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Case Study: Essendi Hotels

Six fold ROI from strategic food waste reduction

Sustainability for Hospitality Leaders
starting 17 February 2026



Case Study: Essendi Hotels – Six-Fold ROI from Strategic Food Waste Reduction An Application of the Board Room Key to Sustainability

Overview

Food waste is not a kitchen issue. It is a systemic vulnerability, impacting operating margins, emissions exposure, and investor confidence. Globally, food loss and waste account for nearly 10% of total greenhouse gas emissions (UNFCCC, 2024), while in hotels, food typically represents 25–40% of food and beverage operating costs. For owners, this is a material risk to both EBITDA and regulatory alignment.

In 2024, EEA member Essendi launched a three-year food waste transformation initiative across over 100 hotels, on-boarding between 40-50 hotels per year, underpinned by strategic governance, advanced analytics, and systems thinking. The outcome: a six-fold return on investment, strengthened climate credentials, and operational intelligence that enhances future capital allocation.

This case illustrates how the **Board Room Key to Sustainability** - developed through King's Business School's and the EEA's specialist executive education programme, Sustainability for Hospitality Leaders - helps executives translate sustainability into EBITDA and enterprise value.

The Board Room Key	01 Decision timescales	02 Adaptation curve	03 Discounted Cash Flow
1. DECISION TIMESCALE?	2. ADAPTATION CURVE?	3. DISCOUNTED CASH FLOW ?	
Financial and Operational	Minimal capex	EBITDA savings	
3 yrs	~€7,000/ hotel; total €350,000	~€1.5 million p.a.; Sustainability link to new loan (ST)	

Applying the Board Room Key 1. Decision Timescales: Balancing Financial, Organisational and Capital Horizons Essendi's initiative was structured to align with three key timescales:

- **Financial time:** Return on Investment visible in less than 12 months
- **Organisational time:** Programme delivery over three years
- **Capital markets time:** Supporting resilience across a 4–6-year investment cycle

By embedding food waste reduction into quarterly board reports and annual budgets, Essendi integrated sustainability into both short-term accountability and long-term value creation.

2. Adaptation Curve: Targeting High-Impact, Low-Capex Interventions

Rather than rely on heavy capital upgrades, Essendi's programme leveraged behavioural change and intelligence-led operations to deliver impact. Through smart scales, AI categorisation, and staff training, the intervention targeted the lower end of the adaptation curve, where cultural change delivers commercial gain with minimal capital expenditure outlay.

3. Discounted Cash Flow: Protecting EBITDA and Enhancing Asset Value

At a portfolio level, the programme delivered over €1.5 million in annualised savings. With average savings of €35,000 per hotel, the return on investment exceeded 6:1, improving EBITDA and strengthening the proxy discount rate ($\text{EBITDA} \div \text{property value}$) used in asset-level sustainability valuations. This reinforces the principle that professionally executed sustainability is not a cost centre, it is a value driver.

Programme Design: From Pilot to Scalable Infrastructure Investment & Scale

- €350,000 invested (~€7,000 per hotel)
- 50 hotels selected based on food cost intensity in year one of the programme
- Co-funded by ADEME (France's ecological transition agency)

Governance & Culture

- Senior management oversight and dedicated programme lead
- Quarterly updates embedded accountability
- Team-level targets integrated into internal recognition frameworks

Technology & Intelligence

- AI-enabled scales tracked food waste by item, cost, and carbon intensity
- Real-time dashboards enabled responsive planning and menu engineering
- Data shared across hotel teams and with ADEME to scale sector-wide learning

Outcomes

Metric	Result
Emissions Reduction	~450,000g CO ₂ avoided (27.5% reduction)
Financial Savings	€35,000 avg. annual savings per hotel
Portfolio ROI Capital	>€1.5m annual return
Efficiency	6:1 return on investment

What Drove Success?

Essendi's success stemmed from its application of the Board Room Key in practice:

- **Strategic foresight across overlapping timescales**
- **Behaviour-led adaptation with minimal capex**
- **EBITDA enhancement through data-driven precision**

This approach reflects the core principles taught in the **King's Business School's and EEA's executive education programme**, equipping leaders to convert climate risk into commercial opportunity.

Executive Education Spotlight: Sustainability for Hospitality Leaders

Delivered by King's Business School and the EEA, this programme empowers senior executives to:

- Apply the Board Room Key to real-world decisions
- Strengthen investor confidence through audit-grade sustainability data
- Align operational strategy with capital flows and regulatory frameworks

The Board Room Key is not theory. It is an operating system for decision-making.

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SUSTAINABILITY FOR HOSPITALITY LEADERS

Lead your business through the complex and rapidly changing sustainability landscape with this cutting-edge programme starting 17 February 2026. Register now!