

# Dusit

## INTERNATIONAL

---

### **Sustainability Report**

**Dusit Thani Public Company Limited**

**2016**

➤ **Corporate Sustainability Report**

The Company has prepared CSR Report contains economic, social and environmental management and operations policies from January 1 to December 31, 2016, according to Dusit Thani's annual data updating cycles. Data was last updated on 31 December 2016. This report was compiled following the GRI reference for Report on the Global Reporting Initiative (GRI) Version 4 (G4) and the data was collected solely in 2016 and can see in the Company's website [www.dusit.com](http://www.dusit.com)

**Contact information for data collection**

Corporate Human Resources  
Dusit Thani Public Company Limited  
Dusit Thani Building, 946 Rama IV Road  
Bangkok 10500  
Telephone 02 200 9999  
[www.dusit.com](http://www.dusit.com)

## Scope of Content

This report covers policies and operating guidelines for sustainability of Dusit Thani Public Company Limited and 12 hotels under its supervision, namely: Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, Dusit Thani Laguna Phuket, DusitD2 Chiang Mai, Dusit Princess Srinakarin, Dusit Princess Korat, Dusit Princess Chiang Mai, Dusit Thani Dubai, Dusit Thani Manila, Dusit Thani Maldives and Dusit Lakeview Cairo. For more information apart from this report, please refer to the 2016 Annual Report.

The Company prepared CSR report by referring to the GRI reference for report according to the CSR Report of the Global Reporting Initiative (GRI), Version 4 (G4). The CSR Committee determines the main points, strategies and procedures, gives opinions on significant issues affecting economic, social and environmental sustainability of its businesses, and periodically follows up and evaluates the report so that the content is accurate, complete and transparent.

Main points and procedures applied in this report are the same as using in Sustainability Report of year 2015.

## Stakeholders

Organizational stakeholders are individuals or entities affecting or affected by business operations or activities concerning such stakeholders as shareholders and investors, customers, employees, society and government agencies in connection with impacts on the organization.

### Company responsibilities to stakeholders

Stakeholders	Responsibilities
<p><b>1. Shareholders and investors</b></p>	<ul style="list-style-type: none"> <li>➤ Transparent management</li> <li>➤ Appropriate compensation for investors</li> <li>➤ Value added to the company</li> </ul>
<p><b>2. Customers</b></p> <p>Tourists, business people, seminar attendants, hotel customers</p>	<ul style="list-style-type: none"> <li>➤ Service standards</li> <li>➤ Satisfaction and safety</li> <li>➤ Price-worthy goods and services</li> <li>➤ No taking advantage of customers</li> <li>➤ Customer confidentiality</li> <li>➤ Service and after sale service promotions</li> <li>➤ Service information through various channels</li> <li>➤ Wholehearted service before customer requests</li> <li>➤ Keep business continuity in every situation</li> <li>➤ Prompt execution after customer requests</li> </ul>

Stakeholders	Responsibilities
<p><b>3. Employees</b> Executives, employees and workers</p>	<ul style="list-style-type: none"> <li>➤ Good benefits and remuneration packages</li> <li>➤ Security and employee career advancement</li> <li>➤ Equal opportunities for skill development and training</li> <li>➤ Promotional priorities for current employees</li> <li>➤ Good working environment</li> </ul>
<p><b>4. Society</b> Communities, people, youth, the needy and educational institution.</p>	<ul style="list-style-type: none"> <li>➤ Participation in social activities</li> <li>➤ Use of environmental friendly products and services</li> <li>➤ Energy efficiency</li> <li>➤ Efficient waste disposal</li> <li>➤ Creative co-living in communities</li> </ul>
<p><b>5. Government agencies</b> Government agencies and Policy-makers</p>	<ul style="list-style-type: none"> <li>➤ Promote legal and regulation compliance</li> <li>➤ Disseminate good identity and culture</li> <li>➤ Support government activities</li> </ul>

The Company has identified these stakeholders as one of the important elements in order to implement CSR policy. The company operates with responsibility, honesty and transparency keeps playing important role in social responsibility affairs and concerning for stakeholders rights not only the internal stakeholders such as directors, executives and employees but also the external stakeholders such as shareholders, customers, trade partners, creditors, business competitors, social and environment, government and related organizations including their rights given by law and agreement. The Company has set policies of directors, managements and employees conducts in Good Corporate Governance Policy, the Company Business Ethics and Code of Conduct for the Board of Directors, the Executives and the Employees in order to create fairness and transparency to all stakeholders. The said policies were disclosed on the Company’s website.

**Major issues and association of stakeholders**

		<b>Importance for Dusit</b>	
		<b>Important</b>	<b>Very important</b>
<b>Importance for Stakeholders</b>	<b>Very important</b>	<ul style="list-style-type: none"> <li>➤ Satisfying customers and making them feel safe while receiving services, and ensuring that the services and prices are reasonable.</li> <li>➤ Giving returns appropriate for net profits.</li> <li>➤ Disclosing accurate data and reports.</li> <li>➤ Doing PR and advertising of products and services with responsibilities both before and after sell</li> </ul>	<ul style="list-style-type: none"> <li>➤ Standards of goods and services.</li> <li>➤ Deliver full services before customer requests.</li> <li>➤ Good governance.</li> <li>➤ Procure environmentally friendly products and services.</li> </ul>
	<b>Important</b>	<ul style="list-style-type: none"> <li>➤ Being a good citizen by regulating and operating business with responsible to social and community nearby.</li> <li>➤ Prevent accidents and disasters that might derive from Dusit businesses.</li> <li>➤ Responding to customers complaints.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Take care of employees and give career security and advancement.</li> <li>➤ Use energy efficiently.</li> <li>➤ Compliance with government laws and regulations.</li> </ul>

**Business Context**

The Company and hotels under Dusit brands aim to run business proactively with effective cost management, focusing on increasing the number of managed hotels both in Thailand and abroad. Meanwhile, the Company has considered to invest in hotel, hospitality educational business with the goal of maintaining its long-term business values based on Thai cultural promotion and expanding to business in CSV (Creating Shared Value) context. The Company foresees that currently, hotel and hospitality business in Thailand are confronting the lack of experienced and knowledged personnel situation. Meanwhile, the hotel and hospitality business educational opportunity in Thailand is also not enough to serve the needs. Therefore, in August 2015 the Company started the Dusit Thani Hotel School project which will increase opportunity to study in hotel and hospitality business in Thailand including in ASEAN and lift up the standard of hotel and hospitality education in Thailand. Moreover, this project also aims to deliver high standard personnel into hotel industry. Therefore, we can recruit more efficient employees into the business. In addition, in order to regulate and monitor the business operation to perform effectively and efficiently in compliance with fair and transparent basis for the benefit of social sustainability, the Company has appointed committees which will responsible to consider and monitor the matters.

The Company also emphasizes social sustainability through employee development and career security, which leads to family and community security regarding to the education

business, the Company develops school curricula in order to produce the competent and ethical graduates in demand by employers. Additionally, the Company places great importance on the communities surrounding the hotels and contributes in social and government activities when given the chance. Environmental awareness is instilled in employees, customers and stakeholders. Eco-friendly and energy-efficient equipment and appliances are used widely in hotels so that future generations can continue to enjoy ample resources.

### **Economic Sustainability**

To achieve the Company's goal to operate fair business with social awareness and maintain long-term business values based on business opportunity expansion and going toward to the business in CSV (Creating Shared Value) context as mentioned. Dusit Thani Hotel School project will promote and develop hospitality business standard of Thailand. Moreover, it will increase the educational opportunity in hotel business for students both in Thailand and in AEC countries. This will be a significant move for business of the Company and Economic of Thailand.

### **Wage, Salary and Benefit Management**

The Company implemented wage policy of employees in short term and long term, abiding by the minimum wage laws of the countries where its hotels are located. Wages of our male and female employees are effectively higher than the minimum wage standards compared to wages offered by local hotels at the same level. In addition, gender is not an indicator of employee wages.

In short term, at the beginning of April every year, the Company reviews salaries of its employees based on their performance and the Company's performance. In long term, Dusit Thani evaluates employees' performance based on Balanced Score Card under KPI's system. Thus, employees of any gender or age receive fair and proper salaries. Moreover, the Company's salary structure is appropriate and comparable to other businesses in the same category.

The Company offers many benefits to employees, such as cost of living, annual bonus, two duty meals per day, annual leave, sick leave, provident fund, group life and medical insurance with benefits covering medical expenses of private and government hospitals, travel insurance in case of business trip, funeral allowance and wreath in case of decease of employee's immediate family member, disaster relief funds, benefits of staying in affiliated hotels at employee prices and family and friends rate for employees related and friends, Dusit Thani College tuition fee discount for employees' children, laundry discount, discount on wedding reception of employees and their children in hotels in Dusit Thani Group, loans at lower interest rates from participating banks and compensation on retirement.

Annual physical check-up are also provided for employees by professional physicians from hospitals who will give health advice to employees. There are also training to employees on health care.

### **Environmental Sustainability**

Environmental sustainability is the key to management of hotels in the Dusit Thani Group. All hotels under Dusit Thani management have been awarded environmental and social certification by EarthCheck. Dusit Thani promises that it will constantly improve the environment and society using equipment designed in compliance with EarthCheck standards in terms of energy preservation and efficiency, water usage, environmental protection and management, social and cultural management, space planning and management, air quality protection, noise control, wastewater management, solid waste management and storage of materials hazardous to the environment. The Company also complies with laws and regulations on the environment and tries its best to achieve global standards.

All hotels have a green team working on environmental issues, assessing risks, recording, following up on environmental impacts and setting measures of sustainable environmental and social development. The Company hires local people to work as employees and contractors in its hotels and procures products or services from local communities with environmental awareness. In addition, our employees are encouraged to tell guests, goods and service providers, contractors and goods distributors about the Company's commitment to sustainable environment and social development and our status under EarthCheck activities.

In addition, the Company places importance on selecting materials for equipment in hotels that are environmentally friendly and fresh clean food, quality assured by the procurement department, so that our customers can be sure of quality every time they stay at our hotels.

\*Note\* From 2017 onward, the Company decided to change from EarthCheck toward ISO 14001 Certification which is an internationally agreed standard that sets out the requirements for an environmental management system to help organizations improve their environmental performance through integration of with existing management systems i.e. ISO 9001. Considering all environmental issues relevant to operations, such as air pollution, water and sewage issues, waste management, soil contamination, climate change mitigation and adaptation, and resource use and efficiency, the Company strives for continual improvement in future.

### **Electricity**

In order to reduce electricity use while not compromising our international customer service standards, we are planning to replace incandescent light bulbs with LED light bulbs, in consideration of the environment, within five years from 2012 onwards, and install intelligent

lighting control systems in all our hotels in Thailand including system set up of screw-type chillers with variable speed controls, heat-exchange ‘heat – pumps’, solar water heating systems, use LPG instead of diesel to heat water, and change motors and control systems or replace old appliances with new ones. Employees involved with laundry, kitchens and lifts are trained and educated on how to decrease electricity use in a practical way.

Furthermore, we run energy saving campaigns encouraging personnel to take the stairs instead of lifts, turn off computers during the lunch break while they are not using them, use natural light and set automatic shutdown times on air conditioners. We also invite customers and employees to join the Earth Hour program every year. In 2016, it was 53.24 Kilowatts-hour per guest stay overnight usage, 2.16% decreased from 2015.

**Water**


Since hotel businesses require large amounts of water, we strive for sustainable water management while meeting international customer service standards. Every hotel has concrete water saving measures, such as water pipe and water meter maintenance and replacement, water-saving sanitary ware, faucet and shower installations, use of salt chlorinators for swimming pools and providing water efficiency training to employees. Dusit Thani Hotel Group has ongoing water efficiency plans and activities in order to continuously reduce water use. In 2016, it was 910.74 liters per guest stay overnight usage, 8.52% decreased from 2015.

**Summary of Environmental Operations in 2016**


Usage Processes in 2016 Compared to 2015

Percentage: Guest stay overnight

Electricity

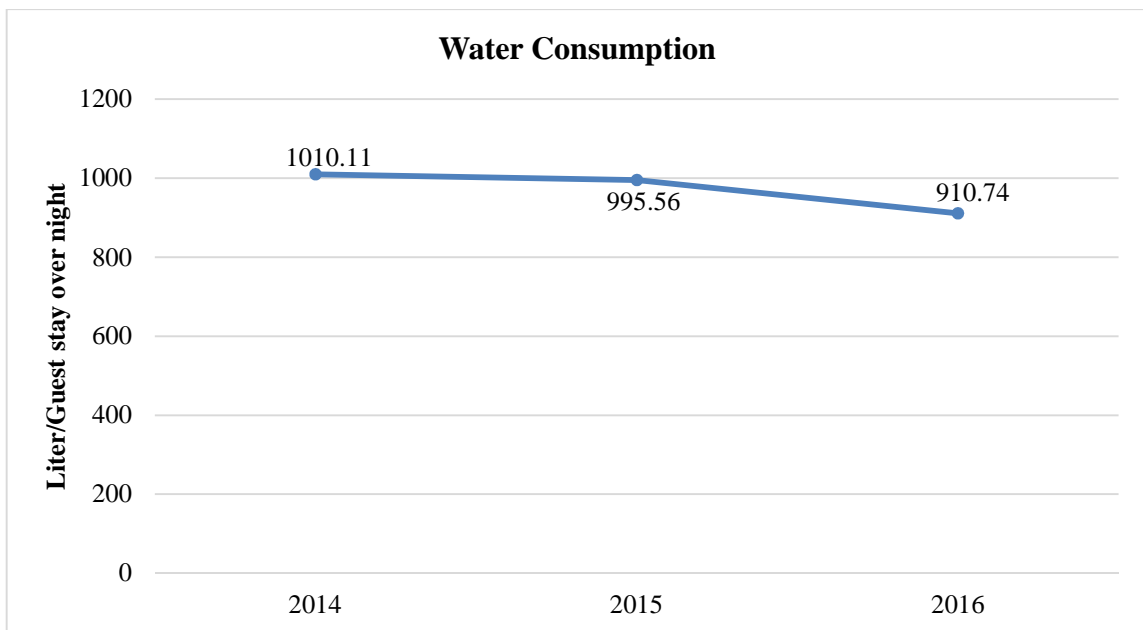
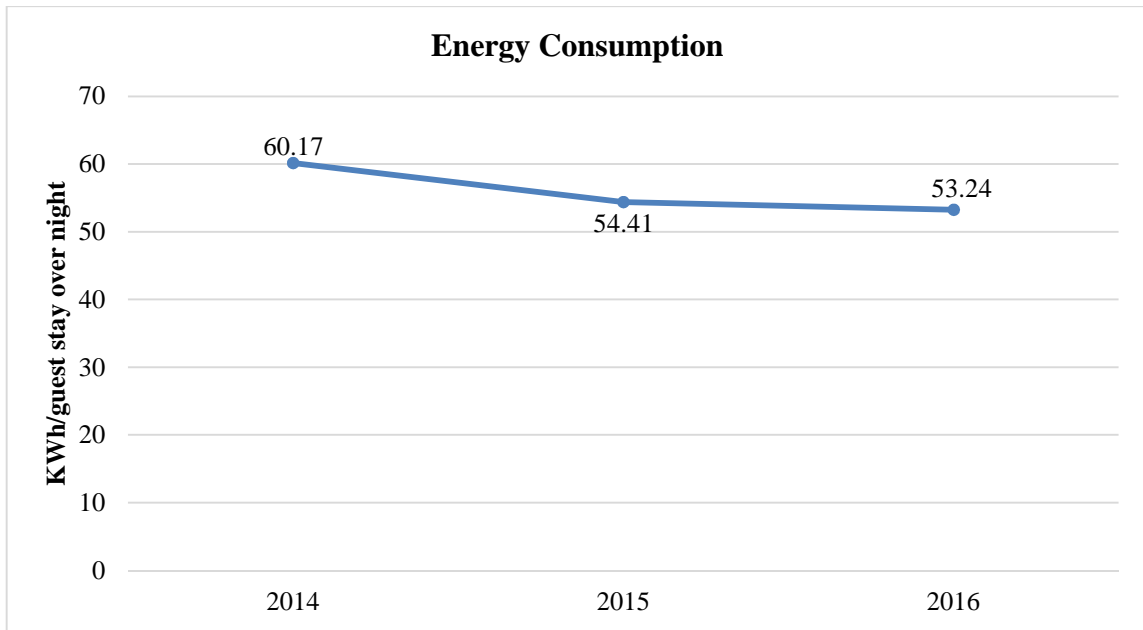
 2.16 %

Water

 8.52 %

Number per guest stay overnight	2014	2015	2016	Yearly Goal
<b>Electricity consumption (KWh)</b>	60.17	54.41	53.24	To reduce
% Difference Compared to the Year Before	+5.0%	-7.73%	-2.16%	8%
<b>Water (Liters)</b>	1010.11	995.56	910.74	To reduce
% Difference Compared to the Year Before	-1.02%	-3.72%	-8.52%	8%





In 2016, 12 hotels performed the following environmental activities:

1. Installed LED light bulbs. At present, over 77% of the work is completed in all hotels in participated in the program.
2. Installed water saving equipment. At present, 60% of the work is completed in all hotels participated in the program with regular water system maintenance.
3. Maintained and installed heat-pump (hot water) heaters in hotels. At present, 90% of the work is completed in all 12 hotels participated in the program.
4. Maids set the temperature of hotel rooms at 26 degrees Celsius when there are no customers in the rooms and help save water included using heat-reduced curtain.

5. Laundry is done in a water efficient manner. Amounts of chemicals are reduced and ozone laundry systems are used. Water from washing machines is treated and then used to water landscape and garden.
6. Water chillers have been changed to Screw-type and combined with cross-flow cooling towers.
7. Installing equipment controlling electricity systems and replacing old motors with new ones for increased performance and/or being 'variable-speed' type. At present, over 70% of the work is completed in all 12 hotels participated in the program.
8. Selected "ECOLAB" chemical supplies for housekeeping, stewarding and laundry, being their eco-line and cold-wash product series.
9. Changed Swimming Pool Sanitizing system to salt chlorinated "Saline" type using no chemicals but salt for sanitizing. At present, over 80% of all 12 hotels practice this hygienic solution.

### **Social Sustainability**

Thanpuying Chanut Piyaoi, founder of Dusit Thani and Dusit Thani College, realized the importance of sustainable social development through education. As a result, Dusit Thani is the only company managing hotel together with a college proudly delivers graduated quality people into the hospitality business. Dusit Thani also offers opportunities to students to experience in hotel works as trainees.

Since all employees are part of social sustainability, their work and English language skills are constantly developed and well prepared for the ASEAN Economic Community (AEC). In addition, the company organizes an Executive Trainee program which aims to develop and prepare potential employees for promotion and opportunity to be transferred to hotels under Dusit brand in foreign countries. The Company also offers a Management Trainee program to fresh graduates who are interested in the hotel business in order to gain experiences in every core department to learn about the Company's business as a whole and join the most suitable department after the program completed.

Contribution in social activities is another importance mission, as such, the Company organizes yearly activities such as Blood drives and donations in cooperation with the Thai Red Cross

- Blood drives and donations in cooperation with the Thai Red Cross
- Children's Day activities which organized for children living near hotels under Dusit brands
- Campaigns to promote clean hotels and clean community
- Energy saving campaign

## **Personnel Development**

Since all employees are part of social sustainability, their work and English language skills are constantly developed and well prepared for the ASEAN Economic Community (AEC). In addition, the company organizes an Executive Trainee program which aims to develop and prepare potential employees for promotion and opportunity to be transferred to hotels under Dusit brand in foreign countries. The Company also offers a Management Trainee program to fresh graduates who are interested in the hotel business in order to gain experiences in every core department to learn about the Company business as a whole and join the most suitable department after the program completed.

## **Continuous Employee Development**

Employee Development is vital for Human Resource Management. The Company focuses continuous learning and development for every employee level in order that they will be the best specialist to serve future expansion of the business. The Company supports each employee to attend their training according to their annual needs.

The Company assigns the development process by having training courses to increase knowledge and ability of senior staff of the Company. For example, the Leadership Program for Middle Management and Top Management. Another development process is rotating employees in different roles to challenge their ability and build their experience, as well as appointing and promoting employees to suit their responsibilities.

To ensure that the Company continues to develop employees and covers all the skills, a total training plan is used as a training guideline for employees and to assure that the all year training plan meets the Company's objectives. Moreover, the Company sets a target to achieve the total training plan at 70% which focuses on the end result of people development to increase guest satisfaction instead of the number of training hours. As a result, the training structure is established as following:

- Grade 1-3 (Management Level) employees emphasize on Company Core course, Division workshop, and Leadership Development Training.
- Grade 4-5 (Operational Level) employees, especially front line employees, emphasize on Standard Operating Procedures (SOP), training at least 2 hours per month. The rest of staff in other departments will also need to attend appropriate training related to job functions conducted within the department as well as assigned Dusit compulsory programs.

Dusit Compulsory Program by Grade Level								
GL	NSO	DTG	DSS	FLL	OPT	HG	PA	MD
	18 hours	3 hours	18 hours	30 hours	12 hours	3 hours	6 hours	6 hours
1	X	X	X			X	X	X
2	X	X	X			X	X	X
3	X	X	X	X	X	X	X	X
4	X	X	X	X	X			
5	X	X	X	X				

- NSO New Staff Orientation
- DTG Dusit Thai Graciousness
- DSS Dusit Signature Service
- FLL Frontline Leadership
- OPT Operational Trainer
- HG Handling Grievances
- PA Performance Appraisal
- MD Maintaining Discipline

### Sanitation and Safety in the Workplace

The Ministerial Regulation requires a hotel to equip its employees with training on sanitation and safety in the workplace. Therefore, hotels in the Dusit Thani Group organize three training topics for employees as follows:

1. Safety officer curricula for supervisors.
2. Safety officer curricula for executives.
3. Safety committee curricula for committee members

All hotels have a safety committee in charge of monitoring safety in the workplace, preparing safety regulations, manuals and standards in the workplace, setting up an unsafe working condition reporting system, evaluating safety performance in the workplace, follow-up meetings.

**Proportion of Employees to Workplace Safety Committee in year 2016**

<b>Hotel</b>	<b>Committee</b>	<b>Staff</b>	<b>Average (%)</b>
1. Dusit Thani Bangkok	13	628	2.07
2. Dusit Thani Pattaya	25	489	5.11
3. Dusit Thani Hua Hin	7	374	1.87
4. Dusit Thani Laguna, Phuket	7	381	1.84
5. dusitD2 Chiang Mai	7	134	5.22
6. Dusit Princess Srinakarin	7	185	3.78
7. Dusit Princess Korat	7	145	4.83
8. Dusit Princess Chiang Mai	7	133	5.26

**Health and Work Safety**

For employees to work safely and in order to reduce possible loss, employees are trained about work safety on a regular basis. The workplace safety committee gathers information on the safety of employees, which can be divided into 3 groups: injury rate, lost day rate and absentee rate as follows:

<b>No</b>	<b>Health and Work Safety Results</b>	<b>Year</b>	
		<b>2015</b>	<b>2016</b>
1.	Number of sickness case from work-related (Case)	0	0
2.	Number of injury case from work-related (Case)	22	25
3.	Number of fatalities from work-related (Person)	0	0
4.	Injury rate from work-related (Injury case /200,000 Man-Hours)	0.73	0.89
5.	Lost day rate (Days / 200,000 Man-Hours)	8.95	10.69
6.	Absentee rate (Days / Total days scheduled to be worked by the workforce)	0.02	0.23
7.	Number of Employees as of December 31 (Person)	2,465	2,469

*Remark: 1. Injury: The number of injuries from work-related with at least one day's abstention from work which the data does not include accidents categorized at the first-aid level.*

*2. Lost Day: Time (“days”) that an employee could not be worked (and is thus ‘lost’) because of injury or sickness from work-related. Record begins the next day.*

*3. Absentee: Time (“days”) that an employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences and compassionate leave are excluded.*

## **Corruption and Human Rights**

The Company and its subsidiaries support and encourage all employees to learn about human rights and anti-corruption. Each employee must receive training on human rights and anti-corruption. All executives and employees must abide to the local laws, customs, traditions and culture, which differ in each country where hotels under Dusit brands operate. Employees must strictly observe human rights according to the Universal Declaration of Human Rights. In year 2016, every employee of the hotels and schools under Dusit Group attended one-hour training session on anti-corruption and human rights achieving the goal set in the previous year.

## **Services and Customer Satisfaction**

- **Certificate of Excellence 2016 by Trip Advisor:** Dusit Thani Huahin has been awarded the 2016 Certificate of Excellence from Trip Advisor, which is an honorary award of the year 2016. The award was given to the hotels that consistently earn high ratings from TripAdvisor travelers and articles on website [www.tripadvisor.com](http://www.tripadvisor.com). This site is one of the world's largest travel websites that can guarantee excellence in services of Dusit Thani Huahin.

- **Thailand MICE Venue Standard Award by Thailand Convention Exhibition Bureau:** TCEB Dusit Thani Pattaya and Dusit Thani Krabi Beach Resort were given the prize regarding standardized venue for exhibition in Thailand by Thailand Convention Exhibition Bureau (TCEB). With the Company's leading role in MICE industry, the Company is ready to standardize MICE corporations in Thailand by providing well-equipped meetings rooms with vision and sound effects to prepare for business expansion.

- **Thailand Tatler Best Restaurant 2016 by Thailand Tatler Magazine:** Benjarong restaurant and 22 Kitchen & Bar from Dusit Thani Hotel Bangkok were both awarded as "The best restaurant of 2016" from Thailand Tatler magazine which is a high-end lifestyle magazine.

- **Best Thai Restaurant by FACT Abu Dhabi:** Benjarong restaurant from Dusit Thani Abu Dhabi was awarded as the best Thai restaurant of Abu Dhabi among all Thai restaurants in the city for the 2nd year. This magazine is the country's first metropolitan culture magazine that boasts international standards of design.

- **Cond Nast Traveller Readers' Choice Award 2016:** Dusit Thani Maldives was given Cond Nast Traveller Middle East Readers' Choice Awards 2016 which was from voting result of the Cond Nast Traveller magazine worldwide as the most Favourite Hotel or Resort for Families in the Middle East.

- **Ranna Award by Baa Atoll Council:** Dusit Thani Maldives was awarded from Baa Atoll Council for their contribution to the local community. The first award received from the Home Minister of Maldives was “Appreciation and Gratitude for unwavering support and help to the Baa Atoll Council” while the second award was “Distinguished Service Award” for continuously supporting Baa Atoll Residents and Council. The latter award was for the most helpful and dedicated resort in Baa Atoll and Dusit Thani Maldives was the only hotel to receive this award.

**Performance Indicators in the CSR Report which refer to the Global Reporting Initiative (GRI) Version G4**

<b>Indicator</b>	<b>Description</b>	<b>Page</b>
<b>Economics</b>		
<b>G4-EC5</b>	Range of rations of standard entry level wage compared to local minimum wage at significant of operation	5-6
<b>Environment</b>		
<b>G4-EN6</b>	Energy saved due to conservation and efficiency improvements	6-7
<b>G4-EN8</b>	Total water withdrawal by source	7
<b>Society</b>		
<b>G4-SO4</b>	Percentage of employees trained in organization’s anti-corruption policies and procedures	13
<b>Labor Practices and Decent Work</b>		
<b>G4-LA5</b>	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	11-12
<b>G4-LA6</b>	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities compared to previous year	12
<b>G4-LA9</b>	Average hours of training per year per employee by employee category	10-11
<b>Human Rights</b>		
<b>G4-HR7</b>	Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations	11-13
<b>Product Responsibility</b>		
<b>G4-PR5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	13-14