

Sustainability in the Hospitality Sector

By: Emma Sorrell and Halli Bovia



February 5, 2021

CUMMING
Building Value Through Expertise

Abstract

In this paper, Cumming's expert sustainability professionals define what sustainability means in the context of the hospitality industry and discuss the different ways in which sustainability can be integrated to benefit hospitality operations and brands. While the value of sustainability for the hospitality sector is widely recognized, the industry may not be fully leveraging these benefits. This white paper discusses the key trends and best practices in the industry, providing recommendations for how brands and property owners can realize valuable benefits and more effectively leverage sustainability as an important differentiator to drive business recovery and growth.

Sustainability: An Emerging Necessity

Consumer research has noted the ever-increasing importance of sustainability. While environmentally friendly products and services began as a niche market offering, sustainability is now considered mainstream and a core element of corporate social responsibility. This trend is apparent in both consumer trends and business investment strategies. Consumer research indicates that sustainability is now an important differentiator in the marketplace for buyers when making purchasing decisions. A 2019 consumer survey found that 68% of respondents rated sustainability as an important consideration when making a purchase, regardless of age and gender.¹ This trend was particularly strong among Gen Z respondents, who are expected to surpass millennials as the largest generation of consumers.

Similarly, financial institutions have recently elevated the importance of sustainability as a consideration when evaluating investment opportunities. Blackrock, the world's largest asset manager, says it will now make climate change central to its investment considerations because climate change is reshaping the world's financial system.² In simpler terms, climate risk is investment risk, and as a result sustainability is no longer a 'nice-to-have' — it is a business necessity.

These trends towards sustainability in both consumer and investment decisions are especially true in the hospitality industry. Consumer travel surveys conducted in 2019 and 2020 found that 70% of global travelers would be more likely to book an accommodation knowing it is eco-friendly, and that 53% are willing to pay more for environmentally responsible brands.^{3,4} While the COVID-19 pandemic has disrupted industries and typical consumer patterns worldwide, it has not diminished the importance of sustainability. In fact, a striking 90% of consumer respondents indicated that they are equally or **more** concerned about environmental issues in the wake of the COVID-19 outbreak, recognizing the links between climate change and human health.⁵

Beyond attracting and retaining customers, sustainability in the context of hospitality and entertainment can deliver a wide range of tangible benefits, including cost savings, enhanced health and safety for guests, increased brand value, and an elevated guest experience. This provides the hospitality industry an opportunity to fully embrace the concept of sustainability across the board and leverage the benefits that enhanced sustainability practices can deliver. In the following sections, Cumming's expert sustainability professionals outline the full scope of what sustainability means for the hospitality industry, and how sustainability initiatives can be integrated into and benefit hospitality operations and brands.



“Sustainable investing was once viewed as a trade-off between value and ‘values.’ Yet today, it’s something investors can no longer afford to ignore... [there is] growing awareness that certain factors — often characterized as environmental, social and governance, or ESG — can be tied to a company’s long-term growth potential.”⁶

- BlackRock

1. [CGS Survey Reveals 'Sustainability' is Driving Demand and Customer Loyalty](#)
2. [A Fundamental Reshaping of Finance](#)
3. [The Greening of Travel: Embracing the Responsibility](#)
4. [Booking.com reveals key findings from its 2019 sustainable travel report](#)
5. [Sustainability Matters Now More Than Ever for Consumer Companies](#)
6. [Sustainability: The Future of Investing](#)

What Does Sustainability Mean for Hospitality?

The concept of sustainability is well-defined for the hospitality industry and has clear applications across the sector. By gaining a more comprehensive understanding of what sustainability means in this context, brands and property owners can realize valuable benefits and more effectively leverage sustainability as an important differentiator to drive business recovery and growth.

While there are many different definitions of sustainability, the overarching concept is the same. As a principle, **sustainability** seeks to find balance between all natural and human-made systems in order to ensure long-term stability. In practice, the concept of sustainability provides organizations with a framework for holistic decision-making that addresses short-term and long-term needs while considering environmental, social, and economic impacts. Sustainability for hospitality addresses these four pillars:

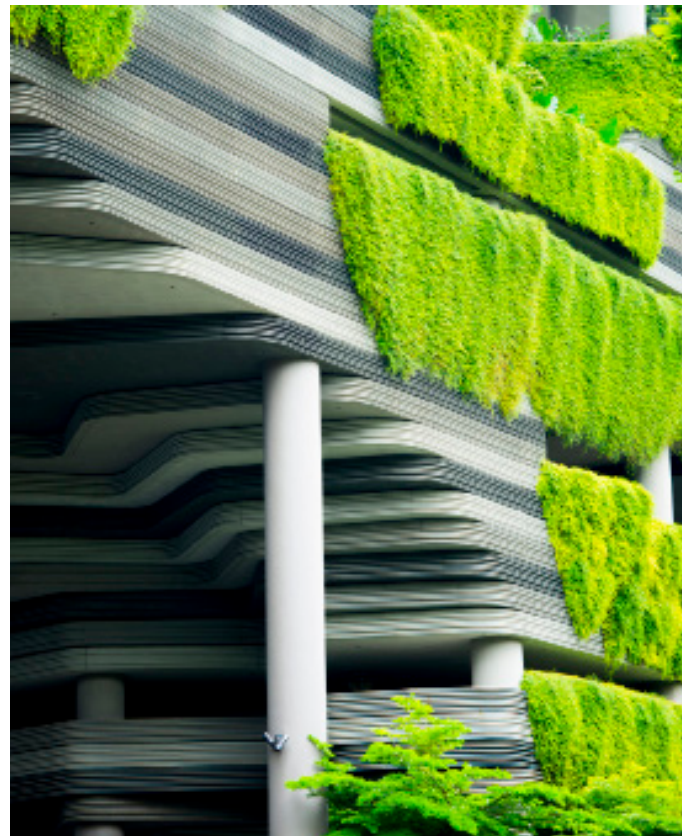
1. **Healthy Buildings**
2. **Green Buildings & Operations**
3. **Social Sustainability**
4. **Supply Chain Sustainability**

Leading hospitality brands are embracing sustainability and actively implementing corporate policies and operational practices across these four pillars. The success of these initiatives not only demonstrates that these concepts and their applications are well-developed, but also that they are worth the effort. The following sections explain these four pillars in more detail, covering industry trends and best practices that can be replicated by brands at any stage of their sustainability journey.

Sustainability is not an all-or-nothing endeavor. It should be viewed as an iterative and layered process, focused on continual improvement over time.

While this paper outlines a comprehensive definition of sustainability for the hospitality industry, implementing sustainability is not an all-or-nothing endeavor. It should instead be viewed as an iterative and layered process, focused on continual improvement over time, rather than a destination or end state.

Hospitality operations should reference these four pillars to understand the full scope of what sustainability can mean, to assess their unique impacts, and to prioritize initiatives for implementation with the goal to expand and improve over time.



Pillar I: Healthy Buildings

Human health and wellness are important components of sustainability, and **healthy buildings** are the new minimum. While wellness has been trending as a hospitality amenity over the last few years, the COVID-19 pandemic elevated the importance of holistic health and wellness to an all-time high.⁷ 79% of travelers indicated they will take more precautions due to the Coronavirus, but they are looking to the travel industry to help them prepare for a new normal.⁸ With occupancy rates down almost 70% and with most entertainment venues closed, properties will need to demonstrate their commitment to safety through enhanced protocols and clean-air systems.⁹ The most effective way to do so is to **implement a comprehensive Healthy Buildings program** designed to optimize guest health and wellness. A Healthy Buildings program ensures superior indoor air quality, establishes effective cleaning protocols, and assures both employees and guests of their safety.



Indoor Air Quality

The primary focus of a Healthy Buildings program should be to improve indoor air quality, a top concern for travelers during and after the pandemic. In addition to improved ventilation and air filtration installations, which play key roles in preventing the spread of airborne viruses, properties can proceed with the following technical improvements:

- **Heating, Ventilation, and Air Conditioning (HVAC) Retrofits** can deliver a higher air exchange rate and provide cleaner air for guests and employees more efficiently and cost-effectively. Adding high-efficiency particulate air (HEPA) filters or stand-alone disinfecting filtration systems (DFS) can provide further benefits, removing up to 99.99% of contaminants.
- **Germicidal lighting** emits ultraviolet (UV) light that safely neutralizes or kills disease-causing pathogens, as well as molds, fungi, and bacteria. UV lights can be installed inside an HVAC system to disinfect indoor air and prevent the spread of pathogens.

Cleaning Protocols

Cleaning protocols are a critical component of healthy buildings, specifying the application of proper cleaning, disinfection, and infectious disease prevention practices. To assure guests that these practices are in place and are actively being implemented, properties can obtain **Global Biorisk Advisory Council (GBAC) STAR Accreditation**: the cleaning industry's only third-party accreditation for outbreak prevention, response, and recovery. This accreditation sets a new standard for normal operations and recovery cleaning protocols. Notable GBAC Star Accredited hospitality and entertainment properties include Hyatt, Hilton, LEVEL hotels, AT&T Stadium, Hard Rock Stadium, Staples Center, and the Anaheim Convention Center.

In April 2020, Hyatt announced the adoption of GBAC accreditation as part of their Global Care & Cleanliness Commitment standard for all

7. [A Deep Dive into Wellness Hospitality](#)

8. [Smarter, Kinder, Safer: Booking.com Reveals Nine Predictions For The Future of Travel](#)

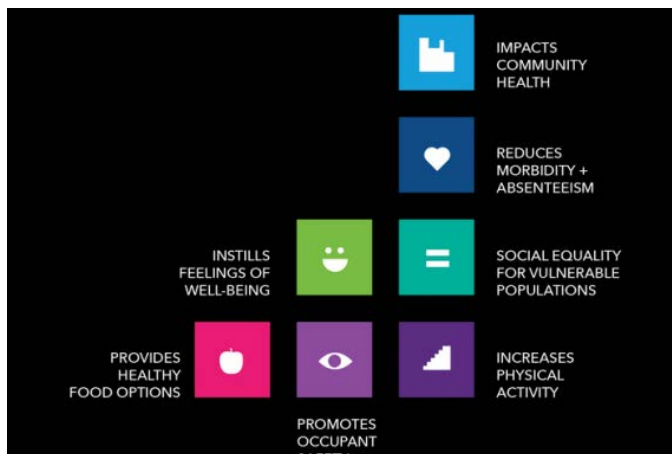
9. [How Air Quality Management in Hotels can Make a Difference Against COVID-19](#)

10. [Hyatt Announces Global Care & Cleanliness Commitment](#)[A Deep Dive into Wellness Hospitality](#)

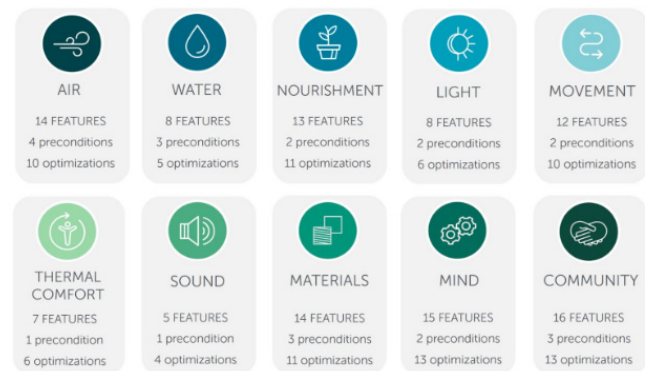
Wellness Certifications

Nearly 75% of respondents to a recent PWC survey said third-party certified sanitation reviews increased their confidence in traveling safely and staying at a given property.¹¹ Healthy building and wellness certification programs provide an important roadmap to operations by establishing standards for healthy, safe, and resilient properties. The hospitality industry is quickly adopting these standards, supporting re-entry into the workplace and building public confidence. Comprehensive wellness certifications, such as fitwel and WELL, are also becoming critical to property marketing strategies in a post-pandemic world.

fitwel was jointly developed by the Center for Disease Control (CDC) and the General Services Administration (GSA). fitwel's rating system is not only user-friendly, intuitive, and affordable, but it also strives to create an environment in which employees are happier, healthier, and more productive. Its categories rate how a building impacts the community, reduces morbidity and absenteeism, supports social equity for vulnerable populations, increases physical activity, promotes occupancy safety, provides healthy food options, and instill feelings of well-being.



WELL Certification is the first building standard to focus exclusively on health and wellness. WELL is a performance-based standard, structured around health and scientific research showing that the built environment can negatively affect creativity and focus or even cause sickness. To address this issue, WELL certification leverages best design practices to enable buildings to support human health and well-being. Some WELL features require implementation of health-oriented operational policies and programs such as mental health support and fitness incentives. WELL requirements assure that certified spaces are designed to improve nutrition, fitness, mood, sleep pattern, productivity, and physical performance.



Copyright © 2018 by International WELL Building Institute (IWBI). All rights reserved.

11. [PWC: 3 Ways Hoteliers Can Build Guest Confidence](#)
 12. [What is Green Lodging and Why is it Important](#)

Pillar II: Green Buildings & Operations

Green Buildings & Operations is the largest of the four sustainability pillars for hospitality. Today's travelers are more eco-conscious than ever before, and thus expect brands to operate more sustainably.¹² This pillar addresses how hospitality properties are designed, constructed, operated, and maintained, resulting in efficient, high-performance facilities. Sustainability initiatives in this pillar primarily focus on mitigating the environmental impact of a property over its lifetime through sustainable and efficient construction materials and design, energy and water systems and fixtures, solid waste disposal practices, climate and resiliency actions, and transportation methods. Adopting sustainability practices under this pillar not only mitigates environmental and climate impacts, but also yields significant cost savings, improves operational efficiency and performance, and enhances guest comfort.

Green Building Design and Certification

Creating green buildings starts with property design and construction. Projects designed to green building standards reduce waste and pollution during construction, incorporate repurposed and resilient materials, use sustainable architecture to maximize daylighting and incorporate outdoor elements, and use smart and high-efficiency energy systems and water fixtures. Green building certifications such as the **LEED Rating System** provide reputable third-party standards that guide the design and construction process for sustainable properties. Once achieved, these certifications offer credibility and recognition to brands. Green buildings also generate a clear return on investment (ROI): delivering higher property values and lower lifecycle operating costs compared to conventional buildings.

Marriott International has committed to pursuing sustainability certifications for all properties:

- By 2020, LEED certification or equivalent will be incorporated into building design and renovation standards.
- By 2025, 100% of hotels will be certified to a recognized sustainability standard.¹³

Energy

Energy systems bear significantly on guest and employee experience at hospitality properties. Sustainable energy systems are one of the most effective ways to reduce greenhouse gas (GHG) emissions, while enhancing performance and reducing costs and labor for facility maintenance and operations. Consequently, properties looking to install or retrofit their energy systems should evaluate and consider opportunities across three areas: energy efficiency and conservation, on-site generation and storage, and energy management.

Hersha Hospitality Trust implemented portfolio-wide LED lighting and guestroom environmental management systems projects. These projects have reduced annual utility costs by \$1.5 million, providing payback in under 2.5 years.¹⁴

Energy efficiency and conservation measures are considered 'low-hanging fruit' and provide strong ROIs. Such measures not only save significant amounts of energy and operational costs, but they also enhance property ambiance and improve guest comfort, safety, and wellness. High-impact energy efficiency opportunities include:

- **LED Lighting Retrofits** improve energy efficiency and can be customized to support desired ambiance and lighting color consistent with property aesthetic;
- **Electric HVAC Upgrades** reduce energy intensity and improve indoor air quality; and
- **Building Commissioning and Retro-Commissioning** ensure that a new property performs optimally upon delivery and improves chances that the building will continue to operate as designed.

13. [Sustain Responsible Operations | Marriott International Serve360](#)

14. [Hospitality Sector Sees Sustainability as Key to Success](#)

Generating and storing energy on-site can improve a property's resilience, enabling it to better withstand extreme weather events and energy supply disruptions. Many properties leverage financing strategies and rebates to generate renewable energy, save money, and shift their energy supply to clean, carbon-free sources. Numerous factors can influence a property's ability to take advantage of cost-effective renewable energy generation, including available rebates, finance structuring, market costs, and storage solutions. Properties may wish to "feed back to the grid" to take advantage of larger incentives. However, many properties such as Frangipani Beach Resort (Anguilla, British West Indies) are pairing solar photovoltaic (PV) systems with energy storage to utilize "load shifting," reducing their grid impact and capitalizing on lower utility rates during off-peak hours.¹⁵

Wynn Resorts (Las Vegas) installed 21 MW of solar PV, generating up to 80% of their daytime consumption.¹⁶



Energy management systems (EMS) allow property managers to monitor, control, and optimize building systems to reduce operating costs, optimize guest experience and comfort, increase system resilience, and improve system maintenance. Many hospitality properties are implementing advanced controls and evaluating smart energy systems tied to intelligent

automation. These systems enable greater energy management while enhancing guest control and comfort, allowing guests to interface with the system through a mobile application or a central space "hub." For example, occupancy sensors reduce energy consumption when a space is vacant, but they also have a temperature-recovery feature to quickly return the space to the guest's preferred temperature, ensuring that guest comfort is never disturbed.¹⁷

Climate Action and Resiliency

Green buildings and operations are serious mitigative forces against climate change. A property's climate impact is a direct reflection of its resource consumption and practices across all categories (e.g., water, waste, energy, fuels, etc.), meaning that resource conservation anywhere along the spectrum results in a reduced carbon footprint. In turn, mitigating climate impacts brings down operating costs, raises property values, and improves employee and guest morale. However, the impacts of climate change are ongoing and will intensify, and thus properties should also consider design principles and operational activities that increase their resilience to those impacts (e.g., extreme heat, extreme weather, or precipitation events) and enable them to operate successfully in a changing world. Addressing carbon reduction and climate resilience through building design and operations makes properties more environmentally responsible, more profitable, and healthier places within which to live and work. This section offers approaches to integrating climate action and resilience into a property's building design and operations.

Measuring Emissions

Leading hotel chains have concluded that they will benefit financially by measuring and addressing their GHG emissions. The first step is conducting a property-wide GHG inventory that captures and quantifies all emissions sources. GHG emissions inventories reveal critical insights about business operations, enabling properties to identify opportunities to reduce their carbon footprint and operating costs while increasing their efficiency and resilience. Addressing climate impacts can help brands differentiate themselves in the marketplace, protect properties against climate change risks, and make them more effective stewards of the environment.

15. [Frangipani Beach Resort Goes Green with New Solar Energy System](#)

16. [Off-site Solar Array Begins Powering Wynn Casino on Las Vegas Strip](#)

17. [Smart Energy Systems Can Help Ensure Guest Satisfaction](#)



Climate Commitments and Reporting

Properties and brands committed to climate mitigation should set ambitious but achievable emissions reduction targets, informed by their own emission inventories as well as the areas with the strongest potential for carbon emissions mitigation, including energy and water, solid waste, and transportation fuels. Many large corporate brands have already announced similar climate commitments. Hilton, for example, has committed to reducing their carbon emissions 61% by 2030.¹⁸ Additionally, as the sustainability maturity of both brands and consumers increases, ambitious properties are looking to achieve “net zero” status, meaning they will generate a net total of zero carbon emissions by generating as much energy as they consume, diverting the waste they generate, and being water neutral.¹⁹ Investors such as BlackRock have also taken note and set their own expectations for industry regarding climate action, expecting their investees to disclose plans for transitioning to a lower carbon economy.²⁰

The Boutiquehotel Stadthalle in Vienna generates all the electricity it needs to break even on annual consumption through a combination of solar systems, photovoltaic cells, and ground water heat pumps.²¹

Beyond tracking progress against climate commitments internally, properties and brands should also publicly and routinely report out on their performance. Reporting not only serves as a means of accountability, but by publicizing progress and activities towards these

targets, a business can also enhance its reputation and brand in a marketplace increasingly concerned with climate change and corporate environmental responsibility. Furthermore, activities that mitigate emissions and resource impacts will futureproof growth, save money, provide resilience against increasing environmental regulations, boost investor confidence, and spur both innovation and competition in the industry.

Climate Resilience

As the impacts of climate change become more apparent and disruptive, climate resilience is an even more important undertaking for hospitality properties.

Climate resilience is the ability to withstand and recover from the impacts of climate change, including extreme weather events, heat stress, flooding, fires, extreme winds, and sea level rise. Resilience strategies apply not only to physical properties, but also to the infrastructure and utilities that serve them. Companies should consider undertaking comprehensive resilience and climate vulnerability assessments to identify hazards and areas of high risk, and accordingly work with internal and external government, corporate, and community partners to address those vulnerabilities. Resilience strategies include investment in renewable energy technologies and smart grids, installing shading in areas of high heat exposure, and participation in municipal and community emergency response networks. Adopting resilience strategies can help properties avoid utility and other business disruptions, as well as prepare to serve the community during disasters. In the case of hospitality services, properties may be tasked with supporting and housing members of nearby communities in the case of any acute shocks (e.g., floods), making it increasingly important from both a company and community perspective for the property to invest in resilience strategies.

18. [Sustainability in Hotels: From Commitment to Achievement with Data](#)

19. [It Seemed Impossible: Net Zero Hotels and Their Lessons from Three Continents](#)

20. [\\$7 Trillion Asset Manager BlackRock Makes Climate Change Central to its Investment Strategy for 2021](#)

21. [It Seemed Impossible: Net Zero Hotels and Their Lessons from Three Continents \(mipimworld.com\)](#)

Water

Water is the second-largest resource area of concern for hospitality operations. Between a property's showers, restrooms, laundry, restaurants, pools, cleaning, and landscaping activities, water consumption is usually extremely high. As a precious resource, excess water consumption not only has serious environmental ramifications, but it is also expensive. Water conservation projects may have a longer-term ROI than energy projects given the lower cost of water, but these initiatives provide additional co-benefits such as reduced sewer fees, reduced landscaping maintenance, and enhanced local habitats and biodiversity. Properties should consider sustainability strategies addressing water resource use across the following three categories: conservation and efficiency, landscaping, and water capture and recycling.

Water conservation and efficiency measures such as installing high-efficiency fixtures and appliances in lavatory, kitchen, and laundry spaces can significantly reduce a property's water consumption. For example, ultra-low water urinals can reduce water consumption by up to 88% compared to conventional urinals.²² In addition to fixture replacements, behavior-focused conservation measures such as "hang the towel" campaigns that encourage guests to reuse their towels can be very effective in saving water. While small individually, these initiatives have large impacts due to the considerable volume of guests who "opt in" and participate.²³

The MGM Grand in Las Vegas reduced its landscaping water consumption 66% by replacing the water-intensive landscaping with drought-tolerant xeriscaping.²⁴



Landscaping choices also have significant impacts on water consumption and regional water quality. Landscaping with native and drought tolerant species, installing drip irrigation systems, and using smart, weather-based irrigation systems are all effective ways to reduce property water consumption from landscaping. Many properties are exploring ways to integrate **water capture and recycling** into their designs as well. Adding permeable pavement, bioswales, drywells, or catchment systems can help direct stormwater back into groundwater systems (i.e., infiltration), further reducing the need for supplemental irrigation, reducing strain on municipal drain systems, and preventing flooding. For example, Grand Hyatt Atlanta uses a stormwater collection and reuse system in their cooling towers. Water collected from the flat roof and Zen Garden is filtered and diverted to storage tanks, which are monitored and used for the cooling towers. Greywater and water catchment systems can also be used for landscape irrigation.

Solid Waste

Solid waste management is the most visible sustainability program that properties can implement. In fact, if guests cannot see and participate in waste diversion efforts, they may be skeptical of other touted "green" efforts. To minimize the inherent inefficiency of waste, such programs for hospitality should focus on the following three opportunities: waste prevention, landfill waste diversion, and zero waste systems.

22. [Zero Water and Ultra Low Water Urinals](#)

23. [Hotels Conserve Water Through Big and Small Initiatives](#)

24. [Hotels Find Ways to Reduce Water Usage](#)

Waste prevention means avoiding the generation of waste in the first place. Properties should prioritize opportunities to avoid purchasing unnecessary items (e.g., straws), replace disposable items with reusable ones (e.g., sanitary, large-volume dispensers instead of single-use spa amenities), or repurpose items that would otherwise become waste (e.g., donating used furniture). Waste prevention can equate to significant cost savings by reducing both initial procurement costs and waste disposal/hauling costs.



Accor will remove individual plastic toiletry amenities and cups by the end of 2020 and eliminate all remaining single-use plastic items in guestrooms, meeting areas, restaurants, and leisure activity areas by the end of 2022.²⁵

Recycling materials such as paper, plastic, and metal is the most common and recognizable waste diversion tactic. To maximize recycling, properties should ensure recycling bins with clear instructional signage are prevalent and accessible to guests. In addition, **organics recycling**, which entails the composting of food waste or greenwaste, is an effective way to reduce landfilled waste and mitigate GHG emissions. Not only is organics recycling becoming increasingly popular in the hospitality sector, but it is also becoming a regulatory requirement

in some states and countries. Consequently, cities around the globe are expanding organics recycling and composting services.²⁶

While recycling is important, breakdowns in the global plastics recycling market are elevating the importance of waste prevention.²⁷ In response, companies are striving for **zero waste**, which prioritizes prevention and aims to prevent or divert 90% or more of a property's waste from landfill. This assures that materials that might otherwise be permanently disposed are kept in circulation by being reused, repurposed, or recycled. Achieving zero waste goals at a corporate or property level can yield significant company-wide and regional benefits. Adopting this systemic approach, oftentimes referred to as **circular economy**, lends itself to economic benefits (less money spent on new, raw material), social benefits (waste kept out of communities), and environmental benefits (mitigated GHG emissions and air pollution). Some of the industry's largest entertainment centers, venues, and hotels have gone this route and adopted zero waste goals, including Disneyland Resort, Sheraton San Diego Hotel & Marina, Chumash Casino Resort, Mercedes Benz Stadium, and the Los Angeles Memorial Coliseum.

Transportation

Transportation accounts for nearly a quarter of the world's GHG emissions,²⁸ and the U.S. is responsible for more than half of nitrogen oxides (NOx) pollutant emissions,²⁹ making it a critically important sustainability and public health issue. Within hospitality, a sustainable transportation program would address property fleet vehicles (e.g., staff vehicles, hotel-provided transportation service vans) as well as options to mitigate emissions from personal transportation options on behalf of employee and visitors.

Fleet Electrification means transitioning a property's fleet vehicles from internal combustion engines (ICE) to hybrid electric, plug-in hybrid electric, or fully electric vehicles (EVs). Market and regulatory trends, including increased cost competitiveness of EVs, financial incentives to purchase EVs, and regulatory actions in countries and states to phase out ICE sales, are making it more financially and logistically viable for organizations to electrify their fleets. For instance, Best

25. [Accor to Eliminate Single-use Plastics.](#)

26. [Global Compost Market Report 2019: \\$9.2 Billion Market Opportunities, Trends, Forecast and Competitive Analysis, 2013-2024](#)

27. [How Big Oil Misled the Public into Believing Plastic Would be Recycled](#)

28. [CO₂ Emissions from Fuel Combustion 2018 Highlights](#)

29. [About Smog, Soot, and Other Air Pollution from Transportation](#)

30. [Best Western to Use 1,000 Via Range-Extended Electric Vans as Hotel Shuttles](#)

Western established an agreement with VIA Motors to deploy 1,000 range-extended electric vans as shuttle vehicles at its hotel properties.³⁰ Electrified fleets result in lower total costs of ownership due to reduced fuel and maintenance costs, as well as in improved local air quality.

EV Charging Stations are more widely available and will continue to expand and become cheaper to install due to increased public investment in EVs. Some larger hospitality service organizations have already elected to install EV chargers: as of 2018, Hilton had installed Tesla and Universal charging stations at nearly 350 Hilton properties around the world.³¹ Installing EV charging stations on properties encourages guests to consider using EVs during their stay and supports EV fleet vehicles. Regional and federal incentives are also available to subsidize and support the procurement and installation of EV chargers, which in turn can help facilities earn points toward LEED and other certifications.

Shared Transportation is also critical to mitigating the impacts of the transportation sector. Providing access to public transportation networks (i.e., bus, rail) and on-site and on-demand transportation (e.g., rideshare, taxis, shuttles, bikeshare) has several positive impacts for hospitality service providers and the environment. Shared transportation not only provides options to employees and guests that result in less GHG and pollutant emissions, but it also makes properties more desirable for guests who desire access and connectivity

to other nearby attractions or resources.

Pillar III: Social Sustainability

At its core, hospitality is about people and providing them with a safe, hospitable, and positive environment. Furthermore, it cultivates experiences where people can thrive, however far from home. Thus, the sector is uniquely positioned to foster a sense of belonging for people in spaces often viewed as temporary and unfamiliar. As the hospitality sector aims to be increasingly sustainable, it should direct its focus to not only to address **ecology** and **economy**, but also to necessarily incorporate **society**.

As the third pillar of sustainability in hospitality, **social sustainability** focuses on the personal, the interpersonal, and the community. At its core, it is based on equity, justice, and dignity for all. It is inextricably intertwined with environmental sustainability, as what happens in our natural and physical environments has significant bearing on our livelihoods and lived experiences, and such impacts differ in magnitude among and within communities. Thus, properties must focus on creating spaces that maximize benefits and minimize burdens to all individuals who engage with those spaces.

To do so, companies should pay attention to the design of both physical structures and human systems at their properties and how they impact guests, visitors, employees, suppliers, and surrounding communities. For example, from a physical perspective, spaces that are inaccessible via public transportation exclude guests and employees without access to personal vehicles or other forms of private transit. From the lens of an immaterial system, a non-diverse and non-inclusive workforce excludes valuable perspectives and contributions from certain groups of people and may be externally perceived as unwelcoming to those groups. Neither situation is sustainable for any company.



31. [Hitting the Road for the Holidays in an Electric Vehicle? Why Hilton Should Be in your GPS](#)

There are several means by which to advance social sustainability at the company and property level, but they must be tailored to the needs and interests of the company, its employees, its guest and visitors, and its surrounding community to be successful. It is also most authentic and effective when efforts are focused both internally and externally. Consider the following approaches and examples:

Internal-Facing Efforts: Fostering Equity and Belonging in the Workforce

One way to realize social sustainability is to employ processes that foster equity, belonging, and access in the workforce. For instance, companies can regularly review their job classifications to ensure that minimum requirements related to education, expertise, experience, and capacity are appropriate and align with industry standards. They can also employ initiatives to support and foster a sense of belonging among employees, as employees who feel comfortable contribute to a positive, successful guest experience as well. Additionally, research reinforces the business case for a diverse, equitable workforce. More diverse companies “are better able to win top talent and improve their customer orientation, employee satisfaction, and decision-making, and all that leads to a virtuous cycle of increasing returns.”³²

Wyndham Destinations launched its “Inclusion by Wyndham” initiative, identifying associates as “Inclusion Ambassadors” to champion these initiatives within their location or business unit.³³



External-Facing Efforts: Preservation of Historical and Cultural Resources and Placemaking

Companies can also identify and implement external-facing efforts. Properties should consider **placemaking**, which the Project for Public Spaces defines as “[inspiring] people to collectively reimagine and reinvent public spaces as the heart of every community,” as a way of connecting employees and guests to the spaces they share in deeper and more meaningful ways.³⁴ A property can make the most of its physical environment and the cultural and social identities that define it to both support and connect people to it. For example, for Aulani, a Disney Resort & Spa, Disney worked with community members to gather and display authentic Hawaiian stories, traditions, and artwork throughout the architecture and design of the resort.³⁵ As another example, Cayuga Collection protects endangered tropical rainforest by establishing their properties as private nature reserves, also giving their guests a unique opportunity to learn about those endangered areas and the species therein.³⁶

Social sustainability is a journey much more than it is a destination; a journey with opportunities for continuous improvement along the way. Pursuing social sustainability means building more prosperous, equitable, and resilient destinations, supporting both people and their physical environments.

32. [Why Diversity Matters](#).

33. [2019-2020 Social Responsibility Report](#). Wyndham Destinations

34. [What is Placemaking?](#)

35. [Maka’ika’i, The Art and Culture Tour of Aulani, a Disney Resort & Spa](#)

36. [Nurturing People & Place](#)

Pillar IV: Supply Chain Sustainability

Hospitality and entertainment supply chain activities can have significant environmental and social impacts.

Supply Chain Sustainability examines all aspects of a company's supply chain through environmental, social, and economic lenses — thus making it a key step for operationalizing the Triple Bottom Line model of corporate sustainability. In practice, this considers the upstream and downstream impacts of a product or service: how and where it was made, its labor conditions, its raw source materials, its transport and distribution, and its location and means of disposal. This ties back to the principle of a **circular economy**: addressing how resources enter and are used in a system, and how those resources may be reused, repurposed, or recycled for continued use in that system.



Hyatt established a Supplier Diversity Program, with the intent of expanding its procurement to include businesses owned by black and indigenous people of color, women, military and disabled veterans, and members of the LGBTQ+ community.³⁷

While supply chain sustainability stands on its own as the fourth and final pillar, it also plays a significant role in the other three sustainability pillars: it requires consideration for how an organization's procurement decisions will impact its operational and sustainability goals. Achieving those goals may even be contingent on implementing sustainable procurement and supply chain management strategies that address impacts and risks associated with supply chain activities. For example,

a company with a “zero waste” goal will not achieve it without accounting for and mitigating the impacts of purchased food service containers and serviceware. Likewise, if the company made a commitment to ethical sourcing, it must confirm that its potential suppliers do not use sweatshop labor before entering a procurement contract.

Addressing sustainability in the supply chain can also provide strategic branding opportunities. Properties can procure and brand guest-facing products from sustainable sources such as toiletries and food service items, highlighting their sustainable supply chain efforts. These items are the most visible and tangible items for guests, presenting a vital opportunity for a property to showcase its sustainability mission and efforts. Common examples include highlighting menu items made with local and sustainable ingredients, purchasing organic shower amenities, or providing dry-cleaning services from vendors that uses non-toxic and biodegradable chemicals.

However, a robust sustainable supply chain program looks beyond direct procurement decisions, identifying opportunities to integrate sustainability up and down the supply chain and ensuring that a property's suppliers and their supply chains have corporate sustainability commitments. Consequently, such a program would demonstrate corporate leadership by supporting economic development.

Supply chain sustainability is of growing interest and importance to practitioners of corporate social responsibility as it mitigates environmental and social impacts, including but not limited to eliminating toxic materials, improving air quality, and enhancing safety and security for employees and guests. However, it also mitigates risk: it can protect against or limit the impacts of supply chain risks and business disruptions, regulatory changes, and rising prices due to resource scarcity — all of which are subject to increasing turbulence or fluctuation due to evolving geopolitical conditions and climate change.

37. [Responsible Sourcing](#)

Sustainability as a Value-Add: Brand and Guest Experience

Sustainability programs deliver a wide variety of benefits for hospitality properties and brands ranging from cost savings to increased property values, but the most important value propositions for sustainability are brand value and guest experience. Senior leadership at international hotel brands have indicated that sustainability is an important factor in attracting business partners and adding value to their business portfolios. For example, the Vice President (VP) of Corporate Responsibility for InterContinental Hotel Group stated that he observed sustainability issues being present in more than half of all requests for proposals. Similarly, a senior VP of Hersha Hospitality Trust expressed that the company's sustainability efforts equated to nearly \$50 billion in portfolio value. Leadership among these brands agree that the most substantive costs of not pursuing sustainability lie in lost business opportunities.³⁸

In addition, sustainability is also critical to attracting and retaining customers. Research indicates that consumers are not only interested in having environmentally friendly options, but it is increasingly expected that hotels will have already implemented sustainability programs.³⁹ Industry experts have stated that consumers tend to

pick the more sustainable option between comparable brands and prices, and that sustainability initiatives add value to their experience. These initiatives can be validated and supported by reputable third-party certifications to reassure investors, employees, and guests.

Together, these trends speak to the brand value of implementing these types of programs and initiatives, as well as the evolution of sustainability into a core business strategy. However, these trends also highlight the importance of marketing as a core component of any sustainability strategy. Corporate sustainability goals and operational practices must be transparently communicated to stakeholders, staff, and guests in order to fully leverage the brand value benefits of implementing these initiatives.

On the whole, pursuit of a corporate sustainability strategy that is implemented at all levels and across business units yields immediate and long-term financial benefits for properties, while also increasing business and consumer investment in brands that clearly communicate these commitments and actions.



38. [Sustainability translates to value for hoteliers](#)

39. Murray, Barbra. "Hospitality Sector Sees Sustainability as Key to Success". *Commercial Property Executive*. 18 July 2019.

Final Considerations

As sustainability moves into widespread adoption, now is the time to expand sustainability efforts and ensure that property initiatives already underway are aligned with brand values and are communicated properly to staff, shareholders, and guests. Each of these actions must begin with commitments to the principles of sustainability (environmental, economic, and social) and should be embedded into corporate-level missions, values, and objectives. Hiring, procurement, investment, employee, and guest policies should also specifically address these principles.

Regardless of the maturity of a sustainability program, the goal is to expand and continually improve over time. Companies should use these four pillars of sustainability as a means of assessing their unique impact and prioritizing opportunities. Accordingly, Cumming has a dedicated Energy & Sustainability team that assists properties with this assessment and helps them leverage sustainability to the benefit of their customers, employees, communities, and shareholders — and ultimately their bottom line.



Emma Sorrell

Associate Director, Sustainability | ESorrell@ccorpUSA.com

Emma is the Associate Director of Sustainability for Cumming's Energy and Sustainability team. She has over nine years of experience spearheading and managing all aspects of comprehensive sustainability programs, from strategic planning and program development, to project implementation and reporting services across multiple sectors, including hospitality, transportation, education, and public agencies. As a leader in Cumming's sustainability services, Emma brings a systems-approach to her work and is effective at working across silos to build partnerships that advance sustainability goals. In addition to overseeing work for key clients, she has led several marketing campaigns focused on Cumming internal team member education and external national webinars.



Halli Bovia

Sustainability Program Manager | HBovia@ccorpUSA.com

Halli Bovia is a Sustainability Program Manager for Cumming's Energy and Sustainability team. She has been working in sustainability for over 11 years and has extensive experience driving and supporting sustainability programs. Halli is particularly adept at building coalitions and partnerships across institutional boundaries and has led numerous sustainability planning initiatives. She is a generalist with experience implementing projects across a broad range of sustainability topics: climate action and sustainability planning, greenhouse gas and sustainability assessments, fan and guest engagement, and zero-waste program design and implementation. Halli has led and supported sustainability initiatives for several high-profile brands and events in the sports and entertainment sector.

With support from:

Louis Spanias, Assistant Project Manager | LSpanias@ccorpUSA.com

Samantha Courville, Assistant Project Manager | SCourville@ccorpUSA.com