

HOTELS & ACCOMMODATIONS

Sri Lanka Audit Analysis









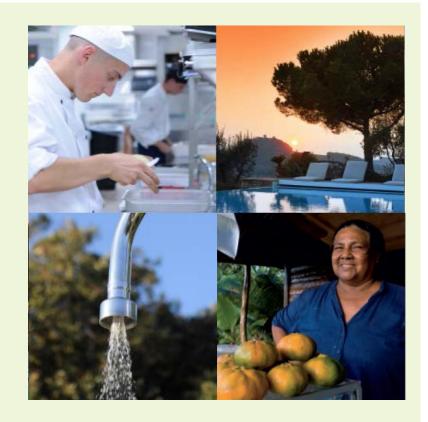


BACKGROUND

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The industry solution for responsible businesses

- n Travelife is an international sustainable tourism certification scheme
- n It helps its 1,500 accommodation Members and tour operators around the world improve their environmental, social and economic performance cost-effectively.
- n Accommodation Members meeting Travelife's standard are formally recognised with an award to promote their sustainability achievements.





TRAVELIFE CRITERIA: THEMES, TOPICS AND CHECKLIST

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Travelife criteria are organised under four 'Themes' and within each theme are a series of 'Topics'

Management

Environment

Community

Supply Chain

Business policies

Energy

Employee welfare

Suppliers

Legislation

Water

Human rights

Guests

Communicating progress

Waste

Local community

Staff and budget

Harmful substances

Wildlife



WHY THIS ANALYSIS?

- n Sri Lanka, a post-conflict country, is an increasingly popular tourist destination. At the same time it is a country facing numerous human rights challenges. Many of those occur in tourism (land rights, labour conditions, access to essential services, discrimination, oppression of ethnic and religious minorities).
- n Travelife for Hotels and Accommodation is a Member of the Roundtable Human Rights in Tourism and participates in its 'Working Group Sri Lanka'.
- n Travelife agreed to analyse audits that were conducted in Sri Lanka between Nov 2014 and Dec 2016 and present the findings.
- n This analysis aimed at identifying areas of non-compliance against the Travelife Checklist for Hotels in Sri Lanka (in particular non-compliances related to human rights).
- n The results will help shape the work of Travelife, ABTA, the Roundtable and provide additional intelligence for the Sri Lankan hospitality sector and international tour operators.

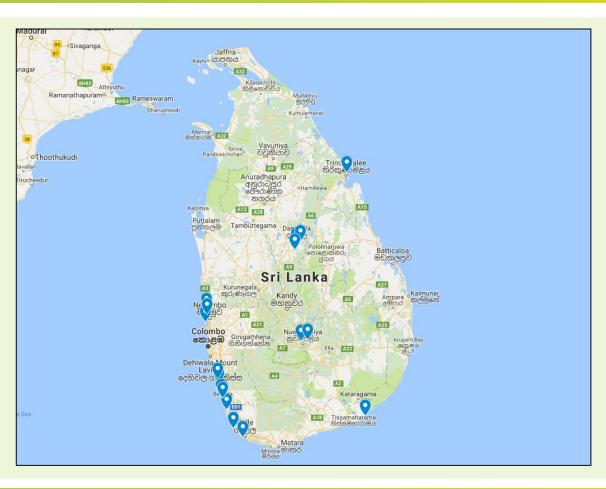


HOSPITALITY SECTOR

- n Hotel bed capacity in Sri Lanka is appx. 350 hotels.
- n According to the SLTDA, Sri Lanka has approximately 28,000 rooms, of which over 60% fall in the informal segment consisting of supplementary establishments and unclassified hotel inventory (JLL, January 2016).
- n The booming of Airbnb (300+ listings) has increased the number of lodges and apartments.
- n The largest Sri Lankan owned hospitality companies operating accommodation establishments are Jetwing Hotels, John Keels Group (Cinnamon Hotels), Aitken Spence (Heritance), and Hemas Holding (Serendib Leisure Group), all listed on the CSE.



TRAVELIFE IN SRI LANKA OVERVIEW



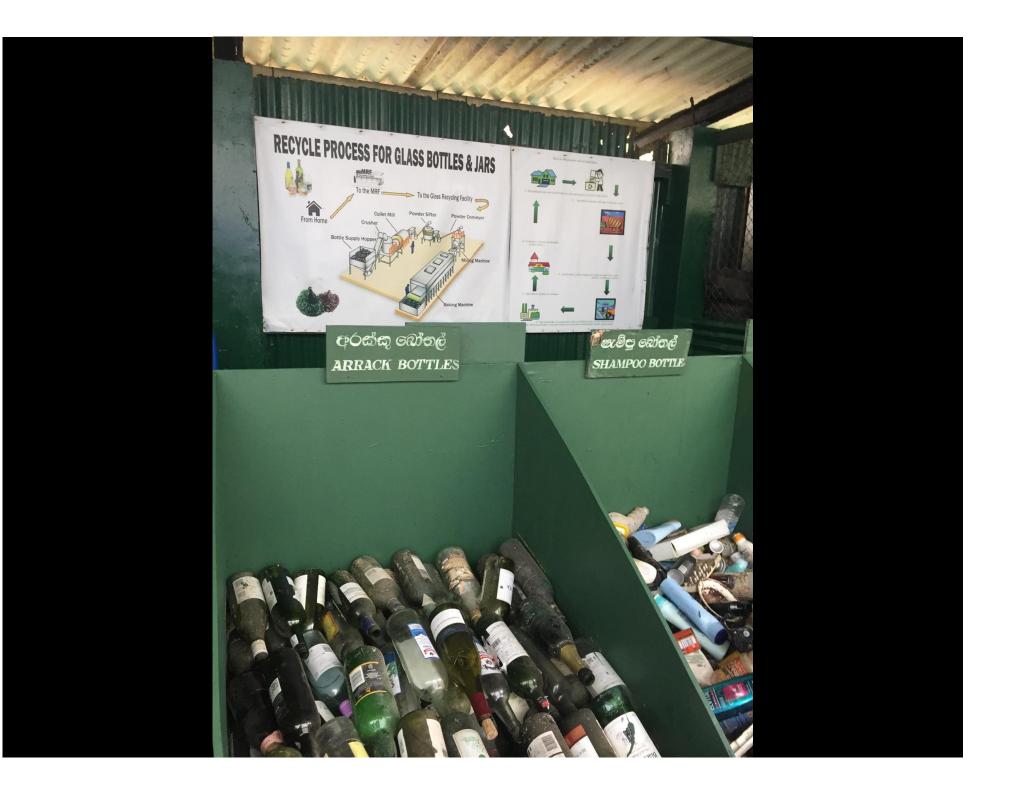
- n There are currently 23 hotels in Travelife Membership.
- n 13 of those have achieved the Travelife Gold Certification.
- n The most recent audits (14) took place between Nov – Dec 2016).
- n The first Travelife audit in Sri Lanka took place in November 2014.



FINDINGS (I)

- n The majority of hotels audited have ISO 14001; energy management in well organised and managed; some hotels have ISO 18001 (demonstrating compliance with safety in the work environment.
- n The hotels are large in terms of rooms and back of house facilities. All hotels operate laundries, steam boilers, staff areas.
- n A larger gap identified is water management.
 - Hotels lack water management techniques and savings; legislation is weak when it comes to using natural resources; many hotels are using tube well water unlimited.
 - Hotels are analysing water quality but frequency and testing parameters can be insufficient; legionella: Many hotels are using old water cooling towers and do not conduct legionella tests (or only once per year).
 - Waste water treatment: Controlled by the EPL (environmental protection license);
 testing not done frequently (every 3 to 6 months) and limits lower than in EU.









QUALITATIVE FINDINGS (II)

- n Legislation is available in Sri Lanka and the hotels audited comply with it.
- n Overtime: Overtime is not well controlled; in some cases double shifts were identified. However, the maximum monthly working hours in most hotels is less than 60 hours.
- n Staff accommodation:
 - Staff accommodation is acceptable; there is no specific law yet prescribing space/person, toilets/person, facilities and number of people in a room.
 - In some cases the accommodation is good and in some cases weak. Accommodation is clean; however, in most cases there is no hot water. Drinking water is available. Bed sheets are changed every 3-4 days.
 - Observation: Many people in large rooms, dormitories and limited privacy.
- n Salaries: Salaries are paid on time and overtime is paid at a rate of 1,5x the normal salary. (as per local legislation); payments are made through bank.



QUALITATIVE FINDINGS (III)

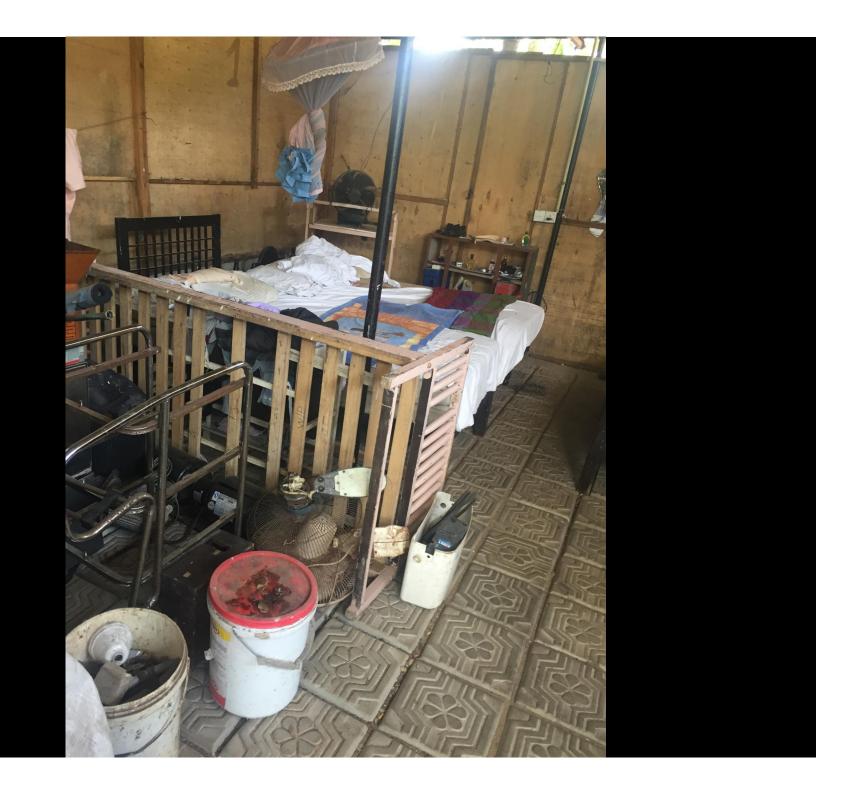
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n Legal minimum wage:

- LMW is respected. However, for grade I in hospitality it is only 10,800 Sri Lankan Rupee (LKR) equating to EUR 70 per month. This is very low and not close to living wage (although not defined).
- Grade I salary makes it very hard to survive on if you have a family and live on your own; depending on skill level, experience, qualification and studies, however, salaries can be much higher.

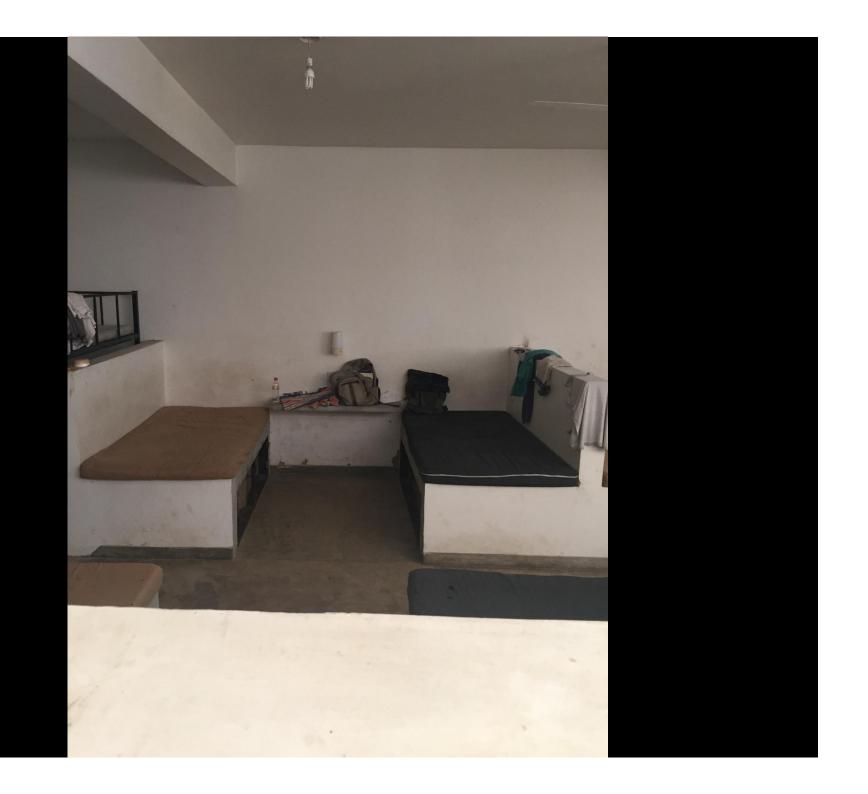
n Service charge:

- Distribution of service charge can be a cause of grievance amongst employees; there is no structured or uniform way and no legislation when it comes to paying service charge.
- Hotels and/or Heads of Department (HoD) decide the amount of service charge paid;
 low level paid staff usually receive only between 0% and 25%, HoDs receive 100%.





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QUALITATIVE FINDINGS (IV)

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n Staff interviews:

- Employees are afraid and not willing to talk freely (which is not unique to Sri Lanka but a generic challenge we face when conducting social auditing); some employees talked, especially young employees with high level of English; only 10% of employees are female.
- No complaints were made by employees; work and jobs are needed and salaries, even beyond the cost of living, is increasing; in general, as people are poor, with reasonable and good employment there are only limited problems reported.
- n Interaction with local communities: The number one problem for beach hotels is the beach hassle; also taxi drivers and their tariffs. Beach boys are following the tourist offering numerous services including prostitution, even drugs in rare cases.
- n CSR projects: We witnessed some impressive projects including support for courses in local schools, donations, community involvement; this is also to ensure supply of staff, suppliers, and services.





MORE INFORMATION

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