

HOTEL OWNERS FOR TOMORROW



2022 HOT ROUNDTABLE SERIES - MANILA

Date: 22nd Apr 2022 | Hosted by: the Marriott Hotel Manila / World Travel & Tourism Council

MANILA 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.

2022 Manila Roundtable Participants

<ul style="list-style-type: none"> • Eric Ricaurte, Founder & CEO, Greenview 	<ul style="list-style-type: none"> • Mark Mulingbayan, Head of Sustainability, Filinvest Hospitality
<ul style="list-style-type: none"> • Cyndy Tan Jarabata, Founder & CEO, Tajara Leisure & Hospitality Group 	<ul style="list-style-type: none"> • Jesper Palmqvist, Area Director – Asia Pacific, STR
<ul style="list-style-type: none"> • Bong Belen, Chairman, First Asia Venture Capital 	<ul style="list-style-type: none"> • Benito Benzon, Executive Director, Philippine Hotel Owners Association
<ul style="list-style-type: none"> • Bong Evangelista, Executive Director & RM, Lima Park Hotel 	<ul style="list-style-type: none"> • Dennis Tan, Chief Operating Officer, Joy Nostalq
<ul style="list-style-type: none"> • Hope Uy, Managing Director, South Palms Resort 	<ul style="list-style-type: none"> • Cleo Albiso, Managing Director, Megaworld Hotels & Resorts
<ul style="list-style-type: none"> • Lynette Ermac, Group Director of Sales & Marketing, Megaworld Hotels & Resorts 	<ul style="list-style-type: none"> • Ederlinda Decano, Group Financial Comptroller, Megaworld Hotels & Resorts
<ul style="list-style-type: none"> • Harly Geraldine Pow, Managing Director, Wellworth Properties and Development 	<ul style="list-style-type: none"> • Esperanza Garcia, Founder & CEO Anza Inc.
<ul style="list-style-type: none"> • Carla Singson, Business Development, Oak Drives Ventures, Inc 	<ul style="list-style-type: none"> • Tim Henschel, CEO, Hotelplanner.com
<ul style="list-style-type: none"> • Inge Huijbrechts, Global Senior Vice President Sustainability, Security and Corporate Communications, Radisson Hotel Group 	<ul style="list-style-type: none"> • Lyba Godio, Chief Operating Officer, One-of Collection Group of Resorts
<ul style="list-style-type: none"> • Jezreel Apelar, Deputy Executive Director, National Parks Development Committee 	<ul style="list-style-type: none"> • Christopher Imbsen, Director of Sustainability, World Travel and Tourism Council

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THE FIVE ACTIONS FOR BUILDING A SUSTAINABLE FUTURE

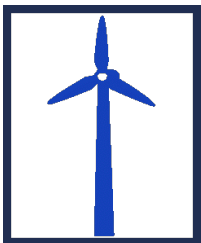
To take sustainability to the next level in our industry, hotel owners will make the difference. HOT is simple: hotel owners commit to 5 basic actions. There is no cost to join, and the 5 actions do not require a financial commitment.

To support HOT, a coalition is being built of hotel brands, management companies, industry bodies, and other supporters in hotel development to help owners carry out the actions.



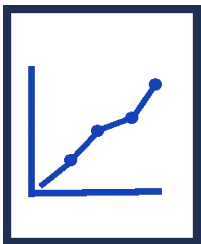
1
Incorporate sustainability from the beginning of investment decisions

- Discuss sustainability at the onset of developing a project or acquiring a property to explore opportunities to improve.
- Talk about sustainability, its challenges, and its opportunities with capital advisors, developers, managers, and brands.
- Talk 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.



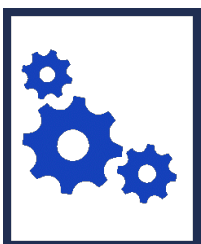
2
Evaluate one renewable energy project efficiency project per property per year

- 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- and management 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.

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Roundtable Summary

Back from the COVID-19 hiatus, the Hotel Owners for Tomorrow (HOT) coalition convened industry leaders for the second time in Manila on 22 April 2022. The two-hour event divided sessions into thematic topics, with participants taking turns facilitating moderated discussions on the overarching topic of the roundtables: how to get hotel owners and hotel development professionals to be more engaged in sustainability.

ESG from a Hotel Developer's Viewpoint

facilitated by Mark Mulingbayan, Head of Sustainability, Filinvest Hospitality

Awareness for sustainability can be built by focusing on the perspective of risk management in Environmental, Social, and Governance (ESG). Mark Mulingbayan, Head of Sustainability, at Filinvest opened with the broad application of risk, which is easy to understand in the region given the challenges that physical risks present in marine coastline development. "Focus on the risks, and that will resonate with hotel owners from the start," said Mulingbayan. Then from that perspective, additional risk factors can be incorporated, including regulatory risks which have also been a center issue in the Philippines with the closure of Boracay, but more importantly with the regulations and restrictions brought on by the Pandemic that devastated the industry. Relating these risks in other areas, including the costs of not focusing on resiliency, not embedding efficiency, and not meeting the growing guest expectations can represent a "price of not doing it." Mulingbayan then pointed out the importance of identifying the risks and the challenges, and invited colleagues to share some challenges and risks in the initial session, teeing up for a discussion of potential solutions thereafter.

When occupancy is down, it is difficult to justify the costs of investing at that time, offered Erlinda Decano, Group Financial Comptroller at Megaworld Hotels & Resorts. However, these costs could have been kept down should the investments have been made in the first place. Cleo Albiso, Managing Director, Megaworld Hotels & Resorts explained the challenges of low occupancy where revenues are not coming in, but operating expensive chillers and other equipment represents a significant utility cost in order to maintain the building, that cannot be brought down proportionately. Switching out for more expensive OS&E alternatives is also challenging at the moment. However, overall, the lessons learned can be packaged from the perspective of risk mitigation and lessons learned for new developments and in renovation or other capital expenditure decisions.

Act First



Bong Belen, Chairman,
First Asia Venture Capital

IMPLEMENTATION CHALLENGES

Some participants pointed out that solutions such as rainwater harvesting, onsite solar PV (where the Philippines has significant manufacturing capabilities), and building & systems design are known to have a proven ROI. Yet they are difficult to implement, first for the lack of knowledge in the local suppliers, and second for financing.

Hope Uy, Managing Director, South Palms Resort, explained how they had undertaken a professional study by regional experts in efficiency and resource conservation, which showed a clear opportunity to reduce costs. However, when it came to carrying out the plan, they found that suppliers didn't have the capacity to implement properly. Getting

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qualified suppliers and experience on the ground is a challenge. This leads to high costs and uncertainty of the quality and effectiveness of implementation, as well as difficulty to obtain financing.

Another example provided was modular construction, which represents a large opportunity to reduce costs, reduce environmental impacts, and increase preferred employment in the Philippines. It was mentioned how less labor is interested in the work of onsite construction and finding staff complicates the development. Many are short-staffed, which was exacerbated by the Pandemic. Harly Geraldine Pow, Managing Director, Wellworth Properties and

Development, explained in detail how as both a real estate owner and a construction firm, significant opportunity exists for modular construction to help solve these challenges. The scalability of being able to construct for 10 hotels at once can bring down costs and drive innovation. Yet the approach is still nascent in the Philippines. The earlier attempts to build hotels modularly may not have worked well, as pointed out by Lyba Godio, Chief Operating Officer, One-of Collection Group of Resorts. Six years ago they had tried a modular project, and are still finishing the project to-date. In this instance and in others, though practices have been proven successful and present opportunities, local case studies of proof of concept and effective implementation with ROI are still scant, and badly needed to help build awareness and give the first steps toward. Scale.

Inge Huijbrechts, Global Senior Vice President Sustainability, Security and Corporate Communications, Radisson Hotel Group, offered the experience of Radisson in using the [IFC's EDGE Tool](#) as a free resource to help model and implement specific measures to reduce energy and water in the building design for their owners. The EDGE Program and the IFC's investment officers are highly active in the region as well.

Use cases already can be found



Carla Singson, Business Development,
Oak Drive Ventures Inc.

In terms of financing for obtaining capital to invest in renovations and efficiency measures, reaching Small and Medium-sized Enterprises (SMEs) – which represent 80% of the hotel supply in the Philippines – can be challenging given the loan amounts. Even though lower amounts of finance, green or not, are available via initiatives, banks are still hesitant to loan for smaller amounts, though. Also an example of a dive resort was offered which had been damaged by the recent Typhoon, where if borrowing the minimum amount required for a renovation, would not have been able to pay back the terms. Scale and other collaboration are needed to help solve these problems, which led to the second half of the discussion.

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Innovation, Collaboration and Resiliency

facilitated by Cyndy Tan Jarabata, President/CEO, Tajara Hospitality

The discussion continued with Cyndy Tan Jarabata, President and CEO, Tajara Hospitality, outlining the three conclusions for moving sustainability forward in the Philippines: better collaboration, effective rebuilding both economy and infrastructure, and working with data to connect.

Collaboration and Innovation



Cyndy Tan Jarabata, President/CEO, Tajara Hospitality

Collaboration can be simple and does not require heavy operations or organizational administration to be effective. Jarabata cited the example of how the community came together during the pandemic to collaborate and share information in real-time at a local level. As a result of the first HOT Coalition Roundtable in Manila in 2018, a WhatsApp chat group was started where hotel developers, owners, and operators to communicate on sustainability issues at country and local level, ask questions, find information, and share current practices. During COVID, this was utilized to get the developers to share information they had obtained, and pass on to the SME owners and businesses. When needing specific equipment or other supplies, they were able to share information about vendors to get the price down and ensure consistency. The initiative was also helpful in the recent typhoon which hit Cebu in particular.

Challenges are not new, nor lessened as the tourism industry re-emerges from the pandemic. Bong Belen, Chairman, First Asia Venture Capital, provided the overview of the situation in Batangas where sufficient waste management infrastructure is lacking, yet needed for hotels. Recent developments threaten the quality and experience of the visitor in Taal Lake. When challenges like this exist, the larger entity is often tasked with funding or rallying for improvements to be made, so as to ensure quality

of service and practicality of the hotel's operation. Yet the majority of the tourism value chain are small businesses and small owners. Lynette Ermac, Group Director of Sales & Marketing, Megaworld Hotels & Resorts reiterated this. "80 percent is mom-and-pop, and a strategy is needed for these SMEs." Carla Singson, Business Development, Oak Drives Ventures reiterated this issue, indicating that problems arising in destinations are a collective issue, and just basic compliance can be challenging and unfeasible. Also, as Mulingbayan pointed out, getting these smaller owners into the discussion is a question for all to address.

More than best practices, Jarabata called for more rallying and pressuring from an industry level. First and foremost, the hotel associations of each respective destination do have a voice, and the lessons learned from the Pandemic indicate the need to show value, pressure governments, and work within the destinations to solve these challenges. Stronger hotel associations in the Philippines as well as the more grass-roots efforts such as the HOT Coalition WhatsApp chat, are a solid structure that can be built upon. Additionally, being resourceful in the approach can help. In some cases such as Siargao, "imports" or foreign hoteliers may represent an opportunity for helping support these efforts even though they are also small owners.

Singson pointed out the convergence between the original lens of risk, need for capacity building, and proving the business case is emerging. For example the business case for installing solar power in places such as Palawan already exists, especially when it is a necessity for disaster-prone areas or to provide reliable power. These use cases can be documented and lessons learned spread. Singson further addressed the issue of engaging small hotel owners. "These owners can get bogged down by all the frameworks and criteria, but smaller, simpler things can still be done."

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HOTEL SUSTAINABILITY BASICS LAUNCH

The roundtable took place upon close of the World Travel & Tourism Council (WTTC) Global Summit, this year held in Manila. At the summit, the Hotel Sustainability Basics, a coordinated set of basic actions that hotels should implement as a minimum at the beginning of their sustainability journey, was launched with the support of a myriad of companies, such as Jin Jiang International (Holdings) Co., Ltd. including their affiliates Jin Jiang Hotels, Louvre Hotels Group and Radisson Hotel Group, Accor, Barceló Hotel Group, Meliá Hotels International, Indian Hotels Company Limited (IHCL), as well as key hotel associations around the world like the Caribbean Hotel and Tourism Association (CHTA), the Hotel Association of India (HAI), Zurich Tourism and many more. Serving as the springboard for the global call to action, the Philippines hotel community can help be the catalyst for the effort, and encourage more companies to support and obtain real data and insight regarding the status of implementation across the country, with more information available at [their website](#).



Hotels can use the opportunity to help spread best practice. For next steps, hotels and hotel companies are invited to participate in the **Green Lodging Trends Report**, a free assessment of best practices in markets, regions, and globally, which incorporates the Hotel Sustainability Basics into the assessment. Hotels can participate by signing up and taking the survey at [the website](#) and then receiving a free benchmarking report of the results.

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COALITION MEMBERS

As of 11 Apr, 2022

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
- Leopard Rock Hotel
- 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.