ESG in Hospitality

SOCIAL RESPONSIBILITY

A Journey to Sustainable Practices

John Hodges – April 2020
Tourism’s Economic Impact

- Accounts for 10.3% (US $8 Trillion) of Global GDP
- Accounts for 10% of all jobs globally
- In 2018 – Fastest growing sector

Economic Impact of Travel & Tourism Report

- Growth of 3.5% globally
- Outpacing the Global economy by 2.5%
- 1 in 4 new jobs created by the sector
Sustainable Growth

The growth of Travel & Tourism continues to outpace that of the global economy for the ninth consecutive year. What’s more, international arrivals, which reach 1.5 billion in 2019 are forecast to reach 1.8 billion by 2030. It is essential, that together, we ensure that this growth is sustainable and inclusive, and that it contributes positively to the communities, natural ecosystems and cultural heritage upon which our sector depends.

WTTC’s work in the area of Sustainable Growth focuses on seven key areas:

1. **Climate & Environment Action** - Raising awareness of the impact of climate change, minimising our contribution to it, and encouraging climate neutrality by 2050.
2. **Sustainable Travel & Tourism Partners** - Creating a platform for mass engagement around sustainability for our sector to share sustainability best practices.
3. **Sustainability Reporting** - Encouraging and supporting the sector to measure, monitor and report their Environmental, Social and Governance activities.
4. **Destination Stewardship** - Promoting best practices in the planning and management of tourism growth to ensure our sector is a win-win-win for the destination, the private sector and the local communities.
5. **Future of Work** - Ensuring that the sector remains a driver of quality jobs and continues to enhance its attractiveness to the workforce of today and tomorrow.
6. **Illegal Wildlife Trade** - Promoting industry action to support global efforts to tackle illegal wildlife trade.
7. **Human Trafficking** - Raising awareness of how our sector can prevent Human Trafficking and providing a forum for collective action.
sustainability  /səˈstānəˈbilədē/  (n)

• the ability to be maintained at a certain rate or level
• avoidance of the depletion of natural resources in order to maintain an ecological balance
create long-term stakeholder value through the implementation of a business strategy that focuses on the ethical, social, environmental, cultural, and economic dimensions of doing business.
Defining Sustainable Tourism

• low impact on the environment and local culture (society)
• Economically helpful for locals.
• Positive experience for locals; local tourism companies; and tourists themselves.
Environmental, social and governance (ESG) criteria are a set of standards for a company’s operations that socially conscious investors use to screen potential investments.
ENVIRONMENTAL

CLIMATE CHANGE
Reduction in GHG Emissions
(Sectoral Decarbonization)

WATER STEWARDSHIP
Reduction in Water Withdrawal and Usage

BIODIVERSITY
How are we interacting with the environment

WASTE
Do we have a diversion rate set?

How a company performs as a steward of nature.
Philanthropy
What do you believe in? Are you putting your money where your message is?

Diversity and Inclusion
How are you engaging your stakeholders? Do you practice what you preach? (VP and above/Board Makeup)

Modern Slavery (ECPAT)
End Child Prostitution and Trafficking

Human Rights
Fair and Equal Pay?

Social
How a company manages relationships with employees, suppliers, customers, and the communities where it operates.
Governance

A company’s leadership, executive pay, audits, internal controls, and shareholder rights.

10-K Statement
Do we talk about Climate Change?

Compensation
Is the executive bonus based on CSR goals?

Shareholder Rights
Beyond shareholders, are we looking for stakeholder engagement?