

# Schoolhouse Report Card 2012

## Background Information on the Indicators

*The Report Card's purpose is to quantify the efforts that The Schoolhouse makes to be a sustainable business. In particular, it highlights the strategies that distinguish The Schoolhouse from other non-ecotourism establishments and make it a socially responsible corporate company. The achievements of The Schoolhouse in the two areas of sustainability (environmental, social) are being shared publicly with the aim of transforming the business philosophy into something tangible.*

*The following is an explanation of each indicator in the Report Card; it clarifies why and how the indicators have been selected and measured.*

## PRESERVATION OF THE VILLAGE

A main concern of The Schoolhouse is the preservation of the village and its surroundings. The Schoolhouse has recognized the importance of respecting the village and the locals that host it. The primary goal of the business is to provide guests with an authentic village experience by housing them in traditional Chinese houses that give the luxury of simplicity.

### Retained Buildings/Original Building (sq. m)

All properties managed by The Schoolhouse are original houses that have been renovated and enlarged to accommodate guests from around the world. The following calculations express the original squared meters of the houses that have been retained. The results show that the entire buildings have been kept and renovated and that nothing of the existing properties has been pulled down. Most of the buildings have been enlarged but the original structure is still there. Even the enlargement has been held down; the calculation of the number of squared meters added to the original buildings reveals that some of The Schoolhouse properties remained almost untouched. To the original Schoolhouse itself only 40% of the squared meters have been added and Xiaolumian, our noodle restaurant, is one of the properties that had been virtually left alone, retaining 83.5% of its original surface area. Grandma's Place, one of our rental home, also preserves most of its originality retaining 85.3% of its prior squared meters.

## INDIRECT SUPPORT OF THE LOCAL COMMUNITY

The Schoolhouse's mission is to thrive alongside the community that hosts it and support the economic development of the village through the tourism it promotes. There are a myriad of ways through which The Schoolhouse supports local businesses, progression of the Mutianyu section of the great wall and the local inhabitants of the surrounding areas. The business procures supplies locally, sponsors local lodging and dining options for guests, hires people from local companies that provide services such as maintenance, repair, and cleaning, and also supports local handicrafts.

### Number of clicks on mutianyu website/total number of clicks on our websites

The number of clicks on mutianyugreatwall.net website and other related websites refers to a collection of clicks from the period of 1/1/2012 to 12/31/2012.

Below are the results:

- Mutianyu Great Wall website: **67,668**
- Schoolhouse website: **47,330**
- Xiaolumian Website: **9,071**
- Brickyard Website: **30,026**

The total clicks on websites managed by the Schoolhouse during this period were **154,095**, compare to last year's **91,446**, **it has a significant increase of 68.5%**. Clicks on Mutianyu Great Wall website made up a large portion of activity with **43.9%** compare to last year's **33.7%** of the clicks. Of the four websites sponsored by The Schoolhouse, the Great wall site became the most popular website, 1.4times to the Schoolhouse website click. This could be due to the fact that the Great wall site provides all information concerning local lodging and dining possibilities in Mutianyu and Beigou village aside from The Schoolhouse. The Great Wall website is a tangible example of the Schoolhouse's support of the local community; It is a website operated as a public service aimed at making appealing Mutianyu as a destination and not related to The Schoolhouse. It refers guests to all options that are available in Mutianyu and Beigou village. This is the proof that The Schoolhouse does not consider other local businesses as competitors but as partners in helping each other thrive.

### Number of local suppliers/total

For this indicator, the suppliers from Huairou district represent 45.8% of the total. In absolute terms, 22 suppliers out of 48 are located in Huairou district and furnish most of the food served, soft drinks, and some of the utensils used. 23 separate providers are located in Beijing and provide The Schoolhouse mainly with wine/spirits, imported food, cups et al. Only 3 out of 48 suppliers are from outside the Beijing and Huairou area and provide The Schoolhouse with coffee (Yunnan), tea (Shanghai) and the grass slippers provided to the guests as souvenirs (Shandong). In 2012, the number of local suppliers who are

from our own community has been calculated, 12 out of 22 local suppliers are small scale farm style suppliers who provide us fresh chestnut, walnut, dofu, rainbow trout fish, honey et al. Rmb69,058.2 in the year 2012 had been paid directly to these farmers.

Although the number of suppliers from Beijing and Huairou are nearly the same, the quantity of goods provided are significantly different; locals provide food which is the primary expense of The Schoolhouse. This indicator is an expression of how The Schoolhouse represents a substantial source of income for other local businesses and even if it has not been possible to calculate this indicator as quantity of goods because of an incompatibility in the collection of data.

As business grows, the number of the total suppliers grow to 48 from last year's 30, Local suppliers' number grow 57% while total suppliers' number grow 60%, so this seemed to be the main reason of slightly decrease of this indicator compare to last year.

### **Seconded Staff**

The choice of this indicator is linked to the will of The Schoolhouse to show its support to other local company providing services such as maintenance, repair and cleaning. As well as for its own local staff, The Schoolhouse creates job opportunities for 16 local people belonging to a local garden-care company whose net income corresponds to a big part of The Schoolhouse's expenses. As last edition of The Report Card suggested, we include in this indicator all the people employed in construction which higher this number to 76, which is 4.2 times to the number last year, to show the effective number of locals that indirectly find their source of income in The Schoolhouse.

## **DIRECT SUPPORT TO COMMUNITY DEVELOPMENT**

While the indirect effects of the business on the surrounding areas have been previously analyzed, the direct ones will be considered in this section of the Report Card whose purpose is to highlight how The Schoolhouse represents a direct source of income for a great number of local people and how it supports the development of the community encouraging women empowerment and training staff who has the possibility to come into contact with people from all around the world, with different realities and a different language: English. The people considered local, are all the people coming from Huairou District. The data are the average number of beginning and end of the year.

### **Local employees/total**

In 2012, the average total number of people working at The Schoolhouse (not including the seconded staff) was 60; 34 of them were hired locally (Huairou district). The ratio has been decreased compared to last 2 years, may due to the way it's been calculated (average number at the beginning and end of the year). The Schoolhouse wants to be open to diversity and is glad to welcome foreigners to be part of the team, but the goal is to maintain the number of local employees above 75%.

### **Local managers/total**

Out of 10 managers in The Schoolhouse, 6 of them are from local, this indicator has been increased 50% compare to last year. In past few years, most of the managers are from Beijing or outside China since its being hard for local people to have the level of education required to cover positions of responsibility. Over the years, the Schoolhouse has been training some of its staff in order to give them the possibility to grow professionally. The target in 2013 will be changed from 50% to 60% (which we already excellent) to maintain the situation.

### **Women/total**

The Schoolhouse tries to create job opportunities especially for women in order to give them the possibility to be independent and to have an occupation outside the domestic environment which is not so frequent in the rural areas of developing countries. This represents a big contribution to women empowerment and The Schoolhouse is proud to claim that 65% of its staff is composed of women. The worldwide average in the tourism industry is 56% (source: "The case for change: Women working in hospitality, leisure, travel and tourism"). The challenge for the Schoolhouse is to maintain this number above 50%. The target is lower than the benchmark measure because The Schoolhouse believes in equality and wants to give the same opportunity both to women and men. It is enough to have a staff composed of 50% men and 50% women.

### **Women/total (management)**

Another important feature of The Schoolhouse which distinguishes itself from most other companies is the fact that 4 out of 10 managers are women. The percentage of 40% is far above the worldwide average which is, according to the same source as the one defining the average number of women working in the hospitality industry, 21%. The target for The Schoolhouse will be the benchmark itself.

### **Staff Turnover**

This indicator is a reflection of the staff satisfaction. It represents the number of people who left The Schoolhouse in 2012. By comparing it to the average staff turnover in the American hospitality industry it is possible to affirm that The Schoolhouse turnover is far lower; it is 16.7% against an average of 37.9%. It is appropriate to say that the staff satisfaction seems generally high which is important to maintain a

high quality standard. The goal for The Schoolhouse is to maintain the turnover constant to 20%; it is in fact an healthy turnover that includes the abandon of people which are not efficient or not satisfied enough to have a good working performance.

## **WASTE MANAGEMENT**

The Schoolhouse is also committed with waste management and tries to limit the quantity of waste produced. It started a program to compost the organic waste which is used as a fertilizer in the gardens and it sells the solid waste such as plastic, paper and oil to be recycled.

In order to reduce the number of non-composting waste, The Schoolhouse provides each property with filtered water to avoid plastic bottles as well as plastic boxes and bags for take away food.

### **Waste produced/guest day**

Benchmark was set in last report card according to the green reports of two hotels of Beijing, Novotel Beijing Xinqiao and Park Plaza Beijing Wangfujing. The waste produced by the two hotels was respectively 2.9 kg and 0.3 kg. The average, used as benchmarking measure, is 1.6 kg.

The Schoolhouse had totally 5,845.2kg waste produced from August to December(end of the year) since the waste weighting system was only be able to set up until end of July. Total guests number is 14,364 in this period. This period in The Schoolhouse covers the high season and slow season, we have a reason to believe it represents the actual ratio which is already excellent, as 0.4kg against 1.6kg.

### **Waste recycled/total non – org.**

Waste recycled in Schoolhouse from August to December was totally 1934.9kg, and total non organic waste are 3910.3kg, that means what we were be able to recycle is only half of what we throw away which will be only depend on local government's way of processing. During these 5 months, the highest ratio happened in July which is 0.7, so we set up 0.8 as internal target to reach for next year, which means 44% of waste need to be recycled.

### **Organic composted/total organic**

The wet organic produced in 2012 from August to December was totally 1934.9kg. Of these, only 180kg became dried organic used as a fertilizer for the gardens.

Considering the ratio has significant increase by a percentage of 2.6, we would update our target next year as 10% by manage the composting system more efficiently.

In the future, it will be also opportune to enlarge the composting structure, so that it will be possible to compost more and set higher targets in order to be able at least to supply the whole quantity of fertilizer needed in the gardens.

### **Fertilizer from organic/total**

Organic compost is used to fertilize the gardens but it represents 47.3% of the total fertilizer used, increased only by a percentage of 1.3. In 2012, we had purchased chicken fertilizer 200kg in addition to dried compost fertilizer 180kg. We are gradually improved to reach the target (59%) set up from report card last year.

## **FOOD PROGRAM**

The Schoolhouse owns 500 square meters of gardens that grow some of the vegetables served at the restaurant. This guarantees freshness and quality, the most important characteristics according to the slow food philosophy.

### **Kg food produced/total food served**

The instrument used for the calculation is the weekly purchase request of food and the garden database. From these databases, information concerning some kinds of vegetables and fruits (the one we actually grew in the gardens in 2010, 2011 and 2012) has been filtered and a comparison between the quantity purchase and the quantity produced has been made.

This indicator is aimed at indicating how much of what The Schoolhouse serves, comes from its own gardens. In total in 2012 The Schoolhouse grew 24 kinds of vegetables and fruits and the total annual production was 2187.5kg, increased 32.7% compared to last year.

The quantity purchased of the same vegetables and fruits was 12427.7kg. The total food production represents 17.6% of the total food served in the restaurant.

Some kinds of vegetables (amaranth, persimmon, Radish leaves) were supplied completely from the garden. Other relevant results concern the quantity produced of arugula, tonghao, rocket leaves, pink radish, cabbage, cucumber, fennel, hongguo, apricot and date, which represent respectively 91.6%, 83%, 89.8%, 42.6%, 37.5%, 30.2%, 25.4%, 85.1%, 56.7%, 80.8% of the total quantity of vegetables served in the restaurant. Arugula, as one of most favorite vegetable in our kitchen, was provided to kitchen 100% in growing seasons, only 8.4% of what we need has been purchased in cold season. Other than the vegetable has good production, The Schoolhouse harvest the products when still baby, it is an important indicator in terms of quality.

The target set by last edition of Report card (33.8%) had considered 500 sq m of the field and 365 days as seeding period, which is a bit hard to reach. Below are forms with vegetables we plant in 2012 and estimated target which is 28.7% was been set as new target.

Vegetables	days of growth	N° of seeding	kg harvested 2012	sq.m planted 2012	kg/meter	kg/20 m <sup>2</sup>	kg/year
Amaranth	45	8	8.1	10	0.8	16	128
Apricot							40.0
Arugula	30	12	98.8	152	0.7	13	156
Cabbage	70	5	646.7	72	9.0	180	900
carrots	70	5	139.2	29.0	4.8	96.0	480
coriander leaves	50	7	5.4	32.5	0.2	4.0	28.0
cucumber	130	2	238.9	55.0	4.3	86	172.0
daikon	150	2	15.3	3	5.1	102	204.0
Dates							81.0
Eggplant	150	2	73.7	22.0	3.4	67.0	134.0
Fennel	50	7	13.0	10.0	1.3	26.0	182.0
Haw							32.8
leeks	180	2	44.5	28.5	1.6	31.2	62.4
lettuce	60	6	168.2	127.5	1.3	26	156
Lolorosa	40	9	145.0	116.5	1.2	24	216
Mint Leaves		n/a	n/a	n/a	n/a	n/a	10.5
Persimmon							147.0
pink radish	30	12	118.9	88.5	1.3	27.0	324.0
pink turnip	150	2	4.5	5.0	0.9	18.0	36.0
Pumpkin	150	2	45.2	6.0	7.5	150	300.0
Rocket Leaves	40	9	62.0	37.5	1.7	34	306
Spinach	40	9	9.9	28.0	0.4	8.0	72.0
tomatoes	70	5	8.2	5.0	1.6	32.0	160.0
Tonghao	65	6	36.2	52.0	0.7	13.9	83.4
Zucchini	120	3	5.5	7.0	0.8	15.7	47.1
<b>Estimate production</b>							<b>4157.4</b>
<b>Total purchase</b>							<b>10333.4</b>
<b>Total</b>							<b>14490.8</b>
<b>Estimate Production/total</b>							<b>28.7%</b>

### Food from China/total food served

The calculation of this indicator is aimed at finding out the quantity of imported food (in terms of expense) from outside China. The result shows that only 10.6% (12.2% last year) of it isn't Chinese and it is imported from abroad in order to guarantee the high quality standards. In the list of imported items it is possible to find a variety of cheeses (parmesan, brie, havarti, blue, goat, gouda, eda, emmenthal, mozzarella, cream, cheddar), olive oil, heinz vinegar, balsamic vinegar, a variety of sauces (hp, worchestshire, tobasco, yellow, dizon), some sweets such as digestive biscuits, white chocolate, dark chocolate, chocolate sticks and vanilla extracts, and finally anchovies, black olives and green olives. The items remained the same for all 3 years of analysis, but the percentage on the total changed. Considering that imported food are more expensive than local ones, the percentage is slightly distorted and it is possible to say that in terms of quantity of food, the percentage of imported food is even lower than the one expressed in Chinese Yuan.

### Local supply of food/total supply of food

This indicator is aimed at demonstrating two aspects of sustainability: the support to local community and the level of application of the food program aimed at serving fresh and local food, in order to guarantee

the freshness and to decrease energy usage due to transportation. This indicator, calculated in terms of expense, includes all the suppliers from Huairou district.

In particular, in 2012 the food sourced locally represented 65.6%. The goal stays with the one of supplying all Chinese food locally, importing from outside the products not available in China, which is set up by last edition of Report Card. Along with the business grow, the food purchased from Beijing supplier increased 63.2%, and from local Huai Rou supplier increased 44.2%, this might be the reason of slightly decreased on the indicator of 4.9%. The challenge for The Schoolhouse next year will be source 1 or 2 suppliers in Huai Rou to replace the ones from Beijing.

## **ENERGY EFFICIENCY**

One of the important aspects of sustainability concerns the environmental impact of the business which has been translated as energy efficiency.

For the calculation of the indicators the annual number of guests at our restaurants and at the Brickyard has been considered separately and the energy consumption per day (annual consumption/365 days) has been divided per the average number of guests per day (annual guests/365 days).

### **Kwh guest/night (lodging)**

This indicator expresses the consumption of energy per guest per night. It considers only the Brickyard Eco – Retreat and has been benchmarked with the average consumption of energy of two other green hotels in Beijing: Novotel Beijing Xinqiao and Park Plaza Beijing Wangfujing. The Schoolhouse is under the baseline as 76.8 against 60 (28%). The goal for next year is to reach at least this average performance of these eco – hotels.

### **Kwh guest/day (restaurant)**

In this case the energy consumed in Xiaolumian and The Schoolhouse restaurant has been considered. It is possible to notice a big decrease (37.3%) from 2010 to 2011 and a small decrease (12.2%) from 2011 to 2012. The self-defined goal for next year is still to reach 6 Kwh per guest/day as previous report card set.

### **Liters of water guest/night (lodging)**

This indicator aims at highlighting the quantity of water used by each guest per night at the Brickyard and it is benchmarked with the average quantity of water consumed in the same two green hotels mentioned above. This year, we had successfully decreased 29.2% compared to last year which already excellent.

### **Liters of water guest/day (restaurant)**

This indicator is aimed at showing the consumption of water in The Schoolhouse restaurant and Xiaolumian. It hasn't been possible to calculate it in last edition of the report card, so we will set up a target next year after successfully collecting 2 year of data.

### **Km guest/day**

This indicator considers the number of km covered by car each day by each guest.

The reason why this indicator has been selected is that it expresses the attempt of The Schoolhouse to limit the consumption of fuel and to encourage the carpooling. The data changes quite a lot each year which from 6.0 to 4.1 then again reaches 7.0 in 2012. This probably is because vans required to go to downtown Beijing once in a while along with the business grows.

## **ECONOMIC ASPECT**

The economic aspect has not been included in the Report Card because it is difficult to find a way to evaluate the amount of money directed to the community. The conception of small and big is too subjective to be evaluated. There are three aspects that it is opportune to highlight even if not through an indicator. The first one is the size of the investment of The Schoolhouse in the community, about Rmb100 million, the second one is the amount of the charitable donations deriving from Slow Food Saturday, Bohai or Bust and the Community Service Day which is Rmb41,201 (increased 39.8% compared to last year), among these, Rmb11,760 was donated to Slow Food Beijing Convivium to help more slow food activities develop in Beijing, the rest were donated to local elderly. And the third one is the increase in the payroll of local employees, which is about 17.8% from 2011 to 2012.