

# ROOTED

Quarterly Report for Sustainability

THIRD QUARTER 2021



## EMBRACING THE ENVIRONMENT

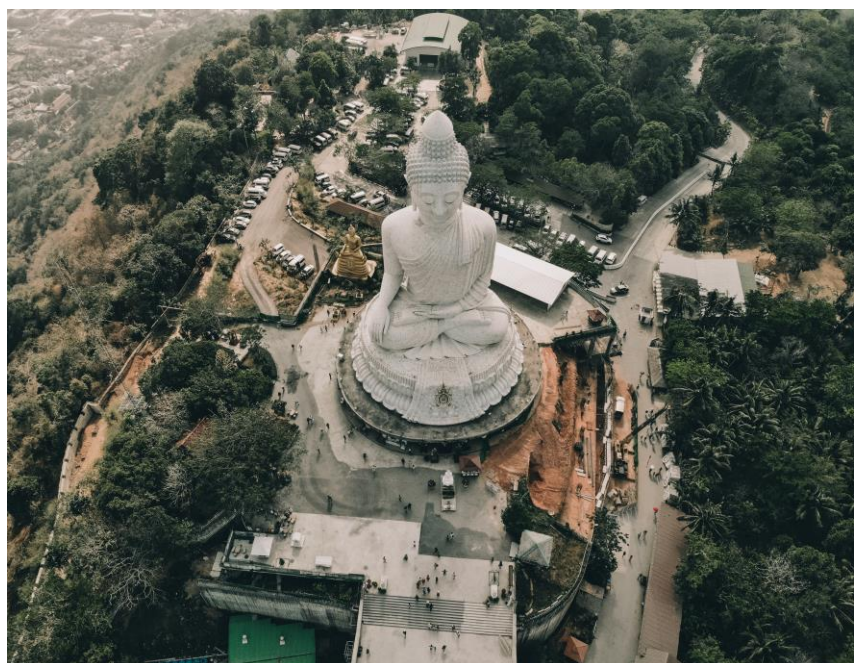
### WORLD TOURISM DAY 2021

## Tourism as a Powerful Force for Good

It has been more than a year since the COVID-19 outbreak. Its worldwide spread and resulting impact have affected all segments of the population, and are particularly detrimental to those in vulnerable situations. More than just a health crisis, COVID-19 is a human, economic and social crisis, having caused many to lose their livelihoods.

With travel restrictions and lockdowns across borders, the tourism and hospitality sectors are among those hardest hit by the pandemic. In Phuket, home to Banyan Tree Group's first resorts, once-full beaches have become lonely bays, while temples and tourist attractions are mostly deserted. Customers are few and far between, with local retailers often waiting a whole day just to make one sale. Their livelihoods now depend on the restart of tourism for recovery and growth. Moreover, the pandemic has led to the closure of World Heritage sites and cancellations of traditional festivals, while reduced tourism has resulted in significant funding cuts for biodiversity conservation.

The World Tourism Organization (UNWTO) has designated World Tourism Day 2021 on 27 September to focus on Tourism for Inclusive Growth, a celebration of the industry's unique ability to ensure that nobody is left behind as the world begins to open up again and look to the future.



In the face of unprecedented global inequality, it is a reminder that businesses are responsible for creating shared value with society and support the achievement of the United Nations Sustainable Development Goals (SDGs) in a post-pandemic world.

Out of crisis comes opportunity: to rethink tourism, mitigate the pandemic's impact on lives and communities, and rebuild a carbon neutral and resilient tourism with people at the centre. As we work towards the return of safe travel, our purpose hasn't changed: To do good, while doing well.

### Purpose as the compass for growth



In a 2020 article for The Business Times, our founder Mr Ho Kwon Ping spoke of purpose and how it guides the company's evolution.

He shared: "It is easy to forget that the best businesses are vehicles for deeper value creation. Profit is the fuel that keeps it going. But in the end, the vehicle needs a destination, a roadmap, and a compass. This compass is purpose."

Thirty years ago, our first development Laguna Phuket in Thailand, was built on an abandoned and polluted tin mine site that was rehabilitated by planting 7,000 trees in the area with the help of environmental experts. Today, it is home to migratory birds and a hub of community wellbeing.

## EMBRACING THE ENVIRONMENT



This effort is continued through our Greening Communities programme, which sees our resorts worldwide planting trees in local communities to raise awareness of climate change.

We also sought to support the growth of the communities where we operate, with education key among our sustainability initiatives. Laguna Phuket Kindergarten, for example, was conceived in 1993 as a free childcare centre for construction workers with children, and has since grown to become one of the best preschools in Thailand. Our [Seedlings](#) programme provides pathways out of poverty for those born into disadvantaged sectors of society. Beyond supporting youths in their pursuit towards better opportunities through scholarships and internships, our associates serve as mentors to help groom these promising individuals into confident, successful adults. In 2020 alone, the programme supported 1,083 vocational internships with a combined equivalent of 405 years of training.

But we recognise that no one organisation alone can effectively address the immense challenges facing people and the planet. In this race to preserve our earth and support the vulnerable, a collective effort is required to make significant positive impact.

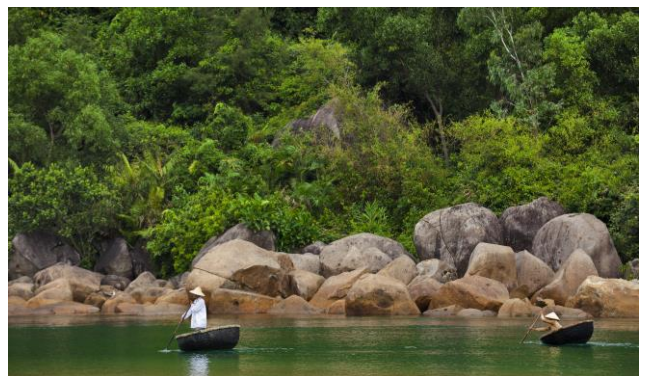
### Catalysing positive change

In 2009, we were among the first companies to start a Global Foundation, which funds ground-up impact projects. Today, we have worked with more than 200 organisations, and amidst the pandemic in 2020 launched the [Greater Good Grants](#) (GGG) to provide funding to sustainable projects by NGOs, community organisers and academics.

In its inaugural round, the grants were awarded to eight projects, many of which focused on protecting our natural world such as Borneo's rainforests and Mahakam Delta in Indonesia. Other initiatives are people-centric, including a water sanitation project in Indonesia's Bumi Indah village to provide 37 households with access to clean water.

With this encouraging start, GGG is now open for project entries for the year 2022, prioritising initiatives that tackle contemporary issues arising from COVID-19.

In the area of research, we have also curated relationships with universities, with the data generated from such collaborations used to improve global understanding of key habitats and conservation issues.



## EMBRACING THE ENVIRONMENT

Finally, guests play an important role in how they travel and engage with natural and cultural heritage in a responsible manner through our education and stewardship programmes. Through their discovery of a destination, they bring home meaningful lessons that encourage a change in their lifestyles for the greater good.

We are always designing meaningful activities that expose guests to nature and the cultural beauty of each destination. Some of these experiences include snorkelling with a marine biologist in the Maldives' vibrant coral reefs, watching turtles hatch on the shores of Bintan in Indonesia, or appreciating the rich artistic influences of the many Chinese dynasties that shaped Xi'an Lintong in Northwest China. Guests can also help collect data on fish and bird populations through our [Citizen Science](#) programme, which will aid in the long-term monitoring and conservation of important species. These experiences enrich, educate and allow travellers to 'live' a destination, if only for a short while.



As these educational experiences grow in popularity among the tourism industry, travellers today are also growing in the desire to engage, learn and interact with a destination. The goal is ultimately destination stewardship, where people proactively take responsibility for the environmental footprint of their travels.

### Building back better, beyond COVID-19

Banyan Tree Group was born from a simple belief – that tourism can be a powerful force for driving positive change in the world. COVID-19 gave us the impetus to return to our corporate ethos of “Embracing the Environment, Empowering People”, and to try to build back better together with our guests, communities and partners.

This World Tourism Day, let us celebrate the role of tourism in bringing together travellers, explorers, businesses and communities to support local livelihoods and the conservation of our natural world. No single element of society can bring about long-term sustainable prosperity. We must all work together in cohesion, to bring about important changes needed and achieve greater collective impact in a post-pandemic world.

## EMBRACING THE ENVIRONMENT

### PROPERTY HIGHLIGHTS: KEEPING OUR ENVIRONMENT CLEAN AND GREEN



#### Laguna Phuket

In June, Laguna Phuket gathered employees and volunteers from all its hotels for a clean-up activity across the island. Together, they collected 253.45kg of trash that was washed ashore during the monsoon season, and removed tar balls resulting from oil spills.



#### Banyan Tree Sanya

Banyan Tree Sanya has transformed an open space within the resort into a spice garden, where associates grow mint, rosemary, thyme and other plants using organic farming methods without pesticides and fertilisers. The team plans to invite guests to plant spices with them in the near future.



#### Banyan Tree Tamouda Bay

Banyan Tree Tamouda Bay is working with green enterprise Ekogeste, which collects used frying oil from restaurants for recycling. So far, the resort has contributed 45 litres of used oil from its restaurants. The oil will be given to Shell for transforming into biodiesel for cars.



#### Banyan Tree Phuket & A3 Properties

Our goal as a Group is to hold one environmental awareness event and four community events each year per property. This year alone, associates and volunteers at Banyan Tree Phuket and A3 (Angsana Laguna Phuket, Angsana Villas Resort Phuket and Angsana Vacation Club) have collected over 820kg of trash in clean-ups and contributed more than 214 volunteer hours.

## EMPOWERING PEOPLE



### Banyan Tree Global Foundation Invites 2022 Greater Good Grants' Project Entries

*In its second year, the Greater Good Grants is prioritising timely projects that will tackle contemporary issues arising from COVID-19.*

Amidst the COVID-19 pandemic, Banyan Tree Global Foundation launched the inaugural Greater Good Grants (GGG) in 2020 to support impactful initiatives that benefit local communities and environments where our Group operates. It is now opened for GGG project entries for the year 2022, prioritising timely projects that will tackle contemporary issues, impacted by COVID-19.

The Grant was announced at a critical time, as the pandemic was affecting people and livelihoods and forced more to tap on natural resources to ease economic damage. There are also reports of funding being pulled from various conservation initiatives and cultural heritage projects across the world.

The first round of GGG saw eight NGOs selected based on their projects that fall under one of the six focal areas: *Biodiversity & Conservation, Resource Use & Waste Management, Climate Change & Resilience, Education & Empowerment, Health & Protection and Culture & Livelihood*. These align with the United Nations Sustainable Developmental Goals (SDGs) and Banyan Tree Group's core ethos of "Embracing the Environment, Empowering People".

#### Celebrating the inaugural impact

Most of the inaugural projects focused on protecting our natural world, including the habitats and ecosystems of Borneo's rainforests, Mahakam Delta in Indonesia, Bach Ma National Park in Vietnam, and Anlung Pring Wetlands in Cambodia.

So far, there has been encouraging progress. For example, the Anlung Pring Wetlands project aims to tackle agricultural waste to protect a threatened waterbird species known as the Sarus Crane. Within the first three months, at least 990 pieces of toxic waste were diverted for proper disposal after installing dedicated waste storage boxes and active awareness-raising programmes with locals.

Other initiatives are people-centric. The water sanitation project in Bumi Indah village, Indonesia by LooLa Adventure Resort changed the lives of approximately 180 villagers. The entire village was cleaned of plastic waste, which turned into construction material. All 37 households were given access to clean water, upgraded bathroom and kitchen facilities, as well as start-up funds for micro-farming to enhance livelihood.



*At 130 million years old, Borneo's rainforests are among the oldest in the world, and home to approximately 15,000 plant species, 380 bird species and several mammal species. They are one of the focus areas of the awarded project entries in the Greater Good Grants' inaugural round.*

## EMPOWERING PEOPLE



### Forging ahead with GGG for year 2022

In the GGG's second run, Banyan Tree Global Foundation is prioritising projects that will tackle contemporary issues – some of which have arisen in light of the ongoing and developing impacts of COVID-19. Thus, the main focus areas for projects include:

- Physical, mental health and wellbeing of women and children in indigenous communities
- Fresh water access, sanitation, health and hygiene
- Control of mosquito-borne diseases
- Alternative livelihood development that promotes or protects local culture and/or the environment
- Management of food waste
- Remote access to education and learning

“The ongoing pandemic has affected many people in one way or another, but the indigenous communities are especially vulnerable. We hope to connect with projects related to cultural and social environments and provide them with seed funding to get underway. At the same time, society as a whole is also facing other pressing issues such as mosquito-borne disease and food waste, which have to be addressed urgently,” says Dr Steve Newman, Assistant Vice President, Group Sustainability Director and Coordinating Director of Banyan Tree Global Foundation.

To ensure effectiveness in the long run, each project is assessed based on its demonstrated need and urgency; leverage of local, regional and national partnerships to deliver measurable impact; and scalability with clear evaluation of success.

Ms Claire Chiang, Co-founder & Senior Vice President of Banyan Tree Group and Chairperson of Banyan Tree Global Foundation says: “To further drive sustainability stewardship, we seek to extend greater impact through partnerships. Tourism has significant transformative power in the face of unprecedented global change and inequality. The pandemic has devastated livelihoods worldwide. Our efforts integrate social and environmental responsibility throughout operations and travellers' experience to serve the greater good, and ensure resilience for business, people and the planet.”

**The closing date for project proposal submissions is 12AM (GMT +8) on 30 September 2021, and funds will be issued in January 2022.** Project grants are up to US\$10,000, and organisation affiliation is required to receive and administer the grant. Submissions will be reviewed by the Board of Directors of Banyan Tree Global Foundation and an internal panel of stakeholders.

For more information on grant application, visit [Greater Good Grants](#).

## EMPOWERING PEOPLE

### PROPERTY HIGHLIGHTS: CREATING VALUE FOR OUR COMMUNITIES



#### Angsana Corfu

In the aftermath of a devastating wildfire that burned 12% of Greece's forests, many residents have lost their homes and are living in temporary shelters. Angsana Corfu joined the nation in providing victims with boxes of dry food, medical supplies, clothing and sanitary ware.



#### Banyan Tree Bangkok

With support from Banyan Tree Global Foundation, Banyan Tree Bangkok is collaborating with Thai Wah Public Company Limited to prepare and deliver over 2,600 meals to medical personnel and the local community in July and August, to provide encouragement during this difficult time.



#### Laguna Bintan

To help students adapt to learning from home during the pandemic, Laguna Bintan supported Universitas Trilogi's Department of Economy and Outing.id's efforts to conduct a fun learning session about sustainability. The integrated resort's sustainability champion also gave students a virtual tour using Google Earth and videos.



#### Laguna Phuket

Laguna Phuket is one of Thailand's prominent corporate blood donors, having supported the Thai Red Cross Society's blood donation programme since 2003. To date, the destination integrated resort has donated 2,076,750cc of blood, with 4,615 associates having participated in its regular blood donation drive.



## GROUP HIGHLIGHTS



### Establishing Science-Based Targets

With the 26th United Nations Climate Change Conference (COP26) around the corner in November, governments are discussing ways to reduce emissions to limit climate change. Banyan Tree Group has similarly embarked on calculating science-based targets in partnership with EarthCheck, to identify how much and how quickly we need to reduce our emissions to prevent the worst effects of climate change. Understanding this need is the first step towards establishing ambitious corporate climate action on the journey towards a zero-carbon economy, as well as boosting innovation and sustainable growth. With our targets established, we are now reviewing our roadmap to achieve this as we emerge from COVID-19 travel restrictions and look to grow business sustainably.



### Greening Operations

We began our first steps towards greening our operations with a solar project at Laguna Phuket Kindergarten. Upon completion, the solar panels installed will cover all the electricity needs of the kindergarten and eliminate their energy greenhouse gas emissions. We are reviewing a second, larger project, to provide half of all the power used by Laguna Services, including the laundry and offices that support Laguna Phuket. This will become a blueprint for our other properties to follow.



### Laguna Phuket Impact Assessment

We applied our methodology to Laguna Phuket's operations to capture intangible valuations, better understand our net benefit to society, and account for the unseen value of our sustainable development principles. Using 2019 as a baseline, we estimate that Laguna Phuket created US\$257.1 million in benefit in 2019, US\$1.43 billion in benefit since 1985, including US\$868.5 million in human and social capital which includes payroll to our associates, of whom 80-90% are local. We will continue to revise our methodology over time and standardise it for our group.