



COP 24 June 2021

Chiva-Som International Health Resorts Co., Ltd.

24th June 2020 to 24th June 2021

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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 United Nations Sustainable 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 and SDG goals. Management ensures that violations to human rights are not acceptable and not being promoted by any means. Employee working hours adhere to local laws and working conditions including company lodging facilities, transportation is above average. An employee suggestion box is in place.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

From the time we start reporting COP for Chiva-Som, 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 and taking care of them equally given their importance to deliver best service to our clients. We do 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.

Employee handbook provided to each staff member address all information related to labour governance, policies, and grievance procedures.

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.

Policy on Environmental & Social Sustainability

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 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. Annual benchmarking and continual process improvement assist Chiva-Som in achieving international “best practice” performance on various levels of operation. 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.

Areas of Focus

- i. Greenhouse Gas Emissions
- ii. Energy Efficiency, Conservation and Management
- iii. Management of Freshwater Resources

- iv. Ecosystem Conservation and Management
- v. Management of Social and Cultural Issues
- vi. Land Use Planning and Management
- vii. Air Quality Protection and Noise Control
- viii. Waste Water Management
- ix. Waste Minimisation, Reuse and Recycling
- x. Storage and use of Environmentally Harmful Substances
- xi. Community Well-being
- xii. Continuing Sustainability Education

Implementation

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

Environmental Stewardship

In 2020 we launched 50 standard operation procedures for sustainability management covering all resort activities. Electricity savings by process control, staff awareness and close monitoring was a prime concern during the year due to the business challenges from COVID 19 pandemic. There were several energy and water saving initiatives to launch during the year. Due to the COVID-19 related financial implications it was challenging to implement them.

We continue to use three hundred square meters of solar water heating panels 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.

In 2020 we launch several programmes to minimise waste generation, reduction of plastic, increase waste recycling and reusing. We improved the waste data collection process facilitating all departments with clear information and targets to reduce waste generation. 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.

Compostable food containers, biodegradable plastic products, reusable glass containers in the room minibars, and eliminating the use of bar soap to reduce soap waste are being investigated and tested as an alternative to reduce the amount of non-biodegradable waste accumulating in landfills.

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.

To seek international standardisation and recognition, the ISO 21401:2018 Sustainability Management System for accommodation establishments standard implementation was started in early 2021. We are looking forward to achieve certification in 2022.

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. Both farms received organic agriculture certification which is accredited by IFOAM in June 2020.

On-site water filtration and bottling plant construction that commenced in 2019 was completed and our own mineral water in reusable glass bottles for the entire operation will be commenced near future. This initiative eliminates the carbon footprint and energy consumed for roundtrip transportation of bottled water, as well as the plastic recycling process.

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 the 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.

In our ongoing effort of environmental preservation and education, we continued developing the 'Krailart Niwate' Mangrove Ecosystem Preservation Project in Hua Hin, Thailand is the last remaining urban mangrove in Hua Hin. The reconstructed wetland project is a public-private partnership local stakeholder groups including the scientists and academics of Silpakorn University. Chiva-Som and Preserve Hua Hin have been leading the reforestation project at the Krailart Niwate mangrove since 2007.

Chiva-Som expanded the mangrove area by adding more adjacent land in June 2020 to restore the previously deforested area with the planting of 400 seedlings on World Environment Day. By the end of 2020, we were able to plant 4000 mangrove seedlings at this new land.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

There were no legal cases or investigations concerning the environment during the past. Chiva-Som garnered a number of international awards for corporate responsibility, sustainable development and wellness in 2018-2020.

'Organic Agriculture Certification'

Agriculture Certification Thailand (ACT) Organic Standards - 2020

'Certificate of Merit'

Sustainable Business Awards Thailand - 2019

'50 Sustainability and Climate Leaders'

Bloomberg L.P., 2019

'Best Coastal Operation'

Travel Daily Travel & Tourism Sustainability Awards (Australia) 2019

'Green Era for Sustainability Award'

Otherways Association Management & Consulting Awards 2017 + 2016

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

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

‘1st Place Development in Tourism for Urban Accommodation’
Skål International Awards 2014

‘1st Place Development in Tourism for Marine/Coastal Tourism’
Skål International Awards 2014 (for Krailart Niwate Mangrove Ecosystem Preservation Centre).

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

‘Top 10 for Best Eco Spa’
SpaFinder Wellness Readers’ Choice Crystal Awards 2013

‘Best Environmental Conscience’
Thailand Spa & Well-being Awards 2012

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.

COVID-19 Prevention Measures

With the onset of the COVID-19 pandemic, the Resort closed down on 1 April 2020 and reopened on 12 June 2020. Even though we remained open from 12th June 2020, the business situation did not improve due to the COVID-19

pandemic in other countries and in Thailand. During this time no staff were laid off and we were able to look after them and their financial needs as well.

In terms of COVID-19 related health and hygiene practices, the management has rigorously reviewed and refined our procedures to maintain optimal cleanliness and personal hygiene throughout the Resort operation as the 'new normal', in conformance to government requirements to ensure the Resort is a safe environment for all of our staff and guests.

This includes deeper and more frequent cleaning in all areas with extensive training for all of our staff on efficient sanitisation, and we've increased our focus on sanitising all 'touch spots', such as reception counters, door handles, handrails, bathroom fixtures, limousines, etc. Social-distancing requirements are in place in all public areas as well as constant face mask-wearing with daily screening of staff and guests to detect any signs of illness.

Various online wellness programmes, food delivery programmes were commenced during the COVID pandemic resort closure period. Considerable number of guests and interested parties participated in the online wellness classes. The programme helped to deliver wellness tips, exercises and obtain feedback from our guests. It also helped our staff members to reduce the tension during the resort closure time and engage with our guests remotely creating a new experience.

Marketing and communications department with the other key departments have launched several initiatives to boost local wellness market and increase digital wellness offerings as part of the new normal offerings.