Pathway to Net Positive Hospitality v2.0

Overview

Putting more back into society, the environment, and the global economy than we **take out**

Sustainable Hospitality Alliance

NetPositiveHospitality

Our vision is a prosperous and responsible hospitality sector that gives back to the destination more than it takes.

In 2022 we launched the P*athway to Net Positive Hospitality for the Planet* to guide the industry towards having a lasting positive environmental impact. But we know you cannot be genuinely net positive by focusing on the environment alone. We can achieve true prosperity and opportunity only when our ecosystems, communities and destinations all thrive.

This *Pathway to Net Positive Hospitality v2.0* provides a practical roadmap for acceleration towards a sustainable and contributory future that will harness the power of the four pillars of people, planet, place and prosperity combined with the transformative power, innovation, and resources of the industry.

The Pathway:

• defines Net Positive Hospitality and demonstrates how people, planet, place and prosperity are interrelated

• outlines the material topics for the industry

• lays out the ambitions that the industry should look to achieve on its journey towards net positive hospitality

• aligns with various leading frameworks and standards, including the World Travel and Tourism Council Hotel Sustainability Basics, Glasgow Declaration for Climate Action in Tourism, Global Business Travel Association RFP template, Global Sustainable Tourism Council Criteria, Travalyst Accommodation Criteria, and United Nations Sustainable Development Goals.

As the destinations we operate in are wonderfully diverse, with different needs and practicalities, this framework of ambitions provides the industry with the ability to take on the sustainability challenges which are most relevant to the people and ecosystems which they interact with (both directly and indirectly) and focus their efforts where they can have the biggest, achievable positive impacts.

The Pathway has been developed in close collaboration with the industry and sustainability experts, and we are grateful to everyone who has contributed. It will continue to evolve as understanding of what it means to be Net Positive advances. In future releases, we will include detailed guidance to support every hotel (regardless of ownership structure, size and location) to work towards these ambitions. Further, to help measure progress towards Net Positive, this additional guidance will include content on regionality, financing and a KPI measurement framework aligned with ESG reporting requirements.

No hotel can achieve these ambitions alone, but by collaborating with our local communities and partners on a broader level, the potential positive impact of hospitality is enormous. The time to take action is now, and we invite every hotel to join us on the Pathway and help make Net Positive Hospitality a reality.
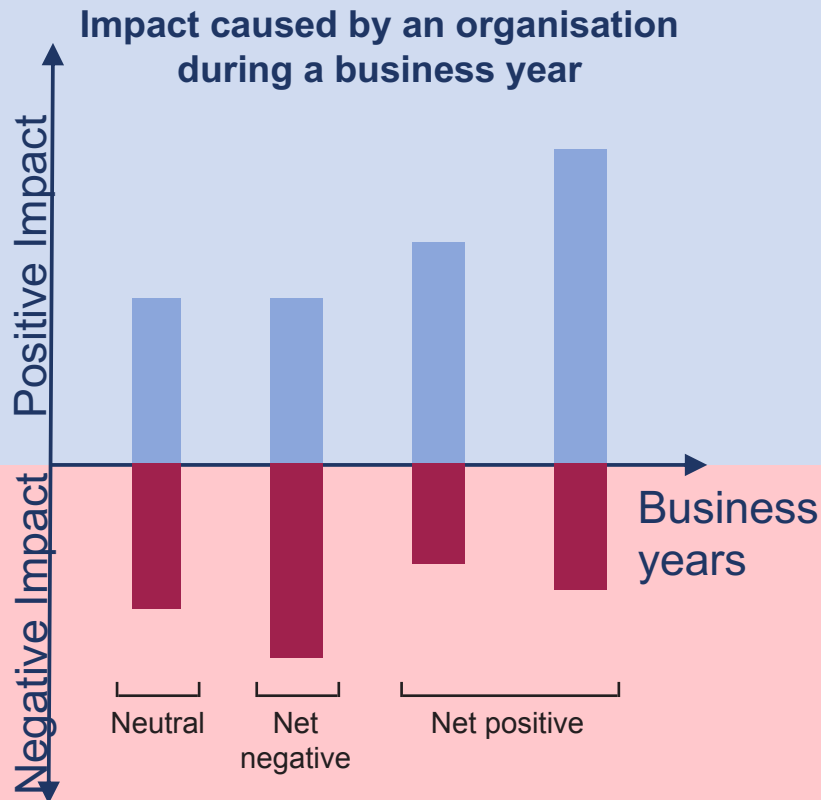
Glenn Mandziuk
CEO, Sustainable Hospitality Alliance

Understanding the relationship between our footprints and our handprints

Impact caused by an organisation during a business year

Positive Impact

Negative Impact

Business years

Neutral | Net negative | Net positive

Handprints and static contributions

Additional positive impacts (outside & on top of business as usual)

+

Current existing positive impacts related to business as usual (relative to their less sustainable alternatives)

—

Footprints

Negative impacts directly or indirectly related to operational activities (business as usual)

Not all footprints can be compensated

Everyone will leave a footprint. Net Positive is about understanding the relationship between our footprints (negative impacts) and handprints (positive contributions) to ensure we have a lasting positive effect. Not all footprints can be compensated – particularly when we assess our social impacts (e.g. child labour within the supply chain). In these circumstances, the footprint must be eliminated, and the handprint used as a positive action to actively prevent the causes of the negative impacts. This way, we all contribute towards ensuring that our communities and destinations are thriving and healthy.

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Inspired by the Net Positive Project

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Embracing the 4Ps

Net Positive Hospitality brings together **people**, **planet**, **place** and **prosperity** to create a better and more sustainable future for all.

Prosperity
Ensuring economic successes and opportunities benefit all

Planet
Replenishing resources and restoring biodiversity for a thriving natural world

Place
Working in harmony with our communities and ecosystems
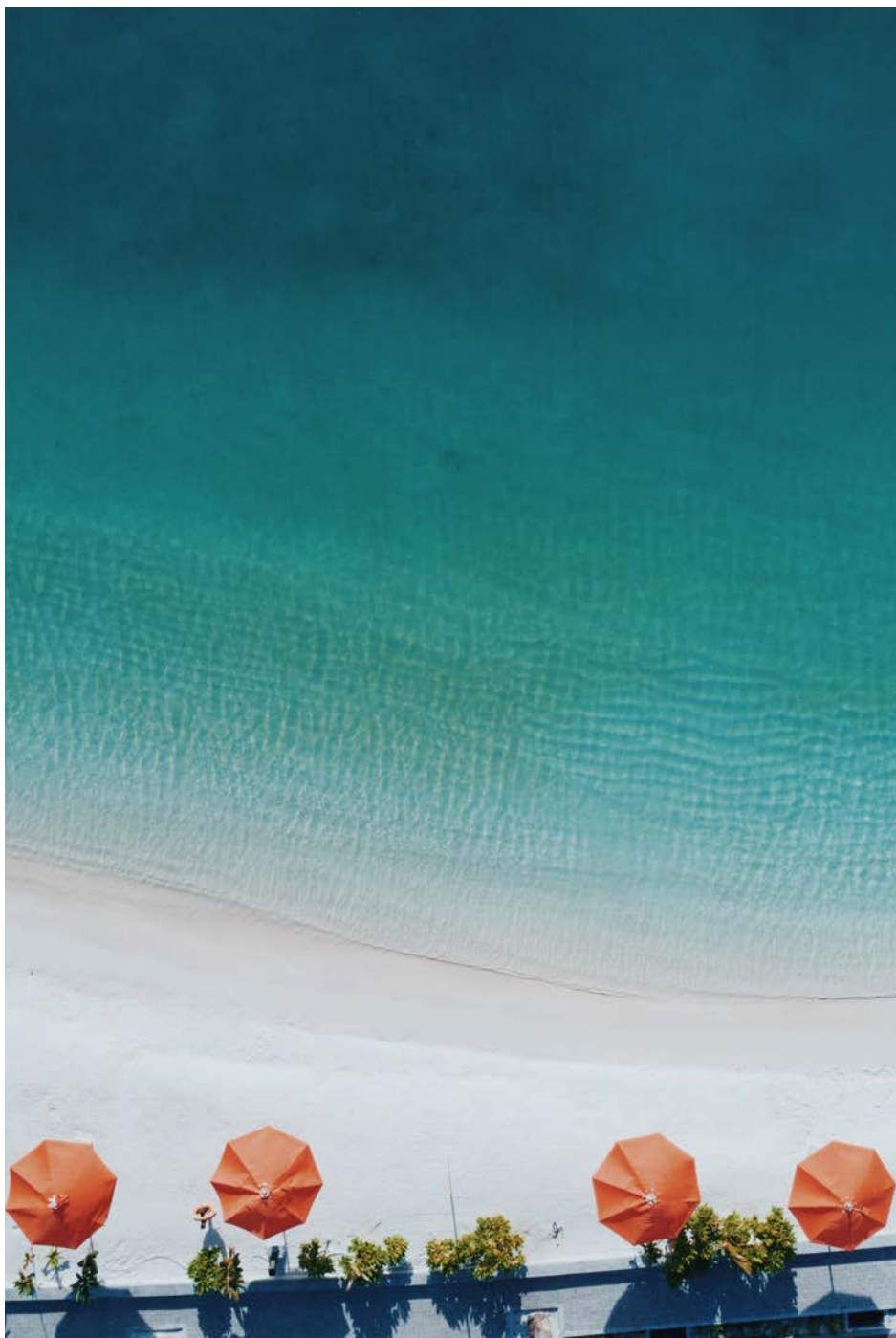
People
Respecting and enriching the lives of all our people

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Taking a holistic approach

To be truly Net Positive you must consider and take appropriate action across people, planet, place and prosperity. No one area should be focused on in isolation.

Individual projects will have different impacts across the 4Ps and can open up new opportunities so that a positive impact can be enabled across all areas. For example, removing certain fish from menus to protect endangered species could negatively impact the livelihoods of local fishing communities unless they are able to diversify. There is an opportunity in this case to support the local community, through upskilling or reskilling, to enhance economic opportunities.

It is important not to become paralysed by perceived complexity and understand that it's about **getting started** on the journey, **taking meaningful action** and **learning your way** as you go.

Many actions can also have a positive impact across more than one aspect of sustainability. For example, purchasing produce from a local organic farm reduces carbon emissions from the transport of the produce, helps protect biodiversity by cutting the use of chemicals, and helps strengthen a local business, creates opportunity for just transition, as well as creating local jobs.

No one area should be focused on in isolation

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How to prioritise action

When creating strategies, hotels should start by investigating all available solutions and initiatives and create a long-term plan to prioritise implementation.

Scale of impact

This plan should consider where you will see the highest environmental and/or social impact within your communities and destinations, alongside financial and non-financial returns for the investment. Financial and non-financial returns include:[*]

- reducing utility costs
- increasing revenues
- enhancing asset value
- increasing brand appeal to customers, employees and shareholders
- future-proofing investment returns

- safeguarding against regulatory risk
- helping ensure long-term access to resources and energy supplies
- improving talent acquisition and retention
- strengthening local supply chains

Relevance, location and practicality

Companies should also take into account their business models and locations to prioritise what's most relevant and practicable for your circumstances.

In most instances, this will lead to first focusing on where you have direct control (your own operations), expanding to where you have accountability (outsourced operations) and then to where you have direct influence (full supply chain) before taking a whole value chain approach. This may not always be the case – particularly across different ESG issues – and companies should determine the most relevant path for each issue and your particular circumstances.

Timelines

Hotels should use widely accepted guidance, such as the Sustainable Development Goals and IPCC (Intergovernmental Panel on Climate Change) guidance, to inform timelines and progress as quickly as you reasonably can.

Direct operations
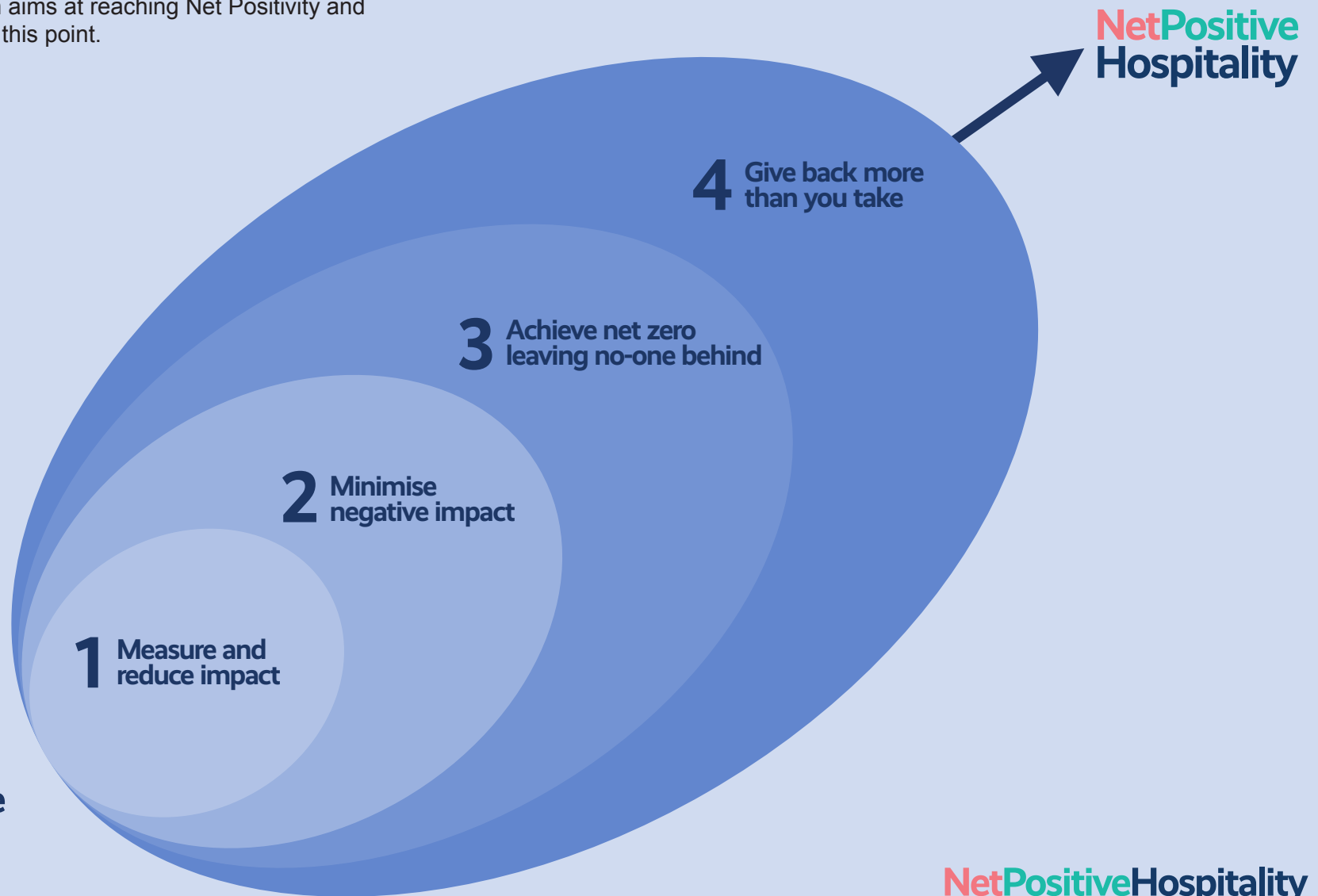
Outsourced operations

Supply chain

Whole value chain and wider systems
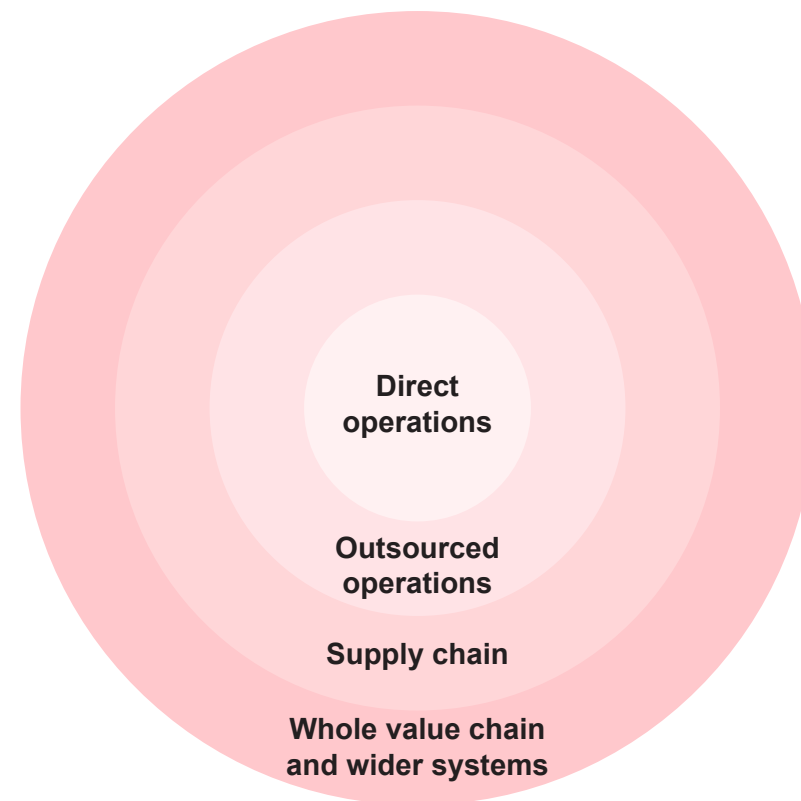
Hotels should consider the most relevant path for each issue and their circumstances

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Introducing the Pathway

To achieve our vision of a **prosperous and responsible hospitality sector that gives back to the destination more than it takes**, we have created the *Pathway to Net Positive Hospitality*

The Pathway can be seen as a journey that includes four stages based on sustainability maturity which aims at reaching Net Positivity and improving even further beyond this point.

A practical strategic framework, which enables every hotel to make Net Positive Hospitality a reality, no matter their starting point.

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4 Give back more than you take

3 Achieve net zero leaving no-one behind

2 Minimise negative impact

1 Measure and reduce impact

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Encompassing core topics

Environmental

Resource use and pollution

- Water
- Materials use
- Waste
- GHG emissions and energy

Protection and regeneration of nature

- Ecosystems and biodiversity

Social

Fairness in the workplace

- Human rights
- Labour practices

Equitable and better opportunities

- Equity, diversity, inclusion
- Employee engagement

Community partnerships and support

- Community participation
- Local sourcing and SMEs

Customer welfare

- Customer welfare

Governance

Net Positive governance

- Stakeholder engagement
- Management and compliance
- Commitments and reporting

People   Planet   Place   Prosperity

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Please visit www.sustainablehospitalityalliance.org/Pathway for further information and resources.

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Aligning the industry

The Pathway to Net Positive Hospitality aligns with the major industry standards, ratings and frameworks* to lead towards the harmonisation of global metrics. This includes:

Industry frameworks

- WTTC Hotel Sustainability Basics
- Glasgow Declaration for Climate Action in Tourism
- Global Business Travel Association RFP template
- Global Tourism Plastics Initiative (GTPI)
- Travalyst Accommodation Framework

Reporting

- Corporate Sustainability Reporting Directive (CSRD)
- European Sustainability Reporting Standards
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- Taskforce on Climate-related Financial Disclosure

Certifications

- GSTC Industry criteria
- Green Globe Standards
- Green Key Global

Global sustainability principles and standards

- ILO Labour Standards
- Net Positive Principles
- Sustainable Development Goals (SDGs)
- Sustainable Markets Initiative Terra Carta
- UN Global Compact
- UNWTO Ethics in Tourism
- WBA Social Transformation framework

The Sustainable Hospitality Alliance would like to thank all those who offered their advice and expertise during the development of the Pathway.

Thanks to our member companies, Board and Councils who provided critical feedback to ensure this would be most relevant and useful to the industry.

We are grateful to several other organisations and experts for their input, support and peer review:

Next steps

The Pathway to Net Positive Hospitality will continue to evolve over time and we will continue to develop resources to support the industry including:

- Guidance including a map of additional tools and resources available to support on the journey to support every hotel to progress along the Pathway.
- KPIs, correlating to the framework and aligned with ESG reporting requirements, to support measurement of progress towards Net Positive.

Stage 1: Measure and reduce impact

Includes implementation of WTTC Hotel Sustainability Basics

1. Take ownership

Internal owner(s) identified, senior leadership onboarded and awareness raised among internal stakeholders.

4. Set targets

Targets set and shared internally.

6. Scope impact

Direct impacts addressed.

7. Monitor and report

Progress documented and communicated internally

2. Understand impact

Material issues identified, impacts assessed, baselines created and benchmarked.

Scope

Direct operations

3. Engage stakeholders

Key external stakeholders identified (community, partners, suppliers and customers).

5. Take action

Possible solutions and initiatives investigated, a long term plan created and immediate initiatives including Hotel Sustainability Basics, implemented.

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Take stock   Set objectives   Make plans and take action   Review and report   10

Stage 2: Minimise negative impact

1. Take ownership

Owners across key organisational teams identified and internal stakeholders trained on sustainability issues.

2. Understand impact

Material issues across outsourced suppliers identified, impacts assessed and benchmarked.

3. Engage stakeholders

Key external stakeholders engaged with (community, partners, destination groups, suppliers and customers).

4. Set targets

Targets strengthened, starting to incorporate positive outcomes (not just reduction of negatives), and shared externally.

5. Take action

New solutions and initiatives investigated and strategic ones for all material issues implemented.

6. Scope impact

Outsourced supply impacts addressed alongside direct impacts.

7. Monitor and report

Progress documented and communicated externally.

Scope

Direct operations

Outsourced operations

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Stage 3: Achieve net zero leaving no-one behind

1. Take ownership

Owners across all organisational teams enabled to be innovative.

2. Understand impact

Supply chain impacts assessed and benchmarked.

3. Engage stakeholders

Key community / destination stakeholders actively engaged and supply chain partners and key stakeholders collaborated with to implement joint projects.

4. Set targets

Targets strengthened to remove negative impacts, contribute to global sustainability efforts and focus on creating positive impacts and shared externally.

5. Take action

New solutions and initiatives investigated and innovative ones implemented.

6. Scope impact

Whole supply chain impacts addressed alongside direct impacts and those of outsourced suppliers.

7. Monitor and report

Progress documented, independently audited and communicated externally.

Scope

Direct operations
Outsourced operations
Supply chain

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Take stock   Set objectives   Make plans and take action   Review and report   12

Stage 4: Give back more than you take

1. Take ownership

Sustainability strategy is embedded across the business and incorporated directly in the strategy.

2. Understand impact

Whole value chain impacts assessed and benchmarked.

3. Engage stakeholders

Supply chain partners, community and key stakeholders partnered with to drive, collaborate and advocate for positive change beyond the direct value chain.

4. Set targets

Targets strengthened to focus entirely on the creation of positive impacts.

5. Take action

New solutions and initiatives investigated, regenerative solutions and innovative initiatives implemented.

6. Scope impact

Whole life cycle impacts (cradle to grave) and long-term impact on people across the entire value chain addressed and wider systems influenced.

7. Monitor and report

Progress documented, independently audited and communicated externally including through voluntary ratings.

Please visit www.sustainablehospitalityalliance.org/Pathway for further information and resources

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Scope

| Direct operations |
| Outsourced operations |
| Supply chain |
| Whole value chain and wider systems |

Take stock   **Set objectives**   **Make plans and take action**   **Review and report**   13