

Request for Exercising Personal Data Rights

In 2024, the Company received No complaints regarding data security, including requests for the exercise of personal data rights or complaints related to personal data.

Read more details for Privacy Policy at

<https://investor.centarahotelsresorts.com/storage/download/cg-document/20200630-centel-privacy-policy-en.pdf>

Sustainable Supply Chain Governance and Management

Challenges

- The company's operations require collaboration with partners at multiple levels, ranging from small-scale entrepreneurs (community level) to large-scale businesses. Additionally, the Company must meet sustainable tourism certification criteria and address sustainability trends, which include supporting community products and promoting procurement practices that do not harm society and the environment. It has been observed that business partners vary in their potential and capabilities in governance of sustainability. These factors may expose the company to risks within the supply chain, including the commitment to selecting socially and environmentally friendly products or services, supply chain security, and labor-related issues, etc. Therefore, without consistent strategic management, the company may face challenges in maintaining stakeholder confidence in the supply chain management amidst climate change, as well as achieving the company's highest ESG operational goals.

Opportunities

- The Company recognizes an opportunity to assess risks in key areas throughout the supply chain to prevent issues that may impact business operations and its goals, ensuring continuous and efficient management. The Company regularly selects and evaluates its business partners based on ESG criteria each year, ensuring that operations between the Company and its business partners align in a consistent direction. In addition, the Company clearly communicates its supply chain management approach, supports the development of its business partners' potential, and collaborates on innovations and services that effectively meet customer needs. These actions not only strengthen business relationships but also promote sustainable partnerships that can grow steadily in the long term.

The Company emphasizes supply chain governance and continuously improves its approach to align with sustainable development direction in the environmental, social, and governance (ESG) dimensions, all within a framework of transparent and auditable procurement operations and management. The payment timeframe between business partners is clearly defined. The Company also encourages its business partners to join the Anti-Corruption Network as part of its involvement in the CAC Change Agent 2024 project, aimed at driving sustainable supply chains. In addition, indicators have been established for products and services that help reduce social and environmental impacts, lower greenhouse gas emissions, and obtain greenhouse gas emission certification. These indicators also consider occupational health and safety, fair treatment of employees, and adherence to human rights principles, including not supporting business partners involved in modern slavery, child labor, or unfair labor practices. The Company has communicated its practices and policies through various channels, including the Supply Chain Management Policy, Sustainable Supply Chain Management Policy, Sustainable Procurement Policy, Code of Conduct for Business Partners and Suppliers, Occupational Health, Safety, and Work Environment Policy, and other related policies. These policies apply to both existing and new business partners and suppliers, ensuring they acknowledge the Code of Conduct and common practices. Specifically, new business partners are required to undergo a 100% assessment of material issues based on the initial sustainability framework.

Moreover, the Company is aware of potential risks in the value chain that may affect business operations. As a result, it has decided to randomly assess key business partners across the three dimensions of sustainable development, using field visits, questionnaire assessments, and online systems. The Company uses assessment results to develop a plan for engaging business partners directly and indirectly related to its operations. The practices are regularly reviewed to ensure they remain up-to-date and aligned with current circumstances. Performance reports are submitted to management for presentation to the board of directors, providing recommendations aimed at collaboratively building a stable and socially responsible supply chain for the long term.

Read more details for Supply Chain Management Policy at

<https://investor.centarahotelsresorts.com/storage/download/cg-document/20190401-centel-policy-on-supply-chain-management-en.pdf>

Read more details for Sustainable Procurement Policy at

<https://investor.centarahotelsresorts.com/storage/download/cg-document/20210507-centel-sustainable-procurement-policy-en.pdf>

Read more details for Code of Conduct Ethics and Guidelines for Business Partners at

<https://investor.centarahotelsresorts.com/storage/download/cg-document/20250106-centel-code-of-conduct-for-business-partners-and-suppliers-en.pdf>



Performance

In 2024, the Company assessed its business partners based on practices covering environmental, social, and governance (ESG) issues, along with consideration of supplier segmentation, as a guideline for efficient business partner management and reducing the risk of potential impacts on the business, society, and the environment. The Company analyzed the annual trading volume data with its suppliers, categorizing them into the following groups: the Critical Tier 1 group, which includes a single, irreplaceable business partner; the Tier 1 group, which is important according to the criteria set by the Company, if the Company needs to change or find a replacement business partner, it will have a high impact on its operations; and the Non-Critical Tier 1 group, which consists of business partners with trading volumes that meet the specified criteria and are important to the Company, potentially affecting its operations if a replacement is needed. The Company has established clear agreements with its business partners regarding payment methods within 30-45 days and strictly adheres to these terms. In 2024, the average payment period for business partners was 19 days.

Supplier Segmentation

Supplier	No. of supplier		Percentage of total purchase order (%)		No. of suppliers who pass the evaluation criteria (2024)		No. of suppliers who failed to meet the evaluation criteria (2024)	
	Hotel Business	Food Business	Hotel Business	Food Business	Hotel Business	Food Business	Hotel Business	Food Business
Total	2,753	1,039	100	66	78	684	-	-
Critical Suppliers (Critical Tier 1)	0	16	0	3.3	-	-	-	-
Key Suppliers: > 5 million expenses (Tier 1)	77	155	43	90	30	-	-	-
Secondary suppliers: < 5 million expenses (Non-Critical Tier 1)	334	884	37.5	10	48	-	-	-
New Supplier (2024)	195	229	7.5	3	0	0	-	-
SME suppliers	45	23	0.02	0.5	-	-	-	-
Suppliers signed and acknowledged Code of Conduct & Guidelines for Business Partners and Suppliers	1,750	357	63	76	-	-	-	-
The proportion of Local and International product purchase (%)			88/12	89/11				

Supply Chain Assessment and Evaluation

The Company conducts annual business partner assessments to ensure responsible supply chain management. Therefore, the business partner assessment form is based on five principles related to ESG:

1. Potential on product or service quality, including quality standard certification, on-time and complete delivery, and a reliable transportation system
2. Potential on price competitiveness and production capacity
3. Potential for developing innovations and introducing new products to meet the needs and goals of reducing greenhouse gas emissions from the Company's business activities
4. Care for the Company' employees, contributions to society, and environmental responsibility
5. Ethical business conduct and adherence to the principles of good governance

In addition, the importance of standard criteria related to sustainable procurement is being considered, including sustainable production certification standards, animal welfare product standards, green industry assessment standards, and ISO and HACCP food safety and quality factory standards, all of which ensure continuous business operations and minimize impacts on society and the environment. In 2024, the food business increased its supplier assessments by 22% of the total number of suppliers.

Building Business Partner Engagement in the Supply Chain

The company places significant importance on activities that enhance the relationship with business partners to ensure operations are in line with responsible procurement principles upheld by the organization. This includes communicating the practices and strategies for sustainable procurement that encompass ESG issues while also fostering stronger connections between partners and the company through year-round meetings. This aims to ensure that business partners, both directly and indirectly involved, are aware of the goals for sustainable operations under good governance and the Company's efforts to become a net-zero organization. It also provides an opportunity to exchange ideas and discuss market demand trends, helping suppliers stay informed and prepared for the transition to sustainable business practices.

In 2024, hotel business partners held a meeting with 80 key and secondary suppliers to review and communicate guidelines and policies related to sustainable supply chain management. These included the Supplier Code of Conduct, human rights issues, the No Gift Policy, and other business ethics aligned with the Company. The meeting also focused on developing business partners' capability through training on safety standards, hygiene standards, and hotel waste management. Additionally, the payment deadline was clearly revised to align with suppliers' expectations and the principles of transparent and fair business operations.

The food business held meetings throughout the year with 113 business partners and developed products with a total of 42 business partners. Key discussion topics included hygiene system audits, workshops to improve working methods and cost reduction strategies, as well as reducing work steps through the application of technology, all without compromising the quality of products and services. These activities include training on topics such as quality standard requirements (ISO 9001:2015), environmental management systems (ISO 14001:2015), and occupational health and safety management systems (ISO 45001:2018), among others. In addition, business ideas were exchanged, and key points from the discussion were used to enhance cooperation in support of responsible business operations, aligning with the Company's goals. These initiatives include a project to support the use of renewable energy with 6 business partners, a project to promote the switch to ozone-friendly refrigerants (R-290) with 2 business partners, and a project to support innovations in waterless cleaning products, which could reduce the Company's water usage by up to 1,275,881 liters per year.

Sustainable Raw Materials

The Company is committed to conducting business responsibly in line with the Sustainable Supply Chain Management Strategy and Sustainable Procurement Policy. As part of this commitment, it emphasizes supporting environmentally friendly products and services that are safe, traceable, and promote transparency in the raw material sourcing process. It also considers sustainability certifications from reliable external agencies, including standards for promoting sustainable fair trade systems (Fairtrade), protecting forests and supporting sustainable agriculture and business (Rainforest Alliance), and standards certifying raw materials that do not contribute to deforestation through the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). In addition, it considers product standards certified for animal welfare, such as the Marine Stewardship Council (MSC) certification for seafood from sustainable wild fisheries, the Dolphin-Safe certification for tuna caught using fishing methods that do not harm dolphins, and agricultural product standards, among others.

The hotel business requires products and services certified with environmental standards, prioritizing those that consider their impact on society and the environment, as well as their disposal methods after use. As a result, there is a strong emphasis on sourcing raw materials and packaging that minimize negative impacts on both society and the environment. In 2024, the procurement of products certified for sustainable production, quality, and food safety accounted for 16.6%, marking an increase of 6.6% from the previous year. Additionally, the procurement of raw materials certified for animal welfare standards by the hotel business represented 40% of total purchases.

In the food business, there is a Co-sustainability project with a drinking water brand focused on sustainable supply chain management through the innovation of 100% recycled plastic bottles (rPET). The project also supports environmentally friendly raw materials, including RSPO-certified palm oil, biodegradable straws, FSC and PEFC-certified packaging, 50% recycled plastic bags, and stainless-steel refrigerators using R-290 refrigerant, which has a low global warming potential and does not harm the atmosphere, resulting in energy savings throughout the life of the machine.

In 2024, the purchase of products certified for sustainable production, quality, and food safety accounted for 1.06% of total purchase orders. Regarding the procurement of raw materials certified for animal welfare standards, this accounted for 29% of total purchases. Additionally, 82% of poultry products in the purchase order list were certified for animal welfare and other sustainable production standards.

Additionally, in 2024, the Company selected 12 products certified with carbon footprint reduction or global warming reduction labels. These include 4 palm oil products and soybean oil products, and 8 beverage products.



Sustainable Packaging

At the current stage of innovation in sustainable packaging development, sustainable packaging can meet functional, safety, and sustainability requirements in alignment with circular economy principles. The Company actively promotes the use of sustainable packaging by reducing single-use plastics, increasing the proportion of environmentally friendly packaging, and collaborating with business partners and allies to transition to sustainable packaging across its hotel and food businesses. In the hotel business, certified bio-packaging and compostable packaging made from sugarcane bagasse or other plant-based biodegradable materials are utilized. Meanwhile, the food business has shifted to biodegradable packaging, replacing plastic lids with paper or pulp-based alternatives, which contribute to a lower environmental impact, lower energy consumption, and promote the use of paper-based packaging sourced from sustainably managed forests, which does not harm natural forests and is certified by FSC or an equivalent program such as PEFC.

In 2024, the Company recorded the use of 1,117.60 tons of FSC-certified paper products, 20 tons of recycled plastic, 30 tons of biodegradable plastic, and 270 tons of plastic that complies with the Restriction of Hazardous Substances (RoHS) regulations, ensuring controlled levels of hazardous substances to protect both consumers and the environment.

