

HOTEL OWNERS FOR TOMORROW



2019 ROUNDTABLE SERIES SINGAPORE

Date: 10th October 2019 (Thursday) | Hosted by Six Senses Maxwell

SINGAPORE 2019 PARTICIPANTS OF HOT (HOTEL OWNERS FOR TOMORROW). HOT IS A COALITION RALLYING OWNERS IN ASIA TO DEMONSTRATE THEIR COMMITMENT TO HELPING THE PLANET AND ITS PEOPLE.

2019 Singapore Roundtable Participants (Left to Right)

- **Norbert Vas**, VP Business Development & Operations, Archipelago International Hotels, Residence & Resorts
- **Raini Hamdi**, Asia Editor, Skift
- **Jesper Palmqvist**, Area Director – Asia Pacific, STR
- **Alexys Tjhia**, Director, Corporate Responsibility, Cenizaro Hotels and Resorts
- **Irin Ng**, Manager, Greenview
- **Chew Siew Moon**, Sustainability Manager, Six Senses Singapore
- **Zafirah Zein**, Correspondent, Eco-Business
- **Sun Mi Moon**, Senior Director of Design and Technical Services, Next Story Group
- **Tan Chun Meng**, AVP Business Development and Asset Management, The Ascott Limited
- **Jeanette Lai**, Associate Program Director, COMO Group
- **Robert Hecker**, Managing Director, Pacific Asia, Horwath HTL
- **Jeannie Kwok**, Director, Corporate Responsibility, Hilton
- **Eric Ricaurte**, Founder & CEO, Greenview
- **Jonas Ogren**, Principal, Craft House Consulting

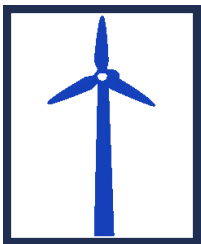
HOTEL OWNERS FOR TOMORROW

THE FIVE ACTIONS FOR BUILDING A SUSTAINABLE FUTURE



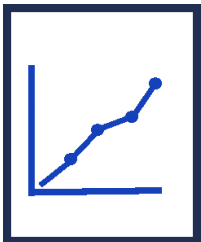
1
Incorporate sustainability from the beginning of investment decisions

- Discuss sustainability at the onset of developing a project or acquiring a property to explore opportunities to improve.
- Discuss about sustainability, its challenges, and its opportunities with capital advisors, developers, managers, and brands.
- Discuss about energy, water, waste, and carbon footprint of the building as well as external factors such as climate risk, water stress, and protecting nature to identify risks and opportunities to get more value out of your investment.



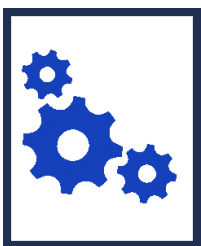
2
Evaluate one renewable energy project efficiency project per property per year

- Review and consider at least one renewable energy-related project and at least one project relating to reducing energy, water, or waste for each property in the portfolio per year, either onsite or offsite.
- Encourage partners to develop good projects for you to review.
- If you have a portfolio, you can consider one project and see how it may apply across your properties.



3
Routinely monitor and benchmark sustainability performance

- Track each property's energy, water, waste, carbon emissions, and community impact for the entire portfolio.
- Review at least once a quarter.
- Benchmark these results among your portfolio, among peers, or through industry benchmarking.



4
Support brand efforts

- Encourage your property teams to actively participate in brand-management and company-led initiatives.
- No-cost options include participating in surveys, using their sustainability software, communicating their initiatives, keeping related signage updated, and participating in global volunteer or community events.
- For independent hotels, demonstrate how you support the branding of sustainability.



5
Share your best practices

- Help spread awareness and best practices that demonstrate solutions that are working to create value for the owner with the investment community.
- Communication methods include case studies, articles, and reports.

HOTEL OWNERS FOR TOMORROW

Roundtable Summary

Singapore Hospitality Industry leaders from the [Hotel Owners for Tomorrow \(HOT\) Coalition](#) convened for the 2nd time on 10th October 2019 in Singapore. In the inaugural Singapore Roundtable held in Aug 2018, the discussion surrounded on how to start engaging with the owners and how to bring them onto the coalition to advance sustainability. Fast forward 14 months later, the HOT Coalition has increased the presence of hotel owners and representatives into the discussion on the topic of sustainability.

The 3-hour event covered two thematic discussion topics, where participants took turns to share and facilitate, followed by a sustainability trends presentation covering the results and findings from the [Cornell Hotel Sustainability Benchmarking Index](#) of energy, water, and carbon performance; along with the [Horwath Asia Pacific Sustainability Data Trends](#) and [Green Lodging Trends Report](#). A back of house tour was also offered to all attendees at the Six Senses Maxwell.

Best Practice Sharing on Proven Investment

Chew Siew Moon, Sustainability Manager for Six Senses Singapore, kicked off the roundtable by sharing how Sustainability is in the DNA for all Six Senses Hotels Resorts and Spas with a dedicated sustainability headcount in all the hotels. Jeannette Lai, Associate Program Director, COMO Group, shared that COMO Hotels and Resorts trains all Hotel Managers to be the Sustainability Champion in their respective hotel. The Hotel Manager forms their own committee and agenda, aligned with corporate directions.

Six Senses Maxwell and Duxton are the first two city hotels within the Six Senses Group, and this means that initiatives such as having a chicken or goat farm is not possible due to space constraints and not as relevant in the local or city context, but many other opportunities such as engaging with the local community given the proximity to the neighborhoods exist. A few of the current successful implementations from Six Senses Singapore shared were:

- An edible garden where the produce goes back to the kitchen as ingredients for guests
- Filtered water served in glass bottles for all rooms
- Community events for the local community and offering lower income families the opportunity to learn and gain knowledge about sustainability such as composting

Raini Hamdi, Asia Editor, Skift, asked Chew if having a group mandate such as an edible garden was a good idea for individual hotels as one idea might not work in all locations that the group would have hotels in. Chew highlighted that its always good for corporate to provide certain guidelines and directions. For the example of an edible garden, the items that are grown would need to be useful to the local kitchens and this is where collaborations between departments is important.

On the topic of water and eliminating single use plastic bottles, which has fast become a trend for most hotels in recent years, Jesper Palmqvist, Area Director – Asia Pacific, STR, shared that Swissotel Singapore recently had a renovation and that the hotel installed drinking taps in all their suites, which serves both still and sparkling water. This type of set up seems to be getting popular and more receptive in the market. Jeannie Kwok, Director of Corporate Responsibility of Hilton, also shared that setting up taps in all the rooms is an option they have considered, but that the costs can be prohibitive and unjustifiable. Kwok also found the cost of vendors to be very costly especially for large hotels. Kwok called for hotels in the same location to come together for collective purchasing which should bring the cost down and offered to help rally the discussion.

HOTEL OWNERS FOR TOMORROW

Sun Mi Moon, Senior Director of Design and Technical Services of Next Story Group, agreed with both Palmqvist and Kwok and shared the example of the recent hotel Next Story owns in Melbourne, Australia, where the set up for the water refill stations were on the ground floor instead to reduce the cost of installing pipes and filters in every floors. Next Story knows that there will have to be an element of guests' engagement and storytelling for guests to encourage them to be part of the journey together and not look at it as just being a cost cutting measure. Jonas Ogren, Principal of Craft House Consulting, mentioned, "Most restaurants and hotels earn a good amount of profit from the sale of water and this might also be one of the reason why they are not willing to make the switch as it would mean a reduction of profit. Some restaurants add a dollar fee to the overall bill to maintain their water sustainability efforts. Guests can always choose to remove the charge if they prefer." For an initiative such as water service to be successful in the hotel, there needs to be consensus and support throughout the hotel. Hotel owners need to approve the idea, including overall capex funding, and hotels will need to adapt operations to process how water is bottled, delivered, and served in hotel restaurants or in-room and finally there would need to be communications to hotel guests to learn and hopefully be receptive to any new or innovative ideas, as this will ultimately affect guests' preference and their choice of hotel.

Norbert Vas, VP Business Development & Operations of Archipelago International Hotels, Residence & Resorts shared that in his role in working with hotel owners and general managers, he is often met with resistance for implementing sustainability right at the start of developing a hotel. More traditional owners and general managers are worried about guests' reaction and how receptive they will be toward these initiatives. Robert Hecker, Managing Director of Pacific Asia, Horwath HTL, added to say that if he were to categorize hotel owners, they will be:

- 1) Sustainability driven owners
- 2) Traditional owners who are willing to consider investing in sustainability with a payback period
- 3) Traditional owners who do not have the knowledge of sustainability and does not want to fork out more money

Implementing sustainability in hotels will sometimes depend on the type of owners. We are seeing a trend in more owners who are sustainability driven and open to the conversations of sustainability. Tan Chun Meng, AVP Business Development and Asset Management of The Ascott Limited, also sees a trend with owners today, who are more willing to "talk sustainability". Tan said, "We should look at sustainability from a holistic angle – from investment, design, procurement, construction to operations. In terms of investment, there are green loans readily available to further support these investment decisions." On the same topic of green loans, Irin Ng, Manager at Greenview, brought up a case study for Holiday Inn Singapore, owned by Harilela Group Hong Kong, and shared that they managed to change a chiller with the support of a green financing company via performance-based funding of the equipment replacement, supporting the reduction of hotel's energy usage and carbon emissions. This cost savings in energy usage is in turn used to fund the cost of the chiller over the next 10 years. Ogren, Vas, and Kwok all agreed that such case studies are useful to showcase to both owners and hotel companies.

Hotel Owners are important stakeholders:

"Hotel owners will play a huge role in sustainability and we have to continuously engage them on this journey."



Robert Hecker, Managing Director of Pacific Asia, Horwath HTL

HOTEL OWNERS FOR TOMORROW

On the topic of energy, Moon explained that some owners at renovation stage are not willing to invest in better equipment, which can lead to cost savings in the long run, even though they understand that this will implicate the hotel having a higher operating cost. This can be due to various reasons from different budgeting accounts to brand standards which do not specify the need to do that. Moon said, “Brand standards are not often updated and do not seem to reflect the current trends and need in the market”.

“There is also a lot that can be done to conserve energy consumption during operation. This includes training which is a key component to energy conservation”, says Kwok. Zafirah Zein, Correspondent of Eco-Business, asked, “Is there a standard temperature that hotels use as its usually very cold in hotels?” Moon and Kwok explained that usually the standard temperature for hotels are 24 Degrees Celsius, but the standard in temperature in different parts of the hotel will differ. For example, in the lobby, where doors are being open often, the temperature will need to be cooler as compared to a meeting room where it’s in an enclosed space. Air condition also acts as a dehumidifier in the hotel rooms and in cases where air conditioners are not on the moisture in the Singapore climate might lead to mold and fungus in the rooms, leading to health problems and also furniture and fixtures might get moldy and spoil easily.

Millennial and Gen Z, Our Future Hotel Leaders and Owners

Sustainability Storytelling:

“Storytelling allows the brand to connect directly with our guests and especially with the younger generation - Gen Z.”



Sun Mi Moon, Senior Director of Design and Technical Services, Next Story Group

The appearance of the environmental activist, Greta Thunberg, the world shook. Thunberg is looked upon as being the representation of the Generation Z. Moon highlighted that there were some studies done on Gen Z and it showed that they might not be the most knowledgeable generation about environmental issues, but a generation who are the most vocal. This generation are not only true digital natives but more globally minded and will become economic influencers in the next few years. This said, they will become a source of future guests, future hotel leaders, and owners.

Knowing that Gen Z are the group of consumers who are environmentally friendly and want to be associated with the brand when making their choice of hotel, Next Story looked at creating a brand with a story to tell. Ogren also found the storytelling part a very important one and mentioned he had once gone on a back of house tour and had found it to be very informative and inspiring, encouraging hotels to offer a back of house tours to their guests and also understood that some of these tours are one of the most well received tours in the resorts.

Next Story recently converted a hotel in Melbourne with 163 keys (Interim name: 167 Hotel South Bank) with Gen Z in mind as a key target market. Next Story knew that they wanted to push boundaries in terms of design and construction, and local purchasing and authenticity became a core of their design. The challenges faced were that they realized that many items in Australia were not locally made and were purchased from countries such as China and Indonesia, even when in-depth research was done to find local products there was a lack of readily produced materials and products. Items needed to be ordered way in advance and prices were also higher than what you would expect if you purchase from other countries. This did not help that 167 Hotel South Bank had the pressure in opening

HOTEL OWNERS FOR TOMORROW

within 3 months of taking over the hotel. This was indeed a great learning experience and it also served as reminder that for an idea to truly materialize, there needs to be an initial investment of time, effort, and finance. These would probably be the biggest hurdles to cross as hotel companies start to work more upstream into the design and construction phase. Ascott is also pushing the boundaries for Gen Z. Some of their new hotels targeting on Gen Z have different brand standard and do not serve toothbrush in all rooms, water coolers are provided on every floor to eliminate single-use plastic bottles and there are also local sourcing policies for these projects.

Alexys Tjhia, Director of Corporate Responsibility, at Cenizaro Hotels and Resorts asked the group on how they convince hotel owners to be more sustainable, if travelers are choosing the most economic hotel to stay in today. Orgen shared that one of the ways would be to work with corporate companies on their travels. For example, Apple will not send their employees to stay in a hotel that does not have a green certification. Do consumers today actually pay more for hotels which are sustainable? This is indeed hard to determine according to Palmqvist but he said, “we should always strive to make sustainability a key success metric tied profitability.”

Sustainability = Profitability?

“We should always strive to make sustainability a key success metric tied profitability.”



Jesper Palmqvist,
Area Director – Asia Pacific, STR

HOTEL OWNERS FOR TOMORROW

COALITION MEMBERS

As of 18 Nov, 2019

OWNER SIGNATORIES

Akaryn Hotel Group
Alphanam Group
Brightland Hotel Pvt Ltd
Cempedak Private Island
Crystal Creek Meadows
GreenPlace Assets
Harilela Hotels
Hong Kong Cyberport
Intermass Engineering & Contractors
ITC Hotels
Jasminn by Mango Hotels
Nikoi Island
Pro Invest
Pt Anugrah Karya Bangsa
Pt Dua Cahaya Anugrah
Swire Hotels
Taj Hotels Resorts and Palaces
The Hongkong & Shanghai Hotels
The Henry Hotel
The Lighthouse Marina Resorts

INDUSTRY PARTNERS

Estilo Hotels
Hyatt Hotels Corporation
Kokotel Bed & Café
Marriott International
Meritus Hotels & Resorts
Six Senses Hotels, Resorts, Spas
Wyndham Worldwide

NETWORK PARTNERS

GreenOtels
International Tourism Partnership
Pacific Asia Travel Association
Phuket Hotels Association
Subic Bay Hotels, Attraction, and Tourism Stakeholders Visitor Board

SUPPORTERS

C9 Hotelworks
Craft House Consulting
Greenview
Horwath HTL
Northside Consulting
Tajara Leisure & Hospitality Group
Tourism Solutions International
TTG Publishing Travel Trade

HOTEL OWNERS FOR TOMORROW

JOIN THE COALITION

Hotels for Owners of Tomorrow (HOT) is a true coalition, with limited overhead or administrative structure, intended to advance peer-to-peer sustainability discussion among owners and investors. Ongoing roll-out is undertaken by the coalition's constituents through their various roles, channel, and initiatives including roundtables, internal presentations, and a resource library. Types of entities that may

- ❖ **Signatories** – owners of hotel real estate who commit to the principles and follow them. Some entities may play a dual role for both owning hotels and managing hotels for other owners.
- ❖ **Industry Partners** - entities with a direct relationship with owners and whose performance directly benefit from owner commitments (e.g. hotel brands and management companies).
- ❖ **Network Partners** - entities that benefit indirectly from the initiative's success because it is also aligned with their mission, purpose, or complementary initiatives (e.g. industry associations and initiatives).
- ❖ **Supporters** – entities that help hotel owners make investment decisions, or media that helps promote them. *Not vendors of green products or services.*

HOW TO JOIN THE HOT COALITION

- ❖ The entity or a significant portion of its parent ownership of the entity is **headquartered in an Asian country** and owns a controlling interest in at least one property classified as a hotel/resort.
- ❖ **All four types of Coalition members**, including Signatories, Industry Partners, Network Partners, and Supports can **join by signing a commitment form** found here: <https://www.hotelsfortomorrow.org/jointhecoalition>, subject to approval for meeting the criteria for each membership type.
- ❖ The Owner Signatory **carries out its commitments** and **promotes becoming a signatory** to other entities who become interested.
- ❖ The Industry Partner and Development Supporter roles are to **engage owners to become signatories**, and **support signatories in implementing the principles**.
- ❖ The Network Partner and Media Supporter roles are to **provide external credibility to the initiative** and **help disseminate it throughout their networks**, further enabling signatories to be recognized.

Hotel Owners for Tomorrow is a grass-roots initiative of the hotel industry, launched in late 2016 and currently under pilot in Asia for bringing hotel owners to the global discussion of sustainability with financial acumen. There is no cost for owners to join, as this is a voluntary pledge, and the 5 actions do not require a financial commitment.

For more information and to join the coalition, visit
www.hotelsfortomorrow.org.