



LAGUNA RESORTS & HOTELS PUBLIC COMPANY LIMITED

laGuna
RESORTS & HOTELS

SUSTAINABILITY REPORT 2021

Overview

Tourism has significant transformative power in the face of unprecedented global inequality and change. The pandemic has devastated livelihoods worldwide and now more than ever, strengthening our core value of sustainability is necessary to ensure resilience for business, people and the planet.

Our efforts extend beyond the precautionary approach, integrating social and environmental responsibility throughout operations and travelers' experience to serve the greater good, and create measurable impact towards the United Nations Sustainable Development Goals.

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Leadership Statement

Having weathered two years of the COVID storm we now see the light at the end of the tunnel. While there may yet be uncertainty and setbacks, we see a resilient and sustainable future, with purposeful travel embracing nature and wellness.

We see a global sustainable movement is afoot, but this is not new to us. Sustainability is a need not a luxury, and has been a core LRH value since the beginning.

The next global challenge is already upon us, and COP26 and the recent IPCC report paint a daunting picture of climate change and reinforce the collective action required. Emission reductions during global lockdowns show what we need to sustain to support the planet, and we shall prepare a TCFD aligned roadmap for decarbonisation.

Supported by an engaged Board of Directors, passionate associates, and stakeholder

alliances, collective action can tackle what might at first appear insurmountable. Disciplined in our behaviour, transparent and accountable for our efforts, we accept each challenge to imagine new ways for business to better society.



SHANKAR CHANDRAN
Chief Executive Officer
Laguna Resorts & Hotels PLC.



Our Core Values

Our Vision

To be a leading international hotel and property developer with full commitment to environmental protection, social responsibility, and maximum satisfaction to all stakeholders with an aim to pursue sustainable long-term business value development.

Our Mission

As a socially responsible business, LRH was founded with the core value of driving sustainable development. Our concept of sustainability seeks to create long term value for multiple stakeholders and destinations. The Company's triple bottom line of economic, social and environmental success helps direct sustainable development through inspiring associates, guests and partners to take a wider consideration encompassing a long-term view when making business decisions. We employ an integrated and participatory approach to minimise our impacts while safeguarding and enhancing the human and physical environment for present and future generations.



This Involves:

Creating an enchantingly memorable experience for guests and customers through our services and products.



Providing fair and dignified employment for our associates which enhances their ability to contribute to the company's growth and elevates their job prospects with company and beyond



Enabling long term prosperity for communities in which we operate through business conduct, operations and harnessing our competencies to address issues facing the community



Exercising the precautionary approach to environmental impacts of our operations, and taking an active role in the protection and remediation of global ecosystems



Conducting business with suppliers and vendors in a fair and transparent manner while working in partnership to enhance societal benefits



Generating sustained, long-term returns for our shareholders

Who We Are

Laguna Resorts & Hotels Public Company Limited (LRH) was founded in 1983. It shortly thereafter acquired a large parcel of land on the site of an abandoned tin mine at Bangtao Bay, Phuket, Thailand which was later developed to become the Laguna Phuket integrated resort complex.

Major businesses of the Company and its subsidiaries are hotel business and property development. The subsidiaries also engage in operating a golf club, sales of merchandise, office and resort rental and sales of holiday club memberships.

The global pandemic continued to impact travel and tourism in 2021. We continued to protect and support associate health and wellbeing, and invested in learning and development to create connections and shared purpose during this challenging time.



2021 Employee Snapshot

	Non-supervisor	Supervisor	Senior Management
Gender			
Female	51.1%	57.3%	50.6%
Male	48.9%	42.7%	49.4%
Age			
Below 30	22.8%	5.6%	0.5%
30 to 50	66.6%	81.1%	68.7%
Above 50	10.7%	13.3%	30.8%
Education			
No Formal Education	0.3%	0.0%	0.0%
Primary School	5.0%	0.3%	0.0%
High School "O" Levels	9.6%	0.0%	0.0%
High School "A" Levels	19.6%	6.0%	0.0%
Technical	9.2%	1.7%	0.0%
Diploma	14.2%	7.3%	8.1%
Degree and above	42.2%	84.6%	91.9%

2021 Highlights

Our Environment

Climate Change

157

Trees planted in 2021



Resource Conservation

82%

Reduction in single use plastic since 2018



Biodiversity & Environment

1,758 kg

Trash collected

931

Participants



Our Community

Staff Development

12,915

Total training hours

10.3

Average training per person per month



Seedlings Mentorship

29

Students in 2020

363

Hours of mentorship



Community Engagement

7,006

Participants

4,436

Meals handed out



Our Responsibility

19,784 USD

1,340,553 THB

Disbursed funds in 2021



733

supplier codes of conduct completed



12,431

Volunteer Hours



Our Sustainability Journey



1992
Laguna Phuket Kindergarten



1993
National Children's Day



1994
Sea Turtle Conservation



1996
Buddhist Lent



1997
Vegetarian Festival



2001
Green Imperative
Fund (GIF) launched



2002
Loy Krathong

2003
Blood Donation



2007
- Greening Community
- Community Learning
Centre (CLC) from
Phuket Tsunami
Recovery Fund



2010
Associate Saving
Cooperative



2014
- EarthCheck Silver
Certified
- Fully Booked! Mobile
Learning Centre (MLC)
- Seedlings Internship



2015
Sart Duen Sib
(Ghost Festival)



2017
Children First Fund
(CFF)



2018
Announced
commitment to
eliminate single
use plastic



2020
EarthCheck Gold
Certified and launch
of the supplier code
of conduct



Brand for Good

To deliver on our mission, we have conceptualized our values based on a “for good framework” whereby a visit to our hotels and resorts creates a “Stay for Good”.



Our framework starts with design and construction (**Build for Good**), continues through a guest’s stay at our resorts (Stay for good, meet for good, eat for good), extends through our supply chain (**Buy for Good**) and to our Spa and Gallery outlets across the globe (**Spa for Good and Gift for Good**).

Our Stay for Good efforts continue to be supported by our Green Imperative Fund: where our hotels and resorts match the commitment of guests dollar-for-dollar, and the Banyan Tree Global Foundation directs funds to impactful projects supporting external communities and environments.



Build for Good • Design: Local architecture & materials • Construction: Protect/remediate site • Third-party certified



Buy for Good • Responsible supply chain • Third-party verified



Gift for Good • Community craft showcase • Retail with a difference



Spa for Good • Showcase local heritage and ingredients • Vocational training through Spa Academy



Eat for Good • Social enterprise eatery • Vocational training for young adults



Meet for Good • Sustainable events venue • Second party verified

Build for Good

Sustainable by design, LRH is committed to protecting natural and cultural heritage during development to ensure long term sustainability. Disturbance is minimized and landscape protected, while traditional materials are incorporated to support livelihoods.

Our teams have established track records of delivering on every step of the development process for individual hotels and precinct level integrated developments and resorts. We comply with local regulations on land use and building design, adhering to guidelines for site coverage, building height and gross floor areas.



1. Concept: Vision for adding income to destination, maximising cultural and physical beauty.



2. Design: Embed operational efficiency, safeguard ecology and empower communities.



3. Sustainable building certification: Third party certification validates approach such as LEED, BREAM, EarthCheck Building.



4. Construction: Experts translate sustainable design mindset to operations.



5. Pre-opening: upskill local labour, build local capacity, direct tourism dollars to local communities.



6. Hospitality operations: Embed core founding value of sustainability in all operations.



7. Benchmark and certify: Against location-specific expectation (baseline) and possibility (best practice).



Sustainability Approach

Material topic identification

The material topics presented in this report were prioritised via a stakeholder-inclusive process to frame and focus our efforts, scale up positive impact, and reduce or avoid negative impacts, to support long-term sustainability and resilience.

Seven primary material topics were selected based on their importance to internal and external stakeholders: climate change, pollution and waste, biodiversity, employee satisfaction, leadership, ethical compliance and data privacy. We voluntarily report progress on four additional topics (staff development, culture and heritage, responsible travel and supply chain) due to their importance to our core sustainability values.



This report presents the scope and importance of each material topic, our management approach, commitments, responsibilities, targets and actions. Each material topic is aligned with the United Nations Sustainable Development Goals (SDGs). Further details on the alignment, selection, description and progress for each material topic can be found online.

The global pandemic has fundamentally changed society, with many unforeseen impacts. Consequently, our proposed revision of our material topic assessment shall be delayed until postpandemic to ensure we capture stakeholder sentiments, identify new priorities, set ambitious targets and establish processes for our journey to 2030 aligned with the SDGs.

Sustainability Approach

Alignment with Sdgs

Over the past 20 years, tourism has been one of the fastest growing global industries and accountable for up to 80% of domestic GDP in many Least Developed Countries (LDCs) and Small Island Developing States (SIDS). In addition to this economic value, tourism is inherently linked to natural and cultural heritage and wellbeing.

The 2030 Agenda for Sustainable Development makes a specific call to tourism to support delivery of the United Nations Sustainable Development Goals (SDGs), particularly #8: decent work and economic growth, #12: responsible consumption and production, and #14: life below water. Sustainable tourism is defined as “tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities” (World Tourism Organisation). In line with this definition, we believe tourism can, and should, do more to support all the SDGs, especially as guests in the countries where we operate.

We have therefore aligned our efforts with the SDGs, to help better identify needs and support people, planet, peace, prosperity and partnership. Businesses must play a key role in the realisation of the United Nations SDGs, but impact measurement remains a challenge and must be guided by government. We shall look to further develop our stakeholder engagement so we may collectively create positive, measurable impact through partnership.



Stakeholder Engagement

Serving stakeholders and embracing purpose is central to the way LRH functions in society. Partnership is essential to achieve the SDGs, built on trust that is developed through regular stakeholder engagement. Without stakeholders, a company cannot recover and thrive once more in a post-pandemic world.

We encourage regular, personal, two-way communication with stakeholders, including our associates, customers, investors, partners, suppliers and communities where we operate. This is achieved through informal and townhall style meetings, trainings and workshops, presentations, discussions and feedback forums with guests, and evangelisation of our sustainability philosophy through roundtable discussions within both the travel and tourism, and wider business communities. A cross-sector collaborative approach engages individuals, businesses, NGOs, and academic institutions worldwide to benefit environmental conservation and society.



Our Environment

Travel and tourism operations are often intrinsically dependent on natural heritage, and LRH's conservation journey started with its beginnings in 1984 by "Embracing the Environment, Empowering People". Extending beyond the precautionary approach, LRH conserves resources through efficient operations, employing a science-based approach and partnership creation to conserve sensitive ecosystems and threatened species, and support climate action and the Sustainable Development Goals.

Climate Change

Climate change presents one of the greatest global challenges of our time and COP26 highlighted the critical point at which we stand, and the need for greater climate transparency and a net-zero economy. Travel and tourism contributes to, and is impacted by, climate change. At the same time, a climate-friendly travel and tourism industry can be a catalyst for support in destinations at risk. Research commissioned by the International Tourism Partnership (ITP, 2018) indicated the global hotel industry needs to reduce absolute carbon emissions by 66% by 2030 and 90% by 2050 to stay within a 2 degree celcius climate change scenario.

Our approach towards decarbonisation and climate change mitigation includes improvements in energy efficiency, awareness and behavioural change programmes, increasing the prevalence of renewable energy, and spearheading greening projects. We embed climate change and related issues in our business strategy, engage across the value chain, and promote responsible travel through a participatory stakeholder approach.

Restricted traveller movements and temporary operational closures continued to keep Group total resource use and waste production lower than pre-pandemic levels. However, the return of international travel and planned business growth requires a deep understanding of how to decarbonise and achieve net-zero by 2050. Therefore, in 2021 we mapped our Scope 1 and 2 emissions, with energy audits planned for older properties, and a group-wide equipment inventory to guide efficiency improvements in 2022. Solar panels were installed at Laguna Phuket Kindergarten to replace half their power supply, and Power Purchase Agreements are being explored to target eligible properties based on emissions, location and design. Working with EarthCheck, we calculated science-based targets, accounting for business growth to 2050 under multiple scenarios using the Sectoral Decarbonisation Approach to better understand our emission trajectory and reduction needs.

Earth Hour

Each year we give a voice to climate change awareness by joining the global Earth Hour movement and turning off all non-essential lights for one hour at our properties.

Lockdowns and operational closures reduced engagement and impact in 2021, but 7 properties were able to participate and saved over 1,377 kWh of electricity in a single hour: the equivalent of 11 months household electricity consumption of a small families in Thailand.

1,377 kWh
of electricity saved
83
participants




Greening Communities

Our Greening Communities programme raises awareness of climate change and sequesters carbon by planting trees in local communities.

Despite reduced operations, 157 trees were planted in 2021, with 33,638 trees planted since 2007, sequestering a maximum of 11,668 tonnes of carbon (based on 40-kg of carbon sequestered per tree per year, and assuming 100% survival), with 5,500 mangroves planted in the last four years that contribute to blue carbon ecosystem services including shoreline protection, fish nursery habitat and local livelihoods.



33,638
trees planted since 2007



	2021	2020	2019
Trees planted	157	655	7,261
Participants	29	96	916

Resource Use and Waste

Conservation of resources and waste reductions go beyond operational efficiency, to support climate change action and promote healthy communities and environments. The principles of reduce, reuse and recycle have been implemented at all properties, and resources are conserved through improved efficiency, adoption of new practices or technology, and awareness programmes to encourage behavioural change and best practice.

Our KPIs are a 5% annual reduction in energy, emissions, water and waste at each property, and the implementation of at least one resource conservation initiative per property each year. Emission reductions focus on Scope 1 and 2 as they remain within our control.



EarthCheck Progress

By end of 2021, 9 hotels / business units in which we have management or ownership interest were enrolled with EarthCheck*. Banyan Tree Bangkok and eight sectors in Phuket were certified gold.



A strategic partnership with EarthCheck since 2010 provides assurance, benchmarking and certification, with offsite data validation continuing in 2021 due to the pandemic preventing onsite audits. Data presented may exhibit minor variance from previous reports due to auditing verification.

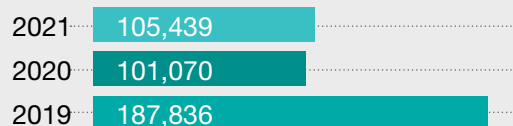
Total resource use is reported as the sum of all hotels, resorts, offices and golf courses. Resource intensity for hotels and resorts is presented per guest night to allow comparison at different occupancies. Travel restrictions continued to reduce occupancies, resulting in higher resource intensity values due to public area baseloads. Consequently, no insightful comparisons were possible with regional industry average or best practice data provided by EarthCheck.



Energy and Emission

Total energy use and corresponding Scope 1 and 2 greenhouse gas emissions (GHG) increased by 4% due to increased operations in 2021. Energy use increased to 105,439 GJ and GHG emissions increased to 28,906.37 tonnes.

Total Energy (GJ)



Water and Waste

Total annual potable water use increased by 15% to 817,512 m3, an additional of 106,644 m3 from 2020.

Total waste reduced by 17% to 494 cubic metres. Potentially hazardous waste associated with the pandemic such as face masks were disposed according to local health regulations.

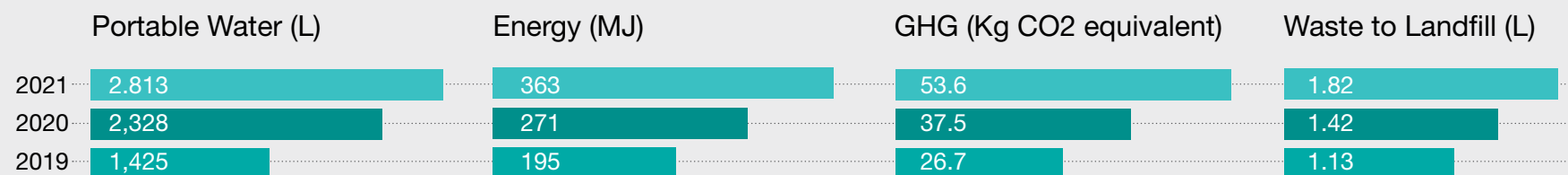
Total Water (m3)



Total Waste (m3)



Energy, Emissions, Water, Waste Intensity (Per Guest Night)



Food and the Environment

Food choices affect our health and collective future, with food carbon footprints across the value chain making up over one-quarter of the world's greenhouse gas emissions. Sustainable food use is more than just what you eat, but where it is sourced and how it is produced.

Our longterm goals are to reduce food waste by 30% and divert 50% from landfill by 2025, with a 50% reduction and 100% diversion by 2030. Reducing meat consumption and diverting food from landfill can significantly reduce greenhouse gas emissions. In 2020, 5 properties implemented Meat Free days to raise awareness of healthy diets and reduce emissions.

Food diversion can reduce emissions, and the ongoing partnership with Scholars of Sustenance in Thailand contributed a further 6.8 tonnes of diverted food, and saved 12.9 tonnes of GHG equivalent emissions. To date this partnership has provided 40,868 servings to people in need, diverting almost 10 tonnes of food from landfills, saving 16.9 tonnes of CO2 equivalent emissions.



Plastic Reduction and Elimination

Plastic pollution is one of the most pressing threats to the environment and global wellbeing. Single-use plastics take a few seconds to produce, a few minutes to use, but hundreds of years to break down.

Since our pledge to reduce single-use plastic on Earth Day 2018, we have tracked 31 categories of plastic for reduction. Compared to a 2017 baseline, we have reduced single-use plastic by 82%, with 0.08 million less pieces of plastic used in 2021, and 4.95 million pieces of plastic prevented from going to landfill or the environment since 2018.

Our efforts have reduced to eliminate, and where suitable alternatives are yet to be found, replaced with compostable or biodegradable alternatives. Of the three target items we prioritised, we have reduced 1.1 million straws (100% reduction), 0.35 million bottles (89%) and 0.62 million bags (68%).

While some of the reductions in 2021 may be attributed to reduced use due to temporary closures, some items use increased due to COVID-associated health measures. The overall trend is continuing reduced.

We support our reduction efforts with collaborative community clean-ups to remediate and cleanse natural systems, and educate to support a shift from a single-use disposable society.

Biodiversity and the Environment

Our properties in Phuket are in the area of protected status or high biodiversity, and consequently we must act as stewards to safeguard and promote a healthy, resilient and sustainable environment. Our Stay for Good programme invites guests to connect and engage actively and passively with natural heritage to increase awareness, promote engagement and long-term stewardship.



Cleaning Community

Goal: Four events per property to remediate and cleanse natural communities.

Impact: During 2021, over 1.7 tonnes of waste were removed by 931 participants during 54 clean-up events conducted in Thailand.

	Properties participated	Trash removed (kg)	Participants
2021	7	1,758	931
2020	7	3,467	1,799
2019	7	3,517	2,682



Sea Turtle Conservation

Laguna Phuket has supported sea turtle conservation programs in Phuket province since 1994. Our efforts focus on raising funds and awareness in support of the Phuket Marine Biological Centre (PMBC) and the 3rd Area Naval Command, Royal Thai Navy, and their ongoing conservation and rehabilitation programs.

To-date, 2,145 turtles have been released and 4,700 people have participated in this program since 1994.





Our Community

Creating shared value with the community whether they are employees, customers, communities or business partners embodies our commitment to social responsibility.

Internally our approach promotes wellbeing, diversity, satisfaction, health and safety, as well as professional development to increase productivity and improve employee and customer satisfaction and loyalty.

Externally we employ a stakeholder engaged approach to identify areas of aligned interest to promote responsible travel and work towards the 2030 Agenda for Sustainable Development.

Associate Satisfaction and Wellbeing



LRH is committed to the happiness, health, safety and wellbeing of our family of associates. We advocate a balanced, sustained and dynamic approach to wellbeing that acknowledges the dynamic and interconnected world in which we live, where everyone aspires and desires to live well.

Potential isolation from continued temporary operational closures directed our focus to stakeholder engagement with an emphasis on associate interaction and connectivity via online learning and development during this challenging time, rather than the annual associate satisfaction survey which will recommence in 2022 when the pandemic subsides.

Online training was issued to improve physical and mental wellbeing of associates and supported by weekly wellbeing and health tips to associates via our new brand app on which 80% of associates have registered.

This support builds on our previous introduction of a flexible employment programme to protect jobs, a re-hiring app to help associates find new roles and access reskilling training, complimentary tele-therapy sessions with external practitioners to support associate wellbeing, and an internal learning revolution to promote resilience, self-awareness and self-care.

Associate welfare continues to be supported by an Associate Saving Cooperative for associates in Phuket, Thailand, although membership and volume decreased in 2021.



Associate Development

Education and professional growth supports sustainable development, provides pathways out of poverty, and is a key component of LRH's social responsibility commitment.

Developing and nurturing our associates ensures a consistent and effective approach to personnel sourcing and retention, and is reinforced by a promotion strategy to positions of responsibility.

Biannual performance reviews identify development needs, which are addressed through individual and group learning opportunities and our management academy.

12,915 hours of training was recorded in 2021 with the average of 10.3 hours per associate per year.



Empowering Education



Education combats poverty and better livelihoods. A context-based approach identifies local needs and opportunities, resulting in a semi-structured but diverse contribution to supporting sustainable communities through inclusive and quality education. Our efforts support education through vocational training and internships, as well as educational support in the community.

Seedlings Mentorship

Our Seedlings programmes nurture young people at risk of societal exclusion, providing vocational and life skills, and creating a lasting positive community impact. Mentorship and scholarships are provided to young people aged 12 to 18. Structured topics guide mentor-mentee interactions to reinforce social (heritage, culture, arts and crafts), environmental (conservation), academic (language and computing), and health values (nutrition and lifestyle).



In 2021, external trainers from the Pink Lotus Foundation delivered mentor training to strengthen programme delivery and increase the skill set of Banyan Tree Group mentors. Face-to-face mentorship opportunities remained limited in 2021 with only 45 equivalent work days of mentorship provided (363 hours) to 29 Seedlings students supported by 4 properties.

Year	Number of young person supported	Work hours of mentorship provided
2021	29	363
2020	35	246
2019	39	1,190

Apprenticeship Programme

Following the success of the Seedlings Café internships at Laguna Phuket since 2014, Banyan Tree Group launched a new Apprenticeship Programme in 2021 with funding support from Banyan Tree



Global Foundation. This programme provides trade, service and life skills development and job opportunities for local community members to forge careers in the hospitality industry post COVID-19. In our inaugural round of apprenticeships,

we received over 900 applications for 25 places in five departments (Food and Beverage, Kitchen, Housekeeping, Front Office and Engineering).

Internships

Internships provide valuable learning experiences to develop future hospitality professionals. Predominantly as part of tertiary education requirements, 52 vocational internships were supported with a combined equivalent of 15 years of training in 2021.

Year	Number of interns	Months of Training
2021	52	180
2020	184	501
2019	542	2,627

Seedlings Café

Leveraging Banyan Tree's Group's Food and Beverage expertise, training includes an internship within hotel outlets, with graduates working at a Seedlings Café before permanent job placement at local outlets.

Our Seedlings Café remained temporarily closed in 2021 due to the pandemic.



Empowering Education

Laguna Phuket Kindergarten

Goal: Support early life emotional and intellectual development for independent life-long learning.

Originally established in 1992 as a Child Care Centre. The center is widely acknowledged as one of the best in Thailand and at the end of 2008 was formally established as Laguna Phukaet Kindergarten, to provide free education to the children of our associates and community members, under the guidance of the Ministry of Education.



Today, the greatly-expanded program caters to 144 children aged between three to six, with 12 certified teachers creating fun and educational daily activities.

To-date, 1,724 students have enrolled at Laguna Phuket Kindergarten.

Fully Booked! Mobile Learning Centre (MLC)

Goal: Reintroduce reading, a basis of self-empowerment, to local community members who may lack adequate access to books.

Fully Booked! Mobile Learning Center project aims to re-introduce reading, the basis of self-empowerment to children in the local community who lack adequate access to books on diverse range of topics. The Mobile Learning Center was launched in April 2014 with the objective to provide a 2-in-1 service as a library and a classroom to increase the rate and quality of literacy among pilot schools in Phuket and neighboring provinces.

Our program start-up was funded by Baht 2.2 million fundraised from Laguna Phuket sports events and another Baht 2.2 million matching fund from Banyan Tree Global Foundation. MLC helps teachers creating learning courses including English day camp and local learning centre day trip benefiting over 201 students and 17 teachers in Phuket and Pang-Nga in 2020. To-date, 9,870 students and 480 teachers have participated in our programs.



Laguna Phuket Community Learning Centre (CLC)

Goal: Support long-term vocational and life skills training and community enrichment.

Laguna Phuket Community Learning Center (CLC) was established in March 2007 from Phuket Tsunami Recovery Funds (PTRF) to develop long-term assistance for those affected by the 2004 Tsunami, providing free life skills, English and Chinese language courses to community members, with the generous support of Cherngtalay Municipality.



In 2021, 41 people people attended F&B classes to make Steamed Bun, Dumpling & Salad rolls, and Sushi and Brownie cake. The participants can gain more income or job opportunities from this training. To-date, 8,774 learners have participated in our programs.

Community Impact

Children First Fund (CFF)

Children First Fund (CFF) is established as part of the celebrations commemorating the 30th anniversary of Laguna Phuket. The key objective of CFF is to constantly provide sustenance to more than 400 orphans and underprivileged children from 7 orphanages from Phuket and neighboring provinces.

CFF's motto is "Nourishing Hearts, Inspiring Dreams" because nurturing the hearts and minds of orphans in our community should also go hand-in-hand with providing material sustenance for their growing and developing brains.

In 2021, more than Baht 933,745 was spent for the sustenance.

Laguna Phuket Children's Day

On 9 January 2021, Laguna Phuket paid a visit to Youth Football Home (Phuket), Phuket Sunshine Village, and Baan Holland, our CFF beneficiaries, to share the happiness to 200 orphans with snacks, ice cream, toys and learning materials worth Baht 31,000 on the National Children's Day 2021.

Our children's day activities aim to encourage and inspire children to become active, informed, and concerned citizens of the next generation, and to help them recognize the importance of their role in society.



Feeding Communities Together

Laguna Resorts & Hotels is always providing free meals to the local communities and in 2021 more than 4,436 meals worth Baht 26,000 were served in 17 events.



Laguna Phuket Associate Saving Co-Operative

Goal: Provide high interest rate savings and low interest rate loans.

Impact: Laguna Phuket Social Committee successfully established the Laguna Phuket Associate Saving Co-Operative in January 2010 with the objective of providing secure, reliable, profitable, and fair financial services to members.

As "shareholders," members are entitled to such benefits as annual dividends, low interest loans, and high interest savings schemes. To date, the cooperative holds Baht 41 million share volume with 485 associate members.



Community Impact

Health Red Cross Blood Donation

Goal: Support health care for vulnerable segments of the community.

Laguna Phuket is one of Thailand's prominent corporate blood donors to the Thai Red Cross Blood Donation Program. Since 2003, we have donated 2,089,350 cc of blood and 4,643 associates have participated in our Blood Drive program.



Humanitarian Relief

Goal: Provide swift coordinated relief to natural calamities and enhance social resilience.

Impact: COVID-19: The ongoing global pandemic presented an overwhelming number of opportunities to support, and we have taken care to avoid a knee-jerk reaction whereby our efforts may be misplaced and lack impact.

During the Coronavirus Pandemic in 2021, Laguna Phuket has donated the necessities to our stakeholders worth Baht 435,000 as detailed below:

1. More than 600 survival packs and 7,200 bottles of drinking water worth Baht 150,000 were donated to nearby communities.
2. Dried food and sustenance worth Baht 35,000 were donated to Phuket Field Hospital and workers in construction camp who tested COVID-19 positive.
3. 900 boxes of UHT milk were given to the office of Social Development and Human Security Phuket to distributed to mothers and child who were affected by COVID-19.
4. Angsana Laguna Phuket provided the venue for community vaccination totally 83 days with more than 150,000 immunization injections.
5. Banyan Tree Bangkok supported 2,616 meal box worth Baht 240,000 to 12 vaccination centers, hospital, and local communities in Bangkok.

Cultural Diversity

Our Cultural Diversity initiatives help to promote and preserve ancient traditions of various origins in local communities. In doing so, Laguna Phuket contributes to uplifting the spiritual well-being of associates, their families, and local community members, to ensure a balance between the influx of western influences brought by tourism and preservation of the local way of life. A brief report of sustainability activities in 2021 supporting cultural preservation includes the Buddhist Lent and the Vegetarian Festival while Loy Krathong and Ghost Festival were cancelled due to COVID-19 preventive measures from Government.



Buddhist Lent

The annual Laguna Phuket Buddhist Lent activity was held on 23 July 2021 at Chergntalay Temple and attended by 50 Laguna Phuket associates and community members. Apart from the corporate donation of lent candles, this year Laguna Phuket has raised Baht 28,089 for the temple. Laguna Phuket has annually celebrated Buddhist Lent for over 26 years.

Vegetarian Festival

The Phuket Vegetarian Festival is an annual event celebrating the Chinese community's belief that abstinence from meat and various stimulants during the ninth lunar month of the Chinese calendar will help them obtain good health and peace of mind. This year's festival falls from 5 – 14 October 2021. During these 9 days, local residents of Chinese ancestry strictly observe a vegetarian or vegan diet for spiritual cleansing and merit-making. Laguna Phuket donated Baht 37,530 worth of food and supplies this year to our 3 local shrines.





Our Responsibility

As a socially responsible business, LRH was founded with the core value of driving sustainable development. Tourism relies on peace, but it also has transformative power to promote positive change.

Our commitment to sustainable development and responsible travel is founded on prudent, ethical and accountable governance, with internal and external engagement and participation, external benchmarking and certification. We support sustainable development and responsible travel by inspiring associates, guests and partners to take a long-term view when making business decisions.

Leadership

Resilience in the face of global disturbances such as the ongoing pandemic requires proactive and adaptive leadership that incorporates a pragmatic and holistic approach while connecting on a personal level. Purpose is the compass to resilience, and we see a return to personal and organizational purpose, which is fundamental in shaping the shared reality of work during, and emerging from, the global pandemic.

From crisis comes opportunity, and we have embarked on an organisational culture shift that marries personal and organisational purpose. This is the job of leadership, not management; it is not top-down instruction, but bottom-up facilitation. Engaging our associates from the onset allows us to build a bridge to organisational purpose. We believe that during this time of stress, aspirational leadership is key.

As a publicly traded company, our Board of Directors and Management teams are committed to maintaining the highest standards of corporate governance based on the recommendations of the Code of Corporate Governance.

The Board of Directors consider sustainability issues as part of the company's strategic formulation, and approved the selection and monitoring of the material ESG factors addressed in this report.

Our group sustainability committee meets quarterly, with leadership from the Banyan Tree Global Foundation (banyantreeglobalfoundation.com). Each property has a designated sustainability representative and 'green team' that meet monthly.



Ethical Compliance and Corruption

LRH continually seeks to enhance corporate transparency and stakeholder accountability to create value with integrity. Business is conducted in accordance with the highest level of ethics and law compliance, following international and local anti-corruption, anti-bribery and labour laws, rules and regulations in countries we operate. We expect the same standards from those with whom we do business.

We are committed to upholding the Ten Universal Principles on human rights, labour, the environment and anti-corruption. We support the United Nations World Tourism Organisation Global Code of Ethics to support sustainable development, safeguard cultural and natural heritage, integrate local employment, and support worker's rights. Compliance to LRH's sustainability standards is assessed annually with an online or onsite audit of environmental, social, operational and governance systems and initiatives in partnership with EarthCheck.

Our Code of Conduct strengthens associates' awareness of good corporate conduct, governs conflicts of interest, and freedom from sexual harassment, and is supported by groupwide awareness training delivered in 2021. All associates are required to sign the Code of Conduct annually. We promote diversity and inclusiveness, hire without discrimination and recognize freedom of association. Our confidential whistle-blower policy affords freedom to report violations without retaliation.

Data Privacy

Data privacy and protection are key business challenges and the responsibility of the whole organisation. Our holistic management approach to legal compliance and operational management fosters a culture of awareness to respect and ensure the privacy of our stakeholders. Data privacy policies ensure compliance with the Personal Data Protection Act.

Internal IT Risk Management and Audit teams review best practices and enforce company security policies to identify gaps and support IT Policy governance. Audits target the control of digital data access and mitigate risks of such access, ensuring rapid implementation of critical security patches and firewall updates. An annual external audit of technology and digital assets is conducted by an international cybersecurity consulting firm, to assess risk and response. Insurance coverage is in place to protect against cybersecurity risks, and cloud data sits with industry leading players and leverages their security structure.

Associate awareness and engagement with data security occurs through policies and regular information sharing on prevailing risks and recommended actions. Internal phishing campaigns were implemented in 2021 to evaluate awareness and identify individuals in need of targeted refresher and additional training.

Diversity and Inclusion

A diverse work environment can boost profitability, productivity, creativity, inclusivity, innovation and more. However, diversity and inclusion are not just a business imperative, they are a moral one. These two interconnected concepts: the make-up of our Group and how we value and integrate the presence and differing views, perspectives, cultures and experiences, are of fundamental importance to our culture, particularly during a period of post-pandemic change.

There is no one-size-fits-all approach. To LRH, diversity and inclusion in the workplace are not about quotas and are more than policies, programmes or headcounts.

We make differences matter and respect uniqueness to build trust and commitment and a more innovative and creative place to work. Rather than forcing people to fit within a culture, we focus on helping them thrive.

Within this report we share our diversity, how we create a safe and welcoming environment and recruit without bias, and how we create a sense of belonging and purpose through empathetic leadership and bottom-up engagement.



We make
differences
matter

Supply Chain



Supply chain management is more than risk management, it is an opportunity to make responsible choices and evangelise business practices that respect human rights and the environment. We communicate our commitment to our suppliers, and actively seek and favour business with suppliers who share our values. Since 2020, we have implemented an online supplier Code of Conduct with a KPI of 80% dollar purchases from Tier 1 suppliers completing self-assessments. By 2025, we target 100% annual completion, with evaluation of poor supplier performance or non-conformity supported by remediation plans.

Our supply chain consists of input providers (infrastructure, water and energy, equipment, food and beverages), service delivery (accommodation, catering and attractions), and travel. Following disruption in 2020, we drove supplier engagement and awareness in 2021. Our supply chain comprised of 2,079 suppliers, with signed Codes of Conduct covering 82% of our dollar purchases in 2021.



We partnered with a Pew Charitable Trust funded project to better understand IUU (Illegal, Unreported and Unregulated) seafood in our Phuket supply chain and learn lessons for implementation in the Group. We continue to explore ways to connect travellers to a destination through food culture, promote local procurement, and better understand and map our supply chain to identify risks and opportunities.

Corporate Governance

Green Imperative Fund

Our sustainable financing mechanism implemented in 2001 supports worthy environmental action and community-based projects where Banyan Tree Group has a presence.



Guests are invited to support under an “opt-out” arrangement with a small contribution of US\$2 per room night at Banyan Tree branded properties, or US\$1 per room night at Angsana, Cassia and Dhawa properties. Donations are dollar-matched by the receiving property.

Resort Autonomous Fund

Each resort is allocated an annual budget of 20% of their previous year’s GIF mechanism contribution. The fund is allocated at the discretion of the property’s sustainability champion and General Manager, following local stakeholder consultation to identify impactful projects that create shared social and environmental value with the primary beneficiary external to Banyan Tree Group.

Project administration is limited to a maximum of 20% expenditure, and funds cannot be spent on gifts for guests, service charge for associates, or wages. Funds may be used for research and development, as long as the results of such research are shared unreservedly and publicly.

Contributions	
Hotel Guests	10,722
Hotels & Resorts	10,722
Total Contributions	21,443
Expenses & Disbursements	19,784

Laguna Phuket Community Program

Equal contributions from 7 hotels / business units in Phuket for annual sustainability events & activities in Phuket.

Contributions	
Hotels & Resorts	1,410,000
Expenses	
Sustainability Programs	105,416
Community Relations	69,495
Ad-hoc	36,897
Total Expenses	211,808

Laguna Phuket Foundation

Set up in 2009 to manage the fundraising events and donations from external parties. It is an opportunity for guests to contribute in long-term program i.e. Children First Fund (CFF), Fully Booked! Mobile Learning Centre (MLC), and other relief efforts.

Contributions	
Guests & Donors	166,000
Expenses	
Children First Fund	933,745
COVID-19 Relief	195,000
Total Expenses	1,128,745

Future Directions

Due to the many unforeseen impacts of COVID-19, we conducted a new material analysis in 2021. The upcoming year will require substantial strategic development, building on current efforts while transitioning to address new challenges.

Targets will be set and baselines established against which to measure progress for each material topic. External stakeholders will be consulted to determine the scope of impact on which each material topic strategy shall be developed, addressing local needs framed within global agenda. We will implement new policies and procedures, supported by an internal auditing process to transparently evaluate performance, where we will incorporate performance evaluations to further support accountability.

Our future holds many new opportunities to support the pressing challenges faced by communities and environments where we operate, reimagine business and mitigate our impacts, engage travellers and promote responsible action by “Embracing the Environment, Empowering People”.

Embracing the Environment

Climate Change:

Tourism contributes significantly to climate change through high energy and resource use, infrastructure development and complex supply chains, with potential to impact global climates and local destination quality. The development of a comprehensive decarbonisation strategy is a priority in 2022. Building on our EarthCheck-audited energy use and Scope 1 and 2 emissions, we will conduct a TCFD-aligned risk assessment under multiple climate scenarios to map risk and opportunity, as a foundation to establish targets and develop a decarbonisation roadmap. We will explore renewable Power Purchase Agreement projects, green space valuation methodologies, Scope 3 emissions, and nature-based projects to support our net-zero goals.

Waste and Water

Achieving net-zero is impossible without careful management and disposal of waste. Waste management tracking protocols will be established to better measure and drive reductions in waste. We will quantify the climate impact of waste to support reduction efforts, and engage suppliers to avoid excess waste through procurement. Although we currently track water consumption, we will develop a new strategy to better understand water sourcing and impact of removal, and explore potential projects to conserve water and protect community access rights.

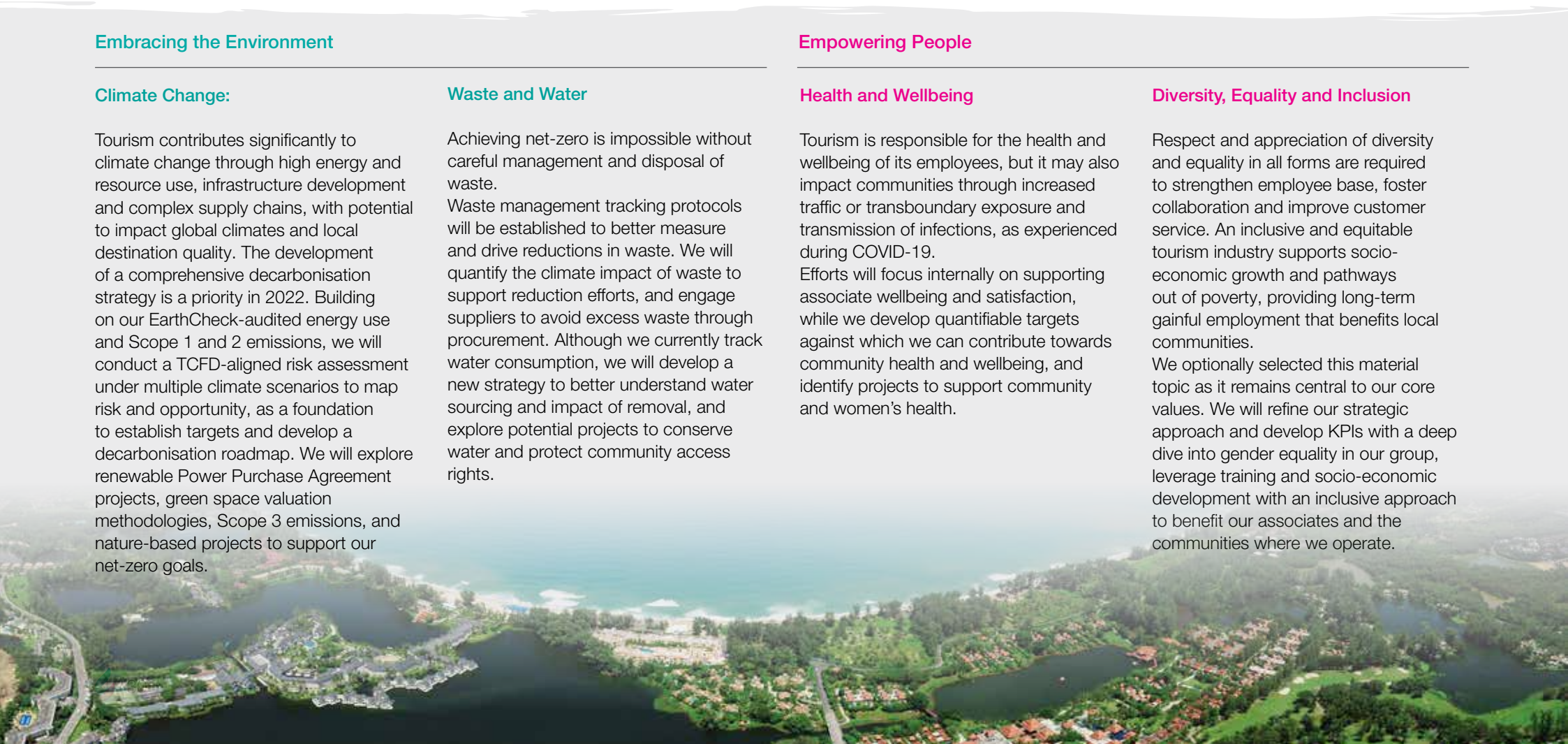
Empowering People

Health and Wellbeing

Tourism is responsible for the health and wellbeing of its employees, but it may also impact communities through increased traffic or transboundary exposure and transmission of infections, as experienced during COVID-19. Efforts will focus internally on supporting associate wellbeing and satisfaction, while we develop quantifiable targets against which we can contribute towards community health and wellbeing, and identify projects to support community and women's health.

Diversity, Equality and Inclusion

Respect and appreciation of diversity and equality in all forms are required to strengthen employee base, foster collaboration and improve customer service. An inclusive and equitable tourism industry supports socio-economic growth and pathways out of poverty, providing long-term gainful employment that benefits local communities. We optionally selected this material topic as it remains central to our core values. We will refine our strategic approach and develop KPIs with a deep dive into gender equality in our group, leverage training and socio-economic development with an inclusive approach to benefit our associates and the communities where we operate.





Disclaimer:

All right reserved. Some of the information in this report constitutes “forward-looking statements” that reflect LRH’s current intensions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which may be outside LRH’s control. You are urged to view all forward-looking statements with caution. No information herein should be reproduced without the express written permission of LRH. All information herein is correct at the time of publication.



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