

NIKOI ISLAND

Responsible Tourism Policy

Introduction

Nikoi Island is a 15ha island in the South China Sea just 8km off the east coast of Bintan, Indonesia. Two thirds of the island is covered in virgin rainforest and the coral reef surrounding the island is rich in marine life.

The present owners acquired a leasehold title to the island in 2004. Whilst there were no inhabitants on the island when it was acquired there were signs that at some stage it had been inhabited and farmed for coconuts. The current owners, are a small group of expatriates resident in Singapore who were disenchanted with the standard of holiday accommodation on offer within close range of Singapore. Cultural sensitivity, vernacular design, privacy and simple luxuries seemed unheard of. After obtaining the necessary government approvals building began in earnest in 2005 and the first 6 houses were opened on the northern beach in May 2007 with the remaining 9 on the southern beach in May 2009.

The success of Nikoi is evidenced by the fact that it has operated at over 90% occupancy for six years with guests booking on average more than 4 months in advance in order to secure a room. The island is marketed without any advertising or the use of any intermediaries. Instead of advertising our approach has been donate what we might have otherwise spent on advertising to The Island Foundation, a registered charity in Singapore and Indonesia that was established by the owners of Nikoi in 2009.

Philosophy and Approach to Responsible Tourism

Nikoi Island is quite unique in many respects. The concept has challenged, at all levels, the preconceived norms of guests and stakeholders. From an environmentally friendly design that avoids the use of air-conditioning, to the use of fixed menus in the restaurants, to the establishment of a foundation, to the minimal use of energy and the recycling of water and waste; Nikoi has pushed the boundaries beyond which no other hotel in the region has gone. In the process it has shown that responsible tourism can be profitable for all stakeholders and beneficial to the environment and without guests feeling that their comfort has been compromised.

From the outset, the building and operating of Nikoi has been a strong desire to be a sustainable and responsible operation. Nikoi is a member of The Long Run and has adopted their objective of striving to achieve an optimal balance of Conservation, Community, Culture and Commerce (the "4Cs").

Conservation

Nikoi's commitment to conservation is to ensure that not only is the environment protected but where it has been damaged efforts are made to restore it. An important task in protecting the environment is to educate both Nikoi's guests and the local population. There are nature walks and sustainability tours available for the guests. We organise coastal beach clean ups with

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local school children and organised talks by naturalists, screened documentaries and included conservation topics in the curriculum that we teach in the learning centres run by the Foundation established by Nikoi. Regular surveys of the flora and fauna have been undertaken and are updated by a consultant naturalist and marine biologist.

In 2011 a marine conservation officer was employed to help survey the reefs and marine habitat around Nikoi. The goal is to establish a Marine Conservation Area that would include a No Take Zone. Town hall meetings have been held with the local community to explain the benefits of establishing a no take zone. A detailed proposal has been put forward to the local authorities. We also work closely and support the work of the local fisheries department and the marine biology department at one of the local universities who we allow access to the island and the use of equipment for research purposes. We have been making good progress with this and with the recent change of government we are optimistic that we will be able to achieve this goal.

As a concept Nikoi has demonstrated that luxury does not need to be a room full of electronic gadgetry and fancy fittings but rather simplicity, privacy, space and honest and friendly service can be more luxurious.

Nikoi's commitment to minimizing energy consumption is unsurpassed. Total energy and water consumption levels are beyond best practice. The whole island runs on an average energy consumption of 12kW and much of that is consumed in the production of water something that most hotels would not have to do. Water consumption levels are similarly impressive with around than 20m³ used daily for 50+ guests and 60+ staff resident on the island. The commitment to minimizing energy consumption went even further with the installation of a 27kWp solar PV array and battery bank that allows the island's generator to be switched off for up to 12 hours a day. Energy collected from solar PV array provides 10-30% of our total energy consumption in a month.

Nikoi goes to huge lengths to reduce, recycle, reuse or upcycle any waste. No single use plastic bottles are shipped to the island and Nikoi makes a lot of our own drinks, syrups and soda water. Suppliers are asked to only ship in reusable containers. All recyclable waste (steel and aluminium is returned to Bintan where it is sold/given to local collectors. Food waste is composted using an integrated system of biopods containing Black Soldier Fly larvae and red worms. Paper waste is being used for a bedding in our composting system as well as in permaculture garden. A glass pulveriser has been installed to process glass bottles. The glass sand that it produces is used in cement. There is no glass recycling program on Bintan. Sewerage waste is treated in aerobic and anaerobic septic systems. Many of the goods and souvenirs we sell in our shop are made from recycled products. This includes flip flops made from car tyres and bags made from recycled rice bags.

Nikoi has established a kitchen garden on Nikoi and farm on Bintan. Both have been established using permaculture principles and only natural and fertilisers and pesticides. The aim is to provide fresher and better quality organic produce to our kitchen and better improve our knowledge of our food chain.

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Community

Not only was Nikoi built and is operated using local materials, labour and services but the owners have taken this one step further and taught many of their contractors and staff new trades and techniques. This not only makes operational sense but it also means that in the long run there is a mutual respect with the local community and the staff and tradesman take greater pride in their work.

Nikoi buys almost 100% of its supplies in local markets and from small traders. Wherever possible middlemen are avoided and locals are actively helped to establish businesses that supply fresh, sustainable and organic produce. We have helped establish many businesses including a car rental business that has seen a five fold increase in their business since we started working with them several years ago and our supplier of 'alang alang' for our grass roofs. In helping them set up we have provided these businesses with training to help improve their products and services. We have also helped a number of our staff establish micro enterprises supplying us with items such as bamboo straws and luggage tags.

All of the staff working for Nikoi except for one staff member are Indonesian including our GM. Our only one full time expatriate staff member is employed as Guest Relations Manager. Many of the staff started working for Nikoi during the construction phase and have gone on to learn new skills that have allowed them to work in front of house roles. Last year we celebrated 10 years anniversary with 15 staff who have been working with us since 2007. Staff work a 5 day week whereas the standard working week in Indonesia is a 6 days one. We have established a savings and loans scheme. Both formal and informal training is offered as well as helped find mentors for a number of staff. As a result of this Nikoi has tremendous staff loyalty and a very high staff retention (annual staff turnover is typically less than 10% per annum, in 2017 it was 6%).

Another contribution to the local community is the organizing of a twice yearly Coastal Clean Up event. This is organised together with Bintan Education Board and includes more than 120 children from 3 schools. The event is held not only to educate and increase the awareness regarding plastic and ocean pollution but also reviving the traditional culture by showcasing dance, music and the racing of jongs (model sailing boats).

The most significant impact that Nikoi has had on the local has been through the establishment of The Island Foundation to work with the local community on Bintan and neighbouring islands to help them to help themselves. Initially the focus of the Foundation's efforts has been to establish a network of learning centres so that the local children can learn English and IT. This was identified by the villager leaders as one of the most pressing needs. In many ways these learning centres are becoming more like community centres as the programs being run have expanded to teach adults English and IT, health, nutrition, football sanitation and arts and crafts.

Over 500 children registered at the 7 learning centres that have been established to date. By educating these children in English and IT they have access to a whole new world of learning and education. The Foundation also provides teacher training workshops for teachers. These workshops are recognized by the Ministry of Education and allow teachers who attend them to

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obtain higher salaries. The impact has been much greater than for just the 500 children registered and we estimate that 10,000 villagers are benefiting directly from our programs.

In addition to education the Foundation established a retail brand (Kura Kura) to help sell and market arts and crafts as well as establishing the first organized sports program on Bintan for children. This program was developed in such a way that the villages have appointed their own committees and sub-committees to run it. The Foundation provides coaching staff, equipment (sold through a village shop on buy back scheme) and ground maintenance.

All of the Foundation's programs are run along secular lines. One of the villagers that we work very closely with is the indigenous Orang Laut or sea nomads. We have been working with them to develop an arts and crafts business, improved education and through our close contacts with the government opened up a dialogue with the government for them to address the issues that face this marginalized community. We introduced the idea of jewellery making and introduced them to designers from Swarovski Jewellery who helped them improve their techniques. This culminated in the exhibition of a fishing net sewn with crystals that was displayed at the National Museum of Singapore in January 2015. It was auctioned off to raise money for a water treatment system that was installed for the village in 2016.

The fact that the Foundation is registered as a charity in both Singapore and Indonesia has made it more attractive to external donors and the day-to-day functioning of the Foundation more transparent. In this way the Foundation is growing to be a bigger entity than it would if the funding only came from Nikoi.

As a result of this the Foundation is now working with several institutions that support it through the provision of resources and donations (2 of which have committed S\$1mn to date). The Foundation has an excellent relationship with several schools in Singapore, notably United World College who have helped develop a bilingual curriculum, run teacher training workshops for local teachers, the provision of books and other teaching materials.

Culture

Bintan has always been relatively sparsely populated and therefore has lacked the strong cultural identity that you find in other parts of Indonesia. Migration from other parts of Indonesia has diluted this further. There are very few culturally significant sites on the island and none either on Nikoi itself or on Bintan. Nevertheless we have worked hard both through Nikoi and the Foundation to help document and salvage what remains.

The Foundation has helped document and promote local culture through several programs. We have funded cultural exchange programs and sponsored a number of local cultural events. The arts and crafts program that the Foundation has helped set up has developed revitalize a number of dying art forms. In addition the Foundation has been helping the villagers document their history, stories and traditions. In the Orang Laut village in Berakit we have helped the village petition to save two charcoal kilns one of which we plan to help establish a museum to record their culture.

Twice a year Nikoi sponsors a local jong race (model sailing boats). These events have helped

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revive the racing of jongs on this coastline and helped create greater interest for the younger generation in this fascinating cultural tradition.

Commerce

Nikoi is operated on the overriding principle that a profitable business is the most sustainable one. A significant portion of the company's profits are reinvested each year to continue to grow the business and develop further opportunities. The company has several other projects in the pipeline as a result. Expansion of the business will allow the company to further build on their efforts in respect of Conservation, Culture and Community.

The company takes a holistic approach to commerce and by being seen as a valuable resource both in terms of employment and business opportunities for the community the community will see the benefits in working with the company. The most visible aspect of this has been our commitment to The Island Foundation.

All of our staff earn above market rates, have employment contracts and are provided accommodation, meals and medical cover free of charge. When medical treatment has not been available locally we have sent staff and their family members to Singapore for treatment. In one instance we covered the cost of a six month treatment for Leukaemia for one staff member's child.

The company has helped a number of start up businesses develop or expand. Nikoi has a preference for using local suppliers and service providers owned by local individuals.

Recognition - Responsible Tourism Awards

[HICAP Sustainable Hotel Awards \(Winner 2016 – Sustainable Communities\)](#)

[Wild Asia Responsible Tourism Awards \(Finalist 2009 and 2012, Winner 2015\)](#)

[Green Hotelier \(Winner 2015\)](#)

[Global Initiatives - Sustainable Business Award Indonesia 2015](#) □

[National Geographic World Legacy Awards, Earth Changes Finalist 2014](#)

[Travel + Leisure – Global Vision Award \(Sustainability\) Finalist 2013](#)

[Treehugger – Best Resort 2012](#) □

[Conde Naste Gold Standard Award 2014](#) □

[The Long Run Alliance Member](#) □

As a member of The Long Run Nikoi has been subjected to a detailed operational review in 2015 which developed a plan for Nikoi to achieve GER status. GER status is recognized by the Global Sustainable Tourism Council.

Achievements to date

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Below is a list of the achievements that we have made under The Island Foundation:

1. Established 7 learning centres with plans to open more ☐
2. Developed a curriculum that helps children with their 6Cs (confidence, critical thinking, collaboration, creativity, curiosity, cooperation)
3. 500 children registered at the learning centres
4. All children are assessed for their knowledge of English and IT ☐
5. Running daily classes in English and IT ☐
6. Provided employment for the locals staffing the learning centres ☐
7. Developed a strong link with UWCSEA to the extent that 10th grade students collaborate with TIF on a community project as part of their curriculum
8. Developed an impact assessment so the impact of the teaching can be assessed
9. Registered the foundation as a charity in both Singapore and Indonesia ☐
10. Hosted batik workshops for 40 locals by Singapore's leading batik artist Said Sakarsi ☐
11. Hosted teacher training workshops in conjunction with UWC one of Singapore's ☐leading international schools ☐
12. Established a retail brand (Kura Kura) to sell local arts and crafts ☐
13. Helped villagers develop artisanal products to be sold under the Kura Kura brand ☐
14. Planted mangroves and mahogany trees ☐
15. Arranged for school students from Singapore to teach at the libraries ☐
16. Organized for Singapore based musicians to perform at local schools ☐
17. Organized for Nikoi's naturalist to talk to the children about the environment ☐
18. Established a program for guests visiting Nikoi to donate books to the libraries
19. Raised hundreds of thousands of dollars from external donors to help fund the Foundation
20. In conjunction with the National University of Singapore designed and installed a PV ☐system to power laptops for the libraries ☐
21. Filmed and documented local cultural events ☐
22. Helped locate patients for a Cleft Palate program run by Smile ☐
23. Organized a group of village leaders to visit the PDA programs in Cambodia and Thailand ☐
24. Helped organize and sponsor annual jong (traditional model sailing boat) races ☐
25. Worked closely with Orang Laut village in Berakit to protect 2 kilns to be used for alternative uses (the government was going to tear them down) ☐
26. Established a pilot program to show villagers how to control mosquito populations using ovitraps ☐
27. Developed a bilingual curriculum for learning centres ☐
28. Helped preserve two charcoal kilns to be developed as museums for local villagers ☐
29. In conjunction with Swarovski crystals helped the villages make a fishing net that was exhibited in the National Museum of Singapore. It was subsequently auctioned off to raise money to build a fresh water treatment system for the village that was built in 2015
30. Established a learning farm for growing organic products and doing experiment on composting
31. Established a weekly football program
32. Organised a medical screening for more than 100 villagers
"Plastic Ocean" movie screening in two learning centres attracting more than 200 viewers
33. Established drinking water system and bottling plant to be managed by Panglong villagers

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Below is a list of Nikoi's achievements to date:

1. A vernacular building design which has minimal visual impact ☐
2. Siting of all buildings and infrastructure to avoid cutting down trees and major earthworks ☐
3. All natural materials and some recycled materials (ie driftwood), sand floors, sand paths ☐
4. Furniture built on site using driftwood or recycled timber
5. Natural ventilation instead of air-conditioning ☐
6. Solar hot water systems installed throughout the property
7. Recycling of water for toilet flush and gardening
8. 27kWp solar PV array installed with accompanying battery bank installed ☐
9. Minimal landscape lighting so as not to disorientate nightlife (particularly nesting turtles) ☐
10. Recycling of used cooking oil for tiki lamps along pathways ☐
11. Low voltage LED and CFL lighting used exclusively ☐
12. No tvs, dvds, phones or mini-bar fridges helping to reduce overall consumption of manmade materials and overall energy consumption ☐
13. Planting of indigenous trees and shrubs ☐
14. Local building materials were used almost exclusively ☐
15. Local tradesman (training many in the process) ☐
16. Local produce is used almost exclusively and almost no processed food is purchased
17. Established the Island Foundation to improve education standards and help establish sustainable community development programs ☐
18. Fairtrade Indonesian coffee used ☐
19. Boats were constructed and are maintained by local shipwrights ☐
20. If available, second hand machinery has been used rather than new ☐
21. Recycling of waste (aluminum, glass, paper, cardboard and kitchen waste) ☐
22. Single use plastic drinking water bottles are banned ☐
23. No imported or local mineral waters are sold on the island ☐
24. Carbonation of Nikoi's own water for soft drinks and mineral water ☐
25. Make our own syrups for soft drinks (ginger, lemongrass, hibiscus, tonic water) ☐
26. No drinks in plastic bottles are sold ☐
27. Banning of plastic straws (handmade bamboo ones are used) ☐- helped establish micro business as a result
28. Drinking water is provided in reusable glass bottles ☐
29. No printed brochures ☐
30. Absolute minimal use of plastic both in operations and in construction ☐
31. Almost no painted surfaces ☐
32. No fogging for mosquito or insects ☐
33. Natural mosquito control using an automated ovitrap ☐
34. Lemon grass planted around houses to repel mosquitoes ☐
35. Toiletries made from natural ingredients are supplied in reusable containers ☐
36. Biodegradable takeaway packaging and bags used
37. Sunscreen sold on island is reef friendly
38. Naturally dried laundry ☐
39. Implemented a fixed menu to reduce food waste ☐
40. Homemade muesli, juices, jams, bread, sambal, bar snacks, coconut milk, ice creams, yoghurt,

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cookies and pasta,

41. Herbs, spices and some fruits are grown on the island
42. Established 7ha farm to grow eggs, fruit and vegetables
43. Minimal processed food used
44. Compliance with WWF sustainable seafood guide
45. Daily cleaning of beaches and removal of garbage
46. Organised regular cleans up of neighbouring islands
47. Established a micro enterprise for villagers to collect polystyrene foam on nearby beaches and recycle it for fill in bean bags. Bean bags made from recycled sails.
48. Swimming pools converted from chlorinated water to salt water
49. The reject water from our desalination unit is reused to top up salt water pool – ie no salt or chlorine is added
50. Petitioning of Singapore port authorities to stop dumping at sea
51. Established a coastal surveillance system to monitor and report on illegal dumping
52. Ensured an undisturbed inter-tidal zone
53. Two thirds of the island has been preserved as a sanctuary
54. Environmental impact survey undertaken prior to construction
55. Regular surveys of the island's flora and fauna (land and marine) by external consultants
56. Flora and fauna information guides in each guest rooms
57. Detailed description on our environmental policy and CSR policies in the room guides
58. Program to protect nesting turtles and monitor their nests.
59. Helped researchers with their WW2 research
60. Provided access to the island for researchers studying sea levels
61. Program to eradicate rats that were resident on the island when it was acquired
62. Zoning of Nikoi as a conservation area
63. No trees removed and many new trees planted
64. Two natural grass tennis courts have been built
65. Developed a natural paint for marking lines on the tennis courts
66. English lessons and first aid training programs have been offered for all staff
67. Opportunities provided for all staff to learn new skill sets using external trainers (barista training, rock climbing, mixology, scuba, nature, sailing, windsurfing, tennis, cooking, first aid, life saving, wine training, spa, conservation, creative arts)
68. Guest chef visits and performing artists have helped train our staff and at the same time performances for the community have been provided by these visitors
69. Introduced cultural activities as part of the kids club program
70. Nikoi has donated numerous free stays to fundraisers held by charities in Singapore.
71. Established a program to allow families to visit and stay on the island
72. Installed an aerobic waste water treatment plant.
73. Linen has been replaced with organic cotton
74. Installed glass bottle pulveriser so glass can be recycled
75. State of the art shower heads were installed reducing total water consumption by 20%
76. Establishment of a staff savings and loan scheme. This is a separate entity managed by staff.
77. The introduction of a 5 day working week. The norm in Indonesia is a 6 day working week.
78. Recycling of grey water for watering gardens and toilet flush.
79. Switched to a toilet paper made from bamboo fibre rather than wood pulp.

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80. Installation of drinking water treatment plant with reverse osmosis system at Kawal port
81. Routine quality measurement of drinking water, ground water and waste water
82. Installation of 1700m² of catchment area for rainwater harvesting
83. Provided equipment, boats and staff in numerous emergency or recovery situations
84. Provided guided nature walk and sustainability tour program for the guests
85. Empowered local business by supporting staff's family members to supply some of our needs such as bamboo straws, bamboo luggage tags and others
86. Established a closed-loop system to compost food waste by using Black Soldier Fly larvae and Red Worm
87. Organized yearly Coastal Clean Up event for three fishing villages by working together with Bintan Education Board and some elementary schools nearby
88. Created Sustainable Purchasing Guideline document to be used as a reference in supply chain management
89. Established a waste water garden system at Kawal as a secondary treatment for treating wastewater

Future commitment and goals

Short term

1. Expand permaculture gardens to increase vegetables and fruits grown on island
2. Establish a plan to help improve areas where the reef has been damaged
3. Establish a no fishing zone on the reef around Nikoi
4. Continue to improve our knowledge of food sources and continue to ensure that seafood in particularly is from sustainable stocks and sources
5. Become a zero waste organisation (ie less than 10% of waste goes to landfill)
6. Establish an artist in residence program for Indonesian artists

Long term

1. Expand the no fishing zones around Nikoi
2. Employ local fisherman to help protect no fishing zones
3. Increase the use of renewable energy sources for power generation
4. Reduce carbon emissions to zero

This policy paper was reviewed by Andrew Dixon in December 2017 and is reviewed and updated annually. A copy of this paper has been translated into bahasa for staff who are not fluent in English.