

## CIRCULAR ECONOMY BUSINESS CASE STUDIES IN SOUTHEAST ASIA



## Hanid Hotel

Tuy Hoa, Phu Yen Province, Vietnam

Tourism/hospitality

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Analysis period: 2023

## Zeroing Out Single-use Plastics in the Hospitality Sector

### Business Spotlight

Located in the city of Tuy Hoa, a rapidly emerging tourist destination in central Vietnam, Hanid Hotel is dedicated to zeroing out plastic waste and promoting a greener future. As part of its sustainability efforts, the hotel has made the conscious choice of phasing out single-use plastics products (SUPPs). Hanid Hotel has been able to divert yearly approximately 9000 single-use bathroom amenity plastic bottles from going to landfill by switching to refillable, shower gel and shampoo dispensers in hotel bathrooms. Using refillable glass containers in the guest rooms for drinking water from the onsite water purification and dispenser units in the hotel replaced yearly approximately 6000 single use plastic bottles. The estimated yearly savings for Hanid Hotel from replacing single-use plastics (along with other measures) is VND 40 million (approximately EUR 1500).

The successful implementation of plastic-free hotel practices at Hanid Hotel serves as a good model for replication in small and medium-sized hotels in Vietnam. To move towards their goal of running a net-zero waste hotel, Hanid continues to seek new solutions and initiatives for food and organic waste reduction and reuse, along with the recycling of various other solid wastes such as paper and

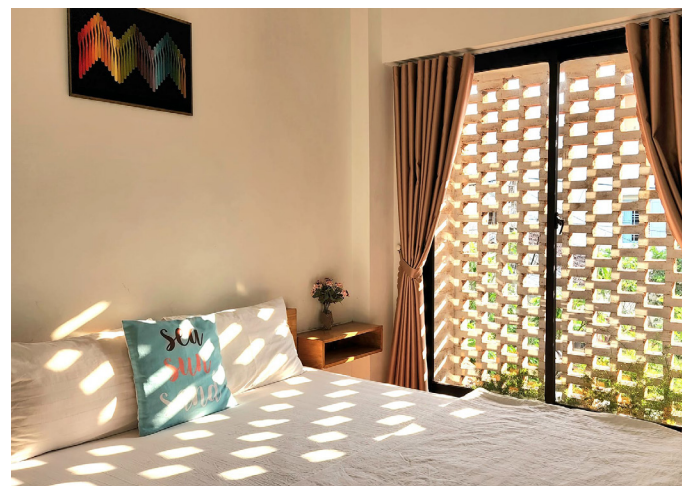
cartons. Hanid's forward-thinking strategies indicate strong prospects for continued growth and influence in the sustainable tourism sector.

### Keywords

Plastic-free Hotel, Single-use plastic products

### Innovation

Product/Service design, Use and maintenance, Resource efficiency



# Analysis of Hanid Hotel

## Context and baseline

Over the past decade, the tourism sector has witnessed impressive growth and diversification, becoming one of the fastest-growing economic sectors worldwide. In Vietnam, tourism plays an important role in economic development. From 2011 to 2017, Vietnam ranked 21<sup>st</sup> among the top 30 highest-performing countries in the travel and tourism sector globally in terms of absolute growth across using these four metrics: total tourism GDP, foreign visitor spending (visitor exports), domestic spending, and tourism capital investment. In 2019, before the onset of the COVID-19 pandemic, the total contribution of tourism to the GDP of Vietnam was 7% (USD 32 billion). It was estimated that in 2023, the contribution of the sector to Vietnam's economy was 5.5%. Although the COVID-19 pandemic was devastating for tourism, the sector is working to turn this crisis into an opportunity as it strives to move towards an inclusive and sustainable future.

Tourism relies on healthy and thriving ecosystems, and many tourist activities depend on experiencing a broad variety of natural resources, land- and seascapes, nature and biodiversity. The tourism sector is thus highly aware of the triple planetary crises of climate change, biodiversity loss and pollution and how to address them. An increasing and particularly visible area of concern is plastic pollution, especially SUPPs, which are those products and packaging designed to be used just once before being discarded or recycled. The convenience, functionality and low prices of plastic products, including SUPPs, have made them a common feature of the global economy. However, the prevailing linear use of SUPPs is causing the single most visible environmental challenge of our time. The tourism sector is negatively affected, as travel experiences are spoilt by plastic pollution, which in turn can affect visitor numbers and the jobs and livelihoods created by the sector. Reducing our reliance on SUPPs by discouraging any non-essential use and promoting reusable alternatives is urgently needed. However, making such a transition requires a shift in mentalities as well as extensive collaboration across the tourism value chain.

A growing number of businesses and organisations have recognised the urgency of the problem of SUPPs and have started to take action, including Hanid Hotel. Located in Tuy Hoa, a rapidly emerging tourist destination on the south-central coast of Vietnam, Hanid Hotel is determined to eliminate plastic waste and promote a greener future. As part of its sustainability efforts, in 2023 the hotel made the conscious choice of replacing single-use plastic

water bottles with refillable glass bottles, along with eliminating single-use shower and toiletry bottles.

## Innovation

The plastic waste elimination practices implemented by Hanid Hotel consists of the following innovations:

**Toiletry dispensers.** Hanid Hotel phased out single-use bottles of shampoo, shower gel and lotions by installing refillable dispensers, which have also been observed to have improved the overall guest experience. Other bathroom plastic accessories including toothbrushes, combs, shower caps, etc. are available at Hanid, but are provided only upon the request of the customers.



**Refillable water bottles.** Hanid Hotel has set up two in-house drinking water purification machines for refilling guests' reusable glass bottles. Standard operating procedures are followed to ensure that the highest sanitation and hygienic conditions are respected, as per standard norms by disinfecting all glass bottles before use.



Although these techniques and practices were new to the Hanid Hotel, they were already in use in selected hotels in Vietnam. They represent best green practices for locally owned and operated small and medium-sized hotels in the country.

## Circular Economy impact

The elimination of plastic initiative at Hanid Hotel supports the circular economy transition, in particular through resource efficiency, which ensures that materials, water and energy will be more efficiently used and waste is thereby reduced.

It was estimated that the hotel could annually eliminate the use of 9000 single-use bathroom amenity plastic bottles by using refillable shower gel and shampoo dispensers in their bathrooms, which also contributes to cost savings. The refillable drinking-water containers in guest rooms are refilled from water purification and dispenser units in the hotel, thus avoiding the use of 6000 single-use plastic bottles and helping to reduce the cost for providing drinking-water by 30% yearly. Not using plastic means that greenhouse gas and other air emissions will not be produced since no waste plastics will be burned.

Furthermore, the 14 rooms in the Hanid Hotel are equipped with LED lighting and appliances that meet national energy efficiency standards. The hotel uses inverter air conditioners for energy efficiency purpose. As solar power is an abundant, reliable and renewable energy resource in Tuy Hoa, solar water heaters have been installed at Hanid.

## Business and market impact

The circular economy innovations at Hanid Hotel are generating financial, environmental and social benefits in terms of their increased occupation rates and the hotel's reputation. Estimated annual savings due to plastic waste reduction and associated measures is VND 40 million (approximately EUR 1500) for Hanid compared to baseline costs. Recognition as a *Plastic-free Hotel* not only promotes the development of the tourism industry, it also increases customer awareness on the importance of environmental protection. At the same time, opportunities for Hanid to attract environmentally aware and appreciative guests in the future are also created. Their occupation rates are observed to rise, attaining 60% in 2023. Finally, the action of demonstrating social responsibility and creating a sustainable business model not only attracts responsible travelers, it also contributes to creating a 'green brand' within Vietnam's tourism industry.

To move towards the goal of a net zero (plastic waste) hotel, Hanid continues to search for new

solutions and initiatives for waste reduction (food and other organics), while reducing, reusing and recycling various other solid wastes such as paper and cartons.

## Stakeholders

To green the hotel sector, Hanid has been partnering with GreenHub and Pacific Environment Vietnam to implement the project *Reducing plastic waste through zero-waste practices* to pilot and implement solutions to reduce waste, especially plastic waste in Phu Yen province in 2023. Hanid was one of the two hotels in Phu Yen selected to pilot plastic-free hotel practices. The hotel has also received technical assistance and training from research institutions including Phenikaa University, and has also worked closely with other hotels in Tuy Hoa in the implementation of new solution to reduce SUPPs. These collaborations have helped to accelerate the hotel's adoption of more sustainable practices.

## Implementation

Hanid is a small hotel located in the centre of Tuy Hoa, the capital city of Phu Yen province that opened in 2018 with just 14 guest rooms. Since its establishment, Hanid considers environmental sustainability and community contribution as part of its business strategy, according to owner Mrs. Nguyen Hanh Dzung. Using LED lighting, inverter air conditioners and solar power to heat the water in the hotel is a strategic, money-saving decision providing multiple benefits for Hanid, including minimal maintenance, reduced greenhouse gas (GHGs) emissions, decreased energy expenses, and reduction of the company's dependence on the national electricity grid.

Hanid Hotel's first initiative towards plastic reduction took place in 2019, making 'wall pictures' from discarded toothbrushes. The pictures made by Hanid were hung in the guest rooms and received positive feedback from customers. Still, the impact of this initiative was limited, as the number of used toothbrushes was negligible. Hanid realised that in order to better contribute to environmental protection through plastic waste reduction, the hotel would have to seek practical guidance and adopt a more professional strategy. Hanid Hotel then decided to participate in the project *Reducing plastic waste through zero-waste practices* in Phu Yen.

Hanid intends to continue their actions to promote a plastic-free hotel toward Net Zero waste business in Vietnam because this goal is closely integrated and consistent with the company's core business activities. With sustainable hotel practices, Hanid will be in a favourable position to capture more tourism opportunities and expand their business.

## Takeaways

- Phasing out SUPPs in the hotel sector can contribute to meeting Vietnam's targets on reducing plastic pollution and GHG emissions.
- Small and medium-sized hotels can achieve social and economic benefits when they consume fewer SUPPs and they gain through resource efficiency and cost-savings. These benefits may make it possible to more broadly apply plastic-free practices without needing significant technical and financial support from government and/or development partners.
- High customer awareness of green hotel practices could make plastic-free hotels an attractive, profitable investment for businesses and investors.



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## Disclaimer

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