



LH FINANCIAL GROUP PUBLIC COMPANY LIMITED

BUSINESS SUSTAINABILITY REPORT 2023

3. Driving Business for Sustainability

3.1 Policies and Goals for Sustainability Management

The company believes that sustainable growth is resulting 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 Sustainability and 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.



To enhance the sustainable management of the company to be more effective and systematically linked with policies, as well as to show the determination to support the Sustainable Development Goals (SDGs) of the United Nations as to be a part of concrete development of Thailand's greenhouse gas reduction targets according to the Bank of Thailand's policy and support solving climate change and environment issues, in 2023, the company revised the duties and responsibilities of the Corporate Governance Committee to encompass the supervision of sustainability operations and changed the name of Corporate Governance Committee to the Sustainability and Corporate Governance Committee. Moreover, the company has appointed the Sustainable Banking Committee to push the company's operations by taking into account environmental dimension and climate change, which will promote the transition to a green economy of business sectors and support the achievement of Thailand's environmental commitments. The Sustainable Banking Committee is responsible for overseeing the implementation of the sustainability framework and achievement of the sustainable goals as well as reporting to the Sustainability and Corporate Governance Committee and Board of Directors.

Corporate social responsibility means operating the business with the focus on the stakeholders, economy, society and environment with morals, ethics, code of conduct and corporate governance in order to make the activities feasible with honesty, transparency and fairness. The company also has 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 represents social responsibility for sustainable growth.



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 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. In addition, the company expresses the intention of driving Thailand's greenhouse gas reduction and the Board of Directors has approved the sustainability framework with 3 main pillars as follows:

Pillar 1 Organization Sustainability	Pillar 2 Sustainable Finance	Pillar 3 Responsible to Stakeholder
<p>1. Ethical Governance</p> <p>The Board of Directors has appointed the Sustainable Banking Committee to gear the bank's business operations toward sustainability pathway. The Sustainable Banking Committee reports to the Sustainability and Corporate Governance Committee and the Board of Directors.</p> <p>2. Employee Empowerment</p> <p>It is crucial to build awareness on climate change and environment impacts as well as employee empowerment to drive 2 pillars for sustainable finance to materialize the reduction of greenhouse gas emissions.</p> <p>3. Green Organization</p> <p>To improve energy and resource utilization in operational processes to the most efficient practice in reducing greenhouse gas emissions from own operations and lowering negative impacts on environment.</p>	<p>1. Responsible Finance</p> <p>This encompasses the development of financial products and services to support green business activities as well as entrepreneurs who are willing to reduce emission from their business operations to progress national transition to a low-carbon economy.</p> <p>2. ESG Risk Management</p> <p>The company incorporates environmental factors, especially climate change, into business opportunity assessment and risk management process for the bank to be able to effectively respond to new type of risks.</p> <p>3. Innovative Digital Finance</p> <p>Leverage digital technologies to develop easily accessible financial services with security standards.</p>	<p>1. Community Investment</p> <p>Cover social work in 5 CSR aspects, including charitable donations, sports, anti-drug activities, education, arts and culture as well as sustainable volunteer activities of employees.</p> <p>2. Collaborative Stakeholder Engagement</p> <p>To develop partnerships on sustainability aspect with public and private agencies as well as international organizations to expand collaboration network in driving Sustainable Development Goals of the United Nations.</p> <p>3. Transparency Disclosure</p> <p>To disclose complete, accurate and adequate information in accordance with regulatory standards and in line with the international standards for sustainability disclosure of financial sector.</p>

Sustainability Operation Plan

The Board of Directors has endorsed the sustainability action plan to drive the implementation of sustainability framework of relevant business units in 2024. The sustainability action plan consists of 3 groups as follows:

Group 1 Sustainable Organization	Group 2 ESG Risk Management	Group 3 ESG Finance Development
<ul style="list-style-type: none"> - The greenhouse gas emissions reduction plan from operations - Building environmental awareness and culture - Enhancing financial ability of employees for sustainability - Developing cooperation with sustainability networks - Information disclosure according to the Task Force on Climate-Related Financial Disclosure (TCFD) standard - Overseeing the operations to drive government sustainability policies 	<ul style="list-style-type: none"> - Improvement of ESG risk management process - Pollution emission assessment from financial services - Climate risk appetite setting - Environment & climate risk policies and framework setting - Improvement of financial criteria to align with Thailand taxonomy - Developing greenwashing prevention process - Scenario analysis and stress testing - Environmental risk monitoring - Environmental data collection & usage of customer data - Assessment of threats & opportunities from climate change 	<ul style="list-style-type: none"> - Development of financial products, services and financial innovations to support ESG, especially the development for lessening environmental issues and investment scheme in sustainable projects

Sustainability and Corporate Governance Committee will continuously monitor the implementation of the operational plan, evaluate the performance according to the sustainability framework and report to the Sustainability and Corporate Governance Committee and the Board of Directors.

Move Forward to Sustainable Business

Economic Dimension

Operate business with responsibility
(Responsible Finance)

Social Dimension

Support social development
(Community Investment)
and use innovative digital to develop financial
products and services (Innovative Digital Finance)
that are easy to access, convenient, safe

Environmental Dimension

Conduct eco-friendly business,
reduce negative impacts on
the environment caused by business activities

Governance Dimension

Operate business to be in line with
corporate governance principles by covering
the sustainable governance mechanism
and ESG risk management

Target and Sustainable Development Strategy

Sustainable Development Framework Target	Environmental	Social	Economic
Target	Reduce greenhouse gas emissions from own operations by 25 percent, compared to that of the base year 2020 within 2030* * Scope 1 and 2 from own operations of the head office	<ul style="list-style-type: none"> - Support investments in businesses for sustainable development - Use innovative digital to develop financial products and services (Innovative Digital Finance) 	Encourage the transition to a green economy
Strategy	Improve the utilization of energy and resources in operation process to be more effective and reduce negative effects on the environment caused by business activities in both head office and branches	<ul style="list-style-type: none"> - Develop financial products and services to support customer transition to green business - Create the system that provides financial services and innovations that are easy to access and safe and encourage the provision of financial knowledge to customers and public 	Set governance mechanism in operating business to be in line with corporate governance principles and regulatory requirements to support the bank's sustainable growth and drive operations according to sustainability framework operations

Governance Structure for Sustainable Operation

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 are in line with the UN's goals.

The company has established a governance structure for sustainable operation by assigning the Sustainability and Corporate Governance Committee to oversee and monitor sustainable business operations and the Sustainable Bank Committee, chaired by the Chief Executive Officer and President, to push, follow up and evaluate the implementation of the framework and sustainability goals.



LHFG has been selected to include in the universe of ESG100 for the listed companies with outstanding performance in terms of environmental, social and governance for the year 2023.

The company carries out its business in accordance with the good corporate governance principles together with sustainable banking by taking into account the environmental, social and governance which are part of the company's operations, especially, good corporate governance in all processes of operations which require standards, integrity, transparency and accountability. According to the operations with social responsibility, the company has been selected as one of top 100 listed companies with outstanding business in terms of environmental, social and governance (ESG) or ESG100 universe by Thaipat Institute.



LHFG received the Sustainability Disclosure Recognition in 2023.

The company received the Sustainability Disclosure Recognition Award. 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.



The Climate Change Management Role Model (FIN)

The company has been chosen by the Stock Exchange of Thailand to be 1 of 9 companies to join the Climate Change Management Role Model (FIN) with the purposes to provide the listed companies with a foundation in environmental management and improve their operations as well as to be a role model for other companies. The Stock Exchange of Thailand and ERM-Siam Company Limited are consultants throughout the project period to push, advise, encourage the company to have potential in setting greenhouse gas management goals to cover all dimensions of ESG both short-term and long-term, identifying and evaluating financial impacts with threats and opportunities that relate with climate to be guidelines for sustainability reporting to align with the standards of the Task Force on Climate-Related Financial Disclosures (TCFD).



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 received 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.



Performance of Social Responsibility for Sustainable Development in Various Dimensions

Environmental Dimension	Social Dimension	Economic Dimension
<p>Loans granted to the green energy companies in 2023 was about Baht 17,157 million.</p>	<p>Number of complaints from employees regarding labor operations in 2022 was 0.00 percent which remained the same as in 2021.</p>	<p>Level of satisfaction of customers who received services from branches in 2023 was 96.70 percent, increased by 0.60 percent when compared to 96.10 percent in 2022.</p>
<p>Carbon Credits According to the assessment result of GHG emissions arising from various activities in 2022, the company has succeeded in offsetting corporate carbon footprint of 2,378 tons of carbon dioxide equivalent (tCO₂e), accounting for 100 percent of carbon dioxide levels emitted from scope 1, 2 and 3 sources and equivalent to planting 158,534 perennial trees.</p> <p><u>Proportion of greenhouse gas emissions</u> (Scope 1-2) to operating income in 2022 was equal to 26 percent, increased by 6.5 percent compared to 21 percent in 2021.</p> <p>Note: The company is in the process of preparing a report requesting for carbon footprint verification and certification from an external verifier. The result will be submitted for consideration for registration in the 2024 meeting of the Thailand Greenhouse Gas management Organization (Public Organization) which is the evaluation result for 2023.</p> <p>Reduction in greenhouse gas emissions with paper management In 2023, the company used 12,511 reams of paper, increased by 6 percent from 11,771 reams in 2022 because in 2023, the company added more varieties of financial products with more customers. Nevertheless, the company still set out the plan to reduce paper consumption by 5 percent of the total amount of paper consumed each year by applying technologies to provide more electronic service channels.</p> <p>Energy Management In 2023, total electricity of 1,972,718 kWh was consumed, an increase of 16 percent compared to 2022. The situation of COVID-19 pandemic returned to a normal state. The company had a policy to let its employees return to the office. <u>The proportion of electricity consumption to operating income in 2023</u> was 0.022 percent, an increase of 0.002 from 0.020 percent in 2022</p>	<p>The rate of employees who got injured while working in 2023 was 0.00 percent which remained the same as in 2023.</p> <p>Support for the development of society, community and environment in 2023 valued at about Baht 2.5 million.</p>	

Performance of Social Responsibility for Sustainable Development in Various Dimensions (Cont.)

Environmental Dimension	Social Dimension	Economic Dimension
<p>Waste Management</p> <p>The company campaigns for engagement in environmental conservation in daily life, such as Reuse, Recycle and Reduce. As a result, the amount of waste from business operations was reduced from 28,323 kg in 2021 to 12,251.59 kg in 2022 or 57 percent and the amount of recycled waste decreased from 8,320 kg in 2021 to 6,447 kg in 2022 or 23 percent.</p> <p>The proportion of business waste to revenue from operations in 2022 was 0.0001 percent, decreased by 0.0002 percent compared to 0.0003 percent in 2021.</p> <p><u>The proportion of recycled waste to community waste in 2022</u> was 111.07 percent, an increase of 69.47 percent compared to 41.59 percent in 2021.</p> <p>Note: Waste management information for the year 2023, the company is in the process of preparing a report requesting for verification and certification from an external verifier.</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)

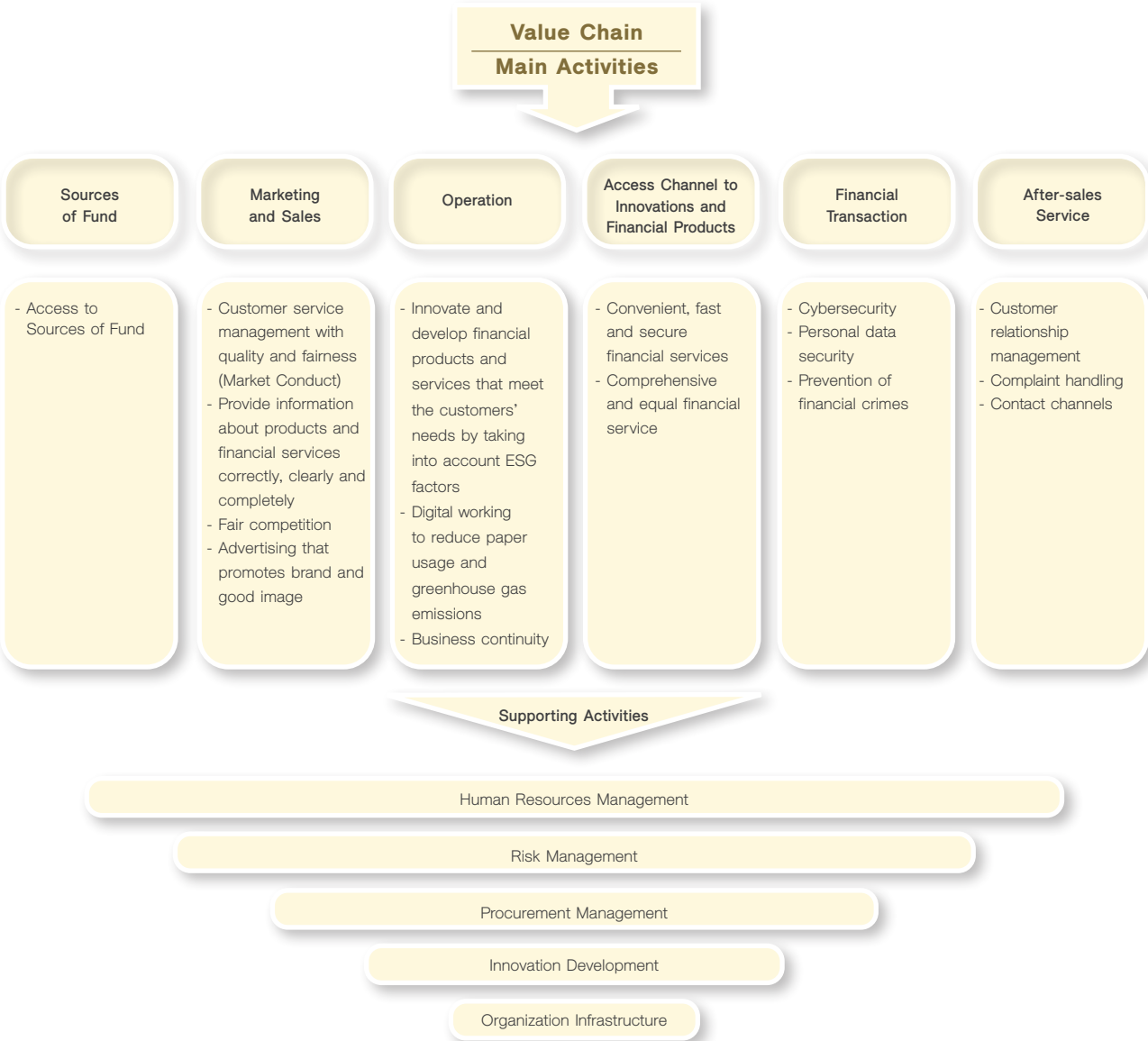
Objectives for Corporate Social Responsibility for Sustainable Business Development Policy

- To raise awareness and inculcate a sense of accountability 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 is aware of the importance of stakeholders in business value chain from upstream to downstream, focusing on sustainable business operations, which do not impact society and environment throughout

the value chain coupled with analyzing the needs of both internal and external stakeholders as to respond to their expectations and reflect social and environmental responsibility for sustainable business development.

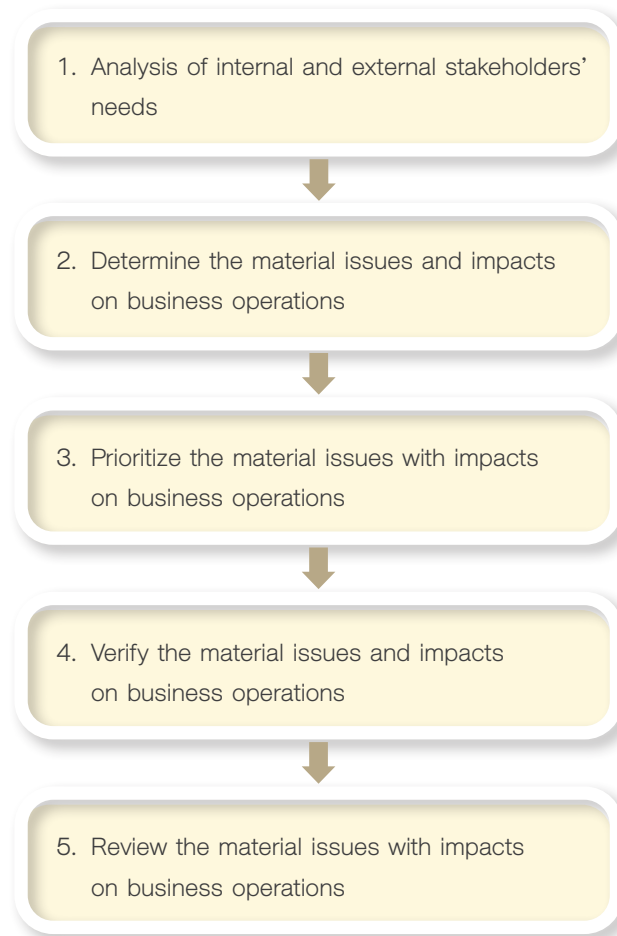


The company puts priority to the sustainable business development reporting as part of the annual report 56-1 One report for through communication with stakeholders to know the policy, management guidelines and the outcome of social and environmental responsibilities under the reporting framework of the Corporate Social

Responsibility Institute, the Securities and Exchange Commission, and the Stock Exchange of Thailand. The content of the report covers the company's performance by collecting data from responsible departments from 1 January to 31 December 2023.

The company presented the content of the sustainable business development report with the analysis for the needs of both internal and external stakeholders. The result was then applied to determine material issues

and impacts on business operations under the social responsibility for sustainable business development policy as follows:



1. Analysis of Stakeholders' Needs

The company puts the emphasis on the rights of all groups of stakeholders by providing the process to analyze the needs of both internal and external stakeholders with the process for analyzing and prioritizing stakeholders by considering various related factors such as the context of relationships with stakeholders, relationship to creating added value throughout the supply chain, stakeholder expectations, impacts on the company's operations in terms of society, economy, environment and corporate governance, interdependence, ethics and responsibility to stakeholders, etc. These aim to create positive impacts

for all groups of stakeholders in the value chain through organizing various activities and communication channels. For instance, the survey of employees' engagement towards the company has been done so that the company will make use of the information to determine the practical guidelines consistent with the good 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 for appropriate practices.



Engagement of Stakeholders

The company pays attention to both internal and external stakeholders with equality and fairness. The company is aware that engaging with stakeholders is a foundation of good corporate governance. Therefore, the company has determined the practical guideline for stakeholders in writing in the code of conduct and the code of ethics for employees and properly build engagement with stakeholders by considering the issues that stakeholders provided expectations and perspectives on the company's business operations, impacts from business operations throughout supply chain to determine the guidelines and

procedures with stakeholders appropriately and efficiently. These processes enable the company to reduce negative effects while enlarging positive effects constantly and efficiently. As a result, the organization can develop towards sustainable growth.

Group of Stakeholders consists of:

1. Internal stakeholders include directors, executives and employees.
2. External stakeholders are shareholders, customers, communities, societies and environments, trade partners, trade competitors and creditors.

Stakeholders' Engagement Process

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
1. Shareholders	<ul style="list-style-type: none"> • Appropriate compensation and sustainable growth • Good business performance, stable growth under appropriate risk • Work with transparency, fairness and accountability • Prudent risk management • Operate business ethically and considering in social, economy, environment and governance • Qualification and experience of directors and executives. The proportion of independent director • Disclose information with correctness, equality and transparency • Prevent personal right violations of shareholders and personal data of shareholders 	<ul style="list-style-type: none"> • Organize the Annual General Meeting of Shareholders once a year • Hold a press conference and analyst meeting twice a year • Publish annual report 56-1 One Report • Disclose information through SETLink of the Stock Exchange of Thailand, the company's website, internal and external print media • Provide a chance for minority shareholders to propose material issues for the Board of Directors to consider adding them into the agenda of AGM • Provide channels for inquiries via the company's website • Provide the channels for suggestion, whistleblowing and complaint through the channels provided by the company 	<ul style="list-style-type: none"> • Business operations under good corporate governance principles • Anti-Corruption • Shareholders' personal data protection • Respect for shareholders' right equally • Generate good performance under proper risk management • Disclose correct and complete information through various channels for equal acknowledgement and transparency • Provide a chance for minority shareholders to propose material issues useful for business operation via the company's website and the Stock Exchange of Thailand to consider adding them into the agenda of the Annual General Meeting of Shareholders with the following rights: <ol style="list-style-type: none"> 1. To propose the agenda for AGM 2. To nominate qualified candidates for directorship election 3. To propose questions in advance • Invite shareholders to attend AGM and share their opinions • Provide the channels for whistleblowing about fraud, corruption and complaint
2. Board of Directors	<ul style="list-style-type: none"> • Perform duties with transparency following the corporate governance principles for sustainable growth of the organization • Treat all stakeholders on the basis of fairness for the best interest of the company and shareholders by taking into account all groups of stakeholders. • Sustainable growth of performance 	<ul style="list-style-type: none"> • Organize the company's Board of Directors meeting every month • Establish sub-committees to consider and screen proposals before submitting to the board • Provide self-assessment for directors as follows: <ol style="list-style-type: none"> 1. Self-assessment of the Board of Directors and sub-committees on a collective basis 	<ul style="list-style-type: none"> • Business operations under good corporate governance principles • Management with efficient, transparency and following the corporate governance and sustainable development guidelines • Business operations by taking into account all group of stakeholders • Provide sufficient and complete information in a timely manner

Stakeholders’ Engagement Process (Cont.)

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
		<ol style="list-style-type: none"> 2. Self-assessment of the Board of Directors and sub-committees on an individual basis 3. Cross-assessment of directors 4. Good corporate governance self-assessment 	<ul style="list-style-type: none"> ● Engage in good governance activities ● Promote, support and develop knowledge related to the duties of directors and business ● Provide orientation program for new directors ● Use the results of self-evaluation to improve work to be more efficient
<p>3. Employees</p>	<ul style="list-style-type: none"> ● Arrange trainings and seminars for knowledge and potential development ● Improve knowledge and skills in daily life ● Always keep a workplace hygienic, clean and safe ● Provide appropriate tools and equipment at work ● Provide suitable remunerations, right positions with proper benefits ● Allow enough time for work-life balance of employees 	<ul style="list-style-type: none"> ● Arrange welcome the newcomers in the first day at work ● Provide orientation for new employees ● Arrange capacity building learning for all levels of employees and increase the learning channels via the company’s intranet and PacD, enabling them to learn anywhere anytime to enhance their capability ● Arrange activities to enhance teamwork ● Introduce activities to build employees’ engagement and morale ● Provide channels to receive complaints, grievances, opinions and suggestions ● Establish the Safety, Health and Environment Committee for driving the policy and the plan for occupational health, safety and environment in a workplace ● Hire people with disabilities to pursue their career and live in the society with pride ● Provide learning and communication channels to promote learning ● Prepare the occupational health and safety policy as well as analyze and determine the measures for risk control on occupational health and safety at work 	<ul style="list-style-type: none"> ● Encourage employees to instill corporate values ● Prepare succession plans for executives and key positions ● Survey market rate of compensation on a regular basis as to improve to align with proper industrial standard or reasonable standard of living ● Protect and do not persecute or impose any disciplinary proceedings against an employee who reports any wrongdoings with integrity to executives or public agencies ● Improve working environment to align with occupational health and safety guidelines ● No discriminations on employments regardless of ethnic, race, gender, status, religion, political views or age ● Promote employment for vulnerable labors, such as providing opportunities to employ people with disabilities ● Develop human resources by providing skill trainings and capacity building for employees by creating opportunities for learning and promotions for career progress ● Do not lay off or terminate any employee which is solely based on the management’s decision or discrimination

Stakeholders' Engagement Process (Cont.)

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
			<ul style="list-style-type: none"> ● Promote and respect human right protection by not supporting labor coercion ● Respect for the rights to freely express opinions of employees and comments without interventions and provide channels for the voice of employees ● 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 standard or reasonable standard of living
4. Customers	<ul style="list-style-type: none"> ● Customers relationship management ● Provide services for customers with quality and fairness (Market Conduct) ● Satisfaction for a wide variety of quality products and excellent services ● Promptness in hearing and responding to customers' requirements ● Maintain customer confidentiality ● Equal treatment of customers 	<ul style="list-style-type: none"> ● Conduct the customers' satisfaction survey for branch services ● Offer products that can satisfy customers' needs, 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 data ● Publicize products and services completely and transparently ● Provide channels for customers to give recommendations, comments or complaints ● Conduct a customer satisfaction survey regularly 	<ul style="list-style-type: none"> ● Apply the survey results of customers' satisfaction to improve its services and products ● Study customers behaviors as to improve services and strengthen relationship ● Give product information accurately, clearly and easily-to-understand ● Collect suggestions or feedbacks for improvements ● Innovate and create products and services that meet consumers' needs ● Publicize full information of products and services through various channels easily accessible by consumers to support their decisions ● Provide assistance and answer customers' enquiries to promote good understanding on products and services ● Collect complaints and cope with them promptly ● Arrange activities to create good relationship with customers ● Have customers' data security measure in place

Stakeholders’ Engagement Process (Cont.)

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
<p>5. Community, Environment and Society</p>	<ul style="list-style-type: none"> ● Support communities’ activities ● Promote and enhance learning and knowledge ● Develop quality of life and promote income generation to community through various CSR activities ● Promote and support government’s policies ● Preserve environments and effective use of resources ● Social and environmental impacts that might arise from the company’s operations. ● Collect the voice of neighboring communities 	<ul style="list-style-type: none"> ● Organize the Green Office project to reduce electricity and paper use as well as shift to use environmentally-friendly office automations ● Hold the Children’s Day activities to pass on smile to kids ● “LH Bank Support Scholarship” project provides scholarships for students with good records and commitment to further their study until high school level ● Donate used computers project to promote learning among youths in needs ● “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 ● “The Dolls for Children” project to fulfill smile and happiness for children ● “Save the Mangrove Forest, Reforestation” project planted 1,717 mangrove trees to increase the area of absorbing carbon dioxide ● “Learning Library” project to instill reading habits in youth and create an environment conducive to learning along with giving books for skill enhancements and sports equipment to various schools ● “Give Books and Learning Materials to the Department of Corrections” to promote knowledge of prisoners 	<ul style="list-style-type: none"> ● Perform business with ethics in parallel with environmental and social responsibilities ● Support social activities and promote employees’ engagement ● Support and promote education to improve educational quality and accessibility ● Promote cultural, traditional and religious activities ● Promote effective use of resources ● Listen to the opinions of nearby communities as to improve or support social activities ● Support the cultural, traditional and religious activities ● Provide appropriate emergency plan to prevent losses and damages on environment ● Open a chance and facilitate all related parties to express their creative ideas which are the foundation for creating innovations leading to continuous creation of innovations ● Promote and cooperate with the stakeholders, such as trade partners, to develop innovations ● 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.

Stakeholders' Engagement Process (Cont.)

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
		<ul style="list-style-type: none"> ● Voluntary blood donation project, 1 Giver 3 Receivers, to help patients in hospitals from their illnesses nationwide ● “RUN for LIFE” project for employees to engage in social activities together by running an accumulated distance of 30 kilometers within 30 days, convert it into donations for underprivileged children of the Foundation for Slum Child Care ● Financial and non-financial donations, debt restructuring by reducing installment, giving more loans for victims or customers impacted by natural disasters ● Prepare proper emergency plan to mitigate loss 	
6. Business Partners	<ul style="list-style-type: none"> ● Perform business with transparency and fairness ● Treat all business partners with fairness and equality ● Receive accurate, sufficient and equal information ● Fair selection business partners ● Transparent procurement process with fair compensation ● Facility and process sharing: refer customers in Land and Houses financial business group to partners ● Information sharing: exchange business data ● Network extension: extend networks together with partners ● Keep customers' information confidential 	<ul style="list-style-type: none"> ● Meet with trade partners. ● Conduct marketing campaign with business partners of Land and Houses financial business group ● Collect suggestions or complaints ● Set up the Purchasing Committee in order to manage procurement process appropriate and fair for business partners ● Communication about Anti-corruption with the Thai Private Sector's Coalition via various channels of the company ● Post the No Gift Policy through various channels of the company 	<ul style="list-style-type: none"> ● Create partnerships with potential business partners so that they can refer other customers to use our services ● Make payment for products and service in a timely fashion ● Transparent selection of service providers ● Comply with trade terms and conditions and agreements ● Create partnerships with potential business partners ● Fair business practices ● No trade barriers ● Customer data security

Stakeholders' Engagement Process (Cont.)

Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
7. Competitors	<ul style="list-style-type: none"> Perform business with transparency and fairness and comply with the rules of honest and fair competition 	<ul style="list-style-type: none"> Comply with the rules of fair competition without dishonest method 	<ul style="list-style-type: none"> Fair competition No monopoly agreements with competitors No agreements with competitors which reduce competition in the market No seeking for competitors' confidential information through dishonest means
8. Creditors	<ul style="list-style-type: none"> Pay interest and payback when due 	<ul style="list-style-type: none"> Comply with the contract or terms and conditions in the agreements and duties 	<ul style="list-style-type: none"> Comply with the contract or any conditions in the agreements and duties Collect suggestions or complaints

2. Determining Material Issues Affecting Business Operations

The company takes into account all critical issues, opinions, suggestions and expectations affecting 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 as 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, 10 issues in total. The issues have then been prioritized in materiality matrix chart. The vertical axis represents the key issues critical for stakeholders while 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"> Companies in the financial business group Directors, executives and employees 	<ul style="list-style-type: none"> Shareholders Customers Business Partners 	<ul style="list-style-type: none"> 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"> Companies in the financial business group Directors, executives and employees 	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Sustainable business operations Responsibilities towards customers 	   
Digital Development	GRI 203-2	<ul style="list-style-type: none"> Companies in the financial business group 	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Innovations and Dissemination of innovative social responsibilities 	   
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"> Companies in the financial business group Directors, executives and employees 	<ul style="list-style-type: none"> Shareholders Customers Business Partners 	<ul style="list-style-type: none"> Code of conduct and business ethics Anti-Corruption 	
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"> Companies in the financial business group Directors, executives and employees 	<ul style="list-style-type: none"> Shareholders Customers Business Partners 	<ul style="list-style-type: none"> Risk factors Internal control and risk management Good corporate governance 	 

Table : Analysis of Material Issues Affecting Business Operations (Cont.)

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)
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"> Companies in the financial business group Directors and executives 	<ul style="list-style-type: none"> Business Partners 	<ul style="list-style-type: none"> Fair treatment of labors Respect for human rights 	     
Financial Products with Social Responsibility	GRI 2-6 GRI 201-1 GRI 203-1 GRI 417-1	<ul style="list-style-type: none"> Companies in the financial business group Directors, executives and employees 	<ul style="list-style-type: none"> Customers Community, Environment and Society 	<ul style="list-style-type: none"> Enhancing accessibility to financial services 	     
Enhancement for 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	<ul style="list-style-type: none"> Companies in the financial business group 	<ul style="list-style-type: none"> Customers Communities, Societies and Environment 	<ul style="list-style-type: none"> Development of Communities and Societies 	    
Environment for Sustainability	GRI 305-1 GRI 305-2	<ul style="list-style-type: none"> Companies in the group 	<ul style="list-style-type: none"> Customers Communities, Societies and Environment 	<ul style="list-style-type: none"> Environmental Sustainability Management 	   

Table : Analysis of Material Issues Affecting Business Operations (Cont.)

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)
Communities, Societies and Environment	GRI 201-1 GRI 203-1 GRI 203-2 GRI 413-1 GRI 419-1	<ul style="list-style-type: none"> Companies in the financial business group 	<ul style="list-style-type: none"> Customers Communities, Societies and Environment 	<ul style="list-style-type: none"> 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 Sustainability and Corporate Governance Committee for acknowledgement and operational guidelines. These material issues have also 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.

Quality Check of Report

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

Persuading 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 encouraged 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.

Responsible Lending and Investment

The bank has determined the responsible lending guidelines to concrete implementation for the credit team and to be aware of credit offering that might lead to risk and impacts on the environment, social, and governance (Environmental, Social and Governance Risk : ESG Risk). If they are not managed appropriately, it may have both direct and indirect effects on the reputation and performance

as well as the quality of life, community economies and country. To prevent the bank from be used as a tool for money laundering by fraudsters or culprits in accordance with the AML law, the bank has provided the AML/CFT compliance program, anti-money laundering and countering terrorism and proliferation of weapon of mass destruction financing (AML/CTPF) policy which prohibits the bank from accepting customers or providing financial transactions to persons who are specially designated national (SDN) announced by the Anti-Money Laundering Office (AMLO) and those announced by other countries. The bank has implemented a filtering system to detect designated persons. Moreover, the bank has a customer acceptance process including Know Your Customer (KYC), Customer Due Diligence (CDD) according to AMLO’s criteria and guidelines, screening customer lists on a daily basis and reviewing customer information (Periodic KYC Review) throughout the period of being a bank customer according to the money-laundering risk rating to ensure that the bank’s customers are not designated persons.

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 lie upon the strict and prudent approval processes. If the businesses of customers bring about negative side effects on economy, society and environment, the bank will not support any loan for them.

Customer Relationship Management

Land and Houses financial business group is committed to upgrading the level of service quality by conducting a customer satisfaction survey in order to deeply understand their requirements in order to improve the service quality. Besides, service standard is regularly revised to ensure effective and timely delivery of services to customers and communicate it to employees to be aware of the importance of providing high-standard services with constant quality check of services.

Supply Chain Management

The company is aware of the importance of growing businesses that do not affect 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 elevation of the standard on environmental and social operations according to the company's code of conduct.

Moreover, to manage the risks of business partners not to have impacts on business, community and environment, the company selects business partners with potential to conduct business with ethics, promptly adapt to changes that affect sustainability under the risk management plan and develop partners to be able to conduct sustainable business and grow together in the long term.

The company has determined the practical guidelines for procurements and receiving services so that quality supplies and services can be obtained with appropriate price. The process for procurements and receiving 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 for each transaction and it must be considered and approved by the Purchasing Committee. For fairness and equality, the selection of suppliers or vendors, the company has determined the selection criteria by choosing from business stability, product specification, service and price.

Selection of suppliers or vendors comprises the steps as follows:

1. Acquire the lists of suppliers and vendors to meet the needs of users
2. Select the suppliers and vendors who do not involve in bribe, fraud and corruption according to the selection criteria of business stability, product qualification, service and pricing which conform to the procurement guideline of the company. The company also procures quality products at appropriate price with sellers who have no records of corruptions, or operate illegal businesses, no illegal labor policy, treat the business partners with transparency, fairness, take care of occupational safety in the workplace, and save environment in order to create a supply chain for mutual business operations which will benefit employees, community, society and environment.

3. When received a shortlist of suppliers or vendors against the selection process, the next step is evaluation process to find suppliers or vendors who provide supplies with good quality at reasonable cost and price.

In the year 2023, the bank had 546 business partners, decreased by 19.7 percent when compared to 680 in 2022 due to the current update. The bank informed them of procurement rules for their understanding and compliance with the procurement procedures with accuracy.

Following up, Checking and Evaluating Process of Business Partners

The company has followed up 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 team to inspect the products and services and provide suggestions to the partners to improve the quality of products. In case the partners cannot meet the required standards, the company will consider turning down their service.

Tax Management

The company is listed on the Stock Exchange of Thailand and the financial business group that operates the business with transparent supervision 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 for revenue tax for the maximum benefits of the company and the stakeholders and complied with the regulations of revenue code.

Tax Risk Management

The company has the revenue tax risk management and provided seminars and trainings for related employees to improve their knowledge by taking into consideration the risks, 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 is aware and determined to play part in dealing with the global warming and promote a goal of carbon-neutral organization. In 2023, the company was chosen to join the “Climate Change Management Role Model” project, one of the Stock Exchange of Thailand (SET)’s initiatives to be a pilot organization to cope with climate changes and elevate the transparent ESG disclosure. Besides, the company became a member of Thailand Carbon Neutral Network : TCNN and a member of the Climate Finance Sub-committee with the aim to promote collaboration among

government agencies, private sectors and local communities to enhance further reductions in greenhouse gas (GHG) emissions as well as build sustainable growth for a climate-friendly society and achieve net-zero carbon emissions in line with global communities’ intention reflected in the Paris Agreement on climate change and UNFCCC’s Race To Zero campaign. In addition, it is in line with the declaration of Thailand to elevate the climate issues with a goal to achieve 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 actions 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 calculated in terms of carbon dioxide equivalent, which can lead to explicit management guidelines to effectively reduce the organization’s GHG emissions.

With the intentions to tackle the global warming, the company has set targets of CFO by sending its personnel to join various related activities, trainings and seminars. On March 8, 2021, LH Financial Group Public Company Limited financial business group signed the memorandum of understanding with Thailand Carbon Offsetting Program (TCOP 8) to promote the voluntary national carbon markets for the 8th year, hosted by VRGREEN, Faculty of Environment, Kasetsart University, a pilot voluntary organization to quantify its GHG emissions and consider effective ways to alleviate GHG emission for sustainable development of organization and employees.

In 2023, the company still maintained the policy to generate the report on direct and indirect GHG emissions arising from its business activities throughout the supply chain in compliance with the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO in 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 2022. Based on the TGO’s verification guideline on the organizational carbon footprint, these reports were reviewed and verified for the data’s accuracy and reliability by the independent verifier, Greenhouse Gas Management and Certification Unit, University of Phayao. 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 May 31, 2023.

Table: Assessment results on GHG emissions arising from various activities in the company in 2022

Table: Total scope 1 of GHG emission

Scope	Corporate GHG Emissions (tCO ₂ e/yr)	Percentage of Scope 1 & 2	Percentage of Scope 1, 2 and 3
Scope 1	349.00	19.02	14.68
Scope 2	1,486.00	80.98	62.49
Scope 3	543.00		22.83
Other	71.00		
Total Scope 1 & 2	1,835.00	100.00	
Total Scope 1 & 2 & 3	2,378.00		100.00
Carbon intensity (Scope 1+2)	0.153416934		TonCO ₂ e/sq.m
Carbon intensity (Scope 1+2+3)	0.198814969		TonCO ₂ e/sq.m

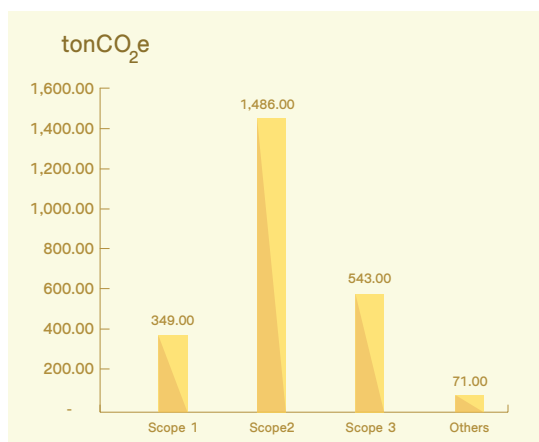


Table: Total scope 2 of GHG emission

Source of GHG Emission		Amount of GHG Emission (TonCO ₂ e)								Total GHG (TonCO ₂ e)
		CO ₂	Fossil CH ₄	CH ₄	N ₂ O	SF ₆	NF ₃	HFCs	PFCs	
1	Use of diesel for fire pump	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.41
2	Use of diesel for generator	1.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.29
3	Use of diesel: Fleet card	72.00	0.11	0.00	1.00	0.00	0.00	0.00	0.00	73.12
4	Use of gasoline: Fleet card	157.98	1.71	0.00	4.83	0.00	0.00	0.00	0.00	164.52
5	Use of diesel: Vehicle expense	0.38	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.38
6	Use of gasoline: Vehicle expense	10.14	0.11	0.00	0.31	0.00	0.00	0.00	0.00	10.56
7	Methane emission from septic tank system	0.00	0.00	98.41	0.00	0.00	0.00	0.00	0.00	98.41
8	Fire extinguishing agent: FM200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Use of fire extinguishing agent: Carbon dioxide	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Refrigerant: R410a in air conditioner	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Refrigerant: R407c in air conditioner	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Refrigerant: R134a in air conditioner	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total		242.19	1.94	98.41	6.16	0.00	0.00	0.00	0.00	348.69

Table: Total scope 3 of GHG emission

Source of GHG Emission	Amount of GHG Emission (tonCO ₂ e)
Electricity consumption	1,485.74
Grand Total	1,485.74

Source of GHG Emission	Amount of GHG Emission (tonCO ₂ e)
1) Acquisition of A4 paper in organization	67.01
2) Use of tap water	15.39
3) Use of electricity	293.34
4) Waste management in communities	38.14
5) Recycling waste management	0.10
6) Business trip by plane	124.63
7) Business stay	3.59
Grand Total	542.20

In 2022, the percentage of GHG emission (Scope 1 & 2) per operating income was equal to 26 percent.

At present, the company is preparing the 2023 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 to the organizational carbon footprint provided by TGO as in 2022. The company filed a request for data verification and certification of carbon footprint for organization with an external verifier. The assessment result will then be proposed to the TGO meeting for carbon footprint registration for 2024.

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 and to generate demand for carbon credits in the Clean Development Mechanism (CDM) and the Thailand Voluntary Emission Reduction Program (T-VER) which support and enhance the local voluntary carbon market, leading to a greater drive to reduce overall GHG emissions.

The company recognizes the importance of the mentioned mechanism and support the Voluntary National Carbon Markets with a policy to create carbon neutrality. In 2022, the company offset corporate carbon footprint of 2,378 tons of carbon dioxide equivalent to the carbon dioxide levels emitted from scope 1, 2 and 3 sources equivalent to planting 158,534 perennial trees or equivalent to absorbing a significant amount of carbon dioxide in 4,756 rai of forest areas by choosing carbon credit from

133.6 MW BIOMASS THERMAL GENERATION AT MITR PHOL BIO-POWER, PHU KHIAO (BLOCK 2) with the credit number TH-21-4899381-4901758-1-1-103. Moreover, on May 31, 2023, the company was authorized to use the Carbon Neutral logo by TGO. In 2023, the company targeted to continue its carbon neutrality.

Energy Management

The company continues to manage electricity and tap water in order to achieve efficient and effective use for value creation, 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 effective management of office spaces for office equipment. Moreover, it also saves the office space from office automation arrangements.

- The company has replaced the single-functioned printers with the multi-functioned 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.

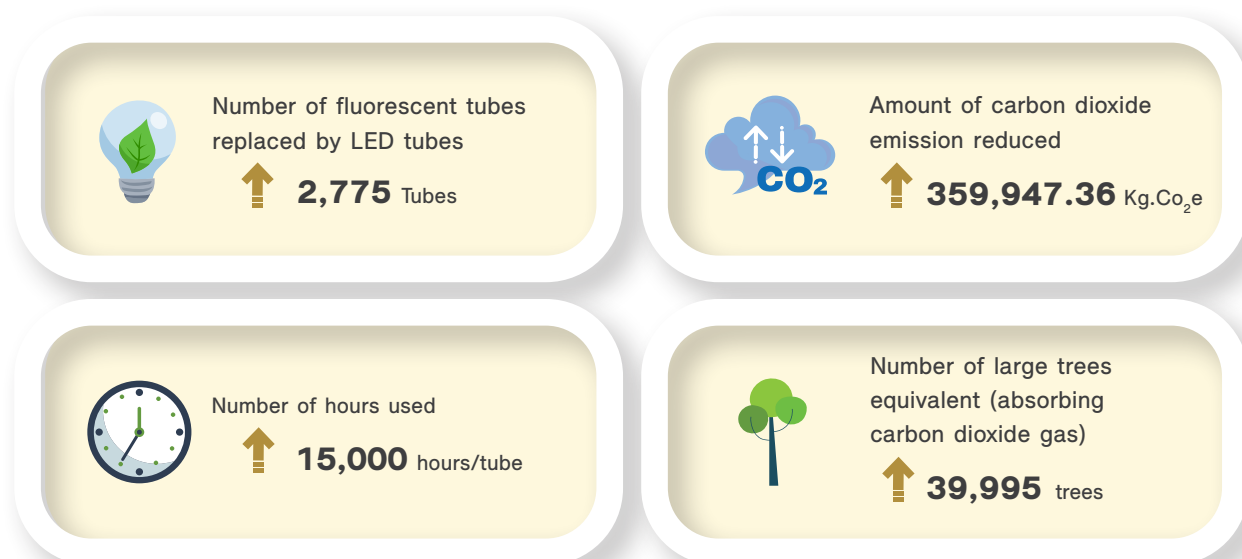
- The company has selected energy-efficient fluorescent tubes and LED tubes, with the wattage suitable for space, and proper size of cables. The office decoration also employed soft colors and natural light as much as possible and water-saving taps were installed.

- The company had replaced fluorescent tubes with LED tubes since 2016, totaling 2,775, consisting 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 produce less heat than traditional fluorescent lamps, they could reduce the carbon dioxide emissions by 359,947.36 Kg.Co₂e over

its lifetime. That was equivalent to planting 39,995 large trees to absorb carbon dioxide (Co₂).

- The company has measured wind velocity of air conditioners, adjusted the wind speed to meet the standard suitable for working environment, increased air conditioners' efficiency, and reduced the cost from energy loss.

Replacement of Fluorescent Tubes with LED Tubes Project



GHG Emissions Reduction

The company takes into account 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 discussed with all relevant business units to map out improved guidelines on how to reduce GHG emissions more concretely and has planned to reach net-zero emissions in 2065*.

* Scope 1 and 2 for the own operation head office

GHG Emissions Goal

The company targets to reduce GHG emissions from its own operations by 25 percent, compared to that of the base year 2020 within 2040*, equivalent to GHG emission per one employee at 2.31 TonCo₂e.

* Scope 1 and 2 from the own operation head office

In 2023, the company sent out its employees to attend the following trainings provided by various public and private institutions.

Training/Seminar	Organizer	Number of Participants
Climate Finance Sub-committee Meeting	Thailand Carbon Neutral Network	2
Panel discussion on “Leadership Role and Driving Business towards Sustainability”	The Securities and Exchange Commission	3
“Carbon Footprint for Organization” Workshop	Thailand Greenhouse Gas Management Organization (Public Organization)	3
Online seminar on “Carbon Footprint Calculation of ISO14067”	BSI Thailand	3
Meeting on CFO Calculation Guidelines for Scope 3, Item 15: Company Investment	The Securities and Exchange Commission	3

Training/Seminar	Organizer	Number of Participants
TCNN network seminar on “Climate Action Policy”	Thailand Carbon Neutral Network	2
Online seminar on “Green Technology for Resource Waste Reduction”	BSI Thailand	3
Public hearing on draft criteria for registration of carbon footprint reporting and draft guidelines for net-zero certification	Thailand Greenhouse Gas Management Organization (Public Organization)	2
“Climate Change Management Role Model 2023” project (FIN)	The Stock Exchange of Thailand	8
Workshop: Performance Reporting for Climate Action Leading Organization: CALO”	Thailand Carbon Neutral Network	5
TCNN network seminar on “Carbon Market: Climate Action Tool for Carbon Neutral-Net Zero Future”	Thailand Carbon Neutral Network	5
Seminar on “How to Kickstart Net-Zero Journey and Greenhouse Gas Reporting?”	KPMG Thailand	3
Seminar on “Go Green 2023: Business Goal to the Next Era”	Krungthep Turakij	2
TCNN network seminar on “Innovative Climate Change Technology for Net-Zero Goal”	Thailand Carbon Neutral Network	2
Seminar on “Plastics Industry Adaptation towards Net-Zero”	Plastics Institute of Thailand	5
Seminar on “Challenges towards Low Carbon and Sustainable Businesses”	Thailand Environment Institute	2
The 3 rd workshop on “Net-Zero Emissions Business Opportunity under Bangkok - Yokohama City-to-City program”	Bangkok Metropolitan Administration	5
Climate Care Forum 2023 : Time To REDUCE	The Stock Exchange of Thailand and Thailand Greenhouse Gas Management Organization (Public Organization)	2
Press conference to announce TCNN’s 2023 achievement and CALO award presentation ceremony	Thailand Carbon Neutral Network	5
Seminar on “True Facts about Carbon Credit”	Thailand Greenhouse Gas Management Organization (Public Organization)	5
ESG Indicator workshop	Thai Bankers’ Association	5
Carbon footprint for organization platform: CFO platform	Thailand Greenhouse Gas Management Organization (Public Organization)	5

Waste Management

The waste issue in Thailand is intensifying, particularly accumulated garbage. According to the Pollution Control Department's report in 2022, there were 7.10 million tons of waste that wasn't destroyed properly or 27 percent of total wastes in that year. This waste created various problems including a breeding ground for diseases, leaking and floating into an open-sea or accumulating micro-plastic in seafoods. Thailand has, therefore, created a roadmap in waste management for the year 2018-2030 with the aim to reuse 100 percent of the plastic waste within 2027.

The company reduced the waste from its business activities from 28,323 kg in 2021 to 12,251.59 kg in 2022 or 57 percent and increased recycled waste from 8,320 to 6,447 kg or 23 percent.

In 2022, the percentage of waste per operating income was equivalent to 0.0001 percent.

In 2022, the percentage of recycled waste per community waste was equal to 111.07 percent.

The company defines the waste management goals by launching paperless campaign in various forms such as reuse, recycle and reduce with social accountability. The campaign was also made for employees to be part of environmental conservation effort in their daily life.

Waste Management Goal for 2024

In 2023, the company joined the waste sorting project to reduce GHG emission hosted by the Thai Listed Companies Association to sort out wastes in the office into separate categories: wet, general, recycled and dangerous. The campaign was also made for employees to sort wastes before discarding. In 2024, the company planned to encourage staff at Land and Houses Bank's branches to sort out wastes into proper category before disposing and to campaign relentlessly for proper waste disposal habits among all employees.

The company is committed to conducting businesses environmentally friendly and places importance on promoting environmental awareness among staff by encouraging them to actively participate in environment-related events and campaigns, including supporting the "Ting To Trash" waste sorting project co-operated by the Thai Listed Companies Association and the Securities and Exchange Commission with the aim of encouraging listed companies to do business operations with environmental responsibility, particularly end-to-end waste management that leads to effective data collection and evaluation.

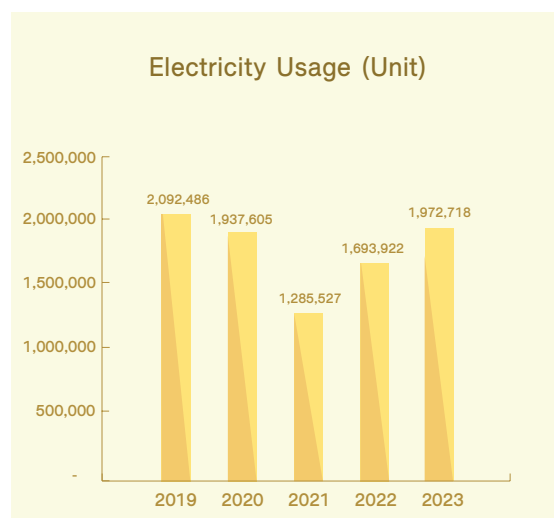
Non-hazardous Waste Reduction Target in 2023

In 2023, non-hazardous waste management target of the company was expected to increase by 40 percent from the previous year as the company has a policy to bring staff back to the office following the subsiding of COVID-19 situation. However, the company continues to campaign for environment preservation in everyday life in support of the circular economy principles, including reuse, recycle and eliminate non-hazardous materials from its business operations.

Electricity Management

The company has focused on management of cost reduction, especially energy cost. LH Financial Group Public Company Limited financial business group as a financial service provider, consumes a lot 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.

In 2023, the company had the total electricity consumption of 1,972,718 kWh, increasing by 16 percent from 2022, as the COVID-19 situation began to subside, all operations returned to normal, and the company also encouraged its employees to get back into the office.



In 2023, the percentage of power usage per operating income was 0.022 percent.

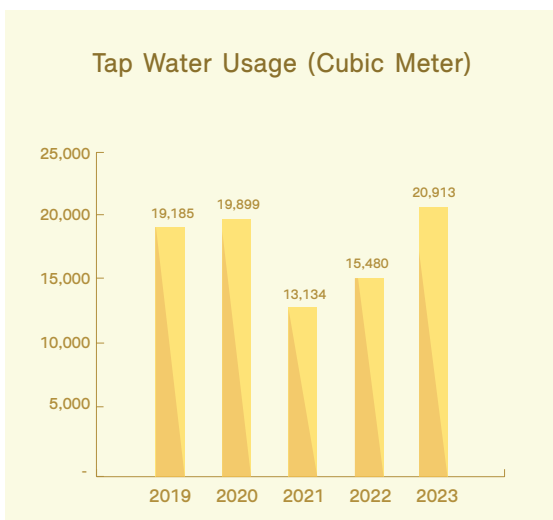
Electricity Management Goal for 2024

In 2024, the company targeted the electricity usage to increase by 16 percent from 2023 as the COVID-19 pandemic was normal and the company has a policy to bring their staff back to the office from working at home. However, the company has campaigned for its employees to reduce their electricity use such as turning off the lights during lunch breaks, turning off the computer screen when not in use, proper control of air conditioner temperature, etc.

Water Management

The company has used water from the Metropolitan Waterworks Authority and Provincial Waterworks Authority for the whole business operation of which the most consumption is in an office for washing. The company has a plan to use water efficiently, so it regularly checks pipes, water meters and other 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 2023, the tap water usage totaled 20,913 cubic meters, increasing by 35 percent when compared with 2022 as the COVID-19 situation subsided and the company had a policy to bring staff back to the office.



Water Management Target of 2024

In 2024, the company estimates that the water usage will increase by 35 percent from 2023 as the COVID-19 pandemic is back to normal and the company has a policy to bring its staff back to the office. However, the company will continue to promote water saving in the workplace, for example, regularly checking for leaks in the water supply system and raising awareness among employees to use water efficiently.

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 and learn to sort paper waste according to the 3Rs principle.

1. Reduce
2. Reuse
3. Recycle

Other initiatives include:

Changing Paper Form of Invitation Letters to Various Meetings into Electronic-based Platform

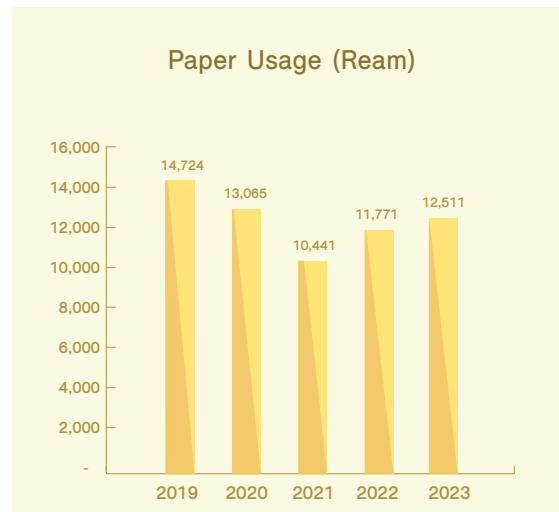
The company has changed the process of preparing the meeting materials for many committees from papers to e-documents. This process can help reduce paper consumption by approximately 20,000 pieces a month.

Transforming Financial Services to Be More Digital :

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

Paper Usage

In 2023, 12,511 reams of papers were used, increasing by 6 percent when compared to 11,771 reams in 2022. That was because the company has issued new varieties of financial products and the increase in customers.



Paperless Guidelines

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

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 percent of the total number of papers used each year.

2. Application of Technologies by Increasing Electronic Channels

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

- Meeting material packs for each committee have been changed from the paper pack of invitation letter to an electronic form.
- Trainings with a lot of training materials are suggested to send them by e-mail.
- Correspondence is made via email such as circulars.
- Storage of scanned correspondences and documents instead of photocopies

3. Efficient Use of Papers

Effective use of papers can start from having one-sided papers separated before proceeding with the following steps:

- Set up common areas for everyone to use one-sided papers and encourage employees to reuse them

- Inform all employees of where the common areas of one-sided papers
- Reuse them as notes
- Use the reused papers to note the informal messages or internal messages or memos within the department

4. Monitoring and Evaluation

To make paperless process more effective and concrete, the paper usage data of each department is tracked and sent to each department to find ways to reduce paper usage. The information is also 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 including monitoring and notifying the paper usage data to departments to acknowledge for better control of their paper usage in order to be in line with their operations.

In addition, the company has recycled unused papers to save trees from cutdown. The operation manual on document storage and disposal has been set by recycling expired documents as detailed in the table below:

	2023	2022	2021	2020
Number of documents due to be destroyed (Box)	2,467	5,804	1,217	1,868
Weight of documents (Kilogram)	22,690	61,313	15,620	27,280
Number of trees that can compensate the cut down trees to produce papers per 1 ton ¹ of used papers (Tree)	340	920	234	409

Note: ¹1 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

Paper Management Target for 2024

The company has set the guideline to reduce paper usage by supporting and pushing more use of information technology in work such as using electronic documents instead of paper. In 2024, the company plans to reduce paper usage by 5 percent of the total usage in 2023.

Measurement of Intensity of Light in Workplace

The company pays attention to the dangers of light that may impact employees. In case of insufficient/over 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 regularly measures the light intensity in all areas of the office to ensure the working area has a proper lighting level.

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.

7S Activity

The company has applied the 7S activity which consists of Sort (Seiri), Set in order (Seiton), Shine (Seiso), Standardize (Seiketsu), Sustain (Shitsuke), Scenic and Surrounding. The activity helps keep a workplace and environment neat and clean. Employees 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 7S activity gains good cooperation from employees and the company has a continued implementing this activity.

7S 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 of **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.

6. Results of **Scenic**

- Create work-friendly environment
- Have safe environment at work

7. Results of **Surrounding**

- Urge employees to change their behaviors for resource usage and consumption with value

- Save energy and preserve environment

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 of transaction slips from ATM machine.

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 its employees and reinforced the importance of their engagement.

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 7S 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, PacD
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

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

Green Procurement

With the environmentally friendly business practices in mind, the company has chosen to deal with eco-conscious suppliers and green products as follows:

1. Use cleaning products that contain natural ingredients free of synthetic cleaning agents that are easily biodegradable and economically friendly
2. Rent hybrid cars that have better fuel economy with lower emission and fuel consumption rate of about 30 percent lower than internal combustion engine vehicles. The rent of electric cars is also in the pipeline in 2024.
3. Environmentally-friendly paper that contained not less than 50 percent of recycled pulp. The paper was produced from the trees that grew on rice farm dikes that absorb carbon dioxide for 12.5 kilograms per ream. This helps with the global warming issue and creates renewable energy by using the wood leftover from production to produce electricity. The paper has received green label.
4. Choose a copy machine and ink that is environmentally friendly which was certified by the Pollution Control Department
5. Choose products from suppliers that meet industry standards or have environmental certifications such as ISO 14001 and green label

To allow the purchasing operation to be aligned with the main policy with concrete operation, the company has set policy, rules and practical guidelines as follows:

1. Procure, use/circulate product/asset economically with maximum benefit
2. Procure according to the procedures and procurement methods that are fair and equal to all organizations
3. Procure in a cost-effective, transparent, efficient and verifiable manner

Promotion of Environmentally Sustainable Lending

The climate change issue has caused many countries to become more active, including Thailand with the aim for Thailand to move towards clean energy and reduce its GHG emission (Carbon Dioxide) to the net zero emission within 2065. The financial group played a crucial role in promoting the policy through financial mechanism. Therefore, LH Financial Group Public Company Limited 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 do not have any adverse effects on communities such as loans for renewable energy. This is just the beginning. The bank also considers issuing green loan with an enticing interest rate for industrial sector to reduce the carbon emission and to support and speed up the change towards green economy.

Lending for Sustainability Related Projects and Businesses

The bank has provided credit support for power plants from renewable energy sources including sunlight and wind in an effort to promote the use of renewable energy. With the determination to drive the transition to a green economy, the bank has also introduced green products and services to reduce greenhouse gas emissions in the household and business sectors.

In 2023, the bank supported the total loans worth Baht 1,214.5 million for 27 solar-energy generating projects and joining the Bank of Thailand's Transformation Loan scheme for green businesses by lending Baht 38.0 million to a green project aiming at developing paper products from sewage sludge in the wastewater treatment system which could help promote the strive for zero-waste goal and advance further to a circular economy, together with a solar rooftop installation project to promote the renewable energy transition.

3.4 Social Sustainability Management

Fair Business Operation



Risk

The company does not adhere to the good corporate governance principles in operating its business, not considering the best interests of the company, customers, and stakeholders, which may create a risk of conflict of interest, complaints from customers and business partners.

If the company does not promote free trade competition, social responsibility in the value chain, respect for property rights and does not avoid actions that may cause conflicts of interest, including not promoting employees to be aware of the importance of complying with competition laws and fair competition, it will result in legal problems and cause reputational risk to the business.

Opportunity

The company adheres to the good corporate governance principles in operating its business by taking into account the best interests of the company, customers and stakeholders, having fair competition and promoting environmental and social responsibility; respects property rights and avoids taking any action that may cause conflicts of interest. Consequently, it creates a good image for the company. The customers and business partners have confidence that the company operates its business with honesty, integrity, transparency, and fairness.

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

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 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.

Respect for Human Rights



Risk

The company does not respect human rights, violates basic rights, not respect for life and human dignity. It will bring about a risk of whistleblowing and complaint regarding violations or unfair treatment.

Opportunity

The company treats all groups of stakeholders with fairness, equality, respects for human dignity, does not violate basic rights, respect for life, occupational health safety and human dignity. As a result, the company gains credibility and reputation, whistleblowing and complaints resulting from violations or unfair treatment will lessen.

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, occupational health safety and dignity of all people, no forced labors and no child labor exploitation, building good relationship, no violations of basic rights, no violation of legal 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 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.

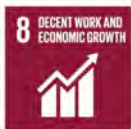
- Hire staff regardless of gender, race and religion

The company has preventative measures for the violation of human right, equality and unfair treatment of employees which is defined in the code of conduct for employees' discipline and whistleblowing methods when employees feel they have not been treated fairly. In 2023, it was reported that company had no violations of human rights, equality, and unfair treatment of employees, or not received any complaint regarding violations of human rights, equality, and unfair treatment of labors.

Remedy in cases of violations of human rights, equality, and unfair treatment of employees

The company has remedial guidelines for employees who may be affected when there is change in employment policy, restructuring of the company or moving the business location to the extent that it affects the normal living of employees and their families, which may affect their employment. The company has considered paying compensation and allowance to employees fairly, including cases of illness or danger resulting from work, which the company will not consider this as sick leave for employees and the company has also joined the Workmen's Compensation Fund and Social Security Fund so that employees will entitle to receive compensation and it is considered another employment security for employees.

Fair Treatment of Employees



Risk

The company does not treat employees as agreed in the conditions of employment, fails to strictly comply with the Labor Protection Act and Personal Data Protection Policy accordingly, discriminate in employment, exploit the forced labor, not consider health and safety in work environment, which may cause the risk of complaints from employees, decreased engagement of employees and increased turnover rate, causing business discontinuity and higher resource management costs.

Opportunity

The company treats employees as agreed in the conditions of employment, Labor Protection Act and Personal Data Protection Policy seriously, creating good labor relationship between employees and the company. If employees are treated with fairness, equality, respect for life, occupational health safety in the work environment, and human dignity, it will encourage employees to work with dedication for career development and efficiency. This will result in the company's stability and sustainable growth.

The company places the priority on human resource management by setting as its mission in developing and supporting human resource management in terms of knowledge and benefits of employees. The employment conditions have been set for working days and working hours, holidays and leaves, working overtime and working on holidays, right to receive compensation, overtime pay and holiday pay according to the Labor Protection Act. The company has established the Human Resources Development Committee to manage and develop the human resources effectively, efficiently and in consistent with the company's strategies. Besides, the Welfare Committee has been set up for employees to discuss with management regarding appropriate welfare arrangement, open an opportunity for employees to express their demands and listen to the management opinions whether the demands can be met or not. This is to promote labor relations and reduce labor disputes and complaints.

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.

illegal labor practice and child labor exploitation. These guidelines are applied to all employees. The company also offers work opportunities for persons with disabilities.

Employment

The company has been clearly and strictly defined the standard guidelines and procedures for recruiting and hiring under the Labor Protection Act, rules and related policies by considering qualifications and suitability related to work without discrimination while valuing and placing importance on the differences and diversities such as race, gender, age, and religion. In addition, the company focuses on maintaining the privacy of employees and candidates by taking into account data security and



privacy rights of employees and applicants.

The company focuses on taking care of employees

The company has applied the corporate value of “CDA” in every work process to strengthen sustainable organization culture leading to the same goal.

Candidate Hunting

The company builds trustworthiness, confidence and good image and propose to the candidates by having influencers to give straightforward reviews of the company’s work experiences including the actual working atmosphere, for the interested persons to get thorough understanding before applying for the job with the company. Because the company believes that if they can see the corporate image first, it can encourage and drive them to feel more motivated to join the company.

Recruitment

For recruitment, apart from knowledge, abilities and qualifications, the company realizes the importance

The company hired proper number of persons with disabilities required by laws as follows:

	Hired via Thai Red Cross Society	Hired directly
LH Financial Group Public Company Limited	3 Persons	-
Land and Houses Bank Public Company Limited	13 Persons	1 Person
Land And Houses Securities Public Company	1 Person	-
Land and Houses Fund Management Company	-	-
Remark: The company has less than 100 employees so that it does not fall under the criteria for hiring persons with disabilities by law.		

The company has contributed the amount of money required by law to the Empowerment for Persons with Disabilities Fund.

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

	2023	2022	2021
Accumulative number of retired employees getting hired (Person)	4	3	0
Number of retired employees per year (Person)	8	3	7

of selecting candidates who have faith and align with the organization’s values in order to obtain the right persons suitable for the company.

Equality and Diversity

The company adheres to the fair treatment of employees, 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. The company also offers work opportunities for persons with disabilities.

Employment

The company has been clearly and strictly defined the standard guidelines and procedures for recruiting and hiring under the Labor Protection Act, rules and related policies by considering qualifications and suitability related to work without discrimination while valuing and

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

The company puts a high value on the first step of becoming an employee by focusing on their needs and conducting a satisfaction survey towards the orientation activities to improve and develop the activities to meet their needs.

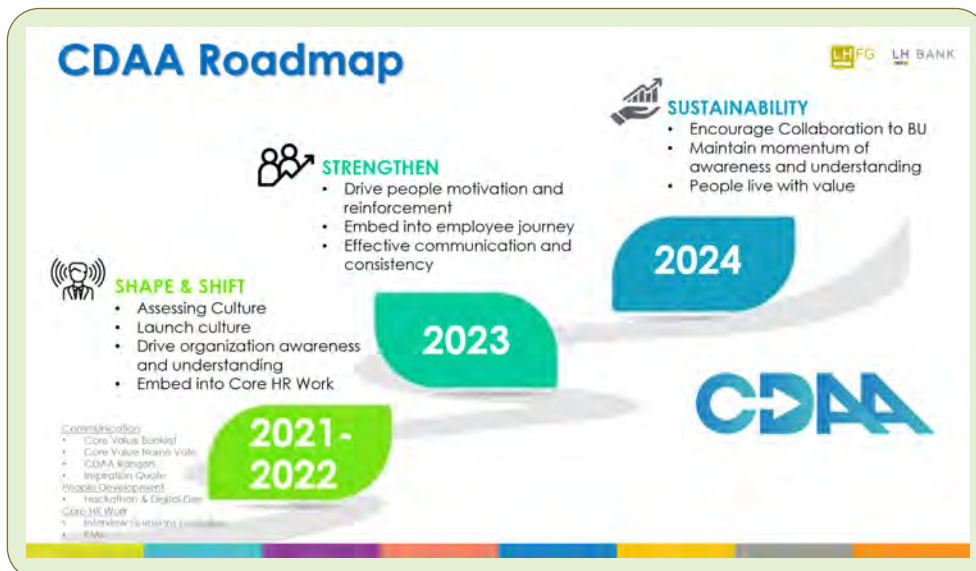
In 2023, the company adjusted the format of Orientation for Newcomer from online activities to onsite activities to align with the current situation with the objective of creating positive impression to new employees, which will result in working together effectively. The orientation activities include necessary information for employees, such as the company’s profile, employee rules and practices, corporate values, employee welfare, learn and growth, recommendations of restaurants nearby the

office and working environment. In this event, the Chief Executive Officer and President gave a welcoming speech and shared a meal with the new employees. Moreover, a special joint activity for the new employee group “Fun & Growth with CDAA” was also organized for employees to participate in the form of team building in order to enhance knowledge and understanding, and building relationships among colleagues.



Promoting Sustainability in Corporate Values

The company is committed to promoting the CDAA organizational values among employees, covering all dimensions including awareness, understanding, implementation and being a role model. The company has prepared a 4-year roadmap to serve as a guideline for implementing and carrying out various projects to create engagement in the company’s corporate values.



Employees' Development

Employees are a critical factor to drive the company to a success. Consequently, the company has employed the development plan to enhance the employees' knowledge, abilities and skills so they can professionally fulfill their job functions. The company also offers opportunities for them to maximize their full potential, self-development and participation in various training courses provided

In 2023, the company developed the Learning Management System by adding the competency assessment feature to assess the competency of employees in every position.

- Core Competency
- Leadership Competency
- Functional Competency

To make employees aware of their strengths and weaknesses as a guideline for individual development planning (IDP), including employees own learning path as well as setting goals for application in work which is the creation of mechanisms for systematic development and the results can be traced.

The company has reinforced new skills for work efficiency such as reskill and upskill through hybrid learning platforms via trainings and drills in both online and onsite, and practicing skills through workshops such as:

- Leadership & Transformation
- Data-Driven Enterprise: Dashboard Design and Data Visualization (Python)
- Unlock Insight with Power BI
- DG Lab Training
- Lean Six Sigma Yellow Belt Level



The company gives importance to a sustainable business based on ESG principles. Therefore, it has designed a learning path to raise awareness among employees. The learning packs from the Thai Banking Academy (TBAC) has been applied to set a path for lessons for employees by selecting courses to align with their duties and responsibilities. This project had 1,211 participants out of 1,446 employees and completed as planned, accounting for 84 percent of total employees.



Human Resources Development - Executives and Key Successors for Key Positions

The company highlights the importance of top executive development as successors for key positions. The leadership development path courses are designed to develop executives at the beginner, middle and senior levels, and a 360 degree feedback evaluation form is used as one of the key processes to gather opinions from all parties involved related to executives. It is a tool that helps analyze leadership competency (Core & Leadership Capability) assessed by managers, peers, subordinates and self-assessment in order for them to know their strengths and weaknesses as to create the development succession plan for key positions.

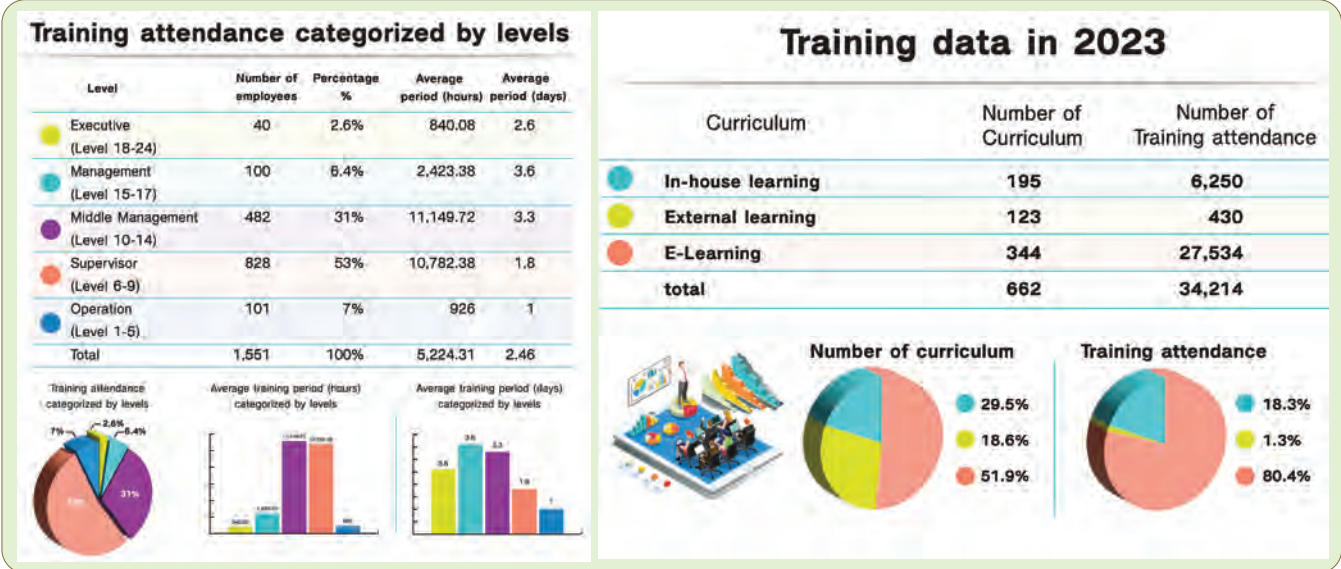
Employee development: The company has a program to develop the potential of employees according to their positions, prepare a competency assessment plan for supervisors and employees to evaluate, plan and organize courses together for employees to learn through many channels, such as in-house training, public training and e-Learning, etc.

The development of a group of high potential (Talent) is designed to enhance knowledge, create a collaborative process, encourage employees to think, experiment, listen and ask questions to create an exchange of opinions to drive change, create new things or “Innovation” through working agility under the “LH Bank Hackathon” project. Besides, various projects presented by talents through the pitching stage can be used to complement business operations and instigate competitive business opportunities.

Development of junior and middle executives: The company has a development program that emphasizes the core competencies of leaders, namely, team maximizer and excellence execution, which focuses on team management and productivity enhancement with a hybrid learning process that combines both theory and practice in classroom learning, e-Learning through application PacD, practice doing, peer learning and group coaching. Furthermore, there is an action plan to implement and goal setting with the supervisor, which is considered a systematic development mechanism. This ensures that the participants will improve their skills while practicing in real situations and be able to bring the skillset back to manage the team and increase work efficiency.



Average training hours for employees and executives of 2023 are as follows:



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 set their KPI and communicate SMART KPIs setting process to align with the goals of organization.

The factors used in the annual performance assessment consist of two main components; the expected behaviors of the organization (Potential) and performance (KPI). The two factors have been determined in proper proportion for each level of employees and have been considered by the Human Resources Development Committee.

Determining and Managing Remunerations

The company places importance on determining and managing remunerations to be fair and competitive. Therefore, the company has the policy on merit increase and bonus based on operating result and performance. Special payroll 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 of the company.

Compensation Ratio by Gender

The basic compensation ratio of male to female 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 2023, the company presented an honorary pin to 61 employees who have completed their 10 years of the company.

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

2023	2022	2021	2020
61 Persons	70 Persons	59 Persons	44 Persons

Raising Awareness through Communication Channels

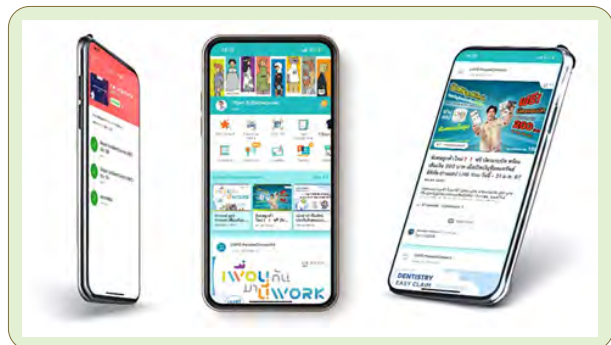
Communication is a crucial factor to drive the organization, unify employees and increase their engagement in establishing the sustainable organization and; the company, therefore, sets up various internal communication channels to facilitate easy access and ensure comprehensive communication. The internal communication channels consist of 2 modes as follows:

1. Online Media consists of website, LINE, Facebook, YouTube, LHFG People Connect, Intranet, E-mail and LHFG People Connect Application (PacD).

2. Offline Media and Events such as printing press and on-site development activities

Internal Communication, Learning Anytime Anywhere and Employees' Engagement

The company uses PacD application which connects all employees' mobile phone that allows them to communicate and learn anytime anywhere as well as facilitate team building activities such as sending stars to colleagues or comments on things they do each day to help their colleagues or what they have done that reflect organization values. This helps promote behaviors that reflect organization culture.



Welfare and Employee Participations

The company wishes all employees good health both physical and mental by providing health promotion activities, preventing work-related diseases such as office syndrome, annual health check, influenza vaccination and offering special discounts to family members of employees who want to receive vaccinations or health checkup.



Employees' Welfare

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:

- Annual leave
- Housing allowance for employees who have been transferred outside their domicile

- Financial assistance in the event that any employee suffers from natural disaster
- Provident fund
- Medical service, dental care and medical check-up
- Group life insurance and health insurance
- Housing loan and hire purchase with low interest rate
- Staff uniform

Employees' Engagement

The company gives importance to building bonds between the company and employees, and peer relationship. In 2022, the company surveyed the employees' engagement and the satisfaction or commitment of employees towards the organization. From the number of respondents, 80 percent of all employees, they showed satisfied or committed to the organization at 78.3 percent and, in 2023, the company used comments and suggestions from the 2022 survey to develop and improve their engagement and will survey again in 2024

The company organized activities to promote engagement between organization and employees in the form of team building. The total participant was 98 percent of total employees.



Building Relationship and Communication with Employees

The company organized the Town Hall Meeting 2023 to communicate the organization's vision and strategic plan with its employees to make sure that everyone is in the same direction and achieve the company's goal.

Encouraging Employees to Participate in Corporate Development

The company has organized a qualitative contest to give employees a platform to show off their potential by using the concept of RPA (Robotic Process Automation) to replace human repetitive tasks to process with automation.



Good Environment and Workplace Safety

Creating good working environment aims for employees to work safely. The company has, therefore, established the Safety Healthy Environment Committee (SHE) to be a mechanism to drive the policies and plans for occupational safety as detailed below:

- Educate and create understanding about occupational safety in the workplace through various communication channels
- Organize 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 2022, no employees were injured at work.

Table : Number of employees injured at work

	2023	2022	2021	2020
Number of employees injured at work (Person)	0	0	0	0

Target of accidents and injuries at work in 2024

The company has set a target zero accidents and injuries at work in 2024.

Working Environments and Safety

The company has renovated the office areas to be co-working space corresponding to the “Fun and Grow Together” concept including the color, amenities and lightings so that employees can work together seamlessly and create a good tie, know each other well and create a happier workplace.



Responsibilities towards Consumers



Risk

The company violates consumer rights, distorts information about products and services, exaggerates advertisement, inadequate information about products and services for making decisions, sets unreasonable prices for products and services, fails to manage customer relationships both before and after sales. This will cause the risk of complaints of infringement or deprivation of consumer rights and potential reputational risk.

Opportunity

The company takes into account consumer rights, provides adequate information to consumers for their decision making to buy products and services, manages customer relationships both before and after sales, improves products and services by taking into account the benefits for society and environment as well as market conduct. As result, the company has good image and more customers with sustainable growth.

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

Land and Houses financial business 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.

Basic Rights of Consumers

The bank announces the basic 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"> Consumers shall receive clear explanation about the differences between the main products of bank and the securities and insurance products. 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. Consumers shall receive the information of an advertisement or other marketing media in sales promotions correctly and appropriately. 	<ul style="list-style-type: none"> 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.

Basic Rights of Consumers (Cont.)

Rights of Consumers	Products	Personnel or Processes
2. Right to choose the products and financial services freely		<ul style="list-style-type: none"> • Consumers have the right to freely invest and can deny buying any securities and insurance products. • 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. • 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.
3. Right to claim for fairness		<ul style="list-style-type: none"> • 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. • Consumers shall be able to ask for more information for better understanding of the products from the call center of the bank.
4. Right to claim for compensation		<ul style="list-style-type: none"> • 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.

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 regulators.

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

Customers' Satisfaction Measurement

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

Customer Satisfaction Improvement Plan

- Focus on providing a full range of services and create sustainable relationship with customers
- Improve work process and upgrade service quality to be speedy and convenient
- Follow up and evaluate the effectiveness of customer service
- Build customer relationship and continually provide up-to-date product information to customers

Quantitative Goals to Improve Customer Satisfaction

In 2023, the company set a target for customer satisfaction level of at least 95 percent.

Customer Satisfaction Evaluation Results

Customer satisfaction stood at 96.70 percent, increased by 0.60 percent compared to 96.10 percent of the year 2022.

The bank places importance on customer satisfaction through providing services based on customer centric principles by developing and offering products and services along with solutions that meet various needs of each customer segment. The bank plans to deliver a better financial life and design products that meet customer needs.

Providing Deposit Account for Basic Financial Service Accessibility

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 are as follows:

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



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 processing time for 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 incidents and / or incidents 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 covering 5 areas of financial services as follows:

1. Receiving and Handling Complaints

- 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

- 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

- 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

- 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

- Requesting for various information such as calculation of interests for credit / hire-purchase. For 12-month and 6-month statements, the bank will notify them in writing.

Market Conduct

All companies in the 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 fair service with sincerity
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

Enhancing Accessibility to Financial Services



Risk

People do not have access to financial products and services or have access but not at full efficiency. It may cause financial inequality and a risk of inequality in financial accessibility and lead to loan shark, household debt issue, increased risk to asset quality of the company and may affect the wider range of economic system.

Opportunity

Creating channels to access financial services for all groups and all levels of customers to reduce inequality in financial service accessibility are part of improving the quality of life, adding savings opportunities, obtaining fund, increasing opportunity to start or expand the business. The bank has developed various channels for public to access financial services in several forms such as digital banking through LHB You application of Land and Houses Bank, which allows access to financial services every day, anytime anywhere to help provide customers with equal financial accessibility and be part of the country's economic development.

The bank has continuously focused on developing its digital platform and digital products and services because digital channels are channels that allow customers to easily and conveniently access various products and services of the bank. In 2023, the bank developed loan

products and easy access to products through the bank's application, which is part of reducing inequality in access to financial resources for people who live in remote areas and are unable to travel to a bank branch to complete transactions and apply for loans by themselves.

Products and Services to Create Financial Accessibility

Products/Services	Details of Accessible Channels	Performance
Personal loan application service on LHB You	The bank has added channels for customers to access personal loan products more easily and conveniently through LHB You application. Customers can apply for personal loans by themselves by filling out information, identity authentication, giving consent for credit bureau check, uploading income statement and receiving the results and drawing down the approved amount. This is a financial transaction that customers can do by themselves every day, anywhere anytime without the need to go to a branch.	<ul style="list-style-type: none"> Personal loan application service on LHB You was launched on July 30, 2023. As of December 31, 2023, there were 127 customers applying for personal loans and getting approved on LHB You, with the loan amount of Baht 10.0 million in total.

Cooperation in Development of Community and Society



Risk

Nowadays, CSR activities are expected to create benefits, develop, and strengthen communities, society and environment as well as yield the benefits for the company. If the company does not give importance to the implementation of social responsibility and neglect supporting, helping, promoting and developing the quality of life of society in various aspects, it may affect the image and credibility of the company and shareholders.

Opportunity

The company's participation in community and social development under the readiness and available resources with clear goals and guidelines for implementation will play part in raising the quality of society, strengthening the community to have good immunity. This will lead to a good image and credibility for the company, bring in opportunities to expand new customer base in the future and result in the company to have good economic and social environments as well.

Land and Houses Financial Business Group is engaged in being part of sustainable development in accordance with good governance principles coupled with social responsibility by supporting activities to promote and improve the quality of life in various fields as well as encouraging its employees to volunteer in various activities with the aim of maximizing benefits to society and communities sustainably. This also creates good ties among companies in the financial business group according to the Sustainable Development Goals (SDGs) of the United Nations.

Land and Houses Bank Public Company Limited 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

The bank has a policy to support sustainable educational activities as 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 such as.

- "Scholarship" project is to support youth across the country who study well, possess talents and determine to study at a higher education but lacking funds, has the opportunity to continue studying

- "Learning Library" project is to create a pleasant library atmosphere to study and promote good reading habit, which is the starting point for cultivating a learning culture. This library is designed to be open and cute to make young people want to visit and learn more.

- "Book Donation to the Department of Corrections for Prisoners" project is where employees and customers join in donating books to promote education and self-improvement for prisoners.

- "Old Calendar Donation Project" is to give old calendar to the Bangkok School for the Blind for using in media production, teaching braille books and notepads for visually impaired students.

- "RUN for LIFE" project is for employees to participate in social activities together by running an accumulated distance of 30 kilometers in 30 days and converting it into donations for underprivileged children, Foundation for Slum Children.

- "Donate dolls" project is to pass on happiness to underprivileged children by giving dolls to encourage them to be strong and grow up with quality.

● **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 in order to alleviate the household spending. This project also instills juveniles to realize the values and importance of education and increase quality human resources. Furthermore, the bank has donated sports and gym equipment that will allow the youths to grow and become the main driving force for the nation in future.

Main Objectives

- To bring the educational stability to the 7th grade needy students with high academic records to pursue their education until 12th grade
- To instill youths the values and importance of education
- To increase the number of potential and quality human resources 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 good academic records with the average GPA above 2.50 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 other persons who are poor or are under the care of welfare institutions or foundations.

List of schools joining the 2022 scholarship project includes:

- Anurajprasit School Bangkok
- Ratniyom School Nonthaburi
- Thanyarat School Pathum Thani
- San Kamphaeng School Chiang Mai
- Chuenchom Pittayakarn School, Maha Sarakham
- Hua Hin Witthayakhom School Prachuap Khiri Khan
- Phuket Wittayalai School Phuket

Youth Empowerment and Education Outcome

- 106 continuing scholarships for 7 schools from 7th grade to 12th grade, with the total amount of Baht 897,000.
- Follow up and assessments showed the students' academic level was average to good.
- The youths were willing to study and striving to finish their high school.

Scholarship's Activity Snapshots



Thanyarat School, Pathum Thani



Phuket Wittayalai School, Phuket



Sankamphaeng School, Chiang Mai



Chuenchom Pittayakarn School, Maha Sarakham

Expenses for CSR Activities

(Unit:Baht)

Activities	2023	2022	2021
Continuing Scholarship	908,000	750,000	606,000
Environmental, Social and Governance	1,092,000	1,150,000	1,200,000

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 conditions 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

In 2023, the bank delivered 1,159 items of used computer equipment to Phra Dabos School, Samut Prakan.



Old Calendar Donation Project

The bank has collected the unused desk calendars from executives and employees 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

2023	2022	2021
1,820 pieces	1,800 pieces	1,250 pieces



Old Calendar Donation Project at the Skill Development Centre for the Blind

Old Book Donation Outcome

2023	2022	2021
1,100 pieces	960 pieces	1,030 pieces



Donate Books to the Department of Corrections for Prisoners' Education and Self-improvement

2. Society and Quality of Life Improvement

The company has been supporting various projects which promote 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 stakeholders nearby the bank. The group believes that delivering public activities cannot be achieved 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, persuading 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. We are Family... RUN for LIFE project was organized to allow employees to participate in social activities and to promote good health, which is a combined force to “run” to convert mileage into donations. There were 380 employees participating in the activity, with a total of Baht 260,000 donated to the Foundation for Slum Children under the patronage of Her Royal Highness Princess Galyani Vadhana Krom

Luang Naradhiwas Rajanagarindra that works to improve the quality of life of children from birth to 5 years old. The foundation takes care of 4 houses: Baan Som Wai, Baan Suea Yai, House of Hope and Baan Srinakarini. The company also donated sports uniforms and school shoes to 110 students at Ban Khun Nam Nan School in Nan for kindergarten and primary education, to promote exercise, provide protection against cold and risks from accidents and various diseases caused by wearing old and worn-out shoes.

• Voluntary Activities for Social Development



LH Bank Blood Donation, “1 Giver 3 Receivers” with the Thai Red Cross Society



International Anti-Corruption Day activities (Thailand) under the concept of “Zero Tolerance. Thai people do not tolerate corruption,” join force in expressing the intention to fight against all forms of corruption and promote transparent business operations under corporate governance principles.



We are Family... RUN for LIFE project:
Run to accumulate milage and convert it into donations
for the Foundation for Slum Children



- **Youth Empowerment and Education**

The “Learning Library” project creates a library with reading-friendly atmosphere and a good reading habit. The library was designed to be spacious and lovely so that the youth would come in and enjoy looking for information using computers. This is one way to instill sustainable learning culture.

List of schools in the project “Learning Library” as follows:

1. Wat Khlong Toei School, Bangkok
2. Wat Khlong Mai School, Bangkok
3. Wat Sang Krachai School (Cham Wicha Teaching), Bangkok
4. Thaweethaphisek Primary School, Bangkok
5. Bang Rahong Temple School (Phirom Siri), Nonthaburi
6. Wat Prayurawong School, Bangkok
7. Forest Forest Uthit 9 School, Nonthaburi
8. Wat Pho Ban Oi School, Nonthaburi
9. Wat Salut School, Samut Prakan
10. Wat Bang Chalong Nok School (Prasit Bamrung), Samut Prakan



“Learning Library” Project

3. Arts and Culture Conservation

The bank recognizes the importance in joining many arts and cultural activities with local people living nearby, 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.



National Children's Day activities at Wat Ruak School, Nonthaburi



National Children's Day Activities at Lumpini Park

Innovation and Dissemination of Innovative Corporate Social Responsibilities



Risk

Today's consumer behaviors and technological developments are changing rapidly. In addition, consumer behaviors have changed more towards digital. If the company is unable to create or invent new innovations or not adjusting strategies to be in line with consumer needs, it may cause the number of customers or service users to decrease and have a financial impact on the company.

Opportunity

The bank develops and creates financial innovations that meet customer needs, positive creativity, and social responsibility which brings business opportunities, adds value for the business and develops the economy, society and environment at the same time.

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 correct understanding and optimal benefits.

Financial services and investments through mobile banking application is one of the services that enables quick and convenient business transaction at any day, anywhere, anytime via mobile phone.

1. Profita, a new investment application - investments on the palm of your hand

- Open an account to trade mutual funds online anywhere anytime
- Support buy-sell/switch fund orders with other leading fund management companies 24 hours including the automatic management of investment portfolio, facilitate investors who have not much knowledge on investment or investors who do not have any advisor to be able to professionally plan and manage their portfolios

2. LHB You Mobile Banking Application

- 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 anytime.
- Loan application
- Withdraw cash without a card from ATM machines of Siam Commercial Bank (SCB) and Bank for Agriculture and Agricultural Cooperatives (BAAC)

Results and Benefits of Innovations

The total number of users surged in mobile banking from 110,000 users in 2022 to 190,000 users in 2023, accounting for 75 percent. The active users increased from 57 percent in 2022 to 59 percent in 2023. In 2023, the bank was able to provide services without significant disruptions, reflecting the bank's commitment towards facilitating customers transaction in a convenient, timely and safe manner.

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 ICS 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 B.E., 2562, 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.

Information Technology Operations and Data Security

1. The board has roles and duties to oversee IT Security, approve strategies and policies, supervise and monitor cyber security. For supervision and monitoring, the board may assign other committees to act on its behalf by clearly defining the roles and duties in writing. The board has assigned other committees to supervise and follow up on IT Security functions as follows:

- Risk Oversight Committee has the duties and responsibilities as follows:

(1) Supervise the preparation of risk management policies in various areas, such as credit risk, market risk, liquidity risk, operational risk and reputational risks and define IT risk management policy that is sufficient, comprehensive and consistent with international standards.

(2) Supervise IT risk management and risk management process covering IT risk and cyber risk assessment and readiness to deal with cyber threats (Cyber Security), supervise and report key IT risk and cyber risk to the board for acknowledgement.

- Information Technology Steering Committee has the duties and responsibilities to set policies, strategies and master plan for the IT Group in line with the bank's business plan, IT changes, risk management and regulatory requirements.

2. Establish an IT security policy that covers cyber security and aligns with international standards: ISO/IEC 27001:2022 and ISO/IEC 27002:2022 as to be a guideline for ensuring security and safety in processing transactions, able to determine the expected information system security response in a systematic and efficient manner. Moreover, it can ensure communication between departments, maintain security in various aspects and systems, regular maintenance, clear action plan to ensure maximum safety, leading to a mitigation of damage to operations and personnel as well as higher level of security in various business units.

3. Arrange for a regular review of the IT security policy at least once a year when there are significant changes to keep the policy updated and be consistent with environments, events, and legislative changes.

Performance of Information Technology and Data Security in 2023

1. The bank has reviewed its IT security policy which has been approved by Executive Committee No. 24/2023 on 24 November 2023.

2. The bank has communicated IT security policy to executives and employees via the bank's intranet, with 100 percent of executives and employees receiving the communication.

3. The bank has organized trainings for directors, executives, and employees to share knowledge and build awareness of cyber security for personnel in the organization on a regular basis both in the form of providing knowledge and organizing activities that promote cyber security so that personnel understand and can act correctly. 100 percent of directors and 20.14 percent of executives and employees received trainings.

4. The bank has implemented IT security policy by controlling, monitoring, reporting operations, including preparing reports, watching out for threats and studying cyber threats trend that may occur and affect the bank and continuously reporting to the assigned committee and relevant senior executives. As a result, the bank has had no cyber threats that significantly disrupted the bank's operational systems from providing services. As a result, the bank's IT system is highly secure and supports business operations well.

Corrective Measures in the Event of a Cyber Threat Incident

The bank has established a process for monitoring incident events on the information system to be a guideline for resolving incident events to respond to information security incidents in a timely manner and collect information about information security incidents in order to plan and prevent them from recurring.

The bank has prepared a cyber threat response plan in abnormal cyber events (Cyber Incident Response Plan) by creating a plan, investigating and analyzing causes and assess the impact so that it can be used as a reference in dealing with threats, responding to events and retrieving systems and data quickly in a timely manner. The bank also has a Security Operation Center (SOC) to monitor when a cyber threat occurs.

The cyber incident response plan has been designed to be in line with the IT Disaster Recovery Plan (IT DRP) and Business Continuity Plan (BCP) that covers incidents, cyber threats and there is a sequence of system restoration by taking into account the priorities of each system and the plan is subject to testing annually.

Implementation of Security and Protection of Customer Data

The company is aware of the importance of personal data protection and compliance with the Personal Data Protection Act 2019 and related laws or regulations by setting the personal data protection policy to promote personal data protection and to be a guideline for protecting personal data of data subjects collected, stored, used or disclosed. The policies cover the following areas:

1. Accuracy: To ensure that personal information collected, used or disclosed on behalf of the company is accurate and complete. This is especially the case where personal data is likely to be used to make decisions concerning the owner either by the company or by the company's personal data processors.

2. Storage and Retention Period: The company keeps records and determines the retention period for personal information according to the relevant laws or regulations or appropriate retention period that is necessary considering for legal purposes.

3. Confidentiality and Integrity: The company has prepared appropriate security measures, including organizational measure and technical measure to prevent message counterfeiting and unauthorized collection, use, access or alteration. The company has established the procedures for dealing with incidents of personal data breaches and will notify data subject in accordance with legal requirements.

4. Personal Data Breach Notification: The company a process to support reporting of personal data leaks, including remedial measures and reporting to Thai Personal Data Protection Committee and data subject in accordance with legal requirements.

In addition, the company has internal control measures regarding the security system of information technology and personal information such as the information security policy, data classification standard and guidelines for protecting personally identifiable information, data security and privacy guidelines and operating procedures regarding the collection, use and/or disclosure of personal information of the company's customers, etc.

Performance of Security and Customer Data Protection in 2023

1. The company has reviewed the personal data protection policy which was approved by the Sustainability and Corporate Governance Committee No. 9/2023 on September 14, 2023.

2. The company has fully communicated the personal data protection policy to executives and employees regarding via the bank's intranet (100 percent), including dispersing knowledge about Personal Data Protection Act and related internal operating procedures through all channels of the company on a monthly basis.

3. The company provides knowledge about Personal Data Protection Act and related internal operating procedures to directors, executives, and employees.

Corrective Measures in the Event of a Personal Data Leak or Misuse of Customers' Data

The company has established the operating procedures in the event of a leak or breach of personal information within the organization. It is required that those who know the incident must report it to the personal data protection officer as soon as possible to investigate and find the cause of breaches and take corrective action, and considering remedial measures and report incidents of violations to Thai Personal Data Protection Committee and data subjects for acknowledgement in accordance with legal requirements.

Promoting the Internal Development of Business, Social, and Environmental Innovations

The company encourages its employees throughout the organization to participate in innovation development to maximize the benefits for customers by organizing Beyond Transformation Awards project, which is a project to create participation in presenting innovations throughout the organization. The employees can present ideas using RPA to support the development of various work processes, with 93% participation of employees. The project not only allows its employees to get to know technology and apply innovations to work but it is about creating awareness of technology leading to improvement, increasing work efficiency, reducing amount of time, saving paper usage and lowering greenhouse gas emissions.