

## Announcement No. 14/2024

### Sustainable Development Policy

#### The Erawan Group Public Company Limited and its Affiliates

The Erawan Group Public Company Limited and its affiliates (“the Company” or “The Erawan Group”), as a hospitality developer and operator in the tourism and service industry, recognize the significant impact of their operations—both positive and negative—on the economy, environment, community, and society. As such, the Company adopts the principles of sustainable development as a core business strategy, ensuring its operations contribute to economic, environmental, and social sustainability, in line with good corporate governance. The Company is committed to fostering sustainable growth and benefiting all stakeholders.

This Sustainable Development Policy (“the Policy”) has been established to guide the Company’s practices in a consistent direction corporate-wide, aligned with key sustainability issues relevant to the business and stakeholder expectations and concerns. The Policy is developed on the ground of the United Nations’ Sustainable Development Goals (SDG 2030), global standards and other sustainability frameworks, integrated with the Company’s long-held philosophy “Success with Integrity.” The policy outlines specific principles for achieving sustainable development as follows:

1. Establish a governance structure, define roles and responsibilities, and monitor key initiatives related to sustainable development. Encourage hotels and businesses within the group to align with these sustainability guidelines.
2. Continuously monitor sustainability performances. Review and improve sustainability performances management practices, and evaluate progress to ensure alignment with set goals.
3. Instill sustainability awareness and knowledge at all employee levels, encouraging employees to act with responsibility and volunteer spirit towards community, society, and environmental development. This involves understanding the needs and concerns of stakeholders to support sustainable tourism growth.
4. Foster collaborations and build networks with sustainability partners, both locally and internationally, to exchange knowledge and enhance cooperative efforts.
5. Engage stakeholders throughout the business value chain, incorporating their expectations into policies, management strategies, and business practices for sustainable value chain management.
6. Encourage the group’s businesses to adhere to recognized global sustainability guidelines and standards, promoting excellence in both hotel services and sustainable tourism practices.

To achieve tangible sustainable development practices, The Erawan Group emphasizes three core sustainability pillars—Economic, Environmental, and Social—underpinned by Good Governance:

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## 1. Economic Policy

The Company is committed to strengthening its hotel business to support the growth of the country's tourism industry. This includes expanding hotel networks, offering a diverse range of hotel segments, and delivering high-quality services that provide unique experiences in prime location for tourist and economy. All operations are governed by principles of good corporate governance, with sustainable procurement and supply chain management as priorities.

### Relevant Policies:

1.1. Procurement Policy

1.2. Tax Policy

## 2. Environmental Policy

The Company provides hospitality services that serve travellers' demand in sustainable lifestyle, supporting collaboration for climate actions and addressing climate change risks. The Company is committed to increase efficient of resource consumption to an optimum level and minimizing negative environmental impacts across project developments and hotel operations, with key priorities on environmental policies as follows.

### 2.1. Energy and Carbon Management

The Company's policy is to support Thailand's Net-zero carbon emissions by 2065, by reducing greenhouse gas emissions through operational improvements, collaborations across the business value chain, and continuously implementing other related measures. Key measures include:

2.1.1. Increasing the use of renewable and eco-friendly energy sources across all operations.

2.1.2. Constructing, renovating, and refurbishing buildings with consideration on using energy-efficient equipment, low-carbon or environmentally friendly materials.

2.1.3. Regular maintenance and optimization of energy-using equipment for maximum efficiency.

2.1.4. Continuously monitoring carbon emissions and adopting long-term carbon reduction and offset strategies.

2.1.5. Improving operational processes to reduce carbon emissions, such as waste separation, food waste management, purchasing low-carbon products, as well as facilitating and promoting environmentally friendly lifestyles for customers.

2.1.6. Supporting related carbon related initiatives, such as the conservation of natural resources both on land and at sea, increasing carbon absorption areas, etc.

## 2.2. Food Waste Management

Food waste is a significant global sustainability issue in the hotel industry as it relates to resource consumption, food security and zero-hunger sustainable development goals. The Company aims to reduce food loss<sup>1</sup> and food waste, placing its importance on appropriate food inventory management while balance between sustainable practices and customer satisfaction.

2.2.1. Manage operations in a balanced way to provide customers with the right quantity and quality of service to ensure customer satisfaction, while also considering food loss during the process and food waste from consumption.

2.2.2. Reduce food waste and separate food scraps for internal management or collaboration with external organizations for appropriate disposal, ensuring maximum benefit to society and the environment from recycle.

## 2.3. Materials and Waste Management

The Company has a policy that requires all operational processes across all business areas, from construction, renovation, to operations, to classify waste types that are significant to the hotel business and establish 'waste journey' to all significant type of waste to ensure that they are directed to partners who can recycle (Recycle) or properly dispose of them in the most beneficial manner. This is done alongside efforts to reduce waste and emissions from the very beginning (Reduce), reuse (Reuse), and efficiently use resources to minimize landfill waste as much as possible.

Moreover, the company encourages each hotel to use environmentally friendly materials or products that are certified or meet appropriate standards for specific uses, while still maintaining functionality and creating a positive experience for customers. This is aimed at reducing the amount of non-recyclable waste and aligns with the circular economy.

## 2.4. Water Resource Management

The Company places importance on the use of water from all sources, promoting efficient water usage and improving processes to reduce water consumption. This includes engaging customers in awareness efforts to minimize water waste while maintaining service quality and customer satisfaction. Furthermore, the company emphasizes the well-being of surrounding communities by regularly inspecting and enhancing the effectiveness

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<sup>1</sup> Food loss refer to the decrease in edible food mass throughout the part of the supply chain that specifically leads to edible food for human consumption. Food losses take place at production, postharvest and processing stages in the food supply chain (FAO, Parfitt et al., 2010). Food loss includes the loss of food during transportation, storage, preparation and cooking.

of wastewater treatment systems before discharging treated water back into natural water sources. The Company also supports water recycling and takes into account the community's access to water and shared water usage with the community.

### **3. Social Policy**

The Company conducts its business responsibly, considering the impact on all dimensions of the community, society, and all stakeholders within the business chain. It aims to contribute to economic and social development by creating jobs and promoting good employment practices in local and regional areas, while supporting local products as part of business expansion into different regions. The Company is committed to enhancing the capabilities of employees and local communities by providing hotel service skills and knowledge to strengthen careers, elevate the tourism industry, and create sustainable destinations. The Company also engages with the community, respecting local cultural heritage, and ensures the well-being of its employees by fostering a high quality of life and sustainably developing human resources in line with its core values. The Company has established social policies in the following areas:

#### **3.1. Local Economy and Sustainable Tourism**

The Company supports community economies through local employment and skill development, providing knowledge and opportunities for communities to engage in sustainable tourism.

#### **3.2. Career Development and Community Engagement**

The Company engages with local communities through skill-building programs and encourages employee participation in social responsibility projects, promote community well-being, support local tourist attraction as well as respect and preserve local heritage and culture.

#### **3.3. Employment, Opportunities, and Diversity**

The Company follows human rights principles in its recruitment process, emphasizing equality, dignity, and the right to fair and equal treatment without discrimination based on race, skin color, gender, age, religion, or beliefs. It provides opportunities for people of all ethnicities to join the workforce, focusing on qualifications suited to the job. All new employees receive orientation and job training programs, and the Company also offers internal employee's opportunities for job rotation, transfer, or promotion as appropriate. This helps to develop their skills and increase career advancement opportunities both domestically and internationally.

### **3.4. Employee Development**

The Company continuously invests in employee development, offering various learning platforms to enhance skills in line with business growth.

### **3.5. Employee Engagement and Well-being**

The Company prioritizes holistic care for its employees, focusing on both physical and mental well-being. It encourages improvements in the working environment to ensure employees are happy at work and enjoy a good quality of life, fostering long-term commitment to the organization. This approach aims to drive the company forward while delivering sustainable value to all stakeholders. Additionally, the Company is committed to treating all employees equally, following universal human rights practices.

### **3.6. Occupational Health and Safety**

The Company promotes occupational health and safety as a key concern for all stakeholders, including employees, contractors, and customers. It emphasizes adherence to safety standards, regularly reviews and practices emergency response plans, and raises awareness through training. Employees are encouraged to remain vigilant about these issues, especially regarding risks that significantly impact the hotel, tourism, and travel industries, such as first aid, fire evacuation, and natural disasters. Additionally, the company ensures that employees have a work environment and equipment conducive to overall well-being in all dimensions of their work.

## **4. Corporate Governance Policy**

The Company is committed to transparent and ethical operations, complying with relevant regulations and international standards. The Company promotes ethical behaviour throughout the business value chain and opposes all forms of corruption.

Relevant Policies:

- 4.1. Corporate Governance Policy
- 4.2. Code of Conduct
- 4.3. Supplier Code of Conduct
- 4.4. Anti-Corruption Policy
- 4.5. Anti-Money Laundering and Combating the Financing of Terrorism: AML/CFT
- 4.6. Human Rights Policy

This Sustainable Development Policy is the responsibility of the Company's Board of Directors, executives, and all employees.

Announcement date: 9 December 2024



(Mr. Youssef El Khomri)

President

The Erawan Group Public Company Limited