



COP 11 January 2019

Chiva-Som International Health Resorts Co., Ltd.

11 January 2018 to 11 January 2019

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To our stakeholders,

We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

Sincerely yours,

Krip Rojanastien
Chairman & CEO

Human Rights

- Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2 - Make sure that they are not complicit in human rights abuses
- Women and Gender Equality
- Children's Rights
- Indigenous Peoples
- Persons with Disabilities
- Human Trafficking

Assessment, policy and goals

Chiva-Som respects and agrees to follow the Universal Declaration of Human Rights for our stakeholders as well as local laws, and promotes ongoing human resource development for our employees.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

Chiva-Som follows the 10 principles set forth by the Global Compact. Management ensures that violations to human rights are not acceptable. Employee working hours adhere to local laws and working conditions are above average. An employee suggestion box is in place.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

This is the 5th COP for Chiva-Som and no incidents or violations of Universal Human Rights have occurred.

Labour

- Principle 3 - Businesses should uphold freedom of association & effective recognition of the right to collective bargaining
- Principle 4 - The elimination of all forms of forced and compulsory labour
- Principle 5 - The effective abolition of child labour
- Principle 6 - Eliminate discrimination in respect of employment and occupation
- Child Labour
- Forced Labour
- Migrant Workers

Assessment, policy and goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

Chiva-Som recognizes the rights of employees, does not employ children and does not engage in any form of forced labor.

Implementation

Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.

Chiva-Som distributes the Employee Welfare Manual to all staff outlining welfare and benefits including medical and dental insurance, meals, housing, transportation, social security, workmen's compensation, provident fund, staff loans, funeral financial assistance, scholarship provision for employees' children, annual leave, training leave, uniforms and shoes. An employee suggestion box is in place. Annual health check-ups are provided for employees. Service charge is provided in addition to monthly salary.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Chiva-Som has had no legal cases or fines resulting from company labor practices. The company respects and employs a diversity of gender, ethnicity and age throughout the operation.

Environment

- Principle 7 - Businesses should support a precautionary approach to environmental challenges
- Principle 8 - Undertake initiatives to promote greater environmental responsibility

- Principle 9 - Encourage the development and diffusion of environmentally friendly technologies
- Climate Change
- Water Sustainability
- Energy
- Biodiversity
- Environmental Stewardship
- Green Industry

Assessment, policy and goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

Chiva-Som Policy on Environmental & Social Sustainability (implemented in 2008)

Chiva-Som International Health Resorts Co., Ltd. remains committed to the preservation of our planet Earth and proactively involved in conserving our precious natural resources. Several initiatives, policies and practices are in place to sustain our organisation and grow into the future with an environmentally responsible and ethical approach. New and innovative green initiatives are constantly being explored throughout the resort and we seek eco-friendly alternatives wherever possible including energy saving and natural resource conservation practices, building design, cleaning products and waste minimisation. Corporate Social Responsibility is paramount in developing our staff members and their families while reaching out with social welfare and education programmes in the local community.

I. Greenhouse Gas Emissions

Through environmental stewardship we aim to continually decrease our greenhouse gas emissions to approach carbon neutrality by engaging in alternative energy, renewable energy and carbon offsetting programmes.

II. Energy Efficiency, Conservation and Management

It is our collective mission to decrease the usage and dependency on non-renewable fossil fuels and electricity through energy-saving technologies and practices.

III. Management of Freshwater Resources

We shall strive to minimise freshwater consumption and continue to implement water-saving practices and innovative technologies throughout the resort. Rainfall is harvested within the perimeter of the resort and our policy to increasingly minimise water discharge from our boundaries safeguards external water sources from pollution.

IV. Ecosystem Conservation and Management

With human activity at the heart of our organisation, our approach to ecosystem conservation and management is to preserve and optimise its use without damaging it. The resort was designed adapting to the existing biodiversity and contour of the natural terrain and carefully built with minimal impact on the ecosystem. By propagating indigenous species of living

resources, the lush natural setting was achieved providing sustainable use in an equitable way.

V. Management of Social and Cultural Issues

It is our core value to partner with state agencies in nurturing the environment and thus give back to the community the benefits derived from it by spearheading social, cultural and environmental activities in the name of Preserve Hua Hin Group. An altruistic collaboration by Chiva-Som, local businesses, state agencies and dedicated volunteers in the Hua Hin municipality, PHHG is a multi-faceted effort to preserve the beauty and protect the natural environs of the local community, which has sponsored events such as outdoor concerts, marathons, art exhibitions and other activities since 2004. The proceeds generated through donations and sponsorship are directed toward the funding and promotion of environmental awareness, education and preservation activities.

VI. Land Use Planning and Management

Efficiently planned on seven acres of property, multi-level holistic health facilities, accommodation buildings and restaurants are located within short refreshing walks through lush tropical gardens. The resort was designed by blending aspects of traditional Thai architecture with natural diversity in a welcoming atmosphere while a large lake with waterfalls and tall trees accentuate serenity. We always analyse any potential impact before considering internal construction or modification.

VII. Air Quality Protection and Noise Control

Located beachfront with the fresh sea breeze, we continually strive to maintain Chiva-Som as a sanctuary free from the distractions of the outside world and avoid any noise-producing devices. The resort is smoke-free and internal acoustic privacy is achieved via sound-barring perimeter walls and natural hedges. The use of mobile phones and personal computers is not permitted in public areas of the resort.

VIII. Waste Water Management

Through resource recovery practices, waste water is collected and treated onsite in a multi-stage treatment process consisting of carbon and sand filtration. This water is then re-used for landscape irrigation, maintaining resort lake levels and supply water to the Resort chiller's cooling tower.

IX. Waste Minimisation, Reuse and Recycling

The resort operates on a low waste continuum and it is our policy to reduce, reuse and recycle. Plastic, glass, metal, wood and paper products are separated and delivered to a recycling facility and perishable food items are distributed to the local livestock producers for animal feed. Plant waste from maintaining the landscape is collected and converted into nutrient-rich compost for existing plants.

X. Storage and Use of Environmentally Harmful Substances

As Chiva-Som is committed to achieving excellence in providing a healthy and safe environment, it is our policy to comply with all applicable health, safety and environmental protection laws, regulations and requirements and all activities are conducted in a manner that ensures the protection of staff,

guests and the environment. Eco-friendly products are continually sought after to replace potentially hazardous substances.

XI. Community Well-being

As corporate and community environmental and social sustainability are interwoven, Chiva-Som shall continually work toward improving the health, well-being and livelihood of the community by focusing on social welfare programmes, hiring local staff with ongoing human resource development, and purchasing local fresh food, products and services whenever possible.

XII. Continuing Sustainability Education

We shall continue communicating to our staff and guests the objectives and practices of our Policy on Environmental & Social Sustainability to increase awareness and collectively carry forward our intentions, and encourage our suppliers to adapt their practices to meet our goals.

This policy is reviewed semi-annually to ensure and optimise continual process improvement and adherence to environmental and sustainability objectives.

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

In 2013 Chiva-Som engaged with the Clinton Climate Initiative's Energy Efficiency Building Retrofit Program and replaced the lighting and air conditioning systems. Replaced over 2,600 inefficient light bulbs with all LED technology, and the original air-cooled chiller was replaced with a new energy efficient water-cooled chiller. This reduced electricity consumption by 26% with and a related 20% reduction in carbon footprint.

Three hundred square meters of solar water heating panels are used to preheat the water in the Resort, supplying the spa, accommodation, kitchens and laundry operations to reduce our annual gas consumption by nearly 50%.

Waste water and rainfall are collected and processed through tertiary treatment and reused in the Resort. to maintain the Resort lake level and irrigate the lush, green landscape, and also used to clean paved areas and sidewalks, and provides water for the chiller's cooling tower.

Chiva-Som is currently preparing for LEED certification and is going to upgrade the facility for more efficient use of energy and natural resources, sustainable materials, and indoor environmental quality.

The resort operates on a low waste continuum and it is our policy to reduce, reuse and recycle to minimize any waste sent to landfill. Plastic, glass, metal, wood and paper products are separated and delivered to a recycling facility and perishable food items are distributed to the local livestock producers for animal feed. Plant waste from maintaining the landscape is collected and converted into nutrient-rich compost for existing plants without applying chemicals on the soil.

In 2008, 130,000 plastic drinking water bottles supplied to our guests annually were eliminated from the operation when we installed reverse osmosis purification systems in various areas of the Resort. Our guests are given personal stainless steel containers to refill during their stay and take home for future use. This initiative eliminated the carbon footprint and energy

consumed for the production and transportation of plastic bottled water, as well as the plastic recycling process. Biodegradable plastic products are being investigated as an alternative to reduce the amount of waste going to landfill. Biodegradable plastic products are being investigated.

In terms of our commitment to food safety, the Resort maintains GMP and HACCP Certifications and recently renovated the kitchens, receiving and storage areas to comply with Codex Alimentarius international food preparation regulations.

While growing many of our own fruits, vegetables, herbs and flowers without the use of harmful chemicals, the two Chiva-Som Organic Farms follow simple practices such as composting organic waste from the Resort to produce nutrient-rich fertilizer. The fresh produce is used in our spa cuisine as well as some organic spa treatments. The two farms were IFOAM accredited in December 2018.

In terms of community engagement and inclusion, Chiva-Som remains an integral part of Hua Hin and partners with a diverse stakeholder groups under the Preserve Hua Hin movement, namely the Hua Hin Municipality, local businesses, schools, and like-minded other organizations. With focus to reduce the ecological footprint of Hua Hin's growing population, Chiva-Som formed the Preserve Hua Hin Group as a community development organization in 2004 and is under Royal Patronage of HRH Princess Maha Chakri Sirindhorn. Preserve Hua Hin organizes events such as carbon neutral, climate positive outdoor music festivals, marathons, reforestation projects and beach clean-ups to promote environmental awareness and preservation, and to increase social interaction in the local community.

Preserve Hua Hin organizes Mangrove Ecosystem Study Camps to help local students gain first-hand knowledge of the mangrove ecosystem and other environmental issues including climate change and environmental degradation caused by human activity and commercial development. Recognized as Junior Ambassadors, the students learn about the symbiotic relationship between plants, animals and water to help them understand both the stability and fragility of the ecosystem, and develop respect for nature.

In our ongoing effort of environmental preservation and education, we are currently developing the Mangrove Preservation & Science Center at 'Krailart Niwate' in Hua Hin, Thailand in the last remaining urban mangrove in Hua Hin. Formerly named MEPSEC Hua Hin, Krailart Niwate is a collaboration with the scientists and academics of Silpakorn University, partnering corporate social responsibility with university social responsibility.

Chiva-Som and Preserve Hua Hin have been leading the reforestation project at the Krailart Niwate mangrove since 2007 and over 5,000 seedlings have been planted so far. Research and planning are underway to restore another previously deforested area to a healthy reconstructed wetland with the planting of 2,500 seedlings native to the region.

With financial support from Chiva-Som, Silpakorn University conducted extensive scientific research at the mangrove over the last year to determine its current condition. This included physico-chemical analysis of soil and water quality, biodiversity accounting of plants and animals, DNA sequencing of exotic bacteria fundamental to healthy mangrove ecosystems, an unmanned aerial survey by drone for 3-D mapping, and a socio-economic valuation survey of the local community to determine their perception of the Krailart Niwate project. The Faculty of Architecture has been instrumental in designing the Krailart Niwate construction drawings in preparation for LEED certification.

Opened to the public on 19 December 2015 as the first eco-spiritual tourism science center in Hua Hin, a 1,000-meter elevated interpretive boardwalk was constructed throughout the mangrove.

The state of the art education center is to be opened in the fourth quarter of 2018, and is going to be a showcase of sustainability demonstrating low environmental impact construction. The facility is designed for carbon neutrality powered by renewable energy from a 60 kilowatt solar photo-voltaic array mounted on the rooftop. Energy efficient LED lighting and solar air-conditioning systems are incorporated into the design with waste water treatment and recycling for reuse.

Students are going to be invited to Krailart Niwate on a regular basis to learn about various sciences through presentations conducted by volunteer university professors and graduate students. Exhibition rooms and training rooms are in the plan with a paludarium for the public to inspect a mangrove ecosystem close-up.

Krailart Niwate Hua Hin won **‘1st Place Sustainable Development in Tourism for Marine/Coastal Tourism’**- Skal International Awards 2014

Chiva-Som Integrated Wellness Initiative video link

<https://www.youtube.com/watch?v=M7mcwKXuPfA>

MEPSEC Hua Hin video link

<https://www.youtube.com/watch?v=HKdngGNzB4M>

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

This is the 5th COP by Chiva-Som.

Chiva-Som garnered a number of international awards for corporate responsibility, sustainable development and wellness in 2014-2017.

‘Green Era For Sustainability Award’- Otherways Association Management & Consulting Awards 2017

‘Top 5 Favourite Destination Spa’- Condé Nast Traveller India Readers’ Travel Awards 2017

‘Best Global Wellness Resort of the Year’- Spa China Awards 2017

‘Top 5 of the Top 20 Destination spas, the number 1 Destination spa in Asia’- Condé Nast Traveller Readers’ Travel Awards 2017

‘Top 10 International Destination Spa’- Travel & Leisure World’s Best Reader’s Choice Awards 2017

‘Top 3 wellness retreats worldwide (runner up)’- Traveller’s World Magazine (Germany) 2017

‘The World’s Best Destination Spa’- Condé Nast Traveller magazine (UK edition) Readers’ Travel Awards 2016

‘Green Era For Sustainability Award’- Otherways Association Management & Consulting Awards 2016

‘Asia’s Best Wellness Retreat 2016’ and Thailand’s Best Wellness Retreat 2016’- World Spa Awards 2016

‘Best International Small Hotel’ and ‘Best International Spa Hotel’- International Hotel Awards 2016

‘Best Wellness Spa + Health Management resorts around the World’-
Conde Nast Traveller China Reader’s Choice Awards 2016

‘Winner of Intel-AIM Corporate Responsibility Award’– Asian Forum on
Corporate Social Responsibility 2015

**‘1st Place Sustainable Development in Tourism for Urban
Accommodation’**- Skål International Awards 2015

‘1st Place Green Spa’- Thailand Spa & Well-being Awards 2015

**‘1st Place Sustainable Development in Tourism for Urban
Accommodation’** - Skal International Awards 2014

**‘1st Place Sustainable Development in Tourism for Marine/Coastal
Tourism’**- Skal International Awards 2014

‘Best for Medical Services’- Spafinder Wellness 365! Wellness Travel
Awards 2015

‘Highly Recommended in Hua Hin’ The World Hotel Awards 2015

‘Top 3 Overseas Health & Wellness Property’for 7 consecutive years and

‘Top 10 Best Overseas Resort’Luxury Travel Magazine 2015 Gold List

‘Best Destination Spa’- Conde Nast Traveller Spa Awards 2015

‘Best Destination Spa International’- Conde Nast Traveller Middle East
Reader’s Choice Awards 2014

‘Hospitality Excellence Awards’ - TripAdvisor Award 2014

**‘Best for Anti Ageing’, ‘Best for A Hit of Sunshine’, ‘Best for Holistic
Healing’**- Conde Nast Traveler (Spa Guide) 2014

‘Top 10 - Makeover Retreat in Asia’ - Asia Spa Magazine

‘Top 25 - International Spa in the World’ - American Airlines First class in-
Flight Magazine

‘Best Overseas Health & Wellness Property’ for 7 consecutive years and

‘Top 10 Best Overseas Resort’, Luxury Travel Magazine 2014 Gold List

‘Top 5 - Destination Spa of The Year: Asia & Australasia’ - World Class
Spa Awards 2014 by Beauty Professional

‘Best Boutique Chic Resort’- Fodor's 100 Hotels Awards 2014'- Fodor's 100
Hotels Awards 2014'

‘Outstanding All-Inclusive Resort’ - SAVEUR Culinary Travel Awards 2014

An investment grade energy audit was conducted through the Clinton Climate
Initiative’s Energy Efficiency Building Retrofit Program in 2013.

The Resort reduced electricity consumption by 26% and related carbon
emissions by 20% after replacing the lighting and chiller systems.

Chiva-Som has employed a full-time Sustainable Development Manager since
2007.

Chiva-Som has an Emergency Response Team, Firefighting Team and
Medical Team.

There are no legal cases or investigations.

Anti-Corruption

- Principle 10 - Businesses should work against all forms of corruption,
including extortion and bribery.

Assessment, policy and goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

Chiva-Som supports the UN Convention Against Corruption and works to ensure all employees conduct fair and ethical business practices in accordance with the Convention.

Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

A business code of conduct for anti-corruption is to be developed. A suggestion box is in place for employee opinions and concerns.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

A specific anti-corruption policy is not in place. Any risk is managed through a commercial development process. Chiva-Som has had no issues of ethical misconduct and does not engage in corruption.