



DTGO Corporation Limited

**Communication on Progress
January - December 2017**

Our Commitment

To our stakeholders,

I am pleased to confirm that DTGO Corporation Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our company's strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Thippaporn Ahriyavraromp
Group Chief Executive Officer

Organizational Profile

Vision & Mission

DTGO Corporation Limited is a social purpose business that is passionate about helping solve social and environmental issues through its business as well as its social contribution. Since its establishment in 1993, DTGO has contributed to wide range of social development programs with primary focus on underprivileged children.

VISION

To be a global, evolving, and living organization that fosters a community of smart and good-hearted people who care for society at large.

MISSION

- Nurture children in need of a better quality of life
- Conduct business successfully with ethics and integrity
- Be a community full of warmth and happiness
- Be a dependable place for every member
- Foster every community member to live a happy life with ethics and integrity

Social Contribution

Buddharaksa Foundation, a Thailand-registered charitable foundation founded in 1999, has worked with DTGO to spark transformative life changes among underprivileged children and youths in Thailand through helping them gain well-rounded educations that impart both wisdom and compassion. Buddharaksa Foundation's scholarships currently help 670 orphans and children and youths from poor families to stay in education each year. The foundation's support for raising educational standards in schools and academic institutions also benefits over 6,400 pupils and students each year.

DT Families Foundation, established in Hong Kong in 2016 as a charitable associate for DTGO, works on environmental protection and sustainable development with global partners. Its recent engagement in the 'Bhutan for Life' project enhances DTGO's capacity to address world sustainable development goals with integrated focuses on economic development, ecological enrichment, and community empowerment.

Businesses

DTGO aims to add value and enhance well-being in all its business operations. The group also dedicates 2% of its topline revenues specifically to social causes.

DTGO's business falls into 3 main areas:

- Property development led by Magnolia Quality Development Corporation Limited (MQDC), a company dedicated to pushing the boundaries of traditional property development to change society for the better through trend-setting design as well as innovative thinking in the interaction of behavioral psychology and materials and system technologies.
- Design and construction management led by DT Design Corporation, an integrated architectural design firm committed to improving people's quality of life by incorporating the latest innovations and advanced research into its products and services, which range from urban planning to architectural design, interior design, landscape design, and design consulting. DT Plans provides professional consulting services in design and project and construction management in China and Thailand.
- Trading and commerce led by Dees Supreme, an international company focused on developing innovative commerce to sustainably serve evolving global lifestyles. Dees Supreme's associates engage in a wide variety of advanced technologies such as innovative materials and technological solutions for real estate development.

Employee Engagement

As of November 2017, DTGO had 585 employees, or what the group refers to as 'corporate members'.

<i>Number of corporate members</i>		585
<i>Genders</i>		49.5% Female 50.5% Male
<i>Nationalities</i>		92.5% Thai 5% Chinese <1% Korean <1% Taiwanese <1% Canadian <1% British <1% German <1% Singaporean <1% Swedish
<i>Age (average)</i>		35 years old – Female 39 years old – Male
<i>Years of service</i>		47% - Less than 1 year 22% - 2-4 years 20% - 5-9 years 17% - 10-20 years 1% - More than 20 years
<i>Generations</i>		6.2% Baby Boomer 39.5% Gen X 54.3% Gen Y

DTGO's core values provide the foundation for serving stakeholders and benefiting society at large.

DYNAMIC

Honor our words, honor our time

Our words reflect who we are and what we stand for. We commit to our promises. We understand the value of time and cherish every second as we know that time is a precious and finite resource.

TEAMWORK

Always be helpful

Harmony in a team arises when members respect each other and value their differences. By drawing on a variety of talents and strengths, good teamwork enables people to complement and help each other, resulting in success for both teams and individuals.

GOODWILL

Good thoughts, good words, good deeds

A person with a good and caring heart can bring out the goodwill of oneself as well as influence the goodwill in others. Goodwill must be exercised through all thoughts, words and actions.

OPEN-MINDED

Listen and think positively

Being open-minded is the key to happiness in life and success at work. It helps broaden our capacities for active listening and positive thinking. Through active listening, one can tap into an endless stream of knowledge while, through positive thinking, one becomes a person of understanding, willing to embrace any new challenge and opportunity.

HUMAN RIGHTS PRINCIPLES

Assessment, Policy and Goals

The company's code of conduct announced since 2014 addresses the basic principles governed by the Universal Declaration of Human Rights, primarily equality in dignity and rights without distinction of any kind. An emphasis is made on:

- Privacy
- Recruitment
- Employment and human resource management
- Employee and stakeholder engagement practices.

Our charitable associate, Buddharaksa Foundation, has continuously been working to promote,

- The right to education by providing necessary financial support to marginalized children and youths
- The right to a standard of living adequate for the health and well-being by supporting disaster relief efforts and providing assistances to those underprivileged to gain necessary care and access to social welfare entitled to them.

Implementation

UNGC's principles	DTGO's actions and progresses in 2017		Way forward
	Unit/Brand	Actions and Progresses	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	DTGO Corporation Limited (DTGO)	20 February Appointment of Corporate Social Contribution Committee	Ensuring that UN Global Compact's principles are incorporated into policy development and implementation guidelines
		5 July Appointment of Good Corporate Governance Committee	Developing and overseeing the implementation of Good Corporate Governance policy, human right related policies and code of conduct
	Magnolia Quality Development Corporation (MQDC) – As DTGO's subsidiary	11 August MQDC donated the audio equipment for blind in Wat Marua Khiri Wan, Nakhon Ratchasima	Series of contributions to reduce inequality gap arising from disabilities
		9 October MQDC donated wheelchairs and funded eyesight test for community at Sattahip, Chonburi	

UNGC's principles	DTGO's actions and progresses in 2017		Way forward
	Unit/Brand	Actions and Progresses	
13 Principle 1 (continue)	DT Families Foundation (DTFF) – As DTGO's foundation partner	<i>1-8 March</i> DTFF appointed its staffs to attend an International workshop on Participatory Monitoring and Evaluation	Ensuring that the practices related to community works adhere to human rights principles
	Buddharaksa Foundation (BUF) – As DTGO's foundation partner	<i>January-December</i> BUF carried out English Teaching Program for preprimary and elementary students at the Border Patrol Police schools in Chiang Rai, Nan and Payao provinces, Thailand	Ongoing project to provide access to quality education in hard-to-reach areas
		<i>13 May</i> BUF provided scholarships to students affected by HIV/AIDS through Sem Pringpuangkeo Foundation	Series of contributions to reduce inequality gap arising from illnesses
		<i>12 April</i> BUF provided houses for earthquake victims in Chubu Village, Kathmandu, Nepal <i>25 May</i> BUF provided homes to underprivileged people in Sa Kao, Thailand <i>18 September</i> BUF provided homes to underprivileged people in Kanchanaburi, Ratchaburi, Prachuap Khiri Khan, Thailand <i>8 November</i> BUF provided home to underprivileged people at Khlong Sam Wa, Bangkok, Thailand	Series of projects to support the right to a standard of living adequate for the health and well-being
		<i>11 August</i> Cash contribution to flood victims in Northeast Thailand <i>6 October</i> Cash contribution to flood victims in Southern Thailand	Series of contributions to reduce inequality gap arising from disasters/crises
Principle 2: make sure that they are not complicit in human rights abuses	DTGO Corporation Limited (DTGO)	<i>5 July</i> Appointment of Audit Committee	Ensuring compliance through internal control systems.
		<i>5 July</i> Good Corporate Governance Committee revisited whistleblowing and complaints channels	Newly revised whistleblowing and complaints channels announced on 3 July 2018

LOBOUR PRINCIPLES

Assessment, Policy and Goals

Similar to human rights principle, labour principles are applied and stated in the company's code of conduct. Specifically, the emphasis is placed on ensuring compliance with related laws and regulations of company's operations and our contractors.

Besides an appointing of the governance committee to ensure on labour practices principles within the operations, many of social programs provide an opportunity for people in need as a prevention of potential abusive circumstance in the future.

Implementation

UNGC's principles	DTGO's actions and progresses in 2017		Way forward
	Unit/Brand	Actions and Progresses	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	DTGO Corporation Limited (DTGO)	<i>3 May</i> Live Webchat with executives	Promoting effective approach for two-way communication company wide
		<i>4 May, 13 July, 25 August, 28 December</i> Staff meetings	Enhancing communication platforms for corporate members to voice their concerns
		<i>7 February, 3 August</i> Annual corporate meetings	Ongoing activities to promote collective employees' engagement at all levels
Principle 4: The elimination of all forms of forced and compulsory labour	DTGO Corporation Limited (DTGO)	<i>5 July</i> Appointment of Good Corporate Governance Committee	Overseeing the implementation of Good Corporate Governance policy and related policies and codes of conduct.
Principle 5: The effective abolition of child labour		<i>5 July</i> Appointment of Audit Committee	Ensuring compliance through internal control systems.
Principle 6: The elimination of discrimination in respect of employment and occupation	DTGO Corporation Limited (DTGO)	<i>January-December</i> Applying newly revised employees' manual with an emphasis on the role and responsibility of superiors in ensuring non-discriminatory practices in the workplace	

ENVIRONMENTAL PRINCIPLES

Assessment, Policy and Goals

Working largely in property development, the group faces key environmental challenges including:

- How to reduce our environmental footprint in the supply chain?
- How to develop more sustainable design and construction management?
- How to operate facilities with the least environmental impact?

In 2017, we drafted an environmental policy to respond to these concerns, taking into consideration our key stakeholders, whom we consider essential for the successful implementation of our policy. The environmental policy was officially announced on 1 February 2018.



Announcement No. DTGO-CEO 003/2561
DTGO Corporation Limited – Environmental Policy

DTGO Corporation Limited is committed to growing its business in tandem with social development for the ultimate benefit of society at large. Focusing on adding value in everything it does, both business undertakings and social endeavors, and adhering to the principles of the United Nations Global Compact and the Sustainable Development Goals, DTGO has established this environmental policy to provide the guiding principles for governance and management, stakeholder engagement, and sustainable development of the organization and global communities.

Guiding Principles

1. We are committed to promoting environmental conservation. Our members at all levels shall work with related stakeholders to benefit the environment through our business undertakings and social endeavors. Emphasizing the aspects essential for sustainable development, the areas of concern include, but are not limited to:
 - 1.1 Abundance of natural resources
 - 1.2 Balance of ecosystems
 - 1.3 Richness of biodiversity
 - 1.4 Management and mitigation of climate change risks and impacts
2. We are committed to making every effort to continuously develop ways to reduce the environmental impacts from our business undertakings and social endeavors. We focus on preventive measures to manage risk, improve operations, and comply with legal obligations, regulations, and global standards. Our areas of focus include:
 - 2.1 Impacts from using resources and raw materials
 - 2.2 Impacts from waste, emissions, and releases from business and social activities
 - 2.3 Physical and biological impacts on our stakeholders both directly and indirectly
3. The Social Contribution and Sustainability Committee will oversee a management system that ensures proper understanding and cultivates a sense of environmental accountability among corporate members. This management system shall incorporate appropriate key success drivers including processes for assessment, monitoring, grievance and feedback, and fact finding. The corresponding impact mitigations must be carried out appropriately and fairly.

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4. We encourage and support our business- and social-related stakeholders' participation in and adherence to the Guiding Principles 1 and 2 mentioned above so that all can together achieve the sustainable development goals.

This Environmental Policy is effective on 1st February 2018 onward.

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(Thippaporn Ahriyavaromp)

Chief Executive Officer, DTGO Corporation Limited

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Implementation

UNGC's principles	DTGO's actions and progresses in 2017		Way forward
	Unit/Brand	Actions and Progresses	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	DTGO Corporation Limited (DTGO)	15 August DTGO arranged the screening of the documentary 'A Plastic Ocean' for its members to raise awareness and spur action on the issue.	Series of educational and awareness-raising activities among the group's members.
		6 December DTGO joined COP23 global climate forum in Germany.	
	DT Families Foundation (DTFF), as a DTGO foundation partner	11 November DTFF contributed USD5 million to the 14-year 'Bhutan for Life' project to keep the Himalayan nation carbon negative.	Ongoing support throughout 14 year of project implementation.
Principle 8: Undertake initiatives to promote greater environmental responsibility; and	Magnolia Quality Development Corporation Limited (MQDC), as a DTGO subsidiary	7 July MQDC shared its experiences with over 200 civil engineering graduate students at Kasetsart University on the topic "Green Practices: Here.... And Now!"	Series of public presentations on environmental research and applications.
		27 July MQDC donated THB2.4m to Bangkok Metropolitan Administration to help plant and restore mangroves at Bangkhuntien over 3 years.	Series of public engagement activities for environmental protection.
	Research & Innovation for Sustainability Center (RISC) by MQDC, as a DTGO subsidiary	14 July RISC spoke on building design for well-being at SCG Experience's Comfortable Residential Design seminar.	Series of public presentations on environmental research and applications.
		18 November RISC shared the concept of eco-materials with Kasetsart University postgraduate architecture students.	Series of public presentations on environmental research and applications.
	Whizdom by MQDC, as a DTGO subsidiary	23 June Whizdom arranged the 1 st Reforest Program, in which 84 volunteers from DTGO constructed a check dam to improve forest and prevent flooding at Khao Yai National Park, Prachin Buri.	Series of public engagement activities for environmental protection.

UNGC's principles	DTGO's actions and progresses in 2017		Way forward
	Unit/Brand	Actions and Progresses	
Principle 8 (continue)	WHIZDOM 101 by MQDC, as a DTGO subsidiary	31 August WHIZDOM 101 spoke at the Autodesk University ASEAN 2017 conference in Bangkok on how MQDC's use of building information modeling (BIM) enables substantial quality, cost, time, and environmental gains.	Series of public presentations on environmental research and applications.
		14 September WHIZDOM 101 joined Bangkok Metropolitan Administration (BMA) to clean up Bang Aor Yai canal.	Series of public engagement activities for environmental protection.
		22 November WHIZDOM 101 welcomed over 70 academic staff and students from Assumption University to learn about the project's energy-saving systems.	Series of public presentations on environmental research and applications.
	Pattaya Worldmark by MQDC, as a DTGO's subsidiary	26 July Pattaya Worldmark and the navy released to the sea 1,066 sea turtles and 66,000 other animals from the Sea Turtle Conservation Center in Sattahip.	Series of public engagement activities for environmental protection.
		10 August Pattaya Worldmark and staff from Na Jomtien's health and environment department planted trees to mark Queen Sirikit's 85th birthday.	Series of public engagement activities for environmental protection.
	Buddharaksa Foundation (BUF), as a DTGO foundation partner	29 November BUF launched schools zero waste project with 2 partner schools, Dhammajarinee Wittaya and Wat Sakeo, to reduce the use of plastic bags at their co-op shops.	Ongoing campaign.

UNGC's principles	DTGO's actions and progresses in 2017		Way forward
	Unit/Brand	Actions and Progresses	
Principle 9: Encourage the development and diffusion of environmentally friendly technologies assessment, policy and goals	Magnolia Quality Development Corporation Limited (MQDC), as a DTGO subsidiary	30 November MQDC established a collaboration with MIT Energy Initiative to reduce greenhouse gas emissions from property projects.	Ongoing research collaboration through Research & Innovation for Sustainability Center (RISC)
	Research & Innovation for Sustainability Center (RISC) by MQDC, as a DTGO subsidiary	23 August RISC opened the new research facility in the center of Bangkok to host testing facilities and 300 designs for environment-friendly items for public use.	Ongoing facility management and environmental research development.
	EEC DT Green Energy, as a DTGO joint venture	31 October DTGO and EEC Group of Companies established EEC DT Green Energy, a joint venture aimed at introducing the Thai market to 'net positive' energy approaches, involving onsite power with features such as cogeneration, providing heat as well as electricity.	Ongoing business activities.

ANTI-CORRUPTION PRINCIPLES

Assessment, Policy and Goals

Since its establishment, DTGO has practiced anti-corruption principles and shared these with our stakeholders. In addition to the code of conduct published in 2014, the anti-corruption policy announced on 1 February 2018 reaffirms that commitment with clearly identified roles and responsibilities for everyone in the group, from the highest governance body to individual members.

In terms of operational management, an emphasis has been placed on procurement processes, with established policies and guidelines including:

- Procurement policy
- Procurement committee appointments.

To ensure we always remain in compliance with laws and regulations, our legal department has documented the relevant laws and regulations and kept them updated in our internal database, accessible by all members of the organization.



Announcement No. DTGO-EXCOM 002/2018
Subject: Anti-Corruption Policy of DT Group of Companies

DT Group of Companies has stipulated an anti-corruption policy that includes all forms of corruption, whether directly or indirectly, and covers every country associated with DT Group of Companies' business operations and social activities. DT Group of Companies supports and encourages all members of the organization to recognize the importance and be conscious of anti-corruption practices. Moreover, DT Group of Companies places emphasis on conducting a regular review of the practice guidelines and requirements for implementing anti-corruption policy to conform with changes in the business and in rules, regulations, and related laws.

Definition

Corruption means any type of bribery, whether in the form of offering, giving, promising or agreeing to give, demanding or accepting money, assets, or other illegitimate benefits from government officers, government agencies, private employees, non-governmental organizations or any individuals, whether directly or indirectly, to induce favorable actions or to restrain such individual or entity from performing their duties in order to acquire or retain business or to obtain illegitimate benefits. Exceptions shall be applied in the cases permitted by law, rules, notifications, regulations, and local customs.

Roles and Responsibilities

1. The Executive Committee of DT Group of Companies shall be responsible for approving the anti-corruption policy and practice guidelines, as well as for supervising and providing an effective system for supporting anti-corruption practices, with the ultimate goal of ensuring that the Management Team recognizes the importance of anti-corruption policy and effectively adopts the policy as a part of the organizational culture.
2. The Corporate Governance Committee shall be responsible for stipulating and reviewing the anti-corruption policy and practice guidelines at least once a year.
3. The Audit Committee shall undertake the responsibility of auditing to ensure that DT Group of Companies has an adequate and appropriate system for internal control, following auditing practices in accordance with the anti-corruption policy.

The Internal Audit Department shall be responsible for reviewing and auditing relevant measures' conformity with policy, regulations, and related laws, ensuring that the internal control system is

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Sufficient and appropriate for potential risks of corruption. In addition, the results of such review and audit shall be reported to the Audit Committee for further examination.

4. The Risk Management Committee shall be responsible for monitoring and supporting the implementation of risk management practices by assessing corruption risks and reviewing the adequacy and appropriateness of anti-corruption measures.
5. The Chief Executive Officer and the Executive shall be responsible for establishing a system in support of the anti-corruption policy and communicating with all members of the organization and related parties to ensure that they have a solid understanding of the policy and are able to implement it with efficiency and efficacy. In addition, the Chief Executive Officer and the Executive shall review how anti-corruption practice guidelines conform to changes in the business and rules, regulations, and legal requirements.
6. All members of the organization shall be responsible for understanding and complying with the anti-corruption policy and practice guidelines. In the case of any breach or violation of the policy or suspicious event, the members shall notify or report such incident through whistleblowing channel in accordance with stipulated regulation.

Anti-Corruption Guidelines

1. The directors, executives, and all members of the organization shall comply with the anti-corruption policy and the practice guidelines that have been stipulated according to the principles of good corporate governance and business ethics. No members of the organization shall be involved or engage in any activities pertaining to corruption, whether directly or indirectly, for the benefits of themselves, the organization, or other parties including government officers, government agencies, private employees, non-governmental organizations, and any individuals. Moreover, all members of the organization shall comply with the related anti-corruption laws of Thailand and other countries associated with DT Group of Companies' business operations and social activities.
2. DT Group of Companies shall provide continuous training for all members of the organization, ensuring that they have a sufficient understanding of the anti-corruption policy.

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3. DT Group of Companies shall establish an internal control system that encompasses finance, accounting, data storage, and all other processes relating to anti-corruption measures.
4. DT Group of Companies shall have a clear grant of authority that is concise, effective, transparent, and auditable.
5. DT Group of Companies shall review the internal process to monitor the efficiency and efficacy of the process that has been designed.
6. A person who commits a corrupt act shall be deemed as violating the code of conduct or employment regulations, and shall be subject to the stipulated disciplinary action as well as possible legal punishment if the act violates the law.
7. No members of the organization shall ignore or disregard any actions that could pertain to corruption. In this case, members of the organization shall report the person involved through a specified channel and shall collaborate in the investigation or examination of facts and other evidence.
8. DT Group of Companies shall provide fairness and protection to any member of the organization who rejects or reports corruption-related matters, whereby such person shall not be subject to demotion, penalties, or any negative consequences even if the action causes DT Group of Companies to lose business opportunities. DT Group of Companies shall protect the whistleblower, complainant, or collaborator who reports an act of corruption, according to the provision specified in the Whistleblower Regulation.
9. The anti-corruption policy shall cover human resource management processes, including recruitment, selection, promotion, training, performance evaluation, and compensation, whereby all levels of supervisors shall communicate with members of the organization under their responsibilities.
10. Any implementation or practice of the anti-corruption policy shall conform to the guidelines stipulated in DT Group of Companies' policies, regulations, and code of conduct pertaining to anti-corruption measures be effective now or to be stipulated later.



11. For clarity in situations that have a high risk or potential for corruption, the directors, executives, and all members of the organization shall be cautious in the following matters:

11.1 Giving or accepting gifts, entertainment, or other benefits

Giving or accepting gifts, entertainment, or other benefits shall be in accordance with regulations stipulated by DT Group of Companies.

11.2 Charitable donations or assistance

- DT Group of Companies provides charitable donations, in both monetary and non-monetary forms (such as knowledge and time), as a part of activities for contributing to society and the community.
- Providing support or sponsorship is a form of DT Group of Companies' public relations, differing from charitable donations. Support or sponsorship can be conducted in various forms, such as supporting cultural activities, arts, and education.
- All members of the organization shall be cautious and ensure that charitable donations and sponsorship are transparent and legitimate.

11.3 Business relations and procurement

Offering or accepting a bribe is prohibited in all business transactions. The operations of DT Group of Companies shall be transparent and in accordance with related laws and regulations.

This Policy was approved by the Executive Committee of DT Group of Companies according to the resolution of Meeting No. 1/2018 on 16th January 2018.

Effective from 1st February 2018 onwards

Announced on 1st February 2018.



(Thippaporn Ahriyavraromp)

Chairman of the Executive Committee – DT Group of Companies

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Implementation

UNGC's principles	DTGO's action and progress in 2017		Way forward
	Unit/Brand	Actions and Progress	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	DTGO Corporation Limited (DTGO)	<i>1 March</i> Revision of Procurement Policy	Improving the transparency and accountability of the procurement process.
		<i>16 March</i> Revision of Delegation of Authority	Improving the transparency and accountability of the financial, management, and operational approval process.
		<i>5 July</i> Appointment of Good Corporate Governance Committee	Overseeing the implementation of Good Corporate Governance policy and related policies and codes of conduct.
		<i>5 July</i> Appointment of Audit Committee	Ensuring compliance through internal control systems.

Measurement of Outcomes

In regards to measurement of outcomes, 2 working teams have been appointed, namely:

1. World Most Ethical Company (WMEC) working team reported to Good Corporate Governance Committee
2. Sustainability working team reported to Corporate Social Contribution Committee.

They are responsible for drafting the guideline for implementation strategy and impact measurement in relation to each of the 10 principles of UN Global Compact which is expected to be launched by the end of 2018 and communicated in our subsequent COPs.