

The Leading Hotels of the World[®]

EVERY QUEST HAS A BEGINNING.

TravelGreen.Org – Environmental Case Study



1. Overview

The Leading Hotels of the World, Ltd. the largest global luxury hotel brand, launched the Leading Green Initiative in April 2007. This innovative program was designed to enable and encourage guests to make a conscious decision toward greener travel by actively supporting Sustainable Travel International (STI), the foremost non-profit organization in responsible tourism.

The Leading Green Initiative is a carbon neutral program whereby The Leading Hotels of the World, Ltd. will directly absorb the cost to offset guests' energy consumption for stays at any of its more than 450 hotels worldwide.

We are extremely proud to be the first luxury hotel brand to provide a carbon offset program with STI. While many companies offer the opportunity for customers to voluntarily make donations, we feel strongly about taking a leadership position in environmental responsibility and setting the example. We are, therefore, delighted to be making the financial contribution on our guests' behalf.

The Leading Hotels of the World, Ltd. will make a donation of 50¢ to STI for every night of a guest's stay when their reservation is made through www.lhwgreen.com, or when 'Leading Green' is mentioned to any one of our worldwide voice reservations centers. The investment per guest represents 29.3 kilowatt-hours of electricity supplied by new wind and solar power, which equates to 33.7 pounds of greenhouse gas emission reductions. The Leading Green Initiative is entirely underwritten by The Leading Hotels of the World, Ltd. corporate entity; prices have not been augmented to support this effort.

This program idea originally stemmed from the marketing team and was immediately supported by our chief operating officer, senior vice president of marketing and marketing director. The concept would not have developed into a successful program without all levels involvement. Creative ideas for environmental programs can come from any level within an organization, however, to be successful; they need consistent support from the top. Today, we are very fortunate to have received support from everyone in our organization and therefore able to increase our commitment to sustainable tourism.

2. Program Establishment

As most companies, we did not have a dedicated environmental team in place when we decided to develop The Leading Green Initiative. There were several people within our organization who felt passionately about sustainability and they worked together along with senior management to put the program in place. These people were in different departments but worked extremely well with each other because they truly cared about this project on a personal and professional level. Employees from marketing, membership development, strategic planning, web technology and loyalty marketing were all involved. There was a leader of this team and all others volunteered time. Everyone in the company was invited to contribute ideas and time towards the development of this program.

There was little data or recent research available when we launched this program. We did the majority of our research online and worked with our partner, Sustainable Travel International (STI). One of our team members had lived and worked in Costa Rica and contributed knowledge and experience working with sustainable tourism projects there. We asked our hotels to provide information on what they were doing on the hotel operations level and what they would like to see the Leading Hotels of the World brand do. This gave us a global perspective on what was developing in the sustainable travel industry. We also looked at surveys, such as the Conde Nast Sustainability poll, to get insight into consumer demand. We firmly believe that if a customer has the choice at the same price, they will choose the one that is most responsible.

We developed an implementation kit for all of our employees world-wide about the program. Most were unaware of what carbon-offsetting was, so we focused a lot on education. When it was time for us to launch the program, we threw a “green launch party” and gave all employees a plant for their desk. We put all of the information about this program on a dedicated website (www.lhwgreen.com) for employees and consumers.

The Leading Green Initiative was designed as a brand-wide environmental commitment. We feel that this program was a success and that our hotels and customers were pleased that we offered it. Our partnership with Sustainable Travel International (STI) has been a strong one and they continuously educate us on the importance of sustainability. We are pleased to announce that we will soon adopt their newly developed environmental standards for luxury hotels. The Leading Hotels of the World, Ltd. will adopt and endorse the third party Luxury Environmental Certification Standard (LECS) as a voluntary green certification program for our hotels. This third-party certification program was designed by Sustainable Travel International (STI) and Leading Quality Assurance (LQA).

3. Goals and Benchmarking

For our initial environmental program, The Leading Green Initiative, Ltd., we assessed its success by the number of consumer requests made for carbon-offset reservations. The program was designed to be marketed virally so it took a couple months to get off the ground. There was a significant amount of positive press and media exposure which helped spread the word. About three months into the

program we started seeing a significant number of reservations come through with request to be carbon-offset.

Due to the success of this program, we have recently integrated the carbon-offset option to our main website www.lhw.com. We expect many more reservations to come through this program now because of added exposure.

We will measure the success of the STI Luxury Eco Certification Standard (LECS) by the number of our hotels that are audited and inspected on environmental measures. This program is a third-party verification but we will encourage all of our hotels to become certified. Within a couple of years, we hope that this program will significantly reduce the environmental impact that hotels have on the earth.

4. Outcomes and Environmental Benefit

The Leading Hotels of the World, Ltd. believes that it is our responsibility to help re-define what “luxury” really is. By launching The Leading Green Initiative, we have had the opportunity to educate the industry and consumers on the importance of sustainable travel.

We also feel that it is crucial for corporate businesses to support non-profit organizations. The Leading Hotels of the World, Ltd. is proud to be a close partner of Sustainable Travel International (STI) and we continue to deepen the relationship.

We believe that by adopting and endorsing the STI Luxury Eco Certification Standard (LECS), we will help to drive real environmental change in the luxury hotel industry. Hotels that become certified through this program will have met rigorous environmental standards and will have proven that their hotel is committing to sustainability.

The Leading Green Initiative is an environmental program that any company can replicate. We encourage other organizations to follow in our footsteps and to contact us if they need any guidance.

5. Relevance to Traveler or Travel Industry

The Leading Green Initiative allows the traveler to be a part of the solution. The Leading Hotels of the World, Ltd. believes that it is our responsibility to help re-define what “luxury” is today. Overconsumption is not what luxury means to us. Traveling with a conscience and reducing your carbon footprint are necessary in order to keep the places we love safe. By launching The Leading Green Initiative, we have had the opportunity to educate the industry and consumers on the importance of sustainable travel. This program has been extremely well received by our customers, hotels, employees, and partners. The program has generated the purchase of offset certificates for renewable energy, wind power, and reforestation projects.

6. Real-World Example

Any customer who books a reservation through The Leading Green Initiative will be able to make a carbon-offset reservation at no additional cost. The Leading Hotels of the World, Ltd. makes the financial contribution on their behalf. Rates are not increased to support this program. Customers can book this program through our website www.lhw.com or call any reservationist and mention that they want their reservation offset.

When we launch the STI Luxury Eco Certification Standard (LECS) program (expected March 2009) to our hotels and they become certified, customers will be able to distinguish which of our more than 450 hotels are operating more sustainably than others. Customers will be able to find this information online, in our Directory and when speaking to a reservationist.