

2024

The Hotel Yearbook
**Hospitality
ESG Edition
2024**

**Unlocking the
ESG Innovation Stack
in Hospitality**

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Roadblocks to Overcome - C-Level Executives Share Their Opinion

Aiming for Net Positive

Willy Legrand

Professor at IU International University of Applied Sciences Germany

There is an increased expectation across a multitude of stakeholders that hospitality businesses should aim to contribute more to society, environment, and economy than they take out. This implies that the status quo, which is largely set on decarbonization of the sector, is not enough considering both the scale and scope of planetary challenges. The focus moving forward is on **restoring, replenishing, revitalizing, and enhancing** the social, economic and environmental surroundings.

As part of our ongoing initiative to drive forward a net positive journey in the hospitality industry, I am seeking expert perspectives on areas of improvement from Net Zero to Net Positive. Expertise from C-Level Executives can help identify hurdles and determine the steps to be taken. I am therefore asking 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?"**

I am grateful to the following experts for taking the time as your input is invaluable for this sector to be leading the net positive business transformation.

BRUNE POIRSON, ACCOR

Brune Poirson, Chief Sustainability Officer at Accor brings it back to the fragmentation of our industry:

"The hospitality industry is very fragmented. It is therefore difficult to set up collaborations that would help create a movement in favor of sustainability that would span across the industry and create a level playing field."

"Unlike the T&T sector, some industries or sectors of the economy are dominated by a handful of players. Such players can decide together to tackle a global challenge and join forces to have positive impact on the environment or society. In the hospitality industry it is much more difficult because almost every hotel is a business on its own. Creating a global or even a regional alignment of priorities in favor of sustainability is very challenging. It prevents the emergence of a consensus in favor of the environment or society."

ARNFINN OINES, SONEVA

Arnfinn Oines, Social Environmental Conscience at Soneva thinks finance is the roadblock:

"In unlocking the potential for a Net Positive Hospitality journey, overcoming a key obstacle is crucial. The primary roadblock lies in securing adequate funding and access to financial resources. Soneva fervently champions this cause by spearheading investments in renewable energy and transformative biodiversity initiatives, encompassing projects like forest, mangrove, and coral restoration. Soneva's dedication exemplifies that where determination exists, solutions can be forged. With the removal of financial barriers, the path to a Net Positive Hospitality future becomes not only conceivable but also achievable."

IRIS LAM, MANDARIN ORIENTAL

According to Iris Lam, Mandarin Oriental's Director of Sustainability, our people are key!

"Our net positive pathway is impeded by the limiting belief that individual actions are inconsequential to the larger scale. Frequently we underestimate the profound effect of internal behavioural shifts as the initial stride towards transformation. The desire to "do the right thing" should, as aspirational as it may sound, resonate within each of us and be present in our day-to-day lives. Every conscious decision, no matter how seemingly small, gradually adds up to have a significant impact on the collective."

"Achieving net positive in our organizations is based on the conviction that "doing the right thing" is a fundamental value that permeates key decisions, but the heart and soul of this movement unquestionably originate at the grassroots level. We must therefore continuously invest in the learning and development of our people to inspire critical thinking, ownership, and decision-making that impactfully addresses negative externalities. Additionally, establishing accountability mechanisms, setting clear goals, and implementing effective measures of success are integral components in fostering a culture of responsibility. Through an informed and engaged organization, we can have the "real talk" that leads to necessary changes in our policies and procedures, which in turn benefit our communities and the environment."

MARLOES KNIPPENBERG, KERTEN HOSPITALITY

Kerten Hospitality CEO, Marloes Knippenberg talks about a missing unified front:

"The One Major Roadblock I think is the lack of a unified front within the hospitality industry between all stakeholders. There is a lot of factors that can be summed up under this major roadblock that in many instances is delaying the fulfillment of a net positive industry. A lack of unified understanding, roadmaps, standards, and ease of processes when it comes to implementing any sustainability procedures. Every player within the industry is operating under their internal standards and specific sustainability priorities and having to adjust to varying local regulations and acceptances towards sustainable changes. Depending on the geographical location, type of hospitality business, local regulations, type of building (existing, historical, or new build), the standards are everchanging and it creates different levels, and restrictions of the net positive journey. For example, many sustainability initiatives come with high investments which the positives to the environment, communities and business model is not effectively communicated to all stakeholders."

"Due to this, a lot of initiatives may not be accepted because of high costs, and a corresponding lack of understanding on

the all-around benefits for all stakeholders. We must learn as an industry to effectively communicate all stakeholders' interests to create that unity, in advancing to a net positive industry. The only way net positive can accelerate is with all stakeholders uniting together. That is the meaning behind our UBBU strategy at Kerten Hospitality. United. Building a Better Universe. There is a small change we all must make to ensure a net positive hospitality industry. We need a global understanding and acceptance of what becoming net positive would look like for the hospitality industry."

JEFF SMITH, SIX SENSES

Six Senses Vice President Sustainability [Jeffery Smith](#), also sees financing as a roadblock.

My 1 thing: financing for renewable energy infrastructure. Six Senses has a robust development pipeline and as the operator (not the developer) it's a difficult request to make. And not typically planned within the hotel development cost. Can you believe it? - there are hotels still being built today with no renewable energy strategy. Some developers are still planning diesel generators as the primary energy supply at resorts. A global fund to provide financing for renewable energy for hotels could make a huge difference. Operators (like us) could then commit to ongoing utility payments for an ROI into that fund. For example, using Power Purchase Agreements.



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*.