



Fairmont Hotels & Resorts Green Partnership Program

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1. Overview

As a true leader in environmental stewardship, Fairmont realizes that sustainable tourism must have a positive impact on the environment, the traveler, and the local community. Innovative programs and partnerships of this nature provide us with a means to enrich our guests' experiences and showcase the destination's heritage and culture, while allowing us to partner with the local community to develop smart and sustainable business endeavors. Fairmont Hotels & Resorts was founded on an enduring connection to the land and communities where we do business. In 1990, Fairmont pioneered the Green Partnership, a comprehensive commitment to minimizing our hotels' impact on the planet.

Today Fairmont continues to grow this overall environmental stewardship program at more than 50 diverse resorts and urban destinations across 15 countries, where under the innovative leadership of our hotel-based Green Teams, 30,000 employees help protect the habitat, resources and culture of the places where we, and our guests, work, live and play.

Prior to the implementation of the Green Partnership, it was recognized that program success was heavily dependent upon colleague support. A survey was conducted that demonstrated that 92% of all colleagues were in favor of a green program and 89% would be more proud to work for a company that cared about the environment. The program has considerable internal value to Fairmont as it instills pride within our colleagues and garners significant colleague support. In fact, the Green Team is one of the most prominent and popular programs company-wide. As well, guest feedback from JD Power surveys is analyzed.

2. Program Establishment

Fairmont's Green Partnership is a success because it involves all colleagues in a unified effort to effect change. Although the program is managed corporately, each Fairmont property has its own Green Team composed of volunteers from each hotel department that carry out corporate strategies and mandates. The property-based

Green Teams are innovative and mold the program to reflect the values and needs of the geographic area and ecosystem in which the hotel is located. In this way, Green Teams are addressing a variety of environmental issues from Hawaii to Mexico and England to Dubai. Our Green Teams even compete for environmental superiority and the title of Environmental Hotel of the Year, through our Green Partnership “Environmental Incentive Program.” The Green Teams have been instrumental in increasing awareness of our programs given their interaction and partnerships with local community and academic groups. To date, Fairmont has more than 55 Green Teams currently in place and participating in the Green Partnership program.

This is not surprising as Fairmont was the first major hotel chain in North America to initiate a chain wide environmental program. To inspire environmental action within the industry, Fairmont created The Green Partnership Guide as a comprehensive handbook for rolling out the Green Partnership program to new acquisitions. The Guide is considered to be the industry standard for greening practices, is used as a textbook in hospitality schools and as the sustainability model for other brands looking to implement their own environmental strategies and initiate green programs. Now in its third edition, the guide, according to the foremost environmentalist in North America, Dr. David Suzuki, is a concrete example of how businesses can involve employees in something everyone can feel good about. Since the third edition of the Green Partnership Guide was published, 1,674 copies have been distributed.

3. Goals and Benchmarking

The program focuses on improvements in the areas of waste management, energy and water conservation, as well as a strong element of community outreach through local groups and partnerships. Above all, Fairmont’s program focuses on sustainability and encompasses everything from recycling and organic waste diversion in the hotel’s kitchens to retrofitting energy efficient lighting. It also includes such activities as the redistribution of household goods and food to those in need, refining used kitchen oil to biodiesel, and working with local populations so that the benefits of tourism are shared.

While the analysis of program performance is undertaken by the Corporate Office, the support of everyone at our local sites is critical in allowing the Green Partnership program to be so effective. Dedication to tracking consumption data and Green Team initiatives on a monthly basis and reporting back to the Corporate Office on a quarterly basis ensures the program is successful. Providing all colleagues and Green Teams with a supporting collateral materials outlining the purpose, objectives, and guidelines for the program simplify the process of collecting program data.

Fairmont has been incredibly successful in developing a comprehensive program and has been recognized with numerous awards including the 2006 Global Tourism Business Award from the World Tourism & Travel Council that recognizes the best example of responsible practices within the tourism industry, as well as the 2006 Worldwide Hospitality Award for Best Corporate Social Responsibility program for the Green Partnership.

The Green Partnership program exists within the Marketing & Communications Department to ensure accurate environmental messaging and sharing of Fairmont’s

results is presented to a wide audience. The Green Partnership demonstrates to Fairmont's guests, potential clients, and partners that the company operates with the environment as a priority. This is increasingly important as the environment is more top-of-mind for mainstream consumers and media, and is fast becoming a factor in determining both destination and accommodation venues. Challenges both internally and externally at Fairmont include colleague communication and guest education. Please see examples below.

- Creating supporting program materials and providing access to extensive training and continuing education programs that educate our colleagues on our environmental program and initiatives, available in a variety of languages, to minimize the communication barrier and garner support at the property level, is essential to ensure that colleagues are aware of, and can fully participate in, our program at all of our international locations. This includes Green Partnership information dispersed as part of the Human Resources orientation training for new hires, site specific training provided for those properties located in National Parks, World Heritage Sites and other unique environments, continuous environmental messaging through back-of-the-house posters, regular program updates in "Dialogue," a company newsletter and "Green Pages" hosted on the company intranet system.
- Fairmont utilizes the Green Partnership program as an opportunity for guests to make a sustainable lifestyle choice. Fairmont places a Green Partnership brochure, "*Making A Difference Together*" in all guestrooms to inform guests of our Green Partnership program, and how they can help achieve hotel conservation goals by participating in our programs i.e. recycling and towel & linen exchange. Additionally, in every issue of Fairmont Magazine (Fairmont's in-room guest magazine), there is a special advertorial piece covering Fairmont's Green Partnership program and our involvement with our local and corporate partners. Past ads have featured the Prince Albert II of Monaco Foundation, World Heritage Alliance for Sustainable Tourism, WWF, and property specific initiatives. Each issue, with 800,000 readers, is in guestrooms running from Spring-Summer and Fall-Winter.

4. Outcomes and Environmental Benefit

Fairmont demonstrates its commitment to protecting the very species and spaces that bring our guests to Fairmont destinations in their quest to explore and enjoy nature. It also sends the message while setting the standard, that luxury hotels can still be green hotels and that it is the responsibility of every tourism operator, large and small, to step forward and take action.

Nowhere is this more evident than in the development of Fairmont's Eco-Innovation Signature projects, designed to concentrate our efforts to "think globally and act locally". These joint hotel and community projects, of which there are now 45 throughout the portfolio, offer unique travel experiences that encourage guest interaction and learning while addressing a universal environmental issue. An important aspect of the Eco-Innovation projects is the potential for successful local partnerships. These cooperative efforts are essential to ensure a sustainable industry that protects the very natural

resources that we all depend on for our livelihoods. Please see examples below.

- The Fairmont Copley Plaza, Boston, USA lends support to the research and educational programs, focusing on the Snowy Owl at the Blue Hills Trailside Museum. Hotel colleagues aid researchers with attaching transmitters to the owl to track their migratory routes. Most recently transmitters have been placed on the adopted owls, which allow the specie's migratory routes to be tracked via the internet. This species is an important component of the food web in the tundra ecosystem, and is important to monitor as many as possible.
- The Fairmont Sonoma Mission Inn & Spa, California, USA partnered with the Sonoma Overlook Trail Improvement Plan Taskforce, a component of The Sonoma Ecology Center to enhance the existing trail by providing interpretive signage and guided trail excursions. Fairmont guests and the general public presently use the trail, and improvements will create an interactive educational experience for guests. The hotel has also adopted a local school, El Verano Elementary School. The Fairmont Sonoma Mission Inn & Spa leads classes of 4th grade schoolchildren on 12 hikes per year, allowing the children to experience hands on education of conservation and on-trail experiences to enhance their learning inside the classroom.
- The Fairmont Orchid, Hawaii, USA, partnered with the University of Hawaii, Hilo, The Kalakaua Marine Education Center to monitor the health of the offshore coral reef that fronts the property. The Orchid financially supports a portion of the Marine Option QUEST program that provides fellowships to teach local marine science students to quantitatively study coral reefs. The Fairmont Orchid offers a new guest educational component to broaden reach and awareness.
- In partnership with the Ministry of Environment and Natural Resources and the Nairobi City Council, Fairmont The Norfolk, Kenya, Africa is participating in the Nairobi River Project. The property is working to improve and give "an extreme makeover" to 30 meters on both sides of the river near the property. The hotel has adopted this section of the Nairobi River, with the intent to implement environmental activities such as planting trees, setting up benches, fencing designated areas for guests, among other activities.

To ensure sustainability, Fairmont Hotels & Resorts have implemented extensive energy and water conservation policies resulting in significant benefits both to the environment and the financial bottom line. The installation of low flow showerheads, low flush toilets and tap aerators are corporate room standards. Additionally, all properties participate in sheet and towel exchange programs to conserve water resources by reducing the frequency of laundering guest linens. Extensive engineering initiatives throughout the portfolio are highlighted below, demonstrating Fairmont's conservation efforts through use of energy and water efficient technologies.

- In 2006, The Fairmont Orchid, Hawaii completed a lighting retrofit replacing 8,035 incandescent bulbs with energy efficient fluorescents. This retrofit will result in an annual savings of 532,000 kWh of electricity representing a savings in excess of \$130,000 US.

- Presently, three Fairmont properties, The Fairmont San Jose, The Fairmont Newport Beach, and Fairmont St Andrew's use cogeneration in their facilities, which produces electricity on site and captures excess heat for hotel building use.
- The Fairmont Royal York was awarded CAN\$49,000 for its efforts. Under the City of Toronto's ICI Water Saver Program, industrial, commercial, and institutional sectors are rewarded for demonstrated water savings. In 2005, the hotel installed a commercial water softener that reduced water use in the laundry to one wash and one rinse per cycle, saving 476,000 liters of water per day - enough water to supply 500 homes!

It is a corporate standard that all Fairmont guest rooms are fitted with recycling bins. There are intensive back-of-the-house efforts to recycle a number of products including paper, cardboard, and glass as well as organics diversion from the hotels' kitchens. In some cases, Fairmont operates in communities without recycling facilities so that means coming up with ways to minimize our waste stream such as buying bulk product and phasing out disposable items. The recycling programs are becoming increasingly comprehensive. To date, there are twenty Fairmont properties converting used kitchen oils into biodiesel as inventive ways to reuse items. Please see the following examples:

- The Fairmont Winnipeg, in partnership with the hotel Purchasing and Food & Beverage departments, as of May 31st 2007, became 100% Styrofoam free. Previously Styrofoam containers had been used for outside catering functions. However, the hotel will begin purchasing more environmentally friendly containers. Existing inventory was either donated or sold to the various groups and organizations.
- The Fairmont Orchid, Hawaii, works in partnership with a local pig farm to remove organic waste averaging around 9 barrels per day, at 100 pounds each, diverting 900 pounds of waste from the landfill.
- To address waste from its 415 rooms, The Fairmont Washington D.C. increased recycling efforts by 27,000 pounds from 2006 to 2007. The hotel recycles all paper, cardboard, bottles, cans and plastic, through the implementation of recycling bins in guest rooms, meeting rooms, public spaces, and back of the house areas.
- Fairmont St Andrew's, Scotland, has installed a Green Fuels Bio-Pod. This equipment converts used cooking oil used from the hotels kitchens, into bio diesel through an on site process that can be used to fuel the hotel's shuttle bus and the grounds machinery. Schools and youth groups are invited to the hotel to learn about the process and positive outcomes of producing alternative fuels.

Fairmont is resolutely aware of the business impacts associated with environmental damage, and we believe global warming poses a significant threat to our planet. Fairmont is committed to addressing this issue within the context of our environmental programming and entered into a partnership with WWF to develop a climate change strategy. All Fairmont properties have currently benchmarked their carbon footprint

according to UN protocol and will set a CO2 reduction target. Fairmont's energy and carbon management program will be a sound strategic decision, one that will help ensure destination health and contribute to the financial stability of the industry. Fairmont expects to reduce its emissions by operational efficiencies through capital works projects, increased conversion to renewable energy, refining our purchasing policies, and promoting conservation practices among our colleagues. Please see the following examples:

- Three properties (The Fairmont Chateau Lake Louise, The Fairmont Washington D.C. and Fairmont Vier Jahreszeiten) currently reduce their carbon footprint by contracting part of their electricity consumption from renewable sources like wind and hydro.
- The Fairmont Chateau Lake Louise has been purchasing green power since 1999. Presently 50% of the property's electricity needs are met by a blend of wind and run-of-river electricity generation. Green power has minimal impacts on the environment and produces fewer greenhouse gas emissions compared to traditional generation methods.
- Nine of the 13 chalets at Fairmont Kenauk at Fairmont Le Chateau Montebello (Quebec, Canada) are on a remote lake not connected to the electrical grid. Since 1999, solar power systems have supplied about half of the energy used for the well-water pump, fans for the kitchen and furnace, a dishwasher, supplementary lighting, an emergency radio and electrical outlets with limited power for corporate groups to use for PowerPoint presentations.

5. Relevance to Traveler and Industry

The green revolution is transforming global business, with one overriding goal: to be good corporate citizens who strive to conduct daily business in a sustainable and respectful manner. It is only by living this promise that we will protect the environment and strive towards sustainable tourism and responsible travel practices. Fairmont's corporate social responsibility platform has allowed the Green Partnership to become a point of differentiation for the brand and is a prime example of the success to be gained from ensuring sustainable operations. Fairmont demonstrates to the hospitality industry that being green is also good for business with demonstrated case studies of capital works improvements with return on investments, successful program launches and innovative processes securing business partners. Please see the following examples:

- Fairmont is placing an increased emphasis on catering to niche markets created by the growing demand from organizations and governments looking to reduce their ecological footprint by working with groups that share similar environmental mandates. Additionally, Fairmont's green practices allow the company to cater to groups requesting green meetings. As such, Fairmont has developed Eco-Meet; Fairmont's proprietary green conference planning option designed to help meeting planners organize reduced waste conferences. This program educates and informs attendees about environmental and heritage topics while fulfilling personal and organizational environmental mandates. A large component of Eco-Meet is the ability of the venue to demonstrate environmental efficiencies in the areas of

energy and water conservation, waste management, sustainable menu's and community outreach.

- Starting in 2007, and going forward, all Fairmont collateral will be produced using FSC certified paper stock. This includes stationary, letterhead, and business cards as well as cross sell promotional materials, event planning guides, and rack brochures, among its many other collateral pieces. This represents a concerted effort by Fairmont to ensure that it is using a sustainable sourced product.
- Given the heightened level of environmental awareness among the general public, and in an effort to inspire our guests to travel more responsibly Fairmont recognized the need to create Green packages. In 2007 Fairmont embarked on a green campaign (through direct mail) to promote a number of green hotel packages that spread throughout our international portfolio, offering guests enriching experiences while supporting eco-minded organizations. The Green packages offer sustainable ways to experience the best of a unique local, making it easier than ever to encourage our guests to travel with a lighter footprint.

6. Real-World Example

In order to improve our overall program, Fairmont is working diligently to ensure that we continue to embrace more socio-economic issues particularly as we expand into developing countries. This means buying local produce, purchasing crafts from local artisans, and ensuring that local communities also benefit from tourism by developing excursion packages that bring guests to the local communities.

- In 2006, Fairmont partnered with the World Heritage Alliance for Sustainable Tourism (WHA), a joint initiative of the United Nations Foundation and Expedia, Inc., to promote conservation, sustainable tourism, and economic development for communities located in and around UNESCO World Heritage sites. The first project is based at Fairmont Mayakoba, Yucatan Peninsula, Mexico, an ecologically diverse resort located on Mexico's Yucatan peninsula, which has been paired with a local tourism network from the nearby Sian Ka'an Biosphere Reserve and World Heritage site. Community Tours Sian Ka'an, (CTSK) is an award-winning tourism service alliance of three tour operators that conduct tours in designated areas, and work closely with the park managers of Sian Ka'an to ensure minimal environmental impact. Above all, CTSK donates five percent of its revenue directly to conservation efforts in the reserve.
- Fairmont Mayakoba purchases local produce to be used in the hotel's kitchens and spa as well as a selection of crafts that are sold at the property. Fairmont Mayakoba's Executive Chef has hosted representatives from Xyaat Cooperative to discuss purchasing agreements for local fruits and vegetables. The hotel has purchased 3 tons of lobster to date from Punta Allen and will continue purchasing from the provider. Fairmont Mayakoba has also provided in-kind training to Community Tours Sian Ka'an (CTSK) to increase the service level of their tour product. Fairmont Mayakoba colleagues organized an impressive day of F&B training for the Community Tours staff. During the course, the chef proposed a new specialty, the Sian Ka'an Ceviche, created specially for CTSK using locally

produced products like fish, lobster, shrimp, papaya, onion, and pineapple. Fairmont Mayakoba has embraced the program as a means to promote conservation, sustainable tourism, and economic development for the local surrounding communities as a means to support community development.