Sustainable Development in the Hotel Industry

Hervé Houdré

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Sustainable Development in the Hotel Industry

Abstract
Sustainable Development is a holistic concept based on a simple principle. As outlined in the 1987 Brundtland report, the concept involves "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". This report explains how an effective way to operationalize the concept of sustainable development in the corporate world is to apply what John Elkington called the "triple bottom line." This strategy maintains its first focus on an operation's profitability, but it also includes people and environment, as I explain in this report.

Keywords
Cornell, profitability, sustainability, social responsibility

Disciplines
Hospitality Administration and Management

Comments
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Sustainable Hospitality©:
Sustainable Development in the Hotel Industry
by Hervé Houdré
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Sustainable Hospitality©:
Sustainable Development in the Hotel Industry

By Hervé Houdré

ABOUT THE AUTHOR

Hervé Houdré is general manager of the Willard InterContinental Hotel.
For more information, www.willarddc.com/sd
The Willard InterContinental’s Sustainable Development initiative is showing substantial results. The program’s chief goals are based on profits, people, and planet. The first goal is to find ways to operate the hotel according to the idea of a “triple bottom line,” which embodies profitable operation combined with attention to the people who use and work in the hotel and a focus on careful stewardship of resources. While that goal is important, even more vital is to use the hotel’s position as an industry leader in the nation’s capital to demonstrate to the hotel industry, customers, and vendors that sustainable operation is the best strategy to ensure successful hotel operation. The sustainability initiative goes beyond such well-known ideas as reusing guest linens, recycling waste materials, and changing to compact fluorescent lamps. The strategy also includes community involvement by supporting charities and encouraging employees to volunteer in the community, as well as participating in global award and certification programs.
Sustainable Development is a holistic concept based on a simple principle. As outlined in the 1987 Brundtland report, the concept involves “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. This report explains how an effective way to operationalize the concept of sustainable development in the corporate world is to apply what John Elkington called the “triple bottom line.”¹ This strategy maintains its first focus on an operation’s profitability, but it also includes people and environment, as I explain in this report.

The following pages have no other ambition than to encourage hotel executives to think about the opportunity to make a difference, while still focusing on the growth of shareholder value. I coined the term Sustainable Hospitality® specifically to summarize the significant and encompassing role hotels and the hotel industry will take in what has commonly become known in the corporate realm as Sustainable Development.

The sustainability idea originated in the 1970s. The first international meeting that tackled the impact of


Hotel Participates in First Cherry Tree Planting Ceremony

Washington D.C. May 30, 2008—With funds collected via carbon foot-print offset efforts, the Willard InterContinental made its first donation to the National Park Service’s National Capital Region Cherry Tree Replacement Fund. Speaking at the tree-planting ceremony near the Jefferson Memorial, hotel general manager Hervé Houdré said: Planting trees helps neutralize carbon emissions. We hope that through our efforts and by encouraging others, we can reduce our negative impact on the environment and help sustain the natural beauty of this national treasure.
human activities on the environment and eventually their impact on the human race was the 1972 UN Stockholm Conference on the Human Environment. In 1987, the UN-sponsored Brundtland Commission released *Our Common Future*, a report that captured widespread concerns about the environment and poverty in many parts of the world. The Brundtland report said, in part: "Economic development cannot stop, but it must change course to fit within the planet's ecological limits". It also popularized the term Sustainable Development (SD). An easy way to understand and remember the basic message of Sustainable Development is with the 3Ps mnemonic, which stands for Profit, People, Planet.

**What it is not.** The Sustainable Development concept is not the dream of some political party that disdains capitalism and considers it to be evil. Nor is it the consequence of the delusion of people who determined that this world would be better if we were going back to our natural roots and resources. SD is definitely geared toward profitability and the future. Without profit it seems obvious that no business would be sustainable.

**Fair trade.** Fair trade is a vital component of Sustainable Development. Originally a partnership between retailers located in the northern hemisphere and producers in the developing countries who were fighting against low market prices, fair trade is meant to end producers’ dependence on intermediaries who were taking advantage of them.

**The Purpose of Sustainable Development**
The goal of Sustainable Development is clearly to secure economic development, social equity, and environmental protection. As much as they could work in harmony, these goals sometimes work against each other. The rapid development of good living, travel, and the consumer society has often resulted in less protection to the environment and to some groups of the world population. The players who have signed on for Sustainable Development include governments, non-government organizations, corporations, and high-profile individuals ranging from the Prince of Wales to Bill Gates. Before I discuss the Willard InterContinental’s specific Sustainable Development initiative, let’s examine efforts by several corporations in the hotel industry.

**Corporate Participation in Sustainable Development**
There are hundreds of major international corporations which have already integrated SD in their strategy or, even better, have based their strategy around Sustainable Development. The roster of corporations that have espoused Sustainable Development may seem surprising to some. They include ice cream maker Ben and Jerry’s (now owned by Unilever), British Petroleum, Dow Chemical, General Electric, and Starbucks. Sadly, I must state that when I first studied this matter in 2006, most hotel companies had not yet embraced Sustainable Development when defining their strategy. In this section I note the initiatives announced by several companies that could become elements of a sustainable strategy. The good news is that even if they do not embrace sustainability, most companies mention environmental concerns, corporate governance, and social responsibility in their mission statements. However, many do not integrate these ideas into a holistic Sustainable Development strategy.

In outlining the positive developments by several leading firms, I point out that there are others that I cannot mention due only to space restrictions.

**Accor.** At this writing, I see Accor as one of the earliest hotel companies to embrace Sustainable Development. Accor’s program started as an environment strategy in 1994, and Sustainable Development officially became company strategy in 2002. That initiative includes a scorecard that

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*The Earth provides enough to satisfy every man’s needs, but not every man’s greed.— Mahatma Gandhi*
checks Accor’s involvement throughout the world with all stakeholders. It encourages actions by its 170,000 employees through the idea that "one employee can make a difference." It published a short document highlighting conservation tips, a comic book about environment conservation, and an environment guide for hotel managers to train their employees about all aspects of environmental protection. The company's development criteria include biodiversity and architectural integration, and its corporate philanthropy focuses are on child sponsorship and aid to local communities. One of Accor’s major initiatives is "Plant for the Planet: Billion Tree Campaign," through which the company has pledged to donate 50 percent of the savings on laundry costs resulting when guests keep their bath towels for more than one night. Already tested in 52 Accor properties, the program is being rolled out in all of Accor's 4,000 hotels. Customers are personally encouraged to take part in the program through a message posted in their bathrooms informing them that “Here, your towels plant trees.”

**Fairmont Hotels & Resorts.** Fairmont is certainly the hotel company that has introduced environment and community service earlier than others in its global strategy. The company officially recognized the importance of environment in 1990, pioneered the Fairmont Green Partnership, and. It now encourages social responsibility through the Fairmont Hotels & Resorts charitable donations program, which supports education and youth development programs and health programs, among others. Fairmont's current initiative is its "Hybrid Suite Hotels," based on the energy-saving idea of a Lexus automobile hybrid. In the Washington, D.C., property, for instance, Fairmont installed locally sourced furniture, recycled polyester drapes, salvaged birch tree installations, and installed Icestone countertops made from recycled concrete and glass. Similarly, the San Francisco Fairmont's suites feature windows that are designed to allow natural light to stream in, reducing the need for artificial lighting. All fixtures in the room use compact fluorescent lights, also found throughout the hotel’s 591 guest rooms and suites. In addition to locally sourced furniture, the suite employs eco-friendly fabrics. Moreover, the Fairmont San Francisco is composting excess food and leftovers, providing complimentary parking for hybrid vehicles, and converting kitchen grease to bio-dynamic fuel.

**Hilton.** Now privately held, Hilton Hotels Corporation announced in June 2008 its short and long term goals and objectives towards building sustainability into the core fabric of its businesses worldwide. Christopher J. Nassetta, president and CEO, outlined targets for improvement in the company's sustainability performance systemwide for the next five years. By 2014, goals for the Hilton Family of Hotels are as follows:

- Reduce energy consumption from direct operations by 20 percent;
- Reduce CO₂ emissions by 20 percent;
- Reduce output of waste by 20 percent; and
- Reduce water consumption by 10 percent.

**Kimpton Hotels.** Founded by Bill Kimpton in 1981, California-based Kimpton operates 45 hotels as of 2008. Its business model is precise. With a corporate image based on lifestyle, Kimpton emphasizes its personal approach to serving guests based on a five-element philosophy: care, comfort, style, flavor, and fun. Its involvement in social responsibility and environmental protection includes partnerships with local and national not-for-profit organizations, including the Trust for Public Land and the integrated waste management board. Using the slogan "Kimpton Cares," the company focuses mostly on work-life balance, diversity, and education and development. It partners with national charities such as Dress for Success that provides economically challenged women with appropriate business attire (so they can go to job interviews) and the National AIDS Fund. Through the Kimpton Gay and Lesbian Employee Network, the company receives advice on personnel and community outreach concerns and offers special packages for various events including gay weddings. In 2008, Kimpton repeated its Summer of Pride promotion in 15 cities, in conjunction with pride weekends, film festivals, fundraisers, and street parties.

Kimpton's foremost environmental protection initiative began with the creation of an eco-friendly room at the Tri-
ton hotel in San Francisco. Designed to become a best practice for the company, the room offers amenity dispensers, rather than little containers, efficient lighting and motion sensors, and an energy saving mini-bar and air conditioning system. Among other accomplishments Kimpton ascribes $500,000 in new revenue to its environmental program (known as EarthCare).

Kimpton was honored by the State of California at the end of 2007 by receiving the Governor’s Environmental and Economic Leadership Award (GEELA), given to organizations for their notable, voluntary contributions to conserving California’s resources. The GEELA award recognizes Kimpton’s pioneering and steadfast green commitment, from its initial environmental efforts in 1985 to the formalization of its EarthCare program in 2005.

Kimpton’s EarthCare program sets standards across all Kimpton properties, from the first companywide in-room recycling program to the introduction of organic foods and beverages into hotel mini bars. More than 40 environmentally friendly practices encourage the preservation of water, land, air, and energy. These efforts have meant more than 962,000 pounds of cardboard recycled, nearly 50,000 gallons of cleaning chemicals replaced with non-toxic alternatives, and more than 253 trees saved using recycled paper in one year in California alone.

Marriott. Marriott is particularly involved in community service, through its Spirit to Serve Our Communities program, which provides career opportunities for young people and those with disabilities. As of 2008, the company reported that its Marriott Foundation for People with Disabilities has competitively placed more than 10,000 youth and young adults with disabilities in jobs nationwide through this program. Other Marriott initiatives include:

- Community partnership with Habitat for Humanity, Red Cross and Red Crescent societies, America’s Second Harvest (food charity), and Children’s Miracle Network (hospitals), among others;
- Associates’ involvement through the appreciation week, when thousands of associates reach out to help their communities; and
- Preserving the environment with the ECHO program (Environmentally Conscious Hospitality Operations) through eco-friendly guidelines to all hotels and associates through the “reduce-reuse-recycle” process.

Marriott has instituted a supplier diversity program, buying from minority- and women-owned U.S. small businesses. Its most recent environmental initiative is an agreement with the State of Amazonas to help protect over a million acres of Brazilian rainforest.

Taj Hotels Group. The Taj Hotels Group has a strong corporate social responsibility history. As one of the companies of the multi-billion dollar Tata group, and being based in India, it has developed many endeavors in all areas of SD and particularly helped to build livelihoods with a clear focus on women, artisans, and the education of children. Employees of all hotels and the corporate offices contribute and actively participate in numerous ongoing events and projects. One incredible commitment of the holding company, Tata, is to distribute 30 percent of its profit after tax to all types of community initiatives. Taj’s fundamental belief is based on the saying from Mahatma Gandhi, which appears at the beginning of this report: “The Earth provides enough to satisfy every man’s needs, but not every man’s greed.” Tata and Taj have for decades been applying the SD principles long before they were formulated under that name. They are involved in all aspects of SD, including:

- Corporate governance—through a strict code of ethics;
- Employee relations—development of entire cities for their employees;
- Environment—exhaustive code of environmental protection; and
- Community—through the Tata Council for Community Initiatives that embraces social development, environmental management, biodiversity restoration and employee volunteering.

In 2008 Taj announced its newest program, EARTH (Environment Awareness & Renewal at Taj Hotels), a project which reiterates the conscious effort of one of Asia’s largest and finest group of hotels to commit to energy conserva-
### Exhibit 1

**Willard InterContinental sustainable development strategy**

<table>
<thead>
<tr>
<th><strong>Area</strong></th>
<th><strong>Objective</strong></th>
<th><strong>Strategy</strong></th>
<th><strong>Tactics</strong></th>
</tr>
</thead>
</table>
| **Economic viability**            | Create superior value to our shareholders and our guests                      | • Increase revenues by accessing the growing market for sustainable travel accommodations  
• Reduce operational costs by deploying a disciplined approach to optimizing resource consumption and use  
• Review all buying practices                                                                                                                                                                                    | • Enhance the Willard’s image and reputation as a premier hotel offering sustainable accommodations and services  
• Develop database and communication with clients  
• Engage Avendra and all buying partners in SD strategy                                                                                                                                                       |
| **Governance (ownership and management company)** | Ensure 100-percent confidence in hotel’s business conduct | • Guarantee transparency and ethical responsibility in management practices                                                                                                                                              | • Apply Sarbanes Oxley law principles  
• Establish highest scores in IHG’s CSA process (self assessment of management practices)                                                                                                                                                        |
| **Social responsibility (community and suppliers’ committee)** | Take a leadership role in improving our local and global community | • Determine areas for focus and marry areas of need to a realistic application of our capabilities and strengths                                                                                                                                 | • Engage employees in community service actions  
• Incorporate supplier involvement  
• Engage community leaders  
• Establish a signature event to raise funds and awareness for a specific cause                                                                                                                                 |
| **Social responsibility (customers and employees committee)** | Create an inspiring experience for our guests and our staff | • Develop employee well being  
• Entice guests to embrace SD principles                                                                                                                                                                           | • Ensure competitiveness in employee compensation and benefits  
• Encourage a work-life balance  
• Encourage diversity and inclusion  
• Provide a safe environment for employees and guests  
• Communicate regularly with clients  
• Add an SD information channel to the in-house TV system                                                                                                                                                       |
| **Environmental impact (consumption, waste, energy, GHG emissions committee)** | Improve our impact on the local and global environment | • Drive improvement by minimizing waste, maximizing efficiency, and purchasing goods which do not endanger the world’s natural resources                                                                 | • Obtain ISO 14001 certification  
• Implement “signature” environmental initiatives which have high relative impact and high brand value  
• Develop a more sustainable F&B offering  
• Apply ISO 22000 principles in F&B  
• Publish a “conservation tips” document to offer to guests and employees |
tion and environmental management. EARTH has received certification from Green Globe, the only worldwide environmental certification program for travel and tourism. Taj Hotels’ participation in the Green Globe benchmarking and certification system constitutes an extension of its existing environmental policies. As is the case with the Willard, Taj Hotels believes that its commitment as a leader in sustainability constitutes a responsibility to demonstrate to other firms how they can be part of the fight against climate change.

**InterContinental Hotels Group.** IHG has undergone a major shift toward a complete Sustainable Development strategy. The basis exists to make this strategy the industry reference in the coming years. The group will not only be the largest hotel company in the world but as well, naturally, can become the most admired one. All components of SD have been addressed and it is remarkable to read the commitments of the board to apply corporate governance principles thoroughly in the corporate mission.

Many actions geared toward social responsibility and environmental protections have been endorsed throughout the years by various divisions or hotels and coordination is now taking place. Measurements will help demonstrate that the company walks the talk. The company issued in March 2008 a corporate responsibility report for its activities in 2007 (www.ihgplc.com/files/pdf/cr_report_2007.pdf). IHG created the position of Senior Vice President Global Corporate Social Responsibility in September 2006.

<table>
<thead>
<tr>
<th><strong>Area</strong></th>
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<th><strong>Strategy</strong></th>
<th><strong>Tactics</strong></th>
</tr>
</thead>
</table>
| General  | Embed a permanent SD culture into strategic and day-to-day decisions and behavior | • Engage the workforce broadly by frequently communicating SD messages, developing programs and procedures, assigning responsibilities, and encouraging ownership of further improvements | • Introduce SD strategy during recruitment process  
• Provide appropriate training to all staff  
• Incorporate SD into policies, practices, and SOPs  
• Integrate expectations into HR programs  
• Department heads to support participation in committees by two staff members  
• Conduct gap analyses between current and desired practice in key areas and assign responsibilities to specific individuals  
• Communicate frequently with staff on issues, successes, and challenges |
|          | Receive external recognition of the Willard’s SD efforts and achievements | • Seek opportunities to raise the profile of the Willard’s sustainability efforts | • Apply for IH&RA environmental award  
• Obtain a social responsibility award (Business Ethics magazine award)  
• Be active in industry activities which support sustainability  
• Maintain involvement in organizations that support the Willard’s sustainability ambitions (e.g., CSR, DC SBNOW)  
• Develop simple, understandable communications for various audiences, including customer relationship management, media, government, and corporate leaders |
In 2008, IHG’s Hotel Management Group, Americas Division, received the Cause Marketing Forum’s Gold Halo Award for Best Environmental or Wildlife Campaign for its 2007 “Chase the Extraordinary” program.

Over nearly six months in 2007, the “Chase the Extraordinary” program reached more than 30 states and 12 countries and included employee rallies to launch new company initiatives for 2007 and beyond. The cornerstone of the program was an initiative to replace more than 250,000 incandescent light bulbs with compact fluorescent lights in guest rooms at company-managed hotels across the Americas region. This environmental initiative will have the impact of removing carbon dioxide emissions equivalent to that of more than 17,000 cars. The CFL lamps also will save over $5 million in energy costs. A particularly innovative part of the program distributed an additional 15,000 CFLs to employees of company-managed properties for use in their homes.

**Willard InterContinental’s Sustainable Development Strategy**

The historic Willard Hotel is located on Pennsylvania Avenue one block away from the White House, facing the National Mall, its monuments, memorials, and Smithsonian buildings. The original hotel on this site was called The City Hotel, built in 1818. The property became The Willard Hotel in 1850. Due to its location and history the Willard is much more than a hotel; it is a legend in its own right. Since President Zachary Taylor stayed at the Willard in 1850, every U.S. President has either stayed or attended functions at the Willard, making it the “Residence of Presidents.” Abraham Lincoln spent ten days with his family at the hotel while waiting for his inauguration, on March 4, 1861. In the 1870s, President Ulysses S. Grant would come to the Willard after office hours. He liked to smoke a cigar and drink brandy in the lobby, a practice that gave rise to the term lobbyist, given that many people asked for favors while he was enjoying his free time in the lobby. On the death of President Warren Harding, Calvin Coolidge received the oath of office at the hotel and stayed for three weeks in August 1923, as he waited for Mrs. Harding to vacate the White House. For that time the Willard was transformed into his Executive Office. The Willard has also hosted royalty and heads of state, and Martin Luther King finished his famous “I have a dream” speech at the Willard, before delivering it on the steps of the Lincoln Memorial on August 28, 1963.

**Why Sustainable Development at the Willard InterContinental?**

As an industry leader, the Willard InterContinental hotel seeks to demonstrate the way Sustainable Development will be integral to future hotel operation. I see this as a long-term strategy. In keeping with the Willard’s history, the long term is the next one hundred years. The strategy is based on the concept of the “triple bottom line,” which combines economic viability with social responsibility and environmental protection. Let me briefly touch on each of these three points.

**Economic viability (profit).** It almost goes without saying that a company must remain profitable to be sustainable. Within that overriding principle, the idea is to follow strict ethics while conducting business and use sustainable development principles to grow revenues and save on costs, thus creating higher shareholder value.

**Social responsibility (people).** The two major components in social responsibility are our employees and the community. We want to be recognized as a fair employer and ensure that our employees are happy and proud to be associated with the Willard InterContinental. The hotel will be well integrated in the community by helping worthwhile causes. In our case, these will mostly focus on children’s well being and cancer research. These are worthy beneficiaries, but your organization should select causes that are appropriate to your goals and community. Not only is it right and ethical to offer our help across borders, but our international clientele sees that the Willard is involved in international causes, reinforcing the reality that the U.S. is a generous and caring country. Helping children internationally means supporting such diverse causes as access to clean water in Africa and offering aid to victims of the Asian tsunami.

**Environmental protection (planet).** Here, the sky is the limit! Among other steps, the hotel will apply for
national and international environmental certifications and awards. We will start with ISO 14001 (an international environmental certification) and the IHRA environmental award. Other projects under consideration are cleaning the Anacostia River or “adopting” Pershing Park, which is in front of the hotel, for regular cleaning in partnership with National Park Service. In all that we do we will search for an association with a well-known organization to benefit from existing infrastructure and to ensure the correct and ethical application of the funds we donate or actions we take.

Best Practice for the Company

To begin with, the sustainable development strategy will constitute a competitive advantage for the hotel. However, I anticipate that other hotels will soon follow the same strategy, starting with InterContinental in this country and throughout the world. Once this objective is attained the strategy could be developed through all brands of the InterContinental Hotels Group. The Willard and the company should become the standard bearers of this major initiative and persuade other hotel companies to follow.

The Sustainable Development Strategy

Our vision is a logical extension of our current position. Due to its location and history the Willard InterContinental can claim an ambitious vision. We are “America’s Hotel.” Formulated as a mission statement, this means the following:

“To be recognized as the premier hotel in Washington D.C. and within InterContinental Hotels and Resorts in terms of exceeding our guests’ expectations, being the employer of choice and maximizing shareholder value; and

“To model a culture that promotes sustainable development ideals and quality improvement processes that is the benchmark for the industry”.

The values that support this mission statement are as follows:

• **Accountability**: We are dedicated to performing our assigned tasks with excellence and to deliver outstanding results;

• **Education and development**: We provide everyone the opportunities, knowledge, and skills to grow both personally and professionally;

• **Empowerment**: We have the authority to take ownership, anticipate needs, and make decisions which exceed our customers’ expectations on first contact;

• **Integrity**: We believe in honesty, ethical behavior, respect, and trust;

• **Professionalism**: We are an action-oriented team of savvy experts who are passionate and quality driven;

• **Sustainable Development**: We are committed to economic viability, and social and environmental responsibility; and

• **Working smart**: We encourage innovation, proactivity, agility, and a safe work environment.

Objectives, Strategies, and Tactics

Action steps are detailed in the table in Exhibit 1, on the preceding page. The implementation of this plan proceeded in a step-by-step fashion, beginning with the hotel’s executive committee and working through managers to creation of employee committees. We set a five-year course for this implementation, as I explain below.

**Development of executives’ awareness.** First and foremost the hotel’s eleven-member executive committee had to be convinced of the importance of including Sustainable Development in the hotel’s strategy. During the first executive committee strategic meeting the SD principles were explained to all, followed by a question and answer session, along with a broad outline of the process.

**Choice of a consulting firm.** We needed a top-notch consulting firm that was well experienced in Sustainable Development, since neither I as general manager nor the executive committee had ever implemented a SD strategy. After a search it was decided that London-based SustainAbility was the best match, through its branch in Washington, D.C. SustainAbility was created in 1987 by the well-known SD expert and writer John Elkington who has written seventeen books on sustainable development. He sits on the board of major
## Economic Prosperity Project

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## Social Responsibility Projects

### Project CARE

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<tbody>
<tr>
<td>1100 @ 66</td>
<td>1210 @ 73</td>
<td>1330 @ 80</td>
<td>1465 @ 88</td>
<td>1600 @ 97</td>
<td></td>
</tr>
<tr>
<td>Co-sponsored signature charitable event</td>
<td>Year 0</td>
<td>One event</td>
<td>One event</td>
<td>One event</td>
<td>One event</td>
</tr>
<tr>
<td>Workplace quality index: Definition of the index, Year 0</td>
<td>+5%</td>
<td>+4%</td>
<td>+3%</td>
<td>+2%</td>
<td></td>
</tr>
</tbody>
</table>

### Project COMMUNICATE

| Guest engagement | Creation of a Guest SD Advisory Board | One meeting per year | One meeting per year | One meeting per year | 3 E-newsletters to 11,000 clients |
| Client communication | 3 E-newsletters to 11,000 clients | 3 E-newsletters to 12,000 clients | 3 E-newsletters to 13,000 clients | 3 E-newsletters to 14,000 clients | 3 E-newsletters to 15,000 clients |
| Creation of Sustainable Development (SD) Website | SD Website development | Creation of SD TV Channel | SD TV Development | SD TV Development |

### Project EDUCATE

<table>
<thead>
<tr>
<th>Adopt a class</th>
<th>15-20 Children</th>
<th>15-20 Children</th>
<th>15-20 Children</th>
<th>15-20 Children</th>
<th>15-20 Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corcoran painting program</td>
<td>15 Children</td>
<td>20 Children</td>
<td>25 Children</td>
<td>30 Children</td>
<td>30 Children</td>
</tr>
<tr>
<td>Conservations tips booklet</td>
<td>Booklet distributed to all rooms and employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Project HEALTH

<table>
<thead>
<tr>
<th>Willard Road Runners (miles run or walked)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>500</td>
<td>550</td>
<td>550</td>
<td>550 Employee Extreme Make Over</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td><strong>Project GREEN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adopt Pershing Park</td>
<td>Improve Layout</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% wind energy</td>
<td>Achieved</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste consumption (tons)</td>
<td>775</td>
<td>760</td>
<td>745</td>
<td>730</td>
<td>715</td>
</tr>
<tr>
<td>Recycled materials (tons)</td>
<td>115</td>
<td>120</td>
<td>125</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>Composting (tons)</td>
<td>20</td>
<td>22</td>
<td>24</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>ISO 14001</td>
<td>certification</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISO 22000</td>
<td>certification</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable F&amp;B offerings</td>
<td>40% of menus sustainable</td>
<td>50% of menus sustainable</td>
<td>60% of menus sustainable</td>
<td>60% of menus sustainable</td>
<td>60% of menus sustainable</td>
</tr>
<tr>
<td>Improve environmentally friendly hotel room concept in a city hotel</td>
<td>Develop concept</td>
<td>Implement in 50% of rooms</td>
<td>Implement in 50% of rooms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction of paper consumption (cases)</td>
<td>285</td>
<td>270</td>
<td>255</td>
<td>240</td>
<td>225</td>
</tr>
<tr>
<td>Increase green products purchasing (gallons)</td>
<td>1,400</td>
<td>1,600</td>
<td>1,800</td>
<td>2,000</td>
<td>2,200</td>
</tr>
<tr>
<td>Create fund to support National Park Foundation planting of cherry trees in DC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Project BLUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create a water conservation fund and develop local, national and international initiatives (cleaning of Anacostia River and water wells in Indian reservations in South Dakota and specific projects in Africa)</td>
<td>• Anacostia River • Indian tribes</td>
<td>• Anacostia River • Indian tribes</td>
<td>• Anacostia River • African tribes</td>
<td>• Anacostia River • Indian tribes</td>
<td>• Anacostia River • African tribes</td>
</tr>
</tbody>
</table>

Note: This table represents the 2008 revision of the original 2006 roadmap.

Managers’ workshop. The next step was to make our management team (comprising 50 members) aware of the program. We did this with a kick-off meeting in May 2005, led by SustainAbility’s consultant, Jeff Erikson. He showed examples of SD worldwide, suggested hotel industry benchmarks, and concluded with a determination of the Willard’s priorities. One outcome of this meeting was the creation of three committees to flesh out the strategy in categories specified by the managers: namely, community and suppliers, customers and employees, and consumption, waste, and energy. All committee members joined as volunteers from various departments and various positions in the hierarchy.

Committee operation. Consisting of seven to ten participants, the committees meet weekly or biweekly, as appropriate, with action plans and goal priorities derived from the roadmap, which I describe below, and the strategies. While some strategies would take several months or sometimes over a year to complete, we considered it important that some of the projects be easier to complete so that the committee and employees could see its achievements. Working
with the teams is the SD champion, the director of facilities, who meets with team leaders every other week. Based on our SD activity, the most important lesson learned is that everything must be measurable, although some areas will be difficult to measure.

**Establishing targets.** Measurements are essential to defining the roadmap. We discovered that standard hotel industry measurements are not always sufficient for that task, but we needed to establish measurements so that we could report on improvements. Once the objectives, strategies, and tactics were established, as well as their measurements, a workshop was organized with the whole management team to get the commitment of all managers and to agree on the definition of targets for the next five years. It is still a learning experience but the SD team feels confident these goals can be achieved.

**Five-year Roadmap**

Once we set the core objectives, we established the roadmap shown in Exhibit 2, on the preceding pages, which defines and quantifies the goals of the hotel for the next five years. The roadmap is a work in progress, and we set a plan to review the goals each year so that it would remain a useful tool rather than a theoretical matrix.

**Preliminary Results**

Looking at the results to date of the Willard InterContinental’s sustainable development strategy, in addition to the numerous small victories which I explain below, we achieved a common language regarding Sustainable Development and discovered a remarkable and sustained motivation among managers.

**Common language.** An interesting consequence of the Sustainable Development initiative is our employees have gradually come to use a common language in the course of operations. They’ll say: “This is not very S.D.”; or “How sustainable is this?” The groups of employees meeting to conduct sustainability projects are slightly different each time, depending on the purpose of the project, thus fostering “global team building” within the hotel.

**Management motivation and involvement.** Managers were stimulated by the SD initiative and started to include it as a goal in their professional activities, including those outside the hotel. For instance the Willard Road Runners gave the proceeds of their race to the Tsunami Relief Fund. They are now focusing on reaching the threshold to create a water well in Africa.

**First Small Victories**

The following are some of the important achievements that have become milestones of the SD strategy:

- Paperless purchase order program (Adaco),
- Towel reuse project and sponsoring of Anacostia river cleaning,
- Tsunami relief fund,
- Katrina relief fund, and
- “Willard Extreme Makeover” (25 employees undertook to lose weight and get in shape, with a collective weight loss of 116.4 pounds and 1,590 miles walked or run.)

Other initiatives include the following projects:

- Replacing all lamps with fluorescent lighting (amounting to annual energy consumption savings of 13 percent),
- Supporting Pershing Park street artists and adopting Pershing Park,
- Partnership with the American Lung Association,
- Developing Willard web to share sustainability initiatives,
- Applying for ISO 14001 certification,
- Acting as a beta site for EPA utility cost benchmarking, and
- Implementing various programs to diminish use of paper (e.g. for guest bills).

See Exhibit 3, overleaf, for a summary of projects.

**Communication to stakeholders.** We consider the Willard’s sustainable development strategy to be a demonstration for the industry and the wider community. Thus, communication is a key part of this project. Letting all stakeholders know about the strategy is just as important as setting and implementing that strategy in the first place. Far
more than public relations, we hope to develop awareness around us about the positive consequences of Sustainable Development. With our concern about the Earth's carrying capacity, we believe it is our shared responsibility to act as much as possible to minimize our impact on nature.

A hotel is a great forum to raise the awareness of the public to issues of Sustainable Development, and none is better positioned than the Willard in this regard. Every year tens of thousands of customers, most of whom have major responsibilities in today’s world—including top executives, heads of state, and show business stars—stay in a hotel. The Willard alone hosts more than 100,000 hotel guests and 150,000 food and beverage customers per year.

The hotel industry is also well positioned to demonstrate sustainable development within the travel and tourism business. As a major player, the hotel industry can reach many families and individuals through a good communication plan. Travel and tourism represents one of the most important sources of economic activity in the world, and its parts are very much intertwined. Therefore a single hotel can influence many industry stakeholders.

**Employees**

Returning to the implementation of the Willard’s strategic plan, we found it important to include all employees in the process after managers were briefed. Everyone from top to bottom must be involved in the course of action. Moreover, due to employee turnover (typically, 20 percent), it is crucial to ensure that the strategy is fully embedded in the hotel’s culture. The most practical way to involve all employees is by demonstrating that the initial projects were successful. Eventually the goal is that each and every one will bring his or her input in the strategy and will fully live Sustainable Development.

**Clients**

Guests at the Willard InterContinental are a powerful group of decision makers and opinion leaders. We give guests general information about our initiative in the Guest Directory of Services, and we feature selected projects: for instance, Tsunami Relief Fund, Katrina Relief Fund, and the water conservation project. The guests are given an opportunity to feel concerned regarding Sustainable Development, and our hope for those who have not yet embraced this concept is that after having “tasted” it at the hotel they think about it and include it in their personal life and work. A major undertaking will be to dedicate a hotel TV channel to sustainable development and present the hotel’s as well as IHG’s and partners’ SD efforts. This channel should be sponsored by companies involved in sustainable development.

**Suppliers.** Hotels are also in a good position to share the principles of Sustainable Development in their dealings with numerous suppliers. We encourage all vendors to include it in their strategy. Step by step the Willard InterContinental is asking its suppliers to offer sustainable products, thus obliging them to search out and add these products to their catalogues (which are then available to other clients). Our procurement company, Avendra, represents InterContinental Hotels, Fairmont Hotels, Marriott International, Hyatt Hotels Corp., and Club Corp USA. Avendra is working to include more sustainable products in its lists, and a specific action plan is in place to persuade more suppliers to adhere to our strategy. If Avendra comes to embrace the strategy fully, its $3 billion buying power would represent the most influential leverage the Willard InterContinental has yet put in place.

**Media.** The timing is excellent for media coverage of Sustainable Development initiatives. Concerns about global warming and oil prices mean that most media outlets (at least those in America) are seeking stories about strategies to counteract these issues, and Sustainable Development is an excellent such strategy. Media representatives (whether old-line media or web-based sources) must know about your values and understand the difference between your hotel’s stance and that of your competitors. As demonstrated by the publicity release about the cherry tree planting at the outset of this report, you should share news of your actions and encourage clients to choose your hotel. As I said above, at the moment, Sustainable Development remains a unique selling point (USP) for a hotel. This will not always be true, because

Implementation of the Willard’s sustainable development plan proceeds step-by-step with measurements along the way.
### Economic Prosperity

<table>
<thead>
<tr>
<th>Projects</th>
<th>2007 Goal</th>
<th>2007 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance IHG Control Self Assessment</td>
<td>96%</td>
<td>95.3</td>
</tr>
<tr>
<td><strong>Economics—Consumption Reduction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity (000 kWh)</td>
<td>6,830</td>
<td>8,087 (87.7 kWh per occupied room) We are higher due to the increase of business by 5% and heating degree-day increase of over 10% the opening of a new restaurant. (The Willard uses 100% electricity to heat the building.)</td>
</tr>
<tr>
<td>Gas (000 cubic feet)</td>
<td>210</td>
<td>243 (2.63 cubic feet per occupied room) We successfully remained near current levels by strategic power conservation used with the opening of a new restaurant in 2007.</td>
</tr>
<tr>
<td>Water consumption (gallons)</td>
<td>33,800</td>
<td>295,719 gallons (3.21 gallons per occupied room) We are over due to new restaurant and increase in occupancy.</td>
</tr>
</tbody>
</table>

### Social Responsibility

<table>
<thead>
<tr>
<th>Projects</th>
<th>2007 Goal</th>
<th>2007 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project CARE</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Community service actions (Number of community hours@number of staff) | 1000 @ 60 | • 197 hours community service  
• 274 hours park clean up  
• 2,066 hours outside of hotel  
• 110 volunteers for Pershing Park |
| **Project COMMUNICATE**         |           |                                                                 |
| Communication to clients        | 2 e-Newsletters to 10,000 clients | • Two SD articles in newsletters to clients  
• Two e-News letters to vendors. |
| **Project EDUCATE**             |           |                                                                 |
| Conservation tips booklet       |           | Booklet distributed to all rooms and employees 80% complete |
| Pastry cooking lessons to children |           | Dinner organized at Hard Bargain farm in Accokeek, Maryland, for 15 children |
| HAWDC Reads! program            | 10 participants | Two staff completed in 2007 |
| Corcoran painting program       | 10 children | • 5 sponsored children for Eloise in the Park  
• 10 children in non sponsored Hillary Knight art classes  
• “Painting the Willard” class—10 children |
<p>| <strong>Project Health</strong>              |           |                                                                  |
| Willard Road Runners (miles run or walked) | 450       | 4,251 miles                                                      |
| Employee Extreme Make Over (Number of participating employees—weight lost—quit smoking) | 20–100lbs–5 | 23–168lbs–2                                                     |</p>
<table>
<thead>
<tr>
<th>Environment</th>
<th>Projects</th>
<th>2007 Goal</th>
<th>2007 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project GREEN</td>
<td>Switch to wind energy</td>
<td>• 10% on Jan 01</td>
<td>Done</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 100% on June 01</td>
<td>Done</td>
</tr>
<tr>
<td>Waste consumption (tons)</td>
<td>790</td>
<td>864 Tons</td>
<td></td>
</tr>
<tr>
<td>Recycled materials (tons)</td>
<td>110</td>
<td>123 tons</td>
<td></td>
</tr>
<tr>
<td>Composting</td>
<td>0</td>
<td>17 tons</td>
<td></td>
</tr>
<tr>
<td>Sustainable Food &amp; Beverage (F&amp;B) offerings</td>
<td>• Five sustainable menus in catering</td>
<td>Complete</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• SD offering in all F&amp;B outlets</td>
<td>Goes into effect 2008</td>
<td></td>
</tr>
<tr>
<td>Green Meeting launch</td>
<td></td>
<td>First quarter 2008</td>
<td></td>
</tr>
<tr>
<td>Improve environment friendly hotel room concept in a city hotel</td>
<td>• 1 sample room by May 31 • 11 floor by Dec 31</td>
<td>Original strategy changed to renovate rooms in 2009–2010</td>
<td></td>
</tr>
<tr>
<td>Reduction of paper consumption (recycled letter-size copy paper consumption)</td>
<td>300 cases</td>
<td>327 cases including 220 cases of recycled paper</td>
<td></td>
</tr>
<tr>
<td>Support National Park Foundation planting of Cherry trees in DC</td>
<td></td>
<td>Done</td>
<td></td>
</tr>
<tr>
<td>Increase green products purchasing (gallons)</td>
<td>1,200</td>
<td>• Housekeeping: 57 gallons of green chemicals • Laundry: 1,407.5 gallons of green chemicals</td>
<td></td>
</tr>
<tr>
<td>Adopt Pershing Park</td>
<td>Cleaning minimum once per month</td>
<td>15 days</td>
<td></td>
</tr>
<tr>
<td>Project BLUE</td>
<td>Create a water conservation fund and develop local, national, international initiatives</td>
<td>Support of Anacostia river cleaning</td>
<td>Done</td>
</tr>
<tr>
<td>Partner with a sustainable local mineral water company to increase water conservation fund</td>
<td></td>
<td>Done (Restore Water)</td>
<td></td>
</tr>
</tbody>
</table>

one of the underlying ideas is to spread the strategy, including to competitors. The fact that it is a novelty to include such an ambitious program in the strategy of a single unit makes it easier to communicate and prove that “One can make a difference!”

**Tourism industry.** All industry partners are to be made aware of the hotel’s strategy. I have already noted the major industry operators that are concerned by Sustainable Development and have included it in their strategy and their reflection and action. Also on that list are such organizations as IHRA (International Hotel & Restaurant Association) and WTTC (World Travel & Tourism Council).

**Certifications.** Although no single global Sustainable Development certification is currently recognized worldwide, many certifications or awards do exist. I have outlined those that the Willard InterContinental is seeking. Winning
We are just beginning to see the results of the Willard’s sustainability “roadmap,” and we expect to see much more in the years to come.

these awards is obviously the goal, but the point of applying for the certification is to help the hotel focus in its journey toward a Sustainable Development strategy.

The following are certifications and awards we have sought or received:

- **Governance**: InterContinental Hotels Group Self Assessment rating, and Business Ethics magazine;
- **Community**: Points of Lights award for excellence in work place (volunteer program); and
- **Environment**: ISO 14001 certification, ISO 22000 certification (F&B practices), IH&RA environmental award.

**Operating procedures.** To make certain that SD becomes a totally integrated part of the hotel’s culture and work practices it is vital to incorporate all SD actions into standard operating procedures. First, this will help the employees to work as per SD guidelines. Second it will ensure that new employees will not see any other way of approaching their work. Third, it will instill a Sustainable Development culture throughout the hotel and entice all employees to live the strategy and eventually stimulate them to propose new ideas to the work practices of the hotel.

**Closing Thoughts**

The Willard InterContinental has just taken its first steps. The year 2006 was Year 0 for many objectives, and we assessed and amended the sustainable development strategy in 2007. We are just beginning to see the results, and we expect much more in the years to come. The organization principles will be fine tuned to be able to make it a perfect best practice for the company and the industry at large.

The current management team and employees may not be here in one hundred years but we sincerely hope that we will all have left a strong legacy. Our wish is that:

Their development meets the needs of the present without compromising the ability of future generations of hoteliers to meet their own needs.

Full details of the Willard InterContinental Sustainable Hospitality© program is found at www.willarddc.com/sd.
Anheuser-Busch

Professional Development Program

Study and share experiences with peers from around the world in intensive hospitality management courses led by Cornell faculty and industry leaders.

**Intensive three-day courses run:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 9–22, 2009</td>
<td>in Brussels, Belgium</td>
</tr>
</tbody>
</table>

General Managers Program

Tackle strategic property-level issues and find relevant, specific solutions.

**Ten-day Program runs:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 12-22, 2009</td>
<td>at Cornell University in Ithaca, New York</td>
</tr>
<tr>
<td>June 8-18, 2009</td>
<td>at Cornell University in Ithaca, New York</td>
</tr>
</tbody>
</table>

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Available year-round, earn a certificate in one of eight Cornell Certificates programs, or select one course to bolster knowledge in a specific topic. Interact with an expert instructor and peers to develop knowledge for your organization.

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Customized programs delivered by Cornell faculty for your company’s unique needs. Select from a variety of many hospitality topics delivered to your team on the Cornell campus or anywhere in the world.

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Cornell Hospitality Reports
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