



BANYAN TREE



# SUSTAIN-ABILITY



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A full-page background image of a tropical beach. In the foreground, there's a wooden walkway leading to a circular thatched-roof pavilion on the right. To the left, another similar structure is partially visible. The beach is lined with lush green palm trees and other tropical vegetation. The water is a vibrant turquoise color, and the sky is a clear, deep blue with a few wispy clouds.

## EMBRACING THE ENVIRONMENT EMPOWERING PEOPLE

As a socially responsible business, Banyan Tree was founded with the core value of driving sustainable development.

With the call to arms of embracing the environment and empowering the people, the company seeks to continue being an agent of social and economic development through responsible tourism. Banyan Tree's triple bottom line (economy, society and environment) helps direct the company's sustainable development by inspiring associates, guests, and partners to take a wider consideration encompassing a long term view when making business decisions.

# EXECUTIVE CHAIRMAN'S MESSAGE



**Ho KwonPing**  
Executive Chairman

While Banyan Tree is still a small and young enterprise, we have big dreams of being a global player in our chosen niche. As we grow, we need to remain true to our core founding values so that at any point in the future, all 7000 current members of the Banyan Tree family and all those who will join us in the future, can look back and be proud of what we have achieved; proud of our choices and ability to deliver the Banyan Tree Experience to our guests; proud of the values which have guided our efforts since the our start in Phuket's Bang Tao Bay. To accomplish this, we need to remain headed in the right direction and remain proud of not only our past accomplishments, but also passionate about our current efforts as well as excited about our future prospects.

A CEO's job is to manage effectively and create profits while also leading and inspiring all stakeholders towards a collective and compelling vision. As business leaders CEO's must not only embrace but continually demonstrate by personal example, that we have the awesome responsibility as well as exciting challenge, to inspire in our younger or more junior colleagues, the notion that the pursuit of business can be a noble enterprise. We need to inspire the understanding that businesses can, if morally driven and passionately executed, be a positive force in making this a world of greater equality and prosperity for all in the community.

The sentiment that businesses can be a part of the solution to the challenges of globalization is echoed by the United Nations Global Compact, which made helping to launch Global Compact in Singapore in 2005 a rather simple choice. As a member of Global Compact, we support its Ten Principles and are encouraged by the fact that over 5,000 other organizations around the world share those same values.

Today, with our footprint in virtually every continent of the globe though some 50 development projects, and with over 50 nationalities in our little united nations, there is no turning back on this long, arduous, but deeply fulfilling journey.

Your Sincerely,

**Ho KwonPing**  
Executive Chairman

## CSR COMMITTEE CHAIRPERSON'S MESSAGE



**Claire Chiang**

Managing Director, Retail Operations

I wish you a warm welcome to our 2007 Sustainability Report, where we share our efforts over the past year. For more information about our efforts prior to 1 January 2007, you can read our 2006 Sustainability Report, available in pdf format online at our website ([www.banyantree.com/greenimperative](http://www.banyantree.com/greenimperative)) and the United Nations Global Compact website ([www.unglobalcompact.org](http://www.unglobalcompact.org)).

This past year, we have sought to better harness our core competencies to enhance our ability to support community and environmental objectives, while trying to identify areas of alignment between business, social and environmental goals. Our Seedlings initiative revolved around communities and our ability to harness our human capital to build capacities and create value for community members. Likewise, our Greening Communities effort sought to leverage our physical assets such as access to protected areas which would allow the long term survivability of newly planted trees.

These projects reflect our intrinsic belief that businesses must create value for shareholders while creating value for communities. Businesses are also powerfully positioned to facilitate and create change through their product offering and purchasing power. As a hotel and resort operator, we are additionally well placed to facilitate sustainable change. Between the number of guests we touch every year, as well

as the number of our properties which are in developing areas, we have the opportunity and responsibility to share what we have learned with our guests while also partnering with communities to share as much of the benefit of tourism as possible.

By sharing our efforts and values through this report, we hope to inspire others to implement similar initiatives delivering greater benefit to communities while also shifting to a more symbiotic relationship with the environment. We invite you to join the growing movement of consumers as well as businesses who seek new solutions to old problems and in doing so, to rethink the ethos of profit, costs, and success. Doing well is about doing good, and by doing good, we will collectively do well.

Your Sincerely,

A handwritten signature in cursive script that reads "Claire Chiang".

**Claire Chiang**  
Chairperson, Banyan Tree CSR Committee

## HISTORY OF BANYAN TREE



Since our founding, we have embedded Corporate Social Responsibility (CSR) as a core value in our business strategy which enables us to be agents of social and economic development in developing countries where we have a presence.

### 1992

Laguna Phuket wins the American Express and International Hotel Association Environmental Award for rehabilitating and transforming a site previously written of as a toxic wasteland by the United Nations Development Programme and Tourism Authority of Thailand into a lush tropical garden.

### 1994

Backed by the experience of transforming a worthless plot of land into a veritable haven, Executive Chairman Mr. Ho KwonPing decides that it is time to launch the company's own global hotel brand, and launches Banyan Tree Phuket, the group's flagship resort, in Laguna Phuket.

### 1995

Banyan Tree Vabbinfaru is built with careful consideration for the island's fragile coral. Specially requisitioned light boats carry prefabricated villa elements to protect the coral reefs.

Banyan Tree Bintan opens following a careful development strategy to protect the virgin rainforest in which it resides. To preserve the natural beauty of the environment, villas are built on stilts, and around existing trees and boulders.

### 1996

The first Banyan Tree Gallery opens in Phuket, Thailand as a retail outlet showcasing indigenous crafts. The gallery's roots stretch back to 1989 when Ms Claire Chiang (cofounder of Banyan Tree and founder of Banyan Tree Gallery) is approached to purchase two "maun" triangular cushions in support of the Yasothorn community in Northeast Thailand. This chance meeting leads to the commissioning of handicrafts to furnish the interiors of the Banyan Tree resorts.

### 2000

Banyan Tree Gallery is launched as a subsidiary working closely with village cooperatives and not-for-profit craft marketing agents, to provide employment to local artisans and educate customers about crafts and local issues.

### 2001

Banyan Tree establishes the Green Imperative Fund (GIF) that matches donations from guests to promote efforts embracing the environment and empowering people.

### 2002

Banyan Tree Bangkok opens as the Group's first urban hotel. To enhance the hotel as a natural sanctuary, some car parking areas are converted to urban oases featuring vegetation, aquatic and avian life.

Banyan Tree Seychelles is built around the fragile and unique wetlands of the Seychelles. The construction and operation includes a wetlands management plan to minimize the negative impacts of tourism.





## 2003

The Banyan Tree Maldives Marine Lab is launched as the first resort based research and educational facility in the Maldives. To promote marine conservation and sustainability of marine resources, the Lab protects and researches on locally endangered species such as Green Sea Turtles and also works with local youths to promote education and better health.

## 2004

Banyan Tree formalizes its Corporate Social Responsibility (CSR) Committee to direct socially responsible practices and use of the GIF fund. This committee consists of senior management from each resort to help cross – fertilize ideas for projects 'Embracing the Environment and Empowering People.'

## 2005

The Asian Tsunami Recovery Fund (ATRF) and Phuket Tsunami Recovery Fund (PTRF) are launched to assist in recovery and



rehabilitation, following the Indian Ocean tsunamis of 26 December 2004.

Banyan Tree is a founding member of Singapore Compact for Corporate Social Responsibility, a national society promoting social responsibility in Singapore. Ms Claire Chiang serves as its inaugural President. Soon after, Banyan Tree is one of founding signatories to the United Nations Global Compact in Singapore.

Banyan Tree Ringha, at 3,200m above sea level, opens as the Group's first high altitude resort in Yunnan, China. The villas are traditional village farmhouses purchased from families upgrading their homes, removing the need for new timber for construction and providing additional income for families in the nearby villages.

## 2006

Banyan Tree launches Earth Day appreciation events across its resorts. Special packages and activities for guests spread the message of conservation for the months of April and May, with resorts hosting guest and community activities on 22 April.

Banyan Tree Holdings debuts trading on the Singapore Exchange on 14 June 2006.

Banyan Tree Lijiang opens in Yunnan, China, with villas constructed with traditional local materials. During the construction, Banyan Tree provides upgraded facilities to the Lijiang Ethnic Orphanage and donates over 500 books to the orphanage's two libraries.

# 2007 AT A GLANCE

"Since our founding, we have embedded Corporate Social Responsibility (CSR) as a core value in our business strategy which enables us to be agents of social and economic development in developing countries where we have a presence."



## A socially responsible business

Banyan Tree operates 23 resorts, 64 spas, and 65 retail galleries in more than 20 countries. We have over 7,000 associates from over 50 nationalities. This diversity in cultures and environments presents us with many opportunities to make a lasting, positive impact on the communities in which we operate.

Since our founding, we have embedded Corporate Social Responsibility (CSR) as a core value in our business strategy which enables us to be agents of social and economic development in developing countries where we have a presence. As a values-based company, Banyan Tree has always defined its overall success not only by its financial performance, but also by its impact on communities and the environment. With this triple bottom line concept of success as a backdrop, we seek to minimise our impacts while also maximising our positive contributions to our surroundings.

We do not simply provide a roof, walls and a bed for guests; we offer complete experiences which provide a Sanctuary for the Senses. Each property seeks to share the physical beauty and cultural charm of that host site, enriching the traveler's experience of both the resort and the location. By embracing and reflecting the unique culture and heritage, each resort welcomes guests to broaden their horizons and retain the romance of travel. By designing each resort to fit into its respective setting, the beauty of local ecologies and communities provides a lasting impression of incomparable destinations.

From our genesis in 1994 of rehabilitating Bang Tao Bay which had been written off as a toxic wasteland, and through

2007, we have continued to formalise and extend our ability to safeguard our natural environment and support communal prosperity. In 2007, Banyan Tree formally added CSR measurements into our balanced scorecard internal performance metrics. Aside from this key internal initiative, we also launched the following group-wide community and environmental programmes in 2007:

## Conserving natural resources

In 2007, Banyan Tree introduced a natural resource conservation initiative with the aim of reducing energy and water consumption at our resorts by 10% every year for the next three years. Consumption benchmarks have been set for the resorts which are required to monitor and reduce their negative environmental impact over the coming years through the implementation of best practices and enhanced efficiencies.

## Greening Communities

True to its guiding ecological philosophy, Banyan Tree increased its commitment to tackle the issue of climate change by launching Greening Communities in 2007. By challenging our resorts to plant 2,000 new trees per year for the next decade (2007 until 2016), Banyan Tree strives to drive greater awareness of climate change while helping to offset a portion of the carbon emissions created by the company's operations.





Hiring from the local communities helps to share more directly the benefits of tourism

## Seedlings

Seedlings, the Group's tri-phase community programme, offers opportunity and support to children considered at risk of societal exclusion. This group-wide initiative is broken into three stages of mentorship, scholarship, and internship to provide children with the motivation and means to complete their education and successfully enter the labour force as adults.

Mentorship, the first phase of the programme, mobilises associates from Banyan Tree resorts to inspire youths between the age of 12 and 18 to achieve what previously might have been beyond their means. To effectively mentor youths, associates from Banyan Tree resorts undergo training conducted by the University of Wales which has facilitated national mentoring schemes in over five countries.

Scholarships are offered to youths who cannot afford to continue their education. Upon completion of school and after becoming a young adult, optional internships provide job training and valuable work experience in the participating resort's operational areas such as housekeeping, food and beverage, engineering, frontline customer service, marketing, reservations, procurement, security or landscape architecture.

## Resort specific projects

Throughout 2007, our resorts also continued to work within their communities to be agents of sustainable economic and social development. Details of these projects can be found in the following pages of this Sustainability Report 2007.

Two examples of such projects are:

- Environmental- Banyan Tree Bintan Conservation Lab, Indonesia

Located on the island of Bintan, this resort-based research facility drives community and guest awareness of environmental and social issues. Providing visiting experts with basic research equipment and support, the Lab has helped to widen the commitment to safeguard the ecology and support the communities of Bintan.

- Community Support- Feydhoo Island Preschool, Maldives

Banyan Tree and Angsana Maldives funded the construction and outfitting of the local preschool on Feydhoo Island. Helping to provide a solid foundation for continued education, the school has become a model learning facility for young children in the Maldives.

Banyan Tree strongly believes that socially responsible business decisions and conduct maximise the value created for stakeholders, including shareholders and the communities in which we operate. We all share a responsibility to safeguard and enhance our human and physical environment for present and future generations.

# KEY ACHIEVEMENTS OF 2007

## China

- Walk for Chalk 2007 is held to raise funds for children orphaned when their parents succumbed to HIV/AIDS (page 27)
- Banyan Tree Lijiang Spa Academy is opened as the group's second centre to provide local residents with potential career paths in massage therapy to (page 30)

## Bahrain

- Banyan Tree Desert Spa & Resort Al Areen opens, reflecting an intimate fusion of traditional Middle Eastern and contemporary Asian architecture (page 12)

## Morocco

- Angsana Riads Collection Morocco opens, featuring eight carefully restored riads, or traditional Moroccan houses (page 16)

## Maldives

- Banyan Tree Madivaru opens, featuring the first tented villas in the Maldives (page 14)
- Feydhoo Island Preschool is built and equipped as a model preschool (page 26)

## Seychelles

- A World Wetlands Day celebration is held to kick off regular wetlands cleaning sessions for communities, associates and guests (page 23)

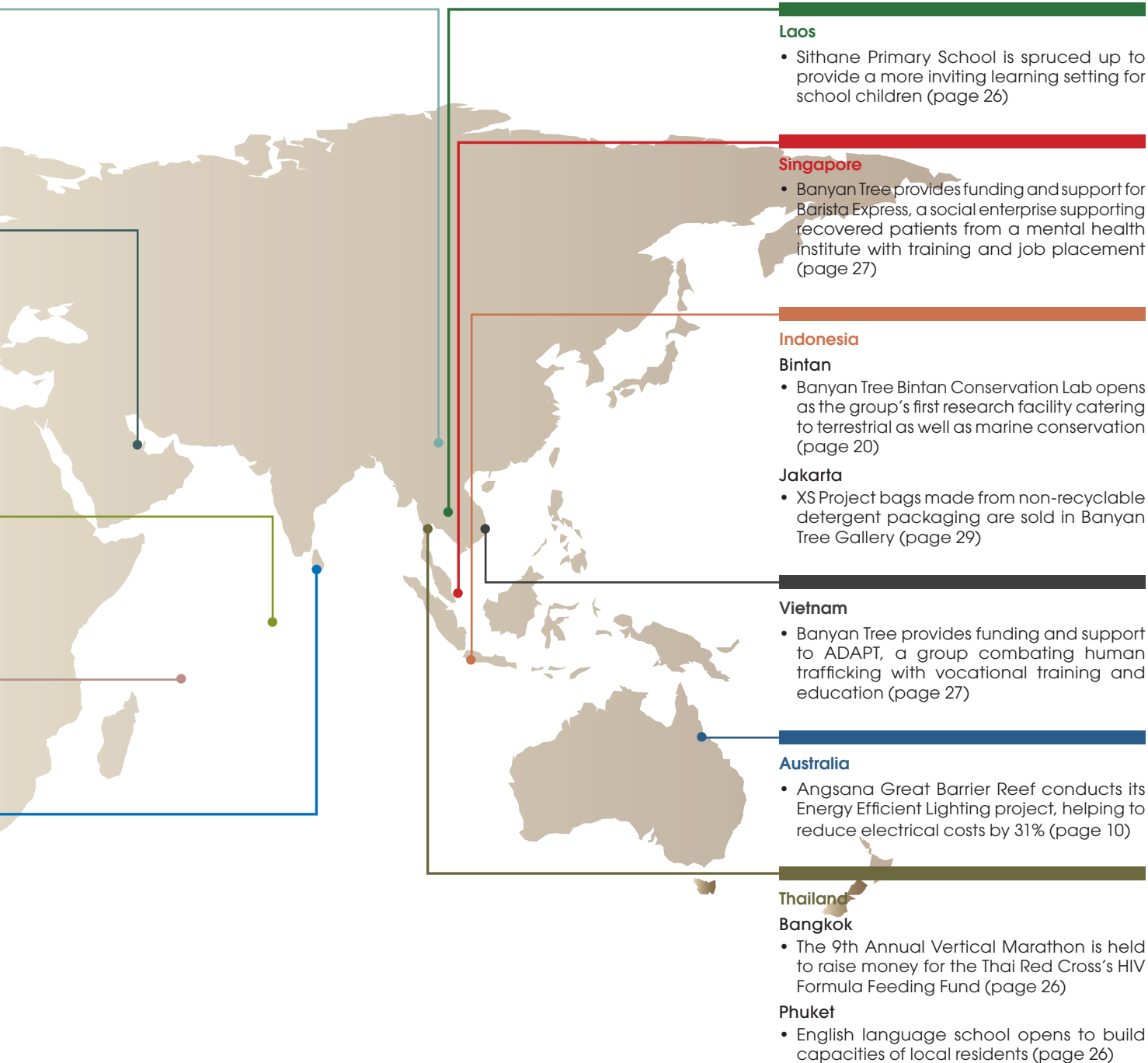
## Sri Lanka

- Namalwewa School Playground is built to provide a safe and inviting place for children to interact and play (page 27)
- Diyabeduma Bridge and bus stop shelters are constructed to support safer travel for communities during monsoon seasons (page 27)

In 2007, our main focus was on launching two group-wide initiatives, **Greening Communities** and **Seedlings**. However, at the same time, we continued conducting resort specific initiatives to address specific issues and needs in the communities where we have a presence.

### Seedlings:

- India – 3 Students, age 17–20
- Seychelles – 3 Students, age 10–12
- Maldives – 3 Students, age 15
- Indonesia – 3 Students, age 12–13
- Thailand –  
Bangkok: 4 Students, age 11–16  
Phuket: 3 Students, age 13



#### Greening Communities:

- China – 388 trees planted
- Seychelles – 300 trees planted
- Maldives – 1000 trees planted
- Laos – 30 trees planted
- Singapore – 1360 trees planted
- Indonesia – 2000 trees planted

- Australia – 2100 trees planted
- Thailand –  
Bangkok: 1500 trees planted  
Phuket: 2800 trees planted



# ANGSANA GREAT BARRIER REEF



Located in Palm Cove, where the Daintree-Cape Tribulation Rainforest meets the grandeur of the Great Barrier Reef, Angsana Resort & Spa Great Barrier Reef is the only resort to boast absolute frontage to the magnificent Coral Sea offering 67 suites available in one, two and three bedroom configurations. The wide array of guest activities reinforces the emphasis on appreciation of culture as well as nature's gifts, including white-water rafting, bungee jumping, tandem skydiving, hot air balloon rides, and the Tjapukai Aboriginal Cultural Park, Australia's most awarded attraction and the only Aboriginal experience providing direct benefit to the local Aboriginal community.

On the Northeast coast of Australia, Angsana Great Barrier Reef is uniquely situated near the Daintree Rainforest and Australia's Great Barrier Reef. The Daintree Rainforest is thought to be over 100million years old, while the Great Barrier Reef is estimated to be 500,000 years old. Both of these long standing centres for biodiversity emphasize the importance of conservation and ecological protection.

Though originally not constructed as an Angsana property, Angsana Great Barrier Reef boasts a unique history supporting sustainable development with a serious concern for the environment. In the mid 1980's the original team designing (then later building the resort) actively engaged the Palm Cove town council to enact guidelines for responsible development. To the town council's credit, it recognised its tourism potential and the coming wave of development, and passed regulations limiting the height of buildings to four storeys, or not higher than the trees. This value and indeed mindful development of the resort made it the ideal property to launch the Angsana brand

in 2000 as a contemporary, chic and vibrant sister brand to Banyan Tree.

In addition to providing guests with numerous opportunities to take in and appreciate the cultural and natural beauty of Palm Cove, Angsana Great Barrier Reef has actively sought to reduce its energy consumption in order to reduce the impacts of its ongoing operations. One of the key initiatives was the Energy Efficient Lighting project launched in 2007.

Reflecting the group wide and global emphasis on reduction of energy consumption, Angsana Great Barrier Reef commenced its efforts to ensure all light bulbs in the resort were converted to energy saving bulbs. The main goals were to reduce the energy consumption and carbon footprint of





Existing 2007	Main Location	Replacement	Wattage % reduction	Qty	Comment
240v 60 watt incandescent	Suites	11 watt compact fluorescent	80%	1,200	Brighter light and longer lasting
12v 50 watt Halogen	Suite bathrooms and public areas	20 watt 12v Halogen	60%	550	Generates less heat and eliminates transformer failures
Par 38 120 watt floodlights	External	Par 38 80 watt floodlights	35%	15	Withstand rainfall
12v 150 watt	Pools	1 watt LED	99.3%	20	No energy lost to heat and longer life

the resort, reduce the time and effort spent on continually replacing incandescent bulbs, and enhance the lighting capacity in guest rooms while reducing overall wattage.

At the same time, Angsana Great Barrier Reef implemented additional energy saving initiatives such as new policies mandating any new air conditioners feature inverter technology as well as raising the thermostat to over 23°C during guest room cleaning and raising the thermostats up to 25°C prior to guest arrival.

With over 95% of the lights replaced, the resort realized a 31% reduction in its electrical bill from the previous year which translated to recovering the cost of over 1,780 longer life and enhanced efficiency bulbs more than two times over in the same year.





## FOCUS AREA: NEW RESORT

### BANYAN TREE DESERT SPA & RESORT AL AREEN



Located in the Kingdom of Bahrain, Banyan Tree Desert Spa & Resort Al Areen is designed to incorporate the essence of Arabia. Each of its 78-luxuriously appointed villas incorporates an intimate fusion of traditional Middle Eastern and contemporary Asian architecture.

Bahrain is generally a flat archipelago, mainly consisting of a low desert plain. Unlike other Banyan Tree resorts in locations such as Indonesia and the Seychelles that are naturally endowed with lush vegetation, Banyan Tree Desert Spa & Resort Al Areen does not enjoy a similar tropical setting.

Yet, every Banyan Tree resort is unique in the way it adapts itself to the architectural heritage and local environment of its setting to create a sense of place. Though this was the Group's first foray into an arid desert environment, Banyan Tree Desert Spa & Resort Al Areen in Bahrain retained its emphasis on seeking to highlight the best of the local environment and culture while promoting and protecting both.

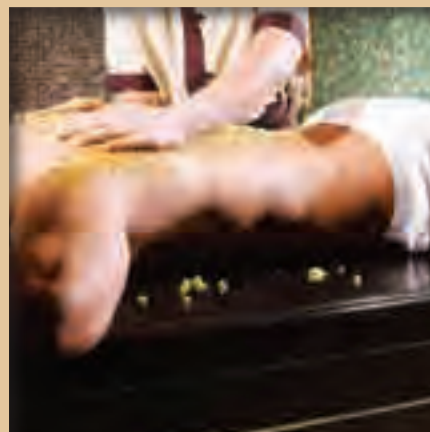
The overall concept of the resort – individual villas laid out spaciouly amid lush landscape – is very much in line with the typical clusters of homes in the area, such that it emulates a typical Arabian village.

The Kingdom of Bahrain is also home to over 300 species of birds, which can be spotted at the Al Areen wildlife park, which is overlooked by the resort. Excursions are also available to the UNESCO World Heritage site of Bahrain Fort, or the Barbar Temple.

As far as possible, the resort engages associates from the local community in Bahrain. The resort's Human Resource team works closely with the local college to promote careers with the resort. One of the top priorities is to inculcate a culture and corporate identity of service across all associates, both achieved via continual investment in training and development of talent from within the company.







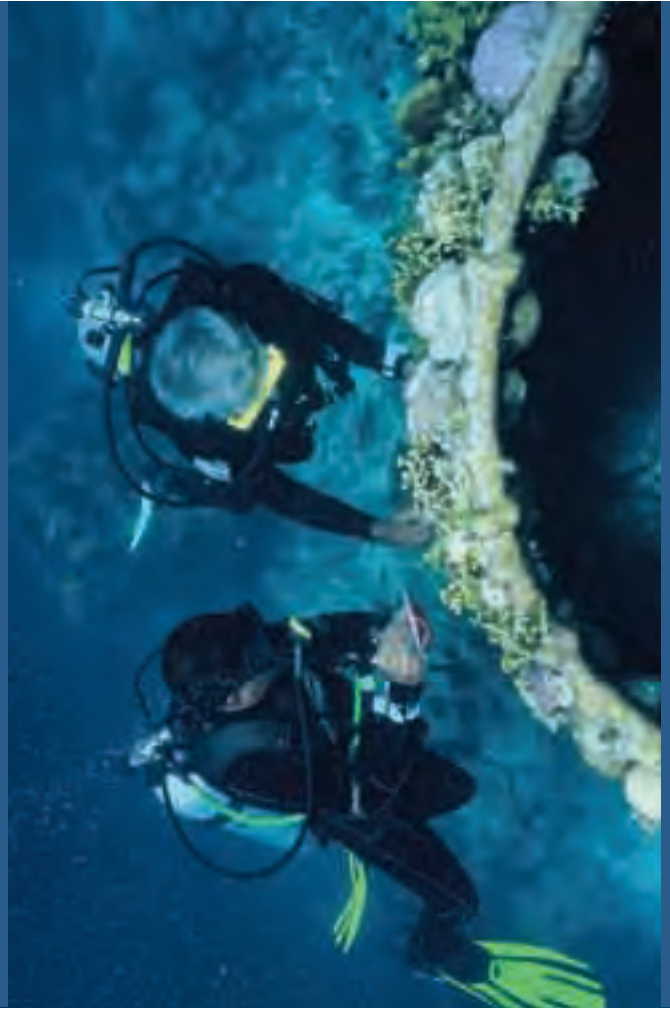
The emphasis on our human capital is the cornerstone of the Banyan Tree Experience

To counter possible challenges faced during recruitment, the resort has an in-house program to reward associates who refer new recruits to the resort, once the latter have been hired and have passed their probationary period.

In addition to that, Banyan Tree was one of the pioneers in Bahrain in terms of providing one of the highest amounts of service charge paid out to associates as a measure of total revenue. By distributing to our associates the full 10% service charge as collected from guests, Banyan Tree Desert Spa & Resort Al Areen was able to reach the highest levels of best practice in Bahrain. Banyan Tree's emphasis on distributing the full amount of service charge is a global effort and is an integral part of the Group's service profit chain philosophy, which recognizes the direct link between overall profitability and associate training, enablement, and satisfaction. In other words, Banyan Tree recognises the critical role of human capital within the overall success of our business.



# BANYAN TREE MADIVARU



Opened in 2007, Banyan Tree Madivaru features six tented pool villas, the first such concept in the Maldives, set amid white sandy beaches, a beautiful shallow lagoon, and breathtaking house reefs. Resort activities offered to guests include regularly scheduled excursions on the Madi yacht for sunset cruises, morning and night fishing, dolphin safari, and manta sighting cruises.

Banyan Tree Madivaru was built without removing large trees and with only the exact footprint of each villa cleared. To avoid the loss of any trees and provide the natural means for absorbing atmospheric carbon, any trees within a villa's planned footprint were transplanted to different areas of the island, usually towards the beach. Transplanting such trees towards the beach also helped reduce the light visible from the ocean thus helping protect the island's status as a natural turtle nesting ground.



All boats at Madivaru have 4-stroke engines that are more environmentally friendly than standard 2-stroke engines which inherently allow fuel to leak via the combustion process. Tended by a team of only 25 multi-talented associates who are expertly trained, the resort is geared for low environmental impact, including the treatment plant for waste from the 6 tented villas.

In April, the Banyan Tree Maldives Marine Lab performed a larger coral reef survey on a portion of the house reef, with the goal of capturing on video the entire circumference of the island. Associates are trained to take measurements using handheld GPS units, under the weekly beach monitoring program. Because Madivaru has a large rocky tide pool containing algae, which is poorly understood in the Maldives, samples are collected and studied from the tide pool for identification.

Permanent transects are laid on the reef in several areas for the conducting of reef surveys using quadrants. These surveys, mostly involving photographs and video, are conducted at least 4 times a year to note changes over time. Small tiles are placed at various locations on the reef, at the permanent transect site, to provide an area for small coral larvae to settle. In the third week of March around the full moon, coral spawning occurs. Four months later, the tiles are collected and bleached and the organisms are counted. The recorded data allows for the monitoring of the health of coral reefs, as part of the long-term study of coral reefs.





Only the exact footprint of the villas was cleared on Madivaru, helping to preserve trees

While the long-term monitoring of the Madivaru environment and support of neighbouring communities is just beginning, Banyan Tree Maldives Marine Lab team has already identified key project areas as:

- Beach monitoring – Madivaru associates have been trained to use handheld GPS systems to take weekly readings and measurements to help monitor beach erosion and sedimentation.
- Tide pools – Studying the contents and unique ecosystem of tide pools in order to better safeguard and protect such habitats.
- Coral reef monitoring – By laying permanent transects on the reef in several areas, the team will be better able to collect solid data to ascertain the well being of the reef while remaining focused on protecting it and promoting increased levels of health for the coral.
- Coral spawning – As part of an ongoing study already underway at sister Banyan Tree and Angsana Maldives locations, the Marine Lab team will also monitor coral spawning to collect data on the health of the reefs and the marine ecosystem supported by the reefs.





## FOCUS AREA: NEW RESORT

### ANGSANA RIADS COLLECTION MOROCCO



Launched in December 2007 and located in the heart of Marrakech, Angsana Riads Collection Morocco features eight carefully restored riads, or traditional Moroccan houses. Also known as “Red City of Al Hamra”, Marrakech beckons visitors with a chance to be immersed in the rich culture. Guests can take part in Moroccan cooking and traditional bread making classes, taking a camel safari, and enjoying sessions sharing the history and origins of shisha.

A trip to Marrakech is not complete without a stay in a traditional Moroccan house, more commonly known as a riad, which means “garden” in Arabic. The traditional Marrakechi riad has an ingenious architectural design conceived not only to temper the extremes of the southern Moroccan climate, notably scorching hot summers and cool winters, but also as a living expression of Islamic faith. Often appearing to be anonymous pise (sun-baked clay bricks) structures from the street, riads typically reveal their design and elegance only once you’ve passed through their solid doors.

By restoring a constellation of the most extraordinary riads in Marrakech, Angsana has undertaken a remarkable act of historical conservation. Angsana riads stand apart from others in Marrakech by offering not only offer a profoundly authentic experience of traditional Moroccan life while also maintaining internationally recognized service standards from highly-trained hotel professionals.

Most riads have few or no exterior windows. Instead, windows and, in the more elaborate riads, balconies, overlook the interior courtyard. In the past, public life was lived on the riad’s rooftop terrace, an open air space where families relaxed and chatted with their neighbours on hot summer nights.

One of the key points of emphasis for Angsana Riads Collection Morocco is to share the beauty and culture of the destination. As a result, riad kitchens are stocked daily with fresh local produce, including bread baked in the wood-burning ovens of local bakeries, and seasonal fruit and vegetables





produced according to the ancient and environmentally-sound methods of traditional Moroccan agriculture.

In addition to the architecture and design of the riads, other complimentary means of sharing the richness of the local culture include traditional bread baking classes, “Shisha” lessons outlining the history and types of “Shisha”, cooking classes specializing in Moroccan cuisine, guided tours of the local markets, and spice tasting sessions. Other activities available to guests include sightseeing by horse drawn carriage, camel safaris, and guided trips to the Sahara Desert and Atlas Mountains.

Even with the focus on preservation and sharing of traditional culture and heritage, Angsana Riads Collection Morocco continues to look for additional partnerships to enhance its ability to deliver benefit to community members while seeking to protect the local environment.





# GREENING COMMUNITIES

“Banyan Tree increased its commitment to tackle the issues of climate change by launching Greening Communities in 2007.”



In 2007, the Intergovernmental Panel on Climate Change (IPCC) released its Fourth Assessment Report (available online at <http://www.ipcc.ch/ipccreports/ar4-syr.htm>), which stated:

“Global GHG (green house gas) emissions due to human activities have grown since pre-industrial times, with an increase of 70% between 1970 and 2004.” (page 36); and

“Most of the observed increase in global average temperatures since the mid-20th century is very likely due to the observed increase in anthropogenic GHG (green house gas) concentrations.” (page 39)

Trees have been recognized as one of nature’s key land based means to absorb, store, and process atmospheric carbon dioxide, which has been identified as one of the main green house contributing to climate change.

Against this backdrop and reflecting our guiding ecological philosophy, Banyan Tree increased its commitment to tackle the issues of climate change by launching Greening Communities in 2007. Banyan Tree’s group wide environmental initiative targeting climate change, Greening Communities challenges our resorts to plant 2,000 new trees per year for the next 10 years. While the initiative will offset a small amount of the globally produced atmospheric carbon dioxide, the main goal is to drive greater awareness of climate change among our communities, associates, and guests.

We started with 7 initial locations in Thailand (Phuket and Bangkok), Indonesia (Bintan), Maldives, Seychelles, China (Lijiang), and Australia (Cairns) in 2007 and will continue

ramping up in the coming years. Resorts were tasked to plant non invasive species on protected locations such as schools or parks where any newly planted trees have a significantly high likelihood of long term longevity.

When carrying out the plantings, our teams engaged community members, guests, and associates in order raise awareness of the issues and potential consequences of climate change. Such more widespread involvement sought to capitalize on the multiplier effect to drive understanding and actions to help reduce the globally collective negative impacts upon our environment. Later in the year two more locations joined to take part Laos (Luang Prabang) and Singapore. While not all participating locations were able to achieve their 2000 tree goal in this first year of the initiative, such locations have committed to make up for any shortfalls with future planting.

Overall, in the first year of Greening Communities, we have collectively planted over 11,600 trees.

- Banyan Tree Phuket – planted a mixture of 2800 Pine and Mangrove trees between April and September 2007.
- Banyan Tree Bintan – planted a mixture of 2000 Sea Almond, Durian, Cashew, Rambutan, Mahoni, Mango, Eugenia Rolyana, and Angsana trees in local schools and villages between April and December 2007.
- Banyan Tree Lijiang – planted a mixture of 388 Cherry & Pear, Apple, Snow Pine, Walnut, and Cypress trees in a new orchard onsite in Banyan Tree Lijiang.





Community tree  
planting sessions raise  
awareness for the issues  
of climate change

- Banyan Tree Vabbinfaru – planted a mixture of 1000 Laburnum, Margosa, Sea Trumpet, Fig, Rain, Tamarind, Ashoka, Casuarina, Jambolan, and Laurelwood trees in Haa Alifu and Haadhaalu Atolls on Earth Day, along with 2000 other plants.
- Banyan Tree Seychelles – planted 300 Veloutier trees along the beach line near the resort in the Summer of 2007.
- Banyan Tree Bangkok – planted a mixture of 1500 Wide Mango and Lumpoon trees in Kanchanaburi and Chalermprakiat School in the fall of 2007.
- Angsana Great Barrier Reef – planted a mixture of 2100 various native Australian rainforest palms and trees

including Red Cedar and Sasparilla trees in North Queensland Daintree Rainforest from Earth Day to December 2007 in partnership with the Australian Rainforest Foundation.

- Maison Souvannaphoum Hotel by Colours of Angsana – planted 30 Flame of the Forest trees in KuangSi Forest reserve in June 2007.
- Banyan Tree Headquarters, Singapore – planted a mixture of 988 diphocarp trees in Yishun Park in partnership with National Parks Board, and 500 various species trees as a part of the Burned Trees Exhibition started in April 2007.



# BANYAN TREE BINTAN CONSERVATION LAB



Launched in February 2007, the Banyan Tree Bintan Conservation Lab was the Group's first research facility catering to terrestrial conservation, in addition to its focus on marine conservation. The Lab seeks to raise international awareness of the importance of Indonesia's biodiversity, which is at risk due to unsustainable development practices causing habitat destruction. By focusing on three main aspects of research, education and outreach, the Lab can host visiting scientists and other experts to research as well as implement strategies to promote ecologically sustainable social and economic development.

By the time the Lab finished construction and held a small opening celebration in fall of 2007, it had already hosted a number of studies which were also catalysts to sharing environmental and social practices with guests, associates and communities.

### Reptile and Amphibian Survey

In April 2007, the Lab welcomed its first visiting expert, Dr Graeme Gillespie, Director Wildlife Conservation & Science for Australia's Zoos Victoria. A noted Herpetologist (expert for amphibians and reptiles), Dr Gillespie spent 2 weeks conducting surveys to establish a baseline of reptile and amphibian species within the expansive resort grounds of Banyan Tree and Angsana Bintan.

### Coral Survey

In July 2007, the Conservation Lab welcomed Professor Chou Loke Ming from the National University of Singapore's Marine Biology faculty to conduct surveys to assess the health of the coral reefs in Bintan. This was a unique opportunity as

Prof Chou is a highly regarded marine expert who also conducted some of the initial reef surveys before the development of Banyan Tree and Angsana Bintan. The survey identified a number of points of collaboration to protect and promote coral growth, with a number of these projects being developed for implementation in 2008 and beyond.

### Butterfly and Bird Survey

In the Fall of 2007, the Conservation Lab hosted a visiting expert from National University Singapore to conduct surveys on birds and butterflies on Bintan. Such surveys helped the Lab enhance its understanding of the local ecology and how to protect and enhance the health of such eco systems.

### Land Turtle Survey

In October 2007, the Conservation Lab hosted the Asian Turtle Foundation to carry out surveys and studies on land turtles along the northern coast of Bintan. This partnership helped identify new methods for the Lab to protect the Asian Box turtles making their homes in the area while also providing more detailed information for guests to share the importance of both land and marine conservation.

As a result of the surveys and partnerships listed above, experts have discovered 60 species of birds in the resort, of which 15 were listed as protected species; while 40 species of reptiles and amphibians were identified in resort and surrounding area, including two freshwater turtle species listed as vulnerable and endangered by the World Conservation Union (IUCN). Research is ongoing, and further projects and partnerships are being developed to enhance the ability of the resorts to protect and promote the local ecology.



### EARTH DAY RESOURCE CONSERVATION



#### Earth Day

Banyan Tree marked Earth Day 2007 with celebrations at resorts as well as special Earth Day themed guest activities offered online when guests made a booking.

Banyan Tree Phuket offered a day trip snorkelling to Koh Kai Nok including lessons and marine life briefing to help guests identify the coral and fish they see. Bintan offered guided tree trail hikes, coral snorkelling excursions, bird watching sessions, and guided hikes through wilderness areas. Birdwatching was also an option in Seychelles, with other offerings including guided trips through the wetlands areas, and excursions to the Vallee de Mai World Heritage Site. In the Maldives, guests could choose from guided night or dawn snorkelling sessions, the opportunity to plant coral, marine conservation courses including a grand tour of all of the Marine Lab's projects, an introductory course on internationally recognized reef survey techniques including a trip to an outlying coral reef for surveying, planting coconut palm trees, dolphin cruises with the resort marine biologist, and a craft sessions making nesting boxes to encourage birds to nest on the island.

In Ringha, guests could choose from a variety of treks all ending with a tree planting session along the Shu Du Gang River. Lijiang also offered treks to Jade Dragon Snow Mountain, Glacier Park as well as a tour of Old Town Lijiang to see the ingenious system of natural irrigation. Deer Park Hotel rounded out the offerings with tours to see elephants in Minneriya Park, special couple's massages featuring natural ingredients, guided bird watching sessions, nature walks, and a tour to the Sigiriya UNESCO World Heritage Site.

#### Conservation of natural resources

In 2007, Banyan Tree launched a group wide effort to monitor and systematically reduce the carbon emissions from its resorts. While much of this effort was more internally focused to fine tune and enhance the overall environmental management strategy, this effort has lead to a programme launching in 2008 to reduce energy and water consumption by each resort while enhancing waste management practices at each location. The overall goal is to reduce consumption and carbon emissions by 10% every year from 2006 levels between 2008 and 2010.

Formalised in the last part of 2007, the group environmental management strategy requires each resort to have environmental management officers specifically to monitor power consumption, water consumption and waste production and reduce consumption by at least 10% every year.

Two key trials for reduction of energy use were conducted by Banyan Tree Bintan and Angsana Great Barrier Reef:

Bintan conducted various conservation efforts for guest villas and back of house areas to reduce electrical consumption without creating any reduction in the quality of the guest experience. Initial testing featured air conditioners linked to water heaters as well as default air conditioner thermostats raised to 25° C, and revealed a savings of 8.5% of overall electrical consumption for three months despite increased occupancy rates from the year before.

Angsana Great Barrier Reef commenced a program to convert all lights to energy saving bulbs. Combined with the practices of raising the thermostat to 23 to 25° C during daily housekeeping visits and mandating new air conditioners to use inverter technology, the initiative reduced the annual electrical cost by 31% from the previous year.



### LOCATION SPECIFIC INITIATIVES

“Our resorts continue to conduct projects aimed at environmental issues and needs more specific to each location.”



In addition to the group wide efforts seeking to embrace the environment through Greening Communities, the effort to reduce consumption of natural resources, and observing and celebrating Earth Day, our resorts continue to conduct projects aimed at environmental needs and issues more specific to each location. Projects conducted in Bintan are not included here as the Banyan Tree Bintan Conservation Lab (page 21 of this report) manages those efforts.

#### Maldives

##### Mass fish deaths – Vabbinfaru, Ihuru, Velavaru

In response to an observed widespread mortality of reef fish (in particular juvenile *Odonus niger*) thought to be caused by harmful microalgae, Banyan Tree Maldives Marine Lab partnered with the Marine Research Centre, to fly in Dr. Jacob Larsen, an expert from IOC Science and Communication Centre on Harmful Algae, University of Copenhagen, Denmark. The team established testing which revealed that while there was harmful algae, it was not abundant enough to cause the widespread fish deaths. While the project did rule out a harmful algal bloom, it unfortunately was unable to determine the exact cause. Dr. Larsen's visit did however raise awareness and introduced new field of study to the Maldives as well as introducing a new set of data to monitor the overall health of the marine environment, helping to build the capacities of marine biologists throughout the Maldives.

##### Hosting school field trips - Vabbinfaru, Ihuru, Velavaru

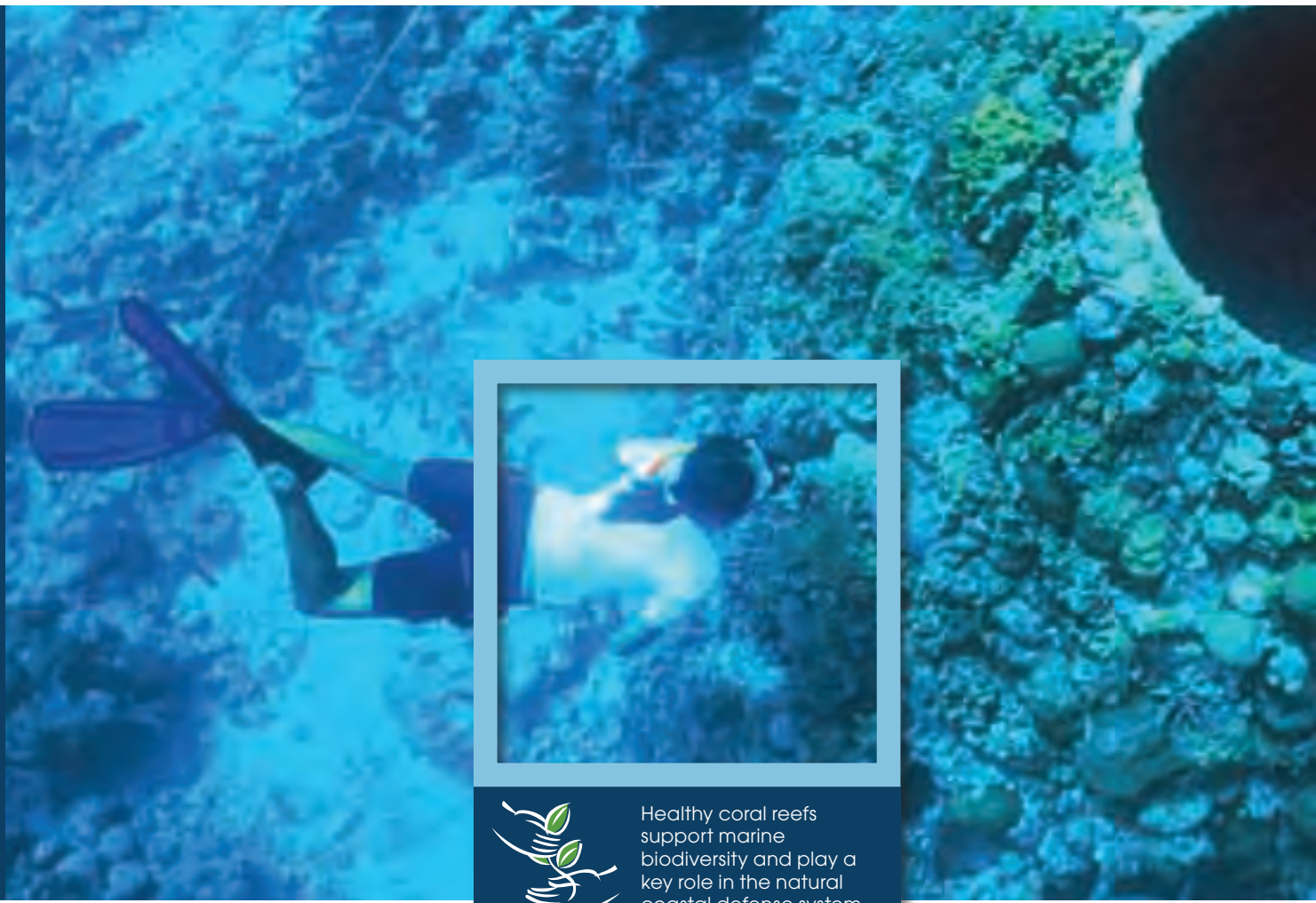
Since its founding, the Maldives Marine Lab has hosted groups of school children from local communities for hands on marine conservation sessions. As children from the local schools are

the future guardians of the local marine environment, it is vital to arouse awareness and interest in conservation. Both of Banyan Tree's Maldives Marine Labs (on Vabbinfaru and on Velavaru) continued hosting school groups throughout the year.

##### Turtles – Vabbinfaru, Ihuru, Velavaru

The Turtle Head Start project continued on Vabbinfaru and Ihuru to raise another batch of young turtles until they are ready for release, large enough (at 12-18 inches in length) to stand strong likelihoods of surviving into reproductive maturity. On Velavaru, the Turtle Head Start project has not been implemented, rather the Marine Lab team protects and monitors all nesting activity on Velavaru's natural turtle nesting grounds. Data collection in Velavaru is standardized with the data collected in Vabbinfaru and Ihuru to provide as much useful data as possible to the scientific community.





Healthy coral reefs support marine biodiversity and play a key role in the natural coastal defense system.

#### **Coral transplantation – Vabbinfaru, Ihuru, Velavaru**

Coral transplantation has a long and successful history on Vabbinfaru and Ihuru, where live broken coral fragments were collected and replanted in the reefs to allow the coral to survive. In many cases, coral transplantation is commonly used to populate artificial coral reefs such as the Vabbinfaru Lotus and the Ihuru Barnacle and Necklace. In Velavaru, artificial coral gardens continued to be planted in 2007, including:

“Logo” and “Pentagon”, two cement based coral gardens in the shape of an Angsana logo and a pentagon, respectively, close to the arrival jetty.

“Ashi” and “Goshi”, steel structures in the shape of a local version of a bench and volcanic cone to attach coral.

“Baby Giri” and “Velavaru Giri”, small cement based coral gardens, one located by Goshi and the other in the lagoon right in front of Funa restaurant.

#### **Soft coral transplantation – Velavaru**

Extremely popular with recreational divers because of their exquisite beauty but generally uncommon in the Maldives, soft corals (Octocorallia, Alcyonacea) are among components of a reef communities. In March 2007, the Marine Lab on Velavaru tested soft coral transplantation, a technique proven successful in Indonesia. This testing will help raise awareness for coral issues as well as testing new options to take coral regrowth to a new level in the Maldives.

#### **Monthly reef and lagoon cleaning – Vabbinfaru, Ihuru, Velavaru**

Since the opening of the Marine Labs on both Vabbinfaru and Velavaru, the Lab teams have organized associates

to conduct monthly reef cleaning sessions to remove any wayward litter from the reefs. Helping reduce the danger to fish, turtles, birds and other marine life, these reef cleaning sessions are open to guests and include awareness session relating the danger of pollution to marine life.

#### **Seychelles**

Banyan Tree Seychelles celebrated World Wetlands Day on 2 February 2007 to raise awareness of the value and importance of wetlands, a vital part of the natural coastal defense system. To celebrate, 70 primary and secondary school students participated in guided tours of the local wetlands provided by the Seychelles Ministry of Environment Wetlands Unit, followed by a cleanup effort removing trash and invasive species of plants from the wetlands. To help sustain the message throughout the year, similar wetlands talks and clean up days were conducted every quarter to bring together students, resort associates, guests, and local authorities to support the health of the wetlands and raise awareness.

#### **Singapore**

In more urban environments such as Singapore, resource consumption can often be seen as less tied to its environmental effects. In July 2007, Banyan Tree’s Singapore office embarked upon an awareness raising campaign to reduce the office’s electrical consumption. By sharing the effects of the collective consumption and highlighting simple practices to reduce workplace energy consumption, the Singapore office was able to reduce electrical consumption by 6% over the last four months, compared with the same period a year earlier.



# SEEDLINGS

“Harnessing Banyan Tree core competencies to build capacities of young adults within host communities.”



In 2007, Banyan Tree launched Seedlings, a group wide initiative to support communities by building capacities of young people. A concerted effort to harness Banyan Tree's core competencies to support enhanced long term prosperity within communities, Seedlings aims to guide youths at risk of societal exclusion to achieve what may have otherwise remained beyond their means. The effort starts with mentorship, continues with scholarship, and completes with internship as a means to provide young adults with the motivation and means to complete their education and successfully enter the labour force as adults.

### Mentorship

Teenage years are often filled with choices which, without the wisdom of adult experience guiding us, could compromise future potential. Consequences of such decisions are compounded when they compromise one's education. The first phase of the programme mobilises associates from Banyan Tree resorts to inspire youths between the age of 12 and 18 to achieve what previously might have been beyond their means by helping to reflect the global choices available in the global economy. To effectively mentor youths, associates from Banyan Tree resorts undergo training conducted by the University of Wales which has facilitated national mentoring schemes in over five countries.

### Scholarship

Banyan Tree considers education a key enabler and one of the most effective means to enhance long term communal prosperity. However, in many developing economies, the cost for schooling may not be within the reach of all families. In these cases where primary and secondary educations are luxuries, the second phase of Seedlings offers scholarships to youths who would otherwise not be able to afford continuing their education.





Bintan's Seedlings participants with their respective mentors from Banyan Tree and Angsana Bintan

## Internship

Upon completion of school, and when a child has become a young adult ready to enter the labour force, securing that first job can remain a significant obstacle due to a lack of work experience. At the same time, resorts, especially those in developing regions, need to be expert in various industry segments including housekeeping, culinary presentation, engineering and maintenance, information technology, front line customer service, marketing, procurement, security and landscape architecture. Through the third phase of the Seedlings initiative, optional paid two-year internships will provide job training and valuable work experience in the participating resort's operational areas.

With the launch in 2007, Seedlings has immediately begun offering mentorship and scholarships:

- Phuket, Thailand – 3 students, all 13 years old
- Bintan, Indonesia – 3 students, all 12–13 years old
- Maldives – 3 students, all 15 years old
- Seychelles – 3 students, all 10–12 years old
- Bangkok, Thailand – 4 students, 11–16 years old
- Yunnan, China – 2 students, 14–15 years old
- Cochin, India – 3 students, 17–20 years old



### LOCATION SPECIFIC INITIATIVES

“In addition to the group-wide Seedlings effort to build capacities of local youths, we also continue to conduct projects aimed at more specific issues and needs within the local communities supporting each resort.”



#### Thailand

**Vertical Marathon** – In September 2007, Banyan Tree Bangkok hosted the 9th Annual Vertical Marathon to raise funds for the Thai Red Cross's HIV Formula Feeding Fund. In the 9th years, the project has raised THB1.5million (US\$40,000) to support HIV positive children.

**English Language Centre** – In addition to its annual projects supporting local community celebrations, Laguna Phuket also established a Community English Language Centre in 2007. This facility provides launched English language training centre for the community members to help build capacities of local residents allowing them to better benefit and take part in the local tourism economy.

#### Maldives

**Feydhoo pre-school** – In collaboration with the Feydhoo Island Women's Committee, Banyan Tree helped establish and develop a pre-school on Feydhoo island. By building to the specifications of the local community and educational board requirements, Banyan Tree was able to provide a model facility to support education on Feydhoo. After building the school, Banyan Tree also provided necessary teaching and school administrative equipment.

**English teacher for local schools Velavaru** – Angsana Velavaru supported additional training for English teachers in three schools to help local students learn English. In the Maldives, classes for secondary schools and above are taught in English, hence the importance of good English teachers.

#### Bintan, Indonesia

**Malaria and Dengue awareness** – In many tropical locations, mosquito borne diseases such as Dengue and Malaria can have large impacts upon communal health, while vigilance and awareness can significantly reduce such illnesses. In the summer of 2007, the Bintan Conservation Lab welcomed experts from the National University of Singapore's Medical School to conduct free screenings and awareness sessions for local communities.

**Kampung Bahru recycling** – Banyan Tree and Angsana Bintan resorts provide their recyclables at a very minimal sum to a local village entrepreneur who then takes those items to the recycling centre, earning a significant profit. Any funds the resort collects through this are earmarked to invest back into that very same community for various health, education, and capacity building efforts.

#### Seychelles

**The Children's House** – Supporting 65 children between the ages of 2 to 7 years, The Children's House, Bel Air, is the only Montessori preschool in Seychelles. Banyan Tree built capacities for two teachers by funding distance learning courses to upgrade teaching skills.

#### Laos

**Sithane Primary School** – Maison Souvannaphoum Hotel by Colours of Angsana improved the infrastructure of the Sithane primary school to provide a more conducive learning environment. Hotel associates repaired classroom ceilings, painted walls and doors, planted trees, repaired the school's fence, and shared health and hygiene techniques





with administrators. The hotel exhibited artworks sharing the local culture, with any sales benefiting the school.

**Luang Prabang University** – Maison Souvannaphoum Hotel by Colours of Angsana also donated five new computer systems to Luang Prabang University providing additional computing resources for students.

### Sri Lanka

**Diyabeduma Bridge & bus stop shelters** – Deer Park Hotel by Colours of Angsana funded the construction of the Diyabeduma Bridge to allow children a safe way to go between school and home during the rainy season. Previously, during the river's high water periods, children would stay home or attempt unsafe crossing by logs. Deer Park Hotel also installed bus stop shelters to enhance the safety of the rural transport during the rainy seasons.

**Namalwewa School Playground** – In support of the nearby Namalwewa School, Deer Park Hotel funded the construction of a playground for over 100 students to enhance the children's interpersonal skills while also having fun and getting exercise.

### China

**Walk for Chalk 2007** – For the second year in a row, Banyan Tree supported the Walk for Chalk in support of the Chi Heng Foundation's AIDS Orphans project. HIV/AIDS has impacted rural China when parents donating blood contracted HIV/AIDS from dirty needle handling practices. Once again exceeding its target, Walk for Chalk 2007 raised HK\$2.1 million (about US\$273,000), all of which will be used to educate and assist children impacted by AIDS in China.

**Cultural filming** – Banyan Tree collaborated with a film producer to fund and support the preservation of the cultural beauty and elegance of Yunnan. By sharing this unique allure, the project raised awareness of the enchanting yet possibly fragile traditional cultures of the area.

**Wen Hai Primary** – Starting in 2006 with the construction of a reservoir system providing access to water over 3km away, Banyan Tree has continued supporting Wen Hai Primary School by donating books and educational materials for the library.

**University scholarships** – Banyan Tree has continued its scholarships offered to Yunnan University's School of Tourism Culture where in 2007, three students were under scholarship. Additionally, Banyan Tree supports a local student at Kunming University.

### Vietnam

**ADAPT** – A non profit, ADAPT engages communities and relies upon vocational training, education, and job placement to fight the trafficking of young women and girls along the Cambodia/Vietnam border. Banyan Tree provided funding and is also working to enhance its support of the group and its cause.

### Singapore

**Barista Express** – A social enterprise providing job training and placement for recovered Institute of Mental Health patients, Barista Express is a coffee house in the central business district which also addresses a social need. Banyan Tree provided funding while also driving additional support for Barista Express.



### BANYAN TREE GALLERY



As the Group's retail arm, Banyan Tree Gallery is an extension of the Banyan Tree Experience – to enable guests to recreate their resort experience in their own homes. In addition to showcasing indigenous local culture and crafts, other key merchandise highlights include the signature spa amenities, Asian-style home furnishings, eco-friendly products, resort apparel and accessories. Banyan Tree Gallery is based on the vision to preserve and promote traditional craft skills from the local communities where Banyan Tree resorts operate. Sustaining village development as well as preserving and promoting traditional cultures and crafts are part of Banyan Tree Gallery's business ethos as a socially responsible tourism retailer while also being in line with the Group's CSR mission to "Embrace the Environment, Empower People".



By embarking on projects to uplift communities, Banyan Tree Gallery has established a wide network of village producers and project partners around the region. Committed to sharing and supporting community-friendly and eco-friendly products and projects, Banyan Tree Gallery relies upon its global network of over 65 outlets worldwide to showcase traditional Asian village crafts.

Acting as a marketing platform for the cultures and crafts of these destinations, Banyan Tree Gallery has also developed exclusive product merchandise inspired by the local cultures and destinations. In 2007, Banyan Tree Gallery continued its efforts.

#### Maldives

Banyan Tree Gallery partnered with Creative Arts and Crafts, a non-profit organization seeking to give Maldivian youths the opportunity to participate in traditional handicrafts reflecting and protecting the local culture and heritage while also earning additional income. Banyan Tree featured the group's traditional handicrafts such as wooden boats for sale in its Galleries worldwide in 2007.

#### Philippines

In 2007, Banyan Tree Gallery introduced a line of bags from Diwang Ethics, a village group of weavers in Philippines. Showcasing an ingenious alignment of expert handicraft and environmental focus, this product line uses old newspapers to create bags and other lifestyle accessories.



Banyan Tree Gallery links vanishing trades and community crafts with a wider global marketplace

## Indonesia

Founded by the concept of providing jobs for those with few income opportunities, XS Project works with low income trash pickers in Jakarta, Indonesia to provide additional income by purchasing specific trash items which can be created into eye catching and useful products. One of the most recognisable product lines takes non-recyclable used detergent packaging and transforms them into bags, folders, and other stationery items. An impressive effect of this effort has been that households in parts of Jakarta have stopped putting the empty detergent packaging in the trash, choosing to save and give it to the people who used to sift through piles of garbage to dig such them out. Banyan Tree Gallery started carrying a range of these products in 2007.

## Thailand

Focusing on supporting children and mothers in Sangklaburi, Thailand, Baan Unrak is a non-government community development project founded in 1991. Initially a children's home, Baan Unrak expanded to support women as many children were given to the home by abandoned women in the communities because they had very limited income opportunities. From 1998 to 2005, Banyan Tree supported the effort by funding multiple rounds of construction for Baan Unrak Primary School and also helping to support the development of a sewing and weaving centre. In 2007 Banyan Tree Gallery began carrying a line of Baan Unrak produced cotton apparel in its Galleries across the globe.

## India

Central Cottage Industries Emporium in Bangalore, India, is a government supported store which has cottage crafts as well traditional crafts from India since 1948. In 2007 Banyan Tree Gallery began featuring a line of craft items reflecting the rich cultural heritage of India.





# ASSOCIATES



### Banyan Tree Spa Academy

In 2001, Banyan Tree launched the Banyan Tree Spa Academy in Phuket to train a dedicated group of therapists for both Banyan Tree and Angsana Spas as well as to spearhead ongoing research into new treatments, techniques and ingredients. Accredited by Thailand's Ministry of Education, the training programme encompasses all areas of spa therapy, including knowledge of the human anatomy and important pressure points, modern and traditional massage techniques, variation of body weight for different techniques, knowledge of skin epidermis and facial applications, properties of different herbs and spices, preparation of spa ingredients, setting up of treatment rooms and spa pavilions, and standard greeting procedures.



### Lijiang Campus

In mid 2007, we launched Banyan Tree Lijiang Spa Academy, our first training facility for Chinese spa therapists. By training Spa Therapists from China, the Banyan Tree Lijiang Spa Academy aims to secure a dedicated supply of talented candidates well-versed to deliver the high service standards of the Banyan Tree Experience. Located in a custom-built compound located in Lijiang, Yunnan, where students undergo a rigorous training curriculum adapted to Chinese spa requirements, the Academy was established to help to support our continued growth in China and beyond.

Fresh trainees are recruited from within China to undergo a pre-training 48-hour curriculum. Once the recruits are familiar with grooming standards, basic anatomy and physiology, and product knowledge they are committed to undergo about 480 hours of training over three months. Key elements that are essential in identifying recruits include enthusiasm, nurturing qualities, empathy and a keen interest to develop one's potential with the company. Banyan Tree Spa rewards and retains its most promising recruits by offering extensive opportunities to further their career to the highest levels.





## Lifestyles presentations

In mid 2007, Banyan Tree and Angsana Bintan pioneered a programme of monthly presentations exploring a variety of topics to help enhance our associates' overall understanding of key and current topics. Including such topics as breast cancer, road safety, nutrition, environmental issues, hepatitis, and sexually transmitted diseases, these sessions were presented by local Indonesian experts to help enhance the relevance, understanding, and overall benefit delivered to associates.

The Lifestyles Talks launched with breast cancer in late June and featured 2 speakers, a famous Indonesian actress who survived breast cancer and a highly regarded doctor from Jakarta. Together they were able to share the issues and help make them relevant to the Banyan Tree Bintan and Angsana Bintan associates who are predominantly Indonesian.

These sessions were so well received by associates that Banyan Tree Bintan is sharing the efforts with our other properties to help extend the overall awareness and understanding of associates in all Banyan Tree locations.

## Work Life Balance

As a values-based company, Banyan Tree has always defined its overall success as a combination of financial, social and environmental performance. An extension of this

triple bottom line concept of success is Banyan Tree's belief in the service profit chain, where our overall profitability is directly linked to our ability to enable our associates with the right skills and tools allowing them to succeed as we also drive workplace satisfaction. In other words, we recognize the importance of Human Capital in delivering the Banyan Tree Experience to our guests.

In 2007, Banyan Tree embarked upon an effort to enhance the work life balance as a means to contribute to workplace satisfaction for our associates via the enhancement of overall life satisfaction. Some initiatives being tested include flexible hours to help fit the needs for associates as they enter the different stages of life. For example, part time positions were offered to new mothers who wanted to return to the workplace after their maternity.

Other policies which seek to retain talent by allowing associates to find their optimal balance between work and life include a high degree of emphasis on training and continued education, and granting of paid sabbatical leave to allow associates to spend time following their other passions to enable them to return with a rekindled passion for Banyan Tree's values and mission. In either case, when an associate experiences fulfilment at home and fulfilment at work, we recognize this as the optimal situation translating to an enhanced guest experience.

## UNITED NATIONS GLOBAL COMPACT



Banyan Tree supports the Global Compact and seeks to be an agent of sustainable social and economic development

As a signatory to the United Nations Global Compact, Banyan Tree is committed to upholding the Global Compact's Ten Universal Principles on human rights, labour, the environment and anti-corruption.

### Human rights

Banyan Tree wholeheartedly seeks to safeguard basic human rights and promote prosperity. Through our business practices, we seek to uphold the dignity of our associates, guests, and lives we touch. This is evidenced by our efforts to build capacities for not only our associates, but also for the communities where we have a presence.

### Labour

An extension of each individual's right to dignity, we recognize the freedom of association and right to collective bargaining within the labour force. We welcome such interaction as a means of collaborative engagement between management and unions. We also strongly believe in the synergy of an engaging workplace where our associates enjoy contributing to the best of their abilities amid a merit based system for advancement, as evidenced by our efforts to inspire a fulfilling work life balance. We respect and actively enforce age requirements for our associates while simultaneously providing support for children to continue their educations through our group wide Seedlings initiative.

### Environment

Ever since its founding, Banyan Tree has been an avid advocate for greater environmental responsibility. We have implemented numerous initiatives to support and instil environmental awareness among our associates, our guests, and the local communities supporting our resorts. We have retained a heavy emphasis on finding and supporting new and existing techniques and practices where environmental and economic and social objectives are aligned.

### Anti-corruption

As a publicly traded company, our Board of Directors and Management team are both committed to maintaining the highest standards of corporate governance based on the recommendations of the Code of Corporate Governance. We are continually seeking to enhance our corporate transparency to reinforce our accountability to all our stakeholders.

## CSR COMMITTEE



### CSR Executive Committee

In 2007, Banyan Tree established its CSR Executive Committee as a means to continue strengthening the responsible business core value while streamlining the processes and policies to ensure that focus remains institutionalised within Banyan Tree. This CSR Executive Committee includes:

Ms Claire Chiang, Singapore  
Mr Eddy See, Singapore  
Mr Michael Kwee, Singapore  
Ms Shirley Tan, Singapore  
Mr Francois Huet, Thailand  
Mr David Campion, Thailand

The CSR Executive Committee outlines the strategy and directions of the group effort while oversees the allocation of funds while helping to guide the overall Banyan Tree CSR General Committee.

### CSR General Committee

Established in 2004, the Banyan Tree CSR General Committee is made up of all General Managers from each resort and key members of that resort's management team. The CSR General Committee functions as the network to share best practices and experiences while working towards fulfilling the CSR Executive Committee's guided directions. The General Committee is key to ensuring all group projects are implemented as relevantly as possible to allow the intended benefits to be delivered to the local community or local environment. General Committee members also help identify resort specific projects.





## GOVERNANCE



### Green Imperative Fund

In 2001, Banyan Tree set up the Green Imperative Fund (GIF) to continue formalizing its corporate social responsibility efforts. The GIF aims to widen the reach and effectiveness of the company's efforts by providing critical financial support to worthy environmental action and community based projects where Banyan Tree has a presence.

#### GIF mechanism

At Banyan Tree properties, every guest is invited to be a supporting partner through a small contribution of US\$2 per room night, under an "opt-out" arrangement. At Angsana and Colours of Angsana properties, the amount is US\$1 per room per night. Banyan Tree then matches these guest contributions, dollar for dollar, to develop the GIF.

To additionally link the performance of the resorts with contributions to the GIF, the resorts seek to maintain a contribution level of at least 1% of its profit from each resort. Combined with the mechanisms to match each guest's US\$2/US\$1 per room per night, the level of the resort's contribution will at times exceed the combined guest contribution to the GIF.

### Merging of Tsunami Recovery Funds and Green Imperative Fund

Launched in early January 2005, the Asian Tsunami Recovery Fund (ATRF) and the Phuket Tsunami Recovery Fund (PTRF) were chartered to help fund the long term recovery and

rehabilitation of tsunami affected areas. As the focus shifted away from immediate relief and to long term recovery and capacity building within communities over time, both the ATRF and PTRF were becoming increasingly aligned with the GIF's overall mission to "Embrace the Environment and Empower People". At the same time, worthy projects were no longer held against the somewhat arbitrary judgment criteria of if the location was damaged by the tsunamis.

In March 2007, the ATRF, PTRF and GIF were combined to create an overall Banyan Tree CSR Fund whose mission remained to provide critical funding in support of environmental protection and communal prosperity. To that extent, the GIF is now the funding raising mechanism mobilizing Banyan Tree to match our guests contributions based on room nights and maintain at least 1% of our profits are set aside for such environmental and community projects.

#### Eligibility

Projects eligible for funding are those which support communities or environmental issues around the group's properties. A maximum of 20 percent of the expense can be used for administrative purposes, while the bulk of the funding must directly support the beneficiaries.



## External review

Having reviewed our fund collection and allocation since 2005, Ernst & Young has agreed to the accuracy of the statements of account:

	Through FY 2006 USD\$	FY 2007 USD\$	Cumulative USD\$
<b>Contributions</b>			
Hotel guests	857,090	284,072	1,141,162
Hotel and resorts	984,556	294,553	1,279,109
Employee	107,692	-	107,692
Others	978,478	250	978,728
<b>Total contribution</b>	<b>2,927,816</b>	<b>578,875</b>	<b>3,506,691</b>
<b>Other income</b>			
Bank interest	-	4,710	4,710
<b>Expenses</b>			
Project related	847,553	372,565	1,220,129
General and administration	95,240	87,855	183,095
<b>Total expenses</b>	<b>942,793</b>	<b>460,431</b>	<b>1,403,224</b>
<b>Surplus</b>	<b>1,985,023</b>	<b>123,154</b>	<b>2,108,177</b>



# FUTURE DIRECTIONS



Banyan Tree is committed to unlocking long term value for all stakeholders, big and small

In 2007 Banyan Tree launched three key group wide initiatives, Seedlings, Greening Communities, and Conservation of natural resources. While we were excited about these being long term efforts to build capacities within communities, to raise awareness for the issues of climate change, and to reduce the environmental impacts of our operations, these efforts continue to expand and improve.

## Seedlings

To launch the programme we included 8 participating properties with each property supporting 2-4 children each via mentorships and scholarships. To make this a truly group wide initiative, we will increase the number of participating resorts. At the same time, we are aiming to increase the number of children being mentored and under scholarship, especially as we add another year of intakes for the programme. As we ramp up we are preparing the final stage of the initiative, the paid internships for students who have completed at least secondary school and have become responsible adults able to make the informed decision to enter the workforce.

## Greening Communities

By our first year, 7 resorts participated aiming to plant 2000 trees in 2007. Our grand total of trees planted fell about 2500 trees short of the 14,000 tree total originally targeted. As a protected forest already carrying the message of conservation, the Daintree Forest near Angsana Great Barrier Reef has been selected as the ideal location to plant the remaining number of trees to remain on track for 2000 trees per year per resort starting in 2007. Additionally, more properties will be involved to help this project achieve the group wide status we envisioned.

## Conservation of natural resources

We have implemented the policies and procedures to allow our properties to measure, monitor, and ultimately achieve their target of reducing electrical consumption and water consumption each by 10% per year per resort for each of the next three years. Such measurements will allow us to share in more complete detail, the environmental impacts of the operation of our resorts. The initial step is to provide a more comprehensive sharing of this data, with the long term goal of securing third party assessment and verification of the data.

## Other directions

We hope to test various new techniques of small scale sustainable agriculture with the aim of creating entrepreneurial grants for local community members that will achieve the triple goal of creating additional sources of income, driving enhanced health and nutrition, and reducing the environmental impacts of imported fresh food.

In this second year of publishing a Sustainability Report, we recognize we have many opportunities to improve and enhance this reporting. While 2007 was a big step for our Sustainability Report as we distributed it together with our Annual Report, we are working to enhance our sustainability reporting.

## Location specific projects

We also seek to continue the individual projects conducted at each property. In 2007 we were excited to launch the Banyan Tree Bintan Conservation Lab, and we are eager to continue adding similar resort based research and awareness facilities where our resorts are blessed with the ecologies to study, monitor and safeguard.

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