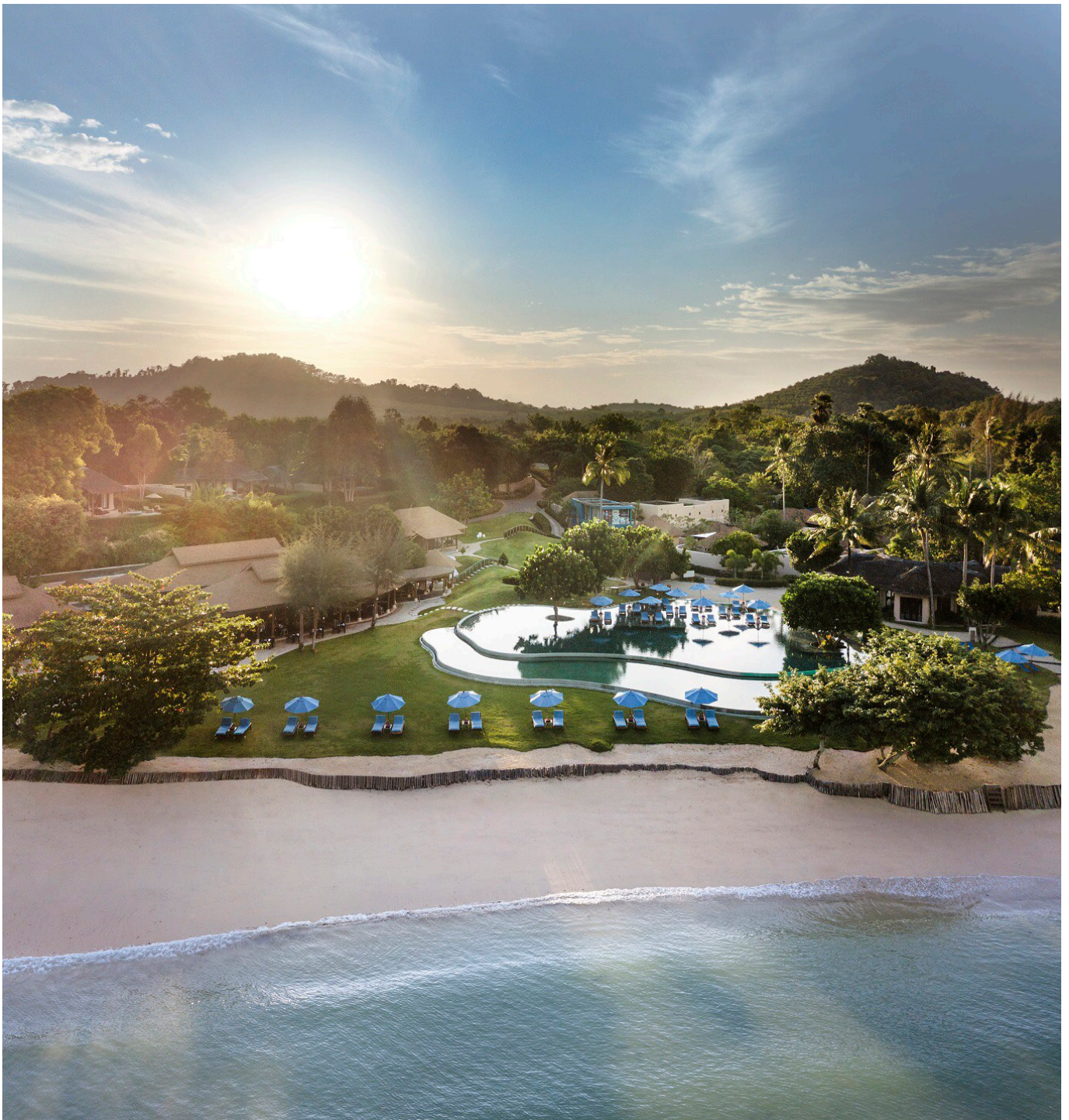


# TOGETHER FOR THE BETTER

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# Economic Performance

# Supply Chain Management

The partners are an important stakeholder of The Erawan Group. 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 Criteria

The Erawan Group has established criteria for classifying critical-tier suppliers to assess risks and efficiently manage the business supply chain into 2 categories;

### 1. Broken down by value

Vendors/contractors with transaction over 3 percent of total transactions with vendors/contractors are considered to be significant suppliers of ERW (critical 1-tier)

### 2. Broken down by type of services

The Company has classified its business operations into 3 sub-operations; 1) Head Office 2) Project

Development and 3) suppliers of hotel properties. There are operational differences between the three sub-operations, both type of vendors/suppliers and large differences in contract value. Therefore, the Company has set type of vendors/suppliers according to type of services as follows:

- 2.1. Project Development Suppliers
- 2.2. Hospitality Suppliers
- 2.3. Operation & Assessment Suppliers

In 2023, the Company has 3,367 suppliers, with 45 Critical 1-tier suppliers, accounted for 1.11 percent of total suppliers. Other details are broken down as follows:

2023 supplier category	Hospitality business	Project Development	Head Office	Total
Total suppliers	3,367	172	509	4,048
Critical 1-tier suppliers	27	12	6	45
General suppliers	3,340	160	503	3,975
Suppliers who acknowledge on Supplier Code of Conduct	n/a	n/a	n/a	n/a



## Supplier's Pre-qualification and Selection Criteria

To effectively exercise business supply chain as well as mitigate risk within the chain, the Company has established ERW's Pre-qualification Checklist to classify suppliers with these following 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

## Supplier Risk Assessment

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.

## Criteria for On-site Audit

### Annual On-site ESG Audit Criteria for Eligible Suppliers

The Company has established criteria for suppliers that are eligible for the annual onsite ESG Audit with the following criteria.

#### 1. Project Development Suppliers

The Company considered the top 5 of critical tier 1 suppliers based on highest transactions are vendors that are eligible for onsite ESG audit as they are significant to cost of business operations.

#### 2. Hospitality Suppliers

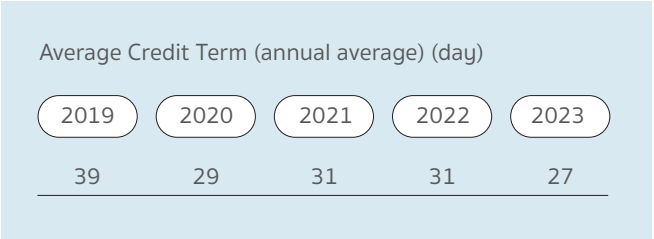
As hospitality business is a service provider business which food hygiene, health and safety is a crucial issue in operations. In addition, expenses relating to food and beverages are accounted for as a large transaction, especially in the luxury hotel sector. Therefore, The Naka Island, A Luxury Collection Resort and Spa has all their food supplier's 100 percent onsite ESG audit conducted in 2023.



Credit Term Policy

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.



Supplier Code of Conduct

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/corporate-governance/code-of-conduct>

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.



# Customer Satisfaction Enhancement

The Company considers every customer important to its business operations. Therefore, it focuses on building strong relationships with all customer groups and taking care of every customer before, during, and after using its services. This includes services related to accommodation, dining, or other offerings provided by the company. At every stage, customer satisfaction is regularly evaluated to ensure the highest level of customer satisfaction.

Additionally, the Company places great emphasis on continuous service improvement, using customer opinions and feedback as key data for studying and analyzing behavior to develop services that truly meet customer needs. These service improvements are regularly updated to align with changing customer behavior, influenced by new trends or evolving circumstances. For instance, the company has enhanced cleanliness and hygiene standards uniformly across all hotel levels and upgraded the online room booking system to be more user-friendly and convenient for customers.

## Customer Satisfaction Development Plan

### Customer Clustering

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.

### Customer Complaint Management

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 centers. Impact assessment and management of customer



complaints depend on a particular situation with our service standards being the criteria. Simultaneously, impact assessment of the company's interest and the interest of all stakeholders is regularly conducted.

## Customer Engagement

The Erawan Group keeps organizing events at all hotels to deliver first-hand experience to customers who have enjoyed our hotels and services.

- Games are regularly 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.
- 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.
- Conducting a monthly customer satisfaction survey to gauge the number of followers, subscriptions and online reputation as well as to witness the growth of loyalty members.



## Customer Satisfaction Result

To gauge customer satisfaction, every hotel within our group constantly assesses satisfaction of customers staying with us or enjoying our service. All hotels are to submit results of their customer satisfaction survey to senior management at the end of each month to analyze opportunities and challenges to accurately respond to customer needs. All hotels are to use scores of the previous year as a threshold to better their services. The Company measure customer satisfaction from these following channels;

- Customer Satisfaction Survey: This refers to a survey which allows customers to express their views regarding cleanliness, service quality and other hotel facilities. Each hotel will email the form to customers after they check out.

- Social Review Index: This is conducted through online and social media platforms such as OTA, Google Review and TripAdvisor. Acquired scores are then compared with those enjoyed by competitors. Results of the assessment during the past three years are as follows:

Average customer satisfaction scores of ERW's hotels

2020	2021	2022	2023
79%	80%	79%	81%





# Business Innovation

## Vision on Innovation

Vision on innovation is embedded with our “Corporate Culture of Sustainability”, consisting of E = Empathy & Efficiency, P = Passion, I = Innovation & Integrity and C = Collaboration, or so-called ‘EPIC’



“Innovation: an innovative culture of sustainability that reflect a mindset of thinking differently to create new and challenging ideas that lead to innovations, improved processes, and better outcomes.”

## Smart Guest Room Control

The Smart Guest Room Control innovation is a form of process innovation that builds upon existing technology. The company, in collaboration with BanpuNext, has introduced two advanced technologies to detect movement within guest rooms to reduce electricity consumption. Previously, motion-detection technology alone was used to save energy by cutting off room lighting. However, this sometimes led to inconvenience for guests who remained still in the room, as the lights would turn off unexpectedly. The new innovation integrates room temperature detection alongside motion detection, improving accuracy. This ensures electricity is temporarily cut only when guests genuinely do not require it, without compromising their comfort or satisfaction.

The company has piloted this technology, named SensorFlow, in 7 guest rooms and evaluated energy savings, cost reduction, and the sensor’s operational performance. Plans are in place to expand installation to other areas by 2024.

Monthly energy saving  
(by calculation)

Result  
**44,975 kWh**  
amounting to appx.  
THB 185,679

Monthly energy saving  
(by actual consumption)

Result  
**47,949 kWh**  
amounting to appx.  
THB 197,957

Time duration of activated censor  
(expected)

Result  
**4.50 hour/room/day**

Time duration of activated censor  
(by actual consumption)

Result  
**6.29 hour/room/day**

Remark Calculated from average of 1 kWh = THB 4.1285

# Service Excellence

## Commitment to Excellence in Service

Beyond delivering hotel services aligned with Global Brand Standards, The Erawan Group encourages its hotels to adhere to various local and international standards relevant to hotel operations. These include ISO certifications, public health standards, and food safety standards like HACCP. Detailed information on the standards achieved by The Erawan Group's hotels over the years is available at <https://www.theerawan.com/en/our-pride>.

Each hotel operates under service frameworks and standards specific to its brand, defined by the brand owners with whom The Erawan Group holds management or franchise agreements. These brand owners conduct annual quality inspections. For HOP INN, which is fully owned and operated by The Erawan Group, service standards are internally developed. The group ensures systematic training and conducts service quality assessments at least once a year.

## Sustainability Standards for Hospitality

The Erawan Group is committed to developing its business in alignment with national and international sustainability

standards. In 2022, the Grand Hyatt Erawan Bangkok received a \*\*Gold-Level Green Hotel Certification while in 2023, Courtyard by Marriott Bangkok and HOP INN Chaeng Watthana awarded with Gold and Silver level of Green Hotel Certifications, respectively.

Additionally, four hotels achieved the \*\*5-Star Sustainable Tourism Goals (STGs)\*\* under the \*\*STAR: Sustainable Tourism Acceleration Rating\*\* by the Tourism Authority of Thailand:

- The Naka Island, a Luxury Collection Resort & Spa, Phuket
- Holiday Inn Pattaya
- JW Marriott Bangkok
- Courtyard by Marriott Bangkok

The group aims to have all hotels under its portfolio certified for sustainability by 2024.

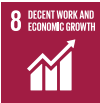
Furthermore, hotels managed under external franchises, particularly those within the Accor Group, are working towards obtaining the Green Key Standard. This is a leading certification for environmental excellence and sustainable practices in the tourism and hospitality industry.



# Social Performance



# Human Resource Management



### Target <sup>(3-3)</sup>

- Average training hours of 60 hours/person/year
- Zero-accident target
- Zero-labour and human rights disputes

### Business Opportunities and Risks <sup>(3-3)</sup>

#### Opportunities

- The widespread distribution of hotel branches across regions enhances the Company’s ability to recruit top talent. Additionally, having a diverse workforce in terms

of gender, ethnicity, religion, age, and perspectives enriches the organization, fostering opportunities for business development and adaptability to future changes.

#### Risk and Challenges

- The hospitality industry faces a high employee turnover rate and fluctuating labor demands due to its seasonal nature. If the company fails to provide proper care, attractive benefits, or balanced professional development opportunities for employees, it risks a shortage of skilled workforce, which is critical for driving overall business success in the future.

### Performances <sup>(302-1, 302-4)</sup>

#### Employee Data

The Erawan Group Public Company Limited and its affiliated companies recorded a total of 4,043 employees at the end of the 2023 fiscal year. Remunerations consisting of salary and bonus totaled THB 1,907,434,989 There are 1,711 employees participating in the Provident fund project, which represents 42.32% of the total number of employees.

#### Employee Care

The Company places great emphasis on the holistic well-being of its employees, addressing both physical and mental health. It also supports workplace improvements to ensure a happy and healthy working environment. This approach encourages long-term employee retention, fostering contributions that drive the organization forward while delivering sustainable value to stakeholders. Furthermore, the company is committed to treating all employees equitably, adhering to universal principles of human rights.

#### Employee Benefits

The Company provides legally mandated benefits along with additional perks, such as health insurance, accident insurance, a provident fund, workers’ compensation benefits, financial aid, and various employee engagement activities.

#### Employee Recruitment

The recruitment process adheres to human rights principles, emphasizing equality, dignity, and fairness without discrimination based on race, skin color, gender, age, religion, or beliefs. The Company ensures that all nationalities have equal opportunities to join the organization, with a focus on selecting candidates who best fit the role.

New employees undergo orientation and job training programs to familiarize themselves with the organization. Internal employees are also encouraged to explore career development opportunities through job rotation, transfers, or promotions, depending on suitability. This initiative aims to enhance employee skills and career advancement, both domestically and internationally.

#### Promotion of Employment Opportunities

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Employee with disabilities (persons)	16	5	14	8	15	10
Trainees (persons)	95	194	138	251	192	521

## 2023 Annual Training and Personnel Development

### Drive of Corporate Culture and Value

The Company raises awareness and understanding and promotes its DNA through Erawan's Core Value and Corporate culture (EPIC) by communicating through Corporate Townhall, Meet The President, DNA Culture Based Activity and Employee Engagement Program, etc.

### Employee Upskill and Capability Development

The Company actively promotes ongoing staff capacity-building. In 2022, the ERW Hybrid Learning Center both onsite and online 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, such as following programs and platforms

- Corporate Signature Program, Leadership Development Program
- Digital Upskills Program
- English Upskills Program, Individual Development Plan (IDP)
- Mindset & Lifestyles Program
- Online Learning via Cariber Platform

Training and development		Unit	2022		2023	
			Male	Female	Male	Female
No. of courses	Course		7,741		10,439	
No. of employees by gender	Persons		1,438	1696	1,776	2,000
Total training hour	Hrs./yr		101,024		264,886	
Average training hour (target: 60 hrs./person/year)	Hrs./person/yr.		27		70 (target: 60)	
Average training expense	Baht/person/yr.		1,142		363	
Employee training satisfaction	%		95%		93%	
Individual Development Plan (IPD)						
Head office	Persons		30	77	89	102
Hotel properties	Persons		538	536	746	680
Capability and career development assessment						
Employee who participated in performance evaluation and feedback process	Persons		1,147	1,093	1,308	1,291
No. of promoted employees	Persons		93	151	112	131
No. of transferred/rotated employees	Persons		61	53	29	52

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

The Company commits to overseeing the OHS elements and provides training on self-protection through online doctor consultation and 'Meet the Doctor' telemedicine for staffs. The Company also provides an annual health check-up, supports immunization booster vaccination

as well as in-house perception blind massage, daily and big cleaning at workplace, and also regularly conducts office space sterilization and performs an annual fire drill and fire prevention event to prepare for emergency situation.

**Target:** Zero-accident target

Accident statistic		Unit	2022		2023	
			Male	Female	Male	Female
No. of case – recordable work-related injuries	Persons		45	28	65	48
Recordable injury rate	Per 1,000,000 hrs.		13.08	6.34	18.44	10.21
No. of leave days for recordable work-related injuries	Days		251	61	229	53
No. of high-consequence work-related injuries (excluding fatalities)	Persons		-	-	-	1
High-consequence work-related injuries rate (excluding fatalities)	Per 1,000,000 hrs.		-	-	-	0.21
No. of leave days for high-consequence work-related injuries (excluding fatalities)	Days		-	-	-	60
Lost-time injury frequency rate (LTIFR)	Per 1,000,000 hrs.		13.08	6.34	18.44	10.43
No. of fatality	Case		-	-	1	-
Fatality rate	Per 1,000,000 hrs.		-	-	0.28	-

**Labour and Human Rights Disputes****Human Rights Risk Assessment**

The Company has assessed human rights risks within the organization by considering international human rights issues relevant to the hotel and service industry. Key concerns include child labor, forced labor, inadequate working environments, unfair wages, discrimination,

the right to unionize for collective bargaining, and various forms of harassment. Notably, in 2023, the company received no significant complaints related to labor disputes or human rights issues.

Grievance mechanism (cases)	2019	2020	2021	2022	2023
No. of case	0	1	1	0	0
No. of case – labor practices	1	4	1	0	0
No. of solved cases	1	4	1	0	0
No. of on-process cases	0	0	0	0	0
No. of human rights disputes	0	0	0	0	0



# Community Engagement



The Erawan Group commits to engaging in community and social development while conducting our business to co-create tourism promotion activities where we are more than eager to use our knowledge and expertise in hotel management to encourage communities to learn and enhance their self-development potential, to create jobs within communities and to safeguard local culture and identity. We encourage staff to volunteer in social projects initiated by the Company. We also collaborate with business partners, networks and government agencies to strengthen communities with a purpose to create a sustainable society.

In 2023, the Erawan Group continued to develop the following projects for community and society. Details are as follows.

## HOP INN Capacity-building for Hotel Personnel Project

We have been running this project since 2022 with vocational and university students to produce hotel personnel with qualifications the market is eying for.

This year, we entered an MOU with five education institutes in geographical areas where our hotels are located. They are Rayong Technical College, Kanchanaburi Vocational College, Bangna Commercial College (undergraduate level), Thanyaburi Rajamangkala Institute of Technology (premium course) and Nakhon Pathom Vocational College (undergraduate level). College students become trainees at Hop Inn and can work with us when graduated upon a set of criteria. In March when the project started, 25 students took part in the training program.

While this project helps creating a shared value resulting from the collaboration to enhance capacity and create jobs for local communities, for us, it provides access to personnel with the right mind and spirit, which enables us to continue our business.

### Benefit to the Company

- Reduce risk of shortage of skilled employees in the future
- Good image and be-known HOP INN brand

### Benefit to society

- Newly graduated students would be able to experience real-world hotel operations



## Ban Laem Mud Spa Project – Happy Home Happy Stay initiative

This Ban Laem Mud Spa Project – Happy Home Happy Stay initiative is a community development project further evolved from the initial “Happy Home, Happy Stay” project started in 2008 to upgrade and improve local homestay accommodation. So far, 27 community homestay projects have been part of this project.

In 2022, the Erawan Group selected the Ban Laem Homestay project in Nakhon Si Thammarat Province as the first pilot project thanks to its strength and readiness to learn. The community is also endowed with resources and attractions ideal to be steered towards sustainability. The Erawan Group went in and turned the community's multi-purpose building into a community spa to offer mud spa in addition to the community's already famous community products.

The Erawan Group hopes to create sustainable jobs to the community while promoting wellness and sustainable tourism where a venue is transformed to provide mud spa for tourists or the interested public.

### Benefit to the Company

- Utilizes the Company's expertise and resources to design and develop spa pavilions that are appealing and harmonize with local community culture.
- Collaborates with partners to enhance and promote community-based tourism.
- Provides opportunities for employees to engage with communities, expand their knowledge of diverse service scenarios, and foster a sense of volunteerism and social responsibility.
- Enhances The Erawan Group's brand recognition and reputation.

### Benefit to the community

- Develops and enhances community-based tourism services to better meet the needs of tourists.
- Creates jobs and generates income for the community. By the first quarter of 2024, following the official opening, Ban Laem community has welcomed various tourist groups, ranging from small groups to large gatherings of over 100 people per visit.





## Session 1: Workshop session

### Topic

“Wellness Tourism and Elevation of Community Spa”

- Wellness tourism and elevation of community spa
- Effective mud spa service
- Impressive spa service
- Importance of spa ambience and cleanliness
- Mud spa workshop and trial

### Date

19-20 September 2023

### Participants

50 women from Ban laem’s villagers and surrounding communities

### Mentors

- HOP INN Thailand
- HOP INN Nakhon Si Thammarat
- Grand Hyatt Erawan Bangkok
- Rachabhat University Nakhon Si Thammarat
- Traditional and Alternative Medicine, Sala Hospital Nakhon Si Thammarat

### Participating agencies

- Executives of ERW
- Tourism Authority of Thailand (TAT), Nakhon Si Thammarat Office

### Outcome

50 women from Ban laem’s villagers and surrounding communities had opportunity to practice Thai traditional massage and learn new technique to impress customers (tourists)





## Session 2: Mud spa Trial and opening ceremony

### Topic

Mud Spa Trial Service or “Test Trip” and Spa Villa Opening Ceremony

The event was organized in order to let ERW executives try the mud spa service and experience the Spa Villa facility that the Company helped reconstruct and subsidize before it officially launched to tourists. On this occasion, many local agencies honorably witnessed the soft opening event.

### Date

22-23 November 2022

### Participants

- 25 women from Ban Laem’s villagers and surrounding communities
- 13 governmental officers
- 19 ERW executives

### Participating agencies

- Executives of ERW
- Tourism Authority of Thailand (TAT), Nakhon Si Thammarat Office
- Promlok City District Office, Phrom Khiri Nakhon Si Thammarat province
- Traditional and Alternative Medicine, Sala Hospital Nakhon Si Thammarat
- Mangrove Forest Resource Management Center, Nakhon Si Thammarat Province Ministry of Natural Resources and Environment

### Outcome

Women of the Ban Laem community practiced providing virtual spa services to executives of The Erawan Group and honored guests at the event. The women’s group received good advice from service recipients for further career development





# Environmental Performance

# Waste and Food Waste Management



## Target (3-3)

The Company aims to reduce 50 percent of landfill waste by 2027

## Business Opportunities and Risks (3-3)

### Opportunities

- Gain business opportunities in seeking new environmentally friendly supplies and amenities as well as facilities, so that hotels could differentiate from others and able to deliver new experience to hotel guests.

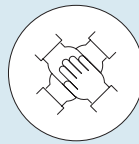
### Challenges and Risks

- Food waste is considered to be a significant global sustainability issue for the hospitality sector as it relates to natural resource consumption and global hunger concern. It is a challenge for the Company to balance resource consumption, demand and satisfaction of customers in serving quality food at the right amount. In addition, it is crucial to consider food loss during preparation and food waste after consumption.

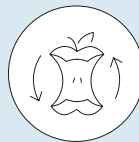
## Management Approaches (3-3)

- Sort waste, especially type of waste that are significant to the hospitality sector such as food waste, as well as increase percentage of recyclable waste.
- Promote consumption of recyclable or recycled materials for hotel supplies and amenities.
- Exercise 4Rs principles; Reduce, Reuse, Recycle and Resourcing
- Collaborate with external partners to create sustainable waste journey with optimum utilization of resources.

## Performances (302-1, 302-4)



**5**  
partnerships on waste management

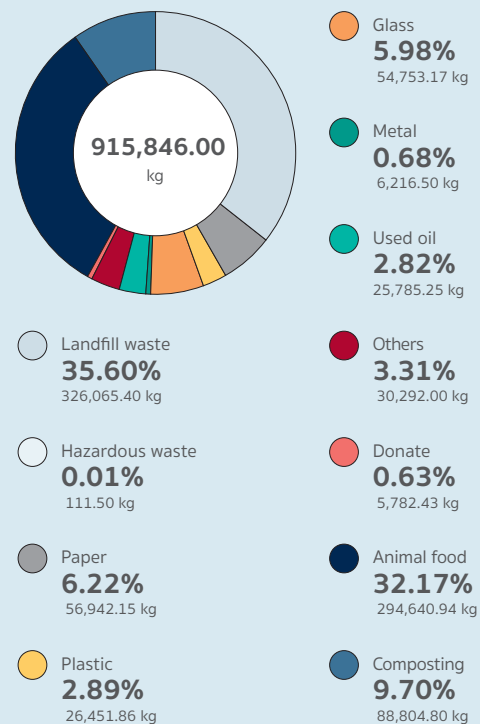


**29.30%**  
reduction of food waste from 'Zero Food Waste' initiative



**457.10 kg.**  
of plastic waste was properly recycled

## 2023 Garbage and Waste Management



## Food Leftover and Food Waste Management

The Company promoted 'Zero Food Waste' campaign in many hotels such as Grand Hyatt Erawan Bangkok where it started the campaign in May 2023 by encouraging their employees with no food leftover on their plate. The hotel could reduce food waste in the employees' canteen by 29.30 percent after the first month of the campaign launched, and 12.44 percent average each month.

### Partnerships for Leftover Food and Food Waste Management

- Scholars of Sustenance Foundation (SOS) – a non-profit organization who pass on leftover food for charities and those underprivileged

#### Participating hotels

- Grand Hyatt Erawan Bangkok
- JW Marriot Bangkok
- Courtyard by Marriot Bangkok
- Accor Hotels (To join in 2024)



- "Yindii" – a mobile application designed to re-sell bakery and pastries from hotel buffet line at a special prize to reduce foodwaste.

#### Participating hotels

- Grand Hyatt Erawan Bangkok
- JW Marriot Bangkok



- The PLEDGE on Food Waste – a food waste management program

#### Awarded hotel

- Courtyard by Marriott Bangkok (All-star level)



## Plastic Waste Management

The Erawan Group and its properties say no to single-use plastic to reduce non-recyclable plastic waste which is now replaced by renewable products taking into consideration customer satisfaction in an attempt to reduce waste at its origin.

We also collaborate with SCG Chemical Co., Ltd and Corsair International Thailand to separate plastic waste for recycling purpose where 457.10 kilograms of waste were recycled.

### Paper Waste Management

The Erawan Group's head office and hotels in Bangkok together with our partner SCG Packaging Public Company Limited (SCGP) collect paper for recycling. We plan routes and collection dates to reduce transport energy.

### Landfill Waste Management

The Company collaborated with external partners to effectively sort recycling waste in order to reduce landfill waste. Currently, the Company started collecting data on landfill waste of hotels in Bangkok Metropolitan Area and the Head Office.

## Total Waste of ERW

Waste Management	2022		2023	
	kg	% of total waste	kg	% of total waste
Landfill waste	187,191.65	27.60%	326,065.40	35.60%
Hazardous waste	4,916.00	0.72%	111.50	0.01%
<b>Volume of waste that is reused and/or recycled</b>				
Paper	25,553.32	3.77%	56,942.15	6.22%
Plastic	15,933.13	2.35%	26,451.86	2.89%
Glass	35,660.90	5.26%	54,753.17	5.98%
Metal	502.95	0.07%	6,216.50	0.68%
Used oil	12,947.32	1.91%	25,785.25	2.82%
Others	94,035.10	13.87%	30,292.00	3.31%
<b>Food waste management</b>				
Donate	5,324.39	0.79%	5,782.43	0.63%
Animal food	294,099.25	43.37%	294,640.94	32.17%
Composting	988.55	0.15%	88,804.80	9.70%
Coffee grounds	1,031.50	0.15%		0.00%
<b>Total</b>	<b>678,184.06</b>	<b>100.00%</b>	<b>915,846.00</b>	<b>100.00%</b>

# Carbon Management



## Target (3-3)

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

## Business Opportunities and Risks (3-3)

### 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 focus intensively on this aspect, it can expand its customer base in the future. In addition, the Company would have an opportunity to access green finance.

### Challenges and risks

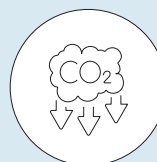
- The hotel business is a service industry that consumes a significant amount of energy, and a large portion of energy usage is driven by the guests themselves. This makes it challenging for hotels to control or manage energy consumption effectively. Therefore, it poses a challenge for the company to 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.

## Management Approaches (3-3)

- Manage energy consumption in responding to determined target and plan.
- Increase the proportion of environmentally friendly energy on both hotel operations such as installation of solar energy and hotel facilities such as installation of EV charging station for hotel guests.
- Define carbon emission base year, reduction target, action plan, management approaches, in order to monitor, assess, and offset carbon emissions in both short- and long-term.
- Enhance sustainability partnerships within supply chain and external parties
- Provide knowledge of the responsibilities of hospitality service providers towards climate change to executives and employees at all levels.
- Upgrade hotels to meet Green Hotel standards and other environmental standards.

## Performances (302-1, 302-4)



ERW Carbon Emission (scope 1 & 2)

**20,541** TonCO<sub>2</sub>e

Remark:  
Verified by external assurance



carbon offset

**332** TonCO<sub>2</sub>e

from Stay for Santa

**Stay for Santa**



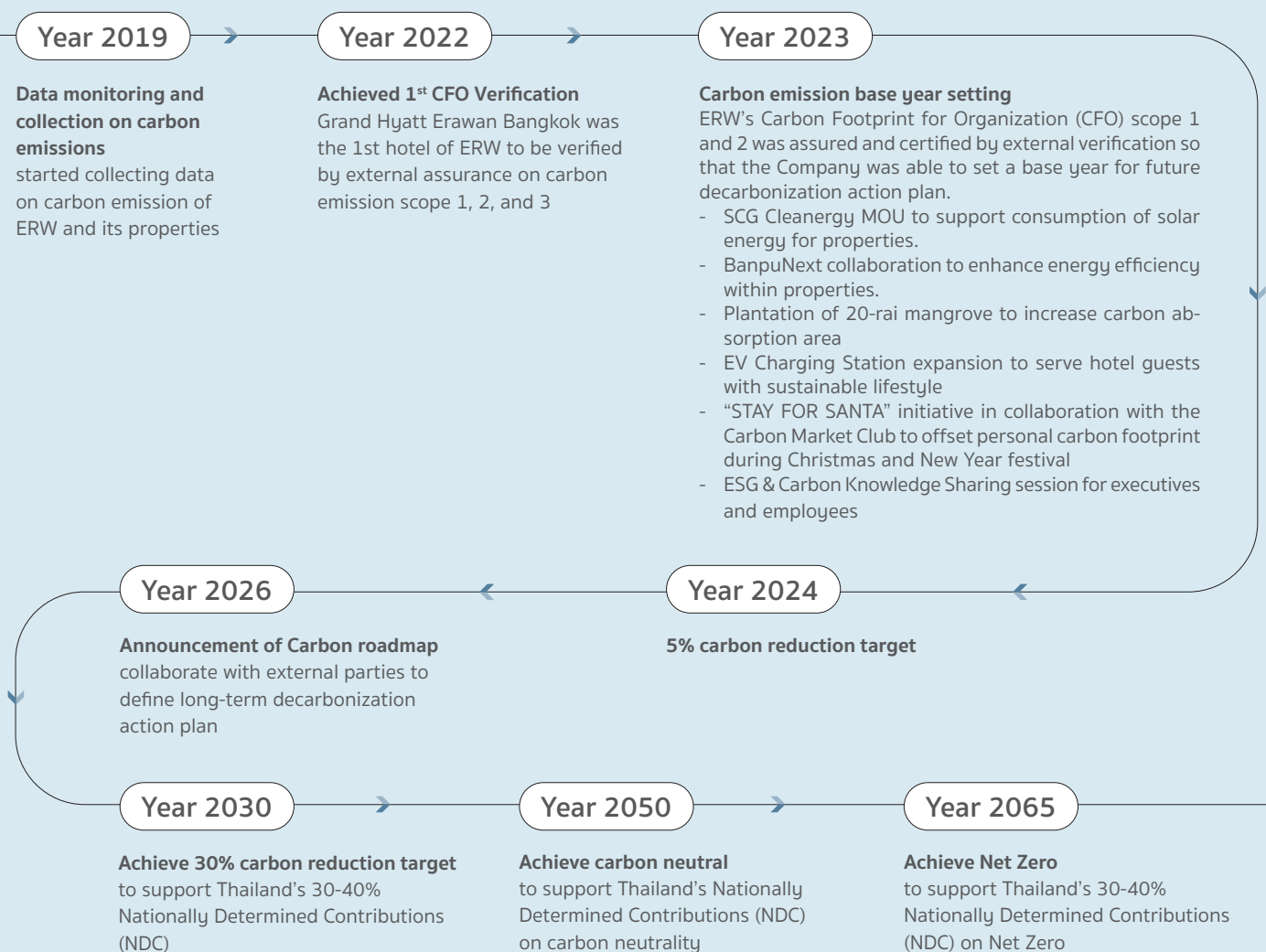
## Commitment towards Climate Actions

In the tourism and hotel industry, climate change plays a significant role, stemming from tourist travel, energy consumption to serve guests through various facilities, and even renovations and construction projects that must consider local conditions, geography, and climate change impacts.

The Erawan Group recognizes that running a hotel business requires careful consideration of various factors. They are committed to reducing their organizational carbon footprint across all hotels in the group. This commitment aligns with Thailand's Nationally Determined Contributions (NDC) to achieve net-zero carbon emissions by 2065 (B.E. 2608). The company has also outlined a long-term carbon strategy to support this goal.



### Decarbonization Roadmap



**Remark:**

1. Due to the COVID-19 situation, the data collection was incomplete and unable to set an accurate base year in 2019.

## ERW Greenhouse Gas Emission

Unit: (tCO<sub>2</sub>e)

	Year 2022	Year 2023
Scope 1	2,219.00	3,835
Scope 2	14,233.33	16,706
Total of Scope 1 & 2	16,452.33	20,541
Scope 3	26,999.51	27,743
<b>Total of Scope 1, 2 &amp; 3</b>	<b>43,451.84</b>	<b>48,284</b>
Additional scope	N/A	84
External verification	Yes <sup>1</sup>	Yes <sup>2</sup>
<b>GHG emission intensity</b>		
Scope 1 & 2	16,452.33	20,541
No. of guests (person)	2,956,550.00	4,134,243.00
<b>Carbon per unit (kg./person/yr)</b>	<b>5.56</b>	<b>4.97</b>
Revenue (Million Baht)	4,240.30	6,238.60
<b>Carbon per unit (tCO<sub>2</sub>e/mb/yr)</b>	<b>3.88</b>	<b>3.29</b>

Remark:

<sup>1</sup> Grand Hyatt Erawan Bangkok only<sup>2</sup> Scope 1 & 2 of ERW

### “STAY FOR SANTA” Initiative

Hotels under The Erawan Group have partnered with the Carbon Markets Club, led by the Bangchak Group, to offset the personal carbon footprints of guests during the Christmas and New Year holidays through the “STAY FOR SANTA” project. This initiative aims to raise awareness among tourists and hotel operators about energy use and its impact. Four hotels under The Erawan Group are participating as pilot hotels: 1) Mercure ibis Sukhumvit 24 2) JW Marriott Bangkok 3) Courtyard by Marriott Bangkok and 4) Grand Hyatt Erawan Bangkok

These hotels, offering over 15,000 rooms during the holiday period from December 23, 2023, to January 2, 2024 (10 nights), would offset the carbon footprint of each guest's stay using carbon credits from TVER (Thailand Voluntary Emission Reduction Program), provided by BCPG Public Company Limited, through the Carbon Markets Club. The initiative aimed to contribute to reducing global warming and fostering a sustainable environment.

The Erawan Group was the first hotel business group in Thailand to collaborate with Bangchak Group on personal carbon offsetting, achieving a total offset of 332 tons of CO<sub>2</sub> equivalent.





## Executive and Employee Training in Carbon and ESG

Organized ESG & Carbon Knowledge Sharing sessions for 22 members of the Management Committee, the Sustainability Development Committee and the hotel's general managers, which amounted to 88 training hours.



## Increasing Carbon Absorption Area

Aside from reducing energy consumption, becoming greener, enhancing the efficiency of energy consumption and raising awareness about carbon and corporate carbon management, adding more green areas to store carbon is also crucial. Trees whether in a city or around mangrove areas are a significant carbon storage. They also add aesthetics to surrounding landscape by making it much more liveable.

In 2023, we planted 500 trees at a park close to Khlong Toei MRT Station on the World Environment Day (5 June 2023) thanks to our collaboration with the Khlong Toei District, local volunteers, and other properties under the group. The tree-planting activity was attended by 86 staff.

Besides, we planted 15,000 mangrove trees on a 20-rai land at the community mangrove in Thong Kam Bay, Ban Laem Village, Tha Sala District, Nakhon Si Thammarat Province.





# Energy Management



## Target <sup>(3-3)</sup>

- Effective energy management with 2 percent decrease of energy intensity per year in order to reduce energy cost and align with the Company's GHG emission target
- Increase percentage of renewable energy with coverage more than 10 percent of total properties by 2027
- All self-managed properties (100 percent) provide services that relate to the reduction of energy and carbon emissions

## Business Opportunities and Risks <sup>(3-3)</sup>

### Opportunities

- Reduction of long-term costs from energy consumption
- Competitive advantages on cost for budget hotels
- Attraction for tourists with environmentally friendly conscious and promote their sustainable lifestyle
- Opportunities to access green finance

### Challenges and Risks

- Insufficient energy supply during high season
- Balance between energy reductions and customer satisfaction
- Electricity, fuel, natural gas, etc. are significant to business operations, however, these resources are also significant to carbon emissions

## Management Approaches <sup>(3-3)</sup>

- Set goals, targets, management approaches, and monitor performances
- Increase energy efficiency in the properties' common areas and guest room through maintenance and new technology
- Increase proportion of energy mix between traditional and renewable energy
- Promote sustainable lifestyle of customers
- Collaborate with sustainability partners

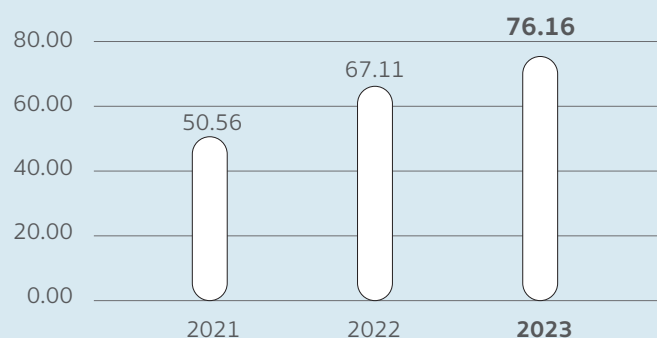




## Performances (302-1, 302-4)

### Energy Consumption of The Erawan Group

Total energy consumption (GWh)



Remark:

- 2022-2023 was a recovery period for tourism industry in Thailand, resulted in an increase in number of tourists
- 2023 excluded data of Erawan Bangkok as the property was in the process of renovation, and excluded data of Foodcourt of Ploenchit center building as it was energy consumption of tenants

### Fuel consumption

Type of fuels	Unit	2021	2022	2023
Diesel	ML	74.71	73.08	52.27
Gasoline	ML	24.78	16.46	10.52
LPG	Tonne	881.49	1,227.09	1,399.40

Remark:

- Fuel consumption could be partially collected

### Energy intensity (kwh/room)

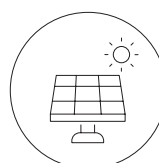
Hotel segment	2021	2022	2023	% change from previous year
Budget	17.61	13.07	13.36	2.24%
Economy	65.06	32.16	22.19	-31.01%
Midscale	116.46	49.87	40.78	-18.24%
Luxury	592.95	165.99	155.64	-6.24%
<b>Grand Total</b>	<b>76.87</b>	<b>41.88</b>	<b>37.20</b>	<b>-11.17%</b>

Remark:

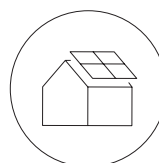
- Calculated from total of electricity, fuel and LPG consumption



Average energy intensity (per room) **reduced for 11.17%**



**33,914** kwh solar energy, equivalent to 5% of HOP INN Thailand's total electricity consumption



Installation of solar rooftop, **10.45** kilowatt, in 3 HOP INN Thailand, totaling **31.35** kilowatt

The service business is an energy-intensive business resulting from direct consumption of energy by hotels themselves and by their guests, a situation that makes the reduction of energy consumption challenging. The Erawan Group tries to improve our energy consumption, reduce waste and seek a variety of technology and partner to help us maintain service excellence while still being able to consume energy efficiently. Consumption of energy remains a crucial factor determining the level of carbon emission by the company itself and by hotels within our group.

In 2023, through our collaboration with partners for better energy management, we supported the consumption of various types of energy. With our business expansion, we commit to efficient and effective energy management as follows.

### Energy Partnership with BanpuNext

The Company collaborated with Banpu NEXT Co., Ltd. to improve energy efficiency in guest rooms by installing Double Motion Sensors to reduce unnecessary energy consumption at Holiday Inn Pattaya. At JW Marriott Bangkok, they have upgraded the chiller plant system and increased the use of clean energy by installing a solar rooftop system at JW Marriott Bangkok, Courtyard by Marriott Bangkok, and The Naka Island, a Luxury Collection Resort & Spa, Phuket. These installations are expected to be completed by March 2024.

### Solar Rooftops for HOP INN Thailand

In 2023, HOP INN Thailand installed solar rooftops at three hotels: HOP INN Kanchanaburi 1 and 2, and HOP INN Chonburi, with a total capacity of 31.35 kW. This accounts for approximately 5% of their energy usage coming from solar power. Previously, in 2022, the company installed a 2.70 kW solar rooftop at HOP INN Krabi to support electricity usage in the hotel's lobby area, which increased solar energy usage in that area by as much as 41.11%.

### MOU with SCG Cleanergy for Smart Clean Energy Solutions

A memorandum of understanding was signed with SCG Cleanergy Co., Ltd. to introduce Smart Energy technology for The Erawan Group's hotels and resorts. This partnership aims to enhance the use of environmentally friendly renewable energy in the tourism and hotel industry. Together, they will explore and plan the use of solar energy through Smart Grid technology, managed by the SCG Cleanergy Platform, for properties under The Erawan Group. The goal is to increase the proportion of renewable energy usage in the future.



### Replacing Light Bulbs and Maintaining Electrical Equipment

Energy-saving electrical appliances are being replaced as they reach the end of their lifecycle, such as replacing regular light bulbs with LED bulbs. This process has been ongoing since 2019, and more than 80% of the change has been completed, with a goal of 100% across all hotels by 2025.

### Increasing EV Charging Stations

To promote eco-friendly lifestyles for customers, the Company is planning to install and expand EV Charging Stations at its hotels. This year, additional stations were installed at four HOP INN Thailand: HOP INN Kanchanaburi, HOP INN Chonburi, HOP INN Hua Hin, and HOP INN Chiang Mai. Currently, 10 hotels under The Erawan Group provide EV Charging Stations available for customers.

# Water Efficiency



## Target <sup>(3-3)</sup>

- 1 percent reduction in water withdrawal per year
- 5 percent reduction in water consumption per room per year

## Business Opportunities and Risks <sup>(3-3)</sup>

### Opportunities

- Reduce operating cost from lower cost from water consumption
- Efficient water management allows the hotel to operate at full capacity year-round

### Challenges and Risks

- Distance hotels or on islands might face water shortages, especially during the high tourism season when water demand is high and during droughts when natural water sources are insufficient, potentially disrupting services.

## Management Approaches <sup>(3-3)</sup>

- Regularly monitor water demand, assess wastewater quality, and check the hotel's wastewater treatment in all seasons
- Maintain equipment to ensure it remains efficient and functional. Use water-saving fixtures and low-water-consuming appliances
- Engage guests in water-saving campaigns

## Performances <sup>(302-1, 302-4)</sup>

The Company is committed to sustainable water management, which includes sourcing water, recycling, and reusing it through water management policies and strategies. The Company complies with environmental laws, ISO 14001 standards, and other environmental regulations, focusing on improving efficiency and reducing water usage sustainably. In addition to using water-saving products, campaigns are held to encourage customers and employees to conserve water and choose environmentally friendly chemical products.

Beyond energy consumption, water is another heavily consumed resource in the hotel industry. The Erawan Group has guidelines to raise awareness and reduce water usage, including:

- Encouraging guests to reduce towel changes to lower water usage from laundering.
- Raising awareness among staff about the importance of using water resources efficiently.
- Installing aerators to reduce water flow from taps and choosing water-saving fixtures.
- Inspecting equipment, piping systems, and water meters to monitor, record, and continuously repair to prevent leaks.
- Creating rainwater storage in suitable areas.
- Implementing wastewater treatment systems and regularly checking the quality of water used by the hotel.

Water withdrawal

Water source	Unit	2021	2022	2023
Water supply	Cubic meters	684,776.81	1,047,587.00	1,269,078.96
Surface water	Cubic meters	-	-	-
Groundwater	Cubic meters	10,013.00	145,096.00	146,815.00
Seawater	Cubic meters	-	-	-
Total	Cubic meters	694,789.81	1,192,683.00	1,415,893.96

2023 Water Withdrawal

