



3. Driving Business for Sustainability

3.1 Policies and Goals of Sustainability Management

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

The bank 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 bank 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 bank also instills the awareness of social responsibility operations. The Chairman, Chief Executive Officer 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 bank 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 bank 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 bank has appointed the Sustainable Banking Committee to push the bank'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 and corporate governance in order to make the activities feasible with honesty, transparency and fairness. There is the awareness of negative impacts on economy, society and environment with the readiness to solve the problems to mitigate such impacts. The philosophy of sufficiency economy is integrated and implemented as to push the operations to achievements and benefits, and enhance the competitiveness in all trade forums which will be really advantageous for the sustainability of the business, stakeholders, economy, society and environment.

CSR Logo



Business Operation Sustainability Strategy

The bank operates the business in compliance with the corporate governance principles, accountability on economy, society and environment and risk management in all dimensions. In addition, the bank 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 bank 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 bank 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 bank 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 bank 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 bank 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 the Pillar 2 of 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 bank 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

The Sustainable Banking 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

<p>Economic Dimension Operate business with responsibility (Responsible Finance)</p>	<p>Social Dimension Support social development (Community Investment) and use digital innovation to develop financial products and services (Innovative Digital Finance) that are easy to access, convenient, safe</p>	<p>Environmental Dimension Conduct eco-friendly business, reduce negative impacts on the environment caused by business activities</p>	<p>Governance Dimension Operate business to be in line with corporate governance principles by covering the sustainable governance mechanism and ESG risk management</p>
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Target and Sustainable Development Strategy

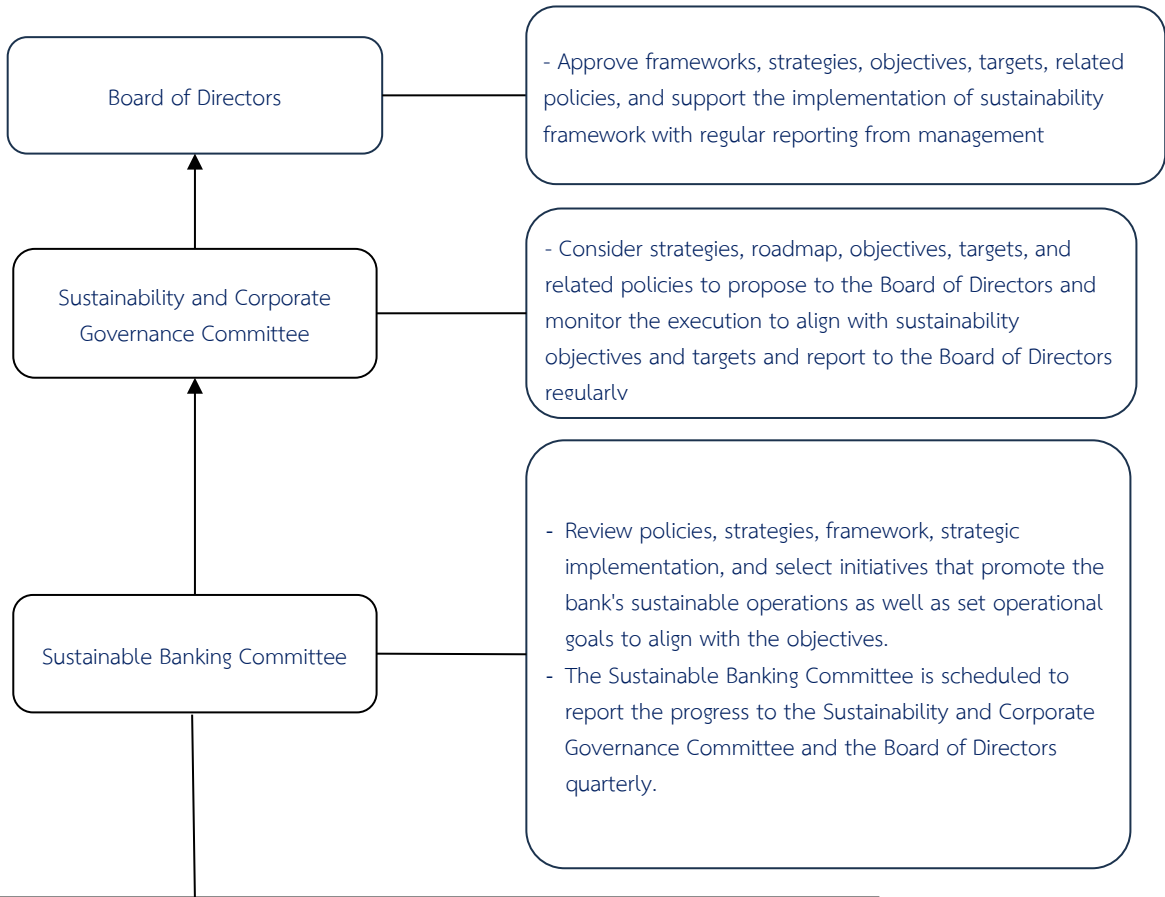
Sustainable Development Framework	Environmental	Social	Economic
Target	Reduce greenhouse gas emissions from own operations by 25 percent, compared to that of the base year 2020 within 2030* * Scope 1 and 2 from own operations of the head office	<ul style="list-style-type: none"> - Support investments in businesses for sustainable development - Use digital innovation 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"> - D e v e l o p 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 bank 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 bank 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 Banking Committee, chaired by the Chief Executive Officer and President, to push, follow up and evaluate the implementation of the framework and sustainability goals.





The Sustainable Banking Committee consists of
 Chief Executive Officer and President is the chairman.
 The members are the heads of business units including:
 Chief Taiwanese Business Development Officer
 Chief Credit Underwriting and Credit Development Officer
 Chief Information Technology Officer
 Chief Operation Officer
 Chief Corporate Strategy and Innovation Officer
 Chief Wholesale Banking Officer
 Chief Retail Banking Officer
 Head of Legal and Compliance Group
 Head of Global Markets Group
 Deputy President of Corporate Affairs
 Head of Internal Audit Group
 Head of Finance and Accounting Group
 Head of Risk Management Group
 Head of People Group





Certificate of Collective Action Coalition Against Corruption

The bank has participated in the activities in Thailand's Private Sector Collective Action Coalition Against Corruption project. In addition, the bank has determined the anti-corruption policy and practical guidelines for the Board of Directors, executives and employees. On October 16, 2014, the bank was certified the certificate of membership for the first time from Thailand's Private Sector Collective Action Coalition Against Corruption by Institute of Directors. The bank'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>Amount of credit outstanding granted to the green energy companies in 2023 was about Baht 12,214 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 bank 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 rose to 26 percent, increased by 6.5 percent compared to 21 percent in 2021. Note: the bank 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</p>	<p>The rate of employees who got injured while working in 2023 was 0.00 percent which remained the same as in 2022.</p> <p>Support for the development of society, community and environment in 2023 valued at about Baht 2.5 million.</p>	





<p>In 2023, the bank used 12,511 reams of paper, increasing by 6 percent from 11,771 reams in 2022 since the bank added more varieties of financial products with more customers. Nevertheless, the bank 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</p> <p>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 bank had a greater number of employees working in the office.</p> <p><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>Waste Management</p> <p>The bank campaigns for engagement in environmental conservation in everyday 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 2021 at 0.0003 percent.</p> <p><u>The proportion of recycled waste to municipal 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 bank is in the process of preparing a report requesting for verification and certification from an external verifier.</p>		
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Corporate Social Responsibility for Sustainable Business Development Policy

The bank 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 bank 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 bank has published the details of Corporate Social Responsibility for Business Sustainability Policy on the bank's website (www.lhbank.co.th).

Objectives of 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 bank's efforts on the economic development is consistent with the best benefits of society, environment and all stakeholders
- To ensure the bank'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

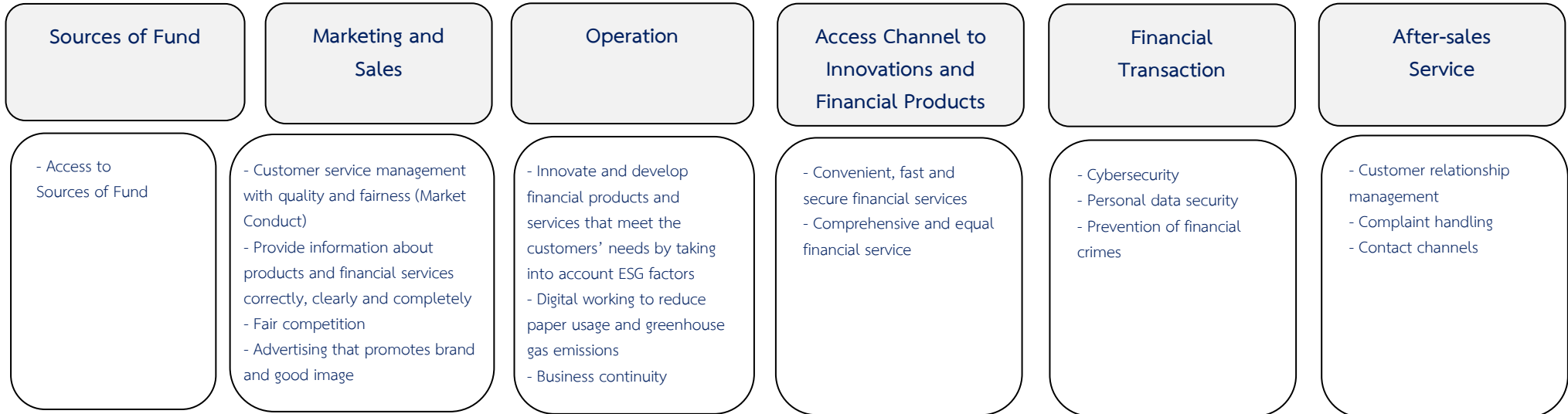
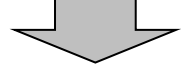
3.2 Value chain management

The bank 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.





Value Chain
Mian Activities



Supporting Activities





The bank puts priority to the sustainable business development reporting as part of the annual 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 bank’s performance by collecting data from responsible departments from January 1, to December 31, 2023.

The bank 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 bank 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 bank’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 bank has been done so that the bank 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 bank 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 bank pays attention to both internal and external stakeholders with equality and fairness. The bank is aware that engaging with stakeholders is a foundation of good corporate governance. Therefore, the bank 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 bank’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 bank to reduce negative effects while enlarging positive effects constantly and efficiently. As a result, the organization can develop towards sustainable growth.





Stakeholders group consists of:

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

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 the annual report - Disclose correct and complete information through various channels in a timely manner for equitable and transparent information access - Provide channels for inquiries via the bank's website - Provide the channels for suggestion, whistleblowing and complaint through the channels provided by the bank 	<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 in a timely manner for equitable and transparent information access - Provide a chance for minority shareholders to propose material issues useful for business operation via the bank'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 	<ul style="list-style-type: none"> - Organize the Board of Directors meeting every month - Establish sub-committees to consider and screen proposals 	<ul style="list-style-type: none"> - Business operations under good corporate governance principles - Management with efficient, transparency in line with the corporate governance





Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
	<p>for sustainable growth of the organization</p> <ul style="list-style-type: none"> - Treat all stakeholders on the basis of fairness for the best interest of the bank and shareholders by taking into account all groups of stakeholders. - Sustainable growth of performance 	<p>before submitting to the board</p> <ul style="list-style-type: none"> - 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 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 	<p>and sustainable development guidelines</p> <ul style="list-style-type: none"> - Business operations by taking into account all group of stakeholders - Provide sufficient and complete information in a timely manner - Engage in good governance activities - Promote, support and develop knowledge related to the duties of directors and the bank's business - Provide orientation program for new directors - Use the results of self-evaluation to improve work to be more efficient
3. Employees	<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 on 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 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 	<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





Stakeholders	Interests and Expectations	Engagement and Communication Channels	Practice and Response
		<ul style="list-style-type: none"> - 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"> employee which is solely based on the management's decision or discrimination - 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	Interests and Expectations	Engagement and Communication Channels	Practice and Response
5. Community, Environment and Society	<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 bank'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 - Voluntary blood donation project, 1 Giver 3 Receivers, to 	<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	Interests and Expectations	Engagement and Communication Channels	Practice and Response
		<p>help patients in hospitals from their illnesses nationwide</p> <ul style="list-style-type: none"> - “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: 	<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 Procuring 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 bank - Post the No Gift Policy through various channels of the bank 	<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	Interests and Expectations	Engagement and Communication Channels	Practice and Response
	extend networks together with partners - Keep customers' information confidential		
7. Competitors	- Perform business with transparency and fairness and comply with the rules of honest and fair competition	- Comply with the rules of fair competition without dishonest method	- 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	- Pay interest and payback when due	- Comply with the contract or terms and conditions in the agreements and duties	- Comply with the contract or any conditions in the agreements and duties - Collect suggestions or complaints

2. Determining Material Issues Affecting Business Operations

The bank takes into account all critical issues, opinions, suggestions and expectations affecting business operations, derived from the analysis of internal and external stakeholders' demand to determine the important issues and impacts on business operations as follows:

- **Internal stakeholders** consist of directors, executives and employees. The bank 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 bank 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 bank 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 were then prioritized in materiality matrix. The vertical axis represents the key issues critical for stakeholders and the horizontal axis shows the issues critical for the bank.


















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	- Companies in the financial business group - Directors, executives and employees	- Shareholders - Customers - Business Partners	Good corporate governance	
Market Conduct	GRI 102-43 GRI 103-1 GRI 103-2 GRI 103-3 GRI 203-1	- Companies in the financial business group - Directors, executives and employees	- Customers	- Sustainable business operations - Responsibilities towards customers	






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)
Digital Development	GRI 203-2	- Companies in the financial business group	- Customers	- 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	- Companies in the financial business group - Directors, executives and employees	- Shareholders - Customers - Business Partners	- 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	- Companies in the financial business group - Directors, executives and employees	- Shareholders - Customers - Business Partners	- Risk factors - Internal control and risk management - Good corporate governance	 
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	- Companies in the financial business group - Directors and executives	- Business Partners	- Fair treatment of labors - Respect for human rights	     





Material Issues Affecting Business Operations	Sustainable Issues according to GRI (Global Reporting Initiative)	Internal stakeholders	External Stakeholders	Topics to Include in Annual Report	Sustainable Development Goals (SDGs)
Financial Products with Social Responsibility	GRI 2-6 GRI 201-1 GRI 203-1 GRI 203-2 GRI 417-1	- Companies in the financial business group - Directors, executives and employees	- Customers - Community, Environment and Society	- 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	- Companies in the financial business group	- Customers - Communities, Societies and Environment	- Development of Communities and Societies	    
Environment for Sustainability	GRI 305-1 GRI 305-2	- Companies in the group	- Customers - Communities, Societies and Environment	- Environmental Sustainability Management	   
Communities, Societies and Environment	GRI 201-1 GRI 203-1 GRI 203-2 GRI 413-1 GRI 419-1	- Companies in the financial business group	- Customers - Communities, Societies and Environment	- Development of Communities and Societies	     





4. Verifying Material Issues Affecting Business Operations

The bank 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 bank's website.

5. Reviewing Material Issues Affecting Business Operations

The bank 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.

Checking Quality of Report

The contents presented in the business sustainability report and the bank'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 bank encourages customers and sponsors to be aware of the importance of building corruption-free community. The bank 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 the bank's 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, the bank is aware of the importance of environment, society and good governance. However, credit approval lies 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 bank is aware of the importance of growing businesses that do not affect society and environment throughout the supply chain. The bank 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 bank's code of conduct.

Moreover, to manage the risks of business partners not to have impacts on business, community and environment, the bank 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 bank has also 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 of operation for each time and it must be considered and approved by the Procurement Committee. For fairness and equality, the selection of suppliers or vendors, the bank 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 bank. The bank 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 and 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, decreasing by 19.7 percent when compared to 680 in the year 2022 due to the current update. And the bank informed them of procurement rules for their understanding and compliance with the procurement procedures with accuracy and transparency.

Monitoring, Checking and Evaluating Process of Business Partners

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

Tax Management

The bank is part of the financial business group that operates the business with transparency and stability according to the good governance principles. The bank is committed to operating its business in conformity with the rules and regulations of revenue code.

Tax Management Strategy

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

Tax Risk Management

The bank 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 bank 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.

