

RESPONSIBLE LUXURY

Six Senses Resorts & Spas

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Business Leadership and Strategic Corporate Citizenship

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Contents

Executive Summary	2
Company Overview	3
Company and Founder History	3
Company Brands.....	3
Resort Properties.....	4
Industry Context.....	5
CSR Overview	7
Organizational Structure	7
Sustainability Programs	8
<i>Design and Construction Programs</i>	8
<i>Operational Programs</i>	8
Staffing.....	11
Sustainability Report Card.....	12
Suggested Improvements & Implementation.....	14
Interactions with Local Community	14
Recruitment and Staffing	15
Customer Interface.....	15
Measurability and Transparency.....	17
Appendix.....	19

Note: This briefing book is prepared for an investment group that is considering a potential investment in Six Senses Resorts and other sustainable resort companies. The briefing book provides background and context to the corporate social responsibility aspect of the company and does not provide analysis regarding the economics of the potential investment.

Executive Summary

Six Senses Resorts & Spas is a luxury resort and spa company that has spent the last ten years differentiating itself from the vast majority of the high-end travel world by living its mission of environmental and social sustainability. It has made significant progress in designing and implementing a comprehensive strategy to minimize the negative impact of its presence on the environment while maximizing its positive impact on the communities it operates in. The company has internalized its sustainability mission in virtually all aspects of the business from its organizational structure to its staff and programs. Areas of progress and achievement to highlight are:

- Six Senses is on its way to achieving the Green Globe 21 certification, a recognized environmental standard in the travel and tourism industry.
- Each resort contributes 0.5% of its total revenue to the Social and Environmental Responsibility Fund which is applied at the local, national and global levels, in that order of scale.
- Six Senses has established numerous programs at each resort to involve and educate guests and staff regarding environmental awareness issues.
- Six Senses is actively engaged with many partners ranging from the private sector, NGOs and charities organizations to mutually leverage expertise.

Compared to most other resort operators, particularly in the luxury segment, it is light years ahead of its competitors. However, in recent years with the rising interest in eco-travel, a number of new and well-financed competitors are entering the picture.

While the company has made substantial progress in integrating its mission of sustainability with its business, there are a number of ways for Six Senses to remain at the forefront of this field that is increasingly gaining attention while optimizing its real impact on the environment and communities. In particular, improvements related to the following would best serve the company as well as its causes:

- Interactions with the local community,
- Recruitment and staffing,
- Customer interface, and
- Measurability and transparency

Six Senses has boldly stepped into the largely unexplored realm of combining luxury with sustainability. Continued improvements and upgrades to its model of sustainability are necessary for the benefit of its business as well as the constituents it serves.

Company Overview

The style of Six Senses Resorts (“Six Senses”) is described by its founder, Sonu Shivdasani (“Sonu”) as “rustic luxury”. The resorts are generally located in pristine and somewhat remote locations where the main attraction is the natural surroundings. Interwoven in Six Senses’ business is its mission of “creating innovative and enriching experiences in a sustainable environment.” Six Senses avoids features that are typically associated with luxury resorts like marble floors and air-conditioning, in favor of organic vegetable gardens and a “no shoes, no news” policy. While certain tradeoffs have been made to maintain the Six Senses style, guests of the resorts relax in a luxury setting where they can be at one with nature and at the same time completely without want.

Six Senses is a private company with nine resorts, 14 spas and 2,500 employees. The company headquarters are in Bangkok, Thailand. The company reportedly generates close to \$100 million in annual resort and spa revenues. According to hospitality industry analysts HVS International and Jones Lang Lasalle, the company is valued at approximately \$160 million. Additional information found on the company’s website is included as **Appendix 1**.

Company and Founder History

The company was born from the wealth and jet-setting lifestyle of Sonu and his wife Eva Malmström (“Eva”). Sonu is a graduate of Eton College and holds an M.A. in English Literature from Oxford. After graduating from Oxford, he dabbled in the family business for two years covering breweries, vineyards, oil services, computers and financial services in West Africa and Europe. Meanwhile, Sonu and his wife Eva, formerly a fashion model and designer, had traveled many times to the Maldives and fallen in love with its natural splendor. They dreamed of leasing an island to build a home on but the Maldivian government would not allow leasing of an island for a private residence, only for a resort.

In 1991, Sonu made a small investment in Pavilion Resorts. In search of ideas and inspiration, Sonu and Eva spent several years jet-setting around the world to the most exclusive hotels and idyllic resorts. By 1995, the small shareholding in Pavilion Resorts was extended to full ownership and the parent company, Six Senses, was established. The hotel company’s approach to sustainability was introduced by Eva who was interested in environmentalism as a personal and business philosophy. Six Senses opened its first resort in 1995, the Soneva Fushi in the Maldives. Additional information on Six Senses’ resorts in the Maldives is included as **Appendix 2**.

Company Brands

Six Senses resorts are operated under three distinct resort brands: Soneva, Evason Hideaways and Evason. The brand names are created by combining the names of the founders: Sonu and Eva (Son+Eva, Eva+Son). The company also owns and operates spas under the Six Senses Spa brand. This briefing document pertains only to the resort part of the business.

A brief description of the distinguishing features of each brand is included in the table below:

Brand	Segment	Features
Soneva	Luxury	<ul style="list-style-type: none"> - Intimate properties - Fusion of nature with guest experiences - Exceptional and inspired service - Privacy - Tailored attention - Furnishings and finishes crafted from renewable or sustainable sources
Evason Hideaways	Boutique Upscale/ Luxury	<ul style="list-style-type: none"> - Attention to detail - Focus on reality of destination - Unwavering commitment to environment - Generous personal space - Innovative style
Evason	Upscale/ Luxury	<ul style="list-style-type: none"> - Individual contemporary style - Unique design personalities - Exceptional care of environment - Emphasis on personal service - Redefining experiences - More suitable for families

Resort Properties

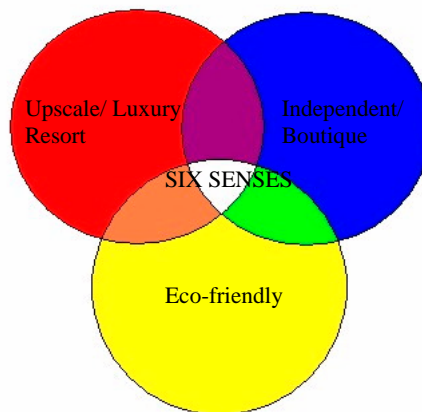
Six Senses currently operates nine resort properties in Asia and has six more planned or under development.

Existing Resort	Brand	Location
Soneva Fushi & Spa	Soneva	Maldives
Soneva Gili & Spa	Soneva	Maldives
Sila Evason Hideaway & Spa	Evason Hideaway	Thailand
Evason Hideaway & Spa at Hua Hin	Evason Hideaway	Thailand
Evason Hideaway & Spa at Ana Mandara	Evason Hideaway	Vietnam
Evason Phuket & Spa	Evason	Thailand
Evason Hua Hin & Spa	Evason	Thailand
Evason Ana Mandara & Spa at Nha Trang	Evason	Vietnam
Andaman Cove at Evason Phuket	Evason	Thailand
Planned Resorts	Brand	Location
Soneva Nisi & Spa	Soneva	Greece
Soneva Kiri & Spa	Soneva	Thailand
Evason Hideaway & Spa at Yao Noi	Evason Hideaway	Thailand
Evason Hideaway & Spa at Zighy Bay	Evason Hideaway	Oman
Evason Hideaway & Spa at Con Dao	Evason Hideaway	Vietnam
Evason Ana Mandara Villas & Spa at Dalat	Evason	Vietnam

Industry Context

Six Senses operates in the upscale/luxury boutique resort market with an eco-friendly twist. Please see Figure A below:

Figure A: Six Senses Positioning



There are a myriad of upscale/luxury resort operators who operate in Asian destinations, populated by international hotel companies such as Four Seasons, Ritz Carlton, Marriott, Sheraton, etc. Likewise, there are a number of independent Asian-based upscale/luxury resort operators such as Aman Resorts and Banyan Tree. However, by adding the eco-friendly element to the picture significantly shrinks the size and changes the landscape of the industry context.

Six Senses is considered the leading hotel company in this niche where boutique, luxury and eco-friendly overlap and there are not many others who occupy this space. While unique resort destination demand and supply dynamics necessitate competition among all segments shown in the Figure A, the conceptual heart of Six Senses is to attract customers based on the integral combination of the three elements. In the past several years, the growing interest in eco-friendly travel and hotels has spurred the launches of several new brands and concepts in this area. Some of the new concepts are off-shoots of established international hotel companies while others are completely new brands, some of which have considerable expertise and financing behind them.

New Brand/ Concept	Description
IQ Resorts	<ul style="list-style-type: none"> - Introduced in March 2006 by Pangea World, a conservation organization for the hospitality and sciences industry. - Goal to have every aspect of the resorts connected to the environment while executing the highest service standards - “With the growing interest in eco-tourism and the greening of hotels, it is [my] belief that the international resort industry can

New Brand/ Concept	Description
	<p>become the strongest conservation force in the world.” Hana Ayala, CEO of Pangea World.</p> <ul style="list-style-type: none"> - Planned new resorts in Panama and Fiji, two of the world’s most bio-diverse regions. - Partners for hotel operations and science/educational component will be announced later in the year. - The press release for IQ Resorts by Pangea World is attached as Appendix 3a.
“1” Hotel	<ul style="list-style-type: none"> - Unveiled in October 2006 by Starwood Capital Group and Barry Sternlicht, founder and former CEO of Starwood Hotels & Resorts. - First five-star, environmentally friendly hospitality brand will demonstrate that style and luxury can be delivered with ecologically sustainable consciousness. - First five hotels to debut in Paris, France; Seattle, WA; Scottsdale, AZ; Mammoth Lake, CA; Ft. Lauderdale, FL. - The press release for “1” Hotel by Starwood Capital is attached as Appendix 3b.
Taj Hotels	<ul style="list-style-type: none"> - JV between Taj Hotels and leading African safari operator Conservation Corporation Africa to promote wildlife tourism in India. - “Approach is not purely tiger-centric but about the full Indian wildlife experience where guests can engage with local communities to ensure that all understand the benefits of eco-tourism and to ensure that the financial benefits flow into these communities as well.” Priti Mahajan, Taj’s director of marketing services. - Five luxury lodges to be managed by Taj, the first of which opened on November 1. The lodge is called Mahua Kothi and is located on the border of Bandhavgarh National Park in Madhya Pradesh. - Additional information on the JV between Taj Hotels and Conservation Corporation of Africa is included as Appendix 3c.
Hilton	<ul style="list-style-type: none"> - Steps to develop expertise in management of eco-hotels, including 5-star 196-room eco-lodge in the Brazil side of the Amazon and 5-star hotel in Ushuaia, Argentina.
Inter-Continental	<ul style="list-style-type: none"> - New resort in Bora Bora that features one-of-a-kind eco-friendly air-conditioning system. The system deploys the deepest ocean pipe in the world to pump ice cold, deep sea water through a titanium heat exchanger, transferring the cold into the fresh water circuit that then powers the air-conditioning through the hotel. The system saves 90% of the hotel’s electricity consumption for air-conditioning, which represents 2.5 million liters of fuel oil per year without impacting the outside environment.

CSR Overview

Six Senses has a well-developed view on sustainability. The idea of social and environmental sustainability is deeply ingrained in the company's core purpose: "to create innovative and enriching experiences in a sustainable environment". More specifically, Six Senses' well articulated sustainability policy is "commitment to sustainable environment through the mission exclusively devoted to protecting nature and the environment as well as the effort to reducing the environmental and social impacts of our activities". Six Senses' organizational structure, decision-making process and thoughtful programs all contribute to upholding its sustainability policy. Six Senses sustainability policy is included as **Appendix 4**. Additionally, **Appendix 5** includes presentation slides from a Six Senses presentation delivered at the Eco Expo in Hong Kong at the end of October 2006.

Organizational Structure

The sustainability mission is represented by employees at both the corporate headquarter and each of the resort properties. Following this "hub and spoke" model allows corporate-driven policies to be implemented at the resort level as well as resort-specific best practices to be shared with other properties through a corporate-level champion.

At the corporate level, the Green Team oversees all of the sustainability programs and initiatives. The Green Team is comprised of three people, led by an individual called the Social and Environment Conscience (real name: Pituck Jongnarangsin), an engineer and an environmental analyst. This group belongs to the "Core" of the Six Senses Sphere of Influence and is involved in many aspects of decision making from the operations of existing resorts to the development of new resorts (company diagram on the Sphere of Influence is included as **Appendix 6**).

In the past several years, the company has made a heightened effort to organize and develop its effectiveness with regards to its social and environmental mission. As the number of resorts increased from just one in 1995 to nine this year, the Social and Environment Conscience was brought on in early-2006 to lead the sustainability initiatives. In prior years, the environmental impact of new development was managed on a somewhat ad-hoc basis. However, the company is moving toward a proactive approach with the Green Team responsible for developing a social and environmental proposal for each new planned resort and reviewing current policies at existing resorts covering all aspects of construction materials, energy efficient designs, interacting with the local communities, etc.

At the property level, each resort has a Green Unit. The Green Unit is comprised of a full-time employee called the Social and Environment Coordinator, who is dedicated to leading sustainability initiatives at the property. The rest of the Green Unit includes the Training Manager and the Chief of Engineering. The Social and Environment Coordinator reports directly to the General Manager of the property and to the Social and Environment Conscience in the corporate office.

Sustainability Programs

Six Senses' sustainability programs are both comprehensive and deep. They are integrated into all aspects of the business in a way that covers the full spectrum of corporate social responsibility, from integration with core operations to responsible philanthropy. The programs can be broken down into two general categories:

- Design and Construction Programs
- Operational Programs

Design and Construction Programs

For Sonu, the most important aspects in site selection for new resort development are that it feels untouched and remote but at the same time also accessible. After these conceptual criteria are met, considerable thought regarding environmental concerns is given to the following:

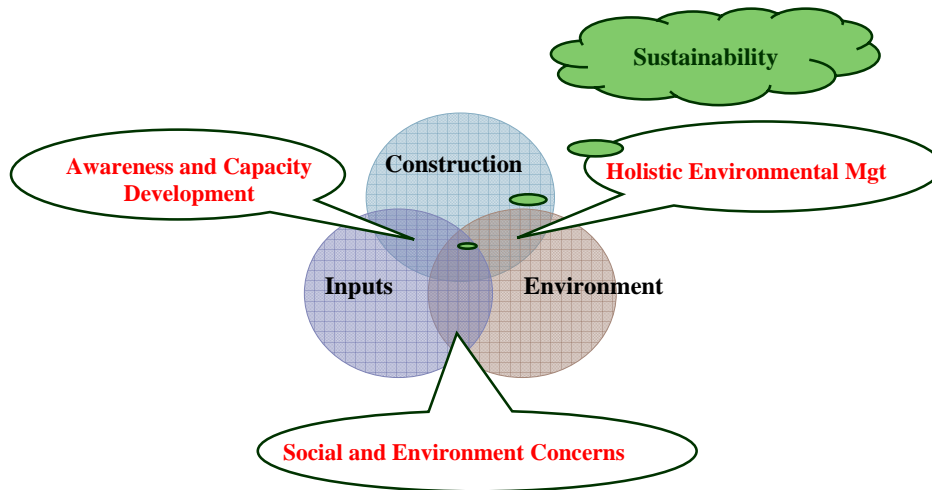
Design Stage Environmental Concerns	Construction Stage Environmental Concerns
- Legal Requirements	- Environmental Management
- Local Environment	- Materials
- Environmental/Geographic Risk	- Waste Management
- Building Design	- Water Management
- Energy Planning and Management	- Waste Water Management
- Watery Supply	- Environmental Protection during Construction
- Waste Water	- Mitigation
	- Environmental Monitoring

It is the responsibility of the Green Team to interface with the architects, designers, internal development and planning department to ensure all of these areas are given sufficient attention.

Operational Programs

Once a resort is open for business, the property-level team takes over and a set of operational programs is put in place. The programs are conceptualized according to Figure B:

 Figure B: Six Senses Operational Program Conceptualization



The colored circles represent the three basic building blocks of the company:

1. Construction = body = physical facility
2. Inputs = mind = human resources
3. Environment

Each of the building blocks interacts to create an overlap area from which springs the basis of Six Senses' sustainability programs.

1. Holistic Environmental Management Program ("HEMP")
2. Social and Environmental Responsibility Fund ("SERF")
3. Environmental Awareness and Capacity Development Program

In addition, Six Senses supports a fourth program called the Corporate Partnership Program.

The sustainability initiatives and greater details of the sustainability program categories are provided below. Sustainability initiatives for select individual resorts are attached as **Appendix 7**.

Program	Objective	Components	Examples
HEMP	<ul style="list-style-type: none"> - To improve the environment through appropriate management systems at the property levels. - To reassure that our operation is environmentally friendly and has minimized negative impacts on the environment. 	<ul style="list-style-type: none"> - Green Globe 21: Third-party benchmarking and certification program for sustainable travel and tourism, demonstrating environmental, social and economic responsibility. Additional information on Green Globe 21 is included as Appendix 8. - Sharing of best practices covering environmental, socio-cultural and economic concerns. - Key Sustainability Indicators (“KSI”). 	<ul style="list-style-type: none"> - Greenhouse gas emissions <ul style="list-style-type: none"> ■ Monitor fossil fuel consumption (diesel, petrol, charcoal, LPG, canned heat) ■ Calculate CO2 produced per guest per night ■ Chart performance against best practice target (based on existing resorts) ■ Make operational modifications if exceeds best practice - Solid waste <ul style="list-style-type: none"> ■ Measure amount of solid waste sent to landfill/site and recycling facility ■ Measure on a per guest per night basis ■ Chart performance against best practice target (based on existing resorts) ■ Make operational modifications if exceeds best practice
SERF	<ul style="list-style-type: none"> - All resorts commit to contribute at least 0.5% of total revenue for Social & Environmental Responsibility Fund. - Contributions used for social and environmental activities, projects and initiatives for sustainable development. 	<ul style="list-style-type: none"> - Key criteria (sustainability, ownership, long-term impact, value of money) - Principles of projects to be considered (knowledge exchange and technology development, environmental initiatives, community development, trisectoral cooperation, self-initiative projects, research & development) - Geographic focus (55% at local level, 25% at national level, 15% at global level, 5% contingency) 	<ul style="list-style-type: none"> - In 2006, forest conservation in Thailand was the primary national cause supported by Six Senses. - Examples of local SERF projects; <ul style="list-style-type: none"> ■ Celebration of Earth Day ■ Tree planting activities ■ Beach cleaning activities
Environmental Awareness and Capacity Development Program	<ul style="list-style-type: none"> - Raising environmental awareness for both staff and guests - Increase capacity of staff to deal with environment in workplace 	<ul style="list-style-type: none"> - Guest Environmental Awareness - Staff Environmental Capacity Development 	<ul style="list-style-type: none"> - Guest Activities: <ul style="list-style-type: none"> ■ Events with participation from local community ■ Lecture/talks on sustainable tourism ■ Integrated resort activity such as guided nature hike through national park - Staff Activities: <ul style="list-style-type: none"> ■ Formal training on organic gardening ■ Staff participation in various SERF activities
Corporate Partnership Programs	<ul style="list-style-type: none"> - Allows for cooperation with different partners with goal of increasing corporate social and environmental recognition 	<ul style="list-style-type: none"> - Varied partners ranging from private sector, government organization, international organization, charity organization, etc. 	<ul style="list-style-type: none"> - Future Forests; Additional information on Six Senses’ Carbon Neutral Offset Project is included as Appendix 9. - Care of Children (proceeds of teddy-bear sales in hotel gift shop to orphaned children in China) - German Technical Cooperation (research on socio-economic impact of resorts on local community) - Social and Environment Internship Program (internship sponsorship program)

Staffing

While many locations which Six Senses selects are indeed remote with pristine natural surroundings, they are located in developing countries. At the property level, local residents are given a priority in hiring. The labor pool often does not abide by the same hygiene and sanitation expectations that are required in a five-star resort setting. Further, the vast majority of new line-level hires have no experience with the Six Senses brand of sustainability.

Significant training for line-level staff is dedicated to service delivery as well as environmental and social awareness. In fact, staff are empowered to make suggestions and recommendations within the framework of the HEMP, SERF, Environmental Awareness and Capacity Development and Corporate Partnership Programs. Numerous programs in the resorts have been staff initiated and piloted prior to roll-out to other properties. For example, the Dragonfly Habitat Project was suggested by a staff member who knew of a common local approach to deal with controlling mosquito populations. Organic vegetable gardens and mushroom huts are other examples of staff-initiated projects.

Sustainability Report Card

Compared to other hotel companies, Six Senses' sustainability programs are extremely well thought out. They address many of the critical issues that contribute to effective corporate social responsibility. An overall gauge of the success of Six Senses' sustainability efforts can be better understood through individual assessment of key success criteria.

Criteria	Grade	Assessment
Leverages core strengths	A	<ul style="list-style-type: none"> - Six Senses core strengths are: site selection for fantastic resorts and luxury resort operations. - Assuming that we can't stop resorts from getting built in yet untouched locations, Six Senses has developed an excellent understanding and mitigation of environmental impact of design/construction stage and operational stage of resort. - Hotel business is a labor-intensive business. Six Senses has tried to build-in involvement of local community through hiring locally and empowering staff.
Organizational support	A-	<ul style="list-style-type: none"> - High-level support in sustainability mission from founders. - Established organizational continuity at corporate and property levels with Green Team and Green Units, respectively. - Green Team was established only one year ago so still in ramp-up stages. Green Team has formal legitimacy but will need time to develop credibility within organization. - Empowerment of staff is self-enforcing approach to use local knowledge to deal with resort challenges.
Impact on environment	B+	<ul style="list-style-type: none"> - By simply existing, Six Senses cannot avoid making an impact on the environment. However, what and how they choose to build effectively manages the effect on the environment. - Thoughtful mitigation factors have been implemented at each stage of the business. - At the property operations levels, significant effort has gone into developing measuring and benchmarking of carbon emissions and waste production.
Impact on local communities	B+	<ul style="list-style-type: none"> - Six Senses introduces jobs to the local communities. - Six Senses contributes 0.5% of each resort's total revenue to its SERF, of which approximately 55% goes to the local community. This amount can range from several thousand dollars to upwards of \$10,000, depending on the property. These funds serve to improve relationships with the local community by raising awareness of environmental and social-related causes.
Impact upstream	B	<ul style="list-style-type: none"> - From timber to fruit suppliers, Six Senses tries to work with contractors and suppliers who share their concern for sustainability. Currently, Six Senses is working with a timber supplier that ensures timber for the resorts are recycled and come from second-hand uses, not cut from old growth forests. - However, the often-times remote locations and luxury expectations of the resorts create challenges to controlling more upstream impacts.

		<ul style="list-style-type: none"> - Additionally, the relatively small footprint of the resorts and small size of the company compared to international hotel companies limits Six Senses' bargaining power with suppliers.
Impact downstream	A	<ul style="list-style-type: none"> - Six Senses makes an effort to weave in their messages of sustainability into the guest experience through activities and information regarding their mission. - Particularly with Europeans, guests choose Six Senses because of their corporate social responsibility policies. - Many guests are willing to pay a premium for the experience that Six Senses offers both because of the luxury and the sustainability policies.
Measurability	C	<ul style="list-style-type: none"> - Six Senses has a number of methods to measure and benchmark environmental output (e.g. CO2 emissions, waste production) but they do not have any economic measures as they relate to sustainability efforts.
Sustainability	B+	<ul style="list-style-type: none"> - Six Senses hub and spoke model is sustainable as the corporate hub will provide guidance and coordination to the property spokes who execute on the guidance and provide new ideas and feedback. - Ideally, each resort can move toward a self-sufficient environment where an organic garden supplies the kitchen, meat and other perishables are purchased locally and textiles and other materials are produced in local communities. This is a long-term goal unlikely to happen in the near term.
Scalability	B	<ul style="list-style-type: none"> - With each new resort, new ideas and discoveries related to environmental and social sustainability will emerge. These can then be transmitted to other resorts in the system so they can all benefit from the new knowledge. - However, it will be difficult for Six Senses to increase the footprint of their resorts significantly and still be able to balance their luxury experience and sustainability mission. - Thus, expansion will likely come from an increase in the number of properties, rather than size, combined with an increase in customers' willingness to pay. - The optimal model which Six Senses has been pursuing is the increase in customers' willingness to pay for an environmentally and socially conscious resort experience that also redefines the idea of luxury, moving away from the idea of "western luxury" to the concept of "local luxury".
Overall	B+	<ul style="list-style-type: none"> - An extremely well thought-out plan incorporating aspects of facility design and construction, operational programs and human resource inputs. - However, hotel business contains inherent elements of intrusion to natural environment and local community. - Excellent efforts have been made to mitigate intrusiveness and when possible, transform into positive impact - Biggest missing element is linking economic measures to sustainability efforts.

Suggested Improvements & Implementation

There are a number of areas that Six Senses can develop to create a truly holistic and effective sustainability policy that keeps it on the cutting edge of sustainable tourism and meaningfully differentiates it from its competitors. The areas of focus are:

1. Interactions with Local Community
2. Recruitment and Staffing
3. Customer Interface
4. Measurability and Transparency

Interactions with Local Community

Recommendation:	Begin interactions with the local community early-on, prior to opening of the resort, to better understand their needs while educating them on environmental sustainability.
Rationale:	<p>This approach creates several mutual benefits including:</p> <ul style="list-style-type: none"> - Better relationship with local community: An improved relationship with the local community can foster good-will between the people and the resort. Often-times, the resort is a primary employer in the area. Ideally, the resort is embraced by the community and is actively engaged in community events. This has positive impact on hiring, community and guest perception and local government relations. - Earlier understanding of community needs: The resorts are often located in developing countries where the standard of living is lower than the resort lifestyle. By identifying community hardships in advance, early SERF programs could be tailored to specific community situations with a shorter ramp-up period. - Integrate environmental awareness into local community: Early and frequent interactions can teach residents environmental awareness so that they can begin to integrate eco-friendly strategies and behaviors into their daily lives. Being environmentally conscious applies to all standards of living and all levels of income. It is not only reserved for the wealthy tourists.
Implementation:	Part of the Green Unit responsibilities during the design phase of the planning process for each new resort should include interaction with local community leaders and citizens. Additional operations staff may need to be integrated into this process for effectiveness. A standardized plan including setting up introductory meetings with community leaders, town hall meetings to include all of the residents and smaller training groups to spread knowledge on environmental sustainability techniques that can be applied to daily living should be established. Additionally, residents should be invited to tour the resort during construction phases to develop a deeper understanding of aspects of environmental sustainability built into the physical building.

Recruitment and Staffing

Recommendation	Make the Six Senses sustainability policies central to the recruitment message of line-level employees at properties.
Rationale:	<p>While Six Senses mentions its mission of sustainability in its recruitment of line-level employees for its resorts, it is not a focal point. By emphasizing its mission and differentiating it from other resorts in the vicinity, it will encourage a process of self-selection which can result in a virtuous cycle beginning with employees who genuinely believe in Six Senses' sustainability mission resulting in greater innovation of new approaches and integration with all aspects of resort operations.</p> <p>Currently, Six Senses does not notice any advantage or disadvantage with regards to recruitment or staffing due to their sustainability programs. Standard human resources indicators such as compensation levels, turnover and employee satisfaction are believed to be more or less in-line with competitors who are recruiting talent in the same local markets. Ideally, Six Senses sustainability mission will become a differentiating factor that can drive lower turnover and employee satisfaction.</p>
Implementation:	Begin education of sustainability practices during early-stage interaction with the local residents. During recruitment phases, communicate sustainability priorities and programs in general presentations and further one-on-one interaction with interested individuals. Interview rounds should include some questions regarding interest in and understanding of the sustainability mission.

Customer Interface

Recommendation #1:	Actively marketing to guests who are aligned with the concept of environmental and social awareness through guest recommendations and direct marketing strategies.
Rationale:	It is easier to sell a concept, particularly at a premium price point, to guests who already believe in the underlying values rather than spend advertising dollars on the difficult task of "convert non-believers". Six Senses is small and exclusive enough so that cultivating existing "believers" generates sufficient demand.
Implementation:	<p>Guest acquisition efforts can be made on guests who possess several key characteristics including:</p> <ul style="list-style-type: none"> - Appropriate income bracket to afford luxury price point - Proven willingness to pay premium for products/experiences where environmental and social sustainability issues are involved - Accepting of non-traditional concept of "luxury" - Proven track-record of or interest in international travel to remote destinations. <p>There are two approaches Six Senses can take to acquire guests with the</p>

above characteristics:

- Create guest recommendation program for existing guests to recommend potential new guests. The power of recommendation is strong and it is more likely for friends of existing guests to possess target characteristics compared to total strangers. Incentives can be built-in for both the recommender to be willing to recommend friends/family. For example, the recommender can be awarded a complimentary massage in a Six Senses Spa if one of their recommendees is successfully recruited to a resort.
 - Purchase customer lists of potential guests who fit the above profile. Engage in direct marketing campaign including detailed information of Six Senses sustainability programs and create vacation programs that reinforce the sustainability message. For example, education travel programs could be initiated under the combined effort of the General Manager, the Green Unit and the Green Team to teach guests about natural sustainability techniques in specific locales, environmental impact of resort development, etc.
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Recommendation #2:	Redefine guest expectations from “conventional luxury” to “sustainable luxury” and link customers’ willingness to pay with the value proposition of “sustainable luxury”.
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Rationale:	Six Senses has already done a good job of changing expectations associated with luxury from marble and air-conditioning to rustic surroundings and organic gardens. However, they could go even further and entrench the basis of the customer’s willingness to pay in the concept of “sustainable luxury”.
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Changing customer expectations and “training” them to desire a new kind of product is always challenging. However, if Six Senses successfully markets and creates a unique experience associated with “sustainable luxury”, it could prove to differentiate the company against its customers while furthering its mission of sustainability.

Implementation:	This requires a major shift in Six Senses’ business and buy-in from all levels of the Sphere of Influence. Integration between the corporate-level vision and the property-level execution has to be aligned for this shift to be successful. At the core of the change is re-education of the customers to desire something different. Re-education could begin with the launch of a “new” property which is a self-contained eco-system (something like Biosphere 2). A luxury resort that is run solely on sustainable power, recycled water, local textiles, organic produce grown on the property and locally sourced meat would be a unique and fascinating destination for which willingness to pay as well as quality of education in sustainability would be unparalleled.
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Measurability and Transparency

Recommendation #1:	Develop evaluation and approval process for new projects that measures both economic impact and environmental or social benefits
Rationale:	Currently, Six Senses tracks the performance of a number of its environmental programs once they have been launched. For example, the company tracks its CO2 emissions and waste generation on a per guest per room basis at each resort. While this can already be considered very good, the company can better manage potential programs by developing an evaluation and approval process that measures both economic impact and environmental or social benefits. For example, when Six Senses was evaluating the dragon fly habitat to fend off mosquito infestation, no economic cost/benefit analysis was performed. A simple cost budget was assembled and the project proceeded on that basis.
Implementation:	Having a proposal for each new project will facilitate sharing of best practices between resorts, reinforce the accountability by the staff members as well as give forethought to success measures. For future proposed projects, Six Senses should develop a 1-page proposal laying out economic cost/benefit and environmental or social cost/benefit analysis. The 1-page proposal should be kept as manageable as possible so resort staff are not deterred from proposing ideas. Staff must have buy-in from 2 other co-workers as well as their departmental manager. Having buy-in from other co-workers will promote support and continuity of the project, particularly in cases of staff turnover. The resort Green Teams should work closely with staff who are interested to propose a new project, helping them fill out the proposal and reviewing it once it is completed. An example proposal template is attached as Appendix 10 .
Recommendation #2:	Formalize Key Performance Indicators (“KPI”)
Rationale:	Six Senses’ programs revolve around a number of environmental and social themes. These themes should be formalized into several KPIs so that they can be tracked and measured.
Implementation:	The Green Unit should establish the KPIs based on current programs. Each KPI should have at least one measure to establish targets and track progress. An example of KPIs and possible measures is attached as Appendix 11 .
Recommendation #3:	Publish an annual Corporate Responsibility Report.
Rationale:	Six Senses is a privately held company and is not required to publish an Annual Report let alone a Corporate Responsibility Report. However, publishing such a report would allow it to communicate to the rest of the industry and the world what exactly it is doing. Additionally, it is a way

to encourage others within the industry to embark on the same journey toward sustainability. The Corporate Responsibility Report should include descriptions of programs, rationale and annual measures of KPIs compared to prior-year performance and targets/goals for the next year.

Implementation: The Green Unit should take the lead on the Corporate Responsibility Report but will need buy-in from all of the “inner-core” and “core” leaders. Several examples of Corporate Responsibility Reports are attached as **Appendix 12**.

Appendix

1. Six Senses Website & Marketing Material
2. Six Senses Maldives
3. Competitive Context
 - a) Panagea World Press Release on IQ Resorts
 - b) Starwood Capital Press Release on “1” Hotel
 - c) News article from New Kerala on JB between Taj Hotels and Conservation Corporation Africa
4. Six Senses Sustainability Policy
5. Six Senses Presentation delivered at Eco Expo in Hong Kong in Oct 2006
6. Six Senses Sphere of Influence
7. Individual Resort Sustainability Programs
8. Green Globe Website
9. Six Senses Carbon Neutral Offset Project
10. Template for New Sustainability Project Approval
11. Possible Key Sustainability Performance Indicators
12. Corporate Responsibility Reports
 - a) Intel: 2005 Corporate Responsibility Report
 - b) Nike: 2004 Corporate Responsibility Report
13. Additional Readings
14. Interview Notes