

Driving Business Towards Sustainability

1. Policies and Goals on Sustainability Management

Making a report of social responsibility or corporate sustainability report is a compilation of social and environmental activities and also activities inside and outside of the company by using existing resource of the company and outsourced resources. This can lead to the coexistence in the society with happiness. The company believes that these activities can enhance the development of both the company and the society enduringly.

Consequently, the Board of Directors has established a policy regarding the responsibility to all stakeholder groups under the corporate governance policy which has been drawn up in 2004 and the latest policy review every year in December 2019, as described in the Enclosure no. 6. Corporate Governance and disclose the said policy on the company website at www.asiahotel.co.th and in the annual report as well.

Nevertheless, the company currently does not report in accordance with the framework of GRI (Global Reporting Initiative). All of these may take time.

Because the company is divided into 2 business groups which are hotel and restaurant business group and shopping rental area business group (real estate), major stakeholders of business, in addition to the company's shareholders, are our employees, customers, partners, surrounding environments, and societies. At present, the company focuses on the business operations of the company and its subsidiaries on corporate social responsibility as following:

1. Fair Operating Practice The company promotes and enhances a free and fair trade competition policy, not monopolize the trade or require traders to specifically supply goods for the company only and no policy to obtain the competitors' information illegally and unethically. Dealing with business partners should not cause the damage of the company's reputation or conflict of the relevant laws. Equality and mutual benefits should be considered and Business partners should be selected fairly. By the way, the Company considered that partners are an important factor to create value and reliability for customers.

2. Anti – Corruption The Company determines directors, executives and employee act with integrity, honesty and transparency by considering the highest benefits of the Company and related persons. Must not accept or offer gifts or presents from customers, partners, contractors, vendors, service providers or government officials. If employee accepts gift of more than nominal value, given on traditional occasions, employee must inform supervisor. Accepting to do any task for any business activities by receiving payment directly or indirectly, employee must report to supervisor about the relationship. Accepting or entertaining customers, partners, contractors, vendors or service providers must only be done for benefiting the Company business deal. Entertaining must not cause damages to reputation of the Company and its stakeholders.

In 2013, the company focuses on anti corruption policy. 12th/2013 committee meeting on 13th December 2013 considers the approval of participating in an alignment of private cooperation against corruption (Collective Anti – Corruption) "CAC". This is to provide benefits to both inside and outside organization.

In July 2014, the Board of Directors meeting No. 9/2014 has approved the Anti-Corruption Policy and are adopted in the company and its subsidiaries. The company has reviewed Corporate Governance Policy, prepared Guide of the Anti-Corruption Policy, as well as A Whistle-Blowing and Protection of the Complainant Policy, Regulations of Give and Receive a gift, Regulations of donation for a charity or becoming a patron, which will be consistent and support Anti-Corruption Policy. In addition, there has been a communication to all concerned parties. In particular, training employees to have knowledge, understanding, and awareness of the policy. The Audit Committee is reviewed for completeness and correctness of the implementation of the Anti-Corruption Policy. The aforementioned policy and the policy manual can be found in Attachment 5. Other topics are as attached.

In December 21, 2016, the Company sent out the self-assessment report and the related anti-corruption details to Institute of Directors (IOD) which is secretary of this "CAC" project, in order to be approved of being a member of private sector of Thailand Against Corruption (Collective Anti-Corruption) "CAC". Subsequently, the CAC Council held a meeting on November 10, 2017. The resolution was approved by the CAC Council to bring the documents back to the CAC on the recommendation of the CAC sub-committee. Asia Hotel Public Company Limited can re-enter the project by signing the declaration of intent again. At present, in 2021, the company is not yet ready to submit documents for re-certification. With the situation of the epidemic of covid-19, the company continues to monitor and follow the policy for corruption complaints. At the end of 2021, no complaints have been filed to the company in accordance with the specified process.

3. Respect for Human Rights The Company give a respect to basic human rights categorized into 2 category. The first category is the civil and political rights and rights of freedom in expression and the second category is socio-economic and cultural rights, right to work or right to receive food, and right in health. The Company support social activities and employee activities which don't affect or damage to the reputation or interest of the Company or doesn't polished any duties of people. Use

political right according to the law and avoid actions that can cause misunderstanding that the Company involved in any political parties. However, in terms of political rights, the company encourages employees to take 2-hour voting right without deduction.

4. **Fair Labour Practice** Employees are the most valuable resource and a key to the success of the company business. The company, therefore, creates a good work culture and environment as well as enhances teamwork, treats to employees gently and respects each individual's right to privacy. Employment, appointment and transfer of employees will be considered, based on ethical conduct and human resource will be utilized to gain the most benefit for the company. The company will treat employees equally and fairly without regard to gender, race, nationality, religion and creed. The company has a responsibility to create a good work environment and safety for life and assets of employees and persists to follow labor law strictly as follow:

4.1 Children of employees are encouraged to come to hotel with their parents during their school break, to read or enjoy their day in a provided area. Moreover, employees are allowed to look after their children during lunch break.

4.2 The company also supports the employees saving project by approving the Asia Hotel Saving and Credit Cooperative Limited to be founded more than 20 years and operated by their own committee. Currently (year 2022), the hotel business has been affected by the Covid-19 epidemic. Members of the cooperative are also affected. Member's income has decreased. The cooperative has helped its members to refrain from collecting shares, loans and interest from members during that time, more than 2 years. The number of members has decreased, but the Asia cooperative still being strong and was considered to be rated as a cooperative standard Fiscal Year 2022 "Passed the standard" It is well established and recently received a certificate of a high standard from the Cooperative Promotion Bangkok Metropolitan Office.

4.3 The company set up the welfare staff committee including the hotel manager and the head of departments to monitor the welfare of employees such as cremation funds and helping the flooding victim.

4.4 Provident Fund managed by Thanachart Fund Management Co., Ltd. has been provided for employees' and executives' security since 2011, detail in topic 7.5 employee

4.5 The management has set up a project to benefit the employees and extended to their relatives and friends to book accommodations in all 4 hotels: ASIA Bangkok, Asia Airport, Asia Pattaya, Asia Cha-am and Darley Hotel Chiangmai at special prices. The bookings need to be verified by Personnel Department.

4.6 The company provides flu vaccination and annual physical examination and during the COVID-19 pandemic. The company coordinates that all employees are vaccinated for protection all the time, from needle 1 - needle 4.

4.7 The company regularly takes care of the safety of its employees by helping reduce accidents at work. In 2021, there are no accidents of employees due to the reduction in sales of hotel restaurants and banquets which is the impact of the outbreak of the coronavirus.

5. **Consumer Responsibility** The company is willful to provide the satisfactory and reliable service to customers with quality rooms, foods and beverages at reasonable price as well as maintain a good relationship. The company, therefore, establish a code of conduct **quality rooms, food and beverage service**. The Company is willful to raise the standard to a higher position continuously and disclose information regarding the location and service completely, correctly and accurately.

6. **Innovation and dissemination of CSR innovation from social responsibility**

The company places importance on saving energy, saving time to increase efficiency and quality of work. By using the internal communication system with a convenient application via modern mobile phones to work in various departments such as the housekeeping department, reception desk, etc. In addition, additional computer systems have been used in these kitchen tasks, it can increase the efficiency of work within the organization. Both in providing good customer service and faster. As well as increase the efficiency of internal control, data storage, report preparation for management and coordination between departments can be improved in addition to increasing efficiency and quality of work, also makes it possible to reduce work time and reduce work problems as well.

The company has continued planning to improve work efficiency and modernize various machinery by using new innovations computer system, the computer program as well as various tools for organizational development and society continuously and sustainably forever.

2. **Managing stakeholder impact in the business value chain**

2.1 **Business value chain**

ASIA Group's business has had divided into two parts, which are;

1. Hotel business and restaurant; included in accommodation, restaurant, banquet rooms, conference rooms, rental area and others such as SPA, swimming pool and gym.
2. Rental area business both short and long term.

Hotel Business and Restaurant

Primary Activities

Front office practices, which are marketing/reservation/lodging facilitation and safety, aimed those trained employees (reception, housekeeper and food and beverage sector) be impressive service to customers.

Support Activities

Back office, who manage human resourcing, accounting and financial, procurement, laundry, security and repairing maintenance. Moreover, there are also office rental service, retailing area rental service and parking service.

Rental Area Business

Primary Activities; included in marketing and sales, which response to set-up pricing, creating campaign activities and servicing tenants within shopping center throughout the front area.

Support Activities; as such management, accounting and finance, human resourcing, security supporting safety in the center and repairing maintenance for taking care of the equipment efficiency within the center.

2.2 Analysis value chain between the related parties

The significant related parties both internal and external organization, which are connected to the direct business value chain possibly divided to;

- The internal organization related parties, which are shareholders and employees.
- The external organization related parties, which are customers, partners and community.

Related Parties	Related Parties Expectation	Response to Related Parties
The internal organization related parties		
Shareholders	Determine strategies and directions for future business growth. Returns from the company performance by holding the good governance company shares.	Consider adjusting the sales plan and investment accordingly for sustainable growth. Open to shareholders suggestions and strategy to rapidly recovering business from COVID-19 crisis.
Employees	Good compensation (salary and bonus), good welfare, well work-life balance, safety, stability and advancement.	Reviewing compensation and welfare for employees; included in carefulness, knowledge and ability development program supporting employees.
The external organization related parties		
Customers	Services impressment such as food and place, which are clean, safe and fair price.	Providing services with honest and fast, which impress customers and visit again.
Partners	Selecting partners with fairness and equality without disgrace reputation and illegally; including in taking good care of partners.	Performing procurement system with transparency, verifiable and financial confidence.
Community	Developing the community with the sustainable development and supporting community activities.	Creating good relationship with neighbor by sharing and contributing career opportunities to community.

3. Management of Sustainability in Environmental Dimensions

3.1 Environmental Policies and Guidelines

The company considers the environment to be a related relationship between human, animals, trees, life, mind, balance and living together. Therefore, environmental care is the responsibility of the company to society and is the duty of every employee with the objective, protect pollution, Control the weather, wastewater and waste material from operations to be better than the standard and the regulations prescribed by law, saving resources, comply with the existing and future applicable law and improve the environmental quality continuously.

The Company recognizes that the occupational health and safety management system is a part of the business which is important. It is the direct responsibility of all executives and employees to ensure that the operations are in accordance with the occupational health and safety plan and comply with The Thai law and international standard and to improve the prevention of hazards that might affect to employees, clients and related persons continuously according to the objectives set up from risk assessment as follows:

- To prevent accidents caused by fire and explosion.
- To prevent chemical hazards
- To prevent injuries caused by mechanical works
- To prevent dangers from electrical works

In order that, executives shall inform all employees about objectives, provide adequate and sufficient resources for achieving defined objectives and goal, set up proper training for employees at every level to be able to perform their duties and responsibilities as well as review management policy, execute the audit periodically and support employees to share their opinions.

The Company realizes the importance of environment and engages in many environmental projects, as well as gives knowledge to employee and improves the environmental quality continuously such as:

- Energy** - For energy conservation the light bulbs have been changed to energy saving bulbs, glass windows and doors are heat protected
- Light sensors have been installed at the car park building in the evening
 - Automatic door was installed to keep the cool air inside.
 - The changing of the chiller machine from the original system to a new system with better machine performance, thus saving energy. In the laundry department have changed the old ironing machine, to be a large automatic fabric ironing machine add automatic towel roll machine which can save working time, save electricity, steam energy and save labor significantly. In the kitchen has added many modern kitchen types of equipments, making cost savings and significantly save working time.
- Water** - “Save natural resources campaign” has been set and invite guests to join by not changing bed sheets and towels everyday if guests stay more than one night.
- Water saving type of bathroom appliances are used in the guestrooms.
- Garbage** - Producing micro organism water from the fruit skin and use it to clean fat residue in the kitchen, use as fertilizer for plants and spray to keep away insects. Those help reduce the use of chemical and the waste from food scraps.
- Reduction of plastic use. The company has reduced plastic waste with the following actions:
 1. Change some disposable plastic containers into other biodegradable containers.
 2. Canceling use of wrapped plastic of water bottle caps.
 3. Reduce the plastic tubes in various dining rooms, except in the case of customer requesting.
 4. Reduction of spoon-fork plastic for food or snacks that customers buy back home and the bakery shop, except in the case of customers requesting.
 5. Encourage customers to refrain plastic bags when buying snacks in the hotel bakery.
- Waste** - To help reduce the waste the cancelled bed sheets and towels are made and used as hand towels replacing paper towels in the public toilets.
- Pollution** - The company has improved and changed many large machines that have a long service life, cumbersome work, consumes energy, long time and labor, such as changing the boiler machine from the grade A fuel oil system to a gas system to reduce air pollution.
- Carbon footprint** -No action has been taken on this issue.

“Green ASIA Hotel” Project. The company has participated in Green Leaf Project to develop the efficiency of the energy usage and also to develop the tourism and hotel business environment. The aim is to focus on the energy and resource usage with realization. Asia hotel has already supported this project continuously by establishing the Green ASIA committee including restaurant personnels, housekeepers, mechanic personnels, stewards, and accountants which are add up to around 40 persons. These committees together with outside consultants are brainstorming and established 3 issues to improve including energy, waste materials sorting, and safety.

In 2014, Asia hotel has been selected to be an operative model of “Green Hotel” for other hotels who are participated in. The model of operation including

1. Every stewards in the hotel to understand the objective of sorting waste materials in accordance with Green Improvement Plan. The content for stewards to understand also includes scoping where to improve and follow up the plan.
2. To train the associated personnels
3. To record the quantity by weight and sorting the type of wasted material
4. To set rules for mechanic personnels and chefs to always wear shoes during their works.
5. Set up a plan to reduce the electricity usage by using energy conserving light bulbs, recording the electric usage of light bulbs, set up time for dish cleaning due to its high water and electricity usage.
6. Arrange Green hotel slogan contest for all levels of Asia hotel personnels and hotel subsidiaries.

At the present Asia hotel did not join in Green Leaf Project but Asia hotel has already supported Green ASIA Hotel continuously and has continue to apply to subsidiary hotels.

3.2 Environmental Performances

ASIA has no managing environment data recorded including in energy savings, water, electricity, waste disposal, re-use/recycle and Greenhouse Gas Emissions. Those data recently have not been appraised, compared or analysed as a concretization. In the future, the company has been planning to collect those data to specify clearly strategy of related environment in business and value chain. This takes into consideration of consuming resources worthwhileness and reducing environmental impact.

However, in 2022, the company collected data on the amount of electricity consumption, water, LPG, and fuel oil. The amount of expenses paid by each place Compare with 3 years ago as follows:

Fuel and Energy - Related Activities - Electricity							
1. The amount of electricity purchased for use in the organization from electricity service providers or suppliers such as the Metropolitan Electricity Authority/Provincial Electricity Authority and the lessor of buildings and premises for business							
2. Expenses purchased for use in the organization.							
	2020		2021		2022		
	Kilowatt :hour	Expenses : baht	Kilowatt : hour	Expenses : baht	Kilowatt : hour	Expenses : baht	
Asia Bangkok	5,445,000.00	20,135,046.04	4,401,000.00	16,083,400.69	6,087,000.00	25,959,986.97	
Asia Pataya	2,588,975.00	9,245,414.39	2,459,700.00	8,661,522.05	2,883,420.20	11,983,035.08	
Total	8,033,975.00	29,380,460.43	6,860,700.00	24,744,922.74	8,970,420.20	37,943,022.05	
Fuel and Energy - Related Activities - Water							
Water purchased from Metropolitan Water Works Authority/Provincial Water Works Authority supply or the lessor of buildings and premises for business.							
	2020		2021		2022		
	Cubic meter	Expenses : baht	Cubic meter	Expenses : baht	Cubic meter	Expenses : baht	
Asia Bangkok	149,658.00	2,492,804.03	99,912.00	1,732,778.46	147,191.00	2,526,328.45	
Asia Pataya	45,661.00	1,759,393.99	34,760.00	1,192,140.56	36,382.50	1,291,181.91	
Total	195,319.00	4,252,198.02	134,672.00	2,924,919.02	183,573.50	3,817,510.36	
Fuel and Energy - Related Activities - LPG							
	2020		2021		2022		
	Kg.	Expenses : baht	Kg.	Expenses : baht	Kg.	Expenses : baht	
Asia Bangkok	58,818.00	1,193,698.17	35,655.00	372,362.63	45,447.00	1,024,003.55	
Asia Pataya	781.00	886,040.28	448.00	483,840.16	694.00	879,060.22	
Total	59,599.00	2,079,738.45	36,103.00	856,202.79	46,141.00	1,903,063.77	
Fuel and Energy - Related Activities - Fuel Oil							
	2020		2021		2022		
	Liter	Expenses : baht	Liter	Expenses : baht	Liter	Expenses : baht	
Asia Bangkok	132,000.00	1,806,909.00	54,000.00	979,371.00	162,000.00	3,598,731.00	
Asia Pataya	0	0	0	0	0	0	
Total	132,000.00	1,806,909.00	54,000.00	979,371.00	162,000.00	3,598,731.00	

Note: Not including Asia Airport Hotel, Asia Cha-am Hotel, Rajapruek Lanna Boutique Hotel, and Darley Chiangmai Hotel.

4. Sustainability Management in Social Dimensions

4.1 Social Policy and Guideline

ASIA stipulated the company ethics to social responsibility adherence, which correspond with common interest and environment, together with contributing social development, virtue and morality through out the organization (including in committee, management and employees in ASIA). The organization without virtue and morality cannot be a sustainable organization. This also consist of human rights respect and comply with the labor fairly, responsible for products and services to customers and participating in social and community development.

4.2 Social Performances

(1) Employees and Workforce

ASIA has been consistently a fair employment and salary. The company has training program to support and develop employees, comply with employees' satisfaction, security management, occupational health, workplace environment. The company had been acting on human rights both employment and treating employees, which construct the royalty in the organization.

Employments

Details	Employees-2022		Employees-2021	
	Male	Female	Male	Female
Full-time Employees	159	168	144	150
Disability Employees	2	2	2	2
Total	161	170	146	152

Employees Training Program

In 2022, the company will organize training courses for employees to increase their skills and potential as the number of workers increases from the previous year. Due to the hotel business, the average number of training hours per employee per year is 20 hours, which is still affected by the spread of the COVID-19 virus from 2020 to the beginning of 2022. Although during the first half of 2022, the service is open as usual. However, the number of existing employees is not yet ready to attend the training. It is necessary to provide services to customers who come to use the service during that period.

Safety, Occupational Health and Environment in Workplace

In 2022, ASIA had continuously developed and improved company's working performance efficiency regarding security. To reduce sickness, injury and death comply with the appropriation of concerning employees' life quality as such fire fighting training with properly equipment, self and others rescue and first aiding. This year, in 2022, employees have only suffered 1 severe injury from work.

(2) Customers

ASIA has devoted service to customers with complacency and confidence by focusing on room, food and beverage service quality in reasonable price and maintaining a good relationship between hotel and customers. The company intends to constantly and conscientiously raise its standards, disclosing undistorted information, maintaining personal information of customers/committee/management/employees without consent excluding prescribed by law.

In 2022, the company was evaluated customers satisfaction as good to excellent level. Though there were effects from COVID-19 pandemic, however ASIA has not been complained.

(3) Community and Society

ASIA has operated with responsibility to common interests, environment and social well-being development. The company has focus on reducing environmental impact and avoiding badly consequences to nearby community.

In 2022, there was not found complaint from neighbor about social or environmental aspects. Moreover, ASIA also has participated in well-being development program with nearby community for example making merit in front of hotel activity or Children's Day gift giving activity to Sammaajivasil School and Kingpetch School, where located nearby the hotel. However, during the COVID-19 epidemics, some activities had been canceled and postponed.

Additional, ASIA normally has projects regarding tourism and hotel personnel development with educational institutions at the bachelor's and undergraduate education levels. However, since 2020, during the COVID-19 pandemic, until September 2022, there has been an effect on ASIA Bangkok's business. The company was concerned about the interns' health and safety, so the internship was restricted. When the situation improved in October 2022, ASIA began the internship program with educational institutions again.