

CIRCULAR ECONOMY BUSINESS CASE STUDIES IN SOUTHEAST ASIA



HOMM Souvannaphoum Luang Prabang

Luang Prabang, Laos

Tourism

www.hommhotels.com/hotels/homm-luang-prabang

Analysis period: 2017-2024

Championing Plastic-free Tourism in Laos

Business Spotlight

HOMM Souvannaphoum Luang Prabang Hotel (previously known as Angsana Maison Souvannaphoum) is a boutique hotel in Luang Prabang, Lao PDR, which demonstrates that sustainable practices not only improve style, authenticity and comfort but also create a community spirit that further spreads green messages. HOMM Souvannaphoum Luang Prabang embodies sustainability through its three main pillars:

- Our Community, addresses education, health and culture;
- Our Environment, focuses on climate change, resource conservation and biodiversity; and
- Our Responsibility, pertains to leadership, partnership and compliance.

In 2023, the hotel implemented its corporate Brand for Good framework, which has 40 separate and measurable indicators to understand, learn and apply the requirements of and align with the 17 Sustainable Development Goals.

The hotel monitors and minimises its environmental impact across energy, water, waste, wastewater, hazardous substances and biodiversity. The hotel has also committed to 'Plastic-Free Laos', which

means it targets having ZERO single-use plastics in guest-facing experiences by 2025, and ZERO single-use plastics in both front-of-house (FOH) and back-of-house (BOH) operations by 2030.

Keywords

Service Design, Eco-Boutique Hotel, Single Use Plastic-free

Innovation

Product/service design, End-of-life management, Resource efficiency



Analysis of HOMM Souvannaphoum Luang Prabang

Context and baseline

Tourism is one of Lao PDR's top three sources of foreign revenue, the others being mining and hydropower. In 2018, Lao PDR attracted 4.8 million visitors and generated USD 935 million. It is predicted that by 2025, there will be 5.8 million international tourist arrivals, generating USD 1.21 billion in revenue. The Lao tourism industry plays a significant role in driving economic growth and providing job opportunities for local people. The major tourist destination is the world heritage site and ancient capital of Luang Prabang.

Waste management is an increasing challenge in tourist areas of Laos, especially urban ones, growing in line with urbanisation. The two main types of waste in the urban areas are organic material and plastics. Over 50% of the waste generated in the Lao PDR comes from organic materials, the next being plastics, which varies between 16% and 24% depending on location. In Luang Prabang, only 8% of the waste is comprised of plastics, whereas nearly 70% is organic. Only 10 single-use plastic items, especially food and drink packaging and cutlery, comprise 95% of the pollution in the country. As such, targeting the hospitality sector for awareness raising has a strong possibility of positive environmental impact.

Innovation

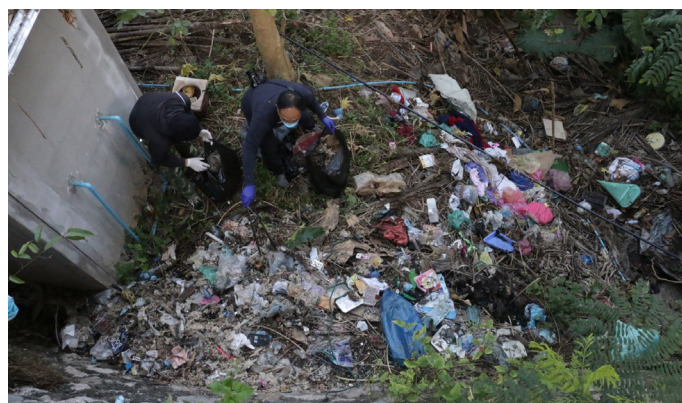
HOMM Souvannaphoum Luang Prabang is particularly committed to improving waste management, resource efficiency and community wellbeing.

In terms of waste, it aims to have ZERO single-use plastics in guest-facing experiences by 2025, and ZERO single-use plastic in both front-of-house (FOH) and back-of-house (BOH) operations by 2030. Since 2014, the hotel management and its associates have volunteered in a city-wide clean-up programme dubbed "Trash Idol" to raise awareness of environmental issues and educate local citizens to take better care of their surroundings. They organise the local community and join them to clean the streets every month and during major events such as Lao New Year, Boat Racing Festival and Earth Day.

In 2023, HOMM Souvannaphoum Luang Prabang partnered with a social recycling enterprise called PatiHoub with the aim of transforming its low-grade plastic waste into valuable and marketable products, and reducing plastic pollution in urban and rural areas in Laos through recycling it into plastic boards

and woven fabric. Since the start of the effort, the hotel is one of 50 businesses, schools and temples to have produced more than 18,000 sq m of plastic board and fabric by mid 2024.

In 2004, HOMM Souvannaphoum Luang Prabang adopted the Green Imperative Fund (GIF), established by the Bayan Group in 2001 to provide financial support to worthy social and environmental efforts. Guests are invited to support these efforts through a small contribution of USD 1 per room per night. The hotel matches the guest contributions on a dollar-for-dollar basis. The fund is being spent on social and environmental initiatives for the community surrounding Luang Prabang.



Circular Economy impact

HOMM Souvannaphoum Luang Prabang's initiatives and activities have raised awareness of waste issues, particularly within the government sector

and the community. The initiatives cover the efficient use of energy and materials, or resource efficiency, and partial substitution with renewable energy and materials, or resource substitution, whilst also contributing to environmentally-sound management and disposal of waste as an enabler for the circular economy transition.

In terms of resource efficiency, in the past one year (since 2023) the hotel has reduced its waste sent to landfills by 260 kg. In 2024, 50% of its waste is recycled. The hotel has eliminated plastic bottles (2,700 bottles per year), plastic straws (9,600 straws per year), cling film plastic wrap, cotton buds with plastic sticks (10,000 pieces per year), and individually wrapped butter and jams in both guest rooms and the restaurant (66,000 pieces per year). In early 2024, the hotel had replaced 90% of its light bulbs with energy-efficient LED bulbs, and it intends to complete the remaining replacements by early 2025.

The hotel has started to switch to renewable energy with the installation of solar lights in public areas such as gardens and the back of house. The solar energy has replaced 650 kWh of the hotel's grid power consumption every month.

Furthermore, as a co-founder of Trash Idol, between 2014 and 2023 the hotel organised 75 community clean-up events, engaged 4,916 participants, and collected 35,578.81 kg of abandoned general waste from street sides, waterways, gardens and other locations in the community and nature, which was then brought to the Luang Prabang landfill.



Business and market impact

HOMM Souvannaphoum Luang Prabang has earned significant confidence of domestic and international

travel agents, guests and its staff who are the main custodians of its sustainability best practices. It has become a role model for many private sector companies in Laos.

The hotel's plastic elimination initiative, which began in 2017, has resulted in cost savings of close to USD 700 per year. Since 2013, the hotel has been selling its recyclable waste to a social enterprise. Starting modestly, the hotel's waste management operations saw significant growth in 2023, culminating at USD 3,500. The money was reinvested in producing eco-friendly bags for guests, purchasing solar lights for the back of house, landscaping, and improving the waste separation area and waste separation bins.

Stakeholders

HOMM Souvannaphoum Luang Prabang has collaborated with the Government's Urban Management and Service Office, major hotels, and educational institutions such as Souphanouvong University, the Technical and Vocational College of Luang Prabang, and secondary schools to create among the students an awareness about the environment and environmental best practices. Its initiatives include training volunteers in waste management.

The hotel also partners with the Technical and Vocational College of Luang Prabang and Souphanouvong University to offer training programmes to enrich students' skills. These partnerships foster a comprehensive approach to sustainability, empowering future generations with the knowledge and expertise needed to address environmental challenges while promoting personal and professional development.

Implementation

HOMM Souvannaphoum Luang Prabang is recognised as a pioneer in sustainable tourism in Laos. It has received several awards at both national and ASEAN levels. These include the ASEAN Green Hotel Award 2022–2024, the ASEAN Business Award 2020 for Skills Development, the Lao CSR Awards first edition 2021, the ASEAN Business Award 2021 for SME Excellence Award in Corporate Social Responsibility, the ASEAN Business Awards Laos 2021 for SME Excellence Award in Corporate Social Responsibility, and the ASEAN Business Awards Laos 2021 for Skills Development. In 2023, the hotel received the Lao Responsible Business Award for 'Workforce Wellbeing' and received recognition certificates from the government. However, reaching this level of achievement has been challenging. The COVID-19 pandemic had an adverse impact on the ability to recruit skilled and knowledgeable staff to

join the hotel's team, especially people eager to drive and actively participate in its sustainability initiatives. Despite having established standards and structures to uphold its commitment to environmental and community causes, it was necessary to rebuild the team. This required providing comprehensive training on waste segregation and environmental issues, and on the certification process.

The hotel collaborates with a local technical and vocational college and a university for internship programmes and dual-cooperative training for selected students from the technical and vocational college. The internships are well-structured in various areas of hotel operations, such as food and beverage preparation and services, housekeeping, engineering, other technical skills, and business-related areas. However, this collaboration has so far not been able to resolve completely the issue of staffing shortage in the hotel.



Takeaways

Throughout its journey, HOMM Souvannaphoum Luang Prabang has gained invaluable lessons that have enriched its understanding of community and environmental needs. These are:

1. Start from the basics and adhere to the internal and external standards
2. Engage stakeholders in the process
3. Explore alternative solutions and continue improvement
4. Have a third-party company for benchmarking and identification of practical ways to improve its sustainability activities
5. Build local capacity through seedling and internship programmes.



Acknowledgements

This business case study was prepared within the framework of the Technical Advisory project: [Mobilising Business Action for Circular Economy in the ASEAN countries](#) under the EU SWITCH-Asia Policy Support Component for the sole purpose of documenting and analysing business experiences with the circular economy. The case study was produced by Elodie Maria-Sube (key expert) and reviewed by Rene Van Berkel and Thomas Thomas (regional experts) on the basis of information provided and validated by HOMM Souvannaphoum Luang Prabang, Laos.

Disclaimer

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