



# Sustainable Development Report 2022

The Erawan Group Public Company Limited

# MATERIALITY

## 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.

### 01. MATERIALITY IDENTIFICATION

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.



### 02. MATERIALITY PRIORITIZATION

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.

### 03. VALIDATION

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.



- Greenhouse Gas Management.
- Energy Management.
- Water Management.
- Waste Management.
- Biodiversity management.
- Human Rights Management.
- Human resources management and development.
- Occupational, Health and Safety Management.
- Community Development Participation.
- Risk Management.
- Responding to digital transformation and IT security.
- Enhancing customer satisfaction.
- Supply Chain Management.

## ECONOMY

- Governance & Regulation
- Customer Engagement
- Risk Management
- Innovation and Digital Transformation
- Data & IT Governance
- Supply Chain Management

## SOCIETY

- Health & Safety
- Human Capital
- Human Rights
- Community Relationship

## ENVIRONMENT

- Sustainable Consumption
- Climate Crisis
- Biodiversity Loss

# ECONOMY

The company is aware of and underlines the importance of sustainable risk management, which has led to a review of risk factors encompassing all business activities by taking into consideration internal and external factors. This includes assessments of direct and indirect opportunities and their impacts to our operation. The purpose is to enhance the risk management procedures, turn them into part of corporate culture to assure stakeholders when trying to achieve corporate goals and minimize possible losses.

## RISK MANAGEMENT DURING THE COVID-19 CRISIS

The Covid-19 pandemic has unleashed direct impact to our business. Risk management resulting from the outbreak started in Q1/2020 to respond to immediate situations at the time. A crisis management team was formed under the business risk management plan to manage and implement various measures upon close monitoring.

The crisis management was divided into three periods as follows.



### Resolving impacts

The devastating impact of the Covid-19 crisis prompted the company to temporarily close 66 hotels in Thailand from April 1, 2020 and five hotels in the Philippines from March 19, 2020 to relieve short-term impacts. Certain groups of these hotels however resumed their operation in May 2020. The back-to-business operation was done in four phrases as follows.

### 01

Hop Inn Thailand, As the hotel mainly targeted local customers, they gradually resumed the operation from May 18, 2020 before all 44 branches were in full operation on June 1, 2020.

### 02

In June 2020, The Erawan Group reopened its hotels in Pattaya and Hua Hin areas, for their main customers were Thais who could travel there by car in relatively short time. Mercure Pattaya Ocean Resort and Ibis Hua Hin resumed their operation on June 12, 2020. Ibis Pattaya saw its door opened on June 26, 2020.

### 03

In July 2020, Hotels in Bangkok, namely, Grand Hyatt Hotel Bangkok and JW Marriot Bangkok, resumed their operation, initially targeting Thai customers to experience hotel restaurants. In addition, two budget hotels in Bangkok, namely, Ibis Bangkok Sathorn and Ibis Bangkok


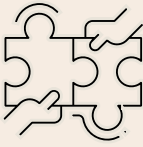
Riverside, were opened. Holiday Inn Pattaya in the resort town of Pattaya was added on to the opening list.

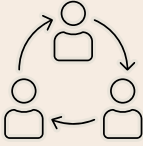

## 04

From August 1, 2020 The company reopened the remaining 14 hotels in Thailand and three Hop Inn hotels in the Philippines.

Underlining the importance of liquidity and cashflow management, the group has implemented measures to continue mitigating impacts from Phase 1 of the Covid-19 crisis till at present. This included negotiating with stakeholders to defer payments and expenses, deferring payment of the principal due for repayment with creditor banks and temporarily suspension of all investment plans. The group remained confident to possess enough cashflow and liquidity to operate under the challenge. Taking care of stakeholders was one of the measures in this phrase to minimize impacts they faced from this crisis. Details are as follows.



 <p>Staff / employees</p>	<p>The company announced health and hygiene practices for employees working in the hotels and the head office to strictly comply with. Staff were allowed to work from home and different employees could come to the office if necessary at different hours to minimize their presence. Main communication channel was online basis to curb travel and face-to-face interaction. Staff were provided protection gears such as face mask, face shield and gloves.</p>
 <p>Customers</p>	<p>All hotels allowed customers reserving hotel rooms or hotel facilities to postpone their reservation or event without charge.</p>
 <p>Suppliers</p>	<p>Rent was cut for tenants in our office-for-rent business to relieve them from the immediate situation. In the hotel business, since most hotels were temporarily closed in April before gradually opened in June 2020, the group negotiated to defer payment with groups of suppliers and proceeded to pay on time after the negotiation had completed.</p>

 <p>Shareholders</p>	<p>The group informed shareholders of impacts from the Covid-19 situation and temporary hotel closure in March 2020 via the Stock Exchange of Thailand's website. Mitigation measures and how the company handled the situation were regularly updated to shareholders on a quarterly basis in the MD&amp;A report. Operation results were disseminated through various channels.</p>
 <p>Society and communities</p>	<p>At the peak period of the Covid-19 pandemic during the first six months of 2020, the group offered medical personnel the privilege to check-in at our hotels within hospital proximity without charge to help relieving them from coping with the pandemic. All hotels cooked food and offered bags containing hygiene items to neighboring communities.</p>

## 2. Recovering from impacts

For short-term recovery, we focused on upgrading the cleanliness and safety standards at our hotels starting from the early days of the pandemic. All hotels in Thailand and the Philippines were to comply with the most stringent monitoring and prevention measures as recommended by the government. This was something we gave priority to amidst the intensity of the situation. Measures included social distancing, temperature measurement to screen staff and customers entering the premise, providing alcohol gel and disinfecting and cleaning hotel common areas. However, as hotels gradually resumed operation, the group strengthened hotel safety and hygienic measures by, for example, upgrading disinfection level standards within the hotels, implementing hygienic measures at hotel restaurants and function rooms and enabling e-payment. Right now, all hotels in Thailand have passed the SHA safety hotel standards set by Ministry of Tourism and Sports together with Ministry of Public Health.

The group has focused more on revenues from local customers where online marketing was used to disseminate information together with collaboration with the government sector to help recovering the local tourism industry.

Regarding long-term recovery, we keep monitoring the situation and make ourselves ready whenever the situation is better and when foreign visitors are allowed to re-enter the country.

## 3. Driving long-term values

The group continues to focus on developing the organization for sustainable growth with agility to adapt to all situations. This is done by enhancing our products and services to respond as much as possible to customer's needs through the all-dimension product development. Staff are encouraged to enhance skills so that they are diverse enough to accommodate rapid business changes, which therefore should lead to lower costs of HR management and increase access to all customers. We also encourage participation and co-existence of all stakeholders in the entire value chain for the sustainable growth of the Thai tourism sector.

## SUPPLY CHAIN MANAGEMENT

The partners are an important stakeholder of The Erawan Group, so we emphasize the significance of their involvement and listen to their feedback continuously. This is achieved through fair business practices, creating opportunities for learning, improving work quality, and enhancing collaborative capabilities. We have established key criteria for classifying important trading partners to effectively assess risks within the business supply chain. Screening and selection criteria have been developed, along with payment policies. Furthermore, a Supplier Code of Conduct has been implemented to promote sustainable coexistence and create a mutually beneficial business environment.

### CRITICAL-TIER SUPPLIERS



The Erawan Group has established criteria for classifying critical-tier suppliers to assess risks and efficiently manage the business supply chain.

#### **1. The classification is based on Contract value.**

We designate suppliers/contractors whose contract value exceeds 15% of the project value as critical-tier suppliers for all projects. This approach has been adopted because the company's projects vary in size and target different business segments. For example, Hop Inn hotel may be a budget hotel, while The Erawan Bangkok is a luxury boutique brand. Therefore, suppliers/contractors whose contract value exceeds 15% of the project value for every project are considered critical-tier suppliers of The Erawan Group.

## 2. The classification is based on Service.

We operate two main divisions: the Head Office and the Project Development division. operations within these two divisions are of different importance and involve suppliers of various types, with varying contract values. We have categorized suppliers based on the types of services they provide.

- Operation & Assessment Suppliers
- Project Development Suppliers
- Hospitality Suppliers

Regarding Project Development Suppliers, we use the criterion of 15% of the contract value to determine the critical-tier suppliers. While the Operation & Assessment Suppliers depend on the company's annual operations. Criteria such as contract value, transaction volume, and strategic importance are considered to identify critical-tier suppliers.

However, since most of our hotels are managed through management contracts (where the company does not have authority in the management process), franchise agreements, or operated under the company's own brand, specific criteria for critical-tier Hospitality Suppliers have not been established yet. Plans for this categorization are scheduled for the year 2023.

In the year 2022, the company had a total of 2,655 suppliers. There were 476 suppliers excluding the hotel business group, among them, there were 8 critical-tier suppliers, accounting for 1.68% of project and office suppliers (or 0.30% of all suppliers). Further details are as follows:

<b>Supplier Analysis 2022</b>	<b>Hotel business</b>	<b>Business development</b>	<b>Office</b>
<b>Total suppliers</b>	2,179	124	352
<b>Main suppliers</b>	18	22	45
<b>Main suppliers critical</b>	-	8	-
<b>General supplier</b>	2,161	94	307
<b>Percentage of suppliers acknowledging the Supplier Code of Conduct</b>	n/a	77%	n/a

For other suppliers who do not fall under the criteria of critical-tier suppliers, we categorize them as non-critical tier suppliers.



## CRITICAL-TIER SUPPLIERS

### Supplier's Pre-qualification and Selection Criteria

- Quality of Product/ Service
- Ability to Produce
- Product Quality Audit and Traceability
- Quality of Delivery
- After Sale Service
- Competitive Ability in Terms of Trade Conditions
- Reliable Financial
- Company's Reputation
- ESG framework for sustainable operations

## ASSESSMENT OF SUPPLIER RISKS

The company has analysed and ranked the importance of suppliers based on the volume of purchases and the type of services or products procured. These criteria have been used to prioritize the importance of suppliers.

During the process of assessing the risks that may occur within the business supply chain, the company considers various risk factors, including:

1. **Raw Material or Product Sourcing Risk:** This refers to products that are scarce, products/services provided by a single supplier, or products/services that cannot be easily substituted.
2. **Strategic Risk:** This includes products, materials, or services that are critical to the company's business operations.
3. **Social Risk:** This involves suppliers who operate responsibly, prioritize occupational health and safety, and engage in fair employment practices. It also includes suppliers who do not violate human rights or engage in corrupt practices.
4. **Environmental Risk:** This includes suppliers who adhere to operational or product standards that are environmentally friendly, such as having experience in green hotel practices, ISO 14001 environmental management certification, or offering eco-products.
5. **Reputation Risk:** This pertains to suppliers with a track record or work practices that may negatively impact the company's reputation in the future.

## POLICY AND CREDIT TERMS

The company prioritizes the liquidity and cash flow management of suppliers, giving equal importance to both small and large suppliers without discrimination. It is always mindful that the financial stability of suppliers directly affects their sustainable business operations as well as the long-term sustainability of both the suppliers and the company.

In line with this, we have a policy to define credit terms for suppliers, which ranges from 7 to 60 days. This is based on the payment history provided to suppliers in the past, as indicated by the following statistics.

	2019	2020	2021	2022
Average Credit Term (day)	38.44	28.82	30.72	30.90

## CODE OF CONDUCT FOR SUPPLIERS

Within the group of hotels managed by various brands, there are guidelines for business practices towards suppliers that consider social and environmental dimensions set by the affiliated brand. For instance, Hop Inn Hotel adheres to the guidelines set by the company. Link to <https://www.theerawan.com/en/sustainability/sustainable-development-policy>

In addition, we place importance on actively combating corruption and collusion within the business supply chain. The Erawan Group has become a member certified by the Thai Private Sector Collective Action Against Corruption (CAC). Furthermore, we have a policy to invite and support all suppliers of the Erawan Group to join CAC or other related networks that work towards anti-corruption and collusion, aiming to build a transparent society free from corruption and collusion.

## VOICE FROM SUPPLIERS

Throughout the years, we has been actively developing the capabilities of suppliers and contractors not only in terms of delivering quality construction work but also in fostering their long-term sustainability. we aims to work with high-quality suppliers who can thrive independently and continue collaborating with other companies. In this year, we have conducted surveys to gather feedback from suppliers, receiving beneficial responses that contribute to a fruitful partnership between suppliers and the Erawan Group in the future.

## DEVELOPING CUSTOMER'S SATISFACTION

As customers are pivotal to our business, The Erawan Group Plc., commits to nurture and maintain strong relationship with all kinds of customers. The company intends to take care of customers prior to, during and after experiencing services, which encompass hotel rooms, restaurants or other services. Customer's satisfaction survey is carried out at every step of service on a regular basis to make sure that customers are happy. Continued improvement of our services is also our priority, which is done through opinions solicited from customers before being analyzed to better respond to their needs. Service enhancement will be periodically updated to reflect changing consumption behaviors based on the latest trend. For example, attempts are made to apply the same cleanliness and hygiene standards to all types of hotels and the online reservation system has been refined to make it more user-friendly.

### CUSTOMER'S SATISFACTION DEVELOPMENT PLAN

<p><b>Customer clustering</b></p>	<p>Since The Erawan Group offers several types of hotels for customers to choose from, our customer base is quite diverse and commands different tastes. To name a few, they could be customers coming to the hotel for leisure, corporate customers, singles, couples, families and customs of various nationalities. Customer clustering enables us to study demands of a particular group of customers to offer the right products and services to them.</p>
<p><b>Customer complaint management</b></p>	<p>The Erawan Group offers diverse channels for customers to file grievance in case we fail to deliver perfect services. This ranges from online channels such as Official Line Account, YouTube, Twitter and email, to offline channels such as call center. Impact assessment and management of customer complaints depend on a particular situation with our service standards being the criteria. Simultaneously, impact assessment to the company's interest and to the interest of all stakeholders is regularly conducted.</p>
<p><b>Customer engagement</b></p>	<p>The Erawan Group Plc., keeps organizing events at all hotels to deliver first-hand experience to customers who have enjoyed our hotels and services.</p> <ul style="list-style-type: none"> <li>• Games are regular organized and prizes in a form of hotel rooms or other awards are regularly given. Specific corners are arranged so that customers can share or post their photos to commemorate memory they have at the hotels on a special occasion.</li> <li>• Introduction of seamless technology as part of customer's daily interactions such as using Facebook, Official Line Account or Instagram to conduct a 2-way communication 24/7.</li> <li>• Conducting a monthly customer's satisfaction survey to gauge the number of followers, subscription and online reputation as well as to witness the growth of loyalty members.</li> </ul>

## INNOVATION AND DIGITAL TRANSFORMATION

### SERVICE INNOVATIONS

HOP Inn's Chatbot booking system is a service that adds more channels for customers to conveniently make reservations. It also supports branch expansion which is increasing every year. The booking via Chatbot grew 2 times compared to 2021, with the Chatbot efficiency the workload of call center is subside and improving the quality of life of employees.

To further enhance our service quality, every hotel has formats and service standards to comply depending on their brands. These are established by brands that The Erawan Group Plc has signed an agreement or a franchise with. Brand owners usually conduct a quality inspection at least once a year. For Hop Inn hotels, since we own the brand and manage the hotels, we establish a service plan for Hop Inn and conduct training for every Hop Inn staff. We also conduct a quality inspection at least once a year.

### BUSINESS INNOVATION FOR SOCIAL AND ENVIRONMENTAL PURPOSES

Together with EV charging station service providers, The Erawan Group Plc has been installing charging stations at our four hotels in Bangkok and Pattaya. We are confident that these charging stations will help enlarging the EV society in Thailand and reducing the use of fossil fuel. Our hotels continue to minimize the use of one-time plastic materials. This year, most hotels of our group replaced bathroom amenities such as shower gel, shampoo and hand sanitizer previously available in travel-size plastic packaging to bulk refillable bottles instead.

# RESPONSE TO DIGITAL TRANSFORMATION AND IT SECURITY

## RESPONSE TO DIGITAL TRANSFORMATION AND IT SECURITY

The company and its affiliates have established policies and guidelines to maintain the security of information systems, data storage including supportive measures in the event of an emergency as follows;

- Prepare to support. The Personal Data Protection Act and the Computer Crime Act, both in terms of training and educating employees and install the software system to protect corporate data and relevant stakeholders
- Study tools and methods for managing, monitoring, and analyzing cybersecurity systems.
- Conduct a phishing mail test to make employees aware of email usage.
- Educate employees to be aware of various threats via email, intranet, and social media by giving examples of cybersecurity cases from time to time to prevent potential risks.
- Prepare a 5-year plan on information technology to support the changes and growth of the company.
- Optimize the ERP program to support the use of new browsers instead of the original browsers that manufacturers will stop supporting in 2022, which will cause program vulnerabilities.
- Optimize the Windows operating system to support Active Directory and Security by Azure AD.

**ERW Digital and Security Awareness**  
By Digital Transformation Team

**THE ERAWAN GROUP**

### Phishing Email

### ภัยใกล้ตัวที่ไม่ควรมองข้าม

Phishing Email คือ การลวงข้อมูลลับด้วยวิธีการสังคม (Social Engineering) โดยการใช้ email ปลอม เพื่อหลอกลวงโดยการแนบ link หรือ attachment ปลอมเพื่อขโมยข้อมูลที่เป็นความลับ หรือให้ทำธุรกรรมทางการเงิน

ทำอย่างไรไม่ให้ตกเป็นเหยื่อ Phishing Email ?

1.อย่ารีบ click!	2.ตรวจสอบอีเมลผู้ส่ง	3.ตรวจสอบภาษาที่ใช้	4.สังเกต Link หรือ ชื่อไฟล์แนบ
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# SOCIETY

We adhere to transparency and cultivate the good conscience along with skill development to all level staff to enhance capability for the utmost effectiveness in working process. We focus on value chain development and support in developing neighboring community and society.

## EMPLOYEE

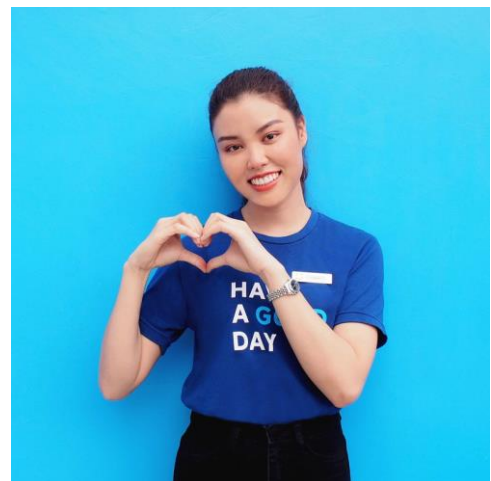
### EMPLOYEE INFORMATION

The Erawan Group Public Company Limited and its affiliated companies recorded a total of 3,576 employees at the end of the 2022 fiscal year. Remunerations consisting of salary and bonus totaled THB 1,338,644,184.26 There are 792 employees participating in the Provident fund project, which represents 22% of the total number of employees.

### HR MANAGEMENT

#### Care for Employees

Although the COVID-19 epidemic situation is continuously to improve, we still 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.



#### Employee's Welfare

The Company provides welfare as required by the laws plus additional benefits such as health and accident insurance, provident fund and compensation fund as well as other allowances.

#### 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 belief. Everyone of any race and nationality can apply to work with us. Employees are selected based on their qualifications. All new staff will attend an orientation and onboarding program. Internal staff can rotate their job through a transfer or promotion to another position based on what's appropriate to enhance their skills and advance in their career path.

<b>Employment for social Supports</b>		<b>Male</b>	<b>Female</b>
Employment of people with disabilities	personal	14	8
internship	personal	138	251

## HR TRAINING IN 2022

### ERAWAN'S SPICE & CLIENT

The Company raises awareness and understanding and promotes its DNA through Erawan's Core Value and Corporate culture (EPIC) by communicating through Corporate Townhall and motivating the employee's behavior through the projects and activities.

### Lifelong Learning

The Company actively promotes ongoing staff capacity-building. In 2022, the ERW Hybrid Learning Center both onsite and on line were conducted to maximize the learning efficiency from internal and external lecturers and from the learning platforms developed by local and international leading education institutions.

Training & Development		Male	Female
Total No. of training Course	course	7741	
Total Employee attended the training classified by Gender	persons	1438	1696
Total No. of Training Hours in 2022	total hours/year	101024	
Average No. of Training Hours/person/year	hours/person/year	27	
Average Training Cost per employee	cost/head	1142	
training Satisfaction	%	95%	
IDP: INDIVIDUAL DEVELOPMENT ENT PLAN		MALE	FEMALE
Head Office	persons	30	77
Hotels	persons	538	536
EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS		MALE	FEMALE
Employee who participated in Performance evolution and feedback process	persons	1147	1093
Employee who got promotion	persons	93	151
Employee with Job Rotation/ Job Transfer	persons	61	53

## The Occupation, Health and Safety (OHS) Policy

The Company commits to oversee the OHS elements and provides training on self protection through online doctor consultation, telemedicine for staffs. The Company also provides an annual health check-up, supports immunization booster vaccination, regularly conducts office space sterilization and performs an annual fire drill and fire prevention event to prepare for emergency situation.

Occupational Health and safety		Male	Female
No.of case - Recordable work-related injuries	personal	45	28
Rater per 1,000,000 hours	per 1,000,000 hour	0	0
total leave days	day	251	61
No.of cases: High-consequence work-related injuries (excluding fatalities)	personal	0	0
Rate per 1,000,000 hours	per 1,000,000 hour	0	0
total leave days	day	0	0
No.of cases: Fatalities	personal	0	0
Rate per 1,000,000 hours	per 1,000,000 hour	0	0

## Labor disputes during the past three years

During 2019-2022, there was no labor dispute that accounted for a significant ratio.

Labour Complaints about Labor practices		Male	Female
No.of complaint	personal	0	0
No.of complaint about labor practices	personal	0	0
No.of complaint has been resolved	personal	0	0
No.of complaints pending	personal	0	0

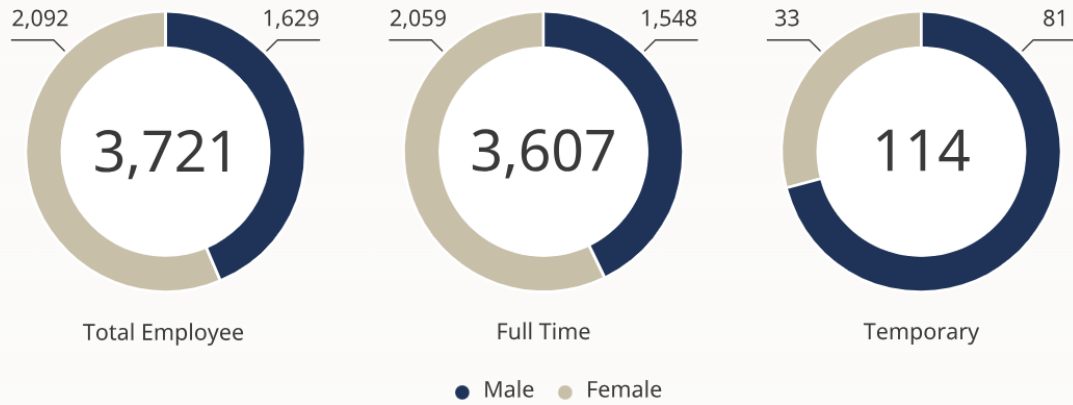
  

Labour Complaints about Human Rights	2020	2021	2022
No.of complaint	0	0	0

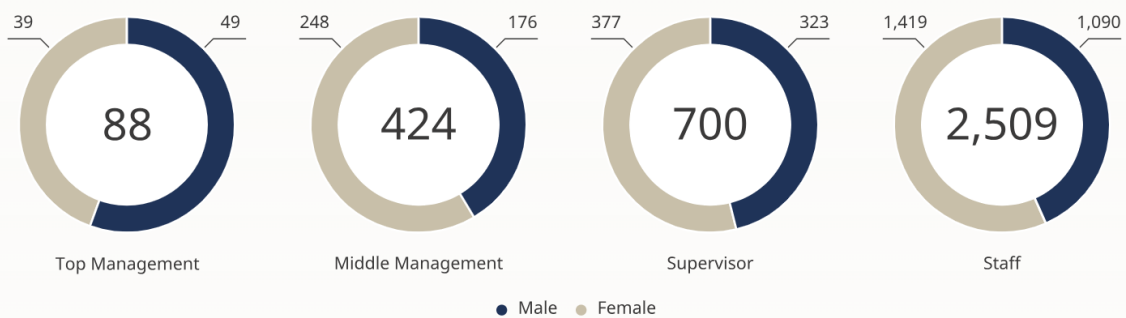


## EMPLOYEE INFORMATION

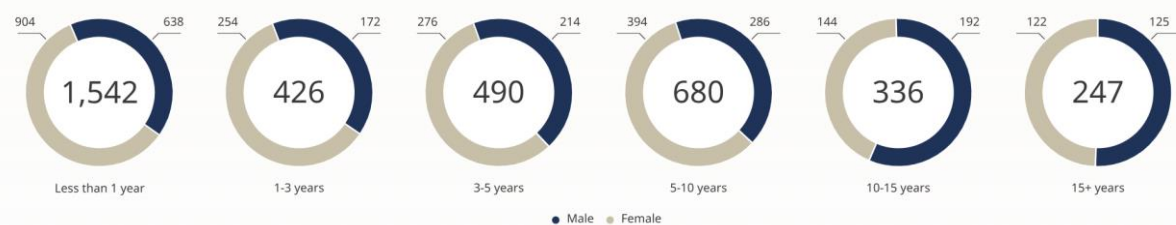
### Number of Employee (person)



### Number of Employees Classified by Position (person)



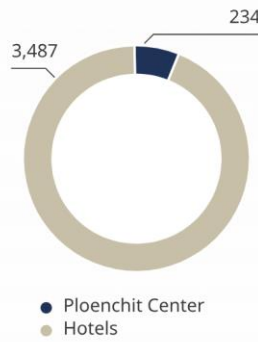
### Number of Employees Classified by Working Period (person)



Number of Employees Classified by Nationality (person)



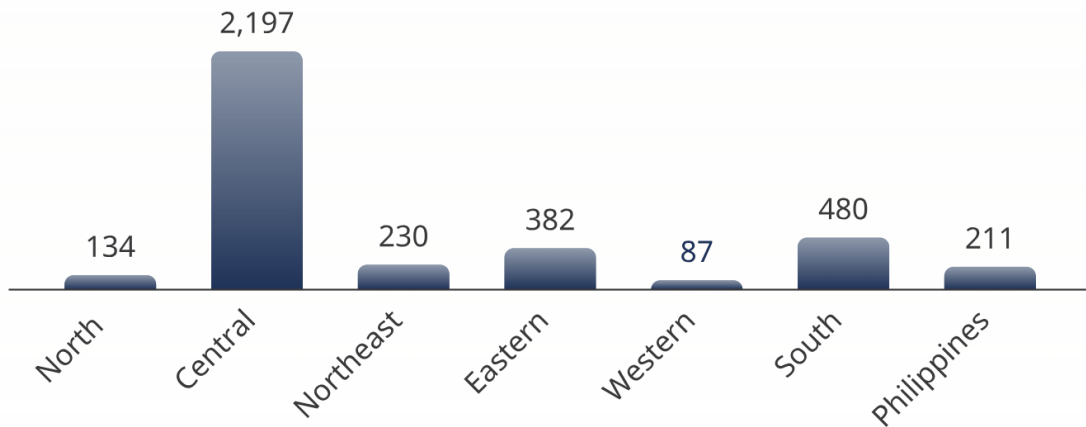
Number of Employees Classified by Workplace (person)



Number of Employees Classified by Country (person)



Number of Employees Classified by Region, Thailand and in Philippines (person)



Human Rights Policy [Download](#)

Employee Data [Download](#)

## COMMUNITY

### COMMUNITY PARTICIPATION

The Erawan Group Plc has a policy that underlines community and social development while doing our business where we mainly focus on collaborative development and tourism promotion. In this regard, we turn our skills and expertise in hotel management to enhance community learning and to enable self-development among communities. We also generate employment for local residents and promote local culture and identity. We encourage staff to volunteer in our social projects. In addition, we collaborate with business partners and alliance, networks and government offices to strengthen community wellbeing that will eventually contribute to building a sustainable society.

#### 2022 Community and Social Development projects:

- The Hop Inn Internship Project aimed to train vocational and university students for hotel work. The purpose is to produce hotel staff that meet market demands within the tourism industry while offering job opportunities for students. We signed a MOU with 10 education institutions in areas where our hotels are operated so that they send their students for internship and training at Hop Inn hotels and eventually work with us if meeting required criteria. The project started in March 2022 with 10 students being trainees at the hotels. We hope that this project will support and create jobs for local communities. Project assessment will be conducted in 2023 to see if it meets its objectives and for further improvement.



- The “Visiting My Home” project featured primary school artists inviting everyone to visit their hometowns. Together with the Primary Education Office in areas where our hotels are located, the Erawan Group Plc has organized a drawing contest for primary school students to promote community tourism through painting. The project not only encourages school students to imagine but also cultivates pride and love in their communities. In 2022, 38 schools took part in the project and 144 drawings from four provinces of Chaiyaphum, Nan, Nakhon Ratchasima and Bangkok were selected by Hop Inn guests and the public.

### Community development activities

The company and hotels within the group organized activities mobilized by employees with volunteer mind to relieve the public from difficulty from the Covid-19 outbreak. Activities were designed to suit the needs of particular sites and locations:



- Hotels within the group delivered food, alcohol gel, consumables to neighboring communities and the public.
- The company donated N95 face masks and dried banana, a product from Pa Pang community in Lampang Province, to Maharaj Hospital in Nakhon Ratchasima, Wachira Phuket Hospital in Phuket, Songkhla Nagarindha Hospital in Songkhla, Maharaj Nakhon Chiangmai Hospital in Chiangmai and Chulalongkorn Hospital in Bangkok.
- The company donated Thank You bags to street cleaners in proximity areas of our hotels, namely, in districts of Klongtoey, Pathumwan, Sathorn, Klongsan, Chaengwattana in Bangkok, and in Pathum Thani Municipality area in Pathum Thani Province, to express our deep appreciation to those who had been working so hard during the Covid-19 pandemic. The Thank You bag consisted of coffee from Pa Mee Community in Chiangrai Province, Jasmine rice from Kok Muang Community in Buriram Province and processed coconut shell products from Ban Laem Community in Nakhon Si Thammarat Province. These products were all from communities in the Happy Home, Happy Stay project developed to enhance community homestay service and management that the company had run to help distributing incomes to local communities, as they were all affected by the pandemic.
- The company donated the entire revenue from room sales of Hop Inn hotels nationwide on June 5, 2020 with no deduction together with staff’s donations totaling Baht 1 million to the “Baht 63 to Fight Covid-19 Pandemic – Transforming suffering with Baht 63 in 2020 Project” of the Thai Red Cross.

### Education support Activity

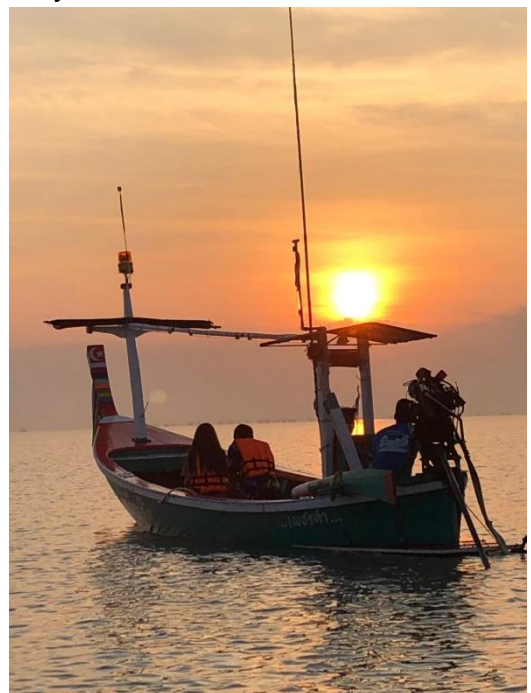
The Creative Cabinet project provides a better access to books and toys that enhance learning and skills to primary school children to widen their imaginations. The cabinet contains teaching materials to produce learning media as well. The company plans to deliver the cabinet to schools in provinces where Hop Inn hotels are located all over Thailand. Five cabinets will be given to five schools on the first day a Hop Inn hotel in that area opens its door. The project has started since 2014. So far, at least 224 schools have received the imagination cabinet. In 2020, the company gave the cabinets to five more schools in Phuket on the occasion of Hop Inn's 2nd branch opening in the island.



### Tourism industry support projects

The “Happy Home, Happy Stay” project represents an increasing role of community tourism, as more and more tourists wish to experience local lifestyles, traditions, food and customs. They want to experience first-hand how to cook and eat local culinary, how to DIY handicraft and how to live the same their hosts live. As a hotel operator, the company is eager to take part in promoting community tourism, which is directly related to our business.

To further develop the community homestay management, the company has shared its knowledge and expertise with communities, encouraged them to learn and look at economic opportunities from different perspectives in order to enhance their potentiality for the purpose of sustainable development from within the communities themselves. The project was initiated in 2018 at Ban Laem Community, Tha Sala District, Nakhon Si Thammarat Province. A year later, we collaborated with Air Asia to organize the homestay service and management training in the “Journey D” project for communities. In 2020, the company joined hands with Government Savings Bank (GSB) in the GSB Smart Homestay project by awarding and sharing knowledge with Ban Nong Khao, Ta Muang District, Kanchanaburi Province and Ban Mung Nua, Nern Ma Prang District, Phitsanulok Province. In addition, bedsheets from selected hotels within the group were distributed to six participating communities in the project.



# ENVIRONMENT

## Better Planet : Enhance eco-efficiency in construction and operation

### Actions to mitigate the impacts from hotel operations.

The Erawan Group Plc. has a diverse structure in managing hotels. While the environmental management policies are different, every hotel brand expressly commits to zero greenhouse gas emission by 2050 through efficient energy, water, and waste management as well as environmental-friendly procurement, which are practice guidelines for GHG emission reduction. However, to achieve this goal, investment budgets, efficiency and cost-effectiveness remain important for consideration. At present, we are conducting a study and gathering information to seek proper investment options that will enable us to achieve a goal of reducing negative impacts from our hotel operation.

In 2022, the Grand Hyatt Erawan Bangkok was a pilot hotel to audit GHG emission by third party based on Thailand Greenhouse Gas Management Organization (TGO)'s standards. Other hotels were in the process of gathering data to come up with more effective means to operate hotels and to audit GHG gas emission in the future.

## ENERGY MANAGEMENT



The Erawan Group Plc is conducting a study to seek investment partners to enhance its energy management capacity of its current systems and to increase the ratio of renewable energy in the operation. Yet the introduction of renewable energy may be restricted based on building structures and budgets can be varied.

However, the company has set a target to reduce energy intensity by 4% per year and increase the share of clean energy by 10% by the year 2030.

### SHORT-TERM ENERGY MANAGEMENT PLANS

- Introducing energy-efficient electrical appliances and equipment. For example, replacing light bulbs with LED bulbs. Every

#### DATA OF INTERNAL USE OF ELECTRICITY USAGE

2020  
42,105,298.36

kWh

2021  
56,070,158.04

kWh

2022  
64,726,114.37

kWh

hotel embarked on a replacement project on a zone basis in 2019. We plan to meet the 100% goal in 2025.

- Checking lighting, installing timers for controlling purpose, and turning off lights in non-use zones.
- Constantly monitoring the efficiency of all machines and systems indoors.

## LONG-TERM ENERGY PLANS

- Seeking an alliance for a feasibility study to enhance the maximum efficiency of each building.
- Increasing the ratio of renewable energy at the right location for the best interest of everyone.

## OPERATION RESULTS IN 2022

- We were able to reduce the energy use by 3 % in 2022 compared to the 2019 level.
- 80% of our hotels have changed 100% of their light bulbs into LED.
- We collaborated with Banbu NEXT co.,Ltd. to conduct a survey of every hotel under the group to assess the potential to install renewable energy for maximum efficiency.
- The Hop Inn Krabi Hotel was testing the use of solar cells in its operation where energy would be used for its public area. The data was gathered for analysis and implementation within the Hop Inn hotel chain
- Installed EV charging stations at four hotels: Mercure Ibis Sukhumvit 24, Mercure Ocean Resort Pattaya, Ibis Pattaya and Holiday Inn Pattaya.
- Energy intensity was 7.65 kwh/THB

## WATER MANAGEMENT



The Erawan Group commits to sustainable water management. This includes the use of water from various water resources and the recycling of water through its water management policy and strategy. We comply with the environmental laws, ISO 14001 industrial standards and other environmental rules and regulations.

We focus on improving the efficiency of our water usage and how to reduce the use of water in a sustainable way. Aside from using water-saving products, we also campaign guests and staff to help saving water and use Environmentally friendly chemical product. The target is to reduce water usage by 5% per year.

In addition, every hotel is equipped with a wastewater management system and septic tanks that treat water before it is released to public waterways. Quality assessment is conducted once to twice each year to ensure that water quality is within the required standards. The septic tank system is also equipped with an air-filling aviator, which will not emit methane that mainly generates GHG.

### PRACTICES TO REDUCE THE USE OF WATER IN HOTELS.

- Campaign guests to re-use towels and linen to reduce water for laundering.
- Raising staff awareness on how to effectively and efficiently use water resources.
- Installing aerators to reduce water flow from faucets.
- Using water-saving sanitaryware models.
- Checking piping, accessories and water meters to monitor the use of water; conducting regular maintenance to reduce water leakage.
- Building a rain-filled reservoir at a right location.

### OPERATION RESULTS IN 2022

- The JW Marriot installed valves at its water meters as a trial to effectively control its water usage.
- The Naka Island Hotel built a rain-filled reservoir and improved the efficiency of its RO water system so that water can be used during summer instead of having to solely rely upon groundwater. The project enables the hotel to reduce groundwater use by 23,480 cubic meters a year.
- Percentage of treated wastewater before disposal is 48.12%

#### DATA OF INTERNAL WATER USE

2020
818,261.80
m <sup>3</sup>
2021
734,648.94
m <sup>3</sup>
2022
1,186,974.12
m <sup>3</sup>



## WASTE MANAGEMENT



The Erawan Group Plc., aims to reduce waste destined for landfill by 50% within 2025 through the 4R principles of Reduce, Reuse, Recycle, and Resource. We are collaborating with partners to create a recycling journey for the waste by enhancing waste separation efficiency, reducing the volume of landfill waste, and gathering statistics of waste destined for landfill generated by hotels in Bangkok for monitoring the performance.

### MANAGEMENT OF FOOD LEFTOVERS AND FOOD WASTE

- The Grand Hyatt Erawan Bangkok, the JW Marriott Bangkok, and the Courtyard by Marriott Bangkok Hotel are joining hands with the SOS Foundation to donate food leftovers for the less fortunate.
- The Courtyard by Marriott Bangkok Hotel received All-Star Award for deducting food waste organized by The PLEDGE on Food Waste.
- The Grand Hyatt Erawan Bangkok and the JW Marriot Bangkok join Yindee Application to sell bakery at a special price with the total weight of 5,245.39 kilograms.
- Hotels under the Accor Group turn food leftovers and food waste into animal feed.
- The Head Office turns food waste into compost.

### PLASTIC WASTE MANAGEMENT

The Erawan Group Plc's head office and hotels under our group together with SCGC and CORSAIR, our partners, separate all kinds of plastic waste for a recycling process. A journey of this plastic waste is clearly determined while collection time is clearly set to efficiently manage the energy used for transporting waste and to reduce the GHG emission. Every hotel is replacing one-time plastic materials with other products but still satisfying customers, such as refillable shampoo bottles in hotel bathrooms and biodegradable plastic straws.





### PAPER WASTE MANAGEMENT

Together with our partner, SCGP, our head office and the group's hotels in Bangkok collect paper for recycling and directly delivered to manufacturer. Waste paper collecting routes and time are clearly set to enhance efficiency and reduce the use of energy for transporting paper.

### LANDFILL WASTE MANAGEMENT

With our partners, The Erawan Group is enhancing waste separation to be efficient and extensive for more waste to reduce the quantity of waste to landfill. Currently, we start collecting data of landfill waste generated by the head office and hotels in Bangkok.

## 2022 Garbage and Waste Management

Waste management		kg
Landfill waste		187,191.65
Hazardous waste		4,916.00
VOLUME OF WASTE THAT IS REUSED AND/OR RECYCLED		
Paper		25,553.32
Plastic		15,933.13
Glass		35,660.90
Metal		502.95
Grease oil		12,947.32
Other		94,035.10
OTHER		
Donate		5,324.39
Animal food		294,099.25
Composting		988.55
Coffee grounds		1,031.50

## GREENHOUSE GAS (GHG) MANAGEMENT



We intend to promote understanding and awareness among the management and staff regarding impacts from the GHG emission to recognize the importance of efficient operation processes in order to minimize negative impacts from our business. We aim to improve the efficiency of our use of resources; better manage the energy, water and waste; use environmental-friendly products and organize events with low-carbon footprints. In addition, we conduct a risk assessment of climate change, the result of which will be criteria when investing in and building future hotels. In 2022, The Erawan Group Plc conducted a study and collected carbon footprint data from all hotels. The Grand Hyatt Erawan Bangkok was the first hotel in our group to audit its GHG emission based on Thailand Greenhouse Gas Management Organization's (TGO) and international criteria.

### SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS TONCO<sub>2</sub>e

2020

29,049.53

2021

28,779.93

2022

41,923.74

### TARGETS:

- Support the national target of achieving carbon neutrality by the year 2050 in Thailand.
- Ensure that all hotels (100% owned and managed by the company) provide services related to energy reduction and carbon offset by the year 2027. Practices for GHG emission reduction.

### OPPORTUNITIES:

Our hotel business caters to a diverse customer base both domestically and internationally, who are interested in different approaches to greenhouse gas management. Currently, we have corporate customers from both domestic and international markets who are interested in eco-friendly accommodation and hosting green meetings that can offset carbon emissions. If we focuses intensively on this aspect, it can expand its customer base in the future.

## RISKS:

The hotel business is a service industry that consumes a significant amount of energy, and a large portion of energy usage is driven by the guests themselves. This makes it challenging for hotels to have control or manage energy consumption effectively. Therefore, it poses a challenge for the company to achieve its carbon reduction goals. However, the company is making efforts to improve energy efficiency, construction practices, and adopt environmentally friendly energy innovations in its business operations.

Furthermore, there is an increasing demand for environmentally friendly hotel services from both individual customers and corporate clients. If hotels fail to adapt and meet these growing demands, they may miss out on long-term business opportunities in the future.

## OPERATIONAL PLAN:

- Implement leading hotels that utilize environmentally friendly energy sources, such as solar panels, and increase the proportion of hotels using such energy sources.
- Expand the availability of electric vehicle (EV) charging stations to support the reduction of fossil fuel consumption in transportation.
- Upgrade hotels to meet Green Hotel standards and other environmental standards.
- Monitor, assess, and offset carbon emissions in all hotels managed directly by the company.

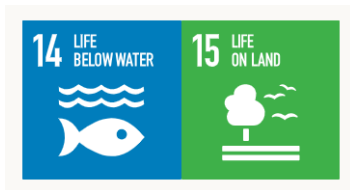
## OPERATION RESULTS IN 2022

- Raising awareness and participation of staff through training to help reducing the GHG emission, change their behaviors and educate how to effectively use energy and natural resources.
- Setting awareness in environmental impacts as part of a work process and a KPI (Key Performance Indicator)
- Collaborating with our alliance, namely SCGC, SCGP and CORSAIR, to bring waste into a recycling process. The project was inaugurated in October 2022 and is currently limited to Bangkok area only.
- Increasing the ratio of eco-products in our procurement criteria.
- Currently, we are studying investment and construction opportunities to support our goal to reduce the GHG emission.
- Mandate every corporate event to be low-carbon footprints, which can be done through sharing rides, using recyclable materials at the event, reducing waste by urging everyone to carry their own water bottle and serving fruits during breaks.
- Carbon intensity (scope 1-2 ) was 0.004 tCO<sub>2</sub>e/THB

Certification of carbon assessment from third party (Grand Hyatt Erawan Bangkok)

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## BIODIVERSITY MANAGEMENT



Sustainable biodiversity management requires an understanding of the balance between how to safeguard resources and how to use them efficiently. As a result, to cultivate a proper understanding of how one can seek appropriate benefits from the resources as well as how to effectively take care of them will remain an important principle to protect diversity. The Erawan Group Plc's goal is to plant 10,000 trees and reduce landfill waste by 50% by 2027.

In 2022, The Erawan Group Plc and hotels within the group planted 400 trees in Chatuchak Park, Benjakitti Park, and Mab Prachan Chonburi Reservoir.

The Naka Island Hotel, which is located at the Naka Island, Phuket, together with Pak Klok Sub-district Administration Organization, planted 2,500 mangrove seedlings within the island. The hotel also took part in the "Go Green" Project to collect 156.64 kilograms of waste from beaches and village areas.