stresses team management through group coaching and 1 on 1 coaching for executives to use their skills as coaches, has been developed. The program focuses on the roles necessary for leaders, covering 6 sources influencing behavioral changes and coaching principles/skills. It offers a four-month learning and development journey to enable leaders to implement what they have learned to manage their team effectively.

One of the most important and essential skills for leaders leading them to success is communication skill (Communication with Impact). Effective communication brings about success at work and team management with storytelling courses. The 70:20:10 learning process consists of self-learning. (Self-Learning) through movies that is an interactive system, group coaching with executive coach and making videos to tell their own stories. This ensures that leaders practice storytelling skills while being mentored by a coach.

ภาพยนตร์เพื่อการเรียนรู้รูปแบบใหม่ ที่ได้ทั้งสาระและความบันเทิง  
ถือเป็น EDUTAINMENT ที่จะทำให้การเรียนรู้ ไม่ใช่เรื่องน่าเบื่ออีกต่อไป

**ขั้นตอนการเรียนรู้**

<p><b>1 ดูภาพยนตร์</b></p> <ul style="list-style-type: none"> <li>• เรียนรู้ด้วยตนเองผ่านดูภาพยนตร์ (MOVIE LEARNING)</li> <li>• ภาพยนตร์แบ่งออกเป็น 9 ตอน ตอนละ 5-8 นาที</li> <li>• สอนแทรกบทเรียนในทุกๆ ตอน และแต่ละตอนมีคำถามให้สอบภาคประเมินผล 2 ครั้ง ระบบจะฉายตอนเดิมให้ดูซ้ำอีกครึ่ง</li> </ul>	<p><b>2 โค้ชออนไลน์</b> *Group Coaching</p> <ul style="list-style-type: none"> <li>• ฝึกอบรม 12 ครั้ง แบบสลับครั้งละ 1.5 ชั่วโมง กับ Executive Coach</li> <li>• เตรียมเรื่องนำเสนอฝึกเล่ากับโค้ชในคลาส เพื่อรับคอมเม้นต์และคำแนะนำ</li> <li>• เรียนรู้การเล่าเรื่องผ่านสไลด์ของเพื่อนร่วมคลาส</li> <li>• เข้าร่วมการฝึกไม่บ่อยกว่า 6 ครั้ง</li> </ul>	<p><b>3 ถ่ายวิดีโอ</b></p> <ul style="list-style-type: none"> <li>• ถ่ายวิดีโอเล่าเรื่องของตนเอง</li> <li>• ส่งวิดีโอให้โค้ชเพื่อน Feedback และในประเภทนิยมนิต</li> </ul>
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### Annual Performance Appraisal

The company sees the annual performance appraisal as an essential part to enhance work efficiency and employee's participation by getting them equipped with KPI setting process and knowledge about performance appraisal, and allowing them to set their key performance indicators (KPI) to align with the goals of organization. This is to ensure efficiency.

The factors used in the annual performance assessment consist of two main components, the expected behavior of the organization (Potential) and the performance (KPI). The two factors have been determined in equal proportion for each level of employees and have been considered by the Human Resources Development Committee for appropriateness and optimal efficiency.

### Determining and Managing Remunerations

The company places the importance on determining and managing remunerations to be fair and competitive. Therefore, the company has the policy on salary increase and bonus based on annual performance. Special salary adjustments are also made by referring to compensation surveys in the same or similar industry in order to retain qualified employees who can meet expectations with the company.

### Compensation Ratio by Gender

The compensation ratio of man to woman is 1:1.

### Building Pride in the Organization

The value of employees is a critical factor in business operations. The company has a policy to give honorary pins to employees who have been working with the company for 10 years, with the aims at praising, creating good atmosphere and morale of employees for their dedication to the organization. In 2021, the company presented an honorary pin to 59 staff.

**Table: Number of employees who have been working for 10 years.**

2021	2020	2019	2018
59	44	16	43



### Raising Awareness through Communication Channels

Communication is a crucial factor to drive the organization, unify employees and increase their engagement in establishing the sustainable organization and; therefore, sets up various internal communication channels to facilitate easy access and ensure comprehensive communication. The company employs efficient management of contents and channels as to achieve its goal of building awareness and common attitude towards the company’s shared values. The internal communication channels consists of 2 types of media as follows:

**1. Online Media** consists of Website, LINE, Facebook, YouTube, LHFG People Connect Intranet and LHFG People Connect Application (PacD).

**2. Offline Media** including printing materials, media at the branch, direct mail, activities to promote a sense of pride in the organization, engagement via on site development activities, and to strengthen the relationship among employees who station at different branches nationwide.

### Welfare and Creation of Employees’ Engagement

The company wishes all employees good health both physically and mentally and therefore provides comprehensive welfare with the review and update. Health promotion activities, annual health check, influenza vaccination, giving special discounts to families of employees who wish to have vaccinations or health checks including COVID-19 vaccination free of charge.



### Welfare Arrangements

Good benefits are significant factors for boosting the employees’ morale and spirit. The company has set an appropriate and fair system of remunerations and benefits so that they can have the good quality of life by providing various benefits as follows:

- Staff uniform
- Provident fund
- Medical service, dental care and medical check-up
- Group life insurance and health insurance
- Housing loan and hire purchase with low interest rates

## Good Environment and Workplace Safety

Creating good working environment and safety for the employees, the company, therefore, establishes the Safety Healthy Environment Committee (SHE) to be a mechanism to implement its policies and plans for occupational safety as detailed below:

- Educate and create understanding about occupational safety in the workplace through various communication channels
- Annual fire drill



- Establish the SHE hotline to receive reports on unsafe incidents and coordinate with related agencies in order to provide immediate assistance. In 2021, no employees were injured while working.

**Table : Number of employees injured while working**

	2021	2020	2019	2018
Number of employees injured while working	0	0	0	0

- CARE project, the activity to promote health and safety

The company has provided health and safety communication, including warnings of any health hazards and risk incidents. COVID-19 pandemic still exists. Consequently, the company needed to change their working styles by allowing some employees to work from home and assigning some employees to work at an alternative site. Health and safety measures are taken to facilitate employees' operations, including providing shuttle buses for employees who work at the alternative site. Face masks and hand sanitizers are also provided. Communication of such preventive measures with health promotion information against COVID-19 that is beneficial to employees is made available through LHFG People Connect Application.

## Welcome Back Box Represents our Love and Care for all Employees



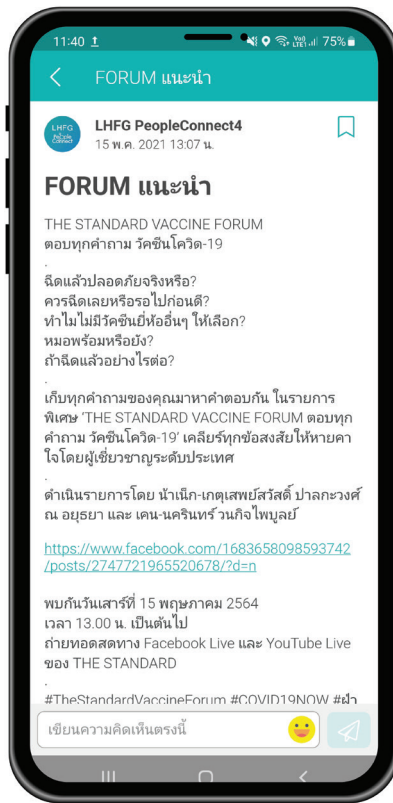
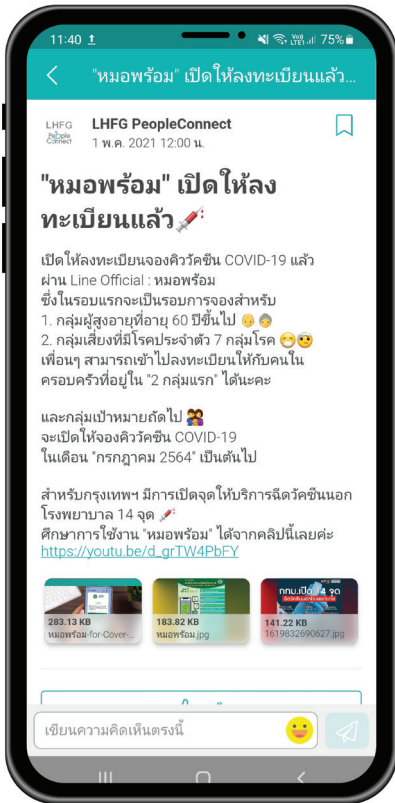
## Health Promotional Activities via Virtual Activity : Yoga



## Educating Staff on Effective Money Tips via Virtual Classroom : LH Bank Fin Design



## COVID-19 News and Health Care



## Entertainment News for Staff's Recreation



## Responsibilities towards Consumers

**10**  
REDUCED  
INEQUALITIES  


**12**  
RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION  


Financial business is related to the economic and financial conditions of the country, the business operation can likewise impact the national economic drive and investments in a wider range than any other business. Land and Houses Financial Group, therefore, has been operating effectively coupled with social responsibility, especially towards consumers on which the bank puts the first priority.

Land and Houses Financial Group prioritizes the benefits and satisfaction of customers by offering the products and services with quality, responding to the demands of all customer segments. There are many areas of development to accommodate more convenience. The details of products and services are clearly and accurately presented to customers through various channels which can be easily accessed so that they have enough information regarding our products and services including sales promotions for making decisions. Moreover, the company emphasizes and operates its business under the market conduct.

### Fundamental Rights of Consumers

The bank announces the fundamental rights of consumers in order to make them aware of their rights eligible from using services via the bank’s website as follows:

Rights of Consumers	Products	Personnel or Processes
1. Right to receive correct information	<ul style="list-style-type: none"> <li>Consumers shall receive clear explanation about the differences between the main products of bank and the securities and insurance products</li> <li>Consumers shall receive the information of product details, risks, conditions, benefits such as in the form of APR (Annual Percentage Rate) or IRR (Internal Rate of Return) and related assumptions.</li> <li>Consumers shall receive the information of an advertisement or other marketing media in sales promotions correctly and appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>Consumers shall receive the fact sheet summarizing the main information when they are offered securities and insurance products. The fact sheet must indicate the unique features and risks of the products with concise and straightforward wording, and is in line with the form required by the Office of The Securities and Exchange Commission (SEC) and the Office of Insurance Commission (OIC), for making the decision to buy the products.</li> </ul>
2. Right to choose the products and financial services freely		<ul style="list-style-type: none"> <li>Consumers have the right to freely invest and can deny buying any securities and insurance products.</li> <li>Consumers have the right to deny buying any securities and insurance products which are bundled with the products of the bank. The bank shall give the right to the consumers in choosing to buy or not to buy such products.</li> <li>Consumers have right to give the consent or deny giving the consent to reveal the information as mentioned in the letter of consent given separately from the purchase agreement.</li> </ul>
3. Right to claim for fairness		<ul style="list-style-type: none"> <li>Consumers have the right to claim to all branches of the bank selling the products of securities and insurance (Point of Sale) with the evidence to prove that the bank has acknowledged the claims.</li> <li>Consumers shall be able to ask for more information for better understanding of the products from the call center of the bank.</li> </ul>
4. Right to claim for compensation		<ul style="list-style-type: none"> <li>Consumers have the right to receive appropriate compensation if it is proven that the bank fails to conform to the good product offer policy with intention or negligence causing any damage to the consumers.</li> </ul>



## Fair Treatment of Consumers

The bank has been conducting the social responsibility in CSR-in-Process by implementing the practical guideline in the corporate social responsibility for business sustainability policy and to create the business innovation until it is part of working processes, product development as well as service standards. The main objectives are to reduce the potential negative impacts on the stakeholders in all aspects and to create awareness and good attitude among directors, executives and employees.

The bank has developed a working process by imposing regulation, establishing standard operational guideline, creating organizational structure and segregating duties to each department properly (Three Lines of Defense) with clear operation process, quick and accurate system and effective control. The bank also designs the systems to create correct and mutual understanding among employees and related parties. The system is intended to reduce errors, and can be audited, monitored and evaluated efficiently for the highest benefits to customers including:

- For savings and current accounts without transaction movements for more than 1 year, the bank will notify the balance and condition of account maintenance fee deduction to customers 30 days in advance.
- For debt collection and debt management, collectors must introduce themselves to customers by telling their names and objective correctly and appropriately. In case of face-to-face communication, evidence on debt collecting permission certified by the bank must be shown to customers. The bank also specifies the time and frequency of debt collection which is proper and conforms to the law and practice of the Bank of Thailand and related official entities.

- The disclosure of full details of products and services is factual without distortion or misleading information, detailing the simplified terms and conditions of products and operating procedures which allow customers to accept the terms and conditions before making their decisions.

- The announcement of the interest rates and fees is made in advance before the effective date of any changes in order to keep customers informed before making decisions. The announcement will be done at the bank's branches and on the website at [www.lhbank.co.th](http://www.lhbank.co.th). It clearly specifies the rate against the credit line and type of customers, details and conditions of such product so that they can consider before making decisions.

The bank provides its employees with sound knowledge of products and services' information so that they can give the information correctly and quickly. This is to ensure customers' experience in using smooth services. The bank also has a Call Center to provide advisory service available 24 hours daily at 1327.

The bank provides channels to receive complaints, suggestions and critiques by having the independent unit to handle those issues as well as resolve customers' complaints. The information was collected as to improve the standard of operation and service. The bank provides various channels to receive the complaints as follows:

- Head Office or branches
- Call Center : 1327
- Website : [www.lhbank.co.th](http://www.lhbank.co.th)
- Official Facebook Fanpage

The bank pays attention to the confidentiality of customers' data by not revealing them unless the written consent is obtained.

## Research and Customers' Satisfaction Measurement

The bank measures the customers' satisfaction in the services provided by staff at branches via random call and feedbacks from customers using services at branches. The collected information will then be used to develop and improve products and services at branches in order to increase their satisfaction.

## Providing Savings Account for Basic Financial Service Access

The bank provides many financial products under the concept of promoting inclusive financial access to stimulate economic growth sustainably and thoroughly by supporting public including the elderly and the disabled to gain easy access to financial products and services with lower cost. This important mechanism serves as an initiative on supporting all individuals to learn basic financial planning, gain access to financial services, cultivate savings attitude and expand to other products.



**Criteria for Opening Basic Banking Account**

- Savings account
- 1 person / 1 account
- Receive savings account's interest rate
- No minimum balance when opening an account (can start with zero balance)
- No account maintenance fees
- No fees for ATM / debit card used with the basic banking account

In case a customer applies for ATM / debit card with the aim to support individuals holding valid state welfare cards and having rights to receive benefits from state welfare cards or to foster Thai citizens with the age over 65 years old to get easy access to financial services, the bank always recommends such customers to open a basic deposit account to support the government's policies.

**Customer Qualifications**

- Individuals holding valid state welfare cards or those with the age over 65 years old
- Individuals with child care subsidy having children from birth to 3 years of age
- Individuals with allowance for the elderly
- Individuals with disability living allowance
- Individuals with compensation for being village health volunteers
- Individuals with other social welfare benefits

The above savings account can be coupled with other services of the bank such as

- LH Bank PromptPay
- Debit card
- Mobile Application LH Bank M Choice
- Utility bill payment or ATS for utility bill payments

## Resolution Process and Result Reporting to Complainants According to Service Level Agreement : SLA

The bank has determined the Service Level Agreement (SLA) to set the duration of processing financial services for retail customers. The agreement, covering services in the field of credits, deposits, electronic cards and general services, is intended to upgrade the financial service standards and to set the standards for receiving and handling customer's complaints, and to eventually reduce the number of complaints. It is the bank's commitment to deliver more efficient, faster and more convenient services, to respond to the customers' needs well so that they can

realize the bank's operations. Moreover, the Service Level Agreement ensures the correctness and completeness of facts and / or information, the cooperation of customers and force majeure, uncontrollable situations and / or situations where the bank shall comply with the business continuity plan.

The bank has disclosed the Service Level Agreement (SLA) on the bank's website at [www.lhbank.co.th](http://www.lhbank.co.th) covering 5 areas of financial services as follows:

**1. Receiving and Handling Complaints** consist of

- Verification of complaints through various channels
- Notification of solutions or progress on actions to cope with complaints in all channels

**2. Loans for Retail Customers** consist of

- Release of collateral
- Ownership transfer of cars / motorcycles to borrowers once the loan has been paid off
- Credit underwriting - the bank will keep customers informed of the result
- Issuing a confirmation letter for debt settlement
- Request for credit account statement

**3. Deposits** consist of

- Cash deposit / withdrawal through ATM / CDM of the same bank or different banks with some errors occurred: no money received or incorrect balance (excluding suspected fraud cases).
- Fund transfer or e-Wallet top up via ATM, CDM, internet, mobile banking but the system malfunctioned causing no money received, the bank will check the error, notify a customer, and adjust that transaction.
- Request to check the transfers to wrong account, internal transfers or interbank transfers or e-Wallet top up to wrong account (excluding suspected fraud cases), the bank will check the error and keep a customer informed.

**4. Electronic Cards** consist of

- Freezing electronic cards such as ATM cards and debit cards
- Advising against the debit card holder's suspicious payment
- Checking the debit card's transactions at the point of sale locally and returning money to card holders

**5. General Services** consist of

- Customers can request for various information such as the calculation of interests for credit / hire-purchase of no longer than 12 months and 6-month statements which will be given to them in writing.

**Market Conduct**

All companies in the LH financial business group have been emphasizing and supporting operations according to the market conduct for sustainable operations. We expect our customers to gain confidence on:

1. Receiving sincere and fair services
2. Receiving appropriate and clear advice
3. Receiving fair prices and conditions
4. Receiving convenient services and proper solutions
5. Receiving understanding of their rights and duties

**Cooperation in Development of Community and Society**



Land and Houses Financial Business Group is engaged in being part of sustainable development in accordance with good governance principles coupled with social responsibility. Land and Houses Financial Group has taken part in social activities with the emphasis on sustainability.

Land and Houses Financial Group has been operating its corporate social responsibility and supporting activities to promote and improve the quality of life in various fields as well as encouraging its employees to volunteer in various activities both government and private agencies with the aim of maximizing benefits to society and communities in accordance with the sustainable development goals.

Land and Houses Bank has been supporting and promoting the development of society and communities through supportive activities covering 3 areas as follows:

1. Youth Empowerment and Education
2. Society and Quality of Life Improvement
3. Arts and Culture Conservation

**1. Youth Empowerment and Education**

Education is the foundation for all success stories, thus, the bank always realizes the significance of educational support, knowledge development and quality of Thai juveniles. For example, the bank provides the nationwide scholarship project with the purpose to support the youths who are good at study but unable to afford to pursue higher education, the project, **“Give Books and Learning Materials to the Department of Corrections”** encouraging employees and customers to donate books to promote knowledge of prisoners and the donation of old calendars to the Bangkok School for the Blind, allowing them to turn them into instructional materials such as Braille books and notebooks for students with visual impairments.



**“Give Books and Learning Materials to the Department of Corrections” to promote self-development of prisoners**

**“Give Books and Learning Materials to the Department of Corrections” project**

2021	2020	2019
1,030 books	1,340 books	1,625 books

● **Scholarship Project**

The bank realizes the importance of education and the development of youths who, in the future, will be the main strength and powerful driver of the nation in the long run and sets up a scholarship project to support the youths who have high academic performance, talent and determination to pursue higher education. This project can also instill juveniles to realize the values and importance of education. Moreover, it is also a sustainable way to increase the quality human resources.

**Main Objectives**

- To bring the educational stability to the 7<sup>th</sup> grade needy students with high academic records to pursue their education until 12<sup>th</sup> grade level
- To instill youths to realize the values and importance of education
- To increase the number of potential and quality human resource to society
- To carry out activities that benefit and help society and country as a whole (Corporate Social Responsibilities)

**Nature of Scholarship**

- It is a scholarship for junior high school to high school students who have excellent academic records with the average GPA above 2.60 and good behaviors.
- It is offered for youths in a wider area across 6 regions where the bank’s branch networks are located.
- It is offered for the underprivileged due to poor family or lack of parents or being in the custody of another person who are poor or are under the care of welfare institutions or foundations.

**List of schools joining the 2021 scholarship project** includes:

- Anurajaprasit School, Bangkok
- Thanyarat School, Pathumthani
- Chuen Chom Pittayakarn School, Maha Sarakham
- Hua Hin Wittayakom School, Prachuap Khiri Khan
- Phuket Wittayalai School, Phuket
- Sankamphaeng School, Chiang Mai

**Youth Empowerment and Education Outcome**

- 72 continuing scholarships in 2021 for 6 schools, with the total amount of 576,000 Baht
- Two follow-up surveys and assessments for the year 2021. Most of the students under the survey were relatively poor. Parents were divorced and they live with relatives who were general labors with low incomes and education level were average to good.

**Scholarship’s Activity Snapshots**



Thanyarat School, Pathumthani



Phuket Wittayalai School, Phuket



Sankamphaeng School, Chiang Mai



Chuen Chom Pittayakarn School, Maha Sarakham



**Expenses for CSR Activities**

Activities	2021	2020	2019
Continuing Scholarship	606,000	462,000	318,000
Environmental, Social and Governance	1,200,000	1,168,000	1,112,000

• **Used Computers Donation Project**

The bank endeavors to fulfill educational gap for urban or up-country to have the same standard. The bank, therefore, arranges the used computers donation project, offering second-hand, ready-to-use computers and notebooks with good condition to disadvantaged schools as an educational resource, so that their students could fully search for knowledge and information in order to get ready for knowledge-based society.

**Used Computers Donation Outcome**

2021	2020	2019
40 computers	40 computers	30 computers



Donate used computers to the Special Learning Center in Pathumthani



Donate used computers to the Special Learning Center in Nakhonpathom



Donate used computers to the Special Learning Center in Samutprakarn

• **Old Calendar Donation Project**

The bank has collected the unused desk calendars to donate to the Bangkok School for the Blind for the production of instructional materials, Braille books and notebooks for students with visual impairments.

**Old Calendar Donation Outcome**

2021	2020
1,250 pieces	1,450 pieces

**2. Society and Quality of Life Improvement**

Social activities of the company focuses on supporting various projects which support social and environmental development and drive positive changes in communities through a wide range of supports such as providing budgets, donating materials, providing aids in an emergency, voluntary activities of employees, internal activities for employees to donate money and materials to different public charities, and sharing knowledge and skills. The company joins forces with its alliances, network associates, customer groups and all the stakeholders nearby the bank. The group believes that delivering public activities cannot be achieved by one organization alone. It also needs concrete collaborations from related parties to help tackle problems and bring about constructive changes to society for sustainable growth, for instance, inviting employees and customers to donate money for disaster victims and participating in the anti-corruption activities to encourage Thai society to work together against all forms of corruption while promoting market conduct.

• **Voluntary Activity for Social Development**

Amid the COVID-19 pandemic, the bank has given priority to prevent and monitor the risks of transmission, particularly for the health and safety of employees. In order to manage this, a working group has been set up to monitor the outbreak to collect information to define the

appropriate measures including allowing employees to work from home, flexible work hours and lunch breaks to ease the congestion in the workplace and social distancing in the office. In addition, workplace and health measures are in place, for example, cleaning air conditioners, installing air purifiers or ventilators for better ventilation and safe zone. Screening points have been set up consisting of alcohol-based hand sanitizers and face masks before entering into the bank's facilities.

Helping credit customers affected by the economic downturn, drought and COVID-19 outbreak, the company has issued several measures to help customers in all business groups and retail customers who have been affected by the aforementioned situation in order to alleviate their suffering as well as to help alleviate anxiety and get them ready to continue their business, including;

- Relief measures for corporate loan customers (for non-NPL debtors) affected by the COVID-19 pandemic according to the measures of sustainable rehabilitation assistance are as follows:

- Reduce installments by extending repayment periods
- Grace period for principal repayment
- Adjust the payment terms and conditions
- Others as deemed appropriate



- Relief measures for housing loan and personal loan customers affected by the COVID-19 outbreak (For non-NPL debtors) are as follows:

- Relief measures for personal loan debtors: Reduce installments by extending repayment periods and charge interest rate of not more than 22% per annum
- Relief measure for housing loans and mortgage loans with homes as collateral



From the situation of the COVID-19 outbreak that is widely spreading in many areas across the country causing government and private agencies, including hospitals to face with the shortage of beds to accommodate a large number of patients, the bank is concerned and sees that urgent need and shortage. Therefore, the paper field beds have been given to support the patients to various departments. The number of missing places in the number of 10 including:

1. Special Warfare Command, Lopburi
2. Somdet Ratchathewi Hospital at Sriracha, Chonburi
3. Sanam Phalang Paen Din 3 Hospital
4. Nakhon Pathom Aunjai Waiting Center, Nakhon Pathom
5. Sanam Hospital Samut Songkhram Province, Samut Songkhram
6. Khun Han Hospital, Sisaket
7. Phayao Provincial Administrative Organization, Phayao
8. Somdej Phrayuparaj Det Udom Hospital, Det Udom District, Ubon Ratchathani
9. Phasuk Manichak Mittraphap 116 School Waiting Center, Nonthaburi
10. Phramongkutklo Hospital Foundation



Delivery of paper field beds to the Special Warfare Center, Lopburi



Delivery of paper field beds to Sanam Phalang Paen Din 3 Hospital



Delivery of paper field beds to Nakhon Pathom Aunjai Waiting Center, Nakhon Pathom



Delivery of paper field beds to Phramongkutklo Hospital Foundation



Delivery of paper field beds to Khun Han Hospital, Sisaket

Land and Houses financial business group cares customers partners and social including stakeholders suffered by COVID-19 pandemic and donate money donated from customers partners public and stakeholders from “ Ruamjai soopai Covid-19” in the amount of Baht 1,000,000 to 3 hospitals

- Siriraj Foundation
- Thammasat Chalem Prakiet Hospital
- King Mongkut Hospital Foundation



Delivery of paper field beds to Phayao Provincial Administrative Organization, Phayao



Donation to Siriraj Foundation



Delivery of paper field beds to Somdej Phrayuparaj Det Udom Hospital, Det Udom District Ubon Ratchathani



Donation to Thammasat Chalem Prakiet Hospital



**Donation to King Mongkut Hospital Foundation**

The bank also delivers 2,000 lunch boxes and 20,000 bottles of drinking water to express sincere appreciation and gratitude towards medical staff and other related workers who are at the frontlines in the fight against of COVID-19 at the following places.

- Thammasat University Hospital
- Bangsue Central Vaccination Center
- Klongtoei Community

Currently, blood reserves at the Thai Red Cross are inadequate for patients' urgent needs. The company comprehends the problem and is eager to be part of supports for social activities. Thus, the company initiates a voluntary social activity by persuading all employees to donate blood annually. In 2021, the company urged its employees to join the “Blood Donor Volunteer: 1 Giver and 3 Receivers”. The blood will be distributed to help patients in hospitals nationwide.



LH Bank joined the “Blood Donor Volunteer: 1 Giver and 3 Receivers” of The Thai Red Cross Society.



Delivery of lunch boxes and bottles of drinking water to medical personnel to Thammasat University Hospital

**Youth Empowerment and Education**

The bank sees Thai youths as the future of the nation. It strives to enhance their moral sense and sharpen their academic skills. Therefore, the bank joins the Thai Bankers Association to create the financial literacy project “New Gen Cares about Monies” which is the prototype of financial literacy plan. The pilot target of the project is university students. Staff of the bank will be a trainer to share some monetary knowledge with them via activities to activate recognition and understanding leading to positive changes in their desirable financial behaviors. The bank has been conducting this project for 3 consecutive years.



Delivery of lunch boxes and bottles of drinking water to medical personnel to Bangsue Central Vaccination Center

**Objectives of Financial Literacy Project**

1. To drive financial literacy project for public as stipulated by 5-year strategic plan of the Thai Bankers Association.
2. To develop the expertise and personal financial management skills to the member banks' personnel to be voluntary trainers and to conduct site visit sharing financial knowledge to students from selected or assigned universities under the idea of “1 bank, 1 university.” Activities conducted to promote financial literacy are based on contents, curriculum and practices standardized by the Thai Bankers Association.



3. To raise awareness of effective personal financial management and planning among university students.

The bank, as one of the members of the Thai Bankers' Association, has been cooperating in the implementation of the "New Gen Cares about Monies" project with the awareness of the importance of cultivating financial planning knowledge financial discipline and the morality of anti-corruption in an integrated manner for society since youth in order to build an economic foundation that is stable and sustainable for the society in the future and to create financial discipline for youths who are the leaders from various universities to develop the capacity of the leaders to play a key role in the dissemination of financial discipline campaign. This is the sharing of knowledge, expertise and skills from banking sector to create benefits for communities

and society in response to the bank's commitment to the importance of creating intellectual capital for society in order to be a sustainable quality society.

#### 2021 Financial Literacy Project Outcome

1. Have improved financial literacy and created financial discipline for 721 trainers from 11 member banks
2. Have shared knowledge to over 20,374 students from 45 universities
3. Have created positive attitudes towards banks among target students



Activities of the "New Gen Cares about Monies" project for knowledge sharing and financial literacy for public

### 3. Arts and Culture Conservation

The bank joins many arts and culture activities with local people living nearby the bank's service centers, for example, supporting the Chinese New Year, Children's Day to strengthen and promote the traditions, arts and culture

with communities around the bank's branches. Besides, the bank is engaged in caring for environment and building awareness for employees to participate in environmental conservation and energy saving.

## Innovation and Dissemination of Innovative Corporate Social Responsibilities



The bank is committed to creating innovations for the benefits of business and society at the same time. Financial products and services have been being tailored as to facilitate and meet customers' needs and move to the new era of digital transformation and the government's policy to foster a digital economy. The bank is well aware of these significant trends and, therefore, enhances the innovations for financial products and services in the form of digital banking, helping customers save their time, reduce costs and receive more convenient services. Moreover, the bank has communicated with customers for their understanding and optimal benefits.

**Mobile Banking (LH Bank M Choice)** is a service to facilitate financial transactions via mobile phones such as money transfer, balance checking and bill payment, available every day, anywhere and anytime via mobile phones. Cardless cash withdrawal via ATMs of Siam Commercial Bank, fund trading and deposit account opening are also available here.

**Online Savings Account Opening** is an online service to keep pace with the digital era, enabling customers to conveniently do financial transactions every day, anywhere any time. It is now easy to open a new savings account online by just downloading the bank's mobile application before visiting any 7-Eleven's counter service nationwide to verify their identities with e-KYC system that meets the IAL 2.3 security standard. Apart from using a national ID card in an online self-verification process with the Department of Provincial Administration, facial recognition technology for standardized digital verification is also adopted.

**Internet Banking for Juristic Persons (LH Bank Speedy)** is a service available for more convenience in conducting financial transactions every day, anywhere and anytime. With double security system, customers can rest assured of financial transactions with the bank.



**LH Bank Debit Chip Card** is a card for processing financial transactions at ATMs of all banks. With securities by recording information into a chip card, safe from ATM skimming, customers can trust their financial transactions and use it to check the account balance and withdraw money at any UnionPay International (UPI) ATM and also pay for products and services at stores or online shopping with many privileges and special promotions from participating stores.



**LH Bank Debit Premium Card** is a card with personal accident protection of up to Baht 300,000 insured by CHUBB Samaggi Insurance PLC. No medical assessment required, customers just fill in their health profiles in the application form and the coverage will be effective immediately. The service covers for medical expenses for any accidents, just present LH Bank Premium card together with ID card to a contract infirmary.

**LH Bank PromptPay Service** is a service to transfer and receive funds without carrying cash, just register an ID card or mobile phone number with LH Bank's account. Such transactions can be made at a glance with only ID card number or mobile phone number without account number. LH Bank PromptPay is available via 3 channels as follows:

1. Mobile Banking (LH Bank M Choice)
2. LH Bank's ATMs
3. Bank's branches



**LH Bank Business PromptPay** is a new choice of fund transfer service for companies or corporates by linking their accounts with their tax ID number.



**My Portfolio Service** is an online service to check your personal data via LH Bank M Choice, including safe box, deposit, loan, securities, mutual fund, debenture, private fund and insurance.

The bank is open and encourages inventions, creativities and innovations, which will bring about continuity of crafting innovations from within the bank with social accountability.

#### **Certification of IT Security Management System Standards (ISO/IEC 27001 : 2013)**

Land and Houses Bank Public Company Limited received the certificate for the IT security management system standards (ISO/IEC 27001 : 2013) to enhance the management of IT security of payment infrastructure to international standard, consisting of BAHTNET and ICAS system to prevent the cyber threats that may cause financial loss and reputational damage which may affect the people and economy in a wider scale.

#### **Raising Awareness on IT Security**

The bank has organized a training course on IT security awareness for directors and executives of the Land and Houses financial business group to keep up with the changes occurred to data protection system and information system (Cyber Security) locally and internationally. This is to raise the level of cautions in preventing the threats caused by the changing trends in the digital world so that the bank will be able to cope with and prevent risks immediately and efficiently as well as provide knowledge on the Cyber Security Act B.E. 2562, Personal Data Protection Act 2562 B.E., IT risks and updates of new IT threats for employees so they can apply knowledge to work effectively and are aware of the safer use of computers which enhances the IT safety awareness within the organization.