

## Carbon Neutral: How Does It Affect My Bottom Line?

### *Does It Bring in Business?*

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I am regularly asked if our investment into becoming carbon neutral positively affects the bottom line. For Bucuti & Tara Beach Resort, the answer is yes.

Becoming carbon neutral is not only good for the environment, it is good for the business bottom line, too. To prove this and share how continuing your own sustainability path can lead to greater success, [Bucuti & Tara Beach Resort](#) in Aruba – the Caribbean's first and only certified carbon neutral hotel – shares its own data along with

guidance to operating in an entirely sustainable manner.

For any hotel starting their journey to sustainability, opting out of straws, switching to LED lightbulbs and reducing towel and bedding changes is a start, however the time to take the leap to major initiatives within the hotel operation is now. If the mere thought of implementing renewable energy or analyzing waste management is intimidating – or if you work for a chain and think this is not within your control - keep reading to learn how working towards carbon neutrality can elevate your property and revenue. Here, Bucuti & Tara shows that becoming certified carbon neutral has upgraded our brand to become the choice for the fast-growing number of guests who make their hotel choices based on operating responsibly.

As background, Bucuti & Tara Beach Resort is a 104-room, adults-only property located on world-famous Eagle Beach. As the Caribbean's most eco-certified hotel, it is also the No. 1 Hotel in the Caribbean per Tripadvisor and pre-COVID occupancies were humming at 97 percent year-round. Bucuti & Tara continues to prove that a sustainable operation, vacationing, and profitability can be mutually inclusive.

Located on the cosmopolitan island of Aruba, it would be easy to stay "plugged in" to fossil fuels, ship in items from all over the world rather than source locally, prepare and serve oversized meals, and access any type of cleaning chemical. However, like any property in the world, climate change threatens it. In this case, particularly with the rise in sea levels, which could reach the back doors of the resort in just 20 years.

## Calculating the ROI on being Carbon Neutral

Like any major initiative or capital project, the return on investment for sustainable initiatives does not happen overnight and is not always easy to quantify. We must take a comprehensive look and quantify the value of positive engagement and referrals from our customers and understand the growing prominence of sustainability as a factor in their travel choices.

Traditionally hoteliers have been held accountable for the bottom line and guest satisfaction. It is ingrained in us hoteliers – and every other businessperson – that profits and shareholders dividends come first, so we are tempted to make the cost saving choice over quality. Does your hotel require a bid process for procurement that continues to heavily favor the lowest bid? If so, it is time to base decisions on the smartest bid – the long-term bid. We can retrain our minds to choose the best option for the long game, and we must adjust our expectations of ROI.

Jump start your path to providing a safer, healthier more sustainable travel experience by exploring eco-certifications. Becoming carbon neutral is not about simply purchasing carbon offsets to cover your property's existing footprint. It requires scrutinizing every department's processes and procedures and establishing a plan. Eco-certifications such as LEED, ISO, Green Globe and Travelife each have their individual strengths and are instrumental in providing essential framework you can tailor to your hotel. Additionally, adding a sustainability manager can help you manage and document all the required initiatives and data for certification process.

As a real-world example on the return on sustainable infrastructure investment, most major initiatives implemented at Bucuti & Tara provide an ROI three to ten years after implementation. Here is part of Bucuti & Tara's experience that helped it become carbon neutral.



## Electricity

Flipping the switch on renewable energy is key. While the resort benefits partially (25 percent) from island windfarm power and solar energy, Bucuti & Tara installed a solar panel system atop its facilities in November 2016. The property's solar panels ROI is set to be achieved in May 2022, or five years and seven months from the installation date. As of March 2021, Bucuti & Tara's solar panels have produced 1,086,361 kWh, a savings from traditional electricity invoices of US \$305,429, and has prevented 250 tons CO<sub>2</sub>e from being released into the atmosphere.

According to the EPA, energy and heating contribute 25 percent to global emissions. As hoteliers, we know these costs alone are among our highest. By not working to curb these emissions, temperatures will continue increasing, more air-conditioning will be required, and the downward spiral will continue eroding your profitable revenue. Years ago, an audit at Bucuti & Tara revealed 60 percent of energy costs were from air-conditioning. The installation of a programmable variable refrigerant flow system lowered air-conditioning costs by 35 percent.

When it comes to food & beverage, in the kitchen, Bucuti & Tara uses induction burners rather than popular gas stoves. Induction burners deliver 80 to 90 percent of its electromagnetic energy to the food pan. In comparison, gas can convert a mere 38 percent of its energy and electric can only convert 70 percent. The inefficiencies of gas and electric stovetops clearly waste valuable resources and time. Additionally, the heat emitted from open flame or radiation from coils add additional burdens to cooling.

Even while on vacation, guests contribute to producing clean energy for Bucuti & Tara. With the addition of energy-generating SportsArt treadmills and stationary bikes, guests working out at its beachfront fitness center burn calories while generating kilowatts that are sent directly into the resort's power grid. You will discover viral marketing by guests who post photos of the data screen, which gives practical examples of the energy they produced to the grid, such as that their workout lit a dozen homes for a week.

## Waste Management

Bucuti & Tara has a 97 percent plus year-round occupancy, pre-COVID. The property diverts 65 percent of its waste from the landfill. This drastically saves on methane and CO<sub>2</sub> emissions while also decreasing costs. By managing the waste sustainably, the resort saves 42 percent in waste management fees annually. Based on 2019, the last full year of pre-COVID-19 levels, those fees were US \$11,306 versus US \$19,684 if the property did not have a strong, efficient reduce, reuse, recycle program in place. A key component of this includes bulk purchasing with a commitment for purchasing all that is possible locally. Containers are optimized, there is less packaging, less transportation emissions and overall, less costs along the supply chain.

Another area to visit is food waste. The mentality of delivering an oversized portion has proven dangerous. Obviously for health and safety reasons, however, most of the unconsumed food cannot be donated. In 2016, after tracking and learning that 30 percent of food from plated meals was unconsumed along with urging from guests (yes, it is true – just survey your guests), Bucuti & Tara's Elements restaurant reduced portions to be more sensibly sized. Think: going from American-sized portions to European sizing. Not only did we reduce food waste, it reduced food costs, carbon emissions from transporting the unneeded food, energy use and water use.

Food waste is normally 20 to 30 percent of the weight of garbage destined for landfills. This all factors into reducing your carbon footprint. Another key aspect of the resort's handling of food waste is that it is donated to farmers. This partnership lengthens the use of the food and decreases Bucuti & Tara's disposal fees.

Soon after, Bucuti & Tara partnered with the World Wildlife Fund and further reduced food waste by another 30 percent. Food waste separation bins and continual training helped staff better understand waste within the supply chain that leads to both environmental and economic loss. To prove this did not take away from guest satisfaction, Bucuti & Tara continues to be the No. 1 Hotel in the Caribbean with Elements restaurant as the one of the top restaurants in the Caribbean (both from Tripadvisor) and No. 1 Restaurant in the Caribbean (USA TODAY).

In a recent [CNN video](#), it revealed that according to the EPA, animal agriculture accounts for 14.5 percent of the planet's greenhouse gas emissions – even higher than transportation, which accounts for 14 percent. By increasing your hotel restaurant's plant-based offerings, you can decrease your carbon emissions as a plant-based diet emits as much as 70 percent less than a traditional diet. Focusing on local ingredients and celebrating local dishes, you can decrease emissions from transportation, support your local economy and save money since plant-based offerings, particularly those that are not heavily processed, are traditionally less expensive than conventional diets.

Another area to revisit is toiletries. This has made headlines in the past couple of years. Those individual bottles of shampoos, conditioners and soap are not only a sustainability nightmare, but they unnecessarily drive up costs therefore depriving your bottom line. For comparison, Bucuti & Tara buys locally produced products with Aruba-grown aloe, purchased in bulk. By using refillable dispensers, in 2019, Bucuti & Tara spent only US \$10,500 on these toiletries versus individual bottles that would have cost US \$50,600 – a savings of 79 percent! Additionally, there are transportation savings by not procuring these products off island.



## **Water**

Updating water fixtures, particularly to low-flow toilets, showers and faucets has reduced Bucuti & Tara's water costs related to guest use by 25 percent. By collecting and treating grey water and repurposing it for irrigation, the resort saves another 25 percent. Within the laundry, a 33 percent drying cycle due to ozone injection has increased the efficiency of cost and labor. Additional unquantified savings are realized by using less water for washing, gas for drying and laundry detergent.

In a different facet related to water consumption, more than 15 years ago, Bucuti & Tara began gifting every guest upon arrival with a reusable, insulated, keepsake canteen. Aruba's water is among the best in the world so there was no excuse for consuming bottled water. Every year since inception of this initiative, approximately 290,000 single-use water bottles are never used and therefore never destined for the island's landfill. The return on this investment was nearly instantaneous.

As a bonus, guests bring the keepsake home with them to continue reusing at home and thanks to the logo, it keeps the resort top-of-mind. This reusable water bottle is one initiative that evolved out of the resort's ban of single-use plastics and Styrofoam more than 20 year ago. The cost savings, disposal fees, and emissions and pollution again work in tandem with smarter procurement and decreasing the carbon footprint.

## **Clean Cleaning**

Bucuti & Tara has long used nontoxic chemicals, natural cleaning products and organic insect and rodent control. All are LEED and EPA approved. Switching to natural cleaning products is almost equal in cost. As a basic example, for the resort, a gallon of bleach is US \$5.18 versus US \$5.49 for a gallon of an eco-friendly cleaner.

This clean chemical approach allowed Bucuti & Tara to be ready faster than any other Aruba property when COVID-19 struck the world. While it could be tempting to resort to traditional cleaning methods such as harsh, toxic, pre-made and shipped chemicals, that would be breaking a commitment to sustainability. Bucuti & Tara hosted ICU doctors and nurses when they weren't treating patients. The medical professionals collaborated with the resort's management team to implement high-tech, hospital-grade [COVID-19 safety and health protocols](#) and provide staff training.

Every accommodation already had HEPA air filters and dehumidifiers that spares the chemical removal of mold and mildew. Cleaning with EPA-approved, hospital-grade hydrogen peroxide cleaning products while adding two additional layers of ionizers and UVC germicidal lamp treatments provided a triple-layer system to kill all bacteria and viruses in accommodations and enclosed public spaces. While the procurement of ionizers and UVC germicidal lamps was a large capital cost, it elevated our cleaning to operating room-level and it comforts guests and staff in knowing they are working or staying in the safest, healthiest setting.

Beyond the savings you will enjoy from energy saving technological upgrades, calculating your gains also requires engaging with your guests and incorporating their feedback. Invite guests to join in efforts to make your hotel more sustainable. It could be placing split trash and recycling receptacles throughout the property including guest rooms so waste is separated saving housekeeping time. With Bucuti & Tara's beachfront location, guests join staff for voluntary monthly beach clean-ups. These remove 500 pounds of debris annually from the beach keeping it pristine as well as safe for marine life. Not only is it great for the environment, the good feelings and camaraderie resulting often ends up with social media activity.

## **The Big Picture: Carbon Neutral, Now or Later**

Sooner or later, becoming carbon neutral will not be an option, but a mandate.

On March 14, 2021, the front page of The New York Times included the feature, "[Tiny Town Asks: Who Pays for Rising Seas?](#)" The short answer, the town, its businesses, its citizens. There are no lifesavers from others. In one proposal, property taxes would be increased 50 percent. Can you imagine having to factor that into the budget for your hotel?

CNBC reported a record number of hurricanes, wildfires and floods exacerbated by climate change [cost the world \\$210 billion in damage in 2020](#). Of that, \$95 billion was in the US – more than double the costs of just the year prior. A record number of Atlantic hurricanes and the largest wildfires on record in California catapulted the costs. Climate change disasters in Asia cost \$67 billion – only \$3 billion of which was insured. It is not just about losing property, the lives and economic losses for the workforce and would-be guests are a part of the ripple effect.

The fundamental issue is to stop global heating by reducing CO2 emissions. It is not about putting temporary fixes on situations such as using expensive offshore operations to replenish beaches or to rebuild homes and businesses devastated by climate change weather disasters. It is not to build stronger sea walls or raise roads to contravene raising sea levels, rather, the key initiative is to live differently, which includes operating as hoteliers differently.

Paul Hawken is the founder of [Project Drawdown](#), a nonprofit serving as one of the world's largest resources for climate solutions. Cities, universities, corporations, philanthropies, policymakers, communities, educators, activists, and more turn to Project Drawdown as they look to advance effective climate action. Hawken shares, "Regeneration has two meanings. It refers to regenerating life on earth. And it refers to a new generation of humanity coming together to reverse global warming."

### **Goodwill**

Working towards carbon neutrality signals you care not only about your guests however it also demonstrates your commitment to provide a safe, healthy work environment for your staff and ultimately your greater community. It establishes you as a forward-thinking professional and in turn the community will recognize your authority for making a difference. It signals that you are invested in future generations and it signals your awareness of not depleting natural resources.

### **Guiltfree Travel**

Brace yourself - a vacation to Bucuti & Tara including air travel is exponentially better than the equivalent drive vacation. You already know the resort stay is carbon neutral. For comparison, both the mode of transportation and the seven-night stay were examined based on two people since most guests at the adults-only resort are couples.

For simplicity's sake, flying nonstop from New York to Aruba for a one-week vacation has total carbon emissions of 1043.20 kg. Using the U.S. Environmental Protection Agency's passenger vehicle emissions calculations, the equivalent automobile vacation has total carbon emissions over three times that amount at 3305.23 kg. Therefore, the benefit of flying with a few hundred people plus the significantly lower carbon footprint at Bucuti & Tara versus the average American household (Cool Climate Network, a university, government, business, NGO partnership at the University of California, Berkeley) far outweigh a two-person road trip.

While flight shaming has been on the rise, the reality is, air travel only accounts for 9 percent of emissions versus light-duty vehicles at 59 percent. That emission per person rate decreases exponentially when factoring in that commercial flights transport a couple hundred people or more versus one to four people on average in a light-duty vehicle such as a car or SUV.

People love to associate with success. They also love when something is easy. Committing to becoming carbon neutral helps them make smarter, healthier choices leading to guiltfree travel – and they love to share with their friends and family when they have made an honorable choice.

Travel and tourism accounts for 10 percent of the world's GDP. Hotels have a major opportunity to make a positive difference in committing to carbon neutrality.



### **Positive Brand Recognition**

Hands down, eco-certifications and achievements have played a major role in generating the publicity that helps deliver Bucuti & Tara's 97 percent year-round occupancy.

One of the fastest ways to share your sustainability initiatives and commitment is through your marketing communications to include public relations, social media, blogs, emails and website. Even your automated confirmation and pre-arrival emails should include helpful new sustainability initiatives such as announcing plastic key cards have been replaced with locks now opened via codes sent to guests' mobile phones.

These days, media continuously publish news stories about sustainability – it is here to stay. Outlets such as HotelExecutive dedicate entire issues to the eco-conscious success stories and are joined by such top-shelf consumer media outlets Travel + Leisure with its now annual Green Issue and [Global Vision Awards](#). For perspective, over the years of earning eco-certifications and accolades and sharing sustainability initiative news with journalists, Bucuti & Tara has earned more than one billion media impressions through hundreds of news articles and social media stories from both traditional outlets and social media influencers.

Sustainability resonates and guests factor it in to their travel decisions. They are inspired by such publicity as the November 2020 Bloomberg story "[Pedal Power and Pigs Helped a Caribbean Resort Go Carbon Neutral](#)," the Reuters article, "[From smarter energy to less plastic, Caribbean go green](#)" and the National Geographic coverage, "[This romantic getaway is the Caribbean's first carbon neutral resort](#)." As a small, independent hotel, we could never afford the advertising equivalent for this type of reach.

In October 2020, the United Nations announced Bucuti & Tara as a recipient of the [Global UN 2020 Global Action Award](#) for Climate Neutral Now. Bucuti & Tara was the first hotel in UN history to ever receive this coveted award. For perspective, among last year's winners was tech giant Apple. From a messaging standpoint, the UN signaled to the world that travel and tourism could help lead the way to carbon neutrality. What caught the attention of the UN was when in April 2019 Bucuti & Tara won the World Tourism & Travel Council's Tourism for Tomorrow Climate Neutral Now Award. The ripple effect has earned the resort worldwide fame and millions of dollars in advertising and public relations' value.

### **Sustainability Breeds Support**

As hotel owners and executives, our staff and guests often think we hold all the answers. When we do not, it can feel uncomfortable reaching out for advice. The magic to seeking to be more sustainable is that hoteliers who operate sustainably openly welcome questions and the opportunity to share their knowledge and advice. Pick up the phone, email, reach out to sustainable leaders and you will find them open to share. After all, combatting climate change requires everyone to reach the goal.

In addition to involving eco-certifications such as LEED as earlier noted, join sustainable travel organizations including the Center for Responsible Travel (CREST).

At Bucuti & Tara, we are journeying to our next goal – carbon negative. One of our current initiatives is going 100 percent paperless – we are 85 percent there. To learn more about how the resort has incorporated sustainability while continuing to grow profitable revenue, we invite you to contact us at [sustainability@bucuti.com](mailto:sustainability@bucuti.com) with questions on how your property can become carbon neutral.



Mr. Biemans

*Ewald Biemans is owner and CEO of Bucuti & Tara Beach Resort in Aruba. A noted environmentalist, Mr. Biemans has steadfastly led the Eagle Beach property to become the Caribbean's first carbon neutral hotel. Averaging a 97 percent year-round occupancy, the property is a testament that sustainability and a memorable vacation can be mutually inclusive. As the most eco-certified Caribbean resort it has achieved CarbonNeutral® certification, LEED Gold, Green Globe Platinum and Travelife Gold. It is the first hotel to receive the coveted Global UN 2020 Climate Action Award for Climate Neutral Now. In 2019 it was the first-ever winner of the World Travel & Tourism Council's Tourism for Tomorrow Climate Action Award. Mr. Biemans has simultaneously led Bucuti & Tara to become the No. 1 Hotel for Romance – Caribbean and Top 10 Hotel for Romance in the World per Tripadvisor. He is a frequent guest speaker and panelist throughout the world most recently at the World Travel & Tourism Global Summit 2021. His goal is to be a resource for other hoteliers to replicate sustainability initiatives throughout their properties. Ewald Biemans can be contacted at +297 5831100 or [Biemans@bucuti.com](mailto:Biemans@bucuti.com) Please visit <http://www.bucuti.com> for more information.*