RO®TED

Quarterly Report for Sustainability

SECOND QUARTER 2021



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WORLD ENVIRONMENT DAY 2021

Banyan Tree Group Greens Up for World Environment Day

With our founding ethos of "Embracing the Environment, Empowering People", Banyan Tree Group has always strived to go beyond the precautionary principle of minimising impact to conserve and restore the natural environment.

Following our Group's month-long Earth Day campaign in April, and with strong support from guests, we raised US\$10,300 in donations for EARTHDAY.ORG's The Canopy Project, where every US\$2 donated will see one tree planted. This contributes towards planting over 5,000 trees in Mexico's Sierra Gorda Biosphere Reserve - one of the country's most important Natural Protected Areas. This adds to our Group's long-term greening effort, where we have planted over half a million trees under the Greening Communities programme since 2007.

Not stopping there, we followed through on our efforts this World Environment Day, by taking a moment as a Group to reflect on what we can do better to restore our environment. While we can't turn back time, we can grow trees, green our cities, change our diets and reduce waste production. It is up to us now, to be the generation that makes peace with nature. To mark the occasion, our properties worldwide held meaningful activities for associates, guests and partners to raise awareness of green issues and make a positive impact. Here are the highlights:

The first step towards change is awareness – with this in mind, **Banyan Tree** and **Angsana Lăng Cô** in Vietnam organised a series of activities for associates, from daily quizzes, a bicycle tour around nearby communities to engage locals, to a Facebook campaign encouraging associates to make small green changes to their lifestyles and share them online.

In Mexico, **Banyan Tree Mayakoba** focused its celebrations on the topic of "Reef Week", with the goal of planting 5,000 coral colonies together with OCEANUS A.C. Guests were invited to "adopt" a coral or colony for the protection of the Great Mayan Reef in Mexico. **Banyan Tree Cabo Marqués** combined art and sustainability, with associates making frames from old bed sheets and used bottles.

Banyan Tree Sanya in China held a community clean-up at the Mangrove Ecological Park on 4 June. A team of 24 associates collected 10kg of plastic waste. Similarly, 97 associates from **Laguna Phuket** in Thailand combed their beachfront and removed 140kg of trash, preventing it from being washed into the ocean during the monsoon season.

For more sustainable highlights from our properties worldwide, visit our Banyan Tree Global Foundation website.



OPINION COLUMN

Slower, Greener Travel in a Post-Pandemic World

Written for Banyan Tree Group by Adora Challenger

With travel still restricted in many parts of the world, there is no question that the COVID-19 pandemic has deeply impacted tourism. But while lockdowns, border closures and flight cancellations have contributed to a difficult year for the industry, not all is bad. Governments and businesses are pledging to build back better, and travellers worldwide are showing greater interest in sustainable travel options.

In Rooted's first opinion column, writer Adora Challenger shares insights into how travel could change for the better post-COVID.

Sustainability will be a priority

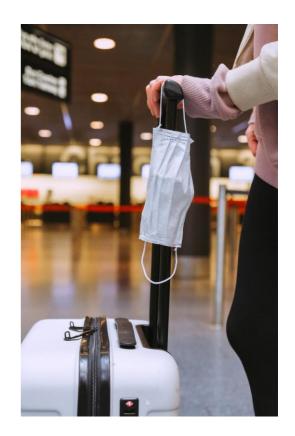
This pandemic has effectively opened our eyes to the possibility of a healthier world – over the past year, there is a lower carbon footprint and reduced waste production, according to the <u>Global Carbon Project</u>. Those in the tourism industry are seeing the increased need for more sustainable travel and are responding to it.

In 2020, the number of flights and cruises fell drastically, while the demand for travelling via trains, cars, and bikes rose. These may be given more emphasis in the future as they provide a more efficient and less energy-consuming alternative. Agoda's <u>Sustainable Travel Trends Survey</u> this year found that people are concerned about the impact of overtourism, and that they would pledge to do better post-COVID by choosing eco-friendly accommodation and going to lesser-known destinations, among other lifestyle changes.

Tourism professionals believe this trend of practising greener travel options will continue even when the pandemic is over, given increasing environmental awareness.

Case in point: This year's <u>World Environment Day</u> highlighted ecosystem restoration. This is an urgent call to heal the planet, as its continuous abuse has resulted in animals losing their natural habitat, temperatures rising all over the world, and deadly diseases emerging. Acts like planting trees and reducing waste can greatly help.

Moreover, taking part in a sustainable trip can also go a long way. While letting people discover and enjoy the wonders of the world, the tourism sector must help in the conservation of natural resources and ensuring that the next generation of explorers will still be able to enjoy the planet.





On World Environment Day, the United Nations announced that 2021 is the start of the Decade of Ecosystem Restoration (2021-2030), with the theme "Reimagine. Recreate. Restore".



Travel habits are changing

During the pandemic, we adopted highly cautious habits for our safety and security, like social distancing, wearing face masks, disinfecting surfaces, and preferring open areas. And while more are getting vaccinated, the World Health Organization states that we will still need to continue practicing these health protocols at least until 2022. Indeed, travelling in the future would not only mean enjoyment, but should also assure safety.

In addition, travel in the future will also mean being aware of the destination's culture. Gone are the days when tourists would simply prefer touring the city or going to business centers. The rise of <u>purposeful travel</u> will see more tourists favouring immersion, which includes engaging meaningfully with locals and nature, building authentic human connections, supporting local businesses, volunteering for social causes, and donating to non-profits. At Banyan Tree Group, some of these experiences include snorkeling with a marine biologist in the vibrant coral reefs of Thailand, Mexico, or the Maldives, planting trees amidst the rich wetlands of Mauritius, and appreciating the rich artistic influences of the many Chinese dynasties that shaped Xi'an Lintong in Northwest China.

Health and wellbeing will be the focus

These crucial times exposed the fragility of life and the importance of harmony and wellbeing. In an attempt to restore balance and lead healthier and better lifestyles, consumers are pledging to embrace nature and discover off-the-beaten-path destinations once this global crisis is over. With that in mind, more resorts and hotels are coming up with ways to attract customers while helping them achieve this commitment, with safe itineraries for their clients and programmes focused on health, mindfulness and relaxation.

Guests at Banyan Tree Group's hotels and resorts can enjoy nature-centric activities in low density and socially distanced environments, including the coral islands of the Maldives, tropical beaches of Thailand, Indonesia, and Central Vietnam, and the mystical mountains in China, emphasising wellbeing and sensitivity towards the environment.

COVID-19 has resulted in significant changes in global structures. Now, as the world is slowly reopening and we are moving forward with the new normal, our habits must also change. If anything, this pandemic taught us to treasure our loved ones and be more mindful of our surroundings, and we must commit ourselves to leading better and reinvigorated lives and travels from now on.

Beyond World Environment Day, let us be bold and active in restoring nature. Practise sustainability in your next trip by checking out the "<u>Stay for Good</u>" programmes at our properties worldwide, where you can support social and environmental initiatives, such as community clean-ups, tree-planting and monitoring of marine wildlife.







The rise of purposeful travel will see more tourists favouring immersion, which includes engaging meaningfully with locals and nature, building authentic human connections, supporting local businesses, volunteering for social causes, and donating to non-profits.



PROPERTY HIGHLIGHTS: KEEPING OUR ENVIRONMENT CLEAN AND GREEN



Banyan Tree Phuket, Angsana Laguna Phuket & Laguna Phuket

Our associates took part in Phuket Green Day, an islandwide clean-up organised by Phuket Hotels Association. Together with volunteers from other organisations, they cleared 230.5kg of trash from Layan Beach.



Banyan Tree Yangshuo

This spring, Banyan Tree Yangshuo associates visited their community orchard to pick fresh mulberries they planted in 2019. Delighted by the bountiful harvest, the team then planted 40 waxberry and loquat seedlings, and brought the mulberries back to share with guests.



Banyan Tree Vabbinfaru & Angsana Ihuru

Associates at the two resorts invited guests to join them in a reef cleaning event, where the team removed nine crownof-thorns starfish and 53 cushion stars at the Vabbinfaru and Ihuru Reefs. This is done to prevent outbreaks of these starfish, which can cause serious harm to the reefs.



Laguna Bintan

Laguna Bintan collaborated with Gudem Bee Farm Group and Indonesian forestry agency BPDASHL Sei Jang Duriangkang to plant 1,000 flowering and fruit trees at Sri Bintan Village to attract more stingless bees in the long-term. Our associates also facilitated a group discussion to develop the village into a sustainable tourism destination.



EMPOWERING PEOPLE



Banyan Tree Global Foundation Announces Inaugural Greater Good Grants' Awardees

This inaugural round saw eight NGOs selected based on their projects that fall under one of six focal areas, which aligns with the UN Sustainable Developmental Goals and our Group's core ethos of "Embracing the Environment, Empowering People".

Amidst COVID-19, our sustainability arm – Banyan Tree Global Foundation (BTGF) – has stepped up to uncover opportunities to extend help. Stemming from a belief that all businesses have a duty to do their part for society, the Greater Good Grants (GGG) launched last year will be awarded to support eight external organisations with projects that will benefit local communities and natural environments in countries where our Group's hotels and resorts operate.

This answers to a crucial need, as the pandemic has resulted in more countries tapping on their natural resources in order to ease economic damage, while funding has been pulled from various conservation initiatives and cultural heritage projects. In fact, the International Union for Conservation of Nature (IUCN) recently reported at least 22 countries have rolled back protection of natural areas, some of which contain the world's most valuable ecosystems.

"We have a track record of providing grants to over 150 partner organisations in the past. In our pursuit of creating an ecosystem of greater good, we have created the Greater Good Grants to offer even more support. Building partnerships has always been important to us as a Group, as we believe it is the key to making a greater impact," says **Dr Steve Newman, Assistant Vice President, Group Sustainability Director and Coordinating Director of BTGF**.

This inaugural round saw eight NGOs* selected based on their projects that fall under one of the six focal areas, which aligns with the UN Sustainable Developmental Goals (SDGs) and our Group's core ethos of "Embracing the Environment, Empowering People". The SDGs include *Biodiversity & Conservation, Resource Use & Waste Management, Climate Change & Resilience, Education & Empowerment, Health & Protection and Culture & Livelihood.* (*Please refer to the next page for details of the awarded projects.)

Currently, a majority of the submissions focuses on our environment. The selected projects will benefit Borneo's rainforests, Gunung Leuser National Park and Mahakam Delta in Indonesia, Bach Ma National Park and Thua Thien Hue province in Vietnam and Anlung Pring Wetlands in Cambodia. The other two successful submissions fall under Health & Protection – a water sanitation project in Bumi Indah village, Indonesia, as well as women empowerment workshops in Phuket, Thailand. To ensure effectiveness in the long run, each project is based on its demonstrated need and urgency; leverage of local, regional and national partnerships to deliver measurable impact; and scalablity with clear evaluations of success.

Ms Claire Chiang, Co-founder & Senior Vice President of Banyan Tree Holdings and Chairperson of Banyan Tree Global Foundation says: "2020 provided some respite from the long-term threat of global warming, but it also highlighted the need to repair our planet, and develop a more substantial, science-based roadmap towards a sustainable future. We may be in the business of hospitality, but we are intrinsically dependent on the intangibles of nature, culture and heritage. The stewardship of biodiversity, culture and livelihood is our duty."

The Greater Good Grants are open to all individuals over the age of 18 who have an organisational affiliation, for up to US\$10,000. Year 2022 funding may comprise different categories, as specific underserved SDGs may be highlighted. The next round of submissions will officially open in June 2021. For updates, please visit the <u>Greater Good Grants</u>.



EMPOWERING PEOPLE







The Greater Good Grants' inaugural round saw eight NGOs selected based on their projects, which includes support long-term fire-prevention and reforestation for Indonesia's Borneo Rainforest, raising awareness of threatened turtle species in Vietnam, and improving hygiene and quality of life in the rural village of Bumi Indah in Bintan, Indonesia.

*The eight awarded projects will benefit:

Project	Category	Details
Community Conservation	Biodiversity & Conservation	Location: Borneo Rainforest, Indonesia Borneo's forests are major global carbon stores, home to the largest remaining critically endangered orangutan populations, and also provide economic and social benefits for indigenous communities. However, they are being destroyed by annual fires after decades of poor land management. We support Borneo Nature Foundation (BNF) to implement grassroots solutions to tackle the impacts and causes of fire, create long-term fire-prevention strategies, and introduce an active reforestation programme in Sebangau. Its community nursery project provides resources and training for rural communities to grow young seedlings of native trees, and BNF buys them back when large enough to plant. By 2025, the aim is to plant 1 million trees to help restore the habitat.
Conservation of Muntjac	Biodiversity & Conservation	Location: Bach Ma National Park, Vietnam The tropical forests of Vietnam harbour exceptional biodiversity but are under immense pressure from habitat loss and unsustainable hunting. Bach Ma National Park is believed to be one of the last strongholds for two threatened species – the large-antlered muntjac and Annamite dark muntjac. We aim to collect reliable data about their population status and distribution in order to develop science-driven conservation strategies.
Conservation of Tortoises and Turtles	Biodiversity & Conservation	Location: Thua Thien Hue province, Vietnam The Bach Ma National Park and Sao La Nature Reserve are home to tortoises and freshwater turtles including the highly-threatened Mauremys pond turtles. We will raise local and regional awareness of these species to build a solid foundation for future conservation work, and engage in broader activities involving the critically endangered Bourret's Box Turtle and release of rehabilitated animals back into the wild as part of the efforts to reduce threats from the illegal wildlife trade.
Wildlife Conservation through Permaculture	Biodiversity & Conservation	Location: Gunung Leuser National Park, Indonesia The Gunung Leuser National Park is a regular victim of illegal logging and hunting of wild animals. This project seeks to prevent that while also building an alternative economy for the community in the long run. We seek to create a forest buffer area, and limit the land use for subsistence agriculture and forest product use. This will in turn prevent the forest from becoming increasingly void of wildlife, and reduce hunting of protected wildlife species such as the Sumatran slow loris.
Tackling Agricultural Waste to Conserve Waterbirds	Resource Use & Waste Management	Location: Anlung Pring Wetlands, Cambodia Anlung Pring Protected Area is among the most important wetlands in Cambodia, containing majority of the Indochinese population of the globally threatened Sarus cranes. These large waterbirds often venture beyond the protected area to feed, and risk ingesting agricultural chemicals due to poor waste disposal practices. We aim to implement better hazardous agriculture waste management measures and infrastructure, and engage local communities to better understand waste disposal approaches.
Mangrove Restoration	Climate change & Resilience	Location: Mahakam Delta, Indonesia Mahakam Delta in Borneo island is a vast mangrove ecosystem contributing to global carbon sequestration, and home to the critically endangered proboscis monkey. Today, 47.8% of the mangrove ecosystem has been degraded due to aquaculture. This has led to the reduced stock of marine products, increased development of diseases and vulnerability of local communities to extreme climatic events. The project aims to restore and protect the mangrove ecosystem and develop sustainable alternative livelihoods for local communities.
Improving Water Access	Health & Protection	Location: Bintan, Indonesia The Safe Water Garden and Running Water project by LooLa Adventure Resort is an existing sanitation project that improves hygiene and quality of life in the rural village of Bumi Indah. By installing pumps, water tanks and sinks to 37 households, we provide running water to kitchens for washing of hands, encourage gardening activities and reduce an existing inequality between city and village populations. All installations use simple and reliable construction methods, with widely available materials so the villagers can maintain the water systems on their own.
Empowering Women Workshop	Health & Protection	Location: Phuket, Thailand To support and empower women to realise their full potential and regain self-worth, the Pink Lotus Foundation in Thailand organised Empowering Women Workshops. The workshop targets professional women in leadership roles and working in the non-profit sector, and equip them with tools such as communication strategies, personal and professional goal-setting techniques, and mentoring capabilities. It aims to better serve their communities, and impact the people they coach towards a brighter future.



EMPOWERING PEOPLE

PROPERTY HIGHLIGHTS: CREATING VALUE FOR OUR COMMUNITIES



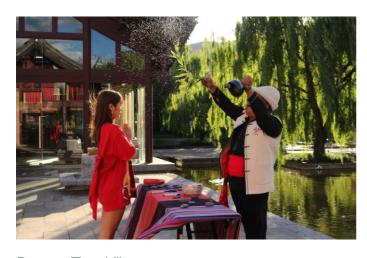
Banyan Tree Bangkok

In support of non-governmental organization Chaipattana Foundation's COVID-19 Aid Fund, Thai Wah Public Company Limited and Banyan Tree Group donated 1,500,000 Thai baht for the purchase of a high flow oxygen device to help the nation combat the pandemic.



Banyan Tree Kuala Lumpur & Pavilion Hotel Kuala Lumpur Managed by Banyan Tree

During Ramadan, the resorts collaborated with KecharaSoup Kitchen, a local non-profit organisation, to give aid to the homeless and reduce food wastage. The team packed 117kg of surplus food from their Ramadan buffet, which were then distributed by volunteers to the homeless in the city.



Banyan Tree Lijiang

Lijiang is home to China's Naxi people, offering tourists a look into the ethnic group's unique traditions. To promote cultural awareness and give guests a taste of their local customs, Banyan Tree Lijiang regularly organises Naxi Praying Ceremonies and Bonfire Dances for guests to participate in.



Banyan Tree Tamouda Bay

In partnership with a local association for the visuallyimpaired, Banyan Tree Tamouda Bay recently converted the resort's Saffron Menu into Braille. The team is encouraged by the sample menu they received and is inspired to explore other ideas to make the resort more accessible to guests' needs.



GROUP HIGHLIGHTS



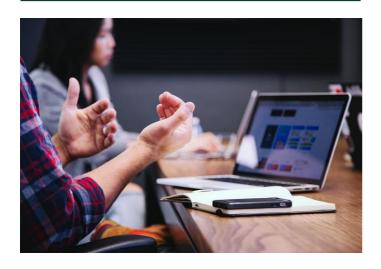
Banyan Tree Group Commits to UNESCO Pledge

Our Group has joined Expedia Group and UNESCO in the global expansion of the UNESCO Sustainable Travel Pledge, which will see our 48 properties adhere to the responsible environmental and cultural practices established by the UNESCO Pledge. To learn more about the UNESCO Pledge, visit: https://unescosustainable.travel



Rolling Out Emergency Loans for Associates

In Q2 2021, Banyan Tree Global Foundation rolled out Emergency Personal Loans to assist associates through a period of reduced earnings due to COVID-19. During these difficult times, these loans may support essential living expenses, such as, but not limited to, bill payments, rent, food, house repairs, medical emergencies, and child education and care.



Strengthening Our Sustainability Culture

While we remain dedicated to our core ethos of "Embracing the Environment, Empowering People", our associates need to have the knowledge and expertise to help drive our Group towards our long-term sustainability goals. To strengthen our sustainability culture, we recently started a group-wide training for trainers, who will then go on to train associates at the property level.



Supplier Code of Conduct

A sustainable supply chain is an opportunity to make responsible choices that drive respect for human rights and the environment. Year-to-date, 894 suppliers have completed our required annual Code of Conduct, affirming their commitment to the United Nations (UN) Sustainable Development Goals and ten principles of the UN Global Compact to protect people and the planet.