More than a Trend: How and Why to Develop a Sustainable Property
Profit  Planet  People  Ethics
Hospitality Professionals said Sustainability Objectives based on Voluntary Firm Action have become Diffuse, making Progress Difficult. Harvard Business School

As hoteliers begin to realize that they can provide an enhanced guest experience by integrating natural elements, there has been an evolution in “green thought” in the community inspired by multiple factors. The Shelton Group Study

55% of the U.S. workforce would choose to work for a socially responsible company, even if they made less money—that number jumps to 76% for Millennials. 70%—83% of Millennials—would be more loyal to a company that helps them contribute to social and environmental issues.

Making a lodging business successful is a challenge.... making a business green and profitable is an even harder journey. For society's sake, entrepreneurs must make that journey! Geoffrey Jones
What, Who, & Why of Sustainability?

• A broad discipline: avoidance of the depletion of natural resources in order to maintain an ecological balance.....giving insights into most aspects of the human world from business to technology to environment and social sciences.

• Core skills for engineers and college graduates in a modern world looking to drastically reduce carbon emissions and improve the future.

• Draws on politics, economics and, philosophy and other social sciences as well as the hard sciences.

Presentation Qual/Disqualifiers

• Political leaning: None
• Sales commission: Zero
• Technical knowledge: None
• Academic publications: Zero
• Hotel experience: Plenty
• Global exposure: Plenty
• Interest and research: Huge
The Future of Hotels is GREEN

IN THE UNITED STATES, HOTELS REPRESENT:

More than $5 billion square feet of space

= 1,805 Empire State Buildings

creating more annual CO₂ output than 19 volcanic eruptions

US Hotels spend over $7.5 billion on energy each year equal to the worth of 12 Queens of England
Pros of Going Green

**Less waste** leads to massive savings over time. Waste factors into every part of your hotel—lobby, kitchen, rooms and event space—from saving energy (turning off office lights at night), to simply recycling paper, helping the environment and the bottom line.

**A healthier workplace** can have a significant impact on man hours, decrease in staff sick leave, increased productivity levels and less money paid out for medical benefits. Make your workplace healthier: provide organic food in the cafeteria and keep the green theme by using cleaning products that are not harmful to the environment.

**Lower costs** by simply encouraging corporate and property staff not to print emails and other documents unnecessarily.

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Pros of Going Green

**Tax credits and grants** offered by the US government; however, hotels must use business practices that are acknowledged as environmentally friendly (e.g., using renewable energy sources) and convert vehicles to hybrid or electric.

New hotels can get the EPA government grant that require businesses to implement some green criteria. Other grants include 30% price cuts on solar panels.

**PR/Consumer Demand** has implications for your organization, as the reputation improves in the eye of the general public and potential employees. Marketing campaigns may even draw like-minded green guests from competitors, who they feel are not doing enough for the environment.
Cons of Going Green

Going green takes time for a well-established company, as it can take some time to implement across the board. Also, it requires constant monitoring and effort to ensure all systems can be converted.

Initial costs can be high, as much of the environmentally friendly technology is fairly new and certainly more expensive than conventional technology, e.g., solar panels, geo-thermal. Often, choosing green products over conventional ones will result in more money being spent. This translates straight back to the consumer as the prices of products or services supplied by the organization are increased.

Cons of Going Green

Customer backlash...even though customers will, on the whole, be happier that a company has decided on the green route, it is imperative that no false claims are made regarding their green efforts or their products, intentionally or unintentionally. This “greenwashing” can lead to a major backlash if found to be untrue. Ethics count!

You may need to find new vendors....Although a company may make an effort to go green, it does not mean that their vendors or suppliers follow these ideals as well. Hotel owners will need to research potential new partners that fit into their green values and this can take time and effort.
Cons of Going Green

Complex business models... many business models take one main thing into account – profit. Going green means balancing the bottom line, the company's impact on the planet and people. So ultimately, going green needs the careful balancing of three factors: profit, planet, and people.

Takes effort and dedication... Along with an extended time to turn a business green, it also takes much effort and intense dedication to do it properly. However, it is well worth the effort in the eyes of most successful hotel owners.

Doing so allows for happier customers, less damage to the environment, and a business that is sustainable for years to come.

Understanding the Consumer Perspectives

The very dark green segment will do everything it takes to be green - cost is no issue.

The lighter green feels they need to do something, but they aren't sure what to do. They are attracted to greener products, but the products have to pass a cost-benefit equation.

Sustainability has remained important to people, but people are also saying it has to be practical. “I'm not going to spend silly money.”

Taking the longer view – cost decrease, revenues increase, planet remains, people are healthier,
Are We Trending Up or Down?

Progress:

...the continuing effort to make things to be as good as they used to be.
Make Energy Upgrades with No-Money-Down

Increase RevPAR, GOPPAR, & ADR

Meet Energy & Sustainability Goals

Increase Profits & Reduce Operating Expenses

Improve Guest Comfort & Experience

Save Energy & Water
We can’t just consume our way to a more sustainable world.
Most Common Hospitality Sustainability Programs

- Hotels are currently implementing many different programs, some big and others quite small.

- Regardless of size, though, each contributes greatly to a resort’s overall carbon footprint and helps to set a standard for other businesses.

- Environmental awareness and mounting pressure from regulatory groups is driving sustainability compliance to higher level than ever before, according to PriceWaterhouseCoopers.

Top 10 Hospitality Sustainable Standards

**Energy Conservation**
From central operations such as boilers to lighting systems, kitchen equipment, and automated energy management systems, hotels globally are working to reduce energy use while sustaining—and whenever possible enhancing—the guest experience.

**Water Conservation**
Within guest rooms, laundries, kitchens, pools, and spas, hotels continue to implement efficiencies reducing water and, chemicals used to treat water systems and clean facilities - linen and towel reuse, installation of low-flow faucets, showerheads, and other fixtures.
Aerators on sink taps
High R factor insulation
Double-paned glass
Green cleaning agents
Sustainable mattress (organic, Formaldehyde and EMF free)
Bamboo flooring
Non-toxic paint
Repurposed woods
Energy management systems
Low impact, non-plastic amenities
Compact fluorescent lamps (CFLs)

Recycling and Waste Reduction
Recycling programs for newspapers and beverage containers, paper and other disposables. Food waste composting/fertilizer - diverting 40-50% from landfills.

Bath Amenities
Package all-natural, essential oil-based custom formulated products made without preservatives ingredients in recyclable containers/re-fillable bulk dispensers.

Room Keys
Contemporary plastic key cards are made from PVC (polyvinyl chloride) based plastic, which is part of a highly toxic manufacturing process. Shift to card options made from paper, wood, and bioplastic that are better for the environment but equally as durable.
Cleaning Products
Safer bio-based oils and other natural cleaners for guests and employees as well as the natural environment. This reduces the use of products with chlorine bleach and petrochemical derivatives, and are less irritating to guests/employees/environment.

Food Preparation
Integrate local products and use fresh, seasonal produce and other ingredients emerging as a significant focus of hotel food and beverage programs. Shift to more sustainable and healthier cuisine offering travelers unique opportunities to experience a greater connection to locations they are visiting in a more sustainable way.

Spas
A growing trend is treatments that feature local and indigenous ingredients, natural and organic products, unique brands and resort signature treatments to truly offer guests a special connection to the destination.

Bottled Water Alternatives
In support of waste reduction and a higher quality experience, many hotels are moving away from bottled water as the standard and offering unique hydration options for meeting attendees and independent travelers - conveniently located filtered water dispensers, complimentary refillable bottles.

Menu Selection
Integrating more and more selections in menus of all types that integrate organic produce, hormone-free meats and dairy, and other natural products offering guests healthier food selections. (Use virtual, or chalkboard menus)

This Top 10 list is minimum...Check-out the next few slides
By recycling those materials after the building's lifespan comes to an end, you won't only be reducing the impact the waste has on its environment - you'll be contributing to a decline in the exploitation of natural resources for new materials, as well as saving yourself budget money, as recycled materials care often cheaper than new.

Local sourcing, another aspect of sustainable design, reduces a building's carbon print as it requires fewer fossil fuels used in the material's transportation, thus using recycled materials from nearby demolition sites or landfills gives your design extra green points.
Smart Recycling For Old Electronics

Hotels are constantly upgrading electronic equipment in their guest rooms. Yet, to conserve space, old models must be discarded. This creates significant waste, and improper disposal can lead to irreversible environmental damage. Fortunately, hotels and manufacturers are partnering to create new recycling programs with large participant incentives.

E.g., to specifically combat television e-waste, in 2015 Samsung introduced a limited-time TV buyback program for hotels which incentivized and assisted in eco-friendly disposal. Purchase 50 or more new Hospitality TVs, receive a cash rebate of up to $70 per set along with free pickup and recycling for old units.

Green Key Global

The hotel and lodging industry’s sustainable certification program of choice founded in 1994.

1500 Hotels Worldwide
350 Venues Worldwide
15 Participating Countries
Green Key Eco-Rating

The Green Key Eco-Rating Program is a graduated rating system designed to recognize a wide range of hotels and lodging facilities for their commitment to improving environmental and fiscal performance.

Green Key represents the positive and successful collaboration between the civil society and the hospitality/tourism sector in joint efforts towards implementing sound sustainability management.

Increase occupancy

Save money

Reduce carbon footprint

Foundation for Environmental Education (FEE)

A program for accommodations and tourism facilities, managed by the charity: Foundation for Environmental Education (FEE). FEE also runs the Blue Flag program for beaches, marinas and eco-tourism boats.

Green Key criteria fall into 2 groups: environmental management (energy, water, waste, cleaning, etc.) and sustainability education of staff, guests and suppliers.

Compliance with imperative and an increasing number of guideline criteria are required. Rigorous onsite audits are part of the evaluation process.

Today it is a leading label with 2,350+ awarded establishments in 50+ countries. FEE has national operators in 40+ countries of managing the Program nationally.
**Green Growth 2050**

Developed to meet the needs of tourism and travel businesses seeking today’s solutions to the issues driving social, cultural and environmental change.

The Green Growth 2050 Global Standard and Sustainability Reporting Framework is an international online solution designed to allow travel and tourism organizations to assess the overall sustainability and CSR performance of their existing individual properties and portfolios.

**Trip Advisor Green Leaders**

Green hotels appear with their green practices. Travelers follow links to reserve rooms. Post-stay, guests can write comments about how well the hotels are doing.

1,000 lodgings in the U.S. are participating in the initial launch of Green Leaders.

TripAdvisor claims 32 million members and over 100 million reviews.
95% of business travelers surveyed believe the hotel industry should be undertaking “green” initiatives.

The Bar Is Being Raised
If you want to make your hotel eco-friendly, you can’t just ask your hotel guests to re-use their towels. Standards are getting much stricter – consider achieving a LEED Gold status – Leadership in Energy and Environmental Design.

Educating Your Guests
Proactive hotels are sharing guests can help via social media, content, and email campaigns to encourage less waste.
Installing Shower Counters

1 Hotel Central Park uses 5-minute hourglasses in their showers to make guests aware of wasted water consumption. Consider putting reminders and controls into place to let your customers know when they are wasting energy.

F&B Sustainability

Every aspect of food and beverage in the hotel industry is coming under review. Accurate tracking will become a key part of going green, as hotels monitor:

- Source and purchase price of goods.
- Whether they’re organic, sustainably harvested, all natural, etc.
- Packages, plates, and utensils.

It isn’t just about waste, but also about whether you’re using sustainable means to source your consumables.

Eliminating Room Service

Not all hotels will be cutting their room service programs, nor is it necessarily the best decision for your customers and target market, but the New York Hilton Midtown decided to end their room service initiative. Many other full-service hotels are following suit.

Water-Saving Initiatives

Beyond shower counters and educating guests on wasted energy, many hotels are looking to install other water-saving devices: flush diverters or low-flow showerheads, divert rainwater to their plants and gardens. Expect water to remain a major talking point in the sustainability of the hotel industry.

Carbon Footprint Measurement

23 global hotel organizations including Marriott and Hilton have established the Hotel Carbon Measurement Initiative – for measuring the carbon footprint of individual hotel locations. Over 15,000 hotels have already adopted this.

The Hospitality Sustainable Purchasing Consortium is another program that’s similar to the HCMI, and we may see similar initiatives being established moving forward.
Kimpton Hotels

They are often touted as the “best-loved boutique” hotels in the U.S. Not only are their locations full of unique design and ambiance, they were founded on the ideal that social and environmental responsibility begins with the employees. The Kimpton Cares program runs on the idea that these values are part of the hotels DNA. Being certified by the Green-Key Eco-Rating program is only one example of what makes them a stand-out. A significant step they have taken to creating a better world is their celebration of diversity. They support the LGBT community through the Trevor Project and empower women through Dress for Success.

Innovate and Inspire:

Innovate and inspire: Created a funding mechanism to support the innovation, ideation and acceleration of sustainable solutions within its hotels that can be replicated across the Hyatt portfolio, as well as the broader hospitality industry.

Launch of Ready to Thrive, Hyatt’s global corporate philanthropy program focused on literacy and career readiness, which included a $750,000 investment in career readiness programs in Brazil.

Building 11 libraries and supporting reading and writing programs in 30 schools through a new partnership with Room to Read, impacting 30,000 students in India.

Donating 35,000 books to kids in across the globe - We Give Books and Room to Read.
What we are doing to the forests of the world is but a mirror reflection of what we are doing to ourselves and to one another.

According to the U.S. Department of Energy, most solar systems pay for themselves within 5 years.

In some places in the United States, the payback time can be as little as three years.
The Planet 21 program based around four strategic priorities: work with its employees, involve its customers, innovate with its partners and work with local communities.

Two key issues to tackle will be by contributing to the fight against child sexual slavery, the implementation of eco-certified products and design; and by offering sustainably sourced food in their hotel restaurants. One of their most iconic hotels, The Pullman Auckland Airport has a plant wall in the lobby and is actively working on ways to combat food waste.

Ask Guy Heywood how he gets his hotel owners to support the green cause, and the answer from the Chief Operating Officer (Bangkok) is “get the right owners.”

One way the chain does this is to embed a clause in the management contract that stipulates that 0.5 percent of revenue must go toward a sustainability fund.

No other chain makes it mandatory for owners to put aside a percentage of earnings into a sustainability pot — not even Six Senses new parent, IHG.
In another unprecedented move, Six Senses also set a goal of being completely free of plastics from 2022, that is, not just eliminating low-hanging fruits such as single-use plastic straws and plastic water bottles, but every piece of plastic at its corporate offices and hotels.

Six Senses’ Heywood told Skift in an interview during a sustainable tourism forum in Phuket earlier this year that the group has refused contracts in which owners don’t agree to give back 0.5 percent of revenue to the community.

Adhering to a “grown in and not flown in” policy where hotels host organic gardens, chicken farms, and beehives for honey harvesting, and make their own soaps and charcoal candles

The chain said last year 72,000 kilograms of organic fruit and vegetables were grown on-site at its hotels. In a place such as Bhutan, it pointed out that this also represents an investment in the future of Bhutanese farming.
Sometimes you have to Look Past the Bottom Line....................

to Reach the Bottom Line!

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