



Sustainability Report 2022

Laguna Resorts & Hotels Public Company Limited

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.



Overview

- 3 Leadership Statement
- 4 Our Core Values
- 5 Who We Are and Employee Snapshot
- 6 2022 Highlights
- 7 Our Sustainability Journey
- 8 Brand for Good
- 9 Sustainability Approach

Our Environment

- 12 Climate Change, Greening, Earth Hour
- 13 Resource Use And Waste, EarthCheck
- 14 Energy and Emissions
- 15 Food and Plastic Waste
- 16 Biodiversity and the Environment

Our Community

- 18 Associate Satisfaction, Wellbeing, and Development
- 19 Empowering Education
- 21 Community Impact
- 22 Cultural Diversity

Our Responsibility

- 25 Leadership, Ethical Compliance
- 26 Data Privacy, Diversity and Inclusion
- 27 Supply Chain
- 28 Corporate Governance
- 29 Future Directions

Leadership Statement

As a trailblazer in sustainable tourism, Laguna Resorts & Hotels (LRH) has long moved beyond the precautionary principle to a proactive approach embodied in our motto of “Embracing the Environment, Empowering People”. Stewardship, design and experience are our brand cornerstones. Everything we develop, we do so purposefully and for the greater good. This is true of the environmentally sensitive architecture of our resorts, as well as the role we play in building sustainable communities and business ecosystems that enable people to live, work and thrive. We see our properties not only as brick and mortar hotels but living legacies, stewards of the lands and communities in which we operate.

Like us, many businesses, governments and the general public are realising that sustainability is an imperative. COP27 in November 2022 cemented global resolve to mitigate climate change, with countries agreeing to accelerate the phasing out of fossil fuels. This aligns with LRH's drive toward net zero.

But the world must move beyond strategising and discussion to concrete action. For our part, we have embarked on a new sustainability strategy with new KPIs that take into consideration as we work towards a more sustainable way of doing business by 2030.

We still have a lot to do, and the learning process is never complete. We must keep building on our efforts, identifying new tools and findings, and ensuring that we are transparent and accountable, and compliant with all relevant requirements.

After years of adopting this mindset, systematic, strategic engagement with sustainability issues permeates our organisation, from the Board through to individual associates. We are also making every effort to involve our entire spectrum of stakeholders to address the challenges we face collectively. Your participation makes a difference.



Mr. Eddy See
President, 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.

Our Values

Doing good is good business. LRH is testament to this. Our tried-and-true formula: go beyond the precautionary principle, harmonise operations with nature, cultivate enduring partnerships with stakeholders. We accomplish this by:



Creating exceptional design-led experiences for guests and customers through services and products that celebrate nature and promote wellbeing.



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



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



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



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



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 2022. 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.

2022 Employee Snapshot

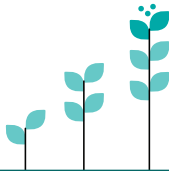
| | Non-supervisor | Supervisor | Senior Management |
|------------------------|----------------|------------|-------------------|
| Gender | | | |
| Female | 50.5% | 55.6% | 51.3% |
| Male | 49.5% | 44.4% | 48.8% |
| Age | | | |
| Below 30 | 32.6% | 6.6% | 0.0% |
| 30 to 50 | 58.0% | 80.9% | 65.0% |
| Above 50 | 9.4% | 12.5% | 35.0% |
| Education | | | |
| No Formal Education | 0.2% | 0.0% | 0.0% |
| Primary School | 5.0% | 0.5% | 0.0% |
| High School "O" Levels | 15.1% | 2.1% | 0.0% |
| High School "A" Levels | 15.7% | 4.3% | 1.3% |
| Technical | 11.1% | 4.3% | 1.3% |
| Diploma | 15.6% | 8.8% | 3.8% |
| Degree and above | 37.3% | 80.1% | 93.8% |



2022 Highlights

Our Responsibility

Climate Change
1,035
Trees planted in 2022



Resources Conservation
3 Million Pieces
Reduction in single use plastic since 2018



Biodiversity & Environment
1,671
Kg of trash collected
807
Participants



Our Community

Community Engagement
15,678
Participants
3,763
Meals handed out



Seedlings
27
Students in 2022
206
Hours of mentorship



Staff Development
189,617
Total Training Hours
9
Average training hours
Per person per month



Our Responsibility

3,631,923 THB
Disbursed funds in 2022

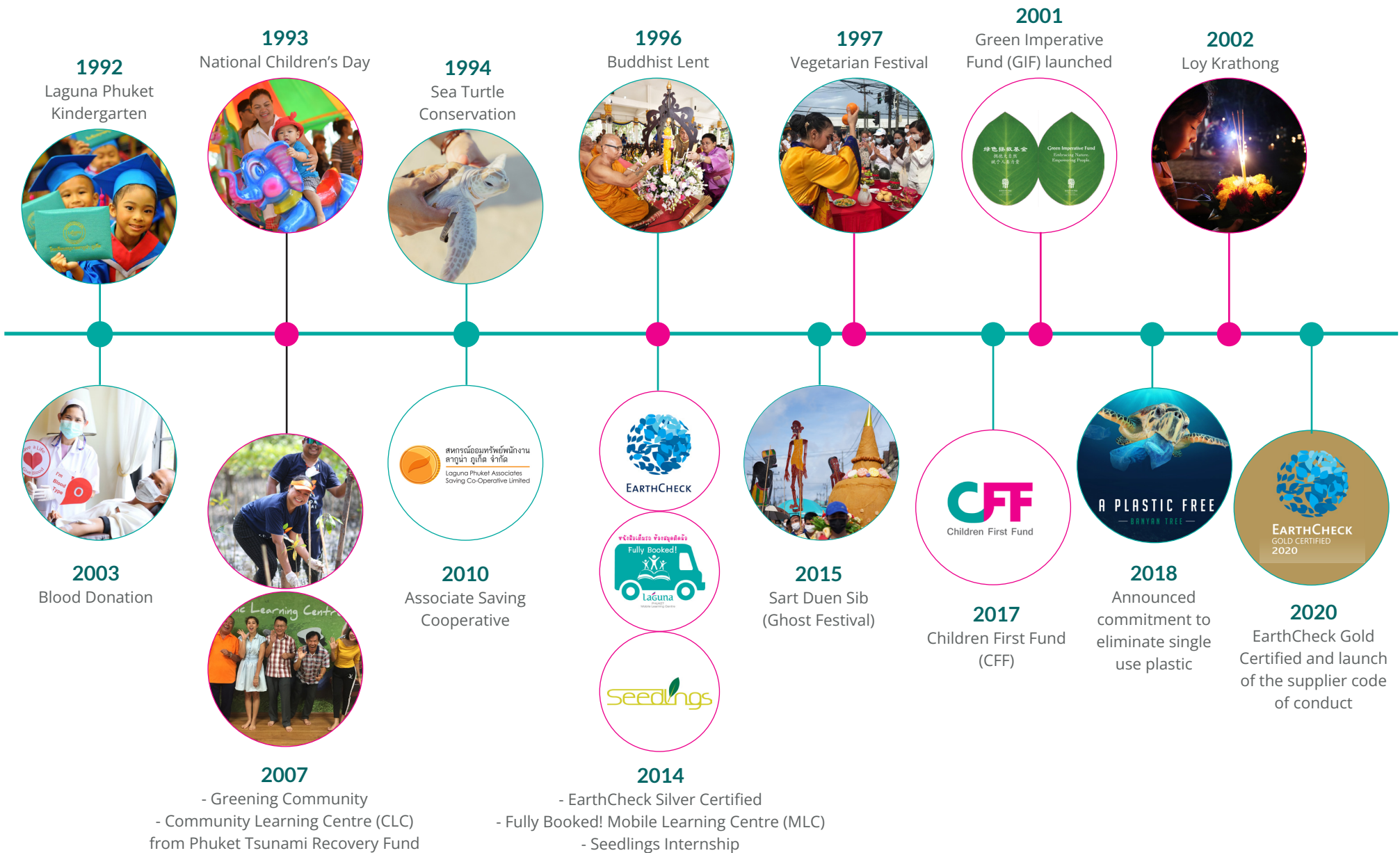


1,229
supplier codes of
conduct completed



7,989
Volunteer hours





Brand for Good

We believe in creating long-term value and making meaningful impact on destination and communities, driving sustainable development through our core value of “Embracing the Environment, Empowering People”.

Across the Group, we implement a total of 40 standard of various themes to help us achieve our mission to be a Brand for Good.



Stay for Good



Guest experience

Natural and cultural heritage, annual celebrations (Earth Hour, Earth Day, World Environment Day, World Tourism Day)

Green Imperative Fund

Hotel matching sustainable financing to support local environments and communities

Generate stewardship

Long-term sustainable destination management

Operate for Good



Green operations

Resource efficient, renewables and recycling, responsible purchasing

Zero waste

To landfill, implementation of 5Rs, responsible purchasing and menu design

Certification and assurance

Sustainable operations certification (EarthCheck)



Build for Good



Concept

Sensitive, sustainable, biophilic design

Construction

Local and sustainable materials, low impact and site remediation

Certification

By design to ensure efficient operations

Collaborate for Good



Empower

Equality in local communities and our associates

Educate

Inclusive vocational training and community development

Engage

Diversity in associates, travellers, industry and society to create positive impact

Sustainability Approach

Materiality: What We Measure, Manage and Mitigate

In 2022, we developed strategies, established baselines, drafted policies and new procedures to support implementation of the materiality assessment we completed at the end of 2021. Executive management presented these to the Board, refined them based on the directors' feedback, and obtained the Board's approval.

The process by which we renewed materiality was as follows:

- We reviewed published academic literature, competitor
- Executive management approved for prioritisation a shortlist of 14 existing and emerging environmental, social and governance (ESG) material risks pertinent to our business.
- The severity and likelihood of material risk impacts were rated following Global Reporting Initiative (GRI) (2021) guidance, via an online survey, with senior and executive management respondents across the company. Material topics were evaluated at the residual level, considering the adequacy and effectiveness of existing controls and progress, and comparing the impact of each topic from our business against other topics rather than within a global context that may not be within our control.

This framework provides the foundation of our efforts from 2022 to 2030. Regular reviews ensure it is current, meets stakeholder needs and promotes responsible travel.

This report is the first for our current material topics. For each topic, we present its importance, its scope, our management approach, Key Performance Indicators (KPIs) and progress, in accordance with the reporting requirements and referencing GRI standards.

WE DEFINED IMPACT SCOPE AND DEVELOPED MITIGATION STRATEGIES FOR THE FIVE GREATEST MATERIAL RISKS FROM OUR BUSINESS:

Waste



Biodiversity



Water Scarcity



Climate Change



Diversity, Equality and Inclusion



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

As hospitality providers, it is in our DNA to bring people together, and we believe that a sustainable business is possible only when we treat stakeholders as partners. The scale and geographical footprint of our business means that it impacts many people and organisations with a range of opinions. This diversity of stakeholders necessitates a variety of platforms for two-way communication and collaboration. For each group of stakeholders, we identify pertinent issues and establish platforms for engagement such as in-person town hall meetings or seeking suppliers with values that align with our own.

In 2022, we continued to engage with individuals, businesses, NGOs, and public and private institutions worldwide.

Sustainability remains a key component of our corporate purpose, and the Board of Directors manages the roadmap towards creating long-term, sustainable value for all stakeholders. The Board has endorsed an updated materiality and sustainability framework for the Group, arising from stakeholder consultation, approving the selection of material Environmental, Social and Governance (ESG) factors. The Board acknowledges that ownership starts with itself, while senior management ensures the sustainability mission is both implemented and embraced by all within the company.



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

Tourism significantly impacts the climate through high energy and resource use, infrastructure development and complex supply chains. Conversely, climate-friendly tourism can bring real benefit to at-risk destinations.

This Report includes direct emissions from owned and managed operations (hotels, offices, spas, galleries, golf) and construction (Scope 1 emissions), and indirect emissions from the consumption of purchased electricity, steam, heat and cooling (Scope 2 emissions).

At this time, this Report does not cover indirect emissions (Scope 3) from operations not owned by the company in the value chain upstream (travel, employee commuting waste, purchased goods and services and their transportation, guest travel and capital goods) and downstream (franchises, leased assets). However, we are measuring baseline Scope 3 emissions in 2023, in anticipation of expanding future reporting.

To achieve our targets of reducing emissions, we are taking a holistic approach to embed climate risk in our business development, operations and supply chain. In 2023, we will apply multiple climate scenarios to assess the risks across the business value chain. We have also partnered with EarthCheck since 2010 to ensure transparency, objective benchmarking and independent certification.



Greening Communities

Our Greening Communities programme raises awareness of climate change and sequesters carbon by planting trees in local communities. Despite reduced operations, 1,035 trees were planted in 2022, with 34,673 trees planted since 2007, sequestering a maximum of 13,055 tonnes of carbon (based on 40-kg of carbon sequestered per tree per year, and assuming 100% survival), with 6,500 mangroves planted in the last five years that contribute to blue carbon ecosystem services including shoreline protection, fish nursery habitat and local livelihoods.



Earth Hour

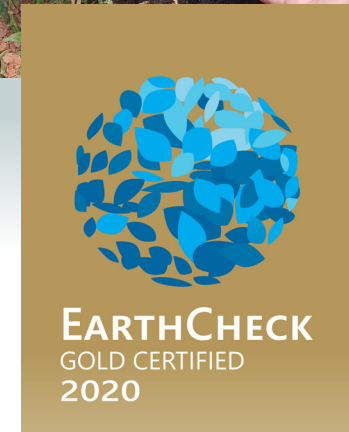
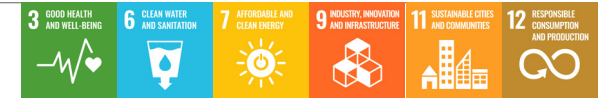
Each year we give a voice to climate change awareness by joining the global Earth Hour movement and turning off all non-essential lights for one hour at our properties.

7 properties have participated and saved over 522 kWh of electricity in a single hour: the equivalent of 4 months household electricity consumption of a small families in Thailand.

| | 34,673 trees planted since 2007 | | | |
|---------------|------------------------------------|------|------|-------|
| | 2022 | 2021 | 2010 | 2019 |
| Trees planted | 1,035 | 157 | 655 | 7,261 |
| Participants | 238 | 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.



EarthCheck Progress

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

By end of 2022, 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.

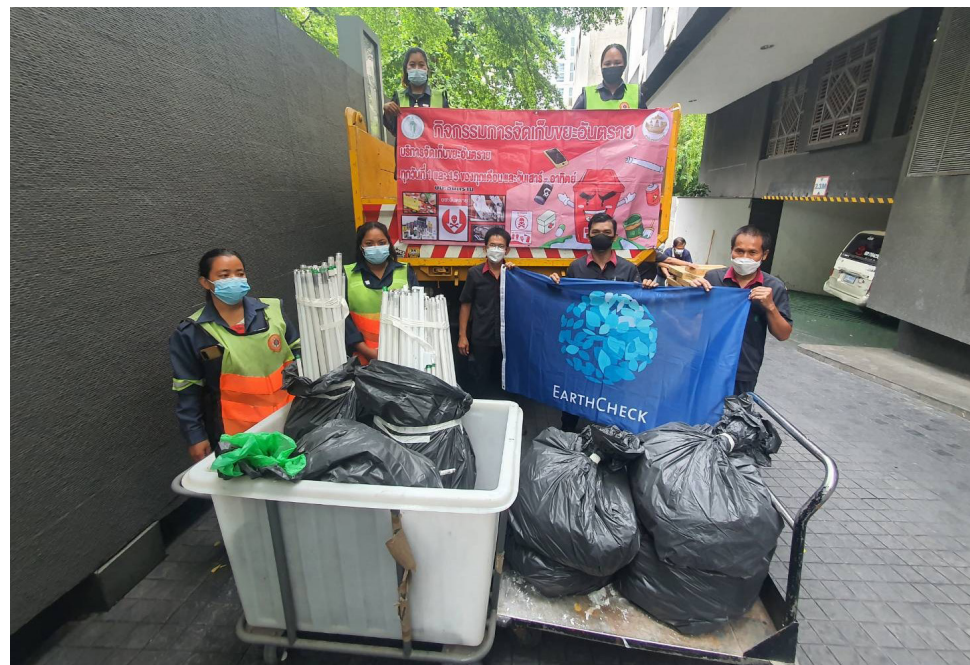
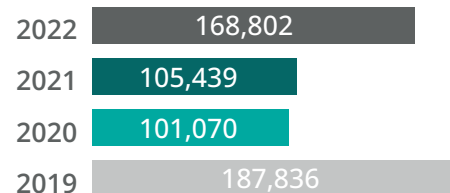
Energy & Emission

Total annual potable water use increased by 53% to 1,254,607 m³, an additional of 437,095 m³ from 2021. Total waste increased by 200% to 1,527 cubic metres as a result of business resilience.

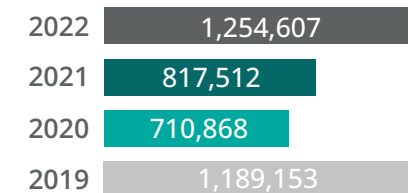
Waste & Water

Total energy use and corresponding Scope 1 and 2 greenhouse gas emissions (GHG) increased by 57% due to increased operations in 2022. Energy use increased to 165,802 GJ and GHG emissions was 45,454.35 tonnes.

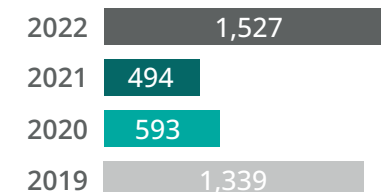
Total Energy (GJ)



Total Water (m³)

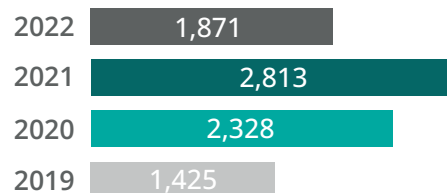


Total Waste (m³)

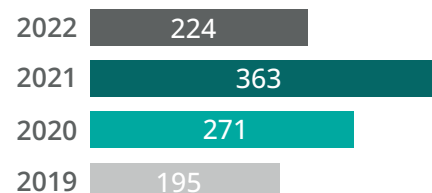


Energy, Emissions, Water, Waste Intensity (Per Guest Night)

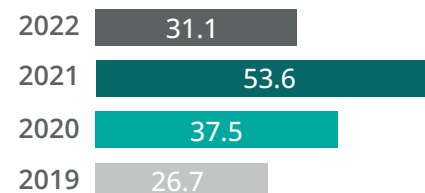
Portable Water (L)



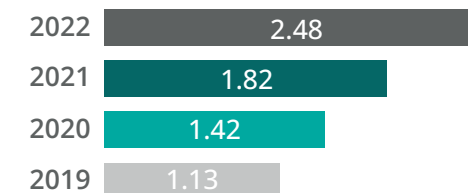
Energy (M)



GHG (Kg CO₂ equivalent)



Waste to Landfill (L)

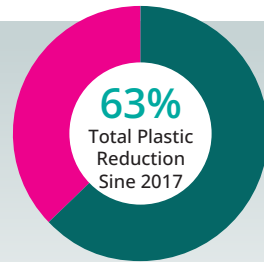


Food & The Environment

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 long-term 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 2022, 5 properties implemented Meat Free days to raise awareness of healthy diets and reduce 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 63%, and 3.86 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.

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.



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.

This year, 41 turtles were released to the Andaman Ocean with the help of 120 participants. To-date, 2,186 turtles have been released and 4,800 people have participated in this program since 1994.



Cleaning Community

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

Impact: During 2022, over 1.6 tonnes of waste were removed by 807 participants during 48 clean-up events conducted in Thailand.

| | Properties participated | Trash removed (kg) | Participants |
|------|-------------------------|--------------------|--------------|
| 2022 | 7 | 1,671 | 807 |
| 2021 | 7 | 1,758 | 931 |
| 2020 | 7 | 3,467 | 1,799 |
| 2019 | 7 | 3,517 | 2,682 |



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.

Online training was issued to improve physical and mental wellbeing of associates and supported by weekly wellbeing and health tips to associates.

This support builds on our previous introduction of a flexible employment programme to protect jobs, a rehiring 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.



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.

189,617 hours of training was recorded in 2022 with the average of 8.76 hours per associate per month.

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



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).

Face-to-face mentorship opportunities remained limited in 2022 with only 26 equivalent work days of mentorship provided (206 hours) to 27 Seedlings students supported by 4 properties.



| Year | Number of young person supported | Work hours of mentorship provided |
|------|----------------------------------|-----------------------------------|
| 2022 | 27 | 206 |
| 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.



The program covered 9 months of on-the-job training at 5 departments (Kitchen, Food and Beverage, Engineering, Housekeeping, and Front Office). Of the 21 interns, 10 of them have been employed by Angsana during or after graduating.

Internships

Internships provide valuable learning experiences to develop future hospitality professionals. Predominantly as part of tertiary education requirements, 178 vocational internships were supported with a combined equivalent of 54 years of training in 2022.



| Year | Number of interns | Months of Training |
|------|-------------------|--------------------|
| 2022 | 178 | 649 |
| 2021 | 52 | 180 |
| 2010 | 184 | 501 |
| 2019 | 542 | 2,627 |

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 Phuket 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 141 children aged between three to six, with 12 certified teachers creating fun and educational daily activities.

To-date, 1,771 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 183 students and 16 teachers of Phuket and Pang-Nga in 2022. To-date, 10,053 students and 496 teachers 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 2022, more than Baht 1,083,420 was spent for the sustenance.

Laguna Phuket Children's Day

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.

On 8 January 2022, the representatives from all hotels in Laguna Phuket paid a visit to 7 orphanages of our CFF beneficiaries, to share the happiness to 400 orphans with snacks, ice cream, toys and learning materials worth 113,000 Baht on this special day "National Children's Day 2022"



Feeding communities together

Laguna Resorts & Hotels is always providing free meals to the local communities and in 2022 more than 3,763 meals were served in 14 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 42 million share volume with 602 associate members.



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 2,159,100 cc of blood and 4,798 associates have participated in our Blood Drive program.



Community Impact

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 2022, Laguna Phuket has donated the necessities, 50 sets of portable mattress to Thalang District Office to set up COVID-19 community isolation centre at Chergtalay temple and 100 sets of survival packs (rice, instant noodle, canned food, soy milk) were given to Chergtalay Subdistrict Administrative Organization (Or Bor Tor).



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.

Buddhist Lent

The annual Laguna Phuket Buddhist Lent activity was held on 12 July 2022 at Chergtalay Temple and attended by 60 Laguna Phuket associates and community members. Apart from the corporate donation of lent candles, this year Laguna Phuket has raised Baht 37,584.75 for the temple. Laguna Phuket has annually celebrated Buddhist Lent for over 27 years.



Loy Krathong

Loy Krathong Festival brings people together on the full moon night of the 12th Thai lunar calendar to pay respect to the water goddess, Pra Mae Khongkha and the water spirits. This year's event was held on 8 November 2022 with lots of meaningful cultural appreciation activities --- Rak Thai Kids Cultural Appreciation Contest, Krathong demonstration, traditional performances, community F&B stalls, and live music. Nearly 5,000 guests, associates and residents participated in releasing Krathong and expressing their gratitude towards the plentiful use of water.



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 26 September – 4 October 2022. 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 121,550 worth of food and supplies this year to our local shrines and set up an offering shelter on 1 October 2022 to worship Ma-Song devotees through whom the gods are said to enter during the annual Phuket Vegetarian Festival.

Sart Duen Sib (Ghost Festival)

The Ghost Festival (Baan Don Sart Duen Sib) is a southern traditional festival for Buddhists to make merit in remembrance of loved ones who passed away, and our local heroes who sacrificed their life to protect, enrich and improve our community. Over 40 Laguna Phuket associates participated in this event at Baan Don temple on 18 September 2022 and Baht 15,000 was given to the temple for their ongoing public services.



Our Responsibilities

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

We continually seek to be transparent and accountable in all our dealings, complying strictly with all legal and ethical requirements wherever we operate. We have zero tolerance for corruption and expect the same of those with whom we do business. Because LRH has a long track record of doing business right, this was not identified as a material topic for us. Nonetheless, we continue to emphasise its importance. As a publicly traded company, our Board of Directors and management teams are committed to the Code of Corporate Governance.

Our Code of Conduct strengthens associates' awareness of good corporate conduct, governs conflicts of interest and protects associates from sexual harassment. All associates are required to sign the Code of Conduct annually, and 97% did so in 2022. To ensure that violations can be reported without fear of retaliation, we maintain a confidential whistle-blower policy. Our supplier Code of Conduct helps to uphold human rights and the environment. Our supply chain comprised 1,229 suppliers, with signed Codes of Conduct covering 91% of our dollar purchases in 2022.



To protect the rights of guests and associates, our data privacy policies ensure compliance with the Personal Data Protection Act. Group-wide cybersecurity training for IT personnel and access point users was delivered in 2022, with no substantiated complaints, breaches or losses of customer data identified. We are committed to uphold the Ten Universal Principles as a founding member and signatory of the United Nations Global Compact in Singapore, and we support the

United Nations World Tourism Organisation Global Code of Ethics.

Compliance to LRH's sustainability standards is assessed by EarthCheck's third-party audits of environmental, social, operational and governance systems and initiatives, and an annual self-audit with remote verification by the regional sustainability coordinators and BTGF.

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.



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.



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. Our supply chain comprised of 1,229 suppliers, with signed Codes of Conduct covering 91% of our dollar purchases in 2022.

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.



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 | 649,915 |
| Expenses | | 1,414,389 |

Laguna Phuket Community Program

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



Contributions

| | Hotels & Resorts | 3,300,024 |
|----------------|-------------------------|-----------|
| Expenses | | |
| | Sustainability Programs | 568,431 |
| | Community Relations | 1,446,786 |
| | Ad-hoc | 202,317 |
| Total Expenses | | 2,217,534 |

Future Directions

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”.

| Topic | Boundary & Focal Areas | Long-Term KPI (2030) | Short-Term KPI (2025) | Annual Target |
|--|--|--|--|---------------|
| Climate Change | Direct and indirect emissions upstream and downstream. Energy efficiency, renewables, decarbonization projects. | 66% reduction in total emissions | 40% reduction in total emissions | 8.25% |
| Waste | Solid and liquid waste excluding water and emissions. Food, plastic, hazardous waste (including STP), waste awareness | 50% reduced waste to landfill | 25% reduced waste to landfill* | 6.25% |
| Water Scarcity | Potable and non-potable water sourcing, use, treatment and reuse. Catchment pressure, supply chain, access rights, restoration of water depleted ecosystems. | 30% water recycled/alternative sources | 18% water recycled/alternative sources | 3.75% |
| Biodiversity | Direct and indirect disruption to, and loss of, habitat and species and ecosystem services. Awareness, habitat protection, invasive species, suppliers. | 100% certified seafood | 50% certified seafood | 12.50% |
| Diversity, Equality, and Inclusion (DEI) | Associates, guests, suppliers, service providers and local communities. Human rights, workplace equity, inclusive tourism. | < 5% gender gap for employed, hires, promoted, turnover, job level and pay | < 5% gender gap for employed, hires, promoted, turnover, job level and pay | 0.25% |





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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