

Sustainable Finance Framework

Land and Houses Bank Public Company Limited

November 2025

1. Introduction

1.1. History of Land and Houses Bank Public Company Limited

Land and Houses Bank Public Company Limited (“LH Bank” or the “Bank”) positions itself as a new consumer choice in Thailand’s banking sector. The Ministry of Finance approved its retail banking license on 19 December 2005. On 28 October 2009 the Bank of Thailand placed the Bank under solo consolidation within a financial business group, and on 16 December 2011 the Ministry of Finance upon the Bank of Thailand’s recommendation approved an upgrade to a full commercial bank. LH Bank officially commenced commercial banking services on 19 December 2011.

On 27 July 2017, CTBC Bank acquired 35.617% of LH Bank’s paid-up share capital (equivalent to the combined stakes previously held by Land and Houses PCL: 21.879%, and Quality Houses PCL: 13.738%). On 8 September 2021, CTBC purchased an additional 10.99%, raising its holding to 46.61%. Since then, CTBC and LH Bank have jointly developed financial innovations and one-stop digital services across the LH Financial Group—LH Bank, LH Securities, LH Fund, and LH Advisory—to enhance competitiveness and deliver faster, more convenient services to customers.

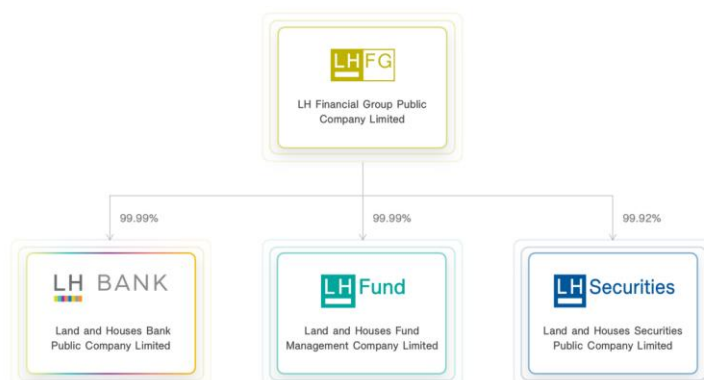


Figure 1: LH Bank’s Shareholder Structure

The Bank has developed its strategic plan and business plan in accordance with the vision and missions by operating business in line with sustainability, considering environment, society, good governance, risk management, technology development and innovation, providing knowledge and promoting financial discipline, developing products and services that meet the needs of all customer segments, expanding channels for easy and convenient access to financial services for the best interest of all stakeholders, including leading organization, society and country towards sustainable growth.

1.2. Vision

To be a leading mid-sized bank, renowned for delivering exceptional value and exceeding the expectations of corporate, SME and retail customers through innovative and personalized solutions

1.3. Mission

- To provide outstanding customer experience by delivering innovative products, services, and expert advice with a focus on quality and value
- To foster a positive and empowering workplace that promotes employee happiness, engagement, and professional growth
- To lead with integrity by adhering to principles of good governance to promote lasting economic and environment benefits while maximizing value for society, stakeholders, and shareholders
- To generate strong and sustainable returns, creating long-term value for shareholders

1.4. LH Bank Products and Services

The Bank categorizes its lending services into 3 segments consisting of conglomerate & corporate, commercial & SME and retail loans. Furthermore, the Bank has developed and designed financial products that support environmentally friendly and low carbon businesses, while promoting financial inclusion and employment generation to strengthen the overall economy, including:

- **Renewable Energy and Bridge Transition Technology in Energy Loan**

The Bank is aware of climate change, rooted from GHG emissions. In order to support the substantial reduction of greenhouse gas emissions, the Bank promotes the transition from using fossil fuel to renewable energy through loans for renewable energy and the use of transition technology.

- **Sustainable Finance through Green Loan and Sustainability-linked Loan**

The Bank provides loan services related to the organization sustainability operation in form of green loan and sustainability-linked Loan (SLL) to build incentives for customers to achieve their sustainability performance target and reduce energy consumptions and greenhouse gas emissions.

- **Green Transition Loan**

The Bank provides loans to enhance the SME businesses' competitiveness through investing, adapting, transitioning, developing their business capacities towards environmentally sustainable practices or shift from brown to less brown businesses.

- **SME Loan Program**

The Bank has established a dedicated suite of SME programs. Several programs are currently available, organized into two main tracks:

- (1) Industry-Specific Programs tailored to priority sectors; and
- (2) Product-Based Programs, including a Green Program for SMEs.

These programs are designed to broaden access to finance and support SME growth.

In 2024, the Bank extended the financing of THB 17,744 million to the power generation sector, focusing on bridge transition technologies that facilitate the shift toward cleaner energy. Additionally, the Bank maintained an outstanding renewable energy loan

portfolio totaling THB 2,069 million. During the year, THB 1,300 million in green loans and THB 900 million in sustainability-linked loans were provided.

Under the Bank of Thailand's Responsible Lending framework, the Bank has actively participated in debtor-assistance initiatives including the "Blue–Orange" measures to deliver appropriate and sustainable outcomes for borrowers. Under the Blue track (debt restructuring to reduce repayment burdens), the Bank supported 36 borrowers with an aggregate exposure of THB 9,940 million. Under the Orange track (resolution of non-performing loans to enable full settlement), the Bank assisted 112 borrowers totaling THB 22,428 million. In addition, the Bank provided soft loans to 386 borrowers amounting to THB 3,823 million, at a concessional rate of 2.00% per annum for the first two years and 5.25% per annum for the subsequent three years equating to a five-year average rate of 3.95%, which is below the Bank of Thailand's cap of an average rate not exceeding 5.00% per annum.

Supporting SMEs is a strategic priority for the Bank; we have introduced a suite of dedicated programs to expand access to finance. LHB's SME Product Program ("LHB Boost Up") offered a preferential interest rate of 3.5% per annum to eligible SMEs. The Bank continued to expand financing in provincial areas; by year-end 2024, a total of 320 SME customers had been served under this soft-loan program, 153 in the Bangkok Metropolitan Region (BMR) and 167 in other provinces. As of September 2025, the Bank had allocated THB 2,700 million in financing to 350 SMEs through the SME Loan Program.

2. Sustainable Development Framework, Corporate Social Responsibility for Business Sustainability Policy and Sustainable Development Goals (SDGs)

2.1 Sustainable Development Framework

The Board of Directors has approved the sustainable development framework for the year 2024, outlining the ESG business strategy into 3 main pillars as follows:

<p>Pillar 1</p> <p>Organization</p> <p>Sustainability</p>	<p>1.1 Ethical Governance</p> <p>The Board of Directors has defined the mechanism, overseen the sustainability and assigned the Sustainable Banking Committee to report the results to the Sustainability and Corporate Governance Committee and the Board of Directors of the bank.</p> <p>1.2 Employee Empowerment</p> <p>Aim to raise awareness and consciousness of climate change and ESG and to develop the potential of employees to drive the 3 main pillars to support the concrete reduction of greenhouse gas emissions in business and society.</p> <p>1.3 Green Organization</p> <p>Develop, improve, and monitor the decarbonization plan to reduce greenhouse gas emissions from its own operations, support sustainable goals and minimize environmental impacts.</p>
<p>Pillar 2</p> <p>Sustainable Finance</p>	<p>2.1 Responsible Finance</p> <p>Develop financial products and services to support green businesses and those requiring transition from brown to less brown as to drive the shift towards low-carbon economy of the country and promote sustainability in economy and society in the long term.</p> <p>2.2 ESG Risk Management</p> <p>Integrate environmental factors and climate change into business opportunity assessments and risk management to enable the business to effectively respond to emerging risks.</p> <p>2.3 ESG Innovative Digital Finance</p> <p>Utilize innovation and digital technology to develop financial services that support environmental sustainability, financial inclusion, and customer data security, and enhance financial services to be more accessible and convenient.</p>
<p>Pillar 3</p> <p>Responsible to Stakeholder</p>	<p>3.1 Community Investment</p> <p>Allocate resources to support communities in five areas: charity, sports, anti-drug initiatives, education, arts and culture. The goal is to create a positive and sustainable impact on communities while fostering strong relationships between organization and stakeholders..</p>

<p>Pillar 3</p> <p>Responsible to Stakeholder (Cont.)</p>	<p>3.2 Collaborative Stakeholder Engagement</p> <p>Develop partnerships with government agencies and private organizations that prioritize ESG to create a collaborative network that promotes sustainability across environmental, social, and economic dimensions.</p> <p>3.3 Transparency Disclosure</p> <p>Disclose important and relevant information clearly, completely and transparently in accordance with international standards such as GHG Protocol and TCFD Report.</p>
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2.2 Corporate Social Responsibility for Business Sustainability Policy and Sustainable Development Goals (SDGs)

The Bank was aware of operating its business under social responsibility which could lead to business sustainability by align with the UN Sustainable Development Goals (UN SDGs) by paying close attention to stakeholders, economy, society and environment with morality, ethics, code of conduct and business operations with honesty, transparency, fairness and awareness of impact on economy, society and environment. Consequently, the Bank has defined corporate social responsibility for sustainable business policy so that directors, executives and employees can adhere to; namely, Good Corporate Governance, Fair Business Operation, Anti-corruption, Respect for Human Rights, Fair Treatment of Labors, Responsibilities towards Consumers, Cooperation in the Development of Community and Society, Environmental Management and Innovation and Dissemination of Innovative Corporate Social Responsibilities.

As a result, the Bank has determined the Responsible Lending guidelines to ensure customers are fairly treated as well as assessment of ESG risks and impacts associated with lending, and contribute to the SDGs as follows:



3. LH Bank Sustainable finance framework

LH Bank **Sustainable finance framework** (“the Framework”) underscores the Bank’s strategic commitment to promoting green and social lending. Through this Framework, the Bank actively supports environmentally and socially responsible projects and businesses by offering credit facilities that align with its internal sustainability policies.

The **Sustainable finance framework** has been established as a strategic framework to mobilize funding through a variety of instruments including green, social and sustainability deposits, bonds, loans, and other financial products (collectively referred to as “sustainable financing instruments”). The Framework has been developed in alignment with internationally and regionally recognized standards and principles, ensuring transparency, credibility, and consistency in the Bank’s sustainable finance approach.

Guidelines	Published by	Version
Green Bond Principles (GBP)	The International Capital Market	June 2025
Social Bond Principles (SBP)	Association (ICMA)	June 2025
Sustainability Bond Guidelines (SBG)		June 2021
ASEAN Green Bond Standards	The ASEAN Capital Markets Forum	2018
ASEAN Social Bond Standards		
ASEAN Sustainability Bond Standards		
Green Loan Principles (GLP)	- The Loan Market Association (LMA)	March 2025
Social Loan Principles (SLP)	- Loan Syndications and Trading Association (LSTA)	
	- Asia Pacific Loan Market Association (APLMA)	

In line with these standards and principles, the Framework was formed by the following core components:

- 1) Use of Proceeds
- 2) Process for Project and Asset Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting
- 5) External Review

3.1 Use of Proceeds

An amount equivalent to the proceeds raised from sustainable financing instruments that constitute the Bank's liabilities under this Framework will be exclusively allocated to the financing or refinancing, in whole or in part, new or existing loans provided by LH Bank, which include assets, projects or investments that align with eligibility criteria (collectively referred to as "Eligible Assets") and support the SDGs. For refinancing purposes, the look-back period is limited to Eligible Assets financed within the past 3 years, unless stated otherwise.

Eligible Green Assets are expected to contribute to at least one of environmental objectives defined in the Thailand Taxonomy. The Bank is committed to aligning its Eligible Green Assets with Thailand Taxonomy (published in 2025) on a best effort basis, in order to uphold credibility and transparency. The Bank classifies activities as eligible if they fall into one of the following categories:


- a. Fully aligned with the Thailand Taxonomy, including compliance with the Do No Significant Harm (DNSH) and Minimum Social Safeguard (MSS) criteria. This applies to clients that are listed companies or borrowers whose projects fall under the Sensitive Sectors as defined in the Bank's Environmental & Climate (E&C) Risk Management Policy. In these cases, the DNSH and MSS assessment should be provided.
- b. Aligned with the Technical Screening Criteria of Thailand Taxonomy, where the data availability is limited due to factors, such as limitations in resources and capacity. In such cases, the Bank will adhere to its internal sustainability and guidelines for sustainable finance, including E&C Risk Management Policy and Green Loan Guidelines, to ensure that the Eligible Green Assets do not create negative impacts on society or environment.

In the absence of applicable Technical Screening Criteria under the Thailand Taxonomy, the Bank applies specific requirements according to LH Bank's criteria, for example, based on

recognized certification, standards or best practices. Please refer to LH Bank's criteria according to Table 1.

Eligible Social Assets will be assessed in accordance with the eligibility criteria set out in Table 2 through the process for project and asset evaluation and selection set out in the next section.

Table 1: Eligible Green Project Categories



ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
Renewable energy	<div>7 AFFORDABLE AND CLEAN ENERGY</div> 	Climate mitigation (Energy sector)
Energy generation from renewable sources	<p>Construction and operation of facilities generating electricity, heating, or cooling from the following sources:</p> <ul style="list-style-type: none"> Solar energy (photovoltaic and concentrated solar power), or other solar technologies Wind energy (onshore and offshore) Hydropower <ul style="list-style-type: none"> Hydropower facilities in operation before 1 January 2024 with a power density >5W/m2 OR GHG emissions intensity <100 gCO2e/kWh over the plant's life cycle Hydropower facilities commencing operation on or after 1 January 2024 with a power density >10W/m2 OR GHG emissions intensity <50 gCO2e/kWh over the plant's life cycle Pumped storage facilities and new projects must meet criteria as defined in Thailand Taxonomy Geothermal power with GHG emissions intensity <100 gCO2e/kWh, after 2040 it should be <50 gCO2e/kWh Marine renewable energy (tidal, wave and ocean thermal energy) 	<ol style="list-style-type: none"> Solar energy generation Wind energy generation Hydropower generation Geothermal power generation Marine energy generation
Bioenergy generation and production	Construction, operation and retrofitting of facilities generating electricity, heating, or cooling from bioenergy	5. Bioenergy generation and production (including SAF)




ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
including Sustainable Aviation Fuel (SAF)	<ul style="list-style-type: none"> New and existing facilities (except SAF) must meet the criteria as defined in Thailand Taxonomy Eligible feedstocks¹ (except SAF) include residues, energy crops and lignocellulosic biomass such as straw, with three exceptions: <ul style="list-style-type: none"> Wood and all woody biomass except for those produced in line with the Forestry criteria of the Thailand Taxonomy Algae Biodegradable Municipal Solid Waste (MSW), including sewage sludge and food waste For SAF, resulting product will comply with the sustainability certification schemes established under CORSIA Resulting product should comply with the relevant national standards that align with the CORSIA Sustainability Certification Schemes 	
Renewable non-fossil gaseous and liquid fuels, including low carbon hydrogen	Construction and operation of facilities generating electricity using gaseous and liquid fuels of renewable origin, including low carbon hydrogen, with lifecycle GHG emissions <100 gCO ₂ e/kWh, after 2040 it should be <50 gCO ₂ e/kWh	8. Electricity generation from renewable non-fossil gaseous and liquid fuels, including low carbon hydrogen and its derivatives







¹ Feedstocks should comply with the guidelines from one of the following bodies: Program for the Endorsement of Forest Certification Scheme (PEFC), Forest Stewardship Council (FSC), Biomass Biofuels Voluntary Scheme (2BSvs), Bonsucro, International Sustainability and Carbon Certification (ISCC and ISCC Plus), Round Table on Responsible Soy (RSB), Roundtable on Sustainable Biomaterials (RTSB)




ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
Energy storage	Electricity and low-carbon hydrogen and its derivatives storage systems, including battery energy storage systems (BESS) and thermal and geothermal energy storage systems where the generated energy with on life cycle emissions <100 g CO ₂ e/kWh	14. Storage of electricity, thermal energy and low-carbon hydrogen and its derivatives
Transmission and distribution of electricity	Construction, operation and retrofitting of transmissions and distribution infrastructure and enabling ICT and smart systems that meet one of the following: <ul style="list-style-type: none"> Infrastructure is dedicated to a direct connection or an expansion of connection between power plants and with life cycle energy intensities <100 gCO₂e/kWh; OR Infrastructure that is on decarbonization trajectory at least 67% of the newly connected generation capacity in the system <100 gCO₂e/kWh over rolling 5-year period; OR The average system grid emissions factor must be <100 gCO₂e/kWh over rolling 5-year period. 	15. Transmission and distribution of electricity
Real estate	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div>	Climate mitigation (Construction & real estate sector)
Green buildings	Development, construction of new buildings, renovation of existing buildings and acquisition or ownership of buildings that meet criteria as defined in Thailand Taxonomy, including compliance with the eligible national and international certification schemes, such as TREES (Gold or Platinum), LEED (Gold or Platinum) and EDGE for commercial buildings or level 2 or 3 certified for residential buildings.	<ol style="list-style-type: none"> 1. Construction of new buildings 2. Renovation of existing buildings 3. Acquisition or ownership of buildings

ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
Energy efficiency improvements	Measures or services to achieve energy or resource saving for buildings as defined in Thailand Taxonomy, such as: <ul style="list-style-type: none"> • Installation of renewable energy equipment, renewable energy charging stations • Installation of the equipment to decrease building operational emissions and consumption of water, gas, or electricity, such as building automation and energy management systems • Installation of infrastructure for charging electric cars using grid electricity • Installation of energy efficiency equipment with relevant international labelling or Thailand regulation (two highest classes) • Installation of insulation and replacement of energy-efficient components such as walls, roofs and windows 	4. Installation, maintenance and repair of special-purpose building equipment
Building materials	Manufacture or purchase green building materials, <ul style="list-style-type: none"> • Manufacturing of building materials that meet criteria as defined in Thailand Taxonomy • Manufacturing of certified green buildings or raw materials such as FSC-certified wood (Referring to LH Bank's criteria) • Purchase of building materials and raw materials that meet the criteria mentioned above (Referring to LH Bank's criteria) 	Climate mitigation (Manufacturing sector) 2. Manufacturing of cement 3. Manufacturing iron and steel For Manufacturing of certified green buildings or raw materials and purchase of building materials, it will refer to LH Bank's criteria.

ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
Pollution prevention and control and circular economy	 	Climate mitigation; or Resource resilience or transition to a circular economy (Waste management sector)
Waste management	<p>Construction, upgrade and operation of waste management facilities:</p> <ul style="list-style-type: none"> Treatment of biowaste through aerobic digestion, resulting in production and utilization of compost or treatment of bio-waste including sewage sludge and wastewater by anaerobic digestion, resulting in production and utilization of biogas, digestate or chemicals and meet criteria as defined in Thailand Taxonomy Sorting, reuse, recycling facilities, including all types of material recovery facilities, with conversion rate >40% by weight of all non-hazardous waste received by the facility, suitable for the substitution of primary raw materials and meet criteria as defined in the Thailand Taxonomy 	<p>1. Anaerobic digestion of bio-waste or wastewater</p> <p>2. Composting of bio-waste</p> <p>9. Sorting and material recovery from non-hazardous waste</p>
Pollution prevention and control	<ul style="list-style-type: none"> Upgrade or replacement of equipment in industrial and manufacturing with high-efficiency or best available technologies. Implementation of measures that reduce GHG emissions, including use of environmentally friendly refrigerants and refrigerant leakage prevention/refilling devices 	Referring to LH Bank's criteria


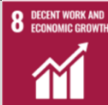

ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
Transportation	 	Climate mitigation (Transportation sector)
Clean transportation	<ul style="list-style-type: none"> Purchase, renting and operation of the personal, public and freight transportation by road, rail modes using the zero emission vehicles and meet criteria as defined in Thailand Taxonomy Construction, modernization, maintenance and operation of infrastructure for clean transport, such as bike lanes, electric charging and hydrogen refueling installation, electricity grid connection upgrades 	<ol style="list-style-type: none"> Transport via railways Other passenger land transport Urban and suburban passenger land transport Freight transport by road Enabling infrastructure for low-emission transport
Water		Climate change mitigation; Climate change adaptation; Sustainable use and protection of marine and water resources; or Resource resilience and transition to a circular economy (Waste management sector)

ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
Sustainable water and wastewater management	<ul style="list-style-type: none"> Construction, operation and maintenance of water collection and supply systems, including water efficiency, conservation, purification and desalination (Referring to LH Bank's criteria) Construction, extension, upgrade, operation and renewable of wastewater collection and treatment plants 	11. Construction, extension, upgrade, operation and renewal of decentralized wastewater collection and treatment 12. Construction, extension, upgrade and operation of centralized wastewater collection and treatment 13. Renewal of centralized wastewater collection and treatment
Environmentally sustainable management of living natural resources and land use and biodiversity conservation	   	(Agriculture sector)
Agriculture, forestry and ecosystems	<ul style="list-style-type: none"> Sustainable agriculture and aquaculture that meet criteria as defined in Thailand Taxonomy Sustainable forestry, including sustainable forest management, conservation and restoration and forestry plantation that meet criteria as defined in Thailand Taxonomy 	4. Agricultural sub-activities 9. Forestry subsector
Climate change adaptation	 	Climate adaptation (Construction & real estate sector)

ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
Climate change adaptation	Measures to reduce impacts of climate change, including: <ul style="list-style-type: none"> Climate resilience infrastructure that enhances resilience to climate-related hazards and instruments and devices for providing early warning 	4. Installation, maintenance and repair of special-purpose building equipment 6. Early warning system
Enabling infrastructure and services	<div>    </div>	Climate mitigation; Climate adaptation; Sustainable use and protection of marine and water resources; Pollution prevention and control; and/or Resources resilience and circular economy promotion (Manufacturing sector)
Infrastructure or components for clean/ low carbon products	Manufacturing and production of infrastructure for low-carbon operations, including: <ul style="list-style-type: none"> Rechargeable batteries, battery packs, accumulators for transport, stationary, and off-grid energy storage and its respective components, including recycling Technologies, components and parts for functioning of low-carbon or renewable energy technologies as defined by the energy sector of Thailand Taxonomy, such as wind towers, hydro turbines Low-carbon transport vehicles and their key components, fleets that meet criteria as defined in Thailand Taxonomy 	1. Manufacture of batteries 2. Manufacturing of renewable energy technologies 3. Manufacture of low-carbon technologies for transport 4. Manufacturing of energy efficiency equipment for buildings

ICMA GBP-aligned Eligible Green Project Categories	Eligibility Criteria	Thailand Taxonomy Objectives and Activities
	<ul style="list-style-type: none"> Key component necessary to support installation, maintenance and repair of special - purpose building equipment from Thailand Taxonomy Household goods and technologies to reduce GHG emissions 	5. Manufacture of other low-carbon technologies
Carbon capture utilization and storage (CCS/CCUS)	Carbon capture as a supplementary activity for the activities listed in the Thailand Taxonomy	1. CCS/CCUS: Point-source capture of CO2 (under 6.4 CCS/CCUS-Related Activities)

Table 2: Eligible Social Project Categories

ICMA SBP-aligned Eligible Social Project Categories	Eligibility Criteria	Target population
<ul style="list-style-type: none"> Access to essential services (financing and financial services) 	  	
SME financing	<p>Loans provided to SME² entrepreneurs to increase access to financial services, including but not limited to:</p> <ul style="list-style-type: none"> Soft loans for those SMEs located outside urban areas to expand access to banking services Soft loans for those SMEs affected by natural disasters 	<p>Target populations include, but not limited to, the following:</p> <ul style="list-style-type: none"> Underserved, owing to a lack of quality access to financial services Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects

² SMEs refer to the companies with annual revenue or total asset sizes ranging between THB 50-500 million.

Exclusionary Criteria

LH Bank solemnly pledges to abstain from the allocating of the net proceeds from sustainable financing instruments to any activities outlined in the exclusionary criteria:

- Development, refining, and transportation of fossil fuels (including coal, oil, and gas)
- Fossil fuel power generation
- Nuclear power generation
- Weapons and defense
- Gambling and casinos
- Liquor and tobacco (excluding beer and wine)
- Activities with forced or child labor
- Production or trade of dangerous chemicals, radioactive materials, engendered species , wildlife and/or wildlife products
- Commercial logging in old growth or primary tropical forests
- Harmful marine or coastal fishing practices
- Projects, assets, or expenditures entailing human rights infringements, labor rights violations, and ecological detriment are proscribed.
- Business that conflicts with morality and social norms as follows:
 - Massage parlors Motel
 - Pornographic media
 - Prostitution
 - Production or activities that involve child labor.
 - Genetic modification done in plants and/or animals that may be harmful to humans or is an immoral use
- Business involving illegal activities or has a nature that violates the various rules and regulations.
- The purpose of the loan application is to support the following activities:
 - Political activities political organization
 - Associations/Clubs/Charities non-profit

3.2 Process for Project and Asset Evaluation and Selection

The evaluation and selection of all projects financed and refinanced under this Framework will be guided by a robust internal governance mechanism to ensure that the selected Eligible Assets contribute meaningfully to environmental and social outcomes and align with principles and standards as well as follow the Bank's internal Green Loan Guidelines, E&C risk management policy and SME Product program.

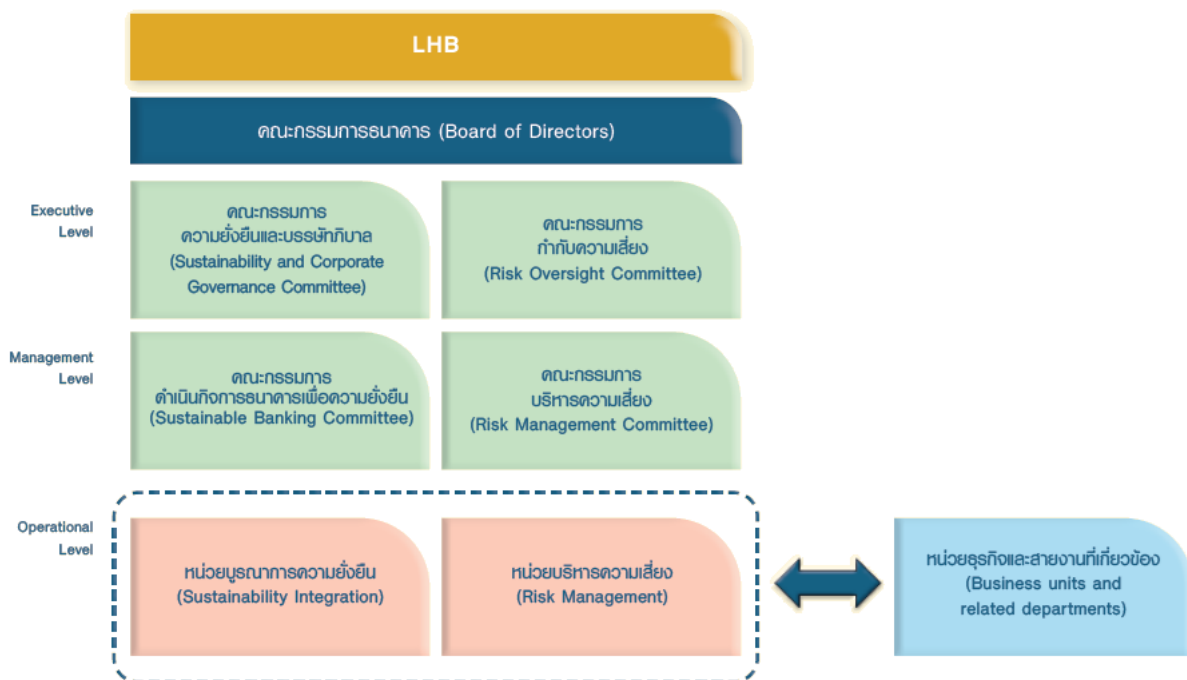


Figure 2: Sustainable Banking Committee's Governance for Project and Asset Evaluation and Selection within the Bank's Structure

The Bank assigns the Sustainability Integration Unit, under the Corporate Strategy Department, to administer the project and asset evaluation and selection processes, supported by the Bank's relevant business units and departments. These processes are integrated with the Bank's existing credit approval procedures to ensure coherence and alignment across the organization.

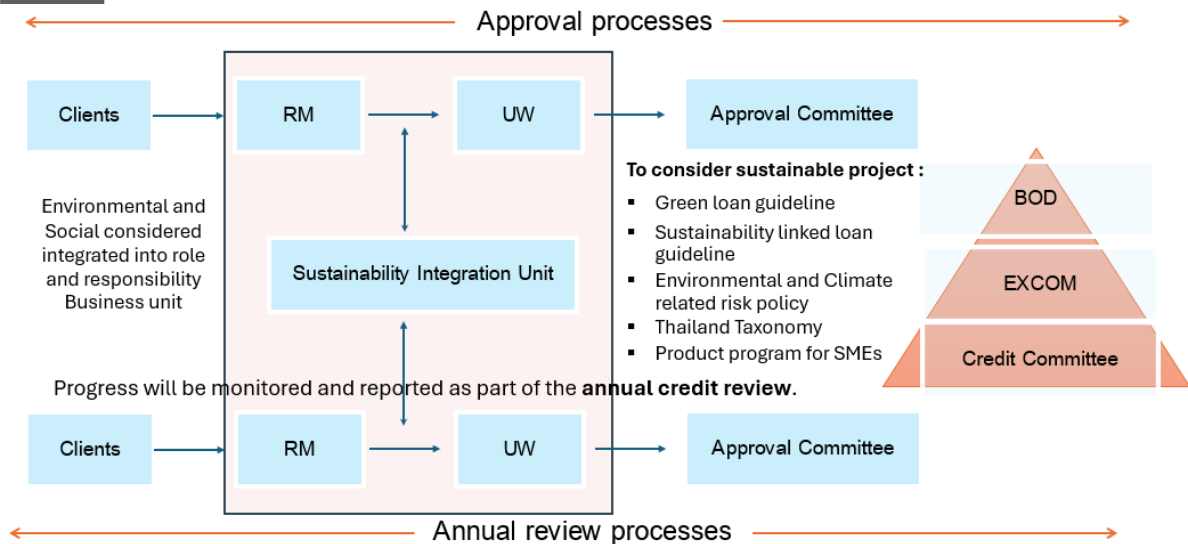
Credit applications are prepared by the Relationship Manager (RM) and Underwriting (UW) teams in accordance with the LH Bank's applicable policies and guidelines. Based on the

information provided by RM and UW, the Sustainability Integration Unit conducts an assessment to determine whether proposed projects align with the Bank’s sustainability policy and meet the eligibility criteria set out in the Framework and therefore qualify as Eligible Assets. These include the Bank’s Green Loan Guidelines and Thailand Taxonomy. Projects that do not meet eligibility criteria will follow the Bank’s standard credit process. Projects confirmed as eligible are then submitted for credit approval by the Credit Committee or other relevant approval bodies, depending on the applicable approval limit, these bodies will also review any material (E&C) related risks. Once approved, approved Eligible Assets are incorporated into the Bank’s loan portfolio and financed with proceeds raised under this Framework. The Credit Committee will meet annually to performs an annual review to consider and approve proposed Eligible Assets in accordance with the eligibility criteria previously approved under the Framework.

As part of the Bank’s standard annual credit review process, the Sustainability Integration Unit will conduct an annual review of approved Eligible Assets in accordance with the eligibility criteria and submit the results to the Credit Committee, which will performs its own review based on the Bank’s internal criteria and procedures. If any allocated Eligible Asset becomes ineligible, the Bank will reallocate the proceeds to other qualifying projects as soon as practicable.

For oversight of this process, the Bank assigns the Sustainable Banking Committee (“the Committee”) chaired by the Chief Executive Officer and, President and comprising with senior management to monitor adherence to sustainable banking strategies and practices.

The Sustainability Integration Unit is also responsible for monitoring the allocation of proceeds. and . reporting allocation and impact information to the Committee for review.



Note: BOD = Board of Director, EXCOM = executive committee, RM = relationship manager, UW = Credit Underwriter

Figure 3: LH Bank's Evaluation and Selection Process for Eligible Assets

3.3 Management of Proceeds

Throughout the tenure of the sustainable financing instruments, the sustainability integration unit will oversee the management of proceeds. Registered projects and the balance of proceeds will be regularly monitored in portfolio basis and to ensure that fund inflows remain within the portfolio's valuation according to the Bank's internal tracking procedure.

Unallocated proceeds will be temporarily held in cash or cash-equivalent instruments, or invested in marketable securities in accordance with LH Bank's Liquidity Risk and Interest Rate Risk in the Banking Book Management Policy. These investments will exclude any activities in the Bank's exclusionary list, ensuring alignment with the sustainability objectives until full allocation.

3.4 Reporting

Until full allocation, LH Bank will publish an annual progress report and may issue additional updates when deemed suitable, particularly upon substantive evolutions within the Bank's operations.

The aforementioned progress report will encompass both allocation reporting and impact reporting and will be made publicly available on LH Bank's website.

- **Allocation Report will include:**
 - A registry of issued sustainable financing instruments alongside their respective outstanding balances
 - Total amount of proceeds allocated by green and social project categories on a portfolio basis
 - A short description of major Eligible Assets
 - The proportion of financing versus refinancing
 - The residual balance of unallocated proceeds at the culmination of the reporting period
- **Impact Report will include:**

Where feasible, both qualitative and quantitative metrics that delineate key performance indicators. The sample impact indicators enumerated in the subsequent table will be reported on an aggregate portfolio basis.

Table 3: Eligible Green and Social Project Categories with Sample Impact Indicators

Eligible Project Categories	Sample Impact Indicators
Renewable energy	
Energy generation from renewable sources	• Installed renewable energy capacity (MW / GW)
Bioenergy generation and production including Sustainable Aviation Fuel (SAF)	• Annual renewable energy generation (MWh / GWh for electricity or GJ / TJ for other energy)
Renewable non-fossil gaseous and liquid fuels, including low carbon hydrogen	

Eligible Project Categories	Sample Impact Indicators
Energy storage	<ul style="list-style-type: none">Estimated annual GHG emissions reduced/avoided (tCO2e)
Transmission and distribution of electricity	
Real estate	
Green buildings	<ul style="list-style-type: none">Floor area of certified green buildings (m²)Annual energy saving (kWh)Annual GHG emissions avoided/reduced (tCO2e)
Energy efficiency improvements	
Building materials	<ul style="list-style-type: none">Volume of green building materials produced/purchased (tons or % of total)Estimated reduction in embodied carbon (tCO2e)
Pollution prevention and control and circular economy	
Waste management	<ul style="list-style-type: none">Annual waste prevented, reduced, reused, or recycled (tons)GHG emissions avoided/reduced (tCO2e)Estimated annual reduction in electricity consumptionAnnual reduction of electrical consumption/productionAnnual energy saving in kWh (electricity) or GJ (other energy saving)Estimate annual GHG emissions reduced/avoided (tCO2e)
Pollution prevention and control	
Transportation	
Clean transportation	<ul style="list-style-type: none">Number of zero emission vehicles in operationNumber of electric charging stations installedAnnual GHG emissions reduced/avoided (tCO2e/yr)
Water	
Sustainable water and wastewater management	<ul style="list-style-type: none">Annual volume of water saved (m³)Annual volume of wastewater treated or reused (m³)

Eligible Project Categories	Sample Impact Indicators
	<ul style="list-style-type: none"> Number of households/communities benefiting from improved water services
Environmentally sustainable management of living natural resources and land use and biodiversity conservation	
Agriculture, forestry and ecosystems	<ul style="list-style-type: none"> Area under sustainable agriculture or forestry that meet Thailand Taxonomy criteria (m²) Volume of agriculture or aquaculture products procured that meet Thailand Taxonomy criteria (ton)
Climate change adaptation	
Climate change adaptation	<ul style="list-style-type: none"> Number of infrastructures adapted to climate change Number of early warning systems installed
Enabling infrastructure and services	
Infrastructure or components for clean/ low carbon products	<ul style="list-style-type: none"> Number of infrastructures or components produced or installed
Carbon capture utilization and storage (CCS/CCUS)	<ul style="list-style-type: none"> Estimated annual energy saving (kWh) or water savings (m³) from implemented measures
<ul style="list-style-type: none"> Access to essential services (financing and financial services) 	
SME financing	<ul style="list-style-type: none"> Number of loans to SMEs by geographical locations % of SME proportion of total loan portfolio

3.5 External Review

LH Bank will obtain a Second-Party Opinion (SPO) for pre-issuance from an external reviewer to assess the alignment of this Framework with the relevant principles and referenced herein. The SPO will be made publicly available on the LH Bank's website.

3.6 Updating this Sustainable finance framework

The Sustainable Banking Committee of LH Bank will review this Framework from time to time. Revision may be made in response to market evolutions or as a part of the enhancement of LH Bank's sustainable finance strategy.