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The Hotel Yearbook
**Hospitality
ESG Edition
2024**

**Unlocking the
ESG Innovation Stack
in Hospitality**

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Foreword: Unlocking The ESG Innovation Stack In Hospitality

Foreword

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Synopsis

In this opening article, Chief Guest Editor Willy Legrand sets the stage for this year's edition of HYB 2024 Hospitality ESG Edition which focuses on unlocking the "ESG Innovation Stack" in hospitality, a crucial strategy in today's competitive environment. It emphasizes leveraging innovation for sustainability, adapting to socioeconomic and environmental changes, and adopting a regenerative, net-positive approach. This HYB edition discusses the challenges and opportunities in implementing sustainable innovation in the hospitality industry, which involves combining various technologies, methods, and strategies. It addresses the pressures from investors, regulators, distributors, and guests for ESG performance, data, and transparent disclosures.

HYB 2024 Hospitality ESG Edition is all about **Unlocking the ESG Innovation Stack in Hospitality**. In today's competitive environment, ESG lies at the core of business strategy. Crucial to advancing sustainability is to leverage innovation which offers vast opportunities to mitigate impacts, and adapt to changing socio-economic and environmental conditions but also to engage in a regenerative, net positive approach. The field of sustainable innovation is ripe for exploration.

Thus, the "innovation stack" refers to a collection of technologies, methods, and strategies that, when effectively combined, can revolutionize the way the hospitality industry operates. Considering the convergence of global systemic risks (see: HN World Panel on [Hotels and Global Polycrisis](#)), expanding this innovation stack can ultimately lead to more resilient, adaptive, and future-ready hospitality businesses.

ESG also translates into an immense pressure to commit to performance: investors expect ESG data, regulators require transparent ESG disclosures, distributors and guests desire trustworthy information.

However, unlocking this innovation stack requires understanding the unique challenges faced by the hospitality industry, and developing tailored solutions. The key lies not just in individual practices, but equally in the access, scalability, and application throughout the value chain.

Here is a run-down on what to expect from the *HYB 2024 Hospitality ESG Edition*:

PART 1: ROADBLOCKS TO OVERCOME

Industry [sustainability leaders](#) are asked the following question: "If there was one major roadblock you could remove towards a net positive journey in the hospitality industry, what would that be?"

The hospitality sector is highly fragmented, making a potential global commitment and consensus on ESG approaches challenging (**Brune Poirson, Accor**). Building a united front is even more complicated considering the multitude of stakeholders along the value chain with diverging interests (**Marloes Knippenberg, Kerten Hospitality**). A further roadblock is the rooted belief that individual actions do not matter where in fact grassroot movements are critical to wide-scale adoption of a net positive approach (**Iris Lam, Mandarin Oriental Hotel Group**). From a practical standpoint, a crucial

obstacle is securing appropriate funding for a positive transformation (**Arnfinn Oines, Soneva**) and accessing financial resources for renewable energy infrastructure in particular (**Jeff Smith, Six Senses**). Despite the roadblocks and challenges ahead, industry leaders are excited about the prospective journey towards a net positive future which depends significantly on innovation in sustainability, collaboration, and the courage to make necessary changes. The complete answers from industry leaders are provided in the following section of the HYB.

PART 2: FUTURE DIRECTIONS IN ESG FOR THE HOTEL INDUSTRY

In this section, *HYB 2024 Hospitality ESG Edition* gathers insights from global senior executives, analysts, consultants, and thought leaders in hospitality from all over the world to ask, "What lies ahead for the global hotel industry when it comes to ESG?".

Thirty expert articles on key sustainability trends, challenges, and opportunities that lie ahead for the global hotel industry are categorized in the following six major themes:

1. THE RISE OF NET POSITIVE MOVEMENT: CLIMATE RESILIENT & REGENERATIVE HOSPITALITY

[This section](#) covers the broad spectrum of sustainability and climate resilience in the hospitality sector, along with policy-related aspects.

'Regenerative Hospitality' is not a new sustainability standard or a replacement for it, but rather, it is a paradigm shift where hospitality businesses act as potential catalysts for a net-positive impact across entire destinations argues **Alessandro Inversini**. A Net Positive Hospitality is about giving back more than you take across the value chain through partnerships and regenerative solutions describes **Glenn Mandziuk**. In the envisioned sustainable future of 2030, the tourism industry can act as a caretaker for nature, culture, and community, measuring success by ecological well-being rather than profits explains **Holly Tuppen** supported with an existing model, The Long Run's 4C framework. Hospitality businesses should work towards becoming carbon neutral by 2050 and **Stefan Gössling** demonstrates that decarbonization is not 'too costly' and proposes a to-do list of ten measures to be adopted and implemented this year on that decarbonization path. **Natacha Raymond** describes the struggles of balancing the protection of glaciers and managing increased visitor demands and advocates for urgent implementation of strict management practices. To complete this section, **Trevor Girard** explains how utilizing climate risk modeling, and reacting proactively to these risks through measures such as those provided by Hotel Resilient, is crucial for the hospitality industry's resilience, sustainability, and competitiveness.

2. FROM STRATEGY TO REGULATION: NAVIGATING THE ESG LANDSCAPE

[This section](#) provides in-depth insights into the practical aspects of executing ESG measures in the hospitality industry, from strategy building to working in collaboration and navigating regulatory landscapes.

Ufi Ibrahim argues that upcoming mandatory ESG reporting

and disclosure will necessitate significant investments and operational changes for the entire hospitality sector, as compliance with new regulations relating to financial and sustainability risks becomes crucial for accessing capital. Beyond the shift to mandatory ESG reporting, **Xavier Font** explains the proposed EU's Green Claims Directive aims to combat and deter from further greenwashing by ensuring credible, comparable, and verifiable environmental information. **Maribel Esparcia Pérez** presents a Corporate Sustainability Reporting Directive (CSRD) Hotel Framework for the European Sustainability Reporting Standards (ESRS) with five phases to facilitate the implementation in hotel operations. Finally, **Steve Pratt** argues that developing an effective ESG strategy across a diverse global hotel portfolio requires a localization of strategies, storytelling, and the appointment of "pioneers" to spearhead relevant sustainable initiatives.

3. OPERATIONAL EFFICIENCY AND SUSTAINABILITY: HARNESSING TECHNOLOGY & EDUCATION

This section explores how technology and education can be harnessed to further the cause of sustainability in the hospitality industry.

Sustainability is complex and contextual argues **Julie Cheetham**. Data-tracking and benchmarking the sustainability journey through management tools like Weeva (based The Long Run's 4Cs sustainability framework) facilitates the transformation by validating sustainability claims using real-time data, comparing performance with competitors, and evaluating various sustainability aspects. **Adam and Larry Mogelonsky** discuss how hotels can significantly boost their financial performance through a list of twenty incremental improvements and upgrades and leveraging green bond programs to meet upfront capital expenditure for modernization, thereby creating a cumulative impact on their sustainability and profitability. Despite the existence of transformative technologies for sustainability in food systems, obstacles and resistance to change persist. **Carlos Martin-Rios** presents best practices and innovative technological solutions around food systems. **Klaas Koerten** and **Alexander Sassen** explore the integration of AI and robotics in the hospitality industry to address sustainability concerns in particular on improving the score of key performance indicators related to labour issues. Closing this section, **Tim Rogmans** presents simulation games as a vital tool in sustainable hospitality education, enabling learners, at a hotel or university, to experience the outcomes of their decisions in different scenarios, thereby encouraging the wide acceptance of online facilitated training amid intensifying sustainability challenges. An example of such simulation is the Net Positive Hospitality Simulation by the Sustainable Hospitality Alliance.

4. THE BUILT ENVIRONMENT: MOBILE AND MODULAR ARCHITECTURE & CARBON CONSCIOUS PRACTICES

This section focuses on the built environment, covering aspects from sustainable development and design to the importance of reducing a building's carbon footprint.

Mobile and modular architecture is becoming a sustainable approach in hospitality that offers flexibility and reduces environmental impact, especially with the use of sustainable materials and efficient infrastructure for balance between guest comfort and sustainability explains **Graeme Labe**.

The hospitality industry can also tap into its potential to reduce embodied carbon through informed design and purchasing decisions, with solutions like MindClick's data-driven tools that track carbon emissions at the product level, with multiple benefits including improved asset valuation presents **JoAnna Abrams**. Presenting the case of the development and operation of whole life net zero room2 Homotel, **Angeliki Krania** showcases the achievements in reduction of Scope 1 and 2 emissions, the tracking and minimization of Scope 3 emissions and the hotel's journey to net zero operational carbon and net zero embodied carbon.

5. VALIDATING SUSTAINABILITY: ASSURANCE, CERTIFICATION AND AWARDS

This section discusses how credibility can be enhanced through certification, how marketing can tap into sustainability trends, and the realities of consumer attitudes towards sustainability.

Randy Duban argues that the hospitality sector tends to apply the term "certification" too casually. Certification should denote processes done by impartial auditors who objectively analyze businesses' practices, separating it from consultants' roles in preparing businesses for certification. This is particularly relevant due to emerging regulations like the EU Green Claims Directive and the EU Corporate Sustainability Due Diligence Directive (CSDDD). Ecolabels are used to promote a hotel's sustainability credentials, but so do awards. **Chelsea Wong** presents the 2023 HICAP Sustainable Hotel Awards recognizing four Asia Pacific hotels for excellence in sustainability practices, awarding The Tamara Kodai for adaptive reuse, Soneva Fushi for climate action, Cempedak Island for community impact, and Six Senses Vana for sustainable design.

6. SHAPING ESG PRACTICES: COLLABORATION FOR A BETTER FUTURE

This section specifically addresses how collaboration and alignment in supply chain management, along with incorporation of sustainable practices within corporate frameworks can contribute to global sustainability goals.

Brune Poirson explains how Accor is transitioning from a silo-based to a systemic governance model that prioritizes stakeholder collaboration, alliances like the Sustainable Hospitality Alliance and the HARP alliance (Hospitality Alliance for Responsible Procurement), creating a shift from competition to coalition in pursuing a responsible and sustainable hospitality model. **Catherine Dolton** explains that decarbonization of the hospitality sector requires a strategic and collaborative approach, integrating sustainable business models but further discusses the importance of government support to provide clarity, support, and incentives for businesses to transform sustainable practices to being the norm. **Megan Epler Wood** discusses how the hotel industry is increasingly recognizing the financial benefits of sustainability. However, achieving net-zero operations translates into significant upfront costs and robust financing. Hotels can address critical sustainability issues and gain economies of scale by partnering with Smart Cities for data-driven progress through the development and financing of sustainable infrastructure based on mutually beneficial rates of return. Cross-sector collaboration is critical.

A complete understanding of the road to sustainability involves acknowledging the ESG challenges and the role of individual and collective actions in overcoming those. Together, as demonstrated in the *HYB 2024 Hospitality ESG Edition*, it is possible to create a blueprint for unlocking ESG innovation within the hospitality sector, marking an era that redefines conventional hospitality business management. Only then can the hospitality industry lead positive business transformation, and truly unlock its sustainability potential.

Willy Legrand, Chief Guest Editor
Henri Roelings, HYB Publisher



Willy Legrand — Professor at IU International University of Applied Sciences Germany

Dr. Willy Legrand is Professor at the IU International University of Applied Sciences in Germany with a specialization in sustainable hospitality development and management. He is the lead author of *Sustainability in the Hospitality Industry: Principles of Sustainable Operations* (4th ed, 2022) and of *Critical Questions in Sustainability and Hospitality* (2023). Prof Legrand chairs the Hospitality Net World Panel on Sustainability in Hospitality with the aim is to get sustainability anchored more than ever into the business conversation and decision-making. Finally Prof. Legrand is also the co-editor of the *Journal of Global Responsibility*.

Henri Roelings — Founder & CEO, Hospitality Net

Henri Roelings is Founder & CEO at Netherlands-based Hospitality Net. Recognized as a thought leader in global hospitality, Henri has pioneered online B2B publishing in the hospitality industry since 1994, launching brands such as Hospitality Net, WIWIH, PineappleSearch and the HOTEL Yearbook. Henri is an advisory board member of the International Hotel & Restaurant Association (IH&RA), a member of HFTP's International Hospitality Technology Hall of Fame, and received HSMAI's "Top 25 Most Extraordinary Minds in Sales and Marketing" honor back in 2014. Henri graduated from Ecole Hoteliere de Lausanne in 1987.

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