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# Business Sustainability Development

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## Sustainability Policy

The Erawan Group Plc, a leading hotel investor and operator in Thailand and Philippines, realizes the importance of its role in the tourism industry that hotel developers may cause both positive and negative effects to all stakeholders. That's why we are implementing the sustainable development principle to cover economic, social and environmental (ESG) dimensions under the CG Code with a goal to render benefits while being able to grow sustainably in tandem with all stakeholders.

The Company has declared the following for the purpose of sustainable development:

- 1 Compliance with relevant laws and requirements including acting against all forms of corruption in Thailand and countries where we have a business unit.
- 2 Adherence to the CG Code, transparency and business ethics by mainly taking into consideration stakeholders.
- 3 Focusing on responsible management throughout the entire supply chain and promoting responsible procurement.
- 4 Respecting human rights based on the principles of international criteria, equality, fairness and nondiscrimination.
- 5 Focusing on enhancing quality of life and potential of employees; promoting volunteering spirit to cultivate social and environmental responsibility.
- 6 Supporting and participating in community and social development both at where we have a business and within the society at large.
- 7 Supporting and participating in community and social development both at where we have a business and within the society at large.

The Sustainable Development Policy is the accountability of our Board of Directors and Management to drive it in a constructive manner. It is also the duty of all employees in our organization to comply with the policy and integrated it as part of our day-to-day business process and performance evaluation to achieve concrete outcomes

Petch Krainukul  
President

# Together for The Better

## Innovating Exceptional Experience to Deliver Happiness for All

### ERAWAN's Culture



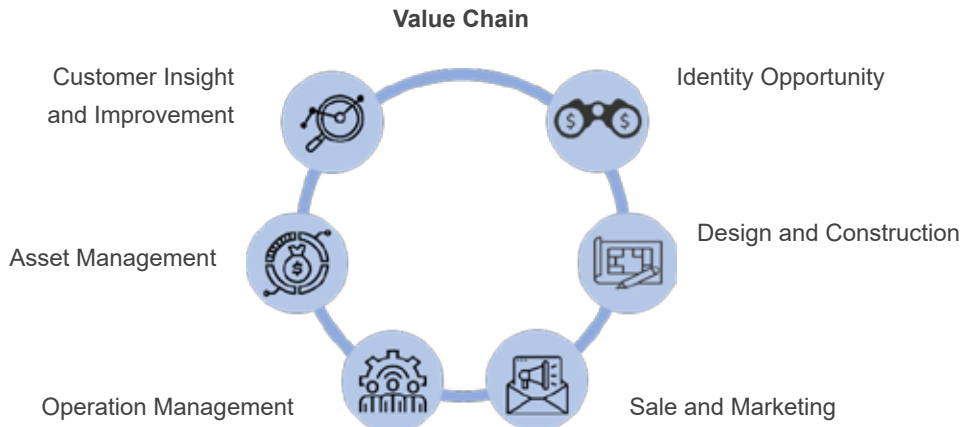
- Empathy**      Having Compassion on Others  
Understand and concentrate to necessity and difficulty of other and bring together for development or innovations.
- Efficiency**      Work Efficiently  
Work at full capacity and make the most of resources to deliver quality and continuously evolving results.
- Passion**      Indomitable Will  
Be determined to achieve goal with uncompromisingly committed to obstacles.
- Innovation**      Creative from different perspective  
Think differently for a new challenging creativeness that led to innovations, better working processes and better results.
- Integrity**      Adhere to Goodness  
Work with integrity virtue and business ethics.
- Collaboration**      Accomplished together  
Collaborate as a team and build a network of partners to accomplish common goals.

### Sustainable Strategy

| Partnership   | People  | Planet  |
|---|---|---|
| Establish shared value network to strengthen a sustainable / Unique value for customer.   | Escalate dynamic capability for sustainable growth.   | Enhance ECO- Efficiency in construction and operation.  |
| Commitment  |   |   |
| Creating shared values to enhance stakeholder efficiency for mutual growth.   | Enhancing staff capacity and upgrading work procedures and process to improve quality of life.  | Elevating the efficiency of the economic ecosystem by improving work processes and utilizing efficient use of resources   |
|    |   |   |

**Managing impacts to stakeholders in the value chain**

For a business to remain sustainable, the Company must carefully consider both positive and negative impacts in three dimensions, economic, social, and environmental (ESG). As a result, we thoroughly analyzed our internal operation from upstream to downstream in order to identify stakeholders and linkages of the entire value chain. The communication and the appropriate responses to stakeholder expectations are essential to create shared values that lead to mutual sustainable growth.



**Analysis of stakeholders in the value chain**

The Company emphasizes on continuing share value with all stakeholders and identified them into eight groups as follows: (1) employees; (2) customers; (3) business partners; (4) suppliers; (5) shareholders/creditors; (6) government agencies; (7) communities; and (8) the environment. Communication channels are established to receive opinions and respond to their expectations. All data received will be analyzed and incorporated in work process to enhance business efficiency.

| Stakeholders | Expectation / Interest   | Responses   |
|--------------|--|---|
| Employees    | <ul style="list-style-type: none"> <li>• Equal treatment</li> <li>• Reasonable remunerations and welfare</li> <li>• Learning opportunity, capacitybuilding and career growth</li> <li>• Occupation,healthand safety (OHS)</li> <li>• ClearcommunicationoftheCompany's situation and operation results</li> </ul> | <ul style="list-style-type: none"> <li>• All nationalities are welcomed to apply through a recruitment and employment process.</li> <li>• Remunerations are paid based on performance that reflects the Company's policy and in line with peers in the same industry.</li> <li>• An Individual Development Plan is developed for employees.</li> <li>• Setting up the ERW Digital Learning Center to enable Learning from Anywhere.</li> <li>• Establishing the HOP INN Learning Club to develop HOP INN personnel nationwide.</li> <li>• Promoting career growth through job rotation, job transferand promotion.</li> <li>• Cultivating corporate culture and values through trainings, activities and learning exchange projects</li> <li>• Overseeing health and wellbeing, safety, workplace environment during the Covid-19 pandemic by procuring Covid-19 vaccines, implementing the Work from Home policy and other measures recommended by the public sector.</li> </ul> |

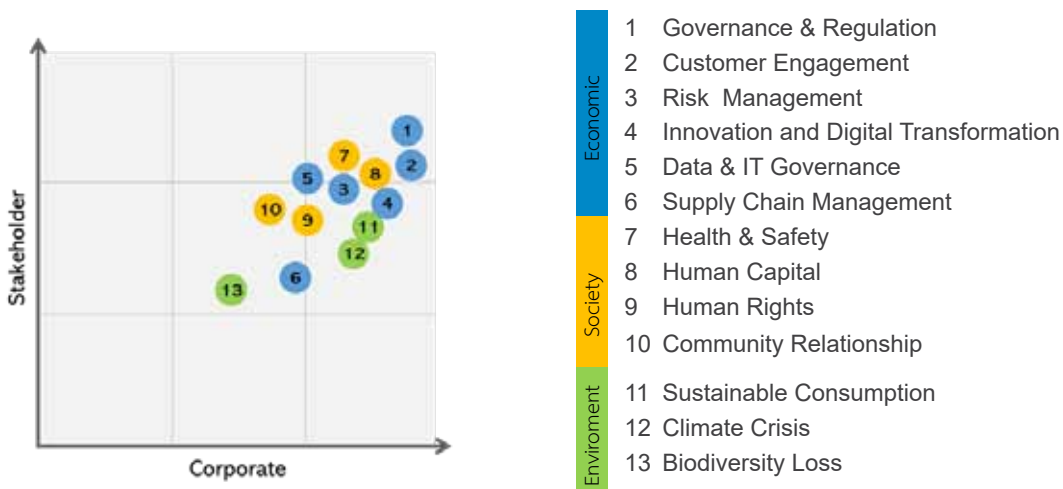
| Stakeholders             | Expectation / Interest   | Responses   |
|--------------------------|--|---|
| Customers                | <ul style="list-style-type: none"> <li>• Occupation, health and safety measures</li> <li>• Valuable goods and services that precisely meet customer's desire.</li> <li>• Disclosing accurate promotion information in time.</li> <li>• Understanding customer's behavior and able to offer services beyond customer's expectation with no prior request from customer.</li> <li>• Actively resolving problems and complaints on a timely basis with enthusiasm.</li> <li>• Safeguarding customer's information and privacy</li> <li>• Up-to-date technology and facilities that respond best to customers' needs.</li> </ul> | <ul style="list-style-type: none"> <li>• Compliance with the health and hygiene policy issued by Ministry of Health and hotels within the network; implementing SHA Plus measures to reassure customers of the hygiene.</li> <li>• Developing technology and innovation to keep services updated and reaching targeted customers.</li> <li>• Constantly improving or creating new services by using customer's complaints or recommendations as a basis</li> <li>• Constantly upskilling and reskilling employees at all levels to better customer services.</li> <li>• Designing hotels and services that meet standards to accommodate all types of customers.</li> <li>• Constantly updating promotional packages to respond to customers' needs.</li> <li>• Communicating with customers through online media and updating hotel information on a regular basis.</li> </ul> |
| Suppliers                | <ul style="list-style-type: none"> <li>• Providing sufficient information and treating suppliers with fairness</li> <li>• Focusing on fair and transparent procurement process.</li> <li>• Creating mutual business shared values.</li> <li>• Prompt support as soon as being notified by suppliers of impacts from connected transactions.</li> </ul>   | <ul style="list-style-type: none"> <li>• Having a transparent, fair and accountable procurement process.</li> <li>• Practicing ethics and the Code of Conduct</li> <li>• Collaborating to develop products and services that minimize social and environmental impacts.</li> <li>• Collaborating to reject all forms of corruption</li> <li>• Classifying suppliers to manage various risks along the supply chain.</li> </ul>  |
| Business partners        | <ul style="list-style-type: none"> <li>• Being a reliable and sustainable partner in a collaboration</li> <li>• Building a network of long-term alliance</li> </ul>  | <ul style="list-style-type: none"> <li>• Establishing ethics and the Code of Conduct</li> <li>• Collaborating to develop quality raw materials and products</li> <li>• Cooperating to protest all forms of corruption</li> </ul>  |
| Shareholders / Creditors | <ul style="list-style-type: none"> <li>• Establishing a sound and appropriate organization structure based on the CG Code</li> <li>• Generating reasonable and sustainable rates of return</li> <li>• Having a transparent and clear process of information disclosure</li> <li>• Establishing transparent CG practices that adhere to the Code of Conduct encompassing directors to the management and employees</li> <li>• Compliance with agreed terms and conditions</li> </ul>  | <ul style="list-style-type: none"> <li>• Conducting the business under the CG Code with transparency and ethics.</li> <li>• Declaring operation results, business goals and plans and risk management.</li> <li>• Listening to opinions and recommendations from shareholders on an equal basis.</li> <li>• Regularly interacting with investors, shareholders and financial institutions</li> <li>• Enabling shareholders and investors to express opinions, providing them with convenient channels to inquire about the business.</li> </ul>   |
| Government agencies      | <ul style="list-style-type: none"> <li>• No illegal business operation and compliance with the government's rules, regulations and / or policies.</li> <li>• Cooperating and supporting the government and supervisory agencies by sharing beneficial information</li> <li>• Participating and supporting the public sector's policies and projects</li> </ul>   | <ul style="list-style-type: none"> <li>• No illegal business operation: ready for whistleblowing in case it witnesses an unusual activity; supporting all forms of anticorruption activities.</li> <li>• Conducting the business with transparency on the basis of the CG Code and the Code of Conduct.</li> <li>• Cooperating and supporting the government's business related policies.</li> </ul>  |

| Stakeholders | Expectation / Interest  | Responses   |
|--------------|---|---|
| Community    | <ul style="list-style-type: none"> <li>• Mutual existence with zero conflict.</li> <li>• Employment and growth of the community's economy.</li> <li>• Receiving complaints and resolving problems on a timely basis.</li> <li>• Long-term collaboration</li> <li>• Conservation of local culture</li> </ul> | <ul style="list-style-type: none"> <li>• Cultivating relationship for amicable co-existence.</li> <li>• Supporting participation in community activities</li> <li>• Supporting children's education of neighboring communities and communities in general.</li> <li>• Promoting knowledge-sharing activities for the benefit of the communities.</li> <li>• Employing local people and supporting community products</li> <li>• Supporting the safeguarding of local identity</li> <li>• Listening to problems and taking part in finding joint solutions.</li> </ul> |
| Environment  | <ul style="list-style-type: none"> <li>• Reducing environmental impacts caused by the business</li> </ul>   | <ul style="list-style-type: none"> <li>• Collecting information for analysis purpose in order to find ways to minimize environmental impacts and particularly impacts from greenhouse gas (GHG) emission.</li> <li>• Planning, verifying and improving energy consumption on a regular basis to curb negative environmental impacts.</li> <li>• Effective use of resources</li> <li>• Effective waste management</li> <li>• Organizing internal activities with awareness in minimizing environmental impacts.</li> </ul>   |

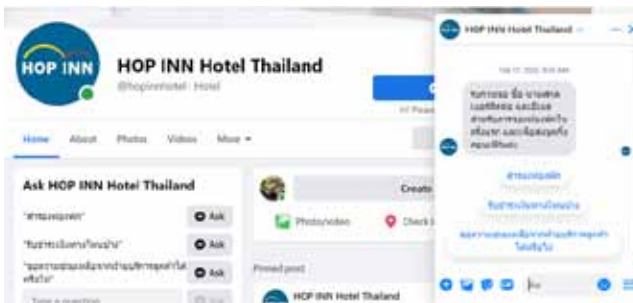
### Priorities and identifying sustainable materiality topics

As our priority is to fulfil our business philosophy "Success with Integrity". To create business values must take into consideration the interest of every stakeholder. The following are important issues identified to nurture the sustainability.

| 1 Materiality Identification   | 2. Materiality Prioritization   | 3. Validations   |
|--|---|--|
| <p>We gather expectations and interests of all stakeholders throughout the value chain that the business has taken part in before analyzing and summarizing them into our sustainability issues.</p> | <p>After the materiality issues were identified, the positive and negative impacts to our business and all stakeholders must be taking into consideration in term of economic, social and environmental dimensions to prioritize the issues with material effects to the company's sustainability. The issues are arranged based on their priorities.</p> | <p>We gather expectations and interests of all stakeholders throughout the value chain that the business has taken part in before analyzing and summarizing them into our sustainability issues.</p> |



## Innovation and Digital Transformation



### Service Innovation

To improve the quality of service, the company focuses on utilizing technology to advantage of being able to meet the needs of customers and improve the efficiency of the work process. In 2021, the Hop Inn hotel, owned and managed by the company, developed a Chatbot system to increase the booking channels. Previously the main proportion of Hop Inn Hotel booking is from the call center system, which a team of customer service staff must be available 24 hours a day. Recently the company has rapidly expanded hotel branches and the need of bookings via call center system are exponentially higher. The company therefore developed a Chatbot system with ZWIS.AI on Facebook and Line Official platforms. The system can automatically respond to customers which more convenient and reduce the process room booking. The expanding of booking channel is one of the factors that contributes to increase the number of the Hop Inn Hotel member up 28 percent from the previous year.

The Chatbot system has helped minimize the need for night shift workforce and reduce workflows, moreover increase efficiency in other areas of work. The Company is committed to respond to customer and employee feedback and continue to improve service and encourage employees to search for the new innovations to optimize their work.

**HOP INN Membership**

| 2021   | 2022   |
|--------|--------|
| 76,034 | 97,444 |



## Working innovation in response to technological change

The COVID-19 pandemic was a travel barrier to regularly audit hotel standard and the progress of construction project. We've modified the method of works to increase monitoring efficiency on hotel operation and construction projects throughout Thailand by applying the mobile application platform to work process. It can reduce costs, work-related travel, procedures, and duration of work. Apart from working faster and efficiently, it increases employee safety and well-being. In addition, to support the business plan, which aims to expand the network of Hop Inn Hotel, The Development and Maintenance Department has designed a data storage system (Power BI) for analysing maintenance data aiming to solve problems in maintenance and reduce redundancy costs, This will lead to better planning for cost saving and alternatives materials that last longer and easier to maintenance.

**Hop Inn Maintenance and Improvement**



## Information Security and Information systems

The Company and affiliates have established policies and guidelines to maintain security on data and information systems, data storage including supporting measures in case of emergency. We have focused on managing system for Work From Anywhere to ensure of consistent smooth operation and use software to regularly audit security checks. Besides we communicate to keep employees update on policies and guidelines for Information Management and Security and various threats via email, intranet, social media and provide cybersecurity cases periodically to prevent risks that may arise within the company.



## Customer Satisfaction Improvement

For the year of 2021, all our hotels in both Thailand and the Philippines were in operation. We have modified various packages not only room, food & beverage but also other services to adapt with customer behavior which constantly changes according to situations. In addition, all our hotels have closely monitored the spread of COVID-19 and strictly followed government measures while we also ensured that cleanliness and safety were given as priority. Our hotels in Thailand have been certified by the “SHA Plus” standard which given by Amazing Thailand Safety and Health Administration. SHA Plus is a sanitation safety standard for tourists which is one of the plans to open country to welcome international arrivals.

For customer satisfaction surveys, the hotels regularly conduct the survey for in-house guests and guests who use hotel services and facilities. The monthly result report will be presented to the top management to analyze and improve customer needs and seek for further business opportunities. We set yearly customer satisfaction target based on previous year’s actual scores by achieving higher scores. The company measures customer satisfaction through 2 channels as follows:

- Customer Satisfaction Survey. The survey asks customer to give scoring and opinion which covers various topics including cleanliness, service quality, hotel location and facilities. Each hotel will send the survey to customers via email after their stay.
- Social Review Index. This assessment gathers all scores on online and social media channels such as OTAs or Google Review or TripAdvisor. Such score will be compared with competitors in the market. Each hotel can view the assessment results from the conducting platform or through the system.

An average customer satisfaction scores from all hotels.

|                              | 2020 | 2021 |
|------------------------------|------|------|
| Customer Satisfaction Survey | 79%  | 80%  |

The average satisfaction score in 2021 increased by 1% from 2020. Due to the COVID-19 situation, the company has adjusted survey topics to better reflect the needs and the opinions of customers which covered hotel hygiene and safety measures such as cleanliness or food service. Throughout 2021, our hotels had been impacted by government measures to curb the spread of the coronavirus, as a result, hotels may not be able to fully meet the needs of customers. Nevertheless, while hotels were required to comply with government regulations, they remained to focus on improving customer satisfaction and constantly adjusted the service to serve customers better. However, the company does not consider only customer satisfaction scores, but also consider customer feedback. Each opinion will be analyzed whether it is a matter of service or facilities and discuss with the management team for further improvement.





## Managing impacts affecting suppliers in the supply chain

The Company underlines the importance of a transparent and fair procurement process and is against all forms of corruption. As a result, we provide channels for suppliers to file a complaint while a satisfaction survey of suppliers is regularly conducted to gather information and classify suppliers under the supply chain for effective management. Suppliers are classified into two groups as follows.

1. Suppliers in the Project Development
2. Suppliers in the Operation & Assessment

For hotels managed by different brands, quality of goods and services especially food from suppliers is subject to regular examination for the purpose of safety and wellbeing. We strive to grow with our suppliers, to jointly develop products and services for customers through transparent supervision and management to reduce economic, social and environmental impacts. We also issue the Code of Ethics for business partners and solicit compliance from suppliers. We have ranked the suppliers and partners for evaluation and monitoring in 2022.

### Supplier Analysis

| Number of suppliers | Hotel Business | Business Development | Office |
|---------------------|----------------|----------------------|--------|
| Total suppliers     |                | 4056                 |        |
| Main suppliers      | 27             | 8                    | -      |
| General suppliers   | 3564           | 100                  | 277    |



# BETTER PEOPLE

## Escalate Dynamic Capability for Sustainable Growth



### Sustainability management in social dimension

Employees are the most important asset to the Company's business. This is translated into a policy to nurture our human resources as a "capable" and "good" person who takes part in helping the society and driving the Erawan Group to become a sustainable organization ready to adapt to changes in all situations.

#### HR Management

##### Care for Employees

Amidst challenges arising from the Covid-19 pandemic, we relentlessly commit to take care of our staff in a comprehensive manner to enable them to work happily and to be inspired to adapt to changes for collaboration that will drive the organization forward while delivering sustainable values to stakeholders. In addition, we commit to treat every employee equally through the international principles of human rights. In 2021, the total number of employees of the company is 3,000 people, and 4% was employees with disabilities.

|            | Male  | Female |
|------------|-------|--------|
| Employee   | 44.1% | 55.9%  |
| Management | 53%   | 47%    |

#### Talent Acquisition

We actively recruit people based on the human rights principle where everyone is treated equally without discrimination in race, color, gender, age, religion and faith. Everyone of any race and nationality can apply to work with us. Employees are selected based on qualifications. All new staff will attend an orientation and onboarding program. Internal staff can rotate their job through job transfer or promotion to another position based on what's appropriate for upskilling and advancement in career path.

### Core Values and Corporate Culture

The Company raises awareness and understanding and promotes its DNA through Erawan's corporate culture. This is carried out through regular communication, projects and events such as a Townhall Meeting, the Friday Talk, Ex-Sharing, Digital Showcase, Idea board and Erawan Virtual Run Together to encourage employee engagement as anticipated by the Company.

#### Employee Engagement Survey

An Employee Engagement Survey is conducted annually to allow the Company to listen to opinions and recommendations from employees. Information from the survey is analyzed and implemented to design and develop a program to provide comprehensive care to employees to improve their living conditions and strengthen the relationship. In 2021, the survey showed the level of employee engagement at 80%.

#### Lifelong Learning

The Company actively promotes ongoing staff capacity building. In 2021, the ERW Digital Learning Center, which is an online training platform, was upgraded to underline the Reskill and Up skill training courses during Covid-19 for staff to learn from anywhere through a variety of channels ranging from virtual, to website, Share Point, Podcast and learning platforms developed by local and international leading education institutions. When the pandemic became less intense, we introduced a hybrid learning program where staff may access training courses either virtually or through an in-person classroom. In 2021, 88,371 training hours were delivered, which accounted for an average of 33 training hours/ person/year. The training was delivered via 5 major programs in a form of more than 200 courses.

Details are as follows.

1. "ERW Core Program (ECP)"
2. "Leadership Development Program (LDP)"
3. "Functional Development Program (FDP)"
4. "Digital Development Program (DDP)"
5. "English Development Program (EDP)"

At the end of 2021, the Company conducted a satisfaction and benefit survey for its employee potential development program. The benefits that employees rated the most in the top 3 are:

- Growth Mindset concept, including planning for adapting to the uncertainty of the COVID-19 situation.
- Skills in applying work processes to digitalization form.
- Technological tooling skills to support Hybrid Workplace policies.

From 2021 development program, the employees were able to revise work processes using digitalization to increase work efficiency such as auditing the hotel standard through the application which helped employees save time and minimize travel and helps the company to accelerate the expansion of new hotels and control the quality of existing hotels faster. The company also surveyed the areas employees would like to learn more in the coming year, which includes adaptation to support work in the era of digitalization, English for work development and attitude adaptation to build leadership skills.

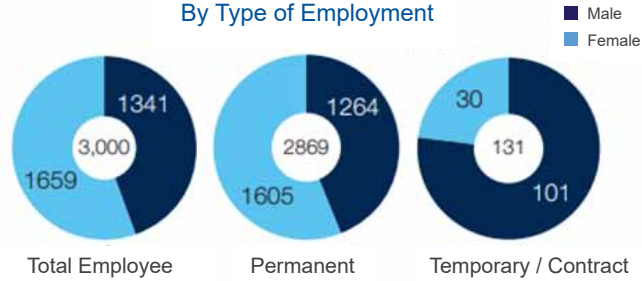
### The Health and Safety (OHS) Policy

The Company commits to oversee the OHS elements for staff especially during the Covid-19 pandemic when training on self-protection was organized for employees to take care of themselves through online doctor consultation, telemedicine, Work from Home (WFH) measure and requirements that different teams may alternately work at the office to reduce exposure to one another. The Company also procures Covid-19 vaccines for staff, provides an annual health check-up, regularly conducts office space sterilization and performs an annual fire drill and fire prevention event.

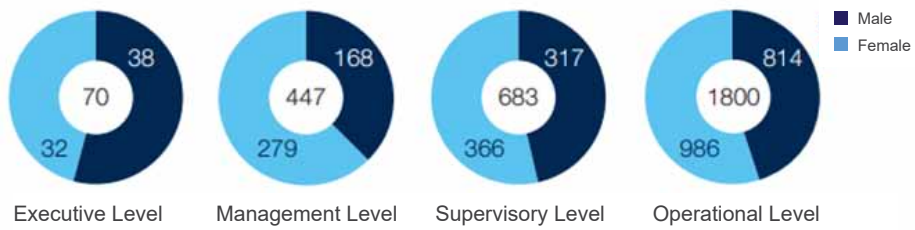


## The Erawan Group Employee Performance

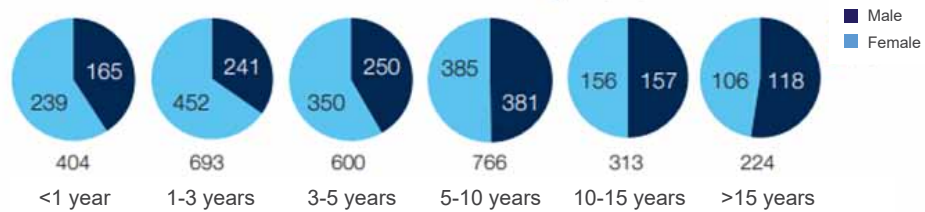
### By Type of Employment



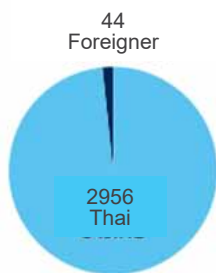
### By Level of Working



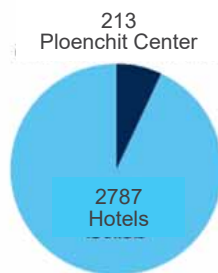
### By Service Year



### By Nationality



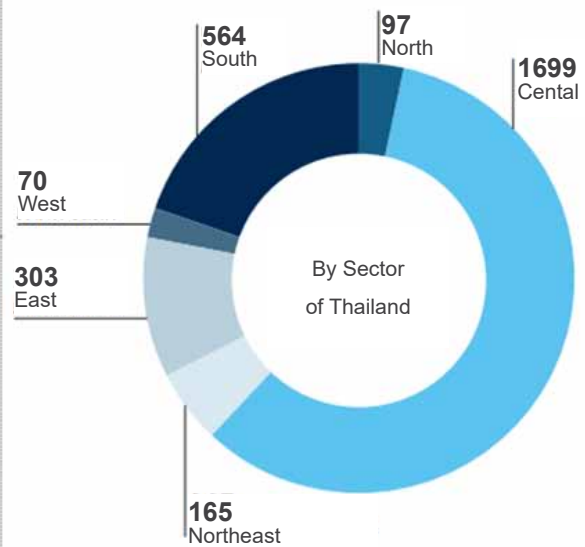
### By Workplace



### By Country

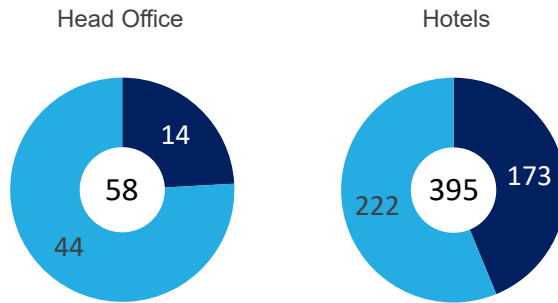


### By Sector of Thailand

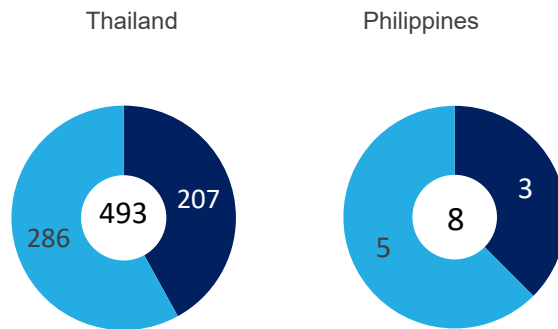


### New Hires

#### By Workplace

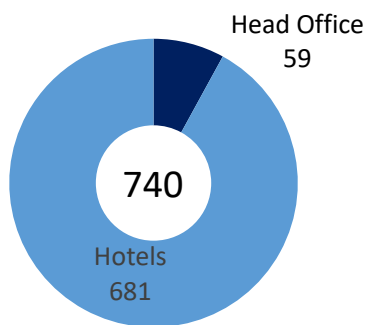


#### By Country

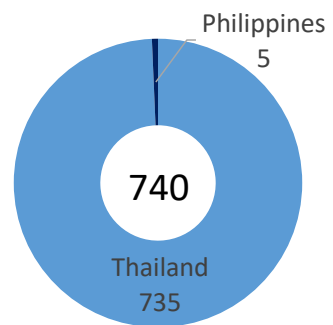


### No. of Turnover

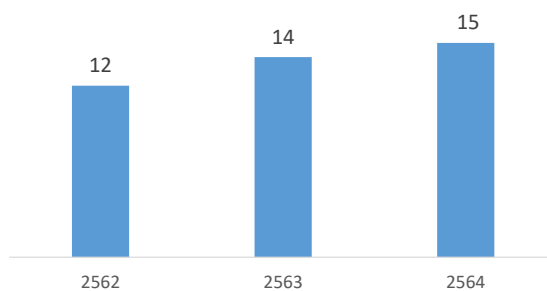
#### Total Turnover by Workplace



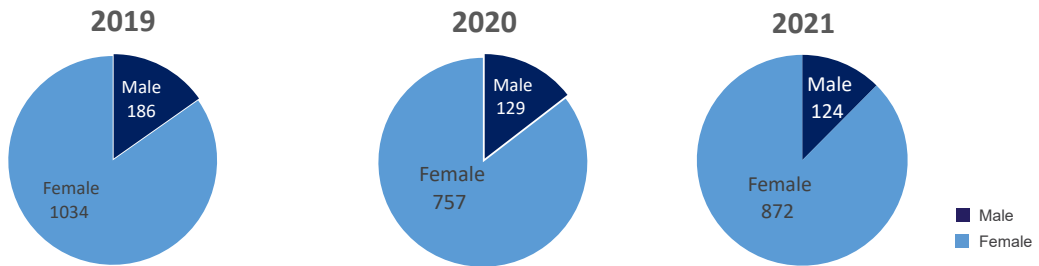
#### Total Turnover by Country



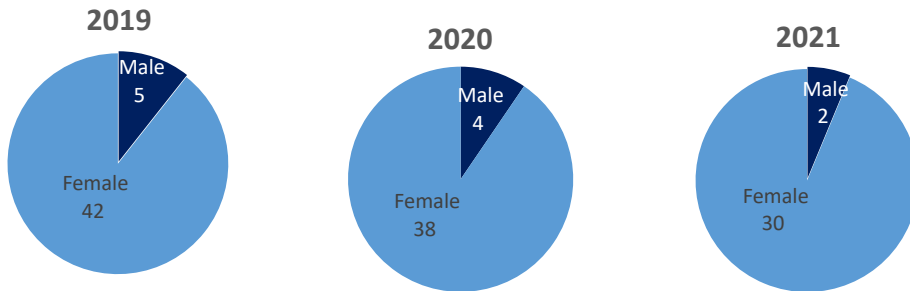
#### Retirement



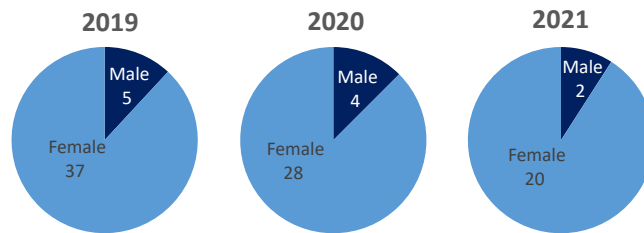
Maternity leave  
Employees that were entitled to parental leave



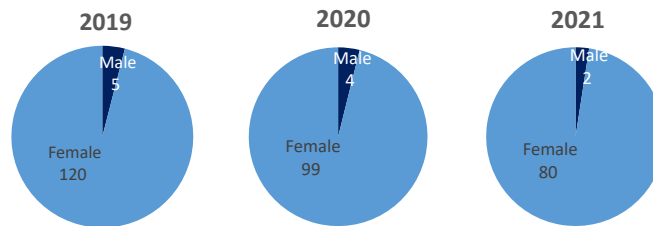
Employees that took parental leave



Employees that return to work after parental leave ended

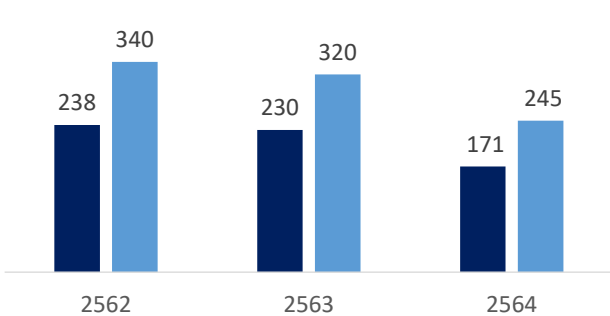


Retention rate after return to work

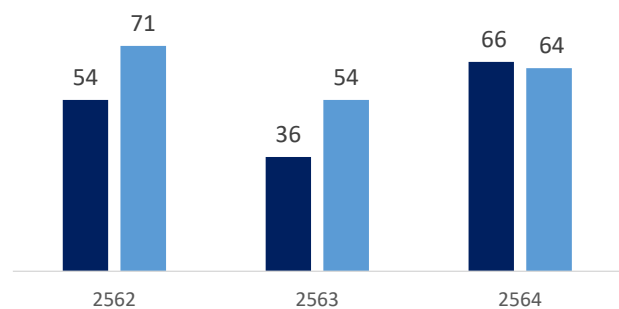


Others

Employees who use health insurance : OPD

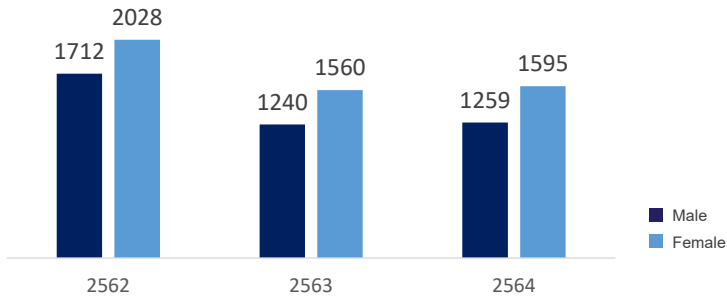


Employees who use health insurance : IPD

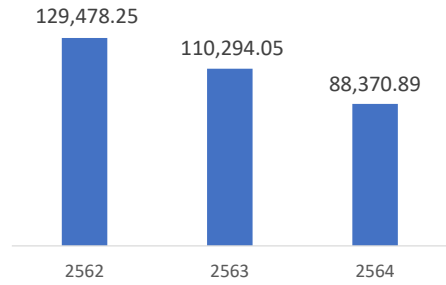


Training & Development : Total Training Course > 200 courses

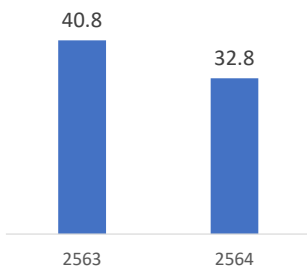
Total Employee by Gender



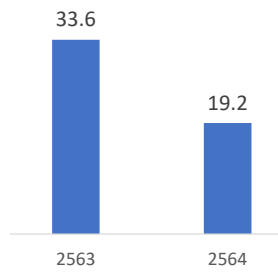
Total Training Hours



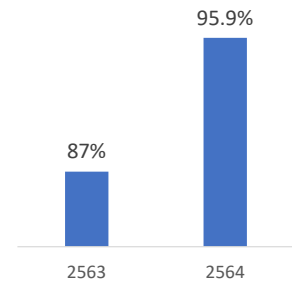
Average Training Hours  
hours / person / year



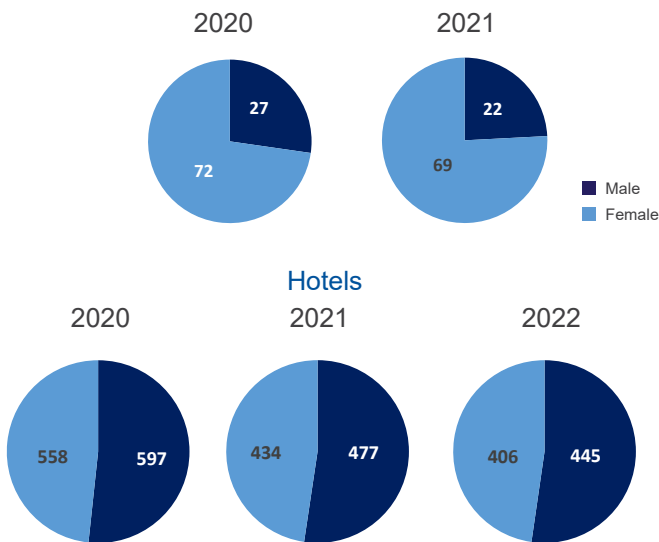
Average Training  
cost / head



Training Satisfaction  
%

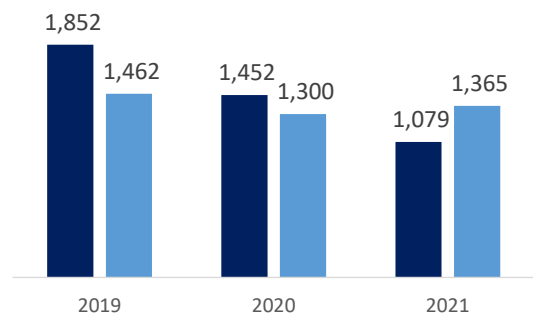


IDP : Individual Development Plan  
Head Office

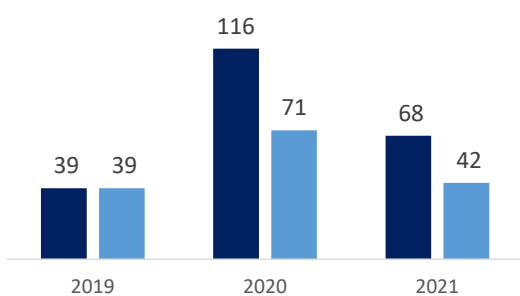


Employees receiving regular performance  
and career development reviews

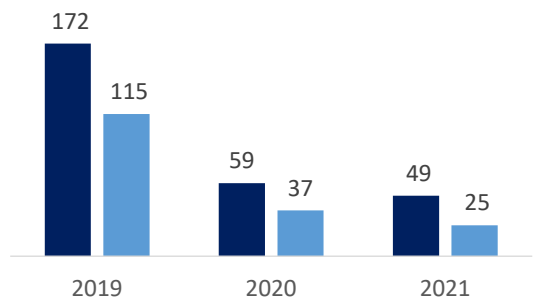
Performance evaluation and feedback



Job Rotation/ Job Transfer

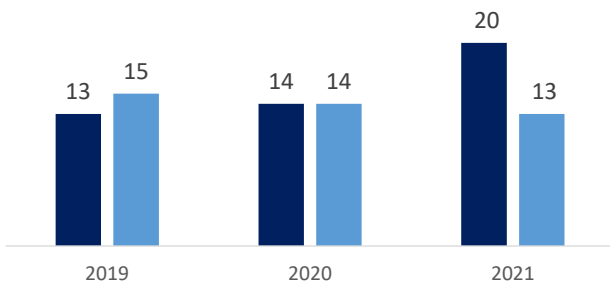


Promoted



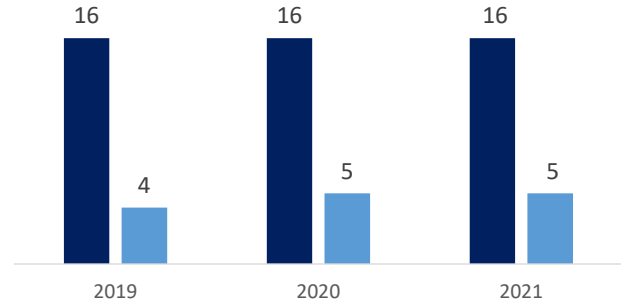
### Occupational Health and Safety

No. of cases - Recordable work-related injuries  
Rate per 1,000,000 hours

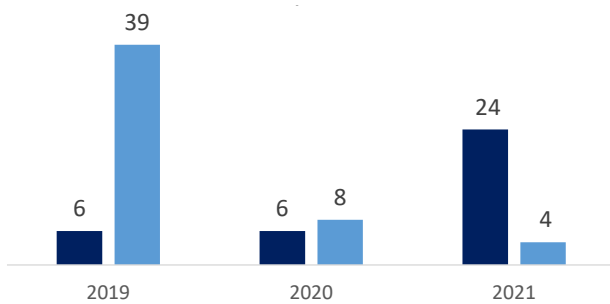


### Employment for Social Supports

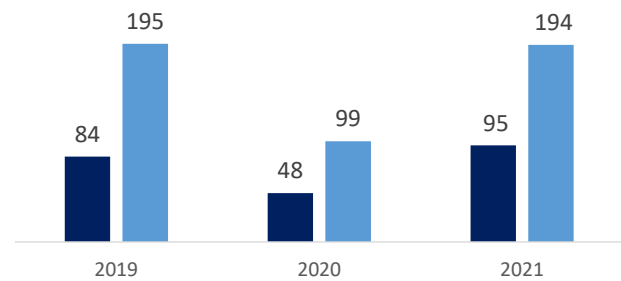
Employment of people with disabilities



### Total leave days



### Internship



Male  
Female

No. of cases : High-consequence work-related injuries  
(excluding fatalities)

|      |           |
|------|-----------|
| 2019 | no        |
| 2020 | no        |
| 2021 | 2 persons |

Total leave days

|      |            |
|------|------------|
| 2021 | 56 persons |
|------|------------|

No. of cases : Fatalities Rate per 1,000,000 hours

|      |          |
|------|----------|
| 2019 | 1 person |
| 2020 | 1 person |
| 2021 | no       |

Labour Complaints about Labor Practices

No. of complaint

|      |          |
|------|----------|
| 2019 | no       |
| 2020 | 1 person |
| 2021 | 1 person |

No. of complaint about labor practices

|      |           |
|------|-----------|
| 2019 | 1 person  |
| 2020 | 4 persons |
| 2021 | 1 person  |

No. of complaint has been resolved

|      |           |
|------|-----------|
| 2019 | 1 person  |
| 2020 | 4 persons |
| 2021 | 1 person  |

No. of complaints pending : no



## Participation in community development

The Company underlines the importance of joint community development and therefore establishes a policy to upskill community members through our hotel management knowledge and expertise so that communities learn to sharpen their skills while we create jobs for local workers and safeguard local traditions. We encourage employees to volunteer in social projects. We also collaborate with business partners, networks, and government agencies to strengthen communities to cultivate a sustainable society. For community base tourism development projects the company initiated the project “HAPPY HOME HAPPY STAY “ which originated from the company’s growth plan that focuses on expanding hotels in the Hop Inn hotels throughout Thailand. and our intention on supporting local tourism. From survey in local tourist destination communities in the province where the HOP Inn hotel is located, it was found that the community’s homestay to accommodate tourists is not up to standards.

With the collaboration from the community, the company started this project in Nakhon Si Thammarat Province at Ban Laem Community with the objective to improve homestay quality by sharing our hotel management expertise to communities to be ready to manage the homestay in terms of hygiene, convenience, safety, good service and maintain a local identity. The scope of development was training program in hotel service and management skills such as welcoming guests, registration, book-keeping, bedding, cleaning, and housekeeping for villagers. The trainers were volunteer staff from the Hop Inn Hotel . The company also supports the necessary supplies, most of which are retired from sister hotels to reused in homestays. The company also extended financial assistance in the form of a revolving fund for use in improving the facility to meet standard of accommodation for tourists. The HAPPY HOME HAPPY STAY project has been launched since 2018, however, due to Covid-19, in 2021, the project was transformed into an online training via a project called Beautiful Home through Your Identity with the collaboration from Department of Tourism and Local Alike Co Ltd. the result was outstanding, and the project reached out to a wider audience within a short period of time, as about 20 communities participated in the program.



# BETTER PLANET

## Enhance eco-efficiency in construction and operation.

### Sustainability management in environmental dimension

Considering the negative impact on the environment, the company strictly comply with the laws governing the environment and the policy to maximize the use of resources. Consuming the right number of resources to facilitate future existence is critical to sustainable development.

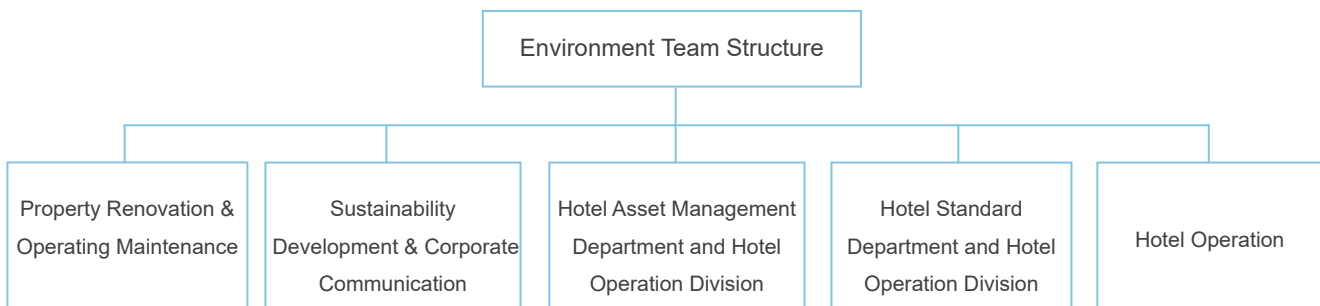
The Company has the following environmental management guidelines:

1. Comply with laws, regulations, management standards and other environmentally related requirements to reduce the negative impact from the company's business operations on communities and the environment.
2. Conduct business with the emphasis on maximizing the use of resources and energy, taking into account biodiversity and climate change management.
3. Continuously reviewing and developing environmental management including monitoring and evaluation to achieve the goals set by the environmental working team.
4. Raise awareness and promote the participation of staff in environmental responsibility and adopt it as part of the work.

### Environmental Working Team

The working team constituting with appointed members from senior executives and representative from every hotel, takes the leading role as detailed below.

1. Study, collect, and analyze data to initiate development processes. including the draft environmental policies, goals and strategies to be presented to the Sustainability Committee for approval.
2. Monitor progress, giving advice, promote, support and collaborate in environmental related -operations to achieve the set goals.
3. To create awareness and collaboration of employees to embrace culture of environmental responsibility to be a part of way of work and same direction.
4. Gather and summarize data to produce an annual corporate sustainability report.



## Management to reduce negative impacts from business operations

Hotel management by various brands and different policy to manage the environmental impact, it is essential to incorporate policies and practices into one guideline in the same direction. The company is in the process of collecting data of all hotels to be analyzed and set goals to reduce the impact from the business operations of each hotel group. The environmental working group from the associated hotels is in the process to set corporate environmental goal and the target to reduce carbon dioxide from general operations which expected to be complete by 2022.

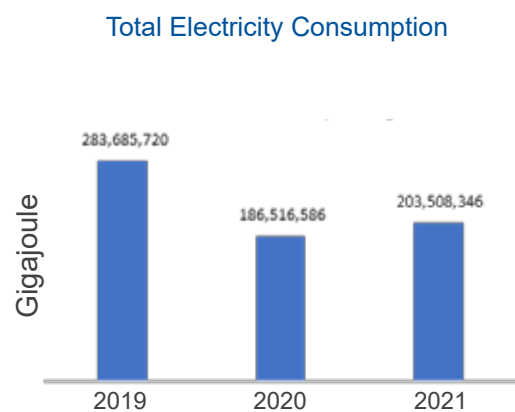
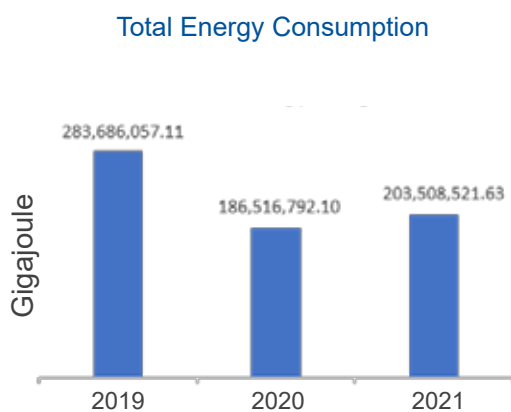
Note: During 2020-2021 due to the epidemic situation the hotels were closed under epidemic control measures for the safety of all parties, the energy consumed from operation had decreased in related to the number of tourists

## Energy Consumption Management

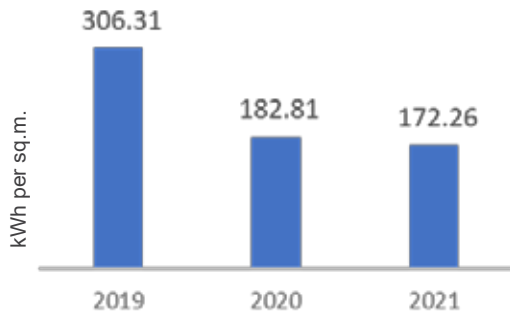
Electricity is a major resource for hotel operation. 2021 witnessed the Company's studying, verifying and gathering data to reduce electricity consumption and to enhance its efficiency in all types of building. The Company also focuses on designing a new energy-saving building while continuing to take into consideration customer's comfort. The Grand Hyatt Erawan Bangkok and the JW Marriott Hotel Bangkok are two pilot hotels where electricity consumption data is closely scrutinized to maximize the efficiency of their consumption patterns. This same project will be implemented to other hotels at a later stage.

## Practices to Reduce Energy Consumption

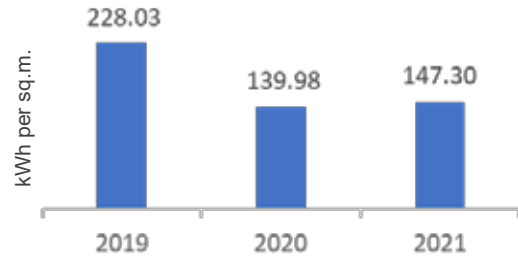
- Replace fluorescent light bulbs with LED-T8 18-watt ones. We plan to replace the light bulbs to LED bulbs in every hotel by doing zone by zone since 2019. However, with the epidemic situation the hotels were closed for a certain period as a result the modification of energy-saving bulbs was interrupted and incomplete.
- Install timers to control on-off switches and alternately turn on/off lighting to promote adequate and energy-saving lighting
- Regularly check the efficiency of machines and systems to avoid the unnecessary energy consumption.
- Hired outsource, NCH Co.,Ltd., to inspect and evaluate the working process of air conditioners of Grand Hyatt Erawan hotel and Accor Hotels Group to ensure efficient performance



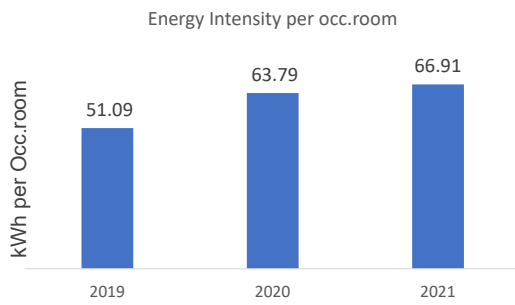
Energy Intensity



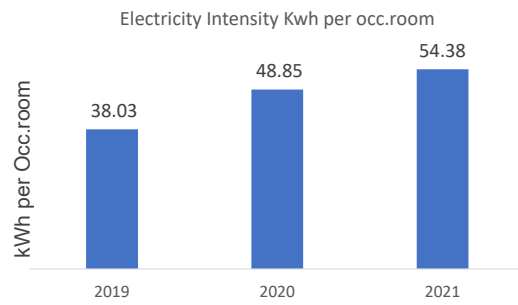
Electricity Intensity



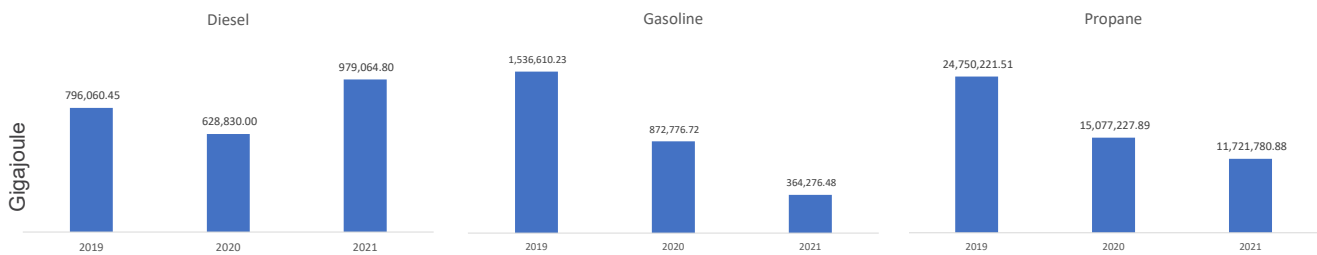
Energy Intensity per occ.room



Electricity Intensity per occ.room



Energy Consumption by Type



## WATER MANAGEMENT

Water significantly supports our business. The company and hotels within the group exercise the following guidelines when it comes to water management and water awareness among staff and hotel guests: that water must be effectively used with responsibility while innovation is introduced to reduce the use of water.

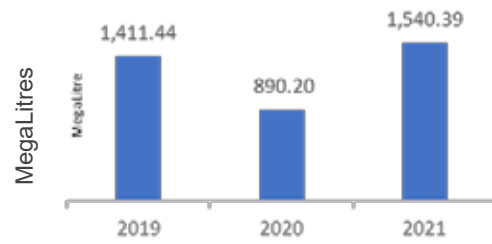
In every hotel, wastewater is treated to meet standard before being released into the public. The treatment is in a closed with aeration system which this treatment it will not emit methane which is the major factor in generating greenhouse gases. In addition, the used water is recycled to reuse for watering plants at Holiday Inn Pattaya hotel, ibis Hua Hin Hotel, The Naka Island Hotel, A Luxury Collection Resort & Spa Phuket and ibis Styles Krabi Hotel and rainwater is stored for use at Ibis Pattaya hotel

Water utilization practices:

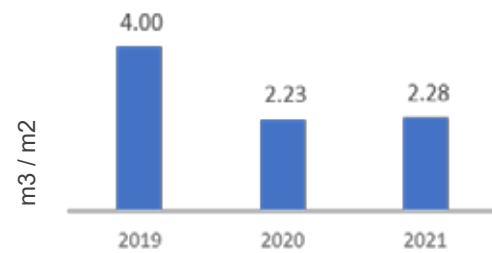
- Hotel guests are encouraged to repeat using towels and linens to avoid unnecessary laundry
- Staff are encouraged to be aware of the importance of smart water use, for example, not to keep water tap running to avoid wasting water, dispense the right amount of water from a water dispenser.
- Aerators have been installed to limit water flow
- Water-saving toilet bowls are selected.
- Pipes and water meters are constantly checked and repaired to prevent leakage
- Water use is recorded and compared with when water reduction measures are implemented.
- Strict compliance with wastewater treatment practices required by the laws; regular system check to minimize environmental and community impacts.

*Water Usage Data Collected from all types of water use data, surface water, underground water, and water purchased used in corporate hotels: 2019-2021 data excluded Renaissance Koh Samui and ibis Samui hotels, and 2019-2020 excluded Hop Inn Hotels Philippines.*

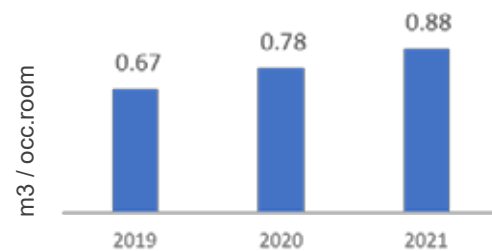
### Total Water Consumption



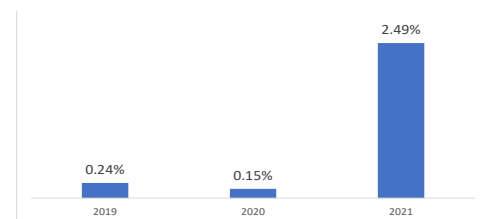
### Water Intensity per Sq.M



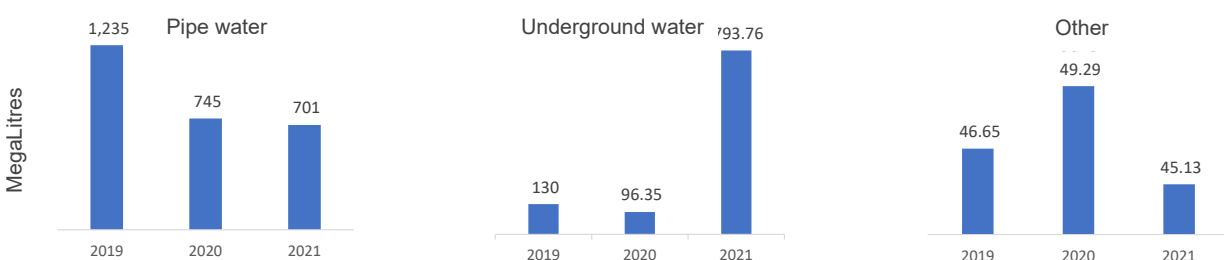
### Water Intensity per occ.room



### Recycle Water %



### Water Consumption by Type



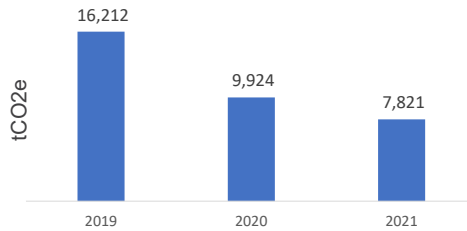
## Management of the Greenhouse Gas (GHG)

We aim to enhance understanding among executives and staff of the impacts from the GHG emission to climate change. The understanding helps increasing the efficiency of the hotel's operation, which in turn minimizes negative impacts from our operation through effective consumption of resources, energy saving, waste management, the use of environmental-friendly products and the organizing of low-carbon events. We start to gather information about our GHG emission for further analysis as a basis to improve the GHG emission reduction In the year 2022 with the collaboration of our hotels we expect to completely set corporate goals and operational plans to reduce greenhouse gas emissions.

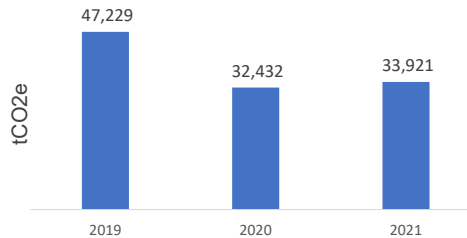
### Practices to reduce greenhouse gas emissions

- Enhance understanding among staff of the impacts from the GHG emission to climate change, aiming to change personnel behavior as well as cultivating resource utilization culture.
- Plan to reduce greenhouse gases emission by increasing the efficiency of the hotel's operation, focusing on effective energy consumption, worthwhile use of water and select resources with durability including waste management systematically to minimize the amount of landfill waste
- Consider environmental impact as part of the work process and as an indicator of performance.
- Assign corporate activities to be Low Carbon activities, such as bringing a personal water container to reduce package, changing travel behavior to group travel to attend the event, etc.

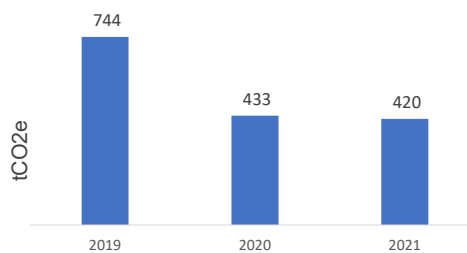
Total CO2 scope 1



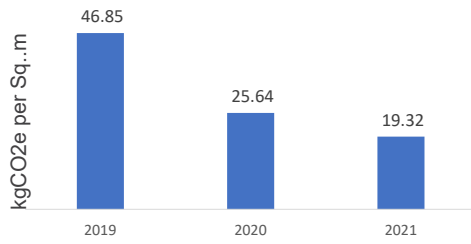
Total CO2 scope 2



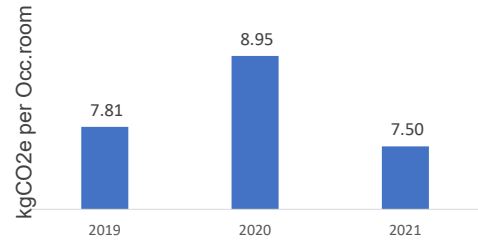
Total CO2 scope 3 (Water Consumption)



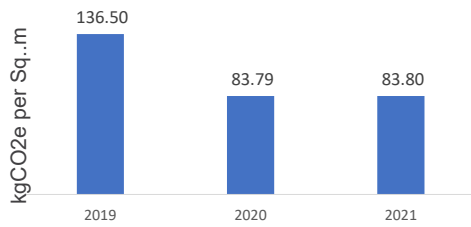
CO2 Intensity Scope 1 per Sq.m



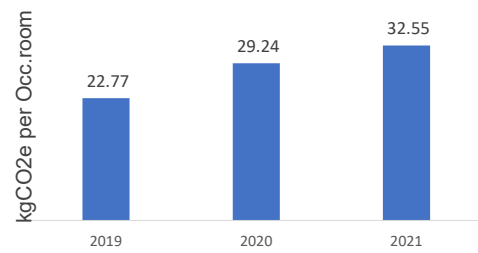
CO2 Intensity Scope 1 per occ.room



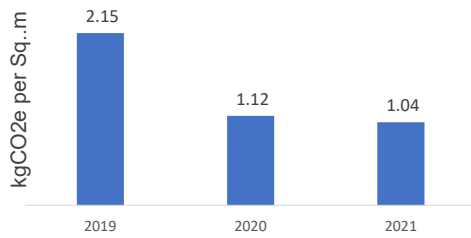
CO2 Intensity Scope 2 per sq.m



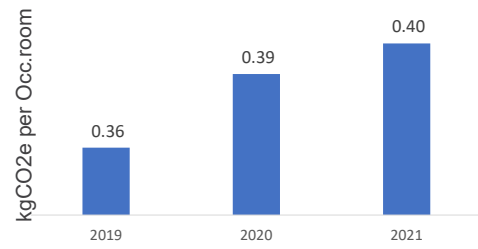
CO2 Intensity Scope 2 per occ.room



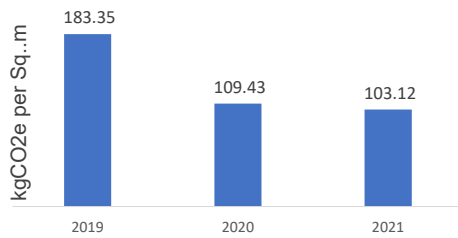
CO2 Intensity Scope 3 (Water) per Sq.m



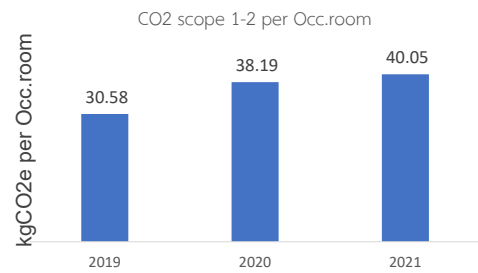
CO2 Intensity Scope 3 (Water) per occ.room



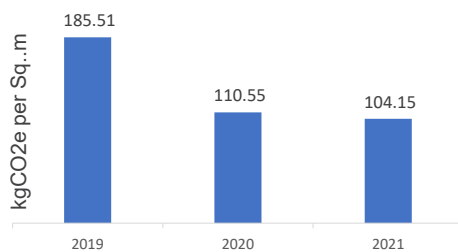
CO2 Intensity Scope 1+2 per Sq.m



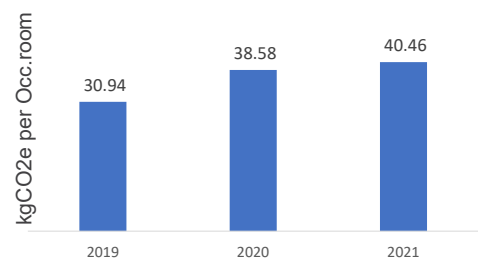
CO2 Intensity Scope 1+2 per occ.room



CO2 Scope 1+2+3 per Sq.m



CO2 Scope 1+2+3 per occ.room



## Waste management

Realizing that we are a producer of garbage as a result of our business, we implement waste management at various stages by separating organic waste, recycled waste, toxic waste and electronic waste to reduce the amount of waste sent to landfill. We also underline the importance of biohazard waste management.

- Waste from guestrooms and common areas are properly separated while biohazard waste is clearly separated for proper management.
- **Food waste:**
  - JW Marriott Hotel Bangkok and Courtyard by Marriott Bangkok Hotel have taken part in the Light-blue Project, which manages food waste. In 2021, the two hotels managed to reduce 107.6 tons of food waste where hotel food leftovers were given to the less privileged totaling 219,070 meals and organic waste was treated for the best interest to reduce waste going to landfill. This accounted for the reduction of 205.14 tons CO<sub>2</sub> of the GHG, which is equivalent to 540 days of household electricity consumption.
  - Holiday Inn Pattaya turned organic waste accounting for 21,023 kilograms of waste into EM for various uses.
  - Accor Group hotels turned leftovers into animal feeds totaling 23,117 kilograms.
- **Plastic waste:**

Hotels within the group have established a policy to reduce the use of one-time plastic products. In case of necessity, we opt for recycled products by taking into consideration customer's health and wellbeing. However, Covid-19 results in higher use of one-time plastic packaging and utilities due to hygienic reasons.
- **Paper waste:**

The Company has separated paper for recycling purpose since 2008 to support the most effective use of resources through the recycling economy. In 2021, due to the Work from Home (WFH) measures, the amount of recycled paper was down to 790 kilograms, which was equivalent to the reduction of 13 trees being cut, 537 kg of CO<sub>2</sub> being less emitted and 20,540 liters of water, 1,106 of fuel and 3,160 kilowatts of energy being less consumed, respectively.

## Conservation of biodiversity

We operate our business with an attitude to minimize the negative impacts to biodiversity through responsible resource management and care given to landscape interference. Our practices include using local plant species, promoting responsible tourism and supporting biodiversity conservation for instance Underwater Reforestation, one of which is a project we have collaborated with a local fishing group and the local government office of Ban Na Klua, Banglamung District, Chonburi Province, to cultivate food resources for aquatic animals.