



2014/2015 Activity Report

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I. Introduction

This report contains two main parts one consists in presenting the sustainability performance of EXO Travel the second, in the description of the EXO Foundation development and philanthropic activities.

After two years of transition establishing the EXO Foundation as the Sustainability Advisor for EXO Travel Group (formerly called Exotissimo) while boosting its charitable activities, 2014/15 have been tremendous & exciting years during which the Foundation has been conducting the implementation of a comprehensive Corporate Social and Responsible program across 5 EXO destinations: Cambodia, Viet Nam, Thailand, Laos & Myanmar. Travelife certification was chosen for its comprehensive approach as our conductive framework guiding us to improve the overall sustainability of the company's business practices, ethically, socially and environmentally.

June 23, 2015: At a ceremony in PATA Headquarters, Bangkok – EXO Travel CEO Olivier Colomès received the much coveted 'Travelife Certification' award for EXO Vietnam & EXO Cambodia, recognizing their efforts as pioneers of sustainability and corporate, social and environmental responsibility, from UNEP and PATA CEO Mario Hardy. EXO Travel is the first major DMC in SE Asia to be certified for its Excellency in Sustainability.



Encompassing 247 indicators, 161 of which are compulsory, it involved implementing numerous concrete measures in the following areas:

- Sustainability Management & Legal compliance
- Internal management: Social policies and Human Rights - Environmental impacts & procurement



- Value chain: partners' agencies, accommodations, excursions & activities providers, transport suppliers, guides, destinations & Policy influence
- Customer communication and protection

Once the Foundation had elaborated the strategy for the group and started its implementation assisted by an intern in 2014, the group management, realizing the tremendous amount of work it represented, approved the creation of a sustainability coordinator position in each country who would be implementing the Travelife process under the Foundation supervision and guidance. The Foundation thus created and trained its regional Sustainability Team called the S. Team hiring 5 junior but strongly motivated sustainability coordinators (or SC). That was a major step allowing us to succeed our certification for Vietnam and Cambodia in May 2015. At the time of this report we are happy to confirm that EXO Thailand has as well gained the certification in March 1st 2016. This certification process and strategy although now still requiring to get more tangible results allowed as well both Cambodia and Vietnam to run for the competition of the Franco local Chambers of Commerce CSR awards and to win it. But if honours are for us a nice booster we are aware much more needs to be improved still and we are just at the beginning of a process but needs to do more to show concrete results, as Travelife certification acknowledges, sustainable tourism management is a gradual process, and our goal is to continuously improve the company's sustainability performance through a cycle of "plan, do and review". Being certified is a major step but not a goal per se.

Our next countries to be certified are Laos & Myanmar, while we consider starting the process in Indonesia.

The core of this document presents the strategy adopted and processes put in place in each area of our operations to reach the Travelife certification level, and it reports the recorded results and main achievements, briefly indicating major improvements to be achieved. Tables highlighting various results across countries are not always allowing any comparison, as some started earlier than others and context and solutions differ as well from one country to the other. Individual country sustainability reports detailing results and drafting 2016 action plan can be found here <http://www.exofoundation.org/activity-reports>. Vietnam report shall be available end of May.

Our second part describes the philanthropic activities of the Foundation were as well considerably boosted. Donations made by the Foundation were increased from \$45,324 during 2012/13 to \$ 52,442 in 2014 and up to \$85,882 in 2015, to which we can add \$16,550 we spent on our waste management project supporting local social & environmental projects such as Phare Ponleu Selpak and COMPED.

Cambodia remains the main beneficiary with \$50,000 donated in the period, including received a \$10,000 donation from a Swiss Foundation for Buckhunger, a Cambodian project feeding street kids. Laos received nearly \$29,000 for both years including in 2015 outstanding online donations to Vientiane Rescue Team, sent by hundreds of individuals and reaching over \$11,000. Our two projects in Myanmar the Ah Let Chuang Clinic and Ngapali library received \$20,000. Donations to Vietnam increased considerably in 2015 with a \$14,000 (\$18,555 for both years) against \$1,632 in 2012/13.



Another major success the Foundation is proud to share is our nomination as **Finalist of the Wild Asia Awards** in the category for **Best Responsible Initiative** highlighting the overall work of the Foundation and in particular our flagship project on waste management initiated in 2014, which is described later in the core of this report.

II. EXO Travel Sustainability Performance

Since 2012 The EXO Foundation has been acting as the Sustainability Advisor for EXO Travel group and has progressively guided the company towards a very thorough and holistic certification process. After a trial start with an Earth Check assessment of Phnom Penh and Ho Chi Minh offices in 2013/14, we then decided to run for the Travelife certification which is more specifically tailored for tour companies, and is internationally recognised and endorsed by the GSTC and the UN.

This process has been a major task during the last 2 years. The purpose of undertaking such a complex certification was for us to provide an external independent framework and overall, to use it as a toolbox to engage over 500 staff in EXO march towards sustainability.

Strategic Line 1: Develop a step-by-step but inclusive approach

Sustainability can only be achieved if addressed in an inclusive manner addressing concomitantly social, cultural, environmental and economic aspects.



The challenges for a major DMC such as EXO are:

- To mainstream best practices
- To engage internally; management & staff
- To engage externally; suppliers and clients
- To monitor external suppliers
- To ensure responsible principles are applied along the value chain

The first phase: to Engage Internally

- Empower staff to become ambassadors
- Good practices are implemented and respected
- Avoid Green Washing

Becoming a responsible & sustainable company requires each and every employee and manager to be involved in a continuous manner. As such it required establishing a systematic approach based on specific policies in all areas of work so that sustainability becomes a daily concern embedded in work processes.

The second phase: to Engage Externally

- A long, complex and external value chain
 - Inform, involve and incite
 - Assess suppliers
 - Develop & promote more responsible tourism
- **Travelers**
 - Advise on best practices
 - Promote and incite more responsible options
- **Tourism sector and actors: Policy influencing**
 - Spread best practices to the tourism industry
 - Contribute to improving standards in tourism sector

Strategic Line 2: Develop a harmonized and systematic approach

The second strategic line adopted was to harmonize a certain number of procedures across countries in order to have a consistent and coherent approach across our destinations and towards our clients.

Within the frame of Travelife certification the EXO Foundation reviewed the **EXO Responsible Travel Policy** and elaborated a range of key documents outlining policies, guidelines, check lists to assess our suppliers, etc., all these are meant to facilitate the implementation of the certification process by over 500 staff, as well as inciting our suppliers & clients to join our march towards sustainability.

Major documents available online <http://www.exotravel.com/exotravel/story/responsible-travel/>

- **EXO Responsible Travel Policy** was updated and is now articulated around 7 major commitments:
 - We commit to our people
 - We fight against corruption
 - We respect Human Rights
 - We care about the environment
 - We involve our supply-chain
 - We support community involvement and development
 - We care about our customers

Staff: Clean In House first
We fight against corruption & We respect Human rights:

EXO Ethical Code Online

Honesty & Integrity ensure success and respect

- Respect the Law and refuse corruption/ bribery
- Raise awareness among staff and guides
- Communicate our stance against corruption to the supply chain
- Travelife DMCs monitoring







➤ **EXO Ethical code** directs the way that EXO Travel conducts its business. It was designed to fight against corruption and ensure EXO **fair relationships with all interested parties**: customers, competitors, staff, destinations and suppliers. It guides every step of decision making in line with our ethical commitments and those that are important for a healthy and sustainable business.

➤ **Guidelines for wildlife viewing and protection:**

We do not want to contribute in any way to the extinction of wonderful ecosystems and/or mistreatment of animals whatever their size and 'charisma', we are banning sites & activities where animals are not treated appropriately. As such we developed guidelines with the support of

environmental NGOs (TRAFFIC, WCS, WWF, EARS, etc.) and other specialists to inform travellers and travel agencies what are the issues at stake and how to behave properly. These guidelines include *The Global Standards for Animals in Tourism* and address in particular issues concerning elephants, tigers, primates & monkeys, marine life, turtles.

- **Tips for Responsible Travels:** is our updated version of the former EXO Cares booklet is now available online in English, Spanish and French and distributed to travellers is now a reference in terms of codes of conduct for tourists and has been copied and inspired many other companies including the GSTC.
 - The first part gathers cultural tips explaining specific aspects of Asian etiquette and culture and advice on ethical behavior to ensure travelers have rewarding cultural exchanges
 - The second part addresses environmental best practices to minimise our footprint and contribute to biodiversity conservation.
 - Last but not least, it provides guidelines on how travel can significantly benefit local communities and contribute to poverty alleviation and lists selected responsible /Fair Trade/organic shops in the region.

The Foundation also initiated and contributed to the elaboration of **new internal documents for EXO Travel; Guide handbook, Internal regulations, contract addendum**, job descriptions, including our sustainable goals and recommendations to inform all our partners (staff, guides & suppliers) and incite them to implement these new values throughout their activity.

A. Engage internally; empowering EXO staff and cleaning in house first

❖ Sustainability teams – S. Teams -

The first step was to create a pool of champions in each destination, each country sustainability coordinator established its own S. Team composed of volunteers from each department.

The objective is to empower staff and make them familiar with sustainability concepts, so they become actors of change within the company. We create therefore a kind of snowball effect throughout the company and then, to clients, to travelers, as well as to a larger audience as they becomes ambassadors of sustainability among their relatives and friends. Meetings are organized once or twice per month, to brainstorm on subjects that needs to be considered in a more sustainable way. Solutions are proposed, implemented and communicated by the S.Team.

"Setting an example is not the main means of influencing others; it is the only means." Albert Einstein



Thailand S.Team



Laos S.Team



Cambodia Phnom Penh & Siem Reap S. Teams



Myanmar S. Team



Ho Chi Minh S. Team Vietnam



Hanoi, S. Team Vietnam

Trainings, awareness raising and learning by playing

We then started a series of trainings to all staff to improve our environmental records inside the offices. We developed a series of sessions to inform staff on issues related to office consumption and their environmental & social impacts and, to raise awareness on the importance of considering the consequences of our actions; which is a major Buddha teaching making it even more relevant in our destinations.

*"Education is not the learning of facts
but the training of the mind to think."
Albert Einstein*

In order to shift from a didactic training to a more fun and accessible learning tool, to find a way to get staff more familiar with sustainability principles and aware of all the new policies, guidelines we are putting in place, we launched a game.

• EXO sustainability Game

In September 2015, The Foundation launched a monthly sustainability game to improve staff knowledge on sustainability. The game includes a quiz and/or a mission with a specific theme, such as: responsible tourism, environmental management in the office, local communities, climate change, etc. Questions are specifically relevant to tourism and EXO Travel. Winners are rewarded with “responsible” gifts. This game has proven quite successful and was recognized by Travelife as an outstanding tool. The game has created a dynamic learning process stimulating initiatives and creativity of players.

❖ Improving HR and social policies within the company

We commit to our people, is the first commitment stated in our Responsible Travel Policy. This means we execute a social policy that ensures human rights and equal opportunities for all employees, as well as develop and expand training and educational materials.

EXO work force is its key asset, and EXO Travel strives to provide the best for its employees as well as accompany them in their career path through comprehensive and regular in house trainings. It has always had a comprehensive and well-disseminated human resources policy across all countries. Some sessions of this policy, however, can vary from one to another country but we wish to ensure we at least comply with local labour law as well as local culture.



• Overtime

The overtime policy was reviewed and improved in most countries although still to be clarified in some others.

- In Laos, people now get both time compensation and 150% payment for any hour working on weekend and/or public holiday.
- In Viet Nam overtime is paid 150% or is compensated in rest time and paid 50% extra for normal working days and 300% for holidays or is compensated in rest time and paid 100% extra.

• Medical Insurance and disability risks

All EXO destinations comply with the law and contribute to National Social Security Funds to receive social security benefits which covers medical insurance, disability risks and retirement benefits. And to this the company has added a private personal accident & health insurance. What seems very basic rights in Europe is

actually not so easily found in Asia where Social welfare schemes are not very developed and Labour law are hardly respected or even known by many companies.

- *Health and Safety*

Although not all countries have yet set up a Health & Safety committee (Cambodia, Myanmar, Laos), a certain number of employees have received First Aid trainings in each office in order to be able to act in case of emergency.

- In Laos an information session on health and wellbeing at work was provided, since they've organised a 5 mn daily stretching session for all and have opened a gym room fully equipped for staff.

- *Maternity leave*

The maternity leave policy varies considerably from one country to the other as they are mainly decided based on National labour laws.

- Laos: female employees now have 105 day leave. During the period of up to 1 year after giving birth, they are entitled to rest 1 hour per day or have the right to leave to take their child for vaccination.
- Myanmar: female staff are eligible to 14 weeks of paid maternity leave.
- Cambodia did not ratify the ILO international convention and although the maternity leave package was improved for lower salaries it is not yet respecting labour law: "A full-time female employee is entitled to one month of paid maternity leave plus a bonus of \$300. The leave may be taken either during the pre or post-natal period. An extra month without pay might be granted.
- Thailand: according to labour law, women are granted a 90 days maternity leave.
- Vietnam: Female employees giving birth to a child are entitled to have 6 taxable month fully-paid salaries in accordance with the current government regulations paid by the Social Insurance Department. A female employee nursing a child under 12 months of age is entitled to an additional one (1) hour off every working day, with full pay.
- Male employees now as well have a paternity leave of 3 to 5 days in all countries except in Vietnam.

- *Additional benefits*

- In all countries bonuses are given according to performances and, in some countries a share of profits is given to sales' staff.
- Best Employee of the Year: 3 best employees/year are elected in each country by the staff. First receives an overseas trip + 500\$ + 1 award certificate; Second receives 300\$+certificate and Third 200\$ + certificate.
- In Cambodia and Viet Nam all employees receive a 13th month bonus.
- In Myanmar as public transports are very poor the company provides transportation for free to all employees.
- Exo Thailand provides the possibility for Thai employees to become part of a 'group saving fund', so called Provident Fund. Employees enter on voluntary basis. The employee saves a part of its monthly salary (usually 5%) and the employer adds at least an equal amount to this fund.
- Among other benefits the company organizes regular staff party, a yearly get together trip, provide language lessons and even yoga & Apsara dance classes in Cambodia.

• *Trainings & internal promotion*

EXO prides itself to empower and promote local staff to management level, and every year staff are promoted internally. Extensive training programs have been developed in the last 4 years with the EXO Academy conducted by an external coaching company. Training is customized every year on various topics, teamwork, time management, planning, productivity, etc. Sustainability has now become a training subject requested by participants.

Throughout the year Employees go on inspection and familiarization trips in order to improve their knowledge about products and services they are selling.

Upon employment new recruits receive a full training on EXO procedures, internal regulation, Responsible Travel Policy and we hope soon as well on Child Safe issues. We are currently discussing with Friends to develop an online course.

• *Regular sustainability trainings*

As mentioned earlier general training on sustainability are delivered to all staff on a regular basis and to the S Teams on a bi weekly basis and our sustainability game is also part of our scheme to increase their general knowledge.

Specific sustainability trainings are delivered to Production Managers, Travel Consultants and guides according to their roles and responsibilities.

Child Safe Training were conducted by our long term partner Friends International in Cambodia, Vietnam & Thailand offices for staff, guides and managers. Laos & Myanmar will follow trainings in July 2016. Friends is about to launch a certification process to ensure a more active commitment of its members and EXO, which is one the closest and most active Travel partner of Friends has been designated to be the first company to be certified as we already comply to all their requirements.

First Aid Trainings are delivered by professionals' emergency physicians to adventure guides on a systematic basis and, to regular guides and staff on a voluntary basis at shared cost.

❖ Reducing our environmental impacts

We care about the environment is our fourth commitment and start by applying basic principles ourselves and clean our house first, we believe that if we want to advance a convincing sustainability policy along the supply chain and towards clients, EXO must convince by showing an argued example and become first a genuinely responsible business avoiding any green washing.

Outstanding achievements have been reached especially in raising the awareness of our staff, which in Asia is not yet very well sensitized to environmental issues whereas it is becoming a major issue and concern for biodiversity, ecosystem and increasingly for human health. We now have actors of change among our staff who are spreading best practices inside and outside the office. Watch this VDO A good example produced by a Lao team for one of our sustainability game.

<https://www.facebook.com/172482422959781/videos/478251922382828>



Creation of a monitoring tool

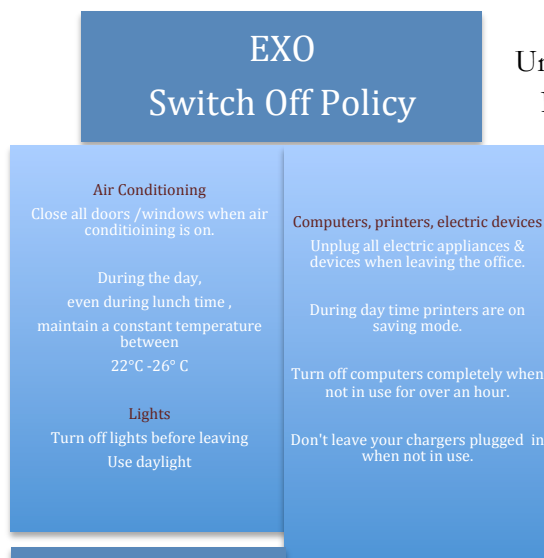
With support of EXO IT department a monitoring tool was developed for recording all consumptions: water, paper, electricity, waste, as well as staff air travel we wish to carbon offset. Results shown below are the condensed yearly records by country, detailed information on each country's progress can be consulted in individual reports.

"We can only improve what is measured."

❖ Energy

A switch off policy was put in place across the countries. Results vary from one country to the other and depends as well quite a lot on the building management, as for example in Thailand the office building controls all temperatures.

What is noticed is that on first period of implementation there is a clear decrease as was the case in Cambodia & Viet Nam where we had started the Earth Check assessment and sensitization of staff already since 2013, we can see a clear decrease in the first year, just as we can see in Laos a decrease of 25% only by implementing properly the Tips over a few months!



Unfortunately consumption increased again in 2014 and 2015 in both Phnom Penh and HCM city, it might be due to the fact 2014 & 2015 have been hotter years? Temperatures were indeed slightly higher in average in 2014 compared to 2013 in Phnom Penh, but such an increase is probably due to a poorly performing air conditioning system inside the office as it seems staff do enforce the policy. It would need to be reviewed and reorganized.

A very surprising fact is the +25% increase in Yangon in 2015, when measures were supposed to have started to be implemented since October last year. Yet this is not quite explainable, some kind of audit needs to be made to identify the reasons and measures need to be enforced in the office, including maybe a better isolation of offices.

On the other hand we see a remarkable decrease of 24% in Vientiane office which shows all staff made an outstanding effort for which we congratulate them.

But we need to keep in mind that a minor decrease in other countries may mean as well that staff were already quite careful about their electricity usage before and the margin of reduction is thus more limited.

Energy consumption KW/H	Phnom Penh	Ho Chi Minh	Hanoi	Vientiane	Yangon	Bangkok
2012	43,505	193,596				
2013	36,692 (-15,6%)	185,758 (-4%)				115,285
2014	40,885 (+11%)	187,745 (+1%)	53,041*	58,273	109,550	108.304 (-7%)
2015	44,392 (+8%)	193,550 (+3%)	51,613* (-2,6%)	43,121 (-26%)	136,496 (+24,5%)	109,654 (+1.25%)
Total decrease	2,5%	-0,1%	-2,7%	-26,0%	24,5%	-4,9%

* May to Dec.

Paper

Paper reduction started in Phnom Penh and Ho Chi Minh as soon as 2013 and the sensitization and advice given to reduce printing in a drastic manner was impressively successful. Between 2013 and 2015 there was a 60% reduction of paper use. A great applause to staff who played the game and applied measures; as this involved changing working habits and paying attention on a daily basis. They went from 12 pages a day per person to around 4,5 a day or 1,111 per year and allowed to save 29 trees if we take for reference the first year of recording. In Ho Chi Minh the use of paper was divided by 2 and since 2012 allowed to save 26 trees!

This was a strong motivator at all levels; staff could see the results of their efforts and, management as well!

Altogether 4 Travelife countries saved up to 97 trees since the start of data recording and taking as first record as the benchmark; **we are starting to virtually plant an EXO forest! A great achievement all making efforts to save paper can be proud of.**



Paper use Sheet/ Person/Year	Cambodia (PP+SR)		HCM		Hanoi		Laos (Vte+LPQ)		Yangon		Bangkok	
	S/P/Y	%	S/P/Y	%	S/P/Y	%	S/P/Y	%	S/P/Y	%	S/P/Y	%
2012			2 650									
2013	2 778		2 333	-12%	4 661							
2014	1 667	-40%	2 717	16%	3 093	-34%	994		2 500		3 355	
2015	1 111	-33%	1 397	-49%	3 127	1%	661	-34%	1 563	-38%	2 885	14%
Total saved		-60%		-47%		-33%				-38%		
97 Trees saved *		29		26		21		2		13		6

1 tree = 8500 sheets Source: <http://www.papercut.com/products/ng/manual/common/topics/sys-dashboard.html>

- Laos remarkably perform with only 661 pages per person per year, and a 34% decrease in only one year, a performance that will need to be verified upon next reports, as the count of paper purchased does not seem quite reliable.
- Cambodia record of 1,111 pages per person per year shows a continuous progress to be acclaimed.
- Ho Chi Minh office made good progress (-47%) as well Myanmar efforts need to be acclaimed with in only one year a 38% reduction but can still be improved. While Hanoi shows a good progress but is still printing over 3000 pages per person per year.
- Thailand results are encouraging but much more efforts can be done compared to other countries with as much as 2885 pages per person per year printed.

In Cambodia the savings made were used to purchase the new EXO Travel staff polo shirts from a Fair Trade shop practicing a zero waste policy, thus we had a win-win-win effect for all parties which illustrates perfectly well our sustainable approach and goals.

• Water

Similarly we've drafted guidelines and explain the issue to staff, but it revealed quite complicated to monitor water consumption as measurements made by external building management is most of the time not accurate, and apparently the invoices are not properly verified. Sometimes like in Cambodia

there is no individual meter, so we cannot monitor as bills do not reflect the actual consumption which is not helping to encourage staff to save water.

Water consumption cubic meter	PP	SR	HCM	Hanoi	Vte	LPQ	Yangon	BKK	Chiang Mai	Phuket
2013	No reliable data available	407	No data available					3666	122	66,3
2014		366		225				3512	128	164,2
2015		290		502	501	139	1314	2569	61	84
m3 /pers/y		3		3	14	15	11	22	9	14
Total decrease		-28,7%		123,1%				-30%	-50%	27%

Staff needs to be more careful about their water use and especially with flushing in the toilets, in Asia they tend to flush before and after, thus doubling the main source of consumption. But another main source of waste is due to the poor maintenance habits of office buildings in Asia, as water is very cheap and the building is anyway charging the occupants, leaks are hardly fixed, and water keeps running for months in toilets or sinks. A better maintenance shall be requested to the office management, or undertaken by EXO offices themselves if not effective. Simple measures such as adding flow restrictors, repairing leaks and reducing amount of flush can easily be implemented by each office at low costs.

Waste

One of the most challenging subject of our environmental awareness program concerns waste and in particular plastic waste. It requires a radical change of habits in Asian countries where take away food & drinks wrapped in as many plastic bags and Styrofoam containers as is possible is all too common. Plastic waste has become a huge issue especially in Asian emerging countries where garbage collection and treatment by municipalities is rare, while environmental education is in its infancy and information on its health consequences are insufficient if any. Even in Thailand a developed country, plastic usage is probably one of the highest in the world, and is widely used in a careless manner. And indeed, if we look at table below there is an average of 45kgs of waste produced per year in Bangkok!



Sustainability coordinators together with their S.Teams did a fantastic job raising awareness and getting a few champions involved. Numerous training sessions were done, movies projected, VDOs shared on social medias and intranet.

- In Cambodia a member of the S.team Theory, initiated the delivery of lunch meals in metal containers at the office, staff bought, or won thanks to our sustainability games, refillable bottles, water stations were installed and plastic bottles no longer provided inside the office.
- In Laos a team of players to our sustainability game made this VDO we wish to share with you as it demonstrates the dynamic created better than any report. Similarly in other countries staff progressively realize we are all part of the solution and are developing their own strategy.
- Donations of used magazines, old brochures, etc. to local social enterprises and NGOs training families in crafts making using paper are now done in Cambodia, Laos & Myanmar.

Data below is indicative and shall not be compared across countries as types of materials recycled and methods of weighing vary and we cannot guarantee yet these measures are really including all waste produced by the

office. It is questioned whether Vietnam records are accurate as they are so much lower than in other countries.

Waste in Kg	Phnom Penh*		Ho Chi Minh		Hanoi		Vientiane*		Bangkok	
	R	NR	R	NR	R	NR	R	NR	R	NR
2015	201	2028	102	1068	231	154	34	190	1063	4158
Kg/staff /Y	43		7,8		6,5		12		45	
	*May to December						*July to December			

R= Recyclable – NR = Non Recyclable

Never the less from raising awareness to changing habits is a long road, the most difficult part but we are confident we'll see a real change occurring in 2016 across all countries.

Most importantly is that all offices have been trained to sorting waste according to what's available in their own country but they need to be reminded regularly. Housekeepers have been trained to check, weight and record the waste, and data is started to be collected, although the waste measurement does not seem quite efficient yet in Laos, and is just being implemented in Myanmar. The very low level of waste recorded in Vietnam compared to other countries raises as well the question of the accuracy of data.

Not included in these measures but which are retaining all our attention are electronic waste, used batteries and low consumption bulbs. They remain an issue as they are very detrimental to the environment but besides in Thailand (and only for batteries) we have not been able to identify recycling facilities. *Myanmar is arranging to get all their used batteries brought to Bangkok, when someone from head office is visiting or when they travel there, similar arrangements could be done with Cambodia and Laos.*



It is likely waste reduction and proper disposal will remain one of our biggest challenge in the years ahead.

• Carbon offsetting

EXO Travel Group has concluded a partnership with NEXUS. Nexus is a kind of cooperative of projects acting to reduce carbon emissions, deforestation, by providing low tech solutions which as well improve livelihoods. We chose a project supporting small enterprises selling water filters in Laos, Cambodia and Indonesia; In Laos 43% of people lack access to clean drinking water and, water borne diseases are one of the major cause of sickness maintaining entire families in poverty. It sounded to us much better than just funding tree replantation as this is acting on both environmental & social sustainability.



In 2016 we will compensate 2015 EXO staff air travel emissions which for the 5 destinations under Travelife scheme amounted to 129 tons of CO2, by purchasing the equivalent in carbon credits, EXO Travel will support

- In Cambodia: 44 water filters = 43 tons of emission reductions = 75 tons of woodfuel saved in 1 year
- In Laos: 33 water filters = 43 tons of emission reductions = 4.6 hectares of avoided deforestation.
- In Indonesia: 130 water filters = 43 tons of emission reductions

• Sustainable Purchasing Policy

Although it may seem a detail at first, once implemented in all areas it does make a big difference in terms of social and environmental contribution to sustainable projects.

This policy is being applied as much as possible on all purchase from FSC, recycled and/or lighter paper to coffee & tea consumed inside the offices, gifts & giveaways to clients, shirts for guides and staff, etc. New electrical equipment shall be chosen based on its energetic & pollution performance.

Each country is working on establishing a list of responsible shops to be shared with operations and MICE managers so they can choose from it gifts which will be more representative of the local culture & crafts while benefiting the local economy, disadvantaged people and the perpetuation of such handicrafts skills.

EXO Travel Vietnam bought **250 bags and 300 tee-shirts** to [Thien Tam Huong](#), a responsible business based in Ho-Chi-Minh City and providing job opportunities for disabled people.

In Cambodia polo shirts for guides were purchased from Tonle a Fair Trade brand which has a zero waste policy.



In Laos 80% of gifts to clients were purchased from responsible shops such as Kop Noï, Matesai, T'shop Lai Gallery.

In Myanmar client welcome pack includes a Shan bag made by local people in Ywa Ma Village near Inle Lake and a fan made from natural palm materials. These practical items travelers can use during their stay in Myanmar also showcase the work of local artisans.

Cleaning materials

We shared a natural recipe which is good to clean all surfaces including glasses made with a varying combination of white vinegar, baking soda and essential oil which is being adapted and implemented by Exo Housekeepers. Progressively countries try to use eco-friendly alternatives such as biodegradable bags, triclosan free soap, etc.

Promotional Materials

The sustainable purchasing policy also applies for printings, 92% of EXO promotional materials are printed in Vietnam. EXO's main supplier in Vietnam is Tropika Artwork Co. Ltd. EXO's sustainability coordinator in Vietnam has been working with Tropika to assess its level of sustainability, Tropika revealed to be an excellent choice respecting many environmental measures and using the best materials and technology to limit its impacts.

Sustainable purchasing is a process that evaluates more than cost used to buy goods and services.

- Buy from suppliers with valid licenses
- Buy product produced locally
- Buy in bulk, avoid small packages
- Buy from social enterprises/NGOs
- Buy natural/organic/fair trade
- Check certifications and logos (*ask your Sustainability Coordinator*)
- Avoid disposable products (plastic spoons, plates etc..) or recycle them carefully!
- Rent instead of buying when possible

During 2015, EXO Travel has reduced print quantity by more than 30% across all group. This has been achieved by more targeted marketing and digital communication and **100% of all promotional material is now printed on recycled paper.**

B. Engage Externally to develop responsible tourism products

'We involve our Supply Chain'

Once sustainability principles are being spread and understood within the company, we started to work along our supply chain, where as a major DMC, our greatest positive impacts can be made. Tours are a complex combination of various services and activities, to be more responsible we needed to develop a strategy to engage our suppliers and incite travellers to purchase more responsible activities and suppliers, as well as to be more aware of how they can benefit the destinations in the best way through their travel choice and of the potential negative impacts of their travels so they can better choose how to reduce these.

Our strategy to communicate, assess and promote sustainability includes 7 steps:

Partners: We Assess and Inform to involve the Supply chain

Informing & Assessing our suppliers

- ✓ Communicate our RT Policy
- ✓ Develop questionnaires & inspection lists for hotels, excursions & wildlife animal activities

In order...

- To be identified by Exo staff
- To provide informed choice to clients
- To measure the economic impact
- To track performances



In a period when responsible tourism has become the new trend, claiming to be responsible needs to be demonstrated by facts

EXO
FOUNDATION

1. **Communicate** on our march towards sustainability by sharing **our RTP** and core commitments

2. Ask our suppliers to commit through a **contract addendum** to respect basic human rights/ national laws and licences- Fight against child labour & sexual exploitation – Ban use and promotion of endangered species

3. **Assess the level of sustainability of our suppliers** to identify the responsible ones and those interested to implement best practices.

4. **Review, inspect, rate** suppliers with validation by

the EXO Foundation of responsible ones

5. **Qualify responsible suppliers** identified in our internal booking database and communicate to sales

6. Highlight with special icons the responsible suppliers in all online and off line tour descriptions to **offer an informed choice to clients**

7. **Monitoring** our performance in selling responsible suppliers.

Guidelines, inspection check lists, questionnaires and rating schemes have been developed to assess and select most responsible options for transport, accommodations, excursions & activities, guides. A thorough assessment of our suppliers represents a tremendous amount of work, started in 2015 it will be the core activity of our sustainability coordinators during 2016. Special announcements and information will be released when completed for our top suppliers.

❖ Transportation

EXO needs to adopt a more systematic approach to the selection of most responsible transport options in destinations. Aside promoting through the growing EXO Adventure department trekking, cycling holidays and E-bikes for city visits, car companies hired are always selected for having the newest car models which are assumed to be more eco-friendly.

One major point to improve is the size of vehicles; it is often far too big for the number of people transported, for example airport transfers are often done for 2/3 persons in mini vans for 7/10 people.

- **Code of conducts for drivers**

A code of conduct for drivers was developed and specific training sessions have been delivered in Vietnam to 80 drivers from the main companies.

In 2016, we will print small posters (without our logos so car companies can maintain it when renting the cars to other tour companies) to place inside cars and inciting in local and English languages to respect 3 main tips:

- ✓ Turn off the engine when car is stopped ask the guide to inform by SMS 5 mn before clients get back to the car
- ✓ Regulate the use of air-con
- ✓ Don't leave plastic waste in rural areas, please bring it back to your hotel

- **GHG / Carbon emission level**

In 2016 we will extend our partnership with Nexus and include a minor CO2 carbon offset in all invoices to clients for domestic and regional flights booked through us.

- ❖ **Identifying responsible accommodations**

- **Hotel assessment questionnaire**

This questionnaire comprises of 35 questions covering 4 main areas: Internal HR, socio-economic benefits toward the community and heritage conservation, environmental management & communication to guests. It was designed to help EXO Travel acknowledge better, the level of commitment of its partners. Moreover, it also intends to suggest initial guidelines to suppliers who wish to engage, so they see how sustainability can be integrated in their daily operations.

This is a tremendous task and a quite unusual one yet, in a region like Asia so we have decided to concentrate first on the top 20 EXO hotels representing 70% of bookings and those who are foreseen as responsible. Collecting such data is a challenge and requires a close follow up. Once a partner has answered, it is then inspected by the country sustainability coordinator. The main difficulty lies in the fact that we can only validate upon factual information and data demonstrating commitment. Then a rating scheme was developed to rank all suppliers in the most objective manner. It may also allow highlighting where they could act easily to improve their performance, in case they'd wish to.

Hotels assessed	Cambodia	Vietnam	Laos	Myanmar	Thailand
Total EXO hotels	161	288	123	324	397
Questionnaires sent to	129	93	110	80	376
Valid answers received	24	53	20	17	37
Inspections	16	9	18		9
Contract addendum signed	131	80	13	19	174
Certified hotels*					20

* Green Globe, Travelife

It is ongoing process and we expect next year we are able to measure sales' performance of responsible hotels once all those qualifying as responsible are inserted in EXO Tourplan booking data base. Of course each country is different and we cannot expect to have as many responsible suppliers and consequently sales of

responsible accommodations in Myanmar as in Thailand or in Cambodia where international chain of hotels now widely applying environmental measures or running for international certification schemes are favoured.

- **Sustainability is now integrated in hotel inspection trips**

In order to get all staff involved and get them familiar with responsible practices, we have created a short list of 6 main questions to ask on hotel inspections. This lighter version allows hotels to share their best practices and highlight quickly new hotels with responsible practices to the sustainability coordinator who will then investigate further if a property shows good records.

Our goal for 2016 is to complete, across all countries, inspection and qualification of accommodation covering 70% of the bookings as well as other responsible hotels worth promoting further to clients.

In a later stage, in order to play our role of spreading best practices we will send feedback and analysis of our rating to all hotels who answered our questionnaire and will recommend them tips, best practices and good addresses in their destination as well as online training opportunities so they can improve their sustainability performance would they wish to.

- ❖ **Identifying responsible excursion and activity suppliers**

It is much more complex to assess excursions than hotels as it includes various elements and, as well because many providers are non-English speakers and may not understand the questions or, the concepts which are quite complex to grasp for someone who does not know about responsible tourism. Finally it is difficult to have one checklist that fits all types of excursions; a diving trip cannot be assessed in the same way than a homestay or an elephant camp. A 62 points checklist covering various aspects which may be included in a tour (transport, food & drink, shopping, child policy, social empowerment, social (working conditions), cultural and economic benefits/impacts for the visited communities, conservation & environmental impacts), was developed, but not all points apply to all suppliers.

This evaluation check list is sent only to suppliers we foresee as responsible (or claiming to be) and who can speak good English. For other suppliers, the SC and other staff will directly go on inspection, the priority is given to inspect the best ones and those who may be problematic (see sensitive excursions below).

Excursion & activity suppliers	Cambodia	Vietnam	Laos	Myanmar	Thailand
Total suppliers	40		78	58	72
Contacted	30		10		20
Valid answers received		4	5		10
Inspections	1		2		8*
Contract addendum signed	4	20	5	1	27

* elephant camps

This process is only starting now but we are soon ready to qualify quite a few responsible activities in Cambodia, Laos, Thailand and Vietnam. Some countries are also more prone to sustainability than others, Laos for example is not a mass tourism destination yet without an access to the sea, it is a destination catering more for people in search of cultural heritage and adventure. It also benefited a lot from international foreign aid and organizations such as GIZ, WCS, WWF or NZ Aid which is conditioned by sustainable principles in theory,

and have thus seen the development of ecotourism & CBT projects. Private actors also played an important role such as the Gibbon experience one of the best ecotourism project in the region, the King fisher lodge, or the Kamu Lodge developed by EXO Group. In Cambodia similarly the huge presence of NGOs allowed the creation of some good environmental projects and social enterprises mainly in the hospitality sector with numerous vocational training schools and in handicraft, and a few good CBT projects. In Thailand good CBT projects are numerous, but many other types of activities need to be checked scrupulously and in particular elephant camps or animal attractions as well as sea activities. Myanmar opening up to the world and to mass tourism faces big challenges ahead despite a strong will from the authorities to spread a sustainable development of tourism, private and local interests are not always considering properly what does it mean and how to implement. Again international assistance may help as most organizations are now turning their cooperation efforts towards Myanmar and we can hope good CBT projects will emerge in the next few years.

❖ Identifying sensitive & NO-Go excursions & activities

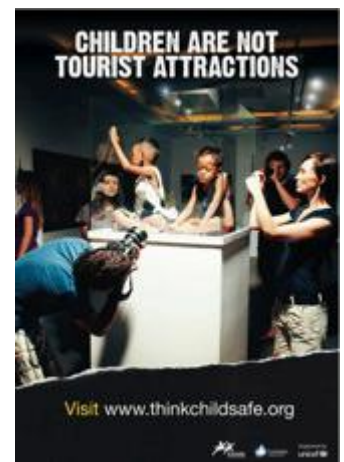
As our priority is to reduce as much as we can the negative impacts travel may generate, and aware that some excursions and local activities may have hidden (or not readily noticeable) negative social, environmental and economic impacts on the destinations, we are being very cautious when choosing activities for our customers. We have developed policy and codes of conduct for sensitive activities such as EXO “Guidelines for Wildlife viewing and protection” and/or the alms giving in Luang Prabang and each country is making its own list of No-Go excursions including school/orphanage/children center visits, animal shows and commercialized long-neck villages in Thailand. Sales and product departments have been informed and are aware of sensitive issues.

EXO progressively ban and try to discourage clients to get involved in such activities, explaining them why it is detrimental while offering much more meaningful alternatives that will leave them with a memorable experience and the satisfaction of having made a real difference in the best way.

- **EXO bans school, orphanage and children centers visits as well as short term volunteering with children**



Since 2013, EXO Travel has made the decision to cease visits to schools, orphanages and other children’s centers following reports on the numerous unseen negative impacts of such visits from child welfare organizations such as Friends International, Save the Children, UNICEF, which work closely with disadvantaged children and families.



- **EXO assess elephant camps**

EXO is not, as some other tour companies, willing to cease all elephant rides abruptly as this means a serious loss of revenue for local communities whose livelihoods depend on it, as well as elephants. We prefer to raise the issue and continue working only with those who treat their animals properly and help them in the future to shift towards more friendly activities for elephants. We consulted several experts from EARS, WPA, Elefantasia, Traffic and, developed our own specific evaluation check list for elephant camps and a rating scheme. SC have started conducting inspections.

- **EXO fights against wildlife harvesting and poaching**

We don't include in our programs restaurants where **wildlife** or exotic meat of any type is served and we also strictly forbid guides to bring tourists there. A burning issue in Vietnam in particular guides have been specifically trained on this and forbidden to take any tourists to such restaurants even if the clients ask for it,

- **Illegal souvenirs**

Guides and tourists are strongly encouraged through our « Tips for Responsible Travels » booklet that clearly raise awareness about not consuming or buying wildlife species, not to purchase any wild animal live or dead. Illegal souvenirs are clearly mentioned in the sections: "Protect the wildlife and the flora", "Think before buying", "Drugs and Alcohol" and "Consumer behavior".

❖ **Training guides to become responsible tourism advisors in the field**

Most guides in the travel industry are free-lance, all EXO guides are licensed guides and fairly paid. Guides are the interface between travelers, the destination and its people as such they play an essential role in enhancing the experience of travelers as well as in improving the impacts of tours by explaining them what are the sensitive issues in one destination and advising them on the proper attitude to have.

To achieve this we've developed a Guide Handbook outlining the company responsible travel policy, and Tips for Guides on how to handle various situations that may occur. This handbook shall be made available in all countries, which is not the case yet.

For each sensitive destination in one country a leaflet shall be developed by the SC together with guides who have the knowledge of these and / or organizations; ethnic groups customs, Muslim communities, diving tips, etc.

EXO invest in guide training to continuously improve their knowledge and skills, in 2014/2015, various trainings were delivered:

Guides training	Cambodia	Ho Chi Minh	Hanoi	Laos	Yangon	Thailand
Childsafe	79	50	60	March 2016	May 2016	24
First Aid	23	25	18	8	May 2016	62
Sustainability	125	50	60	April 2016	May 2016	99

- ✓ **ChildSafe Training:** partnering with Friends International since 2012 we have started as soon as 2013 in Cambodia to train guides and staff as well to child safe issue and to be able to recognize when a child is in danger and how to react.
- ✓ **First aid training:** most our adventure guides have received a first aid training and the plan is to get 100% of them trained in all countries as is the case already in Viet Nam or Thailand.
- ✓ Sessions on **Responsible tourism principles** were developed and included in the 2 days annual training in Thailand, Cambodia, Viet Nam and Laos. Myanmar has planned to run these sessions in second quarter of 2016. The objective is to equip tour guides with general knowledge of responsible tourism as well as specific issues, the session described what is the EXO Responsible Travel Policy,

our policy to cease school and orphanage visits, how to protect children, dos and don'ts, EXO Tips For Responsible Travels, and how to inform clients on relevant sustainability matters in the destination (waste management & car pollution, wildlife and animal welfare, illegal souvenirs, ethical shopping recommendations, donations, child protection & children begging, etc.).

❖ Integrating a choice of responsible suppliers in all tours

The ultimate goal is definitely to improve the impacts and the sustainability of tourism and to sell more responsible tours and activities to our clients. EXO Travel already increasingly offer and include responsible excursions & activities ranging from CBT to soft adventure, support and visits of social enterprises and organizations providing education & training to the most disadvantaged or promoting cultural revival and creation, and excursions supporting biodiversity conservation projects.

Countries' SC are now working increasingly closely with production departments to which they belong on developing new tours and especially a new range of Educational Tours meant to offer alternatives to volunteer tourism which could be more meaningful for locals as well as students and provide them with an accurate introduction enabling them to understand better the country.

They are also working on improving the sustainability of MICE groups to help them developing truly meaningful CSR activities.

In Thailand for example Enjo Company asked us for a CSR supporting children in need. Aside from the fact that such visits and interactions are strictly forbidden in Western countries to protect children, EXO is not willing to contribute to any



Thank you
for giving the gift of happiness!

Today, instead of giving you a gift,
we have given a school uniform
to children in need in Thailand.

"You can rest assured that those needy people will have a slightly happier life,
just knowing that you care enough to give them something from your life."

Thai charity foundation "Gift of Happiness"
www.gohappiness.org

tourism based on voyeurism or showcase of misery.

We thus suggested a donation to Gift of Happiness Foundation working with poor and refugee communities in Thailand. The clients agreed and decided to donate school uniforms. They informed all participants before the travel occurred, played

a video of the charity during their event and auctioned their promotional material leading to an additional donation. Moreover, a beach cleaning activity was organized.

ENJO deserves a big applause as they generously considered their priority was to fulfil the children needs rather than seeking their direct recognition or any emotional interaction with them. And their event was very successful thanks to a clever communication.

❖ Engaging clients & travelers

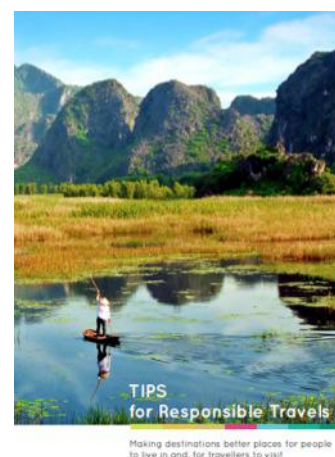
Our efforts to improve the sustainability of travels and destinations would be hindered if we were not involving as well the end consumer, the travelers. As a B2B company we have limited communications with the final traveler and EXO require an approval from the travel agencies and tour operators it is operating for. This is one of our key roles to advise clients on local issues they may not be aware of, such as the reason why visiting a school or an orphanage or, short term volunteering with children is, despite all good intentions, having more potential negative impacts than positive ones, or why some elephant camps are to be avoided because of the mistreatment of elephants. We are not willing to make a profit of some activities that would be detrimental to the destination and its assets and prefer to redirect clients towards the most responsible options instead.

• TIPS for Responsible Travels booklet

The booklet « Tips for Responsible Travelers » in English, French, or Spanish is given to travellers upon arrival.

The attractive and convenient pocket size publication is offered free of charge, introducing travelers to the local culture, customs and providing ‘tips for their trips’ to maximise the positive impacts **while improving their experience**.

- The first part gathers cultural tips explaining specific aspects of Asian etiquette and culture and advice on ethical behavior to ensure travelers have rewarding cultural exchanges
- The second part addresses environmental best practices to minimize our footprint and contribute to biodiversity conservation.
- Last but not least, it provides guidelines on how travel can significantly benefit local communities and contribute to poverty alleviation.



The booklet is being distributed since 2013 to some travelers and is progressively distributed to all; as a B2B we need first to ask the authorization from our main client agencies, this lengthy process should be completed soon. We are now as well customizing on demand the booklet for agencies who wish to add their logos to our publication and, send digital copies to some others so travelers can get the good information prior to their departure.

EXO Tips	Cambodia		Vietnam		Laos		Myanmar		Thailand		TOTAL
Distribution record	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	
English	899	2 686	710	1 395		170	1 028	1 300	1 905	3 080	13 173
French	89	635	874	1 047		66	436	541	463	680	4 831
Spanish	4	709	423	530		16	90	149	414	332	2 667
Total	992	4 030	2 007	2 972	0	252	1 554	1 990	2 782	4 092	20 671

The booklet distribution needs to be improved and recording process to be more systematic. The table above shows the records of distribution by country but these do not match the quantities given as so far we sent over 39,000 copies to the countries and stocks are empty. So far we could not get any data from Indonesia where the booklet is also distributed.

- 21,000 English copies since March 2013
- 14,000 French copies since June 2013
- 4,000 Spanish copies since August 2014

So we can estimate with an average of 2,5 reader per booklet that we have been able to share our best responsible travel practices to nearly 100,000 travelers.

As we are now expanding the distribution, we hope to reach at least 30% of our travellers or 30,000 copies per year.

- **Promotion and communication of responsible products**

Two Icons designed to highlight responsible suppliers in all tour / product description online and offline. These will be added late 2016 once the new EXO website is operational and our suppliers' assessment more engaged. One will recognize the environmental commitment and one the social performance, suppliers according to their level of commitment will get one to three stars.



Icons denoting environmental responsibility

social responsibility

Once a hotel's commitment to sustainability is recognized, it will be labeled in our information system, in a easy to find manner so that our travel consultants are more keen to include these.

- **Campaign to reduce usage of plastic bottles along tours**

EXO Foundation has been a member of TAP since 2014 and EXO Travel became a member in 2015. Throughout EXO tours distributing across the 9 destinations EXO operates in, over 1, 4 million plastic bottles were handed out. Although a part of these are recycled in most countries it represents a huge source of pollution we are willing to curb significantly.

As such we've worked on replacing plastic bottles by refillable ones in aluminum, we first investigated with some of our main clients if they would agree, and are training guides and drivers, organising water stations in hotels and restaurants along tours.

All 4 clients we've approached so far approved. This shall be started in Cambodia as a pilot project with these clients during last quarter of 2016 and then extended to other clients if successful.

❖ **Policy influencing**

One of our ambition in the longer term is to provide a model of sustainability within the tourism sector in Asia, The size, respectability and efficiency of a group such as EXO Travel allows to gain recognition for our CSR achievements and thus to be heard within instances of tourism. EXO became a member of PATA in September 2015, and is invited regularly to conferences, training sessions organized by various international organisations and local networks of responsible tour operators. The Foundation is part of the Travelife PATA sustainability committee working group, and is one of the most active contributors for the elaboration of standards on corruption, elephant activities, child welfare. The questionnaires we designed to assess our suppliers are used as models. At national level we are as well active and each sustainability coordinator is encouraged once certification is achieved, to participate to local networks dedicated to sustainability, attend conferences, deliver talks to universities and develop our outreach influence by attending events. Running for awards is as well a good way to spread our influence and our CSR have allowed Cambodia and Vietnam to already win a few much coveted awards.

C. Conclusion and Main targets for 2016

The extraordinary dynamic created for the certification process is a main achievement, beyond concrete results which still need to demonstrate better progress in some areas, EXO countries are evolving towards sustainability in a steady manner and some results such as the significant reduction of paper use with an equivalent of 97 trees saved, or the new purchasing policy for gifts benefitting socio-economic projects are encouraging. We are also particularly happy with our natural recipe which allowed stopping the use of any chemical cleaning products inside the offices.

These 2 years have been a time of elaboration of new procedures and guidelines, of raising awareness among staff so they are convinced and empowered to integrate the best practices in their daily work.

If some managers were a bit reluctant on some aspects or sceptical at first of the meaning and efficiency of such a complex and fastidious approach, as many procedures and regulations need to be adjusted or changed, they progressively realized the benefits and the successful certification achieved to convince them. But our main pride is to have given a new dimension of their work to the staff by involving them in a scheme that goes beyond business purpose enabling them to play a positive role in the sustainable development of their own country. It is for them a source of pride and an incentive to pursue. Although we have been Travelife certified, there will be a second audit 2 years after first audit that will require we have completed all processes initiated and that we are then able to prove our significant progress and commitment. It is also likely that the set of criteria and compliances will evolve over the next 2 years and become more demanding, we will this need to be in compliance with these new indicators.

In 2016/17 our main targets are to:

- Complete certification for Laos and Myanmar before end of low season.
- Keep improving the environmental record inside all offices, and in particular reduce electricity & water consumption and amount of waste generated.
- Offset regional clients flights and be able.
- Offer refillable water bottles to at least 35% of travelers instead of plastic bottles.
- Finalize the suppliers' assessment, promote responsible ones more actively to clients and, increase by at least 15% the sales of responsible activities.
- Train sales overseas and local travel consultant to integrate more responsible suppliers in their proposals
- Reinforce guides awareness and knowledge on sustainability.
- Comply to new criteria and pass second audit
- Spread best practices and advise our suppliers to adopt responsible practices

III. EXO Waste Management Project

❖ The problem

Plastic waste is becoming a plague suffocating seas, lakes, rivers, ground waters tables, and all life living in these ecosystems, as well as on land; it is estimated that over a million birds die every year from plastic waste accidental ingestion. It is as well affecting human health as its chemical components are contaminating waters along the food chain locals and us heavily depend upon. Secondly, the accumulation of waste invades all urban and rural areas deteriorating the beauty of landscapes, spoiling tourism sites and raising questions of hygiene in tourists' minds, one of the main criticisms from Asian tourists in Cambodia is that they find it 'dirty'. Thirdly the decomposition or burning in open air of waste which is a common practice in the region is an important source of CO2 emissions contributing to global warming and is a serious health hazard.

Whereas most waste is now increasingly reused and thus, collected, light plastic waste (plastic bags, straws, wrappings, styrofoam boxes, cigarette butts, etc.) is not being collected as so far there is no economic value attached to it and, rare recycling facilities in the region. With locals' income rising, junk food consumption seen as a sign of richness is exploding consumed and waste produced. Increasing tourists' arrivals (both domestic and international) are adding to the pollution with at least 3 plastic bottles a day per tourist, glasses, straws, take away food, styrofoam containers etc.; being sold on tourism spots.

❖ Our plan

Local authorities now acknowledged the issue but sensitization to environmental issues is still very limited if existent, there is a need to find a real motivation for people to care. And so far there is very limited interest from donors or NGOs to tackle the issue. **The EXO Foundation therefore decided to do its share and develop a waste management project; 'Don't Waste your Waste', it is articulated in two main actions: sensitize and recycle.**

We started in Cambodia as a pilot but our intention is to spread to Laos and maybe later to other countries.

The overall objective is to reduce plastic waste being thrown out in natural areas, and to find economic alternatives to reuse and recycle waste which are currently not being collected. The Specific Objectives are to:

- ✓ Create new economic activities for disadvantaged locals.
- ✓ To construct buildings at reduced costs, to train some people to develop this activity.
- ✓ To sensitise tourists and locals to the consequences of using and throwing away plastic.

❖ 'Don't Waste your Waste' & 'Plastic Never dies'

Not finding anywhere any relevant sensitization book explaining the dangers linked to waste pollution in any language, the Foundation decided to create its own. Once the storyboard elaborated in a way rendering such a subject attractive

2,500 copies of the comic strip have been distributed to schools, students, during clean up events and conferences.



enough, we asked the graphic school studio of Phare Ponleu Selpak to draw the comic strip we called 'Don't waste your waste'. That was a very successful collaboration and our first print of 3,000 copies disappeared in a few months.

We partnered with Comped a Cambodian NGO working on sensitizing locals to sorting their waste and who produce compost and biogas who distribute the comic strip during their conferences.

We pursued with the creation of a 1'40" animation VDO shown at events in cinemas and on Cambodian channels called *'Plastic Waste never Dies'* done for the Ministries of Tourism and of Environment in collaboration with UNESCO.

❖ The bottle- brick house project

But sensitization is not sufficient whereas a sensitization campaign explaining the health hazards of such pollution for the environment, the food chain and thus, human beings is necessary, it is not sufficient to curb this plague. Action needs to be taken to show some examples and what to do with waste. The only solution is to give value to plastic waste and create an economic activity from recycling that would make it attractive and useful to some extent to the locals.



- ☞ Plastic waste is disposed anarchically because people are not aware how harmful it is and it bears no economic value to them.
- ☞ The idea: create an activity from plastic recycling
 - Sensitise, train and pay people to clean sites & Fill plastic bottles with non-organic waste
 - Use them as bricks!¹ Build houses, schools, visitors' centers imagination is the limit

Any kind of construction can be made: walls, benches, schools, toilets, health centers, community halls, houses, bungalows for tourists, etc. Apart from reducing the pollution of natural ecosystems, and reducing health hazards for animal life at large and human, this project projects to adapt the technique to reduce the cost of construction so it can be easily reproduced.

The Advantages of the bottle bricks for construction

- ✓ It contributes to reducing environmental pollution
- ✓ It is a simple recycling system, applicable worldwide
- ✓ It is hygienic, since it remains sealed with its own (bottle) lid.
- ✓ This recycling system uses only human energy thus renewable
- ✓ It recycles all plastic waste, soft and clean including cigarette butts, styrofoam, metallic paper wrapping, plastic bags, etc.
- ✓ It takes cubic meters of plastic into constructions, avoiding those to end up in dumping sites, in rivers or seas
- ✓ It provides new livelihood activities for people working at dumping sites, new skills for masons, new opportunities for construction companies
- ✓ It reduces high CO2 emissions in many ways; no transport of waste no transport of bricks, no deforestation to get fuel for cooking bricks, no emission from cooking bricks,
- ✓ Brick making is also often using child labour in dangerous and very unhealthy working conditions
- ✓ It is an effective isolating material
- ✓ It is earthquake-resistant.



Our Partner COMPED executed our first project sensitizing local community and constructing a building for their Center in Battambang. We are planning more construction projects in the near future.

¹ This technique was developed in Guatemala since early 2003 and had proven its efficiency as well as the solidity and robustness of



IV. Charity and development projects

1. EXO Foundation website

The website, www.exofoundation.org, launched in April 2013 was initiated and developed as a response to an increasing urge to provide both travellers and travel industry professionals answer on their growing concern that their holidays should actively benefit the destinations they visit and, the people who live there.

Its first aim is **to advise travellers on the most efficient ways of helping**, and to channel their donations to the projects and organisations that need them most and will make the best use of the funds.

Its second objective is **to raise awareness about, and trigger action towards responsible tourism**, this part still remains to be developed in a more substantial manner. But 2014/15 main focus was to act foremost through the Travelife certification implementation. This shall be done in the next period.

Blind charity, however well intentioned, may have unfavourable results, creating dependency and/or negative impacts that are not immediately visible, particularly to the visitor who is not familiar with the local context and codes of conduct. Quite often, when confronted by the harsh and frequently emotionally overwhelming realities of extreme poverty, tourists are moved to give in a way that lacks discernment. The upshot is that they may be giving to the wrong people or organisations and, unknowingly contributing to the creation of a dependency, the expansion of charity businesses which main purpose is not always the welfare of the people in need. The proliferation of



orphanages and children centers in Cambodia is an appalling example of how children becomes commercial assets meant to extort money from travelers willing to satisfy their desire to express their generosity and feel good.

With this in mind, our website is a valuable **platform** promoting a series of **carefully selected initiatives** throughout Asia, which are reliable and demonstrate a genuine commitment to the human and economic development of local communities. **The website currently features 48 active projects, including 19 in Cambodia, 12 in Viet Nam, 10 in Laos, 2 in Myanmar** (plus one with Nargis cyclone relief effort), **4 in Thailand and 1 in Indonesia**. Projects are listed by country in the *Projects* section and, in the *Themes* section, according to their purposes and objectives, under 7 topics; *human protection, education & vocational training, health and sanitation, emergency relief, economic development for the poorest, cultural revival and environmental conservation*.

2. EXO Foundation Facebook page

The EXO Foundation Facebook is a valuable tool to spread best practices and examples of sustainable development among our staff and viewers, presenting news and information in a more dynamic and interactive format. It reports on EXO Foundation's activities, promotes the organisations we partner with as well as those acting in the same direction, provides information about responsible tourism suppliers and articles on social issues such as those related to child protection, or on environmental issues like pollution and waste management with tips on saving energy and resources. We now have 1,200 followers and most viewed posts reached nearly 2,500 likes, this is not quite much but we hope to get 10 times more followers over the next year.

3. Donations and support for projects

Direct donations by the EXO Foundation to charities, NGOs and local communities emanate from a variety of sources²:

- Private donors, individuals or entities
- EXO Foundation fund
- EXO staff or offices

A total of US\$ 140,006 over the 2 years period were distributed to various projects detailed below (\$55,600 in 2014 and US\$ 90,006 in 2015), donations were therefore multiplied by over 10 times compared to the previous 2012/13 period.

Sources of donations/Country									
2014/2015	Cambodia	Indonesia	Laos	Myanmar	Thailand	Vietnam	Nepal	EDM	Total
EXO Foundation	33 745	8 659	12 753	19 961	3 735	18 555	5 000		102 408
EXO Travel	278		597			1 647	4 274	5 760	12 556
External donors	16 049		15 062	411			20		31 642
Total	50 072	8 659	28 412	20 372	3 735	20 202	9 294	5 760	146 606

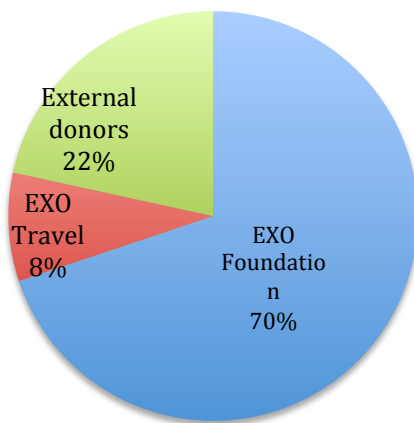
² Donations from MICE events are not recorded this year as we could not get the exact data from countries. As well some donations from staff were not recorded in Vietnam.

The Foundation disbursed \$102,408, representing 70% of all donations. We need to remind here these funds are donated by each EXO Travel destination that give 1\$ from their benefits for every traveler they service.

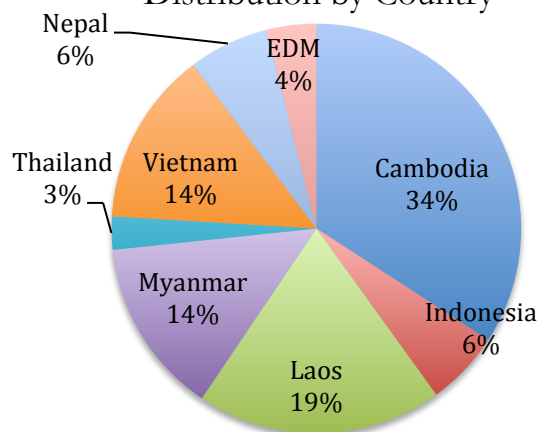
EXO Travel staff was quite generous as well in particular to support Nepal emergency relief. EXO as well sponsor 6 children of Enfants du Mékong (EDM).

External donations as well saw a surge with \$16,643 thanks to Paypal online donation system allowing individual donors to contribute to the project of their choice. The service was stopped end of 2015 due to the fact PayPal forbid us to collect funds to a Thai Bank account as the Foundation is registered in Cambodia, the problem being that PP does not allow to open an account in Cambodia! We are now looking for a different way to support external donations. The rest \$15,000 were donated directly by a Swiss Foundation willing to remain anonymous.

Sources of donations



Distribution by Country



The distribution of funds also expanded geographically although Cambodia remains the main beneficiary by far. Usually the Foundation only supports projects based in countries where EXO operates, but considering



the disastrous earthquake affecting so many lives in Nepal in April 2015, it was decided to donate \$5,000 and our call for donations raised over \$4,000 more mainly from EXO Staff. All funds were not disbursed yet but will be early 2016, as we wanted to be able to support over the long term after surge of donations recede.

We are expanding our geographical coverage to redistribute more equitably the funds across the countries as we identify new relevant and reliable projects we are willing to commit over the long term. The Foundation purpose is to follow up projects and provide a continuity of intervention over the years, organizations who are not providing feedback or keeping us updated on a regular basis with proper financial and activity reports are not re-conducted the following years.

Thailand in particular will be the focus in 2016, we have shortlisted 5 projects 2 or 3 of which will be retained by EXO Thailand staff and the Foundation in the second quarter of 2016. Similarly we shall expand donations in Indonesia, Vietnam and Laos. So far the choice of organisations we support following a thorough selection process (see [here](#)), and/or encourage travellers to support through our website, is made according to recommendations from the Foundation own selection, Exo offices or, directly from organisations requesting our support.

❖ Cambodia

Cambodia remains our main beneficiary by far, although economy has soared the last few years, the redistribution of wealth is very unequal and, whereas traffic jams of Lexus cars are now blocking the capital streets on a daily basis, poverty remains prevalent in many areas of the countries. It has the strongest and most prominent civil society among countries we are working with and is home to 3,500 officially registered NGOs, the second highest number per capita in the world after Rwanda. This overwhelming NGO presence encourages more donations than in other countries. Travellers to Cambodia have frequent opportunities to be in contact with NGOs as many of them, for example handicraft manufacturers and retailers or hospitality vocational training schools, are linked to the tourism sector, it is likely that almost all travellers contribute to an NGO at one point of their holiday at least but shall be warned that many projects and NGOs are not reliable ones.



Cambodia is still one of the poorest countries in Asia and long-term economic development remains a daunting challenge that is inhibited by endemic corruption, limited educational opportunities, high income inequality and poor job prospects. Approximately 4 million (26%) people live on less than \$1.25 per day, 37% of Cambodian children under the age of five suffer from chronic malnutrition and only 33% of the population have access to proper sanitation. Other issues linked to land conflicts and deforestation are the current main challenges the country needs to address.

As travellers tend to favour supporting education initiatives, EXO foundation is keen to prioritise its support for other critical areas such as feeding street children, environmental and sanitation projects as well as support emergency relief.

Beneficiaries in Cambodia 2014/15	Description	Location	Source	Amount US\$
APPLE	Protection of children victims of sexual abuse	Nationwide	EXO Foundation	9,000
Buckhunger	Feeding street kids & elders	Phnom Penh	PP	900
			EXO Foundation	6,995
			A Swiss Foundation	14,999

Sonas	Start up agricultural project	Takeo	EXO Foundation	3,250
Kantha Bopha Hospital	Dengue outbreak	Siem Reap	EXO Foundation	3,000
Trailblazer	Drilling wells	Siem Reap	EXO Foundation	5,000
PSE	Relief village fire	Phnom Penh	EXO Staff	278
			EXO Foundation	1,500
Help the Cambodian children	Children center	Sihanoukville	EXO Foundation	700
Donation to one staff in need	Medical expense	Siem Reap	EXO Staff	150
			EXO Foundation	2,000
Samaki	Emergency relief flooding 2015	Kampot	EXO Foundation	2,300
Total				50,072

❖ Laos

The EXO Foundation is considering making Laos one of its main beneficiaries. It is a destination that certainly needs support. So far we have concentrated our donations on health. Civil society organisations were only allowed in 2009 and are still having a hard time to be officially registered and operate. It is never the less a significant development in the political context of Laos where there is no organised political opposition and little space for freedoms of association, speech and media. With 56% of its population under 25 years old, 26% below the poverty line and limited education infrastructures in place, Laos is facing a huge challenge in relation to the lives of its future generations. It is one of the last dinosaur of communism era of the 70's with a political system in place which is not adapting to modern times and world, preventing despite huge amounts of foreign aids a proper development and improvement of the society and its institutions. Increasingly donors disappointed of poor results achieved in Laos are shifting their support to Myanmar.



Vientiane Rescue Team

Beneficiaries in Laos 2014/15	Description	Location	Source	Amount US\$
VRT	Emergency rescue of road & domestic accidents	Vientiane	Online donation	14,762
			EXO Foundation	8,753
			EXO staff	597
Lao kids hospital	Defibrillator	Luang Prabang	EXO Foundation	4,000
Lone Buffalo	English school		Online donation	300
Total				28,412

❖ Vietnam

The EXO foundation got more involved in Vietnam in 2015, the arrival of the sustainability coordinator helped to identify new projects to support. A noticeable fact is that we are supporting in Vietnam for the first time a community based project La Vie Vu Linh. Vietnam has had remarkable success in past twenty years, its GDP capita in 2012. Future years will economic development is reduction is now slowing and persistent deep pockets of ethnic groups, who make up 14 for half of the country's considered as a middle income country by the World Bank, Vietnam is no longer eligible for international aid.



project La Vie Vu Linh. Vietnam reducing poverty levels over the jumping from \$98 to \$4 000 per prove whether such rapid sustainable. The rate of poverty inequality is increasing, with poverty evident, especially among % of the population but account impoverished communities. Now

Beneficiaries in Vietnam 2014/15	Description	Location	Source	Amount US\$
Hy Vong school for auditory impaired	Scholarship for poorest students	Ho Chi Minh	EXO Foundation	7,500
EAST	Pygmy Loris conservation project	Ca Tien NP	EXO Foundation	4,000
La Vie Vu Linh	Bio gas + agroforestry	Yen Bai	EXO Foundation	5,000
350 Change	Climate Change	Ho Chi Minh	EXO Foundation	1,000
Various projects			EXO Travel	1,647
Ha Cau orphanage	Basic necessities	Hanoi	EXO Foundation	1,055
Total				20,202

❖ Thailand

Thailand, with its well-developed infrastructure, free-enterprise economy, generally pro-investment policies and strong export industries, is a rich country with a robust economy. The 2015 coup d'Etat has seen the military taking power again ending the democratic path Thailand had succeeded in. Social unrest is now forbidden, freedom of press endangered and these events have slightly affected the economy of the country aside tourism. Unemployment, at less than 1% of the labour force, stands at one of the lowest levels in the world, which puts upward pressure on wages in some industries. Despite all this wealth, ethnic groups are still very poorly treated, refused Thai citizenship after decades of residency and without any rights are vulnerable to exploitation, many are still living in relative misery in remote mountainous northern areas. As a result most of our support accrues to these migrant communities nearby Myanmar border and we will pursue in 2016 as we are now selecting new projects to support.

Beneficiaries in Thailand 2014/15	Description	Location	Source	Amount US\$
Gift of Happiness	Support migrants children welfare	Mae Sot	EXO Foundation	2,000
Enfants du Mekong	Support education of Burmese migrants	West Thailand	EXO Foundation	500
Bangkok Accueil	Le Sourire de Chiang Khong	Chiang Rai	EXO Foundation	1,235
Total				3,735

❖ Indonesia

Indonesia is a huge, polyglot nation with 13,000 islands, and the socio-economic situation of its diverse peoples varies considerably from one territory to another. On a macro-economic level, Indonesia seems to be performing well but it still struggles with poverty, unemployment, corruption, inadequate infrastructure, and unequal resource distribution among the regions with, for example, only 58% of the population have access to proper sanitation. Environmental issues are getting a major source of worry especially the pollution of water sources, while deforestation is a major concern, particularly in Borneo Island where there are extensive palm oil plantations. Pockets of poverty can even be found in the Eastern areas of Bali, a relatively small island and probably one of the richest parts of Indonesia thanks to tourism. We chose these last 2 years to support the construction of 44 toilets and washing areas for villagers in a very remote village in Bali. Approached by a film maker shooting documentary about the tough livelihoods and disappearance of Sea Gypsies we decided to support this project which will be shown in festivals and on TV in 2016.

Beneficiaries in Indonesia 2014/15	Description	Location	Source	Amount US\$
East Bali Poverty Project	Water supply & 44 toilets in East Bali	East Bali	EXO Foundation	7,800

Helder Film	Film on sea gypsies	Netherlands	EXO Foundation	859
Total				8,659

❖ Myanmar

Myanmar is probably one of the richest countries of the region considering its enormous natural resources, cultural diversity and strong demographics. But Myanmar is one of the few countries in the world where parents are better educated than their children, and skills levels have been in decline for two to three decades.

Last two years have been marked by the political transition with free elections bringing Aung Saun Suu Ki Democratic Party to power. The opening of the country resulted in a surge of tourists arrivals bringing much needed revenues to many as well as foreign aid. Myanmar has now become the latest, fashionable tourist destination and has been experiencing a unique tourism boom in the last two years, which it is struggling to cope with. These two years also have seen the cruelest attacks of Muslim communities, rejection of Rohingya refugees, and surge of ethnic wars in Kachin and more recently in Shan state. Civil society organizations are in their infancy and it is not easy to spot good projects to support. As a result in front of emergencies, EXO Travel Myanmar has always been proactive and do its share whenever serious help is needed. In July 2015 a huge cyclone provoked heavy floodings in Rakhine state, immediately EXO staff got organised and went by any means of transport to the affected areas to distribute over \$10,000 of goods to victims.

Beneficiaries in Myanmar 2014/15	Description	Location	Source	Amount US\$
Ah Let Chuang Clinic	EXO project support all operations	Yangon	EXO Foundation	7,370
Maung Shwe Lay library	EXO project support all operations	Ngapali	EXO Foundation	3,002
EXO Myanmar	Typhoon 2015 EXO emergency relief operations	Kachin Sate	EXO Foundation	9,589
			External donations	411
Total				20,372

V. EXO Foundation Financial Report

Expense	2014	2015
1. Donations to projects	41 815	76 639
2. Waste managment project	741	19 454
2. Bank charges	410	585
3. Operational costs	12 600	12 700
4. Tee Shirts	846	
Total	56 412	109 378

Income	2014	2015
1. Exo Contributions	80 629	62 273
2. External Donations	16 030	40 739
Direct EF Bank	9 965	28 356
Paypal	6 065	12 384
3. Bank interests	768	795
TOTAL 1+2+3	97 427	103 808
Pending 2015 contributions from countries		- 63 090
Pending PP payment		- 11 901
Total Pending		-74 991
Bank account 31/12/15		117 098