

Report of the Corporate Social Responsibility

The Company recognizes the importance of complying with good corporate governance which is in line with the principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand which comprises of rights of shareholders, equitable treatment of shareholders, rights of stakeholders, disclosure and transparency, and responsibilities of the Board (more details in “Corporate Governance”) including the awareness on communities, society and environment while conducting its business. The Board of Directors is always well aware that good corporate governance and social responsibility will sustainably improve its operating results and is the major key to lead to its success. The Board of Directors therefore laid down a written policy on good corporate governance and its Code of Conduct. The Company’s main operation process also takes into account and pays attention to all stakeholders, communities, society and environment while strictly complying with the laws and regulations related to its business.

1. Fair business operations

The Company emphasizes in its business operation by promoting free trade, honesty and fair competition within the framework of law and its business ethic. The Company also avoids any activities which may constitute conflicts of interests, by having all measures to supervise the use of inside information for personal or relatives’ gains, respects the rights and equality of all groups of stakeholders - such as shareholders, customers, employees, business partners, competitors, creditors, as well as the communities, society and environment. Such practice guidelines which cover all the equal rights and benefits of all stakeholders are stated in the Company’s Code of Conduct and business ethics so that owners, executives and employees can adhere to perform. They are also posted on the Company’s website and central database system. Additional details can be seen in the section of “Corporate governance” under the topic of “Rights of Stakeholders”.

2. Anti-corruption and bribery

The Company has enforced the anti-corruption and bribery policy. Under its Code of Conduct, any employee must not solicit any benefits and avoid accepting any valuable assets which may illegitimately persuade him to perform or refrain from performing any duty, or may

cause the Company to lose its legitimate benefits. All employees must not commit any act which may constitute any conflicts of interest against the Company or use the Company’s assets to seek to benefit from commercial gains for themselves or their associates, refrain from doing anything illegitimately, or abuse their responsibilities or positions. The Company has circulated its Code of Conduct to all employees so they are well aware of the importance of performing their duties with integrity. It also aims on fundamental of employee’s mind in terms of morality and ethics by organizing meditation training class and sermons for the employees.

Practices on supervision and control the corruption risks including follow up and evaluation procedure

- Preventive measures through restructuring the organization structure to make it suitably fit for management and control. The organization structure reinforces transparency and efficiencies and in line with goals, business nature through proper segregation of duties and balance of authorization. Work process and line of command are clear for each unit. Organizational structure with corporate culture which emphasizes morality with regularly monitoring and evaluating mechanism. Adequate and proper communication and training are also provided, with communication of guidelines disseminated through various channels such as the Company’s intranet and website.

- Written Code of Conduct for executives and employees is created to promotes all practices to comply with it and communicates through all channels both through Company’s intranet and website including a monitoring and proper compliance assessment with the Code of Conduct.

- A process for the risk-assessment associated with the Company’s internal fraud and evaluation of the implementation of policy through the assessment of internal control in accordance with the COSO internal control assessment at the committee level and department level, and the assessment mechanisms of Risk Management and Sustainable Development Committee and the Company’s Internal Control Department.

- Supervision at the department level, with the head of each unit supervises his unit by assessing internal control and corruption risk at the unit level. An efficient and effective internal control was implemented to close any corruption loophole, to review the suitability of the system

and continually improve the system, to control and monitor its department's operations including the delegation to each level supervisors to monitor and investigate any frauds and errors occurring from the operations.

- The internal control unit examines an inspection of the operations and procedures of work systems, the compliance with the code of conduct, assesses corruption risks and other early-warning signs, the adequacy of the internal control system in preventing, monitoring and detecting the corruption risk. It shall report the audit review at least once every quarter.

- Through its mechanism, the Risk Management and Sustainable Development Committee also tests and assesses frauds and corruption risk regularly and reports the results to the Board of Directors.

- The Company provides channels to report any detected contravening, fraud or corruption and also set up the measures to protect and mitigate any adverse consequences on the whistleblowers, petitioner or collaborators under the Whistleblower policy. Details are stated in the section of "Corporate Governance" under the topic of "Measures of reporting wrongdoing and mechanisms to protect informers".

- In such case that the wrongdoing is found, with the investigated information, the complaints and sufficient proven grounds to believe that the transaction is truly offend, the investigation of fraud and corruption will be done by the case-by-case investigation team to provide fairness to the accused and also provide the proper protection to the informers.

- Each wrongdoing case will be used as a case study to find the preventive guidelines and investigative measures to detect such transaction and also to educate unit supervisors how to prevent such kind of fraud in the organization.

New employees will be notified of guidelines for standards of good behaviors and ethics of employees on their first day at work and through the new employee orientations. In 2015, the Company organized an in-house training for executive vice president, operation and supports executives, senior vice presidents and vice presidents on risk assessment tools and how to use them so that these executives and management can use it to monitor and assess risks efficiently.

3. Respect for human rights

The Company has complied with the human rights principles. Directors, executives and all employees have strictly followed these principles and regard them as core practices by taking into account equality, freedom, dignity

and rights of all people without any discrimination on the basis of race, nationality, language, religion, gender, age, education. The company does not support any activity that violates any universal human rights.

Guidelines

1) Closely supervise to ensure that the Company's business does not involve in human rights violations such as child labor or sexual harassment.

2) Take good care of employees and their well-being by giving them fair compensation, welfare, educational promotion and training continually in both short and long term, take good care of health and sanitation, safety of property and at work, safe and appropriate working environment, including inspecting the cases of unfair practices which may occur in the company.

3) Respect the privacy and confidentiality of customers, business partners and employees by not transferring or disseminating any information to unrelated parties or departments. Any disclosures or transfers of confidential information can only be done with consent of their owner only.

4) Terms and conditions in employment contracts are appropriate and fair.

5) Enabling equal employment opportunities including opportunities for those people with disabilities.

6) Treat all employees and stakeholders equally, indiscriminately, respectfully and respect everybody opinions.

7) Specify in the Code of Conduct of employees to behave in a suitable manner for their duties and positions and refrain from not blaming others or the organization without truth.

4. Fair treatment of labor

The Company recognizes that employees are the most important element of its success, therefore the Company shall take good care and fairly treat them in various areas such as:

1) Respect the rights of employees based on human rights principles. More details are under the topic of "Respect for Human rights"

2) Determine compensation to be appropriate with their duties, responsibilities and price mechanisms in the labor market by taking into consideration the incentives so that employees are motivated to perform their duties to their full capacity. Performances are evaluated by supervisors and part of the compensation is allocated as their reward based on the Company's operating results.

3) Various forms of welfare are provided. The Company has the policy on safety and sanitation and promote good working environment. More information is provided in the section “Corporate Governance” under the topic of “Rights of Stakeholders and Employees”.

4) Continuously promoting the potential development of employees by organizing training and educating for employees at all levels.

5) The Company has established a welfare committee to be the representative of the employees to consult and discuss with the Company on the welfare provision, to act as a medium to relay the employee welfare requirements so that the Company knows what the employees really need, participate in the discussion and suggestion including the supervising the welfare that the Company provide for employees.

5. Responsibility to consumers

The Company is committed to improve the quality of its products and services to meet the standards including setting up a customer contact center to listen to consumers’ suggestions and opinions, to acknowledge the problem and customers’ needs so that the Company can use them to fine-tune and improve to meet their customers confidence and maximum satisfaction. The efforts paid off when Land and Houses Plc. won the Trusted Brand award for eight consecutive years (during 2006-2013, the award ended in 2013) based on a consumer survey by Reader’s Digest magazine. The award measures consumers’ satisfaction in both Thailand and Asia in six areas: (1) creditability and trust (2) quality (3) value (4) insights understanding to consumers’ demand (5) creativity (6) social responsibility. Land & Houses is the only property development brand that won the Platinum Award in Property Developer Sector. In addition, in 2012, the Company also received “The Thailand Most Powerful Brand 2012” in real estate product which was awarded in the 75th Anniversary of Faculty of Commerce and Accountancy, Chulalongkorn University. The research, conducted by the Department of Marketing, on the subject of “The development of Corporate Brand Success Valuation” to identify the most powerful brand which was the most powerful brand of Thailand 2012 (The Most Powerful Brand of Thailand 2012).

The Company delivered the pre-built home, fully decorated including the garden in the complete project, ready to move in so that the customers can see the real house on the real plot of land and can select the style of house before making decision to buy, which makes it no risk in the case that buying the house but getting the unexpected house.

Consumer’s benefits from buying a pre-built home.

1) Baan – Sabai is pre-built before sale thus allows customers to clearly determine the time of their relocation

2) Customers can see the real house on the plot of land before buying and can compare with the selling price.

3) Providing a shady project environment, with large common garden, and a club ready to use the service when relocation

4) Product warranty and providing after-sale services to facilitate the residents including house-checking during warranty period.

5) The Company has set up a customer relation system to directly communicate with residents through the Company’s website or at the 1198 call center which will accept any complaints about home and condominiums, provides home tips, online repair notification to facilitate the customers when in needs of repair, and checking home services in insurance which the transaction can be sent 24 hours a day. The residents can also track the status of their request as well as finding the information about their house by themselves.

As a result of our recognize the importance to our customers and determination to improve the quality of the products, in 2019, the Company received significant awards as follow :

- Award of Honor Best Company of the Year 2019, Real Estate and Construction Group from MONEY & BANKING AWARDS 2019 organized by Money and Banking journals, based on the performance of the year 2018 of the listed companies in each industry group. MONEY & BANKING AWARDS 2019 was organized for the 12th year in recognition of executives, banks, financial institutions and listed companies which has excellent performance, classified by 8 industry groups, which are real estate and construction, Technology group, Financial Group, Resource group, Agriculture and food industry, Industrial product group, Consumer products group and Service groups

- Award of “Thailand’s Top Corporate Brands 2019” on the occasion that Land and Houses Public Company Limited has been awarded the best value Thai corporate brand in the property development sector, with a brand value of up to 64,811 million baht (sixty-four thousand eight hundred and eleven million baht) marks the 10th year of the award announcement. There are 15 companies from 15 different business sectors that received the said award. Only one brand which has the highest corporate brand value in each sector which includes Banking, Finance and Securities. Petrochemical and Chemical, Medical, Information and Communication

Technology, and Commercial. The Master in Branding and Marketing (MBM), Faculty of Commerce and Accountancy, Chulalongkorn University in collaboration with the Stock Exchange of Thailand has announced the research results and awarded “ASEAN and Thailand’s Top Corporate Brands 2019” award to the top most valuable corporate brands in Thailand and the ASEAN region for the year 2019 in order to expand the knowledge of corporate brand value to create business sustainability both in Thailand and the ASEAN region, in which the CBS Valuation (Corporate Brand Success Valuation) is the process that use the number from the financial statements in the annual report which is the information that the listed companies in the Stock Exchange have to disclose to the public for calculation. The corporate brand valuation formula, CBS Valuation, is a formula integrated from the concepts of marketing, finance and accounting, enabling the measurement of corporate brand values in financial figures.

- Outstanding Company Performance Awards, Business Excellence Awards for Listed Companies in the Stock Exchange of Thailand, with market value of over 100,000 million baht, which the award is based on the performance and good corporate governance from the SET Awards 2019, organized by the Stock Exchange of Thailand in cooperation with Money and Banking journal, in order to honor the listed company, Securities company, Asset Management Company, and Financial consulting firms that are excellent and outstanding in various fields from their operations in 2018.

6. Environment conservation

Currently, the environmental problems are considered important and have impact to the quality of life increasingly. The Company intends to participate in the conservation and improving the environmental problems through the development of environmental-friendly innovations and the use of resources for maximum benefit to create and preserve the sustainable environment for the communities, employee and villager. The Company has designed and produced the environmental-friendly product under the concept of “LH SMART: A Concept for Better Life” by using the quality materials and help saving the energy. The new technology and systems are implemented in each house to allow the air ventilation in the house by adopting the technology “AirPlus, air ventilation control and management system, which allow the house to breath” to improve the quality of residents including saving the energy.

In the year 2019, the Company has officially

launched the electricity generation system from solar roof on the roof of the club building of 3 projects, which can efficiently generate the electricity for the usage in daytime (On-grid) and can help to save the electric energy by 25-40 percent and has further extend the energy conservation by choose to use the All-in-one Solar Street Light as a light source with integrated solar panels and intrinsic batteries to illuminate the roads in the village project which can help to save electric energy, reduce the wiring on the road and illuminating the project more safety which has started to be installed at VIVE Bangna.

The company also conducted an environmental impact study according to the announcement of the Office of Natural Resources and Environmental Policy and Planning, Ministry of Natural Resources and Environment and has strictly adhered to the Environmental Impact Assessment (EIA) reports to reduce the impact to environment and also operate and control to strictly comply with relevant laws.

The Company has a policy to use resources efficiently by taking into consideration impacts to social and environmental. It encourages and educates employees to create a good environment at work, to use resources economical and to take into account their responsibility to the environment while performing their duties. The conscience is instilled through the activities and trainings in which they constantly participate, with the campaign to conserve the environment and natural resources and instill in daily working lifestyle starting from basic activities such as reducing the use of paper, increase the use of recycled paper, re-use of document files and regular maintenance of equipment, campaigns to conserve water and electricity, etc. In the year 2019, the company organized activities in the campaign to reduce the amount of plastic waste under the project THINK GREEN FOR A BETTER LIVING through the following operations :

- Termination of plastic packaging by changing the packaging of drinking water distributed to customers at the headquarters and the project to drinking water box including a campaign to recycle the used drinking water boxes and bring it to reuse.

- Termination of use of plastic glasses in the organization by asking employees to bring personal containers to fill the beverage which provided by the company themselves.

- Establish the “LH Recycle Plastic Uniform” project, which is a project to produce uniform shirts from plastic water bottles, in which 1 shirt uses 12 recyclable plastic bottles, which reduce the amount of plastic waste in society and promote the recycling system.

- Preparation and distribution of shopping bags for employees and customers in each project to use instead of plastic bags in consumer goods shopping.

- Participation as part of the green roof project by Friends in Need (of “PA”) Volunteers Foundation by bringing the used drinking paper box to recycle and produce a green roof for the needy and the communities which are suffering all over the country.

In addition, the board also promotes the education and training of employees on environmental issues. As the Board of Directors recognizes and places importance on sustainable development, therefore the Board has given the Risk Management and Sustainable Development Committee to establish guidelines and framework for sustainable operations by considering and approving to hire EY Corporate Services Company Limited to be a consultant and provide knowledge on developing the sustainable development system including the plan for preparation of the sustainable development report to set as a guideline for the implementation of the company’s sustainable development process which is considered an important mechanism for achieving business success.

7. Participation in social and community development

The Board has always realized of the Company’s responsibilities toward the social and communities so they have supported the budget and sponsors for various parties to organize the activities for communities and society continuously. In 2019, the Company has organized the activities for communities and society as follows :

- Society activity “Fill Up the Dream, Sharing the kindness “Project No. 5

The Company has organized the project “Fill up the Dream, Sharing the Kindness No. 5” by providing necessary things and funds to The Christian Foundation for the Blind in Thailand, Nakhon Nayok Branch, which is a foundation for blind with multiple disabilities children. This project has been continuously organized which this year was held for the fifth year as a Company’s contribution to the society on October 16, 2019

- Volunteer spirit activities “Diving and Sea conservation Volunteer to Protect Organisms in the Gulf of Thailand” Project

The Company has participated in this project. In which the employees project group 2, totaling 44 people, joined with the Volunteer Bank which is an independent organization, supported by the Office of Thai Health Promotion Foundation (SSO), together creating happiness for Thai society by sharing time as a volunteer to run the

activities to help clean the beach in the “Diving and Sea Conservation Volunteer to Protect Organisms in the Gulf of Thailand” project in Rayong province on October 22, 2019.

8. Innovation and CSR innovation dissemination

From the experiment that the Company has installed and set up the Home Automation system in the past year for more than 1,000 residences, this year the company has added additional home automation systems in the new style of house, as a detached house, townhome and twin-house, which the system helps to serve the security issues, convenience and energy saving for the residents and is easy to use via the application “Home Touch by L&H”, which can be downloaded and installed on a smart device easily.

In addition, for the high-rise projects such as The Bangkok Thonglor, the Auto Parking system is used to support the parking of 194 vehicles, which was officially opened in the year 2019. This Auto Parking system is suitable for a project that has limited area like Thonglor. It can reduce the volume of road construction in the parking garage and reduce the amount of ramps up and down in the parking lot, increases the convenience for residents to call the car by the elevator, reduces the CO₂ emissions and helps to increase the safety of the resident’s cars. In addition, the project has installed 3 EV charger devices for charging electric energy to electric cars in the project which is a Normal charge system which help enhance the alternative energy vehicles.

For the part of enhancing technology, the Company has launched the application “I-Design” which helps in decorating the house through Smart device, which was officially launched and can be downloaded publicly In October 2019, and can be installed on both smart phones, Android and IOS systems. This application makes home decoration more easily by providing an idea of how to place furniture in your home and can be viewed in 3D images in Real-time, both 360-degree image mode and VR (Virtual Reality) mode, and can help to guesstimate the budget for the furniture decoration.

For the promotion of innovation and technology within the organization, the Company has organized a training program for learning and practicing both Smart Home systems and other Applications so that the staff can use them fluently, by starting with the salesperson and service staff which will be the division to pass on the knowledge to customers in the next step.