

HOTEL OWNERS FOR TOMORROW



2022 HOT ROUNDTABLE SERIES – THAILAND

Date: 26 September 2022 | Hosted by: Angsana Laguna Phuket, and PHIST

PHUKET, THAILAND 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 Phuket Roundtable Participants

<ul style="list-style-type: none"> • Eric Levy, Managing Director, Tourism Solutions International 	<ul style="list-style-type: none"> • Rachel Tan, Head, Government and Corporate Affairs (Southeast Asia and South Asia), Expedia Group
<ul style="list-style-type: none"> • Pavnesk Kumar, Sustainability and Social Responsibility Program Head, Pacific Asia Travel Association 	<ul style="list-style-type: none"> • Eric Ricaurte, Founder & CEO, Greenview
<ul style="list-style-type: none"> • Matawee Mujchapan, Operations Manager - Environment & Sustainability, Centara Hotels & Resorts 	<ul style="list-style-type: none"> • Randy Durband, CEO, Global Sustainable Tourism Council
<ul style="list-style-type: none"> • Kevin Deisser, Co-founder & CEO, Invest Islands 	<ul style="list-style-type: none"> • Bill Barnett, Managing Director, C9 Hotelworks Company Limited
<ul style="list-style-type: none"> • Nikhom Jensiriratanakorn, Director, Horwath HTL Asia Pacific 	<ul style="list-style-type: none"> • Robert Hecker, Managing Director Pacific Asia, Horwath HTL

HOTEL OWNERS FOR TOMORROW

THE FIVE ACTIONS FOR BUILDING A SUSTAINABLE FUTURE

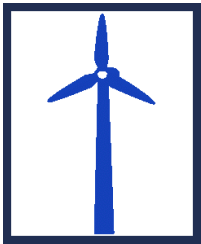
To take sustainability to the next level in our industry, hotel owners will make the difference. HOT is simple: hotel owners commit to 5 basic actions. There is no cost to join, and the 5 actions do not require a financial commitment.

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.



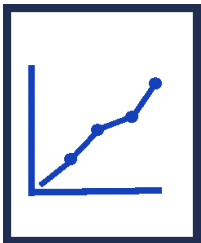
1
Incorporate sustainability from the beginning of investment decisions

- 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.



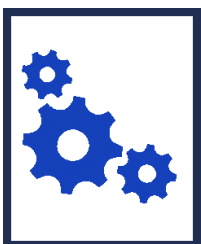
2
Evaluate one renewable energy project efficiency project per property per year

- 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.

HOTEL OWNERS FOR TOMORROW

Roundtable Summary

Industry leaders from the Hotel Owners for Tomorrow (HOT) coalition convened for the second time in Phuket on 26 September 2022, hosted by Angsana Laguna Phuket and Phuket Hotels for Islands Sustaining Tourism (PHIST). The one-and-a-half-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.

How GSTC Certification will affect Hotel Owners

facilitated by Randy Durband, CEO, Global Sustainable Tourism Council

The roundtable opened with Randy Durband, CEO of the Global Sustainable Tourism Council, establishing the need for good sustainable tourism certification processes that include two main components:

1. A set of global standards to provide clear guidance in a common language for sustainable tourism.
2. Third-party audits that ensure impartiality in the assessment of an operator's alignment with the standard.

Amidst the growing mix of sustainability labels, certification by GSTC-Accredited Certification Bodies is gaining prominence as the go-to mark of assurance in good standards precisely because of these two components.

After setting the context for GSTC, each participant was invited to share any current views, experiences, or questions about sustainability certifications.

GSTC as a good starting point

"Start by aligning the existing practices with the GSTC criteria."



Matawee Mujchapan, Operations Manager - Environment & Sustainability, Centara Hotels & Resorts

The growing demand for sustainable tourism

Participants recognized the growing interest and demand for sustainable tourism from multiple groups of stakeholders. Based on Expedia's 2022 Sustainable Travel Study, Rachel Tan, Head of Government and Corporate Affairs (Southeast Asia and South Asia) at Expedia Group, cautioned against making bold claims about sustainability because 7 in 10 consumers have avoided a travel destination due to skepticism of their authenticity. This illustrates how sustainability plays an increasingly important part in guest experience and ultimately, customer satisfaction.

Durband pointed out that national governments are also generating waves in local demand, highlighting Turkey and Singapore as prime examples of how countries are getting involved. In the coming years, more countries will likely follow suit and turn to certification to formalize sustainable standards in the hotel industry.

The financial aspects of certification

The discussion then opened up around the financial implications of getting GSTC-certified. Several participants raised questions about the trajectory of costs to get and remain certified, as well as the incentives of doing so. To that, Durband explained that GSTC would need a greater scale to gain more financial control in driving certification costs

HOTEL OWNERS FOR TOMORROW

down. To achieve the required scale, GSTC is working with sustainable tourism training experts from around the world to make certification more accessible and gain market share. This is likely to make GSTC certification less costly and as a result, more attainable for smaller and independent brands in the future.

Many participants are also involved in partnerships that will allow certifications to drive growth in revenue. In conjunction with UNESCO, Expedia Group is working with the Tourism Authority of Thailand to boost and promote hotels that have committed to the Sustainable Tourism Pledge. Similarly, GSTC is working with its partners to help boost the visibility of GSTC-certified hotels in online sales channels. For instance, GSTC collaborates with Travalyst to ensure the criteria are used by its members as they develop approaches, content, and labels for their websites and hotel offerings.

Owners are at the core of driving impact

GSTC is a process-based certification going beyond 4 walls, but owners typically only focus on green buildings and assume it is about design and certification for the building's design and construction, but not after the hotel is built. The GSTC certification can enact the most positive and meaningful changes only when there are buy-ins from hotel owners. As a starting point to get more owners involved in sustainable practices, Matawee Mujchapan, Operations Manager - Environment & Sustainability of Centara Hotels & Resorts, suggested for hotel companies to start with certifying properties that they own, where they have greater control of the decisions that may need to be made to implement the GSTC criteria.

Eco and Non-eco Resort Development

facilitated by Kevin Deisser, Co-founder & CEO, Invest Islands

Kevin Deisser, Co-founder and CEO of Invest Islands, opened the second discussion topic by sharing the aspirations of the new generation of hotel owners for responsible business. He shared about two different types of development projects in Lombok, Indonesia: a fully ambitious eco-resort that seeks to make every aspect of its life cycle sustainable, and a more traditional non-eco resort. Many peers and competitors are also riding the sustainability wave by incorporating various aspects of sustainability within development projects.

While the approach to incorporating sustainability differed in the two projects, concerns about up-front costs and uncertainty in the time required to generate returns remain common obstacles. To balance out these financial concerns, Deisser had to forego certain sustainability aspects that he wished he could incorporate earlier in the project.

Returns and capital allocation

These challenges are not new, nor lessened as the tourism industry re-emerges from the pandemic. Bill Barnett, Managing Director of C9 Hotelworks Company Limited, provided an overview of the situation in Phuket as tourism businesses begin to return. Out of ease and convenience, businesses starting back up are turning to the easiest ways to restart operations instead of pursuing sustainable measures. The financial feasibility of waiting for returns is also a real concern among owners deciding on how to pursue sustainability.

Eric Levy, Managing Director of Tourism Solutions International, shared his approach and experiences in asset management in mitigating these challenges. Tourism Solutions International (TSI) makes it compulsory for its partners to follow and align with a set of sustainability requirements. For instance, it is a requirement for TSI's partners to hire a certain type of sustainability consultant for their development projects. Since owners may not be married to any

HOTEL OWNERS FOR TOMORROW

specific sustainability program or approach, Levy suggested that hotel companies formalize specific requirements to ensure compliance with best practices.

It's easier to start small

Other participants also shared their experiences in embedding sustainability in their organizations. Matawee Mujchapan, Operations Manager - Environment & Sustainability of Centara Hotels & Resorts, shared that it is always easier to start small. She indicated that they first started with owned portfolio and would then seek to engage managed property owners to follow suit. To her, it is important to make capital-based decisions and not do too many extra things that would overwhelm hotel owners. Eric Ricaurte, Founder & CEO of Greenview, reaffirmed these comments and referred to the World Travel & Tourism Council's Hotel Sustainability Basics as a useful resource to help hotel owners embark on their sustainability journey. Similarly, to Rachel Tan, Head of Government and Corporate Affairs (Southeast Asia and South Asia) at Expedia Group, it is easier to get started by looking for low-hanging fruits because it helps to build momentum.

Best practices for implementation

Participants voiced the need for clear and usable case studies with proven financial metrics to make the business case for being committed to sustainability, for which the HOT Coalition seeks to provide a forum. Networking opportunities from the roundtable and best practice sharing during PHIST serve to inspire good ideas by giving participants a sense of how hoteliers are advancing the sustainability cause.

The importance of responsible business to Next-Gen Owners

"Next-gen owners have already started to push for sustainable tourism development."



Kevin Deisser, Co-founder & CEO, Invest Islands

HOTEL OWNERS FOR TOMORROW

COALITION MEMBERS

As of 2 November 2022

OWNER SIGNATORIES

- Akaryn Hotel Group
- Alphanam Group
- ALTA Capital Real Estate
- 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.