



## Anti-Corruption Policy and Procedure

Land and Houses Public Company Limited

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## Message from the Chairman of the Board of Directors

Land and Houses Public Company Limited (“**Land and Houses**”) values and is committed to ethical, righteous, and transparent business conduct under a good corporate governance framework. Furthermore, it is driven by responsibility toward society, the environment, and all stakeholders. Land and Houses recognizes the threat of corruption, which impacts business operations and tarnishes its reputation and image. Moreover, corruption hinders the Company's stable and sustainable growth as well as the nation's economic and social development. To demonstrate its commitment to combating all forms of corruption, Land and Houses has expressed its intention to participate in the Thai Private Sector Collective Action against Corruption (CAC).

Land and Houses declared its intention to join CAC on March 13, 2023, to partake in solving corruption issues in the Thai business sector. It formulated an Anti-Corruption Policy and Guidelines that all directors, executives, and employees are obliged to acknowledge, study, and strictly follow. This document is posted on internal and external websites to give personnel more channels to learn and implement the policy effectively. Land and Houses also disseminated it to all applicable stakeholders so they may be aware of its intention and commitment to make Land and Houses and Thailand corruption-free.

(Mr. Naporn Sunthornchitcharoen)  
Chairman of the Board of Directors  
and Chairman of the Executive Committee  
Land and Houses Plc

## Anti-Corruption Policy and Guidelines

Land and Houses Public Company Limited creates an anti-corruption policy prohibiting the payment of bribes. All directors, executives, and employees of the Company and its subsidiaries ("Group") must strictly comply with anti-corruption laws, rules, regulations, ethics, policies, and guidelines. The Code of Conduct forbids employees from demanding benefits or accepting any assets that incentivize them to act or wrongfully neglect to act or potentially cause Land and Houses to lose its legitimate benefits. Furthermore, they must not cause conflicts of interest with the organization or use the Company's assets for commercial gain. By doing this, the Company commits to conduct business with integrity and transparency in order to earn stakeholders' confidence.

### 1. Definition

**Corruption** means performing or refraining from performing duties or abusing power to seek various undue benefits, such as directly or indirectly offering, promising, demanding, giving, or accepting bribes in the form of money or others, to and from public/government officials, government agencies, employees of private entities or agencies, and all stakeholders. The rationale behind such acts are to obtain any other benefit inappropriate for business, incentivize receivers to perform or refrain from performing duties stipulated by laws or to act against public morals, except where local laws, regulations, announcements, customs, traditions, or trade customs allow.

**Company** means Land and Houses Public Company Limited.

**Company's personnel** mean Land and Houses' directors, executives, and employees.

**Stakeholders** mean shareholders, customers, suppliers, creditors, employees, competitors, government agencies, and other related organizations and parties.

**Gifts or other benefits** mean any item of monetary value that can be exchanged for money, goods, or services.

**Entertainment** means entertaining or providing food and drinks, including organization of events and recreational activities, such as parties and sports events.

**Tradition** means festivals or important periods during which gifts may be given. This includes an opportunity to congratulate, express gratitude, welcome, express condolences, or provide assistance according to social etiquette.

**Sponsorship** means giving money to benefit the Company's business, branding, or reputation.

**Charitable donation** means giving money, items, or other benefits for public interest without expecting anything in return.

**Political support** means direct and indirect financial support or other forms to support political activities, parties, politicians, or political actors.

**Conflict of interest** means action(s) by the Company's personnel or performance with personal interests involved. It results in a lack of independence, transparency, and fairness. It also affects the Company's benefits directly or indirectly, such as exploiting a position for personal gain or parties' benefits or engaging in conflicts of interest.

**Facilitation payment** means expenses paid to government officials informally to incentivize them to carry out or expedite processes under their duties.

**Employing government employees** means hiring people from the public/government sector to work in the private sector. It causes a conflict of interest because their roles and responsibility in both organizations obstruct them from performing impartial regulatory duties.

## 2. Roles and responsibility

In preparation to join the CAC and to ensure that the Company could fulfill with all required criteria, the Board of Directors has appointed a project leader and an anti-corruption working group, consisting of the Managing Director and heads of each unit, to represent the Company in CAC. The group is responsible for overseeing and monitoring the implementation of anti-corruption measures. The roles and duties of personnel in the organization are defined below:

1. **The Board of Directors** defines and approves the anti-corruption policy and measures. They also ensure that Land and Houses commands a system that effectively promotes anti-corruption efforts so that management may recognize the importance of these measures and adopt them as the organizational culture.

2. **The Audit Committee** audits the Company to ensure adequate internal control and reviews personnel's compliance with the anti-corruption policy and measures. Furthermore, it ensures that the Company commands a fair and transparent system for all parties involved to receive complaints and whistleblowing that report personnel's misconduct. Finally, the Committee considers solutions and preventive measures to submit to the Board.

3. **The Risk Management and Sustainable Development Committee** supervises the assessment of risks involving the Company's corruption. It also regulates personnel's compliance with risk management policies to prevent corruption. It reviews existing risk management measures to ensure its ability to prevent risks properly or mitigate risks to its risk appetite.

4. **The Internal Audit Department** audits and reviews operations to ensure compliance with policies, regulations, and laws and that Land and Houses commands an efficient, adequate, and appropriate internal control system to prevent corruption risks, which will be reported to the Audit Committee.

5. **The Human Resources Department** educates and encourages the workforce to observe the anti-corruption policy.

6. **The Legal Department** provides advice and recommendations on anti-corruption and supervising anti-corruption operation.

7. **All executives, managers, and supervisors** encourage, promote, support, and supervise their subordinates to observe the Company's anti-corruption policy.

8. **All employees** study and strictly follow the anti-corruption policy and measures, including reporting instances of witnessing or suspecting corruption immediately.

### **3. Measures for transactions with corruption risks**

Land and Houses has adopted these corruption-prevention guidelines or procedures:

#### **3.1 Gifts, entertainment, or other benefits**

Land and Houses recognizes that nurturing good relationships with business partners is the key to its continued success. However, inappropriate offering of gifts, entertainment, or other benefits may lead to corruption and may serve as a channel for corruption. Therefore, Land and Houses has established policies obligating those giving and accepting gifts, entertainment, or any other benefits to observe the following regulations:

##### **3.1.1 Accepting gifts or benefits**

Under no circumstances can directors, executives, or employees demand or accept gifts or other expenses from customers, partners, or related parties if those gifts lead to their biased decisions, uncomfortable feelings, or conflicts of interest. It excludes items, gifts, presents, or any other benefit accepted by tradition and complying with applicable laws.

##### **3.1.2 Giving gifts or benefits**

Under no circumstances can directors, executives, or employees unlawfully give gifts, assets, or other expenses to public/government officials, private staff, customers, partners, or stakeholders, including their spouses, children, or related parties, as a bribe, compensation, or something in return for their business favor. It excludes those given to promote the Company's products or those given by tradition and in compliance with laws. They must not be involved in a business decision-making process or have a binding

effect on decision-making. The gifts can be offered under the condition that they carry an appropriate price or value. However, the givers must first seek approval from their superiors.

### **3.1.3 Entertainment**

Entertainment and business entertainment, such as food and drink entertainment, sports, or other expenses, directly related to business or implemented as commercial traditions, are allowed. However, the entertainment must be sensible, organized in an appropriate place, and must not impact operational decisions or cause conflicts of interest.

### **3.1.4 Accepting offers for meetings, training, seminars, and business visits by spending the partner's budget**

Land and Houses' personnel can accept offers for meetings, training, seminars, business negotiations, and business visits for the Company's and the Group's benefit. However, those offers must focus more on educational than leisure purposes and must be approved by Vice President of each department or higher.

## **3.2 Sponsorships**

(1) The Company can offer different types of sponsorship to promote business and enhance its corporate image, such as supporting cultural, social, environmental, educational, and sports activities. Besides being transparent and legal, these activities must not be used as an excuse for bribery.

(2) The Company's fund or assets can be spent on sponsorship in the name of Land and Houses only and must go through its approval process.

(3) Receipts or other evidence, such as a thank-you letter, must be presented, and the sponsorship must be monitored to ensure that the spending fulfills the intended purpose(s).

## **3.3 Charitable donation**

(1) Land and Houses has adopted a policy for charitable donations, both monetary funding and in-kind support, such as providing knowledge or donating items, to give back to society without expecting unlawful business returns. However, donations must be transparent and legal to avoid being used as an excuse for bribery.

(2) The Company's fund or assets can be donated to charity in the name of Land and Houses only. Permitted organizations include foundations, charitable organizations, temples, hospitals, nursing homes, and public service organizations. The donations must go through the Company's approval process first.

(3) Receipts or other evidence, such as a thank-you letter or a donation certificate, must be presented.

### **3.4 Political support**

(1) Land and Houses has adopted a policy to be politically neutral. It will not support, participate, or be affiliated with any political party, politician, or political authority to grant benefits or privileges for business advantage(s), whether directly or indirectly.

(2) Directors, executives, and employees are prohibited from using their authority to persuade, pressure, or force their subordinates or colleagues to join a political party or support any political activities.

(3) Directors, executives, and employees must not use their positions, their work hours, or the Company's fund or assets to benefit or support political activities. Despite the right and freedom to join political activities under the Constitution's provisions, they must proceed with caution to avoid misperception that Land and Houses supports or favors any political party.

### **3.5 Preventing conflicts of interest**

Land and Houses has established a policy to prevent conflicts of interest to ensure its directors, executives, and employees act transparently and do not seek benefits for themselves or others involved. They must hold the Company's best interests at heart and observe the corporate governance code. Consequently, Land and Houses has established the following guidelines for preventing conflicts of interest:

(1) Directors, executives, and all employees must hold the Company's and stakeholders' best interests at heart when making decisions and in their operation. Besides considering legality and ethics, they must not seek benefits for themselves or parties close to them.

(2) Directors, executives, and all employees must not get involved in or conduct any other business that may cause a conflict of interest with the Company.

(3) If any directors, executives, employees, or connected parties gain benefits in the course of transaction with the Company, they are prohibited from joining the approval of such transaction.

(4) Connected transactions must be presented to the Audit Committee, which will provide comments before submitting them to the Board for approval under the corporate governance code. Furthermore, the information on transactions with potential conflicts of interest, connected transactions, or related-party transactions must be disclosed under the regulations prescribed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Such transactions, under accounting standards, are also disclosed in the financial statements.



### **3.6 Facilitation fee**

Land and Houses has no policy to pay facilitation fees, whether directly or indirectly, to public/government officials, state enterprises, the private sector, and all other agencies.

### **3.7 Employment of public/government officials**

(1) Land and Houses does not employ or appoint public/government officials or employees who are still in positions to perform tasks that may cause conflicts of interest or in return for any benefits.

(2) Land and Houses can hire proficient former public officials to serve as its directors, executives, employees, staff, or consultants. Such persons must go through a recruitment, employment, and remuneration process to ensure that the Company does not benefit or receive anything in return for hiring these officials.

(3) Land and Houses commands a background check process to identify if the applicants are public/government officials or employees, which is one of the recruitment conditions to identify potential conflicts of interest.

(4) Land and Houses reveals the names and backgrounds of former public/government officials or employees appointed as its directors, consultants, and senior executives. The justifications for appointing them are stated in the Company's annual report.

## **4. Risk assessment and policy review**

4.1 Land and Houses has designated the Internal Audit Department to monitor and review the suitability, adequacy, and efficiency of anti-corruption measures. Internal Audit discusses with related members of management and advises them to revise the measures to suit the Company's business. Then it reports the review outcomes to the Audit Committee and/or the Board.

4.2 Land and Houses has assigned the Risk Management and Sustainable Development Committee to assess risk arising from its transactions, which may contain procedures or processes at risk of corruption. The Committee will then identify proper risk mitigation measures to contain them to the Company's risk appetite.

4.3 Land and Houses has designated the Risk Management and Sustainable Development Committee to review the risk management policy on corruption at least every three years.

## **5. Internal-control system and financial reporting**

5.1 Land and Houses has established measures to prevent, regulate, and control corruption risks. It employs an organizational structure, a clear work process, and a chain of command in each department to properly allocate duties while ensuring checks and balances.

5.2 Land and Houses has stipulated rules and regulations and clearly designated in writing those with payment approval authority.

5.3 Land and Houses commands a system to file accounting data, documents, and evidence in compliance with its criteria and applicable laws.

5.4 Land and Houses commands an efficient internal-control and audit system to ensure compliance with applicable standards and laws under the audit by internal auditors and review by the Audit Committee.

5.5 Land and Houses applies the COSO internal-control process to assess risks regarding internal corruption and evaluate policy compliance at the Board level. It also conducts internal-control assessment at the department level and through the operational mechanism of the Risk Management and Sustainable Development Committee.

5.6 Management is responsible for preparing timely annual and quarterly financial reports that are accurate and complete under generally accepted accounting standards.

5.7 Land and Houses forbids false or inaccurate accounting entries or account manipulation. Furthermore, it will never allow a double account to support or conceal improper payments.

## **6. Human resource management**

To underline its intention to fight corruption and encourage all employees to pay attention to and strictly follow the measures, the Company has adopted this policy as part of the code of ethics enforced on all employees. This policy is also part of the human resource management process, starting from recruitment or personnel selection, training, performance evaluation and remuneration, to employee promotion. Land and Houses has set guidelines for these as follows:

### **6.1 Recruitment or personnel selection**

Land and Houses has defined employee types and qualifications, requiring applicants to meet its criteria. Moreover, they must not have a history of abuse of power and position, pursuit of undue benefits, negligence, or a track record of fraud and corruption in any form.

### **6.2 Training**

(1) The Human Resources Department organizes various training courses related to anti-corruption to educate all employees on the different forms of corruption, the impacts and damage caused by corruption, practices to avoid and prevent corruption, penalties in case of breaching this policy, the complaint/whistleblowing procedure, and complaint channels when witnessing or suspecting corruption.

(2) The Human Resources Department provides orientation for new employees and training on the anti-corruption policy and measures for directors, executives, and employees.

(3) Land and Houses encourages directors and executives to educate employees and be good role models who comply with the anti-corruption policy and measures.

### **6.3 Performance evaluation and remuneration**

Land and Houses bases employees' salary rises on its criteria. It clearly defines the qualifications of those who will receive the raise, such as years of service, good behavior, no record of excessive lateness for work without a valid reason, conformance to the Company's regulations, no record of written warnings as a penalty or leave without pay. If an employee is accused of committing disciplinary offenses and is under the investigation process, Land and Houses will postpone the evaluation of the annual salary increase for the time being until the investigation is completed. If the employee is found not guilty as charged, it will evaluate the salary increase for that year retroactively.

### **6.4 Promotion**

Land and Houses considers employees' promotion based on its criteria. The qualifications of employees to be promoted are clearly defined, such as years of service, knowledge and capability, and performance evaluation results. Moreover, they must never have been warned in writing or subjected to disciplinary punishment.

## **7. Communication**

Land and Houses promotes among all stakeholders its commitment to transparently conducting corruption-free business with the following methods:

7.1 Informing all parties involved, including the Company's directors, executives, employees, subsidiaries, and stakeholders, about the anti-corruption policy and measures.

7.2 Informing directors, executives, and employees about the penalties for non-compliance with the anti-corruption policy and measures, including the policy not to demote, punish, or cause adverse effects on those refusing to associate themselves with corruption, although that action will cause the Company loss of business opportunities.

7.3 Publicizing the Company's anti-corruption policy and measures.

## **8. Whistleblowing measures and protection of whistleblowers**

It is the Company's policy to protect all stakeholders by setting up whistleblowing measures and whistleblower protection mechanisms. It receives complaints of right violation caused by legal infringements or ethical transgressions, including suspicious acts of fraud or

misconduct by individuals in the organization. Land and Houses has disclosed the scope of complaints, whistleblowing channels, the complaint process, and whistleblower protection on its website as seen below:

#### **8.1 Scope of complaints or whistleblowing**

- (1) Violation of the corporate governance code and guidelines
- (2) Violation of rules and regulations
- (3) Unfair treatment at work
- (4) Corrupt practices.

#### **8.2 Complaint/whistleblowing channels**

- (1) Post: To LH Complaints and Whistleblowing Function  
Land & Houses Public Company Limited  
No.1 Q.House Lumpini Building, 37-38<sup>th</sup> Fl., South Sathon Road,  
Thung Mahamek, Sathon, Bangkok 10120
- (2) E-mail: [whistleblower@lh.co.th](mailto:whistleblower@lh.co.th)
- (3) Website: [www.lh.co.th](http://www.lh.co.th) under “Corporate Governance/Whistleblowing”.

The Company's personnel witnessing an offense or violation of the anti-corruption policy and measures can seek advice and suggestions from their superiors and/or file complaints directly to the Head of the Internal Audit Department.

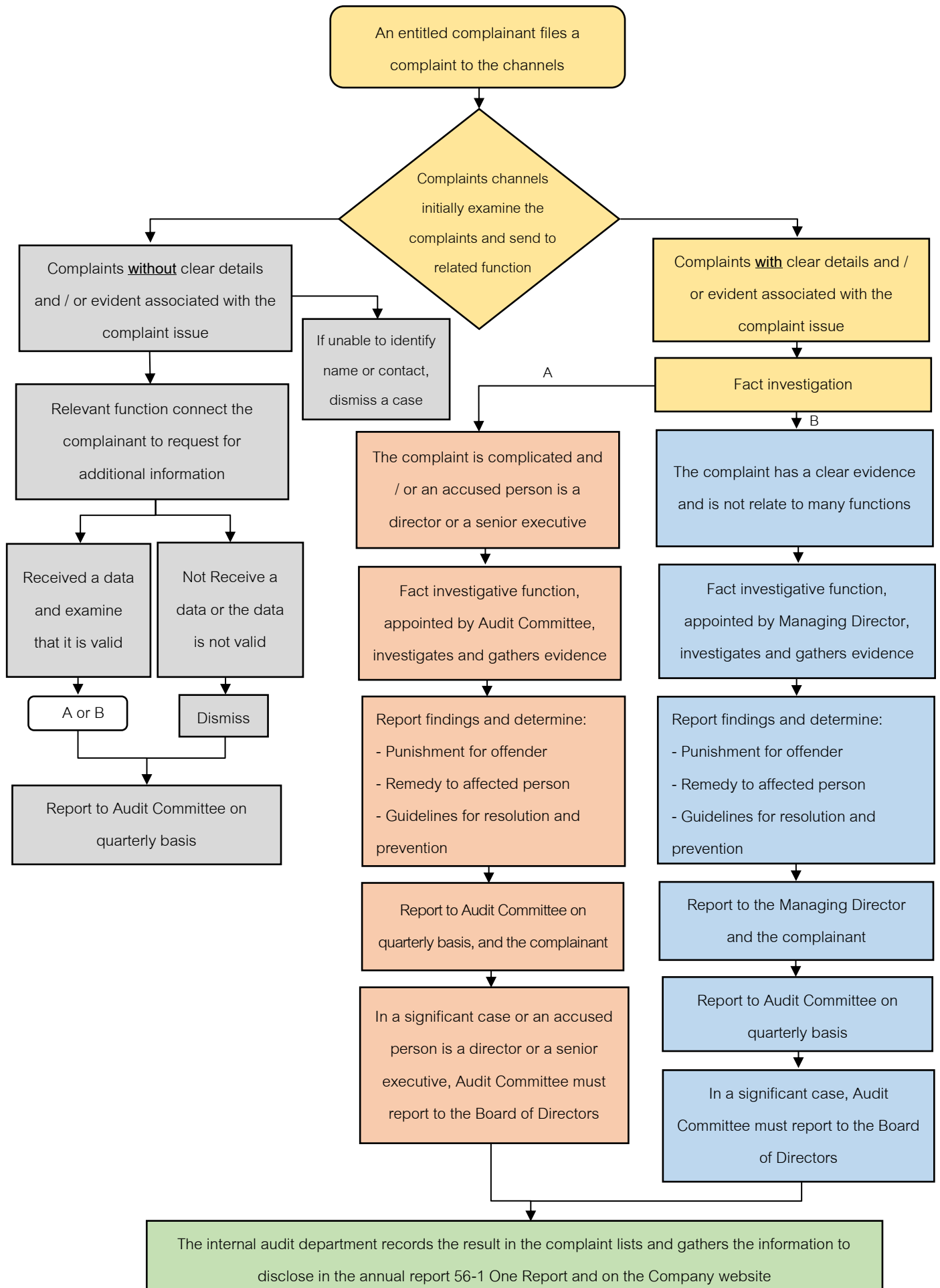
#### **8.3 Whistleblower/complainant protection**

Land and Houses has established whistleblower protection guidelines by keeping the identity and information of whistleblowers/complainants confidential. It will disclose essential details strictly to assigned parties, with due regard for safety and harm to whistleblowers or related parties for the latter's confidence when filing complaints.

#### **8.4 Complaint-handling process**

Land and Houses has adopted a complaint-handling process, whistleblower protection measures, and fact-finding investigation to ensure fairness to all. It considers whether the matters in question meet the offense criteria and how severe they are, so that the Company may determine the penalty. The fact-finding team will summarize details of the matter before reporting them to the Audit Committee for further consideration. Below is the Company's complaint-handling process:

## Complaints Management Process



## 9. Penalty

9.1 The anti-corruption policy and practices represent part of corporate discipline. Any non-compliant directors, executives, and employees will be investigated, and the penalty will be based on the Company's regulations. They will also be subjected to punishment as prescribed by law.

9.2 Land and Houses will not demote, punish, or cause negative consequences to directors, executives, and employees who refuse to commit corruption, although it could lead to the Company's business opportunity loss(es).

(Mr. Naporn Sunthornchitcharoen)  
Chairman of the Board of Directors  
and Chairman of the Executive Committee  
Land and Houses Plc