

SPOTLIGHT ON OUR SIX CAPITAL

“LEVERAGING OUR CAPITALS TO ENSURE ROBUST GROWTH”

We leverage six different types of capital and various resources to generate optimal long-term value for our stakeholders.

FINANCIAL CAPITAL

With our exceptional capabilities, we effectively harness three vital financial resources: equity, internal accruals and debt. Through our adept financial strengths, we maximize the value we deliver to our stakeholders. Our utilization of these financial resources enables us to optimize our operations and drive sustainable growth.

| OUR FINANCIAL CAPITAL: VALUE CREATION DASHBOARD | | | |
|-------------------------------------------------|------------------------|------------------------------------|---------------------|
| BDT 2,925.95 m | BDT 15,927.04 m | BDT 637.67 m | “AA+” rating |
| Revenue | Market Capitalization | Contribution to National Exchequer | by CRISL |

IMPACT ON OTHER CAPITALS

The financial capital is affected by the use of all other capitals, that is, if we increase our input in manufactured, human, and intellectual capital there will be an outflow in financial capital in the short run. On the other hand, appropriate investment in these three capitals has positive impact on the financial capital as well as on its outcome in the long run. As UHRPLC has always utilized financial capital keeping an eye to achieve long term growth, reflection can be seen in the stable financial performance indicators of the Company.

ASSOCIATED RISKS & RISK MANAGEMENT PRACTICES

Interest cost management:

Unique Hotel & Resorts PLC has been proactive in managing its interest costs, leveraging its financial strength and prudent capital allocation measures. By optimizing its capital structure, mobilizing debt at favorable terms, and managing liquidity effectively, the Company has been able to optimize its interest expenses over time and strengthen its financial position. This proactive approach to interest cost management not only boosts profitability potential but also reduces financial risk and improves risk profile.

Balance sheet and cash flow management:

The Company maintains a healthy balance sheet and robust cash flow management practices, which provide a sound foundation for sustainable growth and resilience. The Company maintains a prudent approach to debt management, ensuring a manageable credit burden and adequate liquidity to support its operations and strategic initiatives

Fiscal prudence:

The Company's financial capital is a key enabler of its resilience and growth in a challenging business environment. With reasonable topline growth, effective cost optimization initiatives, stable net profit performance, proactive interest cost management, and robust balance sheet and cash flow management, the Company has demonstrated fiscal conservatism and prudence. As it continues to navigate market uncertainties and pursue growth opportunities, the Company is well-positioned to build on its financial strengths and drive long-term success.

STRATEGIC OUTLOOK



We will continue to look at enhancing margins and profitability specially on the back of our product & service premiumization focus.



We will continue to prioritize balance sheet management with a greater reliance on internal accruals to fund our working capital and other financial needs.



All our financial decisions will be taken from a long term perspective which we believe is the best route to sustainable shareholder value creation.

MATERIAL MATTERS SERVED



Prudent liquidity management



Sound capital allocation



Control in debt and cost of debt



Expand profitability levers



Control fixed and variable costs

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MANUFACTURED CAPITAL

Over the years, our portfolio of physical assets, including hotels and properties, has experienced substantial growth. We have continually enhanced our investment strategies to ensure promising returns in the future. By diligently refining our approach to investments, we aim to maximize profitability and create opportunities for lucrative outcomes, which will position us favorably for continued success.

OUR MANUFACTURED CAPITAL: VALUE CREATION DASHBOARD

03

Hotels

01

Resort (upcoming)

01

Economic Zone (under construction)

01

Power Generation

IMPACT ON OTHER CAPITALS

Investment in manufactured capital has a short run negative impact on financial capital. As we are looking to integrate more digital services in our hospitality business, it requires resources to be deployed in enhancing & introducing such product & services through digital channel. But the outcome of such investment will have long run positive impacts on all capitals, that is, increasing financial capital, enriching intellectual capital, retaining skilled human capital & building better social & relationship capital. So, it is crucial to invest in manufactured capital mindfully.

ASSOCIATED RISKS & RISK MANAGEMENT PRACTICES

Energy-efficient technologies:

Sustainability is a growing priority for us, driving investment in energy efficient infrastructure and practices. We are adopting energy-efficient equipments to reduce energy consumption, minimize carbon emissions and lower our operational costs.

Wide distribution network and logistics control:

In addition to the advanced manufacturing technologies, our manufactured capital also encompasses our distribution network and logistics capabilities that ensures efficient and time-bound delivery of our products to customers around the country.

Logistics control:

A near-direct logistics control allows us to have end-to-end visibility and control over our entire supply chain management process. By managing a fleet of vehicles through our contracted logistics partners, coordinating transportation routes and optimizing delivery schedules, we ensure on-time deliveries, reduce transportation costs and enhance dealer fulfillment and customer satisfaction.

STRATEGIC OUTLOOK

We will focus on satisfactory customer service through our product & service, which is a key strategy for us.



Towards this end, we will ensure consistent investment in plant maintenance and asset upgradation.



Focus on minimization of fixed and variable costs.

MATERIAL MATTERS SERVED

Business channel expansion



Energy efficiency



Supply chain optimization



Quality control and assurance



Research and development

SDGs SERVED**INTELLECTUAL CAPITAL**

At the core of our competitive advantage lie our intellectual assets, encompassing distinctive services, renowned brands and well-defined procedures. By nurturing and expanding these assets, we fortify our market position, foster innovation and consistently deliver exceptional experiences to our valued customers. In addition to, research and innovation are key drivers for our operational efficiency, resource optimization, sustainability and new product development. We continuously evaluate the existing needs and anticipate the future needs of our customers and implement this understanding in our product development strategy.

OUR INTELLECTUAL CAPITAL: VALUE CREATION DASHBOARD

23

New products/Service launched for customer

70

New Supplier addition

01

Adoption of New Software

IMPACT ON OTHER CAPITALS

Intellectual capital is inter-related with human & financial capital. A positive inflow of such capital is a result of outflow from financial capital & inflow of skilled human capital and has far reaching positive impact on social & relationship capital as well. To have a strong brand reputation intellectual capital plays a pivotal role.

ASSOCIATED RISKS & RISK MANAGEMENT PRACTICE

Strategic & reputational risk are major risks associated with intellectual capital. Ineffective strategy as well as inefficient implementation of strategies regarding intellectual capital can have financial cost. On the other hand, if corporate governance becomes volatile it will pose reputational risk which will incur financial loss. To mitigate these risks, UHRPLC consciously safeguards its core values, that is, uphold good governance practice and set strategies according to the current & future industry scenario.

STRATEGIC OUTLOOK



We will continue to build on our advanced IT infrastructure and processes and quality excellence.



By leveraging our intellectual capital we will drive innovation, efficiency and value delivery.

MATERIAL MATTERS SERVED



Royalty



Research &
Development



Technological
Innovation

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HUMAN CAPITAL

Our dedicated workforce drives our organization's success. We priorities their growth, fostering a culture of excellence in all team members. By empowering employees and proving that we value their contributions, we help them realize their full potential. We create an environment that nurtures talents, encourages innovation and instills a strong sense of purpose. Together, we achieve greatness, creating a fulfilling workplace for all.

OUR HUMAN CAPITAL: VALUE CREATION DASHBOARD

863

Total Employees

1,030.50 MAN-HOURS

Total training

687

Employees received
training

BDT 3.39 m

Avg. revenue per employee

IMPACT ON OTHER CAPITALS

Investment in human capital has a short run outflow from financial capital. But effective investment always returns in positive inflow in all other capitals. So, selecting & training right group of employees is crucial for the overall benefit of the Company. UHRPLC has cautiously recruited & placed the right person at right place that has made the Company to be recognized as one of the best employers in the hospitality industry.

ASSOCIATED RISKS & RISK MANAGEMENT PRACTICE

Human capital is one of the key capitals for a business organization. And it is important for UHRPLC to have ethical & responsible human resources in place, otherwise there rises risk of fraud and data breach which if occurs repetitively poses reputational risk. For a hospitality business to sustain and win trust of the stakeholders & customers, these risks must be mitigated. UHRPLC is known as one of the most compliant Company in the hospitality industry due to the strong governance & risk culture. The approach of the Board & senior management's zero tolerance against non-compliance has set the tone at the top and is embedded in our corporate culture which is reflected in our financial stability in the industry.

STRATEGIC OUTLOOK



We will continue to provide high-quality learning and training programs.



Employee retention and new onboarding will remain a top priority.



KPI planning will be a focus area to improve the culture of performance and productivity.

MATERIAL MATTERS SERVED



Diversity, inclusion and belonging



Career pathway development



Employee turnover control



Leadership development



Continuous improvement

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SOCIAL AND RELATIONSHIP CAPITAL

Our success is derived from delivering value to stakeholders. We engage with consumers, suppliers, communities and the public to enhance well-being. Through collaboration and transparency, we exceed expectations, driving positive change and contributing to the betterment of communities. Together, we build enduring partnerships based on shared values, enriching lives and fostering mutual benefit.

OUR SOCIAL AND RELATIONSHIP CAPITAL: VALUE CREATION DASHBOARD

BDT 637.67 m

Contribution to national exchequer

BDT 0.40 m

CSR expenditure

132

New Recruitment

IMPACT ON OTHER CAPITALS

Investing in social & relationship capital has a short run out flow of financial capital. But there is a ripple effect in the long run in all of the remaining capitals through increase of the inflow of financial capital, human capital, intellectual capital as well as natural capital to some extent. This intangible capital can be harnessed to maintain the stability of the business entity.

ASSOCIATED RISKS & RISK MANAGEMENT PRACTICE

Social & relationship capital is prone to reputational risk. To mitigate such risk, UHRPLC has complaint management cell for customers & mechanism for redressal for investors. Also, our business activities are aligned with the guidelines of our regulators that ensures there is no regulatory breach. To avoid overlapping of CSR expenditure in all segments and ensuring transparency, UHRPLC has a well-defined framework that is guided by the regulatory guidelines.

STRATEGIC OUTLOOK



We will work upon building mutually-beneficial partnerships with all our stakeholders.



Employees are a key part of our social and relationship capital and we will continue to lay thrust on employee engagement and retention.



We will also further develop our market strategies so that we remain as the preferred Company of choice for all their needs and expectations.



We will drive innovation, efficiency and value delivery.

MATERIAL MATTERS SERVED



Community uplift/development



Local employment



Indirect job creation



Value distribution to society



Customer delight

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NATURAL CAPITAL

We acknowledge our responsibility to preserve natural resources and are dedicated to minimizing our environmental impact. Through sustainable practices, we enhance our resource efficiency while simultaneously reducing our ecological footprint. We embrace renewable energy and optimize waste management, promote recycling and priorities reuse.

OUR NATURAL CAPITAL: VALUE CREATION DASHBOARD

4.25%

Reduction in electricity consumption

20.67%

Reduction in gas consumption

10.52%

Reduction in water consumption

IMPACT ON OTHER CAPITALS

Investing in preserving natural capital has a long term benefit for the organization that penetrates through financial, intellectual, human and social and relationship capital. On the other hand, manufactured and natural capital are negatively related, so it is crucial to invest carefully in manufactured capital.

ASSOCIATED RISK & RISK MANAGEMENT PRACTICE

Environmental risk is posed by mismanagement of natural capital. Not only environmental risk, financing in projects or business entities that pose serious threat towards our environment also raises reputational risk as it makes a Company unethical and irresponsible in the eye of stakeholders. To reduce such risks, UHRPLC has Sustainable hospitality/ Environmental & Social Risk Management (ESRM) Policy in place and a dedicated team to monitor overall financing. Also, our 8R approach to sustainability i.e. reduce, reuse, recycle, responsibility, respond, renew, refine and refuse lies at the core of managing environmental risks.

STRATEGIC OUTLOOK



We will keep an eye on lowering our consumption of natural resources.



We will continue to cultivate best practices in conservation at our workplaces.



Employee awareness is an important part of our resource utilization practices.

MATERIAL MATTERS SERVED



Resource preservation



Water management



Waste management



Carbon emissions management



Environmental awareness

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